aura

360° MINING

Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2023 and 2022

Aura Minerals Inc.

Condensed Interim Consolidated Statements of Income

For the three and nine months ended September 30, 2023 and 2022

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

(Unaudited)

	Note	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Net revenue	13	110,635	81,189	292,572	286,849
Cost of goods sold	14	(84,097)	(65,361)	(206,691)	(192,335)
Gross Margin		26,538	15,828	85,881	94,514
General and administrative expenses		(6,499)	(4,416)	(20,296)	(15,468)
Care-and-maintenance expenses		(456)	(366)	(1,521)	(1,081)
Exploration expenses		(3,012)	(3,473)	(8,631)	(7,838)
Operating income		16,571	7,573	55,433	70,127
Finance income/(expense)	15	(5,477)	(5,912)	(12,505)	(5,626)
Equity pick-up from investment in JV	7	(469)	-	(1,894)	-
Other income (losses)		4,987	3,330	7,631	2,255
Income before income taxes		15,612	4,991	48,665	66,756
Current and deferred income tax expense	11	(7,853)	(4,921)	(10,877)	(22,822)
Profit from continued operations		7,759	70	37,788	43,934
Profit from discontinued operations	8	-	-	-	10,249
Income for the period		7,759	70	37,788	54,183
Weighted average numbers of common shares outstanding					
Basic	22	72,173,569	72,710,771	72,125,740	72,539,528
Diluted	22	72,409,517	72,722,771	72,361,688	72,551,528
Income per share for continued operation - Basic	22	0.11	0.00	0.52	0.75
Income per share for continued operation - Diluted	22	0.11	0.00	0.52	0.75
Income per share for discontinued operation - Basic	22	-	-	-	0.14
Income per share for discontinued operation - Diluted	22	-	-	-	0.14

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

Aura Minerals Inc.

Condensed Interim Consolidated Statements of Comprehensive Income

For the three and nine months ended September 30, 2023 and 2022

Expressed in thousands of United States dollars

(Unaudited)

	For the three months ended September 30, 2023	**For the three months ended September 30, 2022**	**For the nine months ended September 30, 2023**	**For the nine months ended September 30, 2022**
Income for the period	7,759	70	37,788	54,183
Other comprehensive income				
Items that may be reclassified to profit or loss				
Change in the fair value of cash flow hedge, net of tax	(1,823)	1,013	28	805
(Gain)/loss on foreign exchange translation of subsidiaries	152	(282)	(212)	2,466
Items that will not be reclassified to profit or loss				
Actuarial gain (loss) on post-employment benefit, net of tax	-	(61)	1,197	(648)
Other comprehensive income, net of tax	(1,671)	670	1,013	2,623
Total comprehensive income	6,088	740	38,801	56,806

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

Expressed in thousands of United States dollars

For the nine months ended September 30,	Note	2023	2022
Cash flows from operating activities			
Income for the period for continued operations		37,788	43,934
Income for the period for discontinued operations		-	10,249
Items not affecting cash	16(a)	57,752	48,025
Changes in working capital	16(b)	(2,656)	(18,951)
Taxes paid		(12,521)	(36,894)
Other assets and liabilities	16(c)	2,515	(4,998)
Net cash generated by operating activities		82,878	41,365
Cash flows from investing activities			
Purchase of property, plant and equipment		(88,532)	(73,629)
Short term investment		600	221
Acquisition of investment in joint venture		-	(53,963)
Net cash used in investing activities		(87,932)	(127,371)
Cash flows from financing activities			
Proceeds received from loans and debentures	16(e)	139,550	106,400
Dividend payment	18	(10,102)	(10,188)
Derivative settlement		11,859	4,079
Acquisition of treasury shares		-	(9,479)
Repayment of short term loans	16(e)	(52,375)	(33,616)
Repayment of other liabilities		(631)	(1,635)
Principal payments of lease liabilities		(9,900)	(752)
Interest paid on loans and debentures	16(e)	(23,969)	(13,438)
Net cash generated by financing activities		54,432	41,371
Cash from acquired subsidiary included in the consolidation	7	3,727	-
Increase **(decrease) in cash and cash equivalents**		53,105	(44,635)
Effect of foreign exchange gain (loss) on cash equivalents		(2,017)	4,061
Cash and cash equivalents, beginning of the period		127,901	161,490
Cash and cash equivalents, end of the period		178,989	120,916

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

Aura Minerals Inc.

Condensed Interim Consolidated Statements of Financial Position

As of September 30, 2023 and December 31, 2022

Expressed in thousands of United States dollars

(Unaudited)

	Note	September 30, 2023	December 31, 2022
ASSETS			
Current			
Cash and cash equivalents		178,989	127,901
Restricted cash		-	600
Value added taxes and other receivables	5	61,374	54,509
Inventory		59,928	42,968
Derivative financial Instruments	17	7,662	8,119
Other current assets		15,860	13,526
Total current		323,813	247,623
Non-current			
Other long-term assets		5,505	15,696
Property, plant and equipment	6	481,664	378,532
Deferred income tax asset		31,869	31,104
Investment in joint venture	7	-	54,353
Total non-current		519,038	479,685
Total assets		842,851	727,308
LIABILITIES			
Current			
Trade and other payables	9	81,685	71,308
Current portion of loans and debentures	10	101,047	73,215
Current income tax liabilities		2,756	3,632
Current portion of other liabilities		11,934	12,978
Total current		197,422	161,133
Liabilities directly associated with assets classified as held for sale	8	4,087	-
Non-current			
Loans and debentures	10	197,714	140,827
Derivative financial Instruments	17	7,317	-
Deferred income tax liability		21,062	26,508
Provision for mine closure and restoration		44,043	48,262
Other provisions		11,362	13,539
Other liabilities		20,832	26,912
Total non-current		306,417	256,048
SHAREHOLDERS' EQUITY	12		
Share capital		612,036	611,975
Contributed surplus		55,411	55,286
Accumulated other comprehensive income		5,752	4,739
Accumulated deficit		(334,187)	(361,873)
Total equity		339,012	310,127
Total liabilities and equity		842,851	727,308

Approved on behalf of the Board of Directors:

"Stephen Keith" *"Rodrigo Barbosa"*

Stephen Keith, Director **Rodrigo Barbosa, President & CEO**

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

Condensed Interim Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2023 and 2022

Expressed in thousands of United States dollars, except share amounts

(Unaudited)

	Number of Common Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Accumulated deficit	Total Equity
At December 31, 2022	71,946,975	611,975	55,286	4,739	(361,873)	310,127
Exercise of options	226,594	61	125	-	-	186
Income for the period	-	-	-	-	37,788	37,788
Change in fair value of cash flow hedge, net of tax	-	-	-	28	-	28
Gain on translation of subsidiaries	-	-	-	(212)	-	(212)
Actuarial gain on long-term employee benefit, net of tax	-	-	-	1,197	-	1,197
Dividends	-	-	-	-	(10,102)	(10,102)
At September 30, 2023	**72,173,569**	**612,036**	**55,411**	**5,752**	**(334,187)**	**339,012**

	Number of Common Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Accumulated deficit	Total Equity
At December 31, 2021	72,627,529	621,115	55,044	4,236	(408,120)	272,275
Exercise of options	156,831	195	(195)	-	-	-
Stock options issued	-	-	328	-	-	328
Treasury stock	(777,266)	(9,479)	-	-	-	(9,479)
Income for the period	-	-	-	-	54,183	54,183
Change in fair value of cash flow hedge, net of tax	-	-	-	805	-	805
Gain on translation of subsidiaries	-	-	-	2,466	-	2,466
Actuarial loss on long-term employee benefit, net of tax	-	-	-	(648)	-	(648)
Dividends	-	-	-	-	(10,188)	(10,188)
At September 30, 2022	**72,007,094**	**611,831**	**55,177**	**6,859**	**(364,125)**	**309,742**

The accompanying notes form an integral part of these condensed interim 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 Inc. is a public company whose common shares are listed on the Toronto Stock Exchange (Symbol: ORA), its Brazilian Depositary Receipts, each representing one common share, are listed on the B3 - Brasil, Bolsa Balcão (Symbol: AURA33) and its common shares trade on OTCQX Best Market (Symbol: ORAAF). Aura is incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands). Aura's registered office is located at Craigmuir Chambers, Road Town, Tortola, VG1110, British Virgin Islands. Aura maintains a head office through its wholly owned subsidiary Aura Technical Services Inc., at 225 Giralda Ave, Suite 6W102, Coral Gables, FL, 33134, 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 condensed interim consolidated financial statements (the "financial statements") were approved by the Board of Directors on November 6, 2023.

2 BASIS OF PREPARATION AND PRESENTATION

The condensed interim consolidated financial statements of Aura have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in Aura's annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB have been condensed or omitted. These condensed interim consolidated financial statements should be read in conjunction with Aura's annual consolidated financial statements for the year ended December 31, 2022, ("2022 Annual Financial Statements").

In particular, Aura's significant accounting policies were presented in Note 4 of 2022 Annual Financial Statements. The condensed interim 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 of 2022 Annual Financial Statements.

The accounting policies followed in these condensed interim consolidated financial statements are consistent with those disclosed in Note 3 of 2022 Annual Financial Statements.

The functional currency of Aura and majority of its subsidiaries is the United States Dollar ("US Dollar") except for a not material service company in Mexico which have a functional currency of Mexican Pesos (“MXN Pesos”) and certain non material Brazilian subsidiaries in Brazilian Reais (“BRL Reais”). All values in the condensed interim consolidated financial statements are rounded to the nearest thousand.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The IASB issued certain new accounting standards or amendments that are mandatory for accounting periods after December 31, 2022. The Company concluded that the effect of such new accounting standards or amendments did not have a material impact and therefore did not have to change its accounting policies or make retrospective adjustments to the Condensed Interim Consolidated Financial Statements, as a result of adopting these amended standards.

4 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. The life of mine plans have been prepared with the assumption that all required permits to operate will be renewed in line with the administrative procedures required in each of the jurisdictions where the Company operates. Actual results may differ from these estimates.

Please refer to Note 4 of the 2022 Annual Financial Statements for a summary of the significant accounting estimates and judgements made in the preparation of the financial statements. 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 or future results may differ from these estimates.

Declaration of Commercial Production in Almas

In September 2023 the Company announced that Almas Project reached commercial production during August. This conclusion was based on management’s analysis on several factors, such as: (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.

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

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. The Company recognizes the proceeds from the sale of minerals sold during the development phase of their mines and the cost of producing it in the consolidated statement of income.

5 VALUE ADDED TAXES AND OTHER RECEIVABLES

	September 30, 2023	December 31, 2022
Value added taxes receivable	39,499	34,265
Trade receivables	3,705	8,366
Other receivables (a)	18,170	11,878
Total value added taxes and other receivables	61,374	54,509

(a) The Company has an unsecured promissory note with Mineração Vale Verde (MVV) in the principal amount of $10 million (plus interest at 7.3%), payable from 75% of excess cash from the project after the project has repaid their financing and operating cash requirements. The note becomes payable immediately in the case Appian Capital Advisory LLP, the current owner of MVV decides to sell its investment in MVV.

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

6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment movements for the period ended September 30, 2023 and for the year ended December 31, 2022 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, 2022	**242,858**	**43,667**	**13,292**	**20,267**	**44,437**	**14,011**	**378,532**
Additions	43,405	3,374	1,323	3,695	450	39,694	91,262
Borborema Inc Acquisition (a)	54,054	-	-	-	-	-	54,054
Reclassifications	-	84	-	-	-	(84)	-
Depletion and amortization	(19,539)	(4,908)	(1,230)	(4,367)	(7,320)	-	(37,364)
Change in ARO estimate	(4,333)	-	-	-	-	-	(4,333)
Write-offs	(193)	(40)	(78)	-	(176)	-	(487)
Net book value at September 30, 2023	**316,252**	**42,177**	**13,307**	**19,595**	**37,391**	**53,621**	**481,664**
Consisting of:							
Cost	539,123	117,359	28,082	139,940	49,107	53,621	926,553
Accumulated depletion and amortization	(222,871)	(75,182)	(14,775)	(120,345)	(11,716)	-	(444,889)
Net book value at September 30, 2023	**316,252**	**42,177**	**13,307**	**19,595**	**37,391**	**53,621**	**481,664**

	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, 2021	190,344	47,431	7,417	23,611	688	16,344	285,835
Additions	89,908	7,304	3,387	6,704	45,067	3,136	155,506
Disposals	-	(67)	-	(1,171)	(505)	-	(1,743)
Reclassifications	693	1,717	3,150	(91)	-	(5,469)	-
Depletion and amortization	(25,550)	(10,873)	(662)	(7,474)	(808)	-	(45,367)
Discontinued operations	(12,537)	(1,845)	-	(1,312)	(5)	-	(15,699)
Net book value at December 31, 2022	**242,858**	**43,667**	**13,292**	**20,267**	**44,437**	**14,011**	**378,532**
Consisting of:							
Cost	446,190	113,941	26,837	136,245	48,833	14,011	786,057
Accumulated depletion and amortization	(203,332)	(70,274)	(13,545)	(115,978)	(4,396)	-	(407,525)
Net book value at December 31, 2022	**242,858**	**43,667**	**13,292**	**20,267**	**44,437**	**14,011**	**378,532**

(a) In August 2023, the Company acquired control of its joint venture Borborema Inc, that is now considered as a subsidiary of Aura and is being consolidated in the financial statements in accordance with IFRS 10 – Consolidated Financial Statements. See Note 7 for further information.

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

7 INVESTMENT IN JOINT VENTURE

The carrying amount of equity-accounted investment in the Joint Venture in Borborema Inc has changed as follows in the nine months period ended September 30, 2023.

	For the nine months ended September 30, 2023
Balance at the beginning of the period	54,353
Profit for the period	(1,894)
Joint Venture acquisition (a)	(52,459)
Balance at the end of the period	-

(a) Joint Venture acquisition

On September 21, 2022, the Company concluded the acquisition of Big River. After the conclusion on the acquisition, Aura and Dundee Resources Limited ("Dundee") were the only shareholders of 80% and 20%, respectively of the issued and outstanding shares of the joint venture Borborema Inc ("Borborema" or "JV Company"), which is the indirect owner of all of the rights, titles and interests in and to the project.

On August 26, 2023, the Company and Dundee Resources Limited entered a Transfer of interest and Borborema shareholder agreement termination agreement ("Borborema agreement"). The Borborema agreement states that Dundee desired to exit the Borborema joint venture and agreed to sell, transfer and otherwise convey all of their shares in the capital of the JV Company to Aura in exchange for the granting of a net smelter returns royalty under a Royalty agreement.

Once the agreement was signed by both parties, Dundee transferred to Aura all of Dundee' rights, titles and interests in consideration of Aura causing the JV Company and Aura to grant the Royalty Agreement that will be applicable, as follows: (i) 1.5% of the Net Smelter Returns for each such calendar quarter in respect of the first 1,500,000 ounces of gold produced and sold; and (ii) 1% of the Net Smelter Returns for each such calendar quarter in respect of which an additional 500,000 ounces of gold are produced and sold after the initial 1,500,000 ounces of gold has been produced and sold. Once 2,000,000 ounces of gold are produced and sold, the Royalty shall be extinguished and be of no further force or effect.

Management has treated the acquisition as an asset acquisition, since Borborema due to a high concentration (more than 95%) in the mineral properties asset, and also concluded that there was a change in the fair value of the asset since its initial acquisition mainly related to the completion of the feasibility study of the project and the advancement in permits required to the execution of the project, and therefore a gain of $5,505 was recognised as "Other income".

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

The $54,459 on the table above only include the carrying value of the JV investment as of the date of the transaction without considering the FV gain.

From the agreement date, Borborema Inc. became a subsidiary of Aura and now is being consolidated in the financial statements in accordance with IFRS 10 – Consolidated Financial Statements.

The table below summarizes the consolidated financial information of Borborema Inc. as of the date of acquisition:

Assets acquired	Cash and cash equivalents	3,727
	Trade and other receivables	1,089
	Mineral Properties (a)	54,054
Liabilities assumed	Trade and other payables	719
	Other liabilities	187
Net assets		**57,964**

8 ASSETS HELD FOR SALE

In August 24, 2023, Apoena, entered into an Asset Purchase and Sale Agreement (the “Purchase and Sale Agreement”) with a potential buyer to sell all mineral rights, assets and liabilities related to São Francisco Mine The mine was in care and maintenance, and the assets were fully depreciated. The acquisition price was set at $9,000 of which $1,000 has already been received. The agreement includes different precedent conditions to be met in order to complete the sale of the asset. As of Sept 30, 2023 such conditions have not been met.

The following assets and liabilities were reclassified as held for sale in relation to the transaction described above at September 30, 2023:

	September 30, 2023
Assets classified as held for sale	
Other assets	-
Total assets of disposal group held for sale	**-**
Liabilities directly associated with assets classified as held for sale	
Asset retirement obligation	4,087
Total liabilities of disposal group held for sale	**4,087**

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

9 TRADE AND OTHER PAYABLES

	September 30, 2023	December 31, 2022
Trade accounts payable	46,035	46,863
Other payables	14,092	13,163
Accrued liabilities	13,332	11,282
Deferred revenue (a)	8,226	-
Total accounts payable	81,685	71,308

(a) In March 2023, Auramet International Inc. ("Auramet") agreed to make an advance payment of $10 million to Aura Almas Mineração S.A. ("Aura Almas") for 5,538 troy ounces of gold bullion, which was recorded as deferred revenue in connection with the Master Purchase and Sale agreement entered between the parties in March 2023. The advance settlement by the Aura Almas started on a weekly basis in September 2023 and will be completely satisfied by February 2024.

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

10 LOANS AND DEBENTURES

The list of loans and debentures held by the Company, on a consolidated basis, as of September 30, 2023 and December 31, 2022 are as follows:

Financial debt	Maturity Date	Interest Rate	Outstanding 09/30/2023	Outstanding 12/31/2022
Bank Occidente				
Q2 2022 Promissory Note ("Fifth Promissory Note")	May 2026	6.25%	7,185	8,702
Q3 2022 Promissory Note ("Sixth Promissory Note")	August 2026	6.25%	7,738	9,259
Q2 2023 Promissory Note ("Seventh Promissory Note")	June 2026	7,50%	4,415	-
Bank Atlántida				
Q2 2017 Loan Agreement ("First Loan")	July 2023	7.30%	-	1,306
Q4 2021 Loan Agreement ("Fifth Loan")	November 2023	7.00%	250	1,440
Q1 2022 Loan Agreement ("Sixth Loan")	March 2023	6.00%	-	500
Q2 2022 Loan Agreement ("Seventh Loan")	March 2027	8.50%	8,750	10,000
Q2 2023 Loan Agreement ("Eighth")	April 2024	6.50%	1,050	-
Bank ABC Brasil S.A.				
Q4 2022 Loan Agreement ("Fifth Loan")	January 2026	5.38%	17,549	17,301
Bank Santander Mexico				
Q2 2022 Loan Agreement ("First Loan")	January 2025	SOFR + 4.0%	12,903	20,161
Q2 2022 Loan Agreement ("Second Loan")	December 2024	SOFR + 4.0%	10,000	10,000
Q2 2023 Loan Agreement ("Third Loan")	December 2024	SOFR + 4.0%	9,474	-
Bank Santander Brasil				
Q1 2019 Loan Agreement ("First Loan")	October 2023	5.29%	-	2,951
Q4 2020 Loan Agreement ("Second Loan")	December 2023	4.95%	-	1,686
Q3 2023 Loan Agreement ("Third Loan")	September 2028	9.51%	101,404	-
Bank Itau				
Q1 2020 Loan Agreement ("First Loan")	March 2023	7.00%	-	1,600
Q1 2021 Loan Agreement ("Second Loan")	March 2024	4.65%	3,000	7,500
Bank Safra				
Q1 2022 Loan Agreement ("Second Loan")	March 2024	3.70%	6,666	10,283
Other banks				
Bradesco S.A.	February 2025	4.99%	7,233	9,627
BTG Pactual	June 2025	6.73%	20,340	20,000
Citi Bank	June 2024	7.70%	19,739	-
Debentures payable				
Debentures	July 2026	CDI + 4.35%*	61,065	81,726
Total			298,761	214,042
Current			101,047	73,215
Non-Current			197,714	140,827

* Along with the debentures, there is a corresponding interest rate and currency swap in USD at 5.84% flat rate per year, hedging 100% of the outstanding debt.

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

As of September 30, 2023, the outstanding balance for Almas´s debentures was $61,063, of which $ $25,347 is recorded as current. On July 13, 2023, the Company paid the first installment of principal, in the approximate amount of $20,817 (R$ 100,000 Brazilian Reais).

During the nine months ended September 30, 2023, the Company entered in $139,550 of new loans agreements across the operations to reinforce its working capital, fund the Borborema project and other investments.

Almas entered into a debt agreement with Citibank S.A. in June, 2023, for the principal amount of $ 20,000 (R$ 98,620 Brazilian Reais) with interest rate of 7.7% per year with a due date June 14, 2024.

Aranzazu entered into a debt agreement with Santander Mexico S.A. in May, 2023, for the principal amount of $ 12,000 with interest rate of 7.65% per year with due date December 20, 2024. The agreement has two financial covenants where Aranzazu's Net Debt should be lower than 1.5x over Aranzazu's last 12 months EBITDA and EBITDA should be greater or equal than 5x Aranzazu's financial expense.

Cascar Brasil Mineração Ltda. ("Cascar"), a subsidiary of Borborema Inc. entered into a debt agreement with Santander Brasil S.A. in September 2023, for the principal amount of $100,750 with interest rate of 9.51% per year with due date September 6, 2028. The agreement has a 24-month grace period and the interest will be paid every three month period starting March 6, 2024. The agreement has one financial covenant where Cascar's Net Debt should be lower than 1.5x over Cascar's last 12 months EBITDA. The company should comply with the covenant after the grace period that ends in September, 2025, with first covenant measurement in 2026.

As indicated in Note 13 to the December 31, 2022 consolidated financial statements, some of the outstanding debts have covenants mainly related to EBITDA multiples. For the nine-month period ended September 30, 2023, the Company and its subsidiaries are in compliance with all the financial covenants.

11 INCOME TAXES

For the nine months ended September 30, 2023, the Company had income tax expense (recovery) as follows:

	September 30, 2023	**September 30, 2022**
Current income tax expense	(17,200)	(23,084)
Deferred income tax (recovery)/expense	6,323	262
Total income/deferred taxes expense	(10,877)	(22,822)

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

12 SHARE CAPITAL

The Company has authorized an unlimited number of common shares, being subscribed 72,137,569 as of September 30, 2023 (71,946,975 as of December 31, 2022).

As of September 30, 2023, the Company had 1,435,459 options issued and outstanding (1,700,159 as of December 31, 2022). The share-based payment expense is measured at fair value and recognized over the vesting period from the date of grant, and for the period ended September 30, 2023 and 2022, share-based payment expense recognized in general and administrative expenses was $186 and $328 respectively. During the period ended September 30, 2023 the Company has not granted new stock options.

13 NET REVENUE

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Gold	68,956	55,115	166,374	169,229
Copper & Gold concentrate	44,138	27,863	132,422	123,728
Other	(2,459)	(1,789)	(6,224)	(6,108)
Total	110,635	81,189	292,572	286,849

Revenues for the San Andres mine and EPP mines relate to the sale of refined and unrefined gold and for the Aranzazu mine relates to the sale of copper concentrate. The Company's revenues are concentrated in 3 clients and management continuously monitors the relationship with them.

14 COST OF GOODS SOLD BY NATURE

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Direct mine and mill costs	(49,482)	(41,707)	(108,135)	(112,188)
Direct mine and mill costs - Contractors	(13,402)	(10,032)	(38,477)	(38,679)
Direct mine and mill costs - Salaries	(7,895)	(4,561)	(23,107)	(14,537)
Depletion and amortization	(13,318)	(9,061)	(36,972)	(26,931)
Total	(84,097)	(65,361)	(206,691)	(192,335)

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

15 FINANCE INCOME/(EXPENSE)

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Asset retirement obligation accretion expense	(1,346)	(1,145)	(4,076)	(2,912)
Lease interest expense	(631)	(120)	(1,552)	(429)
Interest expense on loans	(3,868)	(1,826)	(8,794)	(6,331)
Finance cost on post-employment benefit	(319)	(67)	(876)	(469)
Other interest and finance costs	(422)	(8)	(532)	(120)
Gain / (loss) on derivative transactions	(1,158)	88	131	562
Interest Income	1,288	681	2,400	2,594
Foreign exchange	979	(3,515)	794	1,479
Total	(5,477)	(5,912)	(12,505)	(5,626)

16 CASH FLOW INFORMATION

a) Items not affecting cash

For the period ended September 30,	2023	2022
Deferred and current income tax expense	10,877	22,822
Gain on discontinued operations	-	(10,249)
Depletion and amortization (note 6)	37,364	26,890
Accretion expense (note 15)	4,076	2,912
Interest expense on debt (Note 15), gross of gain on derivatives	15,522	6,331
(Gain)/Loss on Derivatives (swap)	(6,739)	-
Lease Interest Expense (note 15)	1,552	429
Periodic service, past service and finance costs on post-employment benefit	766	936
Share-based payment expense	186	328
Change in estimate of provision for mine closure and restoration	-	(380)
(Gain)/ on fair value change of Serrote Promissory Note	(3,468)	(3,707)
(Gain) on Join Venture acquisition (Note 7)	(5,505)	-
Foreign exchange (gain) loss (note 15)	(794)	(1,479)
(Gain)/Loss on Gold Derivatives	843	
Loss on disposal of assets	612	1,743
Other non-cash items	2,460	1,449
Total	57,752	48,025

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

b) Changes in working capital

For the period ended September 30,	2023	2022
(Increase) in trade and other receivables	289	(12,617)
(Increase) in inventory	(16,960)	6,358
(Decrease) Increase in trade and other payables	14,015	(12,692)
Total	(2,656)	(18,951)

c) Supplementary cash flow information

For the period ended September 30,	2023	2022
Changes in other assets and liabilities consists of:		
Decrease in long term asset	5,662	1,115
(Increase) decrease in other current assets	411	(5,588)
Other items	(3,558)	(525)
Total	2,515	(4,998)

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

For the period ended September 30,	2023	2022
Non-cash addition to property, plant and equipment	3,196	3,803
Total	3,196	3,803

e) Loan, debentures and derivatives reconciliation

	Loans	Derivatives
Balance as at January 1st, 2022	158,031	2,779
Changes from Financing cash flows:		
Loan repayments	(33,616)	-
Loan proceeds	106,400	-
Interest paid on debts	(3,691)	-
Interest paid on debentures	(9,747)	-
Derivative settlement	-	4,079
Other Changes:		
Interest expenses on debts	3,826	-
Interest expenses on debentures	9,960	-
Derivative result	-	(6,207)
FX adjustments	1,612	(1,948)
Derivative settlement (withholding taxes)	-	1,072
MTM adjustment	-	(5,312)
Balance as of September 30, 2022	232,775	(5,537)
Discontinued operation	(25,000)	-
Balance as of September 30, 2022 (continued operations)	207,775	(5,537)

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

	Loans	Derivatives
Balance as of December 31, 2022	214,042	(8,119)
Changes from Financing cash flows:		
Loan repayments	(52,375)	-
Loan proceeds	139,550	-
Interest paid on loans	(9,411)	-
Interest paid on debentures	(14,557)	-
Derivative settlement	-	9,353
Other Changes:		
Interest expenses on loans	8,587	-
Interest expenses on debentures	9,665	-
Derivative result	-	(6,739)
FX adjustments	3,260	(3,943)
Derivative settlement (withholding taxes)	-	1,742
MTM adjustment	-	44
Balance as of September 30, 2023	298,761	(7,662)

17 FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT

a) Financial Instruments

In accordance with IFRS 9, the Company records the fair value of their derivative fixed price contracts 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 derivatives characterized as hedge accounting, the gain on loss is recorded through other comprehensive income.

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 below section b, these derivatives are considered as Level 2 investments.

i) Swap agreements:

The group has the following derivative financial instruments in the following line items in the balance sheet:

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

Derivatives Contracts	Commodity/ index	Current/Non-Current	Asset/(Liability) at 9/30/2023	Asset/(Liability) at 12/31/2022
Swaps				
Aura Almas	CDI	Current	7,135	7,640
EPP Mines	CDI	Current	527	479
Gold Derivatives	Gold	Non-current	(7,317)	-
Total			**345**	**8,119**

ii) Derivative Options

ii) a - Derivative Zero Cost Collars

During the year ended December 31, 2022, the Company has entered in zero cost put/call collars, in a total of 100,200 ounces, most of the volume in connection with the risk management program for the Almas Project. The zero-cost put/calls collars have floor prices between $1,558 and $1,700 (average: $ 1,626) and ceiling prices between $1,915 and $ 2,896 (average: $ 2,350) per ounce of gold expiring between August 2022 and July 2025.

In addition to the above, during the nine-month period ended September 30, 2023, the Company entered into new agreements in the total of 4,000 ounces. Those agreements have floor prices at $1,750 and ceiling prices were set at $2,120 that will expire between December 2023 and March 2024.

For EPP Mines, during the year ended December 31, 2022, Mineração Apoena entered in zero cost put/call collars, in a total of 10,400 ounces with floor price of $1,400 and ceiling price of $2,100 per ounce of gold expiring between March 2023 and December 2025.

ii) b – Derivative Collars Borborema Project

During the three-month period ended September 30, 2023, the Company entered in put/call collars, in a total of 80.715 ounces, most of the volume in connection with the risk management program for the Borborema Project. The put/calls collars have floor prices of $1,745 and ceiling prices at $2,400 per ounce of gold expiring between July 2025 and June 2028.

The call options price had a premium set at $6,475, recorded as a finance gain in derivatives transaction, of which $2,506 was already collected by the company and the remaining to be received by June 2024.

The fair value effect of both the Derivative Zero Cost Collars and the Derivative Collars Borborema Project as of September 30, 2023 is ($842), recorded as a finance income (expenses) loss in the financial statements.

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

b) Fair value of financial instruments

In accordance with IFRS 9, the Company 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:

1) Level 1, which are inputs that are unadjusted quoted prices in active markets for identical assets or liabilities;
2) Level 2, which are inputs other than Level 1 quotes prices that are observable, either directly or indirectly, for the asset or liability; and,
3) Level 3, which are inputs for the asset or liability that are not based on observable market data.

The Company measures certain of its financial 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. Additionally, the Company 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.

The following table presents the Company's financial assets and financial liabilities measured and recognised at fair value at 30 September 2023 and 31 December 2022 on a recurring basis:

	Level	Financial instrument classification	Amount September 30, 2023	Amount December 31, 2022
Assets (Liabilities)				
Derivative financial instruments - assets	2	Fair Value	7,662	8,119
Derivative financial instruments - liabilities	2	Fair Value	(7,317)	-
Total			345	8,119

18 FINANCIAL RISK MANAGEMENT

The risk factors considered in the Interim Financial Statements remain consistent with those considered in the 2022 Audited Financial Statements.

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, repay 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. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares to reduce debt.

On June 7, 2023, Aura's Board of Directors has declared and approved the payment of dividends of US$ 0.14 per common share for a total of $10.1 million. The dividend was in respect of and based on Aura´s expected financial result for the six months ending June 30, 2023, in accordance with the Company's dividend policy. The dividend was paid on June 28, 2023.

19 RELATED PARTY TRANSACTIONS

Key Management Compensation and transactions with management

Total compensation paid to key management personnel (including based salaries, bonuses and other benefits), remuneration of directors and other members of key executive management personnel for the period ended September 30, 2023 and 2022 were $2,239 and $2,505 respectively.

As of September 30, 2023, the Company has short term accounts receivable with some key executives, with a total outstanding balance of $3.3 million ($3.3 million as of December 31, 2022). The accounts are secured with Company shares owned by those executives.

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

Director's fees

Management had issued 189,795 deferred stock units (DSUs) to certain directors and former directors of the Company in 2016. The DSUs are recognized at the market value of the Company shares based on the provisions of the agreements. The balance of the DSUs as of September 30, 2023 is $650 and is included as part of Trade and other payables.

Iraja Royalty Payments

The Company has incurred expenses associated with related party royalties of $360 for the period of nine months ended September 30 2023, ($766 for the nine month period ended September 30 2022).

20 SEGMENTED INFORMATION

For the nine months ended September 30, 2023 and 2022, segmented information is as follows:

For the nine months ended September 30, 2023	San Andres Mine	EPP Mines	Aranzazu Mine	Almas	Projects (1)	Corporate	Total
Net revenue	88,487	56,219	132,422	15,444	-	-	292,572
Cost of goods sold	(61,645)	(35,298)	(64,900)	(7,876)	-	-	(169,719)
Depletion and amortization	(5,207)	(11,787)	(19,131)	(847)	-	-	(36,972)
Gross margin	21,635	9,134	48,391	6,721	-	-	85,881
General and administrative expenses	(2,709)	(2,061)	(1,489)	(2,994)	(238)	(10,805)	(20,296)
Care-and-maintenance expenses	-	(1,475)	-	-	(46)	-	(1,521)
Exploration expenses	(290)	(160)	(5,596)	-	(2,585)	-	(8,631)
Operating income/(loss)	18,636	5,438	41,306	3,727	(2,869)	(10,805)	55,433
Finance income/(loss)	(4,739)	(2,801)	(2,263)	(1,123)	(2,472)	893	(12,505)
Equity pick-up	-	-	-	-	-	(1,894)	(1,894)
Other items	(335)	22	(401)	(512)	(152)	9,009	7,631
Income/ (Loss) before income taxes	13,562	2,659	38,642	2,092	(5,493)	(2,797)	48,665
Current income tax (expense)	(4,579)	(777)	(11,826)	(18)	-	-	(17,200)
Deferred income tax (expense) recovery	322	625	2,733	2,547	96	-	6,323
Income taxes	(4,257)	(152)	(9,093)	2,529	96	-	(10,877)
Income (loss) for the period	9,305	2,507	29,549	4,621	(5,397)	(2,797)	37,788
Property, plant and equipment	56,740	83,952	113,791	147,454	75,464	4,263	481,664
Total assets	58,419	158,952	261,661	151,102	213,875	(1,158)	842,851
Capital expenditures	5,607	13,924	19,324	42,988	3,300	1,029	86,172

(1) Borborema, Matupá, Tolda Fria and Carajás Projects are not operating projects and are 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.

For the nine months ended September 30, 2022	San Andres Mine	EPP Mines	Aranzazu Mine	Almas	Projects (1)	Corporate	Total
Sales to external customers	88,823	74,298	123,728	-	-	-	286,849
Cost of production	(60,014)	(47,368)	(58,022)	-	-	-	(165,404)
Depletion and amortization	(3,738)	(6,889)	(16,304)	-	-	-	(26,931)
Gross margin	25,071	20,041	49,402	-	-	-	94,514
General and administrative expenses	(3,500)	(1,980)	(1,082)	(110)	(82)	(8,714)	(15,468)
Care-and-maintenance expenses	-	(674)	-	(267)	(140)	-	(1,081)
Exploration expenses	(109)	(1,107)	(3,948)	(471)	(2,203)	-	(7,838)
Operating income/(loss)	21,462	16,280	44,372	(848)	(2,425)	(8,714)	70,127
Finance income/(loss)	(3,273)	(7,951)	(1,014)	3,456	(33)	3,189	(5,626)
Other items	(77)	(184)	(1,096)	(147)	-	3,759	2,255
Income (loss) before income taxes	18,112	8,145	42,262	2,461	(2,458)	(1,766)	66,756
Current income tax (expense)	(6,054)	(987)	(13,003)	-	-	(3,040)	(23,084)
Deferred income tax (expense) recovery	89	(1,527)	3,699	(2,036)	37	-	262
Income taxes	(5,965)	(2,514)	(9,304)	(2,036)	37	(3,040)	(22,822)
Income (loss) for the period for continued operation (2)	12,147	5,631	32,958	425	(2,421)	(4,806)	43,934
Property, plant and equipment	63,056	46,434	115,287	78,714	16,280	412	320,183
Total assets	112,271	153,185	145,558	135,166	15,061	96.322	657,563
Capital expenditures	10,010	12,545	20,894	30,706	690	29	74,874

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

(2) Does not include discontinued operations.

21 COMMITMENTS AND CONTINGENCIES

a) Operating leases commitments

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

	September 30, 2023	December 31, 2022
Within one year	12,327	11,792
Two to four years	33,411	40,290
Total	45,738	52,082

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

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 September 30, 2023 is a provision of $546 ($179 as of December 31, 2022), for loss contingencies related to ongoing legal claims.

22 INCOME PER SHARE

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Income for the period for continued operations	7,759	70	37,788	43,934
Income for the period for discontinued operations	-	-	-	10,249
Weighted average number of shares outstanding - basic	72,173,569	72,710,771	72,125,740	72,539,528
Weighted average number of shares outstanding - diluted	72,409,517	72,722,771	72,361,688	72,551,528
For continued operations				
Total net income per share - basic	0.11	0.00	0.52	0.61
Total net income per share - diluted	0.11	0.00	0.52	0.61
For discontinued operations				
Total net income per share - basic	-	-	-	0.14
Total net income per share– diluted	-	-	-	0.14

23 SUBSEQUENT EVENTS

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

On October 17,2023, Aura has completed a gold hedging program of about 215,000 ounces of gold (of which 80,715 was completed before the end of Q3 2023, as indicated in Note (17) (a) ii), which will expire between July 2025 to June 2028 using gold-collars established with several financial institutions. Aura sold call options at a strike price of $ 2,400 / ounce and bought put options at $ 1,745 / ounce. Aura was entitled to receive premium payments from the counterparties, totaling approximately US$ 14.5 million, of which US$ 2.5 million was already received by the Company and the balance will be collected by June 2024.