360° MINING

NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR

ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON
TUESDAY, JUNE 29, 2021

Aura Minerals Inc.
Craigmuir Chambers
PO Box 71
Road Town, Tortola
VG1110
British Virgin Islands

MAY 18, 2021

This Management Information Circular and the accompanying materials require your immediate attention. If you are in doubt as to how to deal with these documents or the matters to which they refer, please consult a professional advisor.

AURA MINERALS INC.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders (the "**Meeting**") of Aura Minerals Inc. (the "**Company**") will be held online on June 29, 2021, at 10:00 a.m. (EDT), for the following purposes:

(a) to receive and consider the audited consolidated financial statements of the Company for the year ended December 31, 2020 and the report of the auditors thereon (the "**2020 Financial Statements**");

(b) to elect the Board of Directors of the Company (the "**Board**") for the ensuing year;

(c) to appoint PricewaterhouseCoopers LLP, Chartered Accountants, and PricewaterhouseCoopers Auditores Independentes as the auditors of the Company for the ensuing year and to authorize the Board to fix their remuneration; and

(d) to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Accompanying this Notice is the Management Information Circular in respect of the Meeting, which includes, among other things, the full text of the above resolutions and detailed information relating to the matters to be addressed at the Meeting.

Out of an abundance of caution and to proactively deal with the impact of the Covid-19 pandemic, and to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, we will hold the Meeting in a virtual only format which will be conducted via live audio webcast available online using https://virtual-meetings.tsxtrust.com/1130. At this website, registered shareholders and duly appointed proxyholders will be able to participate in the Meeting, submit questions and vote their shares while the Meeting is being held. We hope that hosting a virtual meeting helps enable greater participation by our shareholders by allowing shareholders that might not otherwise be able to travel to a physical meeting to attend online, while minimizing the health risk that are associated with large gatherings.

In connection with the Meeting, the Company has elected to use the Canadian Securities Administrators' "notice-and-access" delivery model, which allows the Company to furnish the Management Information Circular, the accompanying proxy-related materials, the 2020 Financial Statements and associated management's discussion and analysis (collectively, the "**Meeting Materials**") to shareholders over the internet, resulting in lower costs and a reduction in the environmental impact of the Meeting. Under notice-and-access, shareholders will continue to receive a proxy or voting instruction form enabling them to vote at the Meeting; however, instead of a paper copy of the Meeting Materials, including the Management Information Circular, shareholders will receive a notice with information on how they may access the Meeting Materials, including the Management Information Circular, electronically. On or about May 28, 2021, the Company intends to mail shareholders of record as of May 12, 2021, a notice with information about the notice-and-access process and voting instructions, as well as a proxy or voting instruction form containing instructions on how to access the Meeting Materials. **Shareholders are reminded to review the circular prior to voting**. Shareholders with questions about notice-and-access can call TSX Trust Company toll free at 1-866-600-5869 or by email at tmxeinvestorservices@tmx.com. The Meeting Materials can be viewed online at the following internet address: https://docs.tsxtrust.com/2240 or under the Company's SEDAR profile at www.sedar.com, and also at https://ir.auraminerals.com/assembleia/?lang=pt-br, https://ir.auraminerals.com/assembleia/ and https://www.gov.br/cvm/pt-br. Please note that if you request a paper copy of the Management Information Circular, you will not receive a new form of proxy or voting instruction form, so you should retain these forms sent to you in order to vote.

The Meeting will be conducted via live audio webcast. Registered shareholders and duly appointed proxyholders will be permitted to attend the Meeting, ask questions and vote, all in real time, provided they are connected to the internet and have logged in at:

URL: https://virtual-meetings.tsxtrust.com/1130
Password: aura2021 (case sensitive)

Registered shareholders and duly appointed proxyholders have to be connected to the internet at all times to be able to vote. It is the responsibility of the registered shareholders and duly appointed proxyholders to stay connected for the entire Meeting. See the Management Information Circular accompanying this Notice for important additional information with respect to the virtual format of the Meeting.

Registered Shareholders: Every registered shareholder of shares at the close of business on May 12, 2021 is entitled to receive notice of and to attend the Meeting virtually and vote such shares at the Meeting. Registered shareholders who are unable to attend the Meeting virtually and who wish to ensure that their shares will be voted at the Meeting are requested to complete, sign and deliver the enclosed form of proxy c/o Proxy Dept., TSX Trust Company, at 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1. In order to be valid and acted upon at the Meeting, forms of proxy must be returned to the aforesaid address not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournments thereof. Further instructions with respect to voting by proxy are provided in the form of proxy and in the Management Information Circular accompanying this Notice.

Non-Registered Shareholders: Shareholders may beneficially own shares that are registered in the name of a broker, another intermediary or an agent of that broker or intermediary ("**Non-Registered Shareholders**"). Without specific instructions, intermediaries are prohibited from voting shares for their clients. If you are a Non-Registered Shareholder, it is vital that the voting instruction form provided to you by your broker, intermediary or its agent is returned according to their instructions, sufficiently in advance of the deadline specified by the broker, intermediary or agent, to ensure that they are able to provide voting instructions on your behalf.

Holders of Brazilian Depositary Receipts ("BDRs"): The duly registered beneficial owners of the Company's BDRs duly registered in the books of Banco Bradesco S.A. ("**Banco Bradesco**") at the close of trading at B3 on May 12, 2021, will have the right to instruct the depositary institution, Banco Bradesco with respect to the votes attaching to the shares underlying their BDRs. To exercise such voting rights, a holder of BDRs must deliver a completed instrução de voto signed by, if applicable, a duly qualified representative of the BDR holder, together with a copy of the documents evidencing such capacity (such as a power of attorney, minutes of the meeting, bylaws, etc.), with a notarized signature, accompanied by a copy of the Central Depositary - B3 extract with the position registered on the record date.

Holders of BDRs must deliver their duly executed instrução de voto together with necessary supporting documentation to Banco Bradesco no later than June 21, 2021, at 4:00 p.m. (Brasília time). Holders of BDRs may deliver their duly executed instrução de voto together with necessary supporting documentation to Banco Bradesco by mail to Banco Bradesco S.A., at Núcleo Cidade de Deus, VilaYara, s/nº, Osasco, Estado de São Paulo, Brazil – C/O Departamento de Ações e Custódia - DAC (Custody and Registrar Dept) Operações Internacionais – Fundos Offshore e DRs. Portugese translations of the Meeting Materials are also available to holders of BDRs at https://ir.auraminerals.com/assembleia/?lang=pt-br, https://ir.auraminerals.com/assembleia/ and https://www.gov.br/cvm/pt-br.

For inquiries concerning the delivery of documents by holders of BDRs to Banco Bradesco, please contact Banco Bradesco at dac.escrituracao@bradesco.com.br.

DATED MAY 18, 2021.

BY ORDER OF THE BOARD

AURA MINERALS INC.

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Rodrigo Barbosa
President & CEO

AURA MINERALS INC.
(the "Company")

MANAGEMENT INFORMATION CIRCULAR

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DATE OF INFORMATION

Unless otherwise stated, the information contained in this management information circular (this "**Information Circular**") is as of May 18, 2021.

GENERAL INFORMATION

The Company has elected to utilize the Canadian Securities Administrators' "notice-and-access" delivery model for distribution of this Information Circular (along with the audited consolidated financial statements of the Company for the financial year ended December 31, 2020, and the report of the auditors thereon, as well as the associated management's discussion and analysis) to registered shareholders and Non-Registered Shareholders (as defined below). Notice-and-access is a set of rules that allows issuers to post electronic versions of proxy-related materials (such as proxy circulars) online, via the SEDAR website at www.sedar.com and one other website, rather than mailing paper copies of such materials to shareholders.

Notice-and-access directly benefits the Company through a substantial reduction in both postage and printing costs and also promotes environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials.

It is anticipated that a notice with information about the notice-and-access process and voting instructions as well as a proxy or voting instruction form (collectively, the "**Meeting Materials**") will be distributed to shareholders on or about May 28, 2021. Registered shareholders and Non-Registered Shareholders with questions about notice-and-access can call the Company's transfer agent, TSX Trust Company toll free at 1-866-600-5869 or by email at tmxeinvestorservices@tmx.com.

Registered shareholders and Non-Registered Shareholders may obtain paper copies of the Meeting Materials by postal delivery at no cost to them. Requests may be made up to one year from the date the Information Circular was filed on www.sedar.com by contacting TSX Trust Company toll free at 1-866-600-5869 or via e-mail to tmxeinvestorservices@tmx.com. In order to receive the Information Circular in sufficient time to allow for review and return of the proxy by no later than 10:00 a.m. (EDT) on June 25, 2021, a request for paper copies should be sent so that it is received by TSX Trust Company no later than the end of business on June 18, 2021 (i.e., at least seven business days in advance of the proxy deposit deadline).

FINANCIAL INFORMATION

This Information Circular contains references to both United States dollars and Canadian dollars. Unless otherwise stated, references herein to "$" are to the United States dollar. References to "C$" are to the Canadian dollar. For Canadian dollars to U.S. dollars, the average exchange rate and the year-end spot rate for 2020 was one U.S. dollar per 0.7461 Canadian dollar and one U.S. dollar per 0.7268 Canadian dollar, respectively.

-+*. Fluctuation in the exchange rate may affect year-over-year comparability.

NON-IFRS MEASURES

This Information Circular makes references to certain financial measures that do not have standardized meanings prescribed by International Financial Reporting Standards ("**IFRS**"), including earnings before interest, tax, depreciation and amortization ("**EBITDA**"). Such measures therefore may not be comparable to similar measures presented by other issuers and should not be construed as an alternative to other financial measures determined in accordance with IFRS. EBITDA is further defined and discussed in the Company's management's discussion and analysis for the year ended December 31, 2020 (the "**2020 MD&A**"), under the heading "Non-GAAP Reporting Performance Measures", which is available under the Company's profile at www.sedar.com.

REGISTERED SHAREHOLDERS – HOW TO VOTE AT VIRTUAL MEETING

Every registered shareholder of Shares (as defined below) at the close of business on May 12, 2021, is entitled to receive notice of and to attend the Meeting virtually and vote such shares at the Meeting.

If a registered shareholder or a duly appointed proxyholder intends to vote at the Meeting, the following steps must be taken:

1. Log in at https://virtual-meetings.tsxtrust.com//1130 at least 15 minutes before the meeting starts.
2. Click on "I have a control number".
3. Enter your 12-digit control number (on your proxy form).
4. Enter the password: aura2021 (case sensitive).
5. When the ballot is opened, click on the "Voting" icon. To vote, simply select your voting direction from the options shown on screen and click "Submit". A confirmation message will appear to show your vote has been received.

Registered shareholders and duly appointed proxyholders have to be connected to the internet at all times to be able to vote. It is the responsibility of the registered shareholders and duly appointed proxyholders to stay connected for the entire Meeting.

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the annual general meeting (the "**Meeting**") of shareholders of the Company (and any adjournment thereof) to be held at 10:00 a.m. (EDT) on June 29, 2021, virtually and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the regular employees of the Company at nominal cost. All costs of solicitation by management will be borne by the Company.

APPOINTMENT OF PROXYHOLDER

The individuals named as proxyholder in the accompanying form of proxy are the Chief Executive Officer and the Chief Financial Officer, respectively, of the Company (collectively, "**Management's Nominees**"). **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT THE SHAREHOLDER AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STRIKING OUT THE NAMES OF MANAGEMENT'S NOMINEES NAMED IN THE ACCOMPANYING FORM OF PROXY AND INSERTING THE DESIRED PERSON'S OR COMPANY'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. A proxy will not be valid unless the completed form of proxy is received by the Company's transfer agent, TSX Trust Company, at 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1 no later than 10:00 a.m. (EDT) on June 25, 2021, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned Meeting. Proxies delivered after that time will not be accepted.**

The appointed proxyholder will need to contact TSX Trust Company at tsxtrustproxyvoting@tmx.com to request a control number to be represented or voted at the Meeting. It is the responsibility of the shareholder to advise their proxy to contact TSX Trust Company to request a control number. Without the control number, proxyholders will not be able to participate at the Meeting.

REVOCATION OF PROXIES

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his attorney duly authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the registered and records office of the Company, at Craigmuir Chambers, PO Box 71, Road Town, Tortola VG1 110, British Virgin Islands (Attention: Corporate Secretary) at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the Chairman of the Meeting on the day of the meeting or, if adjourned, any reconvening thereof, or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

INFORMATION FOR NON-REGISTERED SHAREHOLDERS

Only registered shareholders of the Company or the persons they appoint as their proxies are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders ("**Non-Registered Shareholders**") because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Company will have distributed copies of the Meeting Materials to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

The Company will assume the fees and costs of Intermediaries for their services in delivering the meeting materials to objecting beneficial owners in accordance with NI 54-101. Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders and are being sent to holders of BDRs by Banco Bradesco, as described below under the heading "*Information For Holders Of Brazilian Depositary Receipts*", unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

(i) be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "voting instruction form") which the Intermediary must follow. Typically, the voting instruction form will consist of a one-page pre-printed form. Sometimes, instead of the one-page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or

(ii) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with the Company, c/o TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Shares of the Company they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting (or have another person vote on behalf of the Non-Registered

Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert the Non-Registered Shareholder or such other person's name in the blank space provided, and follow the steps set out below under the heading "*Non-Registered Shareholders – How To Vote At Virtual Meeting*". **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.**

A Non-Registered Shareholder may revoke a voting instruction form, or a waiver of the right to receive Meeting Materials and to vote, which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting.

These materials are being sent to both registered and Non-Registered Shareholders and are being sent to holders of BDRs by Banco Bradesco, as described below under the heading "*Information For Holders Of Brazilian Depositary Receipts*". If you are a Non-Registered Shareholder, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

By choosing to send these materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

All references to shareholders in this Information Circular and the accompanying form of proxy and Notice of Meeting are to registered shareholders of record unless specifically stated otherwise.

NON-REGISTERED SHAREHOLDERS – HOW TO VOTE AT VIRTUAL MEETING

As set out above under the heading "*Information For Non-Registered Shareholders*", a Non-Registered Shareholder who receives a voting instruction form or a form of proxy that wishes to vote at the Meeting (or have another person vote on behalf of the Non-Registered Shareholder), should strike out the persons named in the form of proxy and insert the Non-Registered Shareholder or such other person's name in the blank space provided, and follow the below steps:

1. Appoint yourself as proxyholder by writing your name in the space provided on the form of proxy or voting instruction form. Do not fill out your voting instructions.
2. Sign and send it to your Intermediary, following the voting deadline and submission instructions on the voting instruction form.
3. Obtain a control number by contacting TSX Trust Company at tsxtrustproxyvoting@tmx.com by 10:00 a.m. (EDT) on June 25, 2021.
4. Log in at https://virtual-meetings.tsxtrust.com/1130 at least 15 minutes before the Meeting starts.
5. Click on "I have a control number".
6. Enter your 12-digit control number.
7. Enter the password: aura2021 (case sensitive).
8. When the ballot is opened, click on the "Voting" icon. To vote, simply select your voting direction from the options shown on screen and click "Submit". A confirmation message will appear to show your vote has been received.

A duly appointed proxyholder has to be connected to the internet at all times to be able to vote. It is the responsibility of the duly appointed proxyholder to stay connected for the entire Meeting.

INFORMATION FOR HOLDERS OF BRAZILIAN DEPOSITARY RECEIPTS ("BDRS")

The duly registered beneficial owners of the Company's BDRs duly registered in the books of Banco Bradesco at the close of trading at B3 on May 12, 2021, will have the right to instruct the depositary institution, Banco Bradesco, with respect to the votes attaching to the shares underlying their BDRs.

Banco Bradesco will deliver to holders of BDRs the Meeting Materials in advance of the Meeting.

To exercise such voting rights, a holder of BDRs must deliver a completed instrução de voto signed by, if applicable, a duly qualified representative of the BDR holder, together with a copy of the documents evidencing such capacity (such as a power of attorney, minutes of the meeting, bylaws, etc.), with a notarized signature, accompanied by a copy of the Central Depositary - B3 extract with the position registered on the record date.

Holders of BDRs must deliver their duly executed instrução de voto together with necessary supporting documentation to Banco Bradesco no later than June 21, 2021, at 4:00 p.m. (Brasília time). Holders of BDRs may deliver their duly executed instrução de voto together with necessary supporting documentation to Banco Bradesco by mail to Banco Bradesco, at Núcleo Cidade de Deus, VilaYara, s/nº, Osasco, Estado de São Paulo, Brazil – C/O Departamento de Ações e Custódia - DAC (Custody and Registrar Dept) Operações Internacionais – Fundos Offshore e DRs.

A holder of BDRs may revoke their voting instructions, or a waiver of the right to receive Meeting Materials and to vote, which has been given to Banco Bradesco at any time by written notice to Banco Bradesco provided that Banco Bradesco is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote which is not received by Banco Bradesco at least two days prior to the Meeting.

Portugese translations of the Meeting Materials are also available to holders of BDRs at https://ir.auraminerals.com/assembleia/?lang=pt-br, https://ir.auraminerals.com/assembleia/ and https://www.gov.br/cvm/pt-br. Inquiries concerning the delivery of documents by holders of BDRs to Banco Bradesco, please contact Banco Bradesco at dac.escrituracao@bradesco.com.br.

VOTING OF PROXIES

The Shares represented by a properly executed proxy in favour of persons designated as proxyholders in the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions of the shareholder appointing the proxyholder on any ballot that may be called for; and where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made in such proxy.

ON A POLL, SUCH SHARES WILL BE VOTED IN FAVOUR OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED OR WHERE BOTH CHOICES HAVE BEEN SPECIFIED BY THE SHAREHOLDER.

The enclosed form of proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the person appointed proxyholder thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated by management as proxyholders in the enclosed form of proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

QUESTIONS REGARDING THE MEETING

Below are some frequently asked questions regarding the virtual meeting format.

How can I participate and vote in the Meeting (registered shareholders)?

1. Log in at https://virtual-meetings.tsxtrust.com/1130 at least 15 minutes before the Meeting starts.
2. Click on "I have a control number".
3. Enter your 12-digit control number (on your proxy form).
4. Enter the password: aura2021 (case sensitive).
5. Vote.

How can I participate and vote in the Meeting (Non-Registered Shareholders)?

1. Appoint yourself as proxyholder by writing your name in the space provided on the form of proxy or voting instruction form. Do not fill out your voting instructions.
2. Sign and send it to your Intermediary, following the voting deadline and submission instructions on the voting instruction form.
3. Get a control number by contacting TSX Trust Company at tsxtrustproxyvoting@tmx.com by 10:00 a.m. (EDT) on June 25, 2021.
4. Log in at https://virtual-meetings.tsxtrust.com/1130 at least 15 minutes before the Meeting starts.
5. Click on "I have a control number".
6. Enter your 12-digit control number.
7. Enter the password: aura2021 (case sensitive).
8. When the ballot is opened, click on the "Voting" icon. To vote, simply select your voting direction from the options shown on screen and click "Submit". A confirmation message will appear to show your vote has been received.

We encourage to submit your vote in advance by going to www.voteproxyonline.com and enter your 12-digit control number on your proxy, by facsimile to 416-595-9593, scan and email to tsxtrustproxyvoting@tmx.com, or by mail to TSX Trust Company 301-100 Adelaide Street West, Toronto, ON M5H 4H1.

When can I join the Meeting online?

You may log into the meeting platform beginning at 9:30 a.m. (EDT) on June 29, 2021. The Meeting will begin promptly at 10:00 a.m. (EDT) on June 29, 2021.

How can I ask questions?

While logged in for the Meeting, registered shareholders and proxy appointees will be able to submit questions online by clicking on the "submit questions" button.

What if I misplaced my 12-digit control number?

Please contact TSX Trust Company at tsxtrustproxyvoting@tmx.com by 9:30 a.m. (EDT) on June 29, 2021, to get your control number. If you are unable to contact TSX Trust Company we have made arrangements to provide a live audio webcast of the Meeting. We will post details on how you may hear the webcast on our website at www.auraminerals.com before the Meeting. You will not be able to vote your shares or submit your questions during the Meeting.

Additional questions?

If you are a registered shareholder or Non-Registered Shareholder and have questions regarding the Meeting (including the voting procedures described above), please contact the Company's transfer agent, TSX Trust Company, as set out below:

Telephone: (416) 361-0930 (Toronto area)
Telephone: 1-866-393-4891 (North America)

Fax: (416) 595-9593
Email: TMXEinvestorservices@tmx.com

If you are a holder of BDRs and have questions regarding the Meeting (including regarding voting procedures), please contact Banco Bradesco at dac.escrituracao@bradesco.com.br.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of shares without par value (the "**Shares**"). As of the date of this Information Circular, 72,559,449 Shares are issued and outstanding. The Shares are the only outstanding securities of the Company that entitle holders to vote at the Meeting.

The Board has fixed May 12, 2021, as the record date (the "**Record Date**") for the purpose of determining holders of Shares entitled to receive notice of and to vote at the Meeting. A holder of Shares of record at the close of business on the Record Date is entitled to one vote per Share registered in such shareholder's name at that date on each matter to be acted upon at the Meeting, with all Shares voting together as a single class.

To the knowledge of the directors and executive officers of the Company, as of the date of this Information Circular, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of voting securities of the Company, other than:

Name of Shareholder	Securities Beneficially Owned, Controlled or Directed, Directly or Indirectly	Percentage Outstanding Voting Securities of the Company
Northwestern Enterprises Ltd. ("**Northwestern**")	36,946,005 Shares	approximately 50.92%

Northwestern is a company beneficially owned and controlled by Paulo de Brito, the Company's Chairman of the Board of Directors.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 *Corporate Governance Guidelines* (the "**Governance Guidelines**") provides guidance on governance to issuers and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires issuers to make certain prescribed disclosure regarding their corporate governance practices. A full description of the Company's corporate governance practices pursuant to NI 58-101 (pursuant to Form 58-101F1 of NI 58-101 ("**Form 58-101F1**")) is set out in Schedule "A" attached hereto.

AUDIT COMMITTEE

Under National Instrument 52-110 *Audit Committees* ("**NI 52-110**"), issuers are required to provide certain disclosure with respect to their Audit Committee, including the text of the Audit Committee's charter, the composition of the Audit Committee and the fees paid to the external auditor. Please refer to the Company's Annual Information Form for the year ended December 31, 2020 (the "**AIF**") under the heading "Audit Committee Disclosure". A copy of the AIF has been filed on the Company's profile on the SEDAR website (www.sedar.com) and the Company will, upon request from a shareholder, provide a copy of the AIF free of charge.

ELECTION OF DIRECTORS

The board of directors (the "**Board**") currently consists of seven directors. The Board has set the number of directors at seven and the proposed number of directors to be elected at the Meeting is seven directors.

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees and the persons named by management as proxyholders in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as directors. Each director elected will hold office until the next annual general meeting of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Memorandum of Association and Articles of Association of the Company or the provisions of the *BVI Business Companies Act, 2004*, as amended (the "**BVI Act**").

Majority Voting. The Company has adopted a majority voting policy that applies to uncontested election of directors where the number of nominees is equal to the number of directors to be elected whereby:

(a) any director must immediately tender his or her resignation to the Board of directors if he or she is not elected by at least a majority of the votes cast with respect to his or her election;

(b) the Board must determine whether or not to accept the resignation within 90 days and the Board must accept the resignation absent exceptional circumstances;

(c) the resignation will be effective when accepted by the Board;

(d) a director who tenders a resignation must not participate in any meeting of the Board or any subcommittee of the Board at which the resignation is considered; and

(e) the Company must promptly issue a news release announcing the Board's decision, a copy of which must be provided to Toronto Stock Exchange (the "**TSX**"), and, if the Board determines not to accept the resignation, the news release must fully state the reasons for that decision.

Information on Nominee Directors. The following chart states the names of all persons proposed to be nominated at the Meeting for election of directors, including the date they first became directors, their principal occupation for the past five years, their beneficial ownership of Shares (beneficially owned, controlled or directed, directly or indirectly), their committee membership with the Company, the Company meetings they attended, their business experience and professional qualifications, and their public directorships held.

UNLESS AUTHORIZATION TO DO SO IS WITHHELD, THE PERSONS NAMED IN THE FORM OF PROXY ACCOMPANYING THE NOTICE OF MEETING INTEND TO VOTE FOR THE ELECTION AS DIRECTORS OF EACH OF THE PROPOSED NOMINEES WHOSE NAMES ARE SET FORTH BELOW.

PAULO DE BRITO Sao Paulo, Brazil Director and Chairman of the Board since May 2016	Mr. de Brito is a businessman with over 45 years of experience in mining, energy and agriculture businesses. Mr. Brito has worked extensively within and outside of Brazil, including in several Latin American countries. Mr. de Brito has founded several companies, including Cotia Trading. S.A. (trading company), Mineração Santa Elina Ind. and Com. S.A. (mining company focused on the development, exploration and research of various minerals) and Biopalma da Amazônia S.A. (palm oil production company). Mr. de Brito holds **36,946,005** Shares of the Company through Northwestern Enterprises Ltd.		
	Board and Committees	**Meeting Attendance**	**Other Board Public Companies**
	Board (Chair)	9 of 10	None

STEPHEN KEITH Ontario, Canada Director since August 2011	Mr. Stephen Keith is a natural resources executive and board member. Mr. Keith holds a degree in BSc, Applied Science from Queen's University, an International MBA from York University, Schulich School of Business and is a Registered Professional Engineer in Ontario and British Columbia (retired). Mr. Keith worked for more than 20 years on projects in more than 30 countries, with a concentration in Latin America. He has experience working with mining and energy companies, spearheading projects from concept through to feasibility studies, engineering design, project management and construction. Most recently, Mr. Keith was president of GrowMax Resources Corp. Mr. Keith was previously Managing Director of Fertoz Ltd.; President and CEO of Recife Gold; President and CEO of Search Minerals Inc.; Founder, President and CEO of Rio Verde Minerals Development Corp; Vice President, Corporate Development for Plutonic Power Corporation; Director, Investment Banking at Thomas Wiesel Partners; Vice President, Investment Banking at Westwind Partners Mining Group; and Manager, Technical Services at Knight Piesold Consulting.

Board and Committees	**Meeting Attendance**	**Other Board Public Companies**
Board	10 of 10	Sterling Metals Corp.
Audit (Chair)	4 of 4	

PHILIP READE Sao Paulo, Brazil Director since May 2017	Mr. Reade has over 20 years of business experience, primarily as an investor and as an entrepreneur. In 2016 he founded Helm Investment Partners, a New York based investment firm focused in public equities investing in country-wide recoveries. For seven years, until February 2016, Mr. Reade was a Partner, Co-Portfolio Manager and Co-Head of the Investment Team at Tarpon Investimentos ("Tarpon"), one of Brazil´s largest independent equities fund with over USD 3 billion. At Tarpon, Philip served as Chairman of the Board at Cremer, Somos Educação, Omega and as Board Member of Metalúrgica Gerdau and Tempo Participações. Prior to Tarpon, Mr. Reade was head of the Brazilian operations of the NY-based hedge fund, Marathon Asset Management ("Marathon"), which focused on private and public equities as well as structured credit. Before Marathon, Mr. Reade worked for Goldman Sachs in São Paulo as part of the Investment Banking division. Prior to Goldman, he founded and ran Brasilis Seafood, a company that financed seafood processing plants in Brazil. Mr. Reade started his career at Brazilian Banco Garantia, which was founded by Brazilian entrepreneur and 3G founder Jorge Paulo Lemann, and then at McKinsey & Co as a business analyst at the São Paulo office. Mr. Reade holds **65,800** Shares of the Company. He holds a BS in Economics from the University of São Paulo and an MBA from Stanford University.

Board and Committees	**Meeting Attendance**	**Other Board Public Companies**
Board	9 of 10	None
Audit	4 of 4	

RICHMOND FENN Arizona, USA Director since October, 2019	Mr. Fenn is currently a mining consultant. Mr. Fenn has worked with the Company as interim General Manager for both the San Andrés operation and the Gold Road Mine operation, supporting these ramp-ups while the Company recruited new General Managers. He brings to 39 years of base and precious metal experience to the Company and has extensive experience in mine engineering, mine development and valuation, maintenance and operations in North and South America, Africa and Papua New Guinea. Prior to joining the Company Mr. Fenn was Executive General Manager for the Pueblo Viejo mine in the Dominican Republic, one of the world's largest gold producing mines. Previously Mr. Fenn held positions of increasing

	responsibility for Freeport McMoRan, Glencore and Barrick Gold. Mr. Fenn holds a bachelor´s degree in mining engineering from the University of Arizona and is a registered professional engineer.

Board and Committees	Meeting Attendance	Other Board Public Companies
Board	10 of 10	None

FABIO LUIS RIBEIRO Florida, USA Director since February 2020	In the last five years Mr. Ribeiro has worked at the Company as a Technology Strategist, from February 2018 to May 2020 and at Neptuno Fund as a Fund Manager since May 2005. Mr Ribeiro has led diverse teams at the dawn of the internet, helping pioneer Brazil's iconic ISP, iG, founded and exited a successful business in the aviation industry, SOL, and went on to start Neptuno in 2005, a multi-strategy fund focused in technology and forward-thinking investing. In the last few years, Fabio led Neptuno into the venture capitalist space with a clear vision of empowering entrepreneurs working at the convergence of exponential technologies. In 2019 Fabio co-founded TUZ Ventures — an early-stage tech venture capitalist fund focused in Central Asia. Mr. Fabio Ribeiro has a BA from FAAP in São Paulo, a Master's in Economics from Bocconi University in Milan and a Master's degree in Interactive Media/Game Design MFA from the University of Miami. He currently also serves on the boards of the Miami Institute for Data Science and Computing and the School of Communications at the University of Miami. Mr. Ribeiro holds **148,000** Shares of the Company.

Board and Committees	Meeting Attendance	Other Board Public Companies
Board	9 of 10	None

BRUNO MAUAD Sao Paulo, Brazil Director since October 2020	Mr. Mauad is a partner at Kapitalo Investimentos, leading the equities investment strategy since 2015 and has been a member of the executive committee since 2019. He started his career in 2005 at Patria Investimentos as an equity analyst, becoming portfolio manager in 2010, responsible for long & short as well as long-only strategies. In 2013 he joined Ashmore Group as a member of the Investment Committee and portfolio manager of the equity strategies. Mr. Mauad holds a Bachelor in Public Administration from FGV/EAESP and is a CFA charterholder. Mr. Mauad does not hold any Shares, but exercises control or direction over **385,700** Shares of the Company and **3,923,205** BDRs in connection with the management of an investment portfolio as a Partner at Kapitalo Investimentos.

Board and Committees	Meeting Attendance	Other Board Public Companies
Board	2 of 2	None
Audit(1)	-	
Governance(2)	-	

PAULO DE BRITO FILHO Sao Paulo, Brazil Director since October 2020	Mr. de Brito Filho is currently the president of Mineração Santa Elina, a company specialized in developing and operating mining projects in South America. Mr. de Brito Filho is also a shareholder and director of Quanta Geração, a company focused on producing and selling energy from renewable sources, such as solar panels and small hydroelectric power and a director of the Museum of Image and Sound in Rio de Janeiro. Mr. de Brito Filho was a board member of Biopalma Indústria e Comércio from 2011-2018. Mr. de Brito Filho holds a Bachelor in Administration from FAAP (Fundação Armando Alvarez Penteado) (2008) and an Executive MBA (ECLA program) from Columbia University NY (2012). Mr. de Brito Filho holds, indirectly, **3,502,200** Shares of the Company and is an immediate family member of Mr. de Brito, who holds **36,946,005** Shares of the Company through Northwestern Enterprises Ltd.

Board and Committees	Meeting Attendance	Other Board Public Companies

	Board	2 of 2	None
	Governance (Chair)[(2)]	-	

Notes:

(1) Mr. Mauad's attendance record reflects the fact that he joined the Board in October 2020 and was appointed to the Audit Committee and Governance Committee (as defined below) in November 2020.

(2) Mr. de Brito's attendance record reflects the fact that he joined the Board in October 2020 and was appointed to the Governance Committee in November 2020.

COMPENSATION, DISCUSSION AND ANALYSIS

The following compensation discussion and analysis is provided to set forth and provide insight into the compensation that the Company provided to its Named Executive Officers ("**NEOs**") for the year ended December 31, 2020 (the "**2020 Fiscal Year**").

The Company's compensation program is designed to accomplish the following:

- support the clear refinement and alignment of goals, targets and plans of the Company;
- fairly recognize and reward an executive officer's current and future expected contribution to the achievement of corporate financial and non-financial objectives;
- ensure that an appropriate portion of total compensation is variable (i.e. awards under the Company's short-term and long-term incentive programs) and linked to individual and corporate standards, goals and performance;
- attract, retain and motivate highly skilled and experienced executive officers by providing compensation that is competitive within the small to mid-tier mining market; and
- align the interests of executive officers with the interest of the Company's shareholders.

The Company went through a number of personnel changes and as such, for the 2020 Fiscal Year, the Company had the following NEOs: (i) Rodrigo Barbosa, President & CEO; (ii) João Kleber Cardoso, Chief Financial Officer; (iii) Sergio Castanho, Chief Transformation Officer; and (iv) Glauber Luvizotto, Chief Operating Officer. On February 14, 2020, the Company announced that Messrs. Cardoso, Luvizotto and Castanho had assumed the respective roles of Chief Financial Officer, Chief Operating Officer and Chief Transformational Officer, respectively. On April 30, 2021, Messr. Castanho's employment was terminated without cause and the Chief Transformation Officer position was eliminated.

The Company maintains a General Manager in each country that the Company has operating mines; however, the Company does not consider these individuals to be NEOs for purposes of the Information Circular. The Company's policy (as with similar companies) is not to disclose financial information with respect to these individuals for safety reasons.

Elements of Executive Compensation

The Company utilizes the following forms of compensation for its executive compensation program: (i) base salary; (ii) annual bonus; (iii) long term incentive plans; and (iv) benefits plan. The details of each element and why the Company chooses to pay each element is noted below.

Base Salary. Base salaries are fixed and therefore not subject to uncertainty and provide executives with a regular defined and certain income. Base salaries are an essential part of the Company's compensation program as they enable the Company to attract and retain highly qualified and experienced executive officers and remain competitive with peer groups.

The Corporate Governance, Compensation and Nominating Committee (the "**Governance Committee**"), together with the Board, considers the particular responsibilities related to the position, the executive's experience level and past performance and the recommendations made by the President and CEO in respect of other executive officers. In addition, the Governance Committee also considers median compensation paid by comparable companies by referencing compensation data of companies provided in various reports published by Global Governance Advisors which provides an overview of market practices across the global mining industry for senior executives and board members.

Annual Bonus Payments. Annual bonuses are a variable component of compensation granted under the Company's short-term incentive plan (the "**STIP**"). The STIP is designed to reward executive officers for individual and corporate achievements of stated objectives. Executive officers, including the NEOs, are eligible for annual bonuses in cash after taking into account individual and corporate performance and exceptional corporate events, including significant transactions. Bonuses are only paid out if a threshold level of performance is achieved. In early 2020, the CEO met with members of management to set forth bonus targets for the NEOs that included specific projects as well as corporate cash flows and EBITDA. The CEO and the Board met separately to set forth the CEO's bonus targets. In April 2020, the Board met to review the bonus for the NEOs based on 2019 results and certain STIP were declared.

Long-Term Incentive Plans. Stock options are variable components of compensation granted under the Company's long-term incentive plan (the "**LTIP**"). The LTIP is designed to promote ownership of the Company and align the interests of executive officers with the interests of the Company's shareholders. Stock options are designed to assist the Company in attracting, retaining and motivating executive officers to achieve sustained, long-term profitability and increases in stock value over time.

Benefit Plans. The Company provides a benefit package to help ensure the health of its NEOs which also provides access to insurance at a reduced cost. The benefit package also helps to boost morale, increase loyalty and reduce turnover. In addition, the Company believes that its benefit plans improve productivity and reduces absenteeism.

Setting Executive Compensation and Compensation Governance

The Governance Committee is responsible for ensuring that the Company has in place an appropriate plan for executive compensation and for making recommendations to the Board with respect to the compensation of its executive officers. The Governance Committee ensures that total compensation paid to all active NEOs is fair and reasonable and is consistent with the Company's compensation philosophy.

The Governance Committee works with the Chief Executive Officer to develop performance measures and personalized scorecards that will be used to assess performance and determine annual bonus payments in connection with the detailed business plan approved by the Board. The Company's performance is monitored against these measures throughout the year. The Board, upon the recommendation of the Governance Committee and the Chief Executive Officer, grants long-term incentives in the form of stock options to NEOs in accordance with the above performance measures. The Board will take previous grants into account when considering new grants.

Due to a number of changes that the Company went through from 2017 to 2019, the Governance Committee's mandate was primarily (but not exclusively) delivered through the functions of the Board.

The Governance Committee is comprised of three Board members, of which two are independent: Mr. de Brito Filho (Chair) and Messrs. Reade and Mauad who are both independent. Mr. Mauad and Mr. de Brito Filho were appointed to the Governance Committee on November 13, 2020. In addition to the Governance Committee, the Company's President & CEO is actively involved in the determination of the Company's compensation programs (other than with respect to his own compensation). The Governance Committee will be reconstituted following the Meeting.

Compensation Risks. A misalignment between the Company's vision and corporate objectives and employee performance and decision-making can be a significant risk. To date, the Company has not identified any risks arising from our compensation policies and practices that are reasonably likely to have an adverse material effect on the Company.

The senior management team and the Board regularly reviews the Company's compensation policies and practices to manage ongoing motivation and retention and market competitiveness, as well as to encourage responsible and thoughtful decision making by employees that is focused and aligned with the efforts and priorities of the Company and its corporate objectives. We have: (i) human resources professionals at each operation engaged to manage the consistency and fairness of our programs, advise team members on effective goal setting and performance management; (ii) a Governance Committee dedicated to overseeing the Company's compensation policies and practices; and (iii) a Board engaged in the annual objective setting and the executive compensation approval process. In addition to the foregoing, the Company has in the past retained a local compensation expert to review compensation appropriateness and changing market conditions.

The STIP and the LTIP have been specifically created to provide a challenging and motivating work environment with measurable indicators for success. Rewards are based upon planning and achievement of milestones and objectives. Our yearly corporate objectives include items associated with health, safety and corporate social responsibility; budget and cashflow; production, unit cost targets; and project milestones. Departmental and individual objectives are linked to the corporate objectives, thus helping to align the efforts of employees at all levels. Objectives are also created with a longer-term strategy in mind, and the collective achievement of annual objectives contributes to that longer-term vision. This process reduces the risk to the Company as it breaks large, long-term goals into manageable and planned shorter term objectives, keeping the team focused on the most important tasks, in the right sequence and in the timeframes required, to make our long-term vision and objectives a reality. In doing so, payment for the accomplishment of planned and staged objectives reduces the risk of payment for accomplishment of a task that actually extends over a longer period of time. Rewards support real achievements, and help to modify behaviour and performance, if necessary.

Compensation expense attributed to all employees, including executive officers, is not material in comparison to the Company's overall budget and total revenue. Total cash compensation to NEOs in the 2020 Fiscal Year was approximately $**2,824,000**, being less than 2% of total revenue. No NEO or director is permitted to purchase financial instruments that are designed to offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

EXECUTIVE COMPENSATION

Summary Compensation Table and Narrative Discussion

Set out below are particulars of compensation paid to the NEOs for the years noted:

Name and Principal Position	Year	Salary ($)	Share-Based Awards ($)	Option-Based Awards ($)(1)	Non-Equity Incentive Plan Compensation ($) Annual Incentive Plan(2)	Non-Equity Incentive Plan Compensation ($) Long-Term Incentive Plan	Pension Value ($)	All Other Compensation ($)	Total Compensa-tion ($)
Rodrigo Barbosa President & CEO	2020	433,333	-	350,745	1,058,750(3)	-	-	-(4)	1,842,828
	2019	350,000	-	280,386	348,000	-	-	-	978,386
	2018	350,000	-	155,730	300,000	-	-	-	805,730
João Kleber Cardoso(5) Chief Financial Officer (Former Vice President, Finance)	2020	200,000	-	50,652	172,000	-	-	-	338,492
	2019	170,038	-	23,291	87,840	-	-	-	281,169
	2018	-	-	-	-	-	-	-	-
Sergio Castanho(6) Chief Transformation Officer (Former Vice President, People and Management Processes)	2020	280,000	-	175,338	260,273	-	-	-	678,088
	2019	280,000	-	1140,257	222,750	-	-	-	643,007
	2018	274,167	-	77,900	221,090	-	-	-	573,157
Glauber Luvizotto(7) Chief Operating Officer	2020	193,827	-	75,188	347,876	-	-	-	616,891
	2019	-	-	-	-	-	-	-	-
	2018	-	-	-	-	-	-	-	-

(1) Calculated as if the options were exercised on December 31, 2020, based on the strike and market prices on such date. The amount is based on the grant date fair value of the award for a financial year using the Black-Scholes option pricing model with certain assumptions: (i) expected volatility; (ii) risk-free interest rate; (iii) expected life; and (iv) expected dividend yield. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimated, and therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

(2) Represents cash bonuses. Amounts may have been paid in a subsequent year; however, amounts are included in the year that the amount was earned.

(3) This figure includes a one-time payment of $500,000, in connection with the Offering (as defined below).
(4) Mr. Barbosa did not earn a salary as a director of the Company in 2020.
(5) Mr. Cardoso joined the company as Vice President, Finance in March 2019. Mr. Cardoso subsequently assumed the role of Chief Financial Officer on February 14, 2020.
(6) Mr. Castanho subsequently assumed the role of Chief Transformational Officer on February 14, 2020. Mr. Castanho's employment was terminated without cause on April 30, 2021.
(7) Mr. Luvizotto was appointed as Chief Operating Officer in February 2020.

Significant terms of each NEOs employment agreement are set out under the heading "*Termination and Change of Control Benefits*".

Incentive Plan Awards

Outstanding share-based awards and option-based awards

The following table sets forth all share-based awards and option-based awards outstanding at the end of the 2020 Fiscal Year with respect to each of the NEOs.

	Option-Based Awards					Share-Based Awards		
Name and Principal Position	**Number of Shares Underlying Unexercised Options (#)**	**Option Exercise Price (C$)**	**Option Grant Date (d/m/y)**	**Option Expiry Date (d/m/y)**	**Value of Un-exercised In-the-Money Options (C$)(1)**	**Number of Shares that Have Not Vested (#)**	**Value of Share-Based Awards that Have Not Vested (C$)**	**Value of Vested Share-Based Awards Not Paid Out or Distribut-ed (C$)**
Rodrigo Barbosa President & CEO	1,301,175	1.57	13/06/2018	12/06/2026	17,283,508	-	-	-
João Kleber Cardoso Chief Financial Officer	75,000	1.57	04/05/2019	05/10/2026	996,225	-	-	-
	249,000	1.57	10/02/2019	02/10/2027	3,307,467			
Sergio Castanho Chief Transformation Officer	650,595	1.57	06/13/2018	06/12/2026	8,641,853	-	-	-
Glauber Luvizotto, Chief Operating Officer	650,580	1.57	10/02/2019	10/02/2027	8,641,654	-	-	-

(1) Based on the difference between the stock option exercise price and the closing price of the Shares (C$14.85 (as adjusted for the 15:1 share split effective August 26, 2020)) on the TSX on December 31, 2020. Amounts do not include applicable tax that would be payable by the optionee upon exercise of the option.

Incentive plan awards – value vested or earned during the year

Name	Option-based awards – Value vested during the year	Share-based awards – Value vested during the year	Non-equity incentive plan compensation – Value earned during the year
Rodrigo Barbosa	454,978	-	-
João Kleber Cardoso	18,575	-	-

Sergio Castanho	227,491	-	-
Glauber Luvizotto,	0	-	-

Termination and Double Trigger Change of Control Benefits

We have employment agreements with each NEO, either directly or through a subsidiary, that provide for payments if his employment is terminated. The agreements include provisions for termination or other triggering events in a change of control situation. Terms used but not defined in this section have the meanings given to them in the applicable NEO's employment agreement.

Name	Severance on Termination for Good Reason	Severance within Six Months on Double Trigger Change of Control	Incremental Pay if Terminated on December 31, 2020 (salary plus benefits)
Rodrigo Barbosa	12 months' annual salary	12 months' annual salary	$450,000
João Kleber Cardoso	6 months' annual salary(1)	12 months' annual salary	$100,000
Glauber Luvizotto	6 months' annual salary(1)	12 months' annual salary	$140,000

(1) Mr. Cardoso and Mr. Luvizotto are entitled to 8 months' annual salary, instead of 6 months' annual salary, if certain notice requirements set forth in Mr. Cardoso and Mr. Luvizotto's employment agreement with respect to termination are not satisfied.

In the employment agreement of Mr. Barbosa, "Change of Control" means: (i) the removal, by extraordinary resolution of the shareholders of the Company, of more than 51% of the then incumbent directors of the Company, or the election of a majority of directors to the Board who were not nominees of the Company's incumbent Board at the time immediately preceding such election; (ii) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company and another corporation or other entity that results in those who were the holders of the Shares of the Company prior to the transaction's completion holding less than 50% of the outstanding common shares of the successor company after the transaction's completion; or (iii) any person, entity, or group of persons or entities acting jointly or in concert, as that term is defined in the *Securities Act* (Ontario) (individually and collectively, an "**Acquiror**") acquires Shares, or acquires the right to vote or direct the voting of Shares that, when added to the Shares the Acquiror already owns of record or beneficially, or of which the Acquiror has the right to direct the voting, would entitle the Acquiror to vote or direct the voting of 20% or more of the outstanding Shares. In return for the lump sum payment above, the executive officer is required to sign and deliver to the Company a full and final release of all claims against the Company in a form acceptable to the Company.

For Mr. Cardoso's employment agreement, "Change of Control" means: (i) any person becomes the beneficial owner directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the aggregate voting power of the Company's then outstanding securities, other than by acquisition directly from the Company; (ii) there has been a merger or equivalent combination involving the Company after which more than fifty percent (50%) of the voting stock of the surviving corporation is held by persons other than former shareholders of the Company; or (iii) the Company sells or disposes of all or substantially all of its assets.

For Mr. Luvizotto's employment agreement, "Change of Control" means: (i) any person (as such term is used in Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) becomes the "beneficial owner" (as determined pursuant to Rule 13-d-3 of the Exchange Act), aggregate voting power of the Company representing more than fifty percent (50%) of the aggregate voting power of the Company's then outstanding securities, other than by acquisition directly from the Company; (ii) there has been a merger or equivalent combination involving the Company after which more than fifty percent (50%) of the voting stock of the surviving corporation is held by persons other than former shareholders of the Company; or (iii) the Company sells or disposes of all or substantially all of its assets. In the event that the employment of the Executive is terminated in connection with, or during the six (6) month period following, a Change of Control by the Company or its successors without Cause, or by Executive for Good Reason, the Company or its successor, as applicable, will pay to Executive the Separation benefit except that the Separation Benefit shall include twelve (12) months of the Base Salary in effect at the time of such termination.

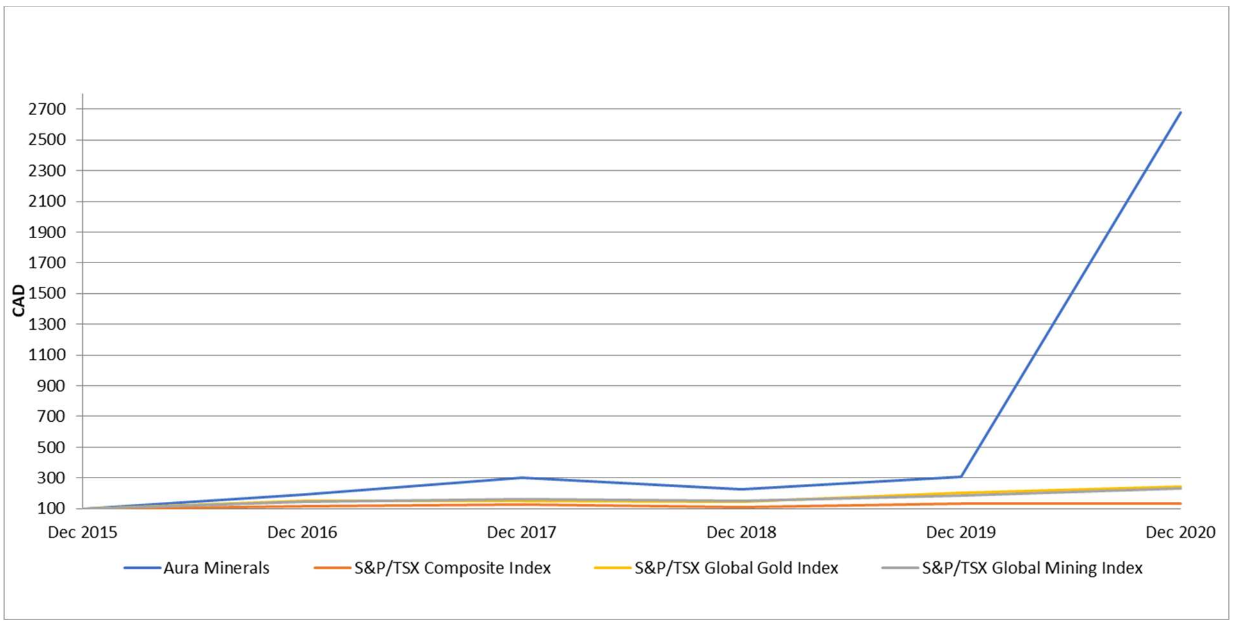
Upon termination of a NEOs employment for cause, the Company is not required to make any payments to such NEO, other than for his annual base salary, benefits and vacation pay earned up to the date of termination.

Mr. Reed left the Company on June 21, 2020 and received $86,667 in compensation representing approximately 6 months' severance.

Mr. Castanho left the Company on April 30, 2021 and is entitled to a 9 months' severance of $210,000.

PERFORMANCE GRAPH

The following graph compares the cumulative shareholder return on a C$100 investment in Shares to a similar investment in companies comprising the S&P/TSX Composite Index from January 1, 2015 to December 31, 2020.



	2015-12-31 C$	2016-12-31 C$	2017-12-31 C$	2018-12-31 C$	2019-12-31 C$	2020-12-31 C$
Aura Minerals Inc.	100	192.27	304.02	228.32	309.79	2676.64
S&P/TSX Composite Index (TSX)	100	117.51	124.59	110.09	131.16	134.00
S&P/TSX Global Gold Index (TTGD)	100	149.97	150.90	144.21	201.73	243.51
S&P/TSX Global Mining Index (TXGM)	100	142.10	162.97	152.74	185.71	229.39

Compensation of the Company's executive officers is comprised of different elements, including elements that do not directly correlate to the market price of the Shares, such as base salary, as well as elements that more closely correlate to the Company's performance and financial condition, such as medium-term and long-term incentives. The elements of executive compensation are designed to attract and retain quality executives to manage the growth and development of the business.

The mining industry is intensely competitive in all of its phases and the Company competes with many companies that possess greater financial and technical resources. Such competition may result in the Company being unable to retain qualified employees. The success of the Company is dependent on senior management. The experience of these individuals will be a factor contributing to the Company's continued success and growth. The loss of one or more of these individuals could have a material adverse affect on the Company's business prospects.

DIRECTOR COMPENSATION

Directors' fees are recommended by the Governance Committee based on a review of prevailing market conditions and a comparison to peer group companies with similar lines of business, market capitalization and public stock exchange listings. This recommendation is then subject to the approval of the Board. Part of the Governance Committee's role is to promote open communication within the Board and to align shareholder and Board interests. The Board's philosophy is to provide competitive compensation to recognize membership on the Board and the role of directors with a mix of retainers and meeting fees at the 50th percentile of the Company's peer group and with equity grants at slightly beyond the 50th percentile moving towards grants of Share in the Company as compared to options as the Company matures.

The independent directors of the Company receive the following compensation for their services in their capacity as directors. Membership on each committee of the Board is discussed above under the heading "*Election of Directors*".

Membership	Compensation (C$)
Chair of the Board	$47,000 per annum, paid quarterly in advance
Lead Director	$47,000 per annum, paid quarterly in advance
Membership on the Board (excluding the Chair)	$32,000 per annum, paid quarterly in advance
Chair of the Audit Committee	$10,000 per annum, paid quarterly in advance
Membership on the Audit Committee (excluding the Chair)	$4,000 per annum, paid quarterly in advance
Chair of the Corporate Governance, Compensation and Nominating Committee	$7,500 per annum, paid quarterly in advance
Membership on the Governance Committee (excluding the Chair)	$2,000 per annum, paid quarterly in advance
Per Board/Committee meeting	$1,500 per meeting, paid quarterly in arrears

All directors are reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors. In certain situations, the time commitment of Board members in connection with travel to the Company's operations in Mexico, Honduras, Brazil and the United States is much greater than what is typically expected of a Board member and in those situations such Board member will receive up to C$1,500 per day fee for travel.

Director Compensation Table

Except as noted below, the Company has no arrangements, standard or otherwise, pursuant to which the non-NEO directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as a consultant or expert during the 2020 Fiscal Year. Except as noted below, none of the Company's current non-NEO directors have received any manner of compensation for services provided in their capacity as directors, consultants or experts during the Company's most recently completed financial year. The following table sets forth all amounts of compensation provided to the non-executive directors of the Company during the 2020 Fiscal Year.

Name	Fees earned ($)[(1)]	Fees Accrued (not yet paid)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Paulo de Brito	60,500	-	-	-	-	-	-	60,500
Stephen Keith	80,000	-	-	-	-	-	-	80,000
Philip Reade	63,000	-	-	-	-	-	-	63,000
Richmond Fenn	47,000	-	-	-	-	-	305,379[(2)]	47,000
Fabio Ribiero	35,544	-	-	-	-	-		35,544
Bruno Mauad	12,163	-	-	-	-	-	-	12,163
Paulo de Brito Filho	10,321	-	-	-	-	-	-	10,321

(1) Includes all fees awarded, earned, paid or payable in cash for services as a director, including annual retainer fees, committee, chair and meeting fees.

(2) Includes compensation received by Mr. Fenn while acting as interim General Manager of the Company's Gold Road operation during the 2020 Fiscal Year.

The following table sets forth all share-based awards and option-based awards outstanding at the end of the 2020 Fiscal Year with respect to each of the non-executive directors.

	Option-Based Awards					Share-Based Awards		
Name	Number of Shares Underlying Unexercised Options (#)	Option Exercise Price (C$)	Option Grant Date (d/m/y)	Option Expiry Date (d/m/y)	Value of Un-exercised In-the-Money Options ($)[(1)]	Number of Shares or Units of Shares that Have Not Vested (#)	Market or Payout Value of Share-Based Awards that Have Not Vested ($)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (C$)[(2)]
Paulo de Brito	-	-	-	-	-	-	-	-
Stephen Keith	-	-	-	-	-	-	-	
Philip Reade	296,250	1.35	26/10/2018	26/10/2026	3,998,486	-	-	2,818,456
Richmond Fenn	-	-	-	-	-	-	-	-
Bruno Mauad	-	-	-	-	-	-	-	-
Paulo de Brito Filho	-	-	-	-	-	-	-	-

(1) The figures are based on the difference between the stock option exercise price and the closing price of the Shares (C$14.85 (as adjusted for the 15:1 share split effective August 26, 2020)) on the TSX on December 31, 2020. Amounts do not include applicable tax that would be payable by the optionee upon exercise of the option.

(2) The amounts shown are the value of the total number of deferred share units (the "DSUs") held by each director as at December 31, 2020, multiplied by the closing price of Shares on the TSX on December 31, 2020 (C$ 14.85 (as adjusted for the 15:1 share split effective August 26, 2020)).

Value Vested or Earned During the Year

The table below sets out all share-based awards and option-based awards held by non-executive directors of the Company that vested or earned but have not been paid out as of December 31, 2020.

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Paulo de Brito	-	-	-
Stephen Keith	-	-	-
Philip Reade	-	-	-
Richmond Fenn	-	-	-
Bruno Mauad	-	-	-
Paulo de Brito Filho	-	-	-

In April 2010, the Company implemented a deferred share unit plan (the "**DSU Plan**"), which was available to all directors of the Company who are not employees of the Company or any of its affiliates, including the non-executive Chairman of the Board. On April 24, 2017, the Company terminated the DSU Plan. No DSUs were granted to directors during the 2020 Fiscal Year.

EQUITY COMPENSATION PLAN INFORMATION

Amendments to Individual Agreements

The Board approved amendments to certain stock option agreements for certain of the Company's executives with respect to vesting in certain enumerated circumstances.

The foregoing amendments did not require shareholder approval as such amendments were permitted by the amendment provisions of the stock option plan.

Stock Option Plan

The below table sets forth information on the Company's stock option plan (the "**Option Plan**") that was previously approved by shareholders at the meeting held on October 30, 2020, and effective as at December 31, 2020. The Company does not have any compensation plans under which equity securities of the Company are issuable that have not been approved by shareholders, subject to approval of the Option Plan (as described below under the heading "*Approval of the Option Plan*").

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Stock Option Plan	3,450,300	C$1.799(1)	1,046,540

(1) Adjusted for the 15:1 share split effective August 26, 2020.

The Company's Option Plan was first approved by shareholders a meeting held on April 24, 2017 (as amended June 13, 2018 and September 24, 2020) to allow the Company to grant options to eligible participants, including certain directors, officers, employees and consultants of the Company. The September 24, 2020 amendments were comprised entirely of non-substantive changes to clarify certain sections of the Option Plan which did not require shareholder approval as such amendments were permitted by the amendment provisions of the Option Plan.

The purpose of the Option Plan is to advance the interests of the Company through the motivation, attraction and retention of officers, directors and employees of the Company and such other key individuals (including consultants) as the Board deems reasonably appropriate. The Option Plan reserves for issuance, when taken together with Shares reserved for issuance pursuant to all of the Company's security-based compensation arrangements in effect, a maximum of 8% of the issued and outstanding Shares, being 5,659,000 Shares.

The following is an overview of the key provisions of the Option Plan:

1. The Option Plan is administered by the Board or a committee of the Board.

2. Exercise prices are established by the Board at the time the Option is granted but cannot not be less than the closing price of the Shares on the last trading day before the grant date.

3. The number of Shares issuable to non-employee directors pursuant to the Option Plan and other security-based compensation arrangements shall not exceed 1% of the issued and outstanding Shares.

4. Options are personal to the participant and are non-transferable except in limited circumstances pursuant to the Option Plan.

5. If a termination date occurs in respect of a participant for any reason whatsoever other than termination with cause or resignation, and subject to any determination to the contrary by the Board, each option held by the participant will cease to be exercisable on the earlier of the expiry date and 90 days after the termination date.

6. If a participant is terminated with cause or resigned, all vested and unvested portions will terminate immediately upon such termination.

7. Unless otherwise determined by the Board: (i) options must expire no later than eight years after the date of grant; and (ii) options will vest yearly on a "straight line basis" as to one-third of the Shares under such option on the date that is two and one half years (2.5) from the anniversary of the date of grant for a period of three years (for greater certainty, 1/3 equally commencing on year 2.5, 3.5 and 4.5).

8. In any case in which an option is duly exercised, the Company may, in its sole discretion, elect to provide cash in lieu of Shares in an amount equal to the difference between the Fair Market Value of the underlying Shares (or any lesser amount agreed upon by the Company and the Participant) and the aggregate exercise price of such underlying Shares, subject to the payment to the Company of any applicable taxes by the Participant.

9. In any case in which an option is exercisable, the Company may elect to purchase for cancellation the option for an amount equal to the difference between the Fair Market Value (as defined in the Option Plan) of the underlying Shares (or any lesser amount agreed upon by the Company and the participant) and the aggregate exercise price of such underlying Shares, subject to the payment to the Company of any applicable taxes by the participant. However, this right may be exercised by the Company only with the consent of the participant, which consent may be withheld for any reason.

10. In the event of a change of control, the Board, having regard to its fiduciary duties and the best interests of the Company, will address the economic value of the rights that participants, as a group, have in outstanding options in whatever manner the Board deems to be reasonable.

11. The Board may amend, suspend or terminate the Option Plan or any portion of it at any time in accordance with applicable law and subject to any required regulatory or shareholder approval. However, except as otherwise provided in the Option Plan, unless consent is obtained from the affected participant, no amendment, suspension or termination may materially impair any options, or any rights related to options, that were granted to that participant prior to the amendment, suspension or termination. Any amendments to the Option Plan to change the maximum number of percentage of Shares issuable pursuant to Options granted under the Option Plan shall be deemed not to materially impair the rights of any Participant.

The following types of amendments to the Option Plan or an option grant will require shareholder approval: (i) an increase to the maximum number or percentage of securities issuable under the Option Plan; (ii) amendment provisions granting additional powers to the Board to amend the Option Plan or entitlements thereunder; (iii) a reduction in the exercise price of an outstanding option or other entitlements under the Option Plan; (iv) any cancellation and reissue of options or other entitlements; (v) any change to the categories of individuals eligible to be selected for grants of options where such change may broaden or increase the participation of non-employee directors under the Option Plan; (vi) an amendment to the prohibition on the transfer of options; (vii) an amendment to the amendment provisions of the Option Plan; (viii) an extension to the term of options; and (ix) any changes to insider or non-employee director participation limits.

The Board may make the following amendments to the Option Plan or an option granted under the Option Plan, as applicable, without obtaining approval of any participant or shareholder of the Company: (i) amendments to the terms and conditions of the Option Plan necessary to ensure that the Option Plan complies with applicable law and regulatory requirements, including the requirements of any applicable stock exchange, in place from time to time; (ii) amendments to the provisions of the Option Plan respecting administration of the Option Plan and eligibility for participation under the Option Plan; (iii) amendments to the provisions of the Option Plan respecting the terms and conditions on which options may be granted pursuant to the Option Plan, including the vesting schedule; (iv) the addition of, and any subsequent amendment to, any financial assistance provision; (v) amendments to the Option Plan that are of a "housekeeping" nature; (vi) amendments to the provisions relating to a change of control; and (vii) any other amendments not requiring shareholder approval under applicable laws or the requirements of any stock exchange.

Burn rates

Plan	2020 Burn Rate(1)	2019 Burn Rate(1)	2018 Burn Rate(1)
Option Plan	1.84%	1.51%	4.29%

(1) Annual burn rate is expressed as a percentage and is calculated by dividing the number of securities granted under the specific plan during the applicable fiscal year by the weighted average number of securities outstanding for the applicable fiscal year.

APPOINTMENT OF AUDITOR

PricewaterhouseCoopers LLP, Chartered Accountants ("**PwC Canada**"), have been the auditors of the Company since July 6, 2007. The Board, on the recommendation of the Audit Committee, recommends that PwC Canada, together with PricewaterhouseCoopers Auditores Independentes, be reappointed and appointed, respectively, as auditor of the Company and that the Board be authorized to set the auditor's remuneration.

The audit firm appointed at the Meeting will serve until the end of the Company's next annual shareholders' meeting.

UNLESS AUTHORIZATION TO DO SO IS WITHHELD, THE PERSONS NAMED IN THE FORM OF PROXY ACCOMPANYING THE NOTICE OF MEETING INTEND TO VOTE FOR THE RE-APPOINTMENT OF PWC AS THE AUDITORS OF THE COMPANY TO HOLD OFFICE FOR THE ENSUING YEAR WITH REMUNERATION TO BE FIXED BY THE BOARD.

ADDITIONAL INFORMATION

Aggregate Indebtedness

The following table sets forth the indebtedness incurred by all current directors, officers and employees, as well as former executive officers, of the Company and its subsidiaries for the purchase of securities of the Company and for other purposes as of **April 30**, 2021.

Purpose	To the Company or its subsidiaries	To another entity
Share Purchases	$ 3,435,323.88	-
Other	-	-

Indebtedness of Directors and Executive Officers

The following table sets out the indebtedness of directors and executive officers of the Company (including any person who, during the year-ended December 31, 2020, was, but is not at the date of this Information Circular, a director or executive officer of the Company), nominees for election as directors, and any associates of any of the foregoing persons, during the year ended December 31, 2020 and as at **April 30**, 2021 to the Company or its subsidiaries, or to other entities if the indebtedness to such other entities is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

Name and Principal Position	Involvement of Company or Subsidiary	Largest Amount Outstanding in 2020	Amount Outstanding as at April 30, 2021	Amount Forgiven in 2020
Other Indebtedness				
Current Directors and Executive Officers				
Rodrigo Barbosa	Debtor	$0	$3,191,912.47	$0
Former Directors and Executive Officers				
Sergio Castanho[1]	Debtor	$0	$243,411.41	$0

(1) Sergio Castanho left the Company on April 30, 2021. As part of his Termination agreement, the outstanding debt against the Company would be deducted from his Severance package.

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

Interest of Certain Persons in Matters to be Acted Upon

No person who is either: (a) a director or executive officer of the Company who has held such position at any time since the beginning of the last financial year; (b) a proposed nominee for election as a director of the Company; or (c) an associate or affiliate of a person in (a) or (b) has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than as set forth in this Information Circular and specifically with respect to the election of directors.

Interest of Informed Persons in Material Transactions

Except as otherwise set forth herein, no director or executive officer of the Company or any of its subsidiaries, no person who beneficially owns, directs or controls, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding Shares, no proposed director of the Company and no associate or affiliate of any of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or any of its subsidiaries.

As disclosed by the Company in a material change report dated July 12, 2020 (the "**MCR**"), in connection with facilitating the stabilization procedures under the initial public offering of BDRs in Brazil completed in the third quarter of 2020 (the "**Offering**"), Northwestern, a company controlled by Mr. Paulo de Brito, the chairman of the board of the Company, agreed to loan to a Brazilian underwriter that acted as stabilization agent under the Offering 143,568 BDRs, representing 15% of the BDRs offered under the base offering (the "**Northwestern Stabilization Loan**"). As consideration for entering into the Northwestern Stabilization Loan, Northwestern received a fee equal to 0.00001% per annum of the product obtained when the number of BDRs loaned by Northwestern was multiplied by the price per BDR set under the Offering, which was equal to R$820.00 or C$204.75, based on the daily average rate of exchange published by the Bank of Canada on June 30, 2020, calculated pro rata daily for the term of the loan, which amount was intended to be nominal. See the MCR for further details.

Management Contracts

No management functions of the Company or any of its subsidiaries are to any significant degree performed by a party other than the directors and executive officers of the Company or its subsidiaries.

Other Matters

Management of the Company knows of no matters to come before the meeting other than those referred to in the Notice of Meeting accompanying this Information Circular. However, if any other matters properly come before the meeting, it is the intention of the persons designated by management as proxyholders in the form of proxy accompanying this Information Circular to vote the same in accordance with their best judgment of such matters.

Additional Information

Additional information relating to the Company may be found on SEDAR at www.sedar.com or on the Company's website at www.auraminerals.com. Financial information about the Company is provided in the 2020 Financial Statements and the 2020 MD&A.

Copies of the 2020 Financial Statements, the 2020 MD&A and the AIF may be found on SEDAR at www.sedar.com or be obtained free of charge by contacting us at: Aura Minerals Inc., 78 SW 7th Street, Suite 7144, Miami, Florida 33130, E-mail: info@auraminerals.com.

APPROVAL OF DIRECTORS

The contents and the sending of this Information Circular have been approved by the Board.

SCHEDULE "A"
STATEMENT OF CORPORATE GOVERNANCE PRACTICES

We are committed to adhering of the highest standards of corporate governance and our corporate governance practices were designed in a manner consistent with this objective.

The board of directors (the "**Board**") currently is comprised of seven directors, of which three are independent. The Board considers Stephen Keith, Philip Reade and Bruno Mauad to be independent.

Ethical Business Conduct - Code Business Conduct and Ethics[1]

The Board reviews the Company's Code of Business Conduct and Ethics (the "**Code**") yearly to ensure that it is consistent with current industry trends and standards and ensure that it clearly communicates the Company's commitment to conduct its business in accordance with all applicable laws, rules and regulations and high ethical and moral standards.

The Code was approved by the Board on June 21, 2018. The Code is applicable to all employees, officers and directors of the Company. The Code addresses many important matters, including conflict of interests, confidentiality, protection and proper us of corporate assets, competition and fair dealing, dealing with public and government officials, environment and social responsibility and how any employee, officer or director may, on an anonymous basis, report any violations of the Code. No waiver of the Code has ever been requested or granted to an employee, officer or director of the Company.

The Board, through its Governance Committee, reviews, monitors and oversees the disclosure relating to the Code. No material change report has ever been filed or required to be filed pertaining to any conduct of a director or executive officer that constitutes a departure from the code.

A copy of the Code is provided to each employee, officer and director, officer and employee of the Company upon their appointment.

A copy of the Code may be found on the Company's website (www.auraminerals.com) and has been filed on SEDAR at www.sedar.com. A person or company may also obtain a copy of the Code by contacting the Company by phone, fax or e-mail (contact information is provided on the Company's website).

Pursuant to the written Mandate for the Board (the "**Mandate**"), directors must disclose details of any conflict of interests and abstain from voting thereon. A copy of the Mandate is reproduced below.

Board of Directors - Independence[2]

Three of the seven current directors on the Board, Stephen Keith, Philip Reade and Bruno Mauad, are independent. Mr. Paulo de Brito beneficially owns Northwestern Enterprises Ltd., which owns approximately 50.92% of the issued and outstanding Shares of the Company, and thus is not considered an independent director. Mr. Paulo de Brito Filho is an immediate family member of Mr. Paulo de Brito, and therefore is not considered independent. Mr. Fenn has served as an employee of the Company within the last three years by virtue of serving as interim General Manager of the Company's Gold Road and San Andrés operations, and therefore is not considered independent. Mr. Ribeiro has also served as an employee of the Company in the last three years, and therefore is not considered independent. Bruno Mauad, who was elected at the previous Meeting, was appointed to the Audit Committee and the Governance Committee. The Company is now in compliance with the audit committee charter and NI 52-110. The Board has in place the following measures to facilitate the exercise of independent judgment in carrying out its responsibilities:

[1] Form 58-101F1 – Section 5.
[2] Form 58-101F1 – Section 1.

- Three of our seven directors are independent, as described above;
- Mr. Keith, one of our independent directors, has been appointed by the Board as Lead Director. In his role as Lead Director, Mr. Keith is responsible for moderating *in camera* sessions of the Board's non-management directors and acting as principal liaison between the non-management directors and the Chair on matters dealt with in such sessions;
- The Audit Committee is composed entirely of and chaired by non-management directors who meet the independence requirements of NI 58-101, the TSX Company Manual and our Board Mandate; The Governance Committee is composed of by non-management directors and two of the members meet the independence requirements of NI 58-101, the TSX Company Manual and our Board Mandate.
- All of the members of the Audit Committee are "independent" and "financially literate" within the meaning of such terms under National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"); and
- Non-management directors meet regularly *in camera*, without the participation of the Company's senior management, to review matters concerning the relationship of the Board with members of the Company's management and such other matters as the Lead Director and other non-management directors may deem appropriate.

The directorships of all director nominees are described under the heading "*Election of Directors*".

At the end of each meeting of the Board, the independent directors meet in the absence of non-independent directors and members of management.

There were ten meetings of the Board during the 2020 Fiscal Year after which the independent directors met *in camera*. Each directors' attendance is noted above under the heading "*Election of Directors*".

During the 2020 Fiscal Year, the Chairman chaired all meetings of the Board except the June 2, 2020, meeting. The Chairman ensured that the Board worked together as a cohesive team with open communication. The Chairman acted as a liaison between the Board and management to ensure that the relationship between the Board and management was professional and constructive and ensured that the allocation of responsibilities and boundaries between the Board and management were clearly understood.

Stephen Keith is a non-executive Lead Director and is therefore considered an independent director. In the event that the Chairman declares a potential conflict of interest, is deemed an executive officer or is unable to perform his duties, the Lead Director shall perform the roles and responsibilities of the Chairman.

Board Mandate[3]

A copy of the Mandate for the Board is set out in Schedule "B" to this Information Circular.

Position Descriptions[4]

The Board has developed written position descriptions for the Chairman of the Board and the Chair of each Board committee. The Board and President and CEO have developed a written position description for the President and CEO.

[3] Form 58-101F1 – Section 2.
[4] Form 58-101F1 – Section 3.

Orientation and Continuing Education[5]

The Board and the Company's Governance Committee ensure that a comprehensive orientation is received by new directors regarding the role of the Board, its committees and its directors. As part of a new director's orientation, he or she receives a manual which contains the Company's charters, mandates, codes and policies (the "**Manual**"). New directors are also provided technical reports on the properties of the Company and, as soon as practicable, taken on site visits.

The Board and the Company's Governance Committee take the following measures to provide continuing education to its directors: (i) review the Manual at least annually and supply a revised copy to each director; (ii) ensure that all directors are kept apprised of changes in the Company's operations and business, changes in the regulatory environment affecting the Company's day to day business both within Canada and within the foreign jurisdictions in which the Company maintains properties, and changes in their roles as directors of a public company; (iii) provide, at Board meetings, a technical presentation, focusing on the Company's main properties. (the question and answer portions of these presentations are a valuable learning resource for the non-technical directors); and (iv) encourage directors to attend relevant courses and conferences, with the Company funding associated fees.

Nomination of Directors[6]

The Governance Committee has been delegated the responsibility to identify and recommend new candidates for nomination to the Board.

In identifying new candidates, the committee assesses the qualifications that each new candidate will bring to the Board, including: (i) personal qualities, characteristics, skills, experiences, accomplishments and reputation in the business community; (ii) current knowledge and contacts in the countries and/or communities in which the Company does business and in the Company's industry sectors or other industries relevant to the Company's business; (iii) ability and willingness to commit adequate time and resources to Board and committee matters, and be responsive to the needs of the Company; and (iv) compliance with all legal and regulatory requirements of a Board member.

The Governance Committee is comprised of two of independent directors. The members of the committee are identified under the heading "*Election of Directors*".

The responsibilities, powers and operation of the Governance Committee include, (i) identifying and recommending new candidates for Board nomination; (ii) evaluating the effectiveness of the Board, its committees and its directors; (iii) monitoring and reviewing the Company's corporate governance practices and policies and making recommendations for changes when appropriate; and (iv) ensuring that a comprehensive orientation is received by new directors and that continuing education opportunities are available.

Compensation[7]

The Governance Committee's mandate includes reviewing and making recommendations to the Board regarding the remuneration and compensation policies, including (i) short term and long term incentive compensation plans; (ii) the remuneration of directors and executive officers; and (iii) the granting of share-based and option based awards to directors, executive officers and key employees and consultants of the Company and its subsidiaries.

The Governance Committee reviews and makes recommendations to the Board regarding (i) remuneration and compensation policies and plans; (ii) the remuneration of directors; (iii) the appointment, performance and

[5] Form 58-101F1 – Section 4.
[6] Form 58-101F1 – Section 6.
[7] Form 58-101F1 – Section 7.

remuneration of officers; (iv) the grant of share-based and option based awards to directors, officers and other key employees and consultants of the Company and its subsidiaries; and (v) the Company's succession and leadership plans.

Other Board Committees[8]

The Audit Committee provides assistance to the Board in fulfilling its financial reporting and control responsibilities to the shareholders of the Company and the investment community. Further information regarding the Audit Committee is contained in the Company's annual information form dated March 31, 2021 (the "**AIF**") under the heading "*Audit Committee*", and a copy of the Audit Committee charter and included in the AIF. The AIF is available under the Company's SEDAR profile at www.sedar.com and on the Company's website (www.auraminerals.com).

Assessments[9]

The Governance Committee's mandate is, in part, to annually assess the performance, effectiveness and contribution of the Board, its committees and its directors and make recommendations to the Board.

To facilitate this annual assessment, the Board has approved an Annual Assessment Report and Questionnaires for the Board and each of its committees.

Director Term Limits and Other Mechanisms of Board Renewal[10]

The Company has not adopted term limits for the directors on its board or other mechanisms of board renewal. The Company believes that this aspect of its corporate governance is sufficiently considered by the Governance Committee.

Policies Regarding the Representation of Women on the Board[11]

The Company has not adopted a written policy relating to the identification and nomination of women directors. The Company believes that this aspect of its corporate governance is sufficiently considered by the Governance Committee.

Consideration of the Representation of Women in the Director Identification and Selection Process[12]

The Company considers the representation of women in the director identification and selection process by considering all possible board candidates and, without limitation, their personal qualities, characteristics, skills, experiences, accomplishments and reputation in the business community.

Consideration Given to the Representation of Women in Executive Officer Appointments[13]

The Company considers the representation of women in executive officer appoints considering all possible executive officer candidates and, without limitation, their personal qualities, characteristics, skills, experiences, accomplishments and reputation in the business community.

[8] Form 58-101F1 – Section 8.
[9] Form 58-101F1 – Section 9.
[10] Form 58-101F1 – Section 10.
[11] Form 58-101F1 – Section 11.
[12] Form 58-101F1 – Section 12.
[13] Form 58-101F1 – Section 13.

Targets Regarding the Representation of Women on the Board and in Executive Officer Positions[14]

The Company has not adopted a target regarding women on the Company's board or a target regarding women in executive officer positions. The Company believes that this aspect of its corporate governance is sufficiently considered by the Governance Committee.

Number of Women on the Board and in Executive Officer Positions[15]

The Company's Board consists of seven men. The Company does not have any executive officers who identify as women.

As at December 31, 2020, the Company had the following number of employees broken down per site and per women and men:

	Mexico		**Honduras**		**Brazil**		**Canada**		**United States**		**TOTAL**	
	M	W	M	W	M	W	M	W	M	W	M	W
	225	51	271	50	391	57	1	0	52	8	939	163
Total:	276		321		448		1		60		1102	

[14] Form 58-101F1 – Section 14.
[15] Form 58-101F1 – Section 15.

SCHEDULE "B"
MANDATE FOR THE BOARD OF DIRECTORS

MANDATE

The Board of Directors has responsibility for the stewardship of Aura Minerals Inc. (the "**Company**") by supervising the Company's affairs, with the goal of enhancing shareholder value and maintaining a culture of integrity throughout the Company.

Directors are required to act honestly and in good faith, with a view to the best interests of the Company and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

B. STRUCTURE AND OPERATIONS

The Board discharges its responsibility for supervising the management of the business and affairs of the Company by delegating the day-to-day management of the Company to senior officers. The Board relies on senior officers to keep it apprised of all significant developments affecting the Company and its operations.

Meetings of the Board shall be held, at a minimum, on a quarterly basis. The frequency and nature of the meeting agendas are dependent upon business matters and affairs which the Company faces from time to time. The Board also discharges its responsibilities directly and through delegation to its Committees.

When appropriate, *ad hoc* committees shall be appointed by the Board to address certain issues of a more short-term nature.

C. SPECIFIC DUTIES OF THE BOARD

As part of the Board's overall responsibility for the stewardship of the Company, its principle duties include, but shall not be limited to, the following:

Oversight of Management

1. The Board shall approve the appointment of the President and CEO and all other senior executive officers, and approve the compensation of the senior executive officers based upon the recommendations of the Governance Committee.

2. To the extent possible, the Board shall satisfy itself as to the integrity of the officers and ensure that they create a culture of integrity throughout the Company.

3. Review and prior approval by the Board shall be required for all material transactions in which the Company is involved including, without limitation, the acquisition or disposition by the Company of significant assets and properties, the issuance of securities and any matters that are outside the scope of authority delegated to officers.

4. The Board shall regularly review and maintain the Company's succession plan, which includes the appointment, training and monitoring of officers.

Board Organization

1. The Board shall respond to recommendations received from the Governance Committee, but shall retain the responsibility for managing its own affairs by approving the following: its composition; the

candidates nominated for election; appointments to committees; the selection of the chairmen of the Board and of its committees; and committee charters.

2. The Board may establish committees of the Board and delegate certain responsibilities to those committees, including: the review and assessment of Board and officer compensation levels; the interim financial results; the performance of the Board and officers; the internal controls systems; the orientation and continuing education of Board members; and safety matters. However, the Board shall retain its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

Monitoring of Financial Performance and Other Financial Reporting Matters

The Board shall be responsible for the following:

1. Reviewing, questioning and approving the strategies and plans of the Company.

2. Identifying principal business risks and ensuring the implementation of appropriate systems to manage such risks including, insurance coverage, conduct of material litigation and the effectiveness of internal controls.

3. Considering appropriate measures to be taken if the performance of the Company falls short of its goals.

4. Reviewing and upon the recommendations of the Audit Committee, approving the audited financial statements and notes thereto and the management discussion and analysis.

5. Overseeing the accurate reporting of the financial performance of the Company to its shareholders on a timely and regular basis.

6. Overseeing that the financial results are reported fairly and in accordance with generally accepted accounting standards.

7. Reviewing and approving those matters which the Board is required to approve under its governing legislation and documents, including the payment of distributions and material expenditures.

Policies and Procedures

The Board shall:

1. Approve, maintain and monitor compliance with all policies, codes, charters and procedures developed to ensure that the Company operates at all times within applicable laws and regulations and to the highest ethical and moral standards.

2. Develop and approve position descriptions for each of the Chairman of the Board, CEO and the Chairperson of each Board Committee, and measuring the performance of those acting in such capacities against such position descriptions.

Reporting

1. The Board shall review the integrity of the internal control and management information systems of the Company.

2. The Board shall implement measures for receiving feedback from stakeholders and ensure that material information is disseminated to the public in a timely manner and in accordance with the Company's Disclosure Policy.

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360° MINING

Consolidated Financial Statements

For the years ended December 31, 2020 and 2019

Independent auditor's report

To the Shareholders of Aura Minerals Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Aura Minerals Inc. and its subsidiaries (together, the Company) as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of income for the years ended December 31, 2020 and 2019;
- the consolidated statements of comprehensive income for the years ended December 31, 2020 and 2019;
- the consolidated statements of cash flows for the years ended December 31, 2020 and 2019;
- the consolidated statements of financial position as at December 31, 2020 and 2019;
- the consolidated statements of changes in equity for the years ended December 31, 2020 and 2019; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

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

Independence

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

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2
T: +1 416 863 1133, F: +1 416 365 8215

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>

Assessment of impairment indicators of property, plant and equipment (PP&E)

Refer to note 5 – Significant accounting estimates and judgements to the consolidated financial statements.

As at December 31, 2020, the net book value of PP&E amounted to $271.2 million. Management assesses at each reporting date whether there are indicators of impairment of the Company's PP&E.

Management applies significant judgement in order to assess whether an impairment indicator has occurred. Internal and external factors evaluated for indicators of impairment include: (i) whether the carrying amount of net assets of the Company exceeded its market capitalization; (ii) changes in estimated quantities of mineral reserves and resources and the Company's ability to convert resources to reserves; (iii) a significant deterioration in expected future metal prices; (iv) changes in expected future production costs and capital expenditures; and (v) changes in interest rates.

If any such indicator exists, a formal estimate of recoverable amount is performed.

We considered this a key audit matter due to (i) the significance of the PP&E in the consolidated financial statements and (ii) the level of subjectivity required in applying audit procedures to assess the internal and external factors considered by management in its assessment of impairment indicators, which required significant management judgement.

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Our approach to addressing the matter included the following procedures, among others:

- Evaluated the reasonableness of management's assessment of impairment indicators, which included the following:
  - Assessed the completeness of external or internal factors that could be considered as indicators of impairment on the Company's PP&E, including considerations of evidence obtained in other areas of the audit.
  - Assessed the reasonableness of factors such as:
    - changes in estimated quantities of mineral reserves and resources and the Company's ability to convert resources to reserves and changes in expected future production costs and capital expenditures by comparing them to current and past performance of the Company and evidence obtained in other areas of the audit; and
    - significant deterioration in expected future metal prices and changes interest rates by considering external market data.
  - Recalculated the Company's market capitalization and compared it to the carrying amount of the net assets as at December 31, 2020.

</td></tr>
</table>

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

Other information

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
March 1, 2021

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

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

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

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

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

"Rodrigo Barbosa"
President, Chief Executive Officer

"Kleber Cardoso"
Chief Financial Officer

Tortola, British Virgin Island
March 1, 2021

Aura Minerals Inc.

Consolidated Statements of Income

For the years ended December 31, 2020 and 2019

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

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

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

Aura Minerals Inc.

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

Expressed in thousands of United States dollars

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

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

Consolidated Statements of Cash Flows

For the years ended December 31, 2020 and 2019

Expressed in thousands of United States dollars

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

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

Aura Minerals Inc.

Consolidated Statements of Financial Position

As at December 31, 2020 and 2019

Expressed in thousands of United States dollars

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

Approved on behalf of the Board of Directors:

"Stephen Keith"

Stephen Keith, Director

"Rodrigo Barbosa"

Rodrigo Barbosa, President & CEO

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

Aura Minerals Inc.

Consolidated Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

Expressed in thousands of United States dollars, except share amounts

	Note	Number of common shares	Share capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Total equity
At December 31, 2019		65,301,120	$ 569,285	$ 55,424	$ 5,379	$ (434,468)	$ 195,620
Exercise of options	18	17,910	41	(148)	-	-	(107)
Stock options issued		-	-	594	-	-	594
Issuance of Shares per IPO in Brazil net of isscuance costs	18	5,423,430	48,737	-	-	-	48,737
Income for the year		-	-	-	-	68,477	68,477
Gain on translation of subsidiaries		-	-	-	(23)	-	(23)
Actuarial loss on severance liability, net of tax		-	-	-	(584)	-	(584)
At December 31, 2020		**70,742,460**	**$ 618,063**	**$ 55,870**	**$ 4,772**	**$ (365,991)**	**$ 312,714**

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

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

1 NATURE OF OPERATIONS

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

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

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

These consolidated financial statements (the "financial statements") were approved by the Board of Directors on February 26, 2021 and authorized for issuance on March 1, 2021.

2 BASIS OF PREPARATION AND PRESENTATION

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

The Consolidated Financial Statements have been prepared on a going concern basis using historical cost except for those assets and liabilities that are measured at revalued amounts or fair values at the end of each reporting period as explained in Note 4 – Summary of Significant Accounting Policies. Additionally, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The functional currency of Aura and majority of its subsidiaries is the United States Dollar ("US Dollar") except for several services companies in Mexico which have a functional currency of Mexican Pesos ("MXN Pesos") and several Brazilian subsidiaries in Brazilian Reais ("BRL Reais"). All values in the consolidated financial statements are rounded to the nearest thousand except otherwise noted.

3 IMPACT OF COVID-19 PANDEMIC

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

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

On March 31, 2020, the Mexican government issued a decree requiring the suspension of all non-essential activities in the private and public sectors until April 30, 2020, which has since been extended until May 30, 2020. Nevertheless, on May 12, 2020, mining was included as an essential activity by the Mexican authorities, and mining companies were allowed to request authorization to fully resume operations from May 18, 2020. The March 31 decree allowed businesses to maintain critical activities which, if interrupted, could result in potentially irreversible damage that prevents their further continuation. Accordingly, Aura suspended all non-essential operations at Aranzazu while maintaining only critical activities which are required to prevent safety and/or environmental risks from materializing and potentially irreversible damage occurring that could prevent our operations from continuing. On May 27, 2020, Aura obtained authorization to fully resume operations at the Aranzazu mine.

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

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

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of consolidation

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

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

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

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

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

- Project Brazil and Colombia
  - The Almas Gold Project ("Almas"). Gold project located in the state of Tocantins, Brazil
  - *The Matupa Gold* Project ("Matupa"). Gold project located in the state of Mato Grosso, Brazil
  - *The Tolda Fria Gold Project ("Tolda Fria")*. Located in Caldas State, Colombia

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

Business Combination

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

Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

Translation of subsidiary results into the presentation currency

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

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

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

Cash and cash equivalents

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

Inventory

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

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

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

Mining interests

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

Exploration and Evaluation

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

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

Commercial Production stage

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

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

Mineral properties

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

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

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

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

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

Property, plant and equipment

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

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

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

Amortization and depletion

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

Major class of assets	Depreciation Method	Depreciation Rate
Vehicles	Straight-line	3-5 years
Machinery and equipment	Straight-line/UOP	2-10 years
Mobile mining equipment	Straight-line/UOP	4-8 years
Furniture and fixtures	Straight-line/UOP	4-10 years
Computer equipment and software	Straight-line	2-5 years
Leasehold improvements	Straight-line	Lease term
Buildings	Straight-line/UOP	4-10 years
Plant	Straight-line/UOP	4-10 years

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

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

Impairment and reversal of impairment of long-lived assets

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

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

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

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

Financial instruments

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

Financial Assets

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

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

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

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

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

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

The Company's financial assets at amortized cost include:

- trade receivables, and
- other receivables.

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

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

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

- Derivatives, and
- Other long-term assets

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

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

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

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

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

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

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

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

Financial Liabilities

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

- trade payables, and
- borrowings

Trade payables represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

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

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

Provisions

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

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

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

Mine closure and restoration

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

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

Leasing arrangements

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

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

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

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

Long-term employee benefits

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

Share capital

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

Share-based payments

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

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

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

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

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

Taxation

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

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

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

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

Borrowing costs

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

Revenue recognition

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

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

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

Royalties

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

Income per share

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

Comprehensive income (loss)

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

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

Segment reporting

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

New Accounting Standards Effective in 2020

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

Revised "Conceptual Framework for Financial Reporting"

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

Amendments to IFRS 3 regarding the definition of "business"

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

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

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

New Accounting Standards Issued But Not Yet Effective

Amendments to IAS 16 regarding the proceeds before intended use

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

5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

Purchase price allocation

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

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

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

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

The Company determines mineral resources and reserves under the principles incorporated in the Canadian Institute of Mining, Metallurgy and Petroleum standards for mineral reserves and resources, known as the CIM Standards. The information is regularly compiled by Qualified Persons and reported under National Instrument 43-101, Standards of Disclosure for Mineral Projects ("NI-43-101").

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

Impairment of assets

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

If any such indicator exists, a formal estimate of recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or CGU is measured at the higher of FVLCD or VIU.

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

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

Valuation of work-in-process inventory

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

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

Provisions for mine closure and restoration

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

Recoverability of deferred tax assets

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

These differences result in deferred tax assets and liabilities that are included in the Company's consolidated statements of financial position. An assessment is also made to determine the likelihood that the Company's future tax assets will be recovered from future taxable income.

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

6 ACQUISITION OF GOLD ROAD

On March 7, 2020, Aura entered into a share purchase agreement to acquire all the outstanding common shares of Z79 Resources, Inc. ("Z79") (the "Share Purchase Agreement"), which, through Z79 held: I) a 94% interest in Gold Road Mining Corp. ("GRMC"), which in turn owns the Gold Road Mine located in Arizona (the "Gold Road Project") and II) a 94% interest in TR-UE Vein Exploration, Inc. ("TR-UE Vein"). Aura entered into the purchase of the Gold Road mine to further diversify its portfolio of mines in the Americas. Beginning in Q2 2020, the Gold Road mine was under development and no longer in care and maintenance. On July 15th, 2020, the Company entered into a share purchase agreement of the non-controlling interests' ownership interest in both GRMC and TR-UE Vein, resulting in a 100% ownership interest for the Company and elimination of the non-controlling interests' ownership. On December 1, 2020, Gold Road declared commercial production.

The closing of the Gold Road Project acquisition occurred on March 27, 2020. Consideration paid pursuant to the Share Purchase Agreement consists of $1. As part of the acquisition, Aura assumed a debt of $35 million, with an option to pre-pay for $24 million during the first year, which was fair valued at $25.2 million and guaranteed with the mine itself (see note 13).

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

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

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

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

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

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

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

7 VALUE ADDED TAXES AND OTHER RECEIVABLES

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

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

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

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

8 INVENTORY

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

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

9 OTHER CURRENT ASSETS

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

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

As described in Note 13, on March 27, 2020 in connection with the acquisition of Gold Road (Note 6), the Company assumed an outstanding loan to Pandion Mine Finance, LP of $35 million dollars with a prepayment option that will allow the company to pay only 24$ million if the loan is paid in full by March 27, 2021. At the date of the acquisition management estimated the fair value of the option to be $5,044. The main assumption used by management in estimating the value of the option was the credit spread, that was estimated based on external credit risk gradings and management internal analysis. During the year ended December 31, 2020, management recognised $3,223 as a result of fluctuations in the fair value of the debt option, mainly due to changes in the credit spread used in the determination of the fair value.

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

10 OTHER LONG- TERM ASSETS

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

On December 1, 2017, the Company entered into a purchase and sale agreement to sell MVV which owns the Serrote Project for an aggregate consideration of $40 million. The aggregate consideration of $40 million was made up of a cash payment of $30 million (paid), as well the delivery by the purchasers of a subordinated unsecured promissory note in the principal amount of $10 million, payable from 75% of excess cash from the project after the project has repaid project financing and operating cash requirements. The determination of the probability of payment and the timing of payment, significantly impact the fair value of the promissory note. Considering the recent developments related to the Serrote Project, the Company estimated the fair value of the promissory note to be $2.48 million as of December 31, 2020 (included as other long-term receivables and deposits). The Company will continue to monitor the project, with special attention to when commercial production will be declared, and when positive cash flows will start to be generated, in order to reassess the fair value at each reporting date.

11 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment movements for the years ended December 31, 2020 and 2019 are as follows:

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

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

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

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

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

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

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

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

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

12 TRADE AND OTHER PAYABLES

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

13 DEBTS

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

a) Term loans

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

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

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

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

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

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

iii) Banco Atlántida

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

iv) Santander Brazil

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

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

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

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

v) Banco Votorantim

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

vi) FIFOMI Credit Facility

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

vii) IXM S.A. (formerly Louis Dreyfus) (“IXM”)

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

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

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

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

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

viii) Banco Itaú

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

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

ix) Pandion Loan

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

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

14 INCOME TAXES

a) Income tax (recovery) expenses

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

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

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

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

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

In 2020, the increase in deferred tax recovery was mainly due to the recognition of deferred tax asset related to carry-forward losses and provisions in EPP mines for approximately $25,092. (In 2019, the increase in the deferred tax recovery was mainly due to the recognition of deferred tax asset related to carry-forward losses in Aranzazu for approximately $17,427).

b) Deferred income tax assets and liabilities

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

Net deferred income tax assets (liabilities) are classified as follows:		**December 31, 2020**		December 31, 2019
Deferred income tax assets	**$**	**37,475**		18,016
Deferred tax liabilities		**(10,832)**		(8,315)
	$	**26,643**	$	9,701

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

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

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

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

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

As of December 31, 2020, the deferred tax assets include an amount of $27,646 which relates to carried-forward tax losses in EPP ($14,416) and Aranzazu ($13,230) ($17,427 related to Aranzazu in 2019). The Company has concluded that the deferred assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the subsidiaries. The losses in EPP can be carried forward indefinitely and have no expiry date. The losses in Aranzazu have expiration dates between 2024 and 2027, however management expected to fully utilize the losses before the expiry dates.

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

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

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

15 PROVISION FOR MINE CLOSURE AND RESTORATION

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

Provision for mine closure and restoration is related to the closure costs and environmental restoration associated with mining operations. The provisions have been recorded at their net present values, using discount rates based upon the risk-free rates of 0.52%, 4.75%, 5.81%, and 7.94% for Gold Road, Brazil, Mexico, and Honduras, respectively. The provisions have been remeasured at each reporting date, with the accretion expense being recorded as a finance cost.

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

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

16 OTHER PROVISIONS

		Long-term employee benefits		Provision for judicial contingencies		Total
At December 31, 2018	**$**	**6,049**	$	511	$	6,560
Periodic service finance cost		867		-		867
Change in provision for the year		424		(173)		251
Actuarial changes		757		-		757
Settlement during the year		(701)		-		(701)
Impact of currency transition		(126)		(10)		(136)
At December 31, 2019	**$**	**7,270**	**$**	**328**	**$**	**7,598**
Periodic service finance cost		656		-		656
Change in provision for the year		610		379		989
Actuarial changes		854		-		854
Settlement during the year		(418)		-		(418)
Impact of currency transition		(141)		-		(141)
At December 31, 2020	**$**	**8,831**	**$**	**707**	**$**	**9,538**

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

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

17 OTHER LIABILITIES

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

a) NSR Royalty

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

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

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

b) Lease Payment Obligation

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

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

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

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

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

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

	Within 1 year	2 to 3 years	4 to 5 years	Total Contractual Cash Flows	Carrying Amount
Lease Liabilities	2,197	1,043	88	3,328	2,943
	$ 2,197	**$ 1,043**	**$ 88**	**$ 3,328**	**$ 2,943**

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

18 SHARE CAPITAL

a) Authorized

The Company has authorized an unlimited number of common shares.

Effective on August 26th, 2020, the Company completed a share division where by: i) each issued share of the Company and ii) each issued Brazilian depositary receipt ("BDR"), representing a share of the Company, in connection with the initial primary and secondary offering in Brazil were divided into 15 issued shares and BDRs, respectively.

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

b) Stock options

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

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

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

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

Canadian Dollars (CAD$)

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

c) Share-based payment expense

Share-based payment expense is measured at fair value and recognized over the vesting period from the date of grant. For the twelve months ended December 31, 2020, share-based payment expense recognized in general and administrative expense was $569 (2019: $449).

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

d) Initial Public Offering (IPO) in B3

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

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

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

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

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

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

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

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

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

19 NET REVENUE

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

Revenues for the Gold Road Mine, San Andres Mine and EPP Mines relate to the sale of refined gold. Revenue for the Aranzazu mine relates to the sale of copper concentrate. Company's revenues are concentrated in 3 clients and management continuously monitors the relationship with them.

20 COST OF GOODS SOLD BY NATURE

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

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

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

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

21 GENERAL AND ADMINISTRATIVE EXPENSES

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

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

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

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

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

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

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

22 CARE AND MAINTENANCE EXPENSES

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

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

23 EXPLORATION EXPENSES

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

24 FINANCE COSTS

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

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

25 OTHER GAINS (LOSSES)

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

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

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

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

26 CASH FLOW INFORMATION

a) Items not affecting cash

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

b) Changes in working capital

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

c) Supplementary cash flow information

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

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

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

e) Debt reconciliation

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

	Terms Loans	Working Capital Facility Payable	Total
Balance as at January 1, 2019	29,167	1,434	30,601
Changes from Financing cash flows:			
Repayment of short terms loans	(771)	(1,462)	(2,233)
Repayment of Rio Novo Promissory Note	(758)	-	(758)
Repayment of Banco Atlantida	(365)	-	(365)
Repayment of Banco ABC Brasil 1st Loan	(1,165)	-	(1,165)
Repayment of IXM S.A. (formerly Louis Dreyfus) Loan	(4,167)	-	(4,167)
Loan Repayments	**(7,226)**	**(1,462)**	**(8,688)**
Proceeds received from Santander Brasil	4,500	-	4,500
Proceeds received from Banco ABC Brasil	6,745	-	6,745
Proceeds received from FIFOMI	3,596	-	3,596
Proceeds received from Votorantim	3,602	-	3,602
Proceeds received from Banco Occidente 3rd Note	2,000	-	2,000
Loan Proceeds	**20,443**	**-**	**20,443**
Interest paid on debts	(2,364)	(28)	(2,364)
	40,020	-	39,992
Other Changes:			
Interest Expenses on Debts	2,934	28	2,962
Balance as at December 31, 2019	**42,954**	**-**	**42,954**
Changes from Financing cash flows:			
Repayment of Banco Occidente	(1,660)	-	(1,660)
Repayment of Banco Atlantida	(1,161)	-	(1,161)
Repayment of Votorantim	(516)	-	(516)
Repayment of Pandion Debt	(1,500)	-	(1,500)
Repayment of IXM S.A. (formerly Louis Dreyfus) Loan	(10,000)	-	(10,000)
Repayment of FIFOMI	(73)	-	(73)
Loan Repayments	**(14,910)**	**-**	**(14,910)**
Debt assumed from Acquisition of Gold Road (Pandion Debt)	25,205	-	25,205
Proceeds received from Banco Itau	8,000	-	8,000
Proceeds received from Banco Santander ("Second Loan")	3,800	-	3,800
Proceeds received from Banco Santander ("Third Loan")	2,380	-	2,380
Loan Proceed	**14,180**	**-**	**14,180**
Interest paid on debts	(3,176)	-	(3,176)
	64,253	-	64,253
Other Changes:			
Interest Expenses on Debts	6,284	-	6,284
FX Devaluation of MXN Pesos - FIFOMI	(111)	-	(111)
Balance as of December 31, 2020	**70,426**	**-**	**70,426**

27 FINANCIAL INSTRUMENTS

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

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

a) Fixed price contracts

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

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

b) Put/Call option contracts

i) Gold

<u>*Corporate*</u>

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

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

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

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

<u>*Aranzazu*</u>

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

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

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

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

ii) Copper

Aranzazu

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

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

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

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

iii) BRL currency derivatives

Corporate

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

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

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

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

c) Non-delivery forwards

i) BRL currency derivatives

Brazil

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

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

d) Credit risk

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

e) Liquidity risk

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

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

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

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

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

e) Currency risk

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

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

At December 31, 2020, the Company had cash and cash equivalents of $117,779, of which, $103,360 were in United States dollars, $167 in Canadian dollars, $12,612 in Brazilian reais, $1,550 in Honduran lempiras, $84 in Mexican pesos and $6 in Colombian Pesos. An increase or decrease of 10% in the United States dollar exchange rate to the currencies listed above could have increased or decreased the Company's income for the year by $1,442.

f) Interest rate risk

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

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

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

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

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

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

g) Commodity price risk

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

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

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

h) Fair value of financial instruments

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

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

Aura measures certain of its financials assets and liabilities at fair value on a recurring basis and these are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority. The three levels of the fair value hierarchy are: Level 1, which are inputs that are unadjusted quoted prices in active markets for identical assets or liabilities; Level 2, which are inputs other than Level 1 quotes prices that are observable for the asset or liability, either directly or indirectly; and Level 3, which are inputs for the asset or liability that are not based on observable market data.

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

Aura classifies derivative assets and liabilities in Level 2 of the fair value hierarchy as they are valued using pricing models which require a variety of inputs such as expected gold price.

28 CAPITAL MANAGEMENT

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

In order to facilitate management of capital, the Company prepares annual budgets which are updated periodically if changes in the Company's business are considered to be significant. The Board reviews and approves all operating and capital budgets as well as the entering into of any material debt obligations, and any material transactions out of the ordinary course of business, including dispositions, acquisitions and other investments or divestitures. Prior to 2019, Aura had not paid dividends. At the end of 2019, Aura declared dividends on December 27, 2019.

In January 2020, Aura paid out dividends for an amount of $3,044.

On June 22, 2020, Aura's board of directors has approved a dividend policy, where Aura will determine an annual dividend based on 20% of its annual Adjusted EBITDA less sustaining capital expenditures and exploration capital expenditures, payable as cash dividends to holders of its shares. Dividends are expected to be declared and paid once a year starting in 2021, based on the preceding year results, with a record date on or shortly after announcement of Aura's annual financial results. As such, any dividend payable under the Dividend Policy will be payable in the second quarter of each year.

29 RELATED PARTY TRANSACTIONS

Key Management Compensation

Total compensation paid to key management personnel, remuneration of directors and other members of key executive management personnel for the year ended December 31, 2020 and 2019 are as follows:

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

Director's fees

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

Iraja Royalty Payments

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

On October 27, 2017, SBMM entered into an agreement (the "Royalty Swap Agreement") with Iraja Mineracao Ltda, a company beneficially owned or controlled by Paulo de Brito, third-party company, for the swap of the EPP Royalty with the RDM Royalty (as defined in the Royalty Swap Agreement) with no change to the terms of the royalty calculation. Aura has incurred expenses of the related royalties of $2,411 in the twelve months of the 2020 year and has a liability outstanding of $287 at December 31, 2020.

Promissory Note for Rio Novo

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

Royalty Agreement for Rio Novo

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

30 SEGMENTED INFORMATION

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

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

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

	San Andres Mine	EPP Mines	Aranzazu Mine	Corporate	Gold Road	Almas, Matupa & Tolda Fria Projects (1)	Total
Sales to external customers	**$ 95,060**	**$ 114,741**	**$ 88,074**	**-**	**$ 1,999**	**-**	**$ 299,874**
Cost of production	49,673	50,246	53,674	-	1,593	-	155,186
Depletion and amortization	5,694	7,576	9,324	-	212	-	22,806
Gross margin	**39,693**	**56,919**	**25,076**	**-**	**194**	**-**	**121,882**
General and administrative expenses	(644)	(2,276)	(3,238)	(10,937)	(1,241)	(100)	(18,436)
Care-and-maintenance expenses	0	(743)	(2)	-	(135)	(714)	(1,594)
Exploration expenses	(1,065)	(3,671)	(475)	-	(179)	-	(5,390)
Operating income/(loss)	**37,984**	**50,229**	**21,361**	**(10,937)**	**(1,361)**	**(814)**	**96,462**
Finance costs	(2,555)	(1,583)	(1,847)	(45)	(3,247)	(3)	(9,280)
Net loss on call options and fixed price contracts - Gold	(794)	(1,321)	(789)	(4,487)	-	-	(7,391)
Net loss on call options - Copper	-	-	(1,375)	-	-	-	(1,375)
Net loss on foreign currency derivatives	-	(3,433)	-	(2,599)	-	-	(6,032)
Foreign exchange (loss) gain	(264)	(2,241)	80	99	-	(32)	(2,358)
Other items	143	639	(1,046)	2,499	3,224	(1)	5,458
Income (loss) before income taxes	**34,514**	**42,290**	**16,384**	**(15,470)**	**(1,384)**	**(850)**	**75,484**
Current income tax (expense)	(9,663)	(11,773)	(2,018)	(1)	-	-	(23,455)
Deferred income tax (expense) recovery	(1,281)	24,956	(4,586)	-	-	(2,641)	16,448
Income (loss) for the year	**$ 23,570**	**$ 55,473**	**$ 9,780**	**$ (15,471)**	**$ (1,384)**	**$ (3,491)**	**$ 68,477**
Property, plant and equipment	**$ 44,640**	**$ 41,902**	**$ 96,615**	**$ 345**	**$ 32,886**	**$ 54,771**	**$ 271,159**
Total assets	**$ 87,597**	**$ 116,983**	**$ 130,001**	**$ 101,674**	**$ 44,862**	**$ 55,073**	**$ 536,190**
Capital expenditures	**$ 8,988**	**$ 14,328**	**$ 16,626**	**-**	**$ 10,420**	**$ 1,614**	**$ 51,976**

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

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

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

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

31 COMMITMENTS AND CONTINGENCIES

a) Operating leases commitments

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

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

b) Contingencies

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

Included in other provisions as of December 31, 2020 is a provision of $707 (2019: $328) for loss contingencies related to ongoing legal claims.

32 INCOME PER SHARE

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

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

The following table summarizes activity for the years ended December 31:

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

33 SUBSEQUENT EVENTS

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

Trafigura advance payment

In February 2021, Trafigura México, S.A. de C.V agreed to make an advance payment of $6,000 to Aranzazu Holdings Ltda, in connection with the Purchase-Sale agreement entered between the parties in November 2020. The advance bears an annual interest rate of 5.00% with a maturity date of March 2022.

aura

360° MINING

To find, mine and deliver the planet's most important and essential minerals that enable the world and humankind to create, innovate, and prosper

Management's Discussion and Analysis

For the three months and twelve months ended December 31, 2020

Dated as of March 1, 2021

24065572.4

Summary

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 months and twelve months ended December 31, 2020.

Thus, this MD&A should be read in conjunction with Aura Minerals Inc.'s (the "Company" or "Aura") annual audited consolidated financial statements for the year ended December 31, 2020 and 2019 and related notes thereto (the "Financial Statements") which have been prepared in accordance with International Financial Reporting Standards and Interpretations as issued by the International Accounting Standards Board (collectively, "IFRS"). In addition, this MD&A should be read in conjunction with both the annual audited consolidated financial statements for the year ended December 31, 2019 (the "2019 Annual Financial Statements"), the related annual MD&A, and 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 and dollar figures in the body of the document 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 operating costs per gold equivalent ounce produced;
- Cash operating costs per copper pound produced;
- Realized average gold price per ounce sold, gross;
- Realized average gold price per ounce sold, net of local taxes;
- EBITDA;
- Adjusted EBITDA;
- Adjusted EBITDA margin; and
- Net Debt.

Reconciliations associated with the above performance measures can be found in Section 16: Non-GAAP Performance Measures.

Statements herein are subject to the risks and uncertainties identified in Section 19: Risk Factors and Section 21: 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. See Section 22: Technical Disclosure of this MD&A for further information.

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

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

1. MESSAGE FROM THE CEO

"We continue to advance in our objectives, delivering on our promises and building shareholder's value under our Aura 360 culture"

Dear shareholders,

The year 2020 was a remarkable year for Aura, as we: (i) successfully managed the impact of the COVID-19 pandemic (the "Pandemic") on our operations; (ii) reached record high results while prioritizing safety; (iii) completed an initial public offering (the "IPO") of Brazilian Depositary Receipts ("BDRs") in Brazil on the B3 S.A. – Brasil, Bolsa, Balcão ("B3"), which resulted in a significant daily trading volume increase; and (iv) consolidated our asset portfolio, strengthened our balance sheet and our team, with the goal of more than doubling our production by 2024.

The Pandemic pushed us to adapt and implement new procedures to reduce the spread of COVID-19 within our operations and offices. Moreover, we invested to support the communities surrounding our operations with the implementation of protective measures and biosafety protocols and donations of food, medicine, and medical supplies. At the San Andres gold mine, 493 PCR and 1,389 rapid tests were administered. At the Aranzazu copper mine, 8,000 masks were delivered to the community during fourth quarter of 2020, all of them bought locally. Additionally, biosecurity controls for the prevention of outbreaks and/or infections of COVID-19 were implemented and all personnel, including contractors and suppliers, were tested with rapid serological tests once a week. At the EPP gold mine, we implemented Aura Tracker to limit the workforce on site and allowed employees to work from home where possible and increased the number of buses transporting employees to reduce seat occupancy by 50%. We acquired thousands of Covid-19 test kits and implemented mandatory use of masks at the mines. In addition to our safety initiatives, we donated masks, gloves, and medicines to local hospitals and other institutions, and purchased thousands of masks from local initiatives, which were then donated and distributed to families in need.

As part of our Aura 360 mining culture, we included the "E" for Employee in our ESG - EESG initiatives as we: (I) pushed for personalized development plans for 120 leaders in our organization and (II) created eight Working Groups (composed of more than 40 professionals) to push 50 ESG initiatives forward. As a result of these efforts, we expect to achieve the following in 2021: a) further improve geotechnical structures management systems; b) reduce water consumption and liquids effluents; c) increase our commitment to our surrounding communities and human rights; d) implement an enhanced focus on diversity in developing and retaining top talent; e) improve the health and safety of our employees; f) intensify our communication programs to enhance business ethics within Aura and all our stakeholders; and g) promote innovation. Each of these initiatives have focus groups, leaders and detailed execution plans approved by the Board of Directors and sponsored by C-Level members.

During 2021, Aura also continued to invest in safety of our employees, our actual safety records is: 615 days in San Andres, 198 days in Apoena, 108 days Aranzazu, and ramped up Gold Road without Lost Time Injuries.

With respect to production, despite interruptions at operations at San Andres and Aranzazu during the first and second quarters as a result of the Pandemic, we achieved record high production results in the third quarter and fourth quarter of 2020, for 204,000 gold equivalent ounces ("GEO")[1] during the year ended December 31, 2020. We aim to build on these

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[1] Gold equivalent ounces, or GEO, is calculated by converting the production of silver and copper into gold using a ratio of the prices of these metals to that of gold. The prices used to determine the gold equivalent ounces are based on the weighted average price of silver and copper from sales at the Aranzazu Complex during the relevant period.

Note: data on global gold demand extracted from World Gold Council report "Gold Demand Trends – Full Year and Q4 2020", January 28, 2021.

results as we work towards management's target of more than doubling our production by 2024.

We continued our efforts to improve efficiency and achieved a 13% increase in plant and 25% in the mine production at the Aranzazu Copper Mine in the fourth quarter of 2020, in comparison to the fourth quarter of 2019. At the EPP Mine, we also achieved record production on the fourth quarter of 2020, which together with higher grades and currency devaluation in both Mexico and Brazil, reduced our cash cost from $815 in fourth quarter of 2019 to $739 within same period of 2020. As a result, EBITDA reached $94 million during the second half of 2020 and $119 million for the full year.

With respect to geology, after 3 years of incremental geological investment to expand life of mine ("LOM"), during 2020, we obtained promising results in the drilling of the Bananal target and the near mine campaign in Apoena, which we expect to publish soon. These results mark our efforts to further explore our concessions. Similarly, at Aranzazu, we have drilled the main deposit to confirm grades below the last known inferred resources and upgraded our resources through an infill campaign. We have also started drilling at El Cobre. At Gold Road, the campaign implemented for the ramp up of production and new regional targets like Gold Ore were started. Finally, we advanced geology in our projects. As a result, we have clear targets and another record investment in Geology of $29 million for 2021 ranging from exploratory drilling to resources to reserves conversion.

In 2020 we completed the IPO of BDRs, each representing one share, in Brazil. The aggregate proceeds of the IPO were US$162 million, of which US$ 56 million was a primary offering by the Company. The IPO significantly increased our daily trading volume and enhanced our cash position. In December 2020, we finished with cash of $ 118 million, a negative net debt of $48 million and average daily trading volume of $1.8 million/day. Our strengthened balance sheet means that we are fully funded for our growth plans (including expansion at Aranzazu, the development of Almas and Matupa, and others).

On gold, the economic uncertainty resulting from the Pandemic pushed prices in 2020 to recent record highs. Prices then stabilized around $1900/$1800 per ounce during the second half of 2020. During 2020, demand for gold significantly shifted from jewelry, that fell 34% in comparison to 2019, a record low, to financial/investing demand through ETFs, that grew 120% vs 2019, and physical Gold bars and coins. ETFs absorbed more than 28 million ounces of gold during the year of 2020, or 23% of total demand, alone and investment funds entered the gold market to manage risks and hedge their portfolios against inflation. In the future, while prices can be volatile in the short term, we remain positive for further appreciation of gold prices in the long term. While new vaccines should control the Pandemic in most countries by the end of the year, economic malaise resulting from the Pandemic has brought new uncertainties and the necessity for countries to support their economies through fiscal spending and corresponding increases in debt, in tandem with central banks reducing interest rates. These trends have resulted in high sovereign debt and negative real interest rates, and it is still unclear how the economic recovery will proceed.

On copper, prices fell to as low as $2.05/lbs in 2020 as a result of economic uncertainty from the Pandemic. However, as the Chinese economy recovered, along with COVID-19 related production shortages in producing countries that reduced global output, copper prices recovered to $3.20/lbs by the end of the year. The market now expects a shortage of supply for the next 5 years along with inflation costs. That is pushing copper prices to over $4.00/lbs with world inventories at record low levels. As a result of shortages in supply, combined with global economic recovery and the new ESG related requirements, we believe copper prices will reach new highs during the next years.

Overall, Aura continues to move forward to achieve its goals and to deliver on its promise to increase shareholders' value under our Aura 360 culture. For 2021, our goals are clear: (i) continuous improvement of our E-ESG agenda; (ii) increase our overall production to 250,000-290,000 GEO; (iii) increase resources and reserves and LOM at our projects; and (iv) increase daily trading volume on the TSX and B3.

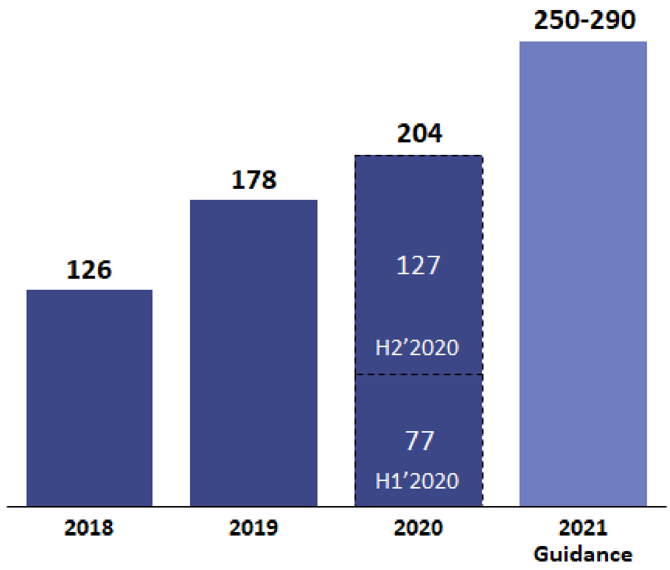
Rodrigo Barbosa

President and Chief Executive Officer

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

Operational and financial performance

Production
(in 000 GEO)*



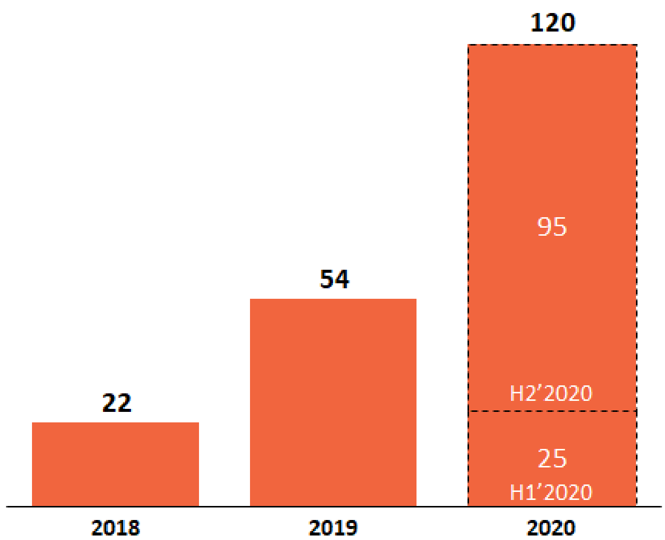
Increase in production of 15% in 2020 compared to 2019

127,000 ounces of GEO produced in the second half of 2020, after resumption of full operations due to Pandemic-related interruptions

Expected production increase between 23% and 42% in 2021 compared to 2020

* Gold equivalent ounces, or GEO, is calculated by converting the production of silver and copper into gold using a ratio between the prices of these metals and gold. The prices used to calculate it at such proportions are based on the weighted average price of each of the metals obtained from sales at the Aranzazu Complex during the relevant period

Ebitda
(in US$ million)



Strong EBITDA growth as result of increase in production, cost reductions and favorable prices

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

Highlights for the year

Gold Road acquisition

On March 31, 2020 we acquired the Gold Road project for US$1, assuming project debt of US$ 35 million. **Gold Road has 214 koz of inferred resources** and is within the traditional gold mining district of Oatman, Arizona, US, that has produced close to 2 million ounces, historically. **On December 1st, 2020 the Company declared commercial production** for Gold Road.

IPO and Secondary Offering in Brazil

On **July 7, 2020**, the Company, together with certain selling shareholders, completed an initial public offering of Brazilian Depositary Receipts on the B3, composed of a primary and secondary offering, for aggregate gross proceeds of **$162 million**. On November 11, 2020, certain shareholders of the Company completed a secondary offering of BDRs on the B3.

Ernesto mine

The Company declared commercial production at the Ernesto Mine at EPP, effective October 1, 2020. Ernesto contributed to record high quarterly production for EPP in the fourth quarter of 2020, reaching **26 thousand ounces** of gold, at an average grade of **2 grams of gold per ton** of ore, 72% higher compared to same period in 2019.

Record production

Aura reached **record high quarterly production** in the fourth quarter of 2020, having produced 68,964 GEO, 20% above the previous quarter. In 2020, despite the effects of the Pandemic in the first half of the year in Honduras and Mexico, Aura **reached 204,000 GEO** of production, with 62% of that in the third and fourth quarters.

Aranzazu capacity increase

The implementation of a **30% increase in capacity is ongoing and on schedule**. In December 2020, 26% more ore was processed at the mill, compared to the average over the first 9 months of 2020. Aura expects Aranzazu to further increase capacity during 2021, **achieving 100,000 tons per month** early in the **second half of 2021**.

Almas feasibility study

During 2020 Aura allocated efforts to develop the engineering and geology of Almas project, in order to comply with the schedule of approving the project early in 2021 and start construction on second half of 2021. In February 1, 2021 the project was approved by the Board of Directors, with an **after-tax internal rate of return ("IRR") of 57% and net present value ("NPV") of US$ 260 million**, assuming gold prices of $1,800/oz. **Construction is expected to start in April 2021**, and production is expected to start in the third quarter of 2022.

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

2. BACKGROUND AND CORE BUSINESS

Aura 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 shares of the Company are listed on the Toronto Stock Exchange under the symbol "ORA" and the Brazilian Depositary Receipts ("BDRs") of the Company, each representing one share of the Company, are listed on the B3 S.A. – Brasil, Bolsa Balcão ("B3"), a stock exchange located in São Paulo, Brazil, under the symbol "AURA33". Aura is focused on responsible and sustainable growth while striving to operate at the highest levels of environmental and safety standards and in a socially responsible manner at all of its operations.

The Company has the following mineral properties:

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 Mine ("EPP", "Apoena") – a mine complex 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 mine ("Lavrinha"), the Ernesto open pit mine ("Ernesto"), the Pau-a-Pique underground mine ("Pau-a-Pique" or "PPQ"), the Japones open pit mine, the Nosde open pit mine, and the near mine open-pit prospects of Bananal North and Banal South.
- The Aranzazu Copper Mine ("Aranzazu") – an underground copper mine operation, producing gold as a by-product, located within the Municipality of Concepcion del Oro in the State of Zacatecas, Mexico, near its northern border with the State of Coahuila. The property is situated in a rugged mountainous area and is accessed either from the city of Zacatecas, located 250 km to the southwest, or from the city of Saltillo, located 112 km to the northeast in the State of Coahuila.
- The Gold Road Mine ("Gold Road") – a narrow vein underground gold mine located in the historical Oatman mining district of northeastern Arizona, by the California-Nevada-Arizona border, and 40 kilometers southwest of Kingman, Arizona. The property acquired includes other adjacent historically mined veins including Gold Ore, Tru-Vein, and Big Jim.

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.
- The Matupá Gold Project ("Matupá") – a gold project located in the northern part of the state of Mato Grosso, Brazil. It consists of three deposits: X1, Serrinha (gold), and Guarantã Ridge (base metal). The X1 deposit was the main focus for exploration and drilling in the past, resulting in an established mineral resource and a NI 43-101 compliant technical report. See Section 22: Technical Disclosure of this MD&A for further information. For the other two deposits, they are in the early stages of exploration. Matupá's claims consist of multiple exploration targets, including a copper porphyry target.
- The São Francisco Gold Mine ("São Francisco") – part of EPP Mines, an open-pit heap leach gold mine located in the southwest of the state of Mato Grosso, Brazil, approximately 560 km west of Cuiaba, the state capital. Currently, the mine is in care and maintenance.
- The Tolda Fria Gold Project ("Tolda Fria") – a gold project located in Caldas State, Colombia. Currently, the project is in care and maintenance.

3. E & ESG – Employees, Environment, Social and Governance

In 2020, we started a new phase in our process to implement a more modern culture, aimed at acting on matters of greatest impact for our stakeholders.

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

Supported by external consultants and based on an in-depth study of our market and interviews with several key people in and outside the organization, we have determined Aura's eight sustainability pillars - themes that will guide our strategic performance in the coming years.

3.1. Employees

Aura believes that attracting and retaining top talent differentiates it from its peers. We have finished our 9-box evaluation process in December 2020, where the Company performed evaluations on 120 employees across 4 business units and corporate. Each employee went through a 360 review and received specific feedback about performance and opportunities. Top talent is specially taken care of with higher visibility and specific plans. As a result of this process, each employee prepared a personal development plan to be implemented through the year.

The EPP business unit has piloted a trainee program to bring fresh talent out of university. In this debut program, more than 4,000 applicants in disciplines like Geology and Mine Engineering applied, which resulted in a final selection of 7 trainees. The Company expects this program to be rolled out across its business units.

Finally, Aura is partnering with Coursera to offer top executive education online to its talents.

3.2. ESG Pillars

Environment	Social	Governance
Water and Effluents	Workers safety and health	Business Ethics
Geotechnical Structures Management	Communities (+ Human Rights)	Innovation for Sustainability
	Talent Development and Retention (+ Diversity)	Stakeholders Management

To address each of the themes and monitor associated projects and goals, eight working groups (WGs) were created, formed by more than 40 professionals from Brazil, Honduras and Mexico. Each of these groups has a sponsor (C-Level member), who monitors and approves its action plans.

Each of those groups defined between 6-8 initiatives that are followed up on a specific forum. As a result of those flagship initiatives, we have decided to join Women in Mining, have joined the Mining hub innovation think tank and elected to power the EPP offices with solar energy.

Going forward we plan to start mapping our Carbon footprint in every process, continue following the United Nation's Sustainable Development Goals and issue a Global Reporting Initiative-compliant sustainability report.

3.3. COVID-19 Pandemic

The Company and its subsidiaries have prioritized the safety of its employees and the communities around which the Company operates during the COVID-19 pandemic (the "Pandemic"). During this period, the Company has implemented

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

protective measures and biosafety protocols. Furthermore, the Company has continued to expand social work measures within the local communities in which it operates by providing donations of food, medicine, and medical supplies.

From an operational perspective, the Pandemic caused partial interruptions for most of the second quarter of 2020 at two of our operating mines, San Andres and Aranzazu. For the third and fourth quarters, no interruptions occurred.

San Andres Mine in Honduras

On March 16, 2020, the Honduran government approved, by decree, the suspension of work in the public and private sectors, with private companies, such as Aura, having to operate with a minimal work force for general maintenance no greater than 50 people. Mining operations at San Andres were interrupted; and the Company reduced its workforce to the minimum in order to continue to satisfy environmental requirements in connection with operations and other critical activities at the mine. On a few occasions, the Honduran government issued new orders which extended its previously issued decree until May 24, 2020.

On May 26, 2020, the Company obtained authorization to fully resume operations at San Andres.

The Company has implemented at San Andres an occupational health program, which involves monitoring the Pandemic, and providing rapid testing and polymerase chain reaction ("PCR") testing for COVID-19 to its personnel. The Company continues to monitor updates to support the health of its personnel.

Aranzazu Mine in Mexico

On March 31, 2020, the Mexican government issued a decree requiring the suspension of all non-essential activities in the private and public sectors until April 30, 2020, which was subsequently extended until May 30, 2020. On May 12, 2020, mining was deemed as an essential activity by the Mexican authorities, and mining companies were allowed to request authorization to fully resume operations beginning on May 18, 2020. On May 27, 2020, Aranzazu obtained authorization to fully resume operations.

The March 31, 2020 decree allowed businesses to maintain critical activities which, if interrupted, could result in potentially irreversible damage that would prevent their further continuation. Accordingly, the Company suspended all non-essential operations at Aranzazu while maintaining critical activities to prevent safety hazards and/or environmental hazards from emerging and, potentially, causing irreversible damage that could prevent the Company's operations from continuing.

Despite these operational restrictions, there has not been a material impact on Aranzazu's operational or financial performance to date. This was due to two factors: 1) excess accumulated inventory at the site at the time of the suspension and 2) operational efficiency.

During the fourth quarter of 2020, 8,000 locally purchased masks were delivered to the Aranzazu community as a mitigation measure. Prior to their distribution they were sterilized and packaged by health personnel.

The Company continues to implement health and safety controls for the prevention of outbreaks and/or infections of COVID-19, including weekly rapid serological testing for all the personnel, including contractors and suppliers. When a positive test is detected, it is sent for a PCR study to confirm the diagnosis. When confirmed there is a confirmed CRP, antigen and/or serological test, the personnel from the affected department and other close personnel are tested. All personnel with positive test results for COVID-19 are sent to isolation for 14 days, in the case of symptomatic patients, and 10 days for asymptomatic patients. Personnel are provided with a kit with a surgical mask, a guide with isolation measures, pulse oximeter and antibacterial gel.

The company has adopted a policy where personnel recovering from COVID-19 and personnel with risk factors should continue working from home.

Ernesto/Pau-a -Pique Mine in Brazil

Our Ernesto/Pau-a-Pique mine has been allowed to continue operations as governmental authorities have deemed mining as an essential industry.

The Company has implemented a series of initiatives to reduce risks amongst its employees at Ernesto/Pau-a-Pique, which includes: the implementation of Aura Tracker, a program designed to monitor interactions and quickly map who was exposed to infected people; reducing its workforce on site and allowing those not required to stay on site to work from home; increasing the number of buses transporting employees to allow for a 50% reduction in seats; acquiring thousands of COVID-19 test kits; and mandating the use of masks on site at the Ernesto/Pau-a-Pique mine. In addition, the Company further invested in its relationships with local communities by donating masks, gloves, and medicines to a local hospital and other institutions; purchasing thousands of masks from local initiatives which were then donated and distributed to families in need; and other safety prevention initiatives.

Gold Road

At Gold Road, the Company has implemented social distancing measures, such as a work-from-home policy for those able to perform their jobs outside the mine site, extensive cleaning services, mandatory masks for all in-person meetings, the prohibition of Fly-in-Fly-Out rosters, and guidelines to restrict high-risk individuals from entering the site.

Exploration Projects

During the Pandemic, our exploration activities for the Almas, Tolda Fria and Matupá projects have not been materially disrupted. The Company continues to conduct exploration work, with a reduced workforce, while complying with all applicable regulations and undertaking measures necessary to ensure a safe work environment for employees and contractors.

3.4. SAFETY & ENVIRONMENT

Safety

Aura's guidelines include robust management systems and treat safety as a top priority. Senior leadership is directly involved in establishing the safety committees on the ground. Each site has a safety committee formed by the C-level, the general manager, the site safety manager, and corporate technical services.

EPP

During the fourth quarter of 2020, Apoena (EPP) conducted 8,118 hours of safety training for 1,186 direct and indirect employees. The Company focused efforts on preventing the spread of COVID-19. COVID-19 preventative measures included the mandatory use of masks, practicing proper hygiene and social distancing, among other procedures. In addition to COVID-19 preventative measures, the Company developed and led 3 health campaigns (Pink October for breast and utero cancer prevention, Blue November for prostate cancer prevention, and Red December for prevention of sexually transmitted infections). The Company also carried out 2,003 safety interactions, 42 safety, health and environmental managerial inspections with the participation of all managers, and 72 major risks inspections. Apoena also completed 194 legal requirements, representing 2,670 items covered by our SHEC program.

The site completed daily, weekly, and biweekly audits of its tailings dam (the "EPP Dam"), satisfying all requirements. In December, the heightening phase 4 of the EPP Dam was completed in accordance with project and legal requirements.

Aranzazu

No lost time accidents ("LTI") were recorded in the fourth quarter of 2020. The Company conducted 13,441 hours of training on safety, health and environment, with emphasis on issues related to energy blocking, working at heights and in confined spaces, and working under high temperature conditions. The Company also focused on Pink October, Blue November, the implementation of Standard 035 (psychosocial risk factors) and "Medida Cierta".

San Andres

During the fourth quarter of 2020, San Andres trained 566 people for a total of 1,716 hours, including employees, permanent contractors and specific service providers. Such training related to safety reinduction, safe use of cyanide, ICAM accident investigation methodology, recycling of operating procedures, and COVID-19 prevention.

San Andres has carried out prolonged maintenance work for production facility improvements, following 100% Critical Control Management for high-risk tasks considered mortal hazards. This work involved planning meetings, critical risk analysis by the OHS department, and on-site supervision during the work. Inspections for improvement of conditions have been carried out with Process Management, and corrective actions have been taken where needed.

The Company complies with biosecurity protocols in response to COVID-19, ensuring the delivery of sanitation supplies, equipment and personal hygiene supplies, and offering lectures by medical personnel in work areas under the supervision of OSH and MINOSA doctors. Service providers are subject to audiovisual campaigns, entry control and COVID-19 testing.

In the fourth quarter of 2020, no LTI were recorded. San Andres has maintained a strong administration over control of the service of its permanent suppliers and restarted projects. The frequency rate as of December 2020 is 0.00 LTI, and the rate registered in December 2019 was 0.47 LTI.

Aura's Geotechnical Compliance

Aura's operations have tailings dams at the Aranzazu and Ernesto/Pau-a-Pique mines and a heap leach pad at the San Andres mine that follow safety and risk management standards. Dams and heap leach pad were designed by experienced engineering companies in the market, following the regulations in force in each country and best industry practices. All dams have an operating manual that provides for the frequency of instrumentation reading, level controls, field inspections, among other matters. 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 safety management of geotechnical structures, including tailings dams, leach pads and waste dumps, was initiated in 2019 and was completed in 2020. In addition, the Company started work on a closure plan for dams the Aranzazu mine, and the Company engaged various contractors, including SRK, Wood, GHT, DAM and Geoconsultoria. All dams, waste dumps and heap leach pad that are currently in operation or are in care and maintenance are in satisfactory stability.

3.5. COMMUNITIES

Apoena - United Nations' Sustainable Development Goal: Quality Education

During the fourth quarter, Aura joined the Action Plan for the Advancement of Women in the Brazilian Mining Industry, developed by Women in Mining Brazil (WIM Brasil), whose goal is to advance the participation of women in the Brazilian mineral sector, by promoting inclusive and respectful workplaces for women at all levels of mining organizations, and encouraging companies to invest in women in the communities where they operate. Putting our commitment into action, Aura developed its first Trainee Program, which received more than 3.7 thousand applications. Six candidates were selected to participate in the program, of which five are women.

In response to COVID-19, Apoena delivered approximately 20 thousand items including procedure gloves, N95 masks, disposable aprons and two types of medication to Vale do Guaporé Hospital, which serves nine municipalities within the region where Apoena operates.

Aranzazu

One of the main pillars of Aranzazu management is its strong relationship with the Concepción del Oro community. Many socio-economic factors are considered by management. Community initiatives include the recently completed construction of a sidewalk (safe path) for employees and the community, and the distribution of 200 food baskets and 100 covers to the most vulnerable communities such as El Charco, San Juan del Salado, El Pozo, and El Salero.

The Company supplied an annual event in Concepción del Oro with 1000 containers of 250 ml antibacterial gel, 3000 masks, 100 disposable gowns. In addition, 200 disposable latex gloves for medical staff at community clinics, 60 disposable coveralls, 50 KN95 masks and 1000 surgical masks were delivered to the Secretary of Health/Sanitary.

We continue to work with the Bethesda Foundation regarding physical therapy, psychological care, and other initiatives.

San Andres

The Company donated medical supplies and biosafety gear to Hospital de Occidente, which is the largest healthcare center in the region, and the only hospital that is state-authorized to treat COVID-19. The Company also donated a fumigation tunnel to the entrance of the municipality of La Unión Copan, as well as biosafety equipment and material for fumigation at the access control points for the municipality. These initiatives were proposed in various meetings with local authorities.

Since the start of pandemic, San Andres has focused on mitigating risks to the municipality in cooperation with other industries and municipal businesses, management committees and local authorities. Community service campaigns were carried out, informing the community about risks and preventative measures in response to COVID-19.

3.6. CORPORATE GOVERNANCE

The Company's board of directors (the "Board") and its committees seek to follow recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The current Board is comprised of seven individuals, four of whom are not independent of the Company and three of whom have been determined by the Board to be "independent" within the meaning of applicable Canadian securities laws. Bruno Mauad, an independent director, was elected to the Board at the Company's annual general and special meeting of shareholders on October 30, 2020. Bruno represents one of the major institutional investors in Brazil (Kapitalo).

Richmond Fenn is currently considered not independent due to his temporary role as Interim General Manager for Gold Road. Fabio Ribeiro is also considered not independent due to his work as Technology Consultant of the Company. Paulo Brito is not considered independent because of his affiliation with Northwestern Enterprises Ltd., the Company's largest shareholder. Paulo Brito Filho is currently not considered independent as he is related to Paulo Brito, the Chairman of the Board.

The Audit Committee is currently comprised of three directors, Bruno Mauad, Stephen Keith, and Philip Reade, 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.

The Compensation Committee has 3 members, 2 of them independent, Philip Reade and Bruno Mauad, and one representative of Northwestern, Paulo Brito Filho.

Women in Mining

Aura has recently joined the Women in Mining organization in Brazil, after having previously done so in Mexico and expects to roll out the program across its business units. Aura has also launched an innovation award with the objective to encourage Aura's employees to support Women in Mining.

Aura's Ethics Committee

In 2018, the Company implemented and rolled out to all business units an independent whistleblower channel, managed by TMF Group (tmf-group.com). Any stakeholder can call and make an anonymous report through the whistleblower channel. All claims are forwarded to the Company's ethics committee, chaired by the CEO. The ethics committee will review and discuss all claims and make appropriate recommendations to the General Manager (unless he is related to the claim, in which case the committee is responsible for applying proposed measures).

In September, we relaunched the Aura Ethics Channel. Relaunch included new contacts (phone and website), a friendlier interface and an easy-to-remember website address. There was an increase in the use of the channel in the United States and Honduras. All employees and stakeholders were re-trained.

4. FOURTH QUARTER 2020 AND YEAR END SUMMARY

- After a strong third quarter, Aura achieved record results in the fourth quarter of 2020, with production reaching 68,964 ounces – the highest number for a single quarter, 19% higher than third quarter of 2020 and a 29% increase when compared to the same period of 2019. The production increase is a result of higher grades in EPP from Ernesto Mine, increase in mill capacity from Aranzazu as part of ramp up towards 100 kton per month, stable performance in San Andres compared to same period of 2019, despite hurricanes Iota and Eta.

- A combination of high production, favorable gold prices and strong recovery in copper prices after a challenging first semester, resulted in higher revenues, leading to record high results in net revenues.
    - Revenues reached $ 100,606 in the quarter, a 44% increase when compared to the same period of 2019 and a 12% increase when compared to the third quarter of 2020. Although average market gold prices in fourth quarter of 2020 was US$ 1,874/Oz while in previous quarter was US$ 1,909/Oz.

- Operational efficiencies combined with devaluated Mexican Peso and Brazilian Real resulted in lower cash cost, which combined with higher revenues lead to:
    - Gross margins reached $ 50,856, an increase of 113% compared to the same period of 2019 and 9% increase when compared to the third quarter of 2020.
    - Adjusted EBITDA[1] of $ 50,444 in the quarter, an 86% increase when compared to same period of 2019 and 14% increase compared to third quarter of 2020.

- Finally, as result of strong operational results, the Company's Net debt[1] position improved significantly, increasing from ($ 18,086) at the end of third quarter of 2020 to $ (47,693) at the end of the year.

- For the year 2020, despite the challenges created by the Covid-19 pandemic, Aura delivered strong production and financial results.
    - Production reached 204,230 ounces of GEO, a 15% increase when compared to 2019.
    - Net revenues achieved $ 299,874, an increase of 33% when compared to 2019.
    - EBITDA[1] reached $ 119,407, of which $ 94,611 were recorded in the second semester, when there was limited impact of the Pandemic in our operations.

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

- In our operations and projects, the Company had the following highlights:
  - EPP achieved its best quarter since start-up in 2016, result of increase of ore mined and higher grades from Ernesto and the Lavrinha pit, and better performance from the plant.
  - San Andres achieved consistent results when compared to previous quarters although below our expectations due heavier than average rains and to the negative impact in October and November of tropical storms Eta and Iota, resulting in lower than projected production.
  - In Aranzazu, as expected, grades were lower in the fourth quarter of 2020 due to mine sequencing. On the other hand, during the month of December 2020, 89,119 tons of ore were processed at the mill, an increase of 15% when compared to the same period of 2019 and 26% when compared to the average over the first 9 months of 2020. Aura expects Aranzazu to further increase capacity during 2021, achieving 100,000 tons per month early on second semester of 2021.
  - In Gold Road, commercial production was declared in December 2020. Mine development and plant ramp-up performed according to plan; as the Company started the ramp-up along with geological studies to increase its knowledge of the mine, production was lower than anticipated due to a lower-than-expected grade in one area which the Company was unable to offset elsewhere.
  - For Almas, the Company announced on February 3, 2021, the conclusion of a completed feasibility study (the "Study") and detailed analysis by the management team, the Board of Directors of the Company has approved the development of the Almas Gold Project ("Almas" or "the Project"), an open pit gold mine located in the state of Tocantins, Brazil. The Almas Project is expected to be operational by the second half of 2022, with an after-tax total investment estimated at approximately US$73 million, yielding an after-tax net present value ("NPV") of US$183 million when using the weighted average consensus gold prices for the projected period of US$1,558 per ounce. An upside scenario using a gold price of US$1,800 per ounce yields an after-tax internal rate of return ("IRR") of 57%, an after-tax NPV of US$260 million and a leveraged Return on Equity ("ROE") of 108%, considering 50% of leverage. Average annual gold production is estimated at 51,000 ounces during the first four years of the Project, with an estimated life of mine of 17 years, based on mineral reserves estimated in accordance with National Instrument 43-101.
  - For the Matupá project, the Company had continued to further expand on the geological understanding of the porphyry potential and advancing on the geological program for the targets Alto Alegre and Target 47. The Company has signed a contract with Ausenco (Glauber to confirm) in order to develop a Feasibility Study, and no additional drills are necessary to conclude it. The Feasibility Study is expected to be completed by December 2021.
- In the third quarter, the Company achieved the completion of the IPO in Brazil. In the fourth quarter, the Company completed a Secondary Offering in the B3 in Brazil.

5. Operational Highlights

Production in GEO, for the Company in the three months and twelve months ended December 31, 2020, for the different mine stages can be summarized below:

	For the three months ended December 31, 2020	For the twelve months ended December 31, 2020
Production for mines at commercial stage	64,530	194,675
Production for mines not at the commercial stage - Ernesto and Gold Road	4,434	9,558
Total Production (gold ounces)	**68,964**	**204,233**

The table below summarizes the main operational indicators for the three months and twelve months ended December 31, 2020 for the mines at the commercial stage:

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

OPERATING DATA	For the three months ended December 31, 2020	For the three months ended December 31, 2019	For the twelve months ended December 31, 2020	For the twelve months ended December 31, 2019
Gold ore processed (tonnes)	**1,688,680**	1,588,316	**5,686,618**	6,787,382
Gold produced (ounces)	**45,457**	33,432	**129,176**	114,307
Gold sold (ounces)(1)	**41,079**	34,593	**124,252**	115,426
Copper ore processed (tonnes)	**260,301**	231,611	**896,030**	815,952
Copper concentrate produced (dry metric tonnes "DMT")	**14,369**	14,842	**53,791**	42,396
Total Production (Gold Equivalent Ounces)(1)	**64,530**	53,385	**194,675**	177,500

(1) Does not consider pre-commercial production and sale from EPP and Gold Road, capitalized.

The main factors resulting in the changes observed in the fourth quarter of 2020 are detailed below:

- Increase of ore mined and higher grades from Ernesto and the Lavrinha pit, and better performance from the plant at EPP.
- Consistent results in San Andres, despite negative impact in October and November of tropical storms Eta and Iota, resulting in lower than projected production.
- Lower grades in Aranzazu due to mine sequencing, but 26% higher ore processed at the mill in comparison to 2020 average, as consequence of implementation of capacity increase that will reach 100,000 tons per month early in second half of 2021.

Production and cash cost highlights

Gold equivalent production and cash operating costs per gold equivalent ounce produced[1] for the three months and twelve months ended December 31, 2020 and 2019 were as follows:

Three months ended December 31,	2020			2019		
	Oz Produced - Gold Equivalent Ounces (GEO)(1)		Cash costs per ounce of gold produced	Oz Produced - Gold Equivalent Ounces (GEO)		Cash costs per ounce of gold produced
San Andres	**18,768**	**$**	**924**	18,729	$	846
EPP Mines(1)	**25,128**	**$**	**587**	14,704	$	1,147
Aranzazu	**19,073**	**$**	**757**	19,953	$	540
Gold Road	**1,560**		**N/I**	-	$	-
Total / Average	**64,530**	**$**	**739**	53,385	$	815

(1) Does not consider pre-commercial production and sale from EPP, capitalized.
(2) Does not consider production and sale Gold Road, not representative

Note: Gold Road not reported as the mine was in operation after declaring commercial production only for 1 month in the quarter and the year.

Twelve months ended December 31,	2020			2019		
	Oz Produced - Gold Equivalent Ounces (GEO)(1)		Cash costs per ounce of gold produced	Oz Produced - Gold Equivalent Ounces (GEO)		Cash costs per ounce of gold produced
San Andres	**60,769**	**$**	**846**	58,374	$	907
EPP Mines	**66,847**	**$**	**743**	55,933	$	963
Aranzazu	**65,499**	**$**	**840**	63,193	$	749
Gold Road	**1,560**		**N/I**	-	$	-
Total / Average	**194,675**	**$**	**809**	177,500	$	868

Cash operating costs per gold equivalent ounce produced decreased by 12 % in the fourth quarter of 2020 in comparison to same period of 2019. This was mainly driven by:

- EPP: Increased production at EPP was driven primarily by higher grades once the Ernesto mine entered commercial production effective October 1, 2020, and a lower waste/ore ratio contributed to lower cash cost. The Ernesto mine recorded an average grade of 2.58 g/ tons, compared to 1.94 g/tons from EPP on average. In 2021, the Company expects a push back at the Ernesto mine primarily during the first half of 2021, following which the Company expects Ernesto to achieve higher grades in the fourth quarter of 2021 and during 2022.

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

- Aranzazu: reported similar production but higher total tons moved, and lower grades are most relevant drivers for an increase in costs in the fourth quarter of 2020, which were 12% above same period for 2019.
- San Andres: reported higher costs due to the impact of interruptions from caused by Hurricanes Eta and Iota and an increase in unit costs for loading and hauling at the San Andres mine.
- Gold Road: declared commercial production effective in December 1st, 2020, as planned.

See Section 8: Review of Mining Operations and Exploration for further details.

6. Financial Highlights

	For the three months ended December 31, 2020	For the three months ended December 31, 2019	**For the twelve months ended December 31, 2020**	For the twelve months ended December 31, 2019
FINANCIAL DATA				
IFRS Measures				
Net revenue	**$ 100,606**	$ 69,653	**$ 299,874**	$ 226,202
Gross Margin	**50,856**	23,877	**121,882**	48,261
Income for the year/period	**57,567**	29,725	**68,477**	24,887
Shareholder Equity	**$ 312,714**	$ 195,620	**$ 312,714**	$ 195,620
Non IFRS Measures				
Adjusted EBITDA	**$ 50,444**	$ 27,173	**$ 119,407**	$ 53,825
Adjusted EBITDA Margin (Adjusted EBITDA/Revenues)	**50%**	39%	**40%**	24%
Net Debt	**$ (47,693)**	$ 3,854	**$ (47,693)**	$ 3,854

Net revenues

Net revenues were US$100,606 in the fourth quarter, the highest quarterly net revenue in the Company's history, and increase of 44% when compared to the same period of 2019. This increase was principally the result of:

- Increased Sales: The Company sold 9,163 GEO (not including ounces capitalized), as result of the increase in production described above. See Section 5: Operational Highlights.
- Metal Price Increases: Increased net revenues were contributed to by Gold and Copper prices, as further described below:
  - Market gold prices reached an average of $1,874/oz in the fourth quarter of 2020, an increase of 27% when compared to same period of 2019.
  - Copper prices reached an average of US$3.29 in the fourth quarter of 2020, an increase of 22% when compared to same period of 2019.

In addition to record high net revenue for the fourth quarter of 2020, the Company also received payment in the beginning of 2021 of US$12,956 for gold sales from EPP, San Andres and Gold Road which were recognized as revenues in January 2021. Although the production was delivered to the refineries and payment occurred happened in 2020, revenue recognition took place in 2021 as the refining process was completed in the first days of 2021.

Gross margin

The 44% increase in net revenues, with only a 9% increase in total production costs for the fourth quarter of 2020, in comparison to same period of 2019, resulted in a 113% increase of gross margin compared to the same period of 2019.

The increase in costs was mainly driven by increase in volume, principally due to higher volumes at EPP and Aranzazu, in addition to the commencement of commercial production at Gold Road, which declared commercial production effective December 1, 2020.

Net Income for the period

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

The strong operational performance explained above had a positive impact on Net Income, achieving $57,567 in the fourth quarter of 2020 compared to $29,725 in the same quarter of 2019. The principal factors which positively affected Net Income were:

- Operating Income of $42,159
- Deferred income tax recovery of $24,837 due to the recognition of deferred tax asset, based on expected positive taxable incomes for EPP for the coming years.

Net Income was negatively affected by a current income tax expense of $10,450 in the fourth quarter of 2020, as result of positive income before taxes at EPP, San Andes and Aranzazu.

Shareholder's Equity

As of December 31, 2020, shareholders' equity was $312,714 compared to $195,620 on December 31, 2019. The increase of $117,094 was mainly due to the:

- Proceeds from the initial public offering of BDRs in Brazil completed on August 6, 2020 (the "Initial Public Offering"), in the amount of $48,690 (net of all fees and expenses)
- Income of the period, in the amount of $ 68,477

Adjusted EBITDA[1]

As discussed herein, the combination of higher production, better grades, lower costs, higher gold prices, and devaluation of currencies had strong impact on gross margins and EBITDA.
Adjusted EBITDA[1] was $50,444 in the fourth quarter of 2020, compared to $27,173 recorded in the same period of 2019.
The adjusted EBITDA by business unit was the following:

- Aranzazu - $11,751
- Ernesto and Pau-a-Pique (EPP) - $27,007
- San Andres - $15,727
- Gold Road - $ (334)
- Others (Corporate, Almas, Matupa, and Tolda Fria) - $(3,707)

Net Debt[1]

Net Debt[1] in the fourth quarter of 2020 was $(47,693), compared to $3,854 in the fourth quarter of 2019, a decrease of $51,547 in the year of 2020. The main reasons for the change in Net Debt[1] are:

- Cash inflows:
  - Adjusted EBITDA of $119,407
  - Proceeds (net of all fees and expenses) from the Initial Public Offering in Brazil $48,737
- Cash outflows:
  - Cash outflows were mainly associated with:
    - a) Capex:
      - Sustaining Capex + Exploration Capex (not including Exploration expenses) + "Others" (including development of a new leach pad and the Esperanza area at the San Andres mine in Honduras) added $31,722
      - Proceeds on sale of plant and equipment: $ (912)

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

        - $20,251 were associated with the expansion of our operations (Ernesto mine and Gold Road)
    - b) Realized losses of $14,798 with gold, copper, and currency derivatives as result of significant increase of metal prices (mainly gold) and strong devaluation of the Brazilian Real in period
    - c) Taxes paid due to the strong operation results recorded in Brazil, Honduras and Mexico ($9,297)
    - d) Several other items, including change in working capital, interest expenses, dividends paid, foreign exchange ($ 15,192)
- In addition, as result of the acquisition of Gold Road, its non-recourse debt was consolidated at a discounted value of $25,205.

Revenue components and highlights

	For the three months ended December 31, 2020	For the three months ended December 31, 2019	For the twelve months ended December 31, 2020	For the twelve months ended December 31, 2019
Gold revenue	$ 74,459	$ 47,365	$ 219,332	$ 158,524
Copper & Gold Concentrate Revenue	27,884	23,273	88,074	70,705
Gross Revenue	$ 102,343	$ 70,638	$ 307,406	$ 229,229
Ounces sold (GEO)(1)				
San Andres	15,584	18,748	56,494	56,722
EPP Mines	24,389	15,845	66,652	58,704
Aranzazu	18,689	19,727	63,980	63,642
Gold Road	1,105	-	1,105	-
Total ounces sold	59,767	54,321	188,231	179,068
Gold sales revenues, net of local sales taxes	$ 70,723	$ 46,380	$ 209,801	$ 155,497
Average gold market price per oz (London PM Fix)	$ 1,874	$ 1,481	$ 1,768	$ 1,392
Realized average gold price per ounce sold, gross	$ 1,813	$ 1,369	$ 1,765	$ 1,373

Additional events for the fourth quarter of 2020

Secondary Public Offering of BDRs Completed

On November 11, 2020, the Company announced that it had completed a secondary public offering of BDRs launched by certain minority shareholders of the Company (the "Secondary Offering"). The Secondary Offering consisted of 1,800,000 Shares (corresponding to approximately 2.5% of the total outstanding Shares of the Company). The Company issued no shares and received no funds from the Secondary Offering.

Upon the completion of the Secondary Offering, the BDRs (including the BDRs of the Secondary Offering) started trading in the traditional securities trading segment of B3 under the code "AURA33", for all types of investors.

Subsequent events for the fourth quarter of 2020

Development of Almas Project

On February 3, 2020, the Company announced approval by its Board of the development of Almas, following the conclusion of the Almas Study and detailed analysis by the management team.

Almas is expected to begin construction in the first quarter of 2021, to be operational in production/ramp-up phase by the second half of 2022 and start commercial production by fourth quarter of 2022. Promon Engenharia was hired for EPCM (Engineering, Procurement and Construction Management) services on plant and infrastructure, having already started working on detailed engineering, to be developed until ramp up phase expected to the fourth quarter of 2022. Beginning of construction is subject to obtaining final documentation on land use agreement and environmental licenses with the State of Tocantins in Brazil, which have already been requested by the Company in order to meet the expected timeline of the Project.

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

Almas is expected to be operational by the second half of 2022, with an after-tax total investment estimated at approximately US$73 million, yielding an after-tax NPV of US$183 million when using the weighted average consensus gold prices for the projected period of US$1,558 per ounce. An upside scenario using a gold price of US$1,800 per ounce yields an after-tax IRR of 57%, an after-tax NPV of US$260 million and a leveraged ROE of 108%, assuming 50% debt to total capital. Average annual gold production is estimated at 51,000 ounces during the first four years of the Project, with an estimated LOM of 17 years, based on mineral reserves estimated in accordance with National Instrument 43-101.

See the press release of the Company dated February 3, 2020, for further details.

Trafigura advance payment

In February 2021, Trafigura México, S.A. de C.V agreed to make an advance payment of US$ 6,000 to Aranzazu Holdings Ltda, in connection with the Purchase-Sale agreement entered between the parties in November 2020. The advance bears an annual interest rate of 5.00% with a maturity date of March 2022.

Dividends

The Company announced in June 2020 the approval of a new dividend policy (the "Dividend Policy"). Under the Dividend Policy, the Company expects to pay an annual dividend based on 20% of its annual Adjusted EBITDA less sustaining capital expenditures and exploration capital expenditures, payable as cash dividends to holders of its shares.

The Company has calculated the expected minimum dividend payable based on the Dividend Policy and the Company's 2020 results to be around $18 million. The Board of Directors is expected to meet in late March 2021 to consider the payment of an annual dividend pursuant to the Dividend Policy.

The declaration of dividends under the Dividend Policy is subject to the discretion of the Company's board of directors, having regard to the best interests of the Company and the limitations imposed by the solvency tests contained in the Company's memorandum of association and articles of association and other requirements of applicable corporate law. Nothing in the Dividend Policy shall restrict the discretion of the Company's board of directors from authorizing sustaining capital expenditures or exploration capital expenditures that the board of directors deems to be in the best interests of the Company. These expenditures may limit future amounts of dividends payable under the Dividend Policy.

7. OUTLOOK AND KEY FACTORS

The Company expects improvements at its operations in 2021, as indicated below:

- ***EPP:*** Ernesto pit is expected to be the main source of ore feed for the year, together with its pit development for full production, targeted in 2022. The Company expects the fourth quarter of 2021 to have the most significant production. Japones, Nosde and PPQ are expected to keep producing in 2021, which, together with the development of the extension of Lavrinha pit, is expected to provide more flexibility to EPP with 4 operational pits and one underground mine.
- ***San Andres:*** Esperanza is expected to remain as the main source of ore for 2021. Improvements in the plant are expected to reduce the leaching cycle and reduce DMT in the mine to increase efficiency. The Company also intends to conduct exploration activities to develop new targets surrounding the existing pit.
- ***Aranzazu:*** Over the first half of the year, the implementation of further improvements in the milling and flotation circuit may increase throughput, reaching 100,000 tons per month during the second half of 2021. More than 48,900m of drilling is planned as part of a strong exploration plan to support the next expansion, in line with management's goal of doubling production capacity in the future.
- ***Gold Road:*** While the Company moves to final phase of the ramp up, exploration efforts are expected to continue in 2021, both at current operational areas as well as targets in the Company's mineral concession. The Company expects to publish an updated technical report during the first half of 2021.

The Company's updated gold equivalent production, cash cost per gold equivalent produced and Capex guidance for 2021 are detailed below.

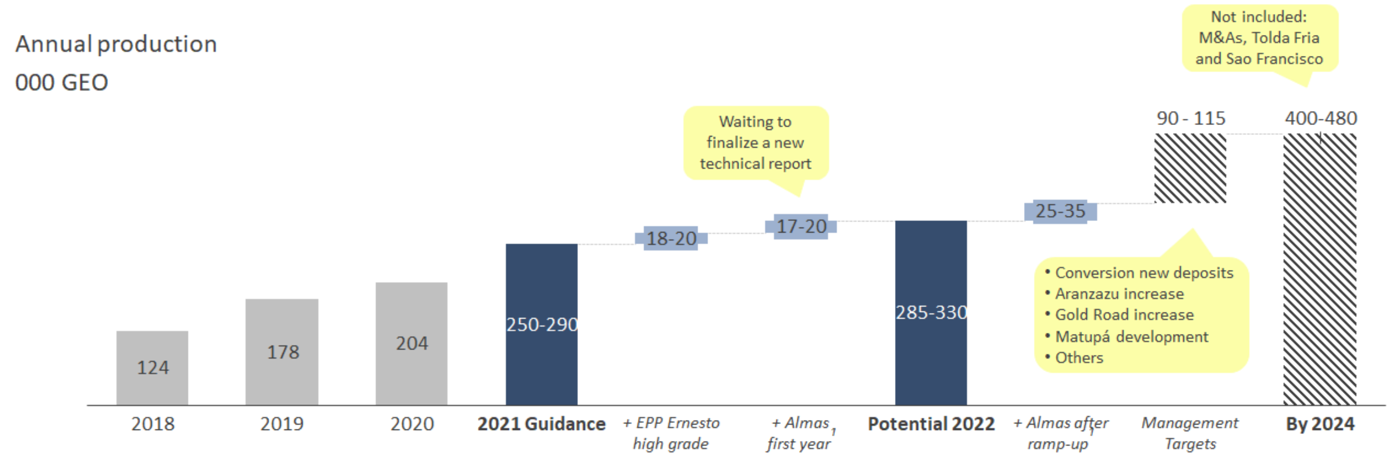
Production

The table below details the Company's updated GEO production guidance for 2021 by business unit:

	Gold equivalent thousand ounces ('000 GEO) production - 2021	
	Low	High
San Andrés	80	93
EPP Mines	64	73
Aranzazu	81	93
Gold Road	25	31
Total	**250**	**290**

In addition to its production guidance for 2021, below we present management targets for production for 2022-2024 across its business units.

Management has set a production target of 400,000 to 480,000 GEO by the year ending December 31, 2024:



Including capitalized ounces

Notes: 2021 and 2022 figures are based on current technical reports for the Company's projects, except as otherwise noted. Please refer to the heading "Technical Information". Figures for 2023-2024 are based on management's expectations based on preliminary, high level studies for each of the assets. 1) Based on Ausenco's Desktop Study issued in May 2020, as disclosed in the press release of the Company dated July 21, 2020.

The table below shows the Company's updated cash costs per gold equivalent produced guidance for 2021 by Business Unit:

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

	Cash Cost per equivalent ounce of gold produced - 2021	
	Low	High
San Andrés	800	950
EPP Mines	685	810
Aranzazu	615	725
Gold Road	970	1180
Total	**728**	**867**

For the cost calculation the Company used the following assumptions on exchange rates: for Brazilian Real: BRL 5.20/USD; Honduran Lempira: HNL 24.00/USD; Mexican Peso: MXN 21.00/USD.

Capex:

In 2021, the Company expects to start the construction at Almas, to develop a pre-feasibility study for the Matupa project and to further expand production capacity at Aranzazu, which, along with sustaining and exploration capital expenditures and Gold Road development, which is expected to total between US$93 million and US$104 million.

The table below shows the breakdown of estimated capital expenditures by type of investment:

	Capex (US$ million) - 2021	
	Low	High
Sustaining	45	50
Exploration	6	8
New projects + Expansion	42	46
Total	**93**	**104**

Aura believes its properties have strong geological potential and management's objective is to expand LOM across its business units. Therefore, in 2021, Aura plans to invest a total of US$24 million to US$28 million which includes:

- US$6 million to US$8 million in capital expenditures (included in the table above) in areas where the Company has proven and probable mineral reserves; and,
- US$18 million to US$20 million in exploration expenses, not capitalized, in areas where the Company does not yet have proven and probable mineral reserves (not included in the table above).

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.

8. 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:

- The Pandemic affected the first and second quarters due to the suspension of operations as required by the local government. On May 26, 2020, Aura obtained authorization to fully resume operations at San Andres, since then there were no new interruptions. See Section 3.3: COVID-19 Pandemic.
- The table below sets out selected operating information for San Andres for the three months and twelve months ended December 31, 2020 and 2019:

	For the three months ended December 31, 2020	For the three months ended December 31, 2019	**For the twelve months ended December 31, 2020**	For the twelve months ended December 31, 2019
Ore mined (tonnes)	**1,299,305**	1,178,232	**4,114,347**	5,178,049
Waste mined (tonnes)	**681,612**	871,840	**2,698,169**	3,766,406
Total mined (tonnes)	**1,980,916**	2,050,072	**6,812,515**	8,944,455
Waste to ore ratio	**0.52**	0.74	**0.66**	0.73
Ore plant feed (tonnes)	**1,257,133**	1,175,933	**4,005,297**	5,172,718
Grade (g/tonne)	**0.59**	0.44	**0.54**	0.48
Recovery (%)	**79%**	112%	**89%**	74%
Production (ounces)	**18,768**	18,729	**60,769**	58,374
Sales (ounces)	**15,584**	18,748	**56,494**	56,722
Average cash cost per ounce of gold produced	**$ 924**	$ 846	**$ 846**	$ 907

Results for San Andres during the fourth quarter of 2020 as compared to the same period of 2019 are as follow:

- Mining in fourth quarter and the over the year of 2020 has been concentrated in the Esperanza area, with the Company prioritizing areas with the lowest strip ratio.
- Ore production within the fourth quarter of 2020 was impacted by weather conditions (Hurricanes Eta and Iota), but despite this, a greater stacking level was achieved than in the last quarter of 2019.
- Higher average cash cost per ounce of gold produced in fourth quarter 2020 due to reduced productivity as a result of weather conditions (Hurricanes Eta and Iota) and higher costs in the price of loading and hauling and equipment rental. Results for the twelve months of the year at a lower average cash cost per ounce of gold produced, driven by the improvement in grade and recovery by handling solutions in pad.
- The recovery of 79% in the fourth quarter of 2020 was according to plan, and no longer affected by extraction of the pad from previous months. The improvement for the year ended December 31, 2020 is due to the

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

handling of the PLS (pregnant leach solution) and ILS (intermediate leach solution) on the Pad, minimizing mixtures and reducing the inventory of surplus solutions.

- For 2020 as a whole, ore production was mainly affected by a state of emergency decreed by the Government of Honduras which significantly reduced the country's economic activities for 75 days due to the Pandemic in March 2020, and weather conditions caused by Hurricanes Eta and Iota.
- Sales were affected as production decreased in November 2020 due to Hurricanes ETA and Iota, as well as the closure of the SPS airport which caused delays in exports in the last 2 months of the fourth quarter. In December 2020, 3,244.38 ounces of gold were exported with a value date of January 2021.

Strategic developments and geology

Exploration activities during the fourth quarter of 2020 were impacted by the Hurricanes Eta and Iota that significantly affected Honduras. A total of 42 holes totaling 3,891 meters were drilled during the fourth quarter of 2020, and a total of 14,264 meters (169 drill holes) in the year ended December 31, 2020, consisting of 101 diamond drill holes (9,144 m) and 68 reverse circulation holes (4,951 m).

The program was focused on Infill drilling with the aim of replacing depletion from production and increasing the certainty of the mineral in tonnage and grade, which confirmed the resource model grades as initially planned in East Ledge, Banana Ridge and Esperanza zones. Exploration and infill drilling to upgrade resources were concluded in Falla A, temporarily suspended in Zona Buffa due to access conditions, which is expected to be resumed in first quarter of 2021.

Quality Assurance and Quality Control – San Andres

The samples are sent to the internal laboratory in the Minosa mine, where they are weighed, pulverized, and homogenized. Two percent of CRM and two percent of Blank samples are inserted into the sample streams sent to the laboratory to verify accuracy, precision, and contamination. Five Gold Certified Reference Material with ranging value from 0.32 ppm to 1.41 ppm and one type of blank rock from the region have been used. The samples are analyzed for Gold using the Au_FA30 (Fire assay/AAS, 30g) and Au_CN10 (Hot cyanide/AAS, 10g) methods, both with 0.01ppm in the lower detection limit.

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, Ernesto and Pau-a-Pique underground deposit, all of which are under operation. Nosde is under development stage.

EPP achieved a production record during fourth quarter of 2020 of 26,332 ounces, of which 13,579 ounces came from the Ernesto mine. In 2021, the Company expects a push back at the Ernesto mine primarily during the first half of 2021, following which the Company expects Ernesto to achieve higher grades in the fourth quarter of 2021 and during 2022.

The Company expects to declare commercial production at Nosde by early 2021. During fourth quarter of 2020, Nosde produced 1,204Oz.

In additional, the Company believes EPP has additional promising deposits within a 25km distance radius of existing operations, with the potential to become new mines, such as the Bananal North and Bananal South. The Company is currently conducting exploration on these target areas.

Finally, the Company is evaluating the potential to restart the São Francisco mine. Surface sampling was concluded in 2020 with the identification of 7 potential targets. Exploratory drilling in 3 of those will start in the first quarter of 2021.

Operating performance

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

Production at EPP for the three months and twelve months ended December 31, 2020 for the different mine stages is summarized below:

	For the three months ended December 31, 2020	For the twelve months ended December 31, 2020
Production at commercial stage from Lavrinha, Japones, Ernesto, Pau-a-Pique	25,128	66,847
Production not at the commercial stage from Ernesto, Nosde, other	1,204	4,796
Total Production (gold ounces)	**26,332**	**71,643**

The table below sets out selected operating information for the mines at commercial stage at EPP, consolidated for the three months and twelve months ended December 31, 2020 and 2019.

	For the three months ended December 31, 2020	For the three months ended December 31, 2019	For the twelve months ended December 31, 2020	For the twelve months ended December 31, 2019
Ore mined (tonnes)	**586,727**	322,915	**2,213,768**	1,400,979
Waste mined (tonnes)	**5,100,147**	3,195,472	**17,377,991**	12,140,020
Total mined (tonnes)	**5,686,875**	3,518,387	**19,591,759**	13,540,999
Waste to ore ratio	**8.69**	9.90	**7.85**	8.67
Ore plant feed (tonnes)	**419,859**	412,383	**1,669,633**	1,614,664
Grade (g/tonne)	**1.99**	1.16	**1.34**	1.13
Recovery (%)	**93.6%**	95.7%	**95.9%**	95.1%
Production (ounces)	**25,128**	14,704	**66,847**	55,933
Sales (ounces)	**24,389**	15,845	**66,652**	58,704
Average cash cost per ounce of gold produced	**$ 587**	$ 1,147	**$ 743**	$ 963

(1) EPP Mines do not consider pre-commercial production , capitalized.

A discussion of the above results is set out below:

- Higher ore production resulted from ore added by Ernesto and Japones, which also produced a higher grade compared to same period of 2019. Lavrinha also contributed to the higher production in the period.
- The Company had a lower strip ratio at EPP due to increased ore handling from Japones and Ernesto.
- Processed tons were slightly higher than same period in 2019 due to the better productivity of the EPP plant despite keeping a similar recovery rate compared with the same period 2019.
- The Company had lower recoveries in the fourth quarter of 2020 in comparison to the third quarter of 2020, as expected due to specific features from Ernesto mine ore.
- Higher gold production was the result of lower ton and grade processed in the plant.
- Lower cost per ounce was due to reduced strip ratio and higher gold production.

Strategic developments and geology

During the fourth quarter of 2020 at EPP, a total of 79 drill holes were completed, totaling 12,202 meters. In 2020, 184 drill holes, totaling 32,549 meters, were completed. The near mine exploration was concluded in the fourth quarter of 2020, where the resource models for Lavrinha and Nosde were updated. Drilling activities were concentrated in Bananal Target.

A total of 33 holes totaling 9,151 meters were drilled during the fourth quarter of 2020 focusing on the infill of Bananal South. A total of 92 holes totaling 23,904 meters were drilled in Bananal South and North targets during the year ended December 31, 2020. Resource model updates for those targets as well as the exploration drilling on the Bananal South extensions and Bananal Central are expected to start in first quarter of 2021.

Regional exploration activities (surface sampling and mapping) further south of Bananal and north of Pau-a-Pique were conducted during the fourth quarter of 2020 and are still in progress to generate new drill targets for 2021. As mentioned above, the Sao Francisco work was completed with the identification of 7 targets to be drilled over this year.

Quality Assurance and Quality Control – EPP

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

Analytical work was carried out by SGS Geosol Lab ("SGS"), in Belo Horizonte, Brazil. Drill core samples were shipped to SGS's Lab. All samples were analyzed for gold values determined by fire assay method with atomic absorption spectrometry finish on 50g aliquots. SGS has routine quality control procedures which are independent from the Company's. The Company has established a standard quality assurance and quality control procedure for the drilling programs at Apoena as below.

Each batch of samples sent to the lab is composed approximately by 40 core samples and 4 quality assurance and quality control samples (2 blanks and 2 standards). The number of control standards should reflect the size of the analytical batch used by the laboratory. These QAQC samples are randomly spaced into each batch. The bags are labeled with these numbers are filled with 50 grams of one of the control standards and the sample tag is inserted in the bag. Records of which control standard was put in each bag in the sample log or sample cards are kept.

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. After being put in care in maintenance in 2014, new management re-analyzed the business and the operation was restarted in 2018 after a detailed 5-year feasibility study was completed, governance was redesigned, a new incentive program was introduced, and new tailings dam was built.

Aranzazu declared commercial production in December 2018. Since that time, Aranzazu has performed above the expectations set out in its feasibility study, operated at less than half of cash cost and twice the production of, compared to 2014.

As part of the feasibility study, management focused on having a detailed 5-year LOM plan to be able to restart and expand operations, once generating positive cash flows. Since early 2019, Aranzazu has invested in geological studies, consolidating its information with a new geophysical data and reports from external consultants, which the Company believes are promising, as further described below:

- Glory Hole is currently Aranzazu's main deposit. It is currently being drilled to seek to significantly expand LOM. A 2019 Airborne Magnetic Survey indicated that the Glory Hole Skarn (low magnetic signature) is still open downdip for further 500 to 700m from currently known inferred resources, also down plunge to southeast towards Cabrestante, which may represent a significant increase of LOM. The Company intends to further explore this possibility with its recent infill drilling campaign.
- The Company believes El Cobre is a significant deposit, and is conducting a drilling campaign that has potential to significantly increase LOM. The El Cobre area shows a higher-level exposure and occurs as vertically oriented chimneys and breccia pipes with skarn cores. They are likely to continue down into laterally more extensive skarns similar to those in the Aranzazu area and indicating that Aranzazu style skarn mineralization may underlie the El Cobre workings (corroborating the high potential in downdip evidenced by the aeromagnetic survey). In addition, the strong retrograde pyrite-hematite alteration is very similar between the two areas.
- Concepcion del Oro / Peñasquito / Tayahua is a polymetallic world class district where Aura controls approximately 11,000 hectares of mineral rights. Geological mapping and sampling, together with geophysical data are generating a significant amount of new early-stage targets in the district, where new copper-gold skarns, manto type polymetallic mineralization and high-grade veins gold /silver veins were found. Low grade Au-Cu porphyry mineralization could possibly occur as well.

Operational performance

The table below sets out additional selected operating information for Aranzazu for the three months and twelve months ended December 31, 2020 and 2019:

	For the three months ended December 31, 2020	For the three months ended December 31, 2019	For the twelve months ended December 31, 2020	For the twelve months ended December 31, 2019
Ore mined (tonnes)	**258,085**	206,502	**891,699**	760,789
Ore processed (tonnes)	**260,301**	231,611	**896,030**	815,952
Copper grade (%)	**1.36%**	1.57%	**1.44%**	1.28%
Gold grade (g/tonne)	**0.79**	0.98	**0.90**	0.77
Silver grade (g/tonne)	**20.66**	22.54	**21.99**	18.36
Copper recovery	**91.3%**	89.0%	**90.7%**	80.1%
Gold recovery	**79.3%**	78.5%	**77.6%**	69.5%
Silver recovery	**59.4%**	61.9%	**60.4%**	53.8%
Concentrate production:				
Copper concentrate produced (DMT)	**14,369**	14,842	**53,791**	42,396
Copper contained in concentrate (%)	**22.4%**	21.9%	**21.8%**	18.7%
Gold contained in concentrate (g/DMT)	**11.3**	12.0	**11.6**	9.7
Silver contained in concentrate (g/DMT)	**222.6**	217.7	**221.8**	179.0
Copper pounds produced ('000 Lb)	**7,110**	7,158	**25,743**	22,181
Total production (Gold Equivalent Oz - GEO)	**19,073**	19,953	**65,499**	63,193
Cash costs ($/GEO)	**$ 757**	$ 540	**$ 840**	$ 749
Copper equivalent pounds produced ('000 Lb)	**10,860**	10,997	**41,329**	33,067
Cash Cost per Copper equivalente pound produced	**$ 1.33**	$ 0.98	**$ 1.33**	$ 1.43

For the fourth quarter of 2020:

- Mine production 25% higher than same period in 2019, consistent with the Company's goal to achieve 100,000 tons per monthly by July 2021.
- Plant production increased 13% compared with same period in 2019, since in 2019 there was ore from stockpile that was processed in the plant.
- Copper grade was lower than the same period in 2019 due to mine sequencing and the grade in areas which were mined, in accordance with the Company's expectations.
- The Company believes that Aranzazu can further increase recovery at the plant and achieve better results for Copper and Gold production during 2021.
- During the fourth quarter of 2020, almost the same tons of concentrate was produced, but such material contained higher copper content, compared with same period of 2019.
- When compared with same period 2019, cash cost per copper pound produced was higher due to lower grades and a higher secondary development to increase mine production for 2021 as part of the plan to achieve 100,000 tons per monthly.

Strategic developments and geology

Aranzazu continues to advance its program to consolidate a balanced exploration pipeline. The infill drilling program focused on resources conversion on Glory Hole, with a total of 11,830 meters totaling 19 holes completed in 2020.

Exploration drilling continued during the fourth quarter of 2020 at Glory Hole downdip, where a second hole expected to be 1,050 meters was started in late December 2020 and is still underway. In Cabrestante, two holes were concluded. Exploration drilling also started at El Cobre with one hole totaling 857 meters completed to date, and a second hole expected to start in early first quarter of 2021.

The strategy for 2021 will be similar to 2020. The Company intends to continue convert the Glory Hole from resources to reserves while expanding resources both at Glory Hole, Cabrestante and El Cobre. The conversions of Glory Hole remain steady and predictable in the 80%-90% range.

Quality Assurance and Quality Control – Aranzazu

The Company is using Bureau Veritas S.A. via their branch offices located in: 1) 9050 Shaughnessy St, Vancouver BC V6P-

6E5, Canada; and, 2) 428 Panamá St, Unión de los Ladrilleros, Hermosillo Sonora, México for analytical works.

Currently, there are four types of quality assurance and quality control samples that are used to verify laboratory accuracy, precision, and contamination within each batch in labs: i) Standard (5% insertion), ii) Blank (5% insertion), iii) Duplicate (2.5% insertion), and iv) Twin (2.5% insertion). The core samples are cut in half looking for the main structures to be of equal proportion to reduce the bias of the results. They are, then, packed in transparent bags, labeled and sealed. Subsequently, the samples are sent to the preparation laboratory in Durango, Mexico, where they are weighed, broken, pulverized, and homogenized for their subsequent shipment to the laboratories of Hermosillo and Vancouver. Three standard CDN types are inserted, high (2,033% Cu), medium (1.37% Cu) and low (0.529% Cu) grade, and three types of rock blanks from the region; marble, intrusive, and limestone. For gold testing, they are sent to the Hermosillo Sonora laboratory where they are analyzed by the FA430 method with a detection limit of 0.005 ppm and 10 ppm and if it exceeds the detection limit, they are analyzed by the FA530 method. For the assay of 44 elements, they are analyzed in the laboratory in Vancouver, Canada by the MA300 method. The check sample must comply with a minimum of 5% of samples, which are sent to the SGS laboratory in Durango and be analyzed using the GE_ICP40B and GE_FAA313 method.

Gold Road

Introduction

Gold Road mine is located in the Oatman Mining District in Arizona, USA, a prolific zone with more than 2 million ounces of gold produced in the past.

After acquiring Gold Road in March 2020, Aura initiated a phased drilling campaign to further delineate and confirm current mineral resources and to expand the minable resource footprint of the property. Aura has developed the property's first 3-D model of the ore body and a mine plan based on above inferred mineral resources.

Aura completed two phased diamond drilling campaigns in Gold Road Mine during 2020 totaling 23,203 ft in 53 holes from underground and 13,372 ft in 8 holes from surface for total budget of $ 2,064,828. The main objectives of 2020 underground drilling campaign was to upgrade of inferred mineral resource to indicated category. Underground drilling was partially successful in delineating existing inferred resources and provided a robust interim model for short term mine planning.

The main objectives of 2020 surface drilling was to test the western extension of the Sharpe stope at depth and to expand inferred resource footprint. The results of drilling show that Sharpe stope does not have extensive strike length continuity and is limited perhaps by controlling structures. Due to high-risk nature of deep drilling of a narrow vein target from surface, it was decided to continue Sharpe stope zone exploration at depth from a new underground platform in 2021.

In addition, Aura start to drill in Gold Ore target which is in close vicinity of Gold Road Mine in 2020. Gold Ore is an abandoned mine which was partially mined in 1940s. One drill hole was completed during 2020 for total of 2,065 ft to test viability of mineralization below historical mine workings. The plan is to continue drilling in 2021 to better understand geology, geometry and extension of mineralization in Gold Ore.

In order to better understand historical geological framework of orebody in Gold Road Mine, a desktop geological study was completed in 2020 digitizing all available historical level plans for Gold Road Mine. Similar desktop study needs to be completed for historical mines in the Oatman District in 2021.

Aura approved a total budget of $7 million for exploration program and drilling in Gold Road Mine and Oatman district. A total of 54,000 ft will be drilled from underground in 119 holes and a total of 52,465 ft from surface in Gold Road Mine. The objective of these drilling campaigns, similar to 2020, is to delineate upgrade and expand resource footprint at Gold Road. In district scale, the 2021 exploration program intend to identify at least three drill ready targets which can be subject further exploration in the future.

Aura's plan is to incorporated drilling data and information into new updated 43-101 in 2021.

Operational Performance

Gold Road continued to ramp-up during the fourth quarter of 2020 and declared commercial production in December 2020. The mine contractor met management's performance expectations for daily advance rates and haulage. The plant was fully commissioned and averaged 378 tons per day or 76% of rated throughput capacity. Exploration on the Gold Road vein continued with two drills for most of the fourth quarter of 2020 and wide-spaced drilling results have confirmed mineralization for most of the mining areas planned for 2021. The mine began accelerating development in December to open more mining areas, which will provide additional flexibility in the mine plan.

Strategic Development

During the fourth quarter of 2020, Aura continued exploration drilling to confirm the 2021 mine plan and beyond. A total of 36,575 ft (11,148 meters) were drilled from underground and surface during 2020 in 100 Level, 5000 Zone, 3080 Zone, 2609 Zone, Sharpe Stope and Shaft#1.

Exploration drilling started and is still ongoing at Gold Ore, which is a parallel northwest – southeast trending vein structure mined in the past, located approximately 800 meters east of Gold Road.

Quality Assurance and Quality Control – Gold Road

Currently, analytical work is being carried out by ALS Geochemistry Lab ("ALS") in Reno, Nevada, USA. Drill core samples were crushed, pulverized, and homogenized in the mine's laboratory at Gold Road, then pulp samples were shipped to ALS's lab in Reno. All samples were analyzed for gold values determined by fire assay method (code Au-AA25) with atomic absorption spectrometry finish on 30g aliquots. ALS has routine quality control procedures which ensure that every batch of 20 prepared samples includes one sample repeats, two commercial standards and blanks. ALS's quality assurance an quality control measures are independent from the Company's. The Company has established a standard quality assurance and quality control procedure for the drilling programs at Gold Road by inserting one blank, two standards, and one duplicate for each 20 samples.

Exploration Projects

- At Matupá, a total of five diamond exploration holes totaling 2,085 meters were undertaken in the fourth quarter of 2020, focussing on Eron Vein, X1 and Target 47 Cu-Mo anomaly. In parallel, 20 reverse circulation holes totaling 1,120m were completed to test important gold soil anomalies in Alto Alegre. Soil sampling was also completed in Guarantã Ridge polymetallic target.
- Surface exploration activities continued at Almas, aiming to generate new exploration targets in the district and improve the exploration pipeline of the project.
- At Tolda Fria, Colombia, a surface exploration program in the district started in the third quarter of 2020 and continued during the fourth quarter. Aura now controls approximately 6,625 hectares in claims. The Company expects to generate significant early-stage target in Tolda Fria district along 2021. The Tolda Fria district in part of greater prolific Middle Cauca district where several world class porphyry and epithermal gold deposits exists. The surface mapping performed in 2020 was very promising with some high grade chip sampling found. Those targets are going to be further studied to allow for a decision whether to drill them. Based on the results, Aura submitted to the Colombian authorities a request to expand the research rights in a specific area neighboring its existing rights.

Quality Assurance and Quality Control – Exploration Projects

At Matupa, Aura implemented QA/QC program for drilling, trenching and channel sampling which includes one high grade standard, one low grade standard, and one Blanks in each batch (mainly after mineralized zones) and 1/20 core duplicate (5%); Blank sample are fragments of regional barren granodiorite without any hydrothermal alteration or sulfides.

Currently Aura uses the Certified Reference ITAK 528 and ITAK 529 for Gold samples, which was prepared by Itak lab following Rio Novo's request to prepare a certified reference material from a sample collected from the reject of drilling performed by Rio Novo (separated by range of levels: low grade 0.315 and high grade 2.76) and forwarded to the Itak. A sample of approximately 100 kg of material was dried at a temperature of 105 °C and homogenized. After homogenization, the material was fourth in aliquots of approximately 60g. Then they were evaluated on the degree of homogeneity for Au. Finally, a group of specialized laboratories was invited to perform the certification tests of the parameter Au.

For Copper samples Aura uses Certified Reference SG-091, SG-092 and SG-093 which was prepared by SGS Geosol lab following their internal standards. The reference material was prepared using copper ore samples from Bahia, Brazil and the raw material was dried in an oven at 105ºC for over twelve hours, pulverized down to 75 microns, homogenized and split into 372 aliquots of 120 grams, which were individually packed in airtight plastic jars. A subset of twenty-four aliquots of 10 grams selected at random was then subjected to XRF analysis at SGS GEOSOL, followed by consensus testing to ensure homogeneity.

Aura is not implanting any QA/QC samples for surface sampling (including soil , stream sediment or chip samples) in exploration projects.

9. 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 31, 2020	For the three months ended December 31, 2019	**For the twelve months ended December 31, 2020**	For the twelve months ended December 31, 2019
Net Revenues:				
San Andres	$ **28,182**	$ 27,075	$ **95,060**	$ 79,586
EPP Mines	**42,541**	19,305	**114,741**	75,911
Aranzazu	**27,884**	23,273	**88,074**	70,705
Gold Road	**1,999**	-	**1,999**	-
	$ **100,606**	$ 69,653	$ **299,874**	$ 226,202
Cost of Production:				
San Andres	$ **11,989**	$ 15,750	$ **49,673**	$ 53,766
EPP Mines	**13,546**	12,948	**50,246**	52,689
Aranzazu	**14,384**	10,681	**53,674**	49,142
Gold Road	**1,593**	-	**1,593**	-
	$ **41,512**	$ 39,379	$ **155,186**	$ 155,597
Depletion and Amortization:				
San Andres	$ **1,928**	$ 1,705	$ **5,694**	$ 6,732
EPP Mines	**3,374**	2,717	**7,576**	8,663
Aranzazu	**2,724**	1,975	**9,324**	6,949
Gold Road	**212**	-	**212**	-
	$ **8,238**	$ 6,397	$ **22,806**	$ 22,344
Gross Margin:				
San Andres	$ **14,265**	$ 9,620	$ **39,693**	$ 19,088
EPP Mines	**25,621**	3,640	**56,919**	14,559
Aranzazu	**10,776**	10,617	**25,076**	14,614
Gold Road	**194**	-	**194**	-
	$ **50,856**	$ 23,877	$ **121,882**	$ 48,261

Net revenues

Net revenues for the three months ended December 31, 2020 increased $30,953, a 44 % growth compared to same period of 2019; this was mainly a result of the increase in higher production and volume sales of 188,231 GEO (not including ounces capitalized from EPP and Gold Road) and an increase in metal prices.

Exploration expenses

	For the three months ended December 31, 2020	For the three months ended December 31, 2019	For the twelve months ended December 31, 2020	For the twelve months ended December 31, 2019
San Andres mine	$ 335	$ 68	$ 1,065	$ 242
EPP projects	1,152	457	3,671	3,005
Aranzazu mine	408	40	475	278
Gold Road	171	-	179	-
Total	$ 2,066	$ 565	$ 5,390	$ 3,525

The exploration expense for EPP and Aranzazu mainly represents costs related to increased efforts to discover potential new mining areas. At Gold Road, which was acquired on March 27, 2020, exploration expenditures have been incurred to detail mine reserves and resources.

Care and maintenance expenses

	For the three months ended December 31, 2020	For the three months ended December 31, 2019	For the twelve months ended December 31, 2020	For the twelve months ended December 31, 2019
Almas, Matupa and Tolda Fria	$ 270	$ (608)	$ 714	$ 253
EPP Mines	282	227	743	1,270
Gold Road	28	-	135	-
Total	$ 582	$ (381)	$ 1,594	$ 1,523

The care and maintenance expense for Almas, Matupá and Tolda Fria projects mainly represents costs with respect to maintaining adequate provisions for security, contracts, environmental licenses and adequate maintenance of the assets.

General and administrative ("G&A") costs

	For the three months ended December 31, 2020	For the three months ended December 31, 2019	For the twelve months ended December 31, 2020	For the twelve months ended December 31, 2019
Salaries, wages and benefits	$ 1,623	$ 1,283	$ 6,193	$ 5,434
Professional and consulting fees	1,694	960	3,814	3,106
Legal, Filing, listing and transfer agent fees	573	(22)	1,591	127
Insurance	696	306	1,688	914
Directors' fees	160	55	1,179	168
Occupancy cost	(85)	46	53	178
Merger and acquisition	-	-	366	-
Travel expenses	40	93	251	530
Share-based payment expense	201	137	594	449
Depreciation and amortization	4	5	20	26
Lease depreciation expense	43	28	119	102
Other	1,100	59	2,568	826
Total	$ 6,049	$ 2,950	$ 18,436	$ 11,860

The Company incurred in several non-recurring G&A expenses during 2020, such as Secondary Offering expenses, M&A fees, other legal fees, expenses associated with the prevention of the Pandemic in our operations, DSU expenses and other.

Professional and consulting fees includes expenses with the Company's auditors, which increased due to reporting obligations in Brazil following the Initial Public Offering, including the obligation of quarterly reports reviews and audited annual financial statements by an Audit Company registered in Brazil.

Legal, listing and transfer agent fees were impacted by expenses related to the Secondary Offering and general legal advice related to securities laws, review of stock option plans including consultancy for share split, Company's annual general and special meeting of shareholders, and other legal advice.

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

The Merger and acquisition category of G&A expense represent the costs incurred in relation to the acquisition of Gold Road.

"Other" includes general expenses incurred related to materials and supplies purchased in connection with the Pandemic, especially at Aranzazu, IT/Software subscriptions, office supplies, and other items.

Finance Costs

	For the three months ended December 31, 2020	For the three months ended December 31, 2019	For the twelve months ended December 31, 2020	For the twelve months ended December 31, 2019
Accretion expense	$ (427)	$ 1,653	$ 1,238	$ 2,333
Lease interest expense	129	12	282	49
Interest expense on debts	1,769	808	6,342	2,962
Finance cost on post-employment benefit	112	463	656	867
Other interest and finance costs	514	1,003	762	1,591
Total	$ 2,097	$ 3,939	$ 9,280	$ 7,802

The increase in interest expense on debts is mostly related to the addition of the Gold Road non-recourse debt, which has an implicit cost of 15.75% p.a. For further information, refer to Note 13 of the Financial Statements.

The increase in accretion expense is related to changes in assumptions during 2019 for related to the new right-of-use assets. For further information, refer to Note 17 of the Financial Statements.

Other (losses) income

	For the three months ended December 31, 2020	For the three months ended December 31, 2019	For the twelve months ended December 31, 2020	For the twelve months ended December 31, 2019
Net loss on call options and fixed price contracts - Gold	$ (516)	$ (65)	$ (7,391)	$ (4,728)
Net gain (loss) on call options - Copper	(635)	-	(1,375)	-
Net gain (loss) on foreign currency derivatives	$ (54)	$ 54	$ (6,032)	$ (416)
Gain (loss) on FV Option of Pandion Debt	72	-	3,223	-
Foreign exchange (loss) gain	$ 1,331	$ 464	$ (2,358)	$ (2,258)
Gain (loss) on FV change of MVV Promissory note receivable	2,480	-	2,480	-
Other items	$ 440	$ (439)	$ (245)	$ 523
Total	$ 3,118	$ 14	$ (11,698)	$ (6,879)

The net loss on call/put options and fixed price contracts for gold increased in 2020 once gold market prices appreciated from $1,392 to $1,768. Thus, as the Company had short-term hedges it incurred into realized and unrealized losses with derivatives (zero cost collars and forwards).

The net gain (loss) on foreign currency derivatives and the foreign exchange gain (loss) increased during 2020 once there as a result of a significant devaluation of the Brazilian Reais against the US Dollar.

The gain on FV change of MVV promissory note is related to an agreement which the Company entered on December 1, 2017, to sell MVV which owns the Serrote Project for an aggregate consideration of $40 million. The aggregate consideration of $40 million was made up of a cash payment of $30 million (paid), as well the delivery by the purchasers of a subordinated unsecured promissory note in the principal amount of $10 million, payable from 75% of excess cash from the project after the project has repaid project financing and operating cash requirements. The determination of the probability of payment and the timing of payment, significantly impact the fair value of the promissory note. Considering the recent developments related to the Serrote Project, the Company estimated the fair value of the promissory note to be $2.5 million as of December 31, 2020 . The Company will continue to monitor the project, with special attention to when commercial production will be declared, and when positive cash flows will start to be generated, in order to reassess the fair value at each reporting date.

10. 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, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Net Revenue		$ 100,606	$ 89,808	$ 60,834	$ 48,626	$ 69,653	$ 69,919	$ 50,374	$ 36,255
Net current assets (liability)		96,643	66,235	7,409	19,233	22,820	9,528	(3,279)	6,179
Property, plant and equipment		271,159	259,236	244,225	243,402	212,496	214,361	215,059	214,441
Impairment recovery		-	-	-	-	-	-		-
(Loss) Income for the period		57,567	24,201	3,985	(17,664)	29,725	3,799	(3,913)	(4,723)
(Loss) Income per share									
	Basic	$ 0.81	$ 0.34	$ 0.92	$ (4.06)	$ 6.83	$ 0.87	$ (0.90)	$ (1.08)
	Diluted	$ 0.80	$ 0.34	$ 0.92	$ (4.02)	$ 6.80	$ 0.87	$ (0.90)	$ (1.08)

The Company maintains its trend of growth in net revenues over the quarters, despite impact from the Pandemic during first and second quarters of 2020.

11. LIQUIDITY AND CAPITAL RESOURCES

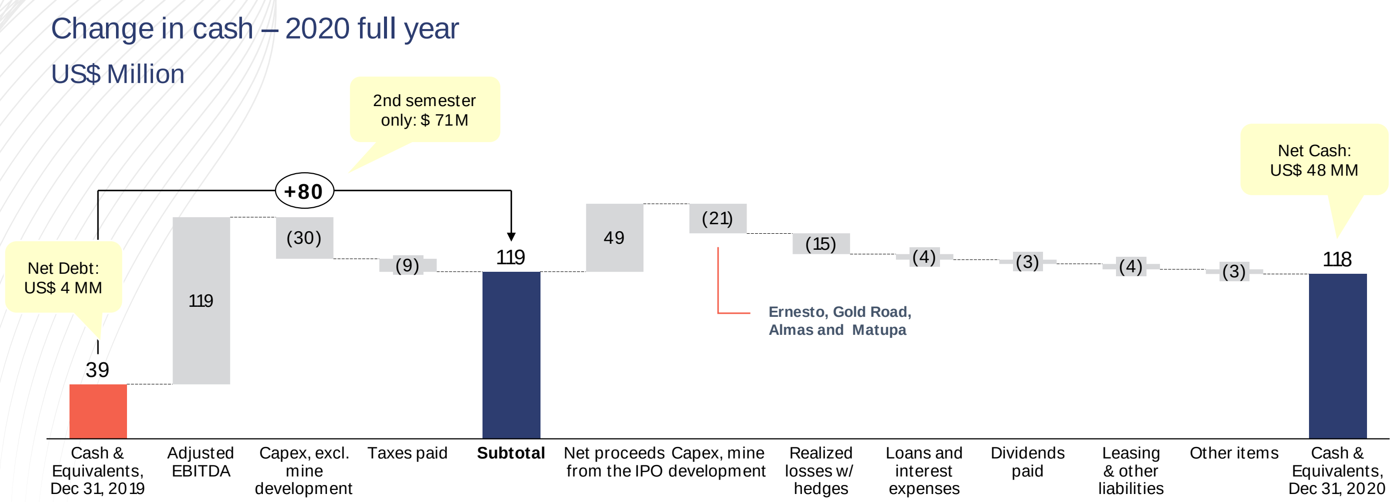
Management of the Company believes that our ongoing operations and associated cash flows will provide sufficient liquidity to continue financing our planned growth in the near term and that we will have access to additional debt as we grow to support further expansion.

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 changes in the Company's cash position during the twelve months of 2020 are detailed as follows:

	For the three months ended December 31, 2020	For the three months ended December 31, 2019	**For the twelve months ended December 31, 2020**	For the twelve months ended December 31, 2019
Net cash generated by (used in) operating activities	**$ 44,425**	$ 18,320	**$ 90,359**	$ 36,126
Net cash generated by (used in) investing activities	**(12,296)**	(6,272)	**(51,061)**	(15,399)
Net cash generated by (used in) financing activities	**(631)**	2,712	**41,305**	7,895
	$ 31,498	$ 14,760	**$ 80,603**	$ 28,622

The charts below show the increase in cash position for the twelve months ended December 31, 2020 from a managerial perspective:



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

Financial debt

Financial debt	Total	Less than 1 year	1 - 3 years	4 - 5 years
Banco Occidente	$ 500	$ 500	$ -	$ -
Banco Atlántida	4,789	1,741	3,048	-
Banco ABC Brasil S.A.	6,786	1,540	5,246	-
Banco Santander Brasil	10,686	3,033	7,653	-
Banco Votorantim	3,146	1,599	1,547	-
FIFOMI Credit Facility	3,413	870	1,742	801
IXM S.A.	5,873	5,873	-	-
Pandion	26,804	9,700	17,104	-
Itau	8,429	3,629	4,800	-
Total	**$ 70,426**	$ 28,485	**$ 41,140**	$ 801

For a detailed discussion of the above noted debts, please see Note 13 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.

12. CONTRACTUAL OBLIGATIONS

Except as set forth in this MD&A, for the quarter ended December 31, 2020 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 future liabilities and payables:

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

13. RELATED PARTY TRANSACTIONS

Irajá Royalty Payments

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

On October 27, 2017, SBMM entered into an agreement (the "Royalty Swap Agreement") with Irajá Mineração Ltda, a company beneficially owned or controlled by Paulo de Brito, 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 $2,411 in the twelve months of 2020 and has a liability outstanding of $287 at December

31, 2020.

Northwestern Stabilization Loan Royalty Payments

As disclosed by the Company in a material change report dated July 12, 2020 (the "MCR"), in connection with facilitating the stabilization procedures under the Initial Brazilian Offering, Northwestern Enterprises Ltd. ("Northwestern"), a company controlled by Mr. Paulo de Brito, the chairman of the board of the Company, agreed to loan to a Brazilian underwriter that acted as stabilization agent under the Initial Brazilian Offering 143,568 BDRs, representing 15% of the BDRs offered under the base offering (the "Northwestern Stabilization Loan"). As consideration for entering into the Northwestern Stabilization Loan, Northwestern received a fee equal to 0.00001% per annum of the product obtained when the number of BDRs loaned by Northwestern was multiplied by the price per BDR set under the Initial Brazilian Offering, which was equal to R$820.00 or C$204.75, based on the daily average rate of exchange published by the Bank of Canada on June 30, 2020, calculated pro rata daily for the term of the loan, which amount was intended to be nominal. See the MCR on www.sedar.com for further details.

Key Management Compensation

Total compensation paid to key management personnel, remuneration of directors and other members of key executive management personnel for the three months and twelve months ended December 31, 2020 and 2019 are as follows:

	For the three months ended December 31, 2020	For the three months ended December 31, 2019	**For the twelve months ended December 31, 2020**	For the twelve months ended December 31, 2019
Salaries and short-term employee benefits	$ 581	$ 384	$ 3,308	$ 2,417
Share-based payments	141	126	569	432
Directors' Fees	160	55	1,179	168
Termination benefits	40	-	84	348
Total	$ 922	**$ 565**	$ 5,140	$ 3,365

The increase on 2020 is partially the reflect of the company's growth, the approval to fill the positions of CFO (Chief Financial Officer), COO (Chief Operating Officer) and CTO (Chief Transformation Officer), which strengthened Aura's ability to grow while improving efficiency and generating shareholder's value.

Increase in director's fees are associated with DSUs held by one of the Company's directors, which were settled in cash and had its value increased as result of the appreciation of the share price of the Company.

14. PROPOSED TRANSACTION

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

15. CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements requires management to make estimates, judgments and to form assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent liabilities. Management's estimates and judgments 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 judgments, 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 Life of Mine (LOM) Plans ore reserves and reserves

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

The Company determines mineral resources and reserves under the principles incorporated in the Canadian Institute of Mining, Metallurgy and Petroleum standards for mineral reserves and resources, known as the CIM Standards. The information is regularly compiled by Qualified Persons and reported under National Instrument 43-101, Standards of Disclosure for Mineral Projects ("NI-43-101").

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

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. Internal and external factors evaluated for indications of impairment include: (i) whether the carrying amount of net assets of the entity exceeded its market capitalization; (ii) changes in estimated quantities of mineral resources and the Company's ability to convert resources to reserves, (iii) a significant deterioration in expected future metal prices; (iii) changes in expected future production costs and capital expenditures; and (iv) changes in interest rates.

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

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

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

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 judgment 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) Recoverability of deferred tax assets

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

These differences result in deferred tax assets and liabilities that are included in the Company's consolidated statements of financial position. An assessment is also made to determine the likelihood that the Company's future tax assets will be recovered from future taxable income.

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

16. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments as of December 31, 2020 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. During the twelve months ended December 31, 2020, the Company entered into zero-cost put/call collars intermediated by several financial institutions, in a total of 17,500 ounces with floor prices between $1,440 and $1,720 (average strike price of $1,600) and ceiling prices between $1,555 and $2,120 (average strike price of $1,764) per ounce of gold expiring between March 31, 2020 and December 31, 2020. As of December 31, 2020, there were no outstanding put/call option positions.

Copper Price Risk is associated primarily with the volatility that will occur in the base metals commodity market. Such risk can be managed by hedging a portion of the Company's copper production through fixed price contracts and put/call option contracts. During the twelve months ended December 31, 2020, Aura entered into zero-cost put/call collars intermediated by several financial institutions, in a total of 18,334.75 pounds with floor prices between $2.3002 and $2.9003 (average strike price of $2.5860) and ceiling prices between $2.4294 and $4.1195 (average strike price of $2.7301) per pound of copper expiring between January 22, 2020 and March 31, 2021. As of December 31, 2020, there were 6,191.91 pounds with floor prices between $2.7900 and $2.9003(average strike price of $2.8591) and ceiling prices between $3.4441 and $4.1195 (average strike price of $3.8673) per ounce of gold expiring between January 1, 2021 and March 31, 2021. As of December 31, 2020, Aura recorded a derivative liability on these outstanding options of $155.

Credit Risk is associated primarily with trade receivables and derivative contracts. As of December 31, 2020, 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, Mexico and the United States. The Company holds sufficient amounts of its currency to meet its estimated expenditure requirements for these currencies. At December 31, 2020, the Company had cash and cash equivalents of $117,779, of which, $103,360 were in United States dollars, $167 in Canadian dollars, $12,612 in Brazilian reais, $1,550 in Honduran lempiras, $84 in Mexican pesos, and $6 in Colombian pesos. An increase or decrease of 10% in the United States dollar exchange rate to the currencies listed above could have increased or decreased Aura's income for the year by $1,442.

17. 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, CFO 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, CFO 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, 2020, the Company's CEO, CFO and Corporate Controller have certified that DC&P and ICFR are effective and that, during the quarter ended December 31, 2020, 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.

18. 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 sales taxes; cash operating cost per ounce of gold equivalent ounce produced; cash operating costs per copper pound produced; 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 quarter to EBITDA and Adjusted EBITDA:

	For the three months ended December 31, 2020	For the three months ended December 31, 2019	For the twelve months ended December 31, 2020	For the twelve months ended December 31, 2019
Income (loss) for the year	$ 57,567	$ 29,725	$ 68,477	$ 24,887
Income tax (expense) recovery	10,450	5,044	23,455	9,797
Deferred income tax (expense) recovery	$ (24,837)	$ (17,951)	$ (16,448)	$ (18,012)
Finance costs	2,097	3,939	9,280	7,802
Other gains (losses)	$ (3,118)	$ (14)	$ 11,698	$ 8,207
Depreciation	8,285	6,430	22,945	22,472
EBITDA	$ 50,444	$ 27,173	$ 119,407	$ 55,153
Impairment reversal	-	-	-	-
Adjusted EBITDA	$ 50,444	$ 27,173	$ 119,407	$ 55,153

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

* excluding Gold Road, not representative – 1 month in commercial production in December 2020.

	For the three months ended December 31, 2020	For the three months ended December 31, 2019	For the twelve months ended December 31, 2020	For the twelve months ended December 31, 2019
Cost of goods sold	$ 47,945	$ 45,776	$ 176,187	$ 177,941
Depreciation	(8,026)	(6,397)	(22,594)	(22,344)
Proceeds from Insurance Claim	2,600	-	2,600	-
Cost of production	$ 42,519	$ 39,379	$ 156,193	$ 155,597
Change in inventory (1)	4,001	4,104	(18)	(1,475)
Total operating cost of production	$ 46,520	$ 43,483	$ 156,175	$ 154,122
Gold Equivalent Ounces produced(2,3)	62,970	53,385	193,115	177,500
Cash operating costs per gold equivalent ounce produced	$ 739	$ 815	$ 809	$ 868

(1) Considers exclusively finished product

(2) Do not considers pre-commercial production and sale from Ernesto, São Francisco and Rio Alegre, capitalized.

(3) Do not consider production and sale from Gold Road, not representative

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

	For the three months ended December 31, 2020	For the three months ended December 31, 2019	For the twelve months ended December 31, 2020	For the twelve months ended December 31, 2019
Cost of goods sold	$ 49,750	$ 45,776	$ 177,992	$ 177,941
Cost of production related to gold operation	(32,642)	(33,120)	(114,994)	(121,850)
Depreciation related to copper	(2,724)	(1,975)	(9,324)	(6,949)
Cost of production	$ 14,384	$ 10,681	$ 53,674	$ 49,142
Change in inventory (1)	72	13	1,485	(2,400)
Total operating cost of copper pounds produced	$ 14,456	$ 10,694	$ 55,159	$ 46,742
Contained copper pounds produced	10,859,592	10,997,000	41,329,197	33,067,000
Cash cost per pound of copper produced	$ 1.33	$ 0.97	$ 1.33	$ 1.41

(1) Considers exclusively finished product

D. Reconciliation from the consolidated financial statements to realized average gold price per ounce sold, gross:

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

	For the three months ended December 31, 2020	For the three months ended December 31, 2019	For the twelve months ended December 31, 2020	For the twelve months ended December 31, 2019
Gross gold revenue	$ 74,459	$ 47,365	$ 219,332	$ 158,524
Local gold sales taxes	(1,737)	(985)	(7,532)	(3,027)
Gold revenue, net of sales taxes	$ 72,722	$ 46,380	$ 211,800	$ 155,497
Ounces of gold sold	41,079	34,593	124,252	115,426
Realized average gold price per ounce sold, gross	$ 1,813	$ 1,369	$ 1,765	$ 1,373
Realized average gold price per ounce sold, net	$ 1,770	$ 1,341	$ 1,705	$ 1,347

E. Net Debt:

	December 31, 2020	December 31, 2019
Short Term Loans	$ 28,485	$ 22,104
Long-Term Loans	41,941	20,850
Less: Cash and Cash Equivalents	(117,778)	$ (38,870)
Less: Restricted Cash	(341)	(230)
Net Debt	$ (47,693)	$ 3,854

F. Adjusted EBITDA Margin (Adjusted EBITDA/Revenues):

	For the three months ended December 31, 2020	For the three months ended December 31, 2019	For the twelve months ended December 31, 2020	For the twelve months ended December 31, 2019
Net Revenue	$ 100,606	$ 69,653	$ 299,874	$ 226,202
Adjusted EBITDA	$ 50,444	$ 27,173	$ 119,407	$ 53,825
Adjusted EBITDA Margin (Adjusted EBITDA/Revenues)	50%	39%	40%	24%

19. RISK FACTORS

The operations of the Company contain significant risk due to the nature of mining, exploration, and development activities. For details of these risks, please refer to the risk factors set forth in the Company's AIF which could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. See Section 21: Cautionary Note Regarding Forward-Looking Information.

20. DISCLOSURE OF SHARE DATA

As of December 31, 2020, the Company had the following outstanding: 70,742,460 common shares, 3,436,800 stock options, and 585,750 deferred share units.

21. 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: expected production from, and the further potential of the Company's properties; the ability of the Company to achieve its longer-term outlook and the anticipated timing and results thereof' the ability to lower costs and increase production; 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; capital expenditure and mine production costs; the outcome of

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

mine permitting; other required permitting; the outcome of legal proceedings which involve the Company; information with respect to the future price of copper, gold, silver and other minerals; estimated mineral reserves and mineral resources, the Company's exploration and development program; estimated future expenses; exploration and development capital requirements; the amount of waste tons mined; the amount of mining and haulage costs; cash operating costs per gold equivalent ounce produced; cash operating costs per copper pound produced; 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; gold hedge programs; the duration or extent of the restrictions and suspensions imposed by governmental authorities as a result of the Pandemic, and the effect that any such restrictions or suspensions may have on our operations and our financial and operational results; the ability of the Company to successfully maintain operations at its producing assets, or to restart these operations efficiently or economically, or at all; the impact of the Pandemic on our workforce, suppliers and other essential resources and what effect those impacts, if they occur, would have on our business; and the ability of the Company to continue as a going concern. 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 ability of the Company to successfully achieve business objectives; 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 operating costs per gold equivalent ounce produced, cash operating costs per copper pound produced and other financial metrics; 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, including any changes to the conditions and limitations imposed by governmental authorities in response to the Pandemic and the duration of such conditions or limitations, 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.

22. TECHNICAL DISCLOSURE

Unless otherwise stated in this MD&A, the technical and scientific information included herein has been derived from the following reports:

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

- the technical report with an effective date of January 31, 2018, and entitled "Feasibility Study of the Re-Opening of the Aranzazú Mine, Zacatecas, Mexico," prepared for Aura Minerals by F. Ghazanfari, P.Geo. (Farshid Ghazanfari Consulting), A. Wheeler, C.Eng. (Independent Mining Consultant), C. Connors, RM-SME (Aura Minerals Inc.), B. Dowdell, C.Eng. (Dowdell Mining Limited), P. Cicchini P.E. (Call & Nicholas, Inc.), G. Holmes, P.Eng. (Jacobs Engineering), B. Byler, P.E. (Wood Environment and Infrastructure Solutions), C. Scott, P.Eng. (SRK Canada), D. Lister, P.Eng. (Altura Environmental Consulting), F. Cornejo, P.Eng. (Aura Minerals Inc);

- the technical report dated July 2, 2014, with an effective date of December 31, 2013, and entitled "Mineral Resource and Mineral Reserve Estimates on the San Andrés Mine in the Municipality of La Union, in the Department of Copan, Honduras" prepared for Aura Minerals by Bruce Butcher, P.Eng., former Vice President, Technical Services, Ben Bartlett, FAusiMM, former Manager Mineral Resources and Persio Rosario, P. Eng., former Principal Metallurgist;

- the technical report dated January 13, 2017, with an effective date of July 31, 2016, and entitled "Feasibility Study and Technical Report on the EPP Project, Mato Grosso, Brazil" prepared for Aura Minerals by a group of third-party consultants, including P&E Mining Consultants Inc., MCB Brazil and Knight Piesold Ltd.;

- the technical report dated March 10, 2021, with an effective date of December 31, 2021, and entitled " Updated Feasibility Study Technical Report For the Almas Gold Project, Almas Municipality, Tocantins, Brazil" prepared by Aura Minerals and authored by F. Ghazanfari, P.Geo. (Aura Minerals), B.T Hennessey, P.Geo. (Micon International, Canada), L. Pignatari, P.Eng. (EDEM, Brazil), T.R. Raponi, P.Eng. (Ausenco, Canada), I.Dymov, P.Eng. (Metallurgy consultant , Canada) and P.C. Rodriguez, P.Eng. (GE21 Mineral Consultants Ltd ,Brazil);

- the technical report dated May 3, 2018, titled "NI 43-101 Technical Report, Preliminary Economic Assessment of the Gold Road Mine, Arizona, USA" prepared for Soma Gold Corp. (formerly Para Resources Inc., the vendor of the Gold Road Project, or Para Resources) by RPM Global;

- the technical report dated September 30, 2011, authored by J.Britt Reid, P.Eng, Bruce Butcher, P.Eng, Chris Keech, P.Geo and titled "Resource and Reserve Estimates on The São Francisco Mine, in the municipality of Vila Bella De Santissima Trindade, State of Mato Grosso Brazil,";

- the technical report dated February 12, 2010, authored by Ronlad Simpson, P.Geo (GeoSim Service Inc.), Susan Poos, P.E and Micheal Ward C.P.G (Marston & Marston, Inc.) and Kathy Altman P.E, PhD, (Samuel Engineering Inc.) and titled Technical Report and Preliminary Resource Estimate on the Guaranta Gold Project, State of Mato Grosso, Brazil,"; and

- the technical report dated May 31, 2011, authored by W.J.Crowl, R.G, and Donald Hulse, P.Eng, and titled "NI 43-101 Report on The Tolda Fria Project, Manizales, Colombia".

The technical information in this MD&A has been approved and verified by Farshid Ghazanfari, P.Geo., who is the Qualified Person as that term is defined under NI 43-101 for Aura. All technical information related to Aura's properties and the Company's mineral reserves and resources is available on SEDAR at www.sedar.com.

Readers are reminded that results outlined in the technical reports for each of these projects are preliminary in nature and may include inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves.

There is no certainty that the mine plans and economic models contained in any of the reports will be realized. Readers are further cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability. Readers are also advised to refer to the latest annual information form and technical reports of the Company as well as other continuous disclosure documents filed by the Company available at www.sedar.com, for detailed information (including qualifications, assumptions and notes set out accordingly) regarding the mineral reserve and mineral resource information contained in this MD&A.