A copy of this preliminary prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada, other than Québec, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws. Accordingly, these securities may not be offered or sold in the United States (as defined herein) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration requirements is available. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See "Plan of Distribution".

PRELIMINARY PROSPECTUS

Initial Public Offering *September 16, 2021*



MINEROS S.A.

US$25,000,000

[●] Common Shares

Mineros S.A. ("**Mineros**" or the "**Company**") (MINEROS:CB) is hereby qualifying for distribution of [●] common shares ("**Common Shares**") in the capital of the Company at a price of US$[●] per Common Share (the "**Offering Price**") for aggregate gross proceeds of US$25,000,000 (the "**Offering**").

The Common Shares are being offered in Canada and other jurisdictions outside of Canada by Scotia Capital Inc. and Sprott Capital Partners LP (collectively, the "**Underwriters**") pursuant to an underwriting agreement among the Company and the Underwriters dated [●], 2021 (the "**Underwriting Agreement**").

The Offering is being conducted together with an offering in Colombia (the "**Colombian Concurrent Offering**") of [●] Common Shares representing US$10,000,000 in gross proceeds that may be issued directly by the Company and/or through Corredores Davivienda S.A., Comisionista de Bolsa (the "**Colombian Underwriter**") on an underwritten basis pursuant to a prospectus filed in Colombia and not as an Underwriter under the Offering, provided that such issuances may be lawfully made in Colombia. The Colombian Underwriter is not registered as a dealer under the securities laws of any Canadian jurisdiction and, accordingly, will only sell Common Shares outside of Canada pursuant to the Colombian Concurrent Offering and will not, directly or indirectly, solicit offers to purchase Common Shares in Canada. This prospectus does not qualify Common Shares sold under the Colombian Concurrent Offering. Please see "*Plan of Distribution*".

In connection with the Offering, subject to applicable laws, the Underwriters may over-allot or effect transactions intended to stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".

US$[●] per Common Share

	Price to the Public[(1)]	Underwriters' Fee[(2)]	Net Proceeds[(3)]
Per Common Share	US$[●]	US$[●]	US$[●]
Total[(4)]	**US$25,000,000**	**US$1,500,000**	**US$23,500,000**

Notes:

(1) The Offering Price has been determined by arm's length negotiation among the Company and the Underwriters.

(2) Pursuant to the terms and conditions of the Underwriting Agreement, the Underwriters will receive a cash fee (the "**Underwriters' Fee**") equal to 6% of the gross proceeds of the Offering. See below and "*Plan of Distribution*". To the extent any Common Shares are issued pursuant to the Colombian Concurrent Offering, the Company will pay the Colombian Underwriter a cash finder's fee equal to 6% of the gross proceeds of any Common Shares sold by the Colombian Underwriter under the Colombian Concurrent Offering. For the avoidance of doubt, the Underwriters will not receive an Underwriters' Fee in respect of any Common Shares issued pursuant to the Colombian Concurrent Offering.

(3) After deducting the Underwriters' Fee but before deducting expenses of the Offering, estimated to be $1,750,000. See "*Plan of Distribution*".

(4) The Company has granted to the Underwriters an option (the "**Over-Allotment Option**"), exercisable in whole or in part, at the sole discretion of the Underwriters, at any time and from time to time, for a period of 30 days from and including the Closing Date (as defined herein), to purchase up to an additional number of Common Shares that is equal to 15% of the aggregate number of Common Shares purchased under the Offering (the "**Over-Allotment Shares**" and, together with the Common Shares qualified for distribution under the Offering by this prospectus, the "**Offered Shares**") at the Offering Price to cover over-allotments, if any, and for market stabilization purposes. If the Underwriters exercise the Over-Allotment Option in full, the gross proceeds raised under the Offering will be $28,750,000, the Underwriters' Fee will be $1,725,000 and the net proceeds to the Company will be $27,025,000 (before deducting expenses of the Offering). This prospectus also qualifies the distribution of the Over-Allotment Option and the Over-Allotment Shares. A purchaser who acquires securities forming part of the Underwriters' over-allocation position acquires those securities under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or through secondary market purchases. See "*Plan of Distribution*".

There is currently no market in Canada through which the Common Shares may be sold and purchasers may not be able to resell Common Shares purchased under this prospectus. This may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Common Shares, and the extent of issuer regulation. See "*Risk Factors*".

An investment in the Offered Shares is speculative and involves a high degree of risk and should only be made by persons who can afford the total loss of their investment. Prospective investors should consider certain risk factors in connection with an investment in the Company. See "*Statement Regarding Forward-Looking Information*" and "*Risk Factors*".

The Common Shares have been registered in the Colombian National Registry of Securities and Issuers (*Registro Nacional de Valores y Emisores*). Neither the registration nor the approval of the public offer issued by the Colombian Superintendence of Finance, nor the registration of the Common Shares in the Colombian Exchange, should be understood as a rating or assumption of liability by the Colombian Superintendence of Finance with respect to Mineros, the price, quality or liquidity of the Common Shares or of Mineros' solvency.

The following table sets out the number of Offered Shares that may be sold by the Company to the Underwriters in connection with the Over-Allotment Option.

Underwriters' Position	Maximum Number of Securities Available	Exercise Period	Exercise Price
[●] Over-Allotment Option	[●] Over-Allotment Shares	For a period of 30 days from and including the Closing Date	US$[●] per Over-Allotment Share

The Company has applied to list the Common Shares distributed under this prospectus, as well as its additional issued and outstanding Common Shares, on the Toronto Stock Exchange ("**TSX**") under the symbol "MSA". Listing will be subject to the approval of the TSX in accordance with its listing requirements. The TSX has not conditionally approved the Company's listing application and there is no assurance that they will approve the listing application.

The Underwriters, as principals, hereby conditionally offer the Offered Shares, subject to prior sale, if, as and when issued and sold by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "*Plan of Distribution*" and subject to the approval of certain legal and tax matters on behalf of the Company by Gowling WLG (Canada) LLP in Canada and DLA Piper Martinez Beltran in Colombia, and on behalf of the Underwriters by Fasken Martineau DuMoulin LLP in Canada.

After a reasonable effort has been made to sell all of the Offered Shares at the price stated above, the Underwriters may offer the Offered Shares at a price lower than that stated above. Any such reduction will not affect the net proceeds to be received by the Company under the Offering. See "*Plan of Distribution*".

Subscriptions for the Offered Shares will be received subject to rejection or allotment, in whole or in part, and the Underwriters reserve the right to close the subscription books at any time without notice. It is expected that closing of the Offering (the "**Closing**") will take place on or about **[●]**, 2021, or such other date as the Company and the Underwriters may agree, but in any event, on or before a date that is not later than 42 days after the date of the receipt for this prospectus (the date on which Closing occurs being the "**Closing Date**").

The Offered Shares will be deposited with CDS Clearing and Depository Services Inc. ("**CDS**") in electronic form on the Closing Date through the non-certificated inventory system administered by CDS. A purchaser of Offered Shares will receive only a customer confirmation from the registered dealer from or through which Common Shares are purchased. No certificates will be issued unless specifically requested or required. See "*Plan of Distribution – Non-Certificated Inventory System*".

Mineros is a Colombia-based company with over 46 years of experience in responsibly exploring, developing and producing gold, with production in Colombia, Argentina and Nicaragua and exploration in Chile. The Common Shares trade on the Colombian stock exchange (*Bolsa de Valores de Colombia*) under ticker symbol "MINEROS:CB". The Company's registered and head office is located at Carrera 43A, No. 14-109, Piso 6, Edificio NovaTempo, Medellín, Antioquia, Colombia.

The Company, and the directors, officers and Qualified Persons of the Company listed below that reside outside of Canada, have appointed Gowling WLG (Canada) LLP as agent for service of process at 1 First Canadian Place, 100 King Street West, Suite 1600, Toronto, Ontario M5X 1G5. Prospective investors are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued, or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

Name	Title	Country of Residence
Andrés Restrepo Isaza	President and Chief Executive Officer	Colombia
Alan Wancier Rode	Chief Financial Officer	Colombia
Luis Santiago Perdomo Maldonado	Director	Colombia
Alberto Mejía Hernández	Director	United States of America
Eduardo Pacheco Cortés	Director	Colombia
José Fernando Llano Escandón	Director	Colombia
Juan Carlos Páez Ayala	Director	Colombia
Dieter W. Jentsch	Director	Canada
Beatriz Orrantia	Director	Canada
Mónica Jiménez González	Director	Colombia
Sergio Restrepo Isaza	Director	Colombia
Andrew P. Hampton	Qualified Person	United States of America
Ariel M. Testi	Qualified Person	Argentina

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ABOUT THIS PROSPECTUS

An investor should rely only on the information contained in this prospectus and is not entitled to rely on parts of the information contained in this prospectus to the exclusion of others. The Company and the Underwriters have not authorized anyone to provide investors with additional, different or inconsistent information. If anyone provides investors with additional, different or inconsistent information, including information or statements in media articles about the Company, investors should not rely on it.

The information contained in this prospectus is accurate only as of the date of this prospectus or the date indicated, regardless of the time of delivery of this prospectus or any sale of the Offered Shares. The Company's business, financial condition, operating results and prospects may have changed since the date of this prospectus.

The Company and the Underwriters are not offering to sell the Offered Shares in any jurisdiction where the offer or sale of such securities is not permitted. For investors outside the Qualifying Jurisdictions, none of the Company or any of the Underwriters has done anything that would permit the Offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the Qualifying Jurisdictions. Investors are required to inform themselves about, and to observe any restrictions relating to, the Offering and the possession or distribution of this prospectus.

The information contained on the Company's corporate website is not intended to be included in or incorporated by reference into this prospectus and investors should not rely on such information when deciding whether or not to invest in the Offered Shares.

Any graphs, tables or other information demonstrating the historical performance or current or historical attributes of the Company or any other entity contained in this prospectus are intended only to illustrate historical performance or current or historical attributes of the Company or such entities and are not necessarily indicative of future performance of the Company or such entities.

This prospectus includes summary descriptions of certain material agreements of the Company. See "*Plan of Distribution*" and "*Use of Proceeds – Business Objectives and Milestones*". The summary descriptions disclose provisions that the Company considers to be material, but are not complete and are qualified by reference to the terms of the material agreements, which will be filed with the Canadian securities regulatory authorities and will be available under the Company's profile on SEDAR at www.sedar.com. Investors are encouraged to read the full text of such material agreements.

MEANING OF CERTAIN REFERENCES

Unless otherwise noted or the context otherwise indicates, "**we**", "**us**", "**our**", "**Mineros**" or the "**Company**" refers to Mineros S.A. and its subsidiaries as constituted on the date of this prospectus. Where the context requires, all references in this prospectus to the "**Offering**" include the Over-Allotment Option and all references in this prospectus to "**Offered Shares**" include the additional Common Shares that may be issued pursuant to the exercise of the Over-Allotment Option.

EXCHANGE RATE AND CURRENCY INFORMATION

This prospectus contains references to U.S. dollars, Colombian pesos and Argentine pesos. **All dollar amounts referenced in this prospectus, unless otherwise indicated, are expressed in U.S. dollars or "$"**. References to "Colombian pesos" or "COP$" refer to the legal tender of Colombia. References to "Argentine pesos" or "AR$" refer to the legal tender of Argentina.

The following table sets out the average exchange rates for each period indicated according to information published by the Central Bank of Colombia and the National Bank of Argentina.

	Six Months Ended June 30	Year Ended December 31		
One U.S. dollar	**2021**	**2020**	**2019**	**2018**
One U.S. dollar in Colombian pesos	COP$3,622.28	COP$3,693.36	COP$3,281.09	COP$2,956.36
One Colombian peso in U.S. dollars.....	$0.000276	$0.000270	$0.000305	$0.000338
One U.S. dollar in Argentine pesos.....	AR$92.19	AR$69.92	AR$48.33	AR$29.12
One Argentine peso in U.S. dollars	$0.010847	$0.014302	$ 0.020691	$ 0.0343406

On September 15, 2021, being the last business day before the date of this prospectus, (i) the indicative exchange rate for Colombian pesos in terms of the U.S. dollar, as quoted by the Central Bank of Colombia, was US$1.00 = COP$3,830.83, and the exchange rate of COP$ into U.S. dollars was COP$1.00 = US$0.000261; and (ii) the indicative exchange rate for Argentine pesos in terms of the U.S. dollar, as quoted by the National Bank of Argentina, was US$1.00 = AR$98.25, and the exchange rate of AR$ into U.S. dollars was AR$1.00 = US$0.010177.

NON-IFRS MEASURES

Financial results of the Company are prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board, and the interpretations thereof by the International Financial Reporting Interpretations Committee and the former Standing Interpretations Committee ("**IFRS**"). The Company utilizes certain non-IFRS measures as management believes that these measures, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to similar measures employed by other companies. The data relating to non-IFRS measures 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. For a discussion of the use of these non-IFRS measures and reconciliations thereof to the most directly comparable IFRS measures, see below.

All-in Sustaining Margin and Adjusted EBITDA

The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use the all-in sustaining margin and adjusted earnings before interest, tax, depreciation and amortization excluding items such as other non operating income or expenses, financial income or expenses, hedging operations, exploration expenses, impairment of assets and foreign currency exchange differences ("**Adjusted EBITDA**"). Adjusted EBITDA is useful since it is consistent with the indicators management uses internally to measure the Company's performance.

The following table sets out the calculation of all-in sustaining margin for the six months ended June 30, 2021 and 2020, and the fiscal years ended December 31, 2020, 2019 and 2018.

	Six Months Ended June 30		Year Ended December 31		
	2021	**2020**	**2020**	**2019**	**2018**
			(US$000s)		
Gross Profit	72,932	87,077	162,961	94,370	75,139
Less: Administration Expenses	(10,037)	(8,224)	(16,157)	(11,243)	(9,781)
Add Back: Silver Revenues	4,623	2,645	6,070	5,539	3,724
Add Back: Depreciation and Amortization	24,000	16,799	40,947	44,781	19,910
Less: Sustaining Capital Expenditures[(1)]	(35,827)	(6,866)	(23,105)	(21,858)	(10,570)
All-in sustaining margin	**55,691**	**91,431**	**170,716**	**111,589**	**78,422**

Note:

(1) The reconciliation of the sustaining capital expenditures reported comprises additions to property plant and equipment, intangibles and evaluation and explorations projects as indicated in the table below:

	Six Months Ended June 30		Year Ended December 31		
	2021	**2020**	**2020**	**2019**	**2018**
			(US$000s)		
Total additions in property, plant and equipment, exploration and evaluation projects and intangibles	73,060	18,967	85,546	78,195	33,059
Less: Expansionary, sustaining exploration and other	(37,233)	(12,101)	(62,441)	(56,337)	(22,489)
Sustaining Capital Expenditures	**35,827**	**6,866**	**23,105**	**21,858**	**10,570**

The following table sets out the calculation of Adjusted EBITDA for the six months ended June 30, 2021 and 2020, and the fiscal years ended December 31, 2020, 2019 and 2018.

	Six Months Ended June 30		Year Ended December 31		
	2021	2020	2020	2019	2018
			(US$000s)		
Profit for the year or period	24,177	24,705	63,655	37,528	52,121
Less: Other income	(1,659)	(1,080)	(3,735)	(1,151)	(2,697)
Add: Other expenses	8,981	8,951	23,447	13,806	18,204
Less: Finance income	(823)	(323)	(1,094)	(1,452)	(1,839)
Add: Finance expense	4,540	4,395	8,706	8,391	4,760
Add/less: Exploration expenses	2,518	6,300	9,977	7,636	12,254
Add/less: Impairment of assets	-	7,947	(1,192)	2,044	33,600
Add/less: Hedging operations, net	-	5,215	2,027	(3,106)	1,956
Add/less: Foreign currency exchange differences	2,287	2,365	2,643	4,150	(1,602)
Less: Bargain purchase gain	-	-	-	-	(51,283)
Add: Current tax	16,700	21,137	38,149	15,313	12,633
Add/less: Deferred tax	6,174	(759)	4,221	(32)	(12,749)
Add: Depreciation and amortization	24,000	16,799	40,947	44,781	19,910
Adjusted EBITDA	**86,895**	**95,652**	**187,751**	**127,908**	**85,268**

Cash Costs and All-in Sustaining Costs ("AISC")

The Company reports cash costs per ounce of gold sold, which is calculated by deducting revenues from silver sales and depreciation and amortization from costs of sales, and dividing the difference by the number of gold ounces sold. Production cash costs include mining, milling, mine site security, royalties, and mine site administration costs, and exclude non-cash operating expenses. Cash costs per ounce of gold sold and all-in sustaining costs per ounce of gold sold are non-IFRS financial measures used to monitor the performance of our gold mining operations and their ability to generate profit.

The objective of the AISC metric is to provide stakeholders (i.e. management, shareholders, governments, local communities, etc.) with a key indicator that reflects as close as possible the full cost of producing and selling an ounce of gold.

The Company reports all-in sustaining costs per ounce of gold sold on a by-product basis. The methodology for calculating all-in sustaining costs per ounce of gold sold is set out below and is consistent with the guidance methodology set out by the World Gold Council. This non-IFRS measure provides investors with transparency regarding the total costs of producing an ounce of gold in each period.

Cash Costs and All-in Sustaining Costs on a Consolidated Basis

The following table provides a reconciliation of cash costs per ounce of gold sold on a by-product basis for the six months ended June 30, 2021 and 2020, and the fiscal years ended December 31, 2020, 2019 and 2018.

	Six Months Ended June 30		Year Ended December 31		
	2021	2020	2020	2019	2018
			(US$000s)		
Costs of sales	180,909	155,481	322,340	316,991	197,167
Cost of non-mining operations	(277)	(152)	(367)	(321)	(369)
Depreciation and amortization	(23,266)	(16,162)	(40,200)	(43,525)	(19,277)
Silver revenues	(4,623)	(2,645)	(6,070)	(5,539)	(3,724)
Total cash costs	**152,743**	**136,522**	**275,703**	**267,606**	**173,797**
Gold sold (oz)	**135,518**	**143,425**	**270,898**	**293,048**	**207,206**
Total cash costs per ounce of gold sold ($/oz)	**1,127**	**952**	**1,018**	**913**	**839**

The following table provides a reconciliation of all-in sustaining costs per ounce of gold sold for the six months ended June 30, 2021 and 2020, and the fiscal years ended December 31, 2020, 2019 and 2018.

	Six Months Ended June 30		Year Ended December 31		
	2021	2020	2020	2019	2018
			(US$000s)		
Costs of sales	180,909	155,481	322,340	316,991	197,167
Less: Cost of non-mining operations	(277)	(152)	(367)	(321)	(369)
Less: Depreciation and amortization	(23,266)	(16,162)	(40,200)	(43,525)	(19,277)
Less: Silver revenues	(4,623)	(2,645)	(6,070)	(5,539)	(3,724)
Less: Energy sales revenues	(2,115)	(1,550)	(3,793)	(2,549)	(1,456)
Add: Administration expenses[(1)]	10,037	8,224	16,157	11,243	9,781
Less: Depreciation and amortization of Adm. Expenses	(734)	(637)	(747)	(1,256)	(633)
Less: Administration Expenses of non-mining operations	(17)	(11)	(25)	(29)	(26)
Add: Sustaining leases	5,478	6,800	12,272	11,238	558
Add: Sustaining exploration	3,825	4,924	9,333	11,953	8,024
Add: Sustaining capital expenditures	35,827	6,866	23,105	21,858	10,570
Total AISC	**205,044**	**161,138**	**332,005**	**320,064**	**200,615**
Gold sold (oz)	**135,518**	**143,425**	**270,898**	**293,048**	**207,206**
All-in sustaining costs per ounce of gold sold ($/oz)	**1,513**	**1,124**	**1,226**	**1,092**	**968**

Note:
(1) Administration expenses do not include administrative depreciation and amortization.

The following table provides a reconciliation of sustaining leases for the six months ended June 30, 2021 and 2020, and the fiscal years ended December 31, 2020, 2019 and 2018.

	Six Months Ended June 30		Year Ended December 31		
	2021	2020	2020	2019	2018
			(US$000s)		
Payment of lease liabilities	5,525	6,841	12,359	11,326	2,425
Less: Payment of non-sustaining leases	(47)	(41)	(87)	(88)	(1,867)
Total Sustaining Leases	**5,478**	**6,800**	**12,272**	**11,238**	**558**

The following table provides a reconciliation of total sustaining exploration and capital expenditures for the six months ended June 30, 2021 and 2020, and the fiscal years ended December 31, 2020, 2019 and 2018.

	Six Months Ended June 30		Year Ended December 31		
	2021	2020	2020	2019	2018
			(US$000s)		
Expansionary and other capital expenditures	33,408	7,177	53,108	44,384	14,465
Sustaining Exploration	3,825	4,924	9,333	11,953	8,024
Sustaining Capital Expenditures	35,827	6,866	23,105	21,858	10,570
Total Property, Plant and Equipment, Exploration and Evaluation Projects and Intangibles	**73,060**	**18,967**	**85,546**	**78,195**	**33,059**

Cash Costs and All-in Sustaining Costs by Operating Segment

The following tables provide a reconciliation of cash costs per ounce of gold sold and all-in sustaining costs per ounce of gold sold by operating segment for the six months ended June 30, 2021, and the fiscal years ended December 31, 2020, 2019 and 2018.

	Six Months Ended June 30, 2021		
	Nechí Alluvial	**Hemco**	**Gualcamayo**
		(US$000s)	
Cost of sales	45,483	85,937	52,542
Less: Depreciation and amortization	(5,592)	(11,092)	(6,505)
Less: Silver revenues	(102)	(4,239)	(282)
Total cash costs	**39,789**	**70,606**	**45,755**
AISC Adjustments			
Less: Depreciation and amortization administrative expenses	(77)	(33)	-
Less: Energy sales revenues	(2,115)	-	-
Add: Administration expenses	1,166	1,424	1,081
Add: Sustaining leases	1,278	1,473	2,727
Add: Sustaining exploration	95	1,740	1,990
Add: Sustaining capital expenditures	3,318	9,555	22,954
Total AISC	**43,454**	**84,765**	**74,507**
Gold sold (oz)	**40,520**	**62,422**	**32,576**
Cash costs per ounce of gold sold ($/oz)	**982**	**1,131**	**1,405**
All-in sustaining costs per ounce of gold sold ($/oz)	**1,072**	**1,358**	**2,287**

	Year Ended December 31, 2020		
	Nechí Alluvial and La Ye Mine[(1)]	**Hemco**	**Gualcamayo**
		(US$000s)	
Cost of sales	81,368	151,092	98,401
Less: Depreciation and amortization	(9,549)	(17,906)	(12,586)
Less: Silver revenues	(378)	(5,131)	(561)
Total cash costs	**71,441**	**128,055**	**85,254**
AISC Adjustments			
Less: Depreciation and amortization administrative expenses	(9)	(43)	-
Less: Energy sales revenues	(3,793)	-	-
Add: Administration expenses	1,988	2,856	1,463
Add: Sustaining leases	2,418	1,897	7,957
Add: Sustaining exploration	216	5,551	3,566
Add: Sustaining capital expenditures	4,324	11,429	7,352
Total AISC	**76,585**	**149,745**	**105,592**
Gold sold (oz)	**76,725**	**122,495**	**71,678**
Cash costs per ounce of gold sold ($/oz)	**931**	**1,045**	**1,189**
All-in sustaining costs per ounce of gold sold ($/oz)	**998**	**1,222**	**1,473**

Notes:
(1) The La Ye underground mine was sold in 2020 and effective control of operations passed to the new owners on or about May 31, 2020.

	Year Ended December 31, 2019		
	Nechí Alluvial and La Ye Mine[(1)]	**Hemco**	**Gualcamayo**
		(US$000s)	
Cost of sales	79,229	131,575	109,755
Less: Depreciation and amortization	(10,768)	(12,008)	(20,474)
Less: Silver revenues	(619)	(4,093)	(827)
Total cash costs	**67,842**	**115,474**	**88,454**
AISC Adjustments			
Less: Depreciation and amortization administrative expenses	(16)	(20)	-
Less: Energy sales revenues	(2,549)	-	-
Add: Administration expenses	2,865	2,323	403
Add: Sustaining leases	2,523	594	8,121
Add: Sustaining exploration	455	7,723	3,775
Add: Sustaining capital expenditures	3,938	11,096	6,824
Total AISC	**75,058**	**137,190**	**107,577**
Gold sold (oz)	**70,510**	**125,206**	**97,332**
Cash costs per ounce of gold sold ($/oz)	**962**	**923**	**909**
All-in sustaining costs per ounce of gold sold ($/oz)	**1,065**	**1,097**	**1,105**

Notes:
(1) The La Ye underground mine was sold in 2020 and effective control of operations passed to the new owners on or about May 31, 2020.

	Year Ended December 31, 2018		
	Nechí Alluvial and La Ye Mine[(1)]	**Hemco**	**Gualcamayo**
		(US$000s)	
Cost of sales	78,892	115,185	5,832
Less: Depreciation and amortization	(11,771)	(7,224)	(282)
Less: Silver revenues	(605)	(3,119)	-
Total cash costs	**66,516**	**104,842**	**5,550**
AISC Adjustments			
Less: Depreciation and amortization administrative expenses	(581)	-	-
Less: Energy sales revenues	(1,456)	-	-
Add: Administration expenses	8,103	2,016	-
Add: Sustaining leases	435	123	-
Add: Sustaining exploration	887	7,137	-
Add: Sustaining capital expenditures	3,860	6,710	-
Total AISC	**77,764**	**120,828**	**5,550**
Gold sold (oz)	**97,473**	**106,942**	**2,791**
Cash costs per ounce of gold sold ($/oz)	**682**	**981**	**1,989**
All-in sustaining costs per ounce of gold sold ($/oz)	**799**	**1,131**	**1,989**

Notes:
(1) The La Ye underground mine was sold in 2020 and effective control of operations passed to the new owners on or about May 31, 2020.

Net Free Cash Flow

The Company uses the financial measure "net free cash flow", which is a non-IFRS financial measure, to supplement information in its consolidated financial statements. Net free cash flow does not have any standardized meaning prescribed under IFRS, and therefore it may not be comparable to similar measures employed by other companies. The Company believes

that in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors and analysts use this information to evaluate the Company's performance with respect to its operating cash flow capacity to meet non-discretionary outflows of cash.

The presentation of net free cash flow is not meant to be a substitute for the cash flow information presented in accordance with IFRS, but rather should be evaluated in conjunction with such IFRS measures. Net free cash flow is calculated as cash flows from operating activities less non-discretionary sustaining capital expenditures and interest and dividends paid related to the period indicated.

The following table represents the Company's net free cash flow generated in the six months ended June 30, 2021 and 2020, and each of the fiscal years ended December 31, 2020, 2019 and 2018.

	Six Months Ended June 30		Year Ended December 31		
	2021	**2020**	**2020**	**2019**	**2018**
			(US$000s)		
Cash flows from operating activities	32,631	41,063	142,244	62,676	56,244
Non-discretionary items					
Sustaining capital expenditures	(35,827)	(6,866)	(23,105)	(21,858)	(10,570)
Interest paid	(2,196)	(2,672)	(5,147)	(6,711)	(4,392)
Dividends paid	(9,621)	(6,488)	(13,303)	(14,248)	(13,857)
Net free cash flow	**(15,013)**	**25,037**	**100,689**	**19,859**	**27,425**

Return on Capital Employed

The Company uses return on capital employed ("**ROCE**") as a measure of long-term operating performance to measure how effectively management utilizes the capital it has been provided. This non-IFRS measure 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 calculation of ROCE, expressed as a percentage, is Adjusted EBIT (calculated in the manner set out in the table below) divided by the average of the opening and closing capital employed for the 12 months preceding the period end. Capital employed for a period is calculated as total assets at the beginning of that period less total current liabilities.

	Six Months Ended June 30		Year Ended December 31		
	2021	**2020**	**2020**	**2019**	**2018**
			(US$000s)		
Adjusted EBITDA (Last 12 months)	178,994	165,382	187,751	127,908	85,268
Less: Depreciation and amortization (Last 12 months)	(48,148)	(37,359)	(40,947)	(44,781)	(19,910)
Adjusted EBIT (A)	**130,846**	**128,023**	**146,804**	**83,127**	**65,358**
Total Assets at beginning of period	542,235	492,219	492,219	447,306	344,001
Less: Current liabilities at the beginning of the period	(128,813)	(108,175)	(108,175)	(98,471)	(34,148)
Opening Capital Employed (B)	**413,422**	**384,044**	**384,044**	**348,835**	**309,853**
Total Assets at end of period	561,483	475,571	542,235	492,219	447,306
Less: Total current liabilities at the end of the period	(137,535)	(112,687)	(128,813)	(108,175)	(98,471)
Closing Capital Employed (C)	**423,948**	**362,884**	**413,422**	**384,044**	**348,835**
Average Capital Employed (D) = ((B) + (C)) /2	**418,685**	**373,464**	**398,733**	**366,440**	**329,344**
ROCE (A/D)	**31%**	**34%**	**37%**	**23%**	**20%**

Net Debt to Adjusted EBITDA Ratio

The Company reports Net Debt to Adjusted EBITDA ratio. This non-IFRS measure provides the liquidity position of the Company. The calculation of net debt shown below is calculated as nominal undiscounted debt including leases, less cash and cash equivalents. The following sets out the calculation of Net Debt to Adjusted EBITDA ratio for the periods indicated.

	Six Months Ended June 30		Year Ended December 31		
	2021	2020	2020	2019	2018
			(US$000s)		
Loans and other borrowings	89,823	70,872	74,458	82,851	69,411
Less: Cash and cash equivalents	(42,551)	(28,948)	(63,598)	(19,046)	(24,602)
Net Debt	**47,272**	**41,924**	**10,860**	**63,805**	**44,809**
Adjusted EBITDA (Last 12 months)	178,994	165,382	187,751	127,908	85,268
Net Debt to Adjusted EBITDA	**0.26x**	**0.25x**	**0.06x**	**0.50x**	**0.53x**

STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This prospectus contains "forward-looking information" within the meaning of applicable Canadian securities laws. Forward-looking information includes statements that use forward-looking terminology such as "may", "could", "would", "will", "should", "intend", "target", "plan", "expect", "budget", "estimate", "forecast", "schedule", "anticipate", "believe", "continue", "potential", "view" or the negative or grammatical variation thereof or other variations thereof or comparable terminology. Such forward-looking information includes, without limitation, statements with respect to the Company's outlook for the balance of 2021 and future periods; timing, completion and results of a PEA to investigate mining and processing scenarios for the Deep Carbonates Project; timing, completion and results of a Feasibility Study on the Porvenir Project; completion of an initial Mineral Resource estimate on the Luna Roja Exploration Target; completion of the transfer of the 20% interest in the La Pepa Project and execution of La Pepa Shareholders Agreement; timing for the preparation of a Mineral Resource estimate and a PEA on the La Pepa Project; achieving our goal of growing annual production to approximately 500 koz of gold by 2025; exercising our option to acquire an additional 25% interest in Royal Road's GNM Exploration Target; exercising our option to acquire an additional 31% interest (for an aggregate a 51% interest) in the La Pepa Project; Mineral Reserve and Mineral Resource estimates; estimates for future mineral production and sales; the Company's expectations, strategies and plans for the Material Properties; the approval by ANLA of the requested amendments to the EMP for the Nechí Alluvial Property; the Company's planned exploration, development and production activities; statements regarding the projected exploration and development of the Company's growth projects, including the Porvenir Project, Deep Carbonates Project, and the La Pepa Project; adding or upgrading Mineral Resources and developing new mineral deposits; estimates of future capital and operating costs; the costs and timing of future exploration and development; the timing, receipt and maintenance of necessary approvals, licenses and permits from applicable governments, regulators or third parties; estimates for future prices of gold and other minerals; the impact of the COVID-19 pandemic on the Company's business; future financial or operating performance and condition of the Company and its business, operations and properties, including expectations regarding liquidity, capital structure, competitive position and payment of dividends; statements regarding the completion of the Offering and the exercise of the Over-Allotment Option; the intended use of the net proceeds of the Offering; expectations regarding future currency exchange rates; the Common Shares being "qualified investments" under the Tax Act and the Regulations; the legal and tax consequences under Colombian Laws of acquiring, holding, and selling Common Shares; entering into lock-up agreements with existing shareholders of the Company in respect of the Offering and the estimated number of securities that will be subject to such lock-up agreements; plans regarding the Company's compensation policy and practices; and any other statement that may predict, forecast, indicate or imply future plans, intentions, levels of activity, results, performance or achievements.

Forward-looking information is based upon estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, as of the date of this prospectus including, without limitation, assumptions about: favourable equity and debt capital markets; the ability to raise any necessary additional capital on reasonable terms to advance the production, development and exploration of the Company's properties and assets; future prices of gold and other metal prices; the timing and results of exploration and drilling programs, and technical and economic studies; the development of the Porvenir Project; the accuracy of any Mineral Reserve and Mineral Resource estimates; the geology of the Material Properties being as described in the Technical Reports; production costs; the accuracy of budgeted exploration and development costs and expenditures; the price of other commodities such as fuel; future currency exchange rates and interest rates; operating conditions being favourable such that the Company is able to operate in a safe, efficient and effective manner; political and regulatory stability; the receipt of governmental, regulatory and third party approvals, licenses and permits on favourable terms; obtaining required renewals for existing approvals, licenses and permits on favourable terms; requirements under applicable laws; sustained labour stability; stability in financial and capital goods markets; availability of equipment; positive relations with local groups, including artisanal mining cooperatives in Nicaragua, and the Company's ability to meet its obligations under its agreements with such groups; and satisfying the terms and conditions of the Company's current loan arrangements. While the Company considers these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could

cause actual actions, events, conditions, results, performance or achievements to be materially different from those projected in the forward-looking information. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

Forward-looking information involves known and unknown risks, uncertainties and other factors, and does not guarantee future performance. Risks and uncertainties that may cause actual results or developments to be materially different from those expressed in forward-looking information include, without limitation:

- gold prices are volatile and may be lower than expected;
- changes in regulation may increase the Company's costs of doing business, restrict its operations or result in the imposition of fines, revocation of permits or facilities shutdowns;
- there may be material differences between the Company's estimates of Mineral Reserves and the mineral quantities that are actually recovered, and mineral grades may prove to be lower than expected;
- the Company may fail to obtain, renew, or maintain in effect necessary permits and licenses, or comply with the law in particular, the Company may fail to obtain the approval by ANLA of the requested amendments to the EMP for the Nechí Alluvial Property;
- risks associated with environmental management and compliance;
- the Company may be unable to replace depleted Mineral Reserves;
- cost and timing of exploration, development, and production;
- the Company's geological, metallurgical, engineering, title, environmental, social, governmental, economic and financial assessments may prove materially incorrect;
- energy supply interruptions or increases in energy costs may materially and adversely affect our results of operations;
- the Company may experience failures of information systems or security breaches;
- COVID-19 and other disease outbreaks, or material escalation thereof;
- future acquisitions may require significant expenditures and may result in inadequate returns;
- the Company may not be able to agree with or exert influence over joint venture partners;
- the Company may fail to implement its business strategy;
- opposition to mining may arise;
- title to the Company's properties may be disputed;
- the Company may become subject to legal proceedings or tax reassessments, which may be costly;
- the Company may be unable to hire, retain, and motivate highly skilled personnel as required;
- the Company may fail to maintain satisfactory health and safety conditions and labour relations, and may experience labour disruptions;
- actual production, capital and operating costs may be different than those anticipated, especially during mining cycle peaks;
- geological, hydrological and climatic events could suspend mining operations or increase costs;

- infrastructure failures;
- equipment and supply shortages;
- the Company may be subject to employee and contractor misconduct;
- the Company will incur increased costs as a result of complying with the reporting requirements, rules and regulations affecting Canadian public issuers;
- the Company may incur losses, and its insurance coverage may be inadequate to cover those losses;
- political, economic, environmental, tax, security, and other risks associated with operating in emerging markets;
- risks and uncertainties relating to economic and political conditions in Colombia, Argentina, Nicaragua, and Chile;
- the Company's properties may be nationalized or expropriated for less than their fair value;
- the Company may experience conflicts with artisanal and small-scale miners;
- there is no existing public market in Canada for the Common Shares, and one may fail to develop; and
- if securities or industry analysts do not publish research or publish inaccurate or unfavourable research about the Company's business, the price and trading volume of the Common Shares could decline.

Although the Company has attempted to identify important factors that could cause actual actions, events, conditions, results, performance or achievements to differ materially from those described in forward-looking information, there may be other factors that cause actions, events, conditions, results, performance or achievements to differ from those anticipated, estimated or intended. See "*Risk Factors*" for a discussion of certain risk factors investors should carefully consider before deciding to invest in the Offered Shares.

The Company cautions that the foregoing lists of important assumptions and factors are not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking information contained herein. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information.

Forward-looking information contained herein is made as of the date of this prospectus and the Company disclaims any obligation to update or revise any forward-looking information, whether as a result of new information, future events or results or otherwise, except as and to the extent required by applicable securities laws.

NOTICE TO UNITED STATES INVESTORS

The Common Shares have not been, nor will they be, registered under the U.S. Securities Act or any state securities laws. Accordingly, the Common Shares may be not offered or sold in the United States unless an exemption from the registration requirements of the U.S. Securities Act is available and such offer or sale is made in compliance with any applicable state securities laws. The Underwriters have agreed that they will not offer or sell the Offered Shares within the United States, except in accordance with the Underwriting Agreement to "Qualified Institutional Buyers" (as defined in Rule 144A under the U.S. Securities Act) pursuant to an exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A thereunder or to institutions that are "accredited investors" (as defined in Rule 501 under the U.S. Securities Act), and in compliance with applicable state securities laws. In addition, until 40 days after the commencement of the Offering, an offer or sale of Offered Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer is made otherwise than in reliance on an exemption from the registration requirements of the U.S. Securities Act.

In making a decision as to whether to purchase Common Shares, investors must rely on their own examination of the Company and the terms of the Offering, including the merits and risks involved. Investors should be aware that they may be required to bear the financial risks of an investment in the Common Shares for an indefinite period of time.

The Common Shares have not been approved or disapproved by the SEC or by any state securities commission, nor have any of the foregoing authorities passed on the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

NOTICE TO CERTAIN PROSPECTIVE INVESTORS OUTSIDE OF NORTH AMERICA

European Economic Area

In relation to each member state of the European Economic Area (each a "**Relevant State**"), no Offered Shares have been offered or will be offered to the public in that Relevant State prior to the publication of a prospectus in relation to the Offered Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the EEA Prospectus Regulation, except that the Offered Shares may be offered to the public in that Relevant State at any time:

(a) to any legal entity that is a qualified investor as defined in Article 2 of the EEA Prospectus Regulation (a "**Qualified Investor**");

(b) to fewer than 150 natural or legal persons (other than Qualified Investors), as permitted under the EEA Prospectus Regulation; or

(c) in any other circumstances falling within Article 1(4) of the EEA Prospectus Regulation,

provided that no such offer of Offered Shares shall result in a requirement for the publication by the Company or any Underwriter of a prospectus pursuant to Article 3(1) of the EEA Prospectus Regulation or a supplement to a prospectus pursuant to Article 23 of the EEA Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offered Shares in any Member State means the communication in any form and by any means, of sufficient information on the terms of the offer and the Offered Shares so as to enable an investor to decide to purchase or subscribe for the Offered Shares, and the expression "**EEA Prospectus Regulation**" means Regulation (EU) 2017/1129. Each subscriber for the Offered Shares located in a Member State will be deemed to have represented, acknowledged and agreed that it is a Qualified Investor.

Accordingly, any person making or intending to make any offer within any Member State of the Offered Shares should only do so in circumstances in which no obligation arises for the Company or any of the Underwriters to produce a prospectus for such offer. Neither we nor any Underwriter has authorized, nor do we or they authorize, the making of any offer of the Offered Shares through any financial intermediary, other than offers made by the Underwriters, which constitute the final placement of the Offered Shares contemplated in this prospectus.

Each Underwriter has represented and agreed, and each further Underwriter appointed under the Offering will be required to represent and agree, that it has not made and will not make an offer of any Offered Shares to the public in any Relevant State, except that it may make an offer of such Offered Shares to the public in that Relevant State.

United Kingdom

No Offered Shares have been offered or will be offered to the public in the United Kingdom prior to the publication of a prospectus in relation to the Offered Shares which has been approved by the Financial Conduct Authority, except that the Offered Shares may be offered to the public in the United Kingdom at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the Underwriters for any such offer; or

(c) in any other circumstances falling within Section 86 of the Financial Services and Markets Act 2000 ("**FSMA**");

provided that no such offer of the Offered Shares shall require the Company to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Offered Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Offered Shares to be offered so as to

enable an investor to decide to purchase or subscribe for any Offered Shares, and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

This Prospectus is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, referred to herein as the "Order", and/or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order and other persons to whom it may lawfully be communicated or caused to be communicated. Each such person is referred to herein as a "Relevant Person".

This Prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a Relevant Person should not act or rely on this document or any of its contents.

Any invitation or inducement to engage in investment activity within the meaning of Section 21 of the FSMA may only be communicated or caused to be communicated in connection with the issue or sale of the securities in circumstances in which Section 21(1) of the FSMA does not apply. All applicable provisions of the FSMA must be complied with in respect of anything done by any person in relation to the securities in, from or otherwise involving the United Kingdom.

GLOSSARY

In this prospectus, the following capitalized terms have the following meanings, in addition to other terms defined elsewhere in this prospectus.

"**Acquired Business**" means the business of the Acquired Company, after carving-out and transferring to Yamana (prior to the acquisition of the Acquired Company) a 50% equity interest in Yamana Argentina Servicios S.A. and a 2.17% equity interest in Orión del Sur S.A. (thereby excluding the assets, liabilities and results of operations of such entities, all of which were unrelated to the Gualcamayo Property).

"**Acquired Company**" means Mineros Argentina Holdings BV, a company existing under the laws of the Netherlands and the direct and beneficial owner of 100% of the capital of MASA, which was acquired by the Company on December 14, 2018 for the purpose of acquiring the Gualcamayo Property.

"**AIM**" means collectively, the Amelia Inés and Magdalena open pit deposits that form part of the Gualcamayo Mine.

"**AISC**" means all-in sustaining costs.

"**AML Policy**" means the Anti-Money Laundering and Anti-Terrorist Financing Policy of the Company.

"**ANLA**" means the National Authority of Environmental Licenses (*Autoridad Nacional de Licencias Ambientales)* of Colombia.

"**ANM**" means the National Mining Agency (*Agencia Nacional de Minería*) of Colombia.

"**Annual MD&A**" means management's discussion and analysis of the Company for the years ended December 31, 2018, 2019 and 2020, contained in this prospectus.

"**Anti-Corruption Policy**" means the Corporate Policy on Anti-Bribery and Anti-Corruption of the Company.

"**Argentine Mining Code**" means the federal Mining Code of Argentina (*Código de Minería de Argentina*).

"**Audit and Risk Committee**" means the Audit and Risk Committee of the Board.

"**Audit and Risk Committee Charter**" means the charter of the Audit and Risk Committee, which is attached to this prospectus as Appendix "D".

"**Board**" or "**Board of Directors**" means the board of directors of the Company.

"**Board Regulations**" means the Company's internal regulations of the Board of Directors, approved by the Board on February 24, 2021.

"**Business Opportunities and Optimization Committee**" means the Business Opportunities and Optimization Committee of the Board.

"**Bylaws**" means the amended by-laws of the Company, as most recently approved at a meeting of the General Shareholders Assembly on April 16, 2021.

"**Cardona-Múnera Loan**" has the meaning ascribed to such term under "*Indebtedness of Directors and Executive Officers*".

"**Caribe Exploration Target**" means the gold exploration target located on the Hemco Property, approximately 42 km southeast of the Panama Mine, and 26 km southeast of the Luna Roja Exploration Target, owned by Hemco and subject to the Royal Road Nicaragua Alliance Agreement.

"**CARs**" means the Autonomous Regional Corporations (*Corporaciones Autónomas Regionales*) of Colombia.

"**CBCA**" means the *Canada Business Corporations Act*.

"**CBCA Director**" means the director appointed under the CBCA.

"**CDS**" has the meaning ascribed to such term on the cover page of this prospectus.

"**CDS Participant**" means a participant in the CDS depository service.

"**CIM Council**" means the council of the Canadian Institute of Mining, Metallurgy and Petroleum.

"**CIM Definition Standards**" means the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves adopted by the CIM Council on May 10, 2014, which are incorporated by reference in NI 43-101.

"**Closing**" has the meaning ascribed to such term on page iii of this prospectus.

"**Closing Date**" has the meaning ascribed to such term on page iii of this prospectus.

"**Code of Ethics**" means the Code of Ethics (*Código de Etica*) of the Company.

"**Colombian Concurrent Offering**" has the meaning ascribed to such term on the cover page of this prospectus.

"**Colombian Exchange**" means the Colombian stock exchange (*Bolsa de Valores de Colombia*).

"**Colombian Regulations**" refers to the primary Colombian corporate and securities regulations that govern the corporate affairs of the Company as a publicly listed entity in Colombia, as defined under the heading "*Material Differences Between Corporate Law and Shareholder Rights in Canada and Colombia*".

"**Colombian Superintendence of Finance**" means the Superintendence of Finance of Colombia (*Superintendencia Financiera de Colombia*).

"**Colombian Underwriter**" has the meaning ascribed to such term on the cover page of this prospectus.

"**Common Shares**" means the common shares in the capital of Mineros as currently constituted.

"**Condor**" means the Condor operating open pit mine that forms part of the Gualcamayo Mine.

"**Corporate Disclosure Policy**" means the Corporate Disclosure Policy of the Company.

"**Corporate Governance and Sustainability Committee**" means the Corporate Governance and Sustainability Committee of the Board.

"**Corporate Sustainability Policy**" means the Corporate Sustainability Policy of the Company.

"**Deceval**" means Depósito Centralizado de Valores de Colombia Deceval S.A., being the Colombian depositary and registrar and transfer agent of the Company for the Common Shares listed on the Colombian Exchange.

"**Deep Carbonates Project**" or "**DCP**" refers to undeveloped Mineral Resources below the existing oxide gold mineralization at the Gualcamayo Mine comprising the Rodado deposit, being the most important deposit, and other small mixed oxide-sulphide deposits such as the Santiago deposit, the Santiago Satellite deposit and the Feeder deposit, none of which are amenable to the heap leaching processing method being used currently at the Gualcamayo Mine.

"**Deloitte Argentina**" means Deloitte S.A., independent auditor, organized and existing in accordance with the laws of Argentina.

"**Deloitte Colombia**" means Deloitte & Touche Ltda., independent auditor, organized and existing in accordance with the laws of Colombia.

"**Director Election, Evaluation, and Compensation Policy**" means the Policy for the Election, Evaluation and Compensation of the Board of Directors of the Company, as most recently approved at a meeting of the General Shareholders Assembly on April 16, 2021.

"**DPSP**" means a deferred profit sharing plan as defined in the Tax Act.

"**EMP**" means an environmental management plan under applicable laws and regulations.

"**Executive Compensation Committee**" means the Executive Compensation Committee of the Board.

"**Feasibility Study**" means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors, together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study.

"**General Shareholders Assembly**" means a general shareholders meeting (*Asamblea General de Accionistas*) of the Company.

"**Gómez-Peláez Loan**" has the meaning ascribed to such term under "*Indebtedness of Directors and Executive Officers*".

"**Gualcamayo Mine**" means the Company's producing mine on the Gualcamayo Property consisting of three operating open pits that exploit the QDD, the AIM and the Condor deposits, and one underground mine that exploits the QDDL deposit.

"**Gualcamayo Property**" means the Company's property in west-central Argentina, in the northern part of the San Juan Province and extending into La Rioja Province, approximately 270 km north of the provincial capital of San Juan City, which hosts the Gualcamayo Mine and the Deep Carbonates Project.

"**Gualcamayo Technical Report**" means the report prepared in accordance with NI 43-101 entitled "Technical Report on the Gualcamayo Property, San Juan and La Rioja Provinces, Argentina", dated September 15, 2021, with an effective date of June 30, 2021, prepared by Sean Horan, P.Geo., Martin Orozco, P.Geo., Ariel M. Testi, MBA, CPG, Andrew P. Hampton, M.Sc., P.Eng., Jason J. Cox, P.Eng., all of SLR, and Gerd Wiatzka, P. Eng., of Arcadis Canada Inc.

"**GNM Exploration Target**" means Royal Road's Guintar-Niverengo Margarita gold exploration target, comprised of its Guintar-Niverengo concessions and Margarita's concession application, located in the Middle Cauca metallogenic belt, in Antioquia, Colombia.

"**Hemco**" means Hemco Nicaragua S.A., a direct subsidiary of Mineros that owns substantially all of, and operates, the Hemco Property.

"**Hemco Plant**" means one of three operating processing plants located at the Hemco Property, owned 100% by Hemco.

"**Hemco Property**" means the property located in northeastern Nicaragua, in the vicinity of the town of Bonanza, approximately 230 km northeast of the capital of Managua, which hosts the Panama Mine, the Pioneer Mine, the Porvenir Project, the Luna Roja Exploration Target, artisanal mining, the Hemco Plant, the La Curva Plant, and the Vesmisa Plant. The Hemco Property also includes the Caribe Exploration Target which is an exploration target located within the Hemco Property held by Hemco subject to the Royal Road Nicaragua Alliance Agreement.

"**Hemco Technical Report**" means the report prepared in accordance with NI 43-101 entitled "Technical Report on the Hemco Property, Región Autónoma De La Costa Caribe Norte, Nicaragua" dated September 15, 2021, with an effective date of September 15, 2021, prepared by Sean Horan, P.Geo., Martin Orozco, P.Geo., Jason J. Cox, P.Eng., Varun Bhundhoo, Ing. and Holger Krutzelmann, P.Eng., all of SLR, and Gerd Wiatzka, P.Eng., of Arcadis Canada Inc.

"**IFRS**" means the International Financial Reporting Standards as issued by the International Accounting Standards Board, and the interpretations thereof by the International Financial Reporting Interpretations Committee and the former Standing Interpretations Committee.

"**Indicated Mineral Resource**" means that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

"**Inferred Mineral Resource**" means that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

"**Insider Trading Policy**" means the Insider Trading Policy of the Company, adopted by the Board March, 2021.

"**Internal Controls Policy**" means the internal policy of the Company setting out its system of internal controls, adopted by the Board in October 2019.

"**Interim MD&A**" means management's discussion and analysis of the Company for the three and six months ended on June 30, 2021 and 2020, contained in this prospectus.

"**La Curva Plant**" means one of three operating processing plants located at the Hemco Property, owned 100% by Hemco.

"**La Pepa Option Agreement**" means the agreement executed on December 14, 2018, and effective as of July 2, 2019, between the Company, Mineros Chile SpA, Yamana, and Minera Cavancha setting out the terms upon which Yamana granted to the Company the right and option to (i) earn in two stages up to 51% of the issued share capital of Minera Cavancha (and, indirectly, a 51% interest into the La Pepa Project), and (ii) purchase at market value the remaining 49% interest in Minera Cavancha, thereby acquiring a 100% interest in the La Pepa Project.

"**La Pepa Project**" means an advanced gold exploration project located in northern Chile, in the Maricunga Gold Belt of the Atacama Region, 110 km east of the city of Copiapó, which is held by Minera Cavancha, in which we currently own a 20% beneficial interest, subject to the La Pepa Option Agreement and upon execution, the La Pepa Shareholders Agreement.

"**La Pepa Shareholders Agreement**" means the shareholders agreement pertaining to the shareholding interests of Minera Cavancha and operations at the La Pepa Project, the form of which was settled between Yamana and Mineros on June 28, 2019 and which is expected to be entered into and delivered by Minera Yamana Chile SpA, a wholly-owned subsidiary of Yamana, and by Mineros Chile SpA, a wholly-owned subsidiary of Mineros by the end of 2021, upon transfer by Minera Yamana Chile SpA to Mineros Chile SpA of shares in the capital of Minera Cavancha equal to 20% of the issued capital of Minera Cavancha.

"**Law 964**" means Law 964 of 2005, the Colombian Securities Market Law (*Ley del Mercado de Valores*).

"**Llanuras Plant**" means a newly established operating plant located at the Nechí Alluvial Property, owned 100% by Mineros Aluvial.

"**Luna Roja Acquisition**" means the acquisition by Hemco of Royal Road's 50% interest in the Luna Roja Exploration Target for $24.5 million, completed on May 21, 2021.

"**Luna Roja Exploration Target**" means the Luna Roja gold skarn exploration target which is comprised of the Monte Carmelo I and Monte Carmelo II mining concessions located on the Hemco Property, 26 km northeast of the Caribe Exploration Target, which is 100% owned by Hemco.

"**Luna Roja BAC Loan**" means the loan in the principal amount of US$7 million advanced to Hemco pursuant to a loan agreement dated May 19, 2021 between Hemco and Banco de América Central Sociedad Anónima.

"**Luna Roja Davivienda Loan**" means the loan in the principal amount of US$15 million advanced to the Company pursuant to a loan agreement dated May 12, 2021, between the Company and Banco Davivienda S.A.

"**Luna Roja Loans**" means, together, the Luna Roja Davivienda Loan and the Luna Roja BAC Loan.

"**MADS**" means the Colombian Ministry of Environment and Sustainable Development (*Ministerio del Ambiente y Desarrollo Sostenible)*.

"**MASA**" means Minas Argentinas S.A., an indirect subsidiary of Mineros that owns and operates the Gualcamayo Property, including without limitation the Gualcamayo Mine.

"**Material Properties**" means, collectively, the Nechí Alluvial Property, the Gualcamayo Property and the Hemco Property.

"MD&A" means the Annual MD&A and Interim MD&A, contained in this prospectus.

"**MEM (Nicaragua)**" means the Ministry of Energy and Mines *(Ministerio de Energía y Minas*) of Nicaragua.

"**Measured Mineral Resource**" means that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.

"**Minera Cavancha**" means Minera Cavancha SpA, a company incorporated under the laws of Chile, which holds the La Pepa Project pursuant to the terms of the La Pepa Option Agreement and, upon execution, the La Pepa Shareholders Agreement.

"**Mineral Reserve**" means the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a Pre-Feasibility Study or Feasibility Study.

"**Mineral Resource**" means a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

"**Mineros**" or the "**Company**" means Mineros S.A.

"**Mineros Aluvial**" means Mineros Aluvial S.A.S. BIC, a wholly owned subsidiary of Mineros that owns and operates the Nechí Alluvial Property.

"**Mineros Policies**" means, collectively, the AML Policy, the Anti-Corruption Policy, the Board Regulations, the Code of Ethics, the Corporate Disclosure Policy, the Dividends Policy, the Corporate Sustainability Policy, the Insider Trading Policy, the Director Election, Evaluation and Compensation Policy, the Shareholders Assembly Regulations and the charters of each of the Audit and Risk Committee, the Corporate Governance and Sustainability Committee, the Executive Compensation Committee, the Business Opportunities and Optimization Committee and the Ethics Committee.

"**Mining Code**" means Colombian Law 685/2001 and its regulatory decrees.

"**Mining Investment Law (Argentina)**" means federal Law No. 24,196 of Argentina, as amended and supplemented as at the date hereof.

"**Mining Law (Nicaragua)**" means Law No. 387 "Special Law for the Exploration and Exploitation of Mines" (*La Ley Especial de Exploración y Explotación de Minas*), in effect since 2001, of Nicaragua.

"**Mining Registry (Colombia)**" means the National Mining Registry (*Registro Nacional de Minería)* of Colombia.

"**MME**" means the Ministry of Mines and Energy (*Ministerio de Minas y Energía*) of Colombia.

"**Modifying Factors**" are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

"**NCI System**" means the non-certificated inventory system administered by CDS.

"**Nechí Alluvial Property**" means the alluvial gold mining operations located approximately 190 km north-northeast of Medellín in the northeast of the Antioquia Department of Colombia, within the jurisdiction of the municipalities of El Bagre, Zaragoza, Caucasia, and Nechí.

"**Nechí Technical Report**" means the report prepared in accordance with NI 43-101 entitled "Technical Report on the Nechí Alluvial Gold Mineral Resource and Mineral Reserve Estimates, Antioquia Department, Colombia", dated September 15, 2021, with an effective date of September 15, 2021, prepared by Luke Evans, M.Sc., P.Eng., Richard E. Routledge, M.Sc. (Applied), P.Geo., Ian Weir, P.Eng., Holger Krutzelmann, P.Eng., all of SLR, and Gerd Wiatzka, P.Eng., of Arcadis Canada Inc.

"**NEO**" means "named executive officer", as such term is defined in NI 51-102.

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations*.

"**NI 52-109**" means National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*.

"**NI 54-101**" means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

"**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

"**NP 58-201**" means National Policy 58-201 – *Corporate Governance Guidelines.*

"**NPV**" means net present value.

"**NSR**" means net smelter return.

"**Offered Shares**" has the meaning ascribed to such term on the cover page of this prospectus.

"**Offering**" has the meaning ascribed to such term on the cover page of this prospectus.

"**Offering Price**" has the meaning ascribed to such term on the cover page of this prospectus.

"**Old Mining Law (Nicaragua)**" means Decree No. 1067 "Special Law on Exploration and Exploitation of Mines and Quarries" (*La Ley Especial de Exploración y Explotación de Minas y Canteras*), which was in effect since the year 1965 until it was repealed in 2001 by the Mining Law (Nicaragua).

"**Order**" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

"**Over-Allotment Option**" has the meaning ascribed to such term on the cover page of this prospectus.

"**Over-Allotment Shares**" has the meaning ascribed to such term on the cover page of this prospectus.

"**Panama Mine**" means the Company's producing underground mine on the Hemco Property, which exploits the Panama deposit.

"**Pioneer Mine**" means the Company's pre-production underground mine at the Hemco Property, which exploits the Pioneer deposit.

"**Porvenir Project**" means the Company's advanced exploration project at the Hemco Property.

"**Pre-Feasibility Study**" is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be converted to a Mineral Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

"**Preliminary Economic Assessment**" or "**PEA**" means a study, other than a Pre-Feasibility Study or Feasibility Study, that includes an economic analysis of the potential viability of Mineral Resources.

"**Probable Mineral Reserve**" means the economically mineable part of an Indicated Mineral Resource, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.

"**Proven Mineral Reserve**" means the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.

"**QA/QC**" means quality assurance and quality control.

"**QDD**" means the Quebrada del Diablo operating open pit mine that forms part of the Gualcamayo Mine, which includes the QDD Main and QDD Main F4 deposit areas.

"**QDDL**" means the Quebrada del Diablo Lower operating underground mine that forms part of the Gualcamayo Mine.

"**Qualified Person**" has the meaning set out in NI 43-101.

"**Qualifying Jurisdictions**" means all of the provinces of Canada, other than Québec.

"**RDSP**" means a trust governed by a registered disability savings plan as defined in the Tax Act.

"**Registered Plan**" means a TFSA, RRSP, RRIF, RDSP or RESP.

"**Regulations**" means the regulations under the Tax Act.

"**Representative Market Exchange**" means the exchange rates for selected currencies maintained by the International Monetary Fund.

"**RESP**" means a trust governed by a registered education savings plan as defined in the Tax Act.

"**Royal Road**" means Royal Road Minerals Limited, a publicly listed company in Canada.

"**Royal Road Colombia Alliance Agreement**" means the alliance agreement dated March 2, 2020 between Mineros, Royal Road and Exploraciones Northern Colombia S.A.S., a Colombian affiliate of Royal Road.

"**Royal Road Nicaragua Alliance Agreement**" means the alliance agreement originally entered into by Royal Road and Hemco dated September 1, 2017, as amended on May 21, 2021.

"**RPP**" means a Recognition of Private Property (*Reconocimiento de Propiedad Privada)* in Colombia, a type of mining concession.

"**RRIF**" means a trust governed by a registered retirement income fund as defined in the Tax Act.

"**RRSP**" means a trust governed by a registered retirement savings plan as defined in the Tax Act.

"**SAR Plan**" means the Stock Appreciation Rights Plan of the Company which updates the internal policies under which stock appreciation rights were granted by the Company.

"**SAR**" means a stock appreciation right of the Company granted by the Company pursuant to the SAR Plan.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators.

"**Shareholder Meeting Regulations**" means the internal regulations of proceedings of Mineros' General Shareholders Assembly, as most recently approved at a meeting of the General Shareholders Assembly on April 16, 2021.

"**SLR**" means SLR Consulting Limited.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended from time to time.

"**Tax Proposals**" means all specific proposals to amend the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this prospectus.

"**Technical Reports**" means, collectively, the Nechí Technical Report, the Gualcamayo Technical Report, and the Hemco Technical Report.

"**TFSA**" means a trust governed by a tax free savings account as defined in the Tax Act.

"**Underwriters**" has the meaning ascribed to such term on the cover page of this prospectus.

"**Underwriters' Fee**" has the meaning ascribed to such term on the cover page of this prospectus.

"**Underwriting Agreement**" has the meaning ascribed to such term on the cover page of this prospectus.

"**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

"**U.S. dollars**" or "**$**" means the currency of the United States.

"**U.S. Securities Act**" has the meaning ascribed to such term on the cover page of this prospectus.

"**VAT**" means value-added tax under applicable tax laws.

"**Vesmisa Plant**" means one of three operating processing plants located at the Hemco Property, beneficially owned by Vesubio Mining, S.A., a subsidiary of Hemco, and leased to and operated by Hemco under a lease agreement between Hemco and Vesubio Mining, S.A. dated February 11, 2019.

"**Yamana**" means Yamana Gold Inc., a Canadian publicly listed company.

PRESENTATION OF FINANCIAL INFORMATION AND ACCOUNTING PRINCIPLES

The Company presents its consolidated financial statements in U.S. dollars. The financial statements of the Acquired Business are presented in U.S. dollars. **Unless otherwise stated, all financial information in respect of the Company and the Acquired Business presented in this prospectus is in U.S. dollars**.

The following consolidated financial statements of Mineros and the Acquired Business have been prepared in accordance with IFRS and are included at Appendix "E" to this prospectus:

- audited consolidated financial statements of Mineros as at and for the years ended December 31, 2020, 2019 and 2018;

- unaudited condensed interim consolidated financial statements of Mineros for the three- and six-month periods ended June 30, 2021 and 2020; and

- audited carve-out consolidated financial statements of the Acquired Business for the years ended December 31, 2018 and 2017, prepared in accordance with IFRS.

EXPERTS

The Nechí Technical Report, dated September 15, 2021, with an effective date of September 15, 2021, was prepared by or under the supervisions of Luke Evans, M.Sc., P.Eng., Richard E. Routledge, M.Sc. (Applied), P.Geo., Ian Weir, P.Eng., Holger Krutzelmann, P.Eng., all of SLR, and Gerd Wiatzka, P.Eng., of Arcadis Canada Inc., who are independent Qualified Persons.

The Gualcamayo Technical Report, dated September 15, 2021, with an effective date of June 30, 2021, was prepared by Sean Horan, P.Geo., Martin Orozco, P.Geo., Ariel M. Testi, MBA, CPG, Andrew P. Hampton, M.Sc., P.Eng., Jason J. Cox, P.Eng., all of SLR, and Gerd Wiatzka, P.Eng., of Arcadis Canada Inc., who are independent Qualified Persons.

The Hemco Technical Report, dated September 15, 2021, with an effective date of September 15, 2021, was prepared by Sean Horan, P.Geo., Martin Orozco, P.Geo., Jason J. Cox, P.Eng., Varun Bhundhoo, Ing., Holger Krutzelmann, P.Eng., all of SLR, and Gerd Wiatzka, P.Eng., of Arcadis Canada Inc., who are independent Qualified Persons.

To the best of the Company's knowledge, after reasonable inquiry, as of the date hereof, the aforementioned individuals and their firms do not beneficially own, directly or indirectly, any Common Shares.

Deloitte Colombia is our auditor and is independent of the Company within the meaning of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code).

Deloitte Argentina is the auditor of the Acquired Business.

Certain legal matters related to the Offering have been passed upon on the Company's behalf by Gowling WLG (Canada) LLP and on behalf of the Underwriters by Fasken Martineau DuMoulin LLP. To the best of the Company's knowledge, after reasonable inquiry, as of the date hereof, the aforementioned partnerships (and their partners and associates) each beneficially own, directly or indirectly, in the aggregate, less than 1% of the outstanding Common Shares.

SCIENTIFIC AND TECHNICAL INFORMATION

The following Technical Reports prepared in accordance with NI 43-101, from which certain scientific and technical information with respect to mineral projects on properties material to the Company contained in this prospectus has been derived, as well as the Qualified Persons involved in preparing such reports are as follows:

- the Nechí Technical Report prepared by or under the supervision of Luke Evans, M.Sc., P.Eng., Richard E. Routledge, M.Sc. (Applied), P.Geo., Ian Weir, P.Eng., Holger Krutzelmann, P.Eng., all of SLR, and Gerd Wiatzka, P.Eng., of Arcadis Canada Inc., each of whom is a "qualified person" and "independent" of the Company within the meanings of NI 43-101.

- the Gualcamayo Technical Report prepared by or under the supervision of Sean Horan, P.Geo., Martin Orozco, P.Geo, Ariel M. Testi, MBA, CPG, Andrew P. Hampton, M.Sc., P.Eng., Jason J. Cox, P.Eng., all of SLR, and Gerd Wiatzka, P. Eng., of Arcadis Canada Inc., each of whom is a "qualified person" and "independent" of the Company within the meanings of NI 43-101.

- the Hemco Technical Report prepared by or under the supervision of Sean Horan, P.Geo., Martin Orozco, P.Geo., Jason J. Cox, P.Eng., Varun Bhundhoo, Ing., Holger Krutzelmann, P.Eng., all of SLR, and Gerd Wiatzka, P.Eng., of Arcadis Canada Inc., each of whom is a "qualified person" and "independent" of the Company within the meanings of NI 43-101.

Summaries of, and extracts from, the Technical Reports listed above are included as Appendix "A", Appendix "B", and Appendix "C" and elsewhere in this prospectus. Reference should be made to the full text of the Technical Reports, which are available for review under the Company's profile on SEDAR at www.sedar.com. The Technical Reports described above are intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Reports contain the expression of the professional opinion of the Qualified Persons based upon information available at the time of preparation of the Technical Reports. The Mineral Reserves and Mineral Resources for the Material Properties (including as used in the

Technical Reports) have been estimated in accordance with the CIM Definition Standards, which are incorporated by reference in NI 43-101.

Certain scientific and technical information contained in this prospectus that is not summarized or extracted from the Nechí Technical Report, the Gualcamayo Technical Report or the Hemco Technical Report relating to mineral properties in which the Company has an interest has been prepared under the supervision of, or approved by, Sean Horan, P.Geo, a Qualified Person.

Cautionary Note to U.S. Investors Concerning Estimates of Reserves and Measured, Indicated and Inferred Resources

Disclosure regarding Mineral Reserve and Mineral Resource estimates included in this prospectus were prepared in accordance with NI 43-101. This prospectus uses the terms "**Feasibility Study**," "**Mineral Resource**," "**Inferred Mineral Resource**," "**Indicated Mineral Resource**," "**Measured Mineral Resource**," "**Mineral Reserve**," "**Probable Mineral Reserve**," "**Proven Mineral Reserve**" and "**Modifying Factors**" in connection with the presentation of resources, as each of these terms is defined in accordance with the CIM Definition Standards as required by NI 43-101. Unless otherwise indicated, all reserve and resource estimates used in this prospectus have been prepared in accordance with the CIM Definition Standards, as required by NI 43-101.

NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. NI 43-101 differs significantly from the disclosure requirements of the SEC generally applicable to U.S. companies. For example, the terms "**Mineral Reserve**," "**Proven Mineral Reserve**," "**Probable Mineral Reserve**," "**Mineral Resource**," "**Measured Mineral Resource**," "**Indicated Mineral Resource**" and "**Inferred Mineral Resource**" are defined in accordance with the CIM Definition Standards as required by NI 43-101. These definitions differ from the definitions in the disclosure requirements promulgated by the SEC. Accordingly, information contained in the documents incorporated by reference herein will not be comparable to similar information made public by U.S. companies reporting pursuant to SEC disclosure requirements.

LIST OF ABBREVIATIONS

In this prospectus, the following abbreviations have the meanings set forth below:

µm	micron
°C	degree Celsius
°F	degree Fahrenheit
µg	microgram
A	ampere
a	annum
BCM	bank cubic metre
cm	centimetre
cm^2	square centimetre
d	day
g	gram
G	giga (billion)
gal	Imperial gallon
g/l	gram per litre
g/t	gram per tonne
hr	hour
ha	hectare
hp	horsepower
in	inch
km	kilometre
km^2	square kilometre
koz	one thousand Troy ounces (31,103.5 g)
kt	metric kilotonne
kW	kilowatt
kWh	kilowatt-hour
kV	kilovolt
L	litre
L/s	litres per second
LOM	life of mine
m	metre
M	mega (million)
m^2	square metre
m^3	cubic metre
mg/m^3	milligrams per cubic metre
min	Minute
MASL	metres above sea level
mm	millimetre
Moz	million ounces
Mt	million tonnes
Mtpa	million tonnes per annum
MW	megawatt
m^3/h	cubic metres per hour
oz	troy ounce (31.1035 g)
ppm	part per million
s	second
t	metric tonne
t/m^3	metric tonne per cubic metre
tpa	metric tonne per year
tpd	metric tonne per day
V	volt
W	watt
yr	year

INDUSTRY AND MARKET DATA

This prospectus includes market, industry and economic data which was obtained from various publicly available sources and other sources believed by the Company to be true. Although the Company believes it to be reliable, none of the Company nor the Underwriters has independently verified any of the data from third party sources referred to in this prospectus, or analyzed or verified the underlying reports relied upon or referred to by such sources, or ascertained the underlying economic and other assumptions relied upon by such sources. The Company believes that its market, industry and economic data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market, industry and economic data used throughout this prospectus are not guaranteed and the Company and the Underwriters do not make any representation as to the accuracy or completeness of such information.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

The Company, and each of the following directors, officers and Qualified Persons of the Company that reside outside of Canada, have appointed Gowling WLG (Canada) LLP as agent for service of process at 1 First Canadian Place, 100 King Street West, Suite 1600, Toronto, Ontario M5X 1G5. Prospective investors are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued, or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process:

Name	Title	Country of Residence
Andrés Restrepo Isaza	President and Chief Executive Officer	Colombia
Alan Wancier Rode	Chief Financial Officer	Colombia
Luis Santiago Perdomo Maldonado	Director	Colombia
Alberto Mejía Hernández	Director	United States of America
Eduardo Pacheco Cortés	Director	Colombia
José Fernando Llano Escandón	Director	Colombia
Juan Carlos Páez Ayala	Director	Colombia
Dieter W. Jentsch	Director	Canada
Beatriz Orrantia	Director	Canada
Mónica Jiménez González	Director	Colombia
Sergio Restrepo Isaza	Director	Colombia
Andrew P. Hampton	Qualified Person	United States of America
Ariel M. Testi	Qualified Person	Argentina

Mineros is a Colombian company. Most of the Company's directors and executive officers and some of the experts named in this prospectus reside outside Canada. All or a substantial portion of the Company's assets and the assets of these persons are located outside of Canada. As a result, it may not be possible for you to enforce against the Company or these persons who are residents of Colombia judgments of Canadian courts, including, without limitation, in actions predicated upon the civil liability provisions of applicable Canadian securities laws.

Canada and Colombia do not have a bilateral treaty providing for recognition and enforcement of judgments in civil and commercial matters. The Colombian Supreme Court has in the past accepted that reciprocity exists when it has been proven that either a Canadian court has enforced a Colombian judgment or that a Canadian court would enforce a foreign judgment, including a judgment issued by a Colombian court. However, such enforceability decisions are considered by Colombian courts on a case-by-case basis.

Despite the absence of such a bilateral treaty, there is reciprocity in the recognition of foreign judgments between the Canadian and Colombian courts. Colombian courts will enforce a Canadian judgment predicated on Canadian securities laws through a procedural system known under Colombian Law as "exequatur". The Colombian Supreme Court will enforce a foreign judgment, without reconsideration of the merits, if the judgment satisfies the requirements set forth in Articles 605 through 607 of Law 1564/2012 (*Código General del Proceso*) which provides that the foreign judgement will be enforced only if:

- a treaty exists between Colombia and the country where the judgment was granted related to the recognition and enforcement of foreign judgments or, in the absence of such treaty, there is reciprocity in the recognition of foreign judgments between the courts of the relevant jurisdiction and the courts of Colombia;

- the Canadian judgment does not relate to "in rem" rights vested in assets that were located in Colombia at the time the suit was filed;

- the Canadian judgment does not contravene or conflict with Colombian laws or regulations relating to public policy, other than those governing judicial procedures;

- the Canadian judgment is final and is not subject to appeal or judicial challenge;

- the Canadian judgment does not refer to any matter upon which the Colombian courts have exclusive jurisdiction;

- no proceeding is pending in Colombia with respect to the same cause of action and/or no final judgment has been awarded in any proceeding in Colombia on the same subject matter and between the same parties;

- in the proceeding commenced in Canada, the defendant was served in accordance with the applicable Canadian laws relating to service of process on the defendant and in a manner reasonably designated to give the defendant an opportunity to defend against the action;

- a duly apostilled or legalized copy of the foreign judgment (along with an official translation into Spanish, if the judgment is issued in a language other than Spanish), has been submitted to the Colombian Supreme Court at the time of filing the request; and

- the Canadian judgment is recognised by the Supreme Court of Colombia, pursuant to an exequatur proceeding.

Proceedings before Colombian courts are conducted in Spanish. In such exequatur proceedings, each party may (i) request that evidence be collected in accordance with the requirements listed above, and (ii) file final allegations in support of such party's position before a judgment is rendered. Proceedings for enforcement of a money judgment by attachment or execution against any assets or property located in Colombia would be within the exclusive jurisdiction of Colombian courts.

MARKETING MATERIALS

The following "marketing materials" (as such term is defined in National Instrument 41-101 – *General Prospectus Requirements*), filed with the securities commission or similar authority in each of the provinces of Canada, other than Quebec, are incorporated by reference into this prospectus:

- the template version of the investor presentation dated September 16, 2021; and

- the template version of the term sheet dated [●], 2021.

The above marketing materials are available for review under the Company's profile on SEDAR at www.sedar.com. The template version of marketing materials is not part of this prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this prospectus. In addition, any template version of any other marketing materials filed with the securities commission or similar authority in each of the Qualifying Jurisdictions, in connection with the Offering after the date of this prospectus, but prior to the termination of the distribution of Common Shares under this prospectus (including any amendments to, or an amended version of, any template version of any marketing materials), is deemed to be incorporated by reference herein.

ELIGIBILITY FOR INVESTMENT

In the opinion of Gowling WLG (Canada) LLP, legal counsel to the Company, and Fasken Martineau DuMoulin LLP, legal counsel to the Underwriters, based on the current provisions of the Tax Act and the Regulations, provided that the Common Shares are listed on a "designated stock exchange" for the purposes of the Tax Act (which includes the TSX) upon the Closing, the Common Shares will be "qualified investments" under the Tax Act and the Regulations for Registered Plans and a DPSP.

Notwithstanding the foregoing, if the Common Shares are a "prohibited investment" within the meaning of the Tax Act for a Registered Plan, the annuitant, subscriber or holder of the Registered Plan, as the case may be, will be subject to penalty taxes as set out in the Tax Act. The Common Shares will generally not be a prohibited investment for a Registered Plan if the annuitant, subscriber or holder, as the case may be (i) deals at arm's length with the Company for the purposes of the Tax Act, and (ii) does not have a "significant interest" (as defined in the Tax Act for purposes of the prohibited investment rules) in the Company. In addition, the Common Shares will not be a prohibited investment if the Common Shares are "excluded property" (as defined in the Tax Act for purposes of the prohibited investment rules) for a Registered Plan.

Prospective investors who intend to invest through a Registered Plan should consult their own tax advisers with respect to whether Common Shares would be a prohibited investment having regard to their particular circumstances.

PURCHASERS' STATUTORY RIGHTS OF RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers in such provinces with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

PROSPECTUS SUMMARY

The following is a summary of the principal features of the Offering and is qualified in its entirety by, and should be read together with, the more detailed information, financial data and statements and MD&A contained elsewhere in this prospectus. This summary does not contain all of the information a potential investor should consider before investing in Offered Shares. Please refer to the "Glossary" for a list of defined terms used herein.

Our Company

Mineros is a Colombian company with over 46 years of experience in gold exploration and production, with mining operations and growth projects in each of Colombia, Argentina and Nicaragua and a promising exploration-stage project in Chile. Our Material Properties include the following gold mines and operations:

- the Nechí Alluvial Property in Colombia;
- the Gualcamayo Mine at the Gualcamayo Property in Argentina; and
- the Panama Mine and the Pioneer Mine at the Hemco Property in Nicaragua.

The Hemco Property also produces gold in partnership with artisanal mining cooperatives from whom Mineros purchases ore. The ore purchased from artisanal miners supplies 100% of the ore processed at the Vesmisa Plant and the La Curva Plant and approximately 50% of the ore processed at the Hemco Plant.

In addition, a core component of our business strategy is to explore new targets and develop existing deposits at or near our operating mines or on third party properties that have been optioned by us, with the objective of increasing Mineral Resources and Mineral Reserves and advancing promising deposits towards development.

Three key growth projects being advanced are:

- the Deep Carbonates Project at the Gualcamayo Property in Argentina, where we intend to complete an ongoing Preliminary Economic Assessment by the end of the first quarter of 2022 to evaluate mining and processing scenarios;
- the Porvenir Project at the Hemco Property in Nicaragua, where we intend to complete an ongoing Feasibility Study by the end of the first quarter of 2022 to evaluate the Porvenir Project as a stand-alone operation, and to update Mineral Resource estimates for gold, silver, zinc and potentially copper; and
- the La Pepa Project in Chile (owned by Minera Cavancha and operated by Mineros subject to the La Pepa Option Agreement, and upon execution, the La Pepa Shareholders Agreement) where we have exercised our initial option to earn a 20% interest, which, at our option, may be followed by an additional 31% interest, and another 49% interest for an aggregate 100% interest), where we intend to prepare an estimate of Mineral Resources and a PEA by the end of the first quarter of 2022.

We are also evaluating greenfield exploration opportunities, including:

- the Luna Roja Exploration Target, forming part of the Hemco Property in Nicaragua;
- the Caribe Exploration Target, forming part of the Hemco Property in Nicaragua (owned by the Company subject to the Royal Road Nicaragua Alliance Agreement pursuant to which Royal Road is the operator and is entitled to acquire a 50% interest, with expenditures currently funded equally by the Company and Royal Road);
- the GNM Exploration Target in Colombia (owned and operated by Royal Road subject to the Royal Road Colombia Alliance Agreement) where we have exercised our initial option to earn a 25% interest, which, at our option, may be followed by a subsequent option to earn an additional 25% interest for an aggregate of up to a 50% interest.

Through our two strategic alliance agreements, we are collaborating with Royal Road to actively explore (i) in Nicaragua, subject to the Royal Road Nicaragua Alliance Agreement, highly prospective portions of our Hemco Property, Royal Road's properties in Nicaragua, and any additional interests acquired in Nicaragua by either party with each party being entitled to

acquire a 50% interest in those areas over which the joint management committee has agreed to undertake exploration, and (ii) in Colombia, Royal Road's GNM Exploration Target in Colombia.

Mineros' goal is to deliver healthy returns to shareholders through efficient and responsible management, organic growth and the strategic acquisition of new projects. Mineros is listed on the Colombian Exchange under the trading symbol "MINEROS:CB".

Material Properties - Mining Operations and Resource and Reserve Estimates

Consolidated Resource and Reserve Estimates

Consolidated Mineral Resource and Mineral Reserve estimates at our Material Properties, as at June 30, 2021, were as follows:

- Proven and Probable Mineral Reserves were estimated to total 757 Mt at an average grade of 0.07 g/t Au for 1.6 million ounces of gold;

- Measured and Indicated Mineral Resources, exclusive of Mineral Reserves, were estimated to total 1,094 Mt at an average grade of 0.12 g/t Au for 4.1 million contained ounces of gold, comprised of:

    - Nechí Alluvial Property Mineral Resources, estimated to total 1,056 Mt at an average grade of 0.04 g/t Au for 1.2 million ounces of gold, and

    - Mineral Resources for the other properties estimated to total 38 Mt at an average grade of 2.32 g/t Au for 2.8 million ounces of gold; and

- Inferred Mineral Resources were estimated to total 24 Mt at an average grade of 2.69 g/t Au for 2.0 million ounces of gold. There are no Inferred Resources at the Nechí Alluvial Property.

See "*Mineral Resources and Mineral Reserves*" under "*General Development and Business of the Company*" for a detailed breakdown of Mineral Resources and Mineral Reserves.

Nechí Alluvial Property

Mineros is among the largest alluvial dredge miners in the world with over 46 years of operating experience. The Nechí Alluvial Property, located in Colombia, hosts gold-bearing gravels in and around the flood plain of the Nechí River, concentrated in gold-bearing alluvial plain zones, low terraces bordering the Nechí River alluvial plain, and two blocks of tailings from historical dredging. There are four types of mining carried out at the Nechí Alluvial Property. The first, and predominant method, is alluvial mining using a combination of suction and bucket line dredges. The second method is suction plain mining using new suction dredge equipment that was purchased by Mineros in 2020. The third method is Brazilian rotary head suction dredge mining beginning in 2020. The fourth method is old tailings recovery and terrace mining using an amphibious excavator. The current LOM at the Nechí Alluvial Property is approximately 13 years.

The Nechí Alluvial Property has been declared a project of strategic national interest (*Proyecto de Interés Nacional Estratégico*, "**PINE**"). PINE is a designation created by the Colombian government to prioritize and recognize projects which contribute materially to the Colombian economy. PINE sets forth a framework to accelerate, simplify and streamline administrative processes when coordinating with Colombian government entities. To this end, a number of initiatives related to planning, streamlining and optimizing administrative procedures and inter-agency coordination for monitoring of PINES were defined. Once a PINE is identified and declared, it benefits from special follow-up for its implementation and management. PINEs arise from document CONPES 3762 of 2013 "Policy Guidelines for the Development of PINE", which sets out the criteria for considering whether a project is of strategic national interest, and for generating actions that facilitate the efficient and timely implementation of identified projects, all in accordance with the policies of the national government.

In August 2020, as a part of its ordinary course operations, Mineros requested that ANLA amend the EMP for the Nechí Alluvial Project, mainly to include additional riverbed occupation permits, forestry use permits, and water concessions in the Sampumoso and Llanuras areas, all being blocks within the feasibility mining stage corresponding to the existing RPP. On April 9, 2021, ANLA issued Resolution 00659 of 2021, authorizing some of the permits (all of the water concession, forest use permits for all of the Llanuras areas, and riverbed occupation permits not associated to lentic systems), but considered the information provided in the environmental impact study to be insufficient to grant other permits (riverbed occupation permits for lentic systems and forest use permits within Sampumoso block).

Mineros appealed to ANLA for reconsideration and by Resolution 01098 dated June 23, 2021, ANLA modified its initial decision adjusting the volume of water concessions as requested and granting the forestry use permits for the external sectors of Sampumoso. The amendment to the EMP to this point is referred to by Mineros as "Stage 1". On August 12, 2021, Mineros filed a new amendment to the EMP for the Nechí Alluvial Property seeking final approval for the riverbed occupation permits in Sampumoso (as lentic system) and the forestry use permits for remaining areas within the Sampumoso block. This amendment procedure is referred to by Mineros as "Stage 1.5". Mineros plans to file a further amendment to the EMP for the Nechí Alluvial Property with ANLA at the end of 2021, to seek environmental permits sufficient to support planned operations for a four year period which is referred to as Stage "2".

In August 2021, the Company announced the commencement of operations at its Llanuras Plant, a new alluvial production plant located at the Nechí Alluvial Property which is expected to produce up to 9 koz of gold per year.

Nechí Alluvial Property





- Alluvial gold deposits in the Nechi River and adjacent floodplain (41,293 ha)
- Five bucket dredges extract 73,400 m³ per day (LOM)
- 46 years' dredge production experience
- Very well-understood, efficient, low-cost and reliable production
- LOM of 13 years to 2034

Operation Information

Ownership	100% Mineros S.A
Status	Operating
Mining Type	Alluvial
LOM Processing Rate	28.0 Mm³pa
LOM Gold Recovery (%)	80%
Production (koz Au)[3]	80 (2018), 55 (2019), 70 (2020), 41 (Six Months ended June 30, 2021)
AISC (US$/oz)	799 (2018), 1,065 (2019), 998 (2020), 1,072 (Six Months ended June 30, 2021)

Reserves and Resources – June 30, 2021[1][2]

	Volume	Au Grade	Au Contained
	(Mm³)	(mg/m³)	(koz)
Proven & Probable Reserves	376	109	1,171
Measured & Indicated Resources	528	80	1,211
Inferred Resources	--	--	--

Timeline

1908	1974	2010	2020
First bucket dredge begins	Mineros acquires Nechi Alluvial Property	Start up of Providencia III hydro plant	Suction plain mining added to operations

Notes:
(1) See Mineral Resource and Mineral Reserve table for detailed breakdown and notes.
(2) Mineral Resources are exclusive of Mineral Reserves.
(3) Excludes production from the La Ye underground mine of 17 koz (2018), 16 koz (2019), and 7 koz (2020). The La Ye underground mine was sold in 2020 and effective control of operations passed to the new owners on or about May 31, 2020.

The following tables summarize alluvial gold Mineral Resources and Mineral Reserves at the Nechí Alluvial Property as at June 30, 2021. Due to the mining method employed and the nature of the mineralization, the alluvial Mineral Resources and Mineral Reserves are stated in cubic metres (m^3) for the quantity of mineralized material, milligrams per cubic metre (mg/m^3) for gold grade, and troy ounces for contained gold within the mineralized material, compared to metric tonnes, grams per metric tonne, and troy ounces for all other Material Properties.

Nechí Alluvial Property Mineral Resources
Effective June 30, 2021

Category	Volume (Mm^3)	Gold Grade (mg/m^3 Au)	Contained Metal (koz Au)
Measured Mineral Resources	510	81	1,175
Indicated Mineral Resources	18	67	36
Measured & Indicated Mineral Resources	528	80	1,211

Notes:
(1) CIM (2014) definitions were followed for Mineral Resources.
(2) Mineral Resources are estimated at a gold cut-off grade of 34 mg/m^3 for suction dredges, 43 mg/m^3 for Brazilian dredge alluvials and 85 mg/m^3 gold for terrace alluvials. Mineral Resources at the Nechí Alluvial Property are estimated using an average, long-term gold price of US$1,700/oz Au and an exchange rate of COP$3,500.00 = US$1.00.
(3) Alluvial gold at the Nechí Alluvial Property is 890 fine for resource estimation.
(4) Average thickness of the resource pay gravel is 11.1 m. Average thickness of overburden is 12.0 m.
(5) Mineral Resources and Mineral Reserves are estimated to the depth of dredging and drill hole grade capping has been carried out at 290 mg/m3.
(6) Mineral Resources are exclusive of Mineral Reserves.

(7) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
(8) Numbers may not add due to rounding.

Nechí Alluvial Property Mineral Reserves
Effective June 30, 2021

Mining Title	Block	Volume (000 m^3)	Gold Grade (mg/m^3 Au)	Doré (koz Au)	Contained Metal (koz Au)
Proven Mineral Reserves – Bucket Line Dredge Plain Alluvials					
RPP 57011	CA5	204,456	108	708	630
RPP 57011	CA6	18,235	115	67	60
LIC-6335	CA6	54,362	111	193	172
LIC-6118	CA6	11,996	106	41	36
LIC-6819	CA6	288	76	1	1
Total / Average		**289,336**	**109**	**1,011**	**900**
Proven Mineral Reserves – Suction Dredge Plain and Terrace Alluvials					
RPP 57011	MPV1	388	108	1	1
	M31	1,225	107	4	4
	M29	3,466	104	12	10
	M27	3,338	140	15	13
	M30	5,594	116	21	19
	MPA5	5,850	84	16	14
	M505	2,437	125	10	9
	MA2	5,548	125	22	20
	Carguero	103	140	0.5	0.4
Total / Average		**27,948**	**113**	**102**	**93**
Total Proven Mineral Reserves		**317,284**	**109**	**1,112**	**990**
Probable Mineral Reserves – Bucket Line Dredge Plain Alluvials					
LIC-6335	CA6	58,589	111	225	200
Total Probable Mineral Reserves		**58,589**	**108**	**193**	**181**
Total Proven & Probable Mineral Reserves		**375,772**	**109**	**1,316**	**1,171**

Notes:
(1) CIM (2014) definitions were followed for Mineral Reserves.
(2) Mineral Reserves are estimated at cut-off grades of 38 mg/m^3 for mining by bucket line dredges, 49 mg/m^3 for Brazilian suction dredge alluvials, 39 mg/m^3 for wheel cutter suction dredge alluvials, and 96 mg/m^3 for terrace alluvials.
(3) Mineral Reserves are estimated using an estimated gold price of US$1,500/oz Au.
(4) An exchange rate of COP$3,500.00 = US$1.00 was used.
(5) Gold grade includes some silver. Alluvial gold at Nechí is 890 fine for reserve estimation.
(6) A minimum alluvial mining depth of 12 m was used.
(7) A maximum alluvial mining depth of 30 m was used.
(8) Numbers may not add due to rounding.

Gualcamayo Property

The Gualcamayo Property, located in Argentina, hosts gold mineralization and was acquired by Mineros at the end of 2018 through the acquisition of the Acquired Company. The Gualcamayo Property hosts three operating open pits — the QDD, AIM and Condor deposits — and one underground mine, QDDL, which collectively form the Gualcamayo Mine. The Gualcamayo Property hosts several other early stage exploration targets, including the Salamanca deposit. In addition, the Deep Carbonates Project, consisting of the Rodado deposit (and other small mixed oxide-sulphide deposits such as the Santiago deposit, the Santiago Satellite deposits and the Feeder deposit), accounts for a significant portion of the sulphide Mineral Resources at the Gualcamayo Property but is currently not amenable to processing by heap leaching which is the current processing method. The current LOM of the Gualcamayo Mine is three years of mining and processing. Mineros is currently completing geotechnical and metallurgical test work in furtherance of a PEA to investigate mining and processing scenarios for the Deep Carbonates Project. It is anticipated that the PEA will be completed by the end of the first quarter of 2022.

Gualcamayo Property





- Commercial production started since 2009
- Mineros acquired Gualcamayo from Yamana in 2018
- 20% of 39,184 ha land package explored
- Mineros is investing US$8 million/year in near-mine exploration and infill drilling to increase mine life
- Deep Carbonates Project (DCP) provides upside potential (1.1 Moz M&I; 0.7 Moz Inf)[1]

Operation Information

Ownership	100% Mineros S.A.
Status	Operating
Mining Type	Open Pit and Underground
LOM Processing Rate	1.6 Mtpa
LOM Gold Recovery (%)	57%
Production (koz Au)	3 (2018); 94 (2019); 72 (2020); 30 (Six Months ended June 30, 2021)
AISC (US$/oz)	1,989 (2018); 1,105 (2019); 1,473 (2020); 2,287 (Six Months ended June 30, 2021)

Reserves and Resources – June 30, 2021[2][3]

	Tonnage	Au Grade	Au Contained
	(kt)	(g/t)	(koz)
Proven & Probable Reserves	3,285	1.65	174
Measured & Indicated Resources	26,316	1.93	1,635
Inferred Resources	16,099	2.29	1,183

Timeline

1980	2009	2013	2018
Gold mineralization discovered	Commercial production begins	Underground mining begins	Mineros acquires Gualcamayo

Notes:
(1) Included in Mineral Resources for the Gualcamayo Property as at June 30, 2021.
(2) See Mineral Resource and Mineral Reserve table for detailed breakdown and notes.
(3) Mineral Resources are exclusive of Mineral Reserves.

In the past two years, the Company invested approximately $15.3 million in exploration expenses at the Gualcamayo Property as follows: $8.1 million in 2019 and $7.2 million in 2020. The Company expects to incur a further $8 million in exploration expenses at the Gualcamayo Property by the end of 2021. As of June 30, 2021, the Company has incurred $2.2 million in brownfield exploration expenditures and $0.4 million in greenfield exploration expenditures at the Gualcamayo Property.

The following tables summarize Mineral Resources, open pit Mineral Reserves, and underground Mineral Reserves at the Gualcamayo Property as at June 30, 2021.

Gualcamayo Property Mineral Resources
Effective June 30, 2021

	Measured			Indicated			Measured and Indicated			Inferred		
Deposit	**Tonnes (kt)**	**Grade (g/ t Au)**	**Contained Metal (koz Au)**	**Tonnes (kt)**	**Grade (g/t Au)**	**Contained Metal (koz Au)**	**Tonnes (kt)**	**Grade (g/t Au)**	**Contained Metal (koz Au)**	**Tonnes (kt)**	**Grade (g/t Au)**	**Contained Metal (koz Au)**
Constrained by Grade Shell and Cashflow Analysis by Pit Shell 1,700 US$/ oz Au (Whittle Software)												
Open Pit												
QDD Main F4	9,845	0.76	241	1,903	0.96	59	11,748	0.79	299	277	1.04	9
Condor	0	0.30	0	29	3.00	3	29	2.98	3	223	1.77	13
Potenciales	30	0.86	1	18	1.24	1	48	1.00	2	41	1.56	2
AIM	518	1.69	28	240	3.28	25	758	2.19	54	199	2.00	13
Target D	58	1.09	2	44	1.70	2	102	1.36	4	111	1.24	4
Salamanca	202	1.27	8	375	1.26	15	577	1.26	23	1,967	1.63	103
Las Vacas	321	0.81	8	494	0.76	12	815	0.78	20	1,707	0.82	45
Sierras de Alaya	-	-	-	186	0.95	6	186	0.95	6	1	0.99	0
Sub-Total	**10,974**	**0.82**	**288**	**3,289**	**1.16**	**123**	**14,263**	**0.90**	**411**	**4,526**	**1.30**	**189**
Using Cut-Off Grades												
Underground												
Bajo OP (Cut-off between 1.06 g/t Au to 1.60 g/t Au)	355	2.03	23	1,626	2.02	106	1,981	2.02	129	2,626	2.28	192
QDD Lower (Cut-off 0.63 g/t Au)	802	1.59	41	20	1.52	1	822	1.59	42	-		-
Rodado (Cut-off between 1.45 g/t Au to 1.87 g/t Au)	-		-	9,249	3.54	1,053	9,249	3.54	1,053	8,947	2.79	802
Sub-Total	**1,158**	**1.73**	**64**	**10,895**	**3.31**	**1,159**	**12,053**	**3.16**	**1,224**	**11,573**	**2.67**	**994**
Total	**12,131**	**0.90**	**352**	**14,184**	**2.81**	**1,282**	**26,316**	**1.93**	**1,635**	**16,099**	**2.29**	**1,183**

Notes:
(1) CIM (2014) definitions were followed for Mineral Resources.
(2) Mineral Resources are estimated at cut-off grades between 0.20 g/t Au and 0.40 g/t Au for open pit and between 0.63 g/t Au and 1.85 g/t Au for underground.
(3) Open pit Mineral Resources are constrained within whittle optimized pit shells.
(4) Mineral Resources are estimated using a long-term gold price of US$1,700/oz Au.
(5) Bulk densities range between 2.47 t/m^3 and 3.01 t/m^3 depending on the rock type.
(6) Mineral Resources are exclusive of Mineral Reserves.
(7) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
(8) Numbers may not add due to rounding.
(9) Bajo OP corresponds to small zones of mineralization below each of the whittle optimized pit shells of the open pit Mineral Resources that may be amenable to underground mining techniques. These areas were defined using reporting shapes to ensure reasonable prospects for eventual economic extraction.

Gualcamayo Property Mineral Reserves
Effective June 30, 2021

	Proven			Probable			Total Proven and Probable		
Deposit	**Tonnes (kt)**	**Grade (g/t Au)**	**Contained Metal (koz Au)**	**Tonnes (kt)**	**Grade (g/t Au)**	**Contained Metal (koz Au)**	**Tonnes (kt)**	**Grade (g/t Au)**	**Contained Metal (koz Au)**
Open Pit	1,507	1.63	79	424	2.32	32	1,931	1.78	111
Underground	981	1.52	48	17	1.63	1	997	1.53	49
Total Op and UG	**2,487**	**1.59**	**127**	**440**	**2.29**	**32**	**2,928**	**1.69**	**159**
Stockpiles	357	1.30	15	-	-	-	357	1.30	15
Total Mineral Reserves	**2,845**	**1.55**	**142**	**440**	**2.29**	**32**	**3,285**	**1.65**	**174**

Notes:
(1) CIM (2014) definitions were followed for Mineral Reserves.
(2) Mineral Reserves are estimated using drill hole and sample data and depleted for production through June 30, 2021.
(3) Open pit Mineral Reserves are based on mine designs carried out on an updated resource model, applying a dilution and mining loss factor of 2% and 88%, 6% and 86%, and 5% and 91% at zero grade for the QDD Main, AIM, and Target D deposits, respectively. The following pit discard cut-off grades were applied:
  (a) QDD Main deposit – 0.32 g/t Au
  (b) Target D deposit – 0.40 g/t Au
  (c) AIM deposit – 0.52 g/t Au
  (d) Stockpiles – same cut-off grade as source material
(4) Stockpile Mineral Resources are based upon surveyed volumes supplemented by production data.
(5) Underground Mineral Reserves are based on mine designs carried out on an updated resource model. Stope dilution for QDD Lower and Bajo Prego Robin (BPR) was estimated through a SLC mixing model and averaged 24% and 10%, respectively. A dilution factor of 10% was applied to CE stopes and all development in ore.
(6) Mining recovery for QDD Lower and BPR stopes were estimated through the SLC mixing model and averaged 91% and 51%, respectively. The mining recovery at CE averaged 82%. An extraction of 90% was applied to all development in ore.
(7) A cut-off grade of 0.84 g/t Au was applied to the underground mine designs.
(8) Numbers may not add due to rounding.
(9) Mineral Reserves are estimated using an average long term gold price of US$1,500/oz Au.
(10) Tonnes and contained gold are rounded to the nearest thousand.

Hemco Property

The Hemco Property, acquired by Mineros in 2013, is located in northeastern Nicaragua, in the Bonanza–Siuna–Rosita "Mining Triangle" district. It hosts the Panama Mine, a producing underground gold mine, the Pioneer Mine, a pre-production underground gold mine, the gold-silver-zinc Constancia vein system, which hosts the exploration-stage Porvenir Project and the Luna Roja Exploration Target. The Hemco Property also includes the Caribe Exploration Target located in the Municipality of Rosita, which is located within the Hemco Property and is subject to the Royal Road Nicaragua Alliance Agreement. Portions of the Hemco Property are allocated to artisanal miners in accordance with Nicaraguan laws. The Company also owns and operates three processing plants at the Hemco Property: the Hemco Plant, the La Curva Plant and the Vesmisa Plant, which process both ore produced by the Company from the Pioneer Mine and the Panama Mine, as well as ore purchased from artisanal miners. Production resulting from ore purchased from artisanal miners for the period ended December 31, 2021 was approximately 88 koz, being 71.7% of total production from the Hemco Property for that period, and for the six months ended in June 30, 2021 was approximately 47 koz gold, being 75.8% of total production for that period.

Hemco Property





- Hemco Nicaragua S.A. was acquired by Mineros in 2013, providing a platform for entry into a highly prospective gold district in Northern Nicaragua
- Underground mining is conducted at the Panama Mine and Pioneer Mine, applying shrinkage stoping and long hole stoping
- Innovative agreements with artisanal miners have allowed gold production to grow from 65 koz in 2013 to 125 koz in 2019

Operation Information

Ownership	99.9975% Mineros S.A.[3]
Status	Operating
Mining Type	Underground and Artisanal
LOM Processing Rate	0.35 Mtpa (~0.7 Mtpa with artisanal mining in 2020)
LOM Gold Recovery (%)	90% (89% with artisanal mining in 2020)
Production (koz Au)	107 (2018); 125 (2019); 123 (2020); 62 (Six Months ended June 30, 2021)
AISC (US$/oz)	1,131 (2018); 1,097 (2019); 1,222 (2020); 1,358 (Six Months ended June 30, 2021)

Reserves and Resources – June 30, 2021[1][2]

	Tonnage	Au Grade	Au Contained
	(kt)	(g/t)	(koz)
Proven & Probable Reserves	1,902	3.96	242
Measured & Indicated Resources	11,891	3.17	1,212
Inferred Resources	7,575	3.56	867

Timeline

1880-2013	2013	2015	2017	2018
Operations by various groups	Mineros acquires Hemco	Exploration of Pioneer & Porvenir begins	Entry into strategic alliance with Royal Road	Pioneer Mine construction commences

Notes:
(1) See Mineral Resource and Mineral Reserve table for detailed breakdown and notes.
(2) Mineral Resources are exclusive of Mineral Reserves.
(3) Excluding Caribe Exploration Target, which is subject to a joint venture with Royal Road.

The following tables summarize Mineral Resources and Mineral Reserves at the Hemco Property as at June 30, 2021.

Hemco Property Mineral Resources
Effective June 30, 2021

Deposit and Category	Cut-off Grade	Tonnes (kt)	Grade (g/t Au)	Grade (g/t Ag)	Grade (%Zn)	Contained Metal (koz Au)	Contained Metal (koz Ag)	Contained Metal (Mlb Zn)
Measured								
Porvenir	$70/t and US$84.60/t	550.4	2.29	12.85	2.39	40.5	227.5	29.1
Pioneer	2.0 g/t Au	20.3	3.09			2.0	2.5	
Total		**570.7**	**2.32**			**42.5**	**29.1**	
Indicated								
Panama Polygonal	2.52 g/t Au	265.1	4.37			37.2		
Panama Polygonal (open pit)	1.8 g/t Au	188.5	3.12			18.9		
Panama below 850 ft Level	2.0 g/t Au	1,523.1	4.82			235.8		
Porvenir	$70/t and US$84.60/t	8,957.0	2.89	10.66	2.78	831.6	3,069.8	549.2
Pioneer	2.0 g/t Au	387.0	3.67	9.7		45.7	120.7	
Total		**11,320.7**	**3.21**			**1,169.2**	**3,190.5**	**549.2**
Measured and Indicated								
Panama Polygonal	2.52 g/t Au	265.1	4.37			37.2		
Panama Polygonal (open pit)	1.8 g/t Au	188.5	3.12			18.9		
Panama below 850 ft Level	2.0 g/t Au	1,523.1	4.82			235.8		
Porvenir	$70/t and US$84.60/t	9,507.4	2.85	10.79	2.76	872.0	3,297.2	578.3
Pioneer	2.0 g/t Au	407.2	3.64	9.4		47.7	123.2	
Total		**11.891.3**	**3.17**			**1,211.6**	**3,420.4**	**578.3**
Inferred								
Panama Polygonal	2.52 g/t Au	511.6	4.61			75.8		
Panama Polygonal (open pit)	1.8 g/t Au	28.4	4.96			4.5		

Deposit and Category	Cut-off Grade	Tonnes (kt)	Grade (g/t Au)	Grade (g/t Ag)	Grade (%Zn)	Contained Metal (koz Au)	Contained Metal (koz Ag)	Contained Metal (Mlb Zn)
Panama below 850 ft Level	2.0 g/t Au	1,577.9	4.36			221.0		
Porvenir	$70/t and US$84.60/t	2,445.5	2.39	12.15	3.25	188.2	955.2	175.3
Leticia	US$73.3/t	586.3	4.19	7.1	1.15	78.9	133.8	14.8
San Antonio	US$73.3/t	1,139.6	3.26	9.0	0.59	119.3	330.8	14.9
Pioneer	2.0 g/t Au	850.6	3.63	9.4		99.4	257.7	
Artisanal Areas	3.0 g/t Au	435	5.69			79.6		
Total		**7,574.9**	**3.56**			**866.7**	**1,677.5**	**205.0**

Notes:
(1) CIM (2014) definitions were followed for Mineral Resources.
(2) Mineral Resources are estimated at a cut-off grade of 2.0 g/t Au for long hole stoping resource shapes and 2.52 g/t Au for shrinkage resource shapes, 3.0 g/t Au for artisanal areas, and an NSR cut-off value of US$70/t and US$84.60/t for Porvenir (sublevel stoping and shrinkage stoping, respectively), and US$73.3/t for Leticia, and San Antonio. Open pit material above the 850 ft Level at Panama was estimated using a cut-off grade of 1.8 g/t Au.
(3) Mineral Resources are estimated using a long term gold price of US$1,700 per ounce, a silver price of US$20 per ounce, and a zinc price of US$1.22 per pound.
(4) A minimum mining width of 0.9 m was used at Panama, and a 1.8 m for sublevel stoping. For Pioneer, a minimum mining width of 1.0 m was used for all veins except Lone Star, Pioneer Northeast, Pioneer Northeast Extension, and Pioneer 3 which used underground reporting shapes to demonstrate Reasonable Prospects for Eventual Economic Extraction. Porvenir used underground reporting shapes to demonstrate Reasonable Prospects for Eventual Economic Extraction.
(5) Bulk density is between 2.66 t/m^3 and 2.68 t/m^3 for Panama, between 2.65 t/m^3 and 2.92 t/m^3 for Porvenir, 2.68 t/m^3 for Pioneer, 2.72 t/m^3 for Leticia, 2.75 t/m^3 for San Antonio, and 2.7 t/m^3 for the artisanal areas.
(6) Mineral Resources are exclusive of Mineral Reserves.
(7) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
(8) Material within 30 m of the topographic surface has been excluded from the Pioneer and Porvenir Mineral Resources to allow for artisanal mining. This material is exclusive of the artisanal areas reported above.
(9) Numbers may not add due to rounding.

Hemco Property Mineral Reserves
Effective June 30, 2021

Deposit and Category	Tonnes (kt)	Grade (g/t Au)	Contained Metal (koz Au)
Proven			
Panama			
Shrinkage	16.4	3.72	2.0
Mechanized	25.5	3.91	3.2
Pioneer			
Mechanized	260	5.52	46
Total	**302**	**5.29**	**51**
Probable			
Panama			
Shrinkage	606.8	3.56	69.4
Mechanized	549.2	3.82	67.4
Pioneer			
Mechanized	444	3.80	54
Total	**1,600**	**3.71**	**191**
Proven and Probable			
Panama			
Shrinkage	623.1	3.56	71.4
Mechanized	574.8	3.82	70.6
Pioneer			
Mechanized	704	4.43	100
Total	**1,902**	**3.96**	**242**

Notes:
(1) Mineral Reserves for all other ore bodies were depleted for production through June 30, 2021.
(2) CIM (2014) definitions were followed for Mineral Reserves.
(3) A minimum mining width of 0.9 m was used for shrinkage stoping and between 1.8 m and 2.0 m for mechanized mining methods.
(4) A marginal and break-even cut-off grade of 2.35 g/t Au and 2.85 g/t Au, respectively, were applied to shrinkage stope designs. Break even cut-off grades between 2.13 g/t Au and 2.64 g/t Au were applied to mechanized stope designs.

(5) Dilution skins of 0.25 m were applied to shrinkage stopes and between 0.6 m to 0.8 m to mechanized stopes. An extraction factor of 70% was applied to shrinkage stopes and between 75% and 90% to mechanized stopes.
(6) Mineral Reserves for the Toboba, Elefante, Neblina Main, and Neblina Sur orebodies were estimated using a 2019 Resource model. At the time of writing, while updated block models exist for the Elefante and Neblina Main orebodies an update to the Mineral Reserves was in progress.
(7) Mineral Reserves are estimated using an average long term gold price of US$1,500/oz Au, and an exchange rate of COP$3,650 = $1.00 USD and NIO 36.30 = US$1.00.
(8) Tonnes and contained gold are rounded to the nearest thousand.

Growth Projects and Exploration Opportunities

Our exploration focus remains on the replacement of Mineral Resources and Mineral Reserves by completing further work at or near our current operating mines, at other growth projects and at early-stage exploration targets on our under-explored property interests in Nicaragua, Argentina, Colombia and at our promising exploration-stage project in Chile. We are executing our exploration and development plans through systematic exploration programs, which include surface geology, geologic cartography, geochemistry, geophysics and drilling.

Deep Carbonates Project (Argentina)

The Deep Carbonates Project or DCP, comprised primarily of the Rodado deposit (also including other small mixed oxide-sulphide deposits such as the Santiago deposit, the Santiago Satellite deposits and the Feeder deposit), accounts for a significant portion of the sulphide Mineral Resources at the Gualcamayo Property, but is not amenable to processing by heap leaching which is the current processing method used at the Gualcamayo Mine. Mineros is currently completing geotechnical and metallurgical test work in furtherance of preparing a PEA to investigate mining and processing scenarios for the Deep Carbonates Project. The Company is working to complete the PEA by the end of the first quarter of 2022. The PEA will analyze underground mining scenarios, and various alternatives for the treatment of refractory gold, mainly arsenopyrite. Alkaline leaching, calcination and albion processes are among the technologies to be studied. See "*General Development and Business of the Company – Exploration Programs and Drilling Results – Argentina – Deep Carbonates Project*".

Porvenir Project (Nicaragua)

The Porvenir Project is located on the Hemco Property and is 100% owned by Hemco. The Company is in the process of conducting a Feasibility Study (completion expected by the end of the first quarter of 2022) which is aimed at evaluating whether the Porvenir Project merits development as a stand-alone operation. Potential for additional Mineral Resources at the Porvenir Project relates to persistent zinc and gold grades towards lower levels of the deposit, and potential opportunities for economic recovery of copper grades with further processing test work. The Porvenir Project shows anomalous copper grades outside of the current Mineral Resources. The deposit has the potential to host additional copper and zinc mineralization at depth.

See "*General Development and Business of the Company – Exploration Programs and Drilling Results – Nicaragua – Porvenir Project*".

La Pepa Project (Chile)

The La Pepa Project is located in the Maricunga Gold Belt of the Atacama Region in Chile, known worldwide for its geological anomalies that contain important gold, copper, lithium, and other mineral deposits. The La Pepa Project was optioned to Mineros under the La Pepa Option Agreement. In accordance with the terms of the La Pepa Option Agreement, on June 25, 2021, the Company exercised its first option and earned a 20% beneficial interest in the La Pepa Project. The transfer to Mineros of its 20% interest in Minera Cavancha and the concurrent execution of the La Pepa Shareholders Agreement are expected to be completed by the end of 2021. Minera Cavancha is the joint venture entity under the La Pepa Shareholders Agreement. The Company has the option to earn an additional 31% interest (for an aggregate 51% interest) in the La Pepa Project subject to incurring certain expenditures and other conditions, and thereafter to acquire Yamana's remaining 49% interest in Minera Cavancha at market value. The Company is focused on confirming the existence of a telescoped porphyry-style gold system, which is similar to several other gold systems in the Maricunga Gold Belt.

During 2019, the Company performed 7.6 km^2 of detailed surface mapping, remapping of drilling and geophysical surveys and also obtained the environmental permits necessary to proceed with a more intensive drilling campaign. In 2020, a total of 18 reverse circulation (RC) drill holes (6,400 metre) were completed. The drilling campaign showed mineralized intervals in 17 holes and verified the lateral continuity to the west of the Sulfur fault and the possible expansion of the deposit at depth. A review is underway at the La Pepa Project with the intention of preparing an estimate of Mineral Resources and a PEA by the end of the first quarter of 2022. See "*General Development and Business of the Company – Exploration – Chile – La Pepa Project*".

Luna Roja Exploration Target (Nicaragua)

The Luna Roja Exploration Target is a gold skarn exploration target located on the Hemco Property, approximately 26 km southeast of the Panama Mine, and is 100% owned by Hemco. Throughout 2019 and 2020, a 36-hole, 5,567-metre diamond drilling program was completed at the Luna Roja Exploration Target. Although the Luna Roja Exploration Target is in the exploration stage and does not currently have Mineral Resource or Mineral Reserve estimates, the Company considers it an excellent prospect that merits further exploration. The Company has completed 1,932 metres of a 7,000-metre drilling program at the Luna Roja Exploration Target during the first half of 2021, and anticipates completing an initial Mineral Resource estimate in the first half of 2022. See "*General Development and Business of the Company – Exploration Programs and Drilling Results – Nicaragua – Luna Roja Exploration Target*".

Caribe Exploration Target (Nicaragua)

The Caribe Exploration Target is a gold exploration target located on the Hemco Property, approximately 42 km southeast of the Panama Mine, and 26 km southeast of the Luna Roja Exploration Target and is subject to the Royal Road Nicaragua Alliance Agreement. Royal Road is the operator and entitled to acquire a 50% interest with expenditures currently funded equally by the Company and Royal Road. If the Caribe Exploration Target becomes a "designated project area" under the Royal Road Nicaragua Alliance Agreement, Royal Road will, upon complying with the requirements of the Royal Road Nicaragua Alliance Agreement, acquire a 50% interest in the Caribe Exploration Target which will be held as a joint venture with Hemco. In 2019, Royal Road and Hemco completed an initial 4-hole, 413 metre exploratory drilling program at the Caribe Exploration Target. In August 2020, a follow up diamond drilling program of approximately 2,100 metres was initiated at the Caribe Exploration Target. Over 2020 and early 2021, Royal Road completed a total of 2,138 metres of drilling distributed over 16 holes. A 5,000-meter drilling program is currently being conducted at the Caribe Exploration Target and, as at June 30, 2021, 943.97 metres had already been completed over three holes. The Company expects that this drilling program will be completed by the end of 2021. See "*General Development and Business of the Company – Exploration Programs and Drilling Results – Nicaragua – Caribe Exploration Target*".

GNM Exploration Target (Colombia)

The GNM Exploration Target is located in the Middle Cauca metallogenic belt, in the Anza mining district in Antioquia, Colombia. Under the Royal Road Colombia Alliance Agreement, the Company has an option to acquire up to a 50% interest in the GNM Exploration Target from Royal Road by funding certain exploration targets. On July 22, 2021, the Company exercised its first option and earned a 25% interest in the GNM Exploration Target.

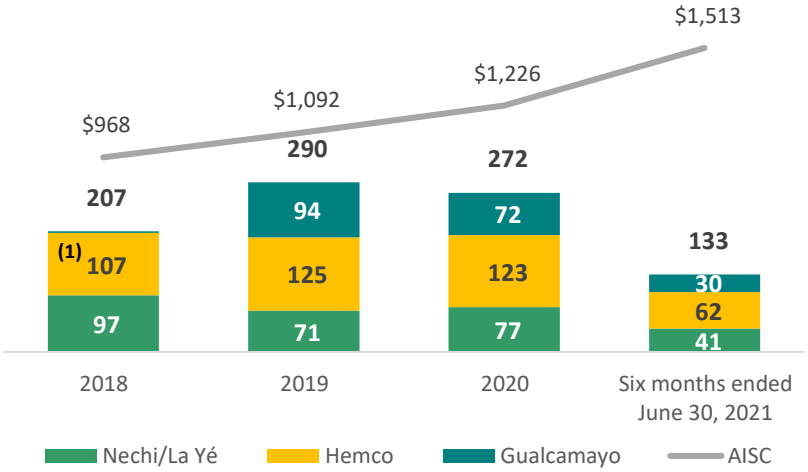
In 2020, nine drill holes were completed for a total of 1,179 metres and a further 3,000 metres of drilling program started in July 2021. See "*General Development and Business of the Company – Exploration Programs and Drilling Results – Colombia – GNM Exploration Target*".

Key Investment Highlights

- Diversified, high quality portfolio of properties with producing properties and growth projects in each of Colombia, Nicaragua and Argentina, and a promising exploration-stage project in Chile.

- 46-year record of successful gold production and significant growth via brownfield expansion and merger and acquisition activity. For the year ended December 31, 2018, the Company had production from the Material Properties of 207 koz Au at AISC of $968/oz Au sold. For the year ended December 31, 2019, the Company had production from the Material Properties of 290 koz Au at AISC of $1,092/oz Au sold. For the year ended December 31, 2020, the Company had production from the Material Properties of 272 koz Au at an estimated AISC of $1,226. Mineros is currently estimating production of between 250,000 oz and 267,000 oz Au in 2021 and average AISC guidance of between $1,390/oz Au sold and $1,473/oz Au sold in 2021.

Mineros Gold Production and AISC
2018 to June 30, 2021 (koz Au and $/oz)



Notes:
(1) Production in 2018 from the Gualcamayo Property (acquired by the Company in December 2018) was approximately 3 koz.
(2) 2018 – average metallurgical recovery of 88% and average grade of 0.11 g/t Au.
(3) 2019 – average metallurgical recovery of 77% and average grade of 0.20 g/t Au.
(4) 2020 – average metallurgical recovery of 77% and average grade of 0.19 g/t Au.
(5) As at June 30, 2021 - average metallurgical recovery of 78% and average grade of 0.17 g/t Au.
(6) Using a density of 2.0 t/m^3 to convert alluvial material from cubic metres to metric tonnes.
(7) The La Ye underground mine was sold in 2020 and effective control of operations passed to the new owners on or about May 31, 2020.

- Track record of positive earnings in every year since the Company's inception as well as meaningful cash flow generation and dividend payments, with cash flow from operating activities totalling $293.8 million and dividends of approximately $51 million paid between January 1, 2018 and June 30, 2021.

- Strong balance sheet as at June 30, 2021 with net debt of $47.3 million, a Net Debt to Adjusted EBITDA ratio of 0.26x and cash and cash equivalents of $42.6 million.

- Robust growth potential from a strong pipeline of projects at various stages of development and exploration with an overall goal of growing our annual production to approximately 500 koz of gold by 2025.

- Strong community relations and best practices in safety, community relations, and environmental management at most of our operations, with a commitment to establish international best practices at all of our operations.

See "*General Development and Business of the Company – Key Investment Highlights*".

Summary of Selected Historical Financial Information

The following tables set out certain selected historical financial information of the Company and the Acquired Business for the periods and as at the dates indicated. The summary consolidated financial information as at and for each fiscal year ended December 31, 2020, December 31, 2019 and December 31, 2018 was derived from our audited consolidated financial statements, and the summary consolidated financial information as at June 30, 2021 and for the three and six months ended June 30,2021 and 2020, was derived from our unaudited condensed interim consolidated financial statements, all of which appear elsewhere in this prospectus. The summary financial information of the Acquired Business as at and for the fiscal year ended December 31, 2018 and 2017 was derived from our audited carve-out consolidated financial statements appearing elsewhere in this prospectus. The Company prepares its consolidated financial statements in accordance with IFRS. Investors should read the following information in conjunction with those financial statements and related notes thereto, along with the MD&A. See "*Selected Historical Financial Information*".

The Company:

MINEROS S.A.

	Six Months Ended June 30		Year Ended December 31		
	2021	**2020**	**2020**	**2019**	**2018**
			(US$000s)		
Total current assets	**179,472**	**174,646**	**200,275**	**151,695**	**134,063**
Total non-current assets	**382,011**	**300,925**	**341,960**	**340,524**	**313,243**
Property, plant and equipment, net	258,037	203,361	239,425	241,436	222,810
Exploration and evaluation projects	55,155	29,081	26,112	26,292	23,593
Total current liabilities	**137,535**	**112,687**	**128,813**	**108,175**	**98,471**
Total non-current liabilities	**101,646**	**87,064**	**98,641**	**101,486**	**90,302**
Total equity	**322,302**	**275,820**	**314,781**	**282,558**	**258,533**
Equity attributable to the controlling interest	321,996	275,348	314,432	282,226	258,179
Revenues	**253,841**	**242,558**	**485,301**	**411,361**	**272,306**
Gross profit	**72,932**	**87,077**	**162,961**	**94,370**	**75,139**
Profit for the year and period	**24,177**	**24,705**	**63,655**	**37,528**	**52,121**
Total comprehensive income for the year and period	**27,040**	**5,228**	**44,946**	**40,053**	**38,591**
Earnings per share (in U.S. dollars)	**0.09**	**0.09**	**0.24**	**0.14**	**0.20**

The Acquired Business:

On December 14, 2018, the Company acquired a 100% interest in the Gualcamayo Property through the purchase of the Acquired Company from a subsidiary of Yamana.

ACQUIRED BUSINESS

	Year Ended December 31	
	2018	**2017**
	(US$000s)	
Total current assets	**69,816**	**100,165**
Total non-current assets	**51,238**	**93,968**
Property, plant and equipment, net	45,534	56,999
Exploration and evaluation projects	359	-
Total current liabilities	**35,598**	**144,318**
Total non-current liabilities	**10,658**	**227,650**
Total net parent investment (deficit)	**74,798**	**(177,835)**
Revenue	**127,519**	**191,836**
Gross loss	**(2,776)**	**(878)**
Net loss for the year and total comprehensive loss	**(65,861)**	**(27,797)**

THE OFFERING

Issuer: Mineros S.A., a Colombian stock corporation (*sociedad anónima*) publicly trading and listed on the Colombian Exchange under ticker: (MINEROS:CB) since 1982.

Offering: [●] Common Shares (not including the exercise of the Over-Allotment Option, and [●] if the Over-Allotment Option is exercised in full).

Offering Price: $[●] per Common Share.

Gross Proceeds: $25,000,000 (not including the exercise of the Over-Allotment Option, and $28,750,000 if the Over-Allotment Option is exercised in full).

Underwriters' Fee: Pursuant to the terms and conditions of the Underwriting Agreement, the Company has agreed to pay the Underwriters' Fee equal to 6% of the gross proceeds of the Offering.

Over-Allotment Option: The Company has granted to the Underwriters the Over-Allotment Option, exercisable in whole or in part, at the sole discretion of the Underwriters, at any time and from time to time, for a period of 30 days from and including the Closing Date, to purchase from the Company at the Offering Price up to an additional number of Common Shares that is equal to 15% of the aggregate number of Common Shares purchased under the Offering, to cover over-allotments, if any, and for market stabilization purposes. See "*Plan of Distribution*".

Use of Proceeds: Assuming the Over-Allotment Option is not exercised, the net proceeds to the Company from the Offering will be $21,750,000, after deducting the Underwriters' Fee of $1,500,000 and estimated expenses of the Offering of $1,750,000. If the Underwriters exercise the Over-Allotment Option in full, the net proceeds to the Company from the Offering will be approximately $25,275,000, after deducting the Underwriters' Fee of approximately $1,725,000 and estimated expenses of the Offering of $1,750,000.

The Company intends to use the net proceeds from the Offering to fund repayment of the indebtedness created by the Luna Roja Davivienda Loan and for general working capital. The funds provided by the Luna Roja Davivienda Loan were used to complete the acquisition by Hemco of the 50% interest in the Luna Roja Exploration Target not already owned by it and the acquisition of the corresponding interest in the related joint venture which closed on May 21, 2021. See "*Luna Roja Acquisition*".

Principal Purpose	Estimated Amount to Be Expended
Repayment of Luna Roja Davivienda Loan	$15,000,000
General working capital	$6,750,000
Total	**$21,750,000**

While the Company intends to use the net proceeds from the Offering as stated above, there may be circumstances where, for sound business reasons, funds may be re-allocated at the discretion of the Board or management. See "*Use of Proceeds*".

Risk Factors: Mineros is a mining company and as such is subject to a number of significant risks due to the nature of its business. See "*Risk Factors*" for a discussion of certain factors investors should carefully consider before deciding to invest in the Common Shares.

Risks related to the Company include, without limitation:

- gold prices are volatile and future gold prices may be lower than expected;
- changes in regulation may increase the Company's costs of doing business, restrict its operations or result in the imposition of fines, revocation of permits or shutdown of its facilities;

- future production rates may not materialize;
- the Company may fail to obtain, renew, or maintain in effect necessary permits and licenses, or otherwise comply with the law and in particular, the Company may fail to obtain the approval by ANLA of the requested amendments to the EMP for the Nechí Alluvial Property;
- inadequate environmental management, including a failure to properly comply with environmental regulations, may be costly and have a negative effect on the Company's operations;
- currency fluctuations can result in unanticipated losses;
- the Company depends on its ability to replenish its Mineral Reserves for its long-term viability;
- mining operations require geologic, metallurgic, engineering, title, environmental, economic and financial assessments that may be materially incorrect and the Company may not produce as expected;
- interruptions of energy supply or increases in energy costs and other production costs;
- failures of information systems or information security threats resulting from inadequate management of technology systems can be costly;
- disease outbreaks such as the COVID-19 pandemic, or material escalation thereof;
- future acquisitions may require significant expenditures and may result in inadequate returns if the Company fails to integrate operations appropriately;
- risks associated with joint ventures;
- the mining industry is intensely competitive;
- our management team may not be successful in implementing our business strategy;
- the Company may expand into other geographic areas, which could increase the Company's operational, regulatory, reputational and other risks;
- opposition to mining can negatively impact exploration, development and mining activities;
- title to our Material Properties may be disputed;
- the Company may be subject to costly legal proceedings or tax reassessments;
- reputational risks;
- failure of a tailings dam;
- the Company may not be able to hire, retain, and motivate its key personnel;
- failures related to the health and safety of, and satisfactory labour relations with employees;
- actual production, capital and operating costs may be different than those anticipated;
- geological, hydrological and climatic events could suspend mining operations or increase costs;
- unavailable or inadequate infrastructure may constrain mining operations and aging infrastructure could lead to increased costs or reduced production;
- shortages or cost increases of input materials, equipment, critical spare parts, maintenance service, and new equipment and machinery;
- risks associated with our Material Properties being located in underdeveloped rural areas;
- operations during mining cycle peaks are more expensive;
- our operations depend on third-party logistics service providers;
- the Company may be responsible for fraud, corruption and anti-bribery law violations;
- the Company may be subject to, or held liable for, misconduct by our employees or third-party contractors;
- the directors and officers of the Company may have conflicts of interest with the Company;
- the Company will incur increased costs as a result of complying with the reporting requirements, rules and regulations affecting public issuers in Canada;
- changes in climate conditions;
- the Company's insurance coverage may be inadequate to cover potential losses;
- risks associated with operating in emerging markets, including:
    - the risks inherent in investing in an emerging market company;
    - the countries where we operate may experience economic problems;
    - the economies of the countries where we operate are vulnerable to external shocks caused by significant economic difficulties of their respective trading partners, or by more general "contagion" effects;
    - the countries where we operate are known to experience high levels of corruption;

  - local legal and regulatory systems in which we operate are not equally robust;
  - we operate in jurisdictions with historically high rates of inflation;
  - socio-political uncertainty or instability in Colombia, Argentina, or Nicaragua;
  - delays in permitting;
  - changes in local mining legislation;
  - uncertainty in tax rates and regulations;
  - security issues;
  - expropriation or nationalization of assets;
  - changes in tax rates, capital controls, and foreign exchange restrictions;
  - changes in environmental legislation;
  - sanctions by the United States government; and
  - artisanal mining on our properties in Nicaragua may expose us to operating and environmental risks;
- there is no existing public market for the Common Shares in Canada, and an active trading market for the Common Shares may not develop;
- dilution from equity financing could negatively impact holders of Common Shares;
- the market price of our Common Shares may be volatile, which could result in substantial losses;
- the Company's major shareholders have substantial control over the Company, which may limit other shareholders' ability to influence the outcome of corporate decisions;
- the Company may not use the proceeds of the Offering as described in this prospectus;
- sales by existing shareholders can reduce share prices;
- public companies are subject to securities class action litigation risk;
- if securities or industry analysts do not publish research or publish inaccurate or unfavourable research about the Company's business, the price and trading volume of the Common Shares could decline;
- global financial conditions can reduce the trading price of our Common Shares;
- it may be difficult to enforce judgments and effect service of process on the Company, its directors and officers;
- while the Company intends to make distributions on the Common Shares annually, there can be no assurance that dividends will be paid in the future;
- dividends or other distributions paid by us on the Common Shares will generally be subject to Colombian withholding tax;
- rights and responsibilities of shareholders of a corporation governed by Colombian law may differ from those of shareholders under laws of other jurisdictions, including Canada, which may result in difficulty protecting your interests;
- our shareholders may be subject to restrictions on foreign investment in Colombia; and
- Colombian Regulations require us to obtain shareholder approval for any Common Share repurchases, limiting our flexibility to implement normal course issuer bids.

Colombian Concurrent Offering

Concurrently with the Offering, the Company is also offering [●] Common Shares at the Offering Price (converted into COP$), representing up to US$10,000,000 of additional gross proceeds to the Company, in Colombia through the Colombian Concurrent Offering by a public offer authorized by the Colombian Superintendence of Finance and conducted through the Colombian Exchange in accordance with applicable laws in Colombia (Articles 6.13.1.1.1. and 6.13.1.1.2. of Decree 2555 of 2010).

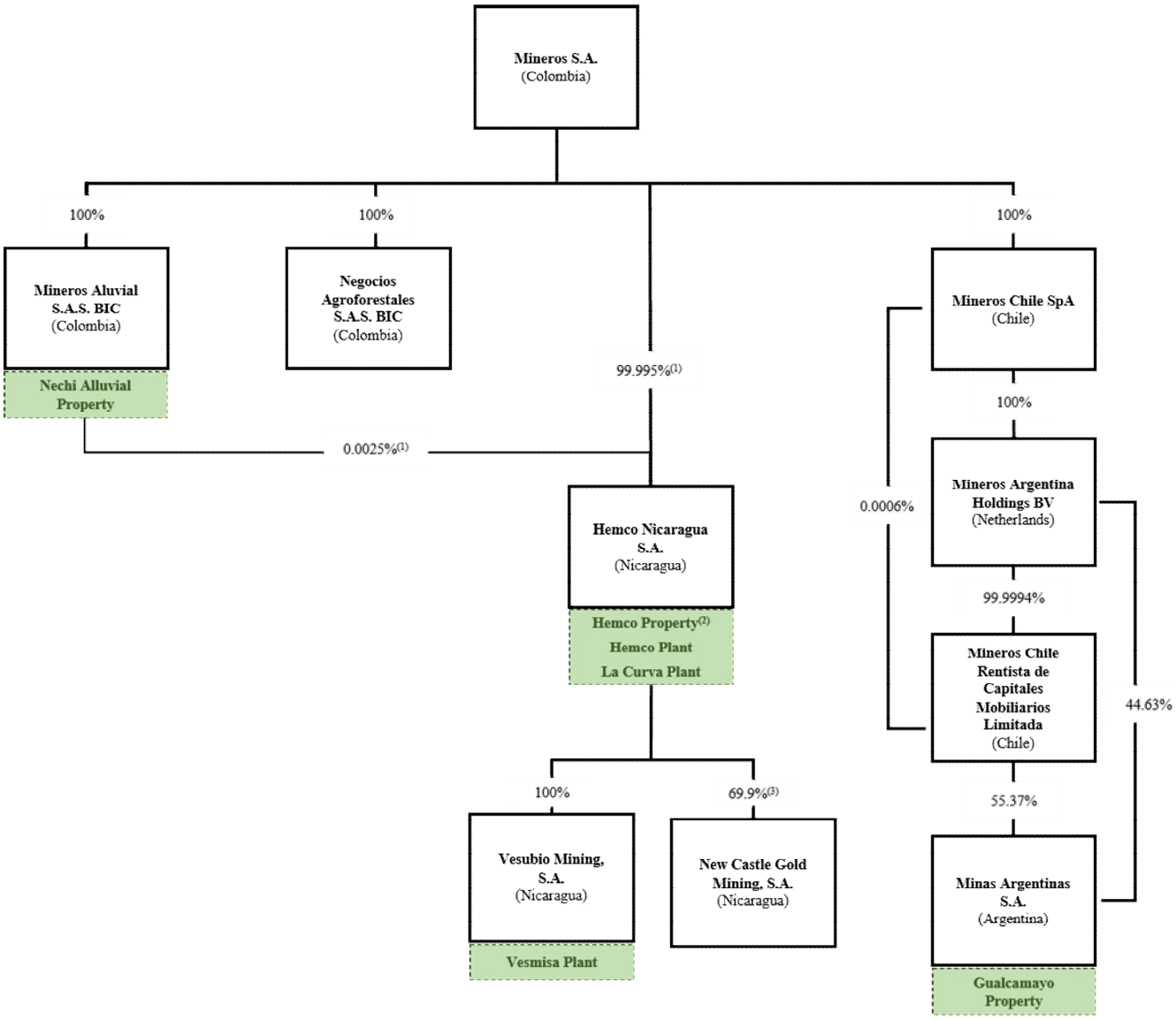
The Colombian Concurrent Offering will be placed by the Colombian Underwriter under the agreements between the Company and the Colombian Underwriter, and in accordance with Colombian law and securities regulations. The net proceeds of the Colombian Concurrent Offering will be used to advance the Company's growth projects.

CORPORATE STRUCTURE

Mineros S.A. was incorporated on November 21, 1974 under the name "Mineros de Antioquia S.A." The Company has been listed on the Colombian Exchange since 1982. In 2004, the Company changed its name from Mineros de Antioquia S.A. to Mineros S.A.

The Company's registered and head office is located at Carrera 43A, No. 14-109, Piso 6, Edificio NovaTempo, Medellín, Antioquia, Colombia.

The chart below identifies our material subsidiaries, including jurisdiction of formation or incorporation of the various entities, all of which are 100% beneficially owned by Mineros, except as indicated in the notes below.



Notes:

(1) Mineros directly owns a 99.9975% equity interest in Hemco, of which 99.995% is directly held, and 0.0025% is held by Mineros Aluvial. The remaining 0.0025% equity interest in Hemco is held by Mercantil Colpatria S.A., a control person of the Company.

(2) Vesubio Mining, S.A. and New Castle Gold Mining, S.A. own three non-material concessions representing less than 1% of the Hemco Property. See "*Appendix "C" – Information Concerning The Hemco Property (Nicaragua) –Land Tenure*".

(3) Hemco owns a 69.9% equity interest in New Castle Gold Mining, S.A. The remaining 30.1% equity interest is owned by an arm's length shareholder (30.0%) and a manager designated by the Company (0.1%).

The following table summarizes strategic agreements with third parties affecting our properties, growth projects, and exploration targets:

Property	Agreement
Nechí Alluvial Property	None
Gualcamayo Property	None
Hemco Property[(1)]	Royal Road Nicaragua Alliance Agreement
La Pepa Project	La Pepa Option Agreement and La Pepa Shareholders Agreement[(2)]
Caribe Exploration Target	Royal Road Nicaragua Alliance Agreement
GNM Exploration Target	Royal Road Colombia Alliance Agreement

Note:
(1) Excludes the Panama Mine, the Pioneer Mine, the Porvenir Project and the Luna Roja Exploration Target.
(2) The transfer to Mineros of its 20% interest in Minera Cavancha and the concurrent execution of the La Pepa Shareholders Agreement are expected to be completed by the end of 2021.

GENERAL DEVELOPMENT AND BUSINESS OF THE COMPANY

Our Company

Mineros is a Colombian company with over 46 years of experience in gold exploration and production, with mining operations and growth projects in each of Colombia, Argentina and Nicaragua and a promising exploration-stage project in Chile. Our Material Properties include the following gold mines and operations:

- the Nechí Alluvial Property in Colombia;
- the Gualcamayo Mine at the Gualcamayo Property in Argentina; and
- the Panama Mine and the Pioneer Mine at the Hemco Property in Nicaragua.

The Hemco Property also produces gold in partnership with artisanal mining cooperatives from whom Mineros purchases ore.

In addition, a core component of our business strategy is to explore new targets and develop existing deposits at or near our operating mines or on third party properties that have been optioned by us, with the objective of increasing Mineral Resources and Mineral Reserves and advancing promising deposits towards development.

Three key projects being advanced are:

- the Deep Carbonates Project at the Gualcamayo Property in Argentina, where we intend to complete an ongoing PEA by the end of the first quarter of 2022 to evaluate mining and processing scenarios;
- the Porvenir Project at the Hemco Property in Nicaragua, where we intend to complete an ongoing Feasibility Study by the end of the first quarter of 2022 to evaluate the Porvenir Project as a stand-alone operation and to update Mineral Resource estimates for gold, silver, zinc and potentially copper; and
- the La Pepa Project in Chile (owned by Minera Cavancha and operated by Mineros subject to the La Pepa Option Agreement, and upon execution, the La Pepa Shareholders Agreement) where we have exercised our initial option to earn a 20% interest, which, at our option, may be followed by an additional 31% interest, and another 49% interest for an aggregate 100% interest), where we intend to prepare an estimate of Mineral Resources and a PEA by the end of the first quarter of 2022.

We are also evaluating greenfield exploration opportunities, including:

- the Luna Roja Exploration Target, forming part of the Hemco Property in Nicaragua;
- the Caribe Exploration Target, forming part of the Hemco Property in Nicaragua (owned by the Company subject to the Royal Road Nicaragua Alliance Agreement pursuant to which Royal Road is the operator and is entitled to acquire a 50% interest, with expenditures currently funded equally by the Company and Royal Road);

- the GNM Exploration Target in Colombia (owned and operated by Royal Road subject to the Royal Road Colombia Alliance Agreement) where we have exercised our initial option to earn a 25% interest, which, at our option, may be followed by a subsequent option to earn an additional 25% interest for an aggregate of up to a 50% interest.

Through our two strategic alliance agreements, we are collaborating with Royal Road to actively explore (i) in Nicaragua, subject to the Royal Road Nicaragua Alliance Agreement, highly prospective portions of our Hemco Property, Royal Road's properties in Nicaragua, and any additional interests acquired in Nicaragua by either party with each party being entitled to acquire a 50% interest in those areas over which the joint management committee has agreed to undertake exploration, and (ii) in Colombia, Royal Road's GNM Exploration Target in Colombia.

Mineros' goal is to deliver healthy returns to shareholders through efficient and responsible management, organic growth and the acquisition of new projects. Mineros is listed on the Colombian Exchange under the trading symbol "MINEROS:CB".

For the year ended December 31, 2019, the Company had production from the Material Properties of 290 koz Au at AISC of $1,092/oz Au sold. For the year ended December 31, 2020, the Company had production from the Material Properties of 272 koz Au at an estimated AISC of $1,226/oz. For the six months ended June 30, 2021, the Company had production from the Material Properties of 133 koz Au at an estimated AISC of $1,513/oz.

Business Strategy

Mineros is focused on responsible development and operation of a high-quality, diversified portfolio of assets. We aim to become a prominent intermediate gold producer through both organic and inorganic growth, diversified across Central and South America. Mineros' goal is to generate consistent returns and substantial value for our shareholders and local stakeholders through responsible development that employs talented local employees and supports local communities. Mineros has maintained a consistent dividend policy in the past and it is our objective to maintain our existing dividend policy, subject to the availability of cash flow after servicing the Company's debt and funding any investment activities.

Mineros is committed to advancing economic and social development, protecting the health and safety of our employees, and fostering the protection of human rights of the communities in which we operate. We seek to provide safe and respectful workplaces, mitigate the environmental impact of our operations, comply with applicable rules and laws that regulate our operations, act in a transparent manner, and ensure that the communities in which we operate benefit from our presence.

Looking ahead, the Company's primary objectives include:

- Achieving 2021 production guidance of between 250 and 267 koz Au and average AISC guidance of between $1,390/oz and $1,473/oz of Au sold.

- Optimizing and increasing mine life through the growth of the Mineral Resources and Mineral Reserves at the Company's producing mines, including:

    - **Gualcamayo Property (Argentina)**: an 18,000-metre diamond and reverse circulation (RC) drilling program is ongoing at the Gualcamayo Property, of which 8,918 metres over 39 holes have been completed as of June 30, 2021, to upgrade Inferred Mineral Resources to Measured and Indicated Mineral Resources at or near the Gualcamayo Mine for the QDDL and Target D deposits with the goal of converting these into Mineral Reserves.

    - **Hemco Property (Nicaragua)**: a 32,000-metre definition drilling program at the Panama Mine and Pioneer Mine was initiated in 2020 and is currently ongoing, to upgrade Inferred Mineral Resources to Measured and Indicated Mineral Resources.

- Advancing the Company's growth projects through various activities including drilling, metallurgical test work and technical and hydrogeological studies, to help lay the foundation for future gold production, including:

    - **Deep Carbonates Project (Argentina)**: using the results of the 2,127 metres of step-out drilling completed in 2020, in 2021, the Company plans to complete 2,400 metres of diamond drilling. As at June 30, 2021, the Company had completed three holes totalling 1,085 metres of its 2,400 metre diamond drilling program. A PEA based on the updated Mineral Resource estimate is expected to be completed by the end of the first quarter of

2022. The PEA will analyze underground mining scenarios, and various alternatives for the treatment of refractory gold, including alkaline leaching, calcination and albion processes.

- **Porvenir Project (Nicaragua)**: the results of the 37-hole, 10,441-metre infill drilling campaign completed in 2020 are being used to update the Mineral Resources at the Porvenir Project and convert Inferred Mineral Resources into Measured and Indicated Mineral Resources, which will be used as a basis for the Feasibility Study that is planned for completion by the end of the first quarter of 2022.

- **La Pepa Project (Chile):** the 6,400 metres of drilling completed in 2020 is being used to update the geological model and to prepare a Mineral Resource estimate and a PEA by the end of the first quarter of 2022.

- Advancing the Company's exploration targets in its project pipeline including:

  - **Luna Roja Exploration Target and Caribe Exploration Target (Nicaragua):** at the Luna Roja Exploration Target, a 7,000-metre drilling program is ongoing to establish an initial Mineral Resource estimate, of which a total of 1,932 metres in 12 holes had been completed as at June 30, 2021. At the Caribe Exploration Target, a 5,000-metre drilling program was initiated to confirm continuity of mineralization, and continued mapping, of which 943.97 metres in four holes had been completed as at June 30, 2021. Drilling and sampling at both targets is planned to be completed by the end of 2021.

  - **Gualcamayo Property (Argentina):** regional exploration on the nearly 39,200 hectare property (San Juan and La Rioja provinces), including geological, geochemistry and geophysical work over district-sized targets and mineralized areas that are prospective in nature is ongoing. In 2021, the Company plans to complete 18,000 metres of diamond and reverse circulation (RC) drilling at the Gualcamayo Property, of which 8,918 metre over 39 holes had been completed as of June 30, 2021. This is in addition to the 2,400 metre drilling program planned at the Deep Carbonates Project, of which 1,085 metres of drilling had been completed as at June 30, 2021.

  - **Nechí Alluvial Property (Colombia):** a 110 hole, 3,000 metre scout drilling program on the approximately 15,000 hectares of unexplored terrain located on the western banks of the Nechí River is planned for 2021. As at June 30, 2021, Mineros had completed 127 churn drill holes for a total of 1,998.5 metres, and the Company plans to complete an additional 150 drill holes with a total length of 2,250 metres during 2021. Follow-up infill drilling will be carried out in 2022 with the goal of defining new Mineral Resources.

- Maximizing return on investment to shareholders through continued sustainable dividends resulting from strong cash flows:

  - Mineros has maintained a consistent dividend policy, paying a total of approximately $51 million in dividends between January 2018 and June 30, 2021. It is our objective to maintain our existing dividend policy, subject to the availability of cash flow after servicing the Company's debt, investing in our growth projects and exploration activities, and taking advantage of any attractive acquisition opportunities that may arise.

- Maintain a strong financial position to enable financial flexibility, allowing the Company to execute on its business strategy and increase shareholder value:

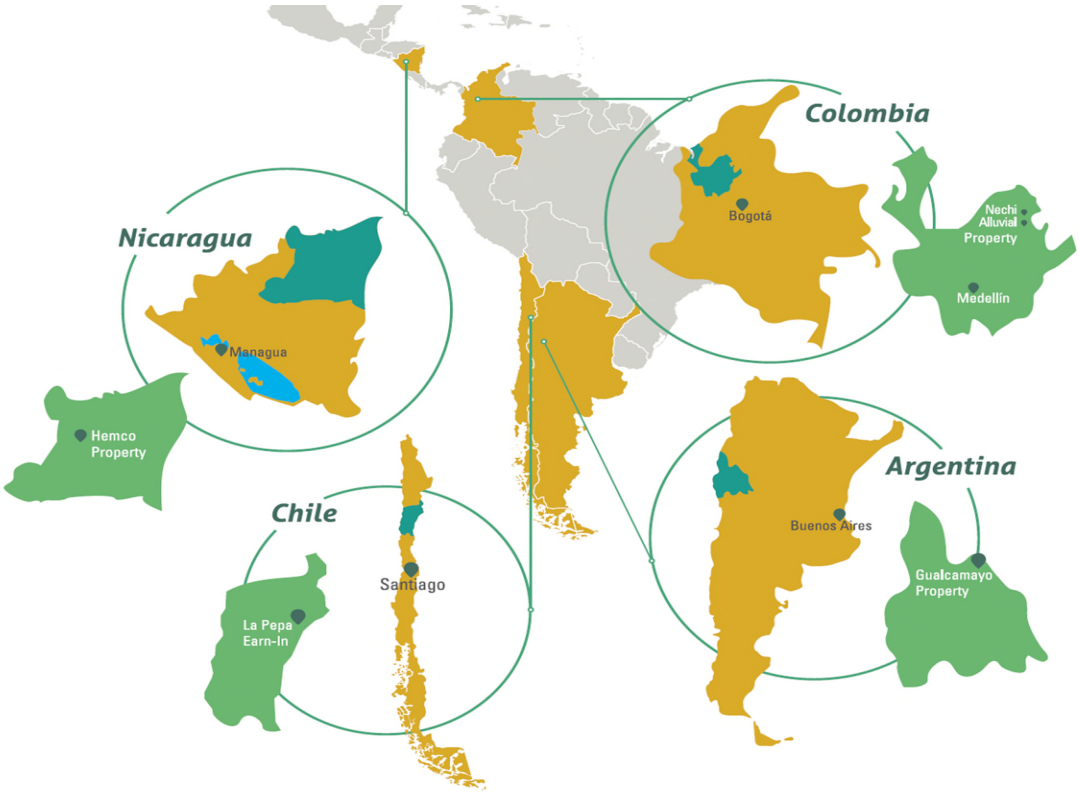
  - Strong balance sheet as at June 30, 2021, with a Net Debt to Adjusted EBITDA ratio of 0.26x based on net debt of $47.3 million and cash and cash equivalents of $42.6 million, offering resilience and creating optionality.

- Pursue a listing on an international stock exchange to have greater access to external capital sources, obtain greater visibility and liquidity for existing shareholders, and unlock value in order to be able to achieve a better trading multiple and use stock as non-cash consideration for any future acquisitions.

Key Investment Highlights

Diversified, high quality property portfolio

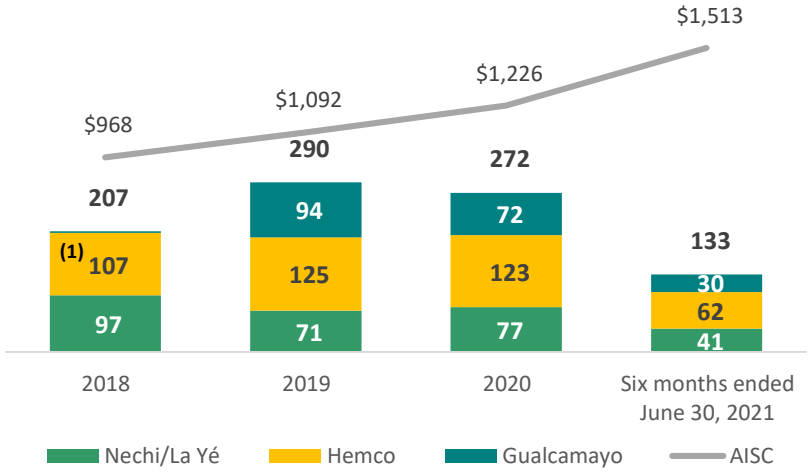
We have a diversified, high quality portfolio of producing properties and growth projects in each of Colombia, Nicaragua and Argentina, and a promising exploration-stage project in Chile. By having operations in different geographies we have diversified non-operational geopolitical risks.



Long record of successful, responsible production

We have more than 46 years of experience in gold production. For the year ended December 31, 2018, the Company had production from the Material Properties of 207 koz Au at AISC of $968/oz Au sold. For the year ended December 31, 2019, the Company had production from the Material Properties of 290 koz Au at AISC of $1,092/oz Au sold. For the year ended December 31, 2020, the Company had production from the Material Properties 272 koz Au at an AISC of $1,226/oz Au sold. For the six months ended June 30, 2021, the Company had production from the Material Properties of 133 koz Au at an AISC of $1,513. Based on current management estimates Mineros is currently estimating production of between 250 koz Au and 267 koz Au and average AISC guidance of between $1,390/oz Au sold and $1,473/oz Au sold in 2021. See "*Management's Discussion And Analysis of Financial Condition and Results of Operations – Annual MD&A*".

Mineros Gold Production and AISC
2018 to June 30, 2021 (koz Au and $/oz)



Notes:

(1) Production in 2018 from the Gualcamayo Property (acquired by the Company in December 2018) was approximately 3 koz.
(2) 2018 – average metallurgical recovery of 88% and average grade of 0.11 g/t Au.
(3) 2019 – average metallurgical recovery of 77% and average grade of 0.20 g/t Au.
(4) 2020 – average metallurgical recovery of 77% and average grade of 0.19 g/t Au.
(5) As at June 30, 2021 - average metallurgical recovery of 78% and average grade of 0.17 g/t Au.
(6) Using a density of 2.0 t/m^3 to convert alluvial material from cubic metres to metric tonnes.
(7) The La Ye underground mine was sold in 2020 and effective control of operations passed to the new owners on or about May 31, 2020.

Meaningful cash flow generation and dividends

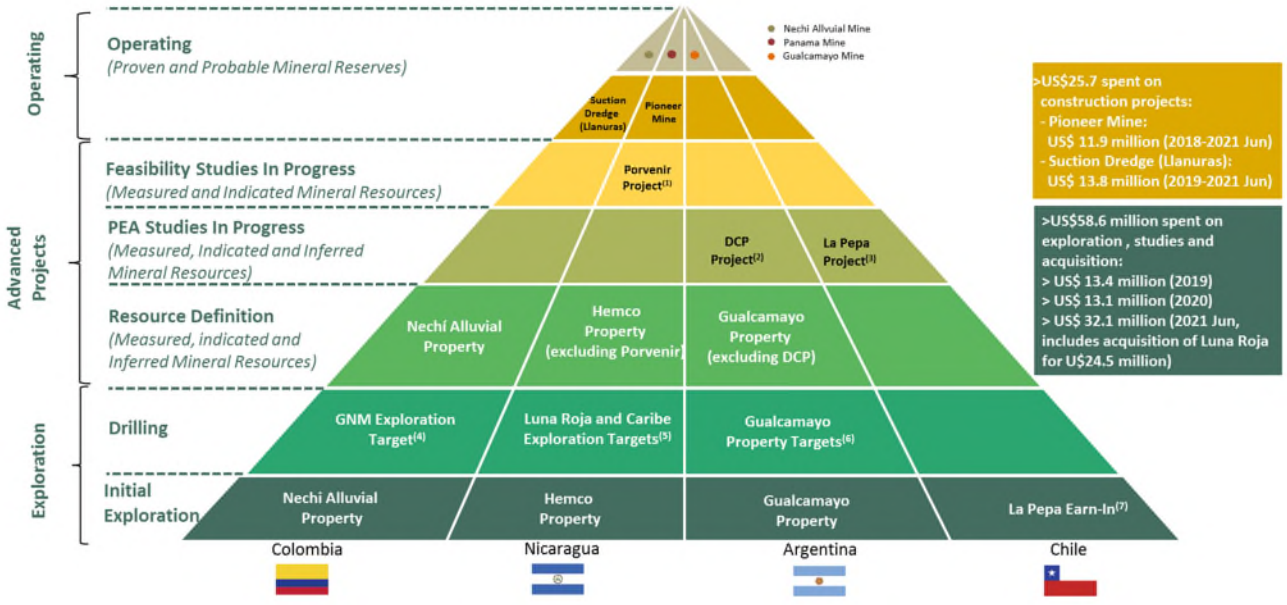
Our operations generated $293.8 million in cash flow from operating activities from January 1, 2018 to June 30, 2021. During such period, we paid dividends to our shareholders of approximately $51 million. See *"Management's Discussion and Analysis of Financial Condition and Results of Operations – Annual MD&A"*.

Strong balance sheet

As at June 30, 2021, we had net debt of $47.3 million, representing a Net Debt to Adjusted EBITDA (LTM) ratio of 0.26x, and cash and cash equivalents of $42.6 million.

Robust growth potential

We have a strong pipeline of projects at various stages of development and exploration. We have three Material Properties that include three producing mining operations, three growth projects, several exploration targets and generally under-explored areas located within our Material Properties that are outside of the current mining, growth and exploration areas. Our goal is to grow our annual production to approximately 500 koz of gold by 2025 through a combination of greenfield development, brownfield expansions, joint ventures, and potential complementary acquisitions. Our near-term pipeline includes the potential development of the Porvenir Project, earning an additional 31% interest in the La Pepa Project, and advancing the Caribe Exploration Target. Our Material Properties also contain significant unexplored areas and we intend to systematically explore these areas in the coming years in order to define further exploration targets. In order to help us achieve our production goal, we have invested approximately $58.6 million in our operations since 2018, including $25.7 million on the Pioneer Mine and the Nechí Alluvial Property, $34.1 million on exploration programs and studies on the various targets at the Gualcamayo Property, the Luna Roja Exploration Target, the Caribe Exploration Target and the GNM Exploration Target, and $24.5 million on the Luna Roja Acquisition.



Notes:

(1) Feasibility Study for the Porvenir Project planned for completion by the end of the first quarter of 2022.
(2) PEA for the Deep Carbonates Project planned for completion by the end of the first quarter of 2022.
(3) A Mineral Resource estimate and a PEA is planned for the La Pepa Project for completion by the end of the first quarter of 2022.
(4) GNM Exploration Target is subject to the Royal Road Colombia Alliance Agreement. Mineros has earned a 25% interest with an option to acquire an additional 25% interest.
(5) A preliminary Mineral Resource in the Luna Roja Exploration Target estimate is planned for the first half of 2022. Caribe Exploration Target is subject to the Royal Road Nicaragua Alliance Agreement.
(6) Includes a number of property-wide exploration targets outside of current mining areas on the Gualcamayo Property. See "– *Growth Projects and Exploration – Argentina – Gualcamayo Property Expansion*" in this section.
(7) Earn-in pursuant to the La Pepa Option Agreement, and upon execution (expected by the end of 2021), the La Pepa Shareholders Agreement.

Strong practices in safety, community relations, and environmental management

Approach to Sustainability

Sustainability is fundamental to our business strategy. We believe that maintaining strong stakeholder support for our operations is critical to our success, and accordingly aim to maintain such support to create long-term value for all stakeholders. We do this by embedding environmental, social and economic considerations into all of our business decisions, promoting the health, well-being and development of our personnel, maintaining strong relationships with the communities in which we operate, and proactively managing the impact of our business on the environment. Our corporate strategy focuses on fostering the positive transformation of the communities where we operate. Throughout 2021, we have worked hard to implement this strategy by defining key performance indicators, implementing various programs and enhancing our monitoring and reporting systems. Each of our operations has a community relations team that maintains a constant dialogue and engages with local communities both formally and informally.

Our approach to sustainability is guided by the United Nations Sustainable Development Goals, and is built on five key areas: as follows:

- **Social Development**. We are committed to contributing to the social development of local communities and countries in which we operate, with a goal of enhancing well-being and improving quality of life. We invest in infrastructure, facilities and services that help the communities meet their basic needs relating to public health, utilities, education, clean drinking water, waste treatment and disposal, infrastructure, and access to recreational and cultural initiatives. We carry out our activities based on interactive processes in coordination with local governments, communities, and other relevant participants.

- **Economic Development**. We are committed to offering new opportunities to generate income and employment in the areas surrounding our operations, and foster strong community relationships by hiring, training, and promoting local personnel and procurement. We also provide training and benefits to artisanal mining cooperatives and assisted in the formalization of miners in the vicinity of our operations in an effort to develop their mining skills so that they can operate safely, efficiently, in an ecologically sustainable manner all in accordance with our corporate standards.

- **Environment**. Among other things, we promote the rational use of natural resources through practices that seek to mitigate potential environmental damage, including reusing waste material as raw product, water recirculation and the preservation and enrichment of forests. We carry out environmental education programs with contractors and sub-contractors, the communities and other stakeholders located in the areas of influence of our projects in an effort to strengthen municipal environmental management and rural development in areas impacted by mining development. The Company also supports artisanal miners in the closure and remediation of exploited areas, and provides guidance relating to compliance with environmental guidelines based on inspections carried out by the Company at the artisanal miners' operations. See also "*Social License and Human Rights – Nicaragua*".

- **Governance and Human Rights**. Our aim is to support the strengthening of public administration and management and promote citizen participation and social organization in the political, economic and social management of local development. We foster respect for the law, and coordinate our actions with local governments and institutions. The Company is committed to the human rights, customs and values of the host communities. We have adopted the United Nations Guiding Principles on Business and Human Rights and ILO Principles.

- **Health & Safety**. Mineros is committed to providing and maintaining a safe and healthy working environment where all employees and contractors conduct themselves in a responsible and safe manner. The Company is committed to achieving a high standard of Occupational Health and Safety ("OHS") through implementation of all related policies, procedures, standards and continuous improvement of management systems, setting targets and monitoring performance. Two of our three operations are OHSAS 18001 certified.

Relationships with Artisanal Miners

We expand the reach of our health, safety and human rights standards through our commercial agreements with artisanal mining cooperatives in Nicaragua, which include obligations for the artisanal miners cooperatives to strictly abide by applicable laws regarding (i) eradication of child labor, (ii) social security and labour and (iii) occupational safety and protection of the environment. The Company also supports artisanal miners in the closure and remediation of exploited areas, and provides guidance to help artisanal miners comply with environmental directives based on weekly inspections carried out by Hemco. If Hemco identifies breaches of safety, social or environmental matters at an artisanal miners' operations, services provided by Hemco to the artisanal miner are suspended until the breach is cured and if a breach is material an investigation is conducted and various measures may be taken, including suspending the purchase of ore by Hemco. In addition, the MEM (Nicaragua) is in charge of overseeing mining activity in the area, including artisanal mining. See also "*Social License and Human Rights – Nicaragua*".

Sustainability Reporting

Further to our commitment to act ethically and transparently, we report our sustainability performance in accordance with the Global Reporting Initiative (GRI) Standards: "Core" option, including mining industry-specific indicators incorporated into the Mining & Metals Sector Supplement.

History and Recent Developments

Historical Background in Colombia

Mineros' predecessor, Mineros Colombianos S.A., was incorporated on March 1, 1974 and was a Colombian holding company with investments in several mining projects. Shortly after its incorporation, Mineros Colombianos S.A. purchased all of the mining titles and other assets, including the Nechí Alluvial Property, from Pato Consolidated Gold Dredging Limited, as well as 100% of the shares of Chocó Pacífico S.A. On November 21, 1974, Mineros Colombianos S.A. incorporated the Company and transferred the assets previously owned by Pato Consolidated Gold Dredging Limited to the Company. In 1977, Colombiana de Capitalizacion Colpatria, being a member of Grupo Colpatria became the major shareholder of the Company. In 2004, the Company changed its name to Mineros, S.A.

In 1976, the Company was publicly listed in Colombia. In 1993, the Company acquired a 51% interest in Mineros Nacionales S.A., a company holding mining properties in Marmato in the Department of Caldas, Colombia. In 1994, the Ministry of Mines and Energy of Colombia granted mining titles to Mineros El Dorado S.A., a subsidiary of the Company, located in Ataco in the Department of Tolima in Colombia.

In 2007, the Company started construction of the La Ye underground mine. In 2013, the Company started activities under its program to eliminate mercury from its gold extraction operations in two of its five dredges (currently, operations at the Nechí Alluvial Property do not use mercury in the gold extraction process). Two new suction dredges were also acquired in 2020 and 2021, for a total of 9 suction dredges and 5 bucket dredges.

Acquisition and Further Development of the Hemco Property

In 2013, the Company started expanding internationally, by acquiring shares representing a 90% interest in Hemco, which had operations in the Bonanza district in Nicaragua (forming the Hemco Property), for $99 million paid in cash. In 2013, production from the Hemco Property was 60,339 oz Au. In October 2014, Mineros acquired shares representing an additional 5% interest in Hemco for approximately $2.1 million paid in cash. In March 2015, Mineros transferred shares representing a 0.0025% interest in Hemco to Mercantil Colpatria, S.A., a control person of Mineros to comply with Nicaraguan corporate law which requires companies to have three shareholders in certain circumstances. In August 2016, the Company acquired an additional 4.9975% interest in the capital of Hemco for approximately $3.8 million paid in cash. On January 15, 2021, the Company indirectly acquired the remaining 0.0025% interest in Hemco through its subsidiary, Mineros Aluvial, increasing the Company's beneficial interest in Hemco to 99.9975%. See "*General Development and Business of the Company – Overview of Material Properties – Hemco Property*".

In 2015 exploration at the Pioneer Mine and the Porvenir Project began. In 2018, construction at the Pioneer Mine commenced, and the San Jose tailings dam was completed and entered into operation.

Royal Road Nicaragua Alliance Agreement

On September 1, 2017, Hemco and Royal Road entered into the Royal Road Nicaragua Alliance Agreement, as amended, forming a strategic alliance to jointly explore, develop, market and exploit gold and other metal resources within their respective concessions and any additional licenses acquired in Nicaragua. The Royal Road Nicaragua Alliance Agreement covers the entirety of the Hemco Property (excluding all Hemco mining operations comprised by the Panama Mine, the Pioneer Mine, the Porvenir Project, the Luna Roja Exploration Target and the Hemco Plant, the La Curva Plant and the Vesmisa Plant (the "**Hemco Mining Operations**"), and including an area of 1.5 kilometres in all directions of the Hemco mining rights in which the Hemco Mining Operations are being now or in the future conducted) with the purpose of identifying new gold and metal deposits within the Hemco Property, other than the Hemco Mining Operations, and it also gives Hemco the ability to identify and acquire an interest in new gold and other metal deposits at all of Royal Road's concessions in Nicaragua, and any additional licenses acquired in Nicaragua by either party. New target areas or specified areas of interest are agreed upon by both parties through a joint management committee which must approve all activities undertaken on properties subject to the Royal Road Nicaragua Alliance Agreement. All activities conducted under the Royal Road Nicaragua Alliance Agreement are funded in equal proportions unless otherwise specifically stated.

Under the Royal Road Nicaragua Alliance Agreement, at such point as a project, within the area covered by the Royal Road Nicaragua Alliance Agreement, which is deemed to be of interest to both parties, is identified, but in any case no earlier than when the joint management committee has authorized sufficient activities to secure the permits required for drill-testing and drilling has in fact commenced on such project, either party may elect to designate a specified area of interest as a "designated project area" resulting in the formation of a joint venture with each of the parties holding a 50% interest in the respective joint venture. Royal Road is designated as the operator under the alliance and under any such joint venture, with certain decisions of the operator being subject to the approval of a joint management committee. Funding under the Royal Road Nicaragua Alliance Agreement is ongoing relating to the Caribe Exploration Target and other targets.

Luna Roja Acquisition

On May 21, 2021, Mineros acquired Royal Road's 50% interest in the Luna Roja Exploration Target, bringing Hemco's interest to 100% for consideration consisting of US$24,485,294 (including withholding taxes of US$3,672,794), and a 1.25% NSR royalty on all future mineral production from the Luna Roja Exploration Target, starting from commercial production. As part of the Luna Roja Acquisition, Royal Road agreed to spend no less than US$7.5 million in exploration expenses under the Royal Road Nicaragua Alliance Agreement over the five-year period ending May 21, 2026. Upon closing, the Royal Road Nicaragua

Alliance Agreement was amended and restated to, among other things, remove the Luna Roja Exploration Target from the area of interest under that agreement. Mineros and Hemco borrowed an aggregate of US$22 million pursuant to the Luna Roja Loans to fund a portion of the cash consideration for the Luna Roja Acquisition.

Acquisition of the Gualcamayo Property and La Pepa Option Agreement

On December 14, 2018, the Company acquired a 100% interest in the Gualcamayo Property through the purchase of the Acquired Company from a subsidiary of Yamana for consideration as follows: (i) $30 million cash, paid at closing; (ii) an additional $30 million in cash that will be payable upon declaration of commercial production of the Deep Carbonates Project; (iii) a 2% NSR royalty at the Gualcamayo Mine on metal produced after the initial 396,000 ounces, capped at $50 million of total payments (excluding the Deep Carbonates Project); and (iv) a 1.5% uncapped NSR royalty on the Deep Carbonates Project. Both royalties were subsequently sold by Yamana and acquired by Nomad Royalty Company Ltd. The Company's obligations under the royalty agreements are secured by a first ranking mortgage over its mining titles located in the Province of San Juan. As a part of the acquisition of the Acquired Company, Mineros also indirectly acquired a 0.0006% interest in Yamana Chile Rentista de Capitales Mobiliarios Limitada (now, Mineros Chile Rentista de Capitales Mobiliarios Limitada) ("**Rentista**") and certain inter-company loans related to MASA. Following the completion of the acquisition, Mineros Argentina now owns a 99.9994% interest in Rentista and a 44.63% interest in MASA with the remaining 55.37% interest in MASA being owned by Rentista. Prior to closing, Yamana caused the Acquired Company to transfer out certain investments that were unrelated to the Gualcamayo Property.

Also, on December 14, 2018, Yamana and Mineros entered into the La Pepa Option Agreement, pursuant to which Yamana granted Mineros an option to acquire the La Pepa Project.

Acquisition of 20% interest in the La Pepa Project

In accordance with the terms of the La Pepa Option Agreement, on June 25, 2021, the Company exercised its first option and earned a 20% beneficial interest in the La Pepa Project. The transfer to Mineros of its 20% interest in Minera Cavancha and the concurrent execution of the La Pepa Shareholders Agreement are expected to be completed by the end of 2021. Minera Cavancha is the joint venture entity under the La Pepa Shareholders Agreement. The Company has the option to earn an additional 31% interest (for an aggregate 51% interest) in the La Pepa Project subject to incurring certain expenditures and meeting certain other conditions, and thereafter to acquire Yamana's remaining 49% interest in Minera Cavancha at market value. See "*– Exploration Programs and Drilling Results – Chile – La Pepa Project*".

Option with Royal Road in Colombia

On March 2, 2020, the Company, Royal Road and Exploraciones Northern Colombia S.A.S., a Colombian affiliate of Royal Road, entered into the Royal Road Colombia Alliance Agreement, an unincorporated joint venture to explore and develop, market and exploit gold and other metal resources at the GNM Exploration Target and a surrounding area of interest. The GNM Exploration Target comprises two contiguous concession contracts and one concession application located in the Anza mining district, 50 km west of Medellín, which Royal Road acquired from AngloGold Ashanti Limited, a publicly listed global gold producer in 2019. Pursuant to the Royal Road Colombia Alliance Agreement, the Company paid $1 million to Royal Road upon execution of the Royal Road Colombia Alliance Agreement, and has the option to acquire up to a 50% interest in the GNM Exploration Target on the following terms: (i) the Company has a first option to acquire a 25% interest by paying $1 million to fund exploration expenditures on the target area; and (ii) the Company has a second option to acquire an additional 25% interest by exercising the first option, notifying Royal Road that it intends to exercise its second option, and paying an additional $1.5 million to fund exploration expenditures on the target area. Although the Company may notify Royal Road that it intends to exercise the second option, it is entitled to withdraw from its intention at any time prior to the last expiry date of a relevant concession contract. On July 22, 2021, the Company exercised its first option and earned a 25% interest in the GNM Exploration Target.

The Royal Road Colombia Alliance Agreement provides that either party may elect to designate a specific project area within the area of interest as a "designated project area" resulting in the formation of a joint venture corporation to hold the relevant project, subject to negotiation of a new definitive agreement to govern the operation of the joint venture corporation. Any subsequent property interests acquired by either party within a designated project area may be added to the GNM Exploration Target and become subject to the Royal Road Colombia Alliance Agreement if the parties so determine.

Funding of exploration expenses relating to the second option is ongoing and is expected to be completed in 2022. Royal Road is the operator of the strategic alliance in Colombia.

Sale of Colombian Underground Mining Operations

In January 2020, Mineros entered into an agreement to sell to Soma Gold Corp. its Colombian underground mining operations (being the La Ye underground mine) in two tranches, by way of sale of the shares of its subsidiary, Operadora Minera S.A.S. and three mining titles, for aggregate consideration of $5.5 million and a 1% NSR royalty over the transferred claims commencing on the business day following the date in which the mineral rights have produced 17,000 ounces of gold. The final transfer of shares of Operadora Minera S.A.S. to Soma Gold Corp. was completed on or about May 31, 2020.

Additional Investments in Vesubio Mining, S.A.

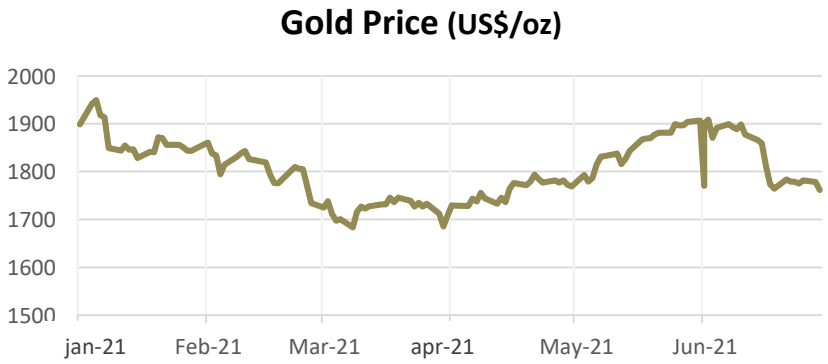
On March 1, 2021, Hemco acquired shares representing a 10% interest in Vesubio Mining, S.A. for cash consideration of $1,305,895. On July 27, 2021, Hemco acquired shares representing an additional 15% in Vesubio Mining, S.A., for cash consideration of US$1,500,000. As a result of such transactions, Hemco owns a 100% interest in Vesubio Mining, S.A.

Market Overview

Two primary factors affecting the results of the Company's operations are gold prices and foreign currency exchange rates.

Gold Price

The market price of gold is the primary driver of the Company's profitability. The price of gold can fluctuate widely and is affected by a number of macroeconomic factors, including the sale or purchase of gold by central banks and financial institutions, interest rates, exchange rates, inflation or deflation, global and regional supply and demand and the political and economic conditions of major gold-producing and gold-consuming countries throughout the world.

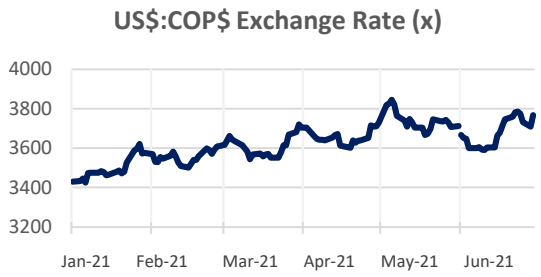


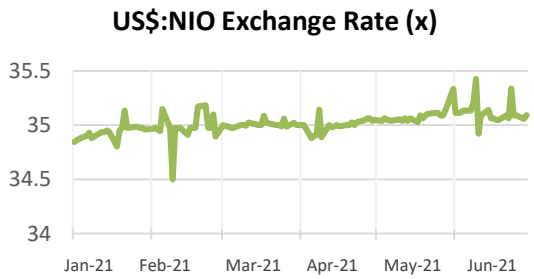
Source: Bloomberg

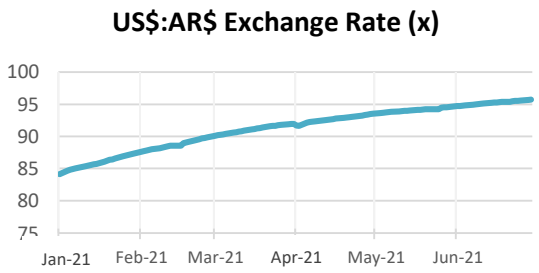
On the close of business on June 30, 2021, the price of gold was $1,770 per ounce, which was 7% above the closing price as at December 31, 2020 and 17% above the closing price as at December 30, 2019. By the end of 2020, central banks finished with very low FX intervention rates and with liquidity injection programs in the different economies, allowing the price of the commodity to remain strong. See "*Financial Instruments and Risks – Market Risk*" in the MD&A for information on hedging operations.

Foreign Currency Exchange Rates

Cash generated from gold sales are in U.S. dollars, but some of the Company's costs are denominated in Colombian pesos, and to a lesser extent, Argentine pesos and Nicaraguan córdobas. Accordingly, the US$/COP$ exchange rate is an important factor in the financial performance of the Company. The following table shows the daily closing exchange rates of U.S. dollar, with each of Colombian peso (COP$/US$), Nicaraguan córdoba (NIO/US$) and Argentinian peso (AR$/US$) between January 2020 and September 2021. See "*Financial Instruments and Risks – Market Risk*" in the MD&A for information on hedging operations.







Overview of Material Properties and Location

The Company produces and sells gold as its primary product, and silver as a by-product, from the following Material Properties:

Nechí Alluvial Property

The Nechí Alluvial Property, located in Colombia, hosts gold-bearing gravels in and around the flood plain of the Nechí River, concentrated in gold-bearing alluvial plain zones, low terraces bordering the Nechí River alluvial plain, and two blocks of tailings from historical dredging. There are four types of mining carried out at the Nechí Alluvial Property. The first, and predominant method, is alluvial mining using a combination of suction and bucket line dredges. The second method is suction plain mining using new suction dredge equipment that was purchased by Mineros in 2020. The third method is Brazilian rotary head suction dredge mining beginning in 2020. The fourth method is old tailings recovery and terrace mining using an amphibious excavator. The current LOM at the Nechí Alluvial Property is approximately 13 years.

The Nechí Alluvial Property has been declared a project of strategic national interest (*Proyecto de Interés Nacional Estratégico*, "**PINE**"). PINE is a designation created by the Colombian government to prioritize and recognize projects which contribute materially to the Colombian economy. PINE sets forth a framework to accelerate, simplify and streamline administrative processes when coordinating with Colombian government entities. To this end, a number of initiatives related to planning, streamlining and optimizing administrative procedures and inter-agency coordination for monitoring of PINES were defined. Once a PINE is identified and declared, it benefits from special follow-up for its implementation and management. PINEs arise from document CONPES 3762 of 2013 "Policy Guidelines for the Development of PINE", which sets out the criteria for considering whether a project is of strategic national interest, and for generating actions that facilitate the efficient and timely implementation of identified projects, all in accordance with the policies of the national government.

In August 2021, the Company announced the commencement of operations at its Llanuras Plant, a new alluvial production plant located at the Nechí Alluvial Property which is expected to produce up to 9 koz of gold per year.

Nechí Alluvial Property





- Alluvial gold deposits in the Nechi River and adjacent floodplain (41,293 ha)
- Five bucket dredges extract 73,400 m³ per day (LOM)
- 46 years' dredge production experience
- Very well-understood, efficient, low-cost and reliable production
- LOM of 13 years to 2034

Operation Information

Ownership	100% Mineros S.A
Status	Operating
Mining Type	Alluvial
LOM Processing Rate	28.0 Mm³pa
LOM Gold Recovery (%)	80%
Production (koz Au)[3]	80 (2018); 55 (2019); 70 (2020); 41 (Six Months ended June 30, 2021)
AISC (US$/oz)	799 (2018); 1,065 (2019); 998 (2020); 1,072 (Six Months ended June 30, 2021)

Reserves and Resources – June 30, 2021[1][2]

	Volume	Au Grade	Au Contained
	(Mm³)	(mg/m³)	(koz)
Proven & Probable Reserves	376	109	1,171
Measured & Indicated Resources	528	80	1,211
Inferred Resources	--	--	--

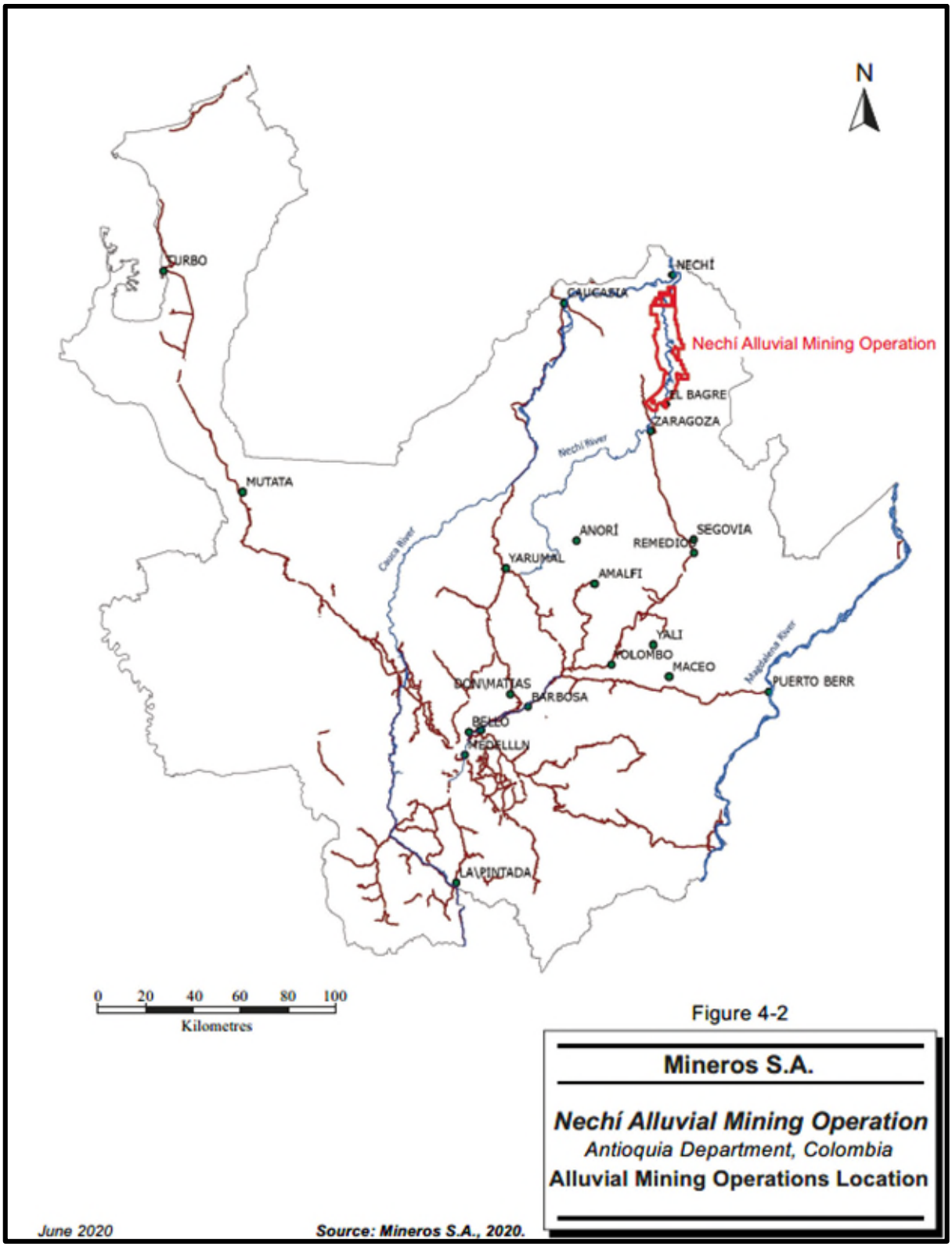
Timeline

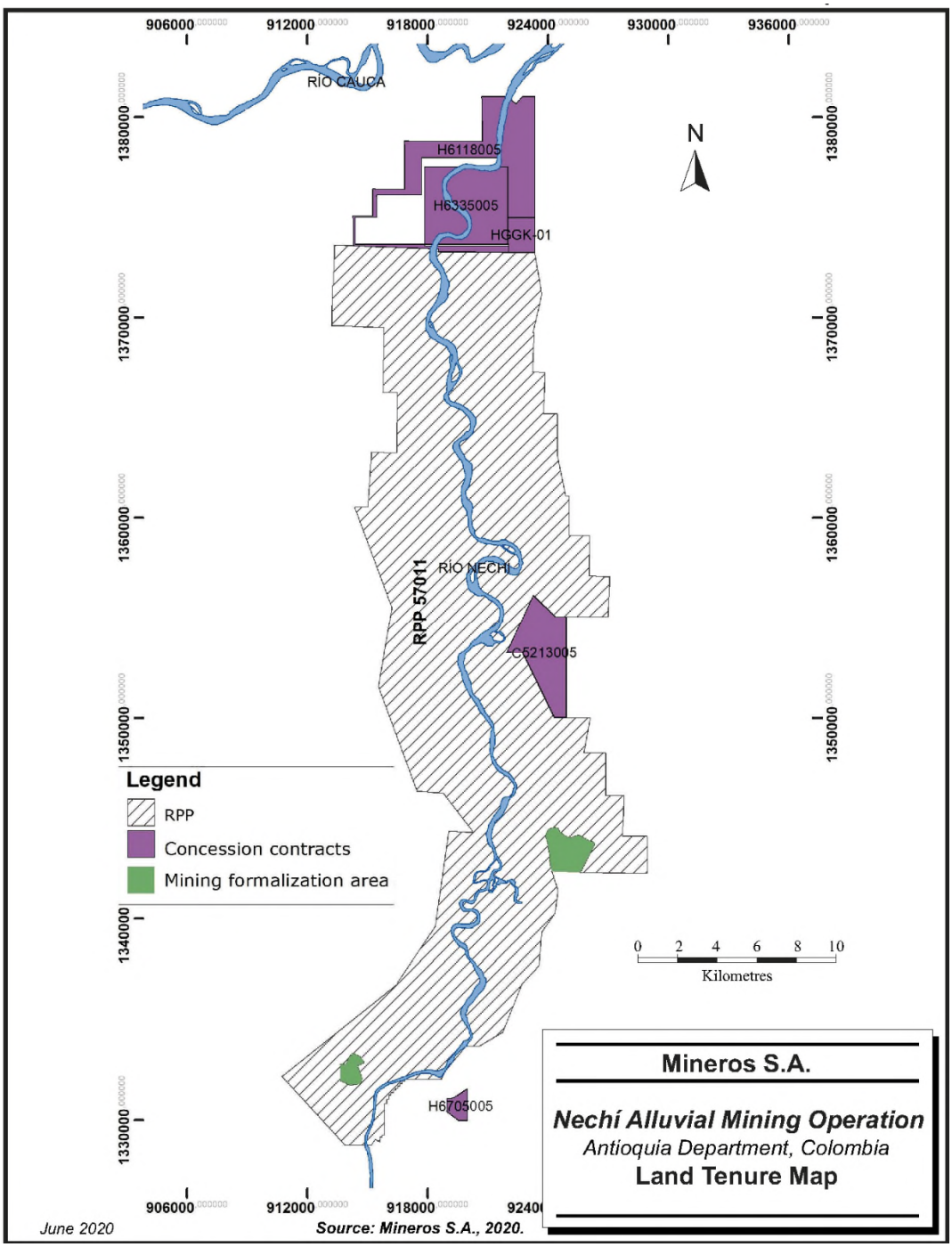
1908	1974	2010	2020
First bucket dredge begins	Mineros acquires Nechi Alluvial Property	Start up of Providencia III hydro plant	Suction plain mining added to operations

Notes:

(1) See Mineral Resource and Mineral Reserve table for detailed breakdown and notes.
(2) Mineral Resources are exclusive of Mineral Reserves.
(3) Excludes production from the La Ye underground mine of 17 koz (2018), 16 koz (2019), and 7 koz (2020). The La Ye underground mine was sold in 2020 and effective control of operations passed to the new owners on or about May 31, 2020.

The Nechí Alluvial Property is held through Mineros Aluvial, which owns a 100% interest in two types of mining concessions: one RPP with an area of 36,408 ha, and five concession contracts with a total area of 4,885 ha with a renewable term of 30 years. The RPP and concession contracts are contiguous and occupy an area along the Nechí River and flood plain of approximately 41,293 ha between the towns of El Bagre and Nechí. The maps below show the location of the Nechí Alluvial Project, RPP, and the five concession contracts.


N
URBO
NECHÍ
CAUCASIA
Nechí Alluvial Mining Operation
EL BAGRE
ZARAGOZA
Nechí River
MUTATA
Cauca River
ANORÍ
SEGOVIA
REMEDIOS
YARUMAL
AMALFI
YALI
COLOMBO
MACEO
Magdalena River
PUERTO BERR
BONMATIAS
BARBOSA
BELLO
MEDELLLN
LA\PINTADA
0 20 40 60 80 100
Kilometres
Figure 4-2
Mineros S.A.
Nechí Alluvial Mining Operation
Antioquia Department, Colombia
Alluvial Mining Operations Location
June 2020
Source: Mineros S.A., 2020.



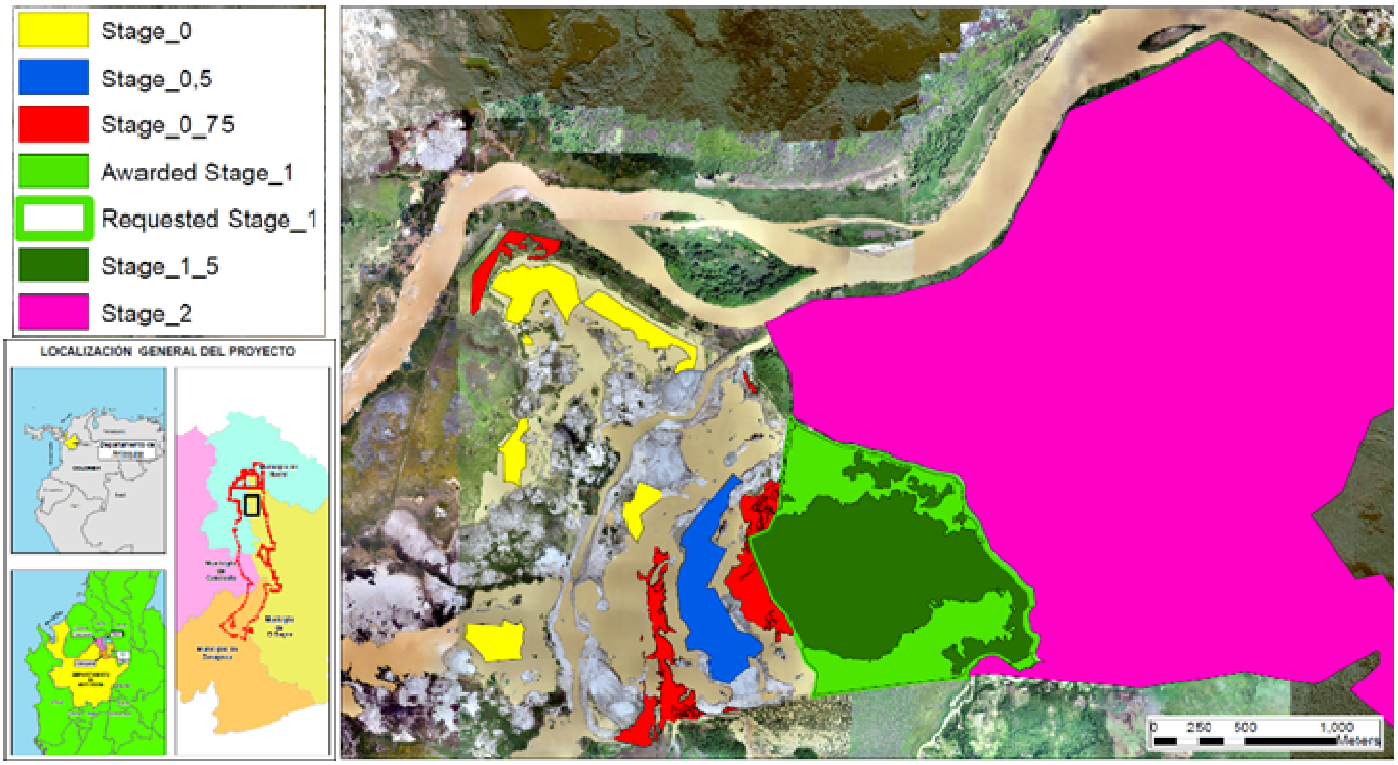
The mining claims that constitute the RPP were originally acquired as private land under private property acknowledgements granted under the Mining Code of Antioquia adopted in 1867, which granted both surface and mineral exploitation rights to their holders. Rights associated with such claims have been preserved in the RPP, and subsequent laws, including the Mining Code, recognize the private property status of mining tenements granted under prior legislation. Holders of RPPs must comply with mining reports filing obligations, and pay royalties based on the production from the mines located in the RPPs. RPPs do not expire; however, the rights granted to the holder under the RPP will be extinguished if activities are suspended without just cause for more than 12 months. Colombian concession contracts are subject to annual surface fee payments that are payable during each of the phases of (i) exploration, and (ii) construction, and to the payment of royalties on production from the mine. See "*Regulatory Framework – Colombian Regulatory Framework – Mineral Exploration and Exploitation in Colombia*".

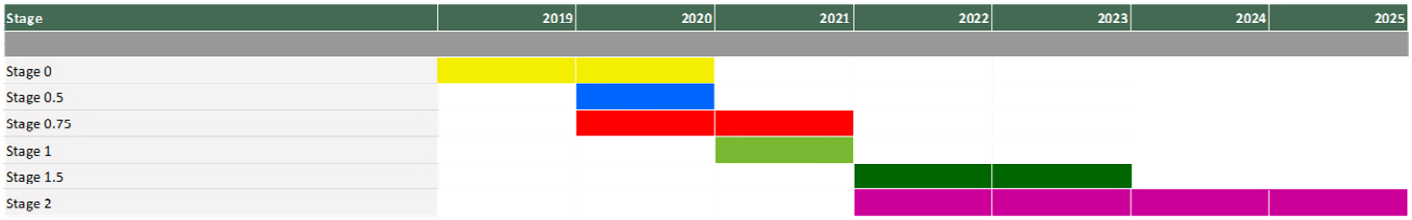
Mineros holds surface rights under public deeds that are filed in the national property register. In addition, Mineros has surface rights acquired by mining easements under which Mineros makes certain payments to land owners/farmers in compensation for the use of the land and for damage caused by the mining operation, lost crops and lost time. The amounts paid depend on the type of crops, size of the farm land, and duration. After dredging, Mineros reclaims the land by levelling the dredge tailings and restoring the impacted areas with the revegetation of plants and crops that in some cases are assigned to local families. Mineros controls 495.7 ha under easement terms. In some cases when the mine plan changes, additional compensation for an extension is negotiated with the land owners. Some easements are held permanently and never expire.

In August 2020, as a part of its ordinary course operations, Mineros requested that ANLA amend the EMP for the Nechí Alluvial Project, mainly to include additional riverbed occupation permits, forestry use permits, and water concessions in the Sampumoso and Llanuras areas, all being blocks within the feasibility mining stage corresponding to the existing RPP. On April 9, 2021, ANLA issued Resolution 00659 of 2021, authorizing some of the permits (all of the water concession, forest use permits for all of the Llanuras areas, and riverbed occupation permits not associated to lentic systems), but considered the information provided in the environmental impact study to be insufficient to grant other permits (riverbed occupation permits for lentic systems and forest use permits within Sampumoso block).

Mineros appealed to ANLA for reconsideration and by Resolution 01098 dated June 23, 2021, ANLA modified its initial decision adjusting the volume of water concessions as requested and granting the forestry use permits for the external sectors of Sampumoso. The amendment to the EMP to this point is referred to by Mineros as “Stage 1”. On August 12, 2021, Mineros filed a new amendment to the EMP for the Nechí Alluvial Property seeking final approval for the riverbed occupation permits in Sampumoso (as lentic system) and the forestry use permits for remaining areas within the Sampumoso block. This amendment procedure is referred to by Mineros as “Stage 1.5”. Mineros plans to file a further amendment to the EMP for the Nechí Alluvial Property with ANLA at the end of 2021, to seek environmental permits sufficient to support planned operations for a four year period which is referred to as Stage “2”. Stages “0” to “0.75” in the following figure all represent stages for which permitting is already complete.

The various permitting stages as defined by Mineros and the subsequent expected mining periods for those areas are presented in the figures below:





For additional information concerning the Nechí Alluvial Property, see Appendix "A".

Gualcamayo Property

The Gualcamayo Property, located in Argentina, hosts three operating open pits—QDD, AIM and Condor—and one underground mine, QDDL, which collectively form the Gualcamayo Mine. Several other targets on the Gualcamayo Property are at an early stage of exploration, including the Salamanca deposit. In addition, the Deep Carbonates Project, consisting of the Rodado deposit (and other small mixed oxide-sulphide deposits such as the Santiago deposit, the Santiago Satellite deposits and Feeder deposit), accounts for a significant portion of the sulphide Mineral Resources at the Gualcamayo Property.

Gualcamayo Property





- Commercial production started since 2009
- Mineros acquired Gualcamayo from Yamana in 2018
- 20% of 39,184 ha land package explored
- Mineros is investing US$8 million/year in near-mine exploration and infill drilling to increase mine life
- Deep Carbonates Project (DCP) provides upside potential (1.1 Moz M&I; 0.7 Moz Inf)[1]

Operation Information

Ownership	100% Mineros S.A.
Status	Operating
Mining Type	Open Pit and Underground
LOM Processing Rate	1.6 Mtpa
LOM Gold Recovery (%)	57%
Production (koz Au)	3 (2018); 94 (2019); 72 (2020); 30 (Six Months ended June 30, 2021)
AISC (US$/oz)	1,989 (2018); 1,105 (2019); 1,473 (2020); 2,287 (Six Months ended June 30, 2021)

Reserves and Resources – June 30, 2021[2][3]

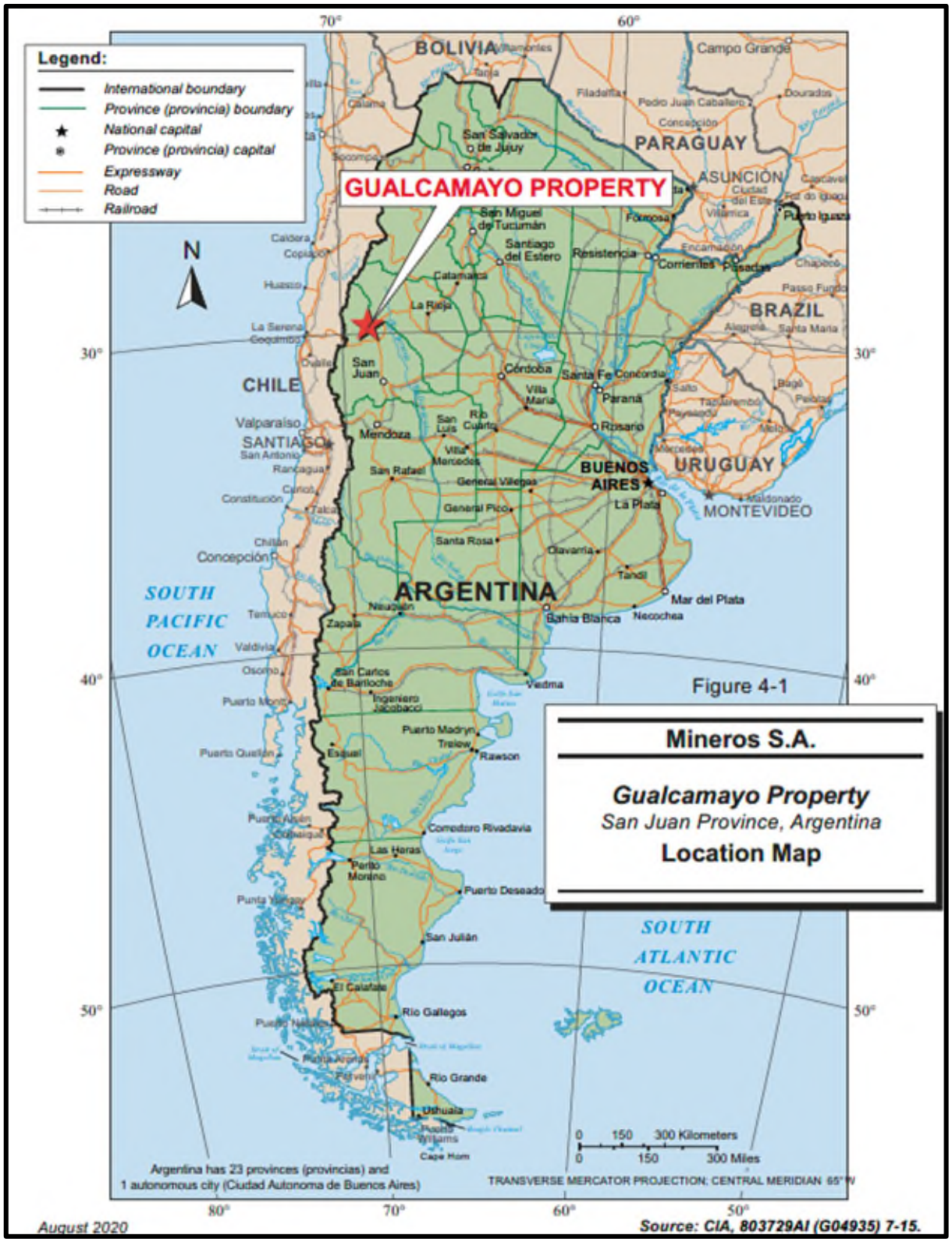
	Tonnage	Au Grade	Au Contained
	(kt)	(g/t)	(koz)
Proven & Probable Reserves	3,285	1.65	174
Measured & Indicated Resources	26,316	1.93	1,635
Inferred Resources	16,099	2.29	1,183

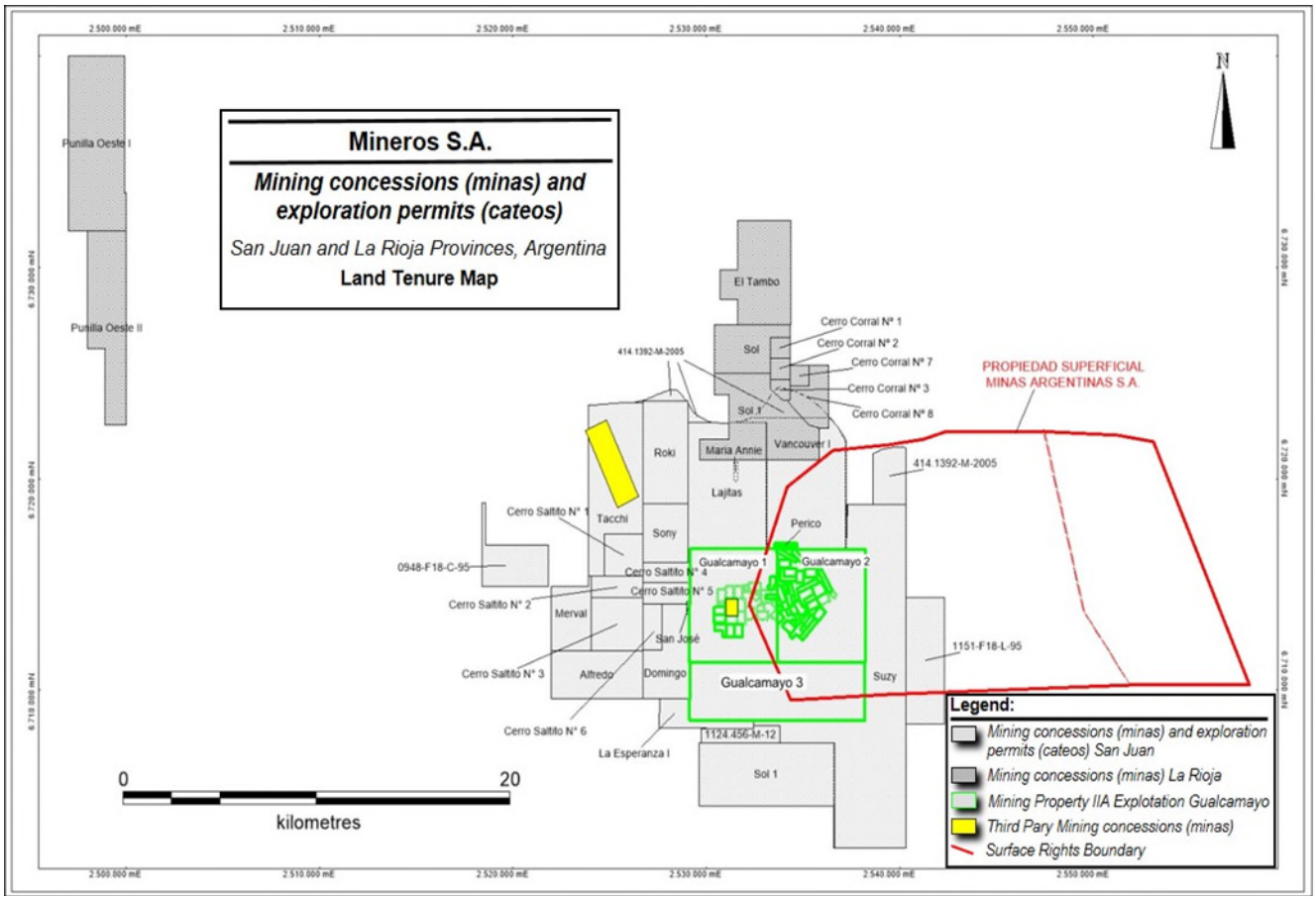
Timeline

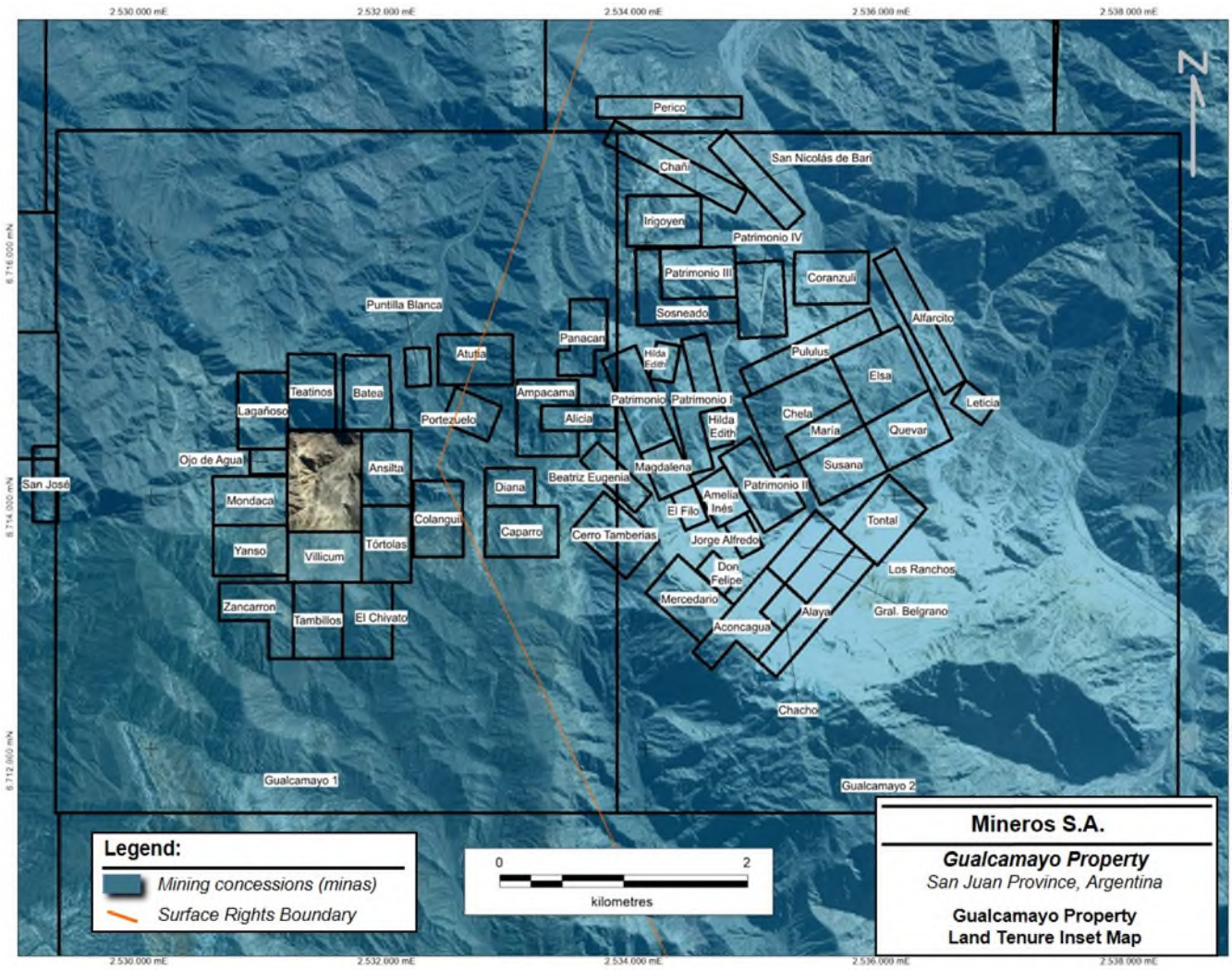
1980	2009	2013	2018
Gold mineralization discovered	Commercial production begins	Underground mining begins	Mineros acquires Gualcamayo

Notes:
(1) Included in Mineral Resources for the Gualcamayo Property as at June 30, 2021.
(2) See Mineral Resource and Mineral Reserve table for detailed breakdown and notes.
(3) Mineral Resources are exclusive of Mineral Reserves.

The Gualcamayo Property is held through MASA, which owns a 100% interest in 87 non-contiguous mining concessions (*minas)*, covering an area of approximately 36,100 hectares and four exploration permits (*cateos)*, covering approximately 3,100 hectares, located primarily in the Province of San Juan (with a few located in the Province of La Rioja at the Salamanca deposit). Mining concessions (*minas*) grant the holder the right to conduct further exploration after a discovery has taken place, and to exploit all in-situ minerals within the boundaries of the concession. Once granted, mining concessions have no term, provided that there are resources still available in the deposit. Mining concessions are subject to the compliance with certain conditions imposed by the Argentinian Mining Code, mainly, *canon* payments and the compliance with an investment plan.


Legend:
International boundary
Province (provincia) boundary
National capital
Province (provincia) capital
Expressway
Road
Railroad
GUALCAMAYO PROPERTY
N
BOLIVIA
PARAGUAY
BRAZIL
CHILE
ARGENTINA
URUGUAY
SOUTH PACIFIC OCEAN
SOUTH ATLANTIC OCEAN
BUENOS AIRES
SANTIAGO
MONTEVIDEO
Campo Grande
Pedro Juan Caballero
Dourados
Concepción
San Salvador de Jujuy
ASUNCION
Ciudad del Este
Foz do Iguaçu
Formosa
Puerto Iguazu
Encarnación
Corrientes
Posadas
Resistencia
San Miguel de Tucumán
Santiago del Estero
Catamarca
La Rioja
Caldera
Copiapó
Huasco
La Serena
Coquimbo
Ovalle
San Juan
Córdoba
Santa Fe
Concordia
Villa María
Paraná
Rosario
Mendoza
San Luis
Río Cuarto
Villa Mercedes
San Rafael
General Villegas
General Pico
La Plata
Santa Rosa
Olavarría
Tandil
Mar del Plata
Bahía Blanca
Necochea
Valparaíso
San Antonio
Rancagua
Curicó
Constitución
Talca
Chillán
Concepción
Temuco
Valdivia
Osorno
Zapala
Neuquén
San Carlos de Bariloche
Ingeniero Jacobacci
Viedma
Puerto Madryn
Trelew
Rawson
Puerto Quellón
Esquel
Comodoro Rivadavia
Las Heras
Perito Moreno
Puerto Deseado
San Julián
El Calafate
Río Gallegos
Río Grande
Ushuaia
Cape Horn
Figure 4-1
Mineros S.A.
Gualcamayo Property
San Juan Province, Argentina
Location Map
0 150 300 Kilometers
0 150 300 Miles
Argentina has 23 provinces (provincias) and 1 autonomous city (Ciudad Autonoma de Buenos Aires)
TRANSVERSE MERCATOR PROJECTION; CENTRAL MERIDIAN 65° W
August 2020
Source: CIA, 803729AI (G04935) 7-15.


Mineros S.A.
Mining concessions (minas) and exploration permits (cateos)
San Juan and La Rioja Provinces, Argentina
Land Tenure Map
N
Punilla Oeste I
Punilla Oeste II
El Tambo
Sol
Sol 1
Roki
Maria Annie
Vancouver I
Lajitas
Tacchi
Sony
Perico
Gualcamayo 1
Gualcamayo 2
Gualcamayo 3
Merval
San José
Alfredo
Domingo
Suzy
Sol 1
Cerro Corral N° 1
Cerro Corral N° 2
Cerro Corral N° 7
Cerro Corral N° 3
Cerro Corral N° 8
414.1392-M-2005
PROPIEDAD SUPERFICIAL MINAS ARGENTINAS S.A.
Cerro Saltito N° 1
Cerro Saltito N° 4
Cerro Saltito N° 5
Cerro Saltito N° 2
Cerro Saltito N° 3
Cerro Saltito N° 6
0948-F18-C-95
1151-F18-L-95
1124.456-M-12
La Esperanza I
0
20
kilometres
Legend:
Mining concessions (minas) and exploration permits (cateos) San Juan
Mining concessions (minas) La Rioja
Mining Property IIA Explotation Gualcamayo
Third Pary Mining concessions (minas)
Surface Rights Boundary



Argentinean mining concessions are subject to an annual canon fee that is payable based on certain parameters. See "*Regulatory Framework – Argentinean Regulatory Framework – Mineral Tenure*".

In 2004, MASA purchased the surface rights to a contiguous land package totalling approximately 262 km^2, which partially covers the Gualcamayo Property and fully covers the Gualcamayo Mine and its main access route via Highway 40. Ownership of surface rights was retained by MASA following acquisition by Mineros in 2018. The surface rights are sufficient to support the current infrastructure and mining operations at the Gualcamayo Property.

For additional information concerning the Gualcamayo Property, see, Appendix "B".

Hemco Property

The Hemco Property is located in northeastern Nicaragua, in the Bonanza–Siuna–Rosita "Mining Triangle" area. The Hemco Property hosts the Panama Mine, a producing underground gold mine, the Pioneer Mine, a pre-production underground gold mine, the gold-silver-zinc Constancia vein system which hosts the Porvenir Project, located in the Municipality of Bonanza, and the Luna Roja Exploration Target and the Caribe Exploration Target, located in the Municipality of Rosita. Portions of the Hemco Property are allocated to artisanal miners in accordance with Nicaraguan laws. The Company also owns and operates three processing plants at the Hemco Property: the Hemco Plant, the La Curva Plant and the Vesmisa Plant, which process both ore produced by the Company from the Pioneer Mine and the Panama Mine, as well as ore purchased from artisanal miners.

Hemco Property





- Hemco Nicaragua S.A. was acquired by Mineros in 2013, providing a platform for entry into a highly prospective gold district in Northern Nicaragua
- Underground mining is conducted at the Panama Mine and Pioneer Mine, applying shrinkage stoping and long hole stoping
- Innovative agreements with artisanal miners have allowed gold production to grow from 65 koz in 2013 to 125 koz in 2019

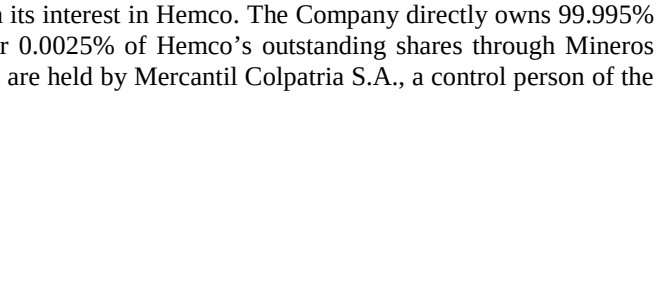
Operation Information

Ownership	99.9975% Mineros S.A.[3]
Status	Operating
Mining Type	Underground and Artisanal
LOM Processing Rate	0.35 Mtpa (~0.7 Mtpa with artisanal mining in 2020)
LOM Gold Recovery (%)	90% (89% with artisanal mining in 2020)
Production (koz Au)	107 (2018); 125 (2019); 123 (2020); 62 (Six Months ended June 30, 2021)
AISC (US$/oz)	1,131 (2018); 1,097 (2019); 1,222 (2020); 1,358 (Six Months ended June 30, 2021)

Reserves and Resources – June 30, 2021[1][2]

	Tonnage	Au Grade	Au Contained
	(kt)	(g/t)	(koz)
Proven & Probable Reserves	1,902	3.96	242
Measured & Indicated Resources	11,891	3.17	1,212
Inferred Resources	7,575	3.56	867

Timeline

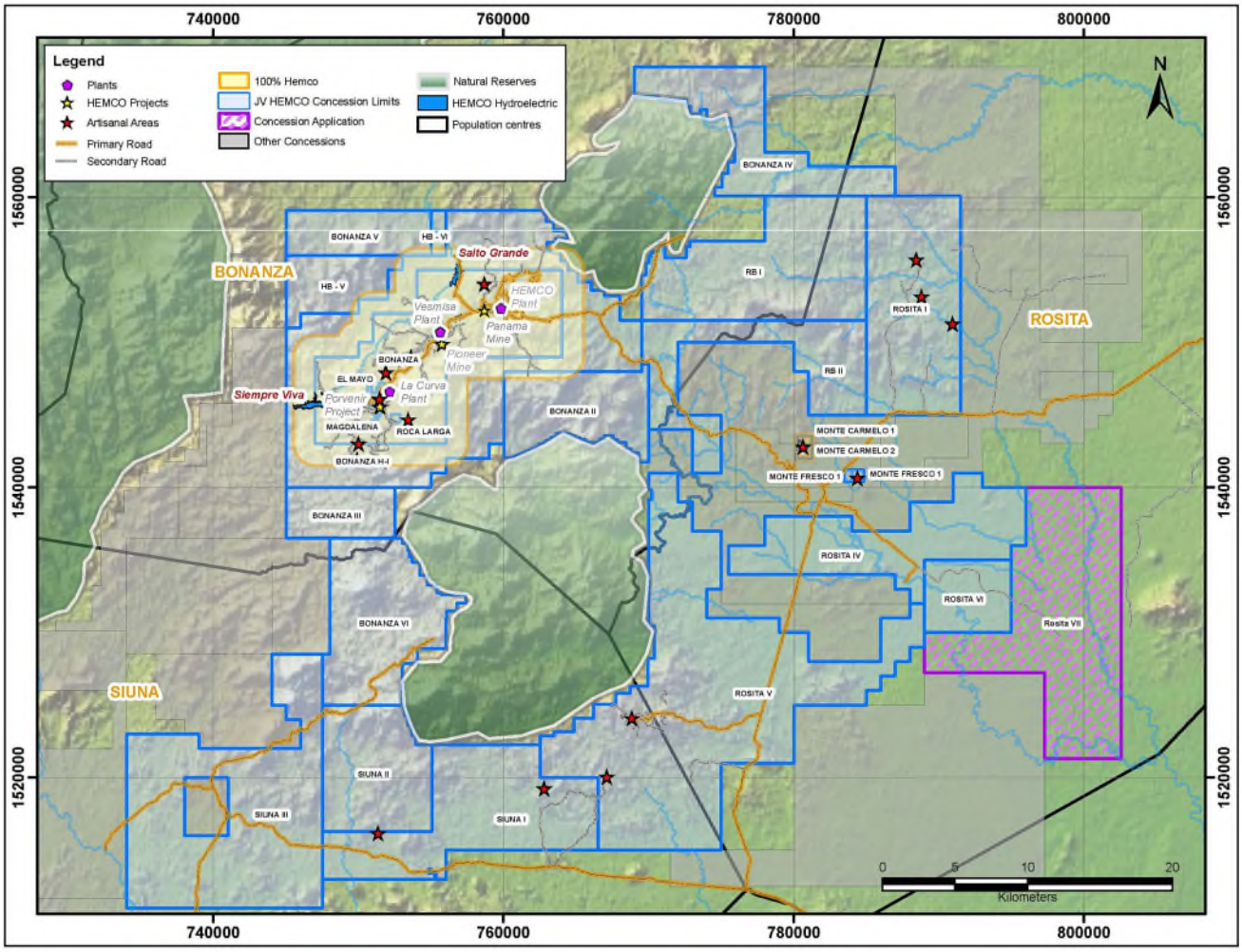


Notes:
(1) See Mineral Resource and Mineral Reserve table for detailed breakdown and notes.
(2) Mineral Resources are exclusive of Mineral Reserves.
(3) Excluding Caribe Exploration Target, which is subject to a joint venture with Royal Road.

The Hemco Property is held through Hemco, and consists of two non-contiguous blocks comprising 25 concessions and one concession application, which cover a combined area of 165,452.69 ha. Individual concessions expire at various times ranging from June 2027 to June 2044. The majority of our mining assets in Nicaragua, including the Panama Mine, the Pioneer Mine, the Porvenir Project, the Hemco Plant, La Curva Plant, and Vesmisa Plant, are located on the Bonanza concession, which is valid through June 2044. Hemco holds a 100% interest in all of the Hemco Property concessions, other than two non-material concessions held by New Castle Gold Mining, S.A. (69.9% owned by Hemco). All of the Hemco Property (other than the Hemco Mining Operations) is subject to the Royal Road Nicaragua Alliance Agreement including the Caribe Exploration Target.

Mineros has a 99.9975% interest in the Hemco Property through its interest in Hemco. The Company directly owns 99.995% of Hemco's outstanding shares, and beneficially owns a further 0.0025% of Hemco's outstanding shares through Mineros Aluvial. The remaining 0.0025% of Hemco's outstanding shares are held by Mercantil Colpatria S.A., a control person of the Company.


National capital
Regional capital
Departmental capital
City, town
Major airport
International boundary
Regional boundary
Departmental boundary
Pan American Highway
Main road
Secondary road
Railroad
REGION I LAS SEGOVIAS
REGION II OCCIDENTAL
REGION III MANAGUA
REGION IV SUR
REGION V CENTRAL
REGION VI NORTE
REGION VII AUTÓNOMA ATLÁNTICO NORTE
REGION VIII AUTÓNOMA ATLÁNTICO SUR
REGION IX RÍO SAN JUAN
The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations
N
HONDURAS
HEMCO OPERATION
NICARAGUA
COSTA RICA
EL SALVADOR
OCÉANO PACIFICO
MAR CARIBE
Trujillo
Tusi
Puerto Lempira
Cabo Gracias à Dios
Auasbila
Bilwaskarma
Leimus
Juticalpa
Tegucigalpa
Danlí
Teotecacinte
Yuscarán
Jalapa
NUEVA SEGOVIA
Santa María
Ocotal
Quilalí
Wiwilí
Nacaome
Somoto
MADRIZ
REGION I
REGION VI
Condega
San Sebastián de Yalí
Choluteca
ESTELÍ
Estelí
Somotillo
Potosí
Río Grande
CHINANDEGA
El Sauce
Chinandega
REGION II
Larreynaga
Chichigalpa
Corinto
Poneloya
LEÓN
León
La Paz Centro
Nagarote
Puerto Sandino
Sébaco
Matagalpa
MATAGALPA
Muy Muy
Boaco
BOACO
Camoapa
MANAGUA
Lago de Managua
San Benito
Tipitapa
Managua
Masaya
REGION III
El Carmen
Masachapa
Granada
Jinotepe
Nandaime
CARAZO
Casares
REGION IV
RIVAS
Rivas
San Juan del Sur
Peñas Blancas
Archipiélago de Solentiname
Lago de Nicaragua
Cabo Santa Elena
Golfo de Papagayo
Liberia
Cañas
Península de Nicoya
La Constancia
La Rosita
Puerto Cabezas
JINOTEGA
Siuna
ATLÁNTICO NORTE
REGION VII
Limbaica
Prinzapolka
Makantaca
Jinotega
La Cruz de Río Grande
REGION V
Juigalpa
Santo Domingo
Santo Tomás
CHONTALES
Acoyapa
Puerto Díaz
ATLÁNTICO SUR
Punta Parías
Rama
Islas del Maíz
Bluefields
El Bluff
I. del Venado
REGION VII
Colonia Nueva Guinea
Morrito
Alta Gracia
I. de Ometepe
RÍO SAN JUAN
Punta Mono
Punta Gorda
Bahía Punta Gorda
REGION IX
San Carlos
San Juan del Norte
Figure 4-1
Mineros S.A.
Hemco Operation
Región Autónoma de la Costa Caribe Norte
Location Map
June 2020
Source: Map No. 3932 Rev. 5, United Nations, 2011.



Under the Mining Law (Nicaragua), artisanal miners are legally entitled to operate on all concessions. We have entered into mutually beneficial, contractually-defined relationships with local artisanal mining cooperatives, that make available between 3% and 4% of the Hemco Property for mining by artisanal miners who are organized in 13 cooperatives, pursuant to which we purchase 40% to 50% of the ore processed by the Hemco Plant, and 100% of the ore processed by the smaller Vesmisa Plant and La Curva Plant. As at June 30, 2021, the processing plants at the Hemco Property processed a total 207 kt of ore purchased from artisanal mining cooperatives, including 162 kt (81%) of the ore processed at the Hemco Plant, and 39 kt (19%) of the ore processed at the Vesmisa Plant and La Curva Plant. The Company purchases ore from artisanal miners based on the gold spot price less on average 45% (varies by ore grade) which represented approximately 47 koz Au or 75.8% of gold produced at the Hemco Property in the first half of 2021 (71.7% in 2020**)**. Artisanal miners are also responsible for certain other costs (which are deducted from amounts owing) relating to supplies and services provided by Hemco. See also "*General Development and Business of the Company – Health, Safety, Environment and Community – Artisanal Mining*".

The cooperatives are independent, formal entities licensed by the Nicaraguan Ministry of Cooperatives. Some of the contracts are renewed periodically, and others have an indefinite term. Hemco and the artisanal mining cooperatives are members of the Municipal Artisanal Mining Commission, an inter-institutional organization that functions as the governing body for the sector. In addition, all of our agreements with artisanal miners include obligations for the artisanal miners' cooperatives to strictly abide by laws regarding (i) eradication of child labor, (ii) social security and labor, and (iii) occupational safety and protection of the environment. See also "*General Development and Business of the Company - Strong practices in safety, community relations, and environmental management*".

In 1994, Hemco acquired 16.35 ha of land overlying the Panama Mine operation from the State of Nicaragua through a privatization process. As a result of the purchase, Hemco owns the surface rights encompassing the industrial area, administrative buildings, workshops and warehouses, camp facilities, and access portals to the underground mine. Surface

rights since then have been expanded through the purchase of an additional 337.48 ha of surface land, and through lease agreements of 421.62 ha of land owned by the State of Nicaragua. In addition, Hemco has entered into easements covering 10 ha of surface land overlying the Pioneer Mine development area for open pit mining.

On December 12, 2015, Hemco entered into a secured loan facility with Banco de América Central Sociedad Anónima ("**BAC**") pursuant to which it borrowed the aggregate principal amount of $15 million. In connection with this loan, Hemco also entered into a mortgage over the Bonanza concession, and a commercial pledge over 3,000 ounces of gold and certain machinery and industrial equipment, each with BAC. The balance owing on this loan facility as at June 30, 2021, was $4.4 million, and the loan matures and becomes due in December 2022.

New discoveries at the Hemco Property are subject to the Royal Road Nicaragua Alliance Agreement which provides that if an area of interest is named a "designated project area" under the agreement, such area will become subject to a joint venture with Royal Road in which each of Hemco and Royal Road will hold a 50% interest.

Nicaraguan mining concessions are subject to an annual *canon* fee that is payable based on certain parameters. See "*Regulatory Framework – Nicaraguan Regulatory Framework – Mineral Tenure*".

For additional information concerning the Hemco Property, see Appendix "C".

Mineral Resources and Mineral Reserves

The following table sets out the Company's Mineral Reserves by Material Property as at June 30, 2021:

Mineros Mineral Reserve Statement
Effective June 30, 2021

Classification/Property	Tonnes (000 t)	(g/t Au)	(000 oz Au)
Proven			
Nechí Alluvial Property.....	634,568	0.05	990
Hemco Property – Panama/Pioneer and Artisanal	302	5.29	51
Gualcamayo Property – Others (QDD Main, QDDL, Condor, Potenciales, AIM, Target D, Salamanca and Las Vacas)	2,845	1.55	142
Probable			
Nechí Alluvial Property.....	117,178	0.05	181
Hemco Property – Panama, Pioneer and Artisanal	1,600	3.71	191
Gualcamayo Property – Others (QDD Main, QDDL, Condor, Potenciales, AIM, Target D, Salamanca and Las Vacas)	440	2.29	32
Proven and Probable			
Nechí Alluvial Property	751,544	0.05	1,171
Hemco – Panama, Pioneer and Artisanal.....	1,902	3.96	242
Gualcamayo Property – Others (QDD Main, QDDL, Condor, Potenciales, AIM, Target D, Salamanca and Las Vacas)	3,285	1.65	174
Total Mineral Reserves	**756,731**	**0.07**	**1,587**

Mineral Reserve Reporting Notes:
(1) CIM (2014) definitions were followed for Mineral Reserves.
(2) Mineral Reserves are estimated using an average long-term gold price of US$1,500/oz.
(3) Numbers may not add due to rounding.

Nechí Alluvial Property – Colombia:

(1) The Nechí Alluvial Property Mineral Reserves have been expressed as tonnes by converting cubic metres to tonnes using a density factor of 2.0 t/m^3.
(2) Mineral Reserves are estimated at cut-off grades of 38 mg/m^3 for mining by bucket line dredges, 49 mg/m^3 for Brazilian suction dredge alluvials, 39 mg/m^3 for wheel cutter suction dredge alluvials, and 96 mg/m^3 for terrace alluvials.
(3) Mineral Reserves are estimated using an estimated gold price of US$1,500/oz Au.
(4) An exchange rate of COP$3,500.00 =US$1.00 was used.
(5) Gold grade includes some silver. Alluvial gold at Nechí is 890 fine for reserve estimation.
(6) A minimum alluvial mining depth of 12 m was used.
(7) A maximum alluvial mining depth of 30 m was used.

Hemco Property – Nicaragua:

(1) Mineral Reserves are estimated using drill hole and sample data and depleted for production through June 30, 2021.
(2) A minimum mining width of 0.9 m was used for shrinkage stoping and between 1.8 m and 2.0 m for mechanized mining methods.
(3) A marginal and break-even cut-off grade of 2.35 g/t Au and 2.85 g/t Au, respectively, were applied to shrinkage stope designs. Break even cut-off grades between 2.13 g/t Au and 2.64 g/t Au were applied to mechanized stope designs.
(4) Dilution skins of 0.25 m were applied to shrinkage stopes and between 0.6 m to 0.8 m to mechanized stopes. An extraction factor of 70% was applied to shrinkage stopes and between 75% and 90% to mechanized stopes.
(5) Mineral Reserves for the Toboba, Elefante, Neblina Main, and Neblina Sur orebodies were estimated using a 2019 Resource model. At the time of writing, while updated block models exist for the Elefante and Neblina Main orebodies an update to the Mineral Reserves was in progress.
(6) Mineral Reserves are estimated using an average long term gold price of US$1,500/oz Au, and an exchange rate of COP$3,650 = US$1.00 and NIO36.30 = US$1.00.

Gualcamayo Property – Argentina:

(1) Mineral Reserves are estimated using drill hole and sample data and depleted for production through June 30, 2021.
(2) Open pit Mineral Reserves are based on mine designs carried out on an updated resource model, applying a dilution and mining loss factor of 2% and 88%, 6% and 86%, and 5% and 91% at zero grade for the QDD Main, AIM, and Target D deposits, respectively. The following marginal cut-off grades were applied:
    (a) QDD - 0.32 g/t Au
    (b) Target D – 0.40 g/t Au
    (c) Magdalena – 0.52 g/t Au
    (d) Stockpiles – same cut-off grade as source material
(3) Stockpile Mineral Resources are based upon surveyed volumes supplemented by production data.
(4) Underground Mineral Reserves are based on mine designs carried out on an updated resource model. Stope dilution for QDD Lower and BPR was estimated through a sub-level caving (SLC) mixing model and averaged 24% and 10%, respectively. A dilution factor of 10% was applied to CE stopes and all development in ore.
(5) Mining recovery for QDD Lower and BPR stopes were estimated through the SLC mixing model and averaged 91% and 51%, respectively. The mining recovery at CE averaged 82%. An extraction of 90% was applied to all development in ore.
(6) A cut-off grade of 0.84 g/t Au was applied to the underground mine designs.
(7) Mineral Reserves are estimated using an average long term gold price of US$1,500/oz Au and exchange rates of COP$3,650 = US$1.00 and AR$135 = US$1.00.

The following table sets out the Company's Mineral Resources by Material Property as at June 30, 2021:

Mineros Mineral Resource Statement
Effective June 30, 2021

		Grade			Contained Metal		
Classification/Property	**Tonnes (000 t)**	**(g/t Au)**	**(g/t Ag)**	**(% Zn)**	**(000 oz Au)**	**(000 oz Ag)**	**(Mlb Zn)**
Measured							
Nechí Alluvial Property	1,020,000	0.04	-	-	1,175	-	-
Hemco Property – Porvenir Project, Leticia and San Antonio Deposits	550	2.29	12.85	2.39	41	228	29
Hemco Property – Panama Mine, Pioneer Mine and Artisanal Mining	20	3.09	-	-	2	2.25	-
Gualcamayo Property – DCP (Rodado)	-	-	-	-	-	-	-
Gualcamayo Property – Others (QDD Main, QDDL, Condor, Potenciales, AIM, Target D, Salamanca and Las Vacas)	12,131	0.9	-	-	352	-	-
Indicated							
Nechí Alluvial Property	36,000	0.03	-	-	36	-	-
Hemco Property – Porvenir Project, Leticia and San Antonio Deposits	8,957	2.89	10.66	2.78	832	3,070	549

		Grade			Contained Metal		
Classification/Property	**Tonnes (000 t)**	**(g/t Au)**	**(g/t Ag)**	**(% Zn)**	**(000 oz Au)**	**(000 oz Ag)**	**(Mlb Zn)**
Hemco Property – Panama Mine, Pioneer Mine and Artisanal Mining.....	2,364	4.45	-	-	338	121	-
Gualcamayo Property – DCP (Rodado).....	9,249	3.54	-	-	1,053	-	-
Gualcamayo Property – Others (QDD Main, QDDL, Condor, Potenciales, AIM, Target D, Salamanca and Las Vacas)	4,935	1.44	-	-	230	-	-
Measured and Indicated							
Nechí Alluvial Property.....	1,056,000	0.04	-	-	1,211	-	-
Hemco Property – Porvenir Project, Leticia and San Antonio Deposits.....	9,507	2.86	10.79	2.76	872	3,297	578
Hemco Property – Panama Mine, Pioneer Mine and Artisanal	2,384	4.43	-	-	340	123	-
Gualcamayo Property – DCP (Rodado).....	9,249	3.54	-	-	1,053	-	-
Gualcamayo Property – Others (QDD Main, QDDL, Condor, Potenciales, AIM, Target D, Salamanca and Las Vacas)	17,066	1.06	-	-	582	-	-
Total Measured and Indicated	**1,094,206**	**0.12**	**-**	**-**	**4,058**	**3,420**	**578**
Inferred							
Nechí Alluvial Property.....	-	-	-	-	-	-	-
Hemco Property – Porvenir Project, Leticia and San Antonio Deposits.....	4,171	2.88	10.58	2.23	386	1,420	205
Hemco Property – Panama Mine, Pioneer Mine and Artisanal Mining.....	3,404	4.39	-	-	480	258	-
Gualcamayo Property – DCP (Rodado).....	8,947	2.79	-	-	802	-	-
Gualcamayo – Others (QDD Main, QDDL, Condor, Potenciales, AIM, Target D, Salamanca and Las Vacas)	7,152	1.66	-	-	381	-	-
Total Inferred.....	**23,674**	**2.69**	**-**	**-**	**2,049**	**1,678**	**205**

Mineral Resource Reporting Notes:

(1) CIM (2014) definitions were followed for Mineral Resources.
(2) Mineral Resources are exclusive of Mineral Reserves.
(3) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
(4) Numbers may not add due to rounding.

Nechí Alluvial Property:

(1) The Nechí Mineral Resources have been expressed as tonnes by converting cubic metres to tonnes using a density factor of 2.0 t/m^3.
(2) Mineral Resources for 2021 at Nechí are estimated at a raw gold cut-off grade of 34 mg/m^3 for suction dredge plain alluvials, 85 mg/m^3 for terrace alluvials, 43 mg/m^3 for Brazilian dredge alluvials and dredge tailings.
(3) Mineral Resources are estimated using a gold price of US$1,700/oz Au and an exchange rate of COP$3,500 = US$1.00.
(4) Alluvial gold at Nechí is 890 fine for resource estimation.
(5) Resources are estimated to the depth of dredging and drill hole grade capping has been carried out at 290 mg/m^3.
(6) Average thickness of the resource pay gravel is 11.1 m. Average thickness of overburden is 12.0 m.

Hemco Property:

(1) Mineral Resources are estimated at a cut-off grade of 2.0 g/t Au for long hole stoping resource shapes and 2.52 g/t Au for shrinkage resource shapes, 3.0 g/t Au for artisanal areas, and an NSR cut-off value of US$70/t and US$84.60/t for Porvenir (sublevel stoping and shrinkage stoping, respectively), and US$73.3/t for Leticia, and San Antonio. Open pit material above the 850 ft Level at Panama was estimated using a cut-off grade of 1.8 g/t Au.
(2) Mineral Resources are estimated using a long term gold price of US$1,700 per ounce, a silver price of US$20 per ounce, and a zinc price of US$1.22 per pound.
(3) A minimum mining width of 0.9 m was used at Panama, and a 1.8 m for sublevel stoping. For Pioneer, a minimum mining width of 1.0 m was used for all veins except Lone Star, Pioneer Northeast, Pioneer Northeast Extension, and Pioneer 3 which used underground reporting shapes to demonstrate Reasonable Prospects for Eventual Economic Extraction. Porvenir used underground reporting shapes to demonstrate Reasonable Prospects for Eventual Economic Extraction.
(4) Bulk density is between 2.66 t/m^3 and 2.68 t/m^3 for Panama, between 2.65 t/m^3 and 2.92 t/m^3 for Porvenir, 2.68 t/m^3 for Pioneer, 2.72 t/m^3 for Leticia, 2.75 t/m^3 for San Antonio, and 2.7 t/m^3 for the artisanal areas.
(5) Material within 30 m of the topographic surface has been excluded from the Pioneer Mine and Porvenir Project Mineral Resources to allow for artisanal mining. This material is exclusive of the artisanal areas.

(6) Contained Ag ounces for the Panama Mine, Pioneer Mine and Artisanal subgroup as shown above are from Pioneer only. For the Ag grades corresponding to the contained Ag ounces, see Appendix "C".

Gualcamayo Property:

(1) Mineral Resources are estimated at cut-off grades between 0.20 g/t Au and 0.40 g/t Au for open pit and between 0.63 g/t Au and 1.85 g/t Au for underground.
(2) Open pit Mineral Resources are constrained within Whittle optimized pit shells.
(3) Mineral Resources are estimated using a long-term gold price of US$1,700 per ounce.
(4) Bulk densities range between 2.47 t/m^3 and 3.01 t/m^3 depending on the rock type.
(5) Bajo OP corresponds to small zones of mineralization below each of the Whittle optimized pit shells of the open pit Mineral Resources that may be amenable to underground mining techniques. These areas were defined using reporting shapes to ensure reasonable prospects for eventual economic extraction.
(6) The DCP is comprised of three areas Rodado, Feeders, and Santiago, and accounts for 65 % of the total of Measured and Indicated Resources and the long term future of the Gualcamayo Mine.

Gold Production

The following table summarizes the production from each of our Material Properties for the six months ended June 30, 2021, and the years ended December 31, 2020, 2019 and 2018:

	Six Months Ended June 30, 2021	Year Ended December 31		
		2020	2019	2018
Colombia (Nechí Alluvial Property)				
Ore Processed (m^3)	14,713,284	27,199,542	25,187,490	28,955,447
Grade (mg/m^3)(1)	86	89	75	97
Recovery (%)	72.20%	83.00%	89.00%	88.68%
Production (oz)(2)	40,520	76,725	70,510	97,473
Sales (oz)	40,520	76,725	70,510	97,473
Nicaragua (Hemco Property)				
Ore Processed (tonnes)	343,120	700,048	649,805	632,986
Grade (g/t)	6.34	6.15	6.92	6.04
Recovery (%)	89.00%	89.00%	88.00%	88.00%
Production (oz)	62,422	122,495	125,206	106,942
Sales (oz)	62,422	122,495	125,206	106,942
Argentina (Gualcamayo Property)				
Ore Processed (tonnes)	556,942	2,128,579	3,504,750	74,385
Grade (g/t)	1.20	1.47	1.23	1.47
Recovery (%)	68.00%	59.36%	61.52%	64.74%
Production (oz)	29,934	72,427	94,208	2,791
Sales (oz)	32,576	71,678	97,332	2,791

Notes:

(1) To convert (m^3) to (tonnes) use a density factor of 2.0 t/m^3. To convert (mg/m^3) to (g/t), divide by 2000.
(2) The Nechí Alluvial Property includes production from the La Ye underground mine of 17 koz (2018), 16 koz (2019), and 7 koz (2020). The La Ye underground mine was sold in 2020 and effective control of operations passed to the new owners on or about May 31, 2020.

Gold Production Outlook

The following table sets out actual segmented gold production for the year ended December 31, 2020 and production guidance for 2021 by country:

Country (principal mine)	2020 Actual (oz)	2021 Guidance (oz)
Colombia (Nechí Alluvial Property)	76,725(1)	68,000 - 74,000
Nicaragua (Hemco Property)	34,679	34,000 - 36,000
Argentina (Gualcamayo Property)	72,427	61,000 - 65,000
Total Company Mines	**183,831**	**163,000 - 175,000**
Nicaragua (Artisanal mining)	87,816	87,000 - 92,000
Total	271,647	250,000 - 267,000

Note:

(1) The Nechí Alluvial Property includes production from the La Ye underground mine of 7 koz (2020). The La Ye underground mine was sold in 2020 and effective control of operations passed to the new owners on or about May 31, 2020.

This guidance foresees the recovery of production in Colombia to historical levels, the maintenance of production levels in Nicaragua and a material decrease in production in Argentina according to new mining plans that seek to optimize costs.

Cost Outlook

The following table shows our cash costs and AISC results for the six month period ended June 30, 2021, and updated guidance for 2021:

	Cash Cost		AISC	
Country (principal mine)	**Period ended June 30, 2021 Actual (US$/oz)**	**2021 Guidance (US$/oz)**	**Period ended June 30, 2021 Actual (US$/oz)**	**2021 Guidance (US$/oz)**
Colombia (Nechí Alluvial Property)	982	1,090 - 1,170	1,072	1,200 - 1,285
Nicaragua (Hemco Property)	1,131	1,110 - 1,170	1,358	1,290 - 1,350
Argentina (Gualcamayo Property)	1,405	1,300 - 1,395	2,287	1,800 - 1,930
Consolidated (in $)	**1,127**	**1,151 - 1,225**	**1,513**	**1,390 - 1,473**

Sales

The following table summarizes the gross revenue of the Company for the six months ended June 30, 2021, and the fiscal years ended December 31, 2020, 2019 and 2018 based on information set out in the consolidated financial statements of the Company included in this prospectus. Dollar amounts are in thousands of U.S. dollars unless otherwise indicated:

	Six Months Ended June 30, 2021[1]	Year Ended December 31,		
		2020[2]	2019[3]	2018[4]
		(US$000)		
Gold				
Ounces Sold	135,518	270,898	293,048	207,206
Average Realized Price (US$/oz)	1,798	1,764	1,380	1,299
Silver				
Ounces Sold	176,546	298,088	325,644	231,478
Average Realized Price (US$/oz)	26	20	17	16
Revenues				
Gold	246,175	479,128	404,470	273,636
Silver	4,623	6,070	5,539	3,724
Sales of metal concentrates	**250,798**	**485,198**	**410,009**	**277,360**
Energy, Hedging and Other Revenues	3,043	103	1,352	(5,054)
Total	**253,841**	**485,301**	**411,361**	**272,306**

Notes:

(1) Based on the average exchange rate for January 1 to June 30, 2021 of COP$3,622.25 = US$1.00.
(2) Based on the average annual exchange rate for 2020 of COP$3,693.36 = US$1.00.
(3) Based on the average annual exchange rate for 2019 of COP$3,281.00 = US$1.00.
(4) Based on the average annual exchange rate for 2018 of COP$2,956.43 = US$1.00.

Exploration Programs and Drilling Results

Our exploration focus remains on the replacement of Mineral Resources and Mineral Reserves by completing further work at or near our current operating mines, at other growth projects, and at early-stage exploration targets on our under-explored property interests in Nicaragua, Argentina and Colombia and at our promising optioned exploration-stage project in Chile. We are executing our exploration and development plans through systematic exploration programs, which include surface geology, geologic cartography, geochemistry, geophysics and drilling. Strategic alliances with third parties, have also been essential for

the growth of our project portfolio. Our primary objective is to grow our Mineral Resources and Mineral Reserves in order to achieve annual production of 500 koz of gold by 2025.

Nicaragua

Mining has been a principal economic activity in the area surrounding the Hemco Property since 1880. To date, over five million ounces of gold are estimated to have been produced from the major mines located within the Mining Triangle.

In general, the geology of the area consists of Jurassic/Cretaceous marine sediments, Lower Tertiary intrusives, Lower-Middle Tertiary continental shelf sediments, Middle Tertiary volcanic and Quaternary sand and gravel deposits. Gold and copper mineralization of the Bonanza–Siuna–Rosita district is interpreted to be related to a Late Cretaceous to Paleocene island arc on oceanic (Siuna) to continental crust (Bonanza) that was part of the Caribbean arc. Bonanza lies on the northwest side of a 40 km diameter pseudo-gravity high (modeled from the magnetite component of the aeromagnetic survey) interpreted as a pluton. The Siuna and Rosita copper-gold deposits are also on the edges of this interpreted pluton and a genetic link may be inferred for the mineralization.

The main types of mineralization within the Hemco Property are volcanic-hosted gold-silver + copper, lead, zinc epithermal quartz veins, and gold-copper, copper-gold and iron + gold, copper deposits near the contact between limestone and intrusive rocks.

Panama Mine and Pioneer Mine Expansion Drilling

The Company is undertaking a 32,000 metre definition drilling program at the Panama Mine and Pioneer Mine, with expected completion in 2021, to upgrade Inferred Mineral Resources to Measured and Indicated Mineral Resources at or near current mining operations. As at June 30, 2021, the Company had completed 22,585 metres of drilling over 106 holes.

Porvenir Project

The Porvenir Project is located on the Hemco Property and is 100% owned by the Company. The gold-silver-zinc Porvenir Project, is one of Mineros' most advanced projects. Following the positive results of internal pre-feasibility work in 2019, a Feasibility Study was initiated in early 2019, and is expected to be completed by the end of the first quarter of 2022. The Feasibility Study will investigate whether the Porvenir Project merits development as a stand-alone operation.

The 37-hole, 10,441-metre infill drilling campaign completed in May 2020 was used to upgrade the Mineral Resource estimate at the Porvenir Project and convert Inferred Resources into Measured and Indicated Resources, to be used as a basis of the Feasibility Study. Over October 2020 and early 2021, the Company completed an additional 1,376 metre drilling program over 4 holes confirming that mineralization remains open at depth. The Company is confident that there is excellent potential to increase the resource base at the Porvenir Project with further drilling, as the deposit remains open at depth.

Potential for additional Mineral Resources at the Porvenir Project relates to persistent zinc and gold grades towards deeper levels of the deposit, and potential opportunities for economic recovery of copper grades by further processing test work. The Porvenir Project shows anomalous copper grades outside of the current Mineral Resources. The deposit has the potential to host additional copper and zinc mineralization at depth.

Luna Roja Exploration Target

The Luna Roja Exploration Target is a gold skarn exploration target located on the Hemco Property, approximately 26 km southeast of the Panama Mine in Nicaragua. On September 3, 2019, Royal Road declared the Luna Roja Exploration Target a "designated project area" under the Royal Road Nicaragua Alliance Agreement, constituting it a joint venture between Hemco and Royal Road. On May 1, 2020, the parties confirmed their agreement not to transfer the Luna Roja Exploration Target to defer the transfer of the Luna Roja Exploration Target concessions to a joint venture company, and agreed on certain other matters relating to the operation of the Luna Roja Exploration Target. On January 1, 2021, Hemco assumed operation of the Luna Roja Exploration Target from Royal Road and on May 21, 2021, Hemco completed the Luna Roja Acquisition, bringing its interest to 100%. See "*General Development and Business of the Company – History and Recent Developments – Luna Roja Acquisition*".

Prior to January 1, 2021, Royal Road, as operator, explored the Luna Roja Exploration Target using a combination of soil, grab, channel sampling, ground geophysics and diamond drilling.

In 2019, Royal Road and Hemco invested in total approximately $827,000 in exploring the Luna Roja Exploration Target, and completed a drilling program of 17 diamond drill holes totalling 2,472 metres in mid- to late-2019. Drilling identified broad zones of auriferous skarn to 150 metres depth and extending 400 metres northwest-southeast in artisanal mining activity area. The following table sets out selected significant intersections from this drilling program:

Luna Roja Exploration Target – Selected 2019 Drill Hole Intercepts[(1)(2)]

Drill Hole ID	From (m)	To (m)	Interval (m)	Au (ppm)
MC-DDH-003	36.05	85.05	49.00	2.8
Including	41.05	63.05	22.00	5.3
MC-DDH-005	145.05	168.05	23.00	2.1
MC-DDH-008	65.00	83.00	18.00	2.7
MC-DDH-011	12.00	57.00	45.00	1.1
MC-DDH-012	24.00	73.00	49.00	2.4
Including	55.00	73.00	18.00	5.4
MC-DDH-013	11.00	91.00	80.00	1.1
Including	47.00	57.00	10.00	2.8
MC-DDH-016	0.00	69.00	69.00	1.5
Including	29.00	44.00	15.00	2.5

Notes:
(1) The true width of the mineralized zone has not yet been determined.
(2) As publicly disclosed by Royal Road in its technical report titled "NI 43-101 Technical Report for The Luna Roja Property" effective June 5, 2020.

In the first quarter of 2020, Royal Road completed ground-based magnetic and microgravity surveys over the entire Luna Roja Exploration Target, which further defined drill targets. The gold in soil anomaly is characterized by a "grainy" magnetic (TMI RTP) signature with punctual highs and lows. Three-dimensional inverted gravity density data highlighted a discrete density low surrounded by a density high in the south portion of the property area which Royal Road interprets as a possible deeper, downthrown endoskarn and adjacent exoskarn bodies worthy of drill testing. Hemco invested approximately $1 million on the Luna Roja Exploration Target and the Caribe Exploration Target in 2020.

Between May and August 2020, Royal Road completed an expansion drilling program of 3,095 metres in 19 holes at the Luna Roja Exploration Target, aimed at locally extending known gold mineralization and exploring newly defined and deeper targets identified by ground microgravity surveys. Selected significant intersections from the 3,095 metre drilling program include:

Luna Roja Exploration Target – Selected 2020 Drill Hole Intercepts[(1)(2)]

Drill Hole ID	From (m)	To (m)	Interval (m)	Au (ppm)
LR-DDH-019	0.0	30.0	30.0	1.2
and	44.0	66.0	22.0	1.1
LR-DDH-022	90.0	155.0	65.0	6.9
including	93.0	133.0	41.0	10.0
LR-DDH-023	129.0	141.0	12.0	2.7
LR-DDH-024	0.0	13.0	13.0	1.2
and	91.0	94.0	3.0	1.6
LR-DDH-026	7.0	14.0	7.0	1.2
and	27.0	32.0	5.0	1.1
LR-DDH-029	107.0	125.0	18.0	1.0
and	175.0	177.0	2.0	2.5
LR-DDH-030	56.0	151.0	95.0	1.5
including	56.0	141.0	45.0	3.0
LR-DDH-033	0.0	34.0	34.0	0.8
LR-DDH-034	7.0	25.0	18.0	1.1
LR-DDH-036	9.0	73.0	64.0	1.3
including	42.0	57.0	15.0	2.9

Notes:
(1) The true width of the mineralized zone has not yet been determined.
(2) As publicly disclosed by Royal Road in its press release dated September 14, 2020, except for LR-DDH-036.

Although the Luna Roja Exploration Target is in the exploration stage and does not currently have established Mineral Resources or Mineral Reserves, the Company considers it an excellent prospect that merits further exploration work. In March 2021, the Company initiated a 7,000-metre drilling program to expand mineralization in depth and laterally, of which 1,932 metres had been completed as at June 30, 2021. Remaining drill holes will be completed by the end of 2021. The results and interpretations of this and other previous drilling programs are expected to support a Mineral Resource estimate to be completed in the first half of 2022. Selected significant intersections from the current 7,000 metre drilling program include:

Luna Roja Exploration Target – Selected 2021 Drill Hole Intercepts[(1)]

Drill Hole ID	From (m)	To (m)	Interval (m)	Au (ppm)
LRDDH_21_04	169.2	180.2	11.0	2.1
including	176	180	4.0	4.3
and	188	192	4.0	1.6
LRDDH_21_05	119	123.2	4.2	4.4
LRDDH_21_06	166.5	172.95	6.4	5.6
LRDDH_21_09	232.05	237.8	5.8	1.1

Notes:
(1) The true width of the mineralized zone has not yet been determined.

Caribe Exploration Target

The Caribe Exploration Target is a gold exploration target located on the Hemco Property, approximately 42 km southeast of the Panama Mine, and 26 km southeast of the Luna Roja Exploration Target, in Nicaragua. The Caribe Exploration Target is owned by Hemco and is held subject to the Royal Road Nicaragua Alliance Agreement. Royal Road is the operator of the Caribe Exploration Target. This target has not been designated a "designated project area" under the Royal Road Nicaragua Alliance Agreement. If this target is designated a "designated project area" under the Royal Road Nicaragua Alliance Agreement, the Caribe Exploration Target would be held subject to a joint venture under which each of Hemco and Royal Road would hold a 50% interest.

In February 2018, exploration targets at Caribe were identified by Royal Road during reconnaissance follow-up of airborne geophysical anomalies. In 2019, Royal Road and Hemco completed an initial 4-hole, 413 metre, exploratory drilling program at Caribe Exploration Target. Over 2020 and early 2021, Royal Road completed a total of 2,138 metres of drilling distributed over 16 holes. Results from the 2019-2020 drilling programs returned significant intersections including:

Caribe Exploration Target – Selected 2019-2020 Drill Hole Intercepts[(1)(2)(3)]

Drill Hole ID	From (m)	To (m)	Interval (m)	Au (ppm)
CB-DDH-001	2.00	30.00	28.00	1.1
including	4.00	11.00	7.00	2.3
and	14.00	17.00	3.00	2.0
and	23.00	28.00	5.00	1.4
CB-DDH-002	0.00	14.00	14.00	1.0
including	0.00	4.00	4.00	2.2
CB-DDH-004	13.00	31.00	18.00	1.0
including	13.00	17.00	4.00	1.5
CB-DDH-006	28.00	102.00	74.00	0.9
	129.00	143.00	14.00	1.0
CB-DDH-007	61.00	77.00	16.00	0.9
	84.00	89.00	5.00	1.1
CB-DDH-009	9.00	14.00	5.00	1.0
	37.00	82.00	45.00	1.0
	123.00	158.00	35.00	1.1
CB-DDH-010	0.00	42.00	42.00	0.9
CB-DDH-011	38.0	80.00	42.00	1.0
CB-DDH-015(3)	18.00	26.00	8.00	1.0
	53.00	62.00	9.00	1.0
CB-DDH-016(3)	49.00	149.45	100.45	1.0
CB-DDH-017(3)	51.00	141.00	90.00	1.0
CB-DDH-019(3)	0.00	35.00	35.00	1.0

Caribe Exploration Target – Selected 2019-2020 Drill Hole Intercepts[1][2][3]

Drill Hole ID	From (m)	To (m)	Interval (m)	Au (ppm)
	56.00	66.00	10.00	1.0
	79.00	82.00	3.00	2.1

Notes:
(1) The true width of the mineralized zone has not yet been determined.
(2) As publicly disclosed by Royal Road in its press release "Royal Road Reports Positive Follow-up Drilling Results from its Caribe Gold Discovery; Nicaragua", effective date November 10, 2020.
(3) Hole abandoned.

Approximately 5,000 metres of drilling are planned to be executed during 2021. As of June 30, 2021, results from this drilling program have returned the following significant results:

Caribe Exploration Target – 2021 Drill Hole Significant Intercepts[1][2][3][4]

Drill Hole ID	From (m)	To (m)	Interval (m)	Au (ppm)	Cu (%)	Mo (ppm)	Ag (ppm)
CB-DDH-021[5]	88.00	117.00	29	1.0			
	75.00	87.00	12	1.2			
CB-DDH-022	97.00	99.00	2	1.0			
	110.00	117.00	7	1.0			
	186.00	191.00	5	1.0			
CB-DDH-023	188.90	199.00	10.10	0.6	0.86	960	43

Notes:
(1) The true width of the mineralized zone has not yet been determined.
(2) As publicly disclosed by Royal Road in its press release titled "Royal Road Reports Further Positive Results From Exploratory Drilling At Its Caribe Gold Discovery; Nicaragua", effective June 22, 2021.
(3) Hole abandoned.

Drilling confirmed significant near surface intercepts of gold mineralization related to quartz-carbonate-adularia-pyrite stockwork veinlets hosted in volcanic units. Gold, copper, and molybdenum mineralization is almost exclusively hosted within a multi-phase breccia body, disseminated in the breccia matrix and within crosscutting quartz veinlets. The breccia body is interpreted to be a diatreme or fissure-controlled breccia. Fine free gold is associated with chalcopyrite and molybdenite with traces of bornite and covellite. Alteration is predominantly chlorite-sericite. The mineral and alteration assemblages imply a porphyry-style association and are interpreted to suggest a porphyry copper-gold target beneath or adjacent to the breccia body.

Multi-element analyses of drillhole geochemical data and the copper mineralization intersected in drill hole CB-DDH-023 are interpreted to imply a concealed copper and molybdenum (possibly porphyry style) mineralized system located outside the limits of the lower temperature gold mineralized halo.

Exploratory drilling is continuing at the Caribe Exploration Target. This includes soil sampling beneath the lateritic horizon by using a portable Rotary Air Blast/ Reverse Circulation (RAB/RC) drilling machine (being awaited) which allows to cover a wide area in a short period of time. The Company also intends to complete IP geophysics at the Caribe Exploration Target.

Argentina

Gualcamayo Property Expansion

Gold mineralization at the Gualcamayo Property is associated with mineralizing fluids dispersed into limestone aquifers along reactivated fault systems during intrusive emplacement. Three distinct mineralization types of economic interest occur in the Gualcamayo Property: sediment-hosted distal-disseminated gold (QDD), sulphide-bearing skarn deposits containing copper zinc and molybdenum with late-stage gold-arsenic mineralization (AIM), and porphyry style molybdenum mineralization.

Following its acquisition of the Gualcamayo Property in December 2018, Mineros developed an exploration plan to expand the current Mineral Resources, starting with district-wide surface sampling and mapping programs, and a geophysical survey over eight areas. Results from the 2019 exploration program confirmed the potential for economic mineralization in Sierras de Alaya, Las Vacas, Target D, Quebrada Perdida, San José, Salamanca, and Saltito targets all as more fully set out in the Gualcamayo Property Technical Report. Mineralization was identified in oxidized carbonate rocks and in non-carbonate rocks, returning gold values from grab samples of up to 36 g/t Au.

During 2019, exploration at the Gualcamayo Property focused on discovering and defining oxidized gold that is amenable to heap leaching in carbonate rocks near the Gualcamayo Mine. The Company also completed a greenfield exploration program at the Gualcamayo Property to identify new prospective targets, including geological mapping, geochemical sampling, geophysics surveys and 30,646 metres of drilling. Geochemical sampling included 3,564 rock chip samples around the nine targets. Results were between 0.005 ppm Au and 35.6 ppm Au, with an average of 0.25 ppm Au.

The geological mapping was completed at 1:2,000 and 1:1,000 scales around the nine prospect areas, totaling approximately 612 ha. In addition, the Company retained J. Horner, an international structural consultant, to complete a structural re-interpretation of the entire Gualcamayo Property. Geophysical surveys consisted in aerial magnetic acquisition with UAVs (drones) over nine blocks totaling 1,598 ha and 680 km of survey lines.

In 2020, the Company continued its 2019 exploration program, and began evaluating the Deep Carbonates Project, an undeveloped series of deposits below the existing oxide gold mineralization located to the southwest of the Gualcamayo Mine. Exploration and infill drilling is focused on targets close to the existing Gualcamayo Mine operations, with the aim of discovering new Mineral Resources and upgrading existing resource categories. The Company drilled 8,865 metres in areas close to the current mining operations (including QDDL and Santiago, a small area in the upper part of the Rodado deposit). A further 6,057 metres of drilling, 1,697 surface samples and 1,370 metres of trench sampling in 55 trenches was completed over regional scale targets.

In 2021, the Company plans to increase exploration work on the approximately 39,200 hectares of the Gualcamayo Property, including geology, geochemistry and geophysical work over regional scale targets with a view to identifying new mineralized zones, well as an 18,000-metre drill program at QDDL and Target D. Drilling is aimed at priority targets to upgrade Mineral Resources and also at generating further exploration targets. As at June 30, 2021, a total of 8,918 metres of drilling in 39 holes had been completed (in addition to the 1,085 metres drilled at DCP).

Deep Carbonates Project

The Deep Carbonates Project, comprised primarily of the Rodado deposit (but also includes other small mixed oxide-sulphide deposits such as the Santiago deposit, the Santiago Satellite deposits and Feeder deposit), accounts for a significant portion of the sulphide mineral resources at the Gualcamayo Property, but is not amenable to processing by heap leaching, which is the current processing method at the Gualcamayo Mine. Mineros is currently completing geotechnical and metallurgical test work, and a PEA to investigate mining and processing scenarios for the Deep Carbonates Project. The PEA is planned to be completed by the end of the end of the first quarter of 2022. It will analyze underground mining scenarios, and various alternatives for the treatment of refractory gold, mainly arsenopyrite. Alkaline leaching, calcination and albion processes are among the technologies being studied.

The Company completed a total of 2,127 metres of drilling at the Deep Carbonates Project during 2020. The results of this drilling will be used to update the Mineral Resource estimate for the Rodado deposit. Underground development of an exploration heading, serving as a platform to target the Rodado deposit has been ongoing during 2020, and was completed by the end of December 2020. A new 2,400-metre drilling campaign was initiated in the second quarter of 2021, of which 1,085 metres of drilling had been completed as at June 30, 2021.

Colombia

Nechí Regional Exploration

There are approximately 15,000 hectares of unexplored terrain located on the western banks of the Nechí River in Colombia. In 2020, Mineros drilled 45 holes for a total of 1,173 metres in this area, and 39 holes had grades above the suction dredge cut-off grades. The work was focused on estimating Mineral Resources in the alluvial plain amenable for suction dredges with positive results in an area of 50 hectares. In 2021, the Company plans to complete an additional 150 drill holes with a total length of 2,250 metres. Follow-up infill drilling will be carried out to define new Mineral Resources in 2022.

GNM Exploration Target

The GNM Exploration Target comprises two contiguous concession contracts and one concession application located in the Anza mining district, 50 km west of Medellín, which Royal Road acquired in 2019 from AngloGold Ashanti Limited, a publicly listed global gold producer. The Company has the option to acquire up to a 50% interest in the GNM Exploration Target pursuant to the Royal Road Colombia Alliance Agreement. On July 22, 2021, the Company exercised its first option and earned

a 25% interest in the GNM Exploration Target. See "*General Development and Business of the Company – History and Recent Developments – Option with Royal Road in Colombia*".

AngloGold Ashanti Limited commenced work on the project area in 2015 and completed two scout drilling campaigns comprising 8 drill holes for a total of 5,662 metres. The Guintär concession area covers an artisanal mining district with more than 50 known historical underground adits developed on steeply dipping east-west oriented gold mineralized vein structures.

Work completed at the GNM Exploration Target in 2020 included mapping, drilling and sampling on the Guintär-Niverengo concessions and its Margaritas concession application, all of which was 100% funded by Mineros pursuant to the Royal Road Colombia Alliance Agreement, and included an initial 1,179-metre diamond drilling program focused on the Niverengo title area. Based on results Royal Road plans to complete a further 3,000-metre drilling program which is expected to begin in the fourth quarter of 2021.

At Niverengo, gold mineralization is related to garnet, pyroxene and early pyrrhotite skarn alteration that recent geochemical vector studies have identified as being distal from what may be the primary gold source. This implies that further drilling should target deeper, probably intrusion-related, vein or breccia bodies identified in the study.

Work planned for the GNM Exploration Target in 2021 includes further field-based studies and detailed drill targeting at Guintär and Niverengo. Concurrently, Royal Road has applied to the Secretary of Mines in Antioquia for conversion of the Margaritas application to an exploration-stage concession contract prior to drilling targets in the GNM Exploration Target in 2021. A public hearing, being one of the steps required to secure this approval, was held on May 27, 2021. The Margaritas mining concession contract was signed in August 19, 2021 and the Company expects the mining registration to be completed by the end of 2021.

Chile

La Pepa Project

The La Pepa Project is located in Atacama Region III, Chile, approximately 800 km north of Santiago, at 4,200 metres above sea level, in the Andes mountain range, approximately 110 km east of the city of Copiapó, in the Maricunga Gold Belt of the Atacama Region, which is known worldwide for its geological anomalies that contain important gold, copper, lithium, and other mineral deposits. It is 100% owned by Minera Cavancha, a company currently 100% owned by Yamana, and which is intended to be the joint venture company in accordance with the La Pepa Option Agreement.

Pursuant to the La Pepa Option Agreement, the Company was entitled to earn an initial 20% interest in the La Pepa Project by incurring an aggregate of $5.0 million in qualifying expenditures and delivering a notice of exercise to Yamana and Minera Cavancha within a two-year period from July 2, 2019, the effective date of the La Pepa Option Agreement. To earn the additional 31% interest, the Company must (i) deliver notice of its intention to proceed with its second option concurrently with its notice of exercise of the first option, failing which the second option will expire, (ii) incur an additional $15 million of qualifying expenditures on the La Pepa Project, including expenditures directed toward the completion of a NI 43-101 compliant Feasibility Study, and deliver a notice of exercise of the second option within two years of its exercise of the first option; and (iii) pay $5 million in cash to Yamana. If the Company exercises its option to earn a 51% interest, the Company may acquire the remaining 49% interest at fair market value, which will be determined pursuant to an agreed-upon formula and to be calculated by independent valuators. The Company is the operator under the La Pepa Option Agreement.

In accordance with the terms of the La Pepa Option Agreement, on June 25, 2021, the Company exercised its first option and earned a 20% beneficial interest in the La Pepa Project. Concurrently with the exercise of its first option, the Company also provided Yamana notice of its intention to proceed with its second option. The transfer to Mineros of its 20% interest in Minera Cavancha and the concurrent execution of the La Pepa Shareholders Agreement are expected to be completed by the end of 2021. Minera Cavancha is the joint venture entity under the La Pepa Shareholders Agreement.

As at June 30, 2021, the Company had incurred an aggregate of approximately $6.98 million of which approximately $5.49 million has been confirmed as qualifying expenditures under the La Pepa Option Agreement.

The Company is focused on the exploration of a telescoped porphyry-style gold system at the La Pepa Project, which is similar to several other gold systems in the Maricunga Gold Belt. There are two styles of auriferous mineralization on the La Pepa Project. The first corresponds to gold disseminated in stockwork of quartz-magnetite ± pyrite of the porphyry gold–copper type, hosted in the Cavancha deposit. This style of mineralization is the focus of present exploration efforts on the property. The

second type consists of structures associated with high-sulphidation epithermal replacement veins, which are commonly called "ledges". The auriferous mineralization in the dacite subvolcanic rocks is associated with a system of quartz veins in the form of stockworks or subparallel sheeted veins.

In a Yamana press release dated February 11, 2021, at a 0.3 g/t Au cut-off grade for potential open pit resources, the measured and indicated resources of the La Pepa Project as of December 31, 2020 contained 2,760,000 ounces of gold in 149,432,000 tonnes at an average grade of approximately 0.57 g/t Au and a further 620,000 ounces of gold hosted in 37,900,000 tonnes of inferred resources grading 0.5 g/t Au. The estimate was prepared in accordance with CIM definitions standards. Mineros is in the process of completing further work in order to update the Mineral Resource estimate that will incorporate the new drilling results together with a PEA, in coordination with Yamana, by the end of the first quarter of 2022.

During 2019, the Company performed detailed surface mapping on 7.6 km^2 of remapping, drilling and geophysical surveys. The drilling program was finished in June 2020. This compilation exercise generated drilling targets and helped to update the geological model.

Between late 2019 and early 2020, a 6,400-metre drilling program was completed in 18 holes with the objective of expanding the La Pepa Project porphyry resources in the western sector. Mineros envisages the La Pepa Project being developed as an open pit mining and heap leaching operation.

The drilling campaign showed mineralized intervals in all of the holes drilled and verified the lateral continuity to the west of the Sulfur fault and possible expansion of the deposit at depth. Highlights of the 2019-2020 drilling program at the La Pepa Project are as follows:

La Pepa Project – Selected Drill Hole Intercepts[(1)]

Drill Hole ID	From (m)	To (m)	Length (m)	Au (ppm)	Ag (ppm)	Cu (ppm)	Mo (ppm)
CAVRC_19_001	2	404	402	1.03	0.39	797	45.3
			Includes:	*40 m @ 2.33 g/t Au (22 to 62 m)*			
				76 m @ 1.45 g/t Au (246 to 322 m)			
				56 m @ 1.2 g/t Au (352 to 404 m)			
CAVRC_19_002	132	352	220	0.62	0.36	795	33.35
CAVRC_19_003	70	294	224	0.60	0.3	647	20.81
			Includes:	*18 m @ 1.09 g/t Au (132 to 134 m)*			
				30 m @ 0.81 g/t Au (214 to 244 m)			
CAVRC_19_004	88	300	212	0.52	0.29	626	19.36
CAVRC_19_005	168	350	182	0.43	0.21	463	26.7
CAVRC_20_006	40	348	308	0.47	0.54	745	14.33
			Includes:	*18 m @ 1.72 g/t Au (60 to 78 m)*			
CAVRC_19_007	208	350	142	0.58	0.30	391	31.74
CAVRC_19_008	256	400	144	0.52	0.31	670	32.12
CAVRC_19_008	8	40	32	0.52	0.88	350	14.00
	64	136	72	0.48	0.66	273	14.78
CAVRC_19_011	226	450	224	0.59	0.25	697	42.81
CAVRC_19_012	154	182	28	0.63	0.31	449	9.83
	348	410	62	0.58	0.42	761	34.47
CAVRC_19_013	74	400	326	0.46	0.25	481	13.78
CAVRC_19_014	106	230	124	0.44	0.55	789	5.97
CAVRC_19_015	34	132	132	0.46	0.74	705	11.52
	238	32		0.50	0.58	513	39.51
CAVRC_19_017	70	170	170	0.49	0.62	808	10.13

Note:
(1) The true width of the mineralized zone has not yet been determined.

Sales and Marketing

The Company has entered into agreements for the secure transportation, refining, and sale of gold produced from its Material Properties on customary commercial terms. Under such contracts, a refiner generally credits refined gold to the Company's

account when it becomes available for sale. Refined gold production is subject to any hedging contracts that are in place, sold at spot prices or on a forward sales basis, with the proceeds from these sales credited to the Company's account upon delivery of the gold to the counterparty. The Company has stable, long-term relationships with its customers. However, there are many gold purchasers worldwide and, as a result, the Company is not dependent upon sales to any one customer. See "*Financial Instruments and Risks – Market Risk*" in the Company's MD&A for more information on hedging operations.

Competition

Our primary business is to produce and sell gold. Prices are determined by world markets over which the Company has no influence or control. Our competitive position is primarily determined by our costs compared to other producers throughout the world. Our gold production operations are diverse, and span one Central and two South American countries. Our diversity of geography and production enables us to maintain financial integrity and performance through metal price cycles and changes in local political and market conditions, representing a competitive advantage compared with producers who may rely on more concentrated operations. Costs are governed to a large extent by the grade, nature and location of our Mineral Reserves, as well as by input costs and the level of operating and management skill employed in the production process.

In contrast with diversified mining companies, the Company primarily focuses on gold production, development and exploration, and is therefore subject to unique competitive advantages and disadvantages related to the price of gold and, to a lesser extent, the price of its metal by-products. If gold prices increase, the Company will be in a relatively stronger competitive position than diversified mining companies that produce, develop and explore for other minerals in addition to gold. Conversely, if gold prices decrease, the Company will be at a competitive disadvantage to diversified mining companies.

The mining industry is competitive, particularly in the acquisition of additional Mineral Reserves and Mineral Resources in all phases of operation, and the Company competes with many companies possessing similar or greater financial and technical resources. The Company also competes with other mining companies and other third parties over sourcing raw materials, equipment and supplies in connection with its production, development and exploration operations, as well as for skilled and experienced personnel and transportation capacity. See "*Risk Factors –Risks Related to our Business and Industry – The mining industry is intensely competitive*".

Specialized Skills and Knowledge

The nature of the Company's business requires specialized skills, knowledge and technical expertise in the areas of geology, engineering, mine planning, mine operations, metallurgical processing, and environmental compliance. In addition to the specialized skills listed above, the Company also relies on staff members, contractors and consultants with specialized knowledge of logistics and operations at our properties and local community relations. To date, the Company has been able to meet its staffing requirements.

Employees

As at June 30, 2021, the Company and its subsidiaries employed a total of 3,155 employees. Of these totals, 998 employees are in Colombia, 681 in Argentina and 1,476 in Nicaragua. Of our employees in Colombia 493are unionized, in Argentina 570 are unionized and in Nicaragua 991 are unionized.

Operations in Emerging Markets

Mineros is a Colombian company, and its Material Properties are located in Colombia, Argentina and Nicaragua, with gold exploration operations in Chile. The Material Properties accounted for 99% of the Company's revenue during the period ended June 30, 2021, and represented approximately 97% of its assets as at June 30, 2021. Accordingly, the Company is entirely dependent on its operations for the exploration and development of gold properties and for the production of gold.

Colombia

Colombia has a developing economy that typically experiences periods of political and social economic instability. Colombia has recently experienced social, political and economical issues that have resulted in institutional instability. It is possible that such institutional instability could cause an economic contraction in the future. As a result of Colombia's political instability changes to regulations and governmental institutions could occur over the mid to long term. Additionally, Colombia has experienced social protests with regards to social, political, and economic issues including, but not limited to education, healthcare and unemployment. It is probable Colombia will be subject to additional social protests in the near future.

Colombia is a mining-friendly jurisdiction with a long history of mining and an experienced labour force and is a member of the Multilateral Investment Guarantee Agency. The Multilateral Investment Guarantee Agency (MIGA) is a member of the World Bank Group and has as its mandate to promote cross-border investment in developing countries by providing guarantees (political risk insurance and credit enhancement) to investors and lenders.

All of the Company's operating costs in Colombia are denominated in Colombian pesos while the gold it produces is sold in U.S. dollars, which positions the Company favourably given the recent strengthening of the U.S. dollar relative to the Colombian peso. As at the date of this prospectus, the Company has hedged its exposure to Colombian peso/U.S. dollar exchange rate fluctuations via Colombian peso/U.S. dollar option contracts: $7 million per month from November 2020 to December 2020, $5 million per month from January 2021 to March 2021, $3 million per month from April 2021 to September 2021, and $1.5 million per month from October 2021 to December 2021. This represents approximately 50% or less of the expected cash flow needs of the Company in Colombian pesos on a monthly basis. See "*Risk Factors –Risks Related to our Business and Industry – Currency fluctuations can result in unanticipated losses*".

Argentina

Argentina is a developing economy that has experienced political and social economic instability in its recent past. In 2001 and 2002, Argentina suffered a major political, economic and social crisis, which resulted in institutional instability and a severe contraction of the economy with significant increases in unemployment and poverty rates. Among other consequences, the crisis caused a large currency devaluation and led to the Argentine government defaulting on its external debt. In response, the Argentine government implemented a series of emergency measures, including strict foreign exchange restrictions and monthly limits on bank withdrawals, which affected public companies and other sectors of the Argentine economy. The Argentine economy experienced a recovery following the 2001 – 2002 crisis. Since 2008, however, it has struggled to curb strong inflationary pressures and, since 2012 growth has stagnated. During the first half of 2018, the Argentine economy entered into an acute economic recession, which deepened in 2019, with a sharp decrease in international reserves, a strong loss in the value of the peso vis-à-vis the U.S. dollar, high inflation and unemployment rates and an increase in poverty and extreme poverty rates. Against this economic backdrop, in December 2019, the Argentine congress enacted legislation declaring a state of public emergency until December 31, 2020, in economic, financial, fiscal, administrative, pensions, tariff, energy, health and social matters. Among other things, this legislation established a fixed cap of 8% to export duties applicable to mining products. In September 2019, the Central Bank of Argentina once again imposed restrictions on foreign exchange transactions in Argentina, which have been amended from time to time during 2019, 2020, and 2021. To mitigate the effects of such foreign currency exchange restriction, the Company limits any cash or financial assets held in Argentina to what is strictly required to maintain operations.

To date, the Company has not repatriated any earnings from Argentina and does not expect to do so in the future until such time as there is a significant increase in production and a resulting increase in cash flow from operations. It is the intention of the Company to continue re-investing in Argentina in order to develop the Deep Carbonates Project upon receipt of a positive result from a Feasibility Study. See "*Risk Factors – Risks Related to the Company's Operations in Argentina*".

Notwithstanding the significant uncertainty over the years, the core of the Argentine legal framework surrounding mining has remained stable. Argentina's federal government has established policies to: (i) regulate mining and support the development of the mining sector, (ii) promote stability and legal security for mining projects, and (iii) promote national and foreign private investment in the mining sector. The Argentine provinces, on the other hand, vary in their level of support for the mining industry. Of all the provinces in Argentina, San Juan Province has been consistently supportive of the mining industry, allowing development thereof in its different stages without imposing prohibitions and, generally speaking, approving development of new activities upon fulfilment of applicable requirements and obligations. Historically favourable to mining, La Rioja Province went through a period of total lack of social and political support for mining which included the issuance of regulations prohibiting open pit mining, prohibitions on the use of cyanide and other contaminants and imposing binding public consultation in respect of the development of certain projects. Although such regulations were later repealed, there is still a reasonable degree of uncertainty regarding the possibility of developing large-scale mining in La Rioja (particularly open pit mining and/or with the use of cyanide and other chemicals), particularly in the regions of Famatina and Chilecito, which were and still are the main focus of anti-mining activity. Since the acquisition of the Gualcamayo Property in December 2018, the Company has encountered a favourable climate for mining and has not encountered significant issues at the operations level.

Argentina has a non-discrimination principle regarding the nationality of individuals or entities that own or seek to acquire mineral rights. Tight capital controls have kept the peso relatively stable in the formal market, but the recent strengthening of the U.S. dollar relative to the Argentinian peso is favorable as the Company's operating expenses are denominated in Argentinian Pesos. As at the date of this prospectus, the Company has not hedged its exposure to Argentinian peso/U.S. dollar

exchange rate fluctuations and is therefore exposed to currency fluctuation risks. See "*Risk Factors – Risks Related to our Business and Industry – Currency fluctuations can result in unanticipated losses*".

Nicaragua

Nicaragua is the largest country in Central America, with a land area of 130,375 km^2 and having a population of approximately 6.4 million people. It is bordered by Honduras to the north and Costa Rica to the south. The capital city is Managua. Nicaragua has been an independent country since 1821, and has a small economy and a young democracy. The President is the head of state and of a multi-party system. The industrial mining sector formally employed approximately 3,531 people in the first quarter of 2020 (Source: MEM (Nicaragua)). There are in addition several thousand people engaged in artisanal and small-scale mining.

Following the country's mining history and due to the importance of this sector, the government has encouraged foreign investment in the industry. Through MEM (Nicaragua), the government is promoting foreign investment by facilitating the development of mining projects. Mining of metals is focussed on precious metals: 72,459.65 troy ounces of gold were produced in Nicaragua in the first quarter of 2020, and 179,420.60 troy ounces of silver were produced from industrial mines. The average annual output for each metal over the years 2012 to 2017 was 252,000 ounces of gold and 508,000 ounces of silver. (Source: MEM (Nicaragua). Gold is one of Nicaragua's top three export products. According to the export regulator CETREX (*Centro de Trámites de las Exportaciones*), gold exports were 19,157 kg (in doré) during 2020, compared to 20,546 kg in the same period of 2019. The Central Bank of Nicaragua follows a crawling peg framework of the Nicaraguan córdoba against the U.S. dollar by which a gradual devaluation is allowed and set at approximately 3% per year. As such, the U.S. dollar relative to the Nicaraguan córdoba is favorable as the Company's operating expenses are denominated in Nicaraguan córdobas. As at the date of this prospectus, the Company has not hedged its exposure to Nicaraguan córdoba/U.S. dollar exchange rate fluctuations and is therefore exposed to currency fluctuation risks. See "*Risk Factors – Risks Related to our Business and Industry – Currency fluctuations can result in unanticipated losses*".

The Company has encountered a favourable political and economic climate over the time in which it has been engaged in operations in Nicaragua.

Corporate and Regulatory Controls

There are risks inherent in the corporate structure of the Company and its subsidiaries that are typical for issuers who hold material assets and property interests in foreign jurisdictions indirectly, through foreign subsidiaries. The Company's business and operations are exposed to various levels of political, economic and other risks and uncertainties associated with being a Colombian company in foreign jurisdictions, such as difference in laws, business cultures and practices, banking systems, and internal control over financial reporting. For a description of risks associated with the Company's operations in each of these jurisdictions, please see "*Risk Factors*".

The Audit and Risk Committee is responsible for overseeing and managing the risks to which the Company is exposed, including financial and non-financial risks of its operations, and keeping the Board informed about the application of the Company's risk policy. The Audit and Risk Committee reviews and submits to the Board the risk policy, assesses its effectiveness and proposes the mechanisms for its improvement. Additionally, the Audit and Risk Committee is responsible for overseeing financial reporting and related internal controls, evaluating accounting procedures, overseeing internal and external audits and, in general, reviewing the Company's internal control architecture, including auditing the Company's risk management system and assisting the Board of Directors in fulfilling its oversight responsibilities in relation to risk management.

Management of the Company exercises control over the Company's subsidiaries through (i) the Company's ownership of shares that effectively allow the Company to appoint and remove its subsidiaries' directors and officers; (ii) establishing in its subsidiaries' bylaws all necessary limitations and restrictions on the powers of the local officers to ensure alignment with the Mineros Policies and consistency in management of operations; (iii) directing directors and officers of our subsidiaries to pursue the Company's business activities; (iv) adopting and monitoring compliance with internal policies that require directors and officers of our subsidiaries to comply with their fiduciary obligations to Mineros as parent company; and (v) enforcing such rights by way of available shareholder remedies. As a result, senior management of the Company can effectively align the Company's business objectives and effect the implementation of same at the subsidiary level.

The Company has the ability to remove and appoint directors, officers, and legal representatives of its subsidiaries through the shareholders or board of directors meetings of such entities, as applicable. The Board and President through the Company's

corporate governance practices, regularly receive management and technical updates and progress reports in respect of our properties and in so doing, are able to maintain effective oversight of our operations and project development activities. The Board is able to cause our subsidiaries to transfer funds and accomplish the various operating aspects of the business by way of its ability to exert effective control over each such entity as discussed above. No money can be transferred without complying with our internal policies (*política de pagos y atribuciones*). Payments are required to be approved by different officers depending on the amounts of the payments. The Board is not restricted in accessing minute books and corporate records and documents of Mineros or any of its subsidiaries.

The Company has adopted an Anti-Corruption Policy, which requires that directors, officers, employees, contractors and consultants of the Company conduct business in a manner that does not contravene local and international anti-bribery and anti-corruption laws that apply to the Company and includes policies on gifts, donations and sponsorships, as well as whistleblower protection, managing conflicts of interest and third party due diligence as these relate to bribery and corruption. Anti-bribery and anti-corruption training is carried out regularly and is part of new employee onboarding, with a specific focus on training of personnel conducting procurement, distribution or other activities with public entities based on the employee's country of work.

The Ethics Committee, which is an internal committee of the Company, is comprised of the President of Mineros, the Secretary General (Chair), Vice Presidents or representatives of each jurisdiction, on an as needed basis according to the complaints presented, if any, and the Internal Auditor (with participation privileges but no voting rights). In addition to the permanent Members, the Company's Head of Compliance shall participate in meetings of the Ethics Committee and act as secretary. The Ethics Committee is responsible for, among other things, the following: (i) disseminating the Company's ethics and conduct principles; (ii) applying applicable sanctions if the Code of Ethics and/or other policies that have been infringed, and (iii) ensuring the confidentiality of investigations and whistleblower protection. The Board, through the Audit and Risk Committee, monitors and oversees compliance of the Code of Ethics.

Management Experience

The Company has been conducting business in Colombia since 1974, in Nicaragua since 2013, and in Argentina since the end of 2018. All of the Company's officers have experience conducting business in markets across Central and South America. While most of the Company's officers are Colombian, the Chief Financial Officer of the Company spent five years leading the financial team in Nicaragua prior to returning to Colombia and has experience working in publicly traded multinational companies in the USA and UK; the Vice President, Nicaragua has been in his role since 2016 and has over 30 years of experience in the mining sector; the Vice President, Colombia has worked for the Company for 16 years and is known as an expert in alluvial mining in Colombia; the Vice President, Argentina has worked both in Colombia and Nicaragua and has over 26 years of experience in the mining sector; the Vice President, Corporate Development is Chilean and has significant experience in mining, both globally and within the Americas, having previously worked for Barrick Gold Corporation, Goldcorp Inc., and Kinross Gold Corporation among others; and the General Counsel and Corporate Secretary has over 12 years experience in the gold sector and has worked in Colombia, UK and South Korea. For more information, see "*Directors and Executive Officers – Director and Executive Officer Profiles*". The Company has contracted an external consultant with knowledge of the Canadian capital markets and financial regulations as a deputy controller.

The Company's officers are frequently updated in respect of new developments in the various legal regimes that pertain to and affect the Company's business and operations. The Company has also retained competent managers and in-house and external legal teams in each of the jurisdictions in which it operates. Any material developments or issues are also promptly discussed with the Board. Additionally, directors and officers of the Company attend seminars and presentations from time to time provided by legal and accounting firms on developments in each of the countries in which we operate. The directors and officers also work closely with the Company's local counsel, the officers of our subsidiaries, and local consulting staff to understand and subsequently adjust the Company's strategies and practices in connection with changes in local laws and regulatory regimes.

Local Operations

The majority of Mineros' directors and officers reside in Colombia, and are able to directly interact with the Company's employees, personnel, contractors, and customers. The Company relies on the expertise and advice of local counsel in the locations where the company operates. In addition, the Company engages local experts and professionals (i.e. accounting and tax consultants) to advise the Company with respect to current and new regulations in respect of banking, financial and tax matters in the jurisdictions in which it operates. The Company is advised by large, established and well-recognized financial advisors. The fact that the Company and its subsidiaries have some common directors and officers also facilitates knowledge sharing in these areas.

The Company arranges for meetings with local management on a regular basis. Country Vice Presidents live near our operations or have easy access to them. They meet with their local teams on an ongoing basis either in person or electronically. The country Vice-Presidents also meet with the Company's consultants and other local officials and service providers, as deemed appropriate. New directors were added to the Board in 2020 and given the COVID-19 pandemic travel restrictions, four of the new directors have not visited the Material Properties, but have plans to do so as travel restrictions ease. All directors attend corporate presentations outlining the Company's activities, operations and applicable laws, among other matters. All of the Company's officers have visited the Material Properties. The Board prefers to hold meetings in person but due to COVID-19 travel restrictions, the majority of such meetings have been held electronically in 2020 and 2021. The Company's officers visit the Company's operations at least once annually, and in some cases multiple times per year, as operations and their respective responsibilities require.

Title to Properties

In connection with the Offering, the Company has obtained title opinions from qualified counsel in each jurisdiction in respect of its interests in the Material Properties and related mineral rights, each of which confirms the Company's (or one of its subsidiaries' as set out herein) interests in the Material Properties. In addition, prior to the acquisition of any material asset, the Company conducts due diligence, including searches through public registries, correspondence with governmental authorities, site visits, and review of applicable contracts, permits and authorizations, with the assistance of local counsel and other advisors and consultants. Where applicable, the Company negotiates appropriate representations and warranties and indemnities from vendors of material assets acquired by it, and maintains adequate insurance to protect against customary risks of loss.

Impact of COVID-19

The Company has actively responded to the global COVID-19 pandemic. The Company activated its crisis response team in the early phases of the COVID-19 outbreak, the members of which are the senior executives and operational leaders, to ensure that it was in a position to take quick and decisive action in what remains a fluid and fast-moving environment. Although Argentina temporarily closed its borders, this had no impact in operations. Some of the decisions and actions undertaken include:

- Temporarily restricting all employee travel and shifting to remote work arrangements at corporate and regional offices.
- Restricting visitors to the Company's mines.
- Increasing screening procedures, including questionnaires, temperature checks and in some cases rapid testing.
- Mandating social distancing, including staggering meal times and shift changeovers to minimize the flow of people and facilitate rigorous social distancing.
- Increasing cleaning and disinfecting procedures at all mines and offices.
- Regularly communicating with medical experts and government authorities in every country where the Company operates to ensure it has the proper precautions in place to protect the health and safety of its employees, families, and communities.
- Regularly and actively discussing with employees and union representatives to ensure they have input into health and safety precautions being implemented and that these measures and their underlying rationale are well understood.
- Establishing preventive quarantine measures for those exhibiting flu-like symptoms as well as workers considered high-risk (including their immediate family members) with certain pre-existing conditions by placing them on leave.
- Developing the "Good Neighbor and Wellbeing for All Plan" which comprises: (i) providing aid to host communities in combating the COVID-19 pandemic through various donations and support to local governments and authorities; (ii) supplying food and hygiene products, including bottled water, to areas with restricted access to drinking water; (iii) employing local workshops for the manufacturing of personal protection equipment, such as masks; and (iv) sponsoring prevention campaigns, and providing support to local health clinics.
- Strictly following recommendations made by the World Health Organization and government authorities.
- Continuing our communication campaigns, which include self-care, protection and self-diagnostic messages.

There have been confirmed cases of COVID-19 at each of our Material Properties. The affected individuals and those who have been in contact with them have all self-isolated according to local protocols and the Company's operations otherwise remain unaffected. If at any point the Company determines that continuing operations poses an increased risk to its workforce or local communities, the Company will reduce operational activities up to and including care and maintenance and management of critical environmental systems.

Business Language

The business language in each of the jurisdictions in Central and South America in which the Company has operations is Spanish. It is intended that any advisors to the Company will be fluent in English and Spanish. The primary language used in meetings of management is Spanish and simultaneous translation in English and Spanish is used for the Board. Material documents relating to the Company are provided to the Board in Spanish and are translated to English for the benefit of the Board. The Company has not to date experienced and does not anticipate experiencing communication related issues in connection with its operations. Numerous service providers and consultants under the Company's employ are fluent in Spanish and English and assist the Company as required. The Company will, from time to time, re-evaluate whether a formal communication policy is necessary.

Additionally, the Company has a Corporate Disclosure Policy, which regulates the disclosure of material financial and non-financial information of the Company by the Company to the shareholders and the securities market in general, so that they are kept informed of all material information relating to the Company and have sufficient information to make decisions in an informed manner. Pursuant to the policy, the Director of Corporate Communications of the Company will be responsible for posting all material information on Mineros' website in Spanish and, for so long as Mineros is a reporting issuer in Canada, in English, including without limitation, all of the Mineros Policies.

Health, Safety, Environment and Community

The Company is conscious that organizations are sustainable only to the extent they have an overall positive impact on the environment and they help to advance the regions in which they operate. The Company is committed to generating well-being for everyone it impacts, working ethically, prioritizing the health and safety of its employees, caring for the environment, strengthening our social management and promoting a constructive and transparent dialogue with its stakeholders.

To this end, in June 2021, the Company adopted the Corporate Sustainability Policy addressing matters relating to health and safety, the environment, social responsibility and stakeholder relations. The Corporate Sustainability Policy's objective is to establish the guidelines according to which Mineros will conduct its business in a sustainable, safe and environmentally friendly manner, with the highest standards of social responsibility and respect for human rights, as well as how it will relate to its stakeholders.

Health and Safety

The Company places great emphasis on providing a safe and secure working environment for all its employees, contractors and consultants.

All of the Company's operations work hard at creating a culture of safety, placing a high level of importance on self care, safety beliefs and everyday attitudes.

The Company's operations in Colombia and Argentina are OHSAS 18001 certified. In Nicaragua, Hemco has implemented an Occupational Safety and Health Management System (SG-SST or Sistema de Gestión – Seguridad y Salud en el Trabajo), based on the OHSAS 18001 standard and it is expecting to certify its safety management at an ISO 45001 standard in the next six to twelve months.

The Company's occupational health and safety training program for employees in Colombia, addresses electrical, mechanical, work on heights, hazardous energy, integral care, chemical product handling, personal protective equipment, load hoisting, emergency control, health and safety management system, and system responsibility risks. In Nicaragua, the Company started a program entitled "Life", with a stronger approach to creating a culture of safety. The program focuses on training and providing new technical and human skills to employees, through a leaders' formation program. Training sessions are related to workplace risk factors (physical, chemical, biological, ergonomic) and their controls, high-risk work, technical training, and emergencies to exposed employees. These trainings are conducted annually and are followed by evaluations to confirm that training has been effectively conveyed to and understood by the employees. In Argentina, training sessions deal with hazards, risks, controls, hazardous chemical products, defensive handling, energy control and blocking, equipment safe operation, working at heights and in confined spaces, explosives handling, and flammable material, among others.

The Company is continually measuring both the lost time injuries (i.e. any injury sustained by an employee while on the job that prevents them from being able to perform their job for at least one day/shift, referred to as LTIs) as well as the LTI frequency rate (LTIFR), being number of LTIs that occurred during the relevant annual reporting period. In addition, the

Company also monitors the total recordable injury frequency rate (TRIFR) which measures the Company's past safety performance by calculating the number of recordable incidents per 100 full-time workers during a one-year period (TRIFR). As a group, the TRFIR for 2020 was 1.28 (2019: 2.7) and the LTI was 0.24 (2019: 0.67). Despite year over year improvements in our TRIFR and LTI indicators, one fatal accident occurred at operations in Argentina in July 2021.

Social License and Human Rights

We are committed to contributing to the social development of local communities and countries in which we operate, with a view to enhancing well-being and improving quality of life. We invest in infrastructure, facilities and services that help meet each community's basic needs relating to public health, utilities, education, clean drinking water, waste treatment and disposal, infrastructure, and access to recreational and cultural facilities. We carry out our activities based on interactive processes in coordination with local governments, communities, and other relevant participants. We are also committed to offering new opportunities to generate income and employment in the areas surrounding our operations, and foster strong community relationships by hiring, training, and promoting local personnel. We also provide training and benefits to artisanal mining cooperatives in the vicinity of our operations in an effort to develop their mining skills so that they may operate safely, efficiently, and in an ecologically sustainable manner.

The Company began monitoring its social license to operate in 2008 at its Colombian operations. The prior owners of MASA and Hemco began similar programs in 2007 and 2008, respectively, which were continued by the Company following their respective acquisition by the Company. Further to our commitment to act ethically and transparently, the Company reports its sustainability performance in accordance with the Global Reporting Initiative (GRI) Standards: "Core" option, including mining industry-specific indicators incorporated into the Mining & Metals Sector Supplement. The GRI also provides guidelines for best practices in stakeholder engagement, impact and benefit management. Each of our operations has a community relations team that regularly engages with local communities through formal and informal engagement mechanisms.

The Company has a significant impact in the regions where it operates, not only because it is the main employer, but also because the impact of its operations on the local economies and communities, providing opportunities for local entrepreneurs, small family-owned business, promoting knowledge and technology transfer and significantly improving the quality of life.

The Company's social programs support economic development, urban and rural infrastructure improvement, education, health, recreation, and sports, and build and strengthen communities. The Company runs social programs in Colombia at the Bajo Cauca sub-region, in urban and rural areas of the towns of El Bagre, Zaragoza, Nechí, and Anori; in Argentina, in San José del Jachal, capital of the Department of Jachal in the Province of San Juan, and 18 other districts, as well as Colonel Felipe Varela, Province of La Rioja, its municipal seat, Villa Union, and three other communities near the Gualcamayo Property; and in Nicaragua, in urban and rural areas of the municipalities of Bonanza and Rosita, in the North Caribbean Coast Autonomous Region.

During 2020 and as a result of the COVID-19 pandemic, the Company's social teams had to adapt their work plans because as some activities such as social gatherings, workshops and trainings sessions, represented a high risk activities for the spread COVID-19, and had to be cancelled, postponed or adapted. The Company, through its subsidiaries supported local authorities' prevention and awareness campaigns against COVID-19 and also provided local health systems with cleaning supplies and medical equipment. Additionally, an internal fundraising campaign was carried out in Colombia and Nicaragua to help vulnerable neighbours. More than 6,900 families received grocery and cleaning supplies packages.

During 2021, we maintained measures designed to limit transmission of COVID-19 at all of our operations. In Colombia, we have actively promoted vaccination by purchasing vaccines for our employees and their families.

Each operation has continued with its planned social initiatives, taking into account covid restrictions, and is also actively participating in the construction of a corporate sustainability strategy, which will provide Mineros with a corporate strategic framework. The strategy includes a series of common indicators for the operations that will be able to measure the progress made by the Company in terms of sustainability and environmental risks.

Selected activities over 2021 include:

Colombia

The Company undertook or was involved in the following activities in Colombia during the first six months of 2021:

Education and Other Matters

- Improvement of infrastructure at a school in El Bagre.
- Strengthening of local employment with the formation of two community associations and support for the establishment of 15 more in 2021.
- 277 families benefited from agricultural technical assistance to small producers and women's associations.
- Design a long-term educational strategy in alliance with the municipalities of El Bagre, Zaragoza, Nechí, the Proantioquia Foundation and a company named *Corporacion Sin Fronteras.*
- 30 scholarships awarded to university students from Bajo Cauca, enrolled at the University of Antioquia.
- Three partnerships signed to strengthen the education system in Bajo Cauca.
- Alliance with educational institutions of Antioquia to provide safe water for consumption in 60 schools, of which the first five were completed in 2020.
- Alliance with Proantioquia to train teachers and students on how to improve school climate and culture and to integrate neighboring rural schools with digital connectivity project to integrate neighboring rural schools with digital connectivity.
- Alliance with the Museum of Antioquia to train teachers in teaching tools of cultural and artistic content.
- Facilitated the participation of more than 300 boys and girls from the municipality of Nechí, Cargueros, Bijagual and urban areas in the Football with Heart (*Fútbol con Corazón*) program and other workshops to strengthen the soft skills of students, in alliance with Comfama, the Nechí Mayor's office and Fundación Mineros.
- Participated in Women of Gold (*Mujeres de Oro*) along with USAID and Jaime Arteaga & Asociados, an initiative that started 3 years ago and is expected to end in October 2022. During the third year, results included (i) reactivation of business strengthening workshops for 60 small businesses and 23 business ideas, and (ii) 60 women participated in the Care Network (*Red del Cuidado*) and 57 young people participate in the "Young people who believe and create equity" network.

Infrastructure

- Paved the first 5 kilometres of via Escarralao – Jobo Medio (Zaragoza) under the Works for Tax scheme with the second stage currently being presented for approval by the national government. This project reduced traveling time between El Bagre and Caucasia, an important milestone for the region since Caucasia is experiencing growth, and improving its connectivity is vital for El Bagre's development agenda.
- Support four social infrastructure improvement projects, including housing improvement, playgrounds and road maintenance.

Regional Competitiveness

- Participated in the "Avancemos Bajo Cauca" Alliance in association with USAID – Interactuar and Comfama, to strengthen non-mining small business in the agricultural and non-agricultural sectors.
- Program "Development of local suppliers" focused on strengthening local suppliers of goods and services.
- 206 families participating in the "Sustainable Colombia" alliance with the community association Asoagrollana to strengthen the fish farming cluster with intensive fish production. Operation phase begins in December 2021.

COVID-19 Pandemic Activities

- In July, the Company started a program to provide free COVID-19 vaccines to all employees and contractors.

Argentina

The Company undertook or was involved in the following activities in Argentina during the first six months of 2021:

- MASA contributed a percentage of its gross revenue to the Fiduciary Fund of the Gualcamayo Mine which promotes construction of infrastructure in Jachal, where the mine is located. Thanks to this funding, a hospital was built in Huaco, the freshwater network was renewed in the district, a sports center, an urban solid waste processing plant, the sewer network of San José del Jachal and its effluent treatment plant, and the freshwater distribution plant in that urban center were also built to benefit over 14,000 people.
- As of June 31, 2021, MASA had contributed $388,725 to the San Juan provincial infrastructure fiduciary fund.
- MASA funds a variety of programs in the communities surrounding the Gualcamayo Property including (i) a program to support local entrepreneurs through which agriculture, viniculture and tourist projects have been promoted, among others; (ii) a social strengthening program through which the Company seeks to assist, accompany and strengthen the performance of the local institutions; (iii) a social infrastructure program through which the Company seeks to improve and optimize the infrastructure of the local institutions in such a way as to facilitate their operation and contribute to the achievement of the objectives pursued by each of them; and (iv) a support program for sports institutions for the Jáchal community.

Nicaragua

The Company undertook or was involved in the following activities in Nicaragua during the first six months of 2021:

- Hemco has continued its support of local health institutions on COVID-19 prevention issues, and has maintained internal campaigns on prevention measures.
- Hemco has facilitated access to electricity for 2,000 households in both urban and rural areas in the Bonanza district.
- Hemco, through the Quality and Culture Educational Program, has provided scholarships to 16 teachers that graduated in Physics and Mathematics and provided 32 scholarships to youth at Bluefields Indian & Caribbean University (BICU), one of the two universities that operate on the Nicaraguan Caribbean Coastal Area that provide initial education majors.
- Hemco supports the Cristina Rugama Children Day Care Center with equipment, food and supplies. This center assists a total of 142 children up to 18 months of age and provides two meals per day while their parents are at work. These are typically children of artisanal miners or single mothers.
- Hemco assisted in the improvement of urban and rural streets and roads for a total of 31 kilometres. It also contributed for the construction of sidewalks, public lights and installation of benches and garbage cans.
- Hemco supports the local medical clinic with supplies, medications, equipment maintenance, and improvement of physical facilities.
- Hemco sponsors the Caribbean Coast baseball team that participated in the First Division National Tournament. The Company also sponsors karate, basketball, and boxing sports academies.
- During 2020, in alliance with Operation Smile, Hemco supported the deployment of one surgical brigade at Bonanza and Siuna.

Public Benefit Corporations

On August 18, 2020, two of the Company's Colombian subsidiaries, Mineros Aluvial and Negocios Agroforestales S.A.S., adopted amendments to their bylaws to become Public Benefit Corporations (*sociedad Beneficio e Interés Colectivo*, or BICs under the Spanish acronym). Under Law 1901/2018, any Colombian company may adopt BIC status to signal its commitment to pursuing environmental and social objectives as well as maximizing shareholder value. Pursuant to Sections 2 and 5 of Law 1901/2018, directors and officers of a BIC corporation are expected to take into consideration social and environmental interests and ensure transparency in environmental, social, and governance disclosure, including reporting on their business model, corporate governance, labour practices, environmental practices and social practices. Among other obligations, management of a BIC needs to prepare and present a year-end report on the impact of the benefit and collective interest activities developed by the company at its annual general shareholders meeting, which report may also be reviewed by the Superintendence of Corporations.

In line with their recently adopted BIC status, Mineros Aluvial and Negocios Agroforestales modified their bylaws to include express commitments to promote diversity, invest in their employees, deal fairly with their suppliers, protect the environment and generate value for their shareholders.

During the first half of 2021, each operation has continued with its planned social initiatives and is also actively participating in the construction of a corporate sustainability strategy, which will provide Mineros with a corporate strategic framework. The strategy includes a series of common indicators for the operations that will be able to measure the progress made by the Company in terms of sustainability and environmental risks.

Artisanal Mining

There is a long history of artisanal mining in many of the regions in which the Company operates. In Colombia and Nicaragua, the rights of artisanal and small-scale miners to explore and extract minerals are legally protected. The Company has made significant strides in developing a positive working relationship with local artisanal miners, by providing social and economic benefits to individuals and communities in these regions directly and indirectly, while advancing safe work practices and reducing environmental impacts associated with mineral extraction and processing.

In Nicaragua, through Hemco, the Company supports the "Bonanza Model" which offers economic and social benefits to artisanal miners based on a fair and dignified contractually-defined relationship The Bonanza Model is based on Nicaraguan Law 387 that protects existing artisanal mining and allows artisanal miners to use up to 1% of concessions. Hemco makes available between 3% and 4% of its land package in Nicaragua for artisanal miners under the Bonanza Model organized in 13 cooperatives, being independent and formal entities licensed by the Nicaraguan Ministry of Cooperatives (*Ministerio de Economía Familiar, Comunitaria, Cooperativa y Asociativa* – MEFCCA). Hemco and the artisanal mining cooperatives are members of the Municipal Artisanal Mining Commission (*Comisión Municipal de Minería Artesanal* – CMMA), an inter-institutional organization that functions as the governing body for the sector. The CMMA meets on a regular basis to discuss issues affecting the sector and to guarantee fluid communication between its members.

The model is unique in the country and has been praised as a "game-changer" for the mining industry. It generates more than 8,000 jobs in the Mining Triangle and promotes local economic development by bringing together different partners to harness resources for sustainable socio-economic growth. In addition, Hemco provides credit to artisanal miners by offering small loans at low interest rates and prioritizing the financing of economic diversification projects and the acquisition of personal protective equipment. The Company purchases ore from artisanal miners based on the gold spot price/grade, less an average of 45% (varies by ore grade). Artisanal miners are also responsible for certain other deductions relating to supplies and services provided by Hemco.

Every year, the Ministry of Energy and Mines carries out a census to determine the active artisanal miners in the area. According to the latest artisanal miners' census, there were approximately 1,678 active artisanal mining "collectives" (work-groups of three or four artisanal miners) in Bonanza, representing approximately 6,000 artisanal miners.

During 2020, Hemco worked to strengthen the artisanal mining cooperatives by providing training to their members in various areas, including environment-friendly practices, first aid, geology and blasting, the mining laws of Nicaragua, administration and governance and occupational safety. Mineros also promotes awareness of life and accident insurance for artisanal miners given the lack of awareness and access to social security benefits in the area. To find a solution for this situation, Mineros negotiated with various private insurance companies resulting in the biggest insurance company in Nicaragua (*Instituto Nicaragüense de Seguros y Reaseguros – INISER*) issuing tailor-made insurance policies for artisanal miners. By June 30, 2021, more than 2,000 artisanal miners had life and accident insurance contracts in place.

Historically, ore purchased from artisanal mining cooperatives formed 40% to 50% of the ore processed by the Hemco Plant and 100% of the ore processed by the smaller Vesmisa Plant and La Curva Plant. In 2020, the processing plants at the Hemco Property processed a total 299 kt of ore purchased from artisanal mining cooperatives, including 222 kt (74%) of the ore processed at the Hemco Plant, and 77 kt (26%) of the ore processed at the Vesmisa Plant and La Curva Plant. Production from ore purchased from artisanal miners was 88 koz Au, representing 71.7% of the Hemco Property's 123 koz Au aggregate production during that period. During the six months ended June 30, 2021, the processing plants at the Hemco Property processed a total 206 kt of ore purchased from artisanal mining cooperatives. Production from ore purchased from artisanal miners was approximately 47 koz Au, representing 76.0% of the Hemco Property's 62 koz Au production.

In Colombia, as a contribution to formalization of informal mining, the Company has been working on a collaborative model, which allows industrial and informal mining to work together. Under this model, two contracts (covering between them eight

operating units) have been signed with operators who used to be informal miners. Currently, such former informal miners are formal, pay taxes and royalties and operate in compliance with the Company's environmental labour and operational standards. This model generates more than 130 direct jobs. Production at the Nechí Alluvial Property from miners operating under this model was 4,760 ounces of gold in 2020 and 6,466 ounces of gold during the six months ended June 30, 2021 with five additional dredges.

Climate Change and Extreme Weather Events

In accordance with its commitment to environmental sustainability, the Company invested more than $14.1 million across its operations in 2020 and more than $5 million during the six months ended June 30, 2021 to manage its environmental impact, the care of biodiversity, and the sustainable use of natural resources.

The Company's operations in Colombia and Argentina have ISO 14001: 2015 certified Environmental Management Systems, and the operation in Nicaragua is in the process of certification and is expected to be certified in the next six to twelve months. In Argentina, MASA is a signatory to the International Cyanide Management Code for the Manufacture, Transport, and Use of Cyanide in the Production of Gold of the International Cyanide Management Institute.

The Company is engaged in balancing improved energy use and emissions at each of its operations, while also adapting to and mitigating the impacts related to climate change. In 2020, 47 percent of the group's energy consumption (225.503 MWh) came from renewable energy sources.

The Company has a three-fold approach to climate change:

- Adaptation – the Company monitors changes in climate and extreme weather events that could affect its operations and modifies its facilities as necessary.

- Mitigation – each of the Company's operating segments is responsible for developing its own energy reduction strategy and setting its own targets. The Company also has energy efficiency programs that focus on decreasing fossil fuel use and reducing its carbon footprint wherever reasonably possible.

- Preparedness – each operation has developed an emergency preparedness and response plan for extreme weather events and other foreseeable crises and emergencies. These plans, which are periodically updated, ensure that if extreme events occur, site personnel understand their roles and responsibilities and are trained accordingly.

In Colombia, the Company maintains two meteorological stations to monitor river levels, weather conditions, and other parameters, in order to better design operations and establish prevention and control measures. The energy consumed in the Nechí Alluvial Property is generated from renewable sources, being small run-of-river hydroelectric plants. The Company has been working on initiatives to mitigate its environmental impact, such measuring its carbon footprint, and identifying main carbon emissions-generating activities so that they can be reduced. As part of this work, emissions generated by fuel consumption has been offset through carbon credits, the TryMyRide program has been implemented, which seeks to promote sustainable mobility and the reduction of emissions, and the Company has developed a work plan to achieve carbon neutrality in the medium- to long-term.

In Nicaragua, Hemco monitors four meteorological stations daily in order to identify possible extreme weather events and to develop preventive measures. Likewise, with historical results, it carries out short, medium and long-term environmental action plans which are directly related to the planning of business projects. Approximately 43% of the energy consumed at the Hemco Property is renewable energy generated from hydroelectric plants.

In Argentina, based on ISO 14001: 2015 guidelines, MASA has implemented an early warning system for floods, in order to detect floodwaters upstream of its facilities and prepare to mitigate the risk of damage and incidents. The system is monitored 24 hours a day, mainly in the rainy season (November to March), and is designed to provide 15 minutes' advance notice of unusual displacements of water, mud and stones so that emergency protective measures can be taken.

The Company has also established an emergency response plan which sets out actions to be taken to respond to and mitigate the effects of emergencies caused by extreme weather events.

The Company's priority in this area for 2021 is to create operation-specific environmental performance indicators. These indicators will focus on each site's most material environmental risks (physical, regulatory or reputational). Monthly reports

on environmental performance indicators are provided to site management, local corporate management, as well as the Company's senior executives and the Board.

Tailings and Waste Management

The Company has developed a waste management strategy and tailings management system, which aims to minimize risks to the environment and our communities. The Company's programs focus on identification, segregation, transportation, disposal, and overall responsible management and monitoring of hazardous, non-hazardous, mineral, and tailings waste. The Company believes that sound environmental management also includes the responsible management of general waste, both hazardous and non-hazardous. Waste is minimized and segregated to enhance recyclability, reuse and proper disposal. If a material is considered hazardous under local legislation, it is disposed of according to prescribed practices.

The Company's tailings management framework governs all tailings management activities at our operations. The Company's tailings strategy leverages this framework to ensure all of its tailings management facilities reach the highest level of safety and the Company actively pursues strategies to mitigate risk in the unlikely event of a failure. It is based on standards that meet or exceed local tailings management standards, and the Company is working towards implementing industry best practices in its operations based on the Mining Association of Canada's Guide to the Management of Tailings Facilities framework, which is aligned with and complementary to the International Council on Mining and Metals' 2016 position statement on preventing catastrophic failure of tailings storage facilities.

At the Hemco Property, of the three operating tailings dams, the two new operating dams for the management of cyanide tailings have been designed by companies with extensive international experience and built in accordance with the Canadian Dam Association (CDA) Dam Safety Guidelines, and the standards of the Mining Association Canada's Guide to the Management of Tailings Facilities, and QA/QC is carried out by recognized companies in the mining industry. The Company employs high resistance geomembrane waterproofing at all of its tailings dams to help ensure that tailings are safely confined. All operating and planned dams are designed with the downstream regrowth method and all materials used for construction and regrowth are sampled and sent to international laboratories, where the properties are verified in accordance with CDA guidelines.

All hazardous and non-hazardous waste from the Gualcamayo Property is segregated at the place of generation, classified, temporarily stored at a waste management yard pending transfer to a licensed carrier for treatment and delivery to final disposal sites, as authorized by the applicable provincial environmental regulatory authorities. MASA implements waste reduction practices which are included in the objectives and goals of the Gualcamayo Environmental Management System.

Naturally-occurring mercury is produced as a by-product of ore processing at the Gualcamayo Property. The mercury is captured by specifically designed operating equipment and mercury emissions control devices. The Company is committed to the operation of currently available proven technology for controlling sources of mercury emissions. The Company has adopted specific procedures for handling, monitoring, transportation and storing mercury at the Gualcamayo Property, and employees receive training in the safe use and proper management of mercury and other hazardous materials. Mercury produced at the Gualcamayo Property is stored and may be sold domestically in accordance with all applicable regulatory requirements. Pursuant to the Minamata Convention on Mercury, a United Nations global treaty intended to result in reduced global emissions of mercury, Argentina has adopted laws prohibiting the manufacture, import and export of certain mercury-added products as of January 1, 2020. Notwithstanding, a special permit can be requested in order to import or export mercury to/from Argentina, according to Resolution No. 71/2019 of the Federal Secretariat of Environment and Sustainable Development. Further restrictions may be adopted in the future. By-product mercury from the Gualcamayo Property that cannot be sold in the future will be treated and disposed of as hazardous waste in accordance with the Gualcamayo Environmental Management System and applicable laws.

There are no tailings dams at the Nechí Alluvial Property, as no tailings are generated by alluvial mining operations.

Water Management

The Company recognizes that water is a shared resource that must be managed in collaboration with its local communities and stakeholders. Due to the water-intensive nature of processing ore, the scarcity of water in some areas, the wide array of climatic environments where the Company operates and the importance of water for communities and other stakeholders water management continues to be one of the single most important areas of focus and follow-up. Non-compliance can present a risk to a site's license to operate, with human and aquatic health issues remaining the most significant concern. It is important to

note, however, that for alluvial and heap leach operations water use for processing ores is not as intensive as at conventional milling operations as further indicated below.

The Company has adopted stringent water management plans and technologies at all of its operations with a view to reducing fresh water consumption, maximizing water reuse and recycling, and minimizing both effluent volume and risks of environmental damage associated with effluent discharge.

At the Nechí Alluvial Property, water consumption for mineral processing is extremely small as gold recovery occurs primarily through gravity separation at the barges or dry separation. Dredging and screening operations are carried out in isolated man made basins or ponds that are adjacent to but separate from the river, to limit the impact of operations on the adjacent river systems. Water consumption for El Bagre site and facilities is continuously monitored and measured to ensure the quality of the water sources. Effluent waters are treated and monitored before discharge to ensure the quality of the discharge is in accordance with the approved EMP and regulatory requirements, guaranteeing the care and maintenance of the resource. In its alluvial operations, the Company employs best in class practices to minimize potential impacts on water systems in the mining region.

At the Gualcamayo Property, the Company utilizes a heap leach gold recovery process that requires limited water supply as it is a closed-circuit system that recirculates all process-related water, and no process-related effluents are discharged to the environment. Groundwater wells are used to supply site water needs. The supply system has a specific pumping plan for each well in order to avoid overuse and ensure continuous supply. All water used in gold processing at the mine site is treated in approved water treatment plants, and then prior to reuse for vegetation watering or discharge to the environment in accordance with regulations.

At the Hemco Property, conventional milling and tailings disposal in lined facilities is practiced. Water use practices include recirculation of tailings pond water to minimize fresh water needs and mitigate the environmental impacts of water use and discharge. Water recirculation from tailings dams also optimizes the use of chemicals such as cyanide in the beneficiation process, reducing chemical consumption, and enhances dam stability. Water used in underground mining operations is recirculated through a system that pumps mine water to a surface treatment system and returns it for reuse in the mine after treatment. In collaboration with local municipalities, the Company contributes to the maintenance and electricity for two water plants which supply water to the town of Bonanza.

Mine Closure

All of Mineros' projects have closure plans that are tied to their environmental commitments and permits that have been granted for each operation.

Mineros employs designs and practices that meet or exceed local standards to minimize its impact on the environment during operation, at closure, and post closure, and Mineros is committed to working towards aligning with industry best practices for closure and reclamation. In connection with its commitment, Mineros, through its operations, supports programs for local and regional environmental enhancements to watersheds, forests and regional biospheres. Progressive reclamation is a core activity that Mineros carries out to mitigate existing and potential social and environmental concerns at all of its operations. Costs associated with these efforts, including the operation of supporting activities and infrastructure (e.g. nurseries, etc.) are carried as part of the annual operating costs of the individual mining operations.

Mine closure planning and activities are closely managed by each of the operations with corporate oversight. Each operation has an approved comprehensive mine closure plan that is reviewed regularly by an external third party technical consultant (other than in respect of the Nechí Alluvial Property which is done internally) along with corresponding asset retirement obligations that are updated annually. The Company's reclamation and mine closure obligations as at December 31, 2019 and as at December 31, 2020 are as follows:

	December 31, 2019		December 31, 2020	
	Discounted[(1)]	Undiscounted	Discounted[(2)]	Undiscounted
	(US$000s)			
Nechí Alluvial Property	1,196	1,327	3,699	5,501
Gualcamayo Property	11,022	20,000	19,100	27,319
Hemco Property	5,956	22,375	8,923	24,064
Total	**18,174**	**$43,702**	**$31,722**	**56,884**

Notes:

(1) At the end of December 2019, the discount rate applied for closure obligations related to the Nechí Alluvial Property was 7.40% with the expected costs being incurred between 2020 and 2026; the discount applied for closure obligations related to the Gualcamayo Property was 8.50% with the expected costs being incurred between 2024 and 2028; and, the discount rate applied for closure obligations related to the Hemco Property was 10.30% with the expected costs being incurred between 2020 and 2037.

(2) At the end of December 2020, the discount rate applied for closure obligations related to the Nechí Alluvial Property was 7.45% with the expected costs being incurred between 2022 and 2037; the discount rate applied for closure obligations related to the Gualcamayo Property was 6.38% with the expected closure obligations being incurred between 2024 and 2030; and, the discount rate applied for closure obligations related to the Hemco Property was 10.85% with the expected costs being incurred between 2022 and 2034.

In Colombia, the mine closure plan consists of ecological and landscape restoration agreed jointly with the local stakeholders. The Nechí Alluvial Property operations' closure obligations include restoration of 1,122 ha and forestry compensation of 3,601 ha. Given the nature of the operation, the Company has adopted a strategy of progressive reclamation, restoration, and re-use of impacted lands. In addition to the progressive reclamation efforts, off-site restoration activities are also considered as part of the planned environmental compensation conservation strategy. As part of closure programs, in 2019, operations at the Nechí Alluvial Property returned to the government two mining concession titles. The Company is not obligated to nor has it posted any environmental bonds for the Nechí Alluvial Property. The mine closure plan for the Nechí Alluvial Property is updated every year.

The Gualcamayo Property closure considerations were initially identified as part of the conceptual closure plan (CCP) in the original environmental impact assessment for the project. Periodic updates to the CCP have occurred. The CCP includes discussion of various closure scenarios including progressive closure, temporary closure, final closure, post closure works and monitoring and commits to the development of a social closure plan. Studies relating to mine closure were updated in 2020 and the next CCP update will occur in late 2021 with an estimated value of $27.3 million. Argentina lacks a specific regulation related to mine closures and although there were some initiatives to pass legislation regulating mine closure in the province of San Juan, those remain without further development. The Company is not obligated to nor has it posted any environmental bonds for the Gualcamayo Property. The mine closure plan for operations at the Gualcamayo Property is reviewed by Knight Piésold, an outside consultant.

At the Hemco Property, closure liabilities are based on liabilities arising from artisanal mining operations and industrial mining and milling operations. The closure plan includes detailed inventory of facilities and equipment. Soil and earthwork quantities are based on takeoffs from drawing and topography and unit costs are based on cost information from operation managers and superintendents and industry standard rates from 2012. The final closure liability estimate assumes that progressive reclamation of past, existing, and future pits and stockpiles and related facilities will have been completed prior to final closure. The final closure plan assumes no cost for various components such as housing and related infrastructure (sewage treatment, solid waste management facility, etc.) which are expected to remain as they are important socio-economic elements of the region. Studies relating to mine closure obligations were last updated in the second half of 2020. The Company is not obligated to nor has it posted any environmental bonds for the Hemco Property.

Internal Control Systems

Mineros' system for internal controls is continually evolving to ensure it complies with best international practices in internal controls. In October 2019, the Audit and Risk Committee approved the Internal Controls Policy. In the Internal Controls Policy, Mineros clearly and explicitly defines the objectives and application of its system for internal controls under the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013) model. The Board oversees its implementation by senior management and employees. Mineros' controls are designed to provide reasonable assurance regarding the following: (i) the effectiveness and efficiency of operations; (ii) the reliability of financial reporting; (iii) asset protection; and (iv) compliance with applicable laws.

The Internal Controls Policy also provides for the existence and responsibilities of the three defence lines, which are applied on a Company-wide basis:

- Level 1: Oversight of work teams by senior management. Members of the senior management team assume responsibility for managing the risks within areas under their management, giving clear guidelines on risks and controls, with directed and empowered work teams.

- Level 2: Transverse Control Processes. Comprehensive internal controls are applied through the Company and its subsidiaries, providing structure and support for management oversight of the Company's operations, including for example:

- Compliance controls and procedures, which provide guidelines for verifying adequate risk management in matters of integrity (for example, the Code of Ethics and the Company's Anti-corruption Policy and the AML Policy), as well as legal compliance and general corporate governance matters.

- C-SOX financial controls, which are designed to ensure the integrity and reliability of the Company's financial information. The Company and its subsidiaries have a C-SOX controls matrix, which comprises 287 controls in 17 processes. For each control, the C-SOX control matrix details the risks and the objectives of its execution, and establishes control procedures, identifies responsible individuals, and specifies control activities and the schedule upon which they are to be completed.

- Risk management procedures, which provide methodological guidelines to the entire organization in order to achieve an adequate identification, evaluation and management of risks at a strategic and operational level, as defined in the General Policy for Comprehensive Risk Management.

- Level 3: Internal audit. The Company has an internal audit department, which looks for opportunities to improve the system of internal controls. Mineros' internal audit department has a level of independence that allows it to adequately exercise its function within the Company, based on our internal audit statute, approved by the Audit and Risks Committee. The activities of the internal audit department are governed by a work plan established by the Audit and Risk Committee. The internal auditor periodically reports to the Audit and Risk Committee on its activities under the work plan throughout the year.

As required by Colombian law, the Chief Financial Officer, on a quarterly basis also provides the financial information to the Audit and Risk Committee for pre-approval and also presents the progress in risk management in accordance with the Audit and Risk Committee Charter.

The external auditor is recommended by the Audit and Risk Committee to the Board and is elected by the shareholders.

REGULATORY FRAMEWORK

Our operations are subject to regulations pertaining to the use and development of mineral properties, environmental protection, and various other regulatory frameworks in each jurisdiction in which we operate.

Colombian Regulatory Framework

Regulation of The Colombian Securities Market

The Colombian Exchange

Prior to 2001, there were three stock exchanges in Colombia: the Stock Exchange of Bogotá created in 1928, the Stock Exchange of Medellín (1950) and the Stock Exchange of Occidente (1970). Despite the limited economic growth during the 1980s, the economic expansion of the 1990s resulted in the Colombian capital markets growing at unprecedented rates, as indicated or measured by the market capitalization of listed companies, the total value traded through the facilities of the stock markets and the total amount of outstanding domestic public and private bonds. This rapid growth led to increased regulation of the Colombian capital markets. In addition, such growth precipitated the merger of the three existing stock exchanges to form the Colombian Exchange (*Bolsa de Valores de Colombia*) in July 2001. Currently, the Colombian Exchange manages stock, foreign exchange, derivatives fixed income markets, and encompasses all brokerage firms registered with its predecessor stock exchanges.

On November 22, 2010, the Colombian Exchange completed the first phase of its planned equity market integration process by joining the Latin American Integrated Market (*Mercado Integrado Latinoamericano – MILA*). MILA is a stock exchange which unites the Colombia, Lima, Mexico and Santiago stock exchanges under one trading platform with a view to integrating securities trading in the four member countries of the Pacific Alliance trade bloc, which include Chile, Colombia, Mexico and Peru. Although the MILA exchange is currently the largest exchange in Latin America, combined trading volume through MILA is significantly lower than trading volume processed through Brazil's exchange or even that of Chile or Mexico individually as the project has had difficulties in overcoming obstacles in integration between the governments' regulators and tax regimes.

Regulatory Authorities

The Colombian capital market is regulated by the Colombian Congress and by the Colombian government through the Ministry of Finance and Public Credit (*Ministerio de Hacienda y Crédito Público*) and the Colombian Superintendence of Finance. The Colombian government is responsible for the overall economic policy making in Colombia. Pursuant to Article 150(19)(d) of the Colombian Constitution, the Colombian Congress must determine the principles, criteria and objectives that the National Government of Colombia must observe when regulating all financial activities. Also, under Article 189(24) of the Colombian Constitution, the National Government of Colombia must regulate, supervise and control institutions in the financial, insurance and securities industry.

The responsibilities of the Colombian government include the adoption of rules and regulations pertaining to, among other things, the public offering of securities; the operation and administration of the Integral Information System of the Securities Market (*Sistema Integral de Información del Mercado de Valores – SIMEV*), and the procedures for registration of securities, the establishment, operation and dissolution of infrastructure providers (such as central securities depositories and stock exchanges, among others), the disclosure obligations of periodic and relevant issuers of securities that are registered in the National Securities and Issuers Registry (*Registro Nacional de Valores y Emisores – RNVE*), regulation of market intermediaries, and establishing transparent criteria and best practices of negotiation.

On July 8, 2005, the Colombian Congress enacted Law 964, the Colombian Securities Market Law (*Ley del Mercado de Valores*), as amended from time to time "**Law 964**". Pursuant to Law 964, and Decree 663 of 1993, as amended from time to time, the Ministry of Finance and Public Credit is the governmental agency in charge of regulating the financial, insurance and securities markets. Direct supervisory authority of the financial, insurance and securities markets has been entrusted to the Colombian Superintendence of Finance.

The Colombian Superintendence of Finance was created in 2005 by Decree 4327 of 2005 issued by the President of the Republic of Colombia resulting in the merger of the Superintendence of Securities and the Superintendence of Banking. The Colombian Superintendence of Finance is a technical entity linked to the Ministry of Finance and Public Credit (*Ministerio de Hacienda y Crédito Público*) that acts as the inspection, supervision and control authority of the financial, insurance and securities markets and any other activities related to the investment or management of the public's savings. The Colombian Superintendence of Finance has been entrusted with supervising the Colombian financial system with a goal of preserving its stability and trustworthiness. The Superintendence of Finance is also responsible for promoting, organizing and developing the Colombian securities market and protecting the users of financial and insurance services and investors.

Legal Framework Relating to Securities Market

Law 964, as amended from time to time, provides the principal legal framework that governs the Colombian securities market. The primary scope of Law 964 is to promote the efficiency, transparency and integrity and the development of the Colombian securities market. Law 964 also sets forth certain corporate governance standards for listed companies and issuers, such as the requirement that at least 25% of the board members be "independent" directors (as defined in Law 964), that a listed company maintain an audit committee with at least three board members, all of whom must be independent members, and that a listed company's legal representatives adopt and implement internal control procedures and adequate mechanisms for disclosure of information and for certification of the truthfulness of the financial and other relevant information disclosed to the market.

Among other things, issuers of securities registered with the Colombian Superintendence of Finance are required to promptly disclose to the market material information relating to the issuer and its securities. Pursuant to Decree 2555 of 2010 (as amended from time to time "**Decree 2555**"), all material information relating to the issuer of registered securities (such as our common shares), its activities or securities issued or secured by such issuer which may influence the liquidity or market price of such securities must be disclosed as relevant information. Accordingly, issuers must file with the Colombian Superintendence of Finance two main types of information: (i) financial information, including unaudited financial statements on a quarterly basis, and annual audited financial statements on an annual basis, and (ii) material information relating to the issuer and its activities that may significantly affect the price, offering or negotiation of the issued securities, and in general, all the information that may be relevant for investors in making investment decisions.

In order to comply with the foregoing disclosure obligations, issuers must disclose material information by posting a notice on the Colombian Superintendence of Finance's website as soon as the event to be disclosed has occurred or as soon as the issuer knows of its occurrence. Posting this information on the relevant website constitutes public disclosure of the information in Colombia. Following posting it is available to the public on the Colombian Superintendence of Finance's website.

Pursuant to Decree 2555, any person, entity or group which intends to become a beneficial owner of 25% or more of one class of a Colombian Exchange listed company's issued and outstanding voting stock, or a person, entity or group that already is deemed to be a beneficial owner of 25% or more of the outstanding voting stock of such a company and intends to increase at any time its participation by more than 5%, is required to make a public tender offer to purchase such voting stock from all of such company's shareholders, except in the case where such purchase is effected through a stock exchange auction, as a consequence of a privatization process or subject to other exceptions as provided in Decree 2555. Voting stock includes issued and outstanding voting shares or any other right that entitles a person to vote. According to Colombian regulations, a beneficial owner is any person or group of persons that, directly or indirectly, have the power (by contract, understanding, arrangement, relationship or otherwise) to vote and transfer (or to direct the voting or decide on the transfer of) the shares of a listed company. Individual investors are responsible for monitoring their level of ownership.

In addition, Decree 2555 establishes that any public tender offer to purchase a company's shares must be for at least 5% of all outstanding shares of such company. The Colombian Superintendence of Finance will inform the Colombian Exchange of any authorization granted to launch a mandatory tender offer in order to suspend negotiations until the day following the publication of the relevant offering notice of public acquisition.

Securities Market Self-Regulatory Organization

Self-regulation in the capital markets was formally introduced in Colombia by Law 964, and in this way, the Securities Market Self-Regulatory Organization (*Autorregulador del Mercado de Valores*) was created in June 2006.

The Securities Market Self-Regulatory Organization is a private entity that has the power to supervise, sanction and regulate Colombian entities subject to self-regulation (i.e. including securities intermediaries and any entity that voluntarily submits to self-regulation). Within its regulatory functions, the Securities Market Self-Regulatory Organization has enacted various rules regarding conflicts of interest, transparency, efficiency, integrity and market access. The Securities Market Self-Regulatory Organization does not have powers over issuers of securities, however, it has the duty to investigate any conduct of securities intermediaries that affects the investors' rights.

Pursuant to Law 964 and Decree 2555, each local broker-dealer must be a member of a self-regulatory body as a requirement for the performance of activities on the Colombian Exchange. Self-regulatory bodies have supervisory, regulatory and disciplinary powers over their broker-dealer members with the purposes of maintaining the transparency and integrity of the securities market and protecting investors. Self-regulatory bodies are subject to the supervision of the Colombian Superintendence of Finance and the rules and regulations they issue must be approved by the Colombian Superintendence of Finance.

Regulation of Trading on the Colombian Exchange

Trading on the Colombian Exchange is subject to specific regulations issued by the Colombian Exchange, particularly the General Rules of the Colombian Exchange (*Reglamento General de la Bolsa de Valores de Colombia*), as amended from time to time, the Regulation Letter (*Circular Única de la Bolsa de Valores de Colombia*), as amended from time to time, and Decree 2555 of 2010. These rules mainly govern listing and trading activities on the Colombian Exchange. In particular, they include (i) listing requirements, (ii) suspension and/or cancellation of the securities listed with the Colombian Exchange, and (iii) admission requirements for broker-dealers.

Orders to suspend trading in securities may be issued pursuant to Decree 2555, the Rules of the Colombian Stock Exchange (*Circular Básica Jurídica de la Bolsa de Valores de Colombia*), and the Regulation of the Colombian Stock Exchange (*Reglamento de la Bolsa de Valores de Colombia*). Under Decree 2555, the Colombian Exchange may suspend trading of the securities of an issuer when there is a circumstance that affects or may affect the regular-course operation of the Colombian Exchange, or when the Colombian Exchange considers it necessary in order to protect investors' interests or the Colombian Exchange itself. Decree 2555 also authorizes the Colombian Exchange to suspend trading of an issuer's securities if authorized by the Colombian Superintendence of Finance in response to the issuer's non-compliance with Colombian securities laws or regulations. Under Decree 2555 and the Rules of the Colombian Stock Exchange, the Colombian Exchange must temporarily suspend trading of a particular security to control excessive price volatility. If the security's market price declines by 10% or more from its opening price on a trading day, trading in the security on the Colombian Exchange is suspended for 30 minutes. If, when the trading resumes, the security's price declines an additional 5%, trading will be suspended again until the next trading day.

Colombian securities regulations define "insider trading" as the use to one's own benefit in a securities transaction on a stock exchange of privileged information. For these purposes, privileged information is market-moving information which has not been made available to the public. While sanctions imposed for insider trading have been few, individuals who use privileged information and those who through their employees, including brokers, have access to such information and disclose it to a third-party with no right to such information, or who recommend a market transaction based on such information, may be subject to fines. In addition, article 258 of the Colombian Criminal Code (*Código Penal*) penalizes the improper use of privileged information with a penalty of one to three years' imprisonment and monetary fines.

Prior to 1992, settlement procedures for trades on the Colombian Exchange occurred through physical delivery of the securities and were regulated by the Colombian Exchange. Deceval was established in 1992 as a centralized securities depository, transfer agent and clearing facility for securities of private issuers. Deceval formally began operations in 1994 and its activities are regulated by Law 964 and Decree 2555, as amended. The creation of Deceval allowed for settlement to be effected either through physical delivery or, electronically, in book-entry form.

Except for some specific public auction procedures, since 2020 the settlement of securities transactions on the Colombian Exchange is made at T+2 through Deceval's book-entry system using the Colombian Exchange's Central Counterparty Clearing House (*Cámara de Riesgo Central de Contraparte*).

Delisting from an Exchange

If the shareholders of a company listed on the Colombian Exchange (or any other stock exchange) pass a resolution to voluntarily delist the company's securities from the Colombian Exchange (or such other stock exchange), pursuant to Decree 2555, the shareholders who voted in favor of delisting are required to issue a take-over bid for the shares of the company owned by shareholders who voted against delisting from any such stock exchange or did not vote on the resolution.

Mineral Exploration and Exploitation in Colombia

Legal Framework Related to Mining

The Colombian Constitution of 1991 provides the general legal framework applicable to mining law. Although as a general rule the Government is the owner of minerals located in the country, mining exploration and exploitation are permitted pursuant to a mining concession. A mining concession, its requirements and related regulation are set forth in Law 685 of 2001 (the "**Mining Code**") and Decree 1073 of 2015 which contains the Unitary Regulatory Decree of the Administrative Sector of Mines and Energy (*Decreto Único del Sector Administrativo de Minas y Energía*). Mining titles granted prior to 2001 continue being governed by the laws and regulations under which they were granted (Decree 2655 of 1988).

Colombia has created the following authorities and entities to regulate mining in Colombia:

- Ministry of Mines and Energy (Ministerio de Minas y Energía – MME) of the Government of Colombia, the main mining authority in Colombia and is in charge of formulating, adopting, directing and coordinating public mining policy, plans and programs of the mine and energy sectors. The MME is divided in two (2) different vice-ministries:(i) the Vice Ministry of Mines which is responsible for assisting the Minister in the definition, evaluation and promotion of policies related to the exploration and exploitation if mining operations in Colombia, and (ii) the Vice Ministry of Energy which is responsible for assisting the Minister in defining policies that relate to electric energy, hydrocarbons and bio-fuels;

- National Mining Agency (*Agencia Nacional de Minería – ANM*) is a national governmental agency ascribed to the MME, that has the purpose of strengthening the mining institutional framework and improving its performance. The ANM is in charge of, among others, executing the national mining policy and it is responsible for the processes of granting and managing mining concessions and mining titles, promoting their exploration and exploitation and the optimal and sustainable use of mineral resources in accordance with the relevant regulations and in coordination with the environmental authorities. The ANM is in charge of managing the National Mining Registry and the Mining Cadaster. The ANM delegated temporarily to the Secretary of Mines of the Government of Antioquia, the powers of contracting and mining titling, as well as the control and supervision of mining activities in the territory of the Department of Antioquia, however the ANM is the main authority in charge of granting mining concessions and supervising mining activities in Colombia;

- Secretary of Mines of Antioquia, which by delegation of the ANM, manages mining concessions for the Antioquia Department, and holds the power to grant and monitor mining concessions and other mining titles within its jurisdiction; and

- Mining and Energy Planning Unit (*Unidad de Planeación Minero Energética – UPME*), an entity ascribed to the MME, in charge of coordinating with the other entities of the mining and energy sector the development and use of mining and energy resources and maintaining the Colombian Mining Information System (*Sistema de Información Minero Colombiano*) as well as information regarding government royalties.

Mining Concessions

According to Article 332 of the Colombian Constitution, the Colombian State owns the subsoil and all of the non-renewable natural resources located in it, except where they have been acknowledged or granted as private property under prior legislation, which continue to be governed by such laws and regulations. For example, some existing titles are governed by Decree 2655 of 1988 (and other prior regulation), which introduced a variety of mining titles such as: (i) exploration licenses, (ii) exploitation licenses, (iii) mining contributions, and (iv) mining concessions.

Therefore, as a general rule, State authorization is needed in order to undertake mining projects in Colombia, which under the Mining Code is known as an Exploration and Production Mining Concession Agreement (the "**Mining Concession**"). A Mining Concession is executed between the mining authority (ANM or Secretary of Mines of Antioquia, as the case may be) and the private party seeking to acquire mining rights. A Mining Concession grants to the holder the exclusive right to (i) explore a limited area of up to 10,000 hectares in order to establish if there are minerals in quantities and qualities that can be considered commercially exploitable by the holder, in which case the holder pays a surface fee to the government during the exploration and construction phases, and (ii) mine and own the minerals that are mined, in exchange for royalty payments during the production phase.

In Colombia, mining titles are subject to the legal regime effective at the time they are granted. Colombia has several mining regimes that currently have application, including: the Mining Code, Decree 2655 of 1988, Law 20 of 1969, and the Civil Code prior to Law 20 of 1969. Notwithstanding the foregoing, the Mining Code (and other related regulation set forth in Law 1753 of 2015 and Law 1955 of 2019, through which the Colombian government enacted the National Development Plans (for years 2014-2018 and 2018-2022, respectively), being the law currently in force for the awarding of mining titles, provides that although concession contracts are the only valid mining titles, the licenses and permits that were issued under prior legislation are grandfathered and remain in effect until the expiration of their term, and allows them to benefit from the provisions contained in the Mining Code.

Lastly, it is relevant to note that the Mining Code and Law 1955 of 2019 also authorize the exploitation of mines through special mechanisms, mainly: (i) the Temporal Authorization contained in article 118 of Law 1955 of 2019, for the exploitation of construction materials aimed to construction and maintenance of tertiary public roads (*vías terciarías*), and, (ii) the mining formalization contracts contained in article 22 of Law 1955 of 2019, which allows small-scale miners working without authorization in the area belonging to a mining titleholder, may request the mining title holder to sign a "formalization subcontract" for the purpose of continuing to work in the area under the protection of the mining title of the third-party title holder, but with their own environmental permits and authorizations.

RPP – Private property on mining resources

The general principle provided for in the Colombia Constitution is that the minerals, the subsoil and the natural resources located in it are owned by the State. However, article 332 of the Constitution and article Law 20 of 1969 acknowledge, as an exception, the private property over those mines that were acquired before December 22 of 1969 by means of awarding, redemption in perpetuity, accession, sale, succession, prescription, auction or for any other reason, title or manner provided that recognition of its ownership has been obtained from the MME.

In this respect, the Mining Code establishes that the recognitions of private property - RPP (*Reconocimiento de Propiedad Privada*) are subject to surveillance by the State so that their technical management is efficient, and the sustainable use and exploitation of the resource and the deposit is carried out.

The principal exploitation areas at the Nechí Alluvial Property are contained within RPP R57011 (registered under national mining registration code EDKA-03). Such claims were originally acquired as private land under 29 RPPs granted under the Mining Code of Antioquia adopted in 1867, which conferred both surface and mining exploitation rights. Law 20 of 1969

replaced the Mining Code of Antioquia adopted in 1867, and eliminated the former rights to private ownership. However, the former private property acknowledgements (which were granted by Resolution 002274 of 1974 of the MME) covering the Nechí Alluvial Property were continued (grandfathered) and were subsequently consolidated into one RPP, namely RPP R57011, by way of public deed No. 827 of 2015, which consolidates 29 RPPs into RPP R57011. Accordingly, there is no expiration date for RPP R57011 and there are no work requirements or claim maintenance taxes required to maintain RPP R57011 in good standing. The RPP would terminate if activities were suspended without good reason for a period of one year without just cause.

The rights arising out of an RPP can freely be assigned to a third party, without the prior approval of the ANM or the Secretary of Mines of Antioquia, as long as the mining title is in full compliance. However, notice of assignment shall be given to the ANM.

In addition to RPP R57011, as part of the Nechí Alluvial Property, the Company holds five Mining Concessions governed by the Mining Code: H6118005, H6335005, HGGK-01, C5213005, H6705005.

Award of Mining Concessions

A Mining Concession may be awarded either through a tender process, or through the submission of an application to the ANM (or Secretary of Mines of Antioquia). Pursuant to the Mining Code, the rights of the applicants to receive Mining Concessions are determined on a "*first in time, first in right*" basis according to the time and date of the corresponding application. Through this procedure, individuals submit their applications for a mining concession contract for a certain area to the ANM (or the Secretary of Mines of Antioquia) for its consideration on the basis of legal, technical and economic capacity. Note that the application does not confer the right to enter into a mining concession contract, but it does grant the applicant a "right of priority" over subsequent applications for the same area.

The Government may designate certain strategic areas that can be temporarily or permanently excluded from the areas to be granted in concession, which in certain cases, can be awarded through public bidding processes led by the ANM. In February 2021, the Colombian Government launched a new methodology to allocate strategic areas through bidding process, know as mining rounds. Under the mining rounds, previous qualified companies and individuals may submit offers to obtain special mining concession contracts, which grant the right to (i) explore the area in order to establish if there are minerals in quantities and qualities that can be considered commercially exploitable, subject to the payments of a surface fee to the government during the exploration and construction phases, and (ii) mine and own the minerals that are mined, in exchange for royalty payments and an economic consideration in addition to royalties (as offered during the selection process to the Colombian government), during the production phase. For a company to participate in a mining round, it shall obtain a qualification by accrediting the compliance of certain legal, technical, financial, environmental, and social responsibility requirements provided by the ANM. The first mining round was launched in February 2021 for the allocation of five strategic areas with high prospectivity in copper and located in the northern area of Colombia (Cesar and Guajira Departments).

Assignment of Mining Concessions

The rights arising out of a Mining Concession may be assigned to a third party, with the prior approval of the ANM, as long as the mining title is in full compliance and the assignee complies with certain economical and legal capacity requirements.

Mining phases

As a general rule, Mining Concessions, including those to be granted under the mining rounds, have a maximum term of 30 years, which is typically divided into three different phases: (i) exploration phase, (ii) construction phase, and (iii) exploitation phase. The exploration phase has a term of three years (extendable every two years for up to and aggregate of 11 years). Throughout this phase, there is a development of technical exploration, search for mineral deposits and geological, geochemical and geophysical methods.

The construction phase has a term of three years (extendable for an additional 1 year). During this phase, construction and assembly activities are carried out for the necessary structure for the exploitation works.

The exploitation phase has a term of 24 years, or the remaining term after execution of the first two phases. Throughout this phase, the concessionaire is required to extract and process minerals.

The Mining Concession may be extended for an additional 30 year-term, which extension must be requested prior to the expiration date of the applicable term depending on the type of mining title. Once the extension of the Mining Concession has expired, the concessionaire will have a preferential right to enter into a new agreement over the same area in order to continue with the exploitation works. The term of a Mining Concession is counted from the registration of the Mining Concession on the National Mining Registry. A Mining Concession must be registered in order to be enforceable against third parties. The registration grants the Mining Concession a reference number or plate, which will be considered the reference of the mining title.

Mining environmental insurance policy

Upon execution of a Mining Concession, the concessionaire must obtain an insurance policy (performance bond) to cover mining and environmental obligations thereunder.

The mining and environmental insurance policy should be current and in force during each of the three stages of the Mining Concession and the required value is dependent on the stage of the Mining Concession as follows: (i) 5% of the budget for the annual investments during the exploration and the construction phases, and (ii) 10% of the result of multiplying the estimate of annual production (volume) and the price of the mineral at the mine head during the exploitation phase.

Mining work program

Pursuant to articles 80, 81 and 84 of the Mining Code, prior to starting construction, the concessionaire must submit to the mining authority a mining work program (*Plan de Trabajos y Obras – PTO*), which shall comply with the requirements contained in Resolution 143 of 2017 issued by the ANM, defining the infrastructure to be built, how the exploitation activity is going to be performed, and the closure and abandonment plan, among other things. The concessionaire must also obtain an environmental license in order to commence the construction of facilities and the exploitation activities.

Mining investigations

In the event of breach of the applicable mining or environmental regulations, the mining authority may initiate an administrative proceeding, in which it can impose fines or suspend the Mining Concession, and consequently the mining activities carried out under that concession. If the suspension period lapses and the unfulfilled obligations have not been dealt with, then the mining authority may unilaterally terminate the Mining Concession.

The mining authority may also initiate a proceeding to terminate the Mining Concession for any of the termination events set out in article 112 of the Mining Code. In general terms, concession contracts will terminate: (i) upon expiration of its term; (ii) by resignation of the titleholder; (iii) by mutual agreement of the parties; or (iv) early termination with debarment (*caducidad*) by the mining authority pursuant to the article 112 of the Mining Code for certain established circumstances.

Note that the early termination with debarment (*caducidad*) of the Mining Concession entails the immediate termination of all other contracts that the titleholder has registered with the State, as well as the inability to develop any kind of contract with the government during the next five years as of to the declaration of the early termination of the contract by the government.

Minerals covered by the Mining Concession

Pursuant to the Mining Code, in addition to the minerals expressly included in a Mining Concession, the concessionaire has the right to exploit those that are found to be intimately linked or associated with such minerals or that are obtained as by-products. For purposes of a Mining Concession, (i) a “linked mineral” is a mineral that forms part of the extracted material and may only be separated by means of a subsequent physical and chemical process, (ii) a “by-product” is a mineral that is necessarily extracted together with the mineral specified under Mining Concession, but as a result of the quality and amount would not be economically exploitable on its own, and (iii) an associate mineral is a mineral that forms an integral part of the mineralized body which is the subject of the Mining Concession.

If the concessionaire exploits minerals different from the ones covered by the Mining Concession (including those considered as a result of a linked mineral, associate mineral or a by-product), such action will be considered a breach of the Mining Concession and consequently may give rise to an early termination with debarment (caducidad) by the mining authority in accordance with the Mining Code.

Suspension of Concessions

The concessionaire may request that the mining authority suspend performance of obligations under the Mining Concession as a result of an event of force majeure or an act of god. For these purposes, the concessionaire must prove to the mining authority the existence of the force majeure/act of god.

The concessionaire may also request that the mining authority suspend activities relating to the (i) exploration, (ii) the construction or (iii) the exploitation stage in the event of technical or economic circumstances which, although not considered an event of force majeure or act of god, impede or make it difficult for the concessionaire to perform its obligations under the Mining Concession. Note however that the suspension of performance of obligations does not extend the term of the Mining Concession.

Subcontracts

Concessionaires may enter into any kind of agreements (i.e. subcontract agreements) with third parties in order to carry out the activities allowed under the Mining Concession provided such agreements do not attempt to assign the rights and liabilities resulting from the Mining Concession to the contractor and do not give the contractor rights to participate in the minerals to be exploited in situ (not to the exploited minerals, which, in fact, once exploited belong to the concessionaire who may freely dispose of such minerals).

Surface Rights

A Mining Concession does not transfer to the holder a right of ownership of the minerals in situ, but only the right to establish in an exclusive and temporary manner, within the area granted, the existence of minerals in commercial quantities and qualities, and to extract them, and to affect the premises of third parties with the necessary easements for the efficient performance of such activities

Thus, Mining Concessions do not grant the holder ownership rights over the property, or grant surface rights. The concessionaire must negotiate and enter into surface rights agreements with landowners in order to carry out mining activities on the relevant property. However, the law provides a mechanism during the construction and exploitation period to grant the concessionaire the right to enter the surface land by means of mining easements (in Spanish, *servidumbre minera legal*).

Additionally, concessionaires may opt to request easements over such properties for the efficient performance of the mining projects in all of its phases and stages. The easements may be requested as of the moment of the execution of the Mining Concession and, unless otherwise agreed with the owner of the real property, the easement will be valid until the date of termination of the Mining Concession. The concessionaire must indemnify the owner of the property for any damages caused as a result of the use of the mining easement.

In addition, since the Mining Code provides that the mining is in the public interest, a concessionaire may request the expropriation of real property if (i) such property is necessary for the buildings and installations corresponding to the infrastructure of a mining project; and (ii) the expropriation do not cover real properties acquired or dedicated to the performance of other Mining Concessions.

Taxes, Surface Fees and Royalties

Article 230 of the Mining Code establishes the obligation to pay a surface fee (in Spanish, *canon superficiario*) annually upon registration of a Mining Concession before the Mining Registry. It will be paid during the exploration and construction phases of the concession and it is calculated pursuant to the area (hectares) of the Mining Concession per a multiple of the minimum monthly wage, which is adjusted annually (for 2020 the minimum monthly wage, was COP$877,802 or approximately US$231 at an exchange rate of COP$3,800 = US$1.00, and for 2021 the minimum monthly wage, is COP$908,526 or approximately $239 at an exchange rate of COP$3,800 = US$1.00). During the construction phase, the yearly surface fee will be equivalent to the last surface fee paid for the exploration period.

For current Mining Concessions, the surface fee to be paid is a multiple of the minimum monthly wage, as shown in the following table:

Surface Fee Payment Scheme for Concession Contracts
(Law 1753 of 2015)

	Multiple of the Minimum Monthly Wage /ha		
Number of Hectares	**Up to Year 5**	**Years 5 to 7**	**Years 8 to 11**
0 – 150	**0.50**	**0.75**	**1.00**
151 – 5,000	**0.75**	**1.25**	**2.00**
5,001 – 10,000	**1.00**	**1.75**	**3.00**

In addition, article 227 of the Mining Code provides that the exploitation of non-renewable natural resources owned by the State generate royalties, calculated based on a percentage, fixed or progressive, of the exploited gross product, and its sub-products, calculated or measured on gross product. The amount of the royalty payable is calculated based on the amount of exploited mineral, the price settlement basis set by the Mining and Energy Planning Unit (published every three months) and the royalty percentage determined by law. The calculation is expressed in the following formula:

V = A x P x R

Being:

"V": Value of the royalty

"A": Amount of the exploited mineral

"P": Price settlement basis

"R": Royalty percentage

The royalty percentage varies by mineral. Gold and silver are subject to a 4% royalty, except for gold from alluvial deposits, like the Nechí Alluvial Property and in Mining Concessions, which are subject to a 6% royalty.

Unlike concession contracts, RPPs are not subject to payment of surface fees, but rather are subject to royalties that are to be paid according to article 227 of Law 685 of 2001, in application of article 330 of Law 1955 of 2019. The royalty applicable to alluvial gold produced from RPPs is 2% of gross production. RPPs are also subject to a gold tax pursuant to Law 488 of 1998.

The following table summarizes the aggregate amount of royalties and gold taxes paid for the periods indicated:

Royalties and Gold Taxes Paid
Nechí Alluvial Property

	Six Months Ended	Year Ended December 31		
	June 30, 2021	**2020**	**2019**	**2018**
Payment		**(US$)**		
Royalties	1,160,115	2,254,053	1,478,125	996,706
Gold Taxes	2,320,229	3,627,772	2,508,384	3,283,596

Summary of Obligations

The primary obligations to be complied with to maintain Mining Concessions in good standing are outlined in the following table:

Phase of Concession	Term + Extension	Surface Fee	Work Plan Requirement	Environmental Requirements	Environmental Mining Insurance Policy	Royalty	Reports and other filings
Exploration	3 years + 2-year extensions, up to 11 years in total	Yes	Minimum Exploration Program (*Programa Mínimo Exploratorio*)	Mining Environmental Guides (*Términos de Referencia – Trabajos de Exploración, Programa Mínimo Exploratorio y Plan de Trabajos y Obras (PTO) para materiales y minerales distintos del espacio y fondo marino*). No environmental license is required. However, depending on the use of renewable resources different environmental permits would be needed (i.e. Surface Water Concession among others)	5% of planned annual exploration budget	No	Basic Mining Format (*Formato Básico Minero*)
Construction	3 years + 1 year extension	Yes	Work Development Plan (*Plan de Trabajos y Obras*)	Requires Environmental License – *Licencia Ambiental* (issued upon approval of Environmental Impact Assessment – *Estudio de Impacto Ambiental,* and includes all other permits required for this phase)	5% of planned investment as per work plan (*Plan de Trabajo y Obras*)	No, unless anticipated exploitation occurs. In such case, equal to a percentage of the value of the extracted mineral and that varies depending on the mineral that is extracted	Basic Mining Format (*Formato Básico Minero*) Royalty Declaration (in case of anticipated exploitation)
Exploitation	30 years minus term of exploration and construction. It may be extended for additional 30 year-term, subject to approval of the mining authority.	No (Exception made on areas kept by the concessionaire to undertake exploration activities during a 2-year period).	Work Development Plan (*Plan de Trabajos y Obras*)	Yes. Requires Environmental License (issued upon approval of Environmental Impact Assessment and includes all other permits required for this phase)	10% of the result of multiplying the estimated annual production of the mineral of the concession for the price at pithead for the applicable mineral as annually determined by the Colombian government	Yes, equal to a percentage of the value of the extracted mineral and that varies depending on the mineral that is extracted	Basic Mining Format (*Formato Básico Minero*) Royalty Declaration

Environmental Regulation

Environmental Framework and Enforcement Authority

In Colombia there are several authorities and entities responsible for environmental policy and enforcement at the national and regional level, including matters related to mining activities and operations as follows:

National level:

- Ministry of Environment and Sustainable Development (*Ministerio de Ambiente y Desarrollo Sostenible – MADS*): main environmental authority in Colombia and leading governmental entity for the management of environment and natural renewable resources, in charge of establishing the rules of environmental management of natural resources, and determining the general conditions and defining public policies regarding the recovery, conservation, protection, management, use and exploitation of renewable natural resources. In addition, some of the specific functions of this authority are to define the national environmental regulation and to formulate policies related to the National Natural Parks System.

- MADS' mining-related responsibilities include issuing rules, policies, and technical standards for the control of pollution, prevention of environmental damage, establishment of standards and limits for the levels of atmospheric emissions and wastewater discharges.

- The National Authority of Environmental Licenses (*Autoridad Nacional de Licencias Ambientales – ANLA*): is a government entity with administrative and financial autonomy. It is in charge of the granting and monitoring environmental licenses and permits for large-scale projects, such as the exploitation of metallic minerals, precious and semi-precious minerals when the projected total removal of useful and waste material is greater than or equal to 2,000,000 tons per year.

- The Special Administrative Unit of National Natural Parks of Colombia (*Parques Nacionales Naturales de Colombia – PNN*): is an operational, technical, and executive unit in charge of conserving Colombia's protected areas, their fauna, flora, and ecosystems through the administration and management of the "System of National Natural Parks" and the coordination of the "System of National Protected Areas". This Agency has financial and administrative autonomy.

Regional level:

- The Regional Autonomous Corporations and Corporations for the Sustainable Development (*Corporaciones Autónomas Regionales y de Desarrollo Sostenible – CARs*): which are regional environmental authorities that operate within the limits of their jurisdiction, being limited areas of the same ecosystem or the same geopolitical, biogeographic or hydro geographic units (ecosystemic criteria). These authorities are also in charge of granting concessions, permits, authorizations, and environmental licenses (according to specific characteristics such as the size of the project or the size of the production), for the use, exploitation, or mobilization of natural resources or activities that affect or may affect the environment. CARs also have powers regarding the evaluation, control, and follow-up of exploration and exploitation of activities regarding natural resources, including wastewater discharges, atmospheric emissions, and/or final disposal of waste or substances into water, air or soil.

- Departments and Municipalities: which are the political-administrative entity of the regional and local level departments and have residual competencies on the administration of the environment. The Departments were assigned the following duties related to the environmental management of mining activities:

    - Development and promotion of national and regional programs and policies regarding the environment and natural resources.

    - The issuance of provisions subject to higher level regulation; and

    - Technical, budgetary, administrative, and financial support to the CARs and municipalities for the development of programs and projects related to environmental protection.

The environmental powers of the municipalities, are related to control and monitoring of the environment and natural resources, according to the law and regulations issued by national authorities, to safeguard the right to enjoy a healthy environment; specifically, the mobilization, processing, use and exploitation of natural resources or activities that pollute and degrade water,

air and soil. Municipalities with a population exceeding 1,000,000 have the same competences and functions of the CARs within the municipal boundaries.

Decree 1076 of 2015, as amended from time to time, compiled and rationalized Colombia's environmental regulations within a single legal instrument. According to said Decree, mining projects in which exploitation of metals and gemstones is expected to be equal to or exceed 2 Mtpa, must obtain the applicable environmental license before ANLA. Other thresholds apply to coal, construction materials and other minerals where ANLA will grant the environmental license, as follows:

- Coal exploitation: when the projected exploitation is equal to or exceeds 800,000 tons per year.

- Construction materials and non-mineral industrial materials: when the projected production is greater than or equal to 600,000 tons per year for clay, or greater than or equal to 250,000 cubic metres per year for other construction materials or for non-metallic industrial minerals.

- Other minerals and materials: when the projected exploitation is equal or exceeds 1,000,000 metric tons pear year.

Otherwise, the project must obtain the environmental license before the relevant CAR, according to its jurisdiction. Both ANLA and CARs have powers to monitor and enforce compliance by mining projects in accordance with the obligations set forth in the corresponding environmental licenses and/or applicable permits.

Environmental Impact Assessment and Permitting

Colombian laws distinguish between the environmental requirements for exploration activities, and those that must be fulfilled for construction and exploitation works. During the exploration phase, the concessionaire is not required to obtain an environmental license; however, it does require environmental permits (i.e. wastewater discharge permits, riverbed occupation permits, and forestry use permits, among others) which are issued according to the specific use of natural resources, which must be obtained from the CARs. The concessionaire will also be required to comply with the mining and environmental guidelines issued by the MME and MADS.

As a result of the impact of the mining activity on the environment, the Mining Code and the environmental regulation have established that the concessionaire must obtain an environmental license in order to commence any construction activities for the required facilities, as well as for the exploitation. Thus, in order to begin construction and, subsequently, exploitation operations, the concessionaire must obtain an environmental license or the approval of an existing EMP from the corresponding environmental authority.

The approval process begins with the filing, before the expiration of the exploration period, of the environmental impact assessment or the updated EMP to the applicable environmental authority, which shall include all environmental authorizations for the use and/or exploitation of natural resources necessary for the development and operation of the project, work or activity. Projects that started operations before December 1993 and already had obtained the applicable permits must still prepare an EMP and apply for minor environmental permits.

Non-governmental organizations and local communities located in the project area have the opportunity to participate in the environmental administrative process leading up to the issuance of an environmental license. The environmental licensing process involves giving notice to, and the participation of, all communities in the area of influence of the project area, including indigenous and Afro-descended communities. It is important to clarify that this environmental participation process is different from and is not a substitute for the prior consultation process that must be carried out with ethnically differentiated communities (indigenous and Afro-descendant communities) located in the area of influence of the project.

In August 2020, as a part of its ordinary course operations, Mineros requested that ANLA amend the EMP for the Nechí Alluvial Project, mainly to include additional riverbed occupation permits, forestry use permits, and water concessions in the Sampumoso and Llanuras areas, all being blocks within the feasibility mining stage corresponding to the existing RPP. On April 9, 2021, ANLA issued Resolution 00659 of 2021, authorizing some of the permits (all of the water concession, forest use permits for all of the Llanuras areas, and riverbed occupation permits not associated to lentic systems), but considered the information provided in the environmental impact study to be insufficient to grant other permits (riverbed occupation permits for lentic systems and forest use permits within Sampumoso block).

Mineros appealed to ANLA for reconsideration and by Resolution 01098 dated June 23, 2021, ANLA modified its initial decision adjusting the volume of water concessions as requested and granting the forestry use permits for the external sectors

of Sampumoso. The amendment to the EMP to this point is referred to by Mineros as "Stage 1". On August 12, 2021, Mineros filed a new amendment to the EMP for the Nechí Alluvial Property seeking final approval for the riverbed occupation permits in Sampumoso (as lentic system) and the forestry use permits for remaining areas within the Sampumoso block. This amendment procedure is referred to by Mineros as "Stage 1.5". Mineros plans to file a further amendment to the EMP for the Nechí Alluvial Property with ANLA at the end of 2021, to seek environmental permits sufficient to support planned operations for a four year period which is referred to as Stage "2".

Water Quality and Water Rights

The primary Colombian regulations that govern water quality, including discharge permitting and requirements, are Decree-Law 2811 of 1974, Decree 1076 of 2015, as amended from time to time, and Resolutions 631 of 2015, 889 of 2018 and Resolution 699 of 2021 issued by MADS, as amended from time to time, which provide for the maximum limits allowed for discharges to surface and sea water and to the soil. CARs enforce compliance with these regulations within their regions.

In Colombia, there are several mechanisms through which the Colombian Government manages water as a resource; among these are water concessions and environmental licenses. By means of these, the beneficiary is granted the use of water under specific conditions, as long as the availability of the resource and purpose allows it. These uses are subject to an order of priority set by Articles 2.2.3.2.7.6 and 2.2.3.2.7.8 of Decree 1076 of 2015, which must be applied whenever there is scarcity or conflict over the use of water and responds to the following three criteria: (i) domestic use or use for human consumption always has priority over others; (ii) collective uses have priority over individual uses; and (iii) the use of the inhabitants of a region has priority over the use of those who live outside the region.

The aforementioned order may vary according to the economic or social needs of the region, taking into account factors such as rainfall, temperature, and evaporation, present and projected water demand in the different sectors of one region, economic and social development plans approved by the competent authority, among other aspects. Therefore, there can be situations in which the use of waters will not be authorized, as well as when it is prohibited by law, such as when the waters are reserved for other uses, or when the use of such waters have already been legally granted.

The MADS has among its functions regulating the general conditions for the sanitation of the environment and the issuance of general regulations to control and reduce water pollution throughout the national territory. The CARs, are in charge of enforcing the regulations mentioned above in their jurisdictions and can issue stricter regulation.

Water rights for Mineros' mining activities are granted by CORANTIOQUIA by means of water concessions, which are independent to the mining concession or to land ownership. The water rights related to mining activities are included in the environmental licenses or the approved EMP and are normally granted for up to ten years. The terms and conditions under which a water concession is granted may depend, amongst other things, on the amount of water available in the specific region, the possible environmental impact of the concession, water demand, the ecological flow and the different users that the water source services. Reuse wastewater is also regulated in Colombia and requires a special permit from the corresponding environmental authority.

Air Quality

In Colombia, atmospheric pollution is the third factor generating social costs after water pollution and natural disasters. Colombian legislation defines atmospheric pollution as a phenomenon consisting of the accumulation or concentration of pollutants; these are substances or elements in any state of matter that cause adverse effects on the environment, renewable natural resources and human health, and are emitted into the air as a result of human activity and/or natural causes.

Decree 1076 of 2015, as amended from time to time, Resolutions 909 of 2008, 650 of 2010, (modified by Resolutions 2154 of 2010) and 2254 of 2017, provide the main framework of regulations relating to the protection and control of air quality. Such regulations set forth the general principles and regulations for atmospheric protection, prevention mechanisms, control and attention of pollution contingencies from fixed, mobile or diffused sources as well as emission levels and standards.

Among the emission sources that are regulated are: controlled open burnings, discharge of fumes, gases, vapors, dust or particles through stacks or chimneys; fugitive emissions or dispersion of contaminants by open pit mining exploitation activities; solid, liquid and gas waste incineration; and operation of boilers or incinerators by commercial or industrial establishments. The substances regulated under air quality include: SO_2, NO_2, CO, PM10, PM2.5 and O_3. CARs enforce compliance with these regulations within their jurisdictions. In addition, MADS Resolution 627 of 2006, as amended from time to time, establishes the national noise emissions standard and environmental noise standard.

Recent regulations related to air quality are Law 1964 and 1972 of 2019, which seek to reduce polluting emissions from mobile sources by promoting electric and zero-emission mobility.

Fauna and Flora Protection

The main regulations for the protection of fauna and flora are contained in Decree-Law 2811 of 1974 (National Natural Resources Code), Decree 1076 of 2015, regarding the preservation, conservation, restoration and promotion of wildlife, management and control of hydrobiological resources and the environment), as amended from time to time, and the multilateral Convention on Biological Diversity entered into in Rio de Janeiro on June 5, 1992, within the framework of the Rio Convention.

Forest management and use are regulated by Decree 1076 of 2015 (regarding the Forest Resource Uses and Forest Reserve Areas, National Natural Parks, and forest harvesting regime and regional agreements for this purpose) and by MADS Resolution 256 of 2018, as modified by Resolution 1428 of 2018 and Resolution 370 of 2021 (Compensation of the Biotic Component), all of these as amended from time to time. In addition, there are other important regulations on the matter such as the Cartagena Protocol on Biotechnology Security of the Convention on Biological Diversity entered into in Montreal on January 29, 2000, and the Convention on International Trade of Threatened Wild Fauna and Flora Species (CITES).

Colombia has declared wildlife preservation and management as an activity of public utility and social interest, which means that projects and works developed with this purpose will receive certain benefits, for example expedite proceedings for permits. In addition, endangered species are protected in Colombia by environmental and criminal law, considering Colombia's location and biodiversity. Finally, in performing biodiversity studies, a permit for scientific investigation must first be obtained from the applicable CAR.

Protection of Cultural Heritage and Archaeology

Cultural and natural heritage protection in Colombia is defined in the Colombian Constitution and developed through several international treaties and laws of the State. There are strict legal provisions, such as Law 397 of 1997 and Decree 1080 of 2015 as amended from time to time, Decree-Law 2106 of 2019, whereby the cultural heritage is safeguarded and protected. For example, citizens who find archaeological remains are required to inform the Ministry of Culture of the discovery within 24 hours, or else face sanction by the competent authority.

According to the Mining Code, the concessionaire is liable for environmental and archeological remediation and other liabilities based on actions and or omissions occurring after the date of the Mining Concession, even if the actions or omissions are of an authorized third-party operator on the concession. The concessionaire is not responsible for environmental or archeological liabilities that occurred before the Mining Concession, from historical activities, or from those resulting from non-regulated mining activity.

Mine Closure and Reclamation

Article 209 of the Mining Code requires that the concessionaire, upon termination of a Mining Concession, undertakes the necessary environmental measures for the adequate closure and abandonment of the operation. To ensure that these activities are carried out, the environmental insurance policy is required to remain in effect for three years from the date of termination of the Mining Concession. Decrees 2820 of 2010, 2041 of 2014 and 1076 of 2015, the later specifically indicates that the concessionaire must submit a plan for dismantling and abandonment of the project.

Artisanal and Small-Scale Mining

Colombia places great importance to mining formalisation policy that seeks to enhance the legal, regulatory, fiscal and infrastructure conditions for the small- and medium- scale mining sectors.

The classification of mining according to different types of operations (large, medium, small-scale and subsistence mining, which includes artisanal mining) was set on Decree 1666 of 2016 (compiled in the Decree 1073 of 2015). For each of them, differential measures were formulated to improve their organization and performance, the goal being to implement (in the future) differentiated requirements for each type of mining. Likewise, through Resolution 40103 of 2017, the MME established a maximum production volume for subsistence mining.

Small-scale mining refers to (i) for mining titles in the exploration stage or construction and assembly, those with an area no higher than 150 hectares; and (ii) once the mining title enters into the production stage and provided that a Mining Work

Program (in Spanish *Plan de Trabajos y Obras*) or the technical equivalent document is duly approved, it will be understood as small-scale mining for metallic minerals when the volume of maximum annual mining production is up to 25,000 (Ton/year) in underground operation, and up to 50,000 in open-pit operation.

Artisanal or subsistence mining is the mining activity developed by individuals or groups of people who are dedicated to the artisanal extraction of clays, precious metals, river gravel and sand for construction, and open-pit extraction of precious and semiprecious stones using hand tools and manual means, without the use of mechanized equipment or machines for removal of the stones by the panners. It includes digging and collecting the minerals mentioned above within the waste of mining operations, regardless of the qualification that the latter assumes in the different areas of the national territory.

According to Resolution 40103 of 2017 issued by the MME, the maximum monthly and annual production volumes for subsistence mining of Precious Materials (gold, platinum, and silver) are 35 grams per month on average and 420 grams per year.

Restrictions

Other than in the ordinary course for similar operations, no material restrictions or conditions have been placed on our operations in Colombia.

Argentinean Regulatory Framework

Mineral Tenure

Legal Framework Relating to Mining

Mineral exploration and exploitation in the Provinces of San Juan and La Rioja, Argentina, is governed by a legal framework that includes:

- the federal Constitution of Argentina;
- the Argentine Mining Code;
- Law No. 24,585 (Argentina), relating to environmental matters for mining included in the Argentine Mining Code;
- federal environmental legislation that establishes minimum environmental protection standards, including Federal Environmental Law No. 25,675 (general environmental matters), Law No. 25,688 (water management), and Law No. 26,639 (glacier protection), among others;
- the Mining Investment Law No. 24,196 (Argentina);
- the applicable provincial constitution;
- provincially legislated mining procedural codes;
- provincial legislation imposing royalties on mineral production; and
- provincial environmental legislation.

The federal laws above are effective in each province of Argentina. Additionally, general corporate law, labour, regulatory and tax rules of general application also apply to the mining industry, except as modified by the legal regime governing mining.

Under the Constitution of Argentina, the provinces have the original dominion over the natural resources existing in their territory, and reserve to themselves all of the powers not delegated to the federal government. Therefore, provinces are the owners of natural resources—including mineral resources—located in their respective territories. The authority to grant mining concessions may be provincial or federal, depending on where the minerals are located (certain areas of the country remain under federal jurisdiction). In the case of the Gualcamayo Property, concessions are administered by the provincial mining authority of the Provinces of San Juan and La Rioja.

As a general rule, provincial mining authorities and provincial environmental authorities have jurisdiction to regulate and control the environmental matters related to mining projects located in their respective territories. Federal authorities have only jurisdiction when the mining project is located in federal territory, or when there is an inter-jurisdictional environmental impact.

The core of the Argentine legal framework surrounding mining has been stable for a long time. However, the mining industry in Argentina has been impacted over the years by economic, financial and social factors and by various regulations issued from time to time in connection therewith (e.g., creation and increase of taxes, which applied even to companies that had fiscal stability pursuant to the Mining Investment Law (Argentina), foreign exchange control restrictions, and others), creating uncertainty in the development of the mining industry. Significant uncertainty exists in Argentina currently as a result of pre-existing economic challenges in tandem with the effects of the global COVID-19 pandemic. In addition to this, the mining industry has also been impacted by certain regulations issued at the federal level (for example, the National Minimum Environmental Protection Standard Law for the Protection of Glaciers and Periglacial Environment, Federal Law No. 26,639 enacted on 2010) and at the provincial level (some provinces issued regulations prohibiting or restricting certain methodology of mining and/or the use of certain chemicals). Also see "*Operations in Emerging Markets – Argentina*".

The Argentine Mining Code governs the rights, obligations and procedures related to the exploration for, and exploitation of, minerals. The Argentine Mining Code applies to and is enforceable by local authorities in each province of Argentina. As set forth by the Argentine Mining Code, minerals are classified in three different categories. Gold, silver, and copper are "first category" minerals. Rights to explore for and exploit first category minerals are granted pursuant to exploration permits (*cateos*) and mining concessions (*minas*), which are granted on a "first in time, first in right" basis upon application to the local provincial mining authority.

Exploration Permits (Cateos)

A *cateo* is an exploration permit which allows the holder to explore a certain area during the term of the permit and to the extent allowed by the Argentine Mining Code. Exploration permits do not allow commercial mining but give the owner an exclusive right to obtain a mining concession within the area covered by such permit. Exploration permits are measured in 500 ha unit areas. An exploration permit cannot exceed 20 units (10,000 ha). No person may hold more than 400 units (200,000 ha) in a single province. The term of an exploration permit is based on its area: 150 days for the first unit (500 ha) and an additional 50 days for each unit thereafter.

After a period of 300 days (commencing 30 days after the exploration permit is formally awarded), 50% of the area over four units (2,000 ha) must be forfeited. At 700 days, 50% of the area exceeding four units must be forfeited. At each stage, the area covered by the exploration permit may be converted to one or more statements of discovery (*Manifestaciones de Descubrimiento – MD*). A statement of discovery is the initial step of the proceedings aiming to obtain a definitive mining concession, usually issued as a result of an exploration permit.

Exploration permits are identified by a file number and are awarded by the following process:

- Filing of an application before the provincial mining authority for an exploration permit covering a designated area. The application must include a minimum work program for exploration and the investment to be done during exploration activities.

- Registration of the exploration permit is made by the provincial mining authority which also proceeds with the formal placement of the exploration permit on the official map or Graphic Register (*Registro Gráfico*).

- The registration of the exploration permit is published in the provincial official bulletin and any known surface owner is notified. The publication is made twice within ten days by the permit holder once the provincial mining authority orders the publication and notification according to the corresponding provincial regulations.

- There is a period of 20 days following publication for third parties to oppose the granting of the exploration permit to the applicant. In case of opposition, the applicant is notified and has a period of 10 days to reply. Following expiry of such 10-day period, there is a period during which parties may produce evidence, followed by a term for the parties to submit arguments to the provincial mining authority regarding the merits of the evidence produced. Following expiry of such period, the applicable provincial mining authority decides the dispute.

- If no opposition is registered within the relevant opposition period or following the settlement of any duly registered opposition in favour of the applicant, the exploration permit is awarded to the applicant.

The length of this process varies depending on the province. However, if two companies apply for exploration permits on the same land, the first to apply has priority to receive the permit. During the application period, the first applicant has rights to any mineral discoveries made by third parties in the area covered by the exploration permit without applicant's prior consent.

A one-time fee (*canon*) of AR$1,600 per unit must be paid to the provincial mining authority upon application for the exploration permit. In addition, the tax act for the province of San Juan requires a one-time fee to be paid upon application for an exploration permit and upon the registration of the exploration permit. The actual value is AR$2,000 for the application and AR$2,000 for the registration. In La Rioja, the local fee upon application of an exploration permit is AR$38.00 plus AR$19.20 for every unit.

Mining Concessions (Minas)

Provinces are the original owners of the natural resources existing within their territories. Mining concessions (*minas*) are granted by the provincial mining authority through legal concession following the procedure set forth in the Argentine Mining Code, briefly described below.

The area of a mining concession is measured in units called "*pertenencias*". Each mining concession may consist of one or more *pertenencias*. For the first category of minerals, conventional *pertenencias* are 6 ha and *pertenencias* for disseminated deposits are 100 ha when the mineralization is uniformly distributed and allows for large-scale exploitation by non-selective methods. As from registration of the MD, mining concessions have an indefinite term provided certain obligations (statutory works and survey request), payments (*canon*), investment and work obligations set out in the Argentine Mining Code (principally Sections 215, 216, 217, 218 and 225) are met. An annual *canon* fee of AR$320 per conventional *pertenencia* of 6 ha and of AR$3,200 per *pertenencia* for disseminated deposits of 100 ha is payable to each applicable province.

The following process is required to obtain and maintain a mining concession:

- Application: Any person may apply for a mining concession on areas not subject to an exploration permit application or a granted exploration permit or statement of discovery registered to another person. Application for a mining concession does not require the applicant, as a pre-requisite, to have applied for or first held an exploration permit. However, where an exploration permit application has been filed or granted, only its holder may apply for a mining concession. The applicant has to determine the area within which it will carry out the works of reconnaissance of the mineral deposit and within which the mining properties to be measured will then be circumscribed.

- Registration: The registration is the copy of the statement of discovery in the protocol book kept by the provincial mining authority. Following registration, the owner of a statement of discovery may exploit the area within the concession, subject to compliance with environmental regulations.

- Publication: Once a mining concession is registered, it is published in the provincial official bulletin for possible opposition, three times within 15 days and in a notice-poster on the doors of the notary's office. After such publications, there is a period of 60 days during which third parties can oppose the registration of the mining concession. If there is opposition, the applicant has a period of ten days following notice thereof to respond to any such opposition. The parties are then required to produce evidence relating to the validity of the claim and the parties then have a period to report on the merit of the evidence. Once this period has expired, the provincial mining authority resolves the matter.

- Statutory works (*labor legal*): The fulfillment of certain required works at the mining concession must be performed within 100 days of the day following the registration of the MD. Lack of performance of the statutorily required works may result in the termination of the registration of the MD.

- Survey request (*mensura*): The mining concession holder has a 30-day term from expiration of the 100-day term to request to the mining authority the survey of the mining concession, under penalty of forfeiture of the mining concession.

An annual fee must be paid on concessions, starting three years after the concession grant date, being the date of registration of the MD. Payment is required on an annual basis. The annual *canon* per *pertenencia* is fixed by law, issued by National

Congress. The annual *canon* is paid in advance in two equal instalments, due on June 30 and December 31 of every year. The mining concession lapses if the *canon* is not paid within two months of the annual payment due date. The Argentine Mining Code requires the provincial mining authority to give formal notice to the mining concession holder of termination of a mining concession due to a *canon* payment default. The concession holder is entitled to cure the default and reinstate the lapsed mining concession by paying the *canon* plus fines within a 45-day period following the date on which the notice of default is given by the provincial mining authority. If the mining concession holder fails to cure the situation within such 45-day period, the lapse of the mining concession becomes permanent with no possible appeal, and the mining concession is registered as vacant, allowing any person to apply for it.

The Argentine Mining Code also requires the submission to the provincial mining authority of a plan setting out the minimum planned investment for each mining concession within one year of the date on which the survey is requested, regardless of whether or not a survey is actually completed. The Argentine Mining Code does not require a complete investment plan, but just a simple description of planned work and estimated investments in work expenditures. The investments must be capital investments. The investment plan cannot provide for less than 300 times the annual *canon* amount due, and the estimated investment commitments must be completed within five years of the investment plan submission date. Failure to submit an investment plan when due entitles the provincial mining authority to demand that one be submitted within 30 days. If the concession holder fails to submit an investment plan within such 30-day period, the mining authority shall terminate the concession.

Pursuant to Section 225 of the Argentine Mining Code, a mining concession may be terminated due to lack of work on the mining concession. A mining concession is deemed "inactive" when no exploration, development, or production work has been regularly conducted on it for a consecutive four-year period. When the mining concession becomes inactive, the provincial mining authority may deliver notice to the mining concession holder demanding filing of an activation or reactivation plan, based on the production capacity of the mining concession, the characteristics of the area, the available means of transport, the demand for products and the existence of equipment required for the works. If the mining concession holder does not submit to the provincial mining authority an activation or reactivation plan within six months, the mining concession shall be terminated. Once an activation or reactivation plan is filed, the concessionaire must fulfil the work required by each stage of the plan within the periods specified, which may not exceed five years in the aggregate. Any default shall result in the termination of the concessionaire's rights in the mining concession.

Surface Rights

Surface rights are separate from mining rights under Argentine law. The Argentine Mining Code establishes that mining is of public utility. Therefore, surface owners cannot prevent the granting of mining rights or commencement and/or continuity of mining activities on their property, but are entitled to compensation for the use by the mining title holder of the land and indemnification for damages derived from mining activities in their properties.

Land over which a mining title has been granted is legally subject to different types of easements in favour of the title holder (e.g. right of way, occupation of land, use of water, etc.), provided that compensation is paid to the owner of the surface land. Where a negotiated agreement on compensation to a surface owner cannot be reached, it may be settled by a court upon application by the concession holder. The concession holder may proceed with mining activities before the matter is determined by the court by depositing a bond or guarantee for the benefit of the surface landowner in a reasonable amount in respect of any compensation that the court may order. Mining easements are ancillary to the validity and existence of the mining exploration or exploitation right.

Mining title holders may also apply for easements over surface land in the vicinity of their mining titles where required to facilitate mining activities that cannot be suitably facilitated using surface land over their concessions. In such case, the title holder would need to provide evidence of the need for the use of such surface land, since the public utility beyond the mining right's boundaries is not presumed.

Taxes and Royalties – Contributions

Provinces are entitled to require royalty payments in respect of minerals produced from mining concessions within their jurisdiction. Regulations vary from province to province. The legislation of both the Province of San Juan and the Province of La Rioja impose a 3% provincial royalty calculated on the value of the mineral extracted (*boca mina*); however the San Juan Province has agreed with mining companies that royalties are payable on the income or value obtained from the commercialization of minerals under certain specific terms and conditions.

In addition, the Province of San Juan usually requires projects with producing mining operations to make a contractual contribution to a trust fund (*fideicomiso*). These contributions are intended to be used to improve the sustainable development of the areas of influence in the local area impacted by the mining operation.

Exports of doré from Argentina are subject to a federal export duty. Such tax is currently fixed at 8% of the value of doré exported, pursuant to National Law No. 27.541 effective as of December 23, 2019, and Decree No. 785/2020 on export duties of the National Executive Power.

Both the Province of San Juan and the Province of La Rioja adhere to the Mining Investment Law (Argentina), which grants certain tax advantages in relation to federal taxes, and if adopted by a province, in relation to provincial and municipal taxes. Any company registered under the Mining Investment Law (Argentina) can obtain tax stability rights for 30 years for a project from the date of filing of a feasibility study that meets prescribed content requirements with the Federal Mining Authority, among other benefits. This 30-year tax stability covers all federal, provincial and municipal taxes (except VAT) that may be levied on the mining activities carried out by the project that is subject to the stabilization right. An increase in the tax rates or new taxes causing an increase in the total tax burden applicable to a project that is subject to the stabilization right at the national, provincial or municipal level (considered separately) gives a right to the company operating such project to request reimbursement of the amounts paid in excess of the stabilized tax burden in the applicable jurisdiction. The tax stability also applies to the exchange control regime and customs duties.

Environmental Regulation

Environmental Framework and Enforcement Authorities

In Argentina, environmental matters are regulated by federal, provincial and municipal laws. As a general rule, provinces are entitled to regulate and control environmental matters within their respective territories. Thus, provincial mining and/or environmental authorities have jurisdiction to regulate and control the environmental matters related to mining activities.

The National Congress of Argentina has jurisdiction to issue legislation of national application in respect of certain environmental matters, including minimum protection standards for mining and other activities. Provinces may enact stricter guidelines, provided that they do not impair or reduce the scope of the minimum standards imposed under federal laws.

Environmental laws enacted by the National Congress include: (i) Federal Environmental Law No. 25,675 (Argentina), which sets out minimum environmental protection standards; (ii) Law No. 24,585 under the Argentine Mining Code, which contains specific environmental rules applicable to mining, and (iii) laws regulating inter-jurisdictional environmental matters and criminal liability.

Failure to comply with environmental obligations may result in penalties ranging from fines to suspension of works or temporary or definitive closure of the mine, but without effect upon title or ownership of the mining concession. In case of an environmental damage, remediation is mandatory, and criminal liability may apply in case of contamination.

Environmental Impact Assessment and Permitting

The specific environmental rules contained by the Argentine Mining Code (and in the particular case of the Gualcamayo Property, as supplemented by Decree No. 1,426/1996 of the Province of San Juan and Law No. 7,227 and 7,801 of the Province of La Rioja) set forth general provisions in connection with the duty to obtain the environmental approval for the exploitation stage. Such regulations require that prior to conducting any mining activity, the project proponent carry out an environmental impact assessment and file with the provincial authority an environmental impact report (*Informe de Impacto Ambiental*) describing the project and its environmental, social and economic impacts in accordance with applicable regulations.

The provincial mining authority must evaluate the environmental impact report and issue a rejection or approval decision. The decision approving the environmental impact report is the environmental permit for the project, which is issued in the form of an official declaration referred to as environmental impact declaration *(Declaracion de Impacto Ambiental*). The environmental impact declaration may include specific environmental protection requirements or obligations applicable to the project to be fulfilled by the operator.

The environmental impact declaration must be updated at least every two years by the filing of updated environmental impact reports with any changes or upon confirmation of lack of efficiency of any of the proposed environmental measures or any deviation from the previously expected results.

In addition, a public consultation must be carried out during the environmental impact assessment process in accordance with the Federal Environmental Law No. 25,675 and applicable provincial regulations. The provincial mining authority must conduct a public consultation or a public hearing procedure. The outcome of the consultation or hearing process is not binding but should be addressed by the respective environmental impact declaration.

Performance and Reclamation Insurance

The Federal Environmental Law No. 25,675 requires any person engaged in activities that may pose a risk to the environment, the ecosystems and their elements to obtain insurance with adequate coverage to ensure the funding of potential restoration activities. Currently, the Company has insurance in the amount of AR$155,393,079.98 with Testimonio Compañía de Seguros S.A.

Mine Closure and Reclamation

According to the AMC, the environmental protection rules established by Law No. 24,585 are applicable to all those activities related to the closure of the mine. At a national level, there are no detailed specific rules for closing procedures (with the exception of Annex III of the Complementary Rules of the AMC (which determines the contents of the environmental impact report for the exploitation stage) which establishes that an EMP shall include actions concerning the cessation and abandonment of the exploitation and post-closure monitoring).

Mine closure matters and their environmental impacts must be included in the respective environmental impact report. Decree No. 1426/1996 of the Province of San Juan and Law No. 7,277 of the Province of La Rioja sets forth general provisions in connection with the filing of the environmental impact report for the exploitation stage, which must include a monitoring plan, mine closure plans, and post-closure monitoring, among other things. Provincial mining authorities usually require the environmental impact report to contain specific requirements regarding mine closure and post-closure plans so that they may be evaluated as part of the environmental impact of a proposed operation. Annex III of Decree No. 1426/1996 of the Province of San Juan (which regulates Law No. 24,585 and determines the contents of the environmental impact report for the exploitation stage) establishes that an EMP shall include actions concerning the cessation and abandonment of the exploitation and post-closure monitoring. Requirements related to the filing of a closure and post-closure plan are set out in the current environmental impact declaration of the Gualcamayo Property, Resolution No. 39/2019 of the San Juan Ministry of Mining. For the last few years, the province of San Juan has been working on a specific provincial bill of law regarding a mine closure regime; however, there is no regulation in place yet.

Ancillary Permits

Ancillary permits are required, covering different matters such as: (i) waste management (generation, transportation, treatment and final disposition); (ii) water works; (iii) use of water; (iv) liquid effluents discharges; (v) explosives use and storage; and (vi) oil storage tanks; among others.

Hazardous Waste Regulation

Generators of hazardous waste located in the Province of San Juan must comply with Law No 522-L of San Juan, which sets forth several obligations related to hazardous waste management (e.g. permitting requirements regarding the generation, handling, transportation, treatment and disposal of hazardous wastes). Inter-jurisdictional handling transportation, treatment and disposal of hazardous waste is subject to Federal Law No. 24,051.

Generators of hazardous waste located in the Province of La Rioja must comply with Law No. 8,735 of La Rioja, by means of which the province adheres to Federal Law No. 24,051.

The Minamata Convention on Mercury is a United Nations global treaty intended to result in reduced global emissions of mercury. In 2017, by means of Law No. 27,356 Argentina ratified the Minamata Convention and adopted certain regulations prohibiting the manufacture, import and export of certain mercury-added products as of January 1, 2020. A special permit can be requested in order to import or export mercury to/from Argentina, according to Resolution No. 71/2019 of the Federal Secretariat of Environment and Sustainable Development. Further restrictions may be adopted in the future.

Wetlands

In 1991, Argentina ratified the Convention on Wetlands of International Importance and therefore committed to the rational use of internationally protected wetlands and hydric resources in its territory through national management plans, policies and legislation. Additionally, pursuant to the Ramsar Convention each contracting party has agreed to promote the conservation of wetlands and related fauna and flora by establishing nature reserves on wetlands and executing a wetlands inventory. In Argentina, there are 23 sites declared "Ramsar sites", as defined in the Ramsar Convention.

Notwithstanding the foregoing, no specific law or regulation, whether national or provincial, is currently in place in Argentina regarding the regulation of activities on wetlands that would prohibit mining activities or other productive activities that are beneficial for the regional economy. There have been several attempts to pass national legislation regarding wetlands protection, but none have been successful. In 2021, the Federal Ministry of Environment and Sustainable Development issued Resolution N° 80/2021, which mainly aims to set national policies to promote the conservation and sustainable use of wetlands and to support the ecosystem services that wetlands provide, but does not establish explicit prohibitions regarding the activities on wetlands.

However, mining activity is subject to the prior grant of environmental permits, and wetlands are currently protected by general environmental legislation, under which damage to the environment (including wetlands) must be avoided. As a general rule, damaging the environment gives rise to an obligation to remediate.

As a result of fires started for agricultural purposes which exacerbated a drought in one of Argentina's largest wetlands, in July 2020, the Argentine National Congress started to debate several bills relating to the regulation of wetlands. As of late November 2020, one consolidated wetlands bill was subject to proceedings in the different commissions of the National Congress. If approved and brought into law, this legislation could negatively impact the mining sector, among other productive activities, but are not expected to materially impact the Company's operations. The consolidated wetlands bill that is currently under consideration by the Federal Congress has a broad interpretation of the term "wetlands", under which some Andean areas with certain kind of flora may be considered wetlands (e.g. "*humedales altoandinos*"). From this standpoint, should this kind of flora (or any other area falling under the scope of the "wetland" definition) be found in the area of the Gualcamayo Project, additional protective measures may be requested by the environmental authority.

Health and Safety Regulations

There are several regulations applicable to mining activities, such as federal Law No. 19,587 and Decree N° 249/2007 (health and safety regulations for mining activities), including specific regulations related to noise, asbestos, chemical substances, among others.

Health and safety regulations require that a mining company must hire an occupational hazard insurer in order to identify and evaluate occupational hazards and to design preventive and emergency programs.

Restrictions

Other than in the ordinary course for similar operations, no material restrictions or conditions have been placed on our operations in Argentina.

Nicaraguan Regulatory Framework

Mineral Tenure

Legal Framework Related to Mining

Mineral exploration and exploitation in Nicaragua are principally supervised by MEM (Nicaragua) and the Directorate-General of Mines (*Dirección General de Minas*) a division of MEM (Nicaragua), and are governed by a legal framework that includes:

- the Nicaraguan Political Constitution;
- the Mining Law (Nicaragua), which has been in effect since 2001;

- Decree No. 119-2001 "Regulation of the Law No. 387, Special Law on Exploration and Exploitation of Mines" (*Reglamento de la Ley No. 387, Ley Especial de Exploración y Explotación de Minas*);

- Law No. 316 "General Law on the Exploitation of Natural Wealth" (*Ley General Sobre Explotación de Nuestras Riquezas Naturales*);

- the Old Mining Law (Nicaragua); and

- ministerial resolutions;

in each case as amended.

The management of the environmental legal aspects is based, mainly, on the following laws along with their regulations and amendments (where applicable):

- Law No. 217 "General Law on the Environment and Natural Resources" (*Ley General sobre el Ambiente y los Recursos Naturales*);

- Decree No. 9-96 "Regulations to the Environmental Law" (*Reglamento de la Ley General del medio ambiente y los recursos naturales*);

- Decree No. 20-2017 "Environmental Assessment System for Permits and Authorizations for the Sustainable Use of Natural Resources" (*Sistema de Evaluación Ambiental de permisos y autorizaciones para el uso sostenible de los recursos naturales*);

- Law No. 620 of 2007 "General Law on National Waters" (*Ley General de Aguas Nacionales*);

- Decree No. 21-2017 "Regulations Establishing Provisions on the Disposal of Wastewater" (*Reglamento en el que se establece n las disposiciones para el vertido de aguas residuales*); and

- Law No. 462 of 2003, Law on the Conservation, Promotion and Sustainable Development of the Forestry Sector (*Ley de Conservación, Fomento y Desarrollo Sostenible del Sector Forestal*).

Mining Concessions

Each concession is subject to a concession title granted as a ministerial resolution (*Acuerdo Ministerial*) issued by the government of Nicaragua through MEM (Nicaragua), which grants the mining concession and provides for the merger, division, reduction, assignment, mortgage, encumbrance and relinquishment of the concession, among other things.

Under the Mining Law (Nicaragua) and its regulations, new mineral concessions have a term of 25 years, and are extendable for an additional 25 years.

Prior to 2001, under the Old Mining Law (Nicaragua), concessions were granted either for exploration or exploitation, and in order to obtain an exploitation concession, an applicant would have to hold a previously-granted exploration concession over the relevant area. Exploration concessions were granted for areas ranging from 100 km^2 up to 5,000 km^2, and exploitation concessions were granted within the area of an exploration concession, subject to a maximum area of 120 km^2. An exploitation concession could have been granted for different terms under the Old Mining Law (Nicaragua). A long-term concession could have been granted for a 30-to-50 year term, depending on the deposit's dimensions, with no express legal entitlement to extension. A short-term concession could have been granted for an initial term of 10 years, and could have been extended for two additional consecutive periods of five years each, for a maximum total term of 20 years. Some of the concessions that comprise the Hemco Property continues to be governed by concession titles (ministerial resolutions) that were granted by the State of Nicaragua under the Old Mining Law (Nicaragua).

Taxes and Royalties

Mineral concessions are subject to surface taxes, based on the size of the concession and the number of years held as well as to royalties applied to the substances extracted considering their value at the production site and the sales price.

Mineral concessions are subject to surface taxes, called *canon* payments, based on the size of the concession, the length of time elapsed since the grant of the concession, and the applicable legal regime. Under the Mining Law (Nicaragua), concession holders must pay annual surface rights payments of $0.25/ha in first year of a concession's term, $0.75/ha in the second year, $1.50/ha in the third and fourth year, $3.00/ha in the fifth and sixth year, $4.00/ha in the seventh and eighth year, $8.00/ha in the ninth and tenth year, and $12.00/ha in each subsequent year. Concessions under the Old Mining Law (Nicaragua) are subject to an annual surface right payment based on the agreed terms specified in the ministerial resolution applicable to the concession.

Mineros' Old Mining Law (Nicaragua) concessions are subject to annual surface rights payments of $8.00/ha, the maximum specified under the ministerial resolutions that apply to them.

Under the current Mining Law (Nicaragua), mineral production is subject to a royalty of 3% of the sales price of the minerals extracted based on actual sales prices. This royalty is a deductible expense for income tax purposes. Concession holders must file with MEM production reports within 15 days after the end of each month.

Under the Old Mining Law (Nicaragua), an Ad-Valorem Tax is established as a variable tax, calculated on the on-site value of the minerals extracted less freight costs from the production site to its destination. The Ad-Valorem Tax rate is generally 5%, however the Old Mining Law (Nicaragua) authorized the establishment of a different rate between 0.1% and 10%. The final rate is established in the ministerial resolution applicable to the concession. Mineros' Old Mining Law (Nicaragua) concessions are subject to a 3% Ad-Valorem Tax. Under the Old Mining Law (Nicaragua), the State of Nicaragua is entitled to a 30% right over the industrial and commercial benefits of the concession. The concession holder may deduct Ad-Valorem Taxes from such 30% tax.

The Old Mining Law (Nicaragua) and Law 316 provide concession holders exemption from customs, import and export taxes, and consular fees on materials, machinery, instruments and supplies for mining that are unavailable in Nicaragua at competitive prices, while holders of concessions under the Mining Law (Nicaragua) may apply for similar exemptions. Both regimes exempt concession holders from certain property taxes within their concessions.

Concession holders are required to submit to MEM (Nicaragua) annual reports on mining activities to be performed during the year, periodic reports on production and sales, and cooperate with MEM (Nicaragua) and inspections by the Nicaraguan Ministry of Environment and Natural Resources (*Ministerio del Ambiente y los Recursos Naturales*).

Environmental Regulation

Environmental Authority

The evaluation, control, and monitoring of environmental legal obligations in Nicaragua for projects located in the autonomous regions of the Caribbean coast is carried out by the regional environmental commissions in conjunction with the Secretary of Natural Resources and Environment (*Secretaría de Recursos Naturales – SERENA*) in coordination with the Nicaraguan Ministry of Environment and Natural Resources (*Ministerio del Ambiente y los Recursos Naturales*).

The Hemco Property is also regulated by the Council of the Costa Caribe Norte Autonomous Region (*Consejo Regional Autónomo de la Costa Caribe Norte – CRACCN*). Permits for forest exploitation and the use and discharge of wastewater are granted and managed by the National Forest Institute (*Instituto Nacional Forestal – INAFOR*) and National Water Authority (*Autoridad Nacional del Agua – ANA*) respectively.

Environmental Impact Assessment and Permitting

Environmental permits are required for any mineral exploration or exploitation. Category II environmental permits are required for projects with high environmental impact, such as mining projects, tailings, beneficiation plants, among others, and are granted by GRAAN – CRACCN following a legal process that involves an application, preparation of terms of reference, submission of an environmental impact assessment, public consultation with the affected communities, and the issuance by GRAAN – CRACCN of a technical opinion. Category III, IV and V environmental permits are required for projects, facilities or activities that can cause moderate environmental impacts and these are granted on application to SERENA. The process for Category III, IV and V permits also requires submitting technical information, and the issuance of an environmental permit by SERENA. Currently, Mineros is developing four EMPs that focus on preventing, mitigating, monitoring, and compensating environmental impacts through appropriate environmental management during operation, followed by reclamation of impacted areas and reforestation of areas unrelated to mining activities. Key operational aspects include the education of employees on

environmental matters, monitoring the soil, water and air quality, in addition to biodiversity, and ensuring compliance with all legal and administrative requirements as imposed by national, regional, and municipal authorities.

Artisanal and Small-Scale Mining

"Artisanal mining" refers to the exploitation of mineral resources by individuals, either on an individual basis or through organized groups, using manual techniques. Artisanal miners require permits issued by MEM (Nicaragua). Concession holders must allow artisanal miners to conduct mining activities within 1% of the concession area, and must submit annual reports to MEM (Nicaragua) on their cooperation and agreements with artisanal miners. Concession holders are responsible for compliance with environmental obligations within the concession area. This obligation extends to the activities of artisanal miners within their concessions.

"Small-scale mining" refers to the exploitation of mineral resources by individuals or legal entities not exceeding an extraction or processing capacity of 15 tpd. Small-scale mining requires a special license granted by MEM (Nicaragua), valid for a three-year term. A small-scale mining license does not grant exclusive rights over the licensed area. In order to obtain a special license, small-scale miners must submit a request to MEM (Nicaragua), including a topographic survey describing the location and area requested, which must be available for reservation pursuant to a concession, detailing the activities to be conducted and the mineral to be exploited. After the expiry of a small-scale mining license, the area that was previously reserved for small-scale mining activity becomes subject to the general mining regime, requiring the small-scale miners to apply for a concession. Any such application has priority over concession applications submitted by third parties.

Restrictions

Other than in the ordinary course for similar operations, no material restrictions or conditions have been placed on our operations in Nicaragua.

MATERIAL PROPERTIES

The Company has three Material Properties. For additional information concerning the Nechí Alluvial Property, see Appendix "A". For additional information concerning the Gualcamayo Property, see, Appendix "B". For additional information concerning the Hemco Property, see Appendix "C".

USE OF PROCEEDS

Assuming the Over-Allotment Option is not exercised, the net proceeds to the Company from the Offering will be $21,750,000, after deducting the Underwriters' Fee of $1,500,000 and estimated expenses of the Offering of $1,750,000. If the Underwriters exercise the Over-Allotment Option in full, the net proceeds to the Company from the Offering will be approximately $25,275,000 million, after deducting the Underwriters' Fee of approximately $1,725,000 and estimated expenses of the Offering of $1,750,000.

The Company intends to use the net proceeds from the Offering to fund repayment of the indebtedness created by the Luna Roja Davivienda Loan and for general working capital. The funds provided by the Luna Roja Davivienda Loan were used to complete the acquisition by Hemco of the 50% interest in the Luna Roja Exploration Target not already owned by it and the acquisition of the corresponding interest in the related joint venture which closed on May 21, 2021. See "*Luna Roja Acquisition*".

Principal Purpose	**Estimated Amount to Be Expended**
Repayment of Luna Roja Davivienda Loan	$15,000,000
General working capital	$6,750,000
Total	**$21,750,000**

While the Company intends to spend the net proceeds from the Offering as stated above, there may be circumstances where, for sound business reasons, funds may be re-allocated at the discretion of the Board or management. See "*Risk Factors – Risks Related to our Common Shares and the Offering – The Company may not use the proceeds from the Offering as described in this prospectus*".

Business Objectives and Milestones

The primary business objective the Company expects to accomplish by using the net proceeds from the Offering is to fund partial repayment of indebtedness and general working capital and corporate activities, including exploration, technical studies and general and administrative expenses.

It is anticipated that the net proceeds of the Colombian Concurrent Offering will be used to advance the Company's growth projects over 2021.

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Company has agreed to issue and sell, and the Underwriters have severally (and not jointly or jointly and severally) agreed to purchase, as principals, on the Closing, an aggregate of [●] Offered Shares at the Offering Price for aggregate gross proceeds of $25,000,000 (assuming the Over-Allotment Option is not exercised) to the Company, payable in cash against delivery of the Offered Shares, all subject to and in compliance with all of the necessary legal requirements and the terms and conditions contained in the Underwriting Agreement. The Offering Price was determined by arm's length negotiation among the Company and the Underwriters based on several factors, such as prevailing market conditions; the capital structure of the Company; estimates of the Company's business potential and earnings prospects; an overall assessment of the Company's management; and the consideration of these factors in relation to market valuation of companies in related businesses, and may bear no relationship to the price that will prevail in the public market.

Pursuant to the Colombian Concurrent Offering, up to [●] Common Shares at the Offering Price (converted into COP$), representing up to $10,000,000 in additional gross proceeds to the Company, may be issued directly by the Company and/or through the Colombian Underwriter to one or more investors in Colombia by a public offer conducted through the Colombian Exchange in accordance with applicable laws in Colombia (Articles 6.13.1.1.1. and 6.13.1.1.2. of Decree 2555 of 2010). Neither the Colombian Concurrent Offering nor the Offering is conditional upon the closing of the other offering, and the Company may close upon either one or both of them.

The Company has granted to the Underwriters the Over-Allotment Option, exercisable in whole or in part, at the sole discretion of the Underwriters, at any time and from time to time, for a period of 30 days from and including the Closing Date, to purchase at the Offering Price up to an additional number of Common Shares that is equal to 15% of the aggregate number of Common Shares purchased under the Offering, to cover over-allotments, if any, and for market stabilization purposes. If the Underwriters exercise the Over-Allotment Option in full, the gross proceeds raised under the Offering will be $28,750,000, the Underwriters' Fee will be $1,725,000, the net proceeds to the Company will be $27,025,000 (before deducting expenses of the Offering). This prospectus also qualifies the distribution of the Over-Allotment Option and the Over-Allotment Shares. A purchaser who acquires securities forming part of the Underwriters' over-allocation position acquires those securities under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or through secondary market purchases.

The obligations of the Underwriters under the Underwriting Agreement are several (and not joint or joint and several), and are subject to certain closing conditions and may be terminated at their discretion at any time before Closing upon the occurrence of certain stated events, including "material change out", "market out", "disaster out", "regulatory out", "proceedings to restrict distribution out" and "breach out" clauses. The Underwriters are, however, severally obligated to take up and pay for all of the Offered Shares if any Offered Shares are purchased under the Underwriting Agreement. The Company has agreed in the Underwriting Agreement to indemnify each of the Underwriters and their affiliates and their respective directors, officers, employees, agents, partners and shareholders against certain liabilities and expenses or will contribute to payments that the Underwriters or such other parties may be required to make in respect thereof.

In consideration for their services in connection with the Offering, the Underwriting Agreement provides that the Company will pay the Underwriters' Fee to the Underwriters, which is equal to 6% of the gross proceeds of the Offering (including in respect of any exercise of the Over-Allotment Option), for an aggregate fee payable by the Company of $1,500,000 (assuming the Over-Allotment Option is not exercised). To the extent any Common Shares are issued pursuant to the Colombian Concurrent Offering, the Company will pay the Colombian Underwriter a cash fee equal to 6% of the gross proceeds of any Common Shares sold by them under the Colombian Concurrent Offering. For the avoidance of doubt, the Underwriters will not receive an Underwriter's Fee in respect of any Common Shares issued pursuant to the Colombian Concurrent Offering.

The Underwriters propose to offer the Offered Shares initially at the Offering Price stated on the cover page of this prospectus. After the Underwriters have made a reasonable effort to sell all of the Offered Shares offered by this prospectus at that price, the initially stated Offering Price may be decreased, and further changed from time to time, by the Underwriters to an amount not greater than the initially stated Offering Price and, in such case, the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Offered Shares is less than the gross proceeds paid by the Underwriters to the Company for the Offered Shares. Such reduced price sales will not affect the net proceeds to be received by the Company under the Offering.

Subscriptions for the Offered Shares to be sold pursuant to the Offering will be received subject to rejection or allotment, in whole or in part, and the right is reserved by the Underwriters to close the subscription books at any time without notice. It is expected that the Closing will take place on or about [●], 2021, or such other date as the Company and the Underwriters may agree, but in any event, on or before a date that is not later than 42 days after the date of the receipt for this prospectus.

Pursuant to the Underwriting Agreement, without the prior written consent of the Underwriters, such consent not to be unreasonably withheld or delayed, the Company will not, directly or indirectly, for a period of 180 days from the listing of the Offered Shares on the TSX offer, issue, grant any option, right or warrant to purchase, or otherwise transfer or dispose of any securities of the Company including Common Shares, financial instruments or securities convertible into or exercisable or exchangeable for Common Shares or announce any intention to do any of the foregoing, in a public offering, by way of private placement or otherwise except in respect of (i) the grant or exercise of stock options or other similar issuances, in each case pursuant to existing share compensation plans of the Company or other share compensation arrangements, (ii) the exercise or conversion of exercisable or convertible securities of the Company that are outstanding as of the date hereof, (iii) obligations of the Company in respect of existing mineral property agreements; (iv) the Offered Shares; or (v) the issuance of securities by the Company in connection with property or share acquisitions in the normal course of business. The Offered Shares are being offered for sale to the public in each of the provinces of Canada, other than Quebec, by way of this prospectus, and in the United States and internationally by way of private placement pursuant to private placement or available exemptions.

The Colombian Underwriter is not registered as a dealer under the securities laws of any Canadian jurisdiction and, accordingly, will only sell Common Shares outside of Canada and will not, directly or indirectly, solicit offers to purchase Offered Shares in Canada. This prospectus does not qualify Common Shares sold to investors under the Colombian Concurrent Offering.

The Company has applied to list the Common Shares distributed under this prospectus, as well as its additional issued and outstanding Common Shares, on the TSX under the symbol "MSA". Listing will be subject to the approval of the TSX in accordance with its listing requirements. The TSX has not conditionally approved the Company's listing application and there is no assurance that they will approve the listing application.

There is currently no market in Canada through which the Offered Shares may be sold, and purchasers may not be able to resell the Offered Shares purchased under this prospectus. This may affect the pricing of the Offered Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Offered Shares, and the extent of issuer regulation. See "*Risk Factors*".

Price Stabilization, Short Positions and Passive Market Making

In connection with the Offering, the Underwriters may, subject to applicable law, over-allocate or effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market, including stabilizing transactions, short sales, purchases to cover positions created by short sales, imposition of penalty bids, and syndicate covering transactions. Such transactions, if commenced, may be discontinued at any time.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or lessening a decline in the market price of the Common Shares while the Offering is in progress. These transactions may also include over-allocating or making short sales of the Common Shares, which involves the sale by the Underwriters of a greater number of Common Shares than they are required to purchase in the Offering. Short sales may be "covered short sales", which are short positions in an amount not greater than the Over-Allotment Option, or may be "naked short sales", which are short positions in excess of that amount.

The Underwriters may close out any covered short position either by exercising the Over-Allotment Option, in whole or in part, or by purchasing Common Shares in the open market. In making this determination, the Underwriters will consider, among other things, the price of Common Shares available for purchase in the open market compared with the price at which they may purchase Common Shares from the Company through the Over-Allotment Option.

The Underwriters must close out any naked short position by purchasing Common Shares in the open market. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the Common Shares in the open market. Any naked short sales will form part of the Underwriters' over-allocation position. A purchaser who acquires Common Shares forming part of the Underwriters' over-allocation position resulting from any covered short sales or naked short sales will, in each case, acquire such Common Shares under this prospectus, regardless of whether the Underwriters' over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

In addition, in accordance with rules and policy statements of certain Canadian securities regulatory authorities and the Universal Market Integrity Rules for Canadian Marketplaces, the Underwriters may not, at any time during the period of distribution, bid for or purchase Common Shares. The foregoing restriction is, however, subject to exceptions where the bid or purchase is not made for the purpose of creating actual or apparent active trading in, or raising the price of the Common Shares. These exceptions include a bid or purchase permitted under the bylaws and rules of applicable regulatory authorities and the senior Canadian stock exchange, including Universal Market Integrity Rules for Canadian Marketplaces, relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution.

As a result of these activities, the price of the Common Shares may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on any stock exchange on which the Common Shares are listed, in the over-the-counter market, or otherwise.

United States Sales

The Offered Shares have not been and will not be registered under the U.S. Securities Act or any securities laws of any state of the United States, and may not be offered or sold within the United States except in transactions exempt from the registration requirements of the U.S. Securities Act and all applicable state securities laws. The Underwriters have agreed that they will not offer or sell the Offered Shares within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and pursuant to similar exemptions under applicable state securities laws. This prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any Offered Shares in the United States. The Underwriters may also offer and sell Offered Shares outside the United States in accordance with Regulation S under the U.S. Securities Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Offered Shares within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act unless such offer is made pursuant to an exemption from the registration requirements of the U.S. Securities Act.

Non-Certificated Inventory System

Other than for Common Shares sold into the U.S. pursuant to Regulation D of the U.S. Securities Act and for any Common Shares sold pursuant to the Colombian Concurrent Offering, no certificates representing the Common Shares to be sold in the Offering will be issued to purchasers under this prospectus. Registration will be made in the depository service of CDS, or to its nominee, and electronically deposited with CDS on the Closing Date. Each purchaser of Common Shares will receive only a customer confirmation of purchase from the CDS Participant from or through which such Common Shares are purchased, in accordance with the practices and procedures of such CDS Participant. Transfers of ownership of Common Shares in Canada will be effected through records maintained by the CDS Participants, which include securities brokers and dealers, banks and trust companies. Indirect access to the CDS book entry system is also available to other institutions that maintain custodial relationships with a CDS Participant, either directly or indirectly. A holder of a Common Share participating in the NCI System will not be entitled to a certificate or other investment from the Company or the Company's transfer agent evidencing the person's interest in or ownership of Commons Shares, nor, to the extent applicable, will such holder will be shown on the records maintained by CDS, except through an agent who is a CDS Participant, except as specifically requested or required.

Certificates representing the Common Shares sold or delivered in the U.S. pursuant to Regulation D will bear a legend to the effect that the Common Shares they represent are not registered within the meaning of the U.S. Securities Act or any applicable state securities laws in the U.S. and may not be offered, sold or delivered, directly or indirectly, except under certain exemptions from the registration requirements of the U.S. Securities Act.

Lock-up Arrangements

Pursuant to the Underwriting Agreement each of the directors, officers and principal shareholders of the Company and certain other persons as mutually agreed to by the Company and the Underwriters, will enter into lock-up agreements on or prior to the Closing Date pursuant to which, for a period of 180 days from the date of the listing of the Offered Shares on the TSX, each such person will agree not to: (i) directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, or otherwise dispose of, or transfer, or announce any intention to do so, any Common Shares, whether currently owned directly or indirectly, or under their control or direction, or with respect to which they have beneficial ownership; or (ii) engage in any hedging transaction, or enter into any swap or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of Common Shares, whether such transaction is settled by the delivery of Common Shares, other securities, cash or otherwise, other than pursuant to a take-over bid or any other similar transaction made generally to all of the shareholders of the Company. Common Shares acquired under the Offering, and Common Shares and other securities acquired subsequent to the Offering, in each case by certain limited number of shareholders of the Company party to the lock-up agreements will be exempt from such lock-up agreements.

The Company estimates that approximately 33.6% of existing Common Shares will be subject to such lock-up agreements.

SELECTED HISTORICAL FINANCIAL INFORMATION

The following tables set out certain selected historical consolidated financial information of the Company and the Acquired Business for the periods and as at the dates indicated. This information has been derived from the audited and interim financial statements and related notes thereto included in this prospectus. The Company prepares its financial statements in accordance with IFRS. Investors should read the following information in conjunction with those financial statements and related notes thereto, along with the MD&A.

The Company:

MINEROS S.A.

	Six Months Ended June 30		Year Ended December 31		
	2021	**2020**	**2020**	**2019**	**2018**
			(US$000s)		
Total current assets	**179,472**	**174,646**	**200,275**	**151,695**	**134,063**
Total non-current assets	**382,011**	**300,925**	**341,960**	**340,524**	**313,243**
Property, plant and equipment, net	258,037	203,361	239,425	241,436	222,810
Exploration and evaluation projects	55,155	29,081	26,112	26,292	23,593
Total current liabilities	**137,535**	**112,687**	**128,813**	**108,175**	**98,471**
Total non-current liabilities	**101,646**	**87,064**	**98,641**	**101,486**	**90,302**
Total equity	**322,302**	**275,820**	**314,781**	**282,558**	**258,533**
Equity attributable to the controlling interest	321,996	275,348	314,432	282,226	258,179
Revenues	**253,841**	**242,558**	**485,301**	**411,361**	**272,306**
Gross profit	**72,932**	**87,077**	**162,961**	**94,370**	**75,139**
Profit for the year and period	**24,177**	**24,705**	**63,655**	**37,528**	**52,121**
Total comprehensive income for the year and period	**27,040**	**5,228**	**44,946**	**40,053**	**38,591**
Earnings per share (in U.S. dollars)	**0.09**	**0.09**	**0.24**	**0.14**	**0.20**

The Acquired Business:

On December 14, 2018, the Company acquired a 100% interest in the Gualcamayo Property through the purchase of the Acquired Company from a subsidiary of Yamana:

ACQUIRED BUSINESS

	Year Ended December 31, 2018	Year Ended December 31, 2017
	(US$000s)	
Total current assets	**69,816**	**100,165**
Total non-current assets	**51,238**	**93,968**
Property, plant and equipment, net	45,534	56,999
Exploration and evaluation projects	359	-
Total current liabilities	**35,598**	**144,318**
Total non-current liabilities	**10,658**	**227,650**
Total net parent investment (deficit)	**74,798**	**(177,835)**
Revenue	**127,519**	**191,836**
Gross loss	**(2,776)**	**(878)**
Net loss for the year and total comprehensive loss	**(65,861)**	**(27,797)**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS – ANNUAL MD&A

This Annual MD&A relates to the financial condition and results of operations of the Company for the years ended December 31, 2020, 2019 and 2018 and should be read in conjunction with the consolidated financial statements and related notes for the same periods included elsewhere in this prospectus as well as information set forth in "Prospectus Summary – Summary Consolidated Financial Information". Unless otherwise indicated, the information in this Annual MD&A is presented as at December 31, 2020. Please see the Interim MD&A for information for the interim period as at June 30, 2021.

This Annual MD&A is intended to supplement and complement the audited consolidated financial statements of the Company as at December 31, 2020, 2019 and 2018, and notes thereto for each of the years ended December 31, 2020, 2019 and 2018, which have been prepared in accordance with IFRS. Tabular amounts in this Annual MD&A are in thousands of United States Dollars, except per share amounts, prices and where otherwise indicated.

For purposes of the consolidated financial statements, the results and financial position are presented in United States dollars (US$). The Colombian peso is the functional currency of Mineros and certain subsidiaries, for each of the years presented, as it is the principal currency of the economic environment in which they operate. The Company had the Colombian peso as its functional currency during the years ended December 31, 2019, and 2018 and changed to the United States dollar as at April 1, 2020.

The Company has included certain non-IFRS 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. For complete details of these measures see "Non-IFRS Measures".

Annual Highlights

Financial and Operating Performance for the Year Ended December 31, 2020 compared to 2019

			Change	
	2020	**2019**	**$**	**%**
Revenues	485,301	411,361	73,940	18%
Gross profit	162,961	94,370	68,591	73%
Profit for the year	63,655	37,528	26,127	70%
Basic Earnings per Share	0.24	0.14	0.10	70%
Average Realized Gold Price (oz)	1,764	1,380	384	28%
Adjusted EBITDA	187,751	127,908	59,843	47%
Net Cash from Operating Activities	142,244	62,676	79,568	127%
Net Free Cash Flow	100,689	19,859	80,830	407%
ROCE	37%	23%	14%	62%
Net Debt to Adjusted EBITDA	0.1x	0.5x	(0.4x)	(83%)

Dividends Paid.....	13,303	14,248	(945)	(7%)

2020 Financial Performance

- **Revenue growth of 18%**: revenues totaled $485.3 million in 2020 compared to $411.4 million for 2019, with an average realized price per ounce sold of $1,764 for 2020 compared to $1,380 in 2019. Key drivers were an increase in average realized price (up 28%) offset by 6% lower production;

- **Gross Profit for the year up 73%**: gross profit totalled to $163.0 million for 2020, compared to $94.4 million for 2019;

- **Profit for the year up 70%**: $63.7 million, or $0.24 per share for 2020 compared to $37.5 million, or $0.14 per share, for 2019;

- **Adjusted EBITDA growth of 47%**: Adjusted EBITDA was $187.8 million for 2020 compared to $127.9 million for 2019;

- **Return on Capital Employed of 37%**: an increase of 62% over 2019's ROCE of 23%;

- **Net Debt to Adjusted EBITDA ratio decreased 83%**: to a ratio of 0.1 by the end of 2020 compared to 0.5 for 2019;

- **Dividends Paid down 7%**: totaling $13.3 million for 2020 compared to $14.2 million for 2019, which was primarily attributable to foreign exchange rate effects between the Colombian peso and the U.S. dollar;

- **Net cash provided by operating activities up 127%**: totaling $142.2 million for 2020 (2019: $62.7 million). The Company's net free cash flow for 2020 was $100.7 million, up from $19.9 million in 2019 primarily due to higher proceeds from sales in 2020; and,

- **Capital investments up 9% to $85.5 million in 2020**: made primarily into existing mines, and exploration and evaluation projects as follows:

    - **Colombia**: invested $18.7 million, mainly for new suction dredge equipment for alluvial extraction ($9.2 million); enterprise resource planning in Mineros Aluvial and Argentina ($1.8 million), property, plant and equipment ($1.7 million); and amounts recorded relating to the change in the Company's functional currency ($0.6 million);

    - **Nicaragua**: invested $29.8 million, mainly on increasing tailings dam capacity ($1.3 million), mine development ($6.6 million), a diesel generator ($2.6 million); the lease of transportation equipment ($4.8 million);; the expansion of crushing capacity from 100 to 150 ton/hour and improvements in plant equipment ($2.6 million); investments in the Porvenir Project ($3.1 million) and other exploration activities ($5.5 million); and

    - **Argentina:** invested $37.0 million mainly on underground mine development ($4.3 million); machinery and equipment ($8.0 million); Asset Retirement Obligations ($7.1 million); expansion of the refinery and stripping costs relating to the QDDL, Target D and Magdalena open pits ($10.3 million); implementation of SAP enterprise resource planning ($0.8 million); and on exploration activities ($6.6 million).

2020 Operating Performance

- **Gold production down 6%**: 271,647 ounces in 2020 compared to 289,924 ounces during 2019, which is broken down as follows:

			Change	
	2020	**2019**	**Ounces**	**%**
Colombia				
Nechí Alluvial Property.....	69,940	54,718	15,222	28%
Underground[(1)].....	6,785	15,792	(9,007)	(57%)
	76,725	**70,510**	**6,215**	**9%**

Nicaragua				
Hemco Property Underground	34,679	32,245	2,434	8%
Hemco Property Artisanal Mining[(2)]	87,816	92,961	(5,145)	(6%)
	122,495	**125,206**	**(2,711)**	**(2%)**
Argentina				
Gualcamayo Property	**72,427**	**94,208**	**(21,781)**	**(23%)**
Total Gold Produced (oz)	**271,647**	**289,924**	**(18,277)**	**(6%)**
Total Silver Produced (oz)	**298,088**	**325,644**	**(27,556)**	**(8%)**

Notes:
(1) Colombia's production includes ounces from La Ye underground mine. The La Ye underground mine was sold in 2020 and effective control of operations passed to the new owners on or about May 31, 2020.
(2) Comprises other artisanal operations within the Hemco Property that are operated by artisanal miners. No Mineral Reserves have been declared in respect of this production; however, Inferred Mineral Resources have been estimated.

Total gold production was in line with the lower-end of the Company's 2020 guidance. The Company does not provide guidance with respect to silver production, as silver is treated as a by-product of the Company's gold production.

- **Cash Costs & AISC**: average cash costs of $1,018 per ounce of gold sold with an AISC of $1,226 per ounce in 2020 compared to an average cash cost of $913 per ounce sold with an AISC of $1,092 per ounce for 2019. These cost increases were mainly attributable to lower production at the Gualcamayo Property and an increase in costs related to the purchase of artisanal material in Nicaragua, which is dependent on gold spot prices which increased by approximately 28% in the 2020 fiscal year.

2020 Exploration

The Company continues its exploration programs at the Material Properties as described below and elsewhere in this prospectus. The Company maintained similar levels of exploration spending during 2020, with a goal of further building Mineral Reserves and Mineral Resources at key operations as well as building a pipeline of exploration opportunities to ensure future growth. Exploration plans are focused on extending mine life and Mineral Resources at the Gualcamayo Property, the Nechí Alluvial Property and the Hemco Property and to increase production and potentially lower operating costs.

For exploration updates relating to 2019, see "*Management's Discussion And Analysis of Financial Condition and Results of Operations – Annual MD&A – 2019 Exploration*".

The following is a summary of the exploration and evaluation ("**E&E**") expenditures for the year ended December 31, 2020 and comparative period:

	Year Ended December 31	
	2020	**2019**
E&E expenditures capitalized[(1)]	13,085	12,793
E&E expenditures expensed[(2)]	9,977	7,636
Total	**23,062**	**20,429**

Notes:
(1) Capitalized exploration and evaluation costs are reflected in Exploration and evaluation projects in the consolidated balance sheets as additions.
(2) Expensed exploration and evaluation costs are reported in the consolidated statement of profit or loss for the respective period under "Exploration Expenses".

Financial and Operating Performance for the Year Ended December 31, 2019 compared to 2018

			Change	
	2019	**2018**	**$**	**%**
Revenues	411,361	272,306	139,055	51%
Gross profit	94,370	75,139	19,231	26%
Profit for the year	37,528	52,121	(14,593)	(28%)
Basic Earnings per Share	0.14	0.20	(0.06)	(28%)
Average Realized Gold Price (oz)	1,380	1,299	81	6%

Adjusted EBITDA	127,908	85,268	42,640	50%
Net Cash from Operating Activities	62,676	56,244	6,432	11%
Net Free Cash Flow	19,859	27,425	(7,566)	(28%)
ROCE	23%	20%	3%	15%
Net Debt to Adjusted EBITDA	0.5x	0.5x	0x	0%
Dividends Paid	14,248	13,857	391	3%

2019 Financial Performance

- **Revenue growth of 51%**: revenues totaled $411.4 million in 2019 compared to $272.3 million for 2018, with an average realized price per ounce sold of $1,380 for 2019 compared to $1,299 in 2018. Key drivers were an increase in average realized price (up 6%) along with the first full year's production at the Gualcamayo Property in 2019;

- **Gross Profit for the year up 26%**: gross profit totalled to $94.4 million for 2019, compared to $75.1 million for 2018;

- **Profit for the year down 28%**: $37.5 million, or $0.14 per share for 2019 compared to $52.1 million, or $0.20 per share, for 2018;

- **Adjusted EBITDA growth of 50%**: Adjusted EBITDA was $127.9 million for 2019 compared to $85.3 million for 2018;

- **Return on Capital Employed of 23%**: an increase of 15% over 2018's ROCE of 20%;

- **Net Debt to Adjusted EBITDA ratio was flat**: to a ratio of 0.5 by the end of 2019 compared to 0.5 for 2018;

- **Dividends Paid up 2.8%**: totaling $14.2 million for 2019 compared to $13.9 million for 2018;

- **Net cash provided by operating activities up 11%**: totaling $62.7 million for 2019 compared to $56.2 million for 2018. The Company's net free cash flow for 2019 was $19.9 million, down from $27.4 million in 2018 primarily due to higher sustaining capital expenditures in 2019; and,

- **Capital investments up 136% to $78.2 million in 2019**: made primarily into existing mines, and exploration and evaluation projects as follows:

    - **Colombia**: invested $19.4 million, mainly on new suction dredge equipment for alluvial extraction ($6.5 million); corporate-level investments in implementing enterprise resource planning software in Nicaragua ($2.3 million) and maintenance investments ($5.2 million) and a new helicopter for the Colombian operation ($1.7 million) the acquisition of leased light vehicles for use in the operation ($0.8 million); and rubber plantations ($0.9 million);

    - **Nicaragua**: invested $23.6 million, mainly on increasing tailings dam capacity ($8.3 million); mine development ($8.5 million); and expansion of crushing capacity from 100 to 150 ton/hour and improvements in plant equipment ($2.6 million); and

    - **Argentina:** invested $35.1 million mainly, on expansion of the refinery, stripping costs relating to the QDDL, Target D and Magdalena open pits and underground mine development and other property plant and equipment ($17 million), leases of machinery and equipment ($14.3 million), and on exploration activities ($3.8 million).

2019 Operating Performance

- **Gold production up 40%**: 289,924 ounces compared to 207,206 ounces during 2018, which is broken down as follows:

			Change	
	2019	**2018**	**Ounces**	**%**
Colombia				

Nechí Alluvial Property	54,718	80,448	(25,730)	(32%)
Underground[(1)]	15,792	17,025	(1,233)	(7%)
	70,510	**97,473**	**(26,963)**	**(28%)**
Nicaragua				
Hemco Property Underground	32,245	23,718	8,527	36%
Hemco Property Artisanal Mining[(2)]	92,961	83,224	9,737	12%
	125,206	**106,942**	**18,264**	**17%**
Argentina	**94,208**	**2,791**	**91,417**	**3275%**
Total Gold Produced (oz)	**289,924**	**207,206**	**82,718**	**40%**
Total Silver Produced (oz)	**325,644**	**231,478**	**94,166**	**41%**

Notes:
(1) Colombia's production includes ounces from La Ye underground mine. The La Ye underground mine was sold in 2020 and effective control of operations passed to the new owners on or about May 31, 2020.
(2) Comprises other artisanal operations within the Hemco Property that are operated by artisanal miners. No Mineral Reserves have been declared in respect of this production; however, Inferred Mineral Resources have been estimated.

Total gold production was in line with the upper-end of the 2019 Company's guidance.

- **Cash Costs & All-in-Sustaining Costs**: average cash costs of $913 per ounce sold with an AISC of $1,092 per ounce in 2019 compared to an average cash cost of $839 per ounce sold with an AISC of $968 per ounce for 2018. These costs per ounce were affected in Colombia since most of the costs are fixed and production was affected by the delay in the approval of some environmental permits. In Nicaragua, costs were higher because the purchase of artisanal material is dependent on gold spot prices, which had seen an increase of 13% over the period.

2019 Exploration

The Company continues its exploration programs at the Material Properties as described below and elsewhere in this prospectus. The Company maintained similar levels of exploration spending during 2019, with a goal of further building Mineral Reserves and Mineral Resources at key operations as well as building a pipeline of exploration opportunities to ensure future growth. Exploration plans are focused on extending mine life and Mineral Resources at the Gualcamayo Property, at Nechí Alluvial Property and the Hemco Property, to increase production and potentially lower operating costs.

For exploration updates relating to 2020, see "*Management's Discussion And Analysis of Financial Condition and Results of Operations – Annual MD&A – 2020 Exploration*". The following is a summary of the exploration and evaluation ("**E&E**") expenditures for the current and comparative periods:

	Year Ended December 31	
	2019	**2018**
E&E expenditures capitalized[(1)]	**12,793**	10,099
E&E expenditures expensed[(2)]	**7,636**	12,254
Total	**20,429**	**22,353**

Notes:
(1) Capitalized exploration and evaluation costs are reflected in Exploration and evaluation projects in the consolidated balance sheets as additions.
(2) Expensed exploration and evaluation costs are reported in the consolidated statement of operations for the respective period under "Other Expenses".

Annual Operations Review

Segmented Financial and Operating Highlights

The Company operates in three principal countries: Colombia, Nicaragua, and Argentina. The Company considers each country as an operating segment for financial reporting purposes and the following tables provide the Company's results by operating segment in the way information is provided to and used by the Company's President and Chief Executive Officer, to make decisions about the allocation of resources to the segments and assess their performance. These tables set forth certain non-IFRS financial measures together with measures determined in accordance with IFRS information extracted from the Company's consolidated financial statements included elsewhere in this prospectus. See "*Non-IFRS Measures*".

Operating Segment	Year Ended December 31	Revenue (US$000s)	Gold Produced (oz)	Total Cash Costs (US$/oz)	AISC (US$/oz)
Nechí Alluvial Property (Colombia)[2]	**2020**	**135,130**	**76,725**	**931**	**998**
	2019	97,378	70,510	962	1,065
	2018	124,030	97,473	682	799
Hemco Property (Nicaragua)	**2020**	**220,393**	**122,495**	**1,045**	**1,222**
	2019	177,319	125,206	923	1,097
	2018	144,291	106,942	981	1,131
Gualcamayo Property (Argentina)[1]	**2020**	**129,293**	**72,427**	**1,189**	**1,473**
	2019	136,529	94,208	909	1,105
	2018	3,985	2,791	1,989	1,989
Total	**2020**	**485,301**	**271,647**	**1,018**	**1,226**
	2019	411,361	289,924	913	1,092
	2018	272,306	207,206	839	968

Notes:
(1) Includes non-mining operations (Colombia) and eliminations not included in the Colombian operating totals.
(2) Colombia's production in 2020 includes ounces from La Ye underground mine. The La Ye underground mine was sold in 2020 and effective control of operations passed to the new owners on or about May 31, 2020.

In 2020, the Company produced 271,647 ounces of gold, 6% less than the 289,924 gold ounces produced in 2019, reflecting higher production from the Nechí Alluvial Property, which was offset by lower production due to the sale of the La Ye underground mine, and the Gualcamayo Property nearing the end of life of an area of the open pit. Average realized price for 2020 was 28% higher than during 2019.

Material Property Updates

Colombia Operations

Colombia Production

Production from the Nechí Alluvial Property was as follows:

	Year Ended December 31		
	2020	**2019**	**2018**
Operating Data			
m^3 of ore milled[1]	27,199,542	25,187,490	28,955,447
Gold grade (mg/m^3)[2]	89	75	97
Gold Recovery Rate[3]	83%	89%	89%
Gold Produced (oz)	76,725	70,510	97,473
Silver Produced (oz)	20,224	35,784	36,583
Financial Data			
Revenues	135,130	97,378	124,030
Total Cost of Sales	(81,368)	(79,229)	(78,892)
Gross Profit	53,762	18,149	45,138
Total Cash Cost (per ounce)	931	962	682
AISC (per ounce)	998	1,065	799
Expenditures on mining interests			
Sustaining	4,324	3,938	3,860
Expansionary	14,013	15,031	8,541

Notes:
(1) Total volume for larger scale alluvial (suction and bucket dredges) and smaller scale (mining of alluvial terraces and third-party contracts).
(2) Raw gold grade refers to the average grade of gold prior to refinery.
(3) Recovery rate is calculated as the percentage of gold recovered versus estimated amount of gold.

Colombia Annual Operating and Financial Highlights

Revenues for the year ended December 31, 2020 were higher by approximately 39% when compared to the previous years, 2019, as a result of a 9% increase in production and a 28% higher average realized price.

Gross profit for 2020 was 196% higher than in 2019 given the recovery in production, the increase in the average realized price and a slight increase in the cost of sales.

Total cash costs per ounce and AISC per ounce for the year were approximately 3% lower in 2020 than the prior year. This was caused by the recovery in production and the realization of cost efficiencies.

Argentina Operations

Argentina Production

Production from the Gualcamayo Mine was as follows:

	Year Ended December 31		
	2020	**2019**	**2018**
Operating Data			
Tonnes of ore milled	2,128,579	3,504,750	74,385
Gold grade (g/t)	1.47	1.23	1.47
Gold Recovery Rate	59%	62%	65%
Gold produced (oz)	72,427	94,208	2,791
Silver produced (oz)	26,981	50,990	-
Financial Data		**US$**	
Revenues	129,293	136,529	3,985
Cost of Sales	(98,401)	(109,755)	(5,832)
Gross Profit	30,892	26,774	(1,847)
Total Cash Cost (per ounce)	1,189	909	1,989
AISC (per ounce)	1,473	1,105	1,989
Expenditures on mining interests			
Sustaining	7,352	6,824	-
Expansionary	16,875	10,194	-

Argentina Annual Operating and Financial Highlights

Information for the year ended December 31, 2018 is not comparable to 2019 or 2020, since the Company acquired the Gualcamayo Property on December 14, 2018.

Gold production for 2020 was 23% lower than production in 2019 as a result of lower than expected recovery from gold inventories in the heap leach piles, as well as the nearing of the end of the life of a portion of the open pit mine. Gross profit in 2020 was 15% higher than during 2019, given the gold inventory write-offs completed in 2019 which resulted in 10% higher costs than in 2020. Total Cash Cost and AISC per ounce for the period were over 31% higher than in 2019, primarily due to the Company's lower production and higher sustaining capital expenditures.

Nicaragua Operations

Nicaragua Production

Production from the Panama Mine and Pioneer Mine, and through arrangements with artisanal mining cooperatives was as follows:

	Year Ended December 31		
	2020	**2019**	**2018**
Operating Data			
Tonnes of ore milled	700,048	649,805	632,986
Gold grade (grams/tonne)	6.15	6.92	6.04
Gold Recovery Rate	89%	88%	88%
Underground Gold produced (oz)	34,679	32,245	23,718
Artisanal Mining Gold produced (oz)	87,816	92,961	83,224
Silver produced (oz)	250,883	238,870	194,895
Financial Data		**US$**	
Revenues	220,393	177,319	144,291
Cost of Sales	(151,092)	(131,575)	(115,185)
Gross Profit	69,301	45,744	29,106
Underground Cash Cost (per oz)	1,220	850	1,375
Underground AISC (per oz)	1,685	1,388	1,943
Artisanal Mining Cash Cost (per oz)	1,016	948	870
Artisanal Mining AISC (per oz)	1,040	994	898
Expenditures on mining interests			
Sustaining	11,429	11,096	6,710
Expansionary	4,969	4,013	3,126

Nicaragua Annual Operating and Financial Highlights

Gold production for the year ended December 31, 2020 decreased 2% when compared to 2019 as a result of lower average grade, a drop in artisanal mining due to a strong rainy season and to Hurricane Iota in November 2020. Gross Profit was 51% higher in 2020 than in 2019 due to a 24% increase in revenues, which was partially offset by 15% higher costs attributable to higher depreciation and amortization of internal projects, including a tailings dam, and higher costs of artisanal materials given gold spot prices. Total Cash Costs per ounce and AISC per ounce for the year ended December 31, 2020 were 11% higher than during 2019, primarily due to the increase in gold prices that affected the cost of artisanal material.

Review of Annual Financial Results

Overview of Annual Financial Results for 2020, 2019 and 2018

The following table sets forth summarized results of operations for the years ended December 31, 2020, 2019 and 2018 from financial information extracted from the Company's financial statements included elsewhere in this prospectus, which have been prepared in accordance with IFRS, for the periods noted.

	Years Ended December 31		
	2020	**2019**	**2018**
Revenues	485,301	411,361	272,306
Cost of Sales	(322,340)	(316,991)	(197,167)
Gross Profit	**162,961**	**94,370**	**75,139**
Administration expenses	(16,157)	(11,243)	(9,781)
Other income	3,735	1,151	2,697
Other expenses	(23,447)	(13,806)	(18,204)
Exploration expenses	(9,977)	(7,636)	(12,254)
Impairment of asset, net	1,192	(2,044)	(33,600)
Finance income	1,094	1,452	1,839
Finance expenses	(8,706)	(8,391)	(4,760)

	Years Ended December 31		
	2020	**2019**	**2018**
Gain/(loss) from Hedging Operations	(2,027)	3,106	(1,956)
Foreign currency exchange differences	(2,643)	(4,150)	1,602
Bargain purchase gain	-	-	51,283
Profit for the year before tax	**106,025**	**52,809**	**52,005**
Current tax	(38,149)	(15,313)	(12,633)
Deferred tax	(4,221)	32	12,749
Profit for the year	**63,655**	**37,528**	**52,121**

Overview of Annual Financial Results – 2020/2019

For the year ended December 31, 2020 compared to December 31, 2019

Profits were $63.7 million ($0.24 per share) for the year ended December 31, 2020, compared to $37.5 million ($0.14 per share) for the same period in 2019. Earnings were positively impacted by a 28% increase in average gold prices, which was partially offset by lower production (6%), an increase in current income tax ($22.8 million), a $7.5 million net impairment charge taken on the Gualcamayo Property in Argentina and by administrative expenses related to early retirement plans and the proposed listing on the TSX. In 2020, Argentina's credit rating was downgraded given the uncertainty of repayment of its external debt obligations. Given the change in rating, the Company performed an impairment analysis, updating the discount rate (attributable to higher country risk) and cost structure according to updated mining plans.

2020/2019 Revenues

	Year Ended December 31		Change	
	2020	**2019**	**$**	**%**
Gold				
Ounces Sold	270,898	293,048	(22,150)	(8%)
Average Realized Price ($/oz)	1,764	1,380	384	28%
Silver				
Ounces Sold	298,088	325,644	(27,556)	(8%)
Average Realized Price ($/oz)	20	17	3	20%
Revenues ($)				
Gold	479,128	404,470	74,658	18%
Silver	6,070	5,539	531	10%
Sales of metal concentrates	**485,198**	**410,009**	**75,189**	**18%**
Hedging and other revenues	103	1,352	(1,249)	(92%)
Total revenues	**485,301**	**411,361**	**73,940**	**18%**

Revenues in 2020 increased by 18% due to the higher average selling price of gold. The increase in revenues was partially offset by a 6% decrease in production.

2020/2019 Cost of Sales

	Year Ended December 31		Change	
	2020	**2019**	**$**	**%**
Direct Mining Costs	257,580	249,983	7,597	3%
Depreciation and Amortization	40,200	43,525	(3,325)	(8%)
Taxes and Royalties	24,560	23,483	1,077	5%
Total Cost of Sales	**322,340**	**316,991**	**5,349**	**2%**

Costs of sales for the year ended December 31, 2020 increased by $5.3 million, or 2%, when compared to the prior year.

During the year ended December 31, 2020, Maintenance and Materials costs decreased by 8% from the prior year, primarily due to a write-off of unrecoverable heap leach inventories in Argentina in the amount of $9.4 million, recognized in the fourth quarter of 2019.

Artisanal mining costs increased by 8% ($5.2 million) during 2020 from the prior year as a result of the rise in gold spot prices.

Labour costs increased by 20% ($9.8 million) during 2020 from the prior year due to wage adjustments in operations and due to organizational structure changes in Colombia and Argentina. During the fourth quarter of 2020, wage increases were required in Argentina as part of negotiations with unions, as well as in connection with certain performance bonuses relating to the Nechí Alluvial Property.

Depreciation and amortization decreased by 8% ($3.3 million) from the prior year, primarily due to fewer assets being depreciated or amortized as a result of impairment recorded in Argentina in 2020, as well as due to the change of functional currency in Colombia to U.S. dollars.

2020/2019 Administration Expenses

	Year Ended December 31		Change	
	2020	**2019**	**$**	**%**
Payroll expenses	8,495	5,626	2,869	51%
Services	6,440	3,536	2,904	82%
Depreciation and Amortization	747	1,256	(509)	(41%)
Miscellaneous	409	803	(394)	(49%)
Taxes	66	22	44	200%
Total Administration expenses	**16,157**	**11,243**	**4,914**	**44%**

The 51% ($2.9 million) increase in payroll expenses is primarily attributable to early retirement plans for some administrative staff, bonuses and the recognition of share-based compensation expenses measured at fair value using the Black Scholes model.

The 82% ($2.9 million) increase in services expenses during 2020 relates to legal, audit and advisory payments incurred in connection with the proposed listing of the Company's shares on the TSX, as well as payments to advisors relating to technical reports, and changes to the structure of director compensation.

2020/2019 Other Expenses

	Year Ended December 31		Change	
	2020	**2019**	**$**	**%**
Corporate Projects	6,747	4,295	2,452	57%
Taxes Incurred	6,887	3,634	3,253	90%
Miscellaneous	3,765	1,780	1,985	112%
Donations	1,493	2,336	(843)	(36%)
Community Support	1,579	900	679	75%
Tax on Financial Movements	1,437	792	645	81%
Estimated Liabilities	1,539	69	1,470	2,130%
Total Other Expenses	**23,447**	**13,806**	**9,641**	**70%**

Corporate projects expenses increased by 57% ($2.5 million), as a result of advisory fees incurred in connection with the proposed listing of the Company's shares on a foreign stock exchange, as well as provisions associated with the Hemco Property ($1.3 million) and expenses associated with the acquisition of the Gualcamayo Property ($1.3 million).

The 112% increase in Miscellaneous expenses ($2 million) during 2020 is primarily due to withholding taxes in Argentina ($1.2 million).

Resources for Donations were reassigned to Community Support due to the COVID-19 pandemic.

2020/2019 Exploration Expenses

	Year Ended December 31		Change	
	2020	**2019**	**$**	**%**
Exploration Expenses	9,016	5,921	3,095	52%
Disposals, Net	961	1,715	(754)	(44%)
Total Exploration Expenses	**9,977**	**7,636**	**2,341**	**31%**

During 2020, the Company expensed in exploration for the Deep Carbonates Project ($0.7 million), it also invested in the construction of a tunnel for further exploration of Deep Carbonates Project for $0.9 million, recognised as Property plant and equipment.

2020/2019 Recovery (Impairment) of Assets

	Year Ended December 31		Change	
	2020	**2019**	**$**	**%**
Impairment Recovery	8,695	0	8,695	0%
Impairment	(6,817)	(848)	(5,969)	703%
Impairment Exploration Expenses	(686)	(1,196)	510	42%
Total Impairment of assets, net	**1,192**	**(2,044)**	**3,236**	**158%**

In 2020, the Company performed an impairment test, considering the inputs that caused the impairment of the Hemco Property in 2019, without considering any changes in macroeconomic or political factors. At an operational level, improvements were evident in the mine's gold production and in gold spot prices, resulting in an increase in the estimation of ounces of gold for future years. The Value in Use and Carrying Amount were updated, and an impairment recovery was recognized for $8.7 million.

In 2020, a review for indicators of impairment was performed for the Gualcamayo Property, taking into account revisions to the mining plan including current estimates of recoverable mineral reserves and resources, recent operating results and expected production based on reserves. As a result of the impairment study, an impairment charge of $6.8 million was recorded on non-current assets relating to the Gualcamayo Property.

2020/2019 Finance Expenses

	Year Ended December 31		Change	
	2020	**2019**	**$**	**%**
Interest	8,196	7,748	448	6%
Miscellaneous	261	209	52	25%
Bank Expenses	249	434	(185)	(43%)
Total Finance Expenses	**8,706**	**8,391**	**315**	**4%**

The 25% increase in Miscellaneous expenses is primarily attributable to new leases in Nicaragua.

2020/2019 Hedging Operations

	Year Ended December 31		Change	
	2020	**2019**	**$**	**%**
Change in Fair Value of Derivatives	(2,027)	3,106	(5,133)	(165%)
Total Hedging Operations	**(2,027)**	**3,106**	**(5,133)**	**(165%)**

In Argentina, the Company implemented a deferred premium strategy (a "**Collar**") using written call options and bought put options for the 12-month period ending December 31, 2021. The program covers a total of 48,000 ounces of gold, representing approximately 75% of the total estimated gold production from Argentina, with an average minimum price of $1,850 and a maximum price of $2,046 per ounce in the first half of 2021 and with an average minimum price of $1,800 and a maximum price of $1,939 per ounce in the second half of 2021.

In addition, in Nicaragua, the Company implemented a Collar strategy using written call options and bought put options for the 12-month period ending December 31, 2021. The program covers a total of 30,000 ounces of gold, representing approximately 25% of the total estimated gold production from Nicaragua, with an average minimum price of $1,800 and a maximum price of $1,939 per ounce throughout the year.

The total premium paid for hedging operations included as part of the fair value of and was settled in cash on a net basis as the monthly contracts expired. As of December 31, 2020, the Company paid $6,193 for Collar settlements, which amount is included in the realized gains and losses on TRM derivative financial instruments.

See "*Financial Instruments and Risks – Market Risk*" for more information on hedging operations. For information on realization amounts see "*Commodity Price Risk – Market Risk*".

2020/2019 Current and Deferred Tax

	Year Ended December 31		Change	
	2020	**2019**	**$**	**%**
Current Tax	(38,149)	(15,313)	(22,836)	149%
Deferred Tax	(4,221)	32	(4,253)	(13,291%)
Total Income Tax	**(42,370)**	**(15,281)**	**(27,089)**	**(177%)**

The increase in Current Taxes in 2020 is primarily due to the effect of hedging operations, asset recoveries associated with the Hemco Property, the entry into new leases, effects of foreign exchange rates in Argentina and adjustments made due to the functional currency to U.S. dollars in Colombia.

Overview of Annual Financial Situation – 2020/2019

	Year Ended December 31		Change	
	2020	**2019**	**$**	**%**
Total Current Assets	200,275	151,695	48,580	32%
Total Non-current Assets	341,960	340,524	1,436	0%
Total Current Liabilities	128,813	108,175	20,638	19%
Total Non-current Liabilities	98,641	101,486	(2,845)	(3%)
Total Equity	**314,781**	**282,558**	**32,223**	**11%**

2020/2019 Current and Non-current Assets

The increase in current assets by $48.6 million (32%) corresponds mainly to an increase in cash and cash equivalents of $44.5 million ($19.0 million in 2019; $63.6 million in 2020), also due to the increase in tax assets associated to VAT to be recovered.

There was an immaterial increase in non-current assets in 2020, mainly due to additions in property, plant and equipment, deferred taxes and inventories, and exploration projects of $13.4 million, which were offset by increased intangibles ($14.4 million).

2020/2019 Current and Non-current Liabilities

The increase in current liabilities of $20.6 million (19%) is mainly attributable to an increase in current income taxes payable, loans and other borrowing and an increase in derivative financial instruments.

The decrease in non-current liabilities of $2.8 million (3%) is mainly attributable to the repayment of debt.

Overview of Annual Financial Results – 2019/2018

For the year ended December 31, 2019 compared to December 31, 2018

Profits were $37.5 million ($0.14 per share) for the year ended December 31, 2019, compared to $52.1 million ($0.20 per share) for 2018. This significant decrease in profit was primarily due to a $51.3 million purchase gain on the acquisition of the Gualcamayo Property in Argentina offset by an impairment loss of $33.6 million on intangible assets, recorded for the investment in Hemco due to the political unrest and macroeconomic uncertainty in Nicaragua and also due to a write-off related to the Nechí Alluvial Property in Colombia ($6.4 million).

2019/2018 Revenues

	Year Ended December 31		Change	
	2019	**2018**	**$**	**%**
Gold				
Ounces Sold	293,048	207,206	85,842	41%
Average Realized Price ($/oz)	1,380	1,299	81	6%
Silver				
Ounces Sold	325,644	231,478	94,166	41%
Average Realized Price ($/oz)	17	16	1	6%
Revenues ($)				
Gold	404,470	273,636	130,834	48%
Silver	5,539	3,724	1,815	49%
Sales of metal concentrates	**410,009**	**277,360**	**132,649**	**48%**
Hedging and other revenues	1,352	(5,054)	(6,406)	127%
Total revenues	**411,361**	**272,306**	**139,055**	**51%**

Revenues in 2019 are not meaningfully comparable with 2018. This is due to the first full year's production recognized by the Company from the Gualcamayo Mine in 2019. Lower sales volumes in Colombia are due to delay in permits for operations at the Nechí Alluvial Property during 2019, which were partially offset by higher production in Nicaragua.

Revenues during the fourth quarter of 2019 are not meaningfully comparable to the same period of the previous year, due to the first full quarter's production recognized by the Company from the Gualcamayo Mine in 2019.

2019/2018 Cost of Sales

	Year Ended December 31		Change	
	2019	**2018**	**$**	**%**
Maintenance and Materials	111,953	39,491	72,462	183%
Artisanal Mining	61,359	50,818	10,541	21%
Labour	48,436	50,003	(1,567)	(3%)
Depreciation and Amortization	43,525	19,277	24,248	126%
Taxes and Royalties	23,483	8,894	14,589	164%
Services	18,276	28,084	(9,808)	(35%)
Others	9,959	600	9,359	1560%
Total Cost of Sales	**316,991**	**197,167**	**119,824**	**61%**

Costs of sales for the year ended December 31, 2019 increased by $119.8 million, or 61%, when compared to the prior year. This increase in cost was mainly driven by acquisition and operation of the Gualcamayo Mine, which accounted for US$109.7 million, which also included a $9.4 million write-off of gold inventories due to material from a new deposit having lower recovery rates.

Higher costs are also explained by a $10.5 million increase in artisanal mining costs given the additional 9,819 ounces purchased from artisanal miners, which is priced as a percentage of gold spot price.

Depreciation and amortization increased by $24.2 million, or 126%, due primarily to the acquisition of the Gualcamayo Property. The increase of 133% during the last quarter of the year is also explained by the acquisition of the Gualcamayo Property.

Given the acquisition of the Gualcamayo Property on December 14, 2018, in compliance with Argentinian law, the Company incurred export tax charges of 4% on revenue for $11.9 million capped at AR$11 per US$1.00.

Labour costs increased in 2019 due to full consolidation of the Gualcamayo Property. The decrease in labour costs for the year is mainly due to significant devaluation of the Colombian peso and the Argentine peso against the U.S. dollar, as payroll costs are incurred in local currency.

The quarterly and annual increase during 2019 in Maintenance and Materials is mainly due to the acquisition of the Gualcamayo Property in December 2018.

2019/2018 Administration Expenses

	Year Ended December 31		Change	
	2019	**2018**	**$**	**%**
Payroll expenses	5,626	5,447	179	3%
Services	3,536	2,774	762	27%
Depreciation and amortization	1,256	633	623	98%
Miscellaneous	803	909	(106)	(12%)
Taxes	22	18	4	28%
Total Administration expenses	**11,243**	**9,781**	**1,462**	**15%**

The 15% (or $1.4 million) increase relates to payments made for foreign technical services such as the fees paid for reserves and resources certification and maintenance services for computer and communication equipment.

For the fourth quarter of 2019, the main increase was in Services, explained by administrative expenses for the La Pepa Project (Chile – $0.14 million).

2019/2018 Other Expenses

	Year Ended December 31		Change	
	2019	**2018**	**$**	**%**
Corporate Projects	4,295	2,075	2,220	107%
Taxes incurred	3,634	4,282	(648)	(15%)
Miscellaneous	1,780	8,082	(6,302)	(78%)
Donations	2,336	406	1,930	475%
Community support	900	1,357	(457)	(34%)
Tax on financial movements	792	557	235	42%
Estimated liabilities	69	1,445	(1,376)	(95%)
Total Other Expenses	**13,806**	**18,204**	**(4,398)**	**(24%)**

Corporate projects expenses increased by 107% explained by expenses related to a potential listing of the Company on a foreign stock exchange (in addition to the current listing in Colombia) and fees associated with the acquisition of the Gualcamayo Property.

Donations increased by 475% explained by the new operation in Argentina, acquired in mid-December 2018.

Miscellaneous expenses decreased by 78%, mainly due to the payment of transaction fees and due diligence activities, associated to the purchase of Gualcamayo in 2018.

2019/2018 Exploration Expenses

	Year Ended December 31		Change	
	2019	**2018**	**$**	**%**
Exploration expenses	5,921	4,671	1,250	27%
Disposals, net	1,715	7,583	(5,868)	(77%)
Total Other Expenses	**7,636**	**12,254**	**(4,618)**	**(38%)**

Exploration expenses in 2019 are mainly related to early stage exploration projects conducted at the Hemco Property, and by MASA at the Gualcamayo Property, according to the IFRS 6 accounting policy.

The 77% decrease on Disposals, net is explained by the write-off of the La Ye underground exploration project for $6.4 million.

2019/2018 Impairment of Assets, net

	Year Ended December 31		Change	
	2019	2018	$	%
Impairment	(848)	(33,600)	32,752	(97%)
Impairments exploration expenses	(1,196)	-	(1,196)	(100%)
Total Recovery (impairment) of assets	**(2,044)**	**(33,600)**	**31,556**	**(94%)**

The 94% or $31.6 million increase is explained by an impairment recognized in 2018 on the Hemco Property. In 2018, given the political unrest and macroeconomic uncertainty in Nicaragua, the Company performed an impairment test that lead to an impairment loss of $33.6 million on intangible assets on the Hemco Property

2019/2018 Finance Expenses

	Year Ended December 31		Change	
	2019	2018	$	%
Interest	7,748	4,237	3,511	83%
Miscellaneous	434	507	(73)	(14%)
Bank expenses	209	16	193	1306%
Total Finance Expenses	**8,391**	**4,760**	**3,631**	**76%**

The 76% or $3.6 million increase in financial expenses is explained by higher interest payments due to the acquisition of the Gualcamayo Property ($1.8 million) that was primarily debt-financed and leases interests for ($1.6 million). For the last quarter of the year financial expenses increased by 28% or $0.33 million.

2019/2018 Hedging Operations

	Year Ended December 31		Change	
	2019	2018	$	%
Change in fair value of derivatives	3,106	(1,956)	5,062	259%
Total Hedging Operations	**3,106**	**(1,956)**	**5,062**	**259%**

Hedging operations show the non-cash effect of the fair value of derivatives, which in 2019 were affected by the greater volatility of the exchange rate compared to previous year. The steep increase in hedge contracts in 2019 is due to the face value of 2020 option contracts, with average strike rates of COP$3,350 and COP$3,723 COP per $1.00, versus a market average exchange rate of COP$3,281 per $1.00. 2018 had a sharp decrease explained by option contracts with an average strike rate of COP$3,094 per $1.00 compared to the market average of COP$2,956 per $1.00.

See "*Financial Instruments and Risks – Market Risk*" for more information on hedging operations. For information on realization amounts see "*Financial Instruments and Risks – Market Risk – Commodity Price Risk*".

2019/2018 Current and Deferred Tax

	Year Ended December 31		Change	
	2019	2018	$	%
Current tax	(15,313)	(12,633)	(2,680)	21.2%
Deferred tax	32	12,749	(12,717)	(99.7%)
Total Income Tax	**(15,281)**	**116**	**(15,397)**	**(13,273.3%)**

2019 and 2018 current tax variations are mainly explained by the change in gross profit for these years.

2018 deferred tax reflects a gain of $12.7 million explained by the effect of the impairment of assets (the Hemco Property) for $33.6 million and the accrual of long-term taxes given a tax reform in Colombia, which establishes that the income tax rate in Colombia will decrease gradually from 33% in 2019 to 30% from 2022 and thereafter.

Overview of Annual Financial Situation – 2019/2018

	Year Ended December 31		Change	
	2019	**2018**	**$**	**%**
Total current assets	151,695	134,063	17,632	13%
Total non-current assets	340,524	313,243	27,281	9%
Total current liabilities	108,175	98,471	9,704	10%
Total non-current liabilities	101,486	90,302	11,184	12%
Total equity	**282,558**	**258,533**	**24,025**	**9%**

2019/2018 Current and Non-current Assets

The increase in current assets by $17.6 million (13%) corresponds mainly to an increase in trade and other receivables of $10.3 million ($16.3 million in 2018 – $26.6 million in 2019). Mainly explained by the acquisition of the Acquired Company at the end of 2018, which increased revenues and the number of ounces sold in 2019.

The increase in non-current assets by $27.2 million (9%) corresponds mainly to additions in Property, plant and equipment, intangibles and exploration projects for $78.1 million, offset by depreciation and amortization for $44.7 million.

2019/2018 Current and Non-current liabilities

The increase in current liabilities of $9,704 (10%) is mainly associated with an increase in current income taxes payable and the increase in lease liabilities due to the signing of new contracts in the Argentina operation.

The increase in Non-current liabilities of $11.1 million (12%) is mainly associated to the increase in lease liabilities due to the signing of new contracts in the Argentina operation.

Financial Condition And Liquidity

Cash Flow Analysis

The following table summarizes the Company's cash flow activity for following periods:

	Year Ended December 31		
	2020	**2019**	**2018**
Cash Flow			
Net cash flow provided by operating activities	142,244	62,676	56,244
Net cash flow used in investing activities	(62,705)	(40,779)	(54,464)
Net cash flow used in financing activities	(35,715)	(28,400)	6,552
(Decrease) increase in cash and cash equivalents	**43,824**	**(6,503)**	**8,332**
Effect of exchange rate on cash and cash equivalents	728	1,078	(1,864)
Cash and cash equivalents, beginning of the period	19,046	24,602	18,134
Cash and cash equivalents at end of year classified as held for sale	-	(131)	-
Cash and cash equivalents, end of period	**63,598**	**19,046**	**24,602**

The 127% or $79.6 million increase in cash provided by operating activities in 2020 compared to 2019 is primarily attributable to higher cash receipts from sales given higher gold spot prices ($118.6 million), which was partially offset by higher payments to suppliers ($27.4 million), payments relating to hedging operations ($7.9 million) and tax payments ($5.2 million).

Cash flow used in investing activities increased by approximately 54% or $21.9 million during 2020, primarily due to acquisitions of property, plant and equipment and exploration activities ($12.9 million) and lower proceeds from the sale of financial instruments ($13.4 million). These amounts were partially offset by the sale of Operadora Minera S.A.S. ($5 million). The 25% decrease in cash flow used in investing activities during 2019 compared with 2018 is the net effect between investments in the operations, investments in exploration and not having any acquisitions in 2019.

In 2020, cash used in financing activities increased by 26% ($7.3 million) due to reductions in debt financing ($17.3 million), debt payments ($6.0 million), interest payments ($1.6 million) and dividends ($0.9 million). Cash flow used in financing

activities in 2019 was $28.4 million, an increase of $34.9 million (almost six times more than 2018) due to $32.2 million of debt repayments and discontinued operations for $4.7 million.

Working Capital

As at December 31, 2020, the Company had cash and cash equivalents of $63.6 million.

	Year ended December 31		
	2020	**2019**	**2018**
Total assets	542,235	492,219	447,306
Total Non-current liabilities	98,641	101,486	90,302
Total equity	314,781	282,558	258,533
Working capital[(1)]	71,462	43,520	35,592
Cash and cash equivalents	63,598	19,046	24,602
Loans and other borrowings (current and Non-current)	74,458	82,851	69,411

Note:
(1) Working capital is defined as the excess of current assets over current liabilities, which includes the current portion of long-term debt and assets and liabilities held for sale.

Capital Expenditures

Capital expenditures on a segmented basis for the fiscal years ended December 31, 2020, 2019 and 2018 were as follows:

	Year ended December 31		
	2020	**2019**	**2018**
Additions to Exploration Projects			
Colombia	216	455	887
Nicaragua	8,664	8,563	9,212
Argentina	4,205	3,775	-
Total additions in Exploration Projects	**13,085**	**12,793**	**10,099**
Additions to property, plant and equipment and intangibles			
Colombia	18,487	18,969	12,401
Nicaragua	21,150	15,110	9,835
Argentina[(1)]	32,825	31,323	724
Total additions in property, plant and equipment and intangibles	**72,461**	**65,402**	**22,960**

Note:
(1) Does not include additions by business combination relating to the acquisition of the Gualcamayo Property in 2018.

In 2020, the Company had capital expenditures of $85.5 million with $18.7 million in Colombian operations, $29.8 million in Nicaragua and $37 million in Argentina.

In Colombia, the majority of capital expenditures are related to a new alluvial exploitation project and sustaining capital expenditures, totaling $4.3 million. At the Nechí Alluvial Property, the Company plans to increase production by adding a new suction dredge for stripping, another suction dredge for production and a floating processing plant. This project aims to exploit areas that the larger dredges cannot access or that have lower grade.

In Nicaragua, the most significant capital expenditures related to underground mine development ($6.6 million), on a new diesel generator ($2.6 million) and on the Porvenir Project ($3.1 million).

In Argentina, the primary capital expenditures related to stripping costs ($10.3 million), underground mine development ($4.3 million) and equipment ($8.0 million).

Historically, Colombia has generated enough cash flow to maintain the operation without having to access debt or other financial support. Fluctuations in commodity and currency prices can affect cash flows and influence liquidity indicators. For this reason, a rolling forecast is made to monitor market volatility and make financial hedges or financing decisions if required. In Nicaragua and Argentina, cash flow generation has allowed the Company to cover the operating costs and capital expenditure

investments required for the future growth of the operation. In recent years, Hemco has made efforts to make operational optimizations to increase Adjusted EBITDA generation and cash flows.

The Company has in-depth cost and expense control guidelines that make it possible to produce rolling forecasts every three months. In addition, there are multi-year operations forecasts, where, according to the reserves of each operation, future flows and estimates of revenues and costs, expenses and necessary investments are projected. Thus, there is ongoing monitoring of the cash needs and therefore liquidity so that demand for resources is detected and the need for financing or hedging alternatives is analyzed ahead of time.

The main drivers that create volatility to cash flows are the gold price and Colombian peso/U.S. dollar exchange rate. To mitigate such fluctuations and stabilize cash flows, the Company undertakes financial hedging operations. The Company's hedging policy aims to cover the gold price for operations with the highest cash cost, specifically its underground operations in Colombia, Argentina and Nicaragua. Exchange rate hedges cover approximately 50% of projected cash flows for Colombia. Hedges are not made for terms of longer than 18 months. Nicaragua's and Argentina's functional currency are U.S. dollars and so currency hedging is unnecessary.

Strict cost and expense controls along with the mitigation of the risk of price fluctuations through financial instruments reduce the probability of being in default regarding payments or financial obligations. Likewise, it allows the Company to reinvest in its business and comply with the agreed schedule of dividend, interest and capital payments.

There are currently no demands, commitments or uncertainties that could significantly affect the company's liquidity. However, the Company's future growth plans may include significant investments for the acquisition and/or development of new assets and/or its assets in Nicaragua or Colombia.

Commitments

The Company has commitments in place at all its Material Properties, the exploration alliance/joint venture agreements in Nicaragua and Colombia and other key projects. As at June 30, 2021, the Company has approximately $11.4 million in commitments related to ongoing capital projects and acquisitions.

In addition, in the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the remaining contractual maturities of the Company's financial liabilities and operating and capital commitments at December 31, 2020, shown in contractual undiscounted cash flows:

	Within 1 year	1 to 3 years	4 to 5 years	Over 5 years	Total
Financial Liabilities					
Trade and other payables	52,050	-	-	-	52,050
Derivative financial instruments	-	-	-	-	-
Loans and other borrowings	27,277	47,181	-	-	74,458
Other financial liabilities	4,076	-	-	-	4,076
	83,403	**47,181**	**-**	**-**	**130,584**
Other commitments					
Reclamations and closure cost obligations[(1)]	1,121	2,385	9,504	43,873	56,883
Minimum rental and lease payments	6,571	15,223	23,821	-	45,615
	7,692	**17,608**	**33,325**	**43,873**	**102,498**
Total	**91,095**	**64,789**	**33,325**	**43,873**	**233,082**

Note:
(1) Undiscounted asset retirement obligations as at December 31, 2020. Such amounts do not include interest.

Capital Resource Management

The Company's capital management objectives are to safeguard the Company's ability to support normal operating requirements on an ongoing basis, continue the development and exploration of its mineral properties and support any expansionary plans.

In the management of capital, the Company includes components of equity, short-term borrowings and long-term debt, net of cash and cash equivalents and short-term investments, summarized as follows:

	Year Ended December 31		
	2020	**2019**	**2018**
Equity	314,781	282,558	258,533
Loans and borrowings	74,458	82,851	69,411
Total Capitalization	**389,239**	**365,409**	**327,944**
Less: Cash and cash equivalents	63,598	19,046	24,602
Less: Current investment	1,563	1,074	3,483
Net Capitalization	**324,078**	**345,289**	**299,859**

The Company manages its capital structure and adjusts it considering changes in its economic environment and the risk characteristics of the Company's assets. To effectively manage the entity's capital requirements, the Company has in place a planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives.

Exchange Restrictions in Argentina

In September 2019, the Central Bank of Argentina implemented new foreign exchange regulations requiring government permission to transfer money overseas, sell Argentine pesos, or buy foreign currency. On December 28, 2019, the Argentine Government amended article 1 of Decree No. 609/2019, extending the obligation to settle foreign currency assets positions through the local official foreign exchange markets indefinitely.

Differences between the Central Bank's local foreign exchange market (*Mercado Único y Libre de Cambios* – MULC) and unregulated international foreign exchange markets may negatively affect the Company's operations in Argentina on the repatriation of dividends (in U.S. dollar equivalent) as well as the increased cost and risks of doing business in developing markets, which could impact liquidity in the future.

To mitigate this foreign currency exchange restriction, the Company minimizes any cash or financial assets held in Argentina, outside of what is required to operate the business. To date, the Company has not repatriated any earnings from Argentina through regular dividend payments and does not expect to do so in the future unless there is a significant increase in production and cash flow from operations.

Off-Balance Sheet Arrangements

Other commitments associated with the acquisition of the Acquired Company

The purchase price for the Acquired Company was comprised of a cash consideration of $31.1 million, contingent consideration of $30 million to be paid on the date of the commercial operation of the Deep Carbonates Project, the grant of a 2% NSR royalty at the Gualcamayo Mine on metal produced after the initial 396,000 ounces (capped at $50 million of total payments (excluding the Deep Carbonates Project)) and the grant of a 1.5% uncapped NSR royalty on the Deep Carbonates Project.

Management has not recognized any contingent liability in determining the total consideration of the transaction, because commercial production at the Deep Carbonates Project was assessed as remote as at December 31, 2020, 2019, and 2018.

Contingencies

Due to the size, complexity, and nature of the Company's operations, various legal and tax matters arise in the ordinary course of business. The Company accrues for such items when a liability is both probable and the amount can be reasonably estimated. The Company's management is of the opinion that these matters will not have a material effect on the Company's financial statements.

Related Party Transactions

During the fiscal years ended December 31, 2020, 2019 and 2018, entities in Mineros' corporate group entered into the following commercial transactions with related parties as defined by IAS 24, *Related Party Disclosures*:

- Paid insurance premiums to Axa Colpatria Seguros S.A. and Seguros de Vida Colpatria S.A., each 100% owned by Mercantil Colpatria S.A., of $2.2 million (2020), $1.1 million (2019) and $1.1 million (2018) for various insurance

policies of the Company. Eduardo Pacheco Cortés, José Fernando Llano Escandon, and Luis Santiago Perdomo Maldonado, each a director of the Company, are the Executive Director, past President, and President, Private Equity of Mercantil Colpatria S.A.

- Paid consulting fees to Ambiental Mente S.A.S., a company owned by the son of Alberto León Mejia Zuluaga, a director of the Company, of $nil (2020), $0.4 million (2019) and $0.6 million (2018) for the preparation of the study required for the modification of the Nechí Alluvial Property EMP.

- Paid fees to Barranco Inc., a holding company owned by Alan Wancier, Chief Financial Officer of the Company, of $nil (2020), $0.062 million (2019) and $0.107 million (2018) for consulting services.

- Paid aggregate remuneration to the Company's directors and officers of $2.2 million (2020), $1.6 million (2019) and $1.5 million (2018) for services rendered to the Company and its affiliates.

Loans to Key Management Personnel

During 2017, an unsecured loan of $0.047 million (COP$138 million) was made to a certain key management personnel (2016: $0.044 million). Interest is payable by these management personnel at a rate of 3%, and the loans are repayable on demand after the issue date. As at December 31, 2020, the balance outstanding was $0.02 million (COP$63.9 million) and is included in "trade and other receivables".

During 2016, an unsecured loan of $0.04 million (COP$129 million) was made to a certain key management personnel. Interest is payable by these management personnel at a rate of 3%, and the loans are repayable on demand after the issue date. As at December 31, 2020, the balance outstanding was $0.02 million (COP$53.8 million) and is included in "trade and other receivables".

Balances

There were no balances due to the Company's directors and officers as at June 30, 2021.

Financial Instruments and Risks

The Company thoroughly examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include credit risk, liquidity risk, currency risk, commodity price risk and interest rate risk. The Company manages its exposure to financial risks, including credit risk, liquidity risk, currency risk, interest rate risk and price risk, in accordance with its Risk Management Policy. The Company's Board of Directors oversees management's risk management practices by setting trading parameters and reporting requirements.

The Risk Management Policy provides a framework for the Company to manage the risks it is exposed to in various markets and to protect itself against adverse price movements. All transactions undertaken were to support the Company's ongoing business. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes.

The following describes the types of risks to which the Company is exposed and its objectives and policies for managing those risk exposures:

Credit Risk

The Company is subject to credit risk as a result of the potential inability of debtors to fulfill their obligations, or upon the eventual loss that could arise due to non-fulfillment of the financial obligations of the issuers of financial instruments in which the Company has investments. The Company has adopted a policy of trading only with solvent companies. The credit exposure of the Company and the credit ratings of its counterparties are continuously monitored.

The Company's primary debtors are evaluated annually in respect of their conditions and liquidity and solvency indicators; the conditions established with customers for the payment of exports are in cash and the amounts thereof are paid upon delivery of production to the customers or refineries with whom the Company works.

The Company deposits or invests its liquidity surpluses in recognized financial institutions, with minimum ratings of A- for international investments and in issuers with ratings not lower than AA/DP1 for domestic investments. Additionally, conservative credit policies are established and the market conditions the Company operates in are periodically evaluated by means of quantitative and qualitative evaluations of risk ratings for commercial, investment and credit operations.

The Company does not have any guarantee to cover credit risks associated with its financial assets.

The Company's maximum exposure to credit risk was as follows:

	2020	2019	2018
Cash and cash equivalents	63,598	19,046	24,602
Short term investments	1,563	1,074	3,483
Accounts receivable arising from sales of metal concentrates	13,836	21,010	11,604
Derivative financial instruments, net	2,013	2,892	(1,973)
Total	**81,010**	**44,020**	**37,716**

Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The maturity of liabilities is disclosed in Note 22 of the consolidated financial statements of the Company for the years ended December 31, 2020, 2019 and 2018. All other financial liabilities disclosed in this note mature within one year and do not accrue interest.

During the year ended December 31, 2020, the Company generated cash flows from operations, one of the Company's main sources of liquidity, of $142.2 million (2019: $62.7 million; 2018: $56.2 million). At December 31, 2020, the Company held cash and cash equivalents of $63.6 million (2019: $19.0 million; 2018: $24.6 million) and short-term investments of $1.6 million (2019: $1.0 million; 2018: $3.5 million). At December 31, 2020, the Company's working capital, defined as current assets less current liabilities, was $71.5 million (2019: $43.5 million; 2018: $35.6 million).

On May 5, 2019, the Company entered into a new loan agreement for $30 million. The term loans bear interest at DTF T.A. (Colombian average savings rate) +3.25% reset quarterly, and are repayable before May of 2026 without penalty. The proceeds from the term loans were used to pay for the acquisition of the Gualcamayo Property.

Market Risk

Currency risk

100% of the Company's operating risks are derived from gold exports, which are priced in U.S. dollars; consequently, the exposure to exchange rate variations is significant.

This risk is managed by means of OTC derivative financial instruments, for which the underlying item is the U.S. dollar/Colombian peso pair (TRM for its Spanish acronym), entered into for the purpose of reducing the variability of the cash flows in pesos generated by the volatility of the U.S. dollar/Colombian peso pair. Derivatives are not entered into for speculative purposes and are used to guarantee the exchange rate of a portion of the payments in foreign currency planned for the following year.

Foreign exchange forward contracts

It is the policy of the Company to enter into foreign exchange forward contracts to manage the foreign currency risk associated with anticipated sales and purchase transactions within 50% of the exposure generated.

For the hedges of highly probable forecast sales and purchases, as the critical terms (i.e. the notional amount, life and underlying) of the foreign exchange forward contracts and their corresponding hedged items are the same, the Company performs a

qualitative assessment of effectiveness and it is expected that the value of the forward contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying exchange rates.

During 2020, the Company entered into zero-cost collar option contracts whereby it purchased a series of U.S. dollar to Colombian peso put option contracts and sold a series of U.S. dollar to Colombian peso call option contracts with equal and offsetting values at inception (referred to as the "forward contracts"). The Company may hedge up to 50% of its peso denominated expected cash flows. The details of the forward contracts are as follows:

Company	Year	Type	Contracts	Amount (US$000's)	Maturity	Price[(1)] (COP$)
Mineros	2020	Put / Call US$	18	24,000	Jan – Dec 2021	Min: 3,700 Max: 4,188
Mineros	2020	Put / Call US$	6	9,000	Jan – Dec 2021	Min: 3,800 Max: 4,279
Mineros	2019	Put / Call US$	96	60,000	Jan – Dec 2020	Min: 3,350 Max: 3,723
Mineros	2018	Put / Call US$	60	54,000	Jan – Dec 2019	Min: 3,094 Max: 3,251
Mineros	2018	Forward	12	6,000	Jan – Dec 2019	Avg: 3,127
Hemco	No hedging					
MASA	No hedging					

Note:
(1) Minimum and maximum prices are weighted averages of different put and call options.

As of December 31, 2020 the Company was primarily exposed to currency risk through the following financial assets and liabilities, revenues and other taxes receivables (payables) and deferred income tax assets and liabilities denominated in foreign currencies.

Interest rate risk

This risk is not managed, due to the high cost and the limited availability of financial instruments to manage this type of risk in the local market. The asset positions of the Company's investment portfolio are used to leverage treasury, for which reason the Company remains invested in local fixed-yield investments.

If the Company decides to secure long-term borrowings, mitigation of the risk will be evaluated, trying to maintain a balanced portfolio of loans and credits at fixed, if the market so permits.

The weighted-average interest rate paid by the Company during the year ended December 31, 2020 on its revolving credit facility and term loans, subject to floating rates of interest for its debt in Colombian pesos was 5.1% (2019: 7.81%; 2018: 7.09%) and for its debt in U.S. dollars was 6.63% (2019: 8.12%; 2018: 8.42%). The average interest rate earned by the Company during the year ended December 31, 2020 on its cash and cash equivalents was 2.04% (2019: 2.19%; 2018: 2.22%). A 10% increase or decrease in the interest earned from financial institutions on deposits held would result in a nominal increase or decrease in the Company's profits. There was no significant change in the Company's exposure to interest rate risk during the year ended December 31, 2020.

Commodity price risk

The Company sells gold in the international precious metals market. These sales represent around 99% of the Company's operating revenues; consequently, the exposure to gold price variations is significant.

This risk is managed by means of the contracting of OTC financial derivatives, for which the underlying item is the commodity and whose objective is to reduce variability of operating revenues generated by the volatility of the price of gold. Derivatives are not entered into for speculative purposes and are used to guarantee the price of a portion of sales planned for the following year.

During 2020, the Company entered into zero-cost collar contracts whereby it purchased a series of gold put option contracts and sold a series of gold call option contracts with equal and offsetting values at inception (referred to in this Annual MD&A as the "commodity contracts"). The Company's strategy is to remain hedged on gold production by initiating a price protection

program in order to ensure it can profitably extend operations at various operating mines. The details of the commodity contracts are as follows:

Company	Year	Type	Contracts	Ounces	Maturity	Price[(1)] (US$/Oz)
Hemco	2020	Put / Call	36	30,000	Jan – Dec 2021	Min: 1,800 Max: 1,939
Mineros	2020	Put / Call	36	48,000	Jan – Dec 2021	Min: 1,800 Max: 2,046
Hemco	2020	Put / Call	36	30,000	Jan – Dec 2020	Min: 1,400 Max: 1,780
Mineros	2019	Put / Call	100	72,000	Jan – Dec 2020	Min: 1,407 Max: 1,815
Hemco	2019	Put / Call	24	30,000	Jan – Dec 2020	Min: 1,400 Max: 1,780
Mineros	2018	Put / Call	24	12,000	Jan – Dec 2019	Min: 1,250 Max: 1,298
Hemco	2018	Put / Call	36	18,000	Jan – Dec 2019	Min: 1,258 Max: 1,301
MASA	No hedging.					

Note:
(1) Minimum and maximum prices are weighted averages of different put and call options.

The resulting fair values of the outstanding commodity contracts at December 31, 2020 have been recognized, on a net basis, in derivative liabilities on the statement of financial position. These derivative instruments were not designated as hedges by the Company and are marked-to-market at the end of each reporting period with the mark-to market adjustment recorded in the statement of loss. The commodity contracts are marked-to-market using a Black-Scholes valuation model which uses quoted observable inputs and are classified as Level 2 in the fair value hierarchy. Details are as follows:

	2020	2019	2018
		(US$ millions)	
Reversal of unrealized gains from prior period	(4,175)	(1,333)	(6,510)
Unrealized gain (loss) in gold revenue protection strategy	(2,027)	3,106	(1,956)
Net profit (losses) in commodity contracts	**(6,202)**	**1,773**	**(8,466)**

Critical Accounting Policies and Estimates

The Company's consolidated financial statements are prepared in accordance with IFRS. The recent accounting pronouncements and significant accounting policies applied are described in Note 2 and Note 3, respectively, to the Company's consolidated financial statements for the year ended December 31, 2020, 2019 and 2018.

In preparing the consolidated financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Critical accounting estimates represent estimates that are uncertain and for which changes in those estimates could materially impact the Company's consolidated financial statements. Actual future outcomes may differ from present estimates. Management reviews its estimates and assumptions on an ongoing basis using the most current information available.

The critical judgements and key sources of estimation uncertainties in the application of accounting policies during the year ended December 31, 2020, 2019 and 2018 are disclosed in Note 4 to the Company's consolidated financial statements for the year ended December 31, 2020, 2019 and 2018.

Controls and Procedures

Disclosure Controls and Procedures

Disclosure controls and procedures are controls and procedures designed to provide reasonable assurance that information required to be disclosed in the Company's annual and interim filings, as such terms are defined under NI 52-109, and other reports filed or submitted under Canadian securities law is recorded, processed, summarized and reported within the time

periods specified by those laws, and that material information is gathered and communicated to the Company's management including the President and Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Internal Controls Over Financial Reporting

The Company's management, with the participation of its President and Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal controls over financial reporting. Under the supervision of the Chief Financial Officer, the Company's internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

After the completion of the initial public offering, we will be required to comply with NI 52-109 to maintain internal control over financial reporting, as defined under NI 52-109. In addition, for each fiscal year beginning with the year ending December 31, 2021, we will be required to evaluate the effectiveness of our internal control over financial reporting as of the end of the fiscal year and to report on our conclusions as to its effectiveness.

Neither we nor our independent auditor has conducted a comprehensive evaluation of the effectiveness of our internal control over financial reporting in connection with the offering, and no such evaluation is required until after we become subject to the requirements summarized above.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS – INTERIM MD&A

This Interim MD&A should be read in conjunction with the condensed unaudited interim consolidated financial statements of Mineros as at June 30, 2021, and for the three and six months ended June 30, 2021, and notes thereto, included elsewhere in this prospectus as well as information set forth in "Prospectus Summary – Summary Consolidated Financial Information".

This Interim MD&A has been prepared as of the interim period ended June 30, 2021 and is intended to supplement and complement the unaudited interim condensed consolidated financial statements of the Company as at June 30, 2021, and for the three and six months ended June 30, 2021, which have been prepared in accordance with IFRS. Tabular amounts in this Interim MD&A are in thousands of United States Dollars, except per share amounts, prices and where otherwise indicated.

For purposes of the consolidated financial statements, the results and financial position are presented in United States dollars (US$). The Colombian peso is the functional currency of Mineros and certain subsidiaries, for each of the years presented, as it is the principal currency of the economic environment in which they operate. The Company changed its functional currency to the United States dollar as at April 1, 2020.

The Company has included certain non-IFRS 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. For complete details of these measures, see "Non-IFRS Measures".

Interim Highlights

Financial and Operating Performance for the three and six months ended June 30, 2021

	Three Months Ended June 30		Change	
	2021	**2020**	**$**	**%**
Revenues	128,449	126,312	2,137	2%
Gross profit	35,872	49,456	(13,584)	(27%)
Net Profit for the period	10,408	8,681	1,727	20%
Basic Earnings per Share	0.04	0.03	0.01	33%
Average Realized Gold Price (oz)	1,815	1,731	84	5%
Net Cash from Operating Activities	19,648	31,248	(11,600)	(37%)
Dividends Paid	6,076	3,277	2,799	85%

	Six Months Ended June 30		Change	
	2021	2020	$	%
Revenues	253,841	242,558	11,283	5%
Gross profit	72,932	87,077	(14,145)	(16%)
Net Profit for the period	24,177	24,705	(528)	(2%)
Basic Earnings per Share	0.09	0.09	0	0%
Average Realized Gold Price (oz)	1,798	1,815	(17)	(1%)
Adjusted EBITDA	86,895	95,652	(8,757)	(9%)
Net Cash from Operating Activities	32,631	41,063	(8,432)	(21%)
Net Free Cash Flows	(15,013)	25,037	(40,050)	(160%)
ROCE	31%	34%	(3%)	(9%)
Net Debt / Adjusted EBITDA	0.26x	0.25x	0.01x	4%
Dividends Paid	9,621	6,488	3,133	48%

Financial Performance for the three months ended June 30, 2021

- **Revenue growth of 2%**: revenues totaled $128.4 million in the second quarter of 2021 compared to $126.3 million for second quarter of 2020, with an average realized price per ounce sold of $1,815 for Q2-2021 compared to $1,731 in Q2-2020. Key drivers were an increase in average realized price up 5% offset by 5% lower ounces sold.

- **Gross Profit decreased by 27%**: gross profit was $35.9 million for Q2-2021 compared to $49.5 million for Q2-2020, explained by higher costs mainly in Argentina and Nicaragua, as mentioned later in this document.

- **Net Profit for the period up 20%**: net profit was $10.4 million or $0.04 per share for Q2-2021 compared to $8.7 million or $0.03 per share for Q2-2020, mainly due to an impairment charge in respect of the Gualcamayo Property in 2020 of $7.9 million and losses from hedges in 2020 of $2.6 million.

- **Dividends Paid up 85%**: dividends paid totalled $6.1 million for Q2-2021 compared to $3.3 million for Q2-2020. 79% of the change related to higher quarterly dividends in Q2-2021, which also included a one time extraordinary dividend paid in April 2021.

- **Net cash provided by (used in) operating activities down 37%**: totaling $19.6 million for Q2-2021 compared to $31.2 million for Q2-2020.

- **Capital investments up 359% to $50.2 million in Q2-2021:** made primarily into existing mines, and exploration and evaluation projects as follows:

    - **Colombia:** invested $3.0 million, mainly for new suction dredge equipment for alluvial extraction ($1.0 million); movement of bucket dredges to avoid a tributary of the Nechí River ($0.4 million), property, plant and equipment ($1.2 million) and corporate and other investments ($0.4 million).

    - **Nicaragua**: invested $33.7 million, mainly on the Luna Roja Acquisition ($24.5 million), exploration ($2.0 million), underground mine development and equipment ($1.2 million), a new sample testing laboratory ($0.6 million), increasing tailings dam capacity ($0.7 million) and property, plant and equipment ($4.7 million).

    - **Argentina:** invested $13.5 million on open-pit mine development ($8.1 million), underground mine development ($1.4 million), growth of the heap leach piles infrastructure ($1.7 million), exploration ($1.6 million) and property, plant and equipment ($0.7 million).

Financial and Operating Performance for the six months ended June 30, 2021

- **Revenue growth of 5%:** revenues totaled $253.8 million in 2021 compared to $242.6 million for 2020, with an average realized price per ounce sold of $1,798 for 2021 compared to $1,815 in 2020. Increase in revenue is mainly explained by an increase in Revenues from Energy, hedging and other revenues for $5.0 million;

- **Gross Profit decreased by 16%** , were $72.9 million for 2021 compared to $87.1 million for 2021;

- **Net Profit of the period down 2%,** were $24.2 million or $0.09 per share for 2021 compared to $24.7 million or $0.09 per share for 2020;

- **Adjusted EBITDA down 9%:** EBITDA was $86.9 million in 2021 compared to $95.7 million in 2020;

- **Return on Capital Employed of 31%:** a decrease of 9% over June 2020's ROCE of 34%;

- **Net Debt to EBITDA ratio was 0.26x** compared to a ratio of 0.25x by the end of June 2020;

- **Dividends Paid up 48%,** totalling $9.6 million for 2021 (2020: $6.5 million);

- **Net cash provided by operating activities down 21%:** totaling $32.6 million for 2021 (2020: $41.1 million). The Company's net free cash flow for 2021 was -$15.0 million, down from $25.0 million in 2020 due to lower cash from operating activities.

- **Capital investments up 285% to $73.1 million in 2021:** made into existing mines, and exploration & evaluation projects as follows:

    - **Colombia:** invested $8.2 million, mainly for new suction dredge equipment for alluvial extraction ($3.0 million); movement of bucket dredges to avoid a string ($0.5 million), new functional currency project ($0.6 million) property, plant and equipment ($3.2 million) corporate and other investments ($0.9 million).

    - **Nicaragua:** invested $39.8 million, mainly on the acquisition of the Luna Roja Project ($24.5 million), exploration ($2.9 million), underground mine development and equipment ($2.2 million), a new sample testing laboratory ($0.9 million), increase the capacity of the tailings dam ($1.0 million), leasing of vehicles ($2.8 million) and property, plant and equipment ($5.5 million).

    - **Argentina:** invested $25.1 million on open-pit mine development ($15.2 million), underground mine development ($2.5 million), growth of the heap leach piles infrastructure ($4.1 million), exploration ($2.1 million) and property, plant and equipment ($1.2 million).

Operating Performance

- **Q2-2021Gold production down 4%:** 67,403 ounces compared to 69,592 ounces during Q2-2020, which is broken down as follows:

	Three Months Ended June 30		**Change**		**Six Months Ended June 30**		**Change**	
	2021	**2020**	**ounces**	**%**	**2021**	**2020**	**ounces**	**%**
Colombia [(1)]								
Alluvial	19,738	17,945	1,793	10%	40,520	36,883	3,637	10%
Underground	0	2,819	(2,819)	(100%)	0	6,785	(6,785)	(100%)
	19,738	**20,764**	**(1,026)**	**(5%)**	**40,520**	**43,668**	**(3,148)**	**(7%)**
Nicaragua [(2)]								
Underground	8,455	9,940	(1,485)	(15%)	15,083	18,470	(3,387)	(18%)
Artisanal Mining	23,926	22,219	1,707	8%	47,339	45,224	2,115	5%
	32,381	**32,159**	**222**	**1%**	**62,422**	**63,694**	**(1,272)**	**(2%)**
Argentina	**15,284**	**17,029**	**(1,745)**	**(10%)**	**29,934**	**35,152**	**(5,218)**	**(15%)**
Total Gold Produced (oz)	**67,403**	**69,952**	**(2,549)**	**(4%)**	**132,876**	**142,514**	**(9,638)**	**(7%)**
Total Silver Produced (oz)	**95,559**	**82,407**	**13,152**	**16%**	**176,546**	**163,398**	**13,148**	**8%**

Notes:
(1) Colombia's production in 2020 includes ounces from La Ye underground mine. The La Ye underground mine was sold in 2020 and effective control of operations passed to the new owners on or about May 31, 2020.
(2) Comprises other artisanal operations within the Hemco Property that are operated by artisanal miners. No Mineral Reserves have been declared in respect of this production; however, Inferred Mineral Resources have been estimated.

Total gold production was in line with the lower-end of the 2021 Company's guidance. The Company does not provide guidance with respect to silver production, as silver is treated as a by-product of the Company's gold production.

Exploration

The Company continues its exploration programs at the Material Properties as described below and elsewhere in this prospectus.

The following is a summary of the E&E expenditures for the current and comparative periods:

	Three Months Ended June 30		Six Months Ended June 30	
	2021	**2020**	**2021**	**2020**
E&E expenditures capitalized[(1)]	28,096	3,481	29,593	6,515
E&E expenditures expensed[(2)]	1,378	2,562	2,518	6,300
Total	**29,474**	**6,043**	**32,111**	**12,815**

Notes:
(1) Capitalized exploration and evaluation costs are reflected in Exploration and evaluation projects in the consolidated balance sheets as additions.
(2) Expensed exploration and evaluation costs are reported in the consolidated statement of profit or loss for the respective period under "Exploration expenses".

The significant increase on capitalized exploration expenditures during Q2-2021 was mainly due to the Luna Roja Acquisition for $24.5 million for the remaining 50% interest of the Luna Roja Exploration Target.

Operations Review

Segmented Financial and Operating Highlights

Operating Segment	Three Months Ended June 30	Revenue (US$000s)	Gold Produced (oz)
Nechí Alluvial Property (Colombia)[(2)]	**2021**	**37,192**	**19,738**
	2020	36,635	20,764
Hemco Property (Nicaragua)	**2021**	**61,170**	**32,381**
	2020	56,780	32,159
Gualcamayo Property (Argentina)	**2021**	**28,727**	**15,284**
	2020	32,836	17,029
Total[(1)]	**2021**	**128,449**	**67,403**
	2020	126,312	69,952

Operating Segment	Six Months Ended June 30	Revenue (US$000s)	Gold Produced (oz)	Total Cash Costs (US$/oz)	AISC (US$/oz)
Nechí Alluvial Property (Colombia)[(1)(2)]	**2021**	**75,822**	**40,520**	**982**	**1,072**
	2020	73,351	43,668	851	908
Hemco Property (Nicaragua)	**2021**	**116,660**	**62,422**	**1,131**	**1,358**
	2020	107,858	63,694	961	1,103
Gualcamayo Property (Argentina)	**2021**	**59,079**	**29,934**	**1,405**	**2,287**
	2020	61,259	35,152	1,184	1,433
Total[(1)]	**2021**	**253,841**	**132,876**	**1,127**	**1,513**
	2020	242,558	142,514	952	1,124

Notes:
(1) Includes non-mining operations (Colombia) and eliminations not included in the Colombian operating totals.

(2) Colombia's production in 2020 includes ounces from La Ye underground mine. The La Ye underground mine was sold in 2020 and effective control of operations passed to the new owners on or about May 31, 2020.

Q2-2021 v Q2-2020

In Q2-2021 the Company produced 67,403 ounces of gold, 4% less than the 69,952 ounces of gold produced in Q2-2020 and benefited from a 5% higher average realized price for gold. This change in production is due to the sale of the La Ye underground mine, and the Gualcamayo Property nearing the end of life of the QDD main area of the open pit.

YTD 2021 v YTD 2020

During the first six months ended in June 30, 2021 the Company produced 132,876 ounces of gold, 7% less than the 142,514 ounces of gold produced in 2020. This lower in production is due to decreases in production at the Material Properties. This change in production is due to the sale of the La Ye underground mine, the Gualcamayo Property nearing the end of life of the QDD Main area of the open pit, and 5% lower grades realized during the Q1-2021 at the Hemco Property.

Mineral Property Updates

Colombian Operations

Production from the Nechí Alluvial Property was as follows:

	Three Months Ended June 30	
	2021	**2020**
Operating Data		
m^3 of ore milled[(1)]	7,578,477	7,001,694
Gold grade (mg/m^3)[(2)]	81	80
Gold Recovery Rate[(3)]	65%	95%
Gold Produced (oz)	19,738	20,764
Silver Produced (oz)	1,861	7,298
Financial Data		
Revenues	37,192	36,635
Total Cost of Sales	(21,520)	(20,886)
Gross Profit	15,672	15,749
Expenditures on mining interests		
Sustaining	1,188	814
Expansionary	1,448	1,907

Notes:
(1) Total volume for larger scale alluvial (suction and bucket dredges) and smaller scale (mining of alluvial terraces and third-party contracts).
(2) Raw gold grade refers to the average grade of gold prior to refinery.
(3) Recovery rate is calculated as the percentage of gold recovered versus estimated amount of gold.

	Six Months Ended June 30	
	2021	**2020**
Operating Data		
m^3 of ore milled[(1)]	14,713,284	13,618,313
Gold grade (mg/m^3)[(2)]	91	89
Gold Recovery Rate[(3)]	72%	89%
Gold Produced (oz)	40,520	43,668
Silver Produced (oz)	3,570	17,214
Financial Data	**US$**	
Revenues	75,822	73,351
Total Cost of Sales	(45,483)	(41,801)
Gross Profit	30,339	31,550
Total Cash Cost (per ounce)	982	851

AISC (per ounce)	1,072	908
Expenditures on mining interests		
Sustaining	3,318	1,839
Expansionary	3,871	3,181

Notes:
(1) Total volume for larger scale alluvial (suction and bucket dredges) and smaller scale (mining of alluvial terraces and third-party contracts).
(2) Raw gold grade refers to the average grade of gold prior to refinery.
(3) Recovery rate is calculated as the percentage of gold recovered versus estimated amount of gold.

Revenues for the second quarter of 2021 were 2% higher than the same quarter of 2020, as a result of higher average selling price of 11%, partially offset by a 5% lower production, explained mainly by the sale of the La Ye underground mine.

Gross profit for the second quarter of 2021 was flat when compared to the same period of 2020.

See "*General Development and Business of the Company*" and "*Appendix "A" – Information Concerning the Nechí Alluvial Property (Colombia)*" for further details.

Argentina Operations

Production from the Gualcamayo Mine was as follows:

	Three Months Ended June 30	
	2021	**2020**
Operating Data		
Tonnes of ore milled	346,681	547,681
Gold grade (g/t)	1.16	1.68
Gold Recovery Rate	67%	51%
Gold produced (oz)	15,284	17,029
Silver produced (oz)	5,189	6,816
Financial Data	**US$**	
Revenues	28,727	32,836
Cost of Sales	(28,686)	(23,715)
Gross Profit	41	9,121
Expenditures on mining interests		
Sustaining	11,794	865
Expansionary	0	2,052

	Six Months Ended June 30	
	2021	**2020**
Operating Data		
Tonnes of ore milled	556,942	1,414,239
Gold grade (g/t)	1.2	1.48
Gold Recovery Rate	68%	55%
Gold produced (oz)	29,934	35,152
Silver produced (oz)	10,744	14,412
Financial Data	**US$**	
Revenues	59,079	61,259
Cost of Sales	(52,542)	(48,113)
Gross Profit	6,537	13,146
Total Cash Cost (per ounce)	1,405	1,184
AISC (per ounce)	2,287	1,433

	Six Months Ended June 30	
	2021	**2020**
Expenditures on mining interests		
Sustaining	22,954	2,005
Expansionary	0	1,641

Gold production for the three months ended June 30, 2021 was 10% lower than the same period in the prior year as a result of nearing the end of life of a portion of the open pit mine.

Costs had a 21% increase explained by adjustments made to inventories' costs.

See "*General Development and Business of the Company*" and *Appendix "B" – Information Concerning The Gualcamayo Property (Argentina)* for further details.

Nicaragua Operations

Production from the Panama Mine and Pioneer Mine, and through arrangements with artisanal mining cooperatives was as follows:

	Three Months Ended June 30	
	2021	**2020**
Operating Data		
Tonnes of ore milled	175,997	178,198
Gold grade (grams/tonne)	6.53	6.36
Gold Recovery Rate	89%	89%
Gold Produced (oz)	32,381	32,159
Underground Gold produced (oz)	8,455	9,940
Artisanal Mining Gold produced (oz)	23,926	22,219
Silver Produced (oz)	88,509	68,293
Financial Data	**US$**	
Revenues	61,170	56,780
Total Cost of Sales	(43,687)	(34,448)
Gross Profit	17,483	22,332
Expenditures on mining interests		
Sustaining	4,498	1,298
Expansionary	0	189
Underground Cash Cost (per oz)	$1,986	$720

	Six Months Ended June 30	
	2021	**2020**
Operating Data		
Tonnes of ore milled	343,120	343,402
Gold grade (grams/tonne)	6.34	6.41
Gold Recovery Rate	89%	89%
Gold Produced (oz)	62,422	63,694
Underground Gold produced (oz)	15,083	18,470
Artisanal Mining Gold produced (oz)	47,339	45,224
Silver Produced (oz)	162,232	131,772
Financial Data	**US$**	
Revenues	116,660	107,858
Total Cost of Sales	(85,937)	(69,870)
Gross Profit	30,723	37,988
Underground Cash Cost (per oz)	2,246	836
Underground AISC (per oz)	2,858	1,242

Artisanal Mining Cash Cost (per oz)	773	1,053
Artisanal Mining AISC (per oz)	880	1,045
Expenditures on mining interests		
Sustaining	9,555	3,022
Expansionary	0	437
Underground Cash Cost (per oz)	2,246	836

Gold production for the three months ended June 30, 2021 was flat compared to the same period in the prior year.

Q2-2021 gross profit was 22% lower than during Q2-2020 explained mainly by a 27% increase in cost due to higher depreciation and amortization of internal projects, including a tailings dam, and higher costs of artisanal materials given gold spot prices.

See "*General Development and Business of the Company*" and See "*Appendix "C" – Information Concerning The Hemco Property (Nicaragua)*" for further details.

Review of Interim Financial Results

Overview of Interim Financial Results

The following table sets forth selected financial information and results of operations extracted from the Company's interim financial statements included elsewhere in this prospectus, which have been prepared in accordance with IFRS, for the periods noted:

	Three Months Ended June 30		**Six Months Ended June 30**	
	2021	**2020**	**2021**	**2020**
Revenues	128,449	126,312	253,841	242,558
Cost of Sales	(92,577)	(76,856)	(180,909)	(155,481)
Gross Profit	**35,872**	**49,456**	**72,932**	**87,077**
Administration expenses	(5,429)	(4,218)	(10,037)	(8,224)
Other income	1,112	810	1,659	1,080
Other expenses	(4,740)	(6,216)	(8,981)	(8,951)
Exploration expenses	(1,378)	(2,562)	(2,518)	(6,300)
Impairment of asset, net	0	(7,947)	0	(7,947)
Finance income	437	47	823	323
Finance expenses	(2,426)	(2,051)	(4,540)	(4,395)
Gain/(loss) from Hedging Operations	0	(2,554)	0	(5,215)
Foreign currency exchange differences	(1,275)	(4,283)	(2,287)	(2,365)
Profit for the period before tax	**22,173**	**20,482**	**47,051**	**45,083**
Current tax	(7,433)	(12,210)	(16,700)	(21,137)
Deferred tax	(4,332)	409	(6,174)	759
Profit for the period	**10,408**	**8,681**	**24,177**	**24,705**

Overview of Interim Financial Results for the three and six months ended June 30, 2021 compared to June 30, 2020

Profits for the Q2-2021 period were $10.4 million ($0.04 per share), compared with $8.7 million ($0.03 per share) for Q2-2020. Earnings were positively impacted by a 5% increase in average realized gold prices, partially offset by lower production (4%). The results were positively impacted by lower amortization expenses in exploration for $1.2 million and lower foreign currency exchange differences for $1.3 million. Results in Q2-2020 were negatively impacted by an impairment performed on the Gualcamayo segment for $7.9 million, after a revision of the mining plan, recent operating results and future expected production.

Profits for the six months ended June 30, 2021 were $24.2 million ($0.09 per share) compared with $24.7 million ($0.09 per share) for the same period in 2020, explained by an impairment of the Gualcamayo asset performed during the first half of 2020 for $7.9 million) that partially offset higher costs for the period.

Revenues

	Three Months Ended June 30		Change		Six Months Ended June 30		Change	
	2021	**2020**	**ounces**	**%**	**2021**	**2020**	**ounces**	**%**
Gold								
Ounces Sold	67,895	71,790	(3,895)	(5%)	135,518	143,425	(7,907)	(6%)
Average Realized Price ($/oz)	1,815	1,731	84	5%	1,798	1,815	(17)	(1%)
Silver								
Ounces Sold	95,559	82,407	13,152	16%	176,546	163,398	13,148	8%
Average Realized Price ($/oz)	27	17	9	55%	26	16	10	63%
Revenues ($)								
Gold	124,602	124,538	64	0%	246,175	239,712	6,463	3%
Silver	2,543	1,417	1,126	79%	4,623	2,645	1,978	75%
Sales of Metal Concentrates	**127,145**	**125,955**	**1,190**	**1%**	**250,798**	**242,357**	**8,441**	**3%**
Energy, Hedging and Other Revenues	1,304	357	947	265%	3,043	201	2,842	1414%
Total Revenues	**128,449**	**126,312**	**2,137**	**2%**	**253,841**	**242,558**	**11,283**	**5%**

Total Revenues in Q2-2021 increased by 2%. Sales of metal concentrates were flat, given an 5% higher average selling price of gold, offset partially by 5% fewer ounces sold. But other revenues had a positive impact by higher sales of energy ($0.2 million) and income from hedging operations ($1.4 million).

Cost of Sales

	Three Months Ended June 30		Change		Six Months Ended June 30		Change	
	2021	**2020**	**$**	**%**	**2021**	**2020**	**$**	**%**
Direct Mining Costs	77,438	62,403	15,035	24%	147,719	126,425	21,294	17%
Depreciation and Amortization	10,939	7,884	3,055	39%	23,266	16,162	7,104	44%
Taxes and Royalties	4,200	6,569	(2,369)	(36%)	9,924	12,894	(2,970)	(23%)
Total Cost of Sales	**92,577**	**76,856**	**15,721**	**20%**	**180,909**	**155,481**	**25,428**	**16%**

The $15.0 million increase in Direct Mining Costs in Q2-2021 as compared with Q1-2020 is mainly explained by higher costs of artisanal mining in Nicaragua of $40.9 million (2020: $32 million) due to higher gold prices and a higher proportion of production from purchases of artisanal material, and by salary increases in Argentina.

Depreciation and amortization for the three months ended in June 30, 2021, increased by 39% ($3.1 million) from the same period in the prior year, including a $2.0 million increase in Nicaragua, $0.5 million in Colombia, and $0.6 million in Argentina, which were due to higher amount of assets including amortization of lease contracts under IFRS 16.

Taxes and royalties decreased by $2.4 million from Q2-2020 to Q2-2021, explained mainly by the decrease in the export tax rate of royalties in Argentina from 12% to 8%.

Exploration Expenses

	Three Months Ended June 30		Change		Six Months Ended June 30		Change	
	2021	**2020**	**$**	**%**	**2021**	**2020**	**$**	**%**
Exploration expenses	1,378	2,562	(1,184)	(46%)	1,967	6,028	(4,061)	(67%)
Disposals, net	0	0	0	0	551	272	279	0
Total exploration expenses	**1,378**	**2,562**	**(1,184)**	**(46%)**	**2,518**	**6,300**	**(3,782)**	**(60%)**

Total Exploration expenses during Q2-2021 were 46% less than during Q2-2020, explained mainly by the fact that there were no expenses incurred under the Royal Road Colombia Alliance Agreement during Q2 of 2020 or 2021 (2020: $1.0 million). Other expenses include La Pepa Project for $0.3 million (2020:$2.0 million), regional exploration Colombia for $0.2 million

(2020: $2.1 million), regional exploration in Nicaragua at the Hemco Property (other than the Luna Roja Exploration Target) for $0.3 million (2020: $0.2 million) and at the Luna Roja Exploration Target for $0.4 million (2020: $0.2 million), and in Argentina at the Deep Carbonates Project $0.6 million (2020: $0).

Hedging Operations

	Three Months Ended June 30		Change		Six Months Ended June 30		Change	
	2021	2020	$	%	2021	2020	$	%
Change in fair value of derivatives.	0	(2,554)	2,554	100%	0	(5,215)	5,215	100%
Total Hedging Operations	**0**	**(2,554)**	**2,554**	**100%**	**0**	**(5,215)**	**5,215**	**100%**

The increase in fair value of derivatives of $2.6 million for the three months ended June 30, 2021, as compared with 2020, is due to the fact that hedges with maturity in 2021 are considered effective and are recognized in the Other Comprehensive Income.

Current and Deferred Tax

	Three Months Ended June 30		Change		Six Months Ended June 30		Change	
	2021	2020	$	%	2021	2020	$	%
Current tax.....	(7,433)	(12,210)	4,777	(39%)	(16,700)	(21,137)	4,437	(21%)
Deferred tax.....	(4,332)	409	(4,741)	(1159%)	(6,174)	759	(6,933)	(913%)
Total income tax	**(11,765)**	**(11,801)**	**36**	**0%**	**(22,874)**	**(20,378)**	**(2,496)**	**12%**

The 39% decrease in current tax for the three months ended June 30, 2021, as compared with 2020, is mainly explained by the change of functional currency of Mineros S.A. and Mineros Aluvial, which affected the recorded value of property, plant and equipment and other assets.

The steep increase in deferred tax is due to foreign exchange rate effects on financial obligations at the Gualcamayo Property for $3.2 million, the disposal of assets and inflation adjustments for $6.9 million and expenses associated with intangible assets held by Mineros S.A. for $1.5 million.

Quarterly Financial And Operating Results

The following table sets forth selected quarterly financial information for each of the eight most recent quarters, which have been prepared in accordance with IFRS, for the years noted:

	2021		2020				2019	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Financial Results					US$			
Revenues	128,449	125,392	121,480	121,263	126,312	116,246	118,632	106,560
Profit for the period.....	10,408	13,769	14,193	24,795	8,681	16,024	8,715	19,843
Basic Earnings per share	0.04	0.05	0.05	0.09	0.03	0.06	0.03	0.08
Cash Flow from Operating Activities..	19,648	12,983	75,427	25,754	31,248	9,815	9,349	24,602
Dividends Paid	6,076	3,545	3,849	2,966	3,277	3,211	3,455	4,026
Expenditures on mining interests (cash basis)					US$			
Sustaining capital expenditure.....	17,480	18,347	10,875	5,364	2,977	3,889	4,598	6,580
Sustaining exploration.....	2,645	1,180	1,933	2,476	2,340	2,584	1,788	2,461
Operating Results								
Gold Produced (oz)	67,403	65,473	64,908	64,225	69,952	72,562	80,741	71,875
Gold Sold (oz).....	67,895	67,623	64,453	63,020	71,790	71,635	80,198	72,146
Average Realized Gold Price ($/oz)....	$1,815	$1,781	$1,855	$1,896	$1,731	$1,600	$1,452	$1,448
Silver Produced (oz).....	95,559	80,987	64,921	69,769	82,407	80,991	87,851	87,664
Average Realized Silver Price ($/oz) ..	$27	$26	$25	$26	$17	$15	$19	$18

Financial Condition and Liquidity

Cash Flow Analysis

The following table summarizes the Company's cash flow activity for following periods:

	Three Months Ended June 30		Six Months Ended June 30	
	2021	**2020**	**2021**	**2020**
Cash Flow				
Net cash flow provided by operating activities	19,648	31,248	32,631	41,063
Net cash flow used in investing activities	(37,390)	(10,289)	(58,758)	(18,124)
Net cash flow used in financing activities	14,583	(15,088)	5,488	(13,573)
(Decrease) increase in cash and cash equivalents	**(3,159)**	**5,871**	**(20,639)**	**9,366**
Effect of exchange rate on cash and cash equivalents	(451)	2,079	(408)	536
Cash and cash equivalents, beginning of the period	46,161	20,765	63,598	19,046
Cash and cash equivalents at end of the period classified as held for sale.	0	233	0	0
Cash and cash equivalents, end of period	**42,551**	**28,948**	**42,551**	**28,948**

Net cash flow provided by operating activities for the six months ended June 30, 2021, decreased by $8.4 million as compared with 2020, due primarily an increase of $20 million in taxes paid in Colombia and Nicaragua, and a decrease of $10.6 million in cash received from customers. Net cash flow provided by operating activities for the three months ended June 30, 2021 is also explained by an increase of $12.4 million in taxes paid in Colombia and Nicaragua, a decrease of $19.8 million in cash received from customers, and an increase of $3.6 million in benefits payments to employees.

Net cash flow used in investing activities for the six months ended June 30, 2021, increased by $40.6 million, due primarily to additions to property, plant and equipment of $28.5 million associated mainly with the acquisition of the remaining 50% interest of the Luna Roja Exploration Target at the Hemco Property, by an increase in intangible assets and exploration projects of $22.6 million due to the Luna Roja Acquisition, and an increase in financial instruments held for sale of $11 million. For the second quarter, the increase is also explained by higher investments in property, plant and equipment of $10.8 million, by intangible assets and exploration projects for $20.8 million (Luna Roja Exploration Target) and by increased financial instruments held for sale of $8.7 million.

Net cash flow used in financing activities for the six months ended June 30, 2021, increased by $19 million, explained by new loans for $22 million in Colombia and Nicaragua, used mainly to pay for the Luna Roja Acquisition, and the combined effect of lower payments of loans of $9.5 million and higher dividends paid of $3.1 million. For the second quarter, the increase is also explained by new loans for $27 million in Colombia and Nicaragua, to lower payments of loans for $4.4 million, partially offset by higher dividends payments of $2.7 million.

Working Capital

As at June 30, 2021, the Company had cash and cash equivalents of $42.6 million.

	Six Months Ended June 30, 2021	Year Ended December 31, 2020
Total assets	561,483	542,235
Total Non-current liabilities	101,646	98,641
Total equity	322,302	314,781
Working capital [(1)]	41,937	71,462
Cash and cash equivalents	42,551	63,598
Loans and other borrowings (current and Non-current)	89,823	74,458

Note:

(1) Working capital is defined as the excess of current assets over current liabilities, which includes the current portion of long-term debt and assets and liabilities held for sale.

Capital Expenditures

Capital expenditures on a segmented basis for the three and six months ended June 30, 2021 and 2020 were as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2021	**2020**	**2021**	**2020**
Additions to Exploration Projects				
Colombia	1	0	95	0
Nicaragua	26,451	2,527	27,415	5,223
Argentina	1,644	954	2,083	1,292
Total additions in Exploration Projects	**28,096**	**3,481**	**29,593**	**6,515**
Additions to property, plant and equipment and intangibles[(1)]				
Colombia	2,636	2,721	7,189	5,020
Nicaragua	7,258	1,814	12,315	3,786
Argentina	11,856	2,917	23,016	3,646
Total additions in property, plant and equipment and intangibles	**21,750**	**7,452**	**42,520**	**12,452**

Note:

(1) Does not include additions in non-mining operations.

During the three months ended in June 30 2021, the Company had capital expenditures of $50.2 million: $3.0 million in Colombia (excluding Negocios Agroforestales, Minera de Ataco and Mineros S.A), $33.7 million in Nicaragua, and $13.5 million in Argentina.

In Colombia, the majority of capital expenditures are related to a new alluvial exploitation project and sustaining capital at the Nechí Alluvial Property. The Company plans to increase production by adding one new suction dredge for stripping, another suction dredge for production, and a floating processing plant. This project aims to exploit areas that the larger dredges cannot access or that have lower grade.

In Nicaragua, the main investment was the Luna Roja Acquisition for $24.5 million. Other investments included underground mine development and exploration.

In Argentina, the main capital expenditures were stripping costs and open-pit and underground mine development, increasing the capacity of the heap leach piles, and equipment.

There are currently no demands, commitments or uncertainties that could significantly affect the Company's liquidity. However, the Company's future growth plans may include significant investments for the acquisition and/or development of new assets and/or its assets in Nicaragua, Argentina, Chile or Colombia.

Commitments

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the remaining contractual maturities of the Company's financial liabilities and operating and capital commitments at June 30, 2021, shown in contractual undiscounted cash flows:

	Within 1 year	**1 to 3 years**	**4 to 5 years**	**Over 5 years**	**Total**
Financial liabilities					
Trade and other payables	48,087	0	0	0	48,087
Loans and other borrowings[(1)]	30,633	34,209	0	0	64,842
Other financial liabilities	13,953	0	0	0	13,953
	92,673	**34,209**	**0**	**0**	**126,882**
Other commitments					
Reclamations and closure cost obligations	1,121	2,831	9,998	44,765	58,715
Minimum rental and lease payments	2,577	5,313	2,348	14,743	24,981

	3,698	**8,144**	**12,346**	**59,508**	**83,696**
Total	**96,371**	**42,353**	**12,346**	**59,508**	**210,578**

Note:
(1) This amount does not include interest.

Capital Resource Management

The Company's capital management objectives are to safeguard the Company's ability to support normal operating requirements on an ongoing basis, continue the development and exploration of its mineral properties and support any expansionary plans.

In the management of capital, the Company includes components of equity, short-term borrowings and long-term debt, net of cash and cash equivalents and short-term investments, summarized as follows:

	Six Months Ended June 30, 2021	**Year Ended December 31, 2020**
Equity	322,302	314,781
Loans and borrowings	89,823	74,458
Total Capitalization	**412,125**	**389,239**
Less: Cash and cash equivalents	(42,551)	(63,598)
Less: Current investment	(71)	(1,563)
Net Capitalization	**369,503**	**324,078**

The Company manages its capital structure and adjusts it considering changes in its economic environment and the risk characteristics of the Company's assets. To effectively manage the entity's capital requirements, the Company has in place a planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives.

Exchange Restrictions in Argentina

In September 2019, the Central Bank of Argentina implemented new foreign exchange regulations requiring government permission to transfer money overseas, sell Argentine pesos, or buy foreign currency. On December 28, 2019, the Argentine Government amended article 1 of Decree No. 609/2019, extending the obligation to settle foreign currency assets positions through the local official foreign exchange markets indefinitely.

Differences between the Central Bank's local foreign exchange market (Mercado Único y Libre de Cambios – MULC) and unregulated international foreign exchange markets may negatively affect the Company's operations in Argentina on the repatriation of dividends (in U.S. dollar equivalent) as well as the increased cost and risks of doing business in developing markets, which could impact liquidity in the future.

To mitigate this foreign currency exchange restriction, the Company minimizes any cash or financial assets held in Argentina, outside of what is required to operate the business. To date, the Company has not repatriated any earnings from Argentina through regular dividend payments and does not expect to do so in the future unless there is a significant increase in production and cash flow from operations.

Off-Balance Sheet Arrangements

Other commitments associated with the acquisition of the Acquired Company

The purchase price for the Acquired Company was comprised of a cash consideration of $31.1 million, contingent consideration of $30 million to be paid on the date of the commercial operation of the Deep Carbonates Project, the grant of a 2% NSR royalty at the Gualcamayo Mine on metal produced after the initial 396,000 ounces (capped at $50 million of total payments (excluding the Deep Carbonates Project)) and the grant of a 1.5% uncapped NSR royalty on the Deep Carbonates Project.

Management has not recognized any contingent liability in determining the total consideration of the transaction, because commercial production at the Deep Carbonates Project was assessed as remote as at June 30, 2021.

Other commitments associated with the Luna Roja Acquisition

As a result of the Luna Roja Acquisition, the Company has a commitment as at June 30, 2021 related to an NSR royalty of 1.25% on all future mineral commercial production from the Luna Roja Exploration Target concessions. The Luna Roja Exploration Target is at an early stage of exploration. Since it is not possible to measure the commitment reliably, no charge has been recorded for this royalty.

Contingencies

Due to the size, complexity, and nature of the Company's operations, various legal and tax matters arise in the ordinary course of business. The Company accrues for such items when a liability is both probable and the amount can be reasonably estimated. The Company's management is of the opinion that these matters will not have a material effect on the Company's financial statements.

Related Party Transactions

During the six months ended June 30, 2021, entities in Mineros' corporate group entered into the following commercial transactions with related parties as defined by IAS 24, *Related Party Disclosures*:

- Paid insurance premiums to Axa Colpatria Seguros S.A. and Seguros de Vida Colpatria S.A., of $1.0 million (Q2-2020: $0.5 million).

Loans to Key Management Personnel

During 2017, an unsecured loan of $0.047 million (COP$138 million) was made to a certain key management personnel (2016: $0.044 million). Interest is payable by these management personnel at a rate of 3%, and the loans are repayable on demand after the issue date. As at June 30, 2021, the balance outstanding was $0.014 million (COP $52 million) and is included in "trade and other receivables".

During 2016, an unsecured loan of $0.04 million (COP$129 million) was made to a certain key management personnel. Interest is payable by these management personnel at a rate of 3%, and the loans are repayable on demand after the issue date. As at June 30, 2021, the balance outstanding was $0.006 million (COP $23 million) and is included in "trade and other receivables".

Financial Instruments and Risks

Credit Risk

For more information about credit risk, see, See "*Management's Discussion And Analysis of Financial Condition and Results of Operations – Annual MD&A – Financial Instruments and Risks*".

The Company's maximum exposure to credit risk was as follows:

	Six Months Ended June 30, 2021	Year Ended December 31, 2020
Cash and cash equivalents	42,551	63,598
Short term investments	71	1,563
Accounts receivable arising from sales of metal concentrates	29,037	13,836
Derivative financial instruments, net	2,413	2,013
Total	**74,072**	**81,010**

Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecasts and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The maturity of liabilities is disclosed in Note 22 of unaudited condensed interim consolidated financial statements for the three- and six-month periods ended June 30, 2021. All other financial liabilities disclosed in this note mature within one year and do not accrue interest.

During the three months ended June 30, 2021, the Company generated net cash flows from operating activities, one of the Company's main sources of liquidity, of $19.6 million (Q2-2020: $31.2 million). As at June 30, 2021, the Company held cash and cash equivalents of $42.5 million (as at December 31, 2020: $63.6 million). As at June 30, 2021, the Company's working capital, defined as current assets less current liabilities, was $41.9 million (as at December 31, 2020: $71.5 million).

Market Risk

Currency risk

100% of the Company's operating risks are derived from gold exports, which are priced in U.S. dollars; consequently, the exposure to exchange rate variations is significant.

This risk is managed by means of OTC derivative financial instruments, for which the underlying item is the U.S. dollar/Colombian peso pair (TRM for its Spanish acronym), entered into for the purpose of reducing the variability of the cash flows in pesos generated by the volatility of the U.S. dollar/Colombian peso pair. Derivatives are not entered into for speculative purposes and are used to guarantee the exchange rate of a portion of the payments in foreign currency planned for the following year.

Foreign exchange forward contracts

It is the policy of the Company to enter into foreign exchange forward contracts to manage the foreign currency risk associated with anticipated sales and purchase transactions within 50% of the exposure generated.

For the hedges of highly probable forecast sales and purchases, as the critical terms (i.e. the notional amount, life and underlying) of the foreign exchange forward contracts and their corresponding hedged items are the same, the Company performs a qualitative assessment of effectiveness and it is expected that the value of the forward contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying exchange rates.

The Company entered into zero-cost collar option contracts whereby it purchased a series of U.S. dollar to Colombian peso put option contracts and sold a series of U.S. dollar to Colombian peso call option contracts with equal and offsetting values at inception (referred to as the "forward contracts"). The Company may hedge up to 50% of its peso denominated expected cash flows. The details of the forward contracts are as follows:

Company	Type	Contracts	Amount (US$000's)	Maturity	Price[(1)] (COP$)
Mineros Aluvial	Put / Call US$	12	6,000	Jul – Dec 2021	Min: 3,450 Max: 4,057
Mineros Aluvial	Put / Call US$	6	9,000	Jul – Dec 2021	Min: 3,700 Max: 4,188
Hemco			No hedging		
MASA			No hedging		

Note:
(1) Minimum and maximum prices are weighted averages of different put and call options.

As at June 30, 2021, the Company was primarily exposed to currency risk through financial assets and liabilities, revenues and other taxes receivables (payables) and deferred income tax assets and liabilities denominated in foreign currencies.

Interest rate risk

This risk is not managed, due to the high cost and the limited availability of financial instruments to manage this type of risk in the local market. The asset positions of the Company's investment portfolio are used to leverage treasury, for which reason the Company remains invested in local fixed-yield investments.

If the Company decides to secure long-term borrowings, mitigation of the risk will be evaluated, trying to maintain a balanced portfolio of loans and credits at fixed, if the market so permits.

The Company is exposed to interest rate fair value risk primarily on its debt subject to fixed rates of interest. The Company monitors its exposure to interest rates and its exposures with a mix of fixed-and floating-rate debt.

Commodity price risk

The Company sells gold in the international precious metals market. These sales represent around 99% of the Company's operating revenues; consequently, the exposure to gold price variations is significant.

This risk is managed by contracting OTC financial derivatives, where the underlying item is the commodity with the objective to reduce variability of operating revenues generated by the volatility of the price of gold. Derivatives are not entered into for speculative purposes and are used to guarantee the price of a portion of sales planned for the following year. The Company has a policy to hedge gold sales, and it may hedge up to 30% of its sales volume over the next six months to manage its exposure to fluctuations in gold prices under currently applicable financial risk management policies.

During Q2-2021, the Company did not enter into new derivative contracts to hedge commodity price risk. The contracts in place are zero-cost collar contracts whereby it purchased a series of gold put option contracts and sold a series of gold call option contracts with equal and offsetting values at inception (referred to in this Interim MD&A as the "commodity contracts"). The Company's strategy is to remain hedged on gold production by initiating a price protection program in order to ensure it can profitably extend operations at various operating mines.

The resulting fair values of the outstanding commodity contracts at December 31, 2020 have been recognized, on a net basis, in derivative liabilities on the statement of financial position. These derivative instruments were not designated as hedges by the Company and are marked-to-market at the end of each reporting period with the mark-to market adjustment recorded in the statement of loss. The commodity contracts are marked-to-market using a Black-Scholes valuation model which uses quoted observable inputs and are classified as Level 2 in the fair value hierarchy. Details are as follows:

	Six Months Ended June 30	
	2021	**2020**
Realized gain (loss) in revenue protection strategy	808	(1,439)
Unrealized gain (loss) in gold revenue protection strategy	0	(5,215)
Net profit (losses) in commodity contracts	**808**	**(6,654)**

Critical Accounting Policies and Estimates

The Company's consolidated financial statements are prepared in accordance with IFRS. The recent accounting pronouncements and significant accounting policies applied are described in Note 3 and Note 4, respectively, to the Company's condensed interim consolidated financial statements for the three- and six-month periods ended in June 30, 2021, and in Note 2 and Note 3 respectively, on the Company's consolidated financial statements for the year ended December 31, 2020, 2019 and 2018.

In preparing the consolidated financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Critical accounting estimates represent estimates that are uncertain and for which changes in those estimates could materially impact the Company's consolidated financial statements. Actual future outcomes may differ from present estimates. Management reviews its estimates and assumptions on an ongoing basis using the most current information available.

The critical judgements and key sources of estimation uncertainties in the application of accounting policies during the three and six months ended in June 30, 2021 are disclosed in Note 3 to the Company's condensed interim consolidated financial statements for the three and six months ended on June 30, 2021.

DESCRIPTION OF SHARE CAPITAL

Mineros is a Colombian company incorporated and existing under the laws of Colombia as a stock corporation (*sociedad anónima*) on November 21, 1974, and listed on the Colombian Exchange. See "*Corporate Structure*". **The rights of holders**

of common shares of a Colombian corporation like Mineros may differ from those typically provided to holders of common shares of a typical corporation incorporated under the federal laws of Canada. For a description of material differences between corporate law and shareholder rights in Colombia and Canada, see "*Material Differences Between Corporate Law and Shareholder Rights in Canada and Colombia*".

Share Capital

The Bylaws authorize the Company to issue 800,000,000 shares having par value of COP$0.50 per share, of which 261,687,402 Common Shares are issued and posted for trading at the Colombian Exchange, and 56,218,850 Common Shares are currently held by the Company. In accordance with applicable Colombian law, shareholder rights associated with the Common Shares are suspended while they are held by the Company. See "*Material Differences Between Corporate Law and Shareholder Rights in Canada and Colombia – Share Buybacks*". The Bylaws provide that the Common Shares held by the Company may be cancelled with a proportionally increase in the value of the other shares held by third parties, by way of Bylaw amendment; or cancelled with a reduction of the capital up to its par value. The Company has no present intention to sell or distribute the Common Shares that it holds, and intends to hold them pending a future determination regarding their disposition.

The Bylaws allow the Company to issue shares both in Colombia and abroad up to the amount of its authorized capital, and to create and issue preferred shares by resolution of the General Shareholders Assembly passed by simple majority.

In accordance with the second paragraph of article 20 of the Colombian Civil Code, the issuance and sale of shares by a company outside of Colombia constitute operations carried out in a foreign country to which the relevant foreign law applies. To that effect, the Bylaws specify that shares issued outside of Colombia – i.e. in a foreign jurisdiction, are subject to "applicable foreign law" (being any law, rule, policy, regulation, decree, order, resolution, practice, standard or pronouncement issued or adopted by a governmental authority, regulatory authority, securities commission or stock exchange (and includes any rules or regulations required to be observed or followed by any transfer agent) that is applicable in any country in which shares are issued, or which apply to the Company or to such shares as a result of such shares having been listed and posted for trading on any stock exchange outside of Colombia.

Meetings of the General Shareholders Assembly

Meetings of the General Shareholders Assembly may be ordinary meetings or extraordinary meetings. Ordinary shareholder meetings may be called by the Board or the President of the Company. Ordinary meetings occur once a year and generally no later than three months after the end of the prior fiscal year, for the following purposes: (i) to consider and approve the Company's annual report, including audited financial statements for the preceding fiscal year; (ii) to elect or remove directors and the external auditor; (iii) to determine the allocation of profits for the preceding fiscal year, if any, as well as any retained earnings from previous fiscal years, (iv) to approve the payment of dividends, if any, and (v) to consider any other matters authorized in the Bylaws.

If an ordinary meeting of shareholders does not occur within the first three months of the year, the shareholders may validly hold a meeting, without prior notice, at 10:00 a.m. on the first working day of April at the Company's headquarters.

Extraordinary shareholder meetings may take place when duly called for a specified purpose. Extraordinary shareholder meetings may be called at any time by the Board, the President, and the external auditor, either by their own initiative or at the request of the Colombian Superintendence of Finance or of the Superintendence of Companies, as applicable, or shareholder(s) holding no less than 5% of the issued capital of the Company. The Colombian Superintendence of Finance may also directly call extraordinary meetings in certain circumstances.

Quorum for both ordinary and extraordinary shareholder meetings requires the presence of two or more shareholders representing not less than forty per cent (40%) of the outstanding shares entitled to vote at the relevant meeting.

Voting Rights

Holders of Common Shares are entitled to participate in meetings of the General Shareholders Assembly, and to vote on the basis of one vote per share on any matter subject to approval by the General Shareholders Assembly.

In accordance with the Colombian Regulations, the Board of Directors is elected by way of the electoral quotient system, which requires the directors to be elected on the basis of slates of nominees proposed for election pursuant to the electoral quotient

system. See "*Material Differences Between Corporate Law and Shareholder Rights in Canada and Colombia – "Director Elections and Qualifications*" and "*– Electoral Quotient System*".

Except when Colombian law requires a special majority, action may be taken at a meeting of the General Shareholders Assembly by the vote one or more shareholders representing 50% plus one of the Common Shares represented at the meeting.

Persons who are directors, officers or employees of the Company, while they hold such positions, may not vote on resolutions of the General Shareholders Assembly with respect to the balance sheet and year-end accounts or settlement accounts of the Company, except when acting as a legal representative of a shareholder who is not a manager or employee of the Company. Directors and officers are also barred from voting on resolutions of the General Shareholders Assembly concerning transactions in which they are involved and so have a conflict.

Dividends

The holders of Common Shares are entitled to receive dividends based on the financial performance of the Company in proportion to their share ownership. Dividends must be approved at the ordinary meeting of the General Shareholders Assembly upon the recommendation of the Board. Dividends declared on the Common Shares will be payable to holders of Common Shares entitled to receive dividends in accordance with applicable law and the Bylaws. See also "*Dividend Policy*".

Rights upon Dissolution and Liquidation

The holders of Common Shares are entitled, upon liquidation of the Company, to receive a proportional amount of the corporate assets after the payment of external liabilities. The Company will be dissolved if certain events take place, including the following: (i) the term of existence, as stated in the Bylaws, expires without being extended by the shareholders prior to its expiration date; (ii) by resolution of the General Shareholders Assembly; and (iii) in certain other events expressly provided by law. Upon dissolution, a liquidator must be appointed by the General Shareholders Assembly to wind up the Company's affairs.

Pre-emptive, Conversion, or Exchange Rights

There are no are no pre-emptive, conversion, or exchange rights associated with the Common Shares.

Limitations on the Rights to Hold or Vote Securities

Holders of Common Shares are entitled to transfer and sell Common Shares according to the Bylaws and applicable law. There are no limitations in the Bylaws or applicable law on the rights of Colombian residents or foreign investors to own and vote Common Shares, except in the case of directors, officers or employees of the Company who may not vote on resolutions of the General Shareholders Assembly with respect to the balance sheet and year-end accounts or settlement accounts of the Company, except when acting as a legal representative of a shareholder who is not a manager or employee of the Company. Directors and officers are also barred from voting on resolutions of the General Shareholders Assembly concerning transactions in which they are involved and so have a conflict.

Mergers, Spin-offs or Reorganizations of the Company

Under Colombian law and the Bylaws, the General Shareholders Assembly is required to approve any mergers, spin-offs (where the shareholders of the Company receive shares of the spun out entity), or any changes to the Bylaws, subject to compliance with applicable law.

If a corporate restructuring results in shareholders having a greater degree of liability or a reduction of the economic rights of the shareholders, shareholders have the right to sell their Common Shares, known as right of withdrawal (*derecho de retiro*), on terms and conditions established under Colombian law. See also "*Material Differences Between Corporate Law and Shareholder Rights in Canada and Colombia*".

Other Rights, Attributes and Characteristics

The Common Shares must be issued by the Company as fully-paid and non-assessable shares. The Common Shares are not subject to any redemption, retraction, purchase for cancellation, or surrender provisions, sinking or purchase fund provisions, or provisions restricting the issuance of additional securities. Holders of Common Shares cannot be required to contribute additional capital.

Colombian securities laws provide that shareholders holding at least 5% of the outstanding shares may propose recommendations to the Board pertaining to the management of the Company. The Board is obligated to consider such proposals and to issue a written response but is not obligated to adopt them. Any shareholder may file a written petition to the Board to investigate corporate governance violations that the shareholder believes to have been committed. See also "*Material Differences Between Corporate Law and Shareholder Rights in Canada and Colombia*".

Additionally, the Shareholder Meeting Regulations regulate and complement certain matters in connection with the meetings of the General Shareholders Assembly, including notice of meeting, information to be received by the shareholders, rules for attendance to meetings, and the exercise of their political rights, in order to guarantee good corporate governance practices to facilitate decision-making within the shareholder meetings.

Modification of Terms of Common Shares

There are no conditions in the Bylaws governing changes in the rights attached to the Common Shares that are more stringent than those required under Colombian law.

Rights attached to the Common Shares that arise under the Bylaws and Shareholder Meeting Regulations may only be modified through amendment approved by the General Shareholders Assembly by ordinary or extraordinary resolution and formalized by means of a public deed issued by a notary public, and are subject to acceptance for registration at the Commercial Registry.

DIVIDEND POLICY

Dividends must be approved at the ordinary meeting of the General Shareholders Assembly upon the recommendation of the Board of Directors. Under the Colombian Commercial Code, after payment of income taxes and appropriation of legal and other reserves, and after setting off losses from prior fiscal years, a corporation must distribute to its shareholders at least 50% of its annual net profit or 70% of its annual net profit if the total amount of reserves exceeds its outstanding capital, unless waived by special resolution passed by at least 78% of the voting shares represented at the applicable ordinary meeting of shareholders. Dividends must be distributed to all shareholders, in cash or shares of the Company, as may be determined by the shareholders, and within one year from the date of the ordinary meeting of shareholders at which the dividend was declared. Pursuant to section 151 of the Colombian Commercial Code, if losses from the prior fiscal years have resulted in the total shareholders equity being less that the amount of the legal capital, dividends can only be distributed after setting-off such losses. See "*Material Differences Between Corporate Law and Shareholder Rights in Canada and Colombia – Dividends*". In the event dividends are to be paid in shares of the Company to all shareholders, the decision to pay dividends in shares shall be approved by 80% of the shares present in person or represented by proxy at the General Shareholders Assembly. If approved by holders representing less than 80% of the Common Shares entitled to vote at such meeting, payment in shares can only be made to shareholders that voluntarily agree to receive them. See also "*Material Differences Between Corporate Law and Shareholder Rights in Canada and Colombia*".

The Board is of the view that Mineros' shareholders should receive a direct cash benefit when the price of gold is high and the Company's position otherwise permits, having regard to future projects and anticipated cash commitments. The Company looks to pay ordinary dividends that are sustainable over time having regard to its financial metrics, profitability, balance sheet strength and reinvestment options in the business. The Company declares dividends at its annual General Shareholders Assembly and dividends are paid quarterly. Mineros' dividend payout has historically ranged between 30% to 50% of net profits generated in the fiscal year. In February 2021, the Board adopted a policy to apply all the net profits of the Company as follows: (i) first, an amount equal to 10% of the Company's net profits to a legal reserve, until such reserve is equal to 50% of the Company's paid-in capital; (ii) second, to additional reserves, as the Board deems necessary to further the Company's best interests; and (iii) third, to the payment of dividends on the Common Shares. In accordance with the policy, the Board of Directors will prepare an annual recommendation on the distribution of dividends to be submitted to shareholders for approval at the Company's General Shareholders' Assembly. When deciding on the recommendation for the distribution of dividends, members of the Board will aim to pay in dividends at least 15% of the net income of the prior fiscal year, provided that this allows, in good faith, to maximize the long-term value of the Company.

The following table sets forth the annual cash dividends paid on the Common Shares during the periods indicated:

	Cash Dividend per Common Share ($)[1]	Total Cash Dividends Paid (US$)
Six months ended June 30, 2021	0.039	9,621,473
Fiscal year ended December 31, 2020	0.051	13,303,382
Fiscal year ended December 31, 2019	0.054	14,248,442
Fiscal year ended December 31, 2018	0.053	13,857,140

Note:
(1) Paid in equal quarterly installments.

See "*Certain Tax and Regulatory Considerations*" for a summary of tax consequences to foreign shareholders receiving dividends from the Company.

MATERIAL DIFFERENCES BETWEEN CORPORATE LAW AND SHAREHOLDER RIGHTS IN CANADA AND COLOMBIA

Mineros is a Colombian company incorporated and existing under the laws of Colombia as a stock corporation (*sociedad anónima*) on November 21, 1974, and listed on the Colombian Exchange. See "*Corporate Structure*".

The following discussion summarizes material differences between the rights of holders of common shares of a Colombian corporation like Mineros and the rights of holders of common shares of a typical corporation incorporated under the federal laws of Canada, as modified by the Company's bylaws. This summary does not purport to be complete, and is qualified in its entirety by reference to the Colombian Regulations (being the Colombian Commercial Code and the Colombian securities regime), the Bylaws, and the CBCA.

Unless otherwise specified, in the following summary, the term "ordinary resolution" of shareholders refers to a resolution passed by a simple majority (50% plus one) of the votes cast by eligible voting shareholders, and the term "special resolution" refers to a resolution passed by at least two-thirds of the votes cast by eligible voting shareholders.

CBCA	Colombia
Constating Documents	
The constating documents of a corporation incorporated under the CBCA are its articles of incorporation and by-laws.	Under Colombian Regulations, a corporation is incorporated by having its by-laws executed by way of public deed issued by a notary public and registered before the relevant Commercial Registry. The date of incorporation of a corporation is the effective date of registration at the Commercial Registry. Any amendments to the by-laws are also required to be executed by way of public deed issued by a notary public and registered at the relevant Commercial Registry.
Articles of incorporation specify the name of the corporation; the province in which the corporation's registered office will be located; the corporation's authorized share capital; the rights, privileges and restrictions that attach to each class of shares (if multiple classes exist); the authority given to directors to fix the number of shares and determine the designation of rights, privileges, restrictions and conditions attaching to shares of each series; a statement that the issue, transfer or ownership of shares of the corporation are restricted if this is the case (and a statement as to the nature of such restrictions); the number of directors; and any restriction on business that the corporation may carry on. The articles may also set out provisions permitted by the CBCA or other law to be set out in the corporation's by-laws.	Under Colombian Regulations, the shareholders have the authority to fix the number of shares (to determine the authorized capital – *capital autorizado*) and determine the designation of rights, privileges, restrictions and conditions attaching to shares of each class.
CBCA corporations also generally have by-laws governing the management of the corporation, although they are not expressly required. The by-laws generally include notice provisions for shareholder and director meetings, committees, appointment of officers, dividends and share provisions among other.	All of the matters addressed in the articles and by-laws of a CBCA corporation are generally addressed in the by-laws, internal shareholder meeting regulations, and internal regulations of the board of directors of a Colombian corporation. Once the by-laws are registered before the Commercial Registry, they are available for public review. The internal shareholder meeting regulations are not required to be made available to the public under the Colombian Regulations. However, Mineros' Shareholder Meeting Regulations and all of the Mineros Policies are published on its website in accordance with applicable laws.

CBCA	Colombia
Amendments of Constating Documents	
Under the CBCA, any change to the articles of a corporation must be approved by special resolution, other than a change in the corporation's name from a number name to a verbal name. If a proposed amendment requires approval by special resolution, the holders of shares of a class (or of a series of a class, if the proposed amendment would affect such series differently from the other series of shares of such class) are entitled to vote separately as a class or series if the proposed amendment affects the class or series as specified in the CBCA, whether or not the class or series otherwise carries the right to vote. Pursuant to the CBCA, the board of directors of a corporation may make, amend or repeal by-laws provided that any such by-law, amendment or repeal of a by-law must be confirmed at the next meeting of shareholders by the affirmative vote of a majority of the shareholders entitled to vote at such meeting. Any by-law or amendment is effective when made by the board of directors but ceases to be effective if not confirmed by the shareholders at the next shareholder meeting after it is enacted.	Under the Colombian Commercial Code, any amendment of the Bylaws requires approval by an ordinary resolution of the shareholders at the relevant meeting. A vote of the holders of non-voting shares (if any) is also required if the amendment of the Bylaws would negatively affect the rights granted to the holders of non-voting shares, in which case, the approval of 70% of all of the subscribed shares is required (in accordance with Section 63 of Law 222 of 1995), and for the purpose of such approval, each outstanding share (including each non-voting share) is deemed to have one vote per share. Amendments to the Bylaws are not fully effective until they are recorded in a public deed and publicly registered at the relevant Commercial Registry. Any amendment of the Shareholder Meeting Regulations requires approval by an ordinary resolution of the shareholders at the relevant meeting, but is not subject to public deeds or registration at a Commercial Registry.
Share Rights and Structure	
Shares of a CBCA corporation must be in registered form and be issued without nominal or par value. The authorized capital of a corporation may be composed of one or more classes of shares and may have series of shares within each class. If the corporation has only one class of shares, the shares must confer on the shareholders: (i) equal voting rights; (ii) the right to dividends declared by the corporation; and (iii) the right to a share of the assets upon liquidation. Such rights must be attached to at least one class of shares, but not all of them are required to be attached to the same class.	Under the Colombian Commercial Code, the shares of a stock corporation must be in registered form and must have a nominal or par value that is specified in the corporation's by-laws. The authorized capital of a corporation may be composed, solely, of the following classes of shares: • Common shares, which confer on the shareholders: (i) equal voting rights; (ii) the right to dividends declared by the corporation; and (iii) the right to a share of the assets upon liquidation, even if the incorporating document does not set out such rights; • Preferred shares, which confer the same rights as the common shares, plus: (i) a preferred dividend; (ii) preferred reimbursement upon liquidation; or (iii) any other economic right; and • Non-voting shares with a preferential dividend, which: (i) do not confer voting rights, except for voting rights in specific circumstances set forth under applicable law or the issuance documents; (ii) confer the right to a preferential dividend (cumulative or not) payable prior to paying any dividend to the holders of common shares; (iii) confer the right to the reimbursement of their contributions in a preferential way upon liquidation; and (iv) other rights as set out in the corporation's bylaws. The Bylaws provide for one class of common shares, being the Common Shares. For more information about the rights associated with the Common Shares, see "*Description of Share Capital*". The Company may create preferred shares if authorized by an ordinary resolution of the shareholders.
Dividends	
The CBCA permits directors alone to declare dividends. The declaration of dividends is subject to certain solvency requirements. Declaration of a dividend is entirely discretionary at the determination of the board. When a dividend is declared, the directors will also determine the effective date, and form of payment of dividends, including the record date for payment of any dividend.	Under the Colombian Commercial Code, after payment of income taxes and appropriation of legal and other reserves, and after setting off losses from prior fiscal years, a corporation must distribute to its shareholders at least 50% of its annual net profit or 70% of its annual net profit if the total amount of reserves exceeds its outstanding capital. Such dividend distribution must be made to all shareholders, in cash or shares of the corporation, as may be determined by the shareholders, and within one year from the date of the ordinary meeting of shareholders at which the dividend was

CBCA	Colombia
	declared. The minimum dividend per share may be waived by an affirmative vote of holders of 78% of the voting shares represented at the applicable ordinary meeting of shareholders. When a dividend is declared, the Shareholder Assembly will also determine the effective date, method, and place for payment of dividends, including the record date for payment of any dividend, and whether payments will be paid in installments. A mandatory payment of dividends in shares of the corporation requires a special resolution of 80% of the votes cast by shareholders voting on the resolution. Payment in shares will not be mandatory, and will only be made to shareholders that voluntarily accept it, if (i) payment in shares is approved with a majority lower than 80% or (ii) the 80% majority is reached, but the company has a controlling shareholder. Under the Colombian Commercial Code, a "controlling" shareholder is a shareholder who (i) holds a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, or (ii) can exert significant control over the issuer by contractual arrangement.
Sale of All or Substantially All of the Company's Assets	
Under the CBCA, the sale, lease, or exchange of all or substantially all of the property of a corporation, other than in the ordinary course of business, requires shareholder approval by a special resolution. Holders of shares are entitled to vote in respect of such a sale, lease or exchange, whether or not those shares otherwise carry the right to vote.	Under Colombian Regulations, the sale, lease or exchange of substantially all of the assets of a corporation (sociedad anónima) is not subject to shareholder approval, unless otherwise set forth in the by-laws of the corporation. The Bylaws do not require that such a transaction be subject to shareholder approval by ordinary resolution. Nevertheless, if the value of the transaction is higher than US$1,000,000 the execution of the contract requires the approval of the Board of Directors.
Mergers and other Fundamental Changes	
The merger of a corporation by way of amalgamation (subject to limited exceptions) or statutory arrangement under the CBCA are also subject to shareholder approval by special resolution. In addition, shareholder approval by special resolution is required to amend a corporation's articles to: (i) change its name; (ii) change the province in which its registered office is situated; (iii) add, change or remove any restriction on the business or businesses that the corporation may carry on; (iv) change any maximum number of shares that the corporation is authorized to issue; (v) create new classes of shares; (vi) reduce or increase its stated capital, if its stated capital is set out in the articles; (vii) change the designation of all or any of its shares, and add, change or remove any rights, privileges, restrictions and conditions, including rights to accrued dividends, in respect of all or any of its shares, whether issued or unissued; (viii) change the shares of any class or series, whether issued or unissued, into a different number of shares of the same class or series or into the same or a different number of shares of other classes or series; (ix) divide a class of shares, whether issued or unissued, into series and fix the number of shares in each series and the rights, privileges, restrictions and conditions thereof; (x) authorize the directors to divide any class of unissued shares into series and fix the number of shares in each series and the rights, privileges, restrictions and conditions thereof; (xi) authorize the directors to change the rights, privileges, restrictions and conditions attached to unissued shares of any series; (xii) revoke, diminish or enlarge any authority conferred under paragraphs (x) and (xi); (xiii) increase or decrease the number of directors or the minimum or maximum number of directors; (xiv) add, change or remove restrictions on the issue, transfer or ownership of shares; or (xv)	Under Colombian Regulations, any merger, spin-off (where the shareholders of the Company receive shares of the spun out entity), or any changes to the by-laws to implement any fundamental changes is subject to shareholder approval by ordinary resolution, subject to compliance with applicable laws. An asymmetrical spin-off, in which the shareholders of the original corporation do not hold the same equity stake in the resulting corporation is subject to approval by special resolution of 100% of the votes cast by eligible voting shareholders present at the meeting. The conversion of a corporation into a simplified stock company (*sociedad por acciones simplificada*) is subject to unanimous shareholder approval. However, Colombian Regulations restrict simplified stock companies from listing their shares. Accordingly, the Company may not be converted into a simplified stock company without first delisting from the Colombian Exchange. Conversion into other business forms, including partnerships and limited partnerships, is subject to approval by ordinary resolution. Similarly, Colombian Regulations restrict these business forms from listing their shares.

CBCA	Colombia
add, change or remove any other provision that is permitted by the CBCA to be set out in the corporation's articles.	
Rights of Dissent and Appraisal	
The CBCA provides that shareholders have the right to dissent to certain actions being taken by the corporation and to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents. The dissent right is available to shareholders of any class if the corporation resolves to: (i) amend its articles to add, remove or change restrictions or constraints on the issue, transfer or ownership of shares of a class of the corporation; (ii) amend its articles to add, remove or change any restriction upon the business or businesses that the corporation may carry on; (iii) amalgamate with another corporation, subject to certain exceptions under the CBCA; (iv) be continued under the laws of another jurisdiction; (v) sell, lease or exchange all or substantially all of its property; (vi) carry out a going-private or a squeeze-out transaction; or (vii) amend its articles so as to modify, directly or indirectly, the rights of shareholders as provided in the articles.	Under the Colombian Commercial Code, the fundamental changes set out in the next paragraph are subject to shareholder confirmation by ordinary resolution and provide the holder of the share with certain rights of withdrawal.
Pursuant to subsection 190(5) of the CBCA, a dissenting shareholder must deliver to the corporation a written objection to the special resolution in respect of which the shareholder intends to exercise its dissent rights at or before the shareholder meeting at which the resolution is to be voted on. A vote against the special resolution, an abstention from voting on the special resolution, or the execution or exercise of a proxy to vote against the special resolution does not constitute a notice of dissent.	Absent or dissenting shareholders will have a right of withdrawal only if: (i) the change is a merger, spin-off (where the shareholders of the Company receive shares of the spun out entity) or conversion into another business form; and (ii) the change results in shareholders having a greater degree of liability (for example, a reorganization whereby the type of company changes from a stock corporation to a partnership (*sociedad colectiva*), or results in a reduction of their economic rights. A reduction of economic rights within this context is deemed to have occurred when: (i) the equity percentage of the shareholder is reduced; (ii) the book value or the par value of the shares is reduced, provided that in this case there is a capital decrease; or (iii) the ability to trade the shares is limited or reduced. Withdrawal rights may also be exercised in the following cases: (i) under Colombian securities laws, dissenting shareholders have rights of withdrawal if the corporation resolves to delist its securities from the Colombian Exchange and (ii) under Law 1429 of 2010, shareholders may exercise withdrawal rights when a dissolved company is reactivated, provided that such shareholders did not vote in favor of reactivation.
If the transaction or other event giving rise to dissent rights is approved by shareholders, a corporation must notify each shareholder who validly exercised their dissent rights and then within certain statutory time frames the dissenting shareholder must send to the corporation a written notice containing the prescribed information and the share certificate(s) representing the shares in respect of which the shareholder has dissented. Upon valid exercise of dissent rights, a shareholder ceases to have any rights as a shareholder and only has a right to be paid the fair value of its shares. Fair value shall be determined as of the close of business on the business day before the approval of the transaction or other event in question. Where the directors revoke any special resolution or otherwise terminate the transaction or other event giving rise to dissent rights, the shareholder's rights are reinstated.	In all these cases, within five days following notification of the exercise of the right of withdrawal, the corporation will offer the shares to the other shareholders pro rata to their participation in the capital stock. If the shareholders do not acquire all of the shares, the corporation, within the following five days, will, subject to compliance with any restrictions contained its by-laws or otherwise at law, acquire the remaining shares provided that there are liquid profits or reserves available for that purpose. If the shareholders or the corporation do not acquire all the shares, the withdrawal right will entitle the exercising shareholder to demand the reimbursement of its equity contribution.
A corporation is required to send to each dissenting shareholder who has sent demand for payment a written offer to pay for the dissenting shareholder's including the amount the board of directors has determined would constitute fair value and a statement showing how such fair value was determined. If the corporation fails to make an offer to pay or a dissenting shareholder fails to accept such an offer, the corporation may but is not required to apply to a court of competent jurisdiction to fix the fair value of such common shares. If the corporation fails to make such an application, a dissenting shareholder has the right to do so.	The value paid for the shares in respect of which the right of withdrawal has been exercised will be based on mutual agreement between the parties. Absent mutual agreement, the valuation will be completed by experts appointed by the Superintendence of Finance. Different methods of valuation may be established in a corporation's by-laws, but have not been established in the Bylaws. A corporation must pay any such reimbursement within two months following the date of exercise of the right of withdrawal. If paying the amount to be reimbursed could jeopardize the financial stability of the corporation, it may apply to the Colombian Superintendence of Finance to grant an extension of the time for payment, provided that such extension does not exceed one year.
Upon an application to the court, all dissenting shareholders whose shares have not been purchased by the corporation will be joined as parties and be bound by the decision of the court as to the fair value of the shares.	
Oppression Remedy	
Under the CBCA, a shareholder, former shareholder, director, former director, officer, former officer of a corporation or any of its affiliates, CBCA Director, or any other person who, in the	Under the Colombian Commercial Code there is no specific remedy for oppression. However, a shareholder may seek damages and the annulment of any resolution passed at a meeting of the shareholders

CBCA	Colombia
discretion of the court, is a proper person to seek an oppression remedy, may apply to the court for an order to rectify the matters complained of where, in respect of a corporation or any of its affiliates, any act or omission of the corporation or its affiliates effects a result, or the business or affairs of the corporation or its affiliates are or have been carried on or conducted in a manner, or the powers of the directors of the corporation or any of its affiliates are or have been exercised in a manner, that is oppressive or unfairly prejudicial to or that unfairly disregards the interest of any security holder, creditor, director or officer.	where such resolution was passed as the result of an abuse of voting rights by a shareholder. Also, when a decision is taken by a director or officer acting under a conflict of interest without the prior approval of the shareholders' meeting (which would be a violation of Colombian law), the shareholders may seek to have the decision overturned and the officer or director in question may be held liable for the damages suffered by the corporation. The Bylaws include an arbitration provision and as a result the aforementioned remedies must be brought before an arbitration tribunal. The Colombian Superintendence of Finance may also impose fines for breach of the rules regulating conflicts of interest
Shareholder Derivative Actions	
Under the CBCA, a shareholder, former shareholder, director, former director, officer, former officer of a corporation or any of its affiliates, or any other person who, in the discretion of the court, is a proper person, may apply to the court for leave to bring, defend or discontinue an action in the name and on behalf of a corporation or any of its subsidiaries (called a "derivative action") if the directors of the corporation do not bring, diligently prosecute or defend or discontinue the action, and it appears to be in the interests of the corporation that the action be brought, prosecuted, defended or discontinued.	Under the Colombian Commercial Code, a corporation may bring a claim against its officers and directors (*acción social de responsabilidad*) if authorized by an ordinary resolution of the shareholders. Shareholders holding at least 20% of the outstanding shares are empowered to directly call an extraordinary meeting of shareholders to consider such a resolution. Approval of this claim will result in the removal of the officer or director, and the officer or director may also be subject to personal liability for any damages. Where a claim is approved by the General Shareholders Assembly but is not initiated by the corporation within three months, any officer, the corporation's external auditor, or any of its shareholders may commence the claim on behalf of the corporation. Additionally, once such three-month period has elapsed, creditors representing more than 50% of the corporation's external indebtedness may also initiate a derivative claim if the corporation's assets are insufficient to pay its liabilities. Creditors could attempt to bring the suit before Colombian courts with the argument that they are not subject to the arbitration clause included in the Bylaws. However, since the suit is filed on behalf of the Company, there is an argument to be made in favor of arbitration.
Shareholder Meetings	
Under the CBCA, shareholder meetings can be annual meetings or special meetings. A corporation is required to hold an annual meeting no later than 15 months after the last preceding annual meeting, and no later than six months of the corporation's financial year end, for the following purposes: (i) to consider the financial statements and receive the auditor's report, (ii) to elect the directors, and (iii) to appoint the corporation's auditor until the close of the next annual meeting and to fix their remuneration. Special meetings of shareholders may be called at any time by the board of directors, and may consider any business. Unless a corporation's by-laws provide otherwise, a quorum of shareholders meetings requires the presence of holders of a majority of the shares entitled to vote at the meeting in person or by proxy.	Under the Colombian Commercial Code, shareholder meetings may be ordinary meetings or extraordinary meetings. Ordinary shareholder meetings occur at least once a year but no later than three months after the end of the prior fiscal year (unless otherwise provided in the bylaws), for the following purposes: (i) to consider the approval of the Company's annual report, including the financial statements for the preceding fiscal year; (ii) to review the annual report prepared by the external auditor; (iii) to determine the compensation of the directors and the external auditor; (iv) to elect directors and the external auditor; and (v) to determine the allocation of profits for the preceding financial year, if any, as well as any retained earnings from previous fiscal years, and (vi) to approve any dividend. If an ordinary meeting of shareholders does not occur within the first three months of the year or as otherwise set forth in the corporation's by-laws, the shareholders may validly hold a meeting on the first business day of April without prior notice. Extraordinary shareholder meetings may take place when duly called for a specified purpose or purposes, or, without prior notice, when holders representing all outstanding shares entitled to vote on the issues to be considered are present. Extraordinary shareholder meetings may be called at any time by the board of directors, the President, the external auditor, or the Colombian Superintendence of Finance, and may consider any business. The Bylaws provide that quorum for both ordinary and extraordinary shareholder meetings to be convened at first call

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	requires the presence of two or more shareholders representing at least 40% of the outstanding shares entitled to vote at the relevant meeting. If a quorum is not present, a subsequent meeting is called at which the presence of one or more holders of shares entitled to vote at the relevant meeting constitutes a quorum, regardless of the number of shares represented. Section 185 of the Colombian Commercial Code bars directors, officers, and employees of a company from acting as proxyholders to shareholders during meetings of the shareholders' assembly. Accordingly, the Company's management cannot be compelled to accept any proxies that would entitle them to participate in shareholder meetings. To facilitate the exercise of shareholder rights, the By-laws require the Company to retain a law firm that will supply proxyholders who will be compelled to attend shareholder meetings and vote in accordance with the instructions issued by the shareholders.
Place of Shareholder Meetings	
The CBCA provides that meetings of shareholders of a corporation shall be held at the place within Canada provided in the by-laws or, in the absence of such provision, at the place within Canada that the directors determine. A meeting of shareholders may be held outside Canada if the place is specified in the articles or all the shareholders entitled to vote at the meeting agree that the meeting is to be held at that place.	Under the Colombian Commercial Code, shareholder meetings are required to be held at a corporation's registered office, subject to limited exceptions. The Bylaws provide that shareholder meetings shall be held at the Company's head office in Medellín, Colombia. Hybrid and virtual shareholders' meetings are allowed in Colombia pursuant to Decree 398 of 2020.
Shareholder Right to Requisition Meetings	
The CBCA provides that one or more shareholders of a corporation holding at least 5% of the issued voting shares in a corporation may give notice to the directors requiring them to call and hold a meeting of shareholders. Further, the CBCA generally provides that on receiving the requisition, the directors shall call a meeting of shareholders to transact the business stated in the requisition. If the directors do not call a meeting within 21 days of receiving the requisition, any shareholder who signed the requisition may call the meeting.	Section 182 of the Colombian Commercial Code grants shareholders representing 10% of outstanding shares (unless otherwise provided in the by-laws) the right to requisition a shareholder meeting. Also, the Superintendence of Finance may convene an extraordinary meeting of shareholders by request of the shareholders. The Bylaws and Shareholder Meeting Regulations provide that shareholders representing at least 5% of the outstanding shares have the right to request that an extraordinary shareholders meeting be convened. Such requests must be made in writing to the President of the Company or the Investor Relations Office at any time other than the three months preceding the ordinary meeting of the General Shareholders Assembly, and must clearly indicate (i) the purpose of the meeting, and (ii) that the General Shareholders Assembly is competent to address the issue to be addressed. The President can reject such request where (i) the issue has been previously considered at a meeting of the General Shareholders Assembly during the year preceding the request, absent a material change in circumstances or (ii) the request has been made within the three months prior to the General Shareholders Assembly. The President must approve or reject the shareholder request to convene a meeting within ten calendar days of receipt. If the request meets the foregoing requirements, the President must call the extraordinary meeting within ten business days of such decision. If not, the President must issue a written response stating the grounds for refusing to grant the shareholder request.
Shareholder Proposals	
The CBCA provides that a shareholder who holds at least 1% of the total number of outstanding voting shares of the corporation, provided that such voting shares have a fair market value of at least C$2,000, may submit to the corporation notice of any matter that the shareholder proposes to raise at a meeting called by the	Law 964 of 2005 and the Bylaws provide that shareholders holding 5% or more of the voting shares of a corporation have the right to submit proposals to the board of directors of a corporation. The

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corporation and may discuss any such matter at the meeting. If such a proposal is submitted to the corporation at least 90 days before the anniversary of the date of the notice of meeting that was sent to shareholders in connection with the previous annual meeting of shareholders, a corporation who receives such a proposal is required to set out the proposal in its management information circular.	board of directors is obligated to consider such proposals and to issue a written response, but is not obligated to adopt them. The Shareholder Meeting Regulations permit shareholders to propose matters for discussion at a meeting of the General Shareholders Assembly as long as such matters do not require a vote. The discussion of any such proposal during an extraordinary meeting of the General Shareholders Assembly is subject to approval by ordinary resolution of the shareholders present at the applicable meeting.
Director Elections and Qualifications	
The CBCA provides that a public company must have not fewer than three directors, at least two of whom are not officers or employees of the corporation or its affiliates. Shareholders of a CBCA corporation elect the directors at each annual meeting by ordinary resolution for a term ending no later than the close of the third annual meeting of shareholders following their election. If permitted by the articles of incorporation, the directors may appoint one or more additional directors to hold office until the next meeting of shareholders, up to a maximum of one-third of the total number of directors elected at the previous annual meeting of shareholders. The TSX requires at least two directors of a listed issuer to be "independent directors", defined as a person who is not: (i) a member of management, and is free from any business interest or other relationship that could reasonably be perceived to interfere materially with his or her ability to act in the best interest of the company; or (ii) beneficial holder, directly or indirectly, or is a nominee or associate of a beneficial holder, collectively of 10% or less of the votes attaching to all issued and outstanding securities of the company. Generally, the TSX does not consider a person who is currently, or has been within the past three years, an officer, employee of or service provider to the company or any of its subsidiaries or affiliates, or a person who is an officer, employee or controlling shareholder of a company that has a material business relationship with the company, to be an "independent director".	Under the Colombian Commercial Code, the board of directors of a corporation is required to be elected by way of the electoral quotient system, which is a proportional representation voting system. For an example of the electoral quotient system, see "*Electoral Quotient System*" below. Colombian Regulations require that at least 25% of a corporation's directors be independent. An "independent director" is a director who is not: (i) an employee or director of the corporation or any of its parent or subsidiary companies, including all those persons acting in such capacity during the year immediately preceding that in which they were appointed, except in the case of an independent member of the board of directors being re-elected; (ii) a shareholder, who either directly or by virtue of an agreement directs, guides or controls the majority of the entity's voting rights or determines the majority composition of management, the board of directors or other corporate bodies of the corporation; (iii) a partner or employee of any association or firm that provides advisory or consultancy services to the corporation or to companies who belong to the same economic group to which the corporation belongs, in the event that income obtained from such services represent for such association or firm 20% or more of its total operating income; (iv) an employee or director of a foundation, association or institution that receives significant donations from the corporation (and for the purpose of the foregoing, the term "significant donations" means 20% or more of the total amount of donations received by the respective institution); (v) an administrator of any entity, if a legal representative of the corporation is a member of that entity's board of directors; and (vi) any person who receives from the corporation any kind of remuneration, other than director fees payable to directors and fees for acting as a member of committee of the board of directors. The election of independent directors must be made under a separate ballot from the election of the rest of the directors, unless achieving the minimum number of independent directors required by law or the corporation's bylaws is assured by virtue of all members of the proposed board of directors being independent or, when there is only one slate of nominees proposed for election, and such slate includes the minimum number of required independent directors. Pursuant to the Policy for the Election, Evaluation and Compensation of the Board of Directors, the following persons are ineligible to serve as directors of the Company: (i) persons who have been convicted of financial crimes or crimes against the public administration or of any other money laundering or terrorist financing offences and/or had disciplinary proceedings for fiscal sanctions; (ii) any person who is included in restricted lists for conducts linked to money laundering, terrorist financing, fraud, corruption, bribery or any other illegal conduct; (iii) any person who has a pre-determined conflict of interest with the Company as set

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	out in the Board Regulations; and (iv) employees, officers, contractors and partners, spouses, life partners or relatives up to the third degree of consanguinity, second of affinity or first by adoption of any of the foregoing.
Removal and Replacement of Directors	
Unless the articles of incorporation provide for cumulative voting, the shareholders of a corporation may remove any director by ordinary resolution, as defined above, at a special meeting. The holders of a class or series of shares may be granted the exclusive right to elect one or more directors, but in such circumstance, a director may only be removed by an ordinary resolution at a meeting of the shareholders of that class or series. A vacancy created by the removal of a director may be filled at the meeting of shareholders in which the director was removed, or, if not filled at such meeting, by a quorum of directors. Subject to certain exceptions, if all of the directors of the corporation have resigned or been removed without replacement, a person who manages or supervises the management of the business and the affairs of the corporation is deemed to be a director.	Generally, shareholders of a corporation may only remove directors between ordinary shareholders' meetings by requisitioning an extraordinary meeting for the purpose of electing the directors, and electing a new board by way of the electoral quotient system. If the shareholders pass an ordinary resolution approving a claim against a director (*acción social de responsabilidad*), the director is automatically removed from office. See "*Shareholder Derivative Actions*" above. Absent unanimous shareholder approval, a vacancy on the board created by the resignation or removal of a director may not be filled by way of a partial election; the entire board must be elected by way of the electoral quotient system. If all of the directors of the corporation have resigned without replacement, the board of directors remains vacant until new appointments are made as set forth above.
Conflicts of Interest	
Under the CBCA, every director and officer of a corporation, in exercising their powers and performing their functions, must act honestly and in good faith with a view to the best interests of the corporation, and must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Where a director or officer has a competing interest or duty, he or she is required to disclose the conflicting interest to the board of directors, and any director is required to abstain from voting on any resolution to approve the conflict or transaction, subject to limited exceptions. Where a director or officer has an undisclosed conflict of interest in a transaction or contract, a court may set aside the interested transaction or contract on any terms that it thinks fit, and may require the director or officer to account to the corporation for any resulting profit or gain realized. Notwithstanding the foregoing, a director or officer, acting honestly and in good faith, is not accountable to the corporation or to its shareholders for any profit realized from a contract or transaction, and the contract or transaction is not invalidated by a conflict of interest, where it is approved by the shareholders by special resolution after adequate disclosure, and was reasonable and fair to the corporation when it was approved.	Under Colombian Regulations, the officers and directors of a corporation must abstain from participating, directly or through an intermediary, on their own behalf or on behalf of a third party, in activities that compete with the activities of the corporation, or in transactions that may result in a conflict of interest, unless expressly authorized by shareholder resolution. For such purposes, the officers and directors shall provide the shareholders with all the relevant information necessary to reach a decision. Shares directly owned by any director or by an officer that qualifies as a legal representative (see "*Application of Fiduciary Duties to Directors & Officers*" below) are excluded from any shareholder vote to approve a transaction in which he or she has an interest. Shareholders may only approve a conflict of interest transaction if doing so would not adversely affect the corporation's interests. There is no definition under any relevant Colombian legislation in respect of what may constitute a conflict of interest transaction, but the Superintendence of Companies has established that a conflict of interest will exist when, among other things, it is not possible to satisfy two interests at the same time, namely the interest of the officer or director and the interest of the company, either because the interest is of the former or of a third party or where the officer or director has an interest that may cloud his or her judgment in the course of a given transaction. The Superintendence of Companies has established that a conflict of interest transaction may only be approved at a shareholder meeting, notwithstanding that a majority of the members of the board of directors may not be conflicted.
Indemnification of Directors and Officers	
The CBCA permits indemnification of a director or officer of the corporation, a former director or officer of the corporation or another individual who acts or acted at the corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity (an "Indemnifiable Person"), against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the corporation or other entity, if: (i) the individual acted honestly and	Under Colombian Regulations, it is not possible to release or limit the liability of directors for damages to a corporation, its shareholders or a third part resulting from the fraud or negligence of such directors and officers and any provisions (under the by-laws of the corporation or otherwise) that tend to limit this liability are void.

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in good faith with a view to the best interests of the corporation, or as the case may be, to the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the corporation's request; and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful. Under the CBCA, a corporation may also, with the approval of the court, indemnify an Indemnifiable Person in respect of an action by or on behalf of the corporation or other entity to procure a judgment in its favour, to which the individual is made a party because of the individual's association with the corporation or other entity against all costs, charges and expenses reasonably incurred by the individual in connection with such action if the individual fulfills the conditions set out in clauses (i) and (ii) above. In any event, an Indemnifiable Person is entitled to indemnity from the corporation in respect of all costs, charges and expenses reasonably incurred by the individual in connection with the defense of any civil, criminal, administrative, investigative or other proceeding to which the individual is subject because of the individual's association with the corporation or other entity as described above, if the Indemnifiable Person was not judged by the court or other competent authority to have committed any fault or omitted to do anything that the individual out to have done and fulfills the conditions set out in clauses (i) and (ii) above.	
Application of Fiduciary Duties to Directors & Officers	
Fiduciary duties under the CBCA apply to all directors, and all officers, defined as any individual appointed as an officer of a corporation by its board of directors, including the chairperson of the board of directors, the president, a vice-president, the secretary, the treasurer, the comptroller, the general counsel, the general manager, a managing director, or any other individual who performs functions for a corporation similar to those normally performed by an individual occupying any of those offices.	Under Colombian law, all directors are subject comply with the duties of care, diligence, confidentiality, fairness, loyalty, a duty not to engage in corporate opportunities, and a duty to declare and avoid conflicts of interest. Only those officers who hold the title of "legal representative" are subject to such duties. The Board can appoint and replace "legal representatives" at will. The Bylaws provide that both the CEO and the CFO are legal representatives of the Company and therefore subject to the same fiduciary duties as the directors.
Issuance of Shares	
The CBCA provides that a share shall not be issued until the consideration for the share is fully paid in money or in property or past services that are not less in value than the fair equivalent of the money that the corporation would have received if the share had been issued for money. Shares issued by a corporation are non-assessable and the holders are not liable to the corporation or to its creditors in respect thereof.	Under Colombian Regulations corporations may issue shares that are not fully paid unless otherwise provided in their by-laws, but shares must not be issued at less than their par value. The Bylaws provide that all shares of the Company must be fully paid at the time of subscription.
Share Buybacks	
Subject to certain solvency requirements, the CBCA permits corporations to redeem their redeemable shares and to purchase any of their shares for cancellation if authorized by the directors. Generally, a corporation may not hold shares of its own capital, and a subsidiary may not hold shares of its parent. A corporation shall not make any payment in respect of, or acquire shares issued by it, if there are reasonable grounds for believing that: (i) the corporation is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realizable value of the corporation's assets would after such payment be less than the aggregate of its liabilities and stated capital of all classes of shares. There are limited exceptions, including where shares that are held by the corporation as an agent or trustee for the benefit of another person, or to assist the corporation or related corporations in qualifying under any Canadian or provincial law to receive licenses,	Under the Colombian Commercial Code, a corporation may only purchase or buy back its own shares if approved by the shareholders by ordinary resolution, or any higher approval threshold set out in its bylaws. No such higher threshold is set out in the By-laws. Share buybacks may only be paid from net profits (*utilidades líquidas*) or from special reserves created for such purpose, and the shares to be acquired must be fully paid up. Pursuant to Section 42 of Law 964, all shareholders must be offered the chance to tender their shares for purchase by the Company under the same conditions. Repurchased shares can be subsequently cancelled. Alternatively, the Company can distribute repurchased shares as a stock dividend or sell them and distribute the proceeds of said sale as a dividend. Shareholder rights associated with shares are suspended while they

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permits, grants, payments or other benefits that are contingent upon the corporation having a specific level of Canadian ownership or control. Generally, a corporation holding shares of its own issue shall not vote or permit those shares to vote, subject to certain exceptions.	are held by the Company. Under Colombian law, a subsidiary may not hold shares of its parent.
Entitlement to Information	
Under the CBCA, shareholders examine and copy corporate records, financial statements and directors' reports, and receive the corporation's financial statements at least 21 days before each annual meeting.	Under the Colombian Commercial Code and the Bylaws, during the 15 day period prior to a shareholder meeting, any shareholder has the right to review any document that will be subject to approval at the meeting, and the minute book and other corporate records, except where the officers and directors of the Company determine that such records are privileged, confidential, or that their disclosure would be detrimental to the Company. Under the Shareholder Meeting Regulations, during the seven days after the issue of a notice of meeting, shareholders may submit in writing to the Corporate Governance and Sustainability Committee questions for clarification of any item of business to be considered at the meeting. The Company is required to respond to such requests and make its response available to all shareholders, unless the Corporate Governance and Sustainability Committee determines that the requests are unreasonable, irrelevant, would require the disclosure of confidential information, or pertains to information that is not contained in information circular, when the request is made by a foreign investor.
Shareholder Communications for Reporting Issuers	
In Canada, the CBCA together with provincial securities legislation requires that reporting issuers provide a notice of a general meeting, a form of proxy and an information circular containing prescribed information regarding the matters to be considered at the meeting. NI 51-102 and NI 54-101 apply to all reporting issuers under Canadian securities laws and set out a scheme pursuant to which reporting issuers are required to communicate with registered and non-registered beneficial shareholders of a reporting issuer. Upon filing a final prospectus and obtaining a receipt from the applicable Canadian securities regulatory authorities, the Company will become a reporting issuer under applicable Canadian securities laws and will be subject to NI 54-101, including the proxy, shareholder communication, and disclosure requirements thereunder.	The Colombian Commercial Code allows companies freely to regulate the way in which notices of general shareholder meetings will be sent out. The Bylaws state that notices of general shareholder meetings must be published in newspapers in Medellín and Bogotá, as well as in the Company's website.
Appointment of Proxyholder	
Under the CBCA, a shareholder entitled to vote at a meeting of shareholders has the right to appoint one or more alternate proxyholders to attend and act at the meeting on the shareholder's behalf. The proxyholder can be a person or a corporation and is not required to be another shareholder. A person or corporation can be proxyholder for multiple shareholders, even if their votes conflict. If appointed, a proxyholder must attend the meeting in person, or cause an alternate proxyholder to attend the meeting in respect of which the proxy is given, and comply with the directions of the shareholder who appointed him. Failure to do so is an offence under the CBCA. Unless an exception applies, management of a corporation must solicit proxies by sending a form of proxy, concurrently with giving notice of the meeting, to each shareholder who is entitled to receive notice of the meeting. Generally, proxies solicited on behalf of management appoint an officer of the corporation to act as proxyholder by default, though shareholders may choose an	Under Section 184 of the Colombian Commercial Code, a shareholder entitled to vote at a meeting of shareholders has the right to appoint one or more proxyholders to attend and act at the meeting on the shareholder's behalf. The proxyholder can be a person or a corporation and is not required to be another shareholder. Under Colombian law and the Bylaws, a person or corporation can act as proxyholder for multiple shareholders, even if their votes conflict. Section 185 of the Colombian Commercial Code bars directors, officers, and employees of a company from acting as proxyholders to shareholders during meetings of the shareholders' assembly. Accordingly, the Company's management cannot be compelled to accept any proxies that would require them to participate in shareholder meetings. A proxy can be revoked by the shareholder at any time in any manner permitted by law, including by: (i) attending the meeting;

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alternative proxyholder. The directors may specify a cut-off time by which shareholder must deposit proxies to be used at the meeting with the corporation or its agents, however, it cannot be more than 48 hours (excluding Saturdays and holidays) before the meeting. A proxy can be revoked by the shareholder at any time before it is exercised in any manner permitted by law, including by: (i) attending the meeting; (ii) signing and delivering a new form of proxy within the deadline set in the notice of meeting; or (iii) depositing a written revocation signed by the shareholder (or by the shareholder's personal representative authorized in writing) either at the registered office of the corporation up to and including the last business day before the meeting or with the chairman of the meeting on the day of the meeting. Shareholders who hold their shares through intermediaries must give instructions to their intermediaries, who must in turn vote or appoint a proxyholder to vote in accordance with the beneficial shareholder's instructions. Intermediaries and their proxies may not vote shares that they do not beneficially own.	(ii) signing and delivering a new form of proxy; or (iii) executing a written revocation signed by the shareholder. The Bylaws provide that to ensure that the holders of Common Shares issued abroad can fully exercise their voting rights as shareholders, the Company will retain the services of a local law firm whose members will be appointed and named in a form of proxy as proxyholders to represent shareholders of the Company during meetings of the General Shareholders Assembly unless such shareholder appoints a proxyholder of its own. These proxyholders retained by the Company shall be required to attend the General Shareholders Assembly to act as the shareholder's nominee to vote at the General Shareholders Assembly on behalf of such shareholder in the manner, to the extent, and with the authority conferred to them by the relevant proxy.
Causes for Dissolution	
Under the CBCA, a corporation may voluntarily liquidate if it is authorized to do so by a special resolution. A corporation may apply to the Director under the CBCA for a voluntary dissolution if authorized by special resolution, and: (i) it has no property and no liabilities, or (ii) the shareholders have by special resolution authorized the directors to cause the corporation to distribute any property and discharge any liabilities, and the corporation has done so. The Director under the CBCA may dissolve a corporation upon the occurrence of certain events, including if: (i) it has not carried on business for three years, (ii) it is in default for a period of one year in sending to the CBCA Director any fee, notice or document required by the CBCA; (iii) if all of the directors have resigned or have been removed without replacement, (iv) it has failed to hold a shareholder meeting for two or more consecutive years, (v) it has carried on business contrary to restrictions in its articles, (vi) it has failed to provide access to or send corporate and financial records to shareholders and creditors as required by the CBCA, or (vi) has procured a certificate under the CBCA by misrepresentation.	Colombian company law lays out the following causes for dissolution: (i) when a Company cannot continue operating as a going concern, as set out in Law 2069 of 2020; (ii) when 95% or more of the company's shares belong to a single shareholder; (iii) when the term limit set out in the company's bylaws expires, in which case the company is automatically dissolved; (iv) when it becomes impossible to conduct the company's business; (v) when the company has fewer than five shareholders; (vi) upon the occurrence of the causes for dissolution stated in the bylaws; (vii) when the shareholders decide to dissolve the company; and (viii) by order of an official authority. Except for the grounds described in (iii), (vii) and (viii) above, shareholders can avoid dissolution by curing the foregoing causes within the 18 months following their occurrence. If a company is dissolved, it can be reactivated by decision of the general shareholders' assembly, following a short process stated in Law 1429 of 2010.

Electoral Quotient System

Under the Colombian electoral quotient system: (i) at any meeting of the General Shareholders Assembly held for the purpose of electing the directors, each holder of shares is entitled to nominate one or more persons for election; (ii) each nomination of one or more directors constitutes a slate for the purposes of the election; (iii) each slate of nominees must be listed in the order of preference for nominees in that slate to be elected; (iv) once all slates have been nominated, holders of voting shares may cast one vote for each share held in favor of a particular slate of nominees; (v) votes must be cast for an entire slate, and may not be cast for particular nominees forming part of a slate; (vi) the total number of votes casted in the election is divided by the number of directors to be elected; (vii) the resulting quotient is the quota of votes necessary to elect particular directors; (viii) for each time that the number of votes cast for a slate of nominees is divisible by the quota of votes, one nominee from that slate is elected, in the order of the list of that slate; and (viii) when no slate has enough remaining votes to satisfy the quota of votes necessary to elect a director, any remaining board seat or seats are filled by electing the highest remaining nominee from the slate with the highest number of remaining votes cast until all available seats have been filled.

The following table illustrates the function of the electoral quotient system for the election of the directors of a corporation, as required by the Colombian Commercial Code.

Mechanics	Example 1	Example 2
1. Whenever the General Shareholder Assembly is to vote on the election of directors, shareholders are entitled to propose slates of candidates, comprised of one or more nominees. Each slate must list its candidates in order of preference.	For the election of nine directors, the Company recommends a first slate, and a shareholder proposes a second slate:	For the election of nine directors, the Company recommends a first slate, and shareholders propose two more slates:
2. After proposals have been submitted, holders of voting shares may cast their votes in favor of a particular slate of nominees. Votes must be cast for an entire slate and not for individual nominees forming part of a slate.	Votes cast for each slate:	Votes cast for each slate:
3. Once all votes are cast, a "quotient" must be calculated by dividing the total number of votes cast in the election by the number of directors to be elected. This quotient is used to determine the number of votes required to elect individual directors in any given slate.	Quotient calculation:	Quotient calculation:
4. The number of nominees to be elected from each slate shall be determined based on the number of full quotients that the slate received.	Quotient allotment:	Quotient allotment:

Example 1

Slate 1 (Board)	Slate 2 (Shareholder)
Nominee A	Nominee Z
Nominee B	Nominee Y
Nominee C	Nominee X
Nominee D	Nominee W
Nominee E	
Nominee F	
Nominee G	
Nominee H	

Slate	Votes
Slate 1	80
Slate 2	20
Total votes	100

(A) Total votes cast	100
(B) Number of seats to be elected	9
Quotient (A / B)	11.11

Slate	Votes	# of Quotients (Q) (Votes / 11.11)	Remainder
Slate 1	80	7	2.23
Slate 2	20	1	8.89
Total	100	8	11.11 (1Q)

Because Slate 1 received 80 votes amounting to 7 full quotients (80 votes divided by the quotient equals 7 whole quotients of 11.11 votes each, and a remainder of 2.23 votes), the first seven nominees in the slate are elected.

Since Slate 2 received votes amounting to 1 full quotient (20 votes divided by the quotient equals 1 whole quotient of 11.11 votes, and a remainder of 8.89 votes), the first nominee in the slate is elected.

Example 2

Slate 1	Slate 2	Slate 3
Nominee A	Nominee Z	Nominee Q
Nominee B	Nominee Y	Nominee R
Nominee C	Nominee X	
Nominee D	Nominee W	
Nominee E		
Nominee F		
Nominee G		
Nominee H		

Slate	Votes
Slate 1	95
Slate 2	40
Slate 3	15
Total votes	150

(A) Total votes cast	150
(B) Number of seats to be elected	9
Quotient (A / B)	16.67

Slate	Votes	# of Quotients (Q) (Votes / 16.67)	Remainder
Slate 1	95	5	11.67
Slate 2	40	2	6.67
Slate 3	15	0	15
Total	100	7	33.34 (2Q)

Because Slate 1 received votes amounting to 5 full quotients (95 votes divided by the quotient equals 5 whole quotients of 16.67 votes each, and a remainder of 11.67 votes), the first five nominees in the slate are elected.

Since Slate 2 received votes amounting to 2 full quotients (40 votes divided by the quotient equals 2 whole quotients of 16.67 votes each, and a remainder of 6.67 votes), the first two nominees in the slate are elected.

Slate 3 did not receive votes amounting to 1 full quotient. Accordingly, no nominees are elected from the slate on the first round, and it has a remainder of 15 votes.

<table>
<tr><th>Mechanics</th><th>Example 1</th><th>Example 2</th></tr>
<tr><td>5. Any remaining board seats shall be filled by candidates from the slates with the highest remainder of votes.</td><td>Since only eight directors were elected by quotients, the remaining seat shall be allotted to the slate with the highest remainder (8.89).

In this example, Nominee Y, from Slate 2, will occupy the ninth seat in the board.

The Board will therefore be composed of the following nominees:

<table><tr><th colspan="9">Elected Nominees</th></tr><tr><td>A</td><td>B</td><td>C</td><td>D</td><td>E</td><td>F</td><td>G</td><td>Z</td><td>Y</td></tr></table></td><td>Since only seven directors were elected by quotients, the remaining two seats shall be allotted to the slates with the highest remainders. The first of those seats shall be filled Nominee Q, from Slate 3 (remainder = 15). The second seat shall be filled by Nominee F, from Slate 1 (remainder = 11.67).

The Board will therefore be composed of the following nominees:

<table><tr><th colspan="9">Elected Nominees</th></tr><tr><td>A</td><td>B</td><td>C</td><td>D</td><td>E</td><td>Z</td><td>Y</td><td>Q</td><td>F</td></tr></table></td></tr>
</table>

CERTAIN TAX AND REGULATORY CONSIDERATIONS

Certain Canadian Federal Income Tax Considerations

In the opinion of Gowling WLG (Canada) LLP, legal counsel to the Company, and Fasken Martineau DuMoulin LLP, legal counsel to the Underwriters, the following is a summary of the principal Canadian federal income tax considerations under the Tax Act, generally applicable to a holder who acquires Offered Shares pursuant to this Offering and who, for the purposes of the Tax Act and at all relevant times, is or is deemed to be resident in Canada, is not exempt from tax under Part I of the Tax Act, holds the Offered Shares as capital property, deals at arm's length with the Company and the Underwriters, and is not affiliated with the Company or any of the Underwriters (a "**Holder**").

Offered Shares will generally be considered to be capital property to a holder unless the holder holds such Offered Shares in the course of carrying on a business of buying and selling securities or has acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Offered Shares will not be "Canadian securities" for the purpose of the irrevocable election under subsection 39(4) of the Tax Act to treat all "Canadian securities," as defined in the Tax Act, owned by a holder as capital property, and therefore no such election will apply to Offered Shares. Holders who do not hold Offered Shares as capital property should consult their own tax advisors regarding their particular circumstances.

This summary is not applicable to a Holder: (i) with respect to which the Company is or will be, at any time, a "foreign affiliate" within the meaning of the Tax Act, (ii) that is a "specified financial institution" as defined in the Tax Act, (iii) that is a "financial institution" for the purposes of the mark-to-market rules under the Tax Act, (iv) an interest in which is a "tax shelter investment", as defined in the Tax Act, (v) which has made a "functional currency" reporting election under section 261 of the Tax Act to report the Holder's "Canadian tax results" (as defined in the Tax Act) in a currency other than the Canadian currency, or (vi) that has entered, or will enter, into a "derivative forward agreement", or a "synthetic disposition arrangement" as those terms are defined in the Tax Act, with respect to the Offered Shares. Any such Holder should consult its own tax advisor with respect to the income tax considerations applicable to it in respect of an investment in Offered Shares. This summary assumes that the Company will not at any time be resident (or deemed to be resident) in Canada for the purposes of the Tax Act. If the Company is (or becomes) resident in Canada for the purposes of the Tax Act, the Canadian federal income tax consequences to a Holder will in some respects be different from those described in this summary.

This summary is based on the current provisions of the Tax Act and counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") made publicly available prior to the date hereof. This summary also takes into account all Tax Proposals and assumes that the Tax Proposals will be enacted in the form proposed, although no assurance can be given that the Tax Proposals will be enacted in their current form or at all. Except for the Tax Proposals, this summary does not take into account or anticipate any other changes in law or any changes in the CRA's administrative policies or assessing practices, whether by judicial, governmental or legislative action or decision, nor does it take into account other federal or any provincial, territorial or foreign tax legislation or considerations, which may differ from the Canadian federal income tax considerations described herein.

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Offered Shares (including dividends, adjusted cost base and proceeds of disposition) must generally be expressed in Canadian dollars. Amounts denominated in any other currency must be converted into Canadian dollars generally based on the exchange rate quoted by the Bank of Canada for the date such amounts arise and in accordance with the detailed rules in the Tax Act. As a result, the

amount of dividends required to be included in the income of, and capital gains or capital losses realized by, a Holder may be affected by fluctuations in the Canadian dollar/U.S. dollar exchange rate.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder, and no representations with respect to the income tax considerations applicable to any particular Holder are made. This summary is not exhaustive of all Canadian federal income tax considerations. The relevant tax considerations applicable to the acquiring, holding and disposing of Offered Shares may vary according to the status of the Holder, the jurisdiction in which the Holder resides or carries on business and the Holder's own particular circumstances. Accordingly, prospective Holders are urged to consult their own tax advisors about the specific tax consequences to them of acquiring, holding and disposing of Offered Shares.

Dividends on Offered Shares

A Holder will be required to include in computing such Holder's income for a taxation year the amount of any dividends, including amounts deducted for foreign withholding tax, if any, received (or deemed to be received) on Offered Shares. Dividends received or deemed to be received on Offered Shares by a Holder who is an individual (including certain trusts) will not be subject to the gross-up and dividend tax credit rules in the Tax Act normally applicable to taxable dividends received from "taxable Canadian corporations" (as defined in the Tax Act). A Holder that is a corporation will not be entitled to deduct the amount of such dividends in computing its taxable income under the rules that generally apply to dividends received or deemed to be received from taxable Canadian corporations.

To the extent that foreign withholding tax is payable by a Holder in respect of any dividends received or deemed to be received on Offered Shares, the Holder may be eligible for a foreign tax credit or deduction under the Tax Act to the extent and under the circumstances described in the Tax Act. Holders should consult their own tax advisors with respect to the availability of a foreign tax credit or deduction having regard to their own particular circumstances.

Disposition of Offered Shares

A disposition or deemed disposition of an Offered Share by a Holder will generally result in a capital gain (or capital loss) equal to the amount by which the proceeds of disposition of such security, net of any reasonable costs of the disposition, are greater (or are less) than the adjusted cost base to the Holder of such security immediately before the disposition.

Generally, one-half of any capital gain (a "**taxable capital gain**") realized by a Holder will be included in the Holder's income for the year of disposition. One-half of any capital loss (an "**allowable capital loss**") realized by a Holder in a taxation year generally must be deducted by the Holder against taxable capital gains in that year (subject to, and in accordance with, the provisions of the Tax Act). Any excess of allowable capital losses over taxable capital gains realized by a Holder in the year of disposition may be carried back up to three taxation years or forward indefinitely and deducted against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

Capital gains realized by a Holder that is an individual or trust, other than certain specified trusts, may give rise to a liability for alternative minimum tax under the Tax Act.

Foreign tax, if any, levied on any gain realized on a disposition of an Offered Share may be eligible for a foreign tax credit or deduction under the Tax Act to the extent and under the circumstances prescribed in the Tax Act. Holders should consult their own tax advisors with respect to the availability of a foreign tax credit or deduction having regard to their own particular circumstances

Additional Refundable Tax

A Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax on its "aggregate investment income" (as defined in the Tax Act), including taxable capital gains and certain dividends.

Foreign Property Information Reporting

In general, a Holder that is a "specified Canadian entity" (as defined in the Tax Act) for a taxation year or a fiscal period and whose total "cost amount" (as defined in the Tax Act) of "specified foreign property" (as defined in the Tax Act), including Offered Shares, at any time in the year or fiscal period exceeds C$100,000 will be required to file an information return with

the CRA for the taxation year or fiscal period disclosing certain prescribed information in respect of such property. Subject to certain exceptions, a Holder generally will be a "specified Canadian entity". Offered Shares will be "specified foreign property" to a Holder. Penalties may apply where a Holder fails to file the required information return in respect of such Holder's "specified foreign property" on a timely basis in accordance with the Tax Act.

The reporting rules in the Tax Act relating to "specified foreign property" are complex and this summary does not purport to address all circumstances in which reporting may be required by a Holder. Holders should consult their own tax advisors regarding the reporting rules contained in the Tax Act.

Offshore Investment Fund Property Rules

The Tax Act contains provisions (the "**offshore investment fund property rules**" or "**OIF Rules**") which, in certain circumstances, may require a Holder to include an amount in income in each taxation year in respect of the acquisition and holding of an Offered Share if: (1) the value of such security may reasonably be considered to be derived, directly or indirectly, primarily from portfolio investments in: (i) shares of the capital stock of one or more corporations, (ii) indebtedness or annuities, (iii) interests in one or more corporations, trusts, partnerships, organizations, funds or entities, (iv) commodities, (v) real estate, (vi) Canadian or foreign resource properties, (vii) currency of a country other than Canada, (viii) rights or options to acquire or dispose of any of the foregoing, or (ix) any combination of the foregoing (collectively, "**Investment Assets**") and (2) it may reasonably be concluded that one of the main reasons for the Holder acquiring, holding or having such security was to derive a benefit from portfolio investments in Investment Assets in such a manner that the taxes, if any, on the income, profits and gains from such Investment Assets for any particular year are significantly less than the tax that would have been applicable under Part I of the Tax Act if the income, profits and gains had been earned directly by the Holder.

In making the determination under point (2) in the preceding paragraph, the OIF Rules provide that regard must be had to all of the circumstances, including (i) the nature, organization and operation of any non-resident entity, including the Company, and the form of, and the terms and conditions governing, the Holder's interest in, or connection with, any such non-resident entity, (ii) the extent to which any income, profit and gains that may reasonably be considered to be earned or accrued, whether directly or indirectly, for the benefit of any non-resident entity, including the Company, are subject to an income or profits tax that is significantly less than the income tax that would be applicable to such income, profits and gains if they were earned directly by the Holder, and (iii) the extent to which any income, profits and gains of any non-resident entity, including the Company, for any fiscal period are distributed in that or the immediately following fiscal period.

If applicable to Offered Shares held by a Holder, the OIF Rules generally require the Holder to include in the Holder's income for each taxation year in which the Holder owns such securities an imputed return equal to the amount, if any, by which (i) the total of all amounts each of which is the product obtained when the Holder's "designated cost" (as defined in the Tax Act) of such securities at the end of a month in the year is multiplied by one-twelfth of the aggregate of the prescribed rate of interest for the period including that month plus two percentage points exceeds (ii) any dividends or other amounts included in computing such Holder's income for the year (other than a capital gain) from such securities determined without reference to the OIF Rules. Any amount required to be included in computing a Holder's income in respect of Offered Shares under these provisions will be added to the adjusted cost base and the designated cost of such securities to the Holder.

The OIF Rules are complex and their application will potentially depend, in part, on the reasons for a Holder acquiring, holding or having Offered Shares. Holders are urged to consult their own tax advisors regarding the application and consequences of the OIF Rules in their own particular circumstances.

Certain Colombian Tax Considerations

In the opinion of DLA Piper Martinez Beltran, the following is a summary of the laws of Colombia, including the Colombian Tax Code (Estatuto Tributario) (as last amended by Law 2155 of 2021), to which we collectively refer as the "Colombian tax laws", existing and proposed regulations promulgated thereunder, and published judicial decisions and administrative pronouncements, each as in effect on the date of this prospectus or with a known future effective date as they may affect the holding and disposition of Common Shares. This discussion does not generally address any aspects of Colombian taxation other than income tax, capital gains tax, dividends tax and withholding tax. This discussion, while not being a complete analysis or listing of all of the possible tax consequences of holding and disposing of Common Shares, addresses the material tax issues. There can be no assurance that the Colombian tax authorities will not challenge any of the Colombian tax consequences described below; in particular, changes in law and/or administrative practice, as well as changes in relevant facts and circumstances, may alter the tax considerations described below.

This discussion does not constitute tax advice and is intended only as a general guide. Prospective purchasers of Common Shares should also consult their own tax advisors as to the Colombian tax consequences of the ownership and disposition of the Common Shares. The summary applies only to shareholders who will own Common Shares as capital assets and does not apply to other categories of shareholders, such as dealers in securities, trustees, insurance companies, collective investment schemes and shareholders who have, or who are deemed to have, acquired Common Shares by virtue of an office or employment.

Colombian Shareholders

Individuals

An individual is a resident of Colombia if they satisfy any of the following conditions:

- continuous or discontinuous presence in Colombia for more than 183 calendar days including entry and departure days from the country, within any period of 365 consecutive calendar days. When the continuous or discontinuous presence in the country occurs in more than one fiscal year, the individual would be considered as a resident in the second fiscal year;
- persons working for the Colombian Foreign Service or those serving the Colombian Foreign Service and which, by virtue of the Vienna Conventions on Diplomatic and Consular Relations, are exempt from taxation on all or part of their income and occasional earnings in the country in which they are serving during the respective tax year or period;
- is a Colombian citizen and during the applicable fiscal year, any one of the following conditions applies: (i) the spouse or permanent life partner, or underage dependent children, are residents in Colombia for tax purposes; (ii) 50% or more of their income has a Colombian source; (iii) 50% or more of their assets are managed in Colombia; (iv) 50% or more of their assets are held or deemed to be held in Colombia; (v) the Colombian taxation authority has requested evidence of the foreign residency status, and it is not provided by the individual; or (vi) had fiscal residence in a jurisdiction non-cooperating, low- or no-taxation, and preferential tax regime; provided that a Colombian citizen is not considered to be a tax resident of Colombia they meet any of the above conditions, and fulfil at least one of the following additional criteria: (i) 50% or more of their annual income has its source in the jurisdiction in which they are domiciled; or (ii) 50% or more of their assets are located in the jurisdiction where they are domiciled.

Note that the first two conditions above are only applicable if the individual resident in Colombia is also a Colombian national. For non-nationals, the residence criteria is determined by their physical presence in Colombia.

Entities

For purposes of Colombian taxation, an entity is deemed to be a "national" or a "Colombian entity" and, therefore, subject to taxation in Colombia on its worldwide income, if it meets any of the following criteria: (i) it has its place of effective management, in Colombia during the corresponding year or taxable period; (ii) it has its main domicile in the Colombian territory; or (iii) it has been incorporated in Colombia, in accordance with Colombian laws.

Permanent Establishments

Pursuant to Colombian tax laws, a foreign company or non-resident individual has a permanent establishment in Colombia when said company or individual performs activities in Colombia through: (i) a fixed place of business (i.e., branches, factories or offices), or (ii) an individual who is not an independent agent empowered to execute agreements on behalf of the foreign company. Foreign residents deriving income through a Colombian permanent establishment are subject to Colombian income tax on the worldwide income attributable to the Colombian permanent establishment. A foreign company or entity will not be deemed to have a permanent establishment by the sole fact that it acts through a broker or any other independent agent. In addition, passive-income generating activities, such as dividends, royalties and interests, typically do not qualify as entrepreneurial and are not deemed to create permanent establishments. Absence of a permanent establishment does not mean that Colombian income tax does not apply, since foreign non-residents are liable to income tax on Colombian sourced income and gains as a general provision.

General Rules

Colombian entities and individuals who are deemed to be residents within the Colombian national territory for Colombian tax purposes are subject to Colombian income tax on their worldwide income. Foreign entities and individuals who are not deemed to be residents in Colombia and who do not have a permanent establishment to which income is attributable, are subject to income tax in Colombia only with respect to their Colombian-source income, which is generally defined as income obtained from (i) the rendering of services inside Colombian territory, (ii) the exploitation of tangible and intangible assets in Colombia,

(iii) the sale of tangible or intangible assets that are located inside Colombian territory at the time of the sale, (iv) loans sourced in Colombia or economically linked to the country, and (v) dividends paid by Colombian companies. Foreign tax residents deriving income through a permanent establishment will be subject to Colombian income tax on their global source income attributable to their permanent establishment in Colombia. The relevant rule provides that the determination of the income, costs, expenses, assets and liabilities attributable to the permanent establishment shall be determined taking into consideration all the functions, assets, risks and people involved in obtaining said income, costs, expenses, assets and liabilities that are attributable to the permanent establishment.

Tax treaties signed by Colombia, if applicable, may provide for special regulations regarding income taxation.

Dividend Tax

Colombian law provides for an equalization system according to which dividends paid from profits not taxed at the corporate level will be taxed upon distribution, via withholdings. In addition, a dividend tax applies on top of the equalization tax or even if no equalization tax is due.

In order to determine the amount of profits taxed at the corporate level a formula needs to be applied. In general, the formula provides that the result from subtracting each year's income tax from each year's taxable basis corresponds to the amount of profits taxed at the corporate level that can be distributed as dividends untaxed with the corporate income tax (these dividends are only subject to the dividend tax withholding as explained below). The excess corresponds to those profits that were not taxed at the corporate level. In this case, dividends will be taxed at the corporate income tax rate plus the dividend withholding tax as explained below

- Dividends paid to a foreign entity or a non-resident individual from profits that have not been taxed at the corporate level in Colombia are taxed at the general income tax rate (31% in 2021 and 35% as of 2022), plus a 10% dividend tax on the balance. Applicable taxes on dividends distributed to non-resident individuals will paid through the withholding mechanism.
- Dividends paid to a foreign entity out of profits taxed at corporate level are only subject to a 10% dividend tax payable through the withholding mechanism.
- The first dividend distribution paid to a resident entity from profits that have been not taxed at the corporate level are taxed at the general income tax rate (31% in 2021 and 35% as of 2022), plus a dividend tax at 7.5% on the balance (this tax is creditable up the structure until the first Colombian individual or non-resident shareholder is reached). The second distribution of those dividends will not be levied with dividend tax.
- The first dividend distribution paid to a resident entity out of profits taxed at the corporate level are subject only to the 7.5% dividend tax. From the second distribution thereon, the dividends are not subject to dividend tax.
- Dividends paid to a resident individual from profits that have not been taxed at the corporate level in Colombia are taxed at the general income tax rate (31% in 2021 and 35% as of 2022), plus a 10% dividend tax on the balance.

- Dividends paid to a resident individual out of profits taxed at corporate level are only subject to a 10% dividend tax payable through the withholding mechanism.

Capital Gains Tax

Gains from gifts, inheritances and the sale of fixed assets owned for at least two (2) years are taxed at a 10% rate. This special rate applies to all taxpayers regardless of residence.

Certain exceptions apply to both income tax and capital gains tax that need to be analyzed on a case-by-case basis. For example, profits from the sale of shares listed in the Colombian Stock Market are not subject to income or capital gains tax, regardless of holding period, insofar as the shares sold are owned by the same beneficial owner and represent no more than 10% of the outstanding shares in the listed company. This exception should apply as long as the shares being sold are registered in the Colombian Exchange, even if the sale occurs through a foreign stock market. Investors should seek their own tax advice.

For these purposes, Investors should consider that Law 2155 of 2021 modified the definition of beneficial owner.

Withholding Tax

Withholding taxes may apply as an advance payment of the final tax liability or in lieu of income tax, depending on the specific circumstances. A Colombian person who acquires an asset from a non-resident person may be required to apply a 15%

withholding (10% if capital gains treatment applies) on the gross purchase price. In this case, the non-resident seller is required to file an income tax return in Colombia to assess and pay the final tax liability at the statutory rate (31% for the 2021 fiscal year, and 35% for the 2022 fiscal year, and thereafter if income qualifies as ordinary income or 10% if it qualifies for capital gains treatment). Withholding taxes are creditable against taxpayer's final tax due as determined in the tax return.

Interests and dividends paid to non-resident persons or entities may also be subject to withholdings, but typically *in lieu* of income tax i.e. no additional filings or payments required.

Regarding dividend payments, according to Concept 1313 dated October 20, 2020, issued by the Colombian Tax Office (DIAN), if a non-Colombian person or entity is a tax resident in Canada or any other country with which Colombia has entered into a Double Tax Treaty, and that person or entity is entitled to a lower withholding rate on dividend payments, that person or entity may file, within five (5) years from the date on which the dividend is paid, a request before the Colombian Tax Office (DIAN) for a refund of any amounts withheld in excess.

There will be an excess withholding, for example, if : (i) the foreign person is a company that is qualified as a Canadian tax resident as defined under article 4 of the Double Tax Treaty between Colombia and Canada ("**DTT**"), (ii) the foreign person directly or indirectly controls at least 10% of the outstanding shares and (iii) the foreign person receives a dividend that is paid from profits taxed at the corporate level, in which case the withholding tax rate will be 5% (instead of 10% as set forth by the Colombian Tax Code). If dividends distributed to a Canadian Tax Resident are paid from profits that were not subject to tax at the corporate level, the withholding tax rate cannot exceed 15% (instead of the corporate tax rate – 31% on 2021 and 35% as of 2022 – plus 10% as set forth by the Colombian Tax Code.

In addition, according to Article 10 (2)(a) of the DTT, the reduced withholding tax rate of 5% shall apply only if: (i) the beneficial owner is a Canadian tax resident company, (ii) controlling at least 10% or more of the shares in the Colombian distributing company and (iii) the distributed dividends are paid out from profits that were taxed at the level of the Colombian company. If the dividends are distributed out from profits untaxed at the corporate level, section (e) of the Protocol to the DTT sets forth that the maximum tax rate should not exceed 15% (this rule applies also if the beneficial owner is a Canadian Tax resident individual).

According to the provisions set forth in Decree 1457 of 2020, a refund requests can be filed by either (i) the final beneficiary of the dividends; or (ii) the legal representative of the Colombian company that distributes the dividends; or (iii) a third party acting on behalf of the final beneficiary.

The specific procedure for a claim has not been set forth yet as the regulations for the dividend tax have not been issued by the Colombian government. Therefore, once the regulations are issued, there may be variations or specific procedures to successfully obtain a refund. However, based on current rules for refunds, the foreign person or entity will have to register before the Colombian Tax Office to obtain a Tax ID (NIT) that will be used to file the refund request. Such registration can currently be completed online. The request for a Tax ID can be made directly or through a proxy in Colombia (an individual typically required to have a domicile in Colombia). The request will then be filed, and the Tax Office will have approximately 50 to 90 days to evaluate and decide on the refund. If granted, the refund amounts will likely be awarded in tradeable securities called TIDIS, which can be negotiated in the secondary market.

Notwithstanding the foregoing, it may be considered that the Colombian company paying the dividends must directly apply the withholding tax determined in the taxation treaty, since tax treaties are binding and overrule decrees and rulings. In this regard, it is worth noting that under the Colombian Constitution rules on dividend distributions included in tax treaties are "special law" that overrides domestic rules on dividend distributions. In consequence, under certain interpretations it could be argued that Concept 1313 mentioned above does not follow the applicable law.

Colombian Exchange Controls and Limitations

Colombia's foreign investment statute regulates the manner in which non-Colombian residents are permitted to invest in Colombia and participate in the Colombian securities market. Among other requirements, Colombian law requires non-Colombian residents to register certain foreign exchange transactions with the Colombian Central Bank and obtain authorization for certain types of investments. Certain foreign exchange transactions, including those between Colombian residents and non-Colombian residents, must be made through authorized foreign exchange intermediaries.

Therefore, any foreign currency income or expense under the Common Shares must be completed through the appropriate channels of the foreign exchange market.

Transactions conducted through the foreign exchange market are made at market rates freely negotiated with authorized foreign exchange intermediaries (local banks, financial corporations, administrators and others). Since September 25, 1999, the Colombian foreign exchange regime is structured under the system of free flotation of the exchange rate, whereby market forces determine the level of exchange rate from time to time.

Foreign portfolio investments (i.e. investments in shares and values registered in the National Securities and Issuers Registry – RNVE) must be made through authorized foreign exchange investment management companies. Only brokerage firms, trust companies and investment management companies, subject to the inspection and supervision of the Colombian Superintendence of Finance, are allowed to make investments in the local Colombian market on behalf of foreign investors. Such brokerage firms, trust companies and investment management companies also act as the foreign investors' local representatives for tax and foreign exchange purposes. Foreign investors can also register as direct investments in Colombian corporations, the acquisition of shares registered in the RNVE, purchased by the investor with intention to maintain the investment for a long period of time.

The Colombian government does not currently restrict the ability of Colombian persons or entities to convert pesos to dollars. However, Colombian law permits the government to impose foreign exchange controls on dividend payments and remittances of interest and principal in the event that the foreign currency reserves of the Central Bank fall below a level equal to the value of three months of imports into Colombia. Colombian law also allows the imposition of a deposit requirement with the Central Bank in connection with any foreign exchange transaction that may increase the cost of foreign exchange transactions or limit the amount of such transactions for a particular time. No such foreign exchange controls are currently applicable. Nevertheless, such restrictions may be imposed in the future, and any such restrictions could prevent, restrict or increase the price of our access to U.S. dollars, which we need to pay our foreign currency-denominated obligations. There can be no assurance that the Central Bank of Colombia will not intervene in the future to impose restrictions to the free convertibility system currently applicable in Colombia. See "*Risk Factors*" – *Our shareholders may be subject to restrictions on foreign investment in Colombia*".

Registration of Foreign Investments

The International Investment Statute issued by the Colombian Government and the Foreign Exchange Regime issued by the Colombian Central Bank, including relevant forms and instructions to formalize foreign investments, which have been amended from time to time through related Decrees and Resolutions, govern the manner in which non-Colombian resident entities and individuals can invest in Colombia and participate in the Colombian securities markets. Among other requirements, the International Investment Statute and the Foreign Exchange Regime mandate registration of foreign investment transactions with the Colombian Central Bank and specify procedures to authorize and administer such foreign investment transactions, and assure the foreign exchange rights which include the capital and profits repatriation and remittance rights. Additionally, any modification in the status or owner of the foreign investment registration must be updated in a timely manner before the Colombian Central Bank.

The foreign investment payable in foreign currency, can be transferred with an intermediary of the foreign exchange market in Colombia (i.e. local banks among other financial entities) or using a bank account opened by the issuer entity abroad and registered as a compensation account before the Colombian Central Bank. Even though there is not an express authorization, we understand that foreign investments proceedings may be completed and performed by a foreign agent acting on behalf of different foreign investors abroad of Colombia, ensuring the repatriation rights.

Pursuant to the International Investment Statute and the Foreign Exchange Regime, the failure of a foreign investor to report or register with the Colombian Central Bank foreign exchange transactions relating to investments in Colombia on a timely basis may (i) prevent the investor from obtaining remittance payments, including for the payment of dividends, (ii) constitute an exchange control infraction and (iii) result in a fine.

As per the current Colombia International Investment Statute, the acquisition of shares and securities registered within the National Securities and Issuers Registry – RNVE made by non-residents qualifies as Portfolio investments. In this case, the shares and securities can be issued by a Colombian or a foreign entity.

Foreign investors can also register as direct investments in Colombian corporations the acquisition of shares registered in the RNVE, provided that such purchase has been made with the intention of making an investment and maintaining it for a long period of time.

As per the current regulations the acquisition of shares issued by a Colombian entity, registered and traded on a foreign stock exchange, made by a non-resident of Colombia, does not have a specific categorization, and would be considered as a financial investment made outside of Colombia.

Registration of the Common Shares issued to non-Colombian residents

Shareholders who acquire Offered Shares outside of Colombia, will be considered to be making a "foreign investment" in a company incorporated under the laws of Colombia. Transactions involving foreign investments in a Colombian company are regulated and, accordingly, it will be necessary to comply with applicable Colombian Foreign Exchange regulations. According to such regulations, in particular section (c) of article 7.1.2. of DCIN-83 issued by the Colombian Central Bank, a Colombian trustee shall act as representative of the Non-Colombian Shareholders.

Before the Closing Date, Mineros will enter into an administration and payment trust agreement ("**Trust Agreement**") with Fiduciaria Davivienda S.A., a Colombian *sociedad fiduciaria* (the "**Trustee**") in order to (i) open and administer an account (ii) receive into an account administered by the Trustee all of the proceeds for the Offered Shares in connection with sales made outside of Colombia, (iii) register with the Colombian Central Bank the foreign portfolio investment in Mineros represented thereby in accordance with the prior written instructions given by the Company, (iv) to return the funds to the Company referred to in numeral (ii) above, upon prior written instructions from the Company, (v) to perform, in accordance with the instructions received from the Company, the foreign exchange operations that may be required for the performance of the Trust Agreement, (vi) update the Colombian Central Bank with any information required under the foreign exchange requirements with respect to the foreign investment in Colombia, (vii) as and when required, process dividend payments related to the Offered Shares placed outside of Colombia; (viii) complete similar processes for subsequent offerings, (ix) updating records due to movement of Shares from Deceval to TSX Trust or (TSX Trust to Deceval), and (x) processing other cash distributions (i.e. on dissolution). The Trust Agreement will be executed by Mineros, as sole settlor and the Trustee. Mineros as settlor, will be the sole beneficiary under the Trust Agreement, since it will be a mandate to administrate a portfolio of investments and payments (encargo fiduciario de admnistración y pago), under which the Trustee will execute the instructions and orders given by Mineros at any given time regarding the aforementioned purposes. During the term of the Trust Agreement, the Trustee is paid a fixed monthly fee of COP$5,000,000 plus taxes. All costs relating to the Trust Agreement or incurred in connection with the performance of the Trustee's duties will be borne by the Company.

With respect to the foreign investment registration with the Colombian Central Bank, the Trustee will register the foreign investment represented by this Offering with the Colombian Central Bank, where the Trustee will identify the total number of Offered Shares issued to purchasers under the Offering and the aggregate subscription value. In order to comply with this registration obligation, the Trustee will be reporting on behalf of holders of Common Shares registered with a Canadian transfer agent, from time to time, in accordance with applicable Colombian law relating to registration of foreign investments and, in particular, Decree 1068 of 2015. This reporting by the Trustee on behalf of holders of Common Shares registered with a Canadian transfer agent, from time to time, will not create any liability for or generate any obligation on the part of holders of Common Shares registered with a Canadian transfer agent, from time to time.

The Trustee will also be responsible for registering any change in the number of the Offered Shares with the Colombian Central Bank using the "Statistical Registry of Foreign Portfolio Investments in Colombia" ("*Reporte Estadístico de Inversiones de Capital del Exterior de Portafolio en Colombia – IPEXT*") based on information to be provided to the Trustee by the Company. In order for the Trustee to be able to comply with the requirement to register any change in the registered holders of Offered Shares with the Colombian Central Bank, Mineros will be required to (and will) share information in respect of registered holders of Offered Shares with the Trustee. The Trustee will in turn share this information with the Colombian Central Bank.

With respect to the payment of dividends, Mineros will transfer to the compensation (off-shore) account of the Company, which will be administered by the Trustee, the aggregate amount (minus any applicable withholding taxes) of any dividends declared by the Company. The Trustee will then transfer to TSX Trust Company, or as otherwise directed, such aggregate amount to be paid in respect of the Offered Shares held outside of Colombia. In order to comply with Colombian foreign exchange regulations, the Trustee will be required to inform the Colombian Central Bank that funds were paid as dividends.

Pursuant to the terms of the Trust Agreement, the Company has an ongoing obligation to provide certain information to the Trustee relating to the Company, sales of securities of the Company, the payment of dividends and other changes to the portfolio investment, among other things. The Trustee is required to deliver periodic reports to the Company relating to its obligations under the Trust Agreement and to account for transactions completed on behalf of the Company.

Pursuant to the terms of the Trust Agreement, the Company will indemnify the Trustee for any loss suffered by the Trustee in performing its obligations under the Trust Agreement, including with respect to, among other things, any taxes, withholdings and applicable interest. In addition, pursuant to the terms of the Trust Agreement, the Settlor will indemnity the Trustee for any claim by the Non-Colombian Shareholders and will manage their resolution and settlement.

Mineros and/or the Trustee may, from time to time, be required to provide information in respect of registered holders of Offered Shares to the Colombian Central Bank.

As a result of the creation of the Trust structure as set out above, purchasers under the Offering will not need to register individually with the Colombian Central Bank.

Non-Colombian shareholders may transfer any Common Shares held by them to the Colombian Exchange for trading in Colombia, however, in order to make such transfer, the respective shareholder will be required to comply with any applicable Colombian laws in connection with such transfer, including, without limitation being required to register with the Colombian Central Bank.

The Trust Agreement has an indefinite term and will continue in force until the earlier of: (i) Mineros ceasing to be a reporting issuer in all applicable jurisdictions in Canada, and (ii) the Trust Agreement being terminated following any of the following termination events: (a) due to a judicial or administrative order, (b) the failure of the Company to provide sufficient funds to satisfy the purposes of the Trust Agreement or the Trustee's fees and expenses in each case subject to prior notice of default and expiry of applicable cure periods, (c) the occurrence of the events for the termination of the trust, as contemplated in article 1240 of the Colombian Code of Commerce, which by their nature and conditions are applicable, except for paragraphs 6 and 11 thereof, (d) the failure of the Company to provide information requested by the Trustee following notice and expiry of applicable cure periods, and (e) by decision of the Trustee upon the inclusion of the Company, any of its legal representatives or attorneys-in-fact, or any of its partners or managers, in a list equal to or similar to that of the OFAC list, including this list, or in any other national or international list in which the information of the people who have been condemned by national or international authorities, or linked directly or indirectly with unlawful activities such as drug trafficking, terrorism, money laundering, extortion kidnapping and human trafficking, among others, are published. The Trust Agreement includes a provision under which the Trustee and the Company may not unilaterally terminate the Trust Agreement while the Common Shares are listed and posted for trading on the TSX, except for the termination events described above.

Trading on the Toronto Stock Exchange and the Colombian Stock Exchange

The Common Shares that are held in Colombia through Deceval for trading on the Colombian Exchange can be traded over the facilities of the TSX if a holder of such Common Shares follows the specific procedures required to move the Common Shares held through Deceval to the records maintained by TSX Trust. Such procedures would require the holder of Common Shares held through Deceval to open an account with a TSX member brokerage firm that can facilitate trades through the TSX. Upon the successful opening of an account, which would be subject to mandated compliance requirements including know-your-client procedures, the TSX member brokerage firm, the Colombian brokerage firm, Deceval and TSX Trust would coordinate the movement of the Common Shares from the records maintained by Deceval to the records maintained by TSX Trust.

The Common Shares that are held outside of Colombia in accordance with the Canadian system whether in registered form on the register maintained in Canada by TSX Trust or held beneficially through an intermediary can be traded over the facilities of the Colombian Exchange if a holder of such Common Shares follows the specific procedures required to move such Common Shares out of the Canadian system and into the Colombian system maintained by Deceval. Such procedures would require the holder of Common Shares held outside of the Colombian system to open an account with a Colombian broker that can facilitate trades through the Colombian Exchange. Upon the successful opening of an account, which would be subject to mandated compliance requirements including know-your-client procedures, the Colombian broker, the TSX member brokerage firm, Deceval and TSX Trust would coordinate the movement of the Common Shares from the Canadian system to the Colombian system maintained by Deceval.

For further information see "*Registration of the Common Shares issued to non-Colombian residents*".

CONSOLIDATED CAPITALIZATION

There have been no material changes in the Company's share and loan capital since June 30, 2021, the date of its most recently completed financial period. The Company anticipates issuing [●] Common Shares pursuant to the Offering ([●] Common Shares if the Over-Allotment Option is exercised in full). On completion of the Offering, the Company will have [●] Common Shares issued and outstanding ([●] Common Shares issued and outstanding if the Over-Allotment Option is exercised in full). There will be no material change to the Company's loan capital that will result from the completion of the Offering.

The following table sets forth the consolidated capitalization of the Company as at June 30, 2021, on an actual basis and on a pro forma basis as adjusted to give effect to the completion of the Offering. Investors should read the following information in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and six-month periods ended June 30, 2021 and related notes thereto, along with the associated MD&A, included in this prospectus.

Designation	Authorized	As at June 30, 2021	As at June 30, 2021 after giving effect to the Offering	As at June 30, 2021 after giving effect to the Offering and Exercise of the Over-Allotment Option in Full
Common Shares.....	800,000,000[(1)]	317,906,252[(2)]	[●]	[●]

Notes:

(1) On April 16, 2021, the General Shareholders' Assembly approved the amendment of the Company's by-laws to increase the Company's authorized capital to COP$400,000,000 divided into 800,000,000 shares with a par value of COP$0.50 each. The Company has initiated procedures required to grant the corresponding public deed and register it in the commercial register maintained by the Medellín Chamber of Commerce. Once the Chamber of Commerce certifies the registration of the amendment to the Company's by-laws, a duly updated certificate of existence and legal representation will be provided, and the amended by-laws will become effective.

(2) Of the 317,906,252 issued Common Shares, 56,218,850 Common Shares are held by Mineros. Shareholder rights associated with Common Shares are suspended while they are held by the Company. See "*Description of Share Capital*".

INCENTIVE PLANS

SAR Plan

Starting in 2019, stock appreciation rights were granted annually to each NEO under an internal policy of the Company based on a multiple of short-term incentive plan compensation received, which internal policy has been updated by the SAR Plan. In line with executive compensation best practices, the Company intends to issue all long-term equity-based incentive awards, with a term of five years subject to vesting schedules of at least three years, other than in exceptional circumstances. The SAR Plan provides eligible executive officers with medium-term incentive compensation that is measured against the achievement of certain financial and performance objectives to be determined by the Executive Compensation Committee, to promote a further alignment of interests between employees and the shareholders of the Company, and to attract and retain employees with the knowledge, experience and expertise required by the Company.

Pursuant to the SAR Plan, SARs will be granted to eligible executives as determined by the Executive Compensation Committee at such times as the Committee determines, and will constitute a portion of the annual long-term incentive compensation package. In general, the number of SARs included in a grant is determined by dividing the value of the SAR award by the average closing price of the Common Shares listed on the relevant stock exchange for the months of October and November prior to the grant date which occurs after the end of the fiscal year in which the services to which the grant relates are rendered. The relevant stock exchange means the TSX, or if the Common Shares are not listed on TSX, such other stock exchange on which the Common Shares are listed, or if the Common Shares are not listed on any stock exchange, then on the over-the-counter market.

SARs vest on a date determined by the Board that falls within the third and fifth calendar year following the end of the calendar year in which the executive provided the services to which the grant relates (or where such services straddle two calendar years, the first calendar year in which the services to which the grant of such SARs relate were rendered), or such other date as the Board may determine and specified in the grant agreement entered into between the Company and a SAR holder, or such other date or on such other terms as may be specified in the terms of the grant.

Each SAR is non-transferrable, and entitles the holder to receive upon vesting a cash payment equal to the excess, if any, of the fair market value of a Common Share on the vesting date, calculated as the volume-weighted average trading price of the

Common Shares on the relevant stock exchange during the two months immediately prior to the vesting date, over the base price of the SAR, which is equal to the volume weighted average of the trading price of the Common Shares on the relevant stock exchange during the months of October and November of the year prior to the grant date. For greater certainty, no Common Shares will be issued in connection with the exercise of SARs.

SAR holders who continue to be employed by with the Company or one of its affiliates on the vesting date will become entitled to receive payment in respect of the vested SARs on the vesting date. No payout in respect of any SARs shall occur following the expiry date specified in the grant agreement, or if no such expiry date is specified, December 31 of the calendar year in which the vesting date occurs.

Unless otherwise determined by the Executive Compensation Committee in its sole discretion, if a SAR holder's employment is terminated prior to the vesting date: (i) due to voluntary resignation, then all unvested SARs shall be forfeited and cancelled, and all vested SARs will remain outstanding and payable; (ii) due to termination without cause, all unvested SARs will immediately vest, and all vested SARs will remain outstanding and payable; (iii) due to termination with cause, all vested and unvested SARs will be forfeited and cancelled as of the termination date; (iv) due to disability or retirement, all unvested SARs will remain outstanding and will vest and become payable in accordance with their terms, and all vested SARs will remain outstanding and payable; and (v) due to death, all unvested SARs will vest as of the date of death, and all vested SARs will remain outstanding and payable, and will be paid out to the holder's beneficiary or legal representative will be entitled to receive a payment.

PRIOR SALES

There have been no issuances of Common Shares for the 12-month period prior to the date of this prospectus.

TRADING PRICE AND VOLUME

The Common Shares are currently listed on the Colombian Exchange under the symbol "MINEROS:CB". The following table sets forth the market price ranges and trading volumes of the Common Shares on the Colombian Exchange over the 12-month period prior to the date of this prospectus:

Date	High (COP$)	Low (COP$)	Average Daily Volume (COP$)	Volume (COP$)
2021				
January	4,450	4,125	847,128,441	16,095,440,387
February	4,200	4,040	481,785,428	9,635,708,550
March	4,430	4,070	428,974,158	9,437,431,474
April	4,430	4,130	925,014,574	18,500,291,488
May	4,324	3,836	695,130,518	13,902,610,368
June	4,154	3,972	478,096,168	9,561,923,350
July	4,050	3,695	221,905,900	4,881,929,811
August	3,850	3,690	341,591,238	7,173,416,003
September 1 - 10	3,775	3,730	145,687,017	1,019,809,117
2020				
December	4,167	3,810	564,074,377	11,281,487,530
November	3,980	3,630	601,499,762	11,428,495,479

SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The following table sets forth, as of the date of this prospectus, the number of securities of each class of securities of the Company held that are subject to a contractual restriction on transfer and the percentage that number represents of the outstanding securities of that class.

Designation of Class	Number of Shares Subject to a Contractual Restriction on Transfer	Percentage of Class
Common Shares	85,548,187 [(1)]	32.69%[(2)]

Notes:
(1) Contractual restrictions on transfer terminate on [●], 2022.
(2) Presented on a non-diluted basis.

Pursuant to the Underwriting Agreement each of the directors, officers and principal shareholders of the Company and certain other persons as mutually agreed to by the Company and Underwriters, will enter into lock-up agreements on or prior to the Closing Date pursuant to which, for a period of 180 days from the Closing Date, each such person will agree not to, among other things, directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, or otherwise dispose of, or transfer, or announce any intention to do so, any Common Shares (subject to certain exemptions provided to a limited number of shareholders of the Company party to such lock-up agreements). See "*Plan of Distribution*".

PRINCIPAL SECURITYHOLDERS

The following table sets out the shareholders who, immediately following the completion of the Offering, will beneficially own, control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of our voting securities.

	Immediately Prior to the Offering		**Immediately Following the Offering[2][3]**	
Name of Shareholder[1][2]	**Number of Common Shares Owned**	**Percentage of Outstanding Common Shares[1]**	**Number of Common Shares Owned**	**Percentage of Outstanding Common Shares[4]**
Mercantil Colpatria S.A.[1]	85,548,187	32.69%	**[●]**	**[●]**
Negocios y Representaciones S.A.S.	33,723,236	12.88%	**[●]**	**[●]**

Notes:
(1) Mercantil Colpatria S.A. directly holds 2,370,244 Common Shares, and indirectly holds 46,325,781 Common Shares through Banderato Colombia S.A., 31,744,486 Common Shares are through Vince Business Colombia S.A.S., and 5,107,676 Common Shares through Compañía de Inversiones Colpatria S.A. Mercantil Colpatria S.A. is the parent company of the group, and beneficially owns (directly or indirectly) an 80% equity interest in Vince Business Colombia S.A.S., an 85% equity interest in Banderato Colombia S.A., and an 82.87% equity interest in Compañía de Inversiones Colpatria S.A.
(2) To our knowledge, none of the Common Shares, are or will be, following the Closing, subject to any voting trust or similar agreement.
(3) The information in the table above assumes that the Over-Allotment Option is not exercised, in whole or in part, and that the shareholders listed above do not acquire any Common Shares pursuant to the Offering.
(4) Calculated taking into account the number of shares that are issued and outstanding, excluding, for greater certainty, the 56,218,850 shares that are held by the Company and which do not have any voting or other rights as they are not considered outstanding (shareholder rights associated with Common Shares are suspended while they are held by the Company). For a description of the rights attaching to the Common Shares, please see "*Description of Share Capital*".

Voting Agreement

There are no outstanding Common Shares that are subject to any voting agreement.

DIRECTORS AND EXECUTIVE OFFICERS

Director and Executive Officer Profiles

The following table sets forth the name of each director and executive officer of the Company as at the date of this prospectus, their province or state and country of residence, their position(s) and office(s) held with the Company, their principal occupation(s) during the preceding five years, the date they became a director of the Company, if applicable, and the number and percentage of Common Shares they beneficially own, or control or direct, directly or indirectly. Each director's term will expire immediately prior to the next ordinary meeting of shareholders of the Company. Under Colombian law, all directors must comply with the duties of care, diligence, confidentiality, fairness, loyalty, a duty not to engage in corporate opportunities, and a duty to declare and avoid conflicts of interest. Only officers that hold the title of "legal representative" are subject to these same duties. The table below identifies the officers that hold the title of "legal representative" at the time of this prospectus.

Name and Residence	Position(s) with Mineros	Principal Occupation(s) During Past Five Years	Number and Percentage of Common Shares Held[1]
Andrés Restrepo Isaza *Medellín, Colombia*	President and Chief Executive Officer *Legal Representative*	President and Chief Executive Officer, Mineros (March 2015 to present).	Nil
Alan Wancier Rode *Medellín, Colombia*	Chief Financial Officer *Legal Representative*	Chief Financial Officer, Mineros (2019 to present); Vice President, Finance, Hemco Nicaragua S.A. (a subsidiary of Mineros) (2014 to 2019).	Nil
Ana Isabel Gaviria *Medellín, Colombia*	Corporate Secretary (Secretary General) and General Counsel	Corporate Secretary (June 2018 to present) and General Counsel (April 2016 to present), Legal counsel (2010 to 2014), Mineros.	9,565 (0.003%)
Eduardo Flores Zelaya *Medellín, Colombia*	Vice President, Business Development and Strategy	Vice President, Corporate Development and Strategy, Mineros (2016 to present); Vice President, Argentina, Mineros (2018 to 2020); Executive Director, Chile and Senior Vice-President Pascua Lama, Barrick Gold Corporation (2013 to 2015).	Nil
Carlos Mario Gómez Peláez *Managua, Nicaragua*	Vice President, Nicaragua	Vice President, Nicaragua (2016 to present); Managing Director, Operadora Minera S.A.S. (a former subsidiary of Mineros) (2008 to 2016).	Nil
Santiago Cardona Múnera *Medellín, Colombia*	Vice President, Colombia	Vice President, Colombia (2018 to present) and Vice President, Supply Chain and Projects (2014 to 2018), Mineros.	Nil
John Jairo Cuervo Muñoz *San Juan. Argentina*	Vice President, Argentina	Vice President, Argentina, Mineros (2020 to present), Vice President Operations (2016 to 2020) and Site Manager (2013 to 2016), Hemco Nicaragua S.A. (a subsidiary of Mineros).	Nil
Luis Santiago Perdomo Maldonado *Bogotá, Colombia*	Director (since July 31, 2002) Committee memberships: • Corporate Governance and Sustainability • Executive Compensation	Delegate in Charge, Mercantil Colpatria S.A. (2018 to present); Chief Executive Officer, Scotiabank Colpatria S.A. (1994 to 2018).	Nil
Alberto Mejía Hernández *Florida, United States*	Director and Vice-Chairman of the Board (since March 16, 1995) Committee memberships: • Business Opportunities and Optimization[2]	President, GH Capital Management (1992 to present).	2,133,053 (0.85%)
Eduardo Pacheco Cortés *Bogotá, Colombia*	Chairman and Director (since March 18, 2005) Committee memberships: • Corporate Governance and Sustainability	Chief Executive Officer and director, Mercantil Colpatria S.A. (1997 to present).	188,451 (0.07%)

Name and Residence	Position(s) with Mineros	Principal Occupation(s) During Past Five Years	Number and Percentage of Common Shares Held[(1)]
José Fernando Llano Escandón *Bogotá, Colombia*	Director (since March 18, 2009) Committee memberships: • Executive Compensation • Business Opportunities and Optimization[(2)]	President of Private Equity and Infrastructure, Mercantil Colpatria S.A. (2010 to present).	Nil
Juan Carlos Páez Ayala *Bogotá, Colombia*	Director (since March 22, 2017) Committee memberships: • Audit and Risk	Executive Vice President, Corificolombiana S.A. (2012 to present).	Nil
Beatriz Orrantia *Ontario, Canada*	Director (since April 3, 2020) Committee memberships: • Executive Compensation • Business Opportunities and Optimization[(2)]	Strategic Consultant – Canada/Latin America (2017 to present); Vice President, Special Projects, Barrick Gold Corporation (2015 to 2017).	Nil
Dieter W. Jentsch *Ontario, Canada*	Director (since April 3, 2020) Committee memberships: • Audit and Risk • Business Opportunities and Optimization[(2)]	Independent Advisor (2018 to present); Group Head, Global Banking and Markets (2016 to 2018), and Group Head, International Banking (2012 to 2016), Bank of Nova Scotia.	Nil
Mónica Jiménez González *Bogotá, Colombia*	Director (since April 3, 2020) Committee memberships: • Corporate Governance and Sustainability	Secretary General, Ecopetrol S.A. (2016 to present); Associate, Fasken Martineau DuMoulin, LLP (2006 to 2015).	Nil
Sergio Restrepo Isaza *Medellín, Colombia*	Director (since April 3, 2020) Committee memberships: • Audit and Risk	Partner, Exponencial Banca de Inversion S.A.S. (2016 to present); Vice President for Capital Markets and Executive Vice President for Corporate Development, Bancolombia S.A. (1985 to 2014).	Nil

Notes:
(1) On a non-diluted basis.
(2) Business Opportunities and Optimization Committee created in 2020.

Ownership Interest

Immediately following the completion of the Offering, it is anticipated that our directors and executive officers, as a group, will beneficially own, or control or direct, directly or indirectly, **[●]** Common Shares, representing approximately **[●]**% of our issued and outstanding Common Shares (or approximately **[●]**% assuming the Over-Allotment Option is exercised in full), on a non-diluted basis.

Director and Executive Officer Biographies

Andrés Restrepo Isaza, President and Chief Executive Officer

Mr. Restrepo is a senior executive with 14 years' experience in the mining industry. He joined the Company in 2014 and has been President and Chief Executive Officer since 2015. Previously, he was Chief Executive Officer of AIA – Arquitectos e Ingenieros Asociados, from 2012 to 2014, and General Manager of Brinsa S.A. from 2005 to 2012. He is a director and member of the audit committee of each of Compañía de Empaques S.A. and Plantaciones Unipalma de Los Llanos S.A (Unipalma S.A.). Mr. Restrepo holds a BSc (Production Engineering) from EAFIT University, and a MC/MPA from the Edward S. Mason Program at Harvard University.

Alan Wancier Rode, Chief Financial Officer

Mr. Wancier has been the Chief Financial Officer of the Company since 2019, and was previously Vice President, Finance of Hemco from 2014 to 2019. Previously, he was Chief Financial Officer and General Manager of Brexia GoldPlata Perú S.A.C in 2013, and held various finance roles at Diageo plc from 2003 to 2012. Mr. Wancier holds a BSc (Industrial Engineering) from Universidad de Los Andes, and an MBA (Finance & Accounting) from University of Rochester.

Ana Isabel Gaviria, Corporate Secretary and General Counsel

Ms. Gaviria is a lawyer qualified in Colombia. She has been the Corporate Secretary since 2018, the General Counsel of the Company since 2016, and previously, since 2010, served as Legal Counsel and Head of the Company's Legal Department. She holds a LLB from Universidad Pontificia Bolivariana, a MSc (International Contracts) from Universidad Externado de Colombia, and a LLM (Corporate and Securities Law) from London School of Economics and Political Science.

Eduardo Flores Zelaya, Vice President, Business and Strategy

Mr. Flores is an engineer with over 30 years of local and international mining experience. He has been Vice President, Corporate Development and Strategy of the Company since 2016, and served as Vice President, Argentina from 2018 to 2020. Previously, he was Executive Director, Chile and Senior Vice President Pascua Lama, for Barrick Gold Corporation from 2013 to 2015, General Manager of Goldcorp Inc.'s (now Newmont Mining Corp.) El Morro Project from 2012 to 2013, and Regional Vice President, Ecuador of Kinross Gold Corporation from 2009 to 2012. Previously he had different roles at Antofagasta plc and Exxon Coal and Minerals organizations. Mr. Flores holds Industrial Engineer and Electrical Engineer degrees from Universidad Técnica Federico Santa María, Chile.

Carlos Mario Gómez Peláez, Vice President, Nicaragua

Mr. Gómez is an engineer with over 30 years of mining experience. He has been Vice President, Nicaragua, in charge of the Company's mining operations in Nicaragua, since 2016. He has been with Mineros since 2008, and previously served as Managing Director of Operadora Minera S.A.S., a former subsidiary of the Company with underground mining projects in Colombia. Mr. Gómez holds degrees in Mine and Metallurgy Engineering from Universidad Nacional de Colombia, and Environmental Management from Universidad Pontificia Bolivariana.

Santiago Cardona Múnera, Vice President, Colombia

Mr. Cardona is an engineer and project management specialist. He has been Vice President, Colombia, in charge of the Company's mining operations in Colombia, since 2018. He has been with Mineros since 2010, and previously served as Vice President, Supply Chain and Projects, and a Project Director. Mr. Cardona holds a degree in Mechanical Engineering from Universidad Nacional de Colombia, and a Project Management Specialist designation from Escuela de Ingeniería de Antioquia.

John Jairo Cuervo Muñoz, Vice President, Argentina

Mr. Cuervo is a mining and metallurgical engineer and business management professional. He has been Vice President, Argentina, in charge of the Company's operations in Argentina since 2020, and previously served as Vice President, Operations and Site Manager of Hemco from 2013 to 2020. Mr. Cuervo holds a degree in Mining Engineering and Metallurgy from Universidad Nacional de Colombia, and an MBA (Management) from Universidad Jorge Tadeo Lozano, Colombia.

Luis Santiago Perdomo Maldonado, Director

Mr. Perdomo has over 30 years of senior management experience in the Colombian banking sector. Since April 2018, he has been the Delegate in Charge of Mercantil Colpatria S.A, an asset management company. Previously, he held various positions with Scotiabank Colpatria S.A from 1994 to 2018, most recently as Chief Executive Officer. He has previously served as a member of the board of directors of various Colombian and Latin American companies including as director and audit committee member of Banco Latinoamericano de Comercio Exterior (Bladex), Depósito Centralizado de Valores de Colombia Deceval S.A. (Deceval), Colegio de Estudios Superiores de Administración (CESA), the Asociación Nacional de Empresarios de Colombia (ANDI), and the Asociación Nacional de Instituciones Financieras (ANIF). He is also a founding member of the Colombian Institute of Corporate Governance. Mr. Perdomo holds a BS (Business Administration) from CESA.

Alberto Mejía Hernández, Director and Vice-Chairman of the Board

Mr. Mejía has 47 years' experience in private and investment banking. He has been the President of GH Capital Inc., a New York based private asset management company since 1992. His previous experience includes nine years at Citibank NA, most recently as Vice President and Area Head for South America, and nine years as President and Chief Executive Officer of Banco de Bogotá Trust Company in New York. He is currently a director of Givens Hall Bank & Trust Ltd, a Cayman Islands-licensed bank, and non-profit organizations. Mr. Mejía holds a BSE from Princeton University, and a MBA (Finance and Operations) from the Wharton School, University of Pennsylvania.

Eduardo Pacheco, Chair of the Board and Director

Mr. Pacheco is the Chief Executive Officer and a director of Mercantil Colpatria S.A, an asset management company, a role he has held since 1997. He is the Chair of the Board of Mineros, Chair of the Board of Banco Colpatria Multibanca Colpatria S.A (now Scotiabank Colpatria S.A), and serves on a number of not-for-profit boards, including the Superior Council of Universidad de Los Andes, where he serves as Chair. Mr. Pacheco holds a bachelor's degree in Economics from Universidad de Los Andes, and an MBA from New York University.

José Fernando Llano Escandón, Director

Mr. Llano is the President, Private Equity and Infrastructure Division, of Mercantil Colpatria S.A., an asset management company. Previously, he served as Vice President, Planning and Control, for Grupo Colpatria (now Scotiabank Colpatria S.A), focusing on strategic and financial planning and internal audit and risk management. Mr. Llano holds a BS (Law and Socioeconomics) from Pontificia Javeriana University, and is a graduate in Management from INALDE School of Business – Sabana University.

Juan Carlos Páez Ayala, Director

Mr. Páez is a civil engineer with over 27 years of experience in the financial sector. He is currently the Executive Vice President of Corficolombiana S.A., a diversified financial institution, and a director of a number of its subsidiaries. Previously, he held senior executive positions at several financial institutions and banks, including Project Director and Treasury Manager for the International and Treasury Vice Presidency of Banco de Bogota S.A., and Vice President, Finance at Banco de Crédito y Desarrollo Social Megabanco S.A. Mr. Páez holds a BS (Civil Engineering), a Finance Specialist degree, and an MBA from Universidad de Los Andes.

Beatriz Orrantia, Director

Ms. Orrantia is a lawyer qualified in Ontario and Colombia, with expertise in mergers and acquisitions, securities, and mining. Currently, she works as an independent strategic consultant specializing in business between Canada and Latin America. Previously, she was Vice President Special Projects at Barrick Gold Corporation and worked as corporate and securities lawyer at a number of leading Canadian law firms in Toronto. Ms. Orrantia holds a LLB from Osgoode Hall Law School at York University, and a BCL from Universidad del Rosario. She holds the NACD. DC designation issued by the National Association of Corporate Directors and is a candidate to a Masters' degree in Sustainability from Harvard University.

Dieter W. Jentsch, Director

Mr. Jentsch is a former Bank of Nova Scotia executive with extensive strategic, operational, M&A and capital markets experience. During his 35-year tenure at The Bank of Nova Scotia, Mr. Jentsch held a variety of senior positions. He most

recently served as Group Head, Global Banking & Markets, where he oversaw the bank's corporate and investment banking, capital markets and transaction banking businesses worldwide. Previously, Mr. Jentsch was also Group Head of International Banking where he managed operations in 43 countries across Asia, South America and the Caribbean. He holds a BSc (Agriculture) and MBA from University of British Columbia, and is a graduate of the Advanced Management Programme at INSEAD (European Institute of Business). He is also a Fellow of the Institute of Canadian Bankers and holds a diploma from the Directors Education Program of the Institute of Corporate Directors/University of Toronto, Rotman School of Business.

Mónica Jiménez Gonzalez, Director

Ms. Jiménez is a lawyer qualified in Colombia, and a qualified practitioner of foreign law recognized by the Law Society of British Columbia. Currently, she is the Secretary General and Counsel to the Chief Executive Officer of Ecopetrol S.A, a director of Ecopetrol Óleo E Gas Do Brasil Ltda (Ecopetrol Brazil), and a member of the International Court of Arbitration. Previously, she was a lawyer at Fasken Martineau DuMoulin LLP in Vancouver from 2006 to 2015, specializing in international arbitration and corporate social responsibility. Ms. Jiménez holds a LLC from Pontificia Universidad Javeriana, a JD from Universidad de Los Andes, a post-graduate degree (Civil Liability and Damages) from Universidad Externado de Colombia, and an MSc (Development Studies) from London School of Economics and Political Science.

Sergio Restrepo Isaza, Director

Mr. Restrepo served in the Bancolombia S.A Group as Vice President for Capital Markets and Executive Vice President for Corporate Development and was in charge of the investors relations at Grupo Bancolombia. He initiated his professional career at Corporación Financiera Nacional y Suramericana S.A (Corfinsura), where he held the positions of Company President, Vice President, Investment Banking and Vice President, Investments and International. He also served in several boards of directors including Cementos Argos S.A, Compañía Nacional de Chocolates S.A.S., Corporación de la Ingeniería Naval Mecánica Viguesa SLU (Conavi), Asociación Bancaria y de Entidades Financieras de Colombia (Asobancaria), Bolsa de Valores de Colombia, Conglomerado Financiero Internacional Banagrícola S.A, Suramericana Asset Management SUAM and several others in the community sector. He has extensive experience in the areas of audit and risk, and during his time in the financial sector, he was a member of the finance and audit committees of the boards of directors at different companies where he took an active role in the analysis of financial statements and was in charge of the investor relations of many of these companies. He is currently a partner at Exponencial Banca de Inversión S.A.S., a member and Chair of the board of directors of Servicios Grupo BIOS S.A.S., and a member of the board of directors of Ecopetrol S.A, Organización de Ingenieria Internacional S.A (Grupo Odinsa), and Consorcio Financiero S.A. Mr. Restrepo holds a degree in Business Administration from Universidad EAFIT in Medellín, and a MSc (Management) from Stanford Graduate School of Business, Stanford University.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the Company's directors or executive officers is, as at the date of this prospectus, or was within 10 years before the date this prospectus, a director, chief executive officer or chief financial officer of any company (including the Company) that (i) was subject to an Order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company, or (ii) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

None of the Company's directors or executive officers, nor, to its knowledge, any shareholder holding a sufficient number of its securities to affect materially the control of the Company (i) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (ii) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director, executive officer or shareholder.

None of the Company's directors or executive officers, nor, to its knowledge, any shareholder holding a sufficient number of its securities to affect materially the control of the Company, has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the best of the Company's knowledge, there are no existing or potential material conflicts of interest between the Company or any subsidiary of the Company and any of their respective directors or officers as of the date hereof. However, certain of the Company's directors and officers are, or may become, directors or officers of other companies with businesses which may conflict with the Company's business. Accordingly, conflicts of interest may arise which could influence these individuals in evaluating possible acquisitions or generally acting on the Company's behalf. See also "Risk Factors – *Risks Related to our Business and Industry – The directors and officers may have conflicts of interest with the Company*".

For information regarding the management of conflicts of interest between the Company and its directors and officers under Colombian Regulations, the Bylaws, and the Code of Ethics, and the steps taken by the Company in monitoring conflict of interest management compliance, see "*Statement on Corporate Governance – Ethical Business Conduct*" and "*Material Differences Between Corporate Law and Shareholder Rights in Canada and Colombia – Conflicts of Interest*".

Directors' and Officers' Liability Insurance

The Company maintains a directors' and officers' liability insurance policy covering liabilities of the directors, executive officers, and legal representatives of the Company and its subsidiaries to third parties. The term of the policy will expire on October 21, 2021 and is in the process of being renewed. The policy provides coverage to a limit of $20 million, and excess coverage for independent directors up to an annual aggregate limit of $250,000, at an annual premium of $60,200, the full amount of which was paid by the Company. There is no deductible. The policy contains standard industry exclusions and no claims have been made to date.

Under Colombian legislation, it is not possible to release or limit the liability of directors or for damages to a corporation, its shareholders or a third party resulting from the fraud or negligence of such directors and officers and any provisions (under the by-laws of the corporation or otherwise) that may limit such liability are void.

EXECUTIVE COMPENSATION

The following discussion describes the significant elements of the Company's executive compensation program for the year ended December 31, 2020.

Named Executive Officers

The following discussion of executive compensation focuses on the "Named Executive Officers" or "NEOs" (within the meaning of NI 51-102) of the Company for the for the year ended December 31, 2020, namely:

- Andrés Restrepo Isaza, President and Chief Executive Officer
- Alan Wancier Rode, Chief Financial Officer
- Eduardo Flores Zelaya, Vice President, Business Development and Strategy
- Carlos Mario Gómez Peláez, Vice President, Nicaragua
- Santiago Cardona, Vice President, Colombia
- John Jairo Cuervo Muñoz, Vice President, Argentina

Compensation History

Mineros has been publicly-listed in Colombia since 1982, and has historically provided executive compensation in line with that offered by other publicly-traded companies in Colombia. Mineros is the only gold mining company listed on the Colombian Exchange, and has not historically considered the executive compensation practices of international gold mining companies when determining executive compensation. As the Company grows and expands internationally, it is reviewing its approach to executive compensation as part of its overall growth strategy. The Company has historically recruited executives from the markets in which it operates, being Colombia, Argentina, and Nicaragua. As the Company has grown and carried out its strategic objectives, it has increasingly come into competition with international mining companies, impacting its recruitment needs. Accordingly, the pool of talent from which the Company recruits will become increasingly global.

Mineros has been gradually adjusting NEO compensation to make it more competitive compared to peers, in part, by increasing variable compensation tied to the Company meeting or exceeding yearly performance goals. Additionally, in 2020, as part of its Board renewal process, the Company proposed and its shareholders approved adjustments to director compensation to better reflect the practices of similarly situated gold mining companies internationally. The Company's executive and director compensation practices are expected to continue to evolve as the Company continues to execute its international growth strategy.

Compensation Philosophy

Our executive compensation program is designed to achieve the following objectives:

- attract and retain talented, high-performing and experienced executives, whose knowledge, skills and performance are critical to the Company's success;
- ensure that compensation is fair, reasonable to shareholders, and takes into consideration what comparable organizations are paying for similar positions;
- motivate executives to achieve the Company's business and financial objectives by making a significant portion of total compensation variable, and linked to individual and corporate goals and performance;
- establish a strong pay-for-performance relationship in order to deliver long-term results for our shareholders and compensate our executives competitively; and
- make sure that compensation is transparent to the NEOs and our shareholders.

Our executive compensation program includes cash compensation in the form of base salary, short-term cash based annual performance incentives, and medium and long-term incentives via the SAR Plan and the Special Non-Recurring Bonus Plan.

Compensation Governance

Responsibilities of the Executive Compensation Committee

The Board has established the Executive Compensation Committee to assist it in fulfilling its governance and supervisory responsibilities pertaining to senior management compensation, including the Company's compensation policies and practices. Among other things, the Executive Compensation Committee is responsible for:

- reviewing and approving corporate goals and objectives relevant to compensation of the President and Chief Executive Officer, evaluating his performance in light of such corporate goals and objectives, and making recommendations to the Board with respect to his compensation levels based on such evaluation;
- periodically reviewing the terms of the Company's executive compensation programs to determine if they are properly coordinated and achieving their desired purpose;
- reviewing the recommendations of the President and Chief Executive Officer regarding the appointment, compensation, and other terms of employment of the other executive officers, and making recommendations to the Board regarding the same; and
- reviewing the Company's security-based compensation arrangements and its policies respecting the grant of SARs, and making recommendations to the Board regarding grants of SARs and terms of such grants.

The members of the Executive Compensation Committee are Beatriz Orrantia (Chair), Luis Santiago Perdomo Maldonado, and José Fernando Llano Escandón, all of whom are independent directors within the meaning of NI 52-110. Each of the members of the Executive Compensation Committee has business and other experience which is relevant to their work on the Executive Compensation Committee. See "Directors and Executive Officers – *Director and Executive Officer Biographies*". By virtue of their differing professional backgrounds, business experience, knowledge of the Company's industry and knowledge of corporate governance practices, the members of the Executive Compensation Committee are able to make decisions on the suitability of the Company's compensation policies and practices.

Compensation Decision-Making Process

Our compensation process starts at the end of the Company's fiscal year, when we assess and confirm our compensation philosophy, program guidelines and structure, and determine the funds available for executive compensation for the coming fiscal year as part of our annual budgeting process. After the end of each fiscal year, we apply a rigorous process to assess performance and award compensation. This includes individual, group and corporate performance reviews for each NEO.

Before the end of each fiscal year:

- *Review Structure*. The Executive Compensation Committee reviews our overall compensation philosophy and structure for NEOs annually and recommends any changes to the Board for approval. In completing its annual review, the Executive Compensation Committee seeks to ensure that the Company`s compensation structure aligns the NEO's behaviour with those that will most benefit the Company's shareholders.

- *Establish Budget*. The Company prepares an annual budget and business plan for the coming year, including compensation expenses. The budget is reviewed and adjusted as required by the Executive Compensation Committee, which takes into account the prior year's performance and market conditions, before it is submitted to Board for approval in December of each year.

- *Establish Performance Measures*. The Executive Compensation Committee works with the President and Chief Executive Officer to develop performance measures and levels that will be used to assess corporate performance and determine annual bonus payouts for the NEOs, including the detailed business plan approved by the Board. The Executive Compensation Committee monitors the Company's performance against these measures throughout the year.

After the end of each fiscal year:

- *Review Performance*. The Executive Compensation Committee reviews corporate performance against metrics established in the budget and business plan for the completed year based on the audited financial results and operating reports for the Company and subsidiaries. The President and Chief Executive Officer, in conjunction with the Executive Compensation Committee, completes a review of each NEO's individual performance against corporate and personal objectives.

- *Awards*. The President and Chief Executive Officer, based on the performance review process, makes recommendations regarding the annual bonus and following year's salary of each NEO. The Executive Compensation Committee then reviews each NEO's annual performance, competitive positioning, and the President and Chief Executive Officer's recommendations. The Executive Compensation Committee then recommends compensation for each NEO, and the President and Chief Executive Officer, for final approval by the Board.

Compensation Benchmarking and Use of Compensation Consultants

Historically, the Company's compensation philosophy and structure was modeled after the compensation regime employed by one of its major shareholders. Over time, the Company has adapted this philosophy and structure to better suit Mineros, including, through the input from time to time of an independent local compensation consulting company. Further, although Mineros does not formally benchmark against a set peer group of companies, it does an informal survey of other Colombian companies of a similar size and nature. No HR consulting firms were engaged in 2019 and 2020 to review the Company compensation brackets.

Elements of Executive Compensation

The executive compensation plan includes short-term and medium- to long-term compensation, and a benefits package. The Company does not maintain any formal pension or other retirement plans. The following table explains how each component supports our compensation philosophy. The Executive Compensation Committee assesses each element separately, and together these are considered total compensation. Short-term and medium- to long-term compensation together make up each NEO's total direct compensation.

Component	Objective
Short-term compensation	Awarded based on individual performance, the executive's position in the Company:
(i) base salary	• Forms the basis for attracting, comparing and remaining competitive with the market. • Fixed, and used to determine other elements of compensation and benefits. • Established at the hiring date and subsequently reviewed annually.
(ii) annual cash bonus	• Links pay to individual and corporate achievements. • Variable, based on the previous year's performance, and paid in cash after approval of the Company's audited annual financial statements. Bonuses are not paid unless a threshold level of performance is achieved (A) by the Company, based on objective financial and operating results, and (B) by the applicable individual, based on benchmarks specified in detailed scorecards for each individual NEO. • Maximum annual cash bonus pool for all NEOs ranges between 3.2x and 7.2x of aggregate NEO base salaries, based on corporate performance. Each individual NEO may achieve up to 7.5x their base monthly salary as long as the sum of all individual bonuses does not exceed the bonus pool.
Medium-to long-term compensation	
(i) SARs	• Portion of total compensation paid in SARs links compensation to the Company's mid-term performance. • Ultimate value is based on share price over time. • Grants of SARs equal in value to 2x annual bonus awarded, calculated based on the average price of the Common Shares during October and November prior to the grant date. • 3 year vesting period and 5 year term.
(ii) Special Non-Recurring Bonus Plan	• Extraordinary bonus entitlement links compensation granted to NEOs to longer term market performance.
Other Compensation	In addition to benefits offered to other Mineros employees, NEOs are eligible to receive vehicle leasing facilities and gasoline subsidies.

Base Salary

Base salaries represent the minimum basic compensation for services rendered by each NEO. The Company differentiates salary levels to reflect NEO performance, experience and responsibilities. Base salaries are generally reviewed annually, with any increases approved based on merit, internal equity, and in response to market changes. Base salaries may be changed as warranted throughout the year for promotions or other changes in the scope of an NEO's role and responsibilities.

The following table discloses the annual base salaries awarded to the NEOs during the current fiscal year:

Name	Position(s) and Office(s) with Mineros	Annual Base Salary ($)[(1)]
Andrés Restrepo Isaza	President and Chief Executive Officer	152,373
Alan Wancier Rode	Chief Financial Officer	122,571
Eduardo Flores Zelaya	Vice President, Business Development and Strategy; Vice President, Argentina	214,126
Carlos Mario Gómez Peláez	Vice President, Nicaragua	225,363
John Jairo Cuervo Muñoz	Vice President, Argentina	175,751
Santiago Cardona	Vice President, Colombia	122,988

Note:

(1) Base salaries are paid in local currencies. Amounts converted to U.S. dollars based on the average annual exchange rate for 2020 of COP$3,693.36 = US$1.00.

Short-Term Incentive Awards – Annual Cash Bonus

An annual cash bonus is a short-term component of compensation. Annual cash bonus payments are linked to the Company's performance, and the NEO's contribution to that performance, as well as personal performance of individual NEOs.

The maximum annual cash bonus pool for all NEOs is established based on the achievement of corporate objectives established by the Board for the relevant fiscal year, related to gold production, cost control and increases in reserves and resources, and on the overall profitability of the Company, according to the following calculation:

5x Sum of NEO Annual Salaries X **Company Operating Results Multiplier** X **Company Net Profits Multiplier** = **Maximum bonus pool**

Based on achievement of target key performance indicators, on a consolidated basis:

Indicator	Weight
Gold production (Oz/Au equivalent)	40%
All-in sustaining costs	30%
Consolidated mineral resources and mineral reserves	30%
Total	**100%**

Based on achievement of target net profit:

Outcome	Multiplier
0 to 79% of target	Nil
80 to 110% of target	0.8x to 1.1x
111% of target or better	1.2x

The multiplier is established according to the following scale:

Outcome	Multiplier
0 to 79% of target	Nil
80 to 109% of target	0.8x to 1.09x
110% of target or better	1.2x

The participation of each individual NEO in the bonus pool is based on a compensation performance scorecard approved by the Executive Compensation Committee on the recommendation of the President and Chief Executive Officer, according to the following formula:

Maximum annual bonus (based on proportionate share of maximum bonus pool) x **Individual compensation factor** = **Annual bonus**

Each NEO's potential annual bonus award amount is multiplied by an individual compensation factor. Each NEO's performance is classified within a compensation factor band, based on the achievement of the goals on their compensation performance scorecard and the results of a 360 degree subjective evaluation, as set out in the table below. Within that band, the President and Chief Executive Officer determines each NEO's actual individual performance factor, subject to confirmation by the Board on the recommendation of the Executive Compensation Committee, and provided that the aggregate of all cash bonuses paid may not exceed the total maximum bonus pool.

	Subjective Evaluation				
Scorecard Total	**Unsatisfactory**	**Partially Satisfactory**	**Satisfactory**	**Excellent**	**Outstanding**
100 to 110	0% to 50%	50% to 70%	70% to 90%	90% to 120%	120% to 150%
90 to 99.9	0% to 35%	35% to 50%	50% to 70%	70% to 90%	90% to 110%
80 to 89.9	Nil	Nil to 35%	30% to 50%	50% to 70%	60% to 90%
70 to 79.9	Nil	Nil	Nil to 25%	25% to 40%	40% to 60%
0 to 69.9	Nil	Nil	Nil	Nil	Nil

In 2020, the compensation performance measures for each NEO included some or all of the following categories: (i) strategic execution objectives; (ii) cost reduction; (iii) safety; (iv) operational enhancements, and (v) financial objectives. The compensation performance scorecards were designed to:

- align with our strategic plan;
- provide clear focus on key measures that will drive continued success of the business;
- link compensation to quantitative measures; and
- use publicly-reported measures that are easily understood by shareholders and the public.

By placing a significant weighting on achieving our key financial objectives and execution of key strategic objectives, each of which ultimately drive the Company's value and overall total shareholder return which creates value for the Company's shareholders, the Executive Compensation Committee believes that the Company's annual short-term incentive plan is closely aligned with shareholder interests.

Long-Term Incentive Awards

Long-term incentives are intended to provide ties between executive compensation and performance of the Company. These incentives also strengthen retention and reinforce alignment with shareholder value.

Awards of SARs

Starting in 2019, stock appreciation rights were granted annually to each NEO under an internal policy of the Company based on a multiple of short-term incentive plan compensation received. Following the adoption of the SAR Plan and in line with executive compensation best practices, the Company intends to issue all long-term equity-based incentive awards, with a term of five years subject to vesting schedules of at least three years, other than in exceptional circumstances.

The Board has delegated to the Executive Compensation Committee the responsibility for administering and interpreting the SAR Plan, and recommending to the Board grants of SARs and the terms thereof. Awards of new SARs under the SAR Plan are subject to certain limitations set out in the SAR Plan as well as the approval of the Board and the Executive Compensation Committee, as applicable.

In respect of the fiscal year ended December 31, 2020, the Board awarded stock appreciation rights pursuant to internal policies reflected on contractual arrangements with each NEO. Each NEO received a number of SARs equal to the number that is two times their annual cash bonus, divided by the average closing price of the Common Shares on the Colombian Exchange during October and November 2020, at an exercise price equal to such average closing price.

On June 2, 2021, the Board amended the SAR Plan to standardize the terms of grants of SARs, and to set appropriate limitations. See "*Incentive Plans – SAR Plan*".

Special Non-Recurring Bonus Plan

The Board has been of the view that Mineros had not historically received the recognition that it deserved globally based on its production profile and financial performance and on May 20, 2020, on the advice of the Executive Compensation Committee, determined to create an additional one-time incentive programme for certain senior executive officers to focus their efforts on finding ways to better position the Company globally and to increase shareholder value. Under the Special Non-Recurring Bonus Plan, the NEOs on the date of its adoption became eligible to receive a one-time cash bonus of up to 5% of shareholder value generated between January 1, 2020 to December 31, 2024, subject to a maximum total bonus payment of US$7,450,000. If the market price or value of the Common Shares does not increase by an aggregate in the period of at least 4% per year (including the value of dividends paid) over the calendar years, 2020, 2021, 2022, 2023 and 2024, no extraordinary bonus shall be paid.

Shareholder value generated will be calculated as follows: the sum of (i) the difference between $0.94 and the average closing price of the Common Shares during the month of December, 2024, and (ii) the aggregate amount of dividends paid on Common Shares during the same period, multiplied by the number of Common Shares issued and outstanding on May 20, 2020.

If prior to December 31, 2024, there occurs a change of control (defined as a sale of securities that results in persons who were not previously shareholders of Mineros holding a majority of the outstanding Common Shares on a post-transaction basis) or a merger of the Company followed by a replacement of all or individual NEOs, the extraordinary bonus shall be payable on the closing date of the change of control or merger, based on a calculation period between January 1, 2020 and the closing date of such change of control transaction or merger. Shareholder value will be calculated as set out above adjusted only for the shorter calculation period.

The extraordinary executive bonus, if any, is payable to the NEOs in the following proportions: Eduardo Flores Zelaya (43.0%), Andrés Restrepo Isaza (24%), Alan Wancier Rode (6.6%), Santiago Cardona (6.6%), Carlos Mario Gómez Peláez (6.6%), 6.6% to one other employee and with the remaining 6.6% being available to be assigned to future hires or other employees.

Perquisites

The NEOs are entitled to participate in all employee benefit plans offered by the Company to its employees in the applicable jurisdictions in which they are based, including the Company's health, prepaid prescription, housing, education, and disability allowances. In addition, NEOs are entitled to receive vehicle leasing subsidies and gas allowances.

Derivative Instruments

NEOs and directors are not permitted to purchase financial instruments that are designed to hedge or offset a decrease in market value of the Common Shares that they hold, directly or indirectly.

Compensation Risk

The Company has a series of governance and operational controls to mitigate risks stemming from its compensation structure. In particular, Board meetings occur every other month where all material decisions are discussed and approved. NEOs constantly meet with each other and approval limits are set at operational and corporate levels to mitigate any wrong doing. Additionally, the Company has started the process of implementing C-SOX controls which include operational and entity level controls to ensure that there is an overall control structure in place to identify and mitigate any risks.

Summary Compensation Table

The following table contains information about the compensation to, or earned by, individuals who were NEOs of the Company as at the end of the fiscal year ended December 31, 2020.

Name and Principal Position	Year[1]	Salary[2] ($)	Share-Based Awards[3] ($)	Option-Based Awards ($)	Non-equity Incentive Plan Compensation ($)		Pension Value ($)	All Other Compensation[2][4] ($)	Total Compensation[2] ($)
					Annual Incentive Plans[2][3]	Long-term Incentive Plans			
Andrés Restrepo Isaza *President and Chief Executive Officer*	2020	151,373	48,236	N/A	74,593	N/A	N/A	81,103	356,305
	2019	203,576	26,934	N/A	85,304	N/A	N/A	44,720	360,534
	2018	236,169	-	N/A	85,484	N/A	N/A	29,279	350,932
Alan Wancier Rode[5] *Chief Financial Officer*	2020	122,571	11,011	N/A	49,359	N/A	N/A	66,268	249,209
	2019	144,590	-	N/A	42,527	N/A	N/A	73,500[6]	260,617
	2018	81,600	-	N/A	32,907	N/A	N/A	126,000	240,507
Eduardo Flores Zelaya *Vice President, Business Development and Strategy*	2020	214,126	53,670	N/A	496,510	N/A	N/A	17,204	781,510
	2019	225,931	27,971	N/A	94,778	N/A	N/A	20,770	369,450
	2018	171,434	-	N/A	119,938	N/A	N/A	18,724	310,096
Carlos Mario Gómez Peláez *Vice President, Nicaragua*	2020	225,363	65,553	N/A	110,397	N/A	N/A	572	401,885
	2019	232,182	22,849	N/A	72,721	N/A	N/A	622	328,373
	2018	241,831	-	N/A	86,693	N/A	N/A	630	329,154
John Jairo Cuervo Muñoz *Vice President, Argentina*	2020	175,751	-	N/A	42,324	N/A	N/A	4,792	222,867
	2019	180,000	-	N/A	43,249	N/A	N/A	-	223,249
	2018	172,500	-	N/A	36,863	N/A	N/A	-	209,363
Santiago Cardona Munera *Vice President, Colombia*	2020	122,988	53,872	N/A	83,704	N/A	N/A	65,357	325,921
	2019	120,384	16,673	N/A	53,367	N/A	N/A	64,829	255,253
	2018	122,817	-	N/A	55,704	N/A	N/A	51,457	229,978

Notes:

(1) Amounts paid in COP$ converted to US$ based on the average annual exchange rate for 2021 of COP$3,622.28 = US$1.00; for 2020 of COP$3,693.36 = US$1.00; in 2019, of COP$3,281.09 = US$1.00; and for 2018 of COP$2,856.43.45 = US$1.00.

(2) Consisting of the award of SARs under the SAR Plan. For more information on SARs, please see "*Incentive Plans – SAR Plan*" and "*Long-Term Incentive Awards – Awards of SARs*". Mineros determined the grant date fair values using the Black-Scholes option valuation model, which takes into account option exercise price, its expected life, a risk-free interest rate and the expected volatility. For the year ended December 31, 2020, grant date fair values were determined based on a Black-Scholes option value of COP$613 for options granted in 2020 and COP$1,199 for options granted in 2019, Mineros did not issue any SARs in 2018 (assuming an average exercise price of COP$3,010, a 3.7 years term, a risk free in range of 4.43% to 6.09%, volatility of 32%, and an expected annual dividend yield of 5.8%).

(3) Consisting of annual cash bonuses. For more information on annual cash bonuses, please see "*Short-Term Incentive Awards – Annual Cash Bonus*".

(4) These amounts include perquisites such as health-related, housing, food and vehicle allowances.

(5) Mr. Wancier was appointed as Chief Financial Officer in October 2019. Previously, he served as Director of Finance of a subsidiary of Mineros.

(6) Represents consulting fees paid during the year to Barranco Inc., a company controlled by Mr. Wancier.

Incentive Plan Awards

Outstanding share-based awards and option-based awards

Other than SARs, Mineros does not offer any other share-based awards. The following table sets out the details of all share-based awards that were held by each NEO and outstanding as at December 31, 2020. Mineros does not offer any option-based awards.

	Share-Based Awards		
Name	**Number of SARs that have not Vested (#)**	**Market or Payout Value of SARs that have not Vested[(1)] ($)**	**Market or Payout Value of Vested SARs not Paid Out or Distributed[(1)] ($)**
Andrés Restrepo Isaza *President and Chief Executive Officer*	222,505	65,732	64,590
Alan Wancier Rode *Chief Financial Officer*	18,800	5,554	5,457
Eduardo Flores Zelaya *Vice President, Business Development and Strategy*	237,179	70,067	68,850
Carlos Mario Gómez Peláez *Vice President, Nicaragua*	230,812	68,186	67,002
John Jairo Cuervo Muñoz *Vice President, Argentina*	Nil	Nil	Nil
Santiago Cardona *Vice President, Colombia*	178,731	52,801	51,884

Notes:
(1) Amounts in COP$ converted to US$ on the basis of the average exchange rate on December 31, 2020 of COP$3,693.36 = US$1.00.
(2) Determined based on the closing price of the Common Shares on the Colombian Exchange as at December 31, 2020, being COP$4,119, less the exercise price, multiplied by the number of unexercised SARs, whether vested or unvested.

Incentive plan awards – value vested or earned during the year

Other than SARs, Mineros does not offer any other share-based awards. The following table sets out for each NEO the value of the share-based awards that would have been realized if the awards had been exercised on the vesting date, along with the value of the awards that were earned during the financial year ended December 31, 2020. Mineros does not offer any option-based awards.

Name	**Share-Based Awards—Value Vested During the Year[(1)] ($)**	**Non-Equity Incentive Plan Compensation—Value Earned During the Year[(1)] ($)**
Andrés Restrepo Isaza *President and Chief Executive Officer*	64,590	74,593
Alan Wancier Rode *Chief Financial Officer*	5,457	49,359
Eduardo Flores Zelaya *Vice President, Business Development and Strategy*	68,850	496,510
Carlos Mario Gómez Peláez *Vice President, Nicaragua*	67,002	110,397
John Jairo Cuervo Muñoz *Vice President, Argentina*	Nil	Nil
Santiago Cardona *Vice President, Colombia*	51,884	83,704

Note:
(1) Amounts in COP$ converted to US$ on the basis of the average exchange rate on December 31, 2020 of COP$3,693.36 = US$1.00.

Pension Plan Benefits

The Company does not have a defined benefit or a defined contribution pension plan.

Deferred Compensation Plans

The Company does not have a deferred compensation plan.

Employment Agreements

Each of the NEOs has entered into an employment agreement with the Company which provides for a base salary. In addition, each NEO is eligible to participate in the Company's bonus plan and benefit plans. See "*Elements of Executive Compensation*". Each employment agreement may be terminated by the Company with or without cause. In the event the Company terminates the employment of an NEO without cause, the NEO is entitled to receive only the compensation to which he or she would be entitled at law. Each employment agreement may be terminated by the employee upon 30 days' prior written notice. The employment agreements with each NEO also contain non-solicitation, non-competition and confidentiality provisions.

DIRECTOR COMPENSATION

Compensation of Our Directors

The compensation of the Directors is included in the Policy for the Election, Evaluation and Compensation of the Board of Directors, the purpose of which is to strengthen the role of the Board by means of setting, among others, the rules applicable to the compensation of the Directors. The adoption and amendment of the company's Policy for the Election, Evaluation and Compensation of the Board of Directors is subject to shareholder approval by ordinary resolution.

The Policy for the Election, Evaluation and Compensation of the Board of Directors provides that the fees payable to each director for Board and committee meetings in any period must be approved by the General Shareholders Assembly, taking into consideration the recommendation of the Corporate Governance and Sustainability Committee. Director compensation is limited to the fees approved by the shareholders. The fees paid to each director are required to be equal, except for the Chair of the Board, the Chair of any committees and committee members, which the shareholders may fix at a higher rate to account for their additional responsibilities. The directors are also entitled to be reimbursed for expenses incurred in carrying out their duties as members of the Board and its committees, including travel, accommodation, transportation, training, the fees of external advisors, and directors' and officers' liability insurance.

The table below outlines our director compensation program for the fiscal years ended December 31, 2021, 2020, and 2019. Our director compensation is approved annually by shareholders at the ordinary meeting of shareholders.

	Amount		
Type of Fee	**2021**	**2020**	**2019**
Annual fee			
Chair of the Board	$50,000	$50,000	Nil
Chair of the Audit and Risk Committee	$45,000	$45,000	Nil
Committee member	$25,000	$25,000	Nil
Board member	$20,000	$20,000	Nil
Meeting fee (per meeting attended)	$2,500	$2,500	$762

Director Compensation Table

The following table sets out all compensation provided to each non-executive director of the Company for the year ended December 31, 2020. Mineros does not offer any option-based awards.

Name	Fees Earned ($)	Share-Based Awards ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Luis Santiago Perdomo Maldonado	44,856	N/A	N/A	N/A	44,856
Alberto Mejía Hernández	39,174	N/A	N/A	N/A	39,174
Dieter W. Jentsch	60,410	N/A	N/A	N/A	60,410
Beatriz Orrantia	45,413	N/A	N/A	N/A	45,413
Sergio Restrepo Isaza	37,531	N/A	N/A	N/A	37,531
Monica Jimenez Gonzalez	32,526	N/A	N/A	N/A	32,526
Eduardo Pacheco Cortés	50,240	N/A	N/A	N/A	50,240
José Fernando Llano Escandón	47,443	N/A	N/A	N/A	47,443
Juan Carlos Páez Ayala	39,554	N/A	N/A	N/A	39,554
Miguel Urrutia Montoya[(1)]	2,708				2,708
Alberto León Mejía Zuluaga[(1)]	2,031				2,031

Notes:
(1) Did not stand for re-election at the ordinary meeting of the General Shareholders Assembly held on March 25, 2020.

Prior to March 30, 2020, the General Shareholders Assembly elected both directors and alternate directors who would be entitled to exercise the powers and discharge the duties of the directors for whom they were alternates in their absence. The Bylaws were amended effective April 3, 2020, to remove this concept. In 2020, the Company paid an aggregate of $5,415 to three alternate directors (Nicolas Duran Martinez, Alejandro Sanchez Vaca, and Carlos Eduardo Caballero Argaez).

Incentive Plan Awards for Directors

The directors of the Company are not eligible to receive compensation under any short-term incentive plan, long-term incentive plan, or non-equity compensation plan, and none of them received or held any share-based awards during the year ended December 31, 2020.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than as provided below, none of the directors, executive officers or employees of the Company or its subsidiaries or former directors, executive officers or employees of the Company or its subsidiaries have any indebtedness outstanding to the Company or any of the subsidiaries as at the date of this prospectus, and no indebtedness of these individuals to another entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of the subsidiaries as at the date hereof. Additionally, no individual who is, or at any time during the Company's last fiscal year was, a director or executive officer of the Company, proposed management nominee for director of the Company or associate of any such director, executive officer or proposed nominee is as at the date hereof, or at any time since the beginning of the Company's last fiscal year has been, indebted to the Company or any of its subsidiaries or to another entity where the indebtedness to such other entity 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, including indebtedness for security purchase or any other programs.

The following table sets out the aggregate indebtedness of all directors, executive officers or employees of the Company or its subsidiaries or former directors, executive officers or employees of the Company or its subsidiaries, as at the date of this prospectus.

	Aggregate Indebtedness	
Purpose	To the Company or its Subsidiaries (US$)	To Another Entity (US$)
Share purchases	-	-
Other	0.018	-

The Company provided a loan (the "**Gómez-Peláez Loan**") in the aggregate amount of US$0.04 million (COP$129,000,000) to Carlos Mario Gómez Peláez, the Company's Vice-President, Nicaragua in November 11, 2016. The Gómez Loan bears interest at the DTF rate set by the Central Bank of Colombia plus 3%. The Company may demand immediate repayment of the

Gómez-Peláez Loan upon breach of any obligation, or termination of his employment with the Company. As of the date of this prospectus, the outstanding balance on the Gómez-Peláez Loan is US$0.005 million (COP$20 million).

The Company also provided a loan ("**Cardona-Munera Loan**") in the aggregate amount of US$0.04 million (COP$138,000,000) to Santiago Cardona Munera, the Company's Vice-President, Colombia, February 8, 2017, having terms that are substantially the same as the terms of the Gómez-Peláez Loan. As of the date of this prospectus, the outstanding balance on the Cardona-Munera Loan is US$0.013 million (COP$49 million).

AUDIT AND RISK COMMITTEE

Our Audit and Risk Committee's primary duties and responsibilities include: (i) reviewing and reporting to the Board on the annual audited financial statements (including the auditor's report thereon) and unaudited interim financial statements and related management's discussion and analysis, if any, and other financial disclosure related thereto that may be required to be reviewed by the Audit and Risk Committee pursuant to applicable legal and regulatory requirements; (ii) reviewing material changes in accounting policies and significant changes in accounting practices and their impact on the financial statements; (iii) overseeing the audit function, including engaging in required discussions with the Company's external auditor and reviewing the annual audit plan, overseeing the independence of the Company's external auditor, overseeing the Company's internal auditor, and pre-approving any non-audit services to be provided to the Company or its affiliates; (iv) making recommendations to the Board regarding the selection, appointment, compensation, re-election, and termination of the person responsible for the Company's internal audit functions; (v) reviewing and reporting to the Board with respect to the integrity and effectiveness of the internal controls over financial reporting and disclosure, and anti-money laundering and anti-terrorist financing compliance; (vi) reviewing management reports related to legal or compliance matters that may have a material impact on the Company and the effectiveness of the Company's compliance policies; (vii) establishing whistleblowing procedures and investigating any complaints or concerns it deems necessary; (ix) establishing risk management policies and procedures, and ensuring that they align with the Company's strategic goals; (x) reviewing and reporting to the Board with respect to the integrity and effectiveness of the Company's risk management policies and procedures; and (xi) report annually to the General Shareholders Assembly on matters within the Audit and Risk Committee's mandate.

The full text of charter of the Audit and Risk Committee is attached to this prospectus as Appendix "D".

Composition of the Audit and Risk Committee

The members of the Audit and Risk Committee are Dieter W. Jentsch (Chair), Sergio Restrepo Isaza, and Juan Carlos Páez Ayala, all of whom are independent directors within the meaning of each of the applicable laws of Colombia and the applicable laws of Canada, and all of whom are financially literate, in each case within the meaning of NI 52-110.

Relevant Education and Experience

Each of the members of the Audit and Risk Committee has extensive education and experience relevant to the performance of their responsibilities as members of the Audit and Risk Committee.

Dieter W. Jentsch, Director

Mr. Jentsch is a former Bank of Nova Scotia executive with extensive strategic, operational, M&A and capital markets experience. During his 35-year tenure at the Bank of Nova Scotia, Mr. Jentsch held a variety of senior positions. He most recently served as Group Head, Global Banking & Markets, where he oversaw the bank's corporate and investment banking, capital markets and transaction banking businesses worldwide. Previously, Mr. Jentsch was also Group Head of International Banking where he managed operations in 43 countries across Asia, South America and the Caribbean. He holds a BSc in Agriculture, a MBA degree, and a diploma from the Advanced Management Programme at INSEAD (European Institute of Business). He is also a Fellow of the Institute of Canadian Bankers, and holds a diploma from the Directors Education Program of the Institute of Corporate Directors/University of Toronto, Rotman School of Business.

Juan Carlos Páez Ayala, Director

Mr. Páez is a civil engineer with over 27 years of experience in the financial sector. He is currently the Executive Vice President of Corporacion Financiera Colombiana S.A (Corficolombiana S.A.), a diversified financial institution, and a director of a number of its subsidiaries. Previously, he held senior executive positions at several financial institutions and banks, including

as Vice President, Treasury and International Operations of Banco de Bogota S.A., and Vice President, Finance at Banco de Credito y Desarrollo Social Megabanco S.A. Mr. Páez holds a BS (Civil Engineering), a Finance Specialist degree, and an MBA from Universidad de Los Andes.

Sergio Restrepo Isaza, Director

Mr. Restrepo served in the Bancolombia S.A Group as Vice President for Capital Markets and Executive Vice President for Corporate Development. He initiated his professional career at Corporación Financiera Nacional y Suramericana S.A (Corfinsura), where he held the positions of Company President, Vice President, Investment Banking and Vice President, Investments and International. He also served in several boards of directors including Cementos Argos S.A, Compañía Nacional de Chocolates S.A.S., Corporación de la Ingeniería Naval Mecánica Viguesa SLU (Conavi), Asociación Bancaria y de Entidades Financieras de Colombia (Asobancaria), Bolsa de Valores de Colombia, Conglomerado Financiero Internacional Banagrícola S.A, Suramericana Asset Management SUAM and several others in the community sector. He has extensive experience in the areas of audit and risk, and during his time in the financial sector, he was a member of the finance and audit committees of the boards of directors at different companies where he took an active role in the analysis of financial statements and was in charge of the investor relations of many of these companies. He is currently a partner at Exponencial Banca de Inversión S.A.S., a member and Chair of the board of directors of Servicios Grupo Bios S.A.S., and a member of the board of directors of Ecopetrol S.A, Organizacion de Ingenieria Internacional S.A (Grupo Odinsa), and Consorcio Financiero S.A. Mr. Restrepo holds a degree in Business Administration from Universidad EAFIT in Medellín, and a MSc (Management) from Stanford Graduate School of Business, Stanford University.

Pre-Approval Policies and Procedures

The internal regulations of the Audit and Risk Committee require the Audit and Risk Committee to pre-approve the provision of any non-audit services by the Company's external auditor to the Company or its affiliates in accordance with applicable legal and regulatory requirements and policies and procedures of the Board. The Audit and Risk Committee is permitted to delegate pre-approval authority to one of its members; however, the decision of any member of the Audit and Risk Committee to whom such authority has been delegated must be presented to the full Audit and Risk Committee at its next scheduled meeting.

External Auditor Service Fees

The following table sets forth, by category, the fees for all services rendered by the Company's auditor, Deloitte Colombia and its affiliates, for the fiscal years ended December 31, 2020 and 2019.

For the Period and Fiscal Year Ended	Audit Fees[(1)] ($)	Audit Related Fees[(2)] ($)	Tax Fees[(3)] ($)	All Other Fees ($)
December 31, 2020	853,245	114,083	76,124	-
December 31, 2019	471,319	-	11,346	-

Notes:
(1) Refers to the aggregate fees billed for audit fees.
(2) Refers to transaction due diligence fees performed by Deloitte.
(3) Refers to the aggregate fees billed for transfer pricing studies.

STATEMENT ON CORPORATE GOVERNANCE

As a public company in Colombia, registered with the Colombian National Registry of Securities and Issuers (*Registro Nacional de Valores y Emisores*), we are subject to corporate governance requirements under Colombian Regulations, and have adopted corporate governance policies and procedures in compliance with those requirements.

In connection with the Offering, the Company will become subject to the corporate governance requirements applicable to reporting issuers under the securities laws of the Qualifying Jurisdictions, and to listed issuers under TSX policies. The Canadian Securities Administrators have issued corporate governance guidelines pursuant to NP 58-201 (the "**Corporate Governance Guidelines**"), together with certain related disclosure requirements pursuant to NI 58-101. The Corporate Governance Guidelines are recommended as "best practices" for issuers to follow. We have adopted in connection with the closing of the Offering, certain corporate governance policies and practices which reflect our consideration of the recommended

Corporate Governance Guidelines. The disclosure set out below includes disclosure required by NI 58-101 describing in further detail our approach to corporate governance in relation to the Corporate Governance Guidelines.

We recognize the importance of corporate governance to the effective management of the Company and to the protection of its employees and shareholders. The Company's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance shareholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or at meetings held as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Company's affairs and in light of opportunities or risks which the Company faces. The directors are kept informed of the Company's business and affairs at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

The Board

The Board currently consists of nine directors, all of whom are independent within the meaning of NI 58-101. In addition, certain directors of the Company (namely, Messrs. Luis Santiago Perdomo Maldonado, Eduardo Pacheco Cortés and José Fernando Llano Escandón) serve as directors or officers of Mercantil Colpatria S.A., a control person of the Company, or affiliates of Mercantil Colpatria S.A. The Board has considered the independence of such directors within the meaning of NI 58-101 in light of the role such directors have with a control person of the Company and has determined that such directors are independent within the meaning of NI 58-101.

For information about existing or potential conflicts of interest between the Company or any subsidiary of the Company and any of their respective directors and officers, please see "*Directors and Executive Officers – Conflicts of Interest*". For information regarding the management of conflicts of interest between the Company and its directors and officers under Colombian Regulations, the Bylaws, and the Code of Ethics, and the steps taken by the Company in monitoring conflict of interest management compliance, see "*Statement on Corporate Governance – Ethical Business Conduct*" and "*Material Differences Between Corporate Law and Shareholder Rights in Canada and Colombia –* Conflicts of Interest".

Eduardo Pacheco is the Chair of the Board. Alberto Mejía is the Vice Chair of the Board and exercises the powers and discharges the duties of the Chair in his absence. The duties of the Chair of the Board include: (i) ensuring that the Board sets and effectively implements its strategic plan, including by coordinating the meetings of the Board and its committees; (ii) providing leadership to foster the effectiveness of the Board; (iii) reporting to the General Shareholders Assembly on the activities of the Board, and acting as a liaison between the Board and shareholders; (iv) ensuring an effective relationship exists between the Board and senior management of the Company, and that the directors receive the information required for the proper performance of their duties; (v) chairing Board meetings, including stimulating debate, providing adequate time for discussion of issues, encouraging full participation and discussions and confirming that clarity regarding decision-making is reached and accurately recorded; (vi) chairing meetings of the General Shareholders Assembly; (vii) together with the Corporate Governance and Sustainability Committee, ensuring that an appropriate system is in place to evaluate the performance of the Board as a whole, the Board's committees and individual directors; (viii) together with the President and Chief Executive Officer, representing the Company to external groups, including the shareholders of the Company and other parties such as customers, suppliers, the media and government; (ix) ensuring that the Board establishes and effectively monitors implementation of the Company's strategic plan; (x) communicating with senior management so that it is aware of concerns and needs of the Board and the shareholders of the Company; (xi) consulting with the Corporate Governance and Sustainability Committee on candidates for nomination or appointment to the Board; (xii) working with the President and Chief Executive Officer of the Company to ensure that the Board is provided with the resources to permit it to carry out its responsibilities and raising any issues that are preventing the Board from being able to carry out its responsibilities; and (xiii) assisting the President and Chief Executive Officer in fulfilling his responsibilities, as necessary.

In accordance with the Colombian Regulations, the Board of Directors is elected by way of the electoral quotient system. See "*Material Differences Between Corporate Law and Shareholder Rights in Canada and Colombia – Director Elections and Qualifications*" and "*– Electoral Quotient System*".

Inter-locking Directorships

Some of the directors of the Company serve on the same boards of directors of other reporting issuers (or the equivalent) in Canada or foreign jurisdictions. The following table lists the directors of the Company who serve on boards of directors of other reporting issuers (or the equivalent) and the identities of such reporting issuers (or the equivalent).

Name of Director	Reporting Issuer or Equivalent
Luis Santiago Perdomo Maldonado	Ecopetrol S.A.
Dieter W. Jentsch	Canfor Corporation Canfor Pulp Products Inc.
Sergio Restrepo Isaza	Ecopetrol S.A. Odinsa S.A. Consorcio Financiero S.A.

The Board has determined that these inter-locking directorships do not adversely impact the effectiveness of these directors on the Board or create any potential for conflicts of interest.

Board and Committee Meetings

The Chair is primarily responsible for the agenda and for supervising the conduct of each meeting of the Board. Any director may propose the inclusion of items on the agenda, request the presence of or a report by any member of senior management, or at any Board meeting raise subjects that are not on the agenda for the meeting. Materials for each meeting are distributed to the Board in advance of each meeting.

The following table sets out the summary of the attendance record of each director for all Board and committee meetings held during the fiscal year ended December 31, 2020. Prior to March 30, 2021, the General Shareholders Assembly elected both directors and alternate directors to exercise their powers and discharge their duties in their absences, as permitted under Colombian Regulations. The Bylaws were amended effective April 3, 2020, to remove this concept. Going forward, the Company will not have alternate directors.

	Meetings Attended				
Name of Director	**Board**	**Audit and Risk**	**Corporate Governance and Sustainability[2]**	**Executive Compensation[3]**	**Business Opportunities and Optimization**
Luis Santiago Perdomo Maldonado[2]	9 of 9	1 of 1	2 of 2	4 of 4	N/A
Alberto Mejía Hernández[5]	7 of 9	N/A	0 of 4	0 of 4	4 of 4
Eduardo Pacheco Cortés[6]	8 of 9	N/A	2 of 2	1 of 4	N/A
José Fernando Llano Escandón[7]	9 of 9	N/A	N/A	2 of 4	4 of 4
Juan Carlos Páez Ayala	8 of 9	5 of 5	N/A	N/A	N/A
Beatriz Orrantia[1]	6 of 6	N/A	N/A	2 of 4	4 of 4
Dieter W. Jentsch[1][2]	6 of 6	4 of 4	N/A	N/A	4 of 4
Mónica Jiménez González[1]	6 of 6	N/A	1 of 2	N/A	N/A
Sergio Restrepo Isaza[1][2]	6 of 6	4 of 4	N/A	N/A	N/A
Alberto Leon Mejía Zuluaga[8]	3 of 3	N/A	N/A	N/A	N/A
Miguel Urrutia Montoya[2] [8]	3 of 3	1 of 1	N/A	N/A	N/A

Notes:

(1) Each of Dieter W. Jentsch, Sergio Restrepo Isaza, Mónica Jiménez González and Beatriz Orrantia were elected to the Board on April 3, 2020.

(2) On April 3, 2020, Dieter W. Jentsch and Sergio Restrepo Isaza joined the Audit and Risk Committee, following the resignations of Luis Santiago Perdomo Maldonado and Miguel Urrutia Montoya.

(3) On April 3, 2020, Mónica Jiménez González joined the Corporate Governance and Sustainability Committee, following the resignation of Alberto Mejía Hernández.

(4) On April 3, 2020, José Fernando Llano Escandón and Beatriz Orrantia joined the Executive Compensation Committee, following the resignations of Eduardo Pacheco Cortés and Alberto Mejía Hernández.

(5) Carlos Eduardo Caballero Argaez, alternate director for Alberto Mejía Hernández, attended two Board meetings, one Corporate Governance Committee meeting, and two Executive Compensation Committee meetings on his behalf.

(6) Nicolas Duran Martinez, alternate director for Eduardo Pacheco Cortés, attended one Board meeting on his behalf.

(7) Alvaro Sanchez Vaca, alternate director for Juan Carlos Paez, attended one Board meeting on his behalf.

(8) Did not stand for re-election at the ordinary meeting of the General Shareholders Assembly held on March 25, 2020.

Meetings of Independent Directors

Our Board has determined that all members of our Board are considered independent within the meaning of NI 58-101.

The Board holds regularly scheduled meetings no fewer than eight times per year, as well as *ad hoc* meetings from time to time. To facilitate the exercise of independent judgment, the Board Regulations provide that the Board will reserve a portion of each

meeting of the Board for the independent members of the Board to hold in camera sessions without members of management or non-independent directors present, as applicable. The Chair of the Board and Vice Chair of the Board are independent, and they are responsible for ensuring that the independent directors have opportunities to meet without management present, as required for the effective governance of the Company and in accordance with the Board Regulations and applicable laws.

The Board Regulations expand on Colombian Regulations that impose on all directors, both independent and non-independent, duties of care, diligence, confidentiality, fairness, loyalty, and a duty not to engage in corporate opportunities, and requires all directors to declare and avoid conflicts of interest.

A director who has a material interest in a matter before our Board or any committee on which they serve will be required to disclose such interest to the Board as soon as the director becomes aware of it, and any investment in any company that competes with the business of the Company. Directors are required to refrain from participating in the deliberations of the Board or any of its committees with respect to, and abstain from voting on, any matter in respect of which the director has a conflict of interest. Where a director is determined to have a pre-determined conflict of interest with the Company that cannot be resolved, the director must resign.

Individual Voting and Majority Voting Policy

Shareholders may not vote for the election of directors on an individual basis, and the Company has not adopted a majority voting policy because it is subject to Colombian Regulations, which require the directors to be elected on the basis of slates of nominees proposed for election pursuant to the electoral quotient system. See "*Material Differences Between Corporate Law and Shareholder Rights in Canada and Colombia – Director Elections and Qualifications*" and "*– Material Differences Between Corporate Law and Shareholder Rights in Canada and Colombia*". In accordance with the Director Election, Evaluation, and Compensation Policy, at all meetings of the General Shareholders Assembly, shareholders will be provided with a non-binding advisory vote in respect of each individual director that is proposed for election. The results of such vote will be publicly disclosed in accordance with applicable laws, and will be taken into account by the Corporate Governance and Sustainability Committee when nominating and providing disclosure to shareholders regarding candidates for election at the next meeting of the General Shareholders Assembly at which directors are to be elected.

The Company has applied for an exemption from the individual voting and majority voting requirements applicable to listed issuers under TSX policies, on grounds that compliance with such requirements would constitute a breach of Colombian Regulations. See "*Material Differences Between Corporate Law and Shareholder Rights in Canada and Colombia – Director Elections and Qualifications*" and "*– Electoral Quotient System*".

Board Mandate

The Board is responsible for the stewardship of the Company including the supervision of the management of the business and the affairs of the Company. The mandate of the Board is set out in the Board Regulations. In discharging its duties, the Board is primarily responsible, either directly or through committees of the Board and the Chairman of the Board, for the oversight of, among other things, the following matters:

- the strategic planning process of the Company;
- setting and supervising standards of corporate governance that establish a culture of integrity throughout the Company;
- identifying the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage these risks;
- overseeing financial reporting and establishing and maintaining internal control procedures with respect to financial reporting;
- maintaining and implementing a disclosure policy to facilitate communications with investors and other interested parties;
- succession planning, including appointing, training and monitoring the Company's executive officers;
- the Company's approach to corporate governance and director independence standards;

- ethical behavior of the directors, officers and employees of the Company; and

- the composition and organization of the Board, including making recommendations to the General Shareholders Assembly with respect to the required qualifications of directors to be reflected in the Director Election, Evaluation and Compensation Policy, and director compensation.

The Board may at any time retain and terminate external legal counsel, consultants or other advisors at the expense of the Company to assist it in fulfilling its responsibilities and to set and pay the respective reasonable compensation of these advisors.

The Board discharges its responsibilities directly and through its committees, currently consisting of the Audit and Risk Committee, the Executive Compensation Committee, the Corporate Governance and Sustainability Committee and the Business Opportunities and Optimization Committee.

The full text of the Board Regulations setting out the Board's mandate and responsibilities and the duties of its members is available at the Company's website.

Position Descriptions

The Board has developed written position descriptions for the Chair of each committee of the Board, which are set out in the charter of each committee. The role and responsibilities of the Chair of the Board and the Vice Chair of the Board are set out in the Board Regulations. The role and responsibilities of the President and Chief Executive Officer are set out in the Bylaws.

Orientation and Continuing Education

New members of the Board are provided with: (i) information respecting the functioning of the Board and its committees and a copy of the Company's corporate governance documents; (ii) access to all documents of the Company, including those that are confidential; and (iii) access to management.

Each new director participates in the Company's initial orientation program which is reviewed annually by the Secretary General. In accordance with the Company's Director Election, Evaluation and Compensation Policy, the initial orientation program addresses the Company's business, operations, key risks, corporate structure, and matters relevant to the mining sector. Board members are encouraged to: (i) communicate with management and external auditors; (ii) remain abreast of industry trends and developments, and changes in legislation, with management's assistance; (iii) attend related industry seminars; and (iv) visit the Company's operations.

Board, Committee, and Director Assessment

The Company's Policy on the Election, Evaluation and Compensation of the Board of Directors requires the Board, with the support of the Secretary General, to evaluate annually the efficiency and efficacy of the Board, its committee and members, the adequacy of its policies and procedures, and to propose organizational and operational changes where appropriate.

The Board has mandated the Corporate Governance and Sustainability Committee to conduct annual self-assessments of the Board's performance to evaluate the effectiveness of the Board as a whole, its committees, and the individual members of the Board and such committees, with a view of ensuring that they are fulfilling their respective responsibilities and duties. In connection with the annual self-assessment process, each director is required to provide his or her individual self-assessment, an assessment of Board and committee performance and effectiveness, and an assessment of peer performance at the Board level and the committee level. Such evaluations take into account the position description for directors and to that purpose review competencies and skills each director is expected to bring to his or her particular role on the Board or on a committee, as well as any other relevant facts.

Director Term Limits and Other Mechanisms for Board Renewal

The Bylaws provide that directors are elected by the General Shareholders Assembly for renewable periods of one year. There is no limit on the number of times a director can be elected annually.

The Corporate Governance and Sustainability Committee is responsible for developing and updating the long-term plan for the composition of the Board that takes into consideration the current strengths, competencies, skills and experience of the Board

members, retirement dates and the strategic direction of the Company. In addition, the Corporate Governance and Sustainability Committee in connection with the annual election of directors (or as it may be required), recruits and identifies individuals qualified to become new Board members and makes recommendations to the Board regarding new persons to join the slate to be nominated by the Company for election as directors. In making such recommendations, the Corporate Governance and Sustainability Committee considers the competencies and skills that must be possessed by individual nominees, and the Board as a whole, as set out in the Director Election, Evaluation and Compensation Policy. In this respect, through the Corporate Governance and Sustainability Committee and the annual Board assessment process, the Board is able to consider the contribution of current Board members and the skills and experience necessary for an effective and efficient Board, and recommends changes to best meet those needs.

Diversity

Mineros considers diversity to be an important factor when considering the composition of the Board and executive management.

The Company's diversity policy with respect to director election is set out in its Director Election, Evaluation and Compensation Policy, the adoption and amendment of which are subject to shareholder approval. Under that policy, the Company is required to take into account gender, age, country and regional diversity in connection with the election of directors. The Board is elected by way of the electoral quotient system. The Corporate Governance and Sustainability Committee reviews the composition of the Board in connection with each election of directors to ensure that each candidate and the slate of nominees to be proposed for election by the Company as a whole reflect the appropriate balance of diversity, competencies, skills and expertise required by the Board, as specified in the Director Election, Evaluation and Compensation Policy. Any shareholder-proposed slate of nominees must comply with the Board composition requirements set out in the Director Election, Evaluation and Compensation Policy, and shareholders proposing a slate of nominees must provide the General Shareholders Assembly with nominee profiles demonstrating their suitability. Slates that do not meet all requirements are not eligible to be submitted to the General Shareholders Assembly, and are eliminated from the director election process.

While the Company has not adopted a written policy relating to the identification and nomination of women or persons with other specific diversity characteristics as candidates for election or re-election to the Board or appointment as executive officers, the Board and the Corporate Governance and Sustainability Committee consider candidates' potential to contribute to diversity within the Board and the Company's executive leadership, including gender diversity. The Company does not believe that it is in the best interests of the Company or its shareholders to set specific diversity-based targets or quotas for director nominees and executive officer appointments, as such targets or quotas may have the effect of unduly restricting the Company's commitment to selecting the most capable individuals. The Board and its Corporate Governance and Sustainability Committee consider diversity as one important aspect of the director and executive officer candidate recruitment process, but do not consider it to be paramount to other important criteria.

Two of the nine directors on the Board (being 22%) are women. The Corporate Governance and Sustainability Committee considers the level of representation of women on the Board in identifying candidates for election or re-election to the Board as part of the slate of nominees proposed by the Company, but have not adopted specific targets for the reasons discussed above.

One of the seven the executive officers of the Company and its major subsidiaries (being 14%) are women. In appointing individuals to executive officer positions, the Company weighs a number of factors, including the skills and experience required for the position, as well as the candidates' personal attributes. The Company has not adopted a target number of women executive officers. Given the small size of its executive team, the Company believes that implementing targets would not be appropriate. However, in its hiring practices, the Company considers the number of women in executive officer positions and the desirability of achieving an appropriate level of representation.

Ethical Business Conduct

The Company has a robust ethical and compliance with laws system. The Board is responsible for ethics, corporate compliance and anti-corruption, and approves the guidelines applicable to the Company's entities, with a focus on controlling fraud and corruption and ensuring compliance with all applicable laws. With the support of the Audit and Risk Committee, the Board supervises the fulfillment of assigned roles and responsibilities, the effectiveness of its risk prevention and control model, as well as compliance with the provisions of the Code of Ethics, the Anti-Corruption Policy and other applicable Mineros Policies. The Code of Ethics governs the conduct of the directors, officers, employees and contractors of the Company and its subsidiaries and is available at the Company's website. The Anti-Corruption Policy requires that directors, officers, other employees, agents, consultants and contractors of the Company conduct business in a manner that does not contravene

applicable anti-bribery, anti-corruption and fraud laws, and contains whistleblower protections and procedures for individuals to report complaints and concerns regarding, among other things, violations of the Code of Ethics and the Anti-Corruption Policy. The Ethics Committee or a designated member thereof is responsible for monitoring compliance with the Code of Ethics, the Anti-Corruption Policy and any other relevant policies.

The Ethics Committee is formed by the President and Chief Executive Officer of the Company, the Secretary General, vice presidents of each operation, as applicable and the internal auditor is responsible for (i) disseminating the Company's ethics and conduct principles, (ii) applying applicable sanctions upon infringement of the Code of Ethics, Anti-Corruption Policy and/or other relevant policies, and (iii) ensuring the confidentiality of investigations and whistleblower protection. In addition, the Company has a whistleblower report line which is managed and operated by a third party that is responsible for receiving and investigating reports of possible violations of law or the Code of Ethics. In addition, the Head of Compliance is responsible for prevention, detection and response to money laundering and corruption related matters as well as for communication and training programs in this area for all new and existing employees and contractors. All employees are obliged to report behaviors or actions related to non-compliance with internal policies, including the Code of Ethics and the Anti-Corruption Policy, and possible violations of the law, and failure to do so may result in sanctions.

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to directors, officers and other employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct. The Board also takes steps to ensure that directors and officers exercise independent judgment in considering transactions and agreements that could potentially give rise to a conflict of interest, which include ensuring that directors and officers are thoroughly familiar with the rules governing conflicts of interest, which are found in the Board Regulations. Officers and directors are subject to specific conflict avoidance guidelines, which establish conflict reporting and adjudication procedures.

Insider Trading Policy

In connection with the completion of the Offering, the Company has adopted an Insider Trading Policy, which applies to all directors, officers, employees, consultants and contractors of the Company and its subsidiaries. The Insider Trading Policy imposes mandatory periodic blackout periods and event-specific blackout periods that restrict all persons to whom the Insider Trading Policy applies from trading in securities of the Company.

Under the mandatory blackout periods, directors, officers, senior management and corporate employees of the Company are restricted from trading in the Company's securities: (i) with respect to annual financial statements, from January 1 until the close of business on the second trading day after public disclosure of such financial statements; and (ii) with respect to quarterly financial statements, from the fifteenth day following the end of a financial quarter until the close of business on the second trading day after public disclosure of the financing statements. Event-specific blackouts restrict trading in securities of the Company, from time to time, as information develops or material events occur that have not been disclosed. Once instituted, the event-specific blackout period will continue to exist until the President, Chief Financial Officer or other designated person communicates its termination. Trading during blackout periods is only permitted in exceptional circumstances with the prior approval of the President or Chief Financial Officer, provided that the individual is not in possession of material non-public information.

Audit and Risk Committee

See "*Audit and Risk Committee*" for further details.

Corporate Governance and Sustainability Committee

The members of the Corporate Governance and Sustainability Committee are Mónica Jiménez Gonzalez (Chair), Luis Santiago Perdomo Maldonado, and Eduardo Pacheco Cortés, all of whom are independent directors within the meaning of NI 58-101.

The Corporate Governance and Sustainability Committee has been delegated the responsibility of, among other things: (i) analysing, assessing, and monitoring compliance with the Company's corporate governance policies and other governance documents, and applicable laws; (ii) periodically reviewing the Company's corporate governance policies and making policy recommendations aimed at enhancing Board and committee effectiveness and managing governance risks; (iii) annually reviewing the Board Regulations and Shareholder Meeting Regulations, including the Board and committee mandates and position descriptions of each committee Chair, and making recommendations to the Board; (iv) ensuring timely disclosure of

Company information to shareholders and the market in accordance with applicable laws; (v) setting the agenda for meetings of the General Shareholders Assembly; (vi) reviewing shareholder governance proposals and complaints; (vii) reviewing shareholder proposals to add items to the agenda of a meeting of the General Shareholders Assembly; (viii) overseeing the Company's compliance with its corporate governance documents and applicable laws; (ix) evaluating the effectiveness of the Company's internal controls relating to corporate governance and sustainability (except for financial, anti-corruption and anti money-laundering, and related reporting matters for which the Audit and Risk Committee is responsible); (x) reviewing and recommending to the Board the appropriate structure, size, composition, mandate and members for Board committees, and the procedures to ensure that the Board and its committees function independently of management; (xi) reviewing monitoring and making recommendations regarding new director orientation and ongoing development of existing directors; and (xii) submitting an annual report on compliance with the Company's corporate governance measures to the General Shareholders Assembly. Regarding Board member election matters, the Corporate Governance and Sustainability Committee is responsible for recruiting and identifying individuals qualified to become new Board members and making recommendations to the Board regarding new director nominees, annually or as required. Further, the Corporate Governance and Sustainability Committee is responsible for recommending to the Board the individual director appointments to each Board committee, annually or as required. In making such recommendations, the Corporate Governance and Sustainability Committee will consider the competencies and skills that the Board considers to be necessary for the Board as a whole to possess, for each existing director to possess, and for a new nominee to bring to the Board. The Corporate Governance and Sustainability Committee may also recommend for approval by the Board the removal of a director from the Board or a committee thereof if he or she is no longer qualified to serve as a director under applicable requirement or any other appropriate reason. In addition the Corporate Governance and Sustainability Committee is responsible for overseeing the implementation of and compliance by the Company and its subsidiaries with the Corporate Sustainability Policy, and support the Board in the development of the sustainability strategy of the Company and its subsidiaries and the policies defining the actions to be taken by the Company in this area.

Corporate Sustainability Policy

In connection with the completion of the Offering, the Company has adopted an amended Corporate Sustainability Policy in pursuit of its mission to contribute to the sustainable development of areas and communities in which it operates, prioritize the health and safety of its employees, and strengthen its social management and constructive and transparent dialogue with stakeholders. The Corporate Sustainability Policy applies to all directors, officers, employees, consultants and contractors of the Company and its subsidiaries. The purpose of the Corporate Sustainability Policy is to ensure that the Company and its subsidiaries conduct its businesses in a sustainable, safe and environmentally conscious manner, in accordance with high standards of social responsibility and respect for human rights, and to establish the guidelines by which the Company and its subsidiaries will interact with stakeholders. The Board will be responsible for administering the policy with the support of the Corporate Governance and Sustainability Committee.

Pursuant to the Corporate Sustainability Policy, to contribute to the sustainable development of the areas in which it operates, the Company will, among other things, identify, evaluate, manage and mitigate risks to the communities and environment in the areas where it has operations; integrate environmental and social criteria in planning, processes and operational decisions; carry out regular and comprehensive monitoring and audits to ensure compliance with applicable laws, guidelines and standards; promote and implement an efficient use of resources and practice waste minimization, reuse and recycling; promote employment opportunities for the local workforce; and engage with local communities and authorities in planning community development programs. In accordance with the policy, the Company will also establish and maintain a management system to identify, monitor, control and improve its environmental protection performance, and implement periodic independent evaluations of its environmental performance against the Company's objectives. To ensure a safe and healthy work environment, the Company will regularly identify and manage key health and safety risks and establish corresponding annual objectives, as well as provide its employees, and require contractors and consultants to provide their employees and service providers, training and resources necessary to minimize risks. The Corporate Sustainability Policy will also outline guidelines to promote respectful, productive and transparent relationships with stakeholders of the Company.

Corporate Disclosure Policy

In connection with the completion of the Offering, the Company has adopted an amended Corporate Disclosure Policy that responds to the requirements of both Canadian and Colombian laws. The Corporate Disclosure Policy applies to all directors, officers, employees, consultants and contractors of the Company and its subsidiaries. The objective of the Corporate Disclosure Policy is to ensure that the Company and all persons to whom the Corporate Disclosure Policy applies meet their obligations under applicable laws. The Board will be responsible for administering the policy with the support of the Corporate Governance and Sustainability Committee and the Disclosure Committee.

Pursuant to the Corporate Disclosure Policy, the Disclosure Committee is responsible for identifying material information within the meaning of applicable securities laws, and ensuring its timely disclosure in accordance with applicable laws. The policy also limits the persons authorized to comment to the public on matters relating to the Company, and assigns responsibility for posting all material information on Mineros' website in Spanish and, for so long as Mineros is a reporting issuer in Canada, in English, including without limitation, all of the Mineros Policies. In accordance with the policy, unauthorized disclosure of confidential information by Company personnel is prohibited. If the Company becomes aware of unintentional selective disclosure, the Corporate Disclosure Policy requires that a news release be promptly issued to ensure broad dissemination of the information. The Corporate Disclosure Policy also identifies blackout periods and quiet periods, during which Company spokespersons are prohibited from commenting on certain information and from meeting with analysts and investors.

The Corporate Disclosure Policy also outlines rules for dealing with the investment community, as well as procedures and guidelines for dealing with leaks, rumours and speculation, and for disclosing forward-looking information. The Corporate Disclosure Policy applies to electronic communications and outlines specific guidelines for disclosure on Mineros' website and other social media platforms.

Executive Compensation Committee

The members of the Executive Compensation Committee are Beatriz Orrantia (Chair), Luis Santiago Perdomo Maldonado, and José Fernando Llano, all of whom are independent directors within the meaning of NI 58-101.

The Executive Compensation Committee is responsible for recruiting and identifying individuals qualified to become new senior management members. The Executive Compensation Committee is also responsible for determining and making recommendations with respect to all forms of compensation to be granted to the President and Chief Executive Officer, and reviewing the President and Chief Executive Officer's recommendations respecting compensation of the other senior executive officers of the Company. In particular, the Executive Compensation Committee is responsible for, among other things: (i) reviewing and approving corporate goals and objectives relevant to compensation of the President and Chief Executive Officer, evaluating their performance in light of such corporate goals and objectives, and making recommendations to the Board with respect to their compensation levels based on such evaluation; (ii) reviewing recommendations from the President and Chief Executive Officer regarding the appointment, compensation and other terms of employment of the Chief Financial Officer, and other officers, and making recommendations to the Board regarding the same; (iii) preparing and submitting to the Board at least annually a report on human resource matters of the Company; (iv) administering and interpreting the Company's compensation arrangements and its policies respecting grants thereunder, and reviewing and recommending to the Board grants of security-based compensation and terms thereof; (v) periodically reviewing the terms of the Company's executive compensation programs to determine if they are properly coordinated and achieving their desired purpose; (vi) overseeing the Company's compliance with any rules promulgated by a regulatory body relating to human resource matters; and (vii) reviewing and assessing the adequacy of its mandate from time to time.

Please see "*Executive Compensation*" and "*Director Compensation*" above, which summarizes, among other things, the process by which the compensation for the Company's directors and officers is determined.

The Executive Compensation Committee has the authority to retain external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities, including a compensation consultant, at the expense of the Company. Any other work or services performed by such compensation consultant at the request of management must, however, be pre-approved by the Executive Compensation Committee.

Business Opportunities and Optimization Committee

The members of the Business Opportunities and Optimization Committee are Jose Fernando Llano (Chair), Beatriz Orrantia, Alberto Mejía and Dieter Jentsch.

The Business Opportunities and Optimization Committee assists and supports the Board in developing and implementing a strategy for growth and technological optimization of the Company, with regard to, among other things, (i) monitoring and evaluating business and investment opportunities for the Company and its subsidiaries; (ii) supporting the Board of Directors in guiding the growth strategy and technological and operational optimization of the Company and its subsidiaries; (iii) proposing for approval to the Board the acquisition, reorganization, sale or divestitures of current and new businesses; (iv) developing and implementing technological and operational optimization projects and strategies; (v) preparing, reviewing and/or evaluating and providing relevant recommendations to management and the Board on business opportunities proposed by the Company or presented to the Company by third parties, and the entering into corporate business transaction documents

by the Company and its subsidiaries; (vi) preparing an annual work plan of the Committee according to the corporate strategy defined by the Board and (vi) any other responsibilities entrusted to it by the Board, subject to and in compliance with applicable laws.

RISK FACTORS

Investing in the Offered Shares involves a high degree of risk. You should carefully consider the risks and uncertainties described below which must be read in conjunction with all of the other information contained in this prospectus, including under the headings "Prospectus Summary", "Selected Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in our consolidated financial statements and the related notes thereto included in this prospectus, before deciding to invest in the Offered Shares. If any of the following risks actually occur, our business, prospects, financial condition and financial performance could be materially and adversely affected, the market price of our Common Shares could decline and you could lose all or part of your investment. The risks and uncertainties described below are those management currently believes to be material, but they are not the only ones we face. If additional risks and uncertainties not presently known to us or that we currently believe to be immaterial actually occur or become material risks, our business, prospects, financial condition and financial performance could be materially and adversely affected.

You should carefully consider the following risk factors, as well as the other information presented in this prospectus, before making an investment decision in respect of the Common Shares. The risks and uncertainties described below are not the only ones that we face. Additional risks and uncertainties that we do not know about or that we currently think are immaterial may also impair our business operations. Any of the following risks, if they actually occur, could have a material adverse affect our business, financial condition, results of operations, cash flows or prospects. In that event, the market price of the Common Shares could decline, and you could lose all or part of your investment.

Risks Related to our Business and Industry

Gold prices are volatile and future gold prices may be lower than expected

Substantially all of the Company's revenues are derived from the production and sale of gold from the Material Properties. The prices of gold realized by the Company will affect future development decisions, production levels, earnings, cash flows, the financial condition and prospects of the Company. If the world market prices of gold were to fall and the prices realized by the Company on gold sales were to decrease significantly and remain at such level for any substantial period, the Company's profitability, cash flows, and financial condition would be negatively affected.

The price of gold has fluctuated widely in recent years. These fluctuations can be material and can occur over short periods of time, and are affected by numerous factors beyond our control. Future production from our Material Properties is dependent on gold prices that are adequate to make these properties economically viable. During 2020, the gold price ranged from $1,471 per ounce to $2,063 per ounce. The average market price of gold in 2020 was $1,772 per ounce, an increase of 27.15% compared to the 2019 average. Based on current estimates of the Company's 2021 gold production and sales, a $100 per ounce increase or decrease in the market gold price will result in an approximately US$27.5 million increase or decrease, as applicable, in the Company's revenue, net of royalties and excluding the impact of the Company's hedging strategy.

Factors tending to affect the price of gold include: industrial and jewelry demand; the level of demand for gold as an investment; central bank lending, sales and purchases of gold; the volume of recycled material available in the market; speculative trading; and costs and levels of global gold production by producers of gold.

Gold prices may also be affected by macroeconomic factors, including: confidence in the global economy; expectations of the future rate of inflation; the availability and attractiveness of alternative investments, including global equity prices; the strength of, and confidence in, the U.S. dollar, the currency in which the price of gold is generally quoted, and other major currencies; global political or economic events.

Depending on the market price of gold, the Company may determine that it is not economically feasible to continue commercial production at some or all of its operations or the development of some or all of its Material Properties. Even if the Company's operations at its Material Properties are ultimately determined to be economically viable, the need to reassess project feasibility due to declining or sustained low market prices for gold could cause substantial delays or may interrupt operations until the reassessment can be completed. In such a circumstance, the Company may also curtail or suspend some or all of its exploration

activities, with the result that depleted reserves are not replaced. Any re-evaluation of the Mineral Resource or Mineral Reserve estimates at the Material Properties or the feasibility of current or planned operations based on significantly lower gold prices could result in reductions of Mineral Reserve and Mineral Resource estimates, and material write-downs of the Company's assets. The occurrence of any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Changes in regulation may increase the Company's costs of doing business, restrict its operations or result in the imposition of fines, revocation of permits or shutdown of its facilities

The Company's mineral exploration, exploitation and processing activities are subject to extensive laws and regulations in the jurisdictions in which it operates, including health and safety, mining, and environmental matters. In particular, the Company's operations are subject to laws and regulations relating to acquisition and maintenance in good standing of mining concessions, transportation, mineral production and storage, water use and discharge, construction and operation of tailings dams, limits on emissions and effluent discharges, power use, electricity generation and transmission, use, handling and storage of explosives, hazardous and other non-hazardous waste material regulation, ongoing and post-closure reclamation, land use rights, housing and other facilities for workers, taxation, labour standards, safety and occupational health. Compliance with these laws and regulations and new or existing regulations that may be applicable to us in the future could increase our operating costs and adversely affect our financial results of operations and cash flows.

Although the Company believes that it is in compliance with all applicable regulations in all material respects, the Company can offer no assurance that it has been or will be at all times in full compliance with these laws and regulations. Any violation of such laws or regulations could result in substantial fines, criminal sanctions, temporary or permanent shutdown of the affected operations or facilities or the suspension or revocation of authorizations, permits or licenses, as well as civil actions claiming compensation for damage to property or injury to persons.

The Company is subject to costs related to maintenance of equipment, machinery and assets, as well as activities monitoring measures, which includes the regular update of mine decommissioning plans and update of the respective accounting provisioning costs since the elaboration of the economical exploitation plan of each mining concession. Pursuant to certain applicable regulations and environmental laws, the Company could be found liable for all or substantially all of the damages caused by activities at its properties, whether such damage was caused by the Company or its predecessors. The Company could also be found liable for incidental damages due to the exposure of individuals to hazardous substances or other environmental damage. There can be no assurance that the costs of complying with current and future environmental and health and safety laws and regulations, including decommissioning and remediation requirements, and any liabilities arising from past or future releases of, or exposure to, hazardous substances will not have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Future production rates may not materialize

The Company prepares estimates of future production from its Material Properties. These estimates of future production are based on a number of interpretations and assumptions and actual production may be less than is currently estimated. The Company cannot give any assurance that it will achieve its production estimates. The failure of the Company to achieve its production estimates could have a material and adverse effect on any or all of its future cash flows, profitability, results of operations and financial condition. The Company's ability to demonstrate sufficient economic returns from its Material Properties may also affect the availability and cost of financing. The Company's production estimates are dependent on, among other things, the accuracy of Mineral Reserve and Mineral Resources estimates, the accuracy of assumptions regarding ore grades and recovery rates, ground conditions, physical characteristics of ores, such as hardness and the presence or absence of particular metallurgical characteristics, and the accuracy of estimated rates and costs of mining and processing.

The Company's actual production may vary from its estimates for a variety of reasons, including, but not limited to: actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades from those planned; mine failures, slope failures or equipment failures; industrial accidents; natural phenomena such as inclement weather conditions, floods, hurricanes, droughts, rock slides and earthquakes; encountering unusual or unexpected geological conditions; changes in power costs and potential power shortages; shortages of principal supplies needed for operation, including explosives, fuels, chemical reagents, water, equipment parts and lubricants; labour shortages or strikes; civil disobedience and protests; and restrictions or regulations imposed by government agencies or other changes in the regulatory environments. Such occurrences could result in damage to the Material Properties, interruptions in production, injury or death to persons, damage to property of the Company or others, monetary losses and legal liabilities. These factors may cause a Material Property that

has been mined profitably in the past to become unprofitable forcing the Company to cease production. Depending on the price of gold, the Company may determine that it is impractical to commence or, if commenced, to continue commercial production.

The Company may fail to obtain, renew, or maintain in effect necessary permits and licenses, or otherwise comply with the law

The Company's mining and processing operations and development and exploration activities are subject to extensive permitting requirements in multiple jurisdictions. Applying for, amending, and renewing permits and licenses can be time-consuming, and may involve dealings with numerous regulatory agencies, public hearings and costly undertakings. Failure to obtain required permits, or to comply with permits once obtained, could result in injunctions, fines, suspension or revocation of permits and other penalties. While the Company strives to obtain and comply with all of its required permits, there can be no assurance permits will be obtained in a timely manner, or at all, or that the Company will achieve or maintain full compliance with such permits at all times. Activities required to achieve and maintain full compliance with such permits can be costly and time-consuming. In 2019 and 2021, the Company experienced delays in renewing environmental authorizations at the Nechí Alluvial Property. Such delays have been resolved in part. See "*Risks Related to the Company's Operations in Colombia – The Company has experienced permitting delays that constrained its operations at the Nechí Alluvial Property, and there can be no guarantee that we will avoid future permitting delays*".

The Company's ability to successfully obtain and maintain key permits and approvals will be impacted by its ability to develop, operate and close mines in a manner that is consistent with the creation of social and economic benefits in the surrounding communities and may be adversely impacted by real or perceived detrimental events associated with the Company's activities or those of other mining companies affecting the environment, human health and safety or the surrounding communities. The Company has made, and expects to make in the future, significant expenditures to comply with permitting requirements and, to the extent reasonably practicable, create social and economic benefit in the surrounding communities.

If necessary permits or licenses are not obtained or renewed, or are subsequently suspended or revoked, the Company may be curtailed or prohibited from proceeding with planned development, commercialization, operation and exploration activities, or become subject to regulatory action or litigation, any of which could materially adversely affect the Company's business, results of operations, financial condition, cash flows, or prospects.

Inadequate environmental management, including a failure to properly comply with environmental regulations, may be costly and have a negative effect on the Company's operations

The Company's mining operations and development activities are all subject to environmental regulation. Regulations cover, among other things, water quality standards, land reclamation, the generation, transportation, storage and disposal of hazardous waste, the construction and operation of tailings dams, and general health and safety matters. There is no assurance that the Company has been or will at all times be in full compliance with all environmental laws and regulations or hold, and be in full compliance with, all required environmental and health and safety approvals and permits. The potential costs and delays associated with compliance with such laws, regulations, approvals and permits could prevent the Company from economically operating or proceeding with further development and exploration activities, and any non-compliance with such laws, regulations, approvals and permits could result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Environmental approvals and permits are currently, and may in the future be, required in connection with the Company's current and planned operations. See Appendix "A" – *Information Concerning the Nechí Alluvial Property (Colombia) – Environmental Studies, Permitting, and Social or Community Impact*", Appendix "B" – *Information Concerning The Gualcamayo Property (Argentina) – Environmental Studies, Permitting and Social or Community Impact*" and Appendix "C" – *Information Concerning The Hemco Property (Nicaragua) – Environmental Studies, Permitting and Social or Community Impact*". To the extent such environmental approvals and permits are required and not obtained, the Company's plans and the operation of mines may be curtailed or it may be prohibited from proceeding with planned exploration or development of additional mineral properties. Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

There is no assurance that any future changes in environmental regulation will not adversely affect the Company's operations. Changes in government regulations have the potential to significantly increase compliance costs and thus reduce the profitability of current or future operations.

Environmental hazards may also exist on the properties on which the Company holds interests that are unknown to the Company at present and that have been caused by previous or existing owners or operators of the properties and for which the Company may be liable for remediation. Parties engaged in mining operations, including the Company, may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable environmental laws or regulations, regardless of whether the Company actually caused the loss or damage. The costs of such compensation, fines or penalties could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

See also "*Risks Related to the Company's Operations in Nicaragua – Artisanal mining on our properties in Nicaragua may expose us to operating and environmental risks*".

Currency fluctuations can result in unanticipated losses

Currency fluctuations may affect the Company's capital costs and the costs that the Company incurs at its operations. Gold is sold throughout the world based principally on a U.S. dollar price, but a portion of the Company's operating and capital expenses are incurred in Colombian pesos, Nicaraguan córdobas, and Argentine pesos. The appreciation of foreign currencies, particularly the Colombian peso against the U.S. dollar would increase the costs of gold production at such mining operations, which could materially and adversely affect the Company's earnings and financial condition. At the date of this prospectus, the company has hedged its exposure to Colombian peso/U.S Dollar exchange rate fluctuations via Colombian peso/U.S dollar option contracts: $5 million per month from August to December 2021. This represents approximately 50% or less of the expected cash flow needs of the Company in Colombian pesos on a monthly basis. Accordingly, the Company is exposed to currency fluctuation risks. The U.S. dollar is the functional currency of the Company's Nicaragua and Argentina operating segments, so currency hedging is unnecessary.

The Company depends on its ability to replenish its Mineral Reserves for its long-term viability

Under current life of mine scenarios, Mineral Reserves at the Gualcamayo Property and the Hemco Property will be exhausted within three and five years, respectively. The Company's Mineral Reserves must be replaced to maintain production levels over the long-term. Mineral Reserves can be replaced by expanding known ore bodies, locating new deposits or making acquisitions. Exploration is highly speculative in nature and identifying new ore bodies is becoming increasingly difficult. The Company's exploration projects involve many risks and may not be successful. Once a site with mineralization is discovered, it may take several years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable Mineral Reserves and to construct mining and processing facilities. As a result, there is no assurance that current or future exploration programs will be successful. Depletion of Mineral Reserves may not be offset by discoveries or acquisitions, and divestitures of assets could lead to a lower reserve base. Mineral Reserves estimated in accordance with NI 43-101 may also decrease due to economic factors such as the use of a lower metal price assumption. However, such a decline would not be a reduction in the actual mineral base of the Company, as the ounces removed from the Company's reserves due to the use of a lower gold price assumption would be transferred to resources, preserving the option to access them in the future at higher gold prices. The mineral base of the Company will decline if Mineral Reserves are mined without adequate replacement and the Company may not be able to sustain production to or beyond the currently contemplated mine lives, based on current production rates.

Mining operations require geologic, metallurgic, engineering, title, environmental, economic and financial assessments that may be materially incorrect and the Company may not produce as expected

There is a degree of uncertainty attributable to the estimation of Mineral Reserves and Mineral Resources. Until Mineral Reserves are actually mined and processed, the quantity of ore and grades must be considered as estimates only. The Mineral Reserves described in this prospectus are estimated tonnages and grades that we have determined can be economically mined and processed under present and assumed future conditions. We may be required in the future to revise our Mineral Reserves based on actual production experience, changes in metallurgy, updated exploration drilling data and other factors, and we cannot assure you that the indicated amount and grade of ore will actually be recovered or that it will be recovered at the rates we anticipate. Market prices of our metals, increased production costs, reduced recovery rates, short-term operating factors, royalties, taxes, fees and other factors may render some or all of our Mineral Reserves uneconomic to exploit and may ultimately result in a reduction of Mineral Reserves. Since our Mineral Reserves are accounted for as permanent assets, any material changes in our Mineral Reserves could have a material impact on our financial condition and results of operations.

In addition, the Mineral Resource figures referred to in this prospectus have been determined and valued based on assumed future prices, cut-off grades and operating costs. However, until mineral deposits are actually mined and processed, any Mineral

Resources must be considered as estimates only. Any such estimates are expressions of judgment based on knowledge, analysis of drilling results and industry practices. Estimates can be imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. In addition, the grade and/or quantity of the metals ultimately recovered may differ from that interpreted from drilling results. There can be no assurance that metals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale.

The grade of the reported Mineral Resources are uncertain in nature and it is uncertain whether further technical studies will result in an upgrade to them. Any material change in the quantity of mineralization, grade or mill feed to waste ratio or extended declines in market prices for gold and/or other minerals may render some or all of our mineralization uneconomic and result in reductions in the Company's reported Mineral Resources. Any material reductions in estimates of Mineral Resources, or of our potential ability to extract such Mineral Resources in the future, may have a material adverse effect on our business, financial condition, results of operations, cash flows or prospects.

Interruptions of energy supply or increases in energy costs and other production costs may materially and adversely affect our results of operations

In the event of any interruption or failure of our sources of electricity or in transmission lines or in any part of the grid, we cannot assure that we will have access to other energy sources at the same prices and conditions, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The availability of energy resources may be subject to change or curtailment, due to, among other things, new laws or regulations, imposition of new taxes or tariffs, supply interruptions, equipment damage, worldwide price levels and market conditions. Disruptions in energy supply could have a material adverse effect on our financial condition and results of operations.

Failures of information systems or information security threats resulting from inadequate management of technology systems can be costly

The Company has entered into agreements with third parties for hardware, software, telecommunications and other information technology services in connection with its operations. Such operations depend, in part, on how well the Company and its suppliers protect networks, equipment, information technology systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, vandalism and theft.

The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, information technology systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation, results of operations, cash flows and financial condition.

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that it will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, the Company continues to prioritize and dedicate resources to improving cyber security, and developing and enhancing controls, processes and practices to protect its systems, computers, software, data and networks from attack, damage and unauthorized access. As cyber threats continue to evolve, the Company may be required to expend additional resources to modify or enhance protective measures, or investigate and remediate any security vulnerabilities.

Any of these factors could have a material adverse effect on the Company's reputation, business, financial condition, results of operations, cash flows or prospects.

Disease outbreaks such as the COVID-19 pandemic may impact the Company's operations

The fear or occurrence of disease outbreaks and other public health threats (such as the COVID-19 pandemic) could adversely impact our operations and exploration projects, interfere with our ability to obtain environmental and other permits in a timely manner, lead to labour shortages, cause travel and supply chain disruption (including as a result of shutdowns and government disease containment measures) that would limit our ability to acquire equipment and raw materials needed to operate, and delay or prevent us from delivering our products to customers, among others. The extent to which COVID-19 or any other outbreak

of disease may impact business activity or financial results of the Company, and the duration of any such negative impact, depend on future developments which are highly uncertain and cannot be predicted. The Company may also be required to incur additional expenses and/or delays relating to such events which could have a further negative impact on our business, operations, and financial performance.

COVID-19 was declared a worldwide pandemic by the World Health Organization on March 11, 2020. The speed and extent of the spread of COVID-19, and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain, and such adverse effects may be material. Efforts to slow the spread of COVID-19 could severely impact the operation and development of the Company's mines and projects. To date, a number of governments have declared states of emergency and have implemented restrictive measures such as travel bans, quarantine and self-isolation. On March 20, 2020, the Government of Colombia declared a state of emergency and imposed restrictive national quarantine measures, which were partially relaxed to less-restrictive "selective" quarantine measures on September 1, 2020. The state of health emergency has been extended numerous times, most recently to February 28, 2021. Argentina declared a state of health emergency due to the COVID-19 pandemic for one year through the Decree of Necessity and Urgency 260/2020, starting on March 12, 2020. It further mandated a national lockdown until March 31, 2020, which was extended nationally until May 24, 2020, and in Buenos Aires through November 6, 2020. The Company's mining activities fall within exceptions to the restrictions imposed by the governments of Colombia and Argentina, and have accordingly not been materially affected. The Government of Nicaragua has not imposed emergency restrictions in response to the COVID-19 pandemic.

If the operation or development of one or more of the Company's mines is disrupted or suspended as a result of these or other measures, it may have a material adverse impact on the Company's profitability, results of operations, financial condition and the trading price of the Common Shares. While governmental agencies and private sector participants will seek to mitigate the adverse effects of COVID-19, and the medical community is in process of distributing vaccines and other treatment options, the efficacy and timing of such measures on a wide spread basis is uncertain.

Future acquisitions may require significant expenditures and may result in inadequate returns if the Company fails to integrate operations appropriately

The Company's strategic plan depends in part on acquiring additional mining assets and businesses. There can be no assurance that the Company will be able complete any acquisition that it may pursue on favourable terms, or that the completion of such acquisitions will ultimately benefit the Company's business.

Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations, and may expose the Company to new or greater geographic, political, operating, financial, legal and geological risks. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition and integrate the acquired operations successfully with those of the Company. Any acquisitions and any potential acquisitions would be accompanied by risks. For example, mineral deposits at acquired properties may prove to be below expectations; the Company may have difficulty integrating and assimilating the operations and personnel of any acquired companies (which may be compounded by geographical separation, unanticipated costs, and the loss of key employees), realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may divert the attention of management or disrupt the Company's ongoing business and its relationships with employees, customers, suppliers and contractors; the acquired business or assets may have unknown tax or other liabilities which may be significant; and there may be a significant change in commodity prices after the Company has committed to complete the transaction and established the purchase price or exchange ratio. There can be no assurance that the Company would be successful in avoiding or overcoming the risks noted above or any other problems encountered in connection with such acquisitions. The occurrence of any of the foregoing risks in connection with future acquisitions could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects. The potential impairment or complete write-off of goodwill and other intangible assets related to any such acquisition may reduce the Company's overall earnings and could negatively affect the Company's balance sheet.

If the Company chooses to finance acquisitions using existing financial resources, it could decrease funds available for other business. If the Company chooses to finance acquisitions through debt, the Company's leverage will be increased. If the Company chooses to use equity as consideration for any such acquisition, existing shareholders may suffer dilution. In addition, many companies in the mining industry have recently seen substantial downward pressure on their equity values after announcing significant acquisitions. There is a risk that if the Company was to announce a significant acquisition, the value of the Common Shares could decrease over the short-, medium- and/or long-term.

Evaluating, negotiating, and completing an acquisition may also require substantial management time commitments, regardless of whether the acquisition is completed. The negotiation of potential acquisitions and the integration of acquired operations could disrupt the Company's business by diverting management and employees' attention away from day-to-day operations.

Risks associated with joint ventures

The Company holds an interest in a number of joint ventures, including the Caribe Exploration Target (50%), and options to earn up to a 50% interest in the GNM Exploration Target, and up to a 100% interest in the La Pepa Project, the remaining interests in which are held by third parties. In addition, pursuant to the Royal Road Nicaragua Alliance Agreement, joint ventures may be formed from time to time over various sections of the Hemco Property (excluding the Hemco Mining Operations). The Company's interests in these properties are subject to the risks customarily associated with the conduct of joint ventures, including (i) disagreement with joint venture partners on how to develop and operate the mine efficiently or, in the case of exploration projects, on the exploration plan and related expenditures; (ii) inability to exert influence over certain strategic decisions; (iii) inability of joint venture partners to meet their obligations; and (iv) litigation regarding joint venture matters. Each of these risks could have a material adverse impact on the viability of its interests held through joint ventures, and if such joint venture properties are developed and enter production, their profitability, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects. In addition, the Company is not always the operator of its joint venture projects. The Company currently operates the La Pepa Project, but not the Caribe Exploration Target, or the GNM Exploration Target. To the extent that the Company is not the operator, the success of any operations will be dependent on third party operators and the Company may be unable to have any significant influence on the direction or control of the activities of the operators. The Company will be subject to the decisions made by the operators of the joint venture properties and will rely on the operators for accurate information about the properties.

The mining industry is intensely competitive

The mining industry is intensely competitive. The Company competes with other mining companies, many of which have greater resources and experience. Competition in the mining industry is primarily for: (i) properties which can be developed and can produce economically; (ii) the technical expertise to find, develop, and operate such properties; (iii) labour to operate such properties; and (iv) capital to fund such properties. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees and consultants or to acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Our management team may not be successful in implementing our business strategy

There can be no assurance that the Company's management team will be successful in implementing its strategy (including as set out in this prospectus) or that past results will be reproduced going forward. The management team may experience difficulties in effecting key strategic goals such as the growth of and investment in producing assets, the acquisition of new producing assets, the growth of Mineral Resources and Mineral Reserves through the exploration and development of new targets and existing deposits at or near our operating mines, and the identification, exploration, and development of new and existing exploration projects, either independently or through joint ventures. The Company's operating performance and prospects could be adversely affected if the Company's management team cannot implement the Company's stated business strategy effectively.

The Company may expand into other geographic areas, which could increase the Company's operational, regulatory, reputational and other risks

While currently all of the Company's mining and exploration activities are in Colombia, Argentina, Nicaragua and Chile, the Company may in the future expand into other geographic areas, which could increase the Company's operational, regulatory, compliance, reputational and foreign exchange rate risks. The failure of the Company's operating infrastructure to support such expansion could result in operational failures and regulatory fines or sanctions. Future international expansion could require the Company to incur a number of up-front expenses, including those associated with obtaining regulatory approvals, as well as additional ongoing expenses, including those associated with infrastructure, staff and regulatory compliance.

Opposition to mining can negatively impact exploration, development and mining activities

The Company's relationships with the communities in which it operates are critical to the future success of its existing operations and the construction and development of its projects. There is an ongoing and potentially increasing public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Certain non-governmental organizations ("**NGOs**"), some of which oppose globalization and resource development, are often vocal critics of the mining industry and its practices, including the use of cyanide and other hazardous substances in processing activities. Community opposition to resource extraction activity could result in disruption and delays. Adverse publicity generated by such NGOs or others related to extractive industries generally, or the Company's operations specifically, could have an adverse effect on the Company's reputation or financial condition and may impact its relationship with the communities in which it operates. While the Company is committed to operating in a socially responsible manner, and believes it has good relationships with local communities in the regions in which it operates, there is no guarantee that the Company's efforts in this respect will mitigate this potential risk.

The Company's ability to successfully obtain key permits and approvals to explore for, develop and operate mines and to successfully operate in communities in Central and South America will likely depend on the Company's ability to develop, operate and close mines in a manner that is consistent with the creation of social and economic benefits in the surrounding communities, which may or may not be required by law. Mining operations should be designed to minimize the negative impact on such communities and the environment, for example, by modifying mining plans and operations. The cost of these measures could increase capital and operating costs and therefore could have a material adverse impact upon the Company's financial condition and operations. The Company seeks to promote improvements in health and safety, human rights, environmental performance and community relations in all of the communities in which it operates. However, the Company's ability to operate could be adversely impacted by accidents or events detrimental (or perceived to be detrimental) to the health, safety and well-being of the Company's employees, human rights, the environment or the communities in which the Company operates.

Title to our Material Properties may be disputed

The Company investigated title to the Material Properties at the time of their acquisition to confirm the absence of claims and agreements that could adversely affect its acquisition of valid, enforceable title to its mineral tenures and surface rights, and has obtained recent title opinions in respect of its Material Properties. However, the Material Properties may be subject to prior unregistered agreements or transfers, and title may be affected by unidentified or unknown defects. There is no guarantee that title to the Material Properties will not be challenged or impaired. Title insurance generally is not available for mineral tenures, and may not be available for surface rights. The Company's ability to ensure that it has obtained clear title may be constrained. If title disputes arise, the Company could incur substantial costs to litigate or settle disputes and obtain clear title. If title disputes are not resolved in the Company's favour, they could result in property losses that could adversely affect the Company's business, financial condition, operations, cash flows and prospects.

The Company may be subject to costly legal proceedings or tax reassessments, which may be costly

The Company may be subject to regulatory investigations, civil claims, lawsuits and other proceedings in the ordinary course of its business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in regulatory actions and litigation, the difficulty of predicting decisions of regulators, judges and juries and the possibility that decisions may be reversed on appeal. Defense and settlement costs of legal disputes can be substantial, even with claims that have no merit. Management is committed to conducting business in an ethical and responsible manner, which it believes will reduce the risk of legal disputes. However, if the Company is subject to legal disputes, there can be no assurances that these matters will not have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Reputational risks

As a result of the increased usage and the speed and global reach of social media and other internet-based tools used to generate, publish and discuss user-generated content and to connect with other users, companies today are at much greater risk of losing control over how they are perceived in the marketplace. Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity (for example, with respect to the Company's handling of environmental matters or dealings with community groups), whether true or not. The Company places a great emphasis on protecting its image and reputation, but it does not ultimately have direct control over how it is perceived by others. Reputation loss may lead to increased challenges in developing and maintaining community relations, decreased

investor confidence and an impediment to the Company's overall ability to advance its projects, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The failure of a tailings dam could negatively impact our business, reputation, and results of operations

Mining companies face inherent risks in their operations due to the creation, storage, and disposal of tailings. Tailings are the process waste generated once grinding and extraction of gold from the ore is completed in the milling process and are deposited as slurry in large storage facilities specifically designed for this purpose. The volume of the tailings is normally far in excess of the extracted gold and this waste must be disposed of in an appropriate manner so as not to cause environmental damage. The Hemco Property hosts: three active tailings storage facilities including the state-of-the-art San Jose tailings dam, which entered into operation in 2018; one active temporary tailings storage area for tailings generated by the La Curva Plant pending their transportation to the Hemco Plant; and two tailings facilities that are at capacity and are in the process of being closed. Tailings management facilities are not required for the Company's current or planned operations at the Nechí Alluvial Property or the Gualcamayo Property. The Company is currently completing a PEA for the Gualcamayo Property which may provide for either dry stack tailings or a tailings dam. While the Company employs dam management systems and risk management procedures designed to improve the safety of its tailings dams, there can be no assurance that a tailings dam will not unexpectedly fail. An incident at the Company's tailings storage facilities could result, among other things, in enforcement, obligations to remediate environmental contamination, negative press coverage, and claims for property or natural resources damages and personal injury by adjacent communities, which could have a material adverse effect on our business, financial condition, and results of operations.

The Company depends on highly skilled personnel to grow and operate its business. If the Company is not able to hire, retain, and motivate its key personnel, its business may be adversely affected.

The Company's business is dependent on retaining the services of its key management personnel with a variety of skills and experience, including in relation to the development and operation of mineral projects in Central and South America. The success of the Company is, and will continue to be, dependent to a significant extent on the expertise and experience of its directors and senior management. The loss of the services of key personnel could have a materially adverse effect on the Company's business. The Company's success will also depend to a significant degree upon the contributions of qualified technical personnel and the Company's ability to attract and retain highly skilled personnel. Competition for such personnel is significant. Any inability to attract and retain these people could have a material adverse effect on the Company's business and operations.

Failures related to the health and safety of, and satisfactory labour relations with, employees can adversely impact the Company

The Company's operations and development activities are dependent upon the efforts of its employees and the Company's relations with its unionized and non-unionized employees.

Mining is subject to potential risks and accidents that could result in serious injury or death to members of its human capital. The impact of such accidents and liabilities could affect the profitability of the Company's operations, cause an interruption to operations, lead to a loss of licenses, affect the reputation of the Company and its ability to obtain further licenses, damage community relations and reduce the perceived appeal of the Company as an employer.

The Company's operations would also be adversely affected if it failed to maintain satisfactory labour relations. Some of our employees are represented by labour unions under various collective bargaining agreements. Collective bargaining agreements must be renewed periodically. The Company may not be able to satisfactorily renegotiate its collective bargaining agreements when they expire and may face tougher negotiations or higher compensation demands than would be the case for non-unionized labour. In addition, the existing collective bargaining agreements may not prevent a strike or work stoppage at the Company's facilities in the future. Further, relations between the Company and its employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities who have jurisdiction over the various aspects of the Company's business. Changes in such legislation or in the relationship between the Company and its employees may have a material adverse effect on the Company's business, results of operations and financial condition.

Actual production, capital and operating costs may be different than those anticipated

Mineros prepares estimates of future production, capital costs and operating costs of production for operations at each of our Material Properties. In addition, as a result of the substantial expenditures involved in the development of a mineral projects,

the need to project years into the future, the need to make assumptions and use models that may not adequately approximate reality, and the fluctuation of costs over time, a development project is prone to material cost overruns. The technical reports for each of our Material Properties estimate the capital costs and cash operating costs based upon, among other things:

- anticipated tonnage, grades and metallurgical characteristics of the ore to be mined and processed;
- anticipated recovery rates of gold and other metals from the ore;
- cash operating costs of comparable facilities and equipment;
- anticipated availability of labour and equipment; and
- anticipated foreign exchange rates.

Capital costs, operating costs, production and economic returns, and other estimates may differ significantly from those anticipated in the technical reports in each of our Material Properties, and there can be no assurance that the Company's actual capital or operating costs will not be higher than currently anticipated or that returns will not be lower than anticipated. The Company's actual costs may vary from estimates for a variety of reasons, including, without limitation: limitations inherent in modelling; changes to assumed third party costs; short term operating factors; operational decisions made by the Company; a failure of management to adequately manage its financial resources; inefficiency in cost management; revisions to mine plans; risks and hazards associated with development and mining described elsewhere in this prospectus; natural phenomena, such as inclement weather conditions, water availability, floods, hurricanes and earthquakes; and unexpected labour shortages or strikes. Operating costs may also be affected by a variety of factors, including, without limitation: changing strip ratios, ore metallurgical grade-recovery curves, the availability of processing operations, the availability of storage capacity, the availability of equipment and facilities necessary to continue operations at any of our Material Properties and to complete requisite development work, the cost of consumables and mining and processing equipment, labour costs, the availability and productivity of skilled labour, the cost of commodities, general inflationary pressures, currency exchange rates, technological and engineering problems, accidents or acts of sabotage or terrorism, the regulation of the mining industry by various levels of government and quasi-governmental organizations and political factors. Many of these factors are beyond the Company's control. Furthermore, significant cost overruns could make any of our Material Properties uneconomical. Failure to achieve estimates or material increases in costs could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and prospects.

Geological, hydrological and climatic events could suspend mining operations or increase costs

All mining operations face geotechnical, hydrological and climate challenges. Unanticipated adverse geotechnical and hydrological conditions, such as landslides, subsidence and uplift, embankment failures and rock fragility may occur in the future and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict and are often affected by risks and hazards outside of the Company's control, such as severe weather and seismic activity.

Geotechnical failures could result in limited or restricted access to mines, suspension of operations, environmental damage, government investigations, increased monitoring costs, remediation costs, loss of ore and other impacts, which could result in loss of revenue or increased costs, and could result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows and prospects.

Unavailable or inadequate infrastructure may constrain mining operations and aging infrastructure could lead to increased costs or reduced production

Continued production at our Material Properties depends on the availability of adequate infrastructure. In particular, reliable energy and power sources, water supply, transportation and surface facilities are all necessary to develop and operate mines. Failure to obtain or adequately meet these infrastructure requirements or changes in the cost of such requirements could affect the Company's ability to continue production or to develop or commence production and could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Although our infrastructure has been regularly maintained and refurbished, the Company is exposed to a number of infrastructure-related risks, including the potential for higher capital and operating costs to sustain such infrastructure and the

potential for decreases or delays in, or interruption of, production. These risks could have a material and adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Shortages or cost increases of input materials, equipment, critical spare parts, maintenance service, and new equipment and machinery may materially and adversely affect the Company's operations and profitability

The Company depends on the use of equipment and machinery, some of which is highly specialized. A shortage in the supply of key spare parts, adequate maintenance service or new equipment and machinery to replace old ones and cover expansion requirements, could materially and adversely affect the Company's operations and development projects.

The cash flows and profitability of the Company's business also depend on the market prices and availability of input materials and equipment that are consumed or otherwise used in connection with the Company's operations and development projects. Prices of such input materials and equipment are also subject to volatile price movements, which can be material and can occur over short periods of time due to factors beyond the Company's control.

If there is a significant and sustained increase in the cost of certain input materials, the Company may decide that it is not economically feasible to continue certain or all of the Company's commercial production, development and exploration activities and this could have an adverse effect on profitability. Higher worldwide demand for critical resources like input materials, drilling equipment, mobile mining equipment, tires and skilled labour could affect the Company's ability to acquire them and lead to delays in delivery and unanticipated cost increases, which could have an effect on the Company's operating costs, capital expenditures and production schedules. The occurrences of one or more of these events could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Our Material Properties are located in underdeveloped rural areas

Our Material Properties are located in underdeveloped rural areas, resulting in technical challenges for conducting mineral exploration and development and any potential mining activities at the properties. The Company benefits from modern mining transportation and technologies for exploring and operating in such areas. Nevertheless, the Company may sometimes be unable to overcome problems related to underdevelopment or unseasonable weather at a commercially reasonable cost, which could negatively affect the Company's mineral exploration and development and any potential mining activities at the Material Properties and have a material adverse effect on the Company. The rural location of our Material Properties also results in increased costs associated with land access and infrastructure, including power lines, water pipelines and transportation.

Operations during mining cycle peaks are more expensive

During times of increased demand for metals and minerals, price increases may encourage expanded mining exploration, development and construction activities. These increased activities may result in escalating demand for and cost of contract exploration, development and construction services and equipment. Increased demand for and cost of services and equipment could cause exploration, development and construction costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and increased potential for scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development or construction costs, result in project delays, or increase operating costs.

Our operations depend on third-party logistics service providers

Our operations depend in part on the flow of materials, supplies, equipment, services and products. Due to the geographic location of the Company's operations, existing and future, it remains and will remain dependent on the provision by third parties of rail, port, marine, shipping or other transportation services. Potential issues including contractual disputes, demurrage charges, port or depot capacity handling issues, availability of vessels, rail cars or other modes of cargo transport, weather problems, force majeure and labour disruptions could result in a material adverse effect on the Company's ability to transport various materials necessary for the operation of its facilities in accordance with schedules or contractual requirements. This might result in a material adverse effect on the Company's business, results of operations and financial performance.

The Company may be subject to, or held liable for, misconduct by our employees or third-party contractors

We may be subject to, or held liable for, misconduct by our employees or third-party contractors, such as theft, bribery, sabotage, fraud, insider trading, violation of laws, slander or other illegal actions. Any such misconduct may lead to fines or other penalties, slow-downs in production, increased costs, lost revenues, increased liabilities to third parties, impairment of assets

or harmed reputation, any of which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The directors and officers may have conflicts of interest with the Company

Certain directors and officers of the Company are or may become associated with other mining and/or mineral exploration and development companies which may give rise to conflicts of interest. Directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required to disclose that interest and generally abstain from voting on any resolution to approve such a contract. In addition, directors and officers are required to act honestly and in good faith with a view to the best interests of the Company. Some of the directors and officers of the Company have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these directors and officers. Further, any failure of the directors or officers of the Company to address these conflicts in an appropriate manner or to allocate opportunities that they become aware of to the Company could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The Company will incur increased costs as a result of complying with the reporting requirements, rules and regulations affecting public issuers

Although the Company has been a public company in Colombia since 1982, as a new Canadian public issuer, the Company will be subject to the reporting requirements and rules and regulations under the applicable Canadian securities laws and rules of any stock exchange on which the Company's securities may be listed from time to time. Additional or new regulatory requirements may be adopted in the future. The requirements of existing and potential future rules and regulations will increase the Company's legal, accounting and financial compliance costs, make some activities more difficult, time-consuming or costly and may also place undue strain on its personnel, systems and resources, which could adversely affect its business and financial condition.

In particular, as a result of the Offering, the Company will become subject to reporting and other obligations under applicable Canadian securities laws, including NI 52-109, which requires annual management assessment of the effectiveness of the Company's internal controls over financial reporting. Effective internal controls, including financial reporting and disclosure controls and procedures, are necessary for the Company to provide reliable financial reports, to effectively reduce the risk of fraud and to operate successfully as a public company. These reporting and other obligations will place significant demands on the Company as well as on the Company's management, administrative, operational and accounting resources.

Even if the Common Shares cease to be listed on a Canadian stock exchange, Mineros may be unable to cease to be a reporting issuer absent discretionary relief from the applicable Canadian securities regulatory authorities. Absent such relief, Mineros will continue to be subject to the reporting requirements and rules and regulations applicable to reporting issuers under applicable Canadian securities laws, and to bear the associated costs and compliance burdens.

In addition, delisting is made more complicated given that Colombian law regulates the delisting of a Colombian company from any stock exchange and pursuant to the provisions of article 5.2.6.1.2. of Colombian Decree 2555, if the General Shareholders' Assembly passes a resolution to voluntarily delist the Company's securities from any stock exchange (which would include the TSX, to the extent the Common Shares become listed there), the shareholders who voted in favor of delisting are required to commence a take-over bid for the Common Shares of the Company owned by shareholders who voted against delisting or did not vote on the resolution. The take-over bid must be undertaken in accordance with Colombian law, which means, among other things, that the take-over bid must be undertaken within the three months following the date of the meeting of the General Shareholders Assembly at which the resolution was approved, failing which, the approval will not be effective. As a result, any delisting would require the Company and the shareholders to comply with onerous regulations.

Changes in climate conditions may affect the Company's operations

A number of governments have introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulation relating to emission levels (such as carbon taxes) and energy efficiency is becoming more stringent. If the current regulatory trend continues, this may result in increased costs at the Company's operations. In addition, the physical risks of climate change may also have an adverse effect on the Company's operations. These risks include the following:

- changes in sea levels could affect ocean transportation and shipping facilities that are used to transport supplies, equipment and workforce and products from the Company's operations to world markets;

- extreme weather events (such as hurricanes or a prolonged drought) have the potential to disrupt operations at the Company's mines and may require the Company to make additional expenditures to mitigate the impact of such events; and

- the Company's facilities depend on regular supplies of consumables (diesel, tires, reagents, etc.) to operate efficiently. In the event that the effects of climate change or extreme weather events cause prolonged disruption to the delivery of essential commodities, production levels at the Company's operations may be reduced.

In particular, Nicaragua is vulnerable to hurricanes, and is expected to experience increased frequency and intensity of hurricanes due to climate change. In Colombia, climate change is expected to cause changes in rainfall patterns, and droughts could lower river levels. Droughts affecting the Nechí river could negatively affect the Company's hydroelectric power generation and alluvial production capacity at the Nechí Alluvial Property. In April and May 2018, a catastrophic failure occurred at the construction site of Empresas Públicas de Medellín's Hydroelectric Ituango Project on the Cauca River north of Medellín. The failure was the result of tunnel collapses and plugging, that in turn resulted in the unplanned rise of the reservoir and subsequently uncontrolled releases of vast amounts of water from reservoir. The releases caused significant damage in the watershed downstream of the hydroelectric project. The elevated water level of the Cauca River also created a damming effect at the confluence of the Cauca and Nechí Rivers, which in turn resulted in very high Nechí River water levels. These extreme water levels were an unforeseeable change in hydraulic conditions that resulted overtopping of the exploitation isolation berms, and the associated release of sediment laden waters from the mining areas.

There can be no assurance that efforts to mitigate the risks of climate change will be effective and that the physical risks of climate change will not have an adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The Company's insurance coverage may be inadequate to cover potential losses

The Company's business is subject to a number of risks and hazards (as further described in this prospectus). Although the Company maintains insurance and intends, upon completion of the Offering, to obtain certain additional insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its activities, including current and any future mining operations. The Company may also be unable to obtain or maintain insurance to cover its risks at economically feasible premiums, or at all. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration, development or production may not be available to the Company on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it is not currently insured against and/or in the future may not insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Risks Related to the Company's Operations in Emerging Markets

Investing in an emerging market company entails certain inherent risks

The Company is a Colombian corporation. The Company conducts or participates in mining, development, exploration, and other activities through subsidiaries and/or joint ventures in Colombia, Argentina, Nicaragua, and Chile, all of which are emerging markets. Investing in emerging markets generally involves risks, which may include:

- expropriation or nationalization of property;

- changes in laws or policies or increasing legal and regulatory requirements of particular countries, including those relating to taxation, royalties, imports, exports, duties, currency, in-country beneficiation or other claims by government entities, including retroactive claims and/or changes in the administration of laws, policies and practices;

- uncertain political and economic environments, war, terrorism, sabotage and civil disturbances;

- lack of certainty with respect to legal systems, corruption and other factors that are inconsistent with the rule of law;
- delays in obtaining or the inability to obtain or maintain necessary governmental permits or to operate in accordance with such permits or regulatory requirements;
- restrictions on the ability of local operating companies to sell gold or other minerals offshore for U.S. dollars, and on the ability of such companies to hold U.S. dollars or other foreign currencies in offshore bank accounts;
- import and export regulations, including restrictions on the export of gold or other minerals;
- limitations on the repatriation of earnings;
- underdeveloped industrial or economic infrastructure;
- internal security issues;
- increased financing costs;
- renegotiation, cancellation or forced modification of existing contracts; and
- risk of loss due to disease, and other potential medical endemic or pandemic issues, as a result of the potential related impact to employees, disruption to operations, supply chain delays, trade restrictions and impact on economic activity in affected countries or regions.

For a more detailed discussion of certain of these risks and uncertainties applicable in the countries where we operate, see "*Risks Related to the Company's Operations in Colombia*", "*Risks Related to the Company's Operations in Argentina*", and "*Risks Related to the Company's Operations in Nicaragua*".

The countries where we operate may experience economic problems that could affect our business, financial condition, and results of operations

The Company's Material Properties are located in Colombia, Argentina, and Nicaragua, and they depend upon local economic and social conditions. As a result, the Company's business, financial position and results of operations may be affected by the general conditions of the Colombian, Argentine, and Nicaraguan economies, price instability, inflation, interest rates, regulation, taxation, social instability, political unrest and other developments in or affecting those countries, over which the Company has no control. Economic and political instability that has been caused by many different factors, including the following:

- adverse external economic factors;
- inconsistent fiscal and monetary policies;
- dependence of governments on external financing;
- changes in governmental economic policies;
- high levels of inflation;
- abrupt changes in currency values;
- high interest rates;
- volatility of exchange rates;
- political and social tensions;

- exchange controls;
- wage and price controls;
- the imposition of trade barriers; and
- trade shocks.

For a more detailed discussion of certain of these risks and uncertainties applicable in the countries where we operate, see "*Risks Related to the Company's Operations in Colombia*", "*Risks Related to the Company's Operations in Argentina*", and "*Risks Related to the Company's Operations in Nicaragua*".

Any of these factors could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The economies of the countries where we operate are vulnerable to external shocks caused by significant economic difficulties of their respective trading partners, or by more general "contagion" effects

Weak, flat or negative economic growth or changes in international trade policy of the major trading partners of the countries where the Company operates could adversely affect their balance of payments and, consequently, their economic growth. Decreased growth affecting such major trading partners could have a material adverse effect on the markets for exports from the countries where the Company operates, and, in turn, adversely affect economic growth.

The economies of countries where the Company operates may be affected by "contagion" effects. International investors' reactions to events occurring in one developing country sometimes appear to follow a "contagion" pattern, in which an entire region or investment class is disfavored by international investors. In particular, Argentina has been adversely affected by such contagion effects on a number of prior occasions, including the 1994 Mexican financial crisis, the 1997 Asian financial crisis, the 1998 Russian financial crisis, the 1999 devaluation of the Brazilian real, and the 2001 collapse of Turkey's fixed exchange rate regime. All of the countries in which the Company operates, economic growth was negatively affected as a result of the 2008 global financial crisis, and more recently, the COVID-19 pandemic. Similar developments can be expected to affect the economies of countries where the Company operates in the future, and may accordingly affect the Company's business, financial position, operations, and results of operations.

We have operations in countries known to experience high levels of corruption and any violation of anti-corruption laws could subject us to penalties and other adverse consequences

We are subject to anti-corruption, anti-bribery, anti-money laundering and other international laws and regulations and are required to comply with the applicable laws and regulations of Colombia, Argentina, Nicaragua, Chile, and assuming completion of the Offering, Canada. In general, these laws prohibit improper payments or offers of payments to governments and their officials, political parties, state-owned or controlled enterprises, and/or private entities and individuals for the purpose of obtaining or retaining business. In addition, we are subject to economic sanctions regulations that restrict our dealings with certain sanctioned countries, individuals and entities.

Our primary operations are located in Colombia, Nicaragua, and Argentina, each of which is perceived as having relatively high levels of corruption. Our activities in these countries create the risk of unauthorized payments or offers of payments by one of our employees, contractors, agents, or users that could be in violation of various laws, including anti-bribery laws in these countries. In addition, our ability to secure permits, renewals or other government approvals required to maintain our operations could be negatively impacted by corruption in one or more governmental institutions in the countries in which we operate.

We have adopted the Code of Ethics, the Anti-Corruption Policy, and the AML Policy, which mandate compliance with these anti-corruption, anti-bribery, and anti-money laundering laws, and have implemented training programs, compliance controls and procedures, and reviews and audits to ensure compliance with such laws. However, there can be no assurance that our internal controls, and procedures will be sufficient to prevent or detect all inappropriate practices, fraud or violations of such laws, regulations and requirements by our affiliates, employees, directors, officers, partners, agents and service providers, or that any such persons will not take actions in violation of our policies and procedures, for which we may be ultimately responsible. Any violations of anti-bribery and anti-corruption laws or sanctions regulations could have a material adverse

effect on our business, reputation, results of operations and financial condition. We cannot predict the nature, scope or effect of future anti-corruption regulatory requirements to which our operations might be subject or the manner in which existing laws might be administered or interpreted.

Local legal and regulatory systems in which we operate are not equally robust

The jurisdictions in which Mineros operates its exploration, development and production activities may have different or less developed legal systems than Canada, which may result in risks such as:

- laws may not be enforced consistently, or at all;
- effective legal redress may not be available in the courts of such jurisdictions, whether in respect of a breach of law or regulation;
- it being more difficult to obtain or retain title in an ownership dispute;
- a higher degree of discretion on the part of governmental authorities;
- the lack of judicial or administrative guidance on interpreting applicable rules and regulations;
- inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; and
- relative inexperience of the judiciary and courts in such matters.

In certain jurisdictions, the commitment of local business people, government officials and agencies and the judicial systems to abide by legal requirements and negotiated agreements may be more uncertain. As a result, concessions, licenses, permits, approvals, contracts and agreements for the Company's business may be susceptible to revision or cancellation or may not be renewed, and the Company's operations may be affected by changes in laws, regulations and policies relating to taxation, mining, foreign exchange, foreign investment, and repatriation of funds. If laws and regulations are not enforced, or are changed to the Company's detriment, legal redress may be uncertain or delayed. Even if judgments favourable to the Company are obtained, they may not be upheld.

The Company operates in jurisdictions with historically high rates of inflation

High rates of inflation may have an adverse impact on our business, results of operations, financial condition and prospects, and the market price of the Common Shares.

Rates of inflation in the countries in which the Company operate have been historically high, and there can be no assurance that inflation will not return to high levels. Inflationary pressures may adversely affect the Company's ability to access foreign financial markets, leading to adverse effects on our capital expenditure plans. In addition, inflationary pressures may, among other things, reduce consumers' purchasing power or lead certain anti-inflationary policies to be instituted by the relevant governments, such as an increase in interest rates. There is no assurance that measures taken by the relevant governments will curb inflation. Inflationary pressures may harm the Company's business, results of operations, financial condition and prospects, or adversely affect the price of the Common Shares.

Risks Related to the Company's Operations in Colombia

Socio-political uncertainty in Colombia may affect future operations and stability

In the past, Colombia has experienced periods of weak economic activity and deterioration in economic conditions. The Company cannot assure that such conditions will not return or that such conditions will not have a material adverse effect on the Company's business, financial condition or results of operations.

The Company's financial condition and results of operations may also be affected by changes in the political climate in Colombia to the extent that such changes affect the nation's economic policies, growth, stability or regulatory environment. There can be no assurance that the Colombian government will continue to pursue business-friendly and open market economic policies or policies that stimulate economic growth and social stability. Any changes in the Colombian economy or the

Colombian government's economic policies, in particular as they relate to the mining industry, may have a negative impact on the Company's business, financial condition and results of operations.

Although the Colombian government has a long-standing tradition of respecting the rule of law, which has been bolstered in recent years by the present and former government's policies and programs, no assurances can be given that the Company's plans and operations will not be adversely affected by future developments in Colombia. Future government actions concerning the economy, taxation, or the operation and regulation of nationally important facilities such as mines, could have a significant effect on the Company.

The Company's operation and financial condition may be adversely affected by changes in Colombian governmental policies and actions, and judicial decisions, involving a broad range or matters. Historically, the Colombian government has exercised substantial influence over the economy, and its policies are likely to continue to have a significant effect on Colombian companies.

The Company has experienced permitting delays that constrained its operations at the Nechí Alluvial Property, and there can be no guarantee that we will avoid future permitting delays

In Colombia, an environmental impact assessment ("**EIA**") must filed and an EMP must be granted in respect of mine development and mineral exploitation activities. The Company is periodically required to file with ANLA an updated EIA, and must receive an updated EMP to continue operations at the Nechí Alluvial Property. In late 2019 and early 2020, ANLA assumed from CORIANTIOQUIA responsibility for future mining and hydroelectric permits upon request by the Company to harmonize its environmental management and permitting processes for the alluvial plain operations at the Nechí Alluvial Property under a single regulatory agency. Delays in receiving approvals from ANLA under the new permitting regime temporarily constrained operations at the Nechí Alluvial Property, causing gold production to fall short of expectations by 33% in 2019, 18% in 2020. In April 2020, ANLA approved the delayed permits, and normal operations resumed. In March 2021, the further delays in the approval by ANLA of the Company's EIA and the grant of an updated EMP temporarily constrained operations at the Nechí Alluvial Property. In June, 2021, ANLA modified its initial decision adjusting in part the requested amendment to the EMP. In August 2021, Mineros filed a new amendment to the EMP for the Nechí Alluvial Property seeking final approval of the amended EMP. While the Company is confident that ANLA will approve the new amendment, there can be no guarantee that this will occur or as to the timing of any decision.

In early 2020, the Nechí Alluvial Property was designated as one of five Projects of National and Strategic Interest in Colombia by the MEM (Colombia), entitling the Company to priority access to and service from government entities of any level. While the Company believes that the new permitting regime and its designation as a Projects of National and Strategic Interest will reduce constraints and facilitate access to grants and renewals of environmental permits, there can be no assurance that permits will be granted on acceptable terms and on a timely basis, or that permitting delays will not cause production delays or interruptions in the future.

Changes in Colombian legislation could have adverse effects on our operations

The mining industry in Colombia is subject to extensive controls and regulations imposed by various levels of government. All current legislation is a matter of public record and the Company will be unable to predict what additional legislation or amendments may be enacted. Amendments to current laws, regulations and permits governing operations and activities of mining companies, including environmental laws and regulations which are evolving in Colombia, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in expenditures and costs, affect the Company's ability to expand or transfer existing operations or require the Company to abandon or delay the development of new properties.

The Mining Code was amended in 2010. The 2010 amendment was declared unconstitutional in 2011 by the Colombian Constitutional Court due to inadequate consultation prior to enactment. The Constitutional Court left the 2010 amendments in force for two more years, until May 2013, to provide time for the Colombian government to propose, and Colombian Congress to approve, a new amendment. No new amendment was passed, and accordingly, the 2010 amendments were terminated leaving the Mining Code unamended. The Colombian government announced in 2014 its intention to introduce before Congress a new bill to amend the Mining Code, but no bill has been proposed. Changes to the Mining Code are expected to mostly deal with applications for concessions, which should not affect the Company, since our concessions in Colombia are RPPs, which predate the Mining Code and are not subject to renewal or expiry. However, they could also include environmental, zoning and control issues, which, together with any local zoning regulations, which could have an impact on the Company's activities.

Increased taxes or additional tax regulation could impact the Company's revenue

Uncertainty relating to Colombian tax legislation poses a constant risk to the Company. Changes in legislation, regulation, jurisprudence, and tax authorities interpretations through general rulings, can affect tax burdens by increasing tax rates and fees, creating new taxes, limiting deductions and exemptions, and eliminating incentives and non-taxed income. Notably, the Colombian government has significant fiscal deficits that may result in future tax increases.

Colombian operations may be affected by internal security issues

Colombia is home to South America's largest and longest running insurgency, and during the 40-year course of armed conflict between government forces and anti-government insurgent groups and illegal paramilitary groups, both funded by the drug trade, Colombia has experienced significant social upheaval and criminal activity relating to drug trafficking. Insurgents have attacked and kidnapped civilians and violent guerrilla activity exists in some parts of the country.

While the situation has improved dramatically in recent years, there can be no guarantee that the situation will not again deteriorate. Any increase in kidnapping or terrorist activity in Colombia or in the areas of the Company's projects generally may disrupt supply chains and discourage qualified individuals from being involved with the Company's operations. Despite the 2016 peace treaty between the Colombian government and the Revolutionary Armed Forces of Colombia (*Fuerzas Armadas Revolucionarias de Colombia* or FARC), a lasting decrease in violence or drug-related crime in Colombia or the successful integration of former guerilla members into Colombian society, has not yet been achieved. The parties reached agreements on reforms to facilitate political participation for opposition movements, and land and rural development, among other issues. In addition, the Colombian government had preliminary conversations with the National Liberation Army (*Ejército de Liberación Nacional* or ELN), Colombia's second largest rebel group. In 2018, the Colombian government suspended the peace negotiations with the ELN and in 2019, a minority group of dissidents of the peace process with FARC announced their return to illegal activities. An escalation of violence or drug-related crime may have a negative impact on the Colombian economy and on us. Additionally, the perception that matters have not improved in Colombia may hinder the Company's ability to access capital in a timely or cost effective manner. There can be no assurance that continuing attempts to reduce or prevent guerilla, drug trafficking or criminal activity will be successful or that guerilla, drug trafficking and/or criminal activity will not disrupt the Company's operations in the future.

Colombia has experienced and continues to experience internal security issues, primarily due to the activities of guerilla groups, paramilitary groups and drug cartels. The security issued have presented particularly in the form of terrorism attacks, homicides, kidnapping and extortion. The Company's business and financial condition could be adversely affected by security issues, or by the government's decision regarding the security issues.

In 2021 a wave of protest affected Latin America, including Colombia, where a great number of people protested in the main cities mainly demanding access to university education, healthcare, employment and other social issues. More recently, protests in Colombia also resulted from the quarantine measures taken to prevent the spread of COVID-19, as well as the initial economic impact thereof, especially as it affected the population under the poverty line and the unemployed. It is probable Colombia will be subject to additional social protests in the near future. The protests in Colombia have caused and may continue to or in the future cause security issues that could negatively impact on the Company's operations.

During the past few years, Colombia has experienced social protests with regards to social, political, and economic issues including, but not limited to education, healthcare and unemployment. It is probable Colombia will be subject to additional social protests in the near future. The protests in Colombia have caused and may continue to or in the future cause security issues that could negatively impact on the Company's operations.

Colombian assets may be subject to expropriation or nationalization

Pursuant to Article 58 of the Colombian constitution, the Colombian government can exercise its eminent domain powers in respect of the Company's assets in the event such action is required in order to protect public interests. According to Law 388 of 1997, eminent domain powers may be exercised through: (i) an ordinary expropriation proceeding, (ii) an administrative expropriation, or (iii) an expropriation due to war. In all cases, the Company would be entitled to fair compensation for the expropriated assets. However, compensation may be paid in some cases years after the asset is effectively expropriated. Furthermore, the indemnification may be lower than the price for which the expropriated asset could be sold in a free market sale or the value of the asset as part of an ongoing business.

Risks Related to the Company's Operations in Argentina

Argentina has experienced significant political and socio-economic instability in the past, and may experience further instability in the future

Argentina has experienced significant political and social economic instability in the past and may experience further instability in the future. In 2001 and 2002, Argentina suffered a major political, economic and social crisis, which resulted in institutional instability and a severe contraction of the economy with significant increases in unemployment and poverty rates. Among other consequences, the crisis caused a large currency devaluation and led to the government of Argentina defaulting on its external debt. In response, the government of Argentina implemented a series of emergency measures, including strict foreign exchange restrictions and monthly limits on bank withdrawals, which affected public companies and other sectors of the Argentine economy. The Argentine economy experienced a recovery after the 2001 – 2002 crisis, however, since 2008, it has struggled to curb strong inflationary pressures and growth stagnated starting in 2012.

During the first half of 2018, the Argentine economy entered into an acute economic recession, which deepened in 2019, with a sharp decrease in international reserves, a material loss in the value of the Argentine peso vis-à-vis the U.S. dollar, high inflation and unemployment rates and an increase in poverty and extreme poverty rates. Against this economic backdrop, in December 2019, the Argentine congress enacted legislation declaring a state of public emergency in economic, financial, fiscal, administrative, pensions, tariff, energy, health and social matters, which was in force until December 31, 2020, and was further extended in terms of health until December 31, 2021.

Argentine economic conditions are dependent on a variety of factors, including (but not limited to) the following:

- international demand for Argentina's principal exports;
- international prices for Argentina's principal commodity exports;
- stability and competitiveness of the Argentine Peso with respect to foreign currencies;
- competitiveness and efficiency of domestic industries and services;
- levels of domestic consumption and foreign and domestic investment and financing; and
- the rate of inflation.

Argentina's ability to obtain financing from international markets is limited. Without renewed access to the financial market the Argentine government may not have the financial resources to implement reforms and boost growth, which could have a significant adverse effect on the country's economy and, consequently, on our activities. In addition, the Argentine government has engaged in conversations with the IMF in order to renegotiate the principal maturities of certain amounts disbursed in 2018 and 2019, and it is uncertain whether the Argentine government will be successful in the negotiations with that agency.

The ultimate impact of each of these measures on the Argentine economy as well as the ability to implement all announced measures as currently contemplated, cannot be assured. If the government of Argentina's agenda cannot be successfully implemented, the result may further weaken confidence in and adversely affect the Argentine economy and financial condition. Any worsening in the Argentine economy or financial condition could have a material adverse effect on companies operating in Argentina, including the Company.

Argentina is subject to frequent and unpredictable changes in tax rates, capital controls, and foreign exchange restrictions, which may restrict or affect the profitability of the Company's operations in Argentina

In the past, Argentine tax laws have changed frequently and dramatically. In 2018, the government of Argentina introduced a decree imposing a temporary tax on all exports from Argentina. The tax was introduced as an emergency measure due to the significant peso devaluation during the year. In December 2019, the government of Argentina approved a law delaying a scheduled corporate tax rate decrease from 30% to 25% to the end of 2020 (after that the government submitted a bill in order to maintain the 30% rate until the end of 2021) and extending the temporary export tax introduced in September 2018 to the end of 2021. Furthermore, the decree suspended the increase in the dividend withholding tax from 7% to 13% until January 2021. Law 27,630, published in the Official Gazette on June 16, 2021, amended the corporate income tax rate, establishing a

progressive tax rate system (rates from 25% to 35% depending on the accumulated taxable net income) and a 7% withholding tax rate on any dividend or profit made to Argentine resident individuals and non-Argentine residents derived from profits obtained in tax periods initiated as of January 1, 2018, disregarding the tax period when the respective dividend or profit is made available for shareholders. These amendments will take effect from the fiscal periods beginning as of January 1, 2021.

Argentine federal, provincial and other local taxation authorities may apply tax rules and regulations in an inconsistent and unpredictable manner. In addition, tax rules and regulations may change over time. If any taxation authority takes a position or adopts an interpretation that differs from those adopted by Mineros, we could become subject to unanticipated tax liabilities and cost increases, which could negatively affect our financial condition and results of operations.

Argentina has also been subject to exchange controls and restrictions. In 2001 and 2002, following a run on the financial system triggered by the public's lack of confidence in the continuity of the convertibility regime that resulted in massive capital outflows, the government of Argentina introduced exchange controls and restrictions on the transfer of foreign currency in an attempt to prevent capital flight and a further depreciation of the Argentine peso. Several of those exchange controls and transfer restrictions were subsequently suspended or terminated. However, in June 2005, the government of Argentina established new controls on capital flows. From 2011 until December 2015, the government of Argentina increased controls on the sale of foreign currency and the acquisition of foreign assets by local residents, limiting the possibility of transferring funds abroad. Regulations were introduced in 2012 that subjected certain foreign exchange transactions to prior approval by Argentine tax authorities or the Central Bank of Argentina. In August 2016, the government of Argentina eliminated all foreign exchange restrictions imposed since 2011. In 2019, 2020, and 2021, the Central Bank of Argentina imposed further restrictions on foreign exchange transactions. To date, these controls and regulations have included, but are not limited to, a requirement that proceeds of exports be repatriated at the applicable exchange rate; restrictions on payment of dividends without the approval of the Argentinian Central Bank; and restrictions on debt from foreign lenders, unless such debt is brought into Argentina at the applicable exchange rate. The government of Argentina may expand these controls or introduce new restrictions.

Changes in taxes, capital controls, and foreign exchange regulations in Argentina are beyond the Company's control. Increased tax rates, or the imposition of stricter capital controls or foreign exchange regulations could increase the operating costs at the Gualcamayo Property, prevent or restrict exploration, development, and production at the Gualcamayo Property, and may constrain the Company's ability to receive distributions from its Argentine subsidiaries.

Risk of nationalization of mining assets in Argentina

In May 2012, the previous government of Argentina re-nationalized Repsol YPF SA, the country's largest oil and gas company. There can be no assurance that the government of Argentina will not nationalize other businesses operating in the country, including the business of the Company. If any portion of the Company's assets are expropriated or nationalized, there can be no assurance that the Company would receive payment equal to their fair market value. Nationalization of any of the Company's assets in Argentina could have a material adverse effect on the Company's business, operations, cash flows, and financial condition. The Company has not purchased any "political risk" insurance coverage and currently has no plans to do so.

Changes in Argentinean environmental legislation could have adverse effects on our operations

In 1991, Argentina ratified the Convention on Wetlands of International Importance and therefore committed to the rational use of internationally protected wetlands and hydric resources in its territory through national management plans, policies and legislation. Additionally, pursuant to the Ramsar Convention each contracting party has agreed to promote the conservation of wetlands and related fauna and flora by establishing nature reserves on wetlands and executing a wetlands inventory. In Argentina, there are 23 sites declared 'Ramsar sites', as defined pursuant to the Ramsar Convention.

Notwithstanding the foregoing, no specific law or regulation, whether national or provincial, is currently in place in Argentina regarding the regulation of activities on wetlands, or any other wetlands regulation that would prohibit mining activities or other productive activities that are beneficial for the regional economy. There have been several attempts to pass national legislation regarding wetlands protection, but none have been successful.

However, we note that in July 2020, the Argentine National Congress started to debate several wetlands bills of law, due to incidents (fires for agricultural ends resulting in the drought of one of the biggest wetlands in Argentina) which triggered public demands for regulation. As of late November 2020, there is one consolidated wetlands bill of law which is pending proceedings before various commissions of the National Congress, and which if passed may negatively impact the mining industry, among other extractive industries. In addition, other current or future general environmental legislation could negatively impact the mining sector.

Risks Related to the Company's Operations in Nicaragua

The Company's current and future operations in Nicaragua may be materially affected by political, economic and social uncertainties.

Nicaragua has recently been and may in the future be affected by civil unrest, strikes and political turmoil, the outcome of which cannot be predicted. Civil unrest could increase the costs of operations, interrupt the supply of materials, labour, and ore mined by artisanal mining cooperatives, limit our ability to export production, and increase security risks, which could materially adversely affect the Company's business, results of operations, financial condition, cash flows, and prospects.

Following a severe government response to anti-government protests between April and September 2018, United States legislation was approved to restrict aid to Nicaragua from the United States. In 2018, 2019 and 2020, United States and European governmental authorities imposed a number of sanctions against entities and individuals in or associated with the government of Nicaragua. If any of our contracting partners become subject to sanctions, including as a result of these laws and regulations, the Company may have to suspend all or a portion of its operations on a temporary or permanent basis, and may become subject to lawsuits, investigations or regulatory proceedings, which could be time-consuming and expensive to respond to and which could lead to criminal or civil fines or penalties.

Artisanal mining on our properties in Nicaragua may expose us to operating and environmental risks

The Hemco Property is subject to significant artisanal mining activity, as permitted by Nicaraguan law. While the Company considers its relationships with local and small-scale miners in the vicinity of the Hemco Property to be stable and mutually beneficial, the deterioration of that relationship could pose risks of conflict, which could materially adversely affect the Company's current and planned operations in Nicaragua.

Under Nicaraguan law, the Company is subject to liability for environmental damage and remediation resulting from discharges or releases of hazardous materials on its mineral concessions, including by artisanal miners. Artisanal and small-scale miners have historically used chemicals that are harmful to the environment to separate the precious metals from the ore. The Company works with artisanal and small-scale miners to discourage the use of hazardous chemicals such as mercury, and has built the Hemco Plant, La Curva Plant and Vesmisa Plant, which provide a mercury-free ore option for processing ore mined by artisanal and small-scale miners in the vicinity of the Hemco Property. However, the Company's efforts may not always be successful. There can be no assurance that the Company will not be subject to environmental liabilities resulting from such operations in the future, which could have a material adverse impact on the Company.

Risk of nationalization of mining assets in Nicaragua

In the past, Nicaragua has introduced changes to its mining regimes that reflect increased government control or participation in the mining sector, including, but not limited to, changes of laws or governmental regulations affecting foreign ownership, mandatory state participation, taxation and royalties, exchange controls, permitting and licensing of exploration, development and production, land use restrictions, price controls, export controls, export and import duties, restrictions on repatriation of income or return of capital, requirements for local processing of mineral products, environmental protection, as well as requirements for employment of local staff or contractors, and requirements for contributions to infrastructure and social support systems. There can be no assurance that Nicaragua will not adopt a nationalization framework or regime. However, the government has had a pro investment and pro mining approach until now and there are no strong signs that would indicate a drastic change in these areas. Furthermore, there can also be no assurance that the terms and obligations of potential resource nationalization regimes to which our operations are subject to will not increase or become more onerous. Government policy is beyond our control and may change without warning, which could discourage further investment in, or limiting the economic benefits that we derive from, our operations in Nicaragua. There can also be no assurance that our assets in Nicaragua will not be subject to specific nationalization or expropriation measures by any authority or body, whether state sanctioned or otherwise. While there are often frameworks and mechanisms to seek compensation and reimbursement for losses in these kinds of circumstances, there is no assurance that such measures would compensate us adequately or in a timely manner, or at all.

Risks Related to our Common Shares and the Offering

There is no existing public market for the Common Shares in Canada, and an active trading market for the Common Shares may not develop

There is currently no existing public market for the Common Shares in Canada and the Common Shares are not currently listed or quoted on any stock exchange or market in Canada. If an active trading market does not develop in Canada, the trading price of the Common Shares may decline, and investors may have difficulty selling any of the Offered Shares that they purchase or acquire by way of the Offering, should they desire to do so. Notwithstanding that the Common Shares are listed on the Colombian Exchange, there is no guarantee that Canadian investors will be able to sell their shares through the facilities of the Colombian Exchange or that the costs related to doing so will be economical.

The Offering Price will be determined by arm's length negotiation between the Company and the Underwriters and may not bear any relationship to the market price at which the Common Shares will trade upon completion of this Offering, or to any other established criteria of the Company's value.

Dilution from equity financing could negatively impact holders of Common Shares

The Company may from time to time raise funds through the issuance of Common Shares or the issuance of debt instruments. The Company cannot predict the size or price of future issuances of Common Shares or the size or terms of future issuances of debt instruments or other securities convertible into Common Shares, or the effect, if any, that future issuances and sales of the Company's securities will have on the market price of the Common Shares. Sales or issuances of substantial numbers of Common Shares, or the perception that such sales or issuances could occur, may adversely affect prevailing market prices of the Common Shares. With any additional sale or issuance of Common Shares, or securities convertible into Common Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

The market price of our Common Shares may be volatile, which could result in substantial losses

The market price of our Common Shares following the Offering may fluctuate substantially and may be higher or lower than the initial public offering price. Market prices could be subject to wide fluctuations in response to various factors, many of which are beyond our control and may not be related to our operating or financial performance, underlying asset values, or prospects. These fluctuations could cause investors to lose all or part of their investment if they are unable to sell Common Shares at or above the price they paid in this Offering. Factors that could cause volatility in the market prices of our Common Shares include:

- price and volume fluctuations in the global stock markets from time to time;
- changes in operating performance and stock market valuations of other companies in the mining industry;
- sales of our Common Shares by us or our major shareholders;
- failure of securities analysts to maintain coverage of us, changes in financial estimates by securities analysts who follow us, or our failure to meet these estimates or the expectations of investors;
- the financial projections we may provide to the public (in the event we decide to provide any such projections), any changes in those projections or our failure to meet those projections;
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our results of operations or fluctuations in our results of operations;
- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- announced or completed acquisitions of businesses by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;

- changes in tax laws and regulations as well as accounting standards, policies, guidelines, interpretations or principles;
- any significant change in our management team; and
- general economic conditions and slow or negative growth of our markets.

The Company's major shareholder has substantial control over the Company, which may limit other shareholders' ability to influence the outcome of corporate decisions

Upon completion of the Offering, Mercantil Colpatria S.A. will beneficially own or exercise control or direction over [●]% of our subscribed Common Shares (before any exercise of the Over-Allotment Option and any issue of Common Shares pursuant to the Colombian Concurrent Offering), assuming no change in our capital stock or the number of Common Shares beneficially owned, controlled, or directed by Mercantil Colpatria S.A. As a result, Mercantil Colpatria S.A. will continue to have significant influence over matters requiring approval by our shareholders, including the election of directors, the approval of mergers or proposed acquisitions of the Company, and changes to the Bylaws and Shareholder Meeting Regulations. Furthermore, the Company could be prevented from entering into transactions that could be beneficial to the Company or other shareholders, and third parties could be discouraged from making an offer or take-over bid to acquire the Company at a price per Common Share that is above then-current market price. In addition, if Mercantil Colpatria S.A. sells substantial amounts of its Common Shares, the market price of the Common Shares could fall. The perception that such a sale will occur could also produce this effect.

The Company may not use the proceeds from the Offering as described in this prospectus

The Company currently intends to use the net proceeds from the Offering as described under "Use of Proceeds". However, our Board and/or management will have discretion in the actual application of the net proceeds from the Offering, and may elect to allocate them differently if they believe that doing so would be in the Company's best interests. Our Board and/or management could spend the proceeds in ways that do not improve our results of operations or enhance the value of the Common Shares. The failure to apply the net proceeds from the Offering effectively could result in financial losses that could have an adverse effect on our business, results of operations and financial condition.

Sales by existing shareholders can reduce share prices

Sales of a substantial number of Common Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of Common Shares intend to sell Common Shares, could reduce the market price of the Common Shares. If this occurs and continues, it could impair the Company's ability to raise additional capital through the sale of securities.

Public companies are subject to securities class action litigation risk

In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. If the Company faces such litigation, it could result in substantial costs and a diversion of management's attention and resources, which could materially harm its business.

If securities or industry analysts do not publish research or publish inaccurate or unfavourable research about the Company's business, the price and trading volume of the Common Shares could decline

The trading market for the Common Shares will depend on the research and reports that securities or industry analysts publish about the Company and its business. The Company does not have any control over these analysts. The Company cannot assure that analysts will cover it or provide favourable coverage. If one or more of the analysts who cover the Company downgrade its stock or change their opinion of the Common Shares, the price of Common Shares would likely decline. If one or more of these analysts cease coverage of the Company or fail to regularly publish reports, the Company could lose visibility in the financial markets, which could cause the price and trading volume of the Common Shares to decline.

Global financial conditions can reduce the trading price of our Common Shares

Global financial conditions over the past decade have been characterized by volatility in both commodities prices and equities. Several financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to financing has been negatively impacted by many factors. This may impact the Company's ability to obtain equity or debt

financing in the future on terms favourable to the Company. Additionally, global economic conditions may cause decreases in asset values that are deemed to be other than temporary, which may result in further impairment losses. If such volatility and market turmoil continue, the Company's operations and financial condition could be adversely impacted.

Furthermore, general market, political and economic conditions, including, for example, inflation, interest and currency exchange rates, structural changes in the global mining industry, global supply and demand for commodities, political developments, legislative or regulatory changes, social or labour unrest and stock market trends will affect the Company's operating environment and its operating costs, profit margins and share price. Any negative events in the global economy could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

It may be difficult to enforce judgments and effect service of process on the Company, its directors and officers

The Company and each of its subsidiaries are incorporated and reside in jurisdictions outside of Canada, most of the directors and all of the officers of the Company and of its subsidiaries reside outside of Canada, and certain experts retained by the Company reside outside Canada. It may be difficult for investors to obtain or enforce judgments against such persons in Canada.

Most if not all of the assets of the Company, its subsidiaries, most of their respective directors, all of their respective officers, and certain experts may be located outside of Canada. Although the Company, and certain of its directors, officers, and experts have appointed Gowling WLG (Canada) LLP as agent for service or process in Canada, investors may find it difficult to effect service of process within Canada upon such persons, or to enforce judgments obtained against such persons in Canadian courts, including, without limitation, judgments in actions predicated upon the civil liability provisions of applicable Canadian securities laws. Likewise, it may also be difficult for an investor to enforce in Canadian courts judgments obtained against such persons in courts located in jurisdictions outside Canada, including actions predicated upon the civil liability provisions of applicable Canadian securities laws. It may also be difficult for an investor to bring an original action in a Colombian court predicated upon the civil liability provisions of applicable Canadian provincial securities laws against the Company or these persons.

While the Company intends to make distributions on the Common Shares annually, there can be no assurance that dividends will be paid in the future

We intend to pay dividends on our Common Shares in accordance with our dividend policy and Colombian Regulations. See "*Dividend Policy*" and "*Material Differences Between Corporate Law and Shareholder Rights in Canada and Colombia – Dividends*". However, any determination to pay dividends in the future will be subject to the approval of our shareholders, and will depend on a number of factors, including, but not limited to, our cash balance, cash flow, earnings, capital investment plans, expected future cash flows from operations and our strategic plans, and any restrictions imposed by applicable law.

Dividends or other distributions paid by us on the Common Shares will generally be subject to Colombian withholding tax

In general, under the Colombian Tax Code dividends and distributions from Colombian entities to non-resident shareholders are subject to a 10% withholding tax. However, the 10% withholding tax is reduced to 5% under the Tax Treaty between Colombia and Canada if the shareholder is a company with a participation larger than 10% in the Colombian company distributing the dividend. The reduced tax rate is only applicable if the beneficial owner of the dividend is Canadian resident company. If the beneficial owner is an individual no reduced tax rate will apply (for more details see "*Material Differences Between Corporate Law and Shareholder Rights in Canada and Colombia*"). The withholding tax must be withheld from the gross distribution and paid to the Colombian tax authorities. See "*Certain Tax and Regulatory Considerations – Certain Colombian Tax* Considerations". Under certain circumstances capital reductions could be implemented without triggering income tax to the shareholder (notably when the reimbursed capital amount does not exceed the tax basis of the shares, in general, being the value at which the shares were acquired). Conversely, if the value received by the shareholder exceeds the tax basis of the shares, there would be Colombian tax consequences.

Determining the tax treatment of capital reductions requires an in-depth analysis of the particular facts and circumstances surrounding the capital reduction and of the potential application of any relevant tax treaties. In addition, capital reductions in Colombia are subject to a cumbersome process that would likely require the approval of certain governmental authorities. Under Colombian Law, capital reductions reduce the capital of the entity and not its accumulated profits. See "*Certain Tax and Regulatory Considerations – Certain Colombian Tax Considerations*".

Your rights and responsibilities as a shareholder will be governed by Colombian law and will differ in some respects from the rights and responsibilities of shareholders under the laws of other jurisdictions, including Canada, and you may have more difficulty protecting your interests than you would as a shareholder of a Canadian-incorporated corporation

Our corporate affairs are governed by the Colombian Regulations, our Bylaws, the Shareholder Meeting Regulations and Board Regulations, as well as such other applicable local laws, rules and regulations. The rights of our shareholders and the responsibilities of our directors and officers under Colombian law are different from those applicable to a corporation incorporated in Canada. The Bylaws expressly allow for proxyholders to vote in compliance with the instructions channelled through the registered holders of the Common Shares and issued by the beneficial holders of the Common Shares. Colombian judicial and administrative precedents are subject to change and any changes may have an impact on your rights as a shareholder or on your ability to contest or seek damages for any actions taken by us or by our directors and officers.

The legal framework governing shareholder disputes under the Colombian Regulations differs substantially from corporate laws in Canada, and there are different procedural requirements for shareholder remedies such as derivative actions. Therefore, you may have more difficulty protecting your interests in connection with actions taken by us, our directors and officers than you would as a shareholder of a corporation incorporated in a jurisdiction of Canada. See "*Material Differences Between Corporate Law and Shareholder Rights in Canada and Colombia – Oppression Remedy*" and "*Shareholder Derivative Actions*".

Due to its status as a Colombian corporation (*sociedad anónima*) and as a company listed on the Colombian Exchange, the Company is subject to laws and regulations governing take-over bids for the Common Shares that are complex, onerous, and which differ significantly from the take-over bid rules under Canadian securities laws. In particular and, among other things, under Colombian Regulations, a potential take-over bid acquiror may be required to deposit at least half of the aggregate purchase price for Common Shares taken up under the bid in escrow and where a competing take-over bid is launched, by operation of law any Common Shares tendered to either bid are automatically deemed to be tendered to the offer that constitutes the largest cash premium, notwithstanding any contractual arrangements between a shareholder and a potential take-over acquiror. Unlike many other jurisdictions, Colombian corporate laws do not expressly allow for squeeze-out transactions that allow a controlling shareholder to acquire the shares held by minority shareholders in a compulsory transaction, making the acquisition of the Company in a corporate transaction difficult. As a result, potential acquirors of the Company could be discouraged from making a take-over bid, and the Company could be prevented from entering into transactions that could be beneficial to the Company or its shareholders.

Our shareholders may be subject to restrictions on foreign investment in Colombia

Colombia's International Investment Statute (the set of rules and regulations which govern the foreign exchange market and the transactions thereto, which include Decree 1068 of 2015, Resolution 1 of 2018 and External Circular DCIN 83 issued by the Central Bank of Colombia, among others) regulates the manner in which non-Colombian residents can invest in Colombia and participate in the Colombian securities market. Among other requirements, Colombian law requires foreign investors to register certain foreign exchange transactions with the Central Bank of Colombia and outlines the necessary procedures to authorize certain types of foreign investments. Colombian law requires that certain foreign exchange transactions, including international investment in foreign currency between Colombian residents and non-Colombian residents, must be made through the foreign exchange market, either through authorized foreign exchange market intermediaries or compensation accounts, which are regular bank accounts held abroad by Colombian residents and registered with the Central Bank of Colombia.

As a result of the trust structure described above under "*Registration of the Common Shares issued to non-Colombian residents*", shareholders who acquire Common Shares under the Offering or through the facilities of the TSX will not be required to register directly with the Central Bank of Colombia. Absent such structure, foreign investors must register their investment in Common Shares with the Central Bank of Colombia as a portfolio investment through their local representative, which may be a brokerage firm, trust company or investment management companies supervised by the Superintendence of Finance. Outside of the trust structure, foreign investors will only be allowed to transfer dividends abroad after their foreign investment registration procedure with the Central Bank of Colombia has been completed. Investors withdrawing Common Shares from the TSX to trade on the Colombian Exchange will be required to register with the Colombian Central Bank and could incur expenses and/or suffer delays in the application process. The failure of an investor to report or register foreign exchange transactions with the Central Bank of Colombia on a timely basis may prevent the investor from receiving dividends abroad or result in the initiation of an investigation and in the imposition of fines.

In the future, the Colombian government or the Central Bank of Colombia may amend Colombia's International Investment Statute or the foreign investment rules, which could result in more restrictive rules and could negatively affect trading of our Common Shares, prevent the payment of dividends, hinder or prevent the use of the trust structure described above under

"*Registration of the Common Shares issued to non-Colombian residents*", which may negatively affect the exercise of the voting rights and the payment of dividends to non-Colombian residents.

Colombia currently has a free convertibility system. If a more restrictive convertibility system is implemented, we may experience difficulties when converting Colombian peso amounts into U.S. dollars to remit dividend payments.

Colombian Regulations require us to obtain shareholder approval for any Common Share repurchases, limiting our flexibility to implement normal course issuer bids.

Under the Colombian Commercial Code, a corporation may only purchase or buy back its own shares if approved by the shareholders by ordinary resolution, or any higher approval threshold set out in the corporation's by-laws. Accordingly, the Company will not be able to undertake normal course issuer bids to acquire Common Shares in the secondary market as permitted by Canadian securities laws and TSX rules, without first obtaining shareholder approval. This may reduce the Company's flexibility to use capital to repurchase Common Shares where it would be reasonable and prudent to do so, including to maintain or stabilize the market for the Common Shares, or provide value to shareholders where management believes that the market price for its securities does not fully reflect the underlying value of the Company. See "*Material Differences Between Corporate Law and Shareholder Rights in Canada and Colombia – Share Buybacks*".

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company's knowledge, there are no civil or commercial legal proceedings or regulatory actions material to the Company to which it is a party, or has been a party to, or of which any of its property is the subject matter of, or was the subject matter of, since the beginning of the fiscal year ended December 31, 2020, and no such proceedings or actions are known by the Company to be contemplated.

There have been no civil or commercial penalties or sanctions imposed against the Company by a court or regulatory authority, and the Company has not entered into any settlement agreements before any court relating to provincial or territorial securities legislation or with any securities regulatory authority, since its incorporation.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer or shareholder that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued Common Shares, or any of their respective associates or affiliates, has any material interest, direct or indirect, in any transaction within the three years before the date of this prospectus which has materially affected or is reasonably expected to materially affect the Company or a subsidiary of the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The Company's auditors are Deloitte & Touche Ltda. having an address at located at Carrera 7 No. 74-09, Bogota D.A., Cundinamarca, Colombia, 110221210.

The transfer agent and registrar for the Common Shares registered outside of Colombia is TSX Trust Company, at its principal office in Toronto, Ontario. The transfer agent and registrar for the Common Shares registered and held in Colombia is Deceval, at its principal office in Bogotá, Colombia.

MATERIAL CONTRACTS

Except for material contracts entered into in the ordinary course of business, set out below are material contracts to which the Company or any of its subsidiaries are a party entered into prior to or since the date of incorporation of the Company and which still remain in effect and material to the Company. Copies of such material contracts will be filed with the Canadian securities regulatory authorities and will be available for review under the Company's profile on SEDAR at www.sedar.com.

- **Underwriting Agreement**, see "*Plan of Distribution*".

APPENDIX "A"
INFORMATION CONCERNING THE NECHÍ ALLUVIAL PROPERTY (COLOMBIA)

The scientific and technical information in this Appendix "A" relating to the Nechí Alluvial Property is derived or extracted from, and based on the assumptions, qualifications and procedures set out in, the Nechí Technical Report. Such assumptions, qualifications and procedures are not fully described in this prospectus and the following summary does not purport to be a complete summary of the Nechí Technical Report. Reference should be made to the full text of the Nechí Technical Report, which is available for review under the Company's profile on SEDAR at www.sedar.com.

Property Description, Location and Access

Property Description, Location and Access

The Nechí Alluvial Property is located approximately 190 km north-northeast of Medellín in the northeast of the Antioquia Department, within the jurisdiction of the municipalities of El Bagre, Zaragoza, Caucasia, and Nechí. The Company's base of operations at El Bagre is readily accessible by daily commercial air service from the Olaya Herrera domestic airport in downtown Medellín. Flight time is approximately 40 minutes.

Access by road from El Bagre to Medellín is available via two routes. One route is 250 km and approximately 12 hours of driving via the town of Segovia to the south of El Bagre. Alternatively, the other route is from Medellín by paved Highway 25 to the town of Caucasia, situated on the Cauca River, and then southeast to El Bagre, a distance of 300 km and approximately eight hours of driving.

Heavy and large equipment may be transported to site on vessels up to 500 tonnes from Cartagena on the Caribbean Sea via the Magdalena and Cauca rivers, which are downstream of the Nechí River.

Dredging operations are currently centred approximately 35 km north of El Bagre on the Nechí River and its flood plain. Access for operations personnel is provided by power boats and motorized long canoes. Equipment is moved by towed barges. Access by power boat to the dredging area averages approximately 25 minutes at high water, assuming a full load.

Helicopter platforms are installed on the bucket line dredges for personnel access and for transport of gold amalgam to El Bagre.

For maps showing the location of the Nechí Alluvial Property and the locations of mineral tenures, see "*General Development and Business of the Company – Overview of Material Properties and Location – Nechí Alluvial Property*".

Land Tenure

The Company, through Mineros Aluvial S.A.A., its wholly owned subsidiary, holds a 100% interest in the Nechí Alluvial Property under two types of mining titles: one RPP with an area of 36,408 ha, and five concession contracts under the Mining Code with a total area of 4,885 ha with a renewable term of 30 years. The RPP and concession contracts are contiguous and occupy an area along the Nechí River and flood plain of approximately 41,293 ha between the towns of Zaragoza and Nechí. For information about the rights and obligations associated with RPPs and concession contracts granted the Mining Code, see "*Regulatory Framework – Colombian Regulatory Framework*".

Table A-1 lists the Nechí Alluvial Property RPP and concession contracts.

TABLE A-1 – LAND TENURE

No.	Mine Name	National Mining Registration Code	Area (ha)	File Code	Status	Expiry (MM/DD/YYYY)
			RPP Concessions			
RPP 57011	Cienaga Grande	EDKA-03	36,407.84	R57011	Exploitation	N/A
	RPP Total		**36,407.84**			
			Concession Contracts			
No. 5213	------	HCBP-01	997.61	C5213005	Exploitation	1/21/2033
No. 6118	------	HFKM-03	1,939.52	H6118005	Exploration	7/31/2035
No. 6335	------	HGGD-08	1,593.01	H6335005	Exploration	8/27/2036
No. 6819	------	HGGK-01	234.32	HGGK-01	Exploitation	11/29/2037
No. 6705	------	HGPJ-07	120.05	H6705005	Exploration	8/27/2036
Concession Contracts Total			**4,884.51**			

Surface Rights

Mineros holds surface rights under public deeds that are filed in the national property register, and hence is the registered owner of Chaparral, having clean and clear title over this property.

Mineros has temporary or permanent mining easements over 168 ha of surface land corresponding to the properties named Las Golondrinas, La Campesina, Villa Amparo, Parcela 3 Inspolicía Buenos Aires, La Virgencita, under which Mineros makes certain payments to land owners/farmers in compensation for the use of the land and for damage caused by the mining operation, lost crops, and lost time. The amounts paid depend on the type of crops, size of the farm land, and duration. After dredging, Mineros reclaims the land by levelling the dredge tailings and restoring the impacted areas with revegetation of plants and crops, that in some cases are assigned to local families. In some cases when the mine plan changes, additional compensation for an extension is negotiated with the land owners.

Mineros has mining easements over 230 ha with the registered holder of improvements in State Land properties named Paraguay and Santa Rosa. As a mining title holder, Mineros is entitled to request that ANT grant an easement over these kinds of property. Mineros also holds over 3,700 ha under “compra de mejoras” terms, specifically Paraguay, Santa Rosa, Guamo Viejo, Puerto Leticia, Las Colinas, El Socorro (No. 2), El Esfuerzo, Gracias a Dios, Cagüi, Aguas Negras, Las Vegas, Yo si, Puerto Triunfo, El Porvenir, Burdeos, Playa Rica, Buenos Aires (Terreno Astilleros), El Socorro, La Bamba, La Vega and El Oasis. This refers to private purchase and sale agreements with residents who do not hold formal title to the land that they occupy, and therefore lack title to sell or transfer. These are outright land purchases that do not need to be renewed. When the farmers are returned to land acquired under “compra de mejoras” terms after mining, Mineros assists them to obtain proper titles with the Agencia Nacional de Tierras (ANT).

Mineros own improvements on State Lands, specifically El Porvenir, Burdeos, Playa Rica, Buenos Aires (Terreno Astilleros), El Socorro, La Bamba, La Vega and El Oasis. The registered right to the improvements does not confer the Companies any rights to these properties. Mineros as holder of a Mining Title is entitled to request the ANT the issuance of an easement over the property.

Mineros’ surface and mineral rights are more than adequate to accommodate the Nechí Alluvial Property. SLR is not aware of any environmental liabilities on the property. Mineros has all required permits to continue working on the property. SLR is not aware of any other significant factors and risks that may affect access, title, or the right or ability to operate or carry out its proposed work at the property.

Taxes and Royalties

There are no claim maintenance taxes required to maintain the RPP in good standing. The Company is subject to a royalty equal to 2% of the value of gold produced from alluvial deposits on its RPP tenement. RPPs are subject to government royalty payment obligations according to article 227 of Law 685 of 2001, in application of article 330 of Law 1955 of 2019. The royalty applicable to alluvial gold produced from RPPs is 2% of gross production. RPPs are also subject to a gold tax of 4% pursuant to Law 488 of 1998.

The concession contracts are subject to an annual surface fee that is payable during the exploration and development stages. The fee is calculated per hectare as multiples of the minimum daily wage, which is adjusted annually. For 2021, the taxes totalled COP$908,526, or approximately US$236, at an exchange rate of COP3,850: US$1.00.

Annual mining fees and mining and environmental performance insurance policy fees must be obtained and submitted to the mining authority for registered concession contracts. The Company confirms that these fees have been paid and the concession contracts are in good standing.

History

The Nechí Alluvial Property is located in a region that has seen artisanal and small scale alluvial mining since antiquity. By the end of the 19th century, several gold mining companies operated in the northeast of Antioquia.

Exploration to establish the gold potential of the Nechí alluvium was initiated in 1903. Later, in 1906, Pato Mines Company, a subsidiary of Oroville Dredging Company (Oroville), commenced exploitation of terraces with water monitors and conveyors on the west river bank of the Nechí River, near the mouth of Pato Creek.

In 1908, the first bucket line dredge with a digging reach of 12 m began operation. In the 1930s, Placer Development Limited acquired the shares of Oroville, creating a new company under the name of Pato Consolidated Gold Dredging Limited (Pato Consolidated). Pato Consolidated continued exploration along the Nechí River and, after confirming large alluvial gold reserves, added bucket line dredges capable of digging up to 20 m depth. Further exploration between 1930 and 1934 indicated that the Nechí alluvial deposits contained gold up to a depth of 30 m. By 1938, Pato Consolidated had constructed the Providencia hydro plant, with a capacity in excess of that needed for power dredges, mechanical shops, and facilities at El Bagre.

In 1956, International Mining Corp. acquired the assets of Pato Consolidated, Nechí Valley Gold Dredging, and Cuturu Gold Dredging and amalgamated these companies into a single entity under Pato Consolidated for the exploitation of the Nechí alluvial deposits. By 1965, seven bucket line dredges were working the alluvials, however, three of them were later retired because of insufficient reach. Pato Consolidated purchased its last dredge in 1969.

Mineros Colombianos S.A. (Mineros Colombianos) was formed in the early 1970s as a Colombian holding company with investments in several mining companies. Mineros Colombianos acquired International Mining Corp.'s two Colombian properties, including Pato Consolidated's Nechí alluvial operations in 1974. Mineros Colombianos was split into Mineros de Antioquia S.A. and Mineros del Chocó S.A. Mineros de Antioquia S.A. (now the Company) was profitable, whereas Mineros del Chocó S.A. failed and was liquidated in 1977. In 2004, Mineros de Antioquia S.A. changed its name to Mineros S.A. In 2020-2021, two Royal IHC wheel cutter suction and seven Daman CSD250 rotary head suction "Brazilian" dredges were put into production. Mineros purchased the wheel cutter units and one Brazilian dredge from the Netherlands.

Past Production

Historic gold production from the Nechí alluvial deposits from 1895 to 2021 is in the order of 8.8 million ounces (Moz Au), of which Mineros' operations account for approximately 3.0 Moz Au.

Table A-2 provides the Company's past gold production for the Nechí Alluvial Property from 1974 to 2021, inclusive. The Company notes that the 2021 figure includes the actual production for the first half (H1) of 2021 and the forecast production for the second half (H2) of 2021.

TABLE A-2 – MINEROS ALUVIAL GOLD PAST PRODUCTION

Year	Ounces (oz Au)	Year	Ounces (oz Au)
1974	43,759	1998	57,703
1975	40,253	1999	54,908
1976	45,870	2000	64,180
1977	47,467	2001	62,399
1978	47,361	2002	61,892
1979	38,037	2003	60,297
1980	47,236	2004	64,985
1981	44,661	2005	76,831
1982	38,074	2006	89,653
1983	43,856	2007	65,963
1984	47,889	2008	79,081
1985	38,961	2009	87,111
1986	41,247	2010	81,726
1987	37,007	2011	92,117
1988	36,772	2012	91,003
1989	42,116	2013	91,106
1990	38,955	2014	92,254
1991	51,196	2015	83,340
1992	44,465	2016	86,809
1993	41,487	2017	88,894
1994	57,863	2018	77,151
1995	40,575	2019	54,567
1996	52,083	2020	69,939
1997	59,466	2021	71,807[1]
	1974 to 2021 Total		**2,956,761**

Note:

1. Based on 2021 H1 actual production of 40,519 oz and 2021 H2 forecast of 31,288 oz

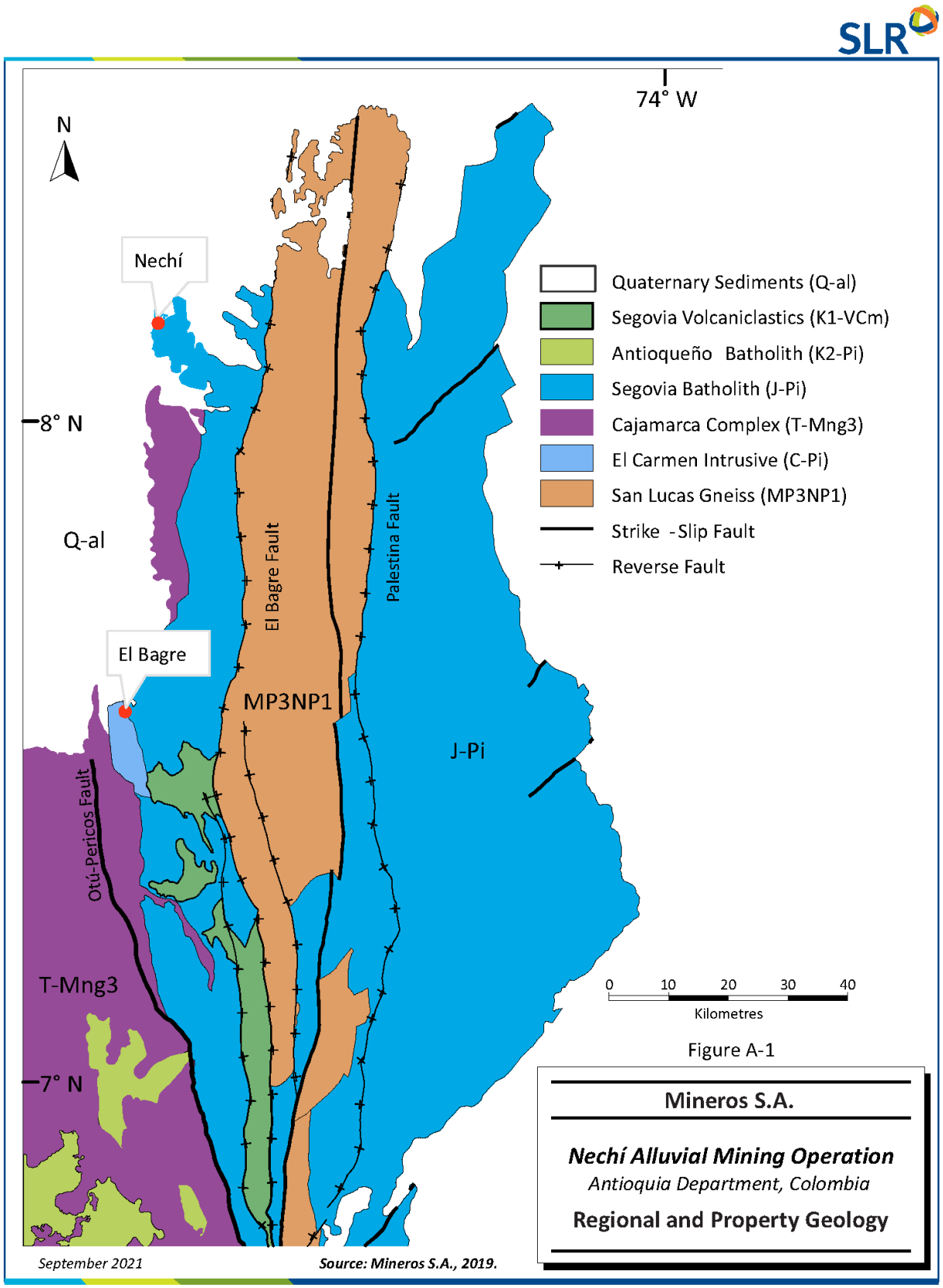
Geological Setting, Mineralization, and Deposit Types

Regional Geology

The Nechí Alluvial Property lies within the Central Cordillera, one of the three physiographic subdivisions (Central, Western, and Eastern Cordillera) of the Andes Mountains in northern South America. The area is known as the Segovia-Remedios-Zaragoza Mining District and is host to hydrothermal vein mineralization, which has seen small-scale hard rock mining. Large-scale alluvial gold mining has been carried out since the 1800s.

Cordilleran rocks in the area have had a complex geological and tectonic evolution, spanning from the Precambrian era to the Quaternary age. Figure A-1 shows the regional geology of the Nechí Valley from Zaragoza south of El Bagre to north of the town of Nechí, as well as the general location of the Company's alluvial and exploration project areas.

FIGURE A-1 – REGIONAL AND PROPERTY GEOLOGY



Local and Property Geology

The alluvial mining titles are predominantly underlain by Quaternary alluvial sediments bordered on the east by the Cajamarca Complex rocks and on the west by Cacausia and Taraza formations. The Quaternary sediments are the main material mined by dredging. The alluvium has been subdivided into four units in which seven types of gold-bearing gravels can be differentiated. The stratigraphy from oldest to youngest is represented by bedrock Cajamarca schists, succeeded in turn by Tertiary clay-rich sediments (false bedrock), alluvial gravel pediment, and terraces.

Pediment gravels cover the Tertiary sedimentary rocks and, in some areas, the metamorphic rock terrain. Terrace materials, composed of gold-bearing gravels, generally overlie rock and can be differentiated from those in the river bed. Flood plain deposits are more extensive in the Nechí River's valley than in the Cauca River valley.

Alluvial Gold Deposit Formation and Relevant Controls

After the Tertiary alluvial sediments were deposited on metamorphic rocks in the lower Nechí basin, a period of extreme morphogenetic activity occurred driven by Quaternary climate variations (such as glaciations) combined with tectonic uplift. Climate variations lowered sea levels and caused the river to downcut the Tertiary valley alluvium, form new channels, and modify surrounding flood plain banks and slopes.

Material at higher elevations was left as terraces that contain older layers of eroded Tertiary material such as foothill gravels. In a number of instances during river evolution, gravel had been deposited along the high terraces as natural dikes, forming full terraces that acted as levees for the evolving post-Tertiary flood plain.

A braided stream fluvial environment developed as the river reached maximum downcutting levels and its coalescing gravel bed attained a width of three kilometres. Due to high river gradients, a fairly uniform basal gravel layer with high gold content was deposited. At La Angostura, on the Cauca River approximately 115 km downstream of the Nechí Alluvial Property, a structural control acting as a natural dam affected the river's hydraulic regimen and was a key factor in the accumulation of the gravels by diminishing the flow rate and contributing to deposition of gold particles.

Mineralization

The Company has drill-delineated 95 gold-bearing alluvial zones or blocks occupying 3,600 ha for which Ward placer drilling results exceed the breakeven cut-off grade for the various types of deposits: river alluvial plains, alluvial terraces, and old dredge tailings. These zones or blocks constitute current in situ resources and reserves. All but three of the zones are river alluvial plain deposits, which are irregular, and vary in area from one hectare to 738 ha. Average depth of the zones for the alluvial plains dredging is approximately 25 m, which includes overburden and pay gravels. Maximum dredging depth is 30 m. The Company has outlined two blocks of tailings from previous dredging that total 11 ha and average 14 m in depth. The Cargueros 2 blocks consists of old tailings from Pato Consolidated dredging in 1945 similar to the reserve block Cargueros which is currently in production. Mineros has also identified one low terrace of 14 ha and 14 m depth bordering the Nechí River alluvial plain.

Gold in the Nechí alluvial gold deposits consists of free grains, which are predominantly No. 4 or smaller, hosted by flood plain Tertiary fluvial gravels and sands. Eighty percent of the gold grains are 150 µm to 180 µm. No. 4 gold grains are very fine (flour or powder gold), with individual grains weighing ±0.02 mg. No. 2 and No. 3 gold grains are also present. In terms of grain counting, No. 4 and smaller grains account for 96% of the grains logged in drill hole sampling, however, because of the large differential in grain weight, the weight contribution of No. 3 and No. 4 grains is 86%.

Fluvial flow regime is the primary geologic control on alluvial gold deposition. The dominance of fine gold grain sizes indicates a low-gradient system consistent with the Company's interpretation of Tertiary paleochannels within flood plain gravels.

As determined from fire assays of bullion, the gold is 850 to 900 fine (85% to 90% gold), with approximately 9% silver, 1% iron, and traces of platinum.

Deposit Types

The Nechí alluvial deposits may be classed as a Tertiary gravel plain gold placer with bordering bench or terrace deposits. The gravel plain style of placer is the Company's primary exploration target for dredging. Gravel plain deposits are generally characterized by well-rounded gravels, few boulders, and fine gold distributed vertically and laterally in the pay formations. Such placers are formed in low-velocity shifting stream channels in low-gradient valleys. Gold grades in the Nechí River flood plain are elevated at the mouths of creeks draining the high ground (Segovia batholith) to the east and these areas likely represented the merging of creek or river placers with the main gravel plain. In the upper reaches of the Nechí River, the gold-bearing gravel plain placers likely grade into river placers.

The Nechí deposits appear to have formed at the same time as the gold-bearing gravels of Tertiary age mined in the Sierra Nevada Mountains of Nevada, California, and Oregon in the western USA, however, the US placers formed in higher energy environments are higher grade and have been subjected to uplift and burial by late Tertiary volcanic rocks and sediments. The Nechí deposits are more akin to the dredging fields of Hammonton and Folsom, California.

Exploration

Owing to the targeted alluvial gravels lying under overburden commonly up to 14 m deep in the Nechí River flood plain, churn drilling is the only practical means of placer gold sampling. Much of the virgin favourable ground on the eastern bank of the Nechí River on the RPP land and concession contracts has now been explored and scout and wide spaced drilling have been completed.

The Company has approximately 15,000 ha of unexplored terrain within the RPP, located on the Left Bank of the Nechí River. The scout drilling planned from 2020 to 2022 consisted of approximately 110 holes at 250 m departures on 11 lines at one kilometre to 1.5 km latitudes from 1,331,000N to 1,353,500N extending from the west of El Bagre to approximately 22.5 km to the north. Follow-up in-fill drilling is being undertaken to define new resources.

Drilling

The Company explores and develops alluvial gold resources on the Nechí Alluvial Property by churn drilling vertical holes and sampling alluvium and terraces along the Nechí River, predominantly on the east flood plain that is closer to the likely source of gold, the Segovia batholith.

SLR reviewed the 2021 drill hole databases provided by Mineros. The general drilling database totals 11,751 holes for 278,172.36 m. The general database is a subset of the overall "Placer 2000" database. In addition to Company drilling, the database includes Pato Consolidated holes dating back to 1931 for which information is incomplete and some of this old data is recorded in imperial units. Old Pato Consolidated data continues to be added to the Placer 2000 database.

During 2019, the Company drilled 185 holes for 4,802.40 m which averaged 26.0 m depth. In 2020, 247 holes for 6,053.75 m were drilled averaging 24.5 m per hole. Drilling in 2021 totalled 4,278.90 m in 239 holes, averaging 17.9 m per hole.

The Company uses a PolyCad drill hole database for resource and reserve estimation which contains coordinates and summary data such as calculated hole depths and grades. The current Nechí drill hole database contains 11,751 holes totalling approximately 278,172 m.

For Measured Mineral Resources, drilling is carried out on a 122 m x 122 m grid set up initially from maps and aerial photographs. Hole step-outs are staggered with respect to adjacent lines to form a triangular pattern. The spacing is a practical carry-over from Pato Consolidated work on 400 ft by 400 ft grids. Detailed drilling to a spacing of 60 m x 60 m is progressively carried out as resources are evaluated for reserves. Lines are located by theodolite with drill collars, then located by GPS on the ground. Final collar location is determined by Total Station survey.

The area of current resources and reserves drilling extends over 47.5 km from 1,330,000N to 1,377,500N (IGAC-Magna). With respect to El Bagre, alluvial plain resources extend over 44 km from seven kilometres to the west-

southwest to 40 km to the north, whereas alluvial plain reserves extend from 34 km to 45 km north. The alluvial plain resources generally flank or fill in previously exploited blocks. Terrace resources are located several kilometres south, west, and west-northwest of town. Small residual blocks of reserves designated for mining by a smaller wheel cutter suction dredge are located along the Nechí River plain approximately seven kilometers to 24 km north of El Bagre.

Drilling on 122 m and closer spaced grids extends over 49 km from 1,328,500N to 1,377,750N. The Company has completed 5,136 churn drill holes totalling 123,154.8 m to define alluvial resources and reserves of which 2,201 holes totalling 54,113.5 m define Proven and Probable Mineral Reserves. The bulk of the current resources and reserves have been drilled on the east side of the Nechí River flood plain. Residual isolated areas of the widely spaced "scout" drill holes are located west and north of RPP 57011.

Sampling, Analysis, and Data Verification

Sampling Method and Approach

The method of sampling for the Ward and Fairbanks drills is by conventional placer churn drilling and sampling which relies on a standardized advance or drive of a casing (drive pipe), break-up of the sample material in the casing by a downhole placer churn bit, and collection of samples by means of vacuum pumping material out of the casing. The placer drilling method is effective at collecting a volume-representative sample that is necessary for estimating the raw gold grade in milligrams per bank cubic metre (BCM). Mineros' drilling and sampling methods adhere to classic procedures developed for placer churn drills (Keystone, Hillman, Fairbanks, Ward, etc.) in the late 1800s and early 1900s in the USA and are employed worldwide. The method of logging, sampling, on site sample processing, quality assurance and quality control (QA/QC), and security for the sonic drill sampling is the same as for the churn drilling as described below, except that sample intervals are at one metre, consistent with the core barrel length, and the grade correction factor for casing and shoes as described for churn drilling is not employed since the sonic drill bit and sample tube are the same diameter and sonic sample is relatively undisturbed.

Barren soil, mud, and clay overburden overlying the pay formations is penetrated at variable lengths up to six metres. The overburden is logged, and the collected sediments are discarded, with the piping washed. Pay formations sands and gravels are sampled at 0.3 m (sometimes 0.6 m) drives and pumped from the casing, emptied into the mud box for examination, and then washed into the volume box (12 in. x 6 in. x 6 in.) for volume measure carried out by a volume stick. The sample is then screened to $-^{1}/_{8}$ in. and the undersize panned by an 18 in. pan (batea) on the rig.

Gold grains recovered from black sand in the batea are examined by hand lens, picked, and counted according to size, i.e., gold grain numbers 1 to 4 (Table A-3), and accumulated in a gold sample vial that is labelled for grid line and hole number. Drilling sample logs record grain numbers from 2 to <4.

TABLE A-3 – GOLD GRAIN NUMBERS AND WEIGHTS

Grain #	Gold (mg Au)
1	3.00
2	1.30
3	0.33
4	0.02
<4	0.01

Samples are panned three times to ensure no gold is lost. Detergent is used for degreasing and eliminating water surface tension. Since gold is accumulated in a single vial from all samples, only a single grade based on actual weight for the entire clastic column is available for each hole. The drill supervisor/foreman is responsible for the gold grain count and recording. The supervisor on Ward drill 9 visited in May 2017 has 25 years of experience.

Panned black sands are accumulated from each sample and retained. At the end of the hole, the black sands are run through a 150 cm by 30 cm sluice for final clean-up. Any gold recovered is recorded and added to the sample gold vial. The gold sample vial and black sand is returned to El Bagre. In the past, all gold was recovered by mercury amalgamation in a Gilkey bowl, however, such gold is generally <200 mesh and considered not dredge-recoverable, so this practice has been discontinued and the black sands simply stored. Gold in the sample vial is nitric acid-washed,

the gold grains are handpicked and weighed by micro-balance, and the actual weight is recorded to complete the logging and sampling.

The alluvium is logged, aided by granulometry from screen fractions produced from a screen deck on the rig. Processed sediment (i.e., rejects) is temporarily stored in rice bags on the drill rig until the hole is completed and then is placed back in the hole when pulling the casing.

The sampling procedure is generalized in Figure A-2.

For every sample taken, a series of factors are employed to correct the estimated weight of gold from grain counting as well as the actual weight of gold in the sample vial determined in the El Bagre laboratory. Grade corrections for each advance are necessary to account for incomplete filling or excessive swell of material in the drill casing. Incomplete filling can be caused by hard material packing the casing, lost core forced out by the bit in loose ground, or by boulders or gravel clasts too large to be broken by the placer drill bit or partially blocking the casing during advance. Overfilling may be caused by running ground or differential water pressure that forces material into the casing. Factors are based on actual and theoretical core rise in the casing and theoretical volume versus recovered volume in the volume box.

If the core rise or volume is less than theoretical, the gold weight is adjusted up; when it is greater, the grade is adjusted down (Figure A-3). The factor is dependent on casing and casing drive shoe diameters and is standardized for a 30 cm advance per sample.

FIGURE A-2 – GENERALIZED SAMPLING PROCEDURE

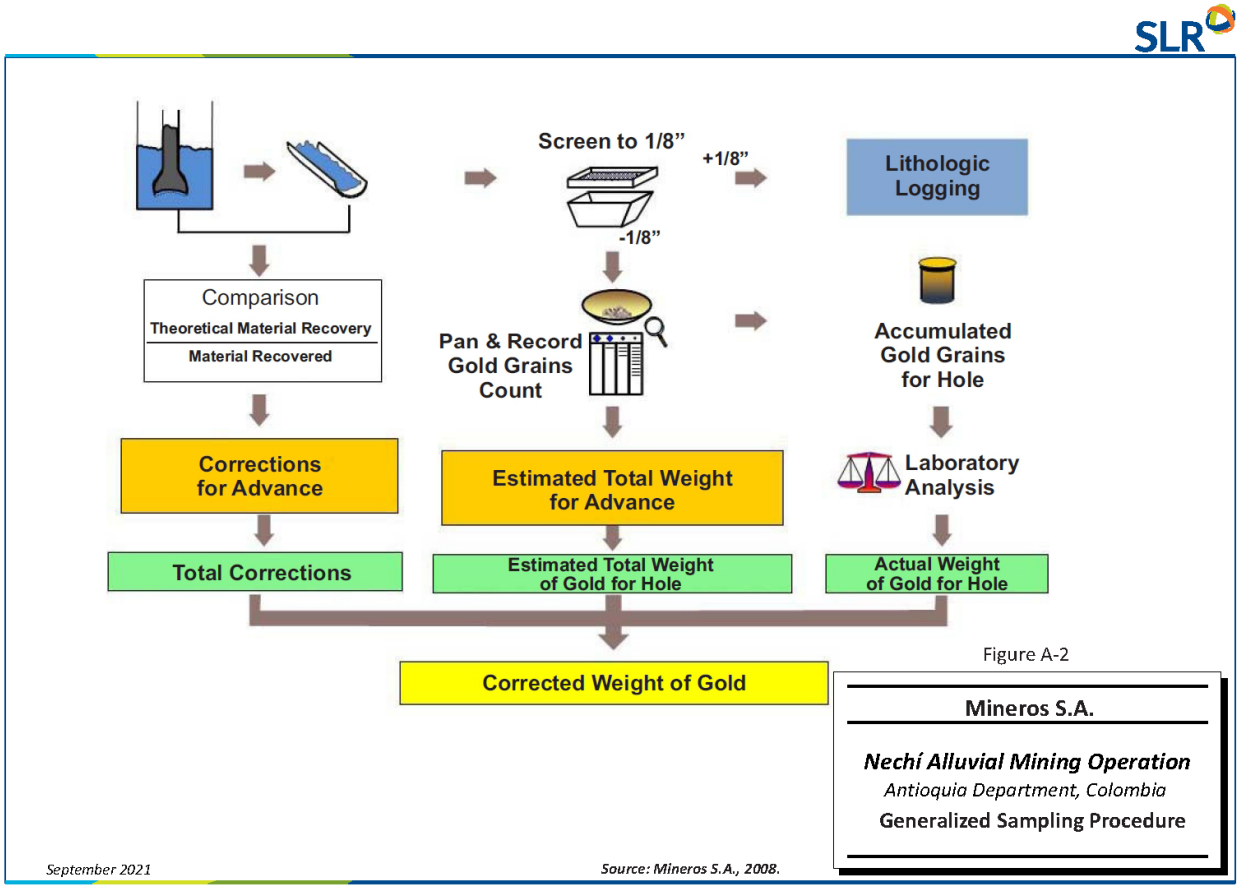
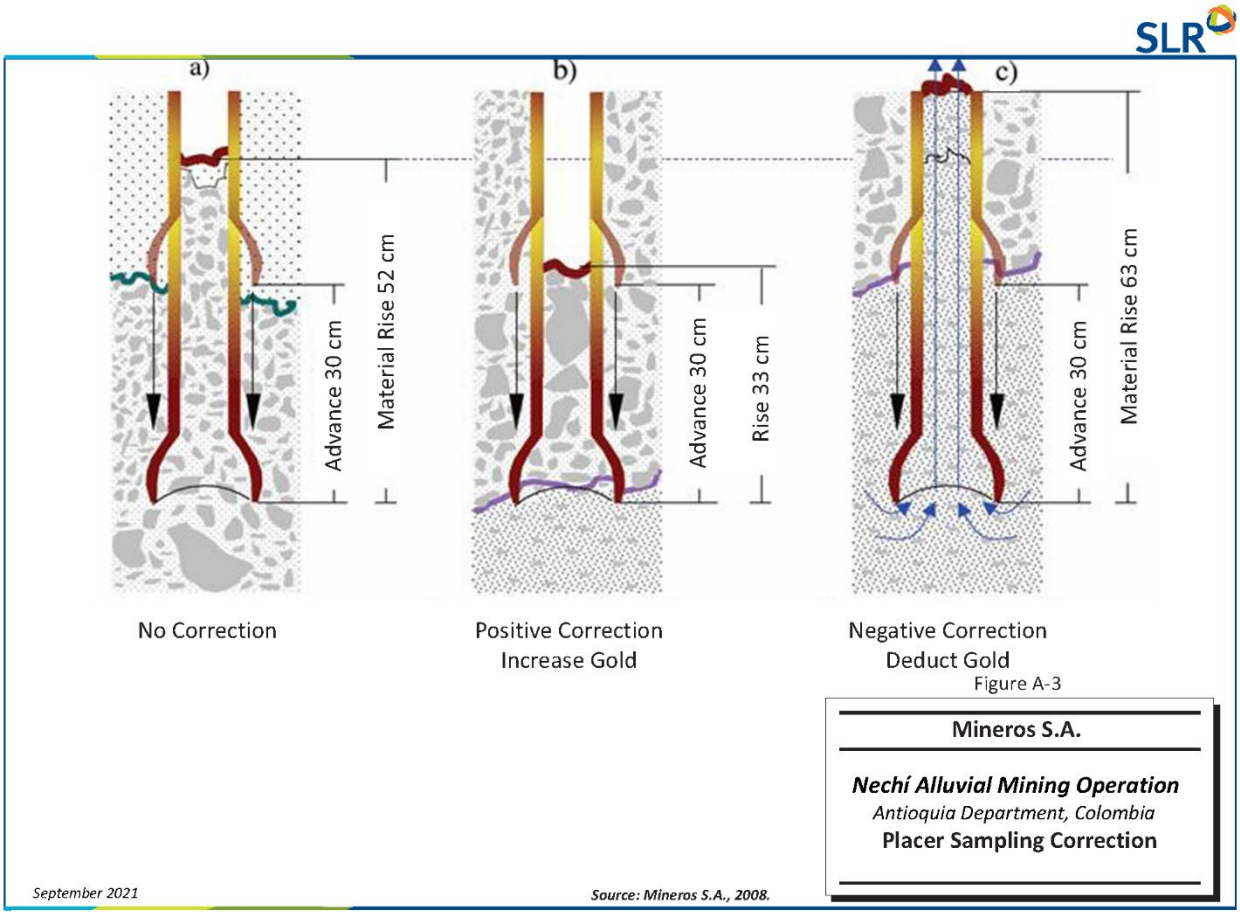


FIGURE A-3 – PLACER SAMPLING CORRECTION



Sample Preparation, Analysis and Security

For placer drilling and sampling, there is no further sample preparation after the sample recovery and panning/sluicing on the drill rig, as described in Section 12 of the Nechí Technical Report. Analysis consists of acid washing and weighing the gold grains accumulated for the hole, which is carried out by Company personnel on an electronic microbalance at the laboratory in the Company dredge black sands final processing and gold smelter facility at the El Bagre complex. The weighed gold and final corrected gold weight are recorded in the drill logs and the database, and then the sample is archived.

The gold sample vials from the drills are transported to El Bagre at the end of the daily shift under control of the drill supervisor by the service boats which have on-board security. The processing/smelter facility is within the secured gated compound at the El Bagre complex and in addition has its own internal security.

In SLR's opinion, drilling, sampling, sample preparation, and gold analysis security are industry standard for large-scale alluvial gold deposits and adequate for the estimation of alluvial gold Mineral Resources and Mineral Reserves.

Quality Assurance and Quality Control

Until 2009, the Company had not implemented a quality assurance and quality control (QA/QC) program with respect to alluvial gold sampling on the Ward drills. Historic industry practice to assure effective sample recovery and thus the quality of sampling for churn drilling was done by periodically dropping a known number of lead shots down the casing before sample pumping, and counting the shot recovered during sample panning.

In 2008, the Company began the practice of dropping metal shot (ball bearings) down the casing and recording the number of shot recovered by sample pumping. Generally, all the shot has been recovered during the first of the three sample pumpings, and where not, all the shot has been recovered after the third pumping confirming the quality of the placer sampling.

Data Verification

While on past site visits and during ongoing audits, the SLR QP examined a number of Ward drill logs for verification of the completeness of entries and procedures and overall quality of the recording process. The drill hole data since 1991 are also stored in "Placer 2000" database software, which is a customized version of "Stratigraph" by Geostat International Systems Inc. (Geostat), a subsidiary of SGS S. A., of Blainville, Québec, Canada. The Placer 2000 database was examined on screen for randomly selected drill holes.

Two operating Ward churn drills were visited by SLR QP in the field in 2008 and Ward Drill 9 was visited in 2017 to observe and review Mineros' alluvial sampling and logging practices. A Ward drill was also visited in 2021. Visible gold was observed during the gold panning steps at all visits. SLR did not conduct any independent sampling to verify the results of any specific drilling and sampling owing to the nature of the task, i.e., the need for drilling equipment and experienced crew, and time constraints in that completing a drill hole requires five days, not including mobilization/demobilization time.

The Company conducted comparative testing of sonic drill sampling versus sampling in eight churn drill holes in 2019 prior to purchasing the sonic drill rig in 2021. The sonic sampling tended to capture less gold and be lower grade in virgin terrace sampling but was closer to churn drill results in grade and gold weight for dredge No. 10 tailings sampling for which it is being used at present. Given the variability in results noted for twin churn drill holes and differing sampling lengths for churn and sonic drilling, the performance of the sonic drilling is reasonable for tailings exploration.

The SLR QP obtained the PolyCad drill hole database as of May 2017. The data was formatted and imported into GEMS 6.7.4 for review. The drill holes were viewed on screen and validated in GEMS. GEMS has rigorous error checking routines that find out-of-sequence errors, overlapping intervals, missing intervals, etc. the Company performed the same exercise for the 2019 database.

The check in 2017 resulted in 23 holes with duplicate identification numbers and five holes with zero length or negative lengths. As of year-end 2019, the duplicates remain to be corrected in the database and 12 holes have zero length and zero grade. Several holes having coordinates outside the resource/reserve areas, and the Company tenements themselves, need to be corrected.

The 23 holes with duplicate identification numbers are twins of older holes ("redrills") dating from 1940 to 1992 of which 20 holes were originally drilled in the 1940s. The twin holes were drilled from 1982 to 2013 of which 20 holes were drilled in the 1990s. Except for one isolated hole, the holes were drilled in a relatively small 33 km^2 area of the overall resource area of the Nechí alluvial plains. The twin holes returned hole grades lower than the original holes for 13 of the 23 pairs and summed grades for the pairs were -1,023 mg/m^3, indicating that the twin holes are generally lower grade. The Company states that results (grade) usually differ for redrills. The Company notes that for the redrills, only the results for the more recent of the twinned hole pairs are used for Mineral Resource estimation. Other than the few errors above, SLR is of the opinion that the Company's drill hole database is of good quality and adequate for alluvial Mineral Resource and Mineral Reserve estimation.

The QP is of the opinion that the drill hole database is acceptable to support Mineral Resource and Mineral Reserve estimates.

Mineral Processing and Metallurgical Testing

Mineral Processing

The Nechí alluvial gold deposit has been in production for approximately 45 years under the Company's management.

There are four main mining methods – bucket line dredges, "Brazilian" suction dredges, the Llanuras production unit, and terrace mining – each with a different gold processing plant associated with it. Bucket line dredge mining utilizes the processing plants located on the five bucket line dredges. The "Brazilian" suction dredges have on-board processing plants. The Llanuras production unit that is fed from suction dredge No. 21 has a separate floating processing plant. Terrace mining utilizes a backhoe to feed a floating processing plant, which uses gravimetric recovery units to obtain a concentrate.

Mineral beneficiation in the alluvial operation starts by a gravity concentration and/or sluice box/blanket treatment on board the dredges, followed by a concentration and smelting process in the El Bagre metallurgical plant at the El Bagre complex. The gold quality has been reported consistently to be 890 fineness, or 90% gold in the final doré bar. The beneficiation process is described in greater detail in Section 17 of the Nechí Technical Report. The use of mercury amalgamation was suspended at some of its operations in 2012 and completely phased out by 2014, and replaced by use of extra jigs, sluice boxes, and blankets.

The gold production from the bucket wheel dredges up to June 30, 2021 of 32,794 ounces represents the final gold production after treatment at the El Bagre metallurgical plant.

The metallurgical recovery estimated for the remaining reserves averages approximately 80%. The recoveries are estimated by the Company and appear to be reasonable. SLR is of the opinion that there are no deleterious elements that could have a significant effect on potential economic extraction.

Metallurgical Testing

Replacement of the mercury amalgamation process on the dredges made the operations safer and environmentally easier to operate.

As production moved down river, the gold was becoming finer, with resultant lower recovery from the jigs. In 2014, the Company initiated a test project with Gekko, where an InLine Pressure Jig (IPJ)-based pilot plant was installed on the barge operation, which was tethered to, and received its feed from, the Dredge 10 production unit.

The pilot plant was commissioned in July 2014, establishing IPJ parameters in preparation for performance trials, which commenced on October 22, 2014. The trials produced very encouraging gold recovery results in the +90% range, with the highest being 96%, all on feed of very fine to fine gold with a nominal maximum size of approximately 200 μ.

Based on the test results from the pilot plant, the Company decided to implement the Gekko pressurized jig technology on one of the two jig recovery circuits of Dredge 10, replacing the gravimetric concentration equipment, from the primary stage to the production of concentrates, prior to the cleaning stage in the sluice boxes. The Gekko jigs did not perform well in operation and were removed from Dredge 10.

Mineral Resource and Mineral Reserve Estimates

Mineral Resource Summary

The alluvial gold Mineral Resources at the Nechí Alluvial Property are summarized in Table A-4. As of June 30, 2021, the alluvial Measured and Indicated Mineral Resources total 528 Mm^3 averaging 80 mg/m^3 and contain 1.21 Moz Au. Exploration has upgraded all Inferred Mineral Resources to either Indicated or Measured Mineral Resources.

TABLE A-4 – NECHÍ ALLUVIAL PROPERTY MINERAL RESOURCE SUMMARY
JUNE 30, 2021

Category	Volume (000 m³)	Grade (mg/m³ Au)	Contained Metal (koz Au)
Measured	510,000	81	1,175
Indicated	18,000	67	36
Measured & Indicated	**528,000**	**80**	**1,211**

Notes:

1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources are estimated at a gold cut-off grade of 39 mg/m³ for suction dredges, 43 mg/m³ for Brazilian dredge alluvials and 85 mg/m³ gold for terrace alluvials. Mineral Resources at Nechí are estimated using an average, long-term gold price of US$1,700/oz Au and an exchange rate of COP3, 500.00:US$1.00.
3. Alluvial gold at Nechí is 890 fine for resource estimation.
4. Average thickness of the resource pay gravel is 11.1 m. Average thickness of overburden is 12.0 m.
5. Resources and reserves are estimated to the depth of dredging and drill hole grade capping has been carried out at 290 mg/m³.
6. Mineral Resources are exclusive of Mineral Reserves.
7. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
8. Numbers may not add due to rounding.

The QP is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate.

Mineral Resource Estimation Methodology and Parameters

The Mineral Resources for the Nechí Alluvial Property have been estimated internally by geologists and mining engineers employed by the Company using conventional alluvial resource estimation methods, including grade capping and 2D polygonal grade interpolation.

In keeping with CIM (2014) definitions and industry best practices, the Company has stated the Measured Mineral Resources exclusive of Mineral Reserves. There are no alluvial Inferred Mineral Resources estimated for mid-year 2021.

All Measured Mineral Resources are on RPP 57011 and contracts 5213 and 6705 and include areas south of 1,373,500N (IGAC) that are south of the current bucket line dredging operations area. Although they meet current cut-off grade criteria and are amenable to smaller scale dredging, they may not be economically viable in future for large scale dredging because of the capital costs required to move the bucket line dredges back upstream and for preparation of large dredge ponds. Resource areas further upriver west of El Bagre are comprised of terraces and residual tailings of mining operations carried out up to 75 years ago. Figure A-4 shows a location plan of the resource and reserve blocks as of mid-year 2021. Figure A-5 shows a detailed reserve block disposition.

Mineral Reserve Summary

The alluvial gold Mineral Reserves at the Nechí Alluvial Property are summarized in Table A-5.

TABLE A-5 – NECHÍ ALLUVIAL PROPERTY MINERAL RESERVE ESTIMATE
JUNE 30, 2021

Tenement	Block	Volume (000 m³)	Grade (mg/m³ Au)	Doré (koz Au)	Contained Metal (koz Au)
Proven Mineral Reserves – Bucket Line Dredge Plain Alluvials					
RPP 57011	CA5	204,456	108	708	630
RPP 57011	CA6	18,235	115	67	60
LIC-6335	CA6	54,362	111	193	172

Tenement	Block	Volume (000 m³)	Grade (mg/m³ Au)	Doré (koz Au)	Contained Metal (koz Au)
LIC-6118	CA6	11,996	106	41	36
LIC-6819	CA6	288	76	1	1
Totals / Averages		**289,336**	**109**	**1,011**	**900**
	Proven Mineral Reserves – Suction Dredge Plain and Terrace Alluvials				
	PV1	388	108	1	1
	M31	1,225	107	4	4
	M29	3,466	104	12	10
	M27	3,338	140	15	13
RPP 57011	M30	5,594	116	21	19
	MPA5	5,850	84	16	14
	M505	2,437	125	10	9
	MA2	5,548	125	22	20
	Carguero	103	140	0.5	0.4
Totals / Averages		**27,948**	**113**	**102**	**93**
Total Proven Mineral Reserves		**317,284**	**109**	**1,112**	**990**
	Probable Mineral Reserves – Bucket Line Dredge Plain Alluvials				
LIC-6335	CA6	58,589	111	225	200
Total Probable Mineral Reserves		**58,589**	**108**	**193**	**181**
Total Proven & Probable		**375,772**	**109**	**1,316**	**1,171**

Notes:

1. CIM (2014) definitions were followed for Mineral Reserves.
2. Mineral Reserves are estimated at cut-off grades of 38 mg/m³ for mining by bucket line dredges, 49 mg/m³ for Brazilian suction dredge alluvials, 39 mg/m³ for wheel cutter suction dredge alluvials, and 96 mg/m³ for terrace alluvials.
3. Mineral Reserves are estimated using an estimated gold price of US$1,500/oz Au.
4. An exchange rate of COP3,500.00:US$1.00 was used.
5. Gold grade includes some silver. Alluvial gold at Nechí is 890 fine for reserve estimation.
6. A minimum alluvial mining depth of 12 m was used.
7. A maximum alluvial mining depth of 30 m was used.
8. Numbers may not add due to rounding.

SLR is not aware of any mining, metallurgical, infrastructure, permitting, or other relevant factors that could materially affect the Mineral Reserve estimate. In August 2020, as part of its normal course operations, Mineros applied for riverbed occupation permits required for the exploitation of portions of the Mineral Reserves, scheduled to be mined in 2021 and 2022. Approvals for portions of the application mining areas were provided in the first half of 2021, and additional information was requested for other areas. For these areas, Mineros undertook additional data collection and environmental studies as requested, and in August 2021, submitted the revised application for these areas. Mineros and the ANLA have been in active communications and have held several meetings to ensure that the information provided met with ANLA's requirements for review. Based on their dialogue with ANLA and confirmation from ANLA that the information met with the requirements of terms of reference, Mineros expects the application to be granted before year end 2021. Additional permit applications covering the balance of the reserves will be submitted periodically in the future.

Based on SLR's discussions with Mineros and review of environmental documents and resolutions and correspondence with ANLA, SLR is of the opinion that Mineros' expectation of approvals in the future is reasonable and well founded.

FIGURE A-4 – PLAN VIEW OF RESERVE AND RESOURCE BLOCKS

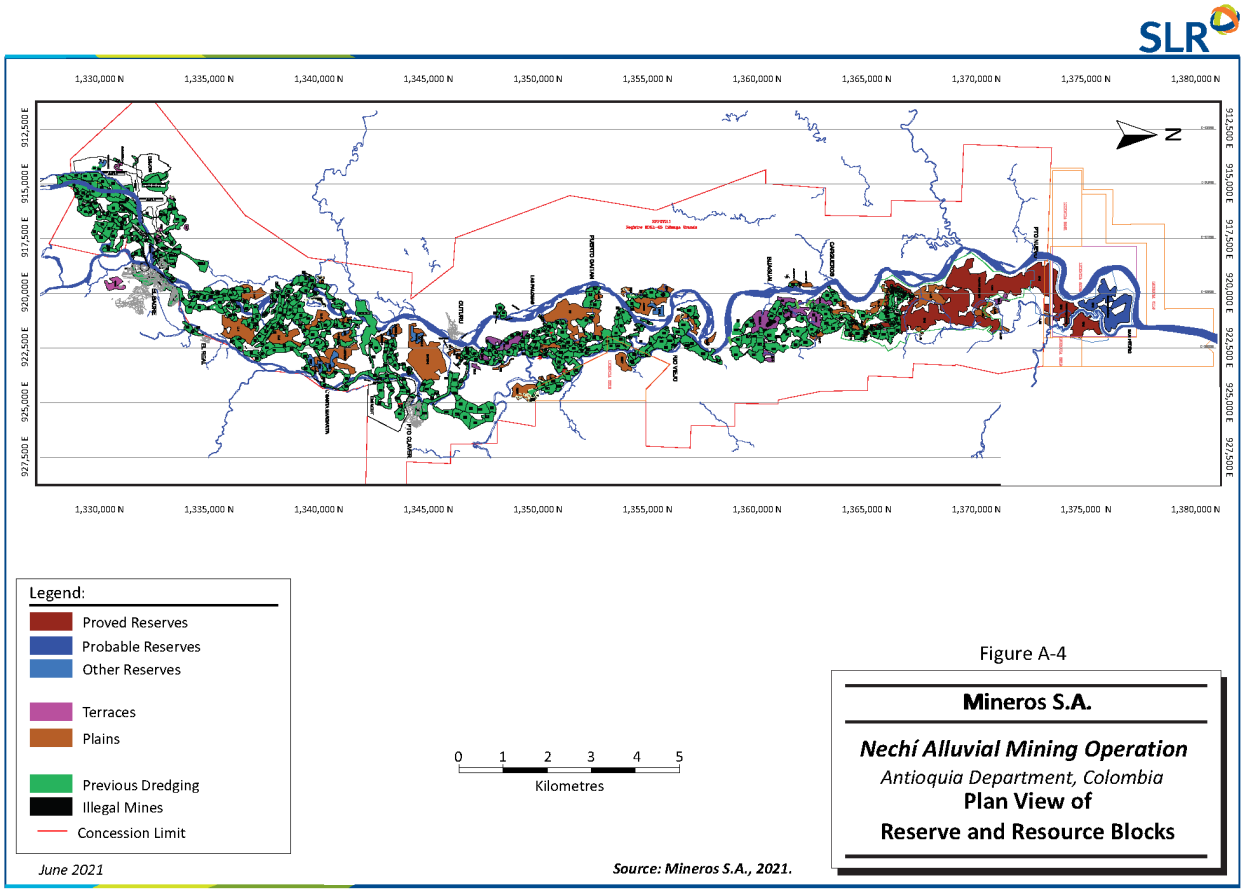
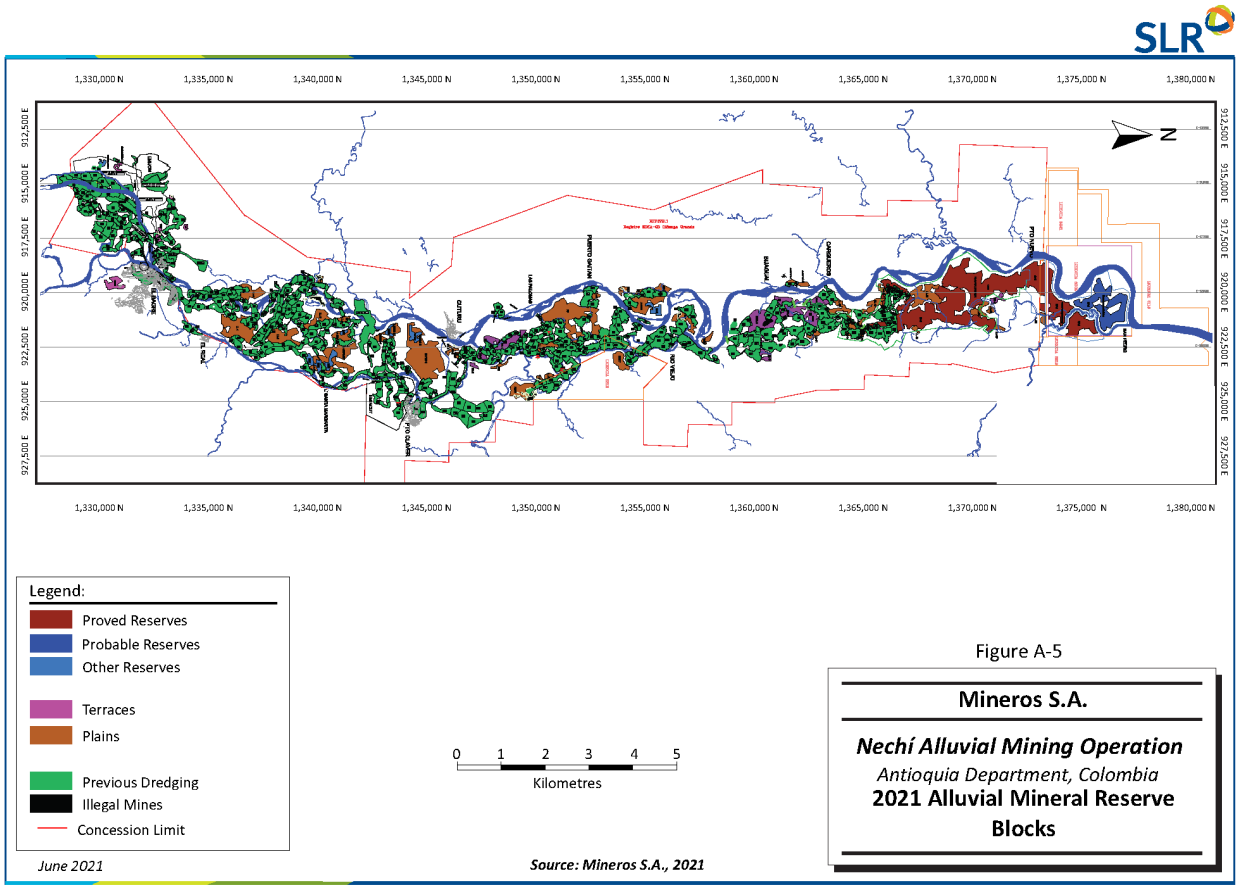


FIGURE A-5 – 2019 ALLUVIAL RESERVE BLOCKS



Mineral Reserve Estimation Methodology and Parameters

For the Company's production planning and economic analysis, the Measured Mineral Resources in the current operations area are reviewed by engineering personnel block by block for each dredge production unit based on the practicalities of access, dredge mobility, a minimum operational area of 60 m, deforestation and overburden stripping characteristics, dredge pond criteria, buffer zone allowance next to the main Nechí River, and associated cost criteria. Dilution for overburden slump and suction dredge depth versus dredge-recoverable alluvium, and expected dredge mining recovery are applied to estimate production-based Mineral Reserves included in the LOM plan. The Company also prepares a long-term plan that includes Proven Mineral Reserves and Measured and Indicated Mineral Resources for internal planning purposes.

The as-built alluvial Mineral Reserve blocks, designed from cut-off grade and operation criteria, are overlaid on the resource polygons and the volume and volume weighted grade are estimated for the reserve blocks using all or part of the polygons and the polygon/drill hole grades. The design may incorporate all or parts of polygons below cut-off grade where necessary for dredge operation.

Measured and Indicated Mineral Resources that meet the Mineral Reserve cut-off grades for the intended mining methods (i.e. dredge type or excavator) are converted to Mineral Reserves after the application of overburden dilution and dredge mine recovery factors.

Mining Operations and Methods

Dredging operations are carried out 24 hours per day, 365 days per year. At approximately 80% availability due to equipment maintenance and clean-up, actual dredging is effectively 284 days per year. The nominal production

capacity of each of five bucket line dredges, used to mine pay gravel, is 500 m^3/h. The nominal capacity of each of seven suction dredges, used to mine overburden, ranges from 300 m^3/h to 500 m^3/h. Planned annual production from mid-2021 to 2034 of 26.85 Mm^3 results in an average hourly production rate of 4,084 m^3 per hour (pay gravel plus overburden). The current mine life is 12.7 years with a combination of large suction and bucket line dredges, smaller alluvial plain wheel cutter (Llanuras production unit) and Brazilian rotary head suction dredges that started in 2020, and terrace/old tailings mining by floating excavator.

The alluvial mining operation consists of overburden removal and excavation of the gold-bearing gravel using large floating dredges. The deposits extend for more than 50 km along the Nechí River, with widths up to 3.5 km. The current overall mining process consists of the following four basic phases:

- Overburden removal and deposit with suction dredges or Brazilian dredges.
- Gravel removal with dredges.
- Size classification and gravimetric gold extraction.
- Final metallurgical processing of doré at the metallurgical plant and laboratory at Mineros' El Bagre complex.

Processing and Recovery Operations

There are four main mining methods – bucket line dredges, "Brazilian" suction dredges, the "Llanuras" production unit, and terrace mining – each with a different gold processing plant associated with it. Bucket line dredge mining utilizes on-board processing plants and three of the five bucket line dredges have barges attached with floating scavenger plants. The "Brazilian" suction dredges have on-board processing plants. The wheel cutter suction dredge mining uses a floating processing plant (the "Llanuras Plant") that is fed from dredge No. 21. The Brazilian suction dredges employ rotating cutter heads and have sluice recovery plants on board. Terrace/old tailings mining currently utilizes a barge-mounted backhoe to feed a trailing floating processing plant, which uses gravimetric recovery units to obtain a concentrate.

Gold concentrates from the areas are treated in a gold recovery and smelting process in a facility and laboratory in the El Bagre complex. The processes are summarized below.

Bucket Line Dredge Alluvial Processing

Mineral beneficiation from the bucket line dredge consists of gravity concentration and gravity gold treatment on board the dredge. The beneficiation process is summarized below. The overall metallurgical recovery estimated for the remaining reserves averages approximately 80%. The recoveries have been estimated by the Company and the QP considers them to be reasonable.

Screening

The bucket line arm excavates gravel at a rate of approximately 500 m^3/h and delivers it to a main hopper feeding a rotating trommel with screen at 9.5 mm mesh (⅜ in.). The oversize material is discharged by a conveyor belt behind the bucket line dredge to form backfill (tailings), with a portion dumped near the anchor to strengthen the anchor base. Ten percent of the material spills at the hopper and is caught by a screening device that discharges coarse material directly into the water, with undersize returned to the process stream. The screening stage reduces the material flow to a rate of 320 m^3/h.

Gravity Concentration

The smaller size material obtained from the trommel and the fine material caught by the catching device are both conveyed to a distributing tank that feeds the first of three gravity concentration stages. The circuit is set up as follows:

- <u>*Primary Concentration*</u>. Jigs process material smaller than 9.5 mm to produce two fractions at a concentration ratio of 10:1. Concentrates proceed to the next stage and the overflow, or tails, is sent to a scavenger sluice box and those tails are dumped behind the dredge. At this concentration stage, the flow of gravel is reduced to 20 m^3/h.

- *Secondary Concentration*. Concentrates generated in the first stage are processed in the second gravity phase at a concentration ratio of 6:1. Concentrates pass to the next stage and tails are sent to a scavenger sluice box and then to tails. After this stage, material flow is 3.5 m^3/h.

- *Tertiary Concentration*. Concentrates generated in the second stage are processed in the third gravity phase at a concentration ratio of 6:1. At this point, the process stream rate is 0.6 m^3/h. Concentrate proceed to the gold recovery area described below. Tails are returned to the secondary stage.

Dredge Final Gold Recovery

By 2014, the use of mercury amalgamation was discontinued and replaced by the use of sluice boxes, carpet tables, and spirals, for gold recovery from the jig circuit.

The concentrate from the third stage of jigs is sent to a series of sluice boxes for recovery. The tails from these sluice boxes pass over a carpet table to recover gold. Tails from the table continue to a set of spirals and a final sluice box for scavenger gold recovery. The last sluice box tails are sent to the primary scavenger sluice box. Three of the bucket line dredges currently have satellite final scavenger felt-lined sluices on barges attached to the sides of the hull at the back of the dredge. These take the tails that were previously sent to the primary scavenger sluice box and discharge to the pond.

The sluice boxes are cleaned daily to produce a concentrate weighing approximately 20 kg to 25 kg. This concentrate is sent daily by helicopter to the El Bagre metallurgical plant for final treatment and smelting.

Access to the gold room is limited to few dredge personnel and a high level of security is in place for the gold recovery process. Mineros maintains sophisticated security monitoring devices along the full concentration process and armed security guards are maintained on board.

Suction Dredge Processing

The processing plant used in the suction dredge mining area is a floating plant fed by material from Dredge No. 21, which works in conjunction with an overburden suction dredge (Dredge No. 20).

The suction dredge process is divided into five operations:

- *Classification and Dewatering* - Utilizes screens and hydrocyclones to separate the gold bearing material from large waste.

- *Roughing and Scavenging* - Utilizes Gekko IPJ for primary gold separation (roughing) and "Cleveland" 12 pack jig for secondary gold separation (scavenging) of the gold concentrate.

- *Cleaner and Recleaner* - Utilizes IPJs for first stage upgrading (cleaning), and a "Cleveland" type jig for secondary cleaning (recleaning) the gold concentrate.

- *Final Concentrate Gold Recovery* - Utilizes automatic and manual sluice boxes and spirals to maximize gold recovery from the concentrate.

- *Final Gold Recovery* - Utilizes a manual sluice box, and a magnetic separator to remove magnetic materials from the remaining gold concentrates, before being shipped in 20 kg containers to the El Bagre metallurgical plant.

Brazilian Dredge Processing

The on-board processing plant used on the Brazilian dredge employs a grizzly and Brazilian mat sluices to concentrate gold bearing black sands which are transported to the El Bagre metallurgical plant for final processing. The Brazil suction dredge gold recovery process is as follows:

- Classification of 160 m^3/h of suctioned material by discharge to a 1" grizzly to separate the -25 mm gold bearing fraction from large waste. The screen undersize and suctioned pulp water reports for gravimetric concentration.
- Gravimetric concentration of 70% the gold bearing heavy mineral sands by means of 12-one metre wide sluices lined with Brazilian mats for gold recovery.
- The grizzly oversize and sluice tailings constitute 99.7% of the mined material and are discarded to the pond behind the dredge.
- Clean-up of the sluice concentrates is done after every 20 hours of operation with the concentrate being shipped in 20 kg containers to the El Bagre metallurgical plant.

Terrace/Old Tailings Processing Plant

The terrace processing plant operating at the Cargueros site is fed with material recovered from the underflow of a rotating trommel screen capable of processing up to 120 m^3/h. The trommel is fed by an excavator backhoe, in operation 24 hours a day.

The floating plant has a primary material receiving hopper, with the material passing through a trommel where it is dispersed with high pressure water. Material is filtered through perforations in the trommel, and passes through recovery and discharge gutters, obtaining feed for further processing. The trommel oversize is removed from the end of the trommel by a conveyor belt.

The material from the trommel is sent to a secondary process area utilizing sluice boxes and gold blankets for gold recovery.

El Bagre Metallurgical Plant

Gold concentrate from the dredges is flown by helicopter daily to the metallurgical plant at Mineros' El Bagre complex, for final gold recovery and smelting.

The received concentrate is deposited on a vibrating screen which splits the feed using a +/- 20 mesh. The +20 mesh material is sent to a sluice box for gold recovery and the resulting tails are pumped out.

The -20 mesh material is sent to two stages of angular rotating tables, with the recovered gold concentrate going to a drying and magnetic separation step, after which the final gold concentrate is sent for smelting.

The tails from the angular rotating tables are sent to a three stage gold recovery circuit. Each of the stages consists of a gravity gold concentrator, with the primary and secondary circuit having spirals and the third, a sluice box following the gravity concentrator. The concentrate from the gravity concentrators and spirals is returned to the primary angular rotating table. The tails from the final circuit are sent to a flotation step for final gold scavenging.

A quantity of recovered gold, mixed with borax and sodium nitrate (approximately equivalent to one gold bar (ingot) is fed into in a preheated furnace at 1,000°C.

Melted gold from the furnace is poured into a mould and, once cooled, is hammered and cleaned by steel brush to remove slag adhering to its surface. Once the bar is cleaned and dry, small samples are drilled and analyzed in the laboratory by conventional fire assay to determine the gold and silver content (fineness) of the bar. Bars are weighed, and stamped with the company name, number of the bar, and weight in grams and ounces. Finally, the bars are packed and flown by helicopter to Río Negro and then shipped overseas.

The weight of the bars is approximately 19 kg and the composition is 90% Au, 9% Ag, 1% Fe, and traces of platinum.

Infrastructure, Permitting, and Compliance Activities

The Company's base of operations for the Nechí Alluvial Property is established as a complex adjacent to the municipality of El Bagre. El Bagre is located on the southeast riverbank of the Nechí at its confluence with the Tiqüi

River. The El Bagre complex includes a secure working compound consisting of offices for administration, engineering, exploration, health and safety, as well as a gold smelting facility and assay laboratory, maintenance/fabrication shops and warehouses, port facilities, helicopter hangar and pads, fuel stations, a diesel power generation plant, water supply and treatment system, and an unsecured area of restaurant/recreational complexes, hospital, and employee and guest housing. The working compound is secured by gates and security personnel and occupies 6.4 ha.

The residential area of the El Bagre complex covers 224.9 ha and has the appearance of a large natural park rather than a mining camp. The buildings and facilities are spread out and there are trees and flowers everywhere. Housing includes family living quarters, singles accommodations, and guest houses. Club Bellavista, a social club, includes a restaurant, bar, tennis courts, swimming pool, gym, and pool hall. There are several soccer fields and other sports facilities located in the residential area.

Franklin Hospital has an area of 1,878.1 m^2, with 20 beds, an operating room, maternity room, and pharmacy. In 1996, the operation of the hospital was handed over to the *Dirección Seccional de Salud de Antioquia*, a state health institution. Another former Mineros health unit at El Bagre is managed by the same institution.

El Tomin airport is west adjacent to the Company's residential area and occupies an area of 200 m by 1,350 m, or 27 ha. The 700 m blacktop runway runs N5ºE and is 12 m wide, offering access for light and short take off and landing (STOL) aircraft only. The airport facilities were originally owned by Mineros, however, were turned over to the municipality of El Bagre.

The port is adequate for the maritime needs of the Company and is well equipped with moveable docks, cranes, and a fuel supply. The port is very active, with barges and high-speed boat traffic intense at peak hours, as alluvial mining operations are serviced mainly by water.

Potable Water Supply System

The El Bagre complex is serviced by a potable water supply system, which consists of an intake, an aqueduct, and a treatment plant. The intake is located at Villa Creek, a tributary flowing into the Nechí River. The facility has two 40 hp pumps that raise water 42 m and deliver it at 13 L/s via a 10 in. diameter pipe to the treatment plant, a distance of 1.7 km.

The water treatment plant is located 800 m east of the camp and contains a sedimentation tank, and filtering and storage units. Water is pumped to the storage unit into a 75.6 m^3 elevated tank from where it is distributed to users via a pipe network. Users located in higher zones are fed by 5 in. and 3 in. diameter pipes and users located in lower zones are fed by a 10 in. pipe. The system is designed for a capacity of 400 L/person/day, sufficient for 5,000 persons. Actual water consumption is 2,000 m^3/day. Water quality controls are stringent; pH and residual chlorine are measured every hour. Filtering capacity is 37.8 L/s.

Industrial Water Supply

Industrial water is pumped from the Tiqüi River into a 34 m^3 elevated tank by a floating pump at a rate of 25.2 L/s. The industrial network feeds the fire protection system at 0.5 L/s, the sand processing at the laboratory at 1.0 m^3/h, and the bucket cooling at the shop at 0.25 m^3/min. The industrial water consumption is 2,880 m^3/month.

Sewage

The sewage system is available for the entire camp. The system has grease traps, septic tanks, and filtration nets. In higher areas where houses are spread out, septic tanks are located so that one tank serves several houses. Isolated houses, such as the manager's house, have their own septic tank. In lower areas, with a higher house density, there are several larger tanks. All tanks are periodically emptied and cleaned, and sludge is used as fertilizer in green areas.

Solid Waste Management

A controlled access complex exists in which waste management activities occur. This area has separate facilities for hazardous waste storage prior to removal and disposal at licensed facilities, storage of materials that will be recycled, organic materials storage, and lined landfill disposal cells for domestic waste. The landfill wastes are compacted weekly and covered with an interim cover every two weeks.

Electric System

The El Bagre complex electrical infrastructure consists of the Providencia hydroelectric plant, a main substation (2.4 kV/44.0 kV) located at the plant, a 44 kV transmission network from the power plant to the distributing substations, several voltage reducing substations (44.0 kV/7.2 kV), distribution networks at 7.2 kV for the different users, and 7200/440/220/110 distribution substations in the dredge production units. The system is backed up by two diesel emergency systems, one at Bijagual (three diesel generators), and the other in the El Bagre Industrial Zone (five diesel generators, only two operable).

Environmental Studies, Permitting, and Social or Community Impact

For a summary of environmental regulations applicable to the Nechí Alluvial Property, see "*Regulatory Framework – Colombian Regulatory Framework – Environmental Regulation*".

In order to begin construction and, subsequently, exploitation operations, the concessionaire must obtain an environmental license or the approval of an existing Environmental Management Plan (EMP) from the corresponding environmental authority. Due to the large-scale nature of the alluvial mining exploitation activities, operations at the Nechí Alluvial Property fall under ANLA's jurisdiction. Its environmental permits have been approved by CORANTIOQUIA and ANLA since 2018.

Environmental resolutions and permits for the Nechí Alluvial Property are as listed below in Table A-6 and Table A-7 respectively.

TABLE A-6 – LIST OF RESOLUTIONS

File	Procedure	Site/Location	Act of Approval
LAM0806	PMA/ Environmental License	El Bagre, Zaragoza, Caucasia and Nechí	Resolution 0810, September 3, 2001
PZ8-2002-1	Channel Occupation	Port access channel - Industrial Zone	Resolution 130PZ-367 of July 26, 2002
PZ5-2004-11	Use of Natural Forest	Santa Rosa, Puerto Claver (Blocks PJ1, PJ2 and RV2, BJ2)	Resolution 130PZ-983 of January 17, 2005
PZ5-2005-9	Use of Natural Forest	Veredas Rio Viejo and Río San Carlos, Puerto Claver (RV3 Blocks, MI)	Resolution 130PZ-1128 of September 14, 2005
PZ5-2005-8	Use of Natural Forest	Veredas Rio Viejo and Río San Carlos, Puerto Claver (RV3 Blocks, MI)	Resolution 130PZ-1129 of September 14, 2005
PZ5-2004-10	Use of Natural Forest	Río Viejo and Sabalito Sinaí, Puerto Claver (Blocks PJ1, PJ2 and RV2, BJ2)	Resolution 130PZ-984 of January 17, 2005
PZ1-2010-4	Surface Water Concession	Quebrada Villa, domestic use Camp Miners	Resolution 130PZ-1109-1985 of September 20, 2011
PZ7-2010-4	Discharge	Mining Camp and Industrial Zone	Resolution 130PZ-1108-1962 of August 23, 2011
PZ5-2011-2	Single Forestry Use	Puerto Claver, Sabalito Sinai, Rio Viejo and San Carlos trails	Resolution 130PZ-1204-2089 of April 25, 2012
PZ1-2011-14	Surface Water Concession	House Machines Providencia III, Broken Unnamed nombre (Code: 13379) Use: domestic	Resolution 130PZ-1202-2037 of February 8, 2012
PZ7-2011-7	Discharge	Providencia III, domestic wastewater	Resolution 130PZ-1202-2033 of February 8, 2012

File	Procedure	Site/Location	Act of Approval
PZ5-2011-32	Use of Natural Forest	Providence III	Resolution 130PZ-1206-2119 of 7, 2012 June
PZ5-2011-43	Use of Natural Forest	Sabalito Sinai, Rio Viejo and Boca del Guamo	Resolution 130PZ-1306-2525 of 27, 2013 June
PZ5-2011-45	Use of Natural Forest	Providence III	Resolution 130PZ-1307-2533 of 31, 2013July
PZ3-2014-3	Environmental License	Gold Mining Alluvial Terraces, Cargo Block 1	Resolution 160PZ-1509-3387 of September 15, 2015
PZ7-2014-18	Discharge	Providencia I, La Planta sector Domestic wastewater	Resolution 160PZ-1607-3759 of July
PZ7-2014-19	Discharge	Providencia I, water intake sector of Aljibes Domestic wastewater	Resolution 160PZ-1607-3760 of July
PZ1-2016-1	Surface Water Concession	Providence I	Resolution 160PZ-RES1902-1029 of February 26, 2019
PZ3-2016-4	Environmental License	Amacerí Gold Mine- El Bagre, Santa Rosa village	Resolution 160PZ-RES1712-6998 of December 12, 2017
PZ7-2016-27	Discharge	Shipyard Camp Domestic wastewater	Resolution 160PZ-RES1707-3466 of July 7, 2017
PZ6-2017-16	Fixed Sources	Metallurgical laboratory	Resolution 160PZ-RES1712-7170 of December 20, 2017
PZ5-2017-173	Use of Natural Forest	Bijagual and Buenos Aires (alluvial exploitation Blocks M27, M29, M30, M31, PV1 and MPA5 of the Llanuras Project)	Resolution 160PZ-RES1709-4824 of September 11, 2017
PZ7-2018-270	Discharge, Non-Domestic Wastewater	Astilleros Camp	Resolution 160PZ-RES1901-458 of January 31, 2019
PZ1-2018-286	Surface Water Concession	Nechí River – Astilleros camp	Resolution 160PZ-RES2003-1211 from March 13, 2020
PZ1-2020-434	Surface Water Concession	Providencia Anorí River	Resolution 160PZ-RES2008-4578 of August 12, 2020.
PZ5-2011-43	Use of Natural Forest	Sabalito-Sinaí, Rio Viejo y Boca del Guamo, del municipio de El Bagre	Resolution 160PZ-RES2014-2056 of April 15, 2021

TABLE A-7 – LIST OF PERMITS

Permission	Resolution	Authority	Expiration (MM YYYY)
Epifitas Harvesting	Resolution ATV 949 of 2019	Ministerio de Ambiente y Desarrollo Territorial	Jun 2022
PMA / LA	Resolution 0810 of September 2001with its respective amendments Resolution 0805 July 2003 Resolution 1885 December 2005 Resolution 0126 January 2008 Resolution 0833 August 2013 Resolution 0125 February 2015 (Modified WFP) Resolution 0728 July 2015 Resolution 857 June 2018 Resolution 1612 August 2019 (Includes closed pool, approves contingency plan, approves otherpermits) Resolution 0489 March 2020 Resolution 1726 October 2020 (Guamo´s channel occupation and other permits) Resolution 00659 April 2021 (Surface Water Concession, Use of Natural Forest, and other permits) Resolution 01098 June 2021(Modified Resolution 659, 2021)	ANLA	For the life of the Mine
Cativo Harvesting	Resolution 040-RES1902-834, February 2019	CORANTIOQUIA	Jun 2029
Cativo Harvesting	Resolution 040-RES1908-4121, August 2019	CORANTIOQUIA	Jun 2029

Permission	Resolution	Authority	Expiration (MM YYYY)
Providence Water Concession I	Resolution 160PZ-RES1902-1029, February 2019	CORANTIOQUIA	Feb 2069
Industrial/Domestic Wastewater	Resolution 130PZ-1108-1962, August 2011	CORANTIOQUIA	Aug 2021
Industrial/Domestic Wastewater	Resolution 160PZ-RES1702-902 February 2017	CORANTIOQUIA	Marc 2022
Water Concession	Resolution 130PZ-1109-1985, September 2011	CORANTIOQUIA	Sept 2021
Water Concession	Resolution 130PZ-1109-1985, sept 2011	CORANTIOQUIA	Oct 2021
Industrial/Domestic Wastewater	Resolution 160PZ-1607-3759, July 2016	CORANTIOQUIA	Aug 2026
Water Concession	Resolution 160PZ-1612-3968, December 2016	CORANTIOQUIA	Dec 2021
Industrial/Domestic Wastewater	Resolution 160PZ-RES1702-903, February 2017	CORANTIOQUIA	Marc 2027
Industrial/Domestic Wastewater	Resolution 160PZ-RES1707-3466, July 2017	CORANTIOQUIA	Aug 2027
Air Emissions	Resolution 160PZ-RES1712-7170, December 2017	CORANTIOQUIA	Dec 2027
Industrial/Domestic Wastewater	Resolution 160PZ-RES1901-458, February 2019	CORANTIOQUIA	Jan 2029
Industrial/Domestic Wastewater	Resolution 130PZ-1107-1953, July 2011	CORANTIOQUIA	Apr 2027
Surface Water Concession	160PZ-RES2003-1211, March 2020	CORANTIOQUIA	Mar 2030
Industrial/Domestic Wastewater	Resolution 160PZ-1607-3759, July 2016	CORANTIOQUIA	Jul 2026

The Company's EMP was adopted by Resolution 0810 of 2001, which has been amended several times at the request of the Company due to the expansion and entry into operation of expanded mining areas, the last one approved through Resolution 0125 of 2015. This resolution established a set of obligations for the proper management of physical, biotic, and socio-economic impacts of the Company's operations. In the matrix provided by the company and entitled "Control and Monitoring of the Environmental Legal Performance of Mineros S.A.", these obligations are reported to have been fulfilled and the Company to be in material compliance with its obligations.

Article 5 of Resolution 0810 of 2001 states that during the time of execution of the project, the Company must conduct ongoing environmental monitoring by an independent party in order to supervise the activities and verify compliance with the obligations established in the EMP. At the date of the Nechí Technical Report, Company was in material compliance, and that efforts are underway to address a limited number of deficiencies identified in the past environmental EMP audits by establishing additional forest lands to offset damage caused by mining operations.

Modifications to various aspects of the EMP have taken place to address primary objectives associated with mitigation of environmental impacts and restoration of areas impacted by mining activities.

The EMP was amended by Resolution 1612 of August 2019 to authorize the use of the closed pool mining method in the CA5 block, as well as the selective dredging of the BJ3, BJ4, BJ5, CA1, CA2, CA3, and CA4 blocks and the closed pool method on the PV1, M27, M29, M30, M31, MA2, MPA5, and M505 marginal blocks. This change includes modifying some of the related management plans. In 2020, Mineros submitted the environmental permit application and associated supporting environmental impact assessments to ANLA for mining of these blocks.

During the application review period, the following regulatory changes occurred:

Resolution 2021-597 of December 17, 2020, by means of which CORANTIOQUIA regulates the Plan of Integral and Sustainable Forest Management in the Jurisdiction of CORANTIOQUIA – POF, where the zoning that delimits the areas subject to territorial planning is sought.

Decree 050 of January 19, 2021, which prohibits the exercise of exploration and mining activities in the paramo ecosystem.

Resolution 0773 of April 7, 2021, which defines the actions to be developed of the Global Harmonized System. Decree 690 of June 24, 2021. Through which the sustainable management of wild flora and non-timber forest products is defined.

Resolution 699 of July 6, 2021, the parameters and the maximum permissible values of the punctual discharges to the soil are defined.

Through Resolution No. 659 of April 9, 2021, ANLA provided Mineros with approval for the occupation of riverbed, forest uses and water concessions for a portion of the blocks and requested additional information (hydraulic modelling, fauna monitoring) for several proposed mining blocks - MPA5 Lentic, M505 Lentic, and Sampumoso Lentic.

As Resolution No. 659 of April 9, 2021 did not grant all of the permits that had been applied for, Mineros filed an appeal for replacement which was resolved through Resolution 01098 of June 23, 2021, that approved 51 ha for mass exploitation and 101 ha for selective exploitation (Stage 1).

To address ANLA's request for additional information on the blocks containing lentic systems (MPA5, M505, and the Sampumoso Lentic) in the original application, Mineros undertook in 2020 and 2021 additional baseline information collection and additional environmental assessments of existing baseline conditions and potential impacts of working in the lentic systems under various operational scenarios. The work (referred to as Stage 1.5) was carried out in accordance with terms of reference as agreed to with ANLA staff to ensure that the environmental assessment would meet ANLA's information requirements with respect to lentic systems.

The environmental impact study for Stage 1.5 is based on the information filed for Stage 1 (as its area was entirely contained in Stage 1), along with the additional information that ANLA had considered lacking to grant the full suite of permits for all blocks. Since June 23, 2021, Mineros and ANLA have had five meetings to ensure that all required information is included, to present and discuss the new modelling and studies for ANLA analysis and comments, and to avoid misunderstandings regarding the company's approach to the terms of reference issued by the regulator.

The environmental impact study for Stage 1.5 entitled "Modification Environmental Management Plan Application for Environmental Permits for the Sampumoso Sector, August 2021" was filed on August 12, 2021 with ANLA (filing number 2021169802-1-000). After the issuance of the administrative writ that dictates the initiation of the modification procedure, ANLA has four months by law to make a decision. However, due to the limited additional scope of the application (e.g., ANLA focus is on the additional information requested for CA5 and RMCA5 in the Sampumoso sector) and the Mineros meetings and discussions with ANLA, Mineros is confident that this modification review can be completed by ANLA within 75 days and that ANLA will approve the application.

Based on the information presented to SLR and discussion with Mineros staff during August 2021, SLR is of the opinion that Mineros has undertaken actions requested by ANLA from its review of the Stage 1 application in its Stage 1.5 application documents with respect to the provision of additional baseline data, analysis and discussion of potential impacts, mitigation and compensation as required. Thus, SLR is optimistic that the Stage 1.5 application for riverbed occupation and related activities in CA5 and RMCA5 in the Sampumoso sector will be approved by ANLA.

Several key initiatives have been undertaken in that regard as discussed in the following subsections.

Mitigation and Reclamation of Environmental Impacts

Use and Elimination of Mercury from Operations

A major environmental concern associated with all gold mines that use mercury as part of the recovery process is the potential for release/loss of mercury during operations. To address this concern, the Company pursued a multi-faceted approach that included operational management controls, state of the art equipment, practices, and monitoring.

To minimize potential losses, the Company used close loop systems at both the dredge operations and the gold recovery furnace. To confirm that the processes were effective, the Company measured its use of mercury through the mining and recovery process to ensure that operations adhered to the regulatory limits for mercury loss. The

measurements included mass balances from mining and retort operations, as well as air monitoring of the retort furnace operation.

As a further step prior to elimination of mercury use, the Company introduced climate controls in the areas where mercury was used to reduce potential volatilization of mercury. In addition, the Company supported metallurgical research aimed at completely eliminating the need for mercury in the recovery process. Initial process steps and process modifications occurred in 2012. The goal to eliminate mercury use in the Company's operations was achieved in 2014, at which time recovery processes and equipment were modified to remove the need for mercury use at all of the dredge operations and from the El Bagre recovery plant. This was a significant positive environmental and socio-political achievement.

The present system uses gravity and magnetic separation and no chemicals are added in the recovery process. In addition to the environmental benefits of this new processing approach, the process also results in enhanced gold recovery.

New Approach to Mining and Restoration of Alluvial Blocks

The primary environmental disruptive activities associated with alluvial mining operations on the Nechí River relate to the dredge mining of the flood plain areas. In carrying out the alluvial mining, the first step is the use of a cutter suction dredge to remove the upper layer of soils and sediments to an approximate depth of 12 m. This step is followed by bucket excavation of the deeper soils and gravels to the bedrock surface at a depth of approximately 28 m. The typical bucket line dredge excavation rate is 500 m^3/h. Materials mined during this step are screened and processed for the recovery of free gold.

To mitigate potential impacts from the alluvial mining activities in the Nechí River flood plains, the Company develops and implements an annual mine plan that includes planning for dredge exploitation, drainage and sediment control, habitat and fauna management, and reclamation. The plan considers the existing vegetation cover on areas to be mined, development of operating practices for drainage analysis, and design of sediment control features, as well as spill prevention and emergency response.

In 2014, the Company submitted modifications to the original 2001 EMP that included a new approach to alluvial mining. This approach is based on minimizing the "hydrological footprint" of operational activities during mining, and at cessation of mining, to re-establish ecosystems that mirror baseline conditions in the formerly mined block to the degree practically possible. This approach received approval in 2015 under Regulation 0125 as noted above.

To execute the new mining approach, the Company provides detailed mapping of proposed exploitation areas, access zones, dredged material deposit areas, and plans that illustrate how the area will be left at the end of exploitation. Prior to mining, the Company carries out detailed baseline environmental studies of the existing watershed conditions (terrestrial and aquatic, flora/fauna, fish and birds, etc.), so that potential impacts can be identified, and mitigation measures planned. The studies include detailed topography, bathymetric, and drainage surveys of each block prior to operation. Site specific (instead of generic) ecological restoration designs are developed for each block considering local geomorphology and ecological conditions, vegetation, food supply, and breeding sites, among others, in order to estimate the capacity for new species in these ecosystems.

In carrying out mining activities, the Company is undertaking measures to maintain the hydraulic conditions of the immediate environment, including isolating natural flows from active working areas, and minimizing interruption of natural watershed oscillations during the operation. A key action in this respect is the re-establishment of cutoff banks that isolate the working areas and create a closed pool that is not connected to the main river flows. Through the establishment of these isolation banks, water inflows and outflows from the closed pool mine block are minimized and sediment loads released to the environment are greatly reduced.

The sequencing and direction of the dredging is planned in such a manner as to allow progressive reclamation to occur within the mine blocks. Using this approach, coupled with a reclamation design based on re-establishing features in a manner consistent with pre-mining watershed conditions ensures that regeneration of the mined areas occurs quickly and in such a manner as to enhance natural biodiversity of the region. Based on field observations and time stamped photographic images reviewed, it is evident that restoration arising from this new approach is highly successful.

Environmental Insurance

As part of its risk management, the Company has an environmental liability policy that covers up to a value of $5,000,000 for any accidental event that causes deterioration to the environment.

Program for Mining Smaller Marginal Blocks

Mining activities are planned for smaller blocks which were previously considered marginal using bucket line dredges. The approach to mining these areas will be to use smaller cutter suction barges to excavate the areas and provide the process feed of the gold bearing materials to smaller floating gravity mills. The mills will use gravity separation technology similar to that of the larger barges but on a smaller scale. Throughput will be in the order of 350 m^3/h versus the larger bucket line dredges that operate at approximately 550 m^3/h. Using the new approach to mining (as discussed in the previous subsection) and the smaller mining and process recovery equipment, environmental disturbances will be minimized when carrying out mining in these areas and reclamation to local targeted end points should be readily achievable.

Future Mining Areas

In addition to the current operation, an environmental impact study is being prepared for submission to ANLA at the end of 2021 (Stage 2), in support of a request for a new amendment of the Environmental Management Plan for exploitation of one big block (CA5, 1,026 ha) within the EMP, which will allow operations with bucket line dredges for a period of four years.

Within the EMP, there are also 27 historically mined marginal blocks (6,204 ha) on the west side of the Nechí River that Mineros is planning to exploit with Brazilian dredges and dredge No. 21. At this time Mineros is planning to develop an environmental impact study in 2022, for submission to ANLA to amend the EMP for exploitation of three of these marginal blocks (2,300 ha).

Furthermore, Mineros has three mining concessions to the north of its existing concession, identified with numbers 6118, 6819 and 6335 (3,766.85 ha). As these areas are not included in the EMP, Mineros will undertake additional environmental studies and assessments of these areas in support of a new licensing process with ANLA and the Mining Authority for exploitation of these areas with bucket line dredges in 2026 and beyond.

Pilot Program for Mining "Terraces"

A pilot program has been put into operation for mining small surface blocks using shovel excavation coupled with ore processing in a small floating gravity separation mill. This approach combines the tools typically employed by small scale miners for surface strip mining, with the processing plant technology developed by the Company for processing smaller alluvial deposits as discussed above at a rate of 120 m^3/h.

Through the successful execution of this pilot program, if achieved, the Company is hoping to show that mining can be carried out profitably and in an environmentally responsible manner, without the use of mercury, and that the reclamation of the mining area can be carried out in a manner consistent with pre-mining conditions. If this can be done and is accepted by the small scale and artisanal mining community, it opens the way for future developments of this type in both greenfield and brownfield locations. This could result in significant socio-economic contributions being achieved in an environmentally sustainable manner.

Legalization of Informal Miners

While still in the early stages, the Company has interacted with the small scale and artisanal mining community including the EMIJOM and EMICUT organizations, to gain their understanding and support for such an approach. The Company is currently selecting smaller miners of the area to carry out operating contracts with them. The Company supports the legalization of informal miners with the objective of reducing environmental and health and safety risks that are associated with illegal mining activities. A brief overview of projects with artisanal miners is provided below.

In 2013, the Company transferred 127 ha for the formalization of mining by a group of miners from the Middle Jobo municipality of Zaragoza, called EMIJOM. As a commitment to formalization processes, the Company has continued strengthening the technical, social, and environmental aspects of the group's activities. At EMIJOM, there are three active production units and more than 60 miners who now perform mining legally, working in compliance with occupational health and safety obligations, that do not use mercury, and also have environmental impact studies and mining planning.

In 2015, in support of formalization and regulation, a pilot mining project was initiated through operating contracts for two specific sectors of the RPP, called Block El Bagre and Block Amacerí, of 49.7 ha and 51.6 ha, respectively. The production of these blocks is planned to be carried out with new dredging equipment called "Brazilian dredges" which are on order for 2021. As part of this pilot initiative, environmental studies were required to obtain environmental licence for mining of the blocks. The Company worked with the operator to complete the respective studies and thus obtain the environmental licence under Resolution 160PZ-RES1712-6998.

In 2017, a new project contract was signed with Suministros Agromineros S.A.S. (Suministros Agromineros). This organization includes representatives of the natives living in the area with whom an operating contract was signed to dredge marginal areas located within the RPP. This production unit employs 27 people from the area, who have access to employment benefits, follow safety procedures, and maintain good environmental practices. The project controls include monitoring and control of production and social and environmental management. The operation will be carried out without the use of mercury.

In 2017, the process of transferring the mining title for an area of 369 ha to the members of Empresa Minera Nuevo Cuturú (EMINCUT) was completed. In this formalization process, there are four mining production units, led by 16 partners. Each production unit employs 27 people. As a result, more than 100 families derive their livelihood from formal mining activity carried out with dignify and legality.

The pilot projects implemented through contracts with Suministros Agromineros, which operates a production unit in a closed pool without the use of mercury, generates about 60 direct jobs and has produced approximately 5,000 ounces of fine gold without the use of mercury.

The Company has received and evaluated seven more applications for formalization. Of these, four have passed through internal due diligence review for new mining formalization projects and the Company is providing four production units for these formalized small-scale mining programs.

Clean Energy Production

The Company is investigating opportunities associated under the United Nations Framework Convention on Climate Change Clean Development Mechanism to reduce its carbon footprint. Opportunities considered include emission reductions resulting from the new approach in alluvial mining of large blocks, the use of biodiesel in diesel generators (3 MW in total), carbon credits for reforestation of mine impacted areas, and development of rubber tree plantations (at present, the Company has 969 ha in plantation).

The Company is producing hydroelectricity at Providencia I and Providencia III (a total of 14 MW installed capacity) under its UN certification for the hydroelectric power plants. The clean energy source produces more power than needed by Mineros operations and excess power is sold into the country grid.

2018/2019 Significant Environmental Events and Changes

Upset Conditions and Emergency Response

The Nechí Alluvial Property was negatively impacted by a catastrophic offsite event not related to the Company operations. In April and May 2018, a catastrophic failure occurred at the construction site of Empresas Públicas de Medellín's Hydroelectric Ituango Project on the Cauca River north of Medellín. The failure was the result of tunnel collapses and plugging, that in turn resulted in the unplanned rise of the reservoir and subsequently uncontrolled releases of vast amounts of water from reservoir. The releases caused massive damage in the watershed downstream of the hydroelectric project. The elevated water level of the Cauca River also created a damming effect at the

confluence of the Cauca and Nechí Rivers, which in turn resulted in very high Nechí River water levels. These extreme water levels were an unforeseeable change in hydraulic conditions that resulted overtopping of the exploitation isolation berms, and the associated release of sediment laden waters from the mining areas.

As a result of this event, the ANLA required the Company, among others, to monitor the surface water sources affected, and to implement actions to mitigate impacts on communities affected by the emergency in such a way as to guarantee the basic support of food and water resources, until the recovery to normal conditions of the fishing areas affected. Additionally, the authority required the Company to update its contingency plan in accordance with the guidelines established in Decree 2157 of 2017, specifically in relation to the Disaster Risk Management Plan of Public and Private Entities.

The Company has responded to these requirements and submitted a modified EMP and Disaster Risk Management Plan in November 2018 for ANLA review and evaluation. By way of Article 8 of Resolution 01612 of August 15, 2019, ANLA approved the EMP modification and Risk Management Plan for the Nechí Alluvial Property.

Changes to Permitting Regime

In 2018, to harmonize environmental management, Mineros requested that ANLA, in addition to its approval of the EMP, consider taking over responsibility for all permits previously granted by CORANTIOQUIA related with the mining and hydroelectric operation for current and future mining operations and activities.

The ANLA permitting process was underway in 2019 and mining activities were thus constrained during that period until all permits were re-established under ANLA. Mineros did not foresee any material issues with respect to the ANLA permitting process and, as expected, all necessary permits were in place by the end of 2019 or early 2020. By Resolution 01612 of August 15, 2019, in Articles 13 and 15, ANLA will include the permits that are part of the jurisdiction of CORANTIOQUIA once the existing term of the CORANTIOQUIA permit expires.

As a result of this process, there are no longer any constraints on operations associated with changes in the permitting regime.

Mineros holds a separate environmental licence granted by CORANTIOQUIA with respect to the mining of terrace alluvials and blocks El Bagre and Amacerí, which is different from the environmental license granted by ANLA with respect to its alluvial plain dredging operations, and is not part of the change requested of ANLA by Mineros.

Project of National and Strategic Interest (PINE) Designation

In early 2020, the Nechí Alluvial Property was designated as one of five PINEs in Colombia by the MEM. This designation confirms Mineros' sustainable contribution to the country, region, and society and ensures that Mineros will receive priority considerations during procedures with any level of government. The other four projects are Gramalote, Quebradona, Soto Norte, and Buriticá. Projects must satisfy the following criteria in order to qualify for designation as a PINE: (i) Significantly increase the productivity and competitiveness of the national or regional economy. (ii) Generate significant impact on direct job creation or through linkages and/or investment of capital. (iii) Generate a positive return on investment and be operationally sustainable. (iv) Increase the export capacity of the national economy. (v) Generate significant income for the Nation and the regions. (vi) Contributes to the fulfillment of the goals established in the National Development Plan (PND).

The advantages of a PINE designation primarily arise from an enhanced relationship with government and regulatory authorities, including: (i) PINE projects will receive priority during procedures with government entities of any level. (ii) Other implications/attributes associated with PINE designation: (a) Greater visibility of the operation. (b) Investment and growth commitments (c) Greater quality and opportunity in requests.

Offsite Compensation

In 2019, the Company prepared a Regional Integrated Management District (DRMI) Environmental Compensation Plan as required under its EMP as updated by Resolution 1612 in August 2019. The DRMI addresses the rationale for selection of potential compensation areas (El Sapo and Hoyo Grande), the framework for moving forward on

compensation actions to assist in regional restoration of impacts of mining and improve biodiversity and in the region. The plan is a comprehensive document based on the grouping methodology first self approved in 2018 and subsequently by Resolution 1612. The plan provides the strategic framework and methodology for a two-year program to select, prepare for, and implement a conservation program with landowners in the El Sapo and Hoyo Grande regions. The conservation program includes, to various degrees, conservation and restoration of connectivity corridors and habitat restoration and enrichment in the lower Cauca Antioqueno. The plan also provides local and regional participatory management and strengthening of the social and cultural values of the territory.

In September 2020, Mineros filed Compensation Plan with the environmental authorities. On April 15, 2021, CORANTIOQUIA approved the Compensation Plan by means of Resolution 160PZ-RES2104-2056.

Illegal Mining of Reclaimed Lands

In 2019 and 2020, there were incursions by illegal miners in some previously reclaimed mined areas. This illegal activity disturbed these productive plots and generated significant environmental damage. As a result of these activities, the legal landowners of the plots became uncertain as to their status on the land, which in turn contributed to the desertion of the lands by some and to the reduction of the commercialization of the products from these lands. Measures taken and planned to mitigate these activities include:

- The mining authority was informed of the situation of misuse of mining resources.
- A baseline survey of social and agro-environmental issues was completed.
- Visits are planned to the affected locations to assess the impacts and hold meetings with the plot owners to identify their views and concerns.
- Alternatives will be generated and assessed to see what can be implemented economically.

Socio-Economic Obligations

The socio-economic setting in which the Company's activities are carried out is particularly sensitive as the area is one of the poorest regions in the Antioquia Department, with poverty indices of more than 50%. Given this context, the Company is the most important company in the region and undoubtedly one of the primary engines of the provincial economy.

In recognition of the above, and in compliance with its obligations under the EMP licence granted by MADS, the Company has developed a corporate social responsibility (CSR) policy framework. It should be noted that Resolution 0125 of 2015 approved a social management plan (SMP) established in the EMP. The SMP includes among others, the following requirements:

- Prioritize local labour hiring, use of suppliers and contractors, and the acquisition of goods and services in the region where it conducts its operations.
- Develop and implement at least three initiatives for "productive alternatives" per year for each of the five municipalities that are within the Company's area of influence. "Productive alternatives" are activities that the Company carries out with the communities that contribute to local consumption and income generation of these communities.
- In association with community representatives, carry out evaluations of the social management programs every two years, assessing among other aspects the effectiveness of the programs, program results, and program quality with respect to objectives. Using these evaluations, consider whether changes should be made for the continuity of the programs or whether the new programs should be considered for implementation.
- Provide support for the formalization of informal mining.

According to the principles guiding Colombian environmental legislation, the process of developing a new policy of community relations must be public, transparent, participatory, and disseminated widely among the affected communities. From site observations and discussions, and from the review of company and third party information, it appears that all of these criteria are being met by the Company.

In carrying out the social obligations under its social program, the Company has worked with regional and municipal governments to assist them in various initiatives, including assisting ANT through the provision of cartographic support in property legalization through mapping, environmental education, restoration of lands impacted by past illegal mining; providing support to regional municipalities on housing development and cultural program initiatives; and working on various awareness and education programs including work coordinated efforts with the state education agency (SENA) to develop and support various skill development and job training programs.

Corporate Social Responsibility

In addition to the Company's environmental, health and safety, and quality programs, the Company has also implemented a social responsibility program, which is both broad yet well-focused program, aimed at assisting local and regional communities/peoples in developing sustainable programs and initiatives that extend beyond mining operations.

The objectives of the Company's social responsibility program are to facilitate and support opportunities for people in the region. The model used by the Company focuses on the following areas:

- Environment – minimizing the negative impacts on the region
- Education – promoting opportunities and access to education
- Health – support for basic needs and services, specialist services, family planning
- Economic Development – opportunity creation, micro projects, business development

The Company has a core team supported by contractors that direct the CSR efforts. These individuals work with local and regional governments and community organizations, NGOs and strategic alliances to support improvements in community well-being.

Examples of program achievements in the area of education include construction of schools in remote regions, school cafeterias, and transportation support to access schools; development of academic learning modules. Examples of program elements in health care include sponsorship of nursing care, support for provision of specialist medical fly-in service, and support to family planning programs. Improvements in basic hygiene are supported through the provision of toilets and potable water in various communities. Economic development initiatives focus on poverty reduction through provision of strategic advice and direct support to micro projects. The Company tracks and shares information on its CSR program and reports through annual sustainability reports in accordance with the reporting framework of the Global Reporting Initiative (GRI).

Environmental, Health and Safety and Social Management

The Company has developed and implemented an integrated management program ("**IMP**") that is used to guide and monitor overall performance of all facets of the operations. The IMP is a sophisticated management system that guides and links all aspects and activities associated with the mining efforts throughout all stages of their life cycle. The IMP is used to establish and monitor internal objectives for all operations of the mine, as well as to interface with and follow the external requirements and commitments of the Company, especially in regard to its environmental and social commitments and obligations. The IMP is supported through a sophisticated computer-based application and network architecture that allows all levels of the organization access as appropriate.

Within the context of this overall integrated management system, the Company has developed an underlying framework programs for the management of environmental, health and safety, and social aspects associated with company operations.

The Company developed a sophisticated environmental management system that has been ISO1400 certified (certification first received in 2006, renewed in 2021) for the Nechí Alluvial Property. This program provides the management framework for oversight and guidance to all departments and activities with respect to environmental matters. The aim of the environmental management system is to ensure that the Company's operations are fully aware of and compliant with both the regulatory obligations and the objectives and commitments made with respect to ongoing improvements in operations. In addition, the aim of the environmental management system is to ensure that reclamation steps are met in a timely and appropriate manner.

The Company has also developed a health and safety management program (HSMP) for the Nechí Alluvial Property that has been OSHAS 18000 certified (certification received in 2008, renewed in 2021). The HSMP provides guidance framework for planning, tracking, and implementing safe working practices throughout the organization.

The Company has established a management system for guiding its operation with respect to the environment, health and safety, and social responsibility. The system provides a proactive planning framework, allows for continuous updates of regulatory and permitting requirements and the distribution of these obligations among various operating units within the company as appropriate, and provides a dynamic framework for regular and exceptional performance monitoring. The system is supported by management information system (MIS) application software hosted on server-based computer systems that link various operational and corporate departments of the Company.

Mine Closure

Historical mining in the Nechí River basin including artisanal, informal, and illegal mining that still occurs to date, continues to impact the regional environment. Within this context, the Company's operations offer an example of what can be achieved in terms of impact mitigation and successful restoration. The Company's alluvial closure practices are progressive and state of the art. Land and water restoration is achieved quickly on final closure of a mined block. Based on information reviewed and site visit observations, closure works have returned the lands and waters to either pre-mining conditions or better, consistent with the Company's plans as approved by the regulatory authorities.

As in open pit mining, alluvial mining is disruptive to the existing environment in the footprint of the area being mined. Unlike open pit mining, however, at the completion of the Company's alluvial mining activities in a mining block, the mined areas are returned to similar, or sometimes better, land uses than pre-mining conditions. This is accomplished through a progressive reclamation method that is integral to the mining process and prepares the excavated land for return to one of three land uses: forest lands, farmlands, or wetlands as per the EMP requirements.

When carrying out the activities, suction dredge soils are stored for re-use on top of the bucket line dredge spoils. On completion of an area within a mining block, the bucket line dredge spoils are contoured and graded, then covered with cutter suction sediments/soils. As noted earlier, the new approach used for mining as approved by Resolution 0125, provides for even more enhancement to the reclamation program design, and for even better reclamation results than previously generated.

Given the climate of the area, natural re-vegetation is extremely productive. The Company has established a nursery that is also used to re-vegetate selected areas with desired tree, grass, and plant species. Examples were observed of former mining areas that had been reclaimed to productive use in two to four years. The preparation of farm lands provides resettlement opportunities for approved families. The preparation of wetlands along the river basin adds to the biodiversity of the region.

The Company closure objectives for the Nechí Alluvial Property include: the development of three productive parcels (farms) per year; the planting of more than 100,000 plants per year; and re-vegetation to grasslands and forest lands of more the 30 ha and 100 ha per year, respectively. In addition to these efforts, the Company is also committed to developing wetlands on an agreed portion of the mined areas. Wetland development initiatives include drainage and flow design, shoreline improvements, fish and animal stocking, as well as physical measures to protect the wetland from human intrusion.

The Company's success with its closure program has contributed positively to the local and regional social and economic climate. The Company has a sound understanding of its closure liabilities and requirements and manages

its obligations effectively. Of note, no pre-existing liabilities associated with legacy operations and past use of mercury in the recovery process at its operations have been identified.

Closure Costs

The obligations related to closure of the alluvial mining operations include restoration of 1,122 ha and forestry compensation of 3,601 ha.

Progressive reclamation, restoration, and re-use of impacted lands is the fundamental closure approach successfully employed by the Company. Costs associated with these efforts, including the operation of supporting activities and infrastructure (e.g. nurseries, etc.), are carried as part of the annual operating costs of the alluvial mining operations.

In addition to the progressive reclamation efforts for directly impacted Mineros mine lands, off site restoration activities are also planned for as part of the planned environmental compensation conservation strategy in the DRMI of the El Sapo and Hoyo Grande wetlands as required under its EMP, and as updated by Resolution 1612 in August 2019. While the plan has not been finalized and is subject to approval, Mineros carries a provision for the obligations of the plan on its annual balance sheets. In 2019, the provision was approximately US$1.139 million. As of June 2020, the provision was estimated at COP3,395,945,903, or approximately US$1.045 million. By June 2021, the provision was estimated at a total accumulated amount of COP$17,342,539,729, or approximately US$4,702,103. These costs appear reasonable in respect to mine reclamation and compensation. SLR notes, however, that Mineros carries no cost allowance for closure of the industrial zone infrastructure at El Bagre or its support areas.

Capital and Operating Costs

The capital and operating cost estimates were prepared based on recent operating performance and the current operating budget for 2021. All costs in this section are expressed in Q1 2021 US dollars, and consider an exchange rate of COP$3,650 per US$1.00.

Capital Costs

The Company generated a breakdown of development and sustaining capital expenditures for the alluvial operations. These costs are based on historical performance and the current operating budget for 2021. Development of alluvial plain reserves for 2021, and sustaining capital for dredging north system, from 2020 to 2033. A summary of these capital cost estimates is presented in Table A-8. Growth capital has been excluded from the estimate, as it is unrelated to mining Mineral Reserves defined in the Nechí Technical Report.

TABLE A-8 – CAPITAL COST ESTIMATE ($ MILLION/YEAR)

Item	Units/Yr	Total	2021	2022	2023	2024	2025	2026	2027	
Development (Suction Dredges)	$ M	1.50	1.50	-	-	-	-	-	-	
Sustaining Capital	$ M	64.73	7.80	4.95	4.95	4.95	4.95	4.95	4.95	
Reclamation and Closure	$ M	45.72	3.43	0.73	0.90	2.13	1.94	2.11	2.37	
Total	**$ M**	**111.96**	**12.74**	**5.68**	**5.85**	**7.08**	**6.89**	**7.06**	**7.32**	
Item	**Units/Yr**	**Total**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Development (Suction Dredges)	$ M	1.50	-	-	-	-	-	-	-	-
Sustaining Capital	$ M	64.73	4.95	4.95	4.95	4.95	4.95	2.48	-	-
Reclamation and Closure	$ M	45.72	2.56	2.83	2.95	2.98	2.97	3.11	3.08	11.63
Total	**$ M**	**111.96**	**7.51**	**7.78**	**7.90**	**7.93**	**7.92**	**5.59**	**3.08**	**11.63**

Closure Costs

Mine closure and concurrent reclamation costs for this Technical Report LOM scenario are based on Mineros' environmental reclamation estimate for the Nechí Alluvial Property of US$50.5 million (undiscounted) over the LOM

expanding until year 2050. For the cash flow analysis simplification purposes, all closure costs over year 2035 have been discounted to year 2035, giving a total reclamation and closure costs between years 2021 and 2035 of US$45.7 million used for the economic analysis.

Operating Costs

A summary of the Nechí Alluvial Property life of mine operating cost summary is presented in Table A-9.

TABLE A-9 – LIFE OF MINE OPERATING COST SUMMARY ($ MILLION/YEAR)

Item	Units	Total	2021	2022	2023	2024	2025	2026	2027
Bucket Line Dredge Reserves	$ M	313.15	6.60	24.84	25.19	25.17	25.12	25.32	25.16
Suction Dredge Reserves	$ M	29.54	-	2.59	2.91	3.36	3.08	3.24	3.25
Terraces Reserves	$ M	1.31	1.31	-	-	-	-	-	-
Support Areas and G&A	$ M	308.07	12.03	24.07	24.07	24.07	24.07	24.07	24.07
Total	**$ M**	**652.07**	**19.94**	**51.50**	**52.17**	**52.59**	**52.26**	**52.62**	**52.48**
Item	**Units**	**Total**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**
Bucket Line Dredge Reserves	$ M	313.15	25.00	24.68	24.52	25.19	25.39	24.21	6.78
Suction Dredge Reserves	$ M	29.54	3.37	3.29	3.07	1.40	-	-	
Terraces Reserves	$ M	1.31	-	-	-	-	-	-	
Support Areas and G&A	$ M	308.07	24.07	24.07	24.07	24.07	24.07	21.66	9.63
Total	**$ M**	**652.07**	**52.43**	**52.03**	**51.66**	**50.66**	**49.46**	**45.87**	**16.40**

Life of Mine Unit Site Operating Costs by Department

Bucket Line Dredges

The operating cost estimates for Mineros' bucket line dredge operations were prepared based on recent historical operating performance, the current operating budget for 2021 and forecast LOM. Bucket line dredge LOM operating costs, required to mine and process an estimated 329 Mm3 of reserves, are estimated to total approximately US$319 million, or US$0.95/m3. The LOM operating cost estimate is broken down into fixed and variable cost components, as presented in Table A-10.

TABLE A-10 – LIFE OF MINE BUCKET LINE DREDGE OPERATING COST ESTIMATE

Item/Cost	Units/yr	LOM
Volume	Mm^3	328.9
Recovered Gold	000 oz Au	864.6
Fixed Costs	US$ M	154.0
Variable Costs	US$ M	159.1
Total Cost	US$ M	313.1
Unit Costs	US$/oz Au	334
	US$/$m^3$	0.95

Suction Dredges

The operating cost estimates for Mineros' suction dredge operations were prepared based on recent historical operating performance, the current operating budget for 2021, and forecast LOM. Suction dredge LOM operating costs, required to mine and process an estimated 27 Mm^3 of alluvial material, are estimated to total approximately US$30 million, or US$1.10/m^3. The LOM operating cost estimate is broken down into fixed and variable cost components, as presented in TABLE A-11.

TABLE A-11– LIFE OF MINE SUCTION DREDGE OPERATING COST ESTIMATE

Item/Cost	Units/yr	LOM
Volume	Mm^3	26.8
Recovered Gold	000 oz Au	72.0
Fixed Costs	US$ M	6.6
Variable Costs	US$ M	22.9
Total Cost	US$ M	29.5
Unit Costs	US$/oz Au	32
	US/m^3$	1.10

Terrace Alluvial Mining

The terrace alluvial mining LOM operating costs, to mine and process an estimated 99,218 m^3 of terrace alluvial material in 2021, are estimated to be US$1.3 million. Table A-12 summarizes the LOM terrace alluvial operating cost estimate.

TABLE A-12 – LIFE OF MINE TERRACE ALLUVIAL OPERATING COSTS

Item	Units	Estimate
Volume	m^3	99,218
Gold	oz Au	309
Total Cost	US$ M	1.3
Unit Cost	US$/oz Au	1.4
	US/m^3$	13.17

Support Operations and General and Administrative Costs

Support Operations and Site G&A costs comprise the different administrative support areas for the mine and processing operations, such as administration and finance, logistics, communications, legal, maintenance, environmental. This is considered a fixed cost, comprised mainly of labour. As per Mineros' LOM forecast it currently represents approximately 47% of operating costs, and is estimated to total approximately US$308 million, or US0.87/m^3$ for a total 356 Mm^3 processed reserves.

Economic Analysis

SLR prepared an unlevered LOM after-tax cash flow model to confirm the economics of the Nechí Alluvial Property LOM between Q3 2021 and Q1 2034. The project economics have been evaluated using the discounted cash flow method by considering annual processed tonnages and gold grade of ore. The associated process recovery, gold price, operating costs, refining and transportation charges, royalties, and capital expenditures were also considered. Taxes were estimated by the Company. The model does not take into account: financing cost, other than interest included in capital lease rates; insurance; and overhead cost for a corporate office.

The economic analysis demonstrates that the Mineral Reserves are economically viable at a flat gold price of US$1,500/oz Au. The pre-tax net present value (NPV) at a 10% discount rate is US$314 million and the after-tax NPV at a 10% discount is US$223 million.

The undiscounted pre-tax cash flow is $592 million, and the undiscounted after-tax cash flow is $423 million. For this cash flow analysis, internal rate of return (IRR) and payback are non-applicable since there is no negative initial cash flow (no initial investment to be recovered).

The World Gold Council Adjusted Operating Cost (AOC) is $775/oz Au. The mine life capital cost, including both pre-production and sustaining unit cost, is $126/oz Au, for an AISC of $901/oz Au. Average annual gold production during operation is approximately 77,000 oz Au/year from 2021 to 2033 (full production years).

Project risks can be identified in both economic and non-economic terms. Key economic risks were examined by running cash flow sensitivities on pre-tax NPVs at a 10% discount rate. The following items were examined: (a) gold metal price; (b) gold head grade; (c) gold metallurgical recovery; (d) operating costs; (e) capital costs. The after-tax NPV is most sensitive to head grade, then gold price, followed by operating costs, metallurgical recovery, and capital costs.

A cash flow summary is presented in Table A-13. All costs are in Q1 2020 $ millions with no allowance for inflation.

TABLE A-13 –- LIFE OF MINE CASH FLOW

Item	Units	Total	2021	2022	2023	2024	2025	2026	2027	2028
Gold Price	US$/oz	1,500								
Gold Forward Contract Average Price	US$/oz	1,952								
Total Gross Revenue	**US$ M**	**1,437.16**	**6.65**	**144.12**	**128.69**	**129.03**	**119.64**	**97.96**	**105.97**	**117.08**
Off-site Transport Treatment & Refining	US$ M	-4.93	-0.27	-0.38	-0.37	-0.38	-0.37	-0.35	-0.36	-0.37
Royalty NSR	US$ M	-68.75	-0.31	-6.90	-6.16	-6.18	-5.72	-4.69	-5.07	-5.60
Net Revenue	**US$ M**	**1,363.48**	**6.07**	**136.84**	**122.17**	**122.48**	**113.54**	**92.92**	**100.55**	**111.11**
Total Operating Cost	US$ M	-652.07	-19.94	-51.50	-52.17	-52.59	-52.26	-52.62	-52.48	-52.43
Other Admin Expenses – Not Site	US$ M	-7.35	-0.28	-0.57	-0.57	-0.57	-0.57	-0.57	-0.57	-0.57
EBITDA	**US$ M**	**704.06**	**-14.15**	**84.78**	**69.43**	**69.32**	**60.72**	**39.74**	**47.50**	**58.11**
Development Capital Cost	US$ M	-1.50	-1.50	-	-	-	-	-	-	-
Sustaining Capital Costs	US$ M	-64.73	-7.80	-4.95	-4.95	-4.95	-4.95	-4.95	-4.95	-4.95
Net Working Capital	US$ M	0.00	1.10	-1.55	0.28	-0.22	0.05	0.40	-0.45	-0.54
Reclamation and Closure	US$ M	-45.72	-3.43	-0.73	-0.90	-2.13	-1.94	-2.11	-2.37	-2.56
Pre-Tax Net Cash Flow	**US$ M**	**592.10**	**-25.78**	**77.55**	**63.86**	**62.02**	**53.87**	**33.07**	**39.73**	**50.06**
Income Tax – Federal	US$ M	-169.07	-	-22.45	-16.98	-16.48	-13.84	-7.37	-9.48	-12.44
After-Tax Cash Flow	**US$ M**	**423.03**	**-25.78**	**55.10**	**46.88**	**45.54**	**40.03**	**25.70**	**30.25**	**37.61**

Exploration, Development, and Production

For a description of the Company's current and contemplated exploration, development and production activities in relation to the Nechí Alluvial Property, see "*General Development and Business of the Company*" in this prospectus.

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APPENDIX B
INFORMATION CONCERNING THE GUALCAMAYO PROPERTY (ARGENTINA)

The scientific and technical information in this Appendix "B" relating to the Gualcamayo Property is derived or extracted from, and is based on the assumptions, qualifications and procedures set out in, the Gualcamayo Technical Report, unless otherwise specified. Such assumptions, qualifications and procedures are not fully described in this prospectus and the following summary does not purport to be a complete summary of the Gualcamayo Technical Report. Reference should be made to the full text of the Gualcamayo Technical Report, which is available for review under the Company's profile on SEDAR at www.sedar.com.

Project Description, Location and Access

Property Description and Location and Access

The Gualcamayo Property is located approximately 270 km north of the provincial capital city of San Juan, northern San Juan Province and southwestern La Rioja Province, west-central Argentina, and hosts the Gualcamayo Mine in San Juan Province and the Salamanca Deposit in La Rioja Province. Access from San Juan City by road is via paved Highway 40 for approximately three hours driving time then turning onto a gravel access road for 20 km. The Gualcamayo Mine consists of three operating open pits, Quebrada del Diablo (QDD) Main, Amelia Inés and Magdalena (together AIM), and Target D, one operating underground mine, QDD Lower, crushing and processing facilities, an adsorption, desorption, and regeneration (ADR) plant, heap leach pads, accommodation camp, maintenance buildings, and office buildings. The Gualcamayo Property is located at approximately 6,713,250 mN and 2,535,450 mE of the Gauss-Krüger (GK) coordinate system (datum: campo inchauspe 1969; Faja 2).

For maps showing the location of the Gualcamayo Property and the locations of exploration permits and mining concessions, see "*General Development and Business of the Company – Overview of Material Properties and Location – Gualcamayo Property*".

Land Tenure

The Gualcamayo Property consists of 87 non-contiguous mining concessions and four exploration permits, covering an area of approximately 392 km^2. The mining concessions and exploration permits are shown in Table B-1 along with their designated number, area, and expiry date, where relevant.

TABLE B-1 – LAND TENURE

Name	Province	Area (ha)	File Number	Mining Registry	Expiry Date (DD/MM/YYYY)
		Exploration Permits			
	San Juan	700.00	0948-F18-C-95	58-CM-11	05/04/2013[4]
	San Juan	292.29	1124.456-M-12[5]	-	-
	San Juan	1,200.00	1151-F18-L-95	203-CM-11	29/02/2012[4]
	San Juan	913.14	414.1392-M-2005[5]	-	-
Exploration Permit Subtotal:		**3,105.43**			
		Mining Concessions			
Aconcagua	San Juan[1]	24.85	258.891-C-84	82-DM-86	N/A[7]
Alaya	San Juan[1]	24.02	258.894-C-84	202-DM-86	N/A[7]
Alfarcito	San Juan[1]	24.26	258.903-C-84	198-DM-86	N/A[7]
Alfredo	San Juan	1,065.60	1119-F18-S-95	155-DM-98	N/A[7]
Alicia	San Juan[1]	11.99	195.016-B-82	1033-DM-83	N/A[7]
Amelia Inés	San Juan[1]	11.68	17-B-50	40-OP-50	N/A[7]
Ampacama	San Juan[1]	24.00	258.904-C-84	268-DM-86	N/A[7]
Ansilta	San Juan[1]	23.79	258.888-S-84	281-DM-86	N/A[7]
Atutia	San Juan[1]	24.00	258.877-S-84	283-DM-86	N/A[7]

Name	Province	Area (ha)	File Number	Mining Registry	Expiry Date (DD/MM/YYYY)
Batea	San Juan[1]	22.81	258.886-S-84	272-DM-86	N/A[7]
Beatriz Eugenia	San Juan[1]	12.00	22-M-50	36-OP-50	N/A[7]
Caparro	San Juan[1]	23.64	258.879-S-84	263-DM-86	N/A[7]
Cerro Corral N° 1	La Rioja	100.00	91-M-95	119/96	N/A[7]
Cerro Corral N° 2	La Rioja	100.00	92-M-95	120/96	N/A[7]
Cerro Corral N° 3	La Rioja	82.50	93-M-95	117/96	N/A[7]
Cerro Corral N° 7	La Rioja	100.00	97-M-95	118/96	N/A[7]
Cerro Corral N° 8	La Rioja	419.09	98-M-95	116/96	N/A[7]
Cerro Saltito N° 1	San Juan	400.00	1210 F18-S-95	152-DM-98	N/A[7]
Cerro Saltito N° 2	San Juan	265.60	1211-F18-S-95	159-DM-98	N/A[7]
Cerro Saltito N° 3	San Juan	673.23	1212-F18-S-95	162-DM-98	N/A[7]
Cerro Saltito N° 4	San Juan	230.63	1213-F18-S-95	153-DM-98	N/A[7]
Cerro Saltito N° 5	San Juan	243.41	1214-F18-S-95	163-DM-98	N/A[7]
Cerro Saltito N° 6	San Juan	220.00	1215 F18-S-95	366-DM-98	N/A[7]
Cerro Tamberias	San Juan[1]	24.00	258.893-C-84	200-DM-86	N/A[7]
Chacho	San Juan[1]	7.01	156.089-O-75	505-DM-75	N/A[7]
Chañi	San Juan[1]	24.00	258.899-C-84	199-DM-86	N/A[7]
Chela	San Juan[1]	36.10	2.504-B-67	225-DM-67	N/A[7]
Colanguil	San Juan[1]	23.79	258.878-S-84	273-DM-86	N/A[7]
Coranzuli	San Juan[1]	24.64	258.901-C-84	212-DM-86	N/A[7]
Diana	San Juan[1]	11.99	195.017-B-82	1043-DM-83	N/A[7]
Domingo	San Juan	875.78	1115-F18-S-95	16-DRMyC del MM-12	N/A[7]
Don Felipe	San Juan[1]	5.99	156.084-O-75	511-DM-75	N/A[7]
El Chivato	San Juan[1]	24.15	258.882-S-84	269-DM-86	N/A[7]
El Filo	San Juan[1]	5.99	157.564-M-76	587-DM-77	N/A[7]
El Tambo	La Rioja	1,494.87	90-M-2005	-	N/A[7]
Elsa	San Juan[1]	34.42	2.502-B-67	156-DM-67	N/A[7]
Gral. Belgrano	San Juan[1]	14.02	62-G-43	1332-DM-43	N/A[7]
Gualcamayo 1[6]	San Juan	2,392.95	414-1192-M-05	17-DM-06	N/A[7]
Gualcamayo 2	San Juan	2,435.18	414-1193-M-05	53-DM-07	N/A[7]
Gualcamayo 3	San Juan	2,457.15	1124.588-M-10	02-DRMyC-12	N/A[7]
Hilda Edith	San Juan[1]	11.73	19-B-50	42-OP-50	N/A[7]
Irigoyen	San Juan[1]	24.00	259.052-C-84	78-DM-86	N/A[7]
Jorge Alfredo	San Juan[1]	5.99	157.563-O-76	588-DM-77	N/A[7]
La Esperanza I	San Juan	352.63	520-0453-M-99	62-DM-03	N/A[7]
Lagañoso	San Juan[1]	24.10	258.885-S-84	278-DM-86	N/A[7]
Lajitas	San Juan	2,430.51	1124.211-M-15	-	N/A[7]
Leticia	San Juan[1]	6.29	58-B-50	126-OP-50	N/A[7]
Los Ranchos	San Juan[1]	11.82	2.437-B-65	144-DM-67	N/A[7]
Magdalena	San Juan[1]	11.98	20-B-50	41-OP-50	N/A[7]
María	San Juan[1]	13.34	18-B-50	43-DM-50	N/A[7]
Maria Annie	San Juan[2]	18.00	156.484-P-75	347-DM-75	N/A[7]
Mercedario	San Juan[1]	23.95	258.892-C-84	73-DM-86	N/A[7]
Merval	San Juan	634.99	1118-F18-S-95	150-DM-98	N/A[7]

Name	Province	Area (ha)	File Number	Mining Registry	Expiry Date (DD/MM/YYYY)
Mondaca	San Juan[1]	23.10	258.884-S-84	264-DM-86	N/A[7]
Ojo de Agua	San Juan[1]	6.01	156.085-M-75	586-DM-75	N/A[7]
Panacan	San Juan[1]	18.00	258.898-C-84	267-DM-86	N/A[7]
Patrimonio	San Juan[1]	23.69	157.232-A-77	842-DM-78	N/A[7]
Patrimonio I	San Juan[1]	23.93	157.233-A-77	843-DM-78	N/A[7]
Patrimonio II	San Juan[1]	23.82	157.234-A-77	844-DM-78	N/A[7]
Patrimonio III	San Juan[1]	24.17	157.315-P-77	841-DM-78	N/A[7]
Patrimonio IV	San Juan[1]	22.97	157.316-P-77	840-DM-78	N/A[7]
Perico	San Juan[4]	19.34	259.053-C-84	219-DM-86	N/A[7]
Portezuelo	San Juan[1]	12.00	2.436-B-65	145-DM-67	N/A[7]
Pululus	San Juan[1]	25.22	258.900-C-84	236-DM-86	N/A[7]
Punilla Oeste I	La Rioja	2,413.10	108-M-08	-	N/A[7]
Punilla Oeste II	La Rioja	1,496.61	109-M-08	-	N/A[7]
Puntilla Blanca	San Juan[1]	6.00	165-M-49	157-DM-49	N/A[7]
Quevar	San Juan[1]	24.52	258.902-C-84	85-DM-86	N/A[7]
Roki	San Juan	1,132.00	1116-F18-S-95	68-DM-00	N/A[7]
San José	San Juan[3]	12.00	2249-T-62	452-DM-62	N/A[7]
San Nicolás de Bari	San Juan[1]	18.08	16-B-50	147-OP-50	N/A[7]
Sol	La Rioja	724.02	46-M-2003	119/04	N/A[7]
Sol 1	San Juan	2,100.00	425.346-H-00	26-DM-01	N/A[7]
Sol 1	La Rioja	1,701.03	47-M-2005	-	N/A[7]
Sony	San Juan	658.00	1114-F18-S-95	161-DM-98	N/A[7]
Sosneado	San Juan[1]	24.21	258.897-C-84	509-DM-86	N/A[7]
Susana	San Juan[1]	24.03	2.501-B-67	154-DM-67	N/A[7]
Suzy	San Juan	4,924.42	425-169-M-00	76-DM-08	N/A[7]
Tacchi	San Juan	1,416.00	1117-F18-S-95	29 STM 11	N/A[7]
Tambillos	San Juan[1]	23.85	258.881-S-84	271-DM-86	N/A[7]
Teatinos	San Juan[1]	23.39	258.887-S-84	270-DM-86	N/A[7]
Tontal	San Juan[1]	23.99	258.895-C-84	86-DM-86	N/A[7]
Tórtolas	San Juan[1]	24.12	258.889-S-84	274-DM-86	N/A[7]
Vancouver I	San Juan	2,539.27	425.053-M-2001	26-DRMyC-13	N/A[7]
Villicum	San Juan[1]	23.87	258.890-S-84	280-DM-86	N/A[7]
Yanso	San Juan[1]	23.77	258.883-S-84	279-DM-86	N/A[7]
Zancarron	San Juan[1]	23.97	258.880-S-84	282-DM-86	N/A[7]
Mining Concession Subtotal		**36,078.57**			
Land Tenure Total		**39,184.00**			

Notes:

1. Claim is hosted within the Gualcamayo 1 or Gualcamayo 2 mining concessions and its area has been excluded from the reported subtotals and total.
2. Claim is hosted within the Lajitas mining concessions, and its area has been excluded from the reported subtotals and total.
3. Claim is hosted within the Domingo and Cerro Saltito N°5 mining concessions and its area has been excluded from the reported subtotals and total.
4. Exploration permit expiry is postponed pending the response to Mineros' request to incorporate this claim into the Lajitas Tamberías mining concession**.** Environmental Impact Report and the approval of this report, without which access for the purpose of exploration is prohibited. Updated expiration dates will be assigned following notification of the decision.
5. Exploration permit request has been submitted and the grant is pending.
6. A total of 48 ha of this mining concession is reserved for the area of Virgen de Lourdes.

7. Does not expire, subject to compliance with the conditions imposed by the Argentine Mining Code, mainly, canon payments and compliance with an investment plan.

As of June 30, 2021, all the exploration permits and mining concessions that form the Gualcamayo Property are duly registered in the name of MASA or are in the process of registration in the name of MASA, except for exploration permit N° 1124.456-M-12. The San Juan Mining Authority has resolved to reject MASA's exploration permit application on grounds that a pre-existing MD covering the same area of interest has precedence. MASA has appealed that resolution and a final decision on MASA's appeal is pending. As of June 30, 2021, all the material exploration permits and mining concessions that form the Gualcamayo Property were materially in good standing.

Surface Rights

In 2004, MASA purchased the surface rights to a contiguous land package totaling approximately 262 km^2, which partially covers the Gualcamayo Property and wholly covers the Gualcamayo Mine and its main access route via Highway 40. Ownership of surface rights was retained by MASA following acquisition by the Company. The surface rights are sufficient to support the current infrastructure and mining operations.

Royalties

Gualcamayo Property mining concessions located in San Juan are subject to a legal provincial royalty of 3% on the income or value obtained from the commercialization of minerals (without deduction of direct mining and the other deductibles costs established by law). MASA, together with other mining companies, entered into an agreement dated June 16, 2001, with the Province of San Juan pursuant to which the royalty will be paid without deductions (as an additional contribution to the Province of San Juan) unless the price per ounce of gold in the international market falls below US$1,000/oz Au (among other conditions). Mining concessions located in La Rioja are subject to a legal provincial royalty of 3%, calculated on the "mine mouth" (*boca mina*) value of the mineral extracted, transported, or accumulated and prior to any transformation process. In addition, the Province of San Juan usually includes in permits granted to projects with producing mining operations upon acceptance of an Environmental Impact Assessment an obligation to make a contractual contribution to a trust fund (*fideicomiso*). These contributions are intended to be used to improve the sustainable development of the areas of influence in the local area impacted by the mining operation. MASA has entered into an agreement with the Province of San Juan to contribute a 1.5% gross revenue royalty on production from certain mining concessions located in San Juan during the life of the Gualcamayo Mine. In 2019, MASA entered into an amending agreement with the Province of San Juan, temporarily reducing this royalty to 0.75% while National Decree No. 793/2018 is in effect, as long as MASA incurs at least US$8.0 million per year in exploration expenses pursuant to its proposed exploration plan in 2019, 2020, and 2021. In 2021, National Decree 793/2018 expired. At the time of writing MASA and the Province of San Juan were negotiating an agreement to extend the validity of the reduced royalty rate. MASA has continued to contribute a 0.75% royalty with the knowledge of the Province of San Juan pending such extension.

The Gualcamayo Property is subject to the following contractual royalties:

- 1.0% NSR on all mineral production from certain mining concessions (including those that host the Gualcamayo Mine) to Inversiones Mineras Argentinas Inc., which assigned its rights to Inversiones Mineras Australes SA, a subsidiary of Golden Arrow Resource Corporation, pursuant to an assignment agreement dated July 7, 2004;

- 2.0% NSR, capped at $50 million, on production from the mining concessions held by MASA at the time of its acquisition from Yamana, other than production from the Deep Carbonates Project ("**DCP**"), payable after the production and sale of 396,000 oz Au from such mining concessions, other than production from the DCP (the "**Yamana Non-DCP Royalty**"), payable to Yamana, which assigned its rights to Nomad Royalty Company Ltd. pursuant to an assignment and assumption agreement effective May 27, 2020;

- 1.5% uncapped NSR on production from the DCP (the "**DCP Royalty**") payable to Yamana, which assigned its rights to Nomad Royalty Company Ltd. pursuant to an assignment and assumption agreement effective May 27, 2020; and

- 1% NSR, capped at US$800,000, payable to René Antonio Ridao and Juan Daniel Ridao, on certain mining concessions located in La Rioja.

MASA's obligations under the Yamana Non-DCP Royalty and the DCP Royalty are secured by a mortgage of certain mining concessions in San Juan in the amount of $5.0 million, which can be increased up to the amount of $30.0 million at the sole discretion of the mortgagee, in order to guarantee payment for up to such amounts.

The Company is not aware of any environmental liabilities to which the Gualcamayo Property is subject. The Company has all required permits to conduct the proposed work on the Gualcamayo Property and is not aware of any other significant factors or risks that may affect access, title, or the right or ability to perform the proposed work program on the Gualcamayo Property.

History

Prior Ownership

Gold mineralization at the Gualcamayo Property was discovered in 1980 by Mincorp Exploration S.A. ("**Mincorp**"), a subsidiary of Anglogold South America Ltd. MASA acquired a 60% interest in the property from Mincorp in 1997, and the remaining 40% interest in 2002. In 2003, Viceroy Exploration Ltd. ("**Viceroy**") acquired MASA from its predecessor, Viceroy Resource Corporation. Yamana acquired Viceroy, including MASA, in early 2007. On October 25, 2018, Mineros entered into a definitive purchase agreement with Yamana to acquire the Gualcamayo Property through the indirect acquisition of 100% of the issued and outstanding shares of MASA. The acquisition was completed on December 14, 2018.

Exploration and Development History

Local miners have sporadically prospected the general area of Gualcamayo over the last 60 years. These exploration activities were directed towards surface occurrences of skarn hosted lead, zinc, copper, gold, and silver mineralization. There is also evidence of minor magnetite production from the skarns.

Mincorp

Mincorp explored the skarn/intrusive related gold mineralization at Amelia Inés, Magdalena, and Belgrano between 1983 and 1988, reportedly spending approximately US$6.5 million on exploration during this period.

At the Amelia Inés deposit, Mincorp carried out 3,414 m of surface diamond drilling, 1,405 m of underground development on three levels, and 4,047 m of underground drilling from 79 holes. Mincorp also conducted an induced polarization ("**IP**") survey and 750 m of surface trenching, sampling and mapping, and developed a small tunnel. Based on this work, Mincorp identified three zones of gold mineralization referred to as Betsy, Ana, and Diana.

At the Magdalena prospect, Mincorp carried out an IP survey, 980 m of surface diamond drilling, 335 m of underground development on two levels (four adits), and 795 m of underground drilling. Based on the results of its exploration program, Mincorp concluded that the mineralized zones were small and irregular, however, later interpretation suggests that the adits and drill holes may have been oriented parallel to the strike of the mineralization, providing little useful information about the size or grade of the zone.

At the General Belgrano prospect, a 350 m crosscut was driven at the 1850 level (1965 MASL) and cut five veins. An additional 195 m of drifting was performed along these veins, after which Mincorp concluded that the Belgrano veins were generally narrow and dislocated by faulting, and work was suspended.

MASA

MASA formed a joint venture in 1997 with Mincorp to earn a 60% share in the Gualcamayo Property. The objective of the exploration program initiated by MASA was to explore and evaluate the potential for epithermal sediment hosted gold mineralization peripheral to the skarn-hosted mineralization explored by Mincorp. Gold bearing carbonate breccias were discovered at QDD, approximately 1.2 km southeast of Amelia Inés, extending 400 m along the quebrada and up to 800 m to the east along steep cliff exposures. A saw-cut channel sampling and a follow-up program of continuous rock chip sampling along a newly constructed road into the quebrada confirmed the original discovery.

Between December 1997 and December 2000, MASA completed four drill programs for a total of 11,230 m in 58 drill holes. The drilling included 6,043 m of diamond drilling and 5,187 m of reverse circulation ("**RC**") drilling that focussed primarily on the QDD area. As subsequent definition and infill drilling campaigns advanced knowledge of the mineralization at the QDD, Amelia Inés, and Magdalena deposits, a total of nine Mineral Resource estimates were completed over Gualcamayo from 2000

to 2008 by MASA and its consultants. A positive Feasibility Study in 2007 by Wardrop Engineering Inc. resulted in a production decision in 2008 by MASA, by this time operating under direction from Yamana. Exploration activities outside of drilling over this period included geological mapping and surface sampling, an airborne (helicopter) magnetic survey over the project area, petrographic and electron microprobe studies, structural mapping, and the development of an exploration decline.

Subsequent to Yamana's production decision, additional studies were conducted related to the development of areas at QDD previously not considered, including the QDD Lower West and QDD Lower deposits.

From 2010 to 2018, Yamana was focused on the development and extraction of underground and open pit Mineral Resources at the Gualcamayo Property. Yamana also expanded the land claim package of the Gualcamayo Property and completed district scale exploration, including geological mapping, surface sampling, structural mapping, and drilling.

Historical Resource Estimates

Table B-2 summarizes several historical Mineral Resource estimates conducted over the Gualcamayo Property from 2007 to 2011. These estimates are considered to be historical in nature and should not be relied upon and are superseded by the Mineral Resource estimate in the Gualcamayo Technical Report, which are disclosed in this prospectus.

TABLE B-2 – GUALCAMAYO HISTORICAL MINERAL RESOURCE ESTIMATES

Year	Owner	Author	Deposit	Class	Tonnes (Mt)	Average Grade (g/t Au)	Cut-off Grade (g/t Au)
2000	Mincorp/MASA	MASA	-	Inferred	37.7	1.16	-
2000	Mincorp/MASA	MDRI	-	Inferred	37.2	1.13	-
2001	Mincorp/MASA	GeoSim	-	Indicated	12.7	1.17	0.60
			-	Inferred	22.4	1.02	0.60
2004	MASA	GeoSim	QDD	Measured	4.495	1.10	0.50
				Indicated	32.586	1.03	0.50
				Inferred	11.313	1.20	0.50
			Amelia Inés	Measured	0.203	3.12	0.50
				Indicated	1.91	2.79	0.50
				Inferred	0.383	1.95	0.50
			Magdalena	Inferred	2.526	1.87	0.50
2007	MASA	Wardrop	QDD	Measured	6.72	1.09	0.30
				Indicated	67.251	0.86	0.30
				Inferred	13.856	1.17	0.30
			AIM(1)	Measured	0.344	3.52	0.50
				Indicated	4.26	2.87	0.50
				Inferred	1.566	2.70	0.50
2010	MASA	Yamana	QDD Upper[2]	M+I	21.414	0.90	0.15
				Inferred	3.602	0.53	0.15
			QDD Lower[2]	M+I	2.706	2.64	1.00
				Inferred	0.38	1.45	1.00
			AIM[1, 2]	M+I	1.499	1.77	0.18
				Inferred	0.399	2.79	0.18

Notes:

1. AIM is Amelia Inés and Magdalena.
2. Exclusive of Mineral Reserves.

Past Production

Past production at the Gualcamayo Property is shown in Table B-3.

TABLE B-3 – PAST PRODUCTION AT THE GUALCAMAYO PROPERTY

Year	Open Pit			Underground		
	Tonnes (000 t)	Grade (g/t Au)	Ounces (oz Au)	Tonnes (000 t)	Grade (g/t Au)	Ounces (oz Au)
2009	5,635	1.25	226,303	-	-	-
2010	8,545	0.78	215,569	-	-	-
2011	7,599	0.97	237,626	-	-	-
2012	9,758	0.76	239,003	-	-	-
2013	4,253	1.02	138,981	-	-	-
2014	3,800	0.96	117,754	503	3.84	62,074
2015	6,889	0.97	214,228	786	2.85	71,982
2016	8,299	0.90	238,907	694	2.55	56,819
2017	7,599	0.90	218,454	910	2.01	58,873
2018	1,965	1.40	88,452	1,108	1.76	62,636
2019	2,386	1.09	83,665	1,119	1.52	54,819
2020	1,043	1.40	47,108	1,086	1.53	53,516
Total	67,771	0.95	2,066,050	6.206	2.11	420,719

Note:

1. Numbers may not add due to rounding.

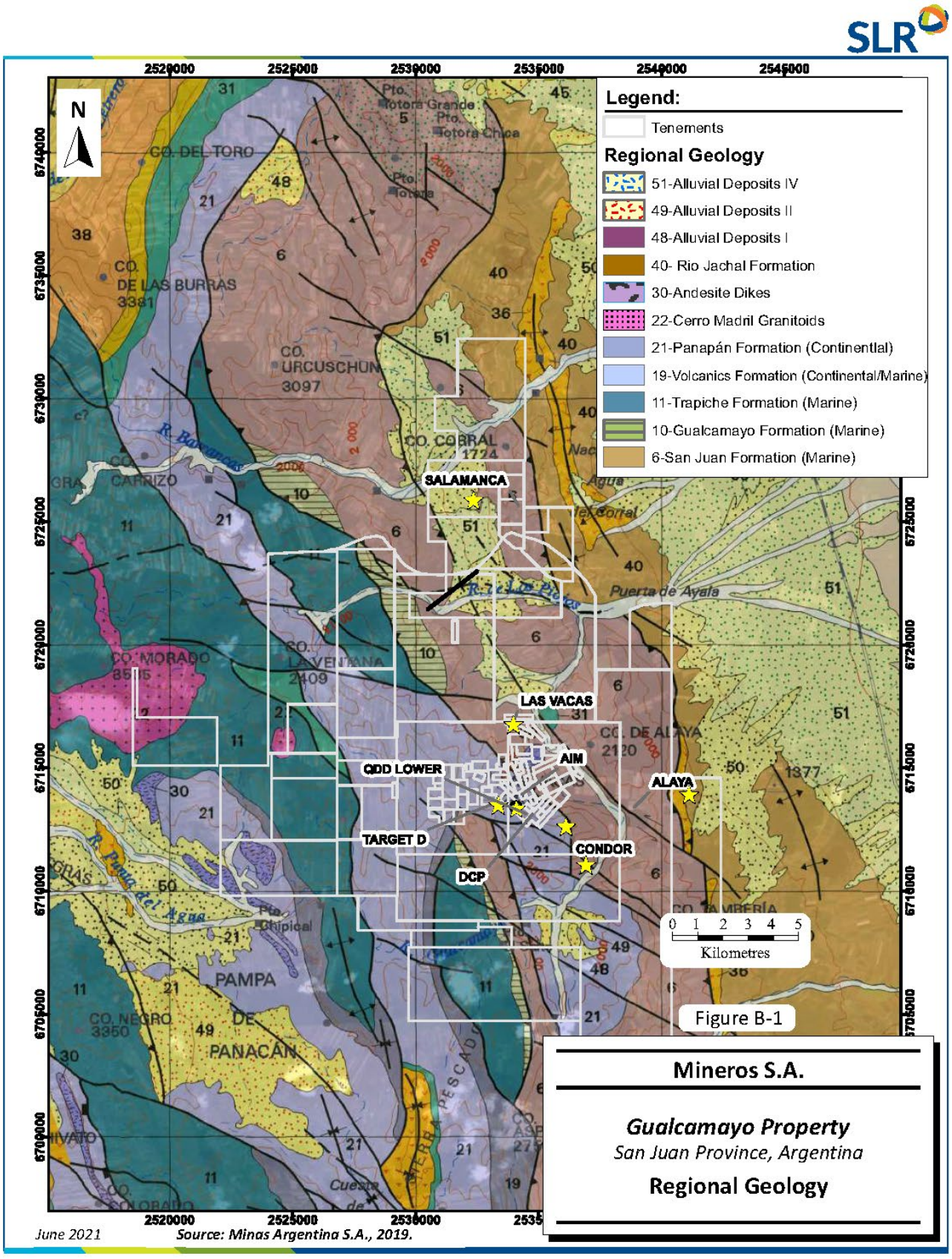
Geological Setting, Mineralization and Deposit Types

The Gualcamayo Property is located along the eastern margin of the Pre-Cordillera of west central Argentina, immediately to the east of the Cordillera de Los Andes. The Pre-Cordillera is a narrow north-south trending belt of tectonically deformed clastic and carbonate rocks of lower to mid-Paleozoic age, overlain by Carboniferous and Permian marine and continental sediments, Triassic volcanics and continental redbeds and Tertiary continental redbeds. Granodiorite and diorite stocks intruded the sedimentary section during at least two Paleozoic orogenic events as well during the Tertiary period. Figure B-1 shows a regional geology map.

Local Geology

The Gualcamayo Property is located within a package of carbonate rocks which were intruded by Tertiary aged quartz diorite. The intrusion event produced thin skarn halos at the contact and a metasomatic areole extending hundreds of metres into the carbonates.

FIGURE B-1 – REGIONAL GEOLOGY



Stratigraphy

Table B-4 summarizes the stratigraphy of the Gualcamayo Property area. The following sections describe the lithologies in more detail.

TABLE B-4 – GUALCAMAYO STRATIGRAPHIC COLUMN

Period/Epoch	Formation	Description
Tertiary	Red Beds	Typical clastic red beds
Miocene	Quartz Diorite Dacite Porphyry	Intrusive complex related to skarn and breccia gold mineralization
Ordovician	Trapiche	Relatively recessive, clastic, red polymictic conglomerate and sandstone, overlain by shale, white arkose, and red sandstone.
	San Juan	300 m sequence of thin-to thick bedded dark grey limestone. Becomes dominantly thin-bedded up section. Primary host for QDD gold mineralization.
Cambrian	Los Sapitos (Las Flechas)	Medium to thick – bedded rhythmically banded peri-tidal, shallowing upward dolostone

Mineralization

Gold mineralization at the Gualcamayo Property is associated with mineralizing fluids dispersed into limestone aquifers along reactivated fault systems during intrusive emplacement. Three distinct mineralization types of economic interest occur in the Gualcamayo Property: (i) sediment-hosted distal-disseminated gold (QDD), (ii) sulphide-bearing skarn deposits containing copper zinc and molybdenum with late stage gold-arsenic mineralization (AIM), and (iii) porphyry style molybdenum mineralization (Quebrada Perdida).

Deposit Types

Brief descriptions of the deposit types and mineralization styles are provided below.

Sediment-Hosted Distal-Disseminated Gold

The QDD deposit is genetically analogous to Carlin-type sedimentary rock-hosted deposits. Carlin deposits form as structurally and/or stratigraphically controlled replacement bodies consisting of stratabound, tabular, disseminated gold mineralization occurring in carbonate rocks. Deposits are localized at contacts between contrasting lithologies, metamorphosed to varying extents. They can also be discordant or breccia related.

Host rocks are most commonly thinly bedded, silty or argillaceous carbonaceous limestone or dolomite, commonly with carbonaceous shale. Although less mineralized, non-carbonate siliciclastic and rare metavolcanic rocks can locally host gold that reaches economic grades. Felsic plutons and dikes may also be mineralized at some deposits.

Skarn Deposits

Skarn mineralization is hosted by contact, metasomatic calc-silicate rocks proximal to intrusive rocks. They typically form by contact metamorphism of a carbonate rich rock and as a result are not common in Archean terranes because of the paucity of carbonate units in the Archean geological record.

Porphyry Deposits

Porphyry deposits are large, low to medium grade deposits in which primary (hypogene) ore minerals are dominantly structurally controlled and which are spatially and genetically related to felsic to intermediate porphyritic intrusions. The large size and structural control (e.g., veins, vein sets, stockworks, fractures, “crackle zones” and breccia pipes) serve to distinguish porphyry deposits from a variety of deposits that may be peripherally associated, including skarns, high temperature mantos, breccia pipes, peripheral mesothermal veins and epithermal precious metal deposits.

Exploration

The Company has developed a prioritized exploration plan to expand on current Mineral Resources. The priorities are as follows:

- Priority 1: Focusing on mineralization close to the main Gualcamayo Mine open pit in leachable oxide carbonate rocks (breccias, limestones, and marble). These targets/deposits include Target D, Las Vacas, and Sierras de Alaya.

- Priority 2: Focusing on mineralization further away from the main Gualcamayo Mine open pit in leachable oxide carbonate and siliciclastic rocks. These targets/deposits include Pirrotina, San Jose, Quebrada Perdida, and Salamanca.

- Priority 3: District wide prospecting within the Gualcamayo Property land package, including sulphide mineralization and the Saltito target.

To support this plan, in 2019, the Company undertook district wide prospecting in the form of surface sampling and mapping programs and conducted a geophysical survey. The surface sampling program has continued into 2021.

Geochemical sampling included 3,564 samples distributed in nine target areas over several areas of the district. The geochemical results of these samples returned gold grades between 0 g/t Au and 36 g/t Au, with an average gold grade of 0.25 g/t Au. Geological mapping was carried out at a scale of 1:2,000 and in some sectors 1:1,000, covering nine prospective areas where rock sampling was carried out for a total area of 612 ha. Airborne magnetometry, utilizing a drone, was undertaken over nine defined area blocks. The line spacing of the survey was 25 m and the average flight altitude was 50 m above the ground. A total of 633 lines covering 680 linear kilometers was flown, covering a total area of 1,598 ha.

Exploration Program Results

The following conclusions are made regarding the 2019 exploration program:

- The potential for economic mineralization was confirmed for the Sierras de Alaya, Las Vacas, Target D, Quebrada Perdida, San José, Salamanca, and Saltito targets.

- Two areas previously identified as areas of high potential, Puntudo and Alaya Norte, were eliminated from high priority targets due to discouraging results.

- Gold mineralization was identified in oxidized carbonate rocks (limestones, limestone breccia, and marbles), with the following maximum gold values in surface samples taken from the following targets: Sierras de Alaya (8.89 g/t Au), Las Vacas (11.4 g/t Au), and Salamanca (7.64 g/t Au).

- Gold mineralization was identified in non-carbonate rocks (silicoclastic and skarn) with the following maximum gold values in surface samples taken from the following targets: Las Vacas (35.6 g/t Au), Quebrada Perdida (32.4 g/t Au), Saltito (13.15 g/t Au), and Target D (5.33 g/t Au).

During the 2020 campaign, deep mineralization was confirmed in the San José, Quebrada Perdida, Sierras de Alaya and Pirrotina targets. Progress continues to be made with surface sampling of the Saltito and Puntudo district targets.

In 2021, resource conversion campaigns are being undertaken on Brownfield targets to support underground mining projects in Magdalena, Target D, and Cuerpo Norte. Surface sampling continues on the Greenfield targets.

Exploration Potential

Following the 2019 exploration program, the exploration potential for the Gualcamayo Property was developed based on the projected surface area of potential mineralization supported by surface grab sampling and widely spaced diamond drill holes. The exploration potential for the two top priority target groups identified at the Gualcamayo Property ranges from 20 Mt to 34 Mt at grades of 1.3 g/t to 1.5 g/t Au for 850 koz to 1,700 koz of gold. The ranges of tonnes, grade, and ounces have been approximated and are analogous to material currently being mined for both open pit and underground mining methods.

The potential quantity and grade are conceptual in nature as there has been insufficient exploration to define a Mineral Resource along strike from the resource area, and it is uncertain if further exploration will result in the target being delineated as a Mineral Resource.

In addition to potential resource conversion, a comprehensive metallurgical testing campaign is being developed for the Target D, QDD Lower West, AIM, Las Vacas Brownfield targets, and for the San José, Quebrada Perdida, Pirrotina and Sierras de Alaya Greenfield targets.

Drilling

Drilling on the Gualcamayo property has been conducted in phases by Mincorp, Yamana and its subsidiaries, and the Company from 1996 to 2021. Total drilling, consists of 1,152 diamond drill holes ("**DDH**") and 1,052 RC drill holes totalling 475,244 m. A drilling summary by deposit up to and including all drilling information available at June 30, 2021, is presented in Table B-5. A map of drill hole collars, highlighting the location of drill holes completed by the Company, is shown in Figure B-2.

TABLE B-5 – SUMMARY OF DRILLING

Area/ Deposit	Start	End	DDH		RC		Total	
			No. Holes	Metres (m)	No. Holes	Metres (m)	No. Holes	Metres (m)
AIM	1997	2021	246	26,751	77	12,191	323	38,942
DCP	2009	2021	204	60,545	-	-	204	60,545
LV	2007	2021	48	11,351	192	51,205	240	62,556
PIR	2005	2020	14	3,182	21	4,162	35	7,344
QDD	1998	2020	382	93,367	652	140,436	1,034	233,803
QDDL	2007	2021	171	35,430	15	3,049	186	38,479
QP	2006	2020	8	1,391	39	6,920	47	8,311
SAD	2017	2020	20	3,847	9	2,078	29	5,925
SAL	1996	2020	59	9,050	27	6,380	86	15,430
SJ	2018	20202019	-	-	20	3,910	20	3,910
Total	1996	2021	1,152	244,913	1,052	230,331	2,204	475,244

Notes:

1. QDD: Quebrada del diablo, including QDD Main, Target D, Potenciales, and Condor
2. QDDL: Quebrada del diablo inferior – QDD Lower
3. AIM: Amelia Inés and Magdalena
4. DCP: Includes Santiago, Feeder, and Rodado deposits
5. LV: Las Vacas
6. PIR: Pirrotina
7. QP: Quebrada Perdida
8. SAD: Sierra de Alaya
9. SAL: Salamanca
10. SJ: San José

In addition to exploration drill holes presented in Table B-5, the Mineral Resource database includes wall samples for 17 tunnels, totalling 4,647 m, ten trenches totalling 403 m sampled in their entirety, 184,185 open pit grade control drill holes totalling 1,441,969 m, and 18,144 underground grade control drill holes totalling 78,611 m.

Yamana and Mineros Drilling Procedures

This section describes the current drilling procedures at the Gualcamayo Property, which have been in place with minor revisions since 1996 and overseen by Mincorp, Yamana, and the Company. The main purpose of the drill programs was to explore and delineate mineralization on the Gualcamayo Property and to improve confidence and support, and to upgrade the classification of the Mineral Resources.

Drill hole locations are spotted in the field using a hand-held global positioning system ("**GPS**"). The desired collar position, foresights, and backsights are marked by technicians using a Brunton compass aligned with stakes and a connecting tape line;

initial drill inclination is also set using a Brunton compass. Collar surveying is performed with a differential GPS upon completion of the drill hole and the departing collar azimuth is recorded using a total station. Casings are left in place. Downhole surveying is completed using a single shot instrument at 10 m below surface, and every 50 m thereafter. Drilling is completed at several orientations and inclinations, and often several drill holes are performed from a single drill platform (fan drilling). Underground drill hole locations are surveyed using a total station, which is also used to measure orientation of the drill hole. An inclinometer measures the initial dip of the underground drill holes.

Diamond drill core is placed in wooden boxes and labelled at the rig site prior to transport. Drill core is transported by pick-up truck to the Gualcamayo logging facility by mine employees. Geotechnicians measure drill core runs and note core interval length, core loss, and check core block runs. Rock Quality Designation (RQD) is measured and recorded. The core is photographed both wet and dry prior to mark up by geologists.

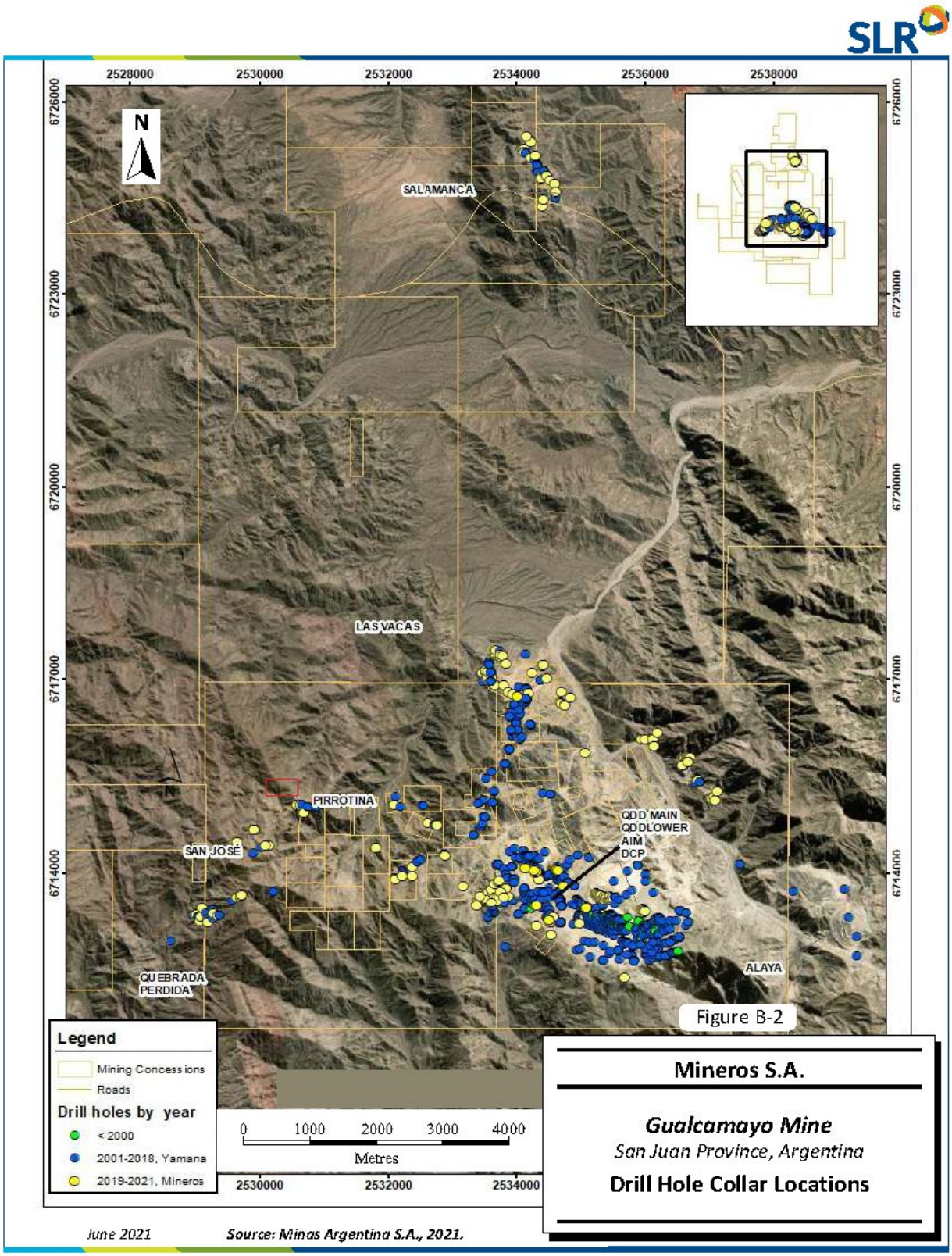
Rock fragments from RC drilling are recovered in one metre intervals in pre-labelled clear plastic bags clamped to the drill hydrocyclone. Chips are transported by pick-up truck to the Gualcamayo logging facility by mine employees, where the total sample is weighed and split, and two 25% splits are retained in plastic bags, one as a reference and the other for submission to the assay laboratory.

Grade Control Drilling

Underground grade control samples of 1.8 m length on a grid of 20 m by 5 m and channel samples from tunnel walls on a grid of 20 m by 3 m are collected as part of each advance. Open pit grade control samples are collected from 10 m blast hole cuttings, spaced on a grid of 8 m by 5 m or 7.5 m by 4.3 m. Blast holes are sampled on a regular grid based on a distribution which allows a total of 30% of blast holes to be sampled. Blast holes to be sampled are marked with a labelled wooden stake. Collar locations for both underground and open pit grade control drill holes and channels are surveyed with a total station or laser scanner.

All geological information is logged using the Geological Data Management Software DHLogger. Lithology and minor lithologies, alteration, mineralization, and oxidation are recorded directly within the software. Observations are noted where relevant.

FIGURE B-2 – DRILL HOLE COLLAR LOCATIONS



Sample Preparation, Analyses and Security

Sampling Method and Approach

Surface, Diamond Drill Core, And Reverse Circulation Drill Hole Samples

Diamond drill core is split using a hydraulic splitter, returning half of split core to the core box and submitting the other half for sample preparation and analysis. Sample length is generally 1.0 m, and respects geological contacts. Split core returned to the core box is covered with a wooden lid and nailed closed for transfer back to the core shack. Cuttings from RC drill holes are sampled in 1.0 m intervals. RC cuttings are split to a size approximately 25% of original using a splitter. The splitter is cleaned with compressed air between samples.

Samples are placed in labelled clear plastic bags alongside three sample tags, with a fourth stapled to the top of the bag. The bags are sealed and placed in rice bags. Rice bags are limited to 25 kg of total weight, meaning a total of two samples of PQ (85 mm) core, or a total of three samples of HQ (63.5 mm) core are included in each bag.

Grade Control Samples

Fine material is collected in a plastic bag-lined bucket from the secondary cyclone. Coarse material is collected from a quartered sample cone above the blast hole. The fine and coarse samples are separately split using a hopper-style fixed chute splitter, then combined for a total sample size of approximately 13 kg. A sample label with the phase, level, and drill hole ID recorded is added to the bag prior to sealing and transferred to the MASA laboratory by pick-up truck. The splitter is cleaned with compressed air following each sample. A small chip sample is retained in a cutting box to be logged.

Density Analysis

Density measurements are not regularly collected by the Company's technical staff.

In situ bulk density measurements were performed on 208 drill core specimens from the QDD deposit and adjacent areas between 1999 and 2006, and 39 drill core specimens from the 2005 drilling program at AIM. In the summer of 2016, the consulting firm Solucionart S.A. (Solucionart) measured and analyzed bulk densities over several different areas at the Gualcamayo Property.

Results of the 2016 analysis have not been incorporated into the Mineral Resource estimates. Instead, density values were assigned to the block models based on work by Wardrop in 2007.

Sample Preparation

Surface, Diamond Drill Core, And Reverse Circulation Drill Hole Samples

Sample preparation is performed at the ALS Patagonia S.A. (ALS Patagonia) laboratory in Mendoza, Argentina. ALS Patagonia's preparation facility is accredited to the International Organization for Standardization/International Electrotechnical Commission (ISO/IEC) 9001:2008 standards, for all relevant procedures.

Samples are logged in the tracking system, weighed, dried, and finally crushed to better than 85% passing a 2 mm screen. Two splits of approximately 1,000 g are taken and pulverized to better than 85% passing a 75 micron screen. Crushers and pulverizers are cleaned with compressed air after processing each sample and cleaned with crushed quartz at the beginning of each batch, and after every 50^{th} and 10^{th} sample for the crusher and pulverizer, respectively. This sample preparation package was coded PREP-31 by ALS. Note that prior to January 2018, samples were crushed to only 70% passing a 75 micron screen, and only a single split was taken. The second split was implemented to allow for cases of re-analysis where necessary. Following preparation, a 200 g split of the samples are shipped to the sample analysis facility in Lima, Peru.

Grade Control Samples

Grade control sample preparation is performed at the MASA laboratory, located at the Gualcamayo Property. Samples are logged in the tracking system, weighed, dried, and finally crushed to better than 90% passing a 2 mm screen. Two splits of approximately 1,000 g are taken and pulverized to better than 95% passing a 105 micron screen. Crushers and pulverizers are cleaned with compressed air after processing each sample and cleaned with crushed quartz at the beginning of each batch, and

after every 50th and 10th sample for the crusher and pulverizer, respectively. The laboratory was audited in 2018 by Yamana (Corporate) and found to be appropriate for the purposes of Mineral Resource estimation.

Sample Analysis

Surface, Diamond Drill Core and Reverse Circulation Drill Hole Samples

The primary assay laboratory for samples taken at the Gualcamayo Property is ALS Perú S.A. (ALS Peru) in Lima, Peru. ALS Peru's facilities are accredited to ISO 9001-2008 for quality management and to ISO/IEC 17025:2005 for all relevant procedures. Prior to 2015, Gualcamayo used Alex Stewart laboratory in Mendoza, Argentina (2007), Bureau Veritas (formerly ACME) in Santiago, Chile (2008, 2011–2014), or ALS Peru (2010) as the primary laboratory. A small number of samples during 2015 to 2017 were also assayed on site.

The following sample analysis is undertaken at the ALS Peru facilities:

- Gold Analysis: Au-AA24. A 50 g fire assay standard fusion method with an atomic absorption spectroscopy (AAS) finish. The lower limit of detection is 0.005 g/t Au and the upper limit of detection is 10 g/t Au.

- Gold Analysis: Au-GRA22. Gold analyses returned from Au-AA24 with a gold value above 10 g/t Au are re-assayed using a 50 g fire assay standard fusion method with a gravimetric finish. Upper limit of detection is 100 g/t Au.

- Multi Element Analysis: ME-ICP41. 35 multi element suite using aqua regia digestion and inductively coupled plasma atomic emission spectroscopy (ICP-AES) finish. Elements included are Ag, Al, As, B, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, Ga, Hg, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sr, Th, Ti, Tl, U, V, W, and Zn.

Beginning in 2018, the secondary laboratory used as an independent check on the performance of ALS Peru, is the Alex Stewart laboratory in Mendoza, Argentina. Alex Stewart's facilities are accredited to ISO9001-2015 for quality management, ISO 14001:2015, for environmental management, and to ISO/IEC 17025:2005 for all relevant procedures.

The following sample analysis is undertaken at the Alex Stewart facilities:

- Gold Analysis: Au4-50. A 50 g fire assay standard fusion method with an AAS finish. The lower limit of detection is 0.01 g/t Au and the upper limit of detection is 10 g/t Au. This procedure has been in use since January 2018

- Gold Analysis: Au4-30. A 30 g fire assay standard fusion method with an AAS finish. The lower limit of detection is 0.01 g/t Au and the upper limit of detection is 10 g/t Au. This procedure was used prior to January 2018.

From 2015 to 2017, the secondary laboratory used to analyse material from the Gualcamayo Property was Bureau Veritas (formerly ACME) in Santiago, Chile. This laboratory utilized the same analysis procedures as those described for Alex Stewart. Bureau Veritas' facilities in Santiago are accredited to ISO9001-2015 for quality management, and to ISO/IEC 17025:2005 for all relevant procedures.

Grade Control Samples

Grade control sample assaying is performed at the MASA laboratory, located at the Gualcamayo Property, using a 50 g fire assay standard fusion method with an AAS finish. The laboratory was audited in 2018 by Yamana (Corporate) and found to be appropriate for the purposes of Mineral Resource estimation. The assay laboratories, with the exception of the onsite laboratory used for grade control samples, are independent of the Company.

Database Management

Drill hole logs and sample intervals are recorded using a local version of DHLogger and uploaded to a secure central DHLogger database upon completion.

Sample Chain of Custody and Storage

Drill core is stored at the onsite core storage facility, the grounds of which are locked at night and surrounded by a high fence. The storage facility is open at the sides and covered with a corrugated iron roof. Core storage map is maintained by onsite technicians. Pulp and coarse rejects are stored in the laboratory for a short time, and then shipped back to the onsite facility by the sample delivery drivers. Coarse rejects are stored on an outdoor platform and pulp rejects are stored in a closed shed.

Samples are shipped in rice bags secured within a truck to the independent ALS Patagonia preparation facility in Mendoza, Argentina. The driver delivers the samples alongside a chain of custody form, which is signed by the laboratory upon receipt of the samples. The status of any given sample is mapped using DHLogger software.

Quality Assurance/Quality Control

QA/QC Protocols

The following QA/QC protocols were put in place by MASA and continued by the Company.

Each batch of 75 samples submitted for sample preparation and analysis to the ALS laboratories (ALS Patagonia and ALS Peru) includes 69 regular samples, two field duplicate sample (second half of a split core sample or a second split of RC cuttings), two certified reference material (CRM) samples, and two coarse blank samples. Coarse blank material, approximately five kilograms by weight, are sourced from a local limestone quarry. Field duplicates are inserted directly following the original sample, coarse blank material samples are inserted following a mineralized zone, and CRM samples are inserted randomly. All QA/QC sample insertions maintain consecutive numerical order.

Coarse reject duplicates, an additional split of material taken after the crushing stage, and pulp reject duplicates, an additional split of material taken after the pulverizing stage, are saved and then resubmitted to a secondary laboratory (Alex Stewart) at a later date at a rate of approximately 5% of the total samples submitted. Pulp reject duplicate samples are chosen with consideration to grade (> 0.3 g/t Au), anomalous or contrasting primary results, or proximity to CRMs with poor performance. Pulp samples are grouped across targets from both underground and open pit resource areas. Each batch of 40 check samples (pulp rejects) submitted to a secondary laboratory (Alex Stewart) include one CRM sample and one coarse blank. Rate of submission is 5%.

A QA/QC report is prepared monthly, by the onsite QA/QC technician and project geologist and reviewed by the Company's corporate QA/QC coordinator in Medellín, Colombia. Batches of samples identified by QA/QC as anomalous are repeated by ALS at the request of the Company.

Certified Reference Material

Results of the regular submission of CRMs (standards) are used to identify issues with specific sample batches, and biases associated with the primary assay laboratory. The Company has sourced CRMs from several different international laboratories, including custom matrix matched samples. Results of the CRMs were plotted in control charts, and failure rates, defined as a gold value reporting more than three standard deviations (SD) from the expected value, and warning rates, defined as gold values reporting more than two SD, but less than three SD from the expected values, were tabulated monthly and annually for review by onsite and head office personnel.

Blank Material

The regular submission of blank material is used to assess contamination during sample preparation and to identify sample numbering errors. Blank material was a coarse limestone sourced from a nearby quarry and was inserted at a rate of 3% samples at the Gualcamayo Mine. The charts prepared by the Company plotting annual assay results of sterile (limestone) gold grades against an error limit of five times the lower detection limit of the assay technique, or 0.02 g/t Au were reviewed.

Field, Coarse Reject and Pulp Duplicates

Duplicate samples help to monitor preparation and assay precision and grade variability as a function of sample homogeneity and laboratory error. The field duplicate includes the natural variability of the original core sample, as well all levels of error including core splitting, sample size reduction in the preparation laboratory, sub-sampling of the pulverized sample, and the

analytical error. Coarse reject and pulp duplicates provide a measure of the sample homogeneity at different stages of the preparation process (crushing and pulverizing).

Check Assays

Submitting assays to a secondary laboratory helps to monitor bias at the principal laboratory. In 2017, the secondary laboratory was switched from Bureau Veritas (formerly ACME) in Santiago, Chile to Alex Stewart laboratory in Mendoza, Argentina. The analysis compiled by the Company for 2017 through 2019 was reviewed, which included a comparison of the original and re-submitted pulp assay result, as well as an analysis of CRM and blank performance at the secondary laboratory. A total of 4.8%, 6.2%, and 7.8% of assays were resubmitted to a secondary laboratory for analysis in 2017, 2018 and 2019, respectively, alongside QA/QC samples. The results of the sample comparison by the Company point towards a positive bias at Alex Stewart, which is confirmed by a high bias observed in the CRM sample results submitted to Alex Stewart.

Conclusions

The following conclusions are made from the review and analysis of QA/QC data and reports collected for the Gualcamayo Property from 2012 to 2021:

- The QA/QC program as designed and implemented by Yamana, and continued by the Company, is adequate and the assay results within the database are acceptable for the purposes of a Mineral Resource estimation.
- The results of the CRM program support good analytical precision and accuracy and the results of the blank sampling program point towards negligible sample contamination and few sample numbering errors.
- The results of the field duplicate sample program indicate good precision at all levels of the sampling and analysis approach.
- The results of the check assay program indicate moderate correlation and a potential high bias at the secondary laboratory.

Data Verification

Site Visit Verification Procedures

SLR visited the site from March 24 to 28, 2019 and again from August 26 to 31, 2021. While at site, SLR held discussions with site personnel; visited the QDD Main open pit and QDD Lower underground workings, reviewed core, reviewed data collection and QA/QC procedures, and reviewed geological interpretations, geological modelling, and resource estimation procedures.

Audit of Drill Hole Database

SLR compared lithology logs contained within the digital drill hole database to the original lithology logs stored on site and found the logs and geological interpretations to be consistent. SLR compared 10,063 assays, or 6.0% of the exploration samples, to assay certificates from ALS. No major discrepancies were found. SLR imported the drill hole database into Leapfrog Geo version 2021.1. The drill hole import routine returned import errors that were not significant.

Comparison Between Production and Diamond Drilling Data

For the QDD Main, QDD Lower, AIM, Las Vacas, Potenciales, and Condor deposits, a mixture of production and exploration sample information is compared and used for both long term and short term modelling. Open pit production samples consist of blast hole samples, while a mixture of underground face/wall sampling and sludge samples from long hole production drilling are used.

With respect to QDD Main, it was noted that the averages are similar but the production composites' coefficient of variations ("**CVs**") are slightly lower. When the diamond drill hole samples are composited to 10 m, the CVs are lower than the production composites. Investigation of an appropriate sample composite length was recommended to account for the volume variance differences between the data types.

Recovery Versus Grade

During the 2006 drill program, three QDD core holes were twinned with RC holes to test for variability between the two methods as well as local variation in grade distribution. Previous studies described in a report by Simpson (2004) have indicated that results from core drilling may underestimate gold content of breccia zones due to the loss of fine matrix material. AMEC Ltd. was engaged to supervise the 2006 program and provide analysis of the results. Although the study is incomplete, initial results indicated that where core recovery drops below 75%, there is a loss of gold compared to the twin RC holes.

Mineral Processing and Metallurgical Testing

Historical Metallurgical Test Work and Mineralogy

Between 1998 to early 2007, Viceroy and AMEC conducted test work programs involving bottle-roll leach tests, column leach tests, bucket-type leach tests, carbon-in-pulp (CIP) tests, in situ density and moisture content determinations, Bond Impact and Abrasion tests; and specific gravity (in situ bulk density) tests.

The column leach testing programs confirmed that an overall gold recovery of 80% was attainable from oxidized ores at a crush size of -25 mm.

In July 2010, Yamana carried out a metallurgical analysis in order to build a geometallurgical model for the AIM deposits using the available information, a sub-group of the database that was used to build the gold resources model.

Historical Test Work Conclusions

The conclusions that were drawn from the historical test results are:

- Fine grinding of some of the Amelia Inés material (P80 74 μm, or finer) can give acceptable gold recoveries (>85%) under standard cyanide leach conditions. The actual gold recoveries recorded, however, ranged between 38% and 90% highlighting the variable nature of the ore.

- Cyanide consumption values obtained during the cyanide leach tests were highly variable and ranged from 0.42 kg/t to 6.6 kg/t.

- Gravity concentration and flotation test results were not encouraging.

- Alternative pre-oxidation processes should be tested to determine whether any of these processes will improve the recoveries of gold and silver. It is possible, however, that this could also result in the formation of refractory silver minerals, which would decrease the recovery of silver.

Recent Test Work

Several recent test work programs were initiated, managed, and completed by Yamana, and continued by the Company, as part of ongoing optimization and special projects. The main programs between December 2015 and August 2016 included representative sample selection, percolation tests, abrasion tests, GEOM geomechanical tests, comminution tests, acid drainage study, alkaline pre-treatment tests, solubility study, column leaching tests, agitated leaching, ICP mineral analysis, grinding optimization, precipitation of arsenic, arsenic stabilization, mineralogical, and QEMSCAN studies.

From 2015 to 2018, Yamana carried out recovery metallurgical tests. Ultra-fine grinding by various vendors was investigated and proved that recoveries of over 80% were possible at grind sizes of less than 15 μm. Flotation, gravity, and leach testing was performed to determine how a concentrator could add value to the operation.

In 2015, an extensive internal study was conducted for the implementation of a concentrator to improve recovery. The historical and recent test work was used as a basis for the internal study.

Mineros Test Program 2019

In 2019, Mineros initiated a sonic drilling, sampling, and metallurgical testing program to investigate the viability of re-leaching selected sections of ore on the Valle Norte and Valle Sur heap leach pads. The objective of the program was to determine the

location and amount of gold that could be recovered if the ore on the heap leach pads was leached with cyanide for a second time. The testing included rinsing and secondary leaching. The results of the test work and estimates of material quantities indicate that approximately 71 koz Au, or approximately 2.9% of the gold ounces placed, can be recovered from the secondary rinsing and leaching process.

To the extent known, there are no notable processing factors or deleterious elements at high levels that could cause operational issues.

Mineral Resource and Mineral Reserve Estimates

Mineral Resource Estimate

The Mineral Resource estimates comprise three main areas: QDD, Las Vacas, and Salamanca. The QDD area consists of five open pit resource models and two underground models. The estimates were based on 1,152 DDH and 1,052 RC holes, totalling 475,244 m. wall samples for 17 tunnels, totalling 4,647 m, ten trenches totalling 403 m, 184,185 open pit grade control drill holes totalling 1,441,969 m; and 18,144 underground grade control drill holes totalling 78,611 m. Wireframes were generated using sectional polyline interpretation, or implicit modelling, and grades were interpolated into blocks using inverse distance squared (ID^2) and ordinary kriging (OK) using Maptek's Vulcan or Seequent's Leapfrog software. Blocks were classified as Measured, Indicated, and Inferred using a distance-based criterion. The estimates were validated using industry standard validation techniques.

Mineral Reserves have been estimated for five out of the nine deposits. The DCP, which hosts a significant portion of the total Mineral Resources, is not amenable to current processing methods. The Company plans to complete a PFS on the DCP considering alternative processing options.

Mineral Resources are reported exclusive of Mineral Reserves. For open pit resources, the Mineral Resources are reported above preliminary optimized Whittle pit shells but below Mineral Reserve pit designs. For QDD Lower, and areas under existing open pits, reporting shapes were designed for Mineral Resource reporting to ensure that unrecoverable or mined material was not reported. At the DCP, mineralization shapes were reviewed to ensure continuity above the reporting cut-off grade for each area.

SLR is of the opinion that the Mineral Resources are reasonable and suitable to support the estimation of Mineral Reserves.

The Gualcamayo Property Mineral Resources exclusive of Mineral Reserves, as of June 30, 2021, is given in Table B-6.

The Qualified Person is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate.

TABLE B-6 – GUALCAMAYO PROPERTY MINERAL RESOURCE ESTIMATE
JUNE 30, 2021

	Measured Mineral Resources			Indicated Mineral Resources			Total – Measured and Indicated			Inferred Mineral Resources		
	Tonnes (000 t)	Grade (g/t Au)	Contained Metal (000 oz Au)	Tonnes (000 t)	Grade (g/t Au)	Contained Metal (000 oz Au)	Tonnes (000 t)	Grade (g/t Au)	Contained Metal (000 oz Au)	Tonnes (000 t)	Grade (g/t Au)	Contained Metal (000 oz Au)
Open Pit												
QDD MAIN F4	9,845	0.76	241	1,903	0.96	59	11,748	0.79	299	277	1.04	9
CONDOR	0	0.30	0	29	3.00	3	29	2.98	3	223	1.77	13
POTENCIALES	30	0.86	1	18	1.24	1	48	1.00	2	41	1.56	2
AIM	518	1.69	28	240	3.28	25	758	2.19	54	199	2.00	13
TARGET D	58	1.09	2	44	1.70	2	102	1.36	4	111	1.24	4
SALAMANCA	202	1.27	8	375	1.26	15	577	1.26	23	1,967	1.63	103
LAS VACAS	321	0.81	8	494	0.76	12	815	0.78	20	1,707	0.82	45
SIERRAS DE ALAYA	-	-	-	186	0.95	6	186	0.95	6	1	0.99	0

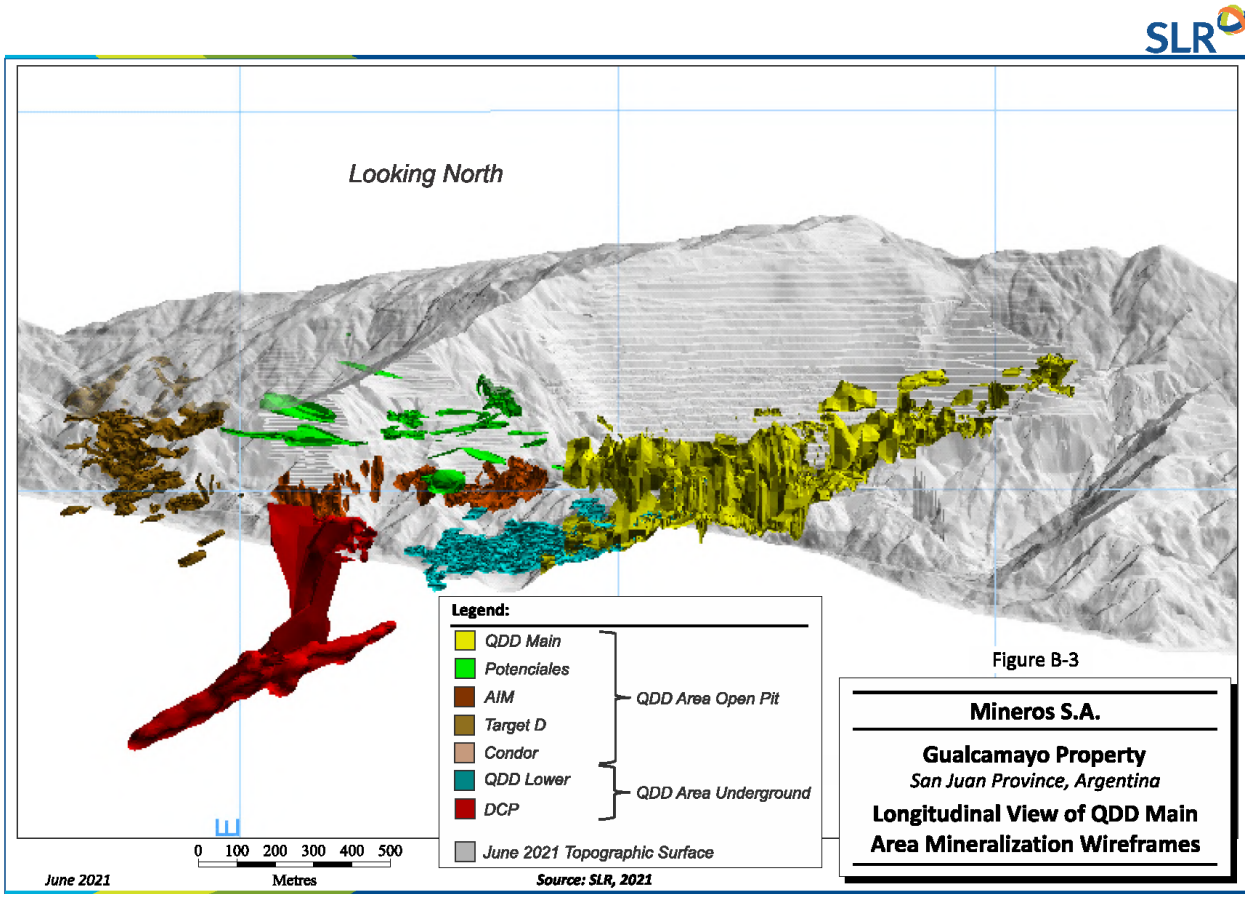
	Measured Mineral Resources			Indicated Mineral Resources			Total – Measured and Indicated			Inferred Mineral Resources		
	Tonnes (000 t)	Grade (g/t Au)	Contained Metal (000 oz Au)	Tonnes (000 t)	Grade (g/t Au)	Contained Metal (000 oz Au)	Tonnes (000 t)	Grade (g/t Au)	Contained Metal (000 oz Au)	Tonnes (000 t)	Grade (g/t Au)	Contained Metal (000 oz Au)
Open Pit Subtotal	**10,974**	**0.82**	**288**	**3,289**	**1.16**	**123**	**14,263**	**0.90**	**411**	**4,526**	**1.30**	**189**
					Underground							
BAJO OP (Cut-off between 1.06 g/t Au to 1.60 g/t Au)	355	2.03	23	1,626	2.02	106	1,981	2.02	129	2,626	2.28	192
QDD LOWER (Cut-off 0.63 g/t Au)	802	1.59	41	20	1.52	1	822	1.59	42	-		-
DCP (Cut-off between 1.45 g/t Au to 1.87 g/t Au)	-		-	9,249	3.54	1,053	9,249	3.54	1,053	8,947	2.79	802
Underground Subtotal	**1,158**	**1.73**	**64**	**10,895**	**3.31**	**1,159**	**12,053**	**3.16**	**1,224**	**11,573**	**2.67**	**994**
Total	**12,131**	**0.90**	**352**	**14,184**	**2.81**	**1,282**	**26,316**	**1.93**	**1,635**	**16,099**	**2.29**	**1,183**

Notes:

1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources are estimated at cut-off grades between 0.20 g/t Au and 0.40 g/t Au for open pit and between 0.63 g/t Au and 1.85 g/t Au for underground.
3. Open pit Mineral Resources are constrained within Whittle optimized pit shells.
4. Mineral Resources are estimated using a long term gold price of US$1,700/oz Au.
5. Bulk densities range between 2.47 t/m^3 and 3.01 t/m^3 depending on the rock type.
6. Mineral Resources are exclusive of Mineral Reserves.
7. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
8. Numbers may not add due to rounding.
9. Bajo OP corresponds to small zones of mineralization below each of the Whittle optimized pit shells of the open pit Mineral Resources that may be amenable to underground mining techniques. These areas were defined using reporting shapes to ensure reasonable prospects for eventual economic extraction.
10. The DCP is comprised of three areas Rodado, Feeders, and Santiago, and accounts for 65 % of the total of Measured and Indicated Resources

The QDD Main area mineralization wireframes are presented in Figure B-3.

FIGURE B-3 – LONGITUDINAL VIEW OF QDD MAIN AREA MINERALIZATION WIREFRAMES



Mineral Reserve Estimate

The Mineral Reserves estimated by the Company, with an effective date of June 30, 2021 are summarized in Table B-7. The total estimated Proven and Probable Mineral Reserves for the Gualcamayo Property are 3.3 Mt at a grade of 1.65 g/t Au, for a total of 174 koz Au.

The Gualcamayo Mine is a mature, producing mine consisting of open pit and underground mining operations. The Mineral Reserve estimates were based on the extension of currently producing areas. Mineral Reserves are reported for both open pit and underground mining areas and these are detailed separately in the sections below. The Mineral Reserve models were updated with new drilling and model changes, as discussed in the Mineral Resource section.

Three open pits are currently being mined, namely QDD Main, AIM, and Target D. Production at Target D will commence in January 2022. The underground mining areas consist of QDD Lower, CE, and BPR, all of which lie within the QDD Lower deposit; currently only QDD Lower is operational.

Mineral Reserves were based on the development of appropriately detailed and engineered LOM plans. All design and scheduling work has been undertaken to an appropriate level of detail by experienced engineers using standard mine planning software. The estimates were validated using industry standard validation techniques.

TABLE B-7 – GUALCAMAYO PROPERTY MINERAL RESERVE ESTIMATE SUMMARY
JUNE 30, 2021

	Proven Mineral Reserves			Probable Mineral Reserves			Total Proven and Probable		
	Tonnes (kt)	Grade (g/t Au)	Contained Metal (koz Au)	Tonnes (kt)	Grade (g/t Au)	Contained Metal (koz Au)	Tonnes (kt)	Grade (g/t Au)	Contained Metal (koz Au)
Open pit	1,507	1.63	79	424	2.32	32	1,931	1.78	111
Underground	981	1.52	48	17	1.63	1	997	1.53	49
Total OP and UG	**2,487**	**1.59**	**127**	**440**	**2.29**	**32**	**2,928**	**1.69**	**159**
Stockpiles	357	1.30	15	-	-	-	357	1.30	15
Total Mineral Reserves	**2,845**	**1.55**	**142**	**440**	**2.29**	**32**	**3,285**	**1.65**	**174**

Notes:

1. CIM (2014) definitions were followed for Mineral Reserves.
2. Mineral Reserves are estimated using drill hole and sample data and depleted for production through June 30, 2021.
3. Open pit Mineral Reserves are based on mine designs carried out on an updated resource model, applying a dilution and mining recovery factor of 2% and 88%, 6% and 86%, and 5% and 91% at zero grade for the QDD Main, AIM, and Target D deposits, respectively. The following pit discard cut-off grades were applied:
   a. QDD Main deposit – 0.32 g/t Au
   b. Target D deposit – 0.40 g/t Au
   c. AIM deposit – 0.52 g/t Au
   d. stockpiles – same cut-off grade as source material
4. Stockpile Mineral Resources are based upon surveyed volumes supplemented by production data.
5. Underground Mineral Reserves are based on mine designs carried out on an updated resource model. Stope dilution for QDD Lower and BPR was estimated through a sub-level caving (SLC) mixing model and averaged 24% and 10%, respectively. A dilution factor of 10% was applied to CE stopes and all development in ore.
6. Mining recovery for QDD Lower and BPR stopes were estimated through the SLC mixing model and averaged 91% and 51%, respectively. The mining recovery at CE averaged 82%. An extraction of 90% was applied to all development in ore.
7. A cut-off grade of 0.84 g/t Au was applied to the underground mine designs.
8. Mineral Reserves are estimated using an average long term gold price of US$1,500/oz Au and exchange rates of COP$3,650 = US$1.00 and AR$135 = US$1.00.
9. Tonnes and contained gold are rounded to the nearest thousand.
10. Numbers may not add due to rounding.

The Qualified Person is not aware of any mining, metallurgical, infrastructure, permitting, or other relevant factors that could materially affect the Mineral Reserve estimate. The location of the operations and deposits is shown in Figure B-4 and Figure B-5. A more detailed description of the mine design and modifying factors follows.

FIGURE B-4 – ISOMETRIC VIEW OF MINERAL RESERVE LOCATIONS

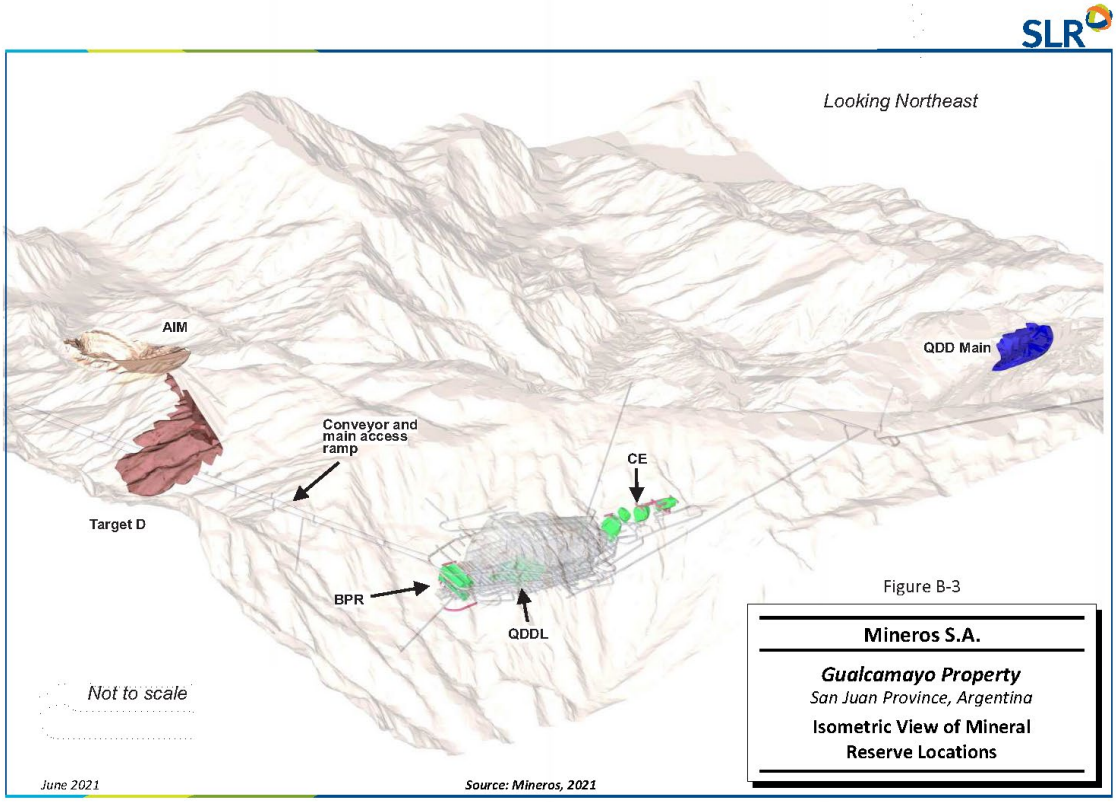
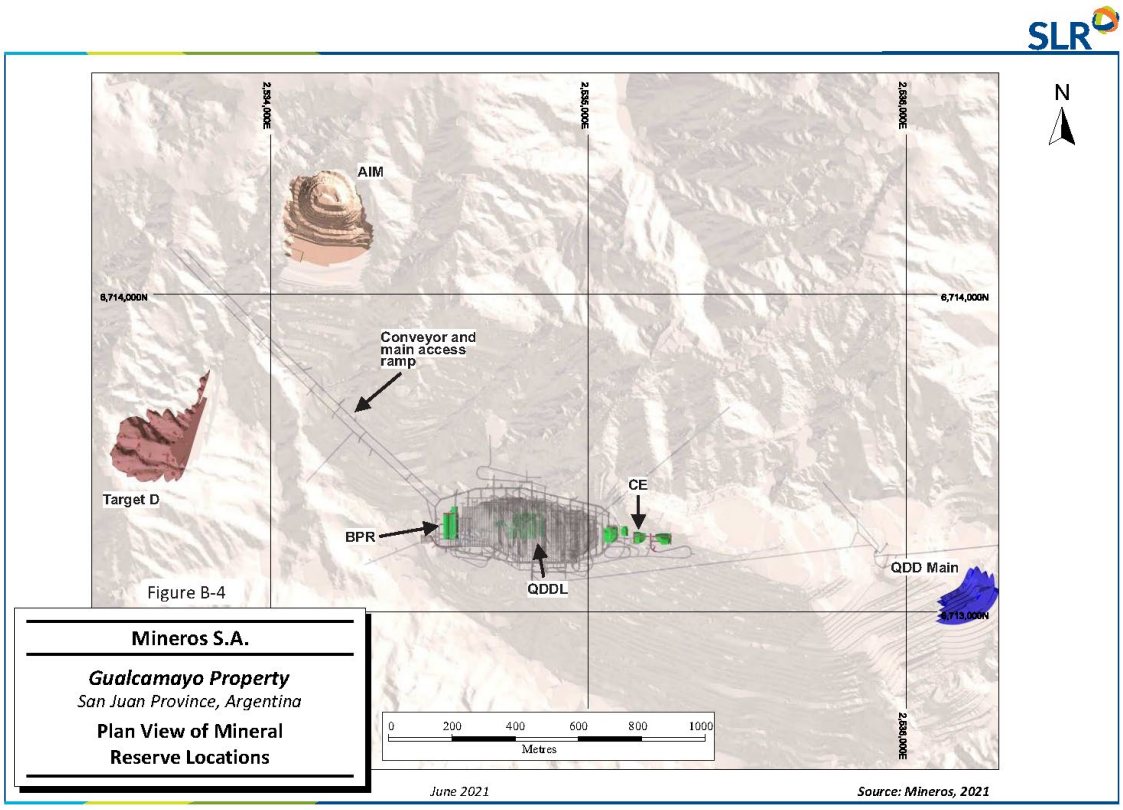


FIGURE B-5 – PLAN VIEW OF MINERAL RESERVE LOCATIONS



Open Pit Mineral Reserves

Surface sources of Mineral Reserves at the Gualcamayo Property comprise the QDD Main, Condor, AIM, and Target D deposits, and various stockpiles.

All the open pits are extensions of existing mining operations, except for Target D. In general, these areas are the remaining portions of larger areas of mining and have sufficient ore to support a further 1.5 years of mine life. Target D is a newly defined mining area. Pre-stripping commenced in Q3 2020 and is currently on-going. Ore production from Target D is scheduled to start in January 2022.

As stockpiles are managed and known, they have been classified as Mineral Reserves. The stockpiles include material from all the current operations.

The open pit and stockpile Mineral Reserve estimates are given in Table B-8.

Approximately 2% of the tonnes and 3% of the gold ounces contained in the open pit Measured and Indicated Mineral Resources were included in the open pit Mineral Reserve estimate. This low conversion rate is mostly driven by the QDD Main pit, where substantial additional resources exist however, to access these resources a full pushback of the pit walls is required, which has not yet been shown to be geotechnically viable nor is it viable at the current Mineral Reserve gold price.

TABLE B-8 – GUALCAMAYO PROPERTY OPEN PIT MINERAL RESERVES
JUNE 30, 2021

	Proven Mineral Reserves			Probable Mineral Reserves			Total Proven and Probable		
	Tonnes (kt)	Grade (g/t Au)	Contained Metal (koz Au)	Tonnes (kt)	Grade (g/t Au)	Contained Metal (koz Au)	Tonnes (kt)	Grade (g/t Au)	Contained Metal (koz Au)
QDD Main F4	282	1.04	9	4	2.47	0.3	285	1.06	10
AIM	1,026	1.75	58	272	2.28	20	1,298	1.86	78
Target D	199	1.87	12	148	2.38	11	347	2.09	23
Total OP Mineral Reserves	**1,507**	**1.63**	**79**	**424**	**2.32**	**32**	**1,931**	**1.78**	**111**

Notes:

1. CIM (2014) definitions were followed for Mineral Reserves.
2. Mineral Reserves are estimated using drill hole and sample data and depleted for production through June 30, 2021.
3. Open pit Mineral Reserves are based on mine designs carried out on an updated resource model, applying a dilution and mining recovery factor of 2% and 88%, 6% and 86%, and 5% and 91% at zero grade for the QDD Main, AIM, and Target D deposits, respectively. The following pit discard cut-off grades were applied:
   a. QDD Main deposit – 0.32 g/t Au
   b. Target D deposit – 0.40 g/t Au
   c. AIM deposit – 0.52 g/t Au
   d. stockpiles – same cut-off grade as source material.
4. Mineral Reserves are estimated using an average long term gold price of US$1,500/oz Au.
5. Tonnes and contained gold are rounded to the nearest thousand.
6. Numbers may not add due to rounding.

Underground Mineral Reserves

Gualcamayo underground Mineral Reserves were estimated for the QDD Lower deposit. The deposit is split into three stoping areas in proximity to each other, QDD Lower, and CE, and BPR. CE and BPR are two smaller orebodies located to the west and east of QDD Lower, respectively. BPR represents the portion of the Bajo OP underground Mineral Resource which specifically underlies the QDD open pit Mineral Resource area. QDD Lower has historically being mined using the Sub-Level Caving ("**SLC**") mining method and the remaining Mineral Reserves will be mined in a similar fashion. BPR is a small extension of the QDD Lower orebody and will be mined in a similar fashion as QDD Lower. CE will be mined using sub-level stoping (SLS) as it is much smaller in size to QDD Lower.

The LOM production from QDD Lower will be from level, 1782L, which is the last mining level. The level is currently active with on-going stoping operations. All required development in ore and waste at QDD Lower has been completed. There are

four mining areas that have been identified at CE. The majority of the waste and ore development required to access these areas has been completed and ore production from stopes is scheduled to begin in Q4 2021. Similarly to CE, the development required to access stoping areas at BPR is well advanced. Ore development commenced in Q1 2021 and is currently on-going. Production from stopes is planned to begin in Q1 2022.

The underground Mineral Reserve estimate is given in Table B-9.

TABLE B-9 – GUALCAMAYO PROPERTY UNDERGROUND MINERAL RESERVES
JUNE 30, 2021

	Proven Mineral Reserves			Probable Mineral Reserves			Total Proven and Probable		
	Tonnes (kt)	Grade (g/t Au)	Contained Metal (koz Au)	Tonnes (kt)	Grade (g/t Au)	Contained Metal (koz Au)	Tonnes (kt)	Grade (g/t Au)	Contained Metal (koz Au)
QDD Lower	360	1.19	14	0	0	0	360	1.19	14
BPR	248	1.79	14	0	2.71	0	248	1.79	14
CE	372	1.67	20	16	1.62	1	389	1.66	21
Total Underground Reserves	**981**	**1.52**	**48**	**17**	**1.63**	**1**	**997**	**1.53**	**49**

Notes:

1. CIM (2014) definitions were followed for Mineral Reserves.
2. Mineral Reserves are estimated using drill hole and sample data and depleted for production through June 30, 2021.
3. Underground Mineral Reserves are based on mine designs carried out on an updated resource model. Stope dilution for QDD Lower and BPR was estimated through a SLC mixing model and averaged 24% and 10%, respectively. A dilution factor of 10% was applied to CE stopes and all development in ore.
4. Mining recovery for QDD Lower and BPR stopes were estimated through the SLC mixing model and averaged 91% and 51%, respectively. The mining recovery at Ce averaged 82%. An extraction of 90% was applied to all development in ore.
5. A cut-off grade of 0.84 g/t Au was applied to the underground mine designs.
6. Mineral Reserves are estimated using an average long term gold price of US$1,500/oz Au.
7. Tonnes and contained gold are rounded to the nearest thousand.
8. Numbers may not add due to rounding.

Economic Parameters and Cut-Off Grades

The economic parameters summarized in Table B-10 were used to calculate the cut-off grades for the open pit and underground operations. Costs included in the parameters are based on the actual monthly costs for the first two quarters of 2021.

TABLE B-10 –ECONOMIC PARAMETERS

Parameter	Unit	QDD Main	AIM	Target D	QDDL	Description
Gold Price	US$/oz Au	1,500	1,500	1,500	1,500	Long -term price forecast from the major banks
Selling Cost	US$/oz Au	248.5	248.5	248.5	248.5	Substantial sales royalties and excise export duties are included in this cost
Effective Gold Price	US$/oz Au	1,252	1,252	1,252	1,252	
Mining Cost	US$/t mined	2.06	1.88	1.86	16.92	
Incremental Hauling Cost	US$/t ore	0.30	0.90	1.47	0	
Processing Cost	US$/t ore	9.13	11.07	10.31	5.57	Includes fixed and variable costs
G&A Costs	US$/t ore	3.27	3.27	3.27	3.27	
Avg. Metallurgical Recovery	%	75	50	72	76	
Cut-off Grade	g/t Au	0.32	0.52	0.40	0.84	

The gold price used is based on long term price forecasts from the major banks with a long term average price for gold of US$1,500/oz Au used for the economic analysis and Mineral Reserve estimation.

Open Pit Optimization

The determination of mining areas in open pits was carried out using Whittle optimization software, which employs the Lerchs-Grossmann pit optimization algorithm. Whittle produces a pit shell based on the key inputs (pit slopes, operating costs, metallurgical recoveries, and revenues net of selling costs). The tonnes and grade within the selected Whittle pit shell are reported using a pit discard cut-off grade, defined as the grade at which the net revenues are equal to the processing and G&A costs (mining costs are excluded since they will be incurred regardless of whether the material is considered to be ore or waste).

The pit discard cut-off grades account for additional haulage to the process plant and the variation in these haul distances are reflected in the different cut-off grades.

Underground

A break-even cut-off grade is used to determine the ore that can be economically mined and processed. The break-even cut-off grade takes into account the stoping and ore development costs as well as processing and G&A.

The planned mining area at QDD Lower and BPR will be drilled, blasted, and drawn down until the marginal cut-off grade is reached, at which point that draw point will be stopped, unless it is being used to control the overall draw.

Most of the development at QDD Lower, BPR, and CE has been completed, and is considered a sunk cost, consequently, the current full cost cut-off grade does not include the unit cost of operating development.

The Company has estimated that the mining costs for SLS at CE will be the same as those used for QDD Lower and BPR where SLC is used.

Mining Operations

Mining Methods

Open pit ore production comes from a conventional drill and blast, load and haul operation. Mining is carried out on 10 m bench heights, with some pit walls left with a double bench. Material is loaded and transported to an ore pass, on the edge of the QDD Main pit, which delivers the material to an underground primary crusher, where it is combined with underground ore. The ore is then conveyed to a secondary crushing system on surface, after which it is taken to one of two leach pads through a system of grasshopper conveyors.

Underground mining is currently carried out using SLC. Mineros has incorporated sub-level stoping (SLS) to mine the smaller targets at CE. The underground workings are accessed by a conveyor decline and vehicle access ramp. The vehicle access ramp is the primary access for personnel, material and equipment, as well as the egress for waste rock and the ventilation intake. The conveyor is used to transport ore out of the Gualcamayo Mine and to the heap leaching operation.

The current LOM is 1.5 years, with 3.3 Mt of ore being delivered to the plant from 2021 to 2022. Due to the production lag in the heap leach, gold will continue to be recovered for 12 months after mining production is complete.

Life of Mine Plan

The LOM plan combines the open pit and underground Mineral Reserves into a production schedule which has been used to evaluate the economic viability of the Mineral Reserves. The current LOM plan is shown in Table B-11.

TABLE B-11 – LIFE OF MINE PLAN

Description	Units	Total	2021	2022
		Open Pit		
Ore Mined	kt	1,931	890	1,039
Gold Grade Mined	g/t Au	1.78	1.55	2.00
Gold Ounces Mined	koz Au	111	44	67
Waste Mined	kt	11,187	5,274	5,913
Total Moved	kt	13,116	6,164	6,952
Stripping Ratio			5.93	5.69
		Underground		
Ore Mined	kt	997	391	607
Gold Grade Mined	g/t Au	1.53	1.42	1.60
Gold Ounces Mined	koz Au	49	18	31
Total Development	m	1,219	1,219	0
Ore Development	m	740	740	0
Waste Development	m	479	479	0
		Stockpile		
Ore	kt	357	55	303
Gold Grade	g/t Au	1.30	2.15	1.13
Gold Ounces	koz Au	15	4	11
		Mill Feed		
Ore Feed	kt	3,285	1,336	1,949
Gold Grade	g/t Au	1.65	1.54	1.73
Gold Ounces	koz Au	174	66	108

Processing and Recovery Options

Process Description

The Gualcamayo process facility is designed to treat 25,000 tpd of ore using primary, secondary, and tertiary crushing, heap leaching, carbon adsorption-desorption-regeneration (ADR), for gold recovery, electrowinning of gold from the gold bearing eluant solution and casting of gold doré.

Ore is mined in the open pit and underground mines, with the primary crusher located underground. Open pit ore is dumped from the surface either into an ore pass or an ore chute, both of which deliver the ore to the underground primary crushing and conveying system. The primary crusher reduces the ore to P_{80} 150 mm. Crushed ore is transported via overland conveyor to the crushed ore stockpile. Ore is drawn from the crushed ore stockpile with apron feeders and conveyed to the secondary-tertiary crushing circuit. Ore is screened on the secondary screen, with oversized material fed to the secondary crusher. The secondary crusher product is then conveyed to the tertiary crushers which are closed by the tertiary screens. The screen undersized product, with P_{80} 25 mm from the secondary and tertiary screens is conveyed to the heap leach pad. The fines in the ore are agglomerated by adding cement to the ore on the heap leach pad loading conveyor, which mixes as it transfers from one conveyor to the next. The ore is then loaded onto the heap leach pad in lifts with a conveyor stacker. Cyanide leach solution is distributed over the ore with pipelines and drip emitter tubing. The solution percolates through the ore dissolving the gold and is collected on the pad liner and transferred to the pregnant solution pond by gravity in lined channels.

The pregnant gold solution is pumped from the pond through carbon columns in series to adsorb the gold in solution onto the carbon. The barren solution exiting the carbon columns flows to the barren solution pond where reagents are added, and the solution is reused for leaching. Once loaded, the carbon is removed from the carbon columns and transferred to an acid wash column. The carbon is washed with hydrochloric acid to remove carbonate scale and impurities. The washed carbon is then transferred to the elution columns. A heated cyanide and caustic solution is passed through the column stripping the gold from the carbon. The resulting gold cyanide solution is then pumped through electrowinning cells to recover the gold into a rich gold

sludge. The sludge is washed from the cells, filtered, retorted to recover mercury, melted in a furnace, cast into gold doré ingots, and shipped to a refinery.

The crushing facility and plant are capable of processing the throughput and grades planned for the remainder of the current LOM. There have been no material changes in the ADR and processing plant, however, many updates have been performed. Sustaining capital is planned to further automate the ADR plant, and to continue to improve its performance by recovering some of the carbon fines generated in the process and treating them to reduce possible gold loss.

Process Performance in 2020 and Projections for 2021

In 2020, approximately 2,128,579 t of ore were crushed and placed on the heap leach pad at a grade of 1.47 g/t Au for a total of 100,623 oz Au. Gold production from mined and placed ore for 2020 totalled 59,359 oz Au indicating an annual gold recovery of 59%. The total gold ounces produced in 2020 included 53,871 oz Au from direct leaching, 5,260 oz Au from leaching of the side slopes of the leach pads, 699 oz Au to be recovered from carbon fines and 12,993 oz Au to be recovered from re-leaching and rinsing of the leach pads. A total of 72,823 oz Au were produced in 2020 and the total recovery measured against gold ounces placed was 72.4%.

The total ore placed on the heap leach pads from inception to December 31, 2020, is 73,299,860 t at an average grade of 1.07 g/t Au for a total of 2,519,641 oz Au placed. A total of 1,648,766 oz Au have been recovered for a cumulative recovery of 65.4%.

Production targets for 2021 include 1,805,532 t of ore crushed and placed at a grade of 1.48 g/t Au for a total of 85,851 oz Au. Gold production for 2021 is projected to be 50,344 oz Au indicating an annual gold recovery of 58.6%. The total projected gold ounces to be produced in 2021 include 40,981 oz Au from direct leaching, 1,337 oz Au to be recovered from carbon fines and 14,976 oz Au to be recovered from re-leaching and rinsing of the leach pads. A total of 62,293 oz Au are projected to be produced in 2021 and the total recovery compared to gold ounces placed is projected to be 72.4%.

A heap leach pad rinsing program will continue to produce gold from the heaps through 2024. Metallurgucal testing continues to evaluate the feasibility of in situ secondary leaching of the ore to recover additional gold from the Valle Norte and Valle Sur heaps. The results of the test work and estimates of material quantities indicate that approximately 71,000 oz Au or approximately 2.9% of the gold ounces placed, can be recovered from the secondary rinsing and leaching process. The current cash flow model includes 69,489 oz Au to be recovered from 2021 through 2024 under line-item Inventory WIP Pile Retreatment 1500. The 1500 refers to additional pumping capacity added to accomplish the retreatment process.

The average operating cost for 2019 was US$20.40/t placed. The average total operating cost for 2019 was US$747.19/oz Au produced.

Infrastructure, Permitting and Compliance Activities

Project Infrastructure

The general services and infrastructure available in the local area includes a heavy machinery dealer, spare parts and repair shops in both San Juan (260 km) and Mendoza (430 km).

The Gualcamayo Mine includes the following infrastructure:

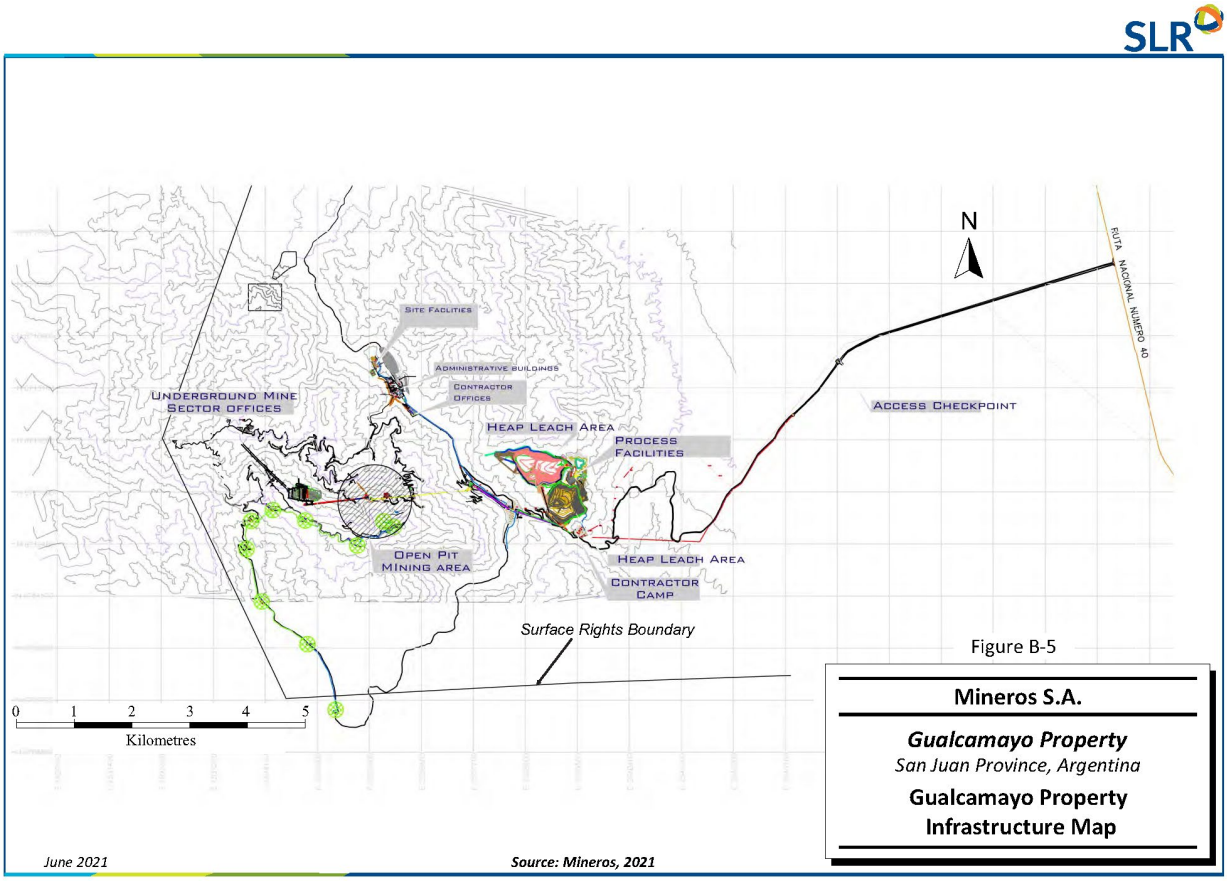
- Road access connecting the Gualcamayo Mine to nearby highway, and on-site roads connecting facilities.
- Camp facilities including two accommodation complexes (one for employees and one for contractors) with a total capacity of 930 people, catering facilities and five dining rooms with simultaneous capacity of 450 people, and recreational facilities.
- Administration building and maintenance complex.
- Underground water well and pumping system (10 wells with combined capacity of 287 m^3/h), and water treatment facility.

- Underground network of roads connecting ore to an underground crushing station.
- Powder magazines located one kilometre from the camp facilities.
- Truck loading and transportation facilities.
- Overland conveyor system.
- Heap leach area with a capacity of approximately 4.56 Mt which represents approximately 2.5 years of production.
- A 25,000 tpd processing facility and an ADR plant which produces over 100 koz Au annually.
- Sample preparation and assay laboratory.

The national electric power system is located approximately 129 km from the mine site. The Gualcamayo Mine relies on the Transener 132 kV high tension overhead line that connects the communities of Jáchal and Huaco.

The infrastructure for the Gualcamayo Mine is well established and sufficient to support the mine and related processing operations. The facilities and infrastructure in the vicinity of the Gualcamayo Mine are shown in Figure B-6.

FIGURE B-6 – GUALCAMAYO MINE INFRASTRUCTURE MAP



Environmental Studies, Permitting and Social or Community Impact

Based on site visit observations and discussions, as well as information received prior to, during, and after the site visit, SLR is of the opinion that Gualcamayo Mine operations generally conform to best practices and are in adherence with the applicable DIA (as defined below) commitments, in addition to regulatory and permitting requirements. No material issues or fatal flaws were identified as part of the audit. Since the Gualcamayo Mine is a heap leach operation, no tailings dams or mill tailings are associated with the operation.

Regulatory and Permitting Management

Grants of mining rights, including water rights, are subject to the rights of prior users and are subject to other environmental and safety provisions administered by the provinces in accordance with the Argentine Mining Code. Prior to conducting mining operations, applicants for mining titles must submit an Environmental Impact Assessment (*Informe de Impacto Ambiental*, or "**EIA**") to the provincial mining environmental authority describing the proposed operation, its environmental impacts, and the methods to be used to prevent undue environmental damage. When the provincial environmental authority approves the EIA it issues a permit in the form of an official declaration (*Declaracion de Impacto Ambiental*, or "**DIA**"). The EIA is required to be updated every two years, and the request for update must be accompanied by a report on the results of the protection measures taken by the mining title holder. If protection measures are deemed inadequate by the mining environmental authority, additional environmental protection may be requested by such authority. Mine operators are liable for environmental damage. Violations of environmental standards may cause exploration or mining operations to be shut down.

MASA has obtained all necessary environmental approvals to continue exploration and exploitation activities on the Gualcamayo Property, as recorded by the DIA issued by the San Juan Ministry of Mining, Resolution No. 104-SEM-2007. MASA has submitted all relevant EIA updates, with the Fifth Update submitted in January 2021.

In addition to the conditions set out in the EIA, all activities associated with the Gualcamayo Mine are strictly regulated by a variety of permits granted under national and provincial regulations.

A water concession is required to use water for the current works at the Gualcamayo Mine. A water concession permitting use of 116.65 L/s has been granted to MASA and is in good standing. The water concession is renewable in accordance with its terms while the Gualcamayo Mine is in production. The last request for extension was submitted on June 12, 2019, and was granted through July 7, 2024, by the Hydraulic Agency in Minute No. 3138 dated July 11, 2019.

Permits, as required and applicable, are in place for the Gualcamayo Mine and related operations, and no material non-compliance issues were reported to have occurred. Periodic updates of permits and environmental impact statements are performed as required. A sophisticated electronic database exists for managing all permit obligations. The database tracks formal permit submissions and regulatory correspondence and dispositions. The database flags when permit requirements are due, provides details on what is required, and sends notices to responsible individuals. If appropriate action is not taken in a timely manner, the system sends notices to the General Manager indicating that outstanding permits actions are required ensuring that senior management is aware and accountable, and that appropriate action is undertaken.

Project approval was based on the acceptance of an EIA containing conditions to be met by MASA during operations. These conditions cover mining, processing, and related operations and permits, as well as social obligations. As required, the EIA and related conditions are reviewed and updated by the Company every two years for presentation to the environmental authority of the Ministry of Mines of San Juan. Based on review of the documents, it appears that overall, the status of conditions is tracked appropriately, however, it was noted that an inconsistency with respect to EIA Condition 24 of the Fourth and Fifth DIA Updates, which state that the leach pad liner should be covered with 80 cm of protective cover materials before deposition of leach materials. While this is consistent with information and liner placement details contained in Section 3 of the original EIA, it is noted, that field observations and discussions indicated that liner cover materials have not, and are not, being placed. During the 2019 site visit, Company staff indicated that the Ministry of Mines had agreed to a different placement method, however, no record of this was made available during the site visit. Pursuant to the site visit, Inspection Report No. 25 (July 1, 2008) from the Ministry of Mines was provided which indicated that the Ministry of Mines had accepted the method of cover placement as practiced by the Gualcamayo Mine, which did not include the placement of 80 cm cover materials.

It has been recommended that the electronic database system be linked to EIA conditions and biannual updates be completed to ensure that all activities conform to EIA Condition requirements. Additionally, records should be kept for any requested and approved changes to the Conditions.

Permits and authorizations for the Gualcamayo Property are as listed below in Tables B-12 and B-13, respectively.

TABLE B-12 – LIST OF PERMITS

Code	Case File	Description	Authority	Status
GY-039	0948-C-95 / 1124082-08 / 404-2007 / 9625-2007 /	Authorization for Radioelectric and Repeater Systems VHF Gualcamayo Project	CNC	Approved
GY-006	DS-360-07 / DS-362-07	Firefighters Fire Certificate - Río Camp	DB	Approved
GY-017		Firefighters Fire Certificate - Gualcamayo Camp	DB	Approved
GY-045	DS-217-07 / DS-219-07 / DS-220-07	Firefighting Certificate Fire Truck Building	DB	Approved
GY-049	DS-221-07	Fire Certificate Mineral Chemical Laboratory	DB	Approved
GY-053		Firefighting Certificate Firefighting Fuel Tank No. 1	DB	Finalized
GY-057	DS-226-07 / DS-297-07	Firefighter Certificate Firefighter Fuel Tank No. 2	DB	Approved
GY-063		Firefighting Certificate Fire Process Plant	DB	Approved
GY-067		Water Firefighter Certificate 500 m3 Water Tank. Gualcamayo River	DB	Approved
GY-073	DS-361-07	Firefighters Fire Certificate Water Distribution System for Mine Dust Abatement	DB	Approved
GY-089		Firefighters Fire Protection Certificate for Access and Exit.	DB	Approved
GY-014	0000028-08 / 0427215-07 / 11000-162-E-07 / 1204-0574-07 / 140-07 / 14281-07 / 14284-07 / 15519-07 / 15521-07 / 506-2033-M-08 / 550-523-07 /	Electrical Interconnection LAT 132 kV - Jáchal-Huaco-Gualcamayo External Electrical Line	DGA	Approved
GY-008	506-090-M-06	Certificate of Discharge Feasibility of Domestic Effluents - Plant N ° 1	DH	Approved
GY-011	506-707-M-04	Temporary Permit for Water Extraction Gualcamayo Project	DH	Finalized
GY-013	506-1617-M-07	Certificate of Discharge Feasibility Domestic Effluents - Plant N ° 2	DH	Approved
GY-019	506-1388-M-07	Authorization Construction of Water Well for Capture Gualcamayo Project	DH	Finalized
GY-026	506-2779-M-05	Authorization for the construction of temporary temporary diversion of the Gualcamayo river, sewers, shoulders, and gabions.	DH	Finalized
GY-027	506-1801-T-06	Authorization for Defenses of Way and Q ° Varela Gualcamayo Project	DH	Finalized
GY-033	506-751-M-07	Authorization of Quarries for the Extraction of Aggregates - C2 - Sorting Plant	DH	Finalized
GY-037	506-076-M-06 / 506-1197-M-09	Authorization Construction of Water Wells for Monitoring Gualcamayo Project	DH	Approved
GY-070	506-2895-M-07	Conveyor Belt Passage by Gualcamayo River - Section 2	DH	Finalized
GY-077	506-012-M-08	South Leach Pile Authorization - Valle Leaching System	DH	Approved
GY-082	506-723-M-08	Certificate of Discharge Feasibility Domestic Effluents Plant N ° 3	DH	Approved
GY-085	506-880-M-08	Authorization of Quarries for the Extraction of Aggregates - C4 - Embankments and Fillings	DH	Finalized
GY-091	506-035-M-09	Water Concession for Mining Use - Gualcamayo Project	DH	Approved
GY-092	506-294-M-09	Certificate of Discharge Authorization Domestic Effluents - Plant N ° 4 - Camp Contractor	DH	Approved
GY-097	506-1209-M-11	North Leach Pile Authorization - Valle Leaching System	DH	Approved

Code	Case File	Description	Authority	Status
GY-007	1112-0047-G-07	Reply to Observations Made by the Authority in Proceedings Gualcamayo Project	MM	Approved/Partial
GY-010	025-8893-C-84 / 111-2044-S-06 / 520-1051-M-97	Environmental Impact Statement - Exploration Stage - Gualcamayo Project	MM	Approved
GY-021	1124-108-M-07	Authorization of Quarries for the Extraction of Aggregates - C1 - Roads	MM	Finalized
GY-028	1100-0273-M-06 / 1100-0368-M-07 / 1100-239-S-07 / 1204-2246-M-07	Environmental Impact Statement - Exploitation Stage - Gualcamayo Project	MM	Approved
GY-032	1124-143-M-07	Authorization of Quarries for the Extraction of Aggregates - C2 - Sorting Plant	MM	Approved/Partial
GY-034	1124-0208-M-07	Certificate of Ownership of the Mining Rights that make up the Gualcamayo Project	MM	Finalized
GY-035	1112-086-M-06	Mining Producer Certificate of Gold, Silver and Copper Gualcamayo Project	MM	Approved
GY-069	1100-0026-M-08 / 1100-0028-M-08 / 1100-0029-M-08 / 1100-0030-M-08 / 1100-0031-M-08 / 1100-0032-M-08 / 1100-0067-M-08 / 1100-0068-M-08 / 1100-0069-M-08 / 1100-0070-M-08 / 1100-0108-M-08 / 1100-0134-M-08 / 1100-0135-M-08 / 1100-0144-M-08 / 1100-0155-M-08 /	Clauses of the DIA Gualcamayo Project	MM	Approved/Partial
GY-076	1124-702-M-07	Authorization of Quarry for the extraction of Clay - C3 - System of Leaching in Valle	MM	Approved/Partial
GY-083	1124-190-M-08	Authorization of Quarry for the Extraction of Aggregates - C4 - Embankments and Fillings	MM	Approved/Partial
GY-088	1124-448-M-08	Authorization of Quarries for the Extraction of Aggregates - C5 - Embankments and Fillings - South Stack	MM	Approved/Partial
GY-090	1124-528-M-08	Certificate of Registration as Mining Producer - Cantera C1	MM	Approved/Partial
GY-038	6431-VS-06	Industrial Access to Property-Route 40 Road Access	DNV	Finalized
GY-003	504-0178-M-06	Approval of Plans to Build - Camp Río	DPDU	Approved/Partial
GY-004	504-0178-M-06	Approval of Plans to Build - Base Camp	DPDU	Finalized
GY-005	504-0178-M-06	Approval of Plans to Build - Campamento Gualcamayo	DPDU	Approved/Partial
GY-044	504-0178-M-06	Approval of Plans for Building Trucks Building	DPDU	Approved/Partial
GY-047	504-0178-M-06	Final Certificate of Work Chemical Laboratory of Minerals	DPDU	Approved/Partial
GY-048	504-0178-M-06	Approval of Plans Suitable to Build Chemical Laboratory of Minerals	DPDU	Approved/Partial
GY-051		Final Work Certificate Fuel Tank No. 1	DPDU	Finalized
GY-052	504-0178-M-06	Approval of Plans to Build a Fuel Tank No. 1	DPDU	Finalized
GY-055		Final Work Certificate Fuel Tank No. 2	DPDU	Approved/Partial
GY-056	504-0178-M-06	Approval of Plans to Build Fuel Tank No. 2	DPDU	Approved/Partial
GY-061		Final Certificate of Work Process Plant	DPDU	Approved/Partial
GY-062	504-0178-M-06	Approval of Appropriate Plans to Construct Process Plant	DPDU	Approved/Partial
GY-065		Final Certificate of Work Tank of Water of 500 m3. Gualcamayo River	DPDU	Approved/Partial
GY-066	504-0178-M-06	Approval of Appropriate Plans to Build Water Tank of 500 m3. Gualcamayo River	DPDU	Approved/Partial
GY-071		Final Work Certificate Water Distribution System for Mine Dust Abatement	DPDU	Approved/Partial

Code	Case File	Description	Authority	Status
GY-072	504-0178-M-06	Approval of Appropriate Plans for Water Distribution System for Mine Dust Abatement	DPDU	Approved/Partial
GY-087	12,399	Municipal Registration	MC	Approved
GY-023	2104 / 262-07 / 4902-06	Municipal Construction Rate - Río Camp	MJ	Finalized
GY-046	2104	Municipal Construction Rate Truck Building	MJ	Finalized
GY-050	2104	Municipal Construction Rate Mineral Chemical Laboratory	MJ	Finalized
GY-054	2104	Municipal Construction Fee Fuel Tank No. 1	MJ	Finalized
GY-058	4694-07	Municipal Construction Fee Fuel Tank No. 2	MJ	Finalized
GY-064	2104	Municipal Construction Rate Process Plant	MJ	Finalized
GY-068	2104	Municipal Construction Rate Water Tank of 500 m3. Gualcamayo River	MJ	Finalized
GY-074	2104	Municipal Construction Rate Water Distribution System for Mine Dust Abatement	MJ	Finalized
GY-009	980-007-277	Registration User who "Receives Blasting Services" - MASA	RENAR	Approved
GY-040	980-007-277	Registration User "Providing Blasting Services" - Contractors	RENAR	Approved
GY-041	980-007-277	Registration "User with Type A, B, C or E Powder magazine" - MASA	RENAR	Approved
GY-001	BVA-3569-R-06	Registration in the National Registry of the Liquefied Petroleum Gas (LPG) Industry	SE	Approved
GY-002	S01-0307289-2007	Registration in the Register of Liquid Fuels Expenditures, Own Consumption Camp Río	SE	Finalized
GY-015	BVA-3570-B-06	Registration in the National Registry of the Liquefied Petroleum Gas (LPG) Base Camp	SE	Finalized
GY-016	INC-B023-7-A0	Inscription in the Register of Liquid Fuels Expenditures, Own Consumption Base Camp	SE	Finalized
GY-086	S01-0307289-07	Inscription in the Register of Expenditures of Liquid Fuels, Own Consumption - Gualcamayo Project	SE	Approved
GY-096	089159/0	Registration in the National Fuel Expenditure Registry - Own Consumption - Own Truck	SE	Initiated
GY-093	13722/09	Certificate of Registration in the National Registry of Chemical Precursors-SEDRONAR	SEDRONAR	Approved
GY-024	1203-0105-M-07	Archaeological Materials Rescued	SSC	Finalized
GY-025	1203-0378-V-06	Liberation of the Archaeological Area of the Gualcamayo Project	SSC	Approved
GY-012	1204-1107-07	Provincial Registration as a Hazardous Waste Generator Gualcamayo Project	SSMA	Approved
GY-094	1204-1410-09	Provincial Inscription as a Generator of Urban Solid Residues Gualcamayo Project	SSMA	Approved
GY-022	800-03840-07	Enabling Kitchen and Dining Room - Río Camp	SSP	Finalized
GY-029	800-03764-M-06	Enabling the Nursing Service - Office - Río Camp	SSP	Finalized
GY-031		Water Treatment Plant Gualcamayo Camp	SSP	Not Initiated
GY-059	800-03631-07	Enabling Kitchen and Dining Contractor Camp	SSP	Finalized
GY-078	800-03764-M-06	Enabling the Medical Service - Campamento Gualcamayo	SSP	Approved
GY-079	806-207-08	Enabling Kitchen and Dining Contractor Camp	SSP	Approved
GY-080	806-208-08	Enabling Kitchen and Dining Contractor Camp	SSP	Approved
GY-095	800-02648-09	Enabling Kitchen and Dining Contractor Camp	SSP	Approved

Note:

1. CNC – National Communications Commission; DB – Fire Department; DGA – General Directorate of Customs; DH – Hydrology Department; DNV – National Highway Administration; MM – Ministry of Mining; DPDU – Urban Planning and Development Directorate; MC – Municipality of the Capital; MJ - Municipality of Jáchal; ANMaC – National Agency for Controlled Materials (formerly RENAR); SEN -Ministry of National Energy; SEDRONAR -Secretariat of Programs for

Prevention of Drug Addiction and Drug Trafficking; SSC – Deputy Secretary of Culture; SSMA – Deputy Secretary of the Environment; SSP – Secretary of Public Health

TABLE B-13 – LIST OF AUTHORIZATIONS

Code	Description	Authority
GY-039	Authorization for Radioelectric and Repeater Systems VHF Proyecto Gualcamayo	CNC
GY-006	Firefighters Fire Certificate	DB
GY-008	Certificate of Discharge Feasibility of Domestic Effluents	DH
GY-033	Authorization of Quarries for the Extraction of Aggregates - On the Riverbed	
GY-091	Water Concession for Mining Use - Gualcamayo Project	
GY-097	North Leach Pile Authorization - Valle Leaching System	
GY-010	Environmental Impact Statement - Exploration Stage - Proyecto Gualcamayo	MM
GY-021	Authorization of Quarries for the Extraction of Aggregates	
GY-028	Environmental Impact Statement - Exploitation Stage - Proyecto Gualcamayo	
GY-035	Mining Producer Certificate of Gold, Silver and Copper Gualcamayo Project	
GY-069	Clauses of the DIA Proyecto Gualcamayo	
GY-003	Approval of Plans to Build	DPDU
GY-047	Final Work Certificate + LU	
GY-087	Municipal Registration	MC
GY-023	Municipal Construction Rate	MJ
GY-009	Registration User who "Receives Blasting Services" - MASA	ANMaC
GY-040	Registration User "Providing Blasting Services" - Contractors	
GY-041	Registration "User with Type A, B, C or E Powder magazine" - MASA	
GY-001	Registration in the National Registry of the Liquefied Petroleum Gas (LPG) Industry	SEN
GY-002	Registration in the Register of Liquid Fuels Expenditures, Own Consumption	
GY-096	Registration in Register of Liquid Fuels Expenditures, Own Consumption, Own Truck	SEN
GY-093	Certificate of Registration in the National Registry of Chemical Precursors	SEDRONAR
GY-025	Liberation of the Archaeological Area of the Gualcamayo Project	SSC
GY-012	Provincial Registration as a Hazardous Waste Generator Gualcamayo Project	SSMA
GY-094	Provincial Inscription as a Generator of Urban Solid Residues Gualcamayo Project	
GY-022	Enabling Eaters	SSP
GY-078	Enabling the Medical Service - Gualcamayo Camp	

Note:

1. CNC – National Communications Commission; DB – Fire Department; DGA – General Directorate of Customs; DH – Hydrology Department; DNV – National Highway Administration; MM – Ministry of Mining; DPDU – Urban Planning and Development Directorate; MC – Municipality of the Capital; MJ - Municipality of Jáchal; ANMaC – National Agency for Controlled Materials (formerly RENAR); SEN -Ministry of National Energy; SEDRONAR -Secretariat of Programs for Prevention of Drug Addiction and Drug Trafficking; SSC – Deputy Secretary of Culture; SSMA – Deputy Secretary of the Environment; SSP – Secretary of Public Health

Corporate Social Responsibility and Communications

Corporate social responsibilities associated with the Gualcamayo Mine are consistent with Argentinian requirements and the corporate social commitments of the Company. Major formal programs are in place for community support. The largest program contribution is through the trust fund used to support major community capital projects. Other initiatives are related to four community relations enabling programs including: the Open Door Program, Partnership Program, Integration Program, and Volunteer Program. Proactive and strategic government relations and community communications programs are also in place to ensure that both the government and communities are informed of existing and planned activities, as well as providing a platform for any, and all, concerns to be heard and responded to in a timely and consistent manner.

A social closure plan has been developed to address issues pertaining to mine closure.

The social closure plan document presents a roadmap for sustainable closure, based on the principles of the existing mutually beneficial relationship the exists between the community and the Company, a commitment to transparency in communication and planning for closure as well as a commitment to prioritizing local labour during closure and post closure.

Conceptual Closure Plan

Closure considerations for the Gualcamayo Mine were initially identified as part of the original EIA for the project. Updates to the Conceptual Closure Plan ("**CCP**") were submitted in 2016, with the most recent submission being the November 2019 CCP. Review of the 2016 and 2019 CCPs identified that the documents addressed all aspects related to closure, including closure objectives, general and specific criteria, and general and specific measures for the various mine components, appropriately within the context of a CCP. The 2019 CCP includes discussion of various closure scenarios including progressive closure, temporary closure, final closure, and post closure works and monitoring. The 2016 CCP carried a closure cost of approximately US$31 million, comprised of approximately US$20 million direct cost, US$6 million indirect, and US$5 million (20%) for contingencies. The 2019 CCP carried a total closure cost of US$ 36,663,395 comprised of approximately US$26.9 million closure works, US$6.4 million post closure, and US$3.3 million (10%) for contingencies. By way of a Knight Piesold document dated 28 December 2020 (*Actualización costos de cierre*), the total closure cost was revised to US$ 27,318,951. The reduction in cost was primarily attributed to a reduction in heap leaching rinsing times through the application of new technology, reduction/disposal of obsolete equipment inventory before end of life closure, and reduction of fixed and overhead costs due to a shorter active closure period.

The latest update to the CCP, November 2019 (Rev 0), was submitted in January 2021.

Environmental Assessments Conditions

In 2006, an EIA was carried out by Knight Piésold and presented to the Secretary of State for Mining of the Province of San Juan. The EIA submission was in accordance with the environmental legal framework for mining activity, sanctioned in Law No. 24,585 with respect to environmental protection during mining activity, incorporated into the Code of Mining as Title Thirteenth, Section Two and its Regulations and Regulations complementary.

The EIA project description submitted for environmental evaluation and approval considered gold mining of the QDD area using, open pit mining, primary and secondary crushing; conveyor transfer of ore to a valley fill heap leach system, and recovery of gold from leaching solutions in an ADR facility, followed by electrolysis and cathodic precipitate subjected to smelting to obtain doré bars. The EIA considered ore processing at a rate of 16,000 tpd and a LOM of ten years.

The EIA and the associated conditions contained in the EIA are updated every two years. The EIA for the Gualcamayo Mine has been updated five times and the latest (Fifth) update was completed and submitted for review in January 2021.

Environmental Status of Mine Facilities and Operations

Mine components are associated with the open pit mining of the QDD and Amelia Inés deposits and underground mining of the Magdalena deposit. In addition to mining specific activities, additional activities include primary, secondary, and tertiary crushing, ore conveyor systems, heap leach piles and collection system, pregnant solution recovery in an ADR plant, electrolysis and cathodic precipitate, and smelting to obtain doré bars as final product. The following subsections provide comments on the environmental aspects pertaining to the mining and processing operations, and the supporting facilities and infrastructure.

Open Pit and Underground Mining

The EIA proposal was for the development and operation of the Gualcamayo Mine based on open pit mining of the QDD deposits at a rate of 16,000 tpd. Open pit mine at a stripping ratio of approximately 3:1 was expected to produce approximately 55 Mt of ore and 180 Mt of waste rock. Pursuant to the commencement of mining, open pit operations expanded to include mining of the Amelia Inés deposit and underground mining of the Magdalena deposit. Ores from open pit and underground mining are transported by conveyor system to the crushing plant from where crushed ores are transferred by a fixed conveyor to the heap leach area for lime addition and placement on the heap leach pile by mobile conveyors. Field observations noted crusher and conveyor systems to be in good condition with the note that areas of local slope erosion were occurring along crusher to leach area conveyor base.

Waste rock generated from the QDD open pit operations was placed immediately north and adjacent to the open pit on the side of the mountain in benches sloped at the natural angle of response. Amelia Inés waste rock was placed in a similar manner on the east side of the open pit and ultimately connected with the QDD waste rock pile. Waste rock from underground is conveyed from underground and placed in a similar fashion to the northwest of the Amelia Inés open pit.

Due to the steep mountainous topography of the site, waste rock has been placed with the intent that slopes will be at the natural angle of response which is generally consistent with surrounding areas. The waste rock piles are expected to be stable and no future earthworks or progressive reclamation of waste rock slopes are undertaken or planned as part of closure. Waste rock geochemical assessments have been carried out on open pit deposits confirming that no concerns exist with respect to acid rock drainage and/or metal leaching and as such, there is no need for acid rock drainage and/or metal leaching mitigation. From an environmental perspective, operational and closure related activities focus on surface water and sediment management associated with directing surface water runoff from the open pit and waste rock storage areas to the valley floor. Given the size and height of the waste rock piles, runoff water management will likely be a challenge. Additionally, erosion of waste rock slopes and associated sediment releases will likely occur over time consistent with erosion observed in the natural slopes of the area.

Heap Leach Facilities, Cyanide Management

The heap leach facilities include two large heap leach piles set on engineered and designed foundation constructed at the east side of the Gualcamayo Property. At the time of the 2019 visit, the South heap leach pile, which had been constructed and operated first, was no longer in service. The North pile was in operation and an extension to the North pile foundation was in the process of being constructed. Inspection of the ADR facility found it to be well built, neat and clean, and complete with appropriate instrumentation and controls and secondary containment systems to prevent and mitigate solution spills and releases to the environment.

In support of the leach operations, a dedicated cyanide storage facility is located in the vicinity of the ADR plant. The facility is in excellent condition and operates in accordance with the company's standard operating procedures (SOP) for cyanide handling. Cyanide is provided and delivered under contract by Chemours Company (formerly E.I DuPond de Nemours). All aspects of production, supply, and delivery of the sodium cyanide briquettes are in compliance with the Cyanide Code.

Based on field observations, discussions, and review of related documents, it is apparent that the facilities are well designed, constructed, and operated and in accordance with good practice. Health and safety protocols and practices are in place for the shipping, receiving, storing, and handling of cyanide. These protocols also serve to the mitigate the potential impacts of cyanide on human health and the environment, and control them in accordance with the Company's SOPs, keeping with international best practice as established by the ICMI Cyanide Code.

Supporting Facilities

The Gualcamayo Mine and facilities affect an approximate area of 717 ha of land. The largest area of intervention pertains to the open pits, the waste rock dumps, and the leaching piles. A smaller proportion of land, generally in the area of the confluence of the Gualcamayo River, contains the administrative offices, support facilities, and the mine camp.

During the 2019 site visit, tours of the warehouses, maintenance areas, truck wash, and yard storage areas found all facilities to be neat, clean, well-organized, and operated with appropriate supervisory and security in place to ensure effective operation and environmental control. The sewage treatment plants are sited, operated, and monitored in accordance with the associated EIA conditions and permit requirements. Observations while on site confirmed the sewage treatment plants to be in good conditions, operating as designed, and managed by qualified staff.

Field observations and records review confirmed the Company's solid waste management practices and noted that the management of wastes at the Gualcamayo Mine was well organized and controlled, and waste management practices minimized on site waste volumes. Site inspection and discussions provided a very positive overall impression of the fuel storage and handling system.

The Gualcamayo Mine receives its power via 33 kV lines connected to the national electricity transmission system operated by Transener. Two transformers, one main and one backup, are used for distribution of the power throughout the mine site area. A standby backup diesel generator is also available to provide power in case of emergency needs. No environmental issues are evident in association with the power supply system.

Capital and Operating Costs

The capital and operating cost estimates have been prepared based on recent operating performance and the current operating budget for 2021. These cost estimates are considered to be reasonable, as long as the production targets are realized. All costs in this section are expressed in Q1 2021 US$ and consider an AR$:US$ exchange rate of AR$135 = US$1.00.

Capital Costs

The capital costs for the Gualcamayo Mine include sustaining and expansion costs for the current LOM plan based on the Mineral Reserves only between Q3 2021 and 2023. LOM sustaining capital costs for the Gualcamayo Mine are estimated to be US$15.9 million and are given in Table B-14. Note that these values exclude the closure cost.

TABLE B-14 – LIFE OF MINE CAPITAL COSTS

Item	Total (US$000)	2021 (US$000)	2022 (US$000)
Sustaining Capital Cost			
Machinery & Equipment	1.40	0.00	1.40
Open Pit Development	3.37	3.37	-
Other Sustaining	1.40	0.00	0.45
Expansionary Capital Cost			
Leach Pads Expansion	2.00	2.00	-
Other Expansion	8.70	0.80	7.90
Total Sustaining Capital Cost	**15.92**	**6.17**	**9.75**

Closure Costs

The Gualcamayo Mine closure costs are based on the Gualcamayo Mine Detail Closure Plan (ME202-00124/55-03-INF- 0) from January 2020, which was reviewed and adjusted by Knight Piesold in December 2020. The closure cost estimate has a detail engineering level, totaling US$27.3 million. Closure costs were included at the end of the Mineral Reserves LOM between 2024 and 2030. For further details regarding the Gualcamayo Mine Closure Plan refer to subsection 20.5 of the Technical Report.

Operating Costs

The Gualcamayo Mine operating cost estimates have been prepared based on recent historical operating performance (between 2019 and 2020), current six months actuals for 2021 and the forecast for 2021 to 2023.

Operating costs cover underground and open pit mining, processing for heap leaching and ADR plant, G&A and mine site support, and sales of gold operations.

Mining

The open pit operating costs include drilling and blasting, loading and hauling, as well as maintenance, and other related activities. The open pit operating cost to mine and process an estimated 1.93 Mt ore from 2021 to 2022 is estimated to be US$26.1 million or US$1.60/t moved (including re-handling). The underground operating cost to mine and process an estimated 972 kt ore from 2021 to 2022 is estimated to be US$19.5 million or US$18.91/t moved.

Processing

Processing operating costs are based on Gualcamayo process facility costs to treat 25,000 tpd of ore, using primary, secondary, and tertiary crushing, heap leaching, ADR, for gold recovery, electrowinning of gold from the gold bearing eluant solution, and casting of gold doré. Total LOM processing operating costs are estimated to average US$7.38/t processed.

General and Administration

G&A and support costs are based on the 2021 budget and include costs for accounting, logistics, insurance, security services, clinic, and corporate social responsibility (CSR) and other minor areas. The 2021 budget cost is US$1.47/t processed and the LOM average is US$1.64/t processed.

Selling Costs

Sales costs include logistics and insurance, federal-imposed export duties, and a contractual sales-based gross revenue royalty payable to the government of the Province of San Juan. It is noted that the federal government of Argentina currently charges unusually high export duties for the sale of gold. It is unclear what the future of some of these charges will be. As per the first half of 2021 actual sales costs for 64,000 oz Au produced are US$233.98/oz Au, or US$10.71/t processed.

Life of Mine Operating Costs

The operating costs to mine and process 3.3 Mt of ore are estimated to be US$110.4 million over the LOM, as shown in Table B-15. The LOM average unit operating cost is US$33.60/t processed. These estimates and forecasts exclude the impact of delays and issues as a consequence of the COVID-19 pandemic.

TABLE B-15 – LIFE OF MINE OPERATING COSTS

Area	Total (US$ million)	2021 (US$ million)	2022 (US$ million)	2023 (US$ million)
Open Pit Mining	26.08	10.79	15.29	0.00
Underground Mining	19.51	8.86	10.65	0.00
Processing	24.24	10.12	14.12	0.00
G&A and Support	5.38	1.97	2.87	0.54
Sales Costs	35.18	8.18	15.46	11.54
Total Operating Cost	**110.39**	**39.92**	**58.40**	**12.08**

Life of Mine Unit Site Operating Costs by Department

Table B-16 summarized the LOM average unit operating costs.

TABLE B-16 – LIFE OF MINE UNIT SITE OPERATING COSTS

Area	Unit	Total
Open Pit Mining	US$/t moved	1.60
Underground Mining	US$/t moved	18.91
Processing	US$/t processed	7.38
G&A and Support	US$/t processed	1.64
Sales Costs	US$/oz Au	233.98
Total Unit Operating Costs	**US$/t processed**	**33.60**

Economic Analysis

A LOM unlevered after-tax cash flow model was prepared to confirm the economics of the Gualcamayo Mine LOM plan between Q3 2021 and 2023. Mine economics have been evaluated using the discounted cash flow method by considering annual processed tonnages and gold grade of ore. The associated process recovery, gold price, operating costs, refining and transportation charges, royalties, and capital expenditures were also considered.

The economic analysis confirmed that the Gualcamayo Mineral Reserves are economically viable at a flat gold price of US$1,500/oz Au. The pre-tax NPV at a 10% discount rate is US$47.2 million and the after-tax NPV at a 10% discount is US$28.5 million.

The undiscounted pre-tax cash flow is US$52.6 million, and the undiscounted after-tax cash flow is US$28.7 million. For this cash flow analysis, internal rate of return (IRR) and payback are not applicable as there is no negative initial cash flow (no initial investment to be recovered).

The World Gold Council Adjusted Operating Cost (AOC, as defined by the World Gold Council) is US$734/oz Au. The mine life capital cost is US$234/oz Au, for an AISC of US$968/oz Au. Average annual gold production is approximately 50 koz Au per year from 2021 to 2023.

Project risks can be identified in both economic and non-economic terms. Key economic risks were examined by running cash flow sensitivities on after-tax NPV at a 10% discount rate. Gold metal price, gold head grade, gold metallurgical recovery, operating costs, and capital costs were examined. The after-tax NPV is most sensitive to gold price, then to operating costs, followed by head grade, metallurgical recovery, and capital costs.

A summary of the LOM cash flow is presented in Table B-17.

TABLE B-17 – LIFE OF MINE CASH FLOW

Item	Units	Total	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Gold Price	US$/oz	1,500										
Total Gross Revenue	**US$ M**	**225.54**	**52.44**	**99.12**	**73.98**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Off-site Sales Costs (Transport Treatment Refining & Royalties)	US$ M	-35.18	-8.18	-15.46	-11.54	-	-	-	-	-	-	-
Net Revenue	**US$ M**	**190.36**	**44.26**	**83.66**	**62.44**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Operating Cost	US$ M	-75.21	-31.74	-42.93	-0.54	-	-	-	-	-	-	-
Admin Expenses (Finance & Restructuring) – Non Site	US$ M	-19.26	-1.16	-5.84	-12.26	-	-	-	-	-	-	-
EBITDA	**US$ M**	**95.89**	**11.36**	**34.89**	**49.64**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sustaining Capital Costs	US$ M	-15.92	-6.17	-9.75	0.00	-	-	-	-	-	-	-
Net Working Capital	US$ M	0.00	-0.12	0.06	-0.13	0.49	-0.04	1.75	-1.95	-0.05	-0.03	-
Reclamation and Closure	US$ M	-27.32	-	-	-	-3.08	-2.72	-19.73	-0.78	-0.34	-0.34	-0.34
Pre-Tax Net Cash Flow	**US$ M**	**52.66**	**5.08**	**25.20**	**49.51**	**-2.58**	**-2.76**	**-17.98**	**-2.72**	**-0.38**	**-0.37**	**-0.34**
Income Tax – Federal	US$ M	-23.95	-	-8.74	-15.21	-	-	-	-	-	-	-
After-Tax Cash Flow	**US$ M**	**28.71**	**5.08**	**16.46**	**34.31**	**-2.58**	**-2.76**	**-17.98**	**-2.72**	**-0.38**	**-0.37**	**-0.34**

Exploration, Development and Production

For a description of the Company's current and contemplated exploration, development or production activities in relation to the Gualcamayo Property, see "*General Development and Business of the Company – Growth Projects and Exploration – Argentina*" in this prospectus.

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APPENDIX "C"
INFORMATION CONCERNING THE HEMCO PROPERTY (NICARAGUA)

The scientific and technical information in this Appendix "C" relating to the Hemco Property is derived or extracted from, and based on the assumptions, qualifications and procedures set out in, the Hemco Technical Report. Such assumptions, qualifications and procedures are not fully described in this prospectus and the following summary does not purport to be a complete summary of the Hemco Technical Report. Reference should be made to the full text of the Hemco Technical Report, which is available for review under the Company's profile on SEDAR at www.sedar.com.

Property Description, Location and Access

Property Location and Access

The Hemco Property is located in northeastern Nicaragua near the west central border of Región Autónoma de la Costa Caribe Norte ("**RACCN**"), in the vicinity of the town of Bonanza, approximately 230 km northeast of the capital of Managua. It consists of two non-contiguous, irregularly shaped blocks of mining concessions that extend for approximately 70 km in an east-west direction and approximately 100 km in a north-south direction.

The road from Managua through to Boaco, Río Blanco, Rosita, and ultimately to Puerto Cabezas on the Caribbean coast, provides access to the majority of the RACCN. The total distance by road from Managua to Bonanza is 420 km, of which the segment from Managua to Rio Blanco (220 km) is paved. Access to Bonanza from the nearby town of Rosita (30 km) is by gravel road. There is a functioning commercial airport in Bonanza, the San Pedro airport (BZA), which is approximately 5.2 km by road west-northwest from the Panama Mine offices.

For maps showing the location of the Hemco Property and the locations of mineral concessions, see "*General Development and Business of the Company – Overview of Material Properties and Location –Hemco Property*".

Land Tenure

In order to conduct mining exploration and exploitation activities in Nicaragua, a concession must be granted by the State of Nicaragua through the MEM (Nicaragua). Each concession is subject to a concession title granted as a ministerial resolution (*Acuerdo Ministerial*) issued by the government of Nicaragua through MEM (Nicaragua). Concessions may be subject to the Old Mining Law (Nicaragua) or the Mining Law (Nicaragua). The Hemco Property includes concessions under both the Old Mining Law (Nicaragua) and the Mining Law (Nicaragua). See "*Regulatory Framework – Nicaraguan Regulatory Framework*".

The Hemco Property consists of two non-contiguous blocks comprising 25 concessions and one concession application which cover a combined area of 165,452.69 ha. The bulk of the mining assets including the Panama Mine, the Processing Plants, the Pioneer Mine, and the Porvenir Project are located on the Bonanza concession. All concessions are variously located in the municipalities of Bonanza, Siuna, and Rosita, all within the RACCN. Individual concessions expire at various times ranging from June 2027 to June 2044. Concessions that are subject to the Mining Law (Nicaragua) are renewable for an additional 25-year term. Concessions that are subject to the Old Mining Law (Nicaragua) may be entitled to be renewed.

Mineros holds a 99.9975% interest in the Hemco Property through interest in Hemco. Mineros holds a 99.995% interest in Hemco directly, and a further 0.0025% interest indirectly through Mineros Aluvial. The remaining 0.0025% interest in Hemco is held by Colpatria, a major shareholder of Mineros. Hemco holds a 100% interest in the majority of the concessions that constitute the Hemco Property. Three non-material Hemco Property concessions are held through the following subsidiaries of Hemco: New Castle Gold Mining, S.A. (69.9% held by Hemco), and Vesubio Mining, S.A. (100% held by Hemco).

Table C-1 lists all of the Hemco Project concessions, concession applications, and relevant ownership and tenure information as at the date of this prospectus:

TABLE C-1– LAND TENURE

Name	Municipality	Area (ha)	Ministerial Resolution	Ministerial Resolution Modified	Date Granted	Expiry Date
			Hemco			
Bonanza	RACCN	12,269.75	018-RN-MC-1994		10-Jun-94	10-Jun-44
Bonanza H-I	Bonanza	16,184.25		085-DM-387-2012	29-Jul-02	29-Jul-27
Hemco Bonanza II	Bonanza	5,105.43	44-DM-292-2011		5-Sep-11	5-Sep-36
Hemco Bonanza III	Bonanza, Siuna	2,624.99	47-DM-232-2010		30-Aug-10	30-Aug-35
Hemco Bonanza IV	Bonanza, Rosita	6,121.70	49-DM-234-2010	009-DM-601-2015 (partial renunciation)	28-Jul-10	28-Jul-35
Hemco Bonanza V	Bonanza	2,996.50	48-DM-233-2010		28-Jul-10	28-Jul-35
Hemco Bonanza VI	Bonanza, Siuna	7,737.03	50-DM-235-2010		28-Jul-10	28-Jul-35
Hemco Rosita I	Rosita	9,750.00	45-DM-293-2011		5-Sep-11	5-Sep-36
Hemco Rosita IV	Rosita	8,300.00	35-DM-220-2010	005-DM-597-2015 (partial renunciation)	30-Aug-10	30-Aug-35
Hemco Rosita V	Bonanza, Rosita, Siuna	24,684.76	37-DM-222-2010	004-DM-596-2015 (partial renunciation)	4-Aug-10	4-Aug-35
Hemco Rosita VI	Rosita	3,000.00	51-DM-236-2010	006-DM-598-2015 (partial renunciation)	28-Jul-10	28-Jul-35
Hemco Siuna I	Siuna	10,056.12	38-DM-223-2010	008-DM-600-2015 (partial renunciation)	4-Aug-10	4-Aug-35
Hemco Siuna II	Siuna	6,173.71	39-DM-224-2010		4-Aug-10	4-Aug-35
Hemco Siuna III	Siuna	15,925.00	40-DM-225-2010	010-DM-602-2015 (partial renunciation)	4-Aug-10	4-Aug-35
Hemco RB-I	Bonanza, Rosita	10,271.44	42-DM-290-2011	007-DM-599-2015 (partial renunciation)	2-Sep-11	2-Sep-35
Hemco RB-II	Bonanza, Siuna	6,700.00	46-DM-231-2010		9-Aug-10	9-Aug-35
Hemco HB-V	Bonanza	2,800.00	45-DM-230-2010		9-Aug-10	9-Aug-35
Hemco HB-VI	Bonanza	300.00	44-DM-229-2010		9-Aug-10	9-Aug-35
Monte Carmelo I	Rosita	51.55	664-RN-MC-2006		29-Jul-02	29-Jul-27
Monte Carmelo II	Rosita	103.10	669-RN-MC-2006		10-Jun-94	10-Jun-44
Monte Fresco I	Rosita	64.00	667-RN-MC-2006		29-Jul-02	29-Jul-27
Monte Fresco II	Rosita	40.00	668-RN-MC-2006	065-DM-170-2009 (location correction)	10-Jun-94	10-Jun-44
Rosita VII	Rosita	14,063.10	Pending		Pending	
			Vesubio Mining, S.A.			
El Mayo	Bonanza	78.00	505-RN-MC-2005	071-DM-250-2010 (transfer)	31-May-07	31-May-32
			New Castle Gold Mining, S.A.			
Magdalena	Bonanza	19.25	10-DM-05-2007	069-DM-249-2010 (transfer)	29-Mar-07	29-Mar-37
Roca Larga	Bonanza	33.00	018-DM-08-2007	072-DM-251-2010 (transfer)	5-Jun-07	5-Jun-37
	Total	**165,452.69**				

Under its Old Mining Law (Nicaragua) concessions that are subject to Ministerial Resolution No. 018-RN-MC/1994, including the Bonanza, Monte Carmelo II, and Monte Fresco II concessions, Hemco is authorized to mine gold, silver, lead, zinc, copper, cadmium, bismuth, platinum, iron, manganese, tungsten, precious stones, chromium, titanium, sandstones, limestone, clays, and marble.

On December 12, 2015, Hemco entered into a secured loan facility with Banco de América Central Sociedad Anónima (BAC) pursuant to which it borrowed the aggregate principal amount of $15 million. In connection with this loan, Hemco also entered into a mortgage over the Bonanza concession, and a commercial pledge over 3,000 ounces of

gold and certain machinery and industrial equipment, each with BAC. The balance owing on this loan facility was $4.4 million as at June 30, 2021, and the loan matures and becomes due in December 2022.

Artisanal and Small-Scale Miners

For information regarding the rights of artisanal miners and small-scale miners in Nicaragua, see "*Regulatory Framework – Nicaraguan Regulatory Framework – Artisanal and Small-Scale Mining*".

Since May 2008, Hemco has maintained relationships with artisanal miners, most of whom belong to one of several artisanal mining cooperatives that exist in the area. Since acquiring Hemco, Mineros has built upon and expanded on these relationships. Hemco has entered into contracts to make available between 3% and 4% of the Hemco Property for mining by artisanal miners who are organized in 13 cooperatives, and to purchase ore that they produce. The cooperatives are independent, formal entitles licensed by the Nicaraguan Ministry of Cooperatives ("**MEFCCA**"). Some of the contracts are renewed periodically, and others have an indefinite term. Hemco and the artisanal mining cooperatives are members of the Municipal Artisanal Mining Commission ("**CMMA**"), an inter-institutional organization that functions as the governing body for the sector.

Surface Rights

Hemco's surface rights include: owned properties totalling 1,106.1 ha, of which 628.2 ha are held pursuant to publicly registered instruments and 476.1 ha are held pursuant to unregistered instruments; possession rights agreements in respect of properties totalling 815.9 has; and leases with the State of Nicaragua covering 808.5 ha. Such surface rights encompass the Hemco Property industrial area, administrative buildings, workshops and warehouses, camp facilities, and access portals to the underground mine, Venus and Neptune and the Pioneer Mine development area for open pit mining. Hemco also enters into temporary easements from time to time when required in connection with local exploration activities. Hemco's surface rights are sufficient to support Hemco's mining operation.

Agreements, Taxes. Royalties and Permits

Agreements

On September 1, 2017, Hemco and Royal Road entered into the Royal Road Nicaragua Alliance Agreement. See "*General Development and Business of the Company – History and Recent Developments – Royal Road Nicaragua Alliance Agreement*".

As of the date of the Hemco Technical Report, there was one project area designated for exploration on the Hemco Property: the Caribe exploration target (Caribe), located on the Rosita VI concession and the Rosita VII concession application. Hemco and Royal Road each hold a 50% interest in Caribe. On September 3, 2019, Royal Road declared the Luna Roja exploration target a DPA under the Royal Road Alliance Agreement, constituting it a joint venture. On May 21, 2021, Hemco acquired all of Royal Road's interest in Luna Roja, and the Royal Road Alliance Agreement was amended to remove Luna Roja from the area of interest under that agreement. Caribe has not been declared a DPA.

Taxes and Royalties

The Bonanza, Monte Fresco II, and Monte Carmelo II concessions, which are subject to the Old Mining Law (Nicaragua), are subject to surface rights payment obligations of $8.00/ha per year. Such concessions are subject to Ministerial Resolution No. 018-RN-MC-1994, which did not include the fiscal treatment of the ad valorem tax imposed under the Old Mining Law (Nicaragua). On October 3, 2012, the text was corrected by Ministerial Resolution No. 060-DM-364-2012, which fixes the ad valorem tax applicable to these concessions at 3% of the value of substances produced after beneficiation. Ministerial Resolution No. 060-DM-364-2012 has not been duly recorded at the Central Registry/Public Registry and accordingly may not be enforceable.

The remaining Hemco Property concessions, which are subject to the Mining Law (Nicaragua), are subject to surface rights payment obligations of US$12.00/ha per year and a 3% legal royalty on the gross sales price of minerals produced.

The surface right payments and ad valorem tax or legal royalty paid, as applicable, are deductible expenses for income tax purposes.

Production from the Bonanza concession, including the Panama and Pioneer mines, is subject to a contractual 1% NSR royalty, and production the Monte Carmelo II and Monte Fresco II concessions is subject to a contractual 0.5% NSR royalty, in each case payable to Auric Resources Corp. Auric) in perpetuity.

Environmental Impact Assessment and Permitting

Environmental permits are required for any mineral exploration or exploitation in Nicaragua. Activities at the Hemco Property require Category II, III and IV Environmental Permits. Category II environmental permits are required for projects with high environmental impact, such as mining projects, tailings, beneficiation plants, among others, and are granted by GRAAN - CRACCN following a legal process that involves an application, preparation of terms of reference, submission of an environmental impact assessment, public consultation with the affected communities, and the issuance by GRAAN - CRACCN of a technical opinion. Category III, IV and V environmental permits are required for projects, facilities or activities that can cause moderate environmental impacts and these are granted on application to SERENA. The process for Category III, IV and V permits also requires submitting technical information, and the issuance of an environmental permit by SERENA. Currently, the Company is developing four environmental management plans that focus on preventing, mitigating, monitoring, and compensating environmental impacts through appropriate environmental management during operation, followed by reclamation of impacted areas and reforestation of areas unrelated to mining activities. Key operational aspects include the education of employees on environmental matters, monitoring the soil, water and air quality, monitoring biodiversity, and ensuring compliance with all legal and administrative requirements as imposed by national, regional, and municipal authorities.

General

A portion of the Hemco Property (just under 2,000 km^2) is within the buffer zone of the Bocay-Saslaya-Waspuk (BOSAWAS) natural reserve. Accordingly, Hemco has developed an extensive forestry conservation, offset and reclamation program to mitigate impacts of past mining in the region and protect and enhance regional forests going forward.

The QP is not aware of any environmental liabilities on the Hemco Property nor is it aware of any other significant factors and risks that may affect access, title, or the right or ability to perform the work on the Hemco Property as presently conducted.

History

In 1880, the first gold deposits were discovered in the Panama district, and by 1889, underground mine production had commenced from the Constancia vein. In 1902, the Panama Mining Company started operations at the Lone Star deposit. In 1905, a cyanide plant and mill were installed in the Pis-Pis (Bonanza) region. In 1915, the Edén Mining Company, a subsidiary of the Tonopah Mining Company of Nevada, was established to work the Siempre Viva, Constancia, Lone Star, Bonanza, and Concordia mines. The Constancia Consolidated Company was established in 1916 to mine the Siempre Viva and Constancia properties, and the Nicaragua Mining Company of Philadelphia was formed in 1919 to acquire the Lone Star, Bonanza, Mars, and Concordia mines.

In the period from 1922 to 1925, the Edén Mining Company was destroyed by rebel factions involved in national political conflicts. In 1937, the mining operations resumed and were consolidated under the Neptune Gold Mining Company (Neptune), a joint venture subsidiary of American Smelting and Refining Company ("**ASARCO**") and the New York and Honduras Rosario Mining Company (Rosario Resources Corp.). Numerous vein deposits were mined including Venus, Tesoro, Culebra, Neptuno, La Mar, Neblina, Tigre Negro, Comal, Edén, Nugget, Highland Mary, Pioneer, Colorado, Porvenir, San Joaquín, San Antonio, and the La Deseada.

In the period from 1972 to 1978, a flotation plant was operated to process lead, copper, and zinc. In 1979, the Sandinista government nationalized the mines of Nicaragua, creating the Nicaraguan Mining Institute (INMINE). In 1984, INMINE, in partnership with the nation of Bulgaria, exploited the polymetallic ores from the Porvenir Mine until the civil war of the 1980s disrupted operations.

In 1994, through the privatization open bidding process, Hemco, a joint venture between Hunt Exploration & Mining Company and Donald J. McGregor and Technica McGregor S.A. of Nicaragua, bought all the assets of the Bonanza, Rosita, and Siuna mines. The assets consisted of a land package, buildings, equipment and facilities, machinery, and six mining concessions granted for a 50-year term. At the time of purchase, only the Panama Mine (then referred to as the Bonanza Mine) was in operation; Rosita and Siuna were inactive. A number of companies subsequently held interests in the Hemco Property prior to its acquisition by Mineros, including Greenstone Resources Ltd., Central America Gold Mine, S.A., Auric Resources Corp., and RNC Gold Inc.

For information concerning Mineros' acquisition of Hemco, see "*General Development and Business of the Company – History and Recent Developments – Acquisition and Further Development of the Hemco Property*".

Exploration and Development History

Prior to Mineros' involvement in the Hemco Property, a number of regional geochemical soil surveys were carried out on the Bonanza concession (018-RN-MC-1994). The first survey was carried out by Neptune when grids were established along strike of the Porvenir vein. Samples were analyzed for Pb, Cu, and Zn. The anomalies generated were followed up by trenching, which extended the vein strike. Results from this survey are not available.

A 6,000 metres trenching program was carried out in the Panama Group exploring potentially bulk mineable gold deposits in 2004-2005 by Hemco. This campaign was followed by drilling 50 reverse circulation (RC) drill holes to test whether sufficient gold-bearing veinlets existed between the principal veins to support a low-grade open pit mining operation. The surface geochemistry showed wide intervals of anomalous gold, while drilling showed that gold grades are restricted to veins.

Regional Exploration

Two regional airborne geophysical surveys have been carried out over the Mining Triangle defined by the towns of Bonanza, Rosita, and Siuna and this included the Bonanza concession. In 1963-1965, Hunting Survey Corp. Ltd. carried out a fixed-wing magnetic and radiometric survey over a large part of northeastern Nicaragua including Bonanza. The survey was flown over 21,581 linear km. Lines were flown east-west at 0.5 km spacing at an altitude of 150 metres. In addition, 402 linear km of aerial photography were completed. This information is only available in a few hard copy drawings at the Bonanza Mine and at the AdGeo library in Managua.

In 1998, a low level airborne radiometric and magnetic surveying was carried out by Terraquest Inc. under contract to GRE. The surveys were carried out over approximately 4,500 km^2 to complete coverage to the concession boundaries. Lines were flown northwest-southeast (140°) on 400 metres line spacings, as well as at 200 metres spacing over 50% of this area, at an altitude of 100 metres. A preliminary interpretation was completed by Jack Corbett, Consulting Geophysicist. No ground geophysical surveys have been carried out at Bonanza.

In June 2009, Hemco applied for 23 different mining concessions covering 253,571 ha within both the Mining Triangle and the La India district of the Central Pacific region of Nicaragua. Historically, the Mining Triangle has produced over five million ounces of gold. All 23 concessions were eventually granted to Hemco by the Nicaragua Ministry of Mines by August 2011.

In 2010, a regional interpretation of the Mining Triangle district was undertaken using satellite data (Landsat and ASTER), aerial photographs, and previously existing geochemical and drilling results in order to define targets for initial field investigations. Geologic mapping and rock chip sampling were initiated in February 2010. A total of 2,381 rock chip and soil samples were collected, fire assayed for gold and analyzed by 30-element ICP. Geologic mapping at a scale of 1:10,000 was completed over an area of approximately 39,000 ha. Soil samples were collected along a total of 70 line km within the Nueva America prospect area. Approximately $1.3 million was spent on exploration and drilling activities in 2010.

Drill testing of targets began during the first quarter of 2011 with a man-portable diamond drill purchased in 2010. A total of 4,633.1 metres of core was drilled in 2011 at three different regional exploration targets, the Lone Star and Highland Mary veins at the Bonanza Pioneer sector, the Guillermina and Colorado veins. Mineros no longer holds the Matuzalen concession.

The bulk of the budget was planned for core drilling with 17,900 metres being distributed between the Pioneer-Constancia vein systems (Bonanza), the Nueva America disseminated gold project (Rosita), the Santa Rosa (Matuzalen) project, and the NE Rosita Epithermal vein district. In 2012, drilling was carried out at the Pioneer-Constancia vein systems (Bonanza), the Nueva America disseminated gold project (Rosita), the Santa Rosa (Matuzalen) project, and the NE Rosita Epithermal vein district. Drilling was carried out by two company-owned and operated Hydracore Gopher man-portable drill rigs and one Longyear 38 drill rig. A third Hydracore Gopher drill and a second Longyear (LF-70) were purchased by the third quarter of 2012. Reconnaissance mapping and sampling were continued in the Siuna and Rosita districts to identify additional prospects. Geophysical surveys (ground magnetometer and/or induced polarization (IP)) were carried out at the Nueva America zone (Rosita V) concession. A 163 km² Light imaging Detection and Ranging (LiDAR) laser topographic survey was completed in February 2012 by Airborne Solutions over the entire Bonanza as well as the Nueva America project area on the Rosita V concession. The survey provided both bare earth (free of vegetation and buildings) and full cover images for detailed remote sensing work. One metre contour control can also be produced from the LiDAR data and grid files can be generated for exploration drill hole planning and plotting. Hemco combined the high precision LiDAR results with vein mapping and Neptune maps in GIS software to locate the re-vegetated Neptune open pits, shafts, adits, and the numerous guiriseros (artisanal) workings. A strong correlation was noted between vein locations and ridge crests confirming quartz vein resistance to erosion. Hemco undertook a systematic review of historical documents and maps, and carried out site visits and mapping, together with rock sampling and trenching and diamond drilling to confirm and expand on historical drilling.

The compilation and regional interpretation of data in the Bonanza district, part of the Mining Triangle, began during the first quarter of 2010 using past Bonanza exploration and mine data. Utilizing the Landsat, ASTER satellite data and a Digital Elevation Model (DEM), a structural model was developed related to known mineralized zones to assist in the regional identification of favourable structural environments which may host similar mineralized zones.

Exploration field work in 2010, principally within the Bonanza district, included exploration for southwest extensions of the Panama/Pioneer/Constancia vein systems as well as sub-parallel systems to the northwest and southeast. Thirteen different, sub-parallel northwest-southeast trends throughout the Bonanza district corresponding to topographic lineaments were defined. Individual vein structures associated with these trends range up to 10.0 metres wide and strike lengths were greater than four kilometres (Colorado/Guillermina vein). Vein structures are generally sub-vertical or steeply dipping to the northwest.

In late 2010, a 20,450 metres diamond drilling program was budgeted to test the principal epithermal quartz veins and vein systems within the Pioneer and Constancia sub-districts of the South Bonanza district. A total of 3,310.6 metres of core drilling tested the Lone Star/Highland Mary (Pioneer sub-district), Guillermina/Colorado, and Concordia/Siempre Viva (Concordia sub-district) vein systems. Drilling was undertaken using Hemco drill equipment. Phase 1 of the program began in March 2011 at the Lone Star/Highland Mary epithermal vein system in the Pioneer sub-district. As of February 2012, 12 holes were completed in the Lone Star/Highland Mary vein zone for a total of 2,648 metres.

In November 2011, drilling began on the southern end of the Guillermina/Colorado vein system in the Central Bonanza district. The Guillermina/Colorado vein system had been historically mined from two small open pits (Colorado #1 and Colorado #2). The vein system was traced for over 3.8 km and 2011 surface trenching revealed vein widths up to 18.7 metres (GC Trench #1: 18.7 metres grading 2.79 g/t Au). By the end of 2011, two drill holes had been completed on the southwestern-most portion of the Guillermina vein revealing low grade, near surface gold values along with significant base metal contents.

A total of 12,279 metres were drilled in the Porvenir system veins up to 2010. Subsequent diamond drilling campaigns took place between 2012 and 2019, with 49,425 metres in 242 holes drilled in Porvenir veins, initially for exploration purposes and later aiming to define Mineral Resources. These campaigns have helped identify at least 15 different polymetallic veins in the Porvenir system, including several structures which were mentioned in historical reports and were geologically correlated using the 2018-2019 drilling information.

Prior to 2011, 22 drill holes were completed in sporadic campaigns in San Antonio, totalling 2,292.5 metres. Exploration drilling was conducted in 2015, for a total of 3,986.65 metres in 24 holes, in the San Antonio and San Joaquín areas, which were not considered as of interest at the time due to the limited occurrence of gold in the system.

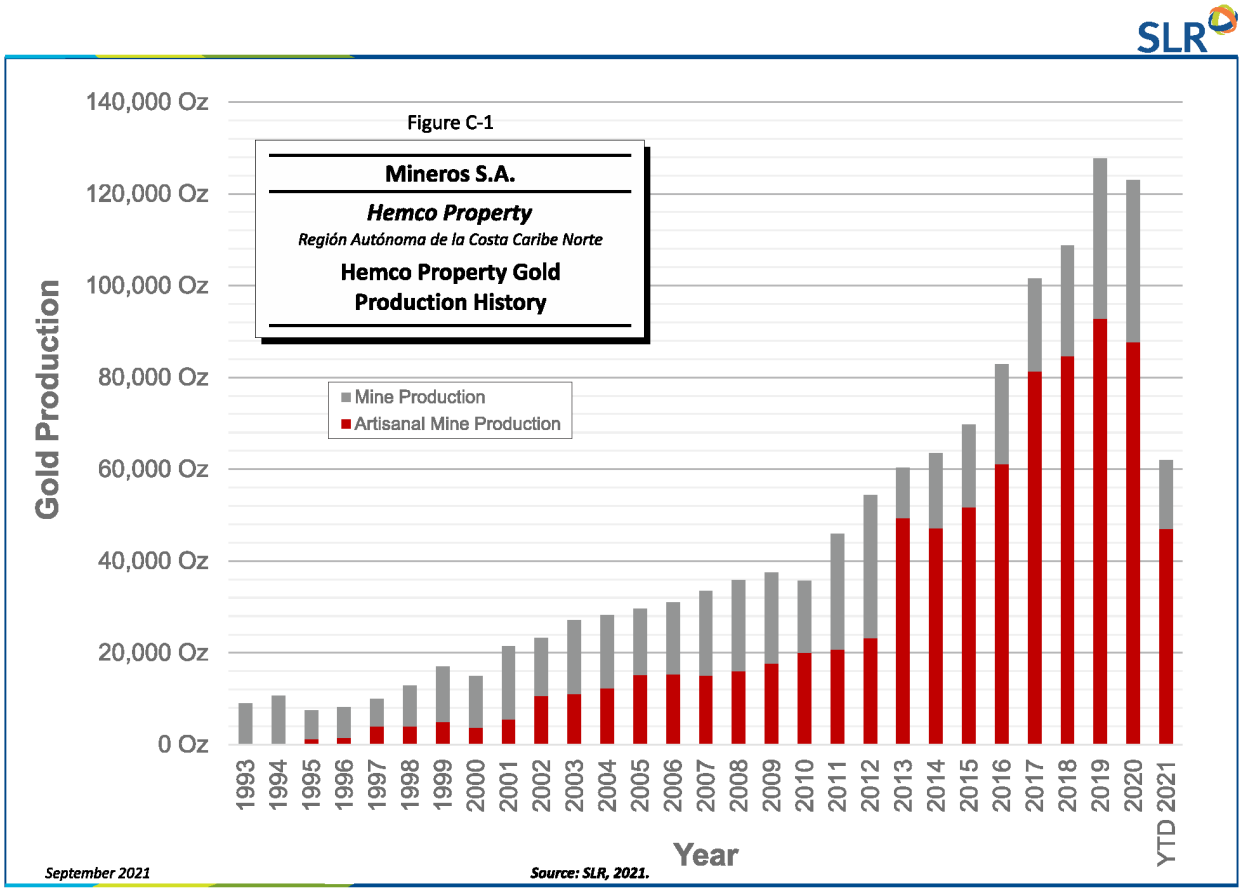
In 2018 and 2019, 3,568.7 metres in 18 holes were drilled to define the polymetallic potential of the system based on copper and zinc anomalies identified in some areas of these veins. These recent campaigns found continuity of polymetallic mineralization within the areas of these anomalies and identified copper and zinc potential in at least six veins of the system.

In 2019, a diamond drilling campaign was carried out in the Leticia target, adjacent to the Porvenir system. A total of 3,772.3 metres in 18 holes were completed at Leticia which identified gold and polymetallic mineralization in at least four veins.

Past Production

Formal gold production has been carried out at the Hemco Property since 1939. Informal production has probably been carried out over the past 120 years. Since 1993, 1.29 million ounces of gold have been mined through a combination of artisanal and commercial scale mining. Figure C-1 shows Hemco Property gold production from 1993 to the end of June 2021.

FIGURE C-1 – HEMCO GOLD PRODUCTION HISTORY

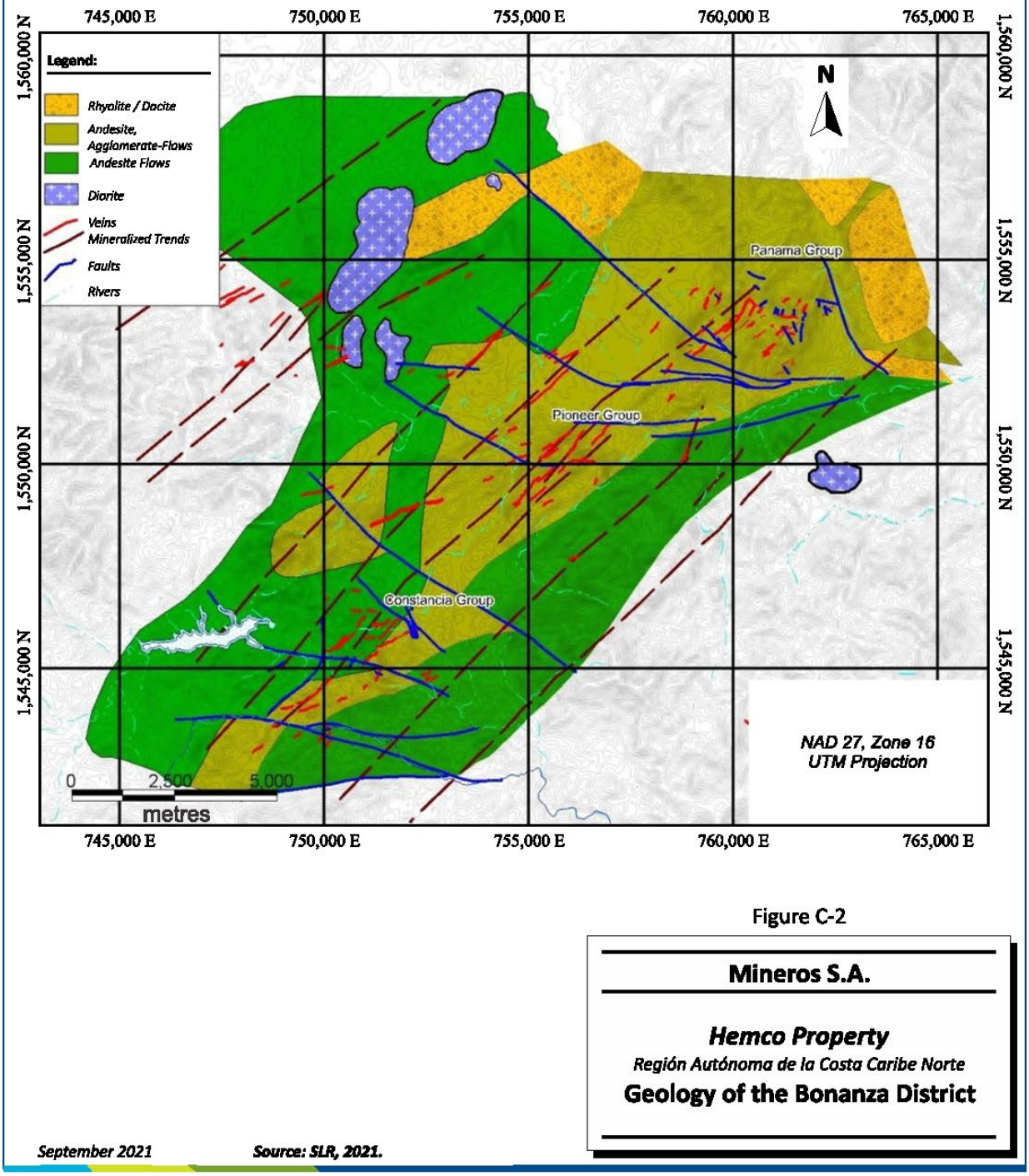


In 2013, there was a significant change in the percentage of artisanal gold production, due to increased artisanal ore feed. Since 2013, the average percentage is 76%.

Geological Setting and Mineralization

Figure C-2 illustrates the geology of Nicaragua and the location of the Hemco Property.

FIGURE C-2 – GEOLOGY OF THE BONANZA DISTRICT



Regional Geology

The Hemco Property is located in the southern half of the Chortis Block in the Mesquito Composite Oceanic Terrane of Late Triassic to Early Cretaceous age. The northern part of the Chortis Block is a continental fragment. The north-south trending Siuna Serpentinite Melange of Mid Jurassic age lies south of Siuna and southwest of Bonanza. Bonanza is located in a Late Cretaceous to Paleocene volcanic arc.

Gold and copper mineralization of the Bonanza-Siuna-Rosita district is interpreted to be related to a Late Cretaceous to Paleocene island arc on oceanic (Siuna) to continental crust (Bonanza) that was part of the Caribbean arc. The details of the arc history are preliminary due to the lack of mapping, age dating and exposed basement rocks, and it is expected that existing tectonic models will be modified as more data become available.

Bonanza is part of the Bonanza-Siuna-Rosita district, also known as the Mining Triangle, located in the eastern extension of the North Interior Highlands of northeast Nicaragua. This lies on the east side of the northeast-trending LIyas-Bocay Graben.

The oldest rocks in the district are sediments of the Early Cretaceous Todos Santos Formation which comprise an interbedded sequence of limestone, mudstone, greywacke, and calcareous mudstone. They are locally interbedded with andesite tuffs and flows and cut by andesite sills and dikes also of Cretaceous age. It is overlain by volcanic rocks which are mainly andesite and include fine grained and porphyritic andesite flows, fine grained andesite tuff, andesite agglomerate and fine-grained basalt flows, as well as intrusive rhyolites to dacites. These are assigned to the Pre-Matagalpa Group volcanic rocks of Upper

Cretaceous to Paleocene age. These rocks are widely distributed throughout eastern Nicaragua and represent a nearly continuous period of volcanic activity from the Late Cretaceous to mid-Tertiary period. There is no hard evidence for submarine extrusion and all of these rocks are interpreted to have been deposited in non-marine conditions. A diorite intrusion cutting the andesites at Bonanza has been dated by K-Ar at 61.1 +/- 2.3 Ma (Early Paleocene), indicating that the volcanic rocks are Cretaceous to earliest Paleogene in age.

There are a variety of intrusive rocks in northeast Nicaragua. Limited age dating indicates ages between Cretaceous and Eocene. The intrusives consist of fine to medium grained diorite, granodiorite, syenite, monzonite and alaskite stocks, plugs, and dikes.

Bonanza lies on the northwest side of a 40 km diameter pseudo-gravity high (modeled from the magnetite component of the aeromagnetic survey) interpreted as a pluton. The Siuna and Rosita copper-gold deposits are also on the edges of this interpreted pluton and a genetic link may be inferred for the mineralization.

Local Geology

The Bonanza district is underlain by two broad parallel northeast trending sequences of andesitic volcanic rocks on either side of a central sequence of andesite to dacite pyroclastic flows and agglomerates. To the northeast, these pyroclastics become more felsic in composition. These more felsic units also occur adjacent to the andesite volcanics along the northwest contact of the northern sequence. This area is in contact with a felsic intrusive. Three groups of mineralized, northeast trending and generally northwest dipping veins occur within the andesite and agglomerate units. From northeast to southwest they include the Panama Group, Pioneer Group, and Constancia Group.

All sequences are displaced by a series of parallel to sub parallel northwest to east-west trending faults that are interpreted to have undergone both dextral and sinistral displacement. Displacement is shown to be up to one kilometre on some of the faults. These faults also truncate many of the veins and historically have been the bounding structures for the three groups of veins.

The Panama Group and much of the Pioneer Group are hosted in the agglomerate sequence and the Constancia Group is hosted in both andesite agglomerate and porphyry volcanics. The Constancia Group's Porvenir and Siempre Viva (Constancia Mine) veins are in volcanics and the San Antonio and San Joaquin veins are in agglomerates.

The Panama Group of veins is the most northeasterly of the three groups of veins in the Bonanza district. Collectively, the three groups define a 20 km long mineralized corridor. The Panama Group comprises 70 principal veins or vein segments. They have a predominant northeast strike and subordinate northwest strike. The former has a moderate to steep northwest dip, although several veins such as Washington and Atlas have a moderate to steep southeast dip. The northwest striking veins are vertical to steeply southwest dipping. The veins occur over strike lengths of up to 3,000 metres (Neblina) and vary in width from 0.3 metres to greater than 24 metres (Elefante Blanco).

The Panama Group is bordered to the north by the east-west striking Tunkey Bin Fault and to the south by the east-west striking Mulera Fault. Both of these bounding faults are post mineralization. Other post-mineralization faults include northwest trending right lateral faults with several metres of displacement as well as strike parallel faults manifest as fault gouge along the vein walls and within the veins. The former has displaced the veins along strike locally requiring shifts in mine workings. The latter has increased mineable vein widths considerably in places.

Property Geology

A structural review of the Bonanza district was completed by Telluris Consulting Ltd., in 2010 and updated in 2016. The following conclusions were drawn:

- Mineralization is associated with the north-northeast extension. Fault movement was strike-slip and resulted in relatively steep dips for the majority of the veins, although there is little down-dip displacement.

- The above reactivated existing conjugate northeast and northwest fault trends which are interpreted to be older structures that have propagated from the basement through younger volcanic rocks.

- Changes in dip of the steep veins can cause wide dilational veins to pinch out at depth, but they may re-open again. Dip changes can be caused by fault refraction through a change in lithology.

- The principal structure is the northeast trending fault corridor (e.g., Capitan-Venus, Neptuno, and Atlas veins) which shows dextral trans-tensional movement (right lateral strike-slip faults with a component of extension).

- The northeast trending structural corridor intersects an orthogonal west-northwest to northwest trending fault zone (e.g., Nugget, Gary, and Adan veins) with sinistral trans-tensional shear. These structures could either be a second order (Riedel prime) shear within a dextral shear zone system, or a reactivated basement structure. Their localization at Bonanza suggests a basement structure.

- The major fault zones have strong brecciation with shearing, foliation, and propylitic alteration (e.g., Capitan and Gary veins) and are primary feeder structures. Other veins are second order structures and show more passive processes of simple dilation and veining, and often have lower temperature mineral assemblages. In cross section, the northwest dipping primary structures such as Capitan and Neptuno control hanging wall antithetic structures that splay from the principal structure.

- High grade mineralization occurs at structural intersections and splays, and can also flow laterally and asymmetrically, constrained by fault dip and cross structures, to form inverted L-shaped mineralized shoots.

- There is post-mineralization deformation and reactivation of northeast trending vein margins and formation of northwest trending conjugate faults (e.g., Mill Fault) with sinistral offset.

- Post-mineralization vein reactivation caused supergene enrichment of gold along some vein margins, where they are exploited by contract miners.

There appears to be a periodicity of mineralized shoots and un-mineralized zones along the veins. Gold grades are higher in areas of increased fracture density and permeability of the host structures such as flexures in strike and dip as well as at vein intersections. In general, northwest dipping mineralized shoots typically have a southwest plunge and southeast dipping shoots, a vertical to steep northeast plunge. Shoots tend to contract and form roots at depth. This

indicates that there have been tectonic controls on the gold mineralization and that only a portion of the vein lengths can be expected to have mining potential.

Alteration and Mineralogy

The host rock andesite volcanics show weak to moderate pervasive propylitic alteration, with alteration of the mafic minerals and groundmass to pyrite, epidote and calcite, and argillic alteration and silicification nearest to the veins. Argillic alteration ranges from weak bleaching to complete alteration to clay (± illite). Silicification ranges from complete quartz flooding to discrete replacement. Occasionally, there are small zones of silicification and argillic alteration within the andesite that can be mineralized.

Most of the veins in the Panama Group are a form of quartz breccia containing fragments of silicified wallrock, early vein rock, and altered andesite. The veins occupy fissures in faults that show repeated minor to moderate movement during and after mineralization. The quartz is chiefly white to grey with minor amounts of pale green chloritic quartz. Textures include bladed quartz after calcite, cockscomb, sucrose, granular, and drusy. Accessory minerals include calcite, amethyst, rhodochrosite, and pyromorphite (Pb-phosphate). Pyromorphite is considered a high-grade indicator and is present in the pits at the Washington, Guatuza, and Atlas veins.

Pyrite occurs as disseminated specks and blebs in amounts greater than 2%. This relation changes with depth at approximately the 850 level where pyrite, galena, sphalerite, and chalcopyrite become more abundant. This transition from sulphide-poor to sulphide-rich mineralization is also apparent to the southwest at Pioneer, as well as at some of the veins in the Constancia Group.

The level of oxidation is irregular but generally occurs at a depth of 200 ft (61 m) below surface. It is considerably deeper where the vein is cut by post-mineralization faults. For example at Neblina, oxide mineralization occurs to a vertical depth of 600 ft (183 m) below original topographic surface and sulphide mineralization, to within 400 ft (122 m) of surface. Hematite, limonite, and jarosite are common iron oxide minerals, and massive to dendritic pyrolusite is the common manganese oxide.

There are three types of primary gold mineralization based on sulphide content:

- Gold mineralization (“aurifera”) generally contains less than 1% pyrite and minor base metal sulphides. This contains both oxidized and unoxidized types.

- Gold sulphide mineralization (“aurifera sulfuros”) contains pyrite in quantities greater than 1% but minor base metals. This contains both oxidized and unoxidized types.

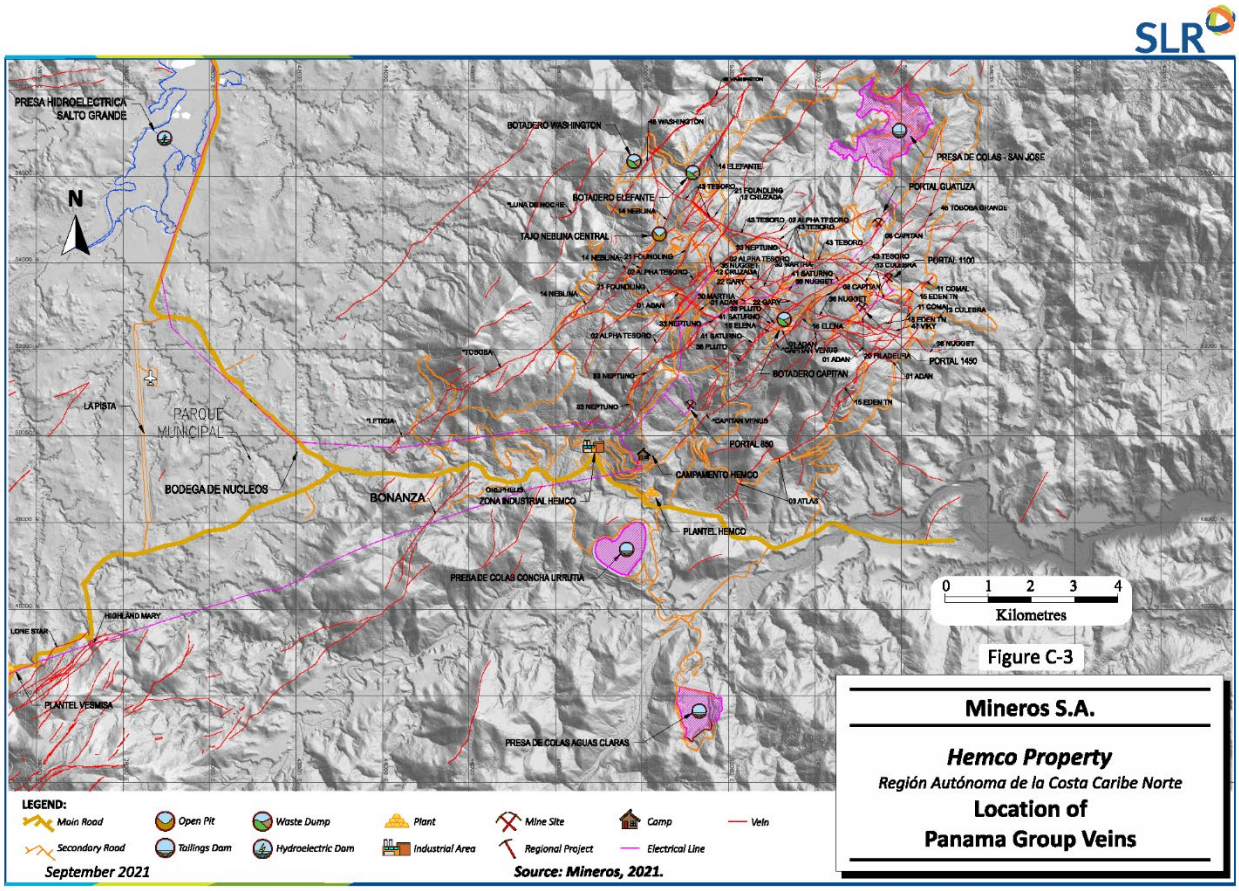
- Sulphide mineralization (“sulfurosa”) contains significant quantities of pyrite and base metal sulphides.

A high content of cyanide soluble copper species (>0.5% Cu) poses a challenge for processing plants as it significantly increases cyanide consumption and overall production costs. In the future, if ores with high levels of base metal sulphides are processed, then a flotation circuit will be required. A flotation plant was operated by Neptune during the period of 1972-1978 to process ores containing economic levels of lead, copper, and zinc. In general, the combined base metal content is less than 0.2% above the 850 level.

Mineralization

Mineralization at the Hemco Property is hosted in the Panama (Figure C-3), Pioneer, and Constancia groups. The Constancia Group includes the Porvenir, Leticia, and San Antonio deposits.

FIGURE C-3 – LOCATION OF PANAMA GROUP VEINS



Vein Deposits

The majority of mineralization within the concession area consists of volcanic hosted gold-silver ± copper, lead, and zinc epithermal quartz veins of intermediate sulphidation type. There is a vertical zonation of metals, and base metal contents are higher at depth, although, in general, gold grades appear to stay constant except in those areas near surface where residual gold has been liberated by the oxidation of pyrite and weathering/disintegration of host rock.

The epithermal veins at Bonanza are characterized by moderate to intense propylitic alteration of the andesite wall rocks locally accompanied by argillic alteration and silicification. There are several variations in style of mineralization among the veins.

Veins in the southwest part of the district are characterized by gold mineralization associated with quartz, chalcopyrite, and hematite enriched in base metal sulphides. Gold mineralization in veins toward the northeast, i.e., the Pioneer and Panama groups, is associated with quartz and chlorite and generally lower base metals content. The difference in gold and base metal tenor between the Panama, Pioneer, and Constancia groups may be a function of the spatial relation with the intrusive heat source. Shallow epithermal veins are characterized by low grades but wider zones resulting from bifurcations and quartz stockwork zones. Deeper portions of epithermal systems are typically enriched in base metals and have higher gold grades.

Quartz veins are controlled by strike-slip faulting with both sinistral and dextral displacement and mineralized shoots are controlled by gold deposition introduced during dextral strike-slip movement resulting from wrench tectonics. Gold grades are higher in areas of increased fracture density and permeability such as flexures in strike and dip.

DEPOSIT TYPES

The majority of mineralization within the concession area consists of volcanic hosted gold-silver + copper, lead, and zinc epithermal quartz veins of intermediate sulphidation type. There is a vertical zonation of metals and base metal grades are higher at depth, although, in general, gold grades appear to stay constant.

Exploration has also been underway within the Hemco exploration concessions in the Rosita and Siuna sub-districts for gold-copper "porphyry style" mineralization within potassically altered intermediate volcanic and intrusive rocks. Skarn mineralization (gold-copper and copper-gold) is also present in the Siuna and Rosita sub-districts where intrusive rocks have intruded Cretaceous age calcareous sedimentary rocks. The La Luz Mine (Siuna) and Santa Rita Mine (Rosita) are both skarn hosted deposits.

Exploration

Regional Targeting

As part of the grassroots exploration process, the Company continues to compile existing historical exploration and production data from previous work completed in the Mining Triangle district. This information is being used to expand the overall geologic knowledge of the district and to search for similar prospective zones. Information is compiled using MapInfo/Discover 3D software, as well as ArcGIS and Target 9.7. A regional structural interpretation has been completed using Landsat imagery for the definition of primary and secondary lineaments throughout the district.

In summary, the regional exploration strategy currently being employed by the Company consists of the following:

- Compilation of historical exploration and production data (mapping and geochemical) into an organized database using GIS software (MapInfo/Discover 3D).
- Regional structural interpretation using Landsat radar images in order to identify favourable trends and structural intersections.
- Utilization of orthorectified ASTER satellite imagery with filters for iron, silica, hydroxyls, and clay (sericite-kaolinite-alunite) to identify potential alterations related to mineralization.
- Utilization of airborne magnetic geophysical data to identify intrusive rock units and their contacts with the surrounding volcanic and sedimentary lithologies (favourable mineralization environments).
- The combination and resulting interpretation of the above information to identify regional targets.
- Field testing of identified targets with geologic mapping and soil, sediment, and rock chip sampling.
- Continuing with more detailed evaluation of prospects using additional geologic mapping, trenching, and rock chip sampling to advance prospects to drill-ready stage; and
- Diamond drilling to test prospects.

Royal Road Minerals Limited Strategic Alliance

Hemco and Royal Road have conducted exploration work at Luna Roja and the Caribe exploration targets under the Royal Road Alliance Agreement. On May 21, 2021, Hemco acquired all of Royal Road's interest in Luna Roja. As such, all work completed at Luna Roja during 2021 was completed by Hemco. Royal Road remains the operator at Caribe under the Royal Road Alliance Agreement. For information concerning the exploration work and results, see "*General Development and Business of the Company – Exploration – Nicaragua – Luna Roja Exploration Target*" and "*Caribe Exploration Target"*.

Exploration Potential

The Hemco Property covers an extensive land holding containing very prospective ground for gold mineralization in the Mining Triangle district of Nicaragua. There is excellent exploration potential on the Hemco Property and that there is a good opportunity to increase the Mineral Resources with more drilling and resource modelling.

Since 2013, mill feed from artisanal mining has formed the majority of production at the Hemco Property. In order to account for the contribution of this material to the Hemco Property, the Company has an ongoing program of outlining Mineral Resources and geological potential strictly allocated to artisanal mining. This material is defined in areas where:

- Drill hole, surface trench, and/or surface samples return assay values above 3 g/t Au,
- Surface mapping and or artisanal development outlines sufficient geological continuity,
- Material is located within 30 metres of the surface,
- Material is located within areas not amenable to commercial scale mining, or allocated to artisanal mining through agreements with contract miners.

Small portions of the areas outlined in artisanal mining have sufficient exploration sampling information to estimate Mineral Resources. Outside of the Mineral Resources defined, ranges of tonnes, grades, and gold ounces have been approximated based on mapping, grab sampling, trenching, and drilling. The estimates represent simple geometric approximations, measuring the strike length of mineralized shoots and projecting the structures to depth. The ranges of tonnes are determined by selecting reasonable ranges of vein widths, based on the sampling for each structure multiplied by the strike length, dip length, and vein density (2.7 t/m^3 assigned to all structures). The grades are determined by selecting reasonable grade ranges from the assay results for each vein.

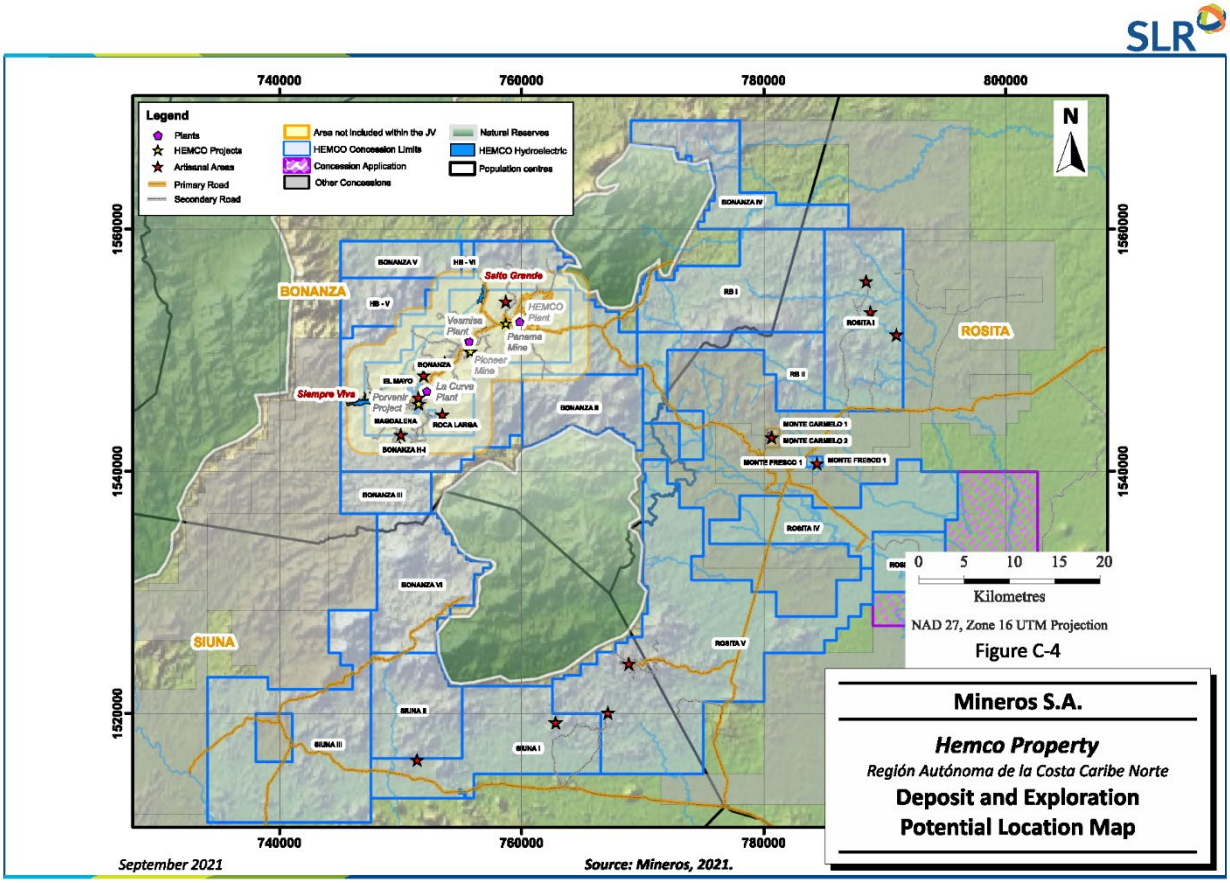
Artisanal geological potential was estimated for 40 vein groups from the Bonanza concession and four vein groups from the Rosita I concession. The location of each target at property scale is shown in Figure C-4.

Vein groups from the Bonanza concession range from less than 100 metres to greater than 1,000 metres in estimated strike length and have been projected down dip from approximately 30 metres to 60 metres, with vein widths ranging from 0.1 metres to 1.5 metres. Estimated gold grades range from 2 g/t Au to greater than 25 g/t Au. Vein groups from the Rosita I concession range from approximately 300 metres to greater than 4,000 metres in estimated strike length and have been projected down dip from approximately 30 metres to 50 metres, with vein widths ranging from less than 0.1 metres to greater than 4.0 metres. Estimated gold grades range from 2 g/t Au to greater than 20 g/t Au.

The total artisanal geological potential for both the Bonanza and Rosita I concessions ranges between 2.7 Mt and 5.0 Mt at grades from 3.5 g/t Au to 9.3 g/t Au for 0.3 Moz to 1.5 Moz of gold.

The potential quantities and grades are conceptual in nature, there has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the above targets being delineated as Mineral Resources.

FIGURE C-4 – DEPOSIT AND EXPLORATION POTENTIAL LOCATION MAP



Drilling

Hemco Drilling

A total of 4,460 surface diamond drill holes totalling 620,515 m has been completed at the Hemco Property from 1954 to mid-year 2021. Table C-2 summarizes the drilling, trenches, and underground channel samples for the Hemco Property.

Drilling data are currently stored in Datamine's Fusion databases for the Porvenir, San Antonio, Leticia, Pioneer and artisanal deposits, and in an SQL database for the Panama Deposit.

Between 2011 and 2021, Mineros has carried out diamond drilling for exploration and definition of Mineral Resources using surface drill rigs; KD1000 and KD-600, and underground rigs; UG2000, Gopher, and HC2000.

The drill collars are surveyed by the mine surveyor using a Total Station instrument. The Universal Transverse Mercator (UTM) NAD27 zone 16N was used. All drill holes were downhole surveyed using a Reflex instrument.

TABLE C-2 – SUMMARY OF EXPLORATION DRILLING, TRENCHES, AND CHANNELS

Area	Time Period	DDH		Trench		UG		RC		Total	
		No. Holes	Metres (m)	No. Holes	Metres (m)	No. Channel	Metres (m)	No. Holes	Metres (m)	No. Holes	Metres (m)
Greenfields Exploration											
REAL McCoy	1954-1984	22	1,238	-	-	-	-	-	-	22	1,238
REAL McCoy	2015-2018	53	10,186	-	-	-	-	-	-	53	10,186
REAL McCoy	2020	2	210.45							2	210.45
Porvenir	1950-1980	88	11,008	-	-	-	-	-	-	88	11,008
Porvenir	2013-2018	199	38,856	-	-	-	-	-	-	199	38,856
Porvenir	2019-2021	54	14,843.50							54	14,843.50
San Antonio	1954-1965	22	2,293	-	-	-	-	-	-	22	2,293
San Antonio	2015-2019	45	8,356	-	-	-	-	-	-	45	8,356
Leticia	1950-1980	13	769	-	-	-	-	-	-	13	769
Leticia	2019	18	3,722	-	-	31	36	-	-	49	3,758
Concordia	1977	3	312.8	-	-	-	-	-	-	3	312.8
Concordia	2013	5	1,230	-	-	-	-	-	-	5	1,230
Total Greenfields Exploration	**1954 - 2021**	**524**	**93,024**	**-**	**-**	**31**	**36**	**-**	**-**	**555**	**93,060**
Artisanal Exploration											
Leticia - north of Porvenir	Old	12	585	-	-	-	-	-	-	12	585
Silba	2017	12	1,206	36	853	2	7	-	-	50	2,066
Okonwas	2017 - 2018	-	-	31	498	115	66	-	-	146	1,515
Nueva America	2005 - 2016	9	3,024	39	926	-	-	12	3,339	60	7,289
Nueva America	2017 - 2019	-	-	-	-	40	90	-	-	40	143
California-Bonancita	2018 - 2019	13	1,201	-	-	50	35	-	-	63	1,236
Limones	2018	-	-	1	1	17	8	-	-	18	9
Waspanona-Poderosa	2018 - 2019	11	1,176	70	1080	65	60	-	-	146	2,316
Panama Oeste	2020	14	3,620	-	-	-	-	-	-	14	3620
Panama Oeste	2018 - 2020	-	-	-	-	97	134	-	-	97	134
Atlas-Tigre Negro	2018 - 2020	-	-	-	-	204	239	-	-	204	239
Guillermina-Colorado	Old - 2011	54	7,174	29	648	-	-	-	-	83	7822
Guillermina-Colorado	2019 - 2020	-	-	10	154	38	46	-	-	48	200
San Antonio SW	Old - 2015	8	1,026	-	-	-	-	-	-	8	1026
San Antonio SW	2020	-	-	-	-	14	15	-	-	14	15
Pioneer NE	Old	226	31,218	-	-	-	-	-	-	226	31218
Pioneer NE	2020	-	-	-	-	20	17	-	-	20	17
Adela-Colonia Norte	2017 - 2021	-	-	-	-	59	53	-	-	59	53
Concordia	Old	5	1,230	-	-	-	-	-	-	5	1,230
Concordia	2017 - 2021	-	-	10	119	33	38	-	-	43	157
San Antonio NE	Old - 2020	56	9,149	-	-	-	-	-	-	56	9,149
San Antonio NE	2020 - 2021	-	-	-	-	64	78	-	-	64	78
Monte Carmelo	2019 - 2020	36	5,563	-	-	-	-	-	-	36	5,563
Monte Carmelo	2017 - 2020	-	-	-	-	305	433	-	-	305	433

Area	Time Period	DDH		Trench		UG		RC		Total	
		No. Holes	Metres (m)	No. Holes	Metres (m)	No. Channel	Metres (m)	No. Holes	Metres (m)	No. Holes	Metres (m)
Bonancita NE	2021	-	-	-	-	7	5	-	-	7	5
Cleopatra-Bonanza-Verdum	2018 - 2021	-	-	-	-	98	99	-	-	98	99
Magdalena NE	2021	-	-	-	-	11	8	-	-	11	8
California-Picadillo	2021	-	-	-	-	26	19	-	-	26	19
San Joaquin	2021	-	-	-	-	23	22	-	-	23	22
Panama Este	2018 - 2021	-	-	-	-	104	143	-	-	104	143
Total Artisanal	**Old - 2021**	**456**	**66172**	**226**	**4279**	**1392**	**1615**	**12**	**3339**	**2086**	**76409**
Brownfields Exploration											
Panama	2003 - 2021	3,022	385,544	-	-	79,757	107,014	-	-	82,779	492,559
Pioneer	1956 - 1983	79	5,315	-	-	-	-	-	-	79	5,315
Pioneer	2011 - 2017	121	31,367	-	-	60	149	-	-	181	31,516
Pioneer	2017 - 2021	190	28,095	-	-	1184	2,718	-	-	1374	30,813
Total Brownfield	**1956 - Jun 2021**	**3,412**	**450,321**	**-**	**-**	**81,001**	**109,881**	**-**	**-**	**84,413**	**560,202**

Note:

1. Luna Roja and Caribe drilling is listed below.
2. Brownfields exploration includes mine exploration.

Hemco - Royal Road Joint Venture Drilling

Subsequent to preliminary field work, in 2019, drilling programs have been completed on Luna Roja and Caribe for a total of approximately 10,998 m. Table C-3 lists the relevant drilling information for these drilling programs.

TABLE C-3 – SUMMARY OF HEMCO-ROYAL ROAD JOINT VENTURE DRILLING

Exploration Target	Year	DDH	
		No. Holes	Metres (m)
Luna Roja	2019	17	2,473
Luna Roja	2020	19	3,095
Luna Roja[1]	2021[2]	9	1,932
Caribe	2019	4	413
Caribe	2020	12	1,659
Caribe	2021	7	1,426
Totals			**10,998**

Notes:

1. Drill holes completed by Hemco
2. Drilling up to June 30, 2021.

Core Sampling

The Company follows conventional, industry standard practices for geologic and engineering data acquisition and sampling. Drill core is logged manually for geotechnical data and geology. Drill holes are logged by the geologist,

who describes the downhole lithology, structure, alteration, and mineralization. Only sections indicated by the geologist are split.

The Pioneer and Porvenir deposit mineralization is easily identified by visual inspection and during geological logging of the core. Mineralization is sampled through the zone in intervals with a minimum of 0.5 metres and a maximum of 1.2 metres. Core sampling is guided by lithology, i.e., quartz morphology, alteration style, and sulphide content.

Core processing is industry standard commencing with geotechnical logging, geologic logging, and marking of sample limits. Core is oriented and diamond sawed in half with one half placed in a numbered plastic bag with a tag and the other half returned and fitted in the wood core box for archive. Flow through water is used for the diamond saw to avoid sample carry-over. Broken rubbly core is hand sampled to obtain the most representative sample possible.

Sampling, Analysis, And Data Verification

Sample Chain of Custody and Storage

Core is moved by truck from the drilling platforms to the Company's core facility located at the edge of the Bonanza municipality. The core facility is fenced in and guarded by security personnel and has lockable buildings for core logging, sawing, and sample storage. The storage facility is open at the sides and covered with a corrugated iron roof. A core storage map is maintained by onsite technicians. Greenfield regional and mine exploration core are stored and processed in separate buildings.

Assay samples are shipped in rice bags by truck to the independent BVM sample preparation facility, in Managua (ISO 17025 certification), Nicaragua. All pulps are shipped back to the onsite facility by the Inspectorate laboratory. Only selected coarse rejects chosen by the Hemco Project Geologist are shipped back to the onsite facility. Pulps and rejects are stored with reference to individual sample locations.1

Density Test Work

In order to determine material densities, a total of 99 and 537 drill core samples were collected from the Pioneer and Porvenir deposits, respectively. Samples from the Pioneer deposit were shipped to independent laboratory, SGS in Medellín, Colombia (ISO 9001 and BASC V5 – 2017 certifications), for determination of apparent bulk density using the wax coating/water immersion method (code GQ_GEP). The Pioneer samples were grouped into three lithologies: andesite, breccia, and quartz vein (Table C-4). Samples from the Porvenir deposit were shipped for preparation to the BVM preparation facility in Managua, Nicaragua, then to Acme (BVM) in Vancouver, Canada and independent laboratory, for determination of apparent bulk density using the wax coating/water immersion method (code_SPG03). The Porvenir deposit samples were grouped into three categories: mineralized veins, mineralized structures, and shear zone (Table C-5).

TABLE C-4 – DENSITY SAMPLES AT PIONEER

Material	Number of Samples	Average Density (t/m^3)
Andesite	34	2.76
Breccia	39	2.74
Quartz Vein	26	2.60
Total	99	2.71

TABLE C-5– DENSITY SAMPLES AT PORVENIR

Material	Number of Samples	Average Density (t/m³)
Mineralized Veins	70	2.78
Non-Mineralized Material	467	2.76
Total	**537**	**2.76**

Sample Preparation

Sample preparation was performed by BVM in Managua, Nicaragua. The samples were logged in the tracking system (LIMS), weighed, dried, and crushed to greater than 70% passing a 2 mm screen. A split of up to 250 g was taken and pulverized to greater than 85% passing a 75 µm screen. This sample preparation package was coded PRP70-250 by BVM. Following this preparation, pulp samples were shipped for analysis to Acme (BVM). BVM is independent of the Company.

Sample Analysis

Assay Data

All diamond drill core samples are prepped at the BVM sample preparation facility in Managua, Nicaragua (ISO 17025 certification), then assayed at the Acme (BVM) facilities in Vancouver, Canada, an independent laboratory. Samples were assayed for gold and analyzed for a 30-element suite. Acme (BVM) holds global certifications for quality ISO 9001:2008, Environmental Management: ISO 14001 and Safety Management OH SAS 18001 and AS4801.

The following sample analyses were undertaken at the Acme (BVM) facility in Vancouver, Canada:

- Multi Element Analysis: AQ200. Used for non-mineralized drill core samples. A 37-element suite using aqua regia digestion and ICP mass spectrometry (ICP-MS) finish. The upper detection limit for gold and silver is 100 ppm.

- Multi Element Analysis: AQ370. Used for mineralized drill core samples. A 24-element suite using aqua regia digestion and ICP emission spectrometry (ICP-ES) finish. The upper detection limit for silver is 1,000 ppm.

- Multi Element Analysis: AQ371. Used for over-limit values of zinc and silver. Uses a hot aqua regia digestion and ICP-ES finish. The upper detection limit for silver is 1,000 ppm.

- Au Analysis: FA430. Gold analysis by lead collection fire-assay fusion, atomic absorption spectrometry finish (AAS). The upper detection limit for gold is 10 ppm.

- Au Analysis: FA530. Gold analysis by lead collection fire-assay fusion, gravimetric finish.

Database Management

Database management for the Hemco Property is carried out by a dedicated onsite geologist under the supervision of the Hemco Project Geologist and a GIS Geologist. Digital logging using hand-held device is performed by the geologists and is uploaded to Datamine's Fusion database for Porvenir, San Antonio, Leticia, Pioneer, and artisanal areas, and to an SQL database for the Panama deposit. The Company transferred the Porvenir, Pioneer, Leticia, and San Antonio drill hole databases, during 2015, and the artisanal areas drill hole database during 2017, from Excel files to Fusion software. The Company performed a number of checks to confirm the accuracy of the data migration.

Original drill logs, structural logs, geotechnical logs, and details of chain of custody, site reclamation, and drilling are stored on site in a folder, specific to a single drill hole. Folders are clearly labelled and stored in a cabinet in the office,

which is locked during out of office hours. Data are continuously updated and validated as new information becomes available.

Analytical data are uploaded from digital sources. Survey data are uploaded by the Hemco Project Geologist from digital survey files. Verification is performed on all digitally collected data upon upload to the main database, and includes checks on surveys, collar coordinates, lithology data, and assay data.

Assay certificates are emailed to the Mineros GIS Department in Medellín, Colombia, by Acme (BVM) and subsequently emailed to appropriate the Company's employees. Certificates are reviewed and filed by a GIS Geologist in Medellín, Colombia, prior to incorporation into the master assay database.

Quality Assurance/Quality Control

Quality Assurance (QA) is necessary to demonstrate that the assay data has precision and accuracy within generally accepted limits for the sampling and analytical methods used in order to have confidence in the resource estimation. Quality control (QC) consists of procedures used to ensure that an adequate level of quality is maintained in the process of sampling, preparing, and assaying the drill core samples. In general, QA/QC programs are designed to prevent or detect contamination and allow analytical precision and accuracy to be quantified. In addition, a QA/QC program can disclose the overall sampling – assaying variability of the sampling method itself.

QA/QC Protocols

The primary laboratories in which the drilling samples from the following deposits are prepared and analyzed are as follows:

- Artisanal areas – Acme (BVM), Vancouver, Canada
- Leticia and San Antonio – Acme (BVM), Vancouver, Canada
- Porvenir – Acme (BVM), Vancouver, Canada
- Panama and Pioneer – Brownfield Exploration – Acme (BVM), Vancouver, Canada
- Panama and Pioneer – Grade Control Mine – Hemco and Vesmisa, Bonanza, Nicaragua

QA/QC protocols involve the insertion of a minimum of 2% certified reference materials (CRM), 2% blank samples, 1% twin duplicates (from split core), 2% field duplicates (from channels, trenches, and outcrops), 2% reject duplicates, and 2% pulp duplicates. In addition, 1% pulp duplicate samples are sent to an external assay laboratory.

The Panama deposit had a noticeably low insertion rate of approximately 0.5% for the overall deposit. Mineros has corrected the insertion rate during the 2019 drilling campaign to reflect the protocols.

The results of the CRM campaigns in place at the artisanal areas, Leticia, San Antonio, Panama, Pioneer, and Porvenir deposits show no significant biases and generally low failure rates indicating that the various laboratories are generating reliable and accurate assay results, which is supported by the good external check assay results. Blank failures are rare indicating that the laboratories are doing a good job tracking samples and keeping the sample crushers and pulverizers clean. The duplicates are showing moderate to high precision for gold mineralization.

Data Verification

Software Validation

The Company utilized MS Excel, Isatis, and Leapfrog Geo's validation features to check for any errors or potential issues associated with the drill hole database, including sample length issues, maximum and minimum, negative values, detection limit/zero values, borehole deviations, gaps, overlaps, drill hole collar versus topography, datum and laboratory certificate versus database values.

SLR reviewed the database files provided using MS Excel and MS Access as well as the error reports generated by Datamine Studio 3 (Pioneer) and Leapfrog Geo Version 5.0 (artisanal areas, Leticia, San Antonio, Panama, and Pioneer) during database import and did not note any significant errors. SLR completed a variety of validation queries and routines such as out of range values, missing intervals, and overlapping intervals to identify any remaining data entry errors. In general, the database was found to be acceptable with no significant errors.

During modelling, SLR noted issues with the Panama database and therefore excluded a total of 254 drill holes from Panama below the 850 ft Level block models. Some of the issues encountered included:

- Collars not matching the topographic surface (these were corrected these where possible)
- Duplicated sample sequences
- Duplicated drill hole series
- Composited assays being stored as original assays
- Drilling at low angles to the vein causing unrealistic volumes in the generated wireframe

GeoEstima also excluded drill holes based on the Company's drill hole exclusion table. Recompiling the Panama database was recommended to realize the full value of the data excluded from the Mineral Resource estimate.

SLR Audit of Drill Hole Database

Lithology

SLR reviewed lithology logs and the final assay results for selected mineralized intervals in ten drill holes from Pioneer and ten drill holes from Porvenir. Digital drill hole contacts agreed with the logging results, and higher grades of gold and silver were observed to correlate with the presence of breccia and/or veins. Also, higher grades of zinc, lead, and copper were observed to correlate with sulphide content.

Assays

SLR compared 90% of the sample databases for the artisanal areas, Leticia, San Antonio, Panama, and Pioneer projects to the assay certificates from Acme (BVM), ALS, Hemco, and Vesmisa that were provided for the years 2015 to 2019. No major discrepancies were found.

Duplicate Samples

SLR conducted a search of the database looking for duplicate sample IDs. Duplicate samples were found in two projects, Panama and Pioneer, which account for less than 0.5% of their respective databases. SLR recommended cleaning up the database to remove any duplicate samples.

Excluded Drill Holes

The Company maintains a file of 206 underground channels and 352 drill holes that have been excluded from Mineral Resource estimation at Panama, Pioneer, Porvenir, artisanal areas, Leticia, and San Antonio, including support. SLR reviewed the table and considers this best practice.

The numbers of excluded data excluded for Pioneer corresponds to the resource database used for the block models completed in 2018 (74 drill holes in total). For Pioneer models updated in 2021, a total of 35 drill holes were excluded after data verification.

Density

At Panama and the Artisanal areas, no additional density data was collected since the previous estimate and density factors remained the same.

SLR reviewed measured density values by rock group at Pioneer and Porvenir. At Pioneer, samples designated as andesite were found to have the highest average density. Samples designated as breccia had the highest density variation and also the highest number of samples with a density above 3.0 t/m^3. At Porvenir, average density between economic vein samples and mineralized structure samples was very similar, however, economic vein samples showed more variability. The average density of shear zone samples was similar to that of the vein samples and mineralized structure samples, while the variability was lower.

No density data has been collected at Leticia and San Antonio. At Leticia, a density value of 2.75 t/m3 was applied based on data collected at Porvenir Norte. At San Antonio, a density value of 2.72 t/m3 was applied based on data collected at Porvenir Sur. SLR recommends conducting a density sampling program at Leticia and San Antonio to support Mineral Resource estimates.

Pre-2011 Drilling of the Pioneer Deposit

Drilling at Pioneer has been performed between 1956 and 2021 with the largest gap in drilling occurring between 1983 and 2011. In 2018, SLR completed block models for Pioneer which excluded drilling prior to 2011 as had been the resources estimation protocol up that point (as described in Section 12.2.4). During the completion of the block models, SLR recommended investigating the use of pre-2011 drill holes after observing similar grades intercepting the mineralization wireframes at similar relative locations to the post-2011 drilling. In 2021, SLR updated the block models and performed spatially relevant statistical comparisons between the two data sets and concluded that the pre-2011 drilling was suitable to support the estimation of Mineral Resources. It should also be noted that the pre-2011 data represents only 1.2% of the composites used for the 2021 block models.

As part of the justification for using the pre-2011 drilling, SLR completed a nearest neighbour (NN) interpolations using pre-2011 and post-2011 data separately. The results were tabulated, filtered on only blocks which were within 20m of both data sets. The results show similar means and standard deviations. The Qualified Person is of the opinion, given the volume of historic data and the similarity between the statistics that it is reasonable to use the pre-2011 drill hole data for the Pioneer deposit Mineral Resource estimate.

Mineral Processing and Metallurgical Testing

Mineral Processing

The Hemco Property process area is composed of three processing plants: the Hemco Plant, the La Curva Plant, and the Vesmisa Plant. The Hemco Plant and La Curva Plant are 100% owned by Hemco. The Vesmisa Plant is 100% owned by Vesubio Mining, S.A. (100% held by Hemco).

The Hemco Plant treats underground and artisanal feeds, while the La Curva Plant and Vesmisa Plant treat artisanally mined material only. The Vesmisa Plant has a similar flow sheet to the Hemco Plant, using whole ore cyanidation, and produces doré bars. The La Curva Plant produces flotation and gravity concentrates which are sent to Hemco for treatment in an intensive leach reactor (ILR). Solution grades and volumes are carefully measured to ensure QA/QC, which is required due to the artisanal feed input. A separate QA/QC department is in place to do sampling, analysis, and reporting for all three plants. This department also conducts metallurgical test work on plant feeds to determine amenability to treatment and recovery of various feedstocks.

There are two sources of feed for the Hemco Plant: artisanal mining and the Panama underground mine, while feed for the Vesmisa and La Curva plants are exclusively from artisanal mining. The artisanal feed is transported to the Hemco property by trucks, which are weighed on arrival and departure, and each truck load is placed separately on a pad. Samples are taken from each truck load and sent to a sampling plant. After analysis of the sample and agreement by both Mineros and the artisanal miner on the grade of the sample, the material is taken from the pad and added to the plant feed stockpile. If no agreement can be reached on the sample grade, then the artisanal miner removes their

ore from the pad, a process which usually takes about three days. More than 50% of the ore being milled at the Hemco Plant and 100% of the ore being milled at the Vesmisa and La Curva plants is purchased from artisanal mining cooperatives under contracts.

Process results from the Processing Plants from 2011 to end of June 2021 are shown in Table C-6.

TABLE C-6 - OVERALL PLANT PRODUCTION

Description	Unit	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 YTD
Tonnes Processed	t	311,945	355,225	392,292	412,565	471,859	542,524	634,062	632,986	649,805	700,048	343,120
Daily Tonnage	t/cal. day	855	973	1,075	1,130	1,293	1,486	1,737	1,734	1,780	1,913	1,928
Head Grade (Au)	g/t	4.52	4.52	5.79	5.79	5.34	5.29	5.62	6.04	6.93	6.15	6.34
Recovery (Au)	%	84.90	82.28	82.57	82.58	85.98	89.84	88.63	88.48	88.20	88.9	88.7
Poured Gold	oz	45,928	54,403	60,338	63,431	69,681	82,903	101,554	108,689	127,643	123,029	62,003
Poured Silver	oz	95,885	111,956	109,724	98,723	108,160	209,315	230,763	194,401	243,851	246,550	160,590
Silver to Gold Ratio	Ag:Au	1.82	1.82	1.82	1.56	1.55	2.52	2.27	1.79	1.91	2.00	2.59

Historical Independent Test Work

High grade gold and silver ores that contain other elements, such as copper, sulphur, lead, and zinc, were sent to Cuban laboratories (CIPIMM) and Mexico (Tecamachalco) to establish the optimum process for gold extraction. The process methods investigated were direct cyanidation and cyanidation of flotation concentrates. The investigated mineral source was from Neblina above the 850 ft Level, which was considered metallurgically complex and contained high concentrations of zinc and gold.

Similar results, on chemical analyses, were obtained from both laboratories. The following analyses were obtained for the composition of the flotation concentrate: 148 g/t Au, 904 g/t Ag, 15% Pb, 32% Zn, and 5% Cu. Metallurgical test results for direct cyanidation and cyanidation of flotation concentrates, carried out on these ores, indicated low gold recovery values (-30%), i.e., these ores would require shipment of concentrates. Metallurgical tests conducted by the Mexican Laboratory to analyze direct cyanidation of the differential flotation concentrates (lead concentrates) concluded that direct cyanidation was neither technically feasible nor economically practicable.

Samples of ball mill feed (i.e., blended, crushed feed to the plant) were sent to Met-Solve Laboratories in Langley, British Columbia. These samples were subjected to a combination of gravity gold recovery, flotation, and cyanide leaching of both the flotation concentrates and the flotation tailings. This test work indicated that there were opportunities to improve overall gold recovery through the installation of gravity recovery and flotation circuits in the plant.

Porvenir Test Work

Porvenir is a new deposit that is planned to be mined starting in 2023 with the ore to be processed in a new beneficiation plant. In 2019, metallurgical test work was carried out at Asmin Industrial Ltda. (ASMIN) in Santiago, Chile, and included: receipt of samples (one composite (C1) and six variability samples (M2 through M7)); sample preparation; chemical characterization (determination of chemical content, predominantly gold, copper, zinc, silver, iron, lead); comminution test work (determination of bond ball and rod mill work indices, semi-autogenous grinding (SAG) mill comminution (SMC) indices, abrasion indices); determination of natural pH; specific gravity; grinding kinetics; gravity concentration; cyanidation test work; and flotation test work (bulk rougher flotation, differential rougher flotation, flotation cleaner tests, regrind tests, copper and zinc open circuit test and cyanidation/flotation combinations).

Test Work Results

Chemical Characterization

Table C-7 below lists the gold, copper, zinc, silver, iron, lead, and sulphur assays for the seven samples sent for testing.

TABLE C-7 – SAMPLE ASSAYS

Sample	Au (g/t)	Ag (ppm)	Cu (%)	Fe (%)	Pb (%)	Zn (%)	S (%)
C1(5 yr Composite)	3.47	12.00	0.23	5.72	0.52	3.40	3
M2(high Au-med. S)	7.86	20.00	0.61	6.87	0.12	3.48	3
M3(med. Au-med. S)	2.12	15.00	0.67	6.90	0.10	1.88	3
M4(med. Au-low S)	2.03	9.00	0.26	5.98	0.08	0.74	1
M5(low Au-med. S)	0.42	6.00	0.26	6.71	0.04	0.93	3
M6(high S)	2.70	9.00	0.23	7.18	0.31	6.97	7
M7(low S)	3.20	11.00	0.31	5.89	0.12	0.99	1

The C1-5 yr composite sample assays; 3.47 g/t Au, 12.00 ppm Ag, 0.23% Cu, 5.72% Fe, 0.52% Pb, 3.40% Zn, and 3% S, compare well to the assays of the Porvenir deposit. The variability sample results generally agree with the composite assays, except for lead, which is not a mineral of interest.

Comminution Test Work

The BWi overall average indicates that the samples are generally considered “hard”. The SMC (Axb) overall average also indicates that the ore is “medium hard”. The Abrasion Index (Ai) indicates that the ore is abrasive, resulting in higher than average grinding media usage. The RWi is comparable to the BWi also indicating a “hard” ore.

Determination of Natural pH

Samples generally exhibited a neutral pH, ranging from 6.11 to 7.66.

Specific Gravity

The overall average specific gravity of the samples is 2.74 t/m^3.

Grinding Kinetics

Optimum grinding times were determined for each sample at two slurry densities (25% solids and 32% solids) and four grinds (80% passing, or P_{80}) of 160 µm, 120 µm, 75 µm, and 53 µm. Grinding times for a slurry density of 25% solids ranged from 22 min 21 sec (M6) to 27 min 31 sec (M2) for a P_{80} grind of 75 µm. Grinding times for a slurry density of 32% solids ranged from 31 min 56 sec (M5) to 38 min 52 sec (M2) for a P_{80} grind of 75 µm. For the C1 composite sample, at a P_{80} grind of 53 µm the optimum grinding time was 49 min 56 sec.

Gravity Concentration

The average mass of concentrate recovered by gravity was 5.43%. Average metal recoveries were 4.68% Cu, 5.10% Zn, 7.43% Ag, and 18.37% Au.

Cyanidation Test Work

Composite C1 was tested at various grinds (P_{80} of 75 µm, 120 µm, and 160 µm), two slurry densities (32% solids and 50% solids), and varying doses of cyanide (NaCN) (0.5 g/L NaCN, 1.0 g/L NaCN, and 2.5 g/L NaCN) on bottle rolls for 72 hr. The understanding was that the optimum results obtained would be used to test the variability samples.

The results showed that the optimum conditions minimizing cyanide consumption, while maximizing gold and silver recoveries were as follows: grind – P_{80} of 75 µm; slurry density – 50% solids; cyanide dosage – 1.0 g/L NaCN; and bottle roll time – 48 hr.

Gold recoveries varied from 42.27% Au (M2) to 87.24% Au (M4), while silver recoveries varied from 4.30% Ag (M2) to 62.44% Ag (M4). Cyanide consumption varied between 2.2 kg/t NaCN (M6) and 2.6 kg/t NaCN (M2, M3). While zinc recoveries were very low, copper recoveries ranged from 13.39% Cu (M3) to 33.58% Cu (M5), indicating that copper availability could be reduced in subsequent flotation due to copper recovery in the gravity circuit.

Flotation Test Work

Bulk Rougher Flotation

A series of 18 tests were carried out on Composite 1 (C1) at varying pH (7.0, 9.0, and 11.0), grind (P_{80} of 75 µm, 120 µm, and 160 µm), and slurry density (25% solids and 32% solids). Copper recovery varied from 80.1% Cu to 91.5% Cu with an average recovery of 88.6% Cu. Zinc recovery varied from 51.4% Zn to 94.1% Zn, with an average recovery of 68.7% Zn. The best test result, with recoveries of 91.5% Cu, 69.0% Zn, and 81.0% Au, had the following parameters: grind - P_{80} of 75 µm; pH – 11; slurry density - 32% solids; flotation time - 20 min.

These conditions were used to test the variability samples (M2-M7). A series of six tests resulted in the following (using C1 results as part of the data):

- Copper recovery varied from 88.5% Cu (M6) to 96.9% Cu (M3) with an average recovery of 92.3% Cu.

- Zinc recovery varied from 69.0% Zn (C1) to 83.4% Zn (M7), with an average recovery of 78.4% Zn.

Differential Rougher Flotation

A series of 22 tests were carried out on a differential flotation circuit (using C1), providing a copper rougher concentrate, followed by a zinc rougher concentrate. Variations of collectors, frothers, and reagent addition rates were used to develop the 22 test suite.

The results were as follows:

- Copper rougher concentrate grade (6 min flotation time) varied from 1.627% Cu to 3.097% Cu, with an average grade of 2.072% Cu. Recovery varied from 69.4% Cu to 82.9% Cu, with an average recovery of 76.7% Cu. Zinc grade in the copper rougher concentrate varied from 11.89% Zn to 22.76% Zn, with an average grade of 17.48% Zn. Recovery varied from 34.4% Zn to 70.8% Zn, with an average recovery of 48.7% Zn.

- Zinc rougher concentrate grade (13 min flotation time) varied from 11.12% Zn to 27.96% Zn, with an average grade of 17.25% Zn. Recovery varied from 76.8% Zn to 94.7% Zn, with an average recovery of 91.5% Zn. Copper grade in the zinc rougher concentrate varied from 0.216% Cu to 0.391% Cu, with an average grade of 0.301% Cu. Recovery varied from 40.6% Cu to 57.1% Cu, with an average of 47.4% Cu.

- Overall gold recovery, in both concentrates, varied between 80.5% Au and 87.3% Au, with an average recovery of 84.7% Au.

Using the optimum results for the C1 tests, the variability samples (M2-M7) were tested. The results were as follows:

- Copper rougher concentrate grade (6 min flotation time) varied from 2.055% Cu (M6) to 7.657% Cu (M3), with an average grade of 3.261% Cu. Recovery varied from 73.0% Cu (M6) to 90.1% Cu (M3), with an average recovery of 79.8% Cu. Zinc grade in the copper rougher concentrate varied from 8.96% Zn (M5) to 18.57% Zn (M2), with an average grade of 16.99% Zn. Recovery varied from 13.8% Zn (M6) to 79.4% Zn (M5), with an average recovery of 53.9% Zn.

- Zinc rougher concentrate grade (13 min flotation time) varied from 1.29% Zn (M5) to 34.46% Zn (M6), with an average grade of 16.07% Zn. Recovery varied from 26.9% Zn (M5) to 96.8% Zn (M6), with an average recovery of 81.5% Zn. Copper grade in the zinc rougher concentrate varied from 0.285% Cu (M6) to 0.877% Cu (M2), with an average grade of 0.365% Cu. Recovery varied from 20.5% Cu (M4) to 68.7% Cu (M6), with an average recovery of 47.4% Cu.

Flotation Cleaner Tests

A series of three cleaning tests were carried out on the copper and zinc differential concentrates, to increase the respective concentrate grade.

The results showed that for copper concentrate, the best grade achieved was 5.650% Cu, however, the corresponding zinc content was 33.19% Zn, which is unacceptable for a commercial copper concentrate.

For zinc concentrates, two of the three tests showed commercially viable grades of zinc: T2- 51.49% Zn, T3- 54.27% Zn.

Regrind Tests

Test work was conducted to test the effect of a regrind circuit. The flowsheet utilized the production of a bulk copper-zinc concentrate, followed by a regrind step, differential concentrate flotation, and cleaning stages for both copper and zinc concentrates. In addition, a test regrinding only the copper concentrate from bulk/differential flotation was carried out.

The first regrind results indicated that most of the zinc (38.02% Zn) floated with the copper concentrate (2.43% Cu), resulting in a low zinc concentrate grade (2.16% Zn).

The second test had similar results, with an indication that the regrind of exclusively the copper concentrate did not improve concentrate grade or recovery.

Copper and Zinc Open Circuit Test

An open circuit test using the flowsheet was conducted.

The flowsheet used a bulk rougher and scavenger flotation, followed by regrinding of the bulk rougher concentrate, and differential flotation of copper and zinc concentrates. The scavenger (barrido) flotation was set up to predominantly recover zinc, which was added to the zinc differential flotation step. Both concentrates were subjected to cleaning stages.

The results indicated that the flowsheet did not improve the separation of zinc in the copper circuit, resulting in copper concentrate with low copper grades (2.432% Cu) and high zinc grades (48.18% Zn). Further test work is required.

Cyanidation/Flotation Combinations

Test work was conducted to determine the effect of using cyanidation followed by flotation versus flotation followed by cyanidation to recover gold, silver, copper, and zinc, at two different grinds. The results indicate that a higher recovery of gold was achievable with the flotation/cyanidation combination, however, there was little effect related to grind.

Panama and Pioneer Test Work

In 2019, test work was carried out by the National University of Colombia to determine BWi for five Panama Group veins and one Pioneer Group vein. The BWis results which ranged from 21.34 kWh/ton at the Toboba vein to 30.20 kWh/ton at the Elefante vein, both at Panama and was 28.11 kWh/ton at the Lone Star vein at Pioneer indicate that all of the veins are considered very hard to grind.

At present, there are no processing factors or deleterious elements that could have a significant effect on potential economic extraction however additional test work is recommended to determine if there are processing factors or deleterious elements that could have an impact on potential economic processing of the Panama and Pioneer vein material due to its hardness.

Mineral Resource and Mineral Reserve Estimates

Mineral Resource Estimate

The Mineral Resource estimates for the Hemco Property utilized polygonal methods for Panama above the 850 ft Level; and conventional block model methods for Panama below the 850 ft Level, Pioneer, Porvenir, and Leticia and San Antonio. Artisanal areas were estimated using polygonal or block model methods. All of the deposits are primarily gold deposits, with or without minor silver, except for Porvenir, Leticia, and San Antonio, for which gold, silver, and zinc have reasonable expectations for eventual economic extraction. Parts of the Panama and Pioneer Mineral Resources have been converted to Mineral Reserves.

The "artisanal areas" refers to near-surface material from various mineralized structures across the Hemco Property which has been specifically allocated for mining by artisanal miners. The Company does not intend to extract this material using commercial scale mining.

Material within 30 metres of the topographic surface has been excluded from the Pioneer and Porvenir Mineral Resources to allow for artisanal mining. This material is exclusive of the artisanal areas Mineral Resources reported in Table C-8.

The polygonal estimates for Panama deposit and the estimates for the Leticia and San Antonio were completed by Mineros; the Porvenir deposit estimates were completed by SLR; and the Pioneer, Panama, and artisanal area block models were completed by either SLR in 2018 and 2021, or by GeoEstima and Mineros in 2019 and 2020. Wireframes for Porvenir, Leticia, and San Antonio were completed by Mineros and wireframes for Pioneer, Panama, and artisanal areas were completed by either SLR in 2018 and 2021, or updated by GeoEstima and Mineros in 2019. Block estimates were completed using either Datamine, Leapfrog Edge, or Vulcan. Estimates were completed using either Ordinary Kriging (OK), or Inverse Distance raised to the second, third, or fourth exponents (ID2, ID3 or ID4). Blocks were classified as Measured, Indicated, and Inferred using distance-based criterion. SLR validated the estimates using industry standard validation techniques. SLR has reviewed and adopted the Mineral Resource estimates completed by Mineros and GeoEstima.

The Panama deposit resource models are in feet, whereas all other deposits are in metres.

The Hemco Property Mineral Resource statement, by deposit and exclusive of Mineral Reserves, as of June 30, 2021, is given in Table C-8. A summary of the Mineral Resource estimation techniques is given in Table C-9 and the locations of the resource areas are shown in Figure C-5.

There are no open pits in the current mine plan, however, the Hemco Property Mineral Resource estimate includes open pit material above the 850 ft Level at Panama. The open pit material was estimated by the Company using polygonal methods and a cut-off grade of 1.8 g/t Au. All other resources are based on an underground mining scenario and are reported using cut-off grades corresponding to underground mining methods.

The Company is not aware of any metallurgical, environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other issues that could materially affect the Mineral Resource estimate.

TABLE C-8 – HEMCO PROPERTY MINERAL RESOURCES
JUNE 30, 2021

Deposit	Cut-off Grade/Value	Tonnes (kt)	Grade			Contained Metal		
			(g/t Au)	(g/t Ag)	(%Zn)	(koz Au)	(koz Ag)	(Mlb Zn)
Measured Resources								
Porvenir	US$70/t and US$84.60/t	550.4	2.29	12.85	2.39	40.5	227.5	29.1
Pioneer	2.0 g/t Au	20.3	3.09			2.0	2.5	
Total		**570.7**	**2.32**			**42.5**	**29.1**	
Indicated Resources								
Panama Polygonal	2.52 g/t Au	265.1	4.37			37.2		
Panama Polygonal (open pit)	1.8 g/t Au	188.5	3.12			18.9		
Panama below 850 ft Level	2.0 g/t Au	1,523.1	4.82			235.8		
Porvenir	US$70/t and US$84.60/t	8,957.0	2.89	10.66	2.78	831.6	3,069.8	549.2
Pioneer	2.0 g/t Au	387.0	3.67	9.7		45.7	120.7	
Total		**11,320.7**	**3.21**			**1,169.2**	**3,190.5**	**549.2**
Measured and Indicated Resources								
Panama Polygonal	2.52 g/t Au	265.1	4.37			37.2		
Panama Polygonal (open pit)	1.8 g/t Au	188.5	3.12			18.9		
Panama below 850 ft Level	2.0 g/t Au	1,523.1	4.82			235.8		
Porvenir	$70/t and US$84.60/t	9,507.4	2.85	10.79	2.76	872.0	3,297.2	578.3
Pioneer	2.0 g/t Au	407.2	3.64	9.4		47.7	123.2	
Total		**11.891.3**	**3.17**			**1,211.6**	**3,420.4**	**578.3**
Inferred Resources								
Panama Polygonal	2.52 g/t Au	511.6	4.61			75.8		
Panama Polygonal (open pit)	1.8 g/t Au	28.4	4.96			4.5		
Panama below 850 ft Level	2.0 g/t Au	1,577.9	4.36			221.0		
Porvenir	$70/t and US$84.60/t	2,445.5	2.39	12.15	3.25	188.2	955.2	175.3
Leticia	US$73.3/t	586.3	4.19	7.1	1.15	78.9	133.8	14.8
San Antonio	US$73.3/t	1,139.6	3.26	9.0	0.59	119.3	330.8	14.9
Pioneer	2.0 g/t Au	850.6	3.63	9.4		99.4	257.7	
Artisanal Areas	3.0 g/t Au	435	5.69			79.6		
Total		**7,574.9**	**3.56**			**866.7**	**1,677.5**	**205.0**

Notes:

1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources are estimated at a cut-off grade of 2.0 g/t Au for long hole stoping resource shapes and 2.52 g/t Au for shrinkage resource shapes, 3.0 g/t Au for artisanal areas, and an NSR cut-off value of US$70/t and US$84.60/t for Porvenir (sublevel stoping and shrinkage stoping, respectively), and US$73.3/t for Leticia, and San Antonio. Open pit material above the 850 ft Level at Panama was estimated using a cut-off grade of 1.8 g/t Au.
3. Mineral Resources are estimated using a long term gold price of US$1,700 per ounce, a silver price of US$20 per ounce, and a zinc price of US$1.22 per pound.
4. A minimum mining width of 0.9 m was used at Panama, and a 1.8 m for sublevel stoping. For Pioneer, a minimum mining width of 1.0 m was used for all veins except Lone Star, Pioneer Northeast, Pioneer Northeast Extension, and Pioneer 3 which used underground reporting shapes to demonstrate Reasonable Prospects for Eventual Economic Extraction. Porvenir used underground reporting shapes to demonstrate Reasonable Prospects for Eventual Economic Extraction.

5. Bulk density is between 2.66 t/m^3 and 2.68 t/m^3 for Panama, between 2.65 t/m^3 and 2.92 t/m^3 for Porvenir, 2.68 t/m^3 for Pioneer, 2.72 t/m^3 for Leticia, 2.75 t/m^3 for San Antonio, and 2.7 t/m^3 for the artisanal areas.
6. Mineral Resources are exclusive of Mineral Reserves.
7. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
8. Material within 30 m of the topographic surface has been excluded from the Pioneer and Porvenir Mineral Resources to allow for artisanal mining. This material is exclusive of the artisanal areas reported above.
9. Numbers may not add due to rounding.

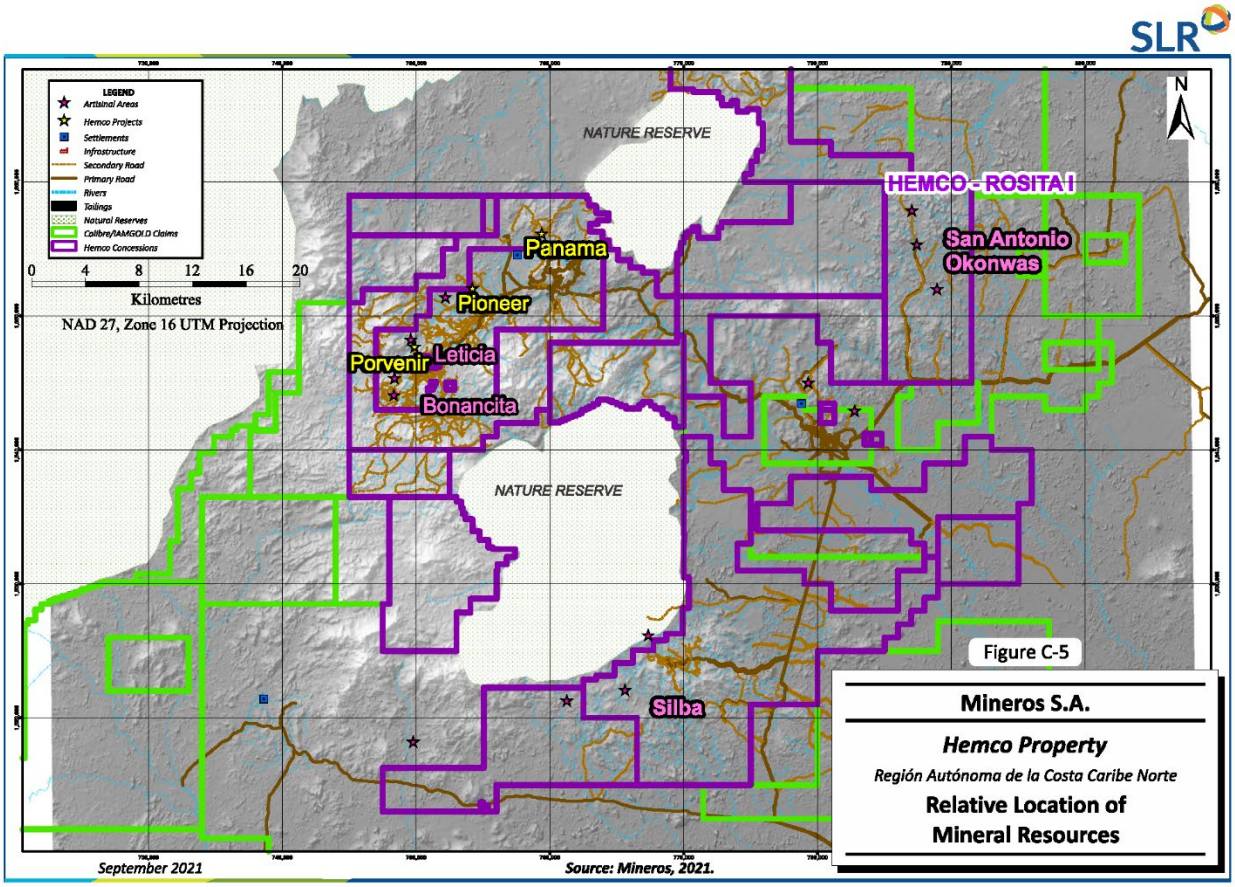
TABLE C-9 – SUMMARY OF HEMCO PROPERTY MINERAL RESOURCE ESTIMATION TECHNIQUES

Resource	Stage	Completed By	Database Cut-off	Estimate Type	Software	Estimation Technique
Panama above 850 ft Level	Operation	Mineros	30-Sep-19	Polygons	MS Excel	Polygonal
Panama below 850 ft Level	Operation	SLR	31-Dec-18	Block Model	Surpac	Inverse Distance
Panama below 850 ft Level	Operation	Mineros	31-Dec-20	Block Model	Surpac	Inverse Distance
Panama below 850 ft Level[1]	Operation	GeoEstima	30-Sep-19	Block Model	Leapfrog Edge	Inverse Distance
Panama above 850 ft Level[2]	Operation	Mineros	30-Sep-19	Block Model	Surpac	Inverse Distance
Pioneer	Operation	SLR	31-Dec-17	Block Model	Datamine	Inverse Distance
Pioneer[3]	Operation	SLR	31-Mar-21	Block Model	Leapfrog Edge	Inverse Distance
Porvenir	Study	SLR	30-Apr-21	Block Model	Vulcan	Inverse Distance
Leticia	Exploration	Mineros	30-Jun-19	Block Model	Vulcan	Inverse Distance
San Antonio	Exploration	Mineros	30-Jun-19	Block Model	Vulcan	Inverse Distance
Artisanal Areas	Operation	SLR	31-Dec-18	Block Model	Vulcan	Inverse Distance
Artisanal Areas	Operation	Mineros	31-Dec-19	Block Model	Leapfrog Edge	Inverse Distance

Notes:

1. Neptuno/Pluto – described in the section Panama Block Models (Below 850 ft Level)
2. Neblina FW – described in the section Panama Block Models (Below 850 ft Level)
3. Lone Star, Pioneer NE Ext, Pioneer North East, and Pioneer 3

FIGURE C-1 – RELATIVE LOCATION OF MINERAL RESOURCES



Cut-off Grade

Panama and Pioneer Deposits

The underground cut-off grades and assumptions for the Panama and Pioneer deposits are given in Table C-10. For Mineral Resource reporting, the long hole stoping cut-off grade of 2.0 g/t Au is used.

TABLE C-10 – MINERAL RESOURCE CUT-OFF GRADE ASSUMPTIONS

Parameter	Panama			Pioneer
	Long Hole Stoping	Shrinkage	Open Pit	Long Hole Stoping
Cut-off Grade (Au g/t)	2.00[1]	2.49	1.80	2.00[1]
Mining Cost (US$/t)	$55	$66	$35	$55
Processing (US$/t)	$34	$34	$34	$34
General and Administrative (US$/t)	$17	$23	$17	$17
Total Operating Cost (US$/t)	$106	$123	$86	$106
Metallurgical Recovery (%)	90%	90%	90%	90%

Note:

1. The cut-off grade is rounded down from 2.15 g/t Au to 2.07 g/t Au to 2.0 g/t Au to retain a relatively constant Mineral Resource cut-off grade over time

Porvenir Deposit

An NSR value was assigned to blocks for the purposes of validation of the geological interpretation and resource reporting. NSR is the estimated dollar value per tonne of mineralized material after allowance for metallurgical recovery and consideration of smelter terms, including revenue from payable metals, treatment charges, refining charges, price participation, penalties, smelter losses, transportation, and sales charges.

Input parameters used to develop the NSR calculation have been derived from metallurgical test work for the Porvenir deposit, smelter terms from comparable projects, and information provided by the Company. These assumptions are dependent on the processing scenario and will be sensitive to changes in inputs from further metallurgical test work. Key assumptions are listed below.

Metallurgical recoveries are based on preliminary metallurgical testing. Cyanide recovery resulted in 87% Au recovery, 60% Ag recovery, and 0.5% Zn recovery. Zinc concentrate resulted in 5.84% Au recovery to Zn concentrate, 19.44% Ag recovery to Zn concentrate, and 86.93% Zn recovery to Zn concentrate.

Standard smelting and refining charges were applied to the various concentrates. It was assumed that the concentrates would be marketed internationally.

The NSR factors are shown in Table C-11 which can be used to calculate approximately the NSR for any set of metal grades.

TABLE C-11 – RESOURCE NSR FACTORS

Metal	Unit	Factor
Au	US$ per g Au	47.5034
Ag	US$ per g Ag	0.3829
Zn	US$ per % Zn	19.4323
Deductions	US$/tonne	-0.6622

The NSR value is assigned to blocks as follows:

$$NSR_{Total} = Grade\ Au\left(\frac{g}{t}\right) * 47.5034\left(\frac{US\$}{g}\right) + Grade\ Ag\left(\frac{g}{t}\right) * 0.3829\left(\frac{US\$}{g}\right) - 0.6622\left(\frac{US\$}{t}\right) + Grade\ (\%) * 19.4323\left(\frac{US\$}{t}\right)$$

For the purposes of developing an NSR cut-off value, a total unit operating cost of US$70 per tonne of mineralized material milled was estimated, which included sublevel stoping mining, processing, and general and administration (G&A) expenses. For shrinkage stoping the total cost per tonne of mineralized material was US$84.60.

Leticia and San Antonio Deposits

As mineralization at Leticia and San Antonio is similar to that at Porvenir, the Mineral Resource estimates for these projects are based on the same cut-off value of US$73.30/t.

Mineral Reserve Estimate

The Hemco Property includes the Panama Mine, the Pioneer Mine, and the Porvenir Project, in addition to the indirect management and processing of substantial artisanal production.

The Panama Mine is the only producing mine within the Hemco Property, and consists of Panama, Elefante, Toboba, Tesoro, Neblina, Pluto, Neptuno, and Capitan veins. The Pioneer Mine consists of the Lone Star, North East (NE), Pioneer North East Extension (PNE), and Pioneer 3 (PIO3) veins. Much of the waste and ore development required to access the Lone Star mining areas has been completed using contractors, with small stopes blasted for test mining purposes. The Pioneer mine is located 5.5 km from the Panama mine and Hemco mill. Production from Pioneer will

supply the Hemco plant. The Porvenir Project is in the planning stage and is differentiated from the Panama and Pioneer mines in that it is further away and contains copper and zinc in addition to gold and silver.

Historical mining at the Panama Mine has primarily used the shrinkage stoping mining method. Over the past several years Mineros has incorporated long hole mining methods at several of the veins in production. Shrinkage stoping accounts for approximately 52% of the total production over the life of mine (LOM) of the Panama operations. For the estimation of Pioneer Mineral Reserves it has been assumed that the mining method will be solely sublevel open stoping (SLOS). It is anticipated that future mining at Porvenir will utilize both shrinkage and sublevel stoping mining methods.

In the past, plant feed has also been sourced from small open pits at the Panama Mine, however, the current mine plan includes underground mining only. Artisanal production, which has been excluded from the Mineral Reserves, has supplied a large portion of the ore processed currently and historically.

Mineral Reserves for the Panama Mine were prepared by Mineros while Pioneer Mineral Reserves were prepared by SLR with input from Mineros. The Hemco Property Mineral Reserve estimates are based on the development of basic engineered LOM plans.

The Hemco Property Mineral Reserve statement is based on the following:

- Measured and Indicated Mineral Resources (only the remaining Measured and Indicated Resources are reported, exclusive of Mineral Reserves).
- All Mineral Reserves are estimated with an effective date of June 30, 2021.
- All Mineral Reserves are estimated at a gold price of US$1,500/oz.
- All Mineral Reserves are estimated in terms of Run of Mine (ROM) grades and tonnage as delivered to the metallurgical processing facilities and are fully diluted.
- Mineral Reserves include only Measured and Indicated Mineral Resources with generally appropriate modifying factors applied and are used in the LOM plan.
- All references to Mineral Resources and Mineral Reserves are stated in accordance with the CIM (2014) definitions adopted by NI 43-101.
- All ounces referred to in the Hemco Technical Report and this Appendix “C” are Troy ounces, equivalent to 31.10348 g.

A summary of the Mineral Reserve estimate prepared by the Company is given in Table C-12.

TABLE C-12– HEMCO PROPERTY MINERAL RESERVES JUNE 30, 2021

Deposit	Tonnes (kt)	Grade (g/t Au)	Contained Metal (koz Au)
	Proven		
Panama			
Shrinkage	16.4	3.72	2.0
Mechanized	25.5	3.91	3.2
Pioneer			
Mechanized	260	5.52	46
Total	302	5.29	51

Deposit	Tonnes (kt)	Grade (g/t Au)	Contained Metal (koz Au)
		Probable	
Panama			
Shrinkage	606.8	3.56	69.4
Mechanized	549.2	3.82	67.4
Pioneer			
Mechanized	444	3.80	54
Total	1,600	3.71	191
		Proven and Probable	
Panama			
Shrinkage	623.1	3.56	71.4
Mechanized	574.8	3.82	70.6
Pioneer			
Mechanized	704	4.43	100
Total	**1,902**	**3.96**	**242**

Notes:

1. Mineral Reserves for all other orebodies were depleted for production through June 30, 2021.
2. CIM (2014) definitions were followed for Mineral Reserves.
3. A minimum mining width of 0.9 m was used for shrinkage stoping and between 1.8 m and 2.0 m for mechanized mining methods.
4. A marginal and break-even cut-off grade of 2.35 g/t Au and 2.85 g/t Au, respectively, were applied to shrinkage stope designs. Break even cut-off grades between 2.13 g/t Au and 2.64 g/t Au were applied to mechanized stope designs.
5. Dilution skins of 0.25 m were applied to shrinkage stopes and between 0.6 m to 0.8 m to mechanized stopes. An extraction factor of 70% was applied to shrinkage stopes and between 75% and 90% to mechanized stopes.
6. Mineral Reserves for the Toboba, Elefante, Neblina Main, and Neblina Sur orebodies were estimated using a 2019 Resource model. At the time of writing, while updated block models exist for the Elefante and Neblina Main orebodies an update to the Mineral Reserves was in progress.
7. Mineral Reserves are estimated using an average long term gold price of US$1,500/oz Au, and an exchange rate of COP$3,650 US$1.00 and NIO 36.30 US$1.00.
8. Tonnes and contained gold are rounded to the nearest thousand.
9. Totals may appear different from the sum of their components due to rounding.

SLR notes that the Elefante and Neblina Main Mineral Reserves were estimated using an older 2019 resource model. While the resource models for Elefante and Neblina Main have been updated and Mineral Resources have been estimated using the updated model, at the time of writing an update of the Mineral Reserves was in progress. SLR has reviewed the impact of the updated models on current Mineral Reserves and notes that while there are negligible changes to the Neblina Main Mineral Reserves, there is a significant decrease in Elefante gold ounces. This decrease is due to new drilling intersections at Elefante which resulted in a revised slightly offset vein geometry compared to the 2019 model.

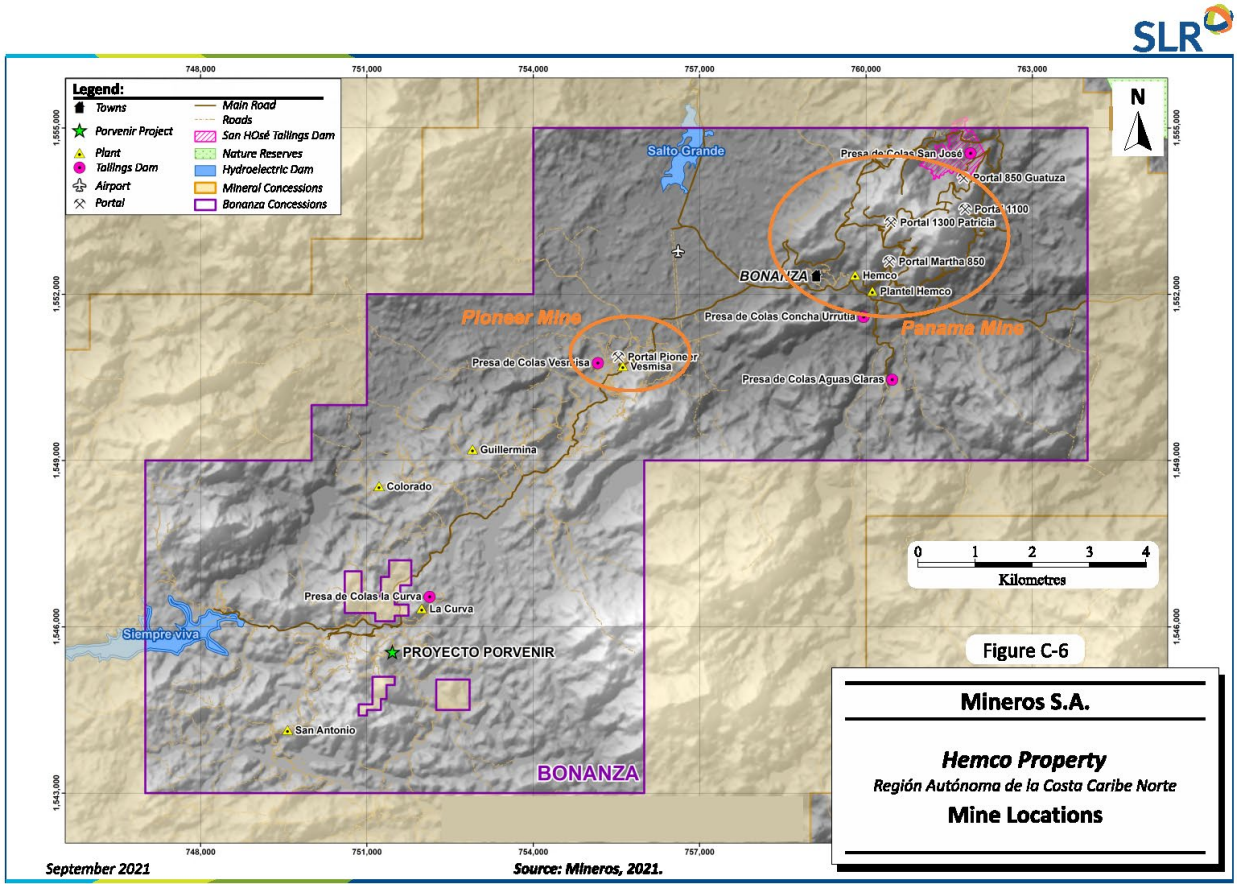
SLR recommends undertaking metallurgical test work for the material within the Mineral Reserve estimates at Neblina in order to confirm the expected metallurgical recoveries based on the current process methods used at the Hemco Plant. SLR also recommends prioritizing reviewing and updating the Elefante Mineral Reserves and mine plan using the updated 2021 resource model, as stoping operations are scheduled to begin in Q3 2021.

No substantial stockpiles or other sources of ore are included in the Mineral Reserve estimate.

The Qualified Person is not aware of any metallurgical, environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other issues that could materially affect the Mineral Reserve estimate.

The location of the operations and deposits is shown in Figure C-6.

FIGURE C-2 – MINE LOCATIONS



Panama Mine

The Panama Mine was acquired by Mineros in 2013 and has steadily increased production over the years and doubling ore production in 2020 While small open pits have supplemented production in the past, these have been largely exhausted, and all mining operations are now from underground sources. The Panama Mine uses two mining methods for production – shrinkage and mechanized stoping. Mechanized stoping methods consist of sublevel open stoping (SLOS) with pillars and bench and fill mining methods. Underground production at Panama has largely been via shrinkage stoping, however, over the past several years Mineros has applied mechanized stoping to several mining areas.

Pioneer Mine

The Pioneer Mine intersects a cluster of veins, namely Lone Star, Pioneer 3, Pioneer Northeast, and Pioneer Northeast Extension. The current Pioneer Mine consists of a portal and adit, as well as accesses developed to the Lone Star vein. Mining is scheduled to commence with this vein, using a long hole stoping method. There are currently no accesses to the other veins. The Pioneer Mine is located approximately 5.5 km from the Panama Mine and Hemco Plant. Ore production from Pioneer will be trucked to the Hemco Plant for processing.

Porvenir Project

Ongoing studies are being completed by Hatch Chile, to assess processing and mining scenarios for the Porvenir Project. The purpose of the studies is to facilitate the disclosure of Mineral Reserves. Portions of the studies have been used to support the Mineral Resource NSR and cut-off grade calculations for the Porvenir deposit.

Artisanal Mining

A large proportion of the ore processed by Mineros at its Hemco Property is supplied by artisanal miners. Historically, 40% to 50% of the ore processed by the Hemco Plant has come from artisanal miners. In 2020, a total of 299 kt of ore at 7.90 g/t Au were processed at the Processing Plants. SLR notes that the Vesmisa and La Curva plants are two smaller satellite plants which are entirely supplied by artisanally mined ore.

As much of the artisanally mined ore is mined in areas where Mineros holds the mineral rights, and the Company plans on including further artisanal production in the future, no Mineral Reserves have been declared to support this production. At the time of writing, Mineros was investigating the option of being able to make such a declaration.

Mineros takes an active role in assisting artisanal miners with production, including assistance regarding safety, geology and blasting, access road construction and regular discussions through a production committee, in addition to substantial infrastructure and systems for ore receiving and sampling. The Company and the artisanal production teams have demonstrated a mutually beneficial relationship and consider themselves partners in the development of the Hemco Property.

Panama Economic Parameters and Cut-off Grades

The costs used to determine the cut-off grades for the planned production from the Panama Mine were generated separately for shrinkage stoping and long hole stoping. Mining operating costs were derived from 2020 and 2021 actual costs. Break-even and marginal cut-off grades of 2.85 g/t Au and 2.35 g/t Au, respectively, were estimated for shrinkage stoping. A marginal cut-off grade was used for shrinkage stoping due to the amount of development already completed, and as production volumes for the Panama Mine are expected to increase, reducing the G&A cost per tonne.

The mechanized mine designs utilized break-even cut-off grades only and were estimated at 2.46 g/t Au and 2.64 g/t Au for SLOS and Bench and Fill, respectively.

Costs, prices, and factors supporting current cut-off grade estimates are given in Table C-13.

TABLE C-13 –PANAMA MINE – CUT-OFF GRADE ESTIMATION

Description	Units	Shrinkage Stoping	SLOS	Bench & Fill Stoping
Gold Price	US$/oz	1,500	1,500	1,500
		Costs		
Full Mining	US$/t	45.15	39.57	47.70
Marginal Mining	US$/t	34.77		
Processing	US$/t	38.43	38.43	38.43
G&A	US$/t	37.53	25.83	25.83
Marginal G&A	US$/t	26.27		
Refining, Transport, and Royalties	US$/t	2.73	2.73	2.73
Total Cost	US$/t	123.84	106.56	114.69
Total Marginal Cost	US$/t	102.24		
Processing Recovery	%	90	90	90
Head Grade Cut-Off	g/t Au	2.85	2.46	2.64
Marginal Head Grade Cut-Off	g/t Au	2.35		

A long term average gold price of US$1,500/oz Au, derived from the long term price forecasts of the major banks, was used for the economic analysis in the Hemco Technical Report.

Pioneer Economic Parameters and Cut-Off Grades

Pioneer is planned to be mined using contractors for both mining operations and haulage to the Hemco Plant. Mineros has derived the mining operating costs from contractor estimates while the processing and G&A were based on the Panama operations. Mineros estimated a break-even cut-off grade of 2.13 g/t Au and a marginal grade of 2.0 g/t Au. The marginal cut-off grade was used to determine ore development quantities. Costs, prices, and factors supporting these cut-off grade estimates are summarized in Table C-14.

TABLE C-14 – PIONEER MINE – CUT-OFF GRADE ESTIMATION

Description	Units	Long Hole Stoping
Gold Price	US$/oz	1,500
	Costs	
Full Mining	US$/t	25.61
Marginal Mining (70%)	US$/t	17.93
Processing	US$/t	38.43
G&A	US$/t	25.83
Total Cost	US$/t	89.86
Refining, Transport, and Royalties	US$/t	2.73
Processing Recovery Au	%	90.0
Head Grade Cut-Off	g/t Au	2.13
Marginal Head Grade Cut-Off	g/t Au	1.96 (used 2.0 for designs)

SLR notes that the mining operating costs are low compared to the costs estimated at the Panama Mine for a similar mining method. In SLR's opinion the mining operating costs estimated for Pioneer should be further reviewed.

SLR reviewed the impact of using a cut-off grade of 2.46 g/t on the North East, Pioneer North East Extension, and Pioneer 3 veins. Since the majority of the operating development for the Lone Star vein has been completed, SLR estimates that the lower cut-off grade is appropriate. The change is estimated to reduce the Pioneer Mineral Reserves tonnage and gold ounces by approximately 10% and 5%, respectively. In SLR's opinion this does not present a major impact to the Mineral Reserve estimates.

Mining Operations

Mining Methods

Mining at Panama and Pioneer currently accounts for all production from the Mineral Reserves. SLR notes that Pioneer production thus far has been from ore development only, and Mineros started test stoping at Lone Star in Q2 2021. Ore production is from underground mining using shrinkage stoping and long hole mining methods. Historical production included ore from small open pits in the same area, although these are now largely exhausted. Production from the Panama Mine accounts for approximately 50% of the ore processed at the Hemco Plant, with the remainder from artisanal sources.

The Panama Mine has significantly expanded the areas where mechanized mining is used which has helped increase production. Additional production, for the same processing plant, will be sourced from Pioneer. At a later stage, the Porvenir Project will enter production as an independent operation with its own plant.

Since Mineros' acquisition of the Hemco Property in 2013, the Panama Mine has produced a total of 1,775 kt of ore at an average grade 3.33 g/t Au. Production in 2020 amounted to 293 kt of ore at 4.38 g/t Au.

The Panama Mine is a shallow operation comprised of the extraction of several veins, accessed by an adit. Workings are generally 1,300 m along the adits into the Panama Mine and range from immediately below surface to 250 m deep.

The Pioneer Mine consists of four mineralized veins that are spread over a strike length of approximately 1,900 m and have a maximum depth of 250 m below surface. The Pioneer Mine is currently accessed via a single adit.

Life of Mine Plan

The LOM plan combines production from the shrinkage stoping and long hole stoping into a production schedule which has been used to evaluate the economic viability of the Mineral Reserves. Approximately 60% of ore production at the Panama mine comes from shrinkage stoping above the 850 Level and the balance from mechanized stoping. New shrinkage targets have been defined below the 850 Level and shrinkage stoping is anticipated to supply more than half the production at Panama through the life of mine. The Pioneer Mine is currently well advanced in terms of development and test stoping has already begun. The combined production from Panama and Pioneer will increase ore production output from 300 kt recorded in 2020 to 350 kt in 2021 and over 400 kt in 2023.

The current LOM is 4.5 years, with production increasing from 900 tpd in 2021 to 1,220 tpd in 2024. The Hemco plant has a capacity of 2,000 tpd. Mineros expects the balance of mill feed coming from artisanal mining operations. Current production is almost entirely from the Panama mine with approximately 60% of production being from shrinkage stoping. As production at the Pioneer mine ramps up ore production from mechanized stoping will increase.

Table C-15 shows the LOM production schedule based on Mineral Reserves only.

TABLE C-15 – LIFE OF MINE PLAN

Description	Units	Total	2021	2022	2023	2024	2025	2026
				Combined Production				
Ore Production	kt	1,902	170	357	451	441	432	50
	g/t Au	3.96	3.96	4.05	4.08	4.27	3.45	4.05
	koz	242	22	47	59	61	48	7
Development	m	33,700	6,370	11,743	8,206	6,205	1,181	-
				Ore Production - Panama Mine				
Shrinkage	kt	623	77	220	139	85	102	-
	g/t	3.56	3.41	3.65	3.77	3.82	3.00	-
	koz	71	8	26	17	10	10	-
Long Hole Stoping	kt	575	53	57	166	185	111	3
	g/t Au	3.82	4.17	3.02	3.57	4.40	3.51	2.81
	koz	71	7	6	19	26	13	0
Development	m	22,883	4,714	8,552	4,953	3,612	1,052	-
				Ore Production – Pioneer Mine				
Long Hole Stoping	kt	704	40	80	146	172	219	47
	g/t Au	4.43	4.72	5.91	4.97	4.34	3.62	4.14
	koz	100	6	15	23	24	26	6
Development	m	10,823	1,656	3,190	3,253	2,593	130	0

Processing and Recovery Methods

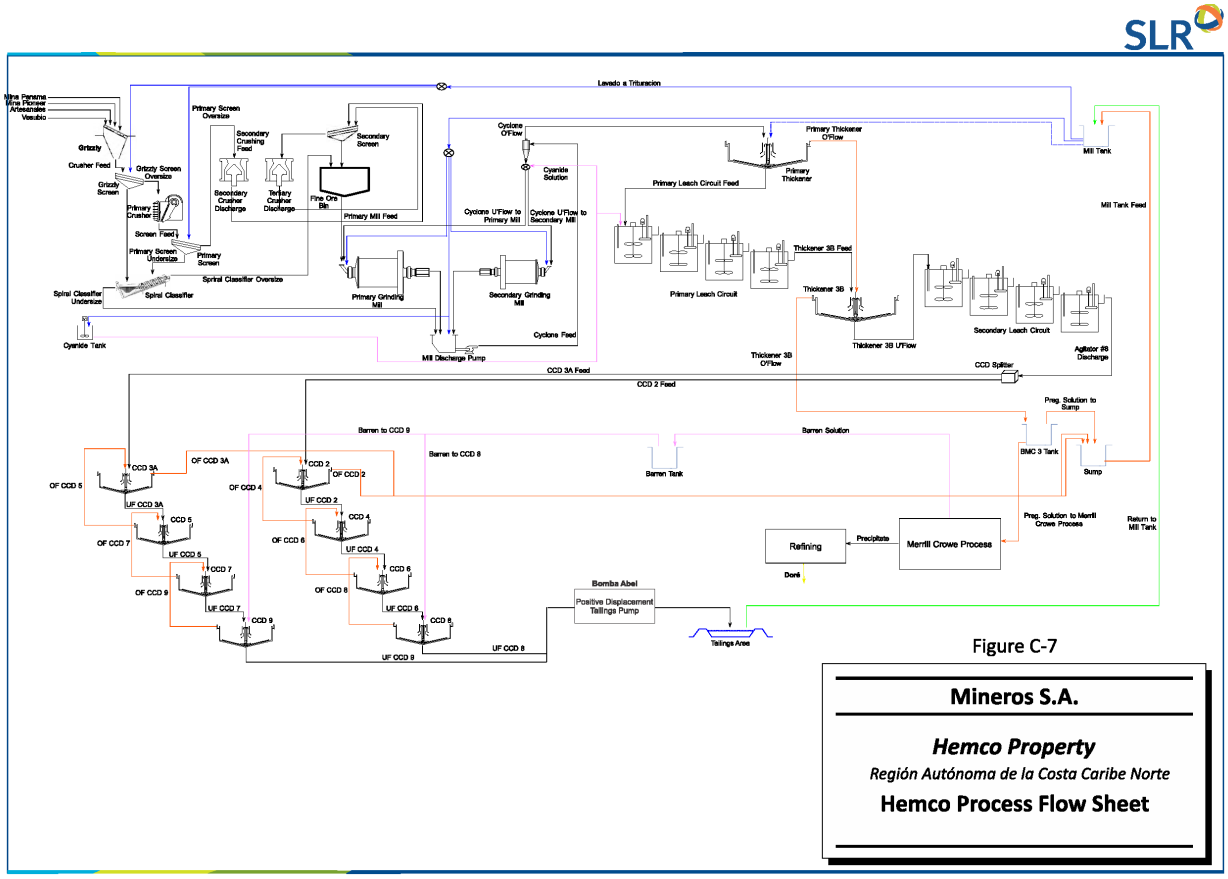
Hemco Plant

Prior to 2011, the Hemco Plant had a rated capacity of 750 tpd, which, through various upgrades and changes in operating procedures, has since increased to the current 1,750 tpd.

The milling process consists of three crushing stages, two stages of grinding, a primary thickener, an agitated cyanide leach stage comprising eight agitated leach tanks, a Counter Current Decantation (CCD) area comprised of eight thickeners with solutions running counter current to slurry, a Merrill-Crowe process for treating the gold bearing or pregnant solution (precipitation), and smelting of the Merrill-Crowe precipitate, to recover doré (silver and gold), at a silver to gold ratio of 2.75 for 2021 YTD June). Overall gold recovery for the Hemco Plant for 2021 YTD (June) was 90.6% gold, while overall recovery from all three Processing Plants was 88.7% gold. Figure C-7 shows the Hemco Plant flow sheet.

In 2019, the crushing area was upgraded at a cost of US$1.7 million. The Hemco Property included a new primary jaw crusher feed screen, new spiral classifier feed pump, new spiral classifier, new primary jaw crusher, new primary jaw crusher discharge screen, new secondary cone crusher, new distributor car, new dust collection system, new transformer. The upgrade increased capacity from 100 to 150 tons/h.

FIGURE C-3 – HEMCO PROCESS FLOW SHEET



Tailing Disposal

At present, the tailings are pumped to the new San José tailings area primarily using two 100 m^3/h positive displacement pumps and independent tailings pipelines. The area is completely lined with high density polyethylene (HDPE) liner.

Beginning in May 2010, tailings were deposited in the Aguas Claras tailings facility, however, this facility was taken out of service in March 2017. Aguas Claras is presently being used as a rainwater reservoir, with water being pumped to the Hemco Plant, if required.

The old tailing impoundment area (Concha Urrutia) contains approximately two million tons of tailings and was initially commissioned in 1996. The area is in the process of closure, including the removal of all equipment, and is no longer used to supply water to the Hemco Plant.

Vesmisa Plant

In December 2010, Hemco commissioned the Vesmisa Plant, located approximately five kilometres southwest of the existing Hemco Plant. The Vesmisa Plant has a capacity of up to 140 tpd of artisanal ore and consists of crushing, grinding, alkaline agitation cyanide leaching, Merrill-Crowe, and refining. Tailings are dewatered with a drum filter to recover cyanide solution. The filter cake is slurried and pumped to the tailings impoundment area. The Vesmisa Plant has its own truck scale and assay laboratory for weighing and assaying all artisanal miner ore. The Vesmisa laboratory has one jaw crusher, two shaking machines, 12 pulverizers, and two electric furnaces.

La Curva Plant

The La Curva Plant is operated to produce a gravity and flotation concentrate from artisanal ore feed only. The La Curva has a capacity of up to 100 tpd of artisanal ore and consists of crushing, grinding, gravity recovery and flotation and thickening unit operations. The concentrates are sent to the Hemco Plant for further processing.

Infrastructure, Permitting and Compliance Activities

The Hemco Property infrastructure is well developed and includes the following:

- An adit to access mining areas at Panama.
- Three Processing Plants, with Hemco treating underground, and artisanal feeds, and La Curva and Vesmisa treating artisanally mined material only.
- Power supply from the Company's own hydroelectric power generation and distribution system, consisting of two hydro plants operating in series and generating up to 5.3 MW. The second source of energy supply comes from a main diesel power plant and a number of generators, which have a capacity of approximately 8.6 MW, and the purchase of energy from the commercial network, which is intended to reach a supply capacity of 1.2 MW.
- Roads to the Company's facilities including the hydro-electric facilities and open pits totalling approximately 50 km.
- Potable water supply from a drill hole near Alpha Tesoro at 70 gallons per minute.
- Maintenance shops, as follows:
    - An automotive workshop for maintenance of the diesel and gasoline equipment, as well as welding, electrical repair, tire repair, bodywork, and painting.
    - An industrial workshop for maintenance of the underground equipment, the water-driven turbines of the hydroelectric power generators, and water pumps.
    - An electrical workshop for maintenance of all electrical equipment for the process plant and other facilities.
    - A mine maintenance workshop for repair and maintenance of the electric underground locomotives.
    - A carpentry workshop for the construction and repair of wooden structures.
- Sewage treatment system and Waste Management Complex.

- Approved powder magazine.

- 25,000 m^2 of warehousing and inventory storage, an on-site medical clinic, dining hall, a single employee residence with six rooms, 13 employee houses, a 495 m^2 administration building, and a 315 m^2 engineering office.

- Landline communications, cell phone service, and high speed internet access. Portable radios are also used throughout the mine.

- An approved fuel storage facility at the mine holds 27,368 gallons of diesel fuel.

Environmental Studies, Permitting and Social or Community Impact

Environmental Considerations

Hemco first assumed responsibility for the environmental impacts associated with the operation of the mine in 1995. The first major environmental measure implemented was to eliminate the dumping of tailings from the Hemco Plant, into the Tunky River. The river had been polluted for more than 50 years with the discharge of tailings and sediments contaminated with cyanide and other metals and pollutants. As a result of the measures undertaken by Hemco, aquatic life has returned to the Tunky River. Up to 2016, the environmental compliance framework within which Hemco operated was complicated with extensive and multiplicative reporting requirements as permits/approvals were required on an activity specific basis rather than by primary business processes.

Starting in 2017 the Company began working with the SERENA to rationalize the permitting and reporting process into a more holistic approach based on the four primary business lines of Exploration, Exploitation (Mining), Beneficiation (Milling), and Energy. The general goal was to harmonize and standardize the different legal compliance instruments with the objective of ensuring effective control by the responsible authorities and the Company in each of its processes. For this purpose, it was crucial to develop joint actions and coordination between the parties for the planning of current and future environmental strategies, ensuring the strengthening of organizational controls and environmental legal compliance.

Working in co-operation with the environmental authorities, in 2017 Mineros developed the "Harmonization and Standardization Legal Strategy", through which environmental compliance reporting was decreased from 157 annual environmental compliance reports to four biannual environmental compliance reports, one for each kind of regulated activity.

Through this strategy environmental compliance reporting was decreased from 157 annual environmental compliance reports to four bi-annual environmental compliance reports, one for each of the primary operations: exploration (greenfield and brownfield), exploitation (open pit and underground mining), beneficiation (milling), and supply chain (energy, industrial supplies, and maintenance).

At present, the environmental organizational structure of the Company is divided into three fundamental areas: Environmental Advisory, Forestry Development and Projects, and Monitoring and Water. The structure is led by the Environmental Director and an Environmental Superintendent.

Environmental Management Plans and Permits

Environmental Management Plans

The EMPs are included in each of the environmental permits and arise from the analysis of the impacts of the environmental studies and the strategies to prevent, mitigate, control, and/or compensate them. EMPs currently exist for each of the four primary operational processes:

- exploration (greenfield and brownfield)

- exploitation (open pit and underground mining)

- beneficiation (milling)
- supply chain (energy, industrial supplies, and maintenance)

At the request of the authorities, Hemco is developing additional EMPs in support of expanded operations and ultimately there will be 12 EMPs related to the four primary operational processes as noted below.

- Exploration: EMPs for: 1) Greenfield exploration; and 2) Brownfield exploration activities
- Exploitation: EMPs for: 3) Panama Underground mining; 4) Pioneer Underground Mining; 5) Artisanal Ore Storage and Sampling; and 6) Ventilation and Filling
- Beneficiation: EMPs for: 7) Mills; and 8) Tailings dams
- Supply chain: EMPs for: 9) Hydrocarbon and fuel management, 10) Health Complex, 11) Energy; and 12) Domestic Treatment Systems

Environmental Permits

The evaluation, control, and monitoring of environmental legal obligations in Nicaragua is carried out by MARENA and SERENA. The environmental assessment system (EAS) in Nicaragua, establishes five categories of activities requiring an Environmental Permit from MARENA. Activities at the Hemco Property require Category II, III and IV Environmental Permits. See "Property Description, Location and Access – Agreements, Taxes. Royalties and Permits" in this Appendix "C".

Permits for forest exploitation and the use and discharge of wastewater are also managed through the competent authorities such as National Forest Institute (INAFOR) and National Water Authority (ANA) respectively.

As of July 2021, Hemco operates under a total of 83 environmental permits. Of these, 69 are Category II and III permits of which 52 are in force, 16 are in process, and one has expired (Portal Patricia 1300) and is in the process of renewal.

Hemco was in the process of renewing various permits at the time of the August visit and as of the end of August 2021, many of the July "in progress" permits had been approved. The status and distribution of the permits across the four primary operational units as of the end of August 2021 is as follows:

- 32 exploration-related permits,
- 14 exploitation (mining)-related permits (Note Patricia Portal permit being replaced),
- 14 beneficiation (milling)-related permits, and
- 9 environmental supply chain permits.

As of the date of the Hemco Technical Report, the Company met all applicable permitting requirements under Nicaraguan law, and held the permits listed in Table C-16 to Table C-19.

TABLE C-16 – EXPLORATION RELATED ENVIRONMENTAL PERMITS

Authority	#	Project	Code	Expiration	Type of Permit	Status
SERENA - CRACCN	1	Exploration Panama Group (Bonanza Concession)	Administrative Provision 11-28-09-2017	September 28, 2022	Renewal of the Panama Group Exploration Environmental Permit	Existing
	2	Pioneer Exploration - Constancia II (Bonanza Concession)	Administrative Provision 24-07-2020-06	July 24, 2023	Renewal of Pioneer and Constancia II Environmental Permit	Existing

3	Bonanza H1 Exploration (Bonanza H1 Concession)	Environmental Permit 13-04-2021-09	April 13, 2024	Renewal of Environmental Permit for Bonanza H1 Exploration	Existing
4	Rosita I Exploration (Rosita Concession 1)	Administrative provision 113-04-2021-10	April 13, 2024	Rosita I Environmental Permit Renewal	Existing
5	Exploration New America - Silva (Rosita V Concession)	Administrative Provision 24-07-2020-07	July 24, 2023	Rosita V Environmental Permit Renewal - New America - Whistle	Existing
6		Administrative Provision 10-28-09-2017	September 28, 2022	Renewal of the Exploration New America Environmental Permit - Rosita V	Existing
7		Fine Gold	July 27 (Request)	Addendum Exploration Rosita V	In process
8	Siuna I Exploration	Fine gold	July 27 (Request)	Browse Permission	In process
9	Siuna II Exploration	Fine gold	July 27 (Request)	Browse Permission	In process
10	Exploration Mount Carmel 1 and 2	Administrative Provision 30-04-2019-02	April 30, 2024	Environmental Permit for Mount Carmel I and II Exploration	Existing
11	Rosita VI Exploration	Administrative Provision 30-04-2019-01	April 30, 2024	Rosita VI Exploration Environmental Permit	Existing
12		Environmental Constancy 26-04-2021-06	———	Environmental endorsement for use of RAB portable hornet machine	Existing
13	Murubila Exploration (Matuzalen Concession)	Environmental compliance guarantee for waiver of concession	Constancy	Application for renewal of the Environmental Permit for Murubila Methusalén Exploration	Existing
14	Prospecting Mount Fresh I	Environmental Constancy 28-06-2021-24	June 28, 2022	Mechanism for monitoring and environmental validation of mining geological survey studies at RACCN	Existing
15	Monte Fresco II prospecting	Environmental Constancy 28-06-2021-25	June 28, 2022	Mechanism for monitoring and environmental validation of mining geological survey studies at RACCN	Existing
16	Siuna I prospecting	Environmental Constancy 28-06-2021-15	June 28, 2022	Mechanism for monitoring and environmental validation of mining geological survey studies at RACCN	Existing
17	Siuna II prospecting	Environmental Constancy 28-06-2021-16	June 28, 2022	Mechanism for monitoring and environmental validation of mining geological survey studies at RACCN	Existing
18	Siuna III prospecting	Environmental Constancy 28-06-2021-17	June 28, 2022	Mechanism for monitoring and environmental validation of mining geological survey studies at RACCN	Existing
19	Prospecting RB - I	Environmental Constancy 28-06-2021-19	June 28, 2022	Mechanism for monitoring and environmental validation of mining geological survey studies at RACCN	Existing
20	Prospecting RB - II	Environmental Constancy 28-06-2021-20	June 28, 2022	Mechanism for monitoring and environmental validation of mining geological survey studies at RACCN	Existing
21	Prospecting HB - V	Environmental Constancy 28-06-2021-21	June 28, 2022	Mechanism for monitoring and environmental validation of mining geological survey studies at RACCN	Existing
22	Prospecting HB - VI	Environmental Constancy 28-06-2021-22	June 28, 2022	Mechanism for monitoring and environmental validation of mining geological survey studies at RACCN	Existing
23	Bonanza II prospecting	Environmental Constancy 28-06-2021-08	June 28, 2022	Mechanism for monitoring and environmental validation of mining geological survey studies at RACCN	Existing
24	Bonanza III prospecting	Environmental Constancy 28-06-2021-09	June 28, 2022	Mechanism for monitoring and environmental validation of mining geological survey studies at RACCN	Existing
25	Bonanza IV prospecting	Environmental Constancy 28-06-2021-10	June 28, 2022	Mechanism for monitoring and environmental validation of mining geological survey studies at RACCN	Existing
26	Bonanza V prospecting	Environmental Constancy 28-06-2021-11	June 28, 2022	Mechanism for monitoring and environmental validation of mining geological survey studies at RACCN	Existing

	27	Bonanza VI prospecting	Environmental Constancy 28-06-2021-12	June 28, 2022	Mechanism for monitoring and environmental validation of mining geological survey studies at RACCN	Existing
	28	Rosita IV prospecting	Environmental Constancy 28-06-2021-13	June 28, 2022	Mechanism for monitoring and environmental validation of mining geological survey studies at RACCN	Existing
	29	Rosita V prospecting	Environmental Constancy 28-06-2021-14	June 28, 2022	Mechanism for monitoring and environmental validation of mining geological survey studies at RACCN	Existing
	30	Magdalena prospecting	Environmental Constancy 28-06-2021-29	June 28, 2022	Mechanism for monitoring and environmental validation of mining geological survey studies at RACCN	Existing
	31	Long Rock Prospecting	Environmental Constancy 28-06-2021-20	June 28, 2022	Mechanism for monitoring and environmental validation of mining geological survey studies at RACCN	Existing
	32	Prospecting El Mayo	Environmental Constancy 28-06-2021-18	June 28, 2022	Mechanism for monitoring and environmental validation of mining geological survey studies at RACCN	Existing
	TOTAL EXPLORATION PERMITS				**32**	

TABLE C-17 – MINING RELATED ENVIRONMENTAL PERMITS

Authority	#	Project	Code	Expiration	Type of Permit	State
SERENA-CRACCN	1	Panama Group Underground Mine	Environmental Authorization 06-15-06 2015	June 15, 2025	Update of the term of environmental authorization 011 of 2013, for profit-on mining operations, Concha Urrutia tailings dam, chemical laboratory, underground mine, maintenance workshops, warehouse, hydroelectric dams of the company Hemco Nicaragua	Existing
	2	Panama Portals Group Underground Mine and mining works on Martha 850 and Atlas 650	Environmental Authorization 03-15-06 2015	Jun 15, 2025	Environmental Update for the project development of portals and mining works at levels Martha 850 and Atlas 650 and its annex the gallery called Pluto 851	Existing
	3	Panama Portal Patricia 1300 Underground Mine	Authorization 24-07-2020-71	July 24, 2021	Renewal of Environmental Authorization for portal project XC Patricia 1300	Existing
	4		Renovación Authorization 24-07-2020-71	July 20, 2021	Renewal of Environmental Authorization 24-07-2020-71 for portal project XC Patricia 1300	Existing
	5	Panama Group Underground Mine Elephant Ventilation Pipeline	Environmental Authorization 08-04-2021-64	April 8, 2022	Authorization for Ventilation and Filling Pipeline - Elephant Sector	Existing
	6	Pioneer Group Underground Mine	Administrative provision 14-28-09-2017.	September 28, 2022	Environmental Permit Project Underground Exploitation Pioneer Group	Existing
	7		Endorsement of no objection	July 27, 2021	For the use of the Raise Boring machine for the construction of a chimney in Pioneer	Existing
	8	Future Underground Exploitation	TDR application at the beginning of the process project Underground Exploitation Porvenir	Requested July 2021	Environmental Permit for Future Underground Exploitation Project	Existing
	9	Venus Footwall Open Slash /North and South Central Captain	Validation of preliminary closing activities - exploitation of material	Requested January 29, 2019	Validation of preliminary closing activities - exploitation of material	In process
	10	Pit Mist	TDR application for the closure of the Neblina Tagus	August 28, 2019 (Application)	Validation of preliminary closure activities	In process
	11	Tagus Pioneer Group	CRACCN Administrative Provision 08-10-2019-1	October 8, 2024	Renewal of Environmental Permit Tajos Pioneer Group Exploitation Project	Existing

Authority	#	Project	Code	Expiration	Type of Permit	State
	12		A guarantee of no objection	Indefinite	Modification to the Tajo Pioneer EIA to use the sterile and organic material generated during the development of the project for the closure of environmental liabilities inherited from old slices located in the concession and present within the area of the project's direct influence	Existing
	13	Artisan mining collection patios	Environmental Authorization 08-04-2021-65	April 8, 2022	Renewal of environmental authorization for the operation project and storage yards, truck parking and alternate access for artisanal mining ore haul equipment at Martha 850 and Venus	Existing
	14		Addendum	July 27, 2021	Addendum Extension area by inclusion of Area 5	Existing
		TOTAL EXPLOITATION PERMITS			**14 (less 1 expired)**	

TABLE C-18 – MILLING RELATED ENVIRONMENTAL PERMITS

Authority	#	Project	Code	Expiration	Type of Permit	State
SERENA-CRACCN	1	Relavera Aguas Claras	Resolution 37-14-07-2007	Indefinite	Environmental Permit - Clear Waters	Existing
	2		Relavera Aguas Claras closure plan	———	Terms of Reference (TDR) requested for dam closure	In process
	3	Relavera Concha Urrutia	Environmental Authorization 06-15-06 2015	June 15, 2025	Update of the term of environmental authorization 011 2013, for the mining operations campus of the processing plant, tailings dam Concha Urrutia, chemical laboratory, underground mine, maintenance workshops, warehouse, hydroelectric dams of the company Hemco Nicaragua,	Existing
	4		Relavera Concha Urrutia closure plan	———	In the process of closing	In process
	5	Relavera San José	Resolution 07-22-02-2017	March 22, 2022	Renewal of the San José Tailings Dam Permit for Operation Stage	Existing
	6	Relavera Vesmisa II	Resolution 11-30-03-2017	March 30, 2022	Environmental Permit for Vesmisa II Tailings Dam	Existing
	7		Vesmisa Dam Expansion II	Record of non-objection 24-07-2020-30	Vesmisa II Dam Extension	Existing
		Relavera Vesmisa III	Environmental Permit for Vesmisa III	Requested June 10, 2020	TDRs were awarded July 10, 2020, in the process of EIA development by Hemco	Desisted
	8	Campus Hemco	Resolution 12-30-03-2017	March 30, 2022	Capacity expansion from 1,200 tpd 1,750 tpd	Existing
	9		Endorsement of no objection changing equipment	July 27, 2021	Guarantee of no objection replacement of mills	Existing
	10	Campus Vesmisa	Resolution 83-29-05-2009 Environmental Authorization 044, 2009	Indefinite Indefinite	Vesmisa Campus EIA Approval Addendum to the Vesmisa Tailings Dam EIA	Existing
	11		Vesmisa closure plan acceptance guarantee	Indefinite	Acceptance of the Vesmisa I Dam closure plan and the start of activities	Existing
	12	Campus La Curva	Administrative Provision 24-07-2020-08	July 24, 2023	Renewal of the environmental permit for modular processing plant and tailings area at La Curva	Existing

Authority	#	Project	Code	Expiration	Type of Permit	State
	13	Beneficiation - Porvenir	TDR application and start of the formality project Underground Exploitation Porvenir	Requested July 27 of 2021	Environmental Permit for Future Beneficiation Project	In process
	14	Lead oxide, lead acetate and lead nitrate management plan (QQ Laboratory and Benefit Campus).	Environmental Authorization 08-15-06-2015	June 15, 2025	Environmental Authorization - Management of lead oxide, lead acetate and lead nitrate (QQ Laboratory and Benefit Campus).	Existing
		TOTAL BENEFIT PERMITS			**14**	

TABLE C-19– SUPPLY CHAIN ENVIRONMENTAL PERMITS FROM SERENA

Authority	#	Project	Code	Expiration	Type of Permit	State
SERENA-CRACCN	1	Salto Grande and Siempre Viva Hydroelectric Plants	Environmental Authorization 06-15-06 2015	June 15, 2025	Update of the term of environmental authorization 011 of 2013, for mining operations, Concha Urrutia tailings dam, chemical laboratory, underground mine, maintenance workshops, warehouse, hydroelectric dams of the company Hemco Nicaragua	Existing
	2	Hydrocarbon management	Environmental Certificate 05-12-2017-15	Indefinite	Validation plan to close and eliminate environmental liabilities for fuel storage tank 1100 gallons	Existing
			Environmental Authorization 31-08-2020-83	August 31, 2021	Environmental Authorization for the Hydrocarbon Storage System project with a capacity of 55,383 gallons	
			Environmental Certificate 08-08-2019-43	Indefinite	Environmental Certificate for the use of a Distribution Tank in industrial areas and surrounding projects	
			Environmental Constancy 08-08-2019-44	Indefinite	Consistency of environmental compliance for the use of a 400-gallon tank in the Pioneer mine, within the permitted capacity of 1,300 gallons	
	3	Fuel Station	Application renewal Authorization 31-08-2020-83	July 27, 2021 (Application)	Renewal of hydrocarbon handling authorization is requested	Existing
	4		Environmental Authorization 31-08-2020-82	August 31, 2021	Environmental Authorization for the construction of the Fuel Dispatch Service Station project	Existing
	5		Application renewal Authorization 08-31-2020-82	July 27, 2021 (Request)	Renewal of the incinerator station authorization is requested	Existing
	6	Convention Artisan Miners Replenishment	Administrative Provision 04-02-2019-02	Indefinite	Through which the implementation of Model Strategic Alliances for Forest Development with Artisan Miners, Indigenous Communities and Farm Owners by the Regional Government is validated	Existing
			Environmental Guarantee 04-02-2019-01	Indefinite	Environmental Support is granted by SERENA for the implementation of the model of strategic alliances for forest development with artisanal miners, farm owners and indigenous communities	

Authority		Project	Code	Expiration	Type of Permit	State
	7	Health Complex	Authorization 17-04-2020-55	April 17, 2031	The operating permit for the health complex is requested for the lifetime of the project	Existing
	8	Treatment System	Environmental Authorization 31 - 08 - 2020 – 81	August 31, 2021	Renewal of environmental authorization for the Hemco Camp Domestic Wastewater Treatment System project	Existing
	9		Request Renewal Authorization 31 - 08 - 2020 – 81	July 27, 2021	Renewal of domestic waste water treatment systems requested	Existing
	TOTAL PERMIT SUPPLY CHAIN				**9**	

Mining, Milling, Tailings

Surface Mines and Waste Rock Dumps (Capitan, Elefante, and Washington)

The Capitan, Elefante, and Washington exploitation areas are essentially exhausted and in various stages of decommissioning. In general, pit walls and waste rock dumps have been, and are being prepared for reclamation (stabilization, covers, and seeding) and closure in accordance with the approved closure plans for these areas. The Elefante Pit was closed in 2019. During 2020, activities included site earthworks and soil compaction, maintenance to surface water management and runoff systems, and monitoring of water quality. The Washington Pit was closed in 2017. During 2020, activities were limited to site monitoring as no physical or maintenance works were required.

The Capitan Pit is composed of three subareas: North, Central, and South. Reclamation was completed at Capitan North in 2019, the Capitan Central Pit is now in a closed and revegetated state, and the environmental permit for this Capitan South Pit is valid to February 2020. This pit has potential to be used as a borrow source for nearby projects such as the expansion of San José.

Closure activities at Capitan, Elefante, and Washington are designed to mitigate the production of acid drainages by reducing exposure and oxidation of sulphide minerals and limiting the flushing of oxidation products. The results of the monitoring to date have shown the stabilization of the pH in the points downstream of each project after the closure.

Hemco Plant and Plant Site

Hemco Plant and Facilities

The Hemco Mine, milling, and industrial facilities are located in the western portion of the town of Bonanza within RACCN of northeastern Nicaragua, Central America. The facilities include the mine, processing plant, administration, and support buildings and related infrastructure including chemical laboratory, mine portal facilities, ore storage and laydown areas, maintenance workshops, storage yards and storage facilities, mine cafeteria and recreational facility, and worker and guest housing complexes.

The Company expanded plant capacity and in 2017 submitted an EIA entitled “Expansion of Hemco Plant Capacity from 1,200 to 1,750 tpd” (Ampliación Capacidad Instalada Plantel Hemco De 1200 a 1750 Tpd, Hemco Bonanza – RACCN, Nicaragua, Enero De 2017) in support of this expansion program.

The Hemco Plant site complex includes all the necessary support facilities required for the mining and milling operation. These facilities were in reasonable condition and operations were generally in accordance with reasonable standards of practice, e.g., solid and hazardous waste management, storage handling and disposal of reagents, chemicals, oils, and lubricants.

Many of the plant site facilities and practices are dated and could be modernized and improved, in particular, cyanide handling in the mill. For example, within the mill, much of the cyanide handling and mixing is done manually. In 2017, with the exception of a few buildings with septic fields, much of the sewage effluent was released untreated into local drainages on the east and west side of the property, that then flow to the stream that passes through the town. In 2018, the first stage of a new sewage collection and treatment system was installed; the second stage was planned for and completed in 2019.

In 2020 and 2021, major project plant site initiatives and activities to modernize various aspects of the operation included:

Construction Activities

a) Construction of the new Fuel Station in compliance with current regulations regarding fuel management and supporting best practices and safe infrastructure.

b) Construction of a new chemical analytical new laboratory complete with all necessary environmental and health and safety systems as needed for the treatment of acid gases and particulate matter.

c) Raising of the Vesmisa II Tailings Dam by means of a wall in gabions of five metres that allows the dam to operate up to level 262. The engineering of the project was carried out by S&R Ingeniería, and endorsed by the authorities through the Certificate of Non-Objection 24-07-2020-30.

Engineering Activities

a) Engineering for the San José Detoxification System Expansion project started in 2020 to significantly increase the capacity of the existing system and to provide state-of-the-art automated instrumentation and controls to optimize plant performance and ensure compliance with environmental regulations and discharge limits. In 2021 the project started site works and procurement of plant and equipment.

b) The Casting Furnaces project was created in 2020 with the objective of improvements to the system through safety enhancements and automated collection and treatment of gases. Engineering began in 2021.

Assessment Activities

a) The assessment of the potential application of the CN Code was initiated in 2020. Through this initial diagnosis, which will be carried out in 2021, Hemco will assess the requirements of the various aspects of the Cyanide Code as related to the shipping, storage and use of cyanide at the Hemco, La Curva, and Vesmisa facilities.

Additional discussion on these major projects is provided in the following subsections.

New Analytical Laboratory

The new chemical analytical laboratory project consisted of the design and construction of civil, mechanical and electrical works, and the installation of equipment to create a facility that can carry out 800 fire assays and 450 chemical solution tests per day in two eight-hour shifts. The project will improve working conditions for the staff and provide state of the art environmental controls for the management of gaseous emissions, solid waste, and dust.

This project began its planning in 2017 and put into execution in the same year. In 2018, the project was put on standby due to the public order situation that Nicaragua was going through, which prevented the continuous execution of the project. At the end of 2019, the project was reactivated and construction began in mid-2020. It is currently in the phase of fine-tuning new and old equipment, estimating its start of operations in August 2021.

The laboratory has state-of-the-art furnaces, environmental control and dust control systems, fire network system, autogenous generation plant, fingerprint access controls and licence, among others. The main objective of the project is to increase the reliability of the laboratory process with technical improvements and infrastructure under international standards.

Sewage Treatment Improvements

During 2018, a plan was developed to treat domestic and sewage waters at the Hemco Plant complex. The Domestic Residual Water Treatment of Hemco Camp Project plan is designed to treat domestic wastewater and sewage from approximately 570 personnel on site. The system consists of a grease trap, an activated sludge system, a disinfection

system, and drying beds. The sewage treatment plant was designed to replace the existing treatment systems and eliminate the release of raw sewage from the site. Initially, the plan included three plants, however, during 2019, adjustments were made to the connections to optimize resources and treat domestic wastewater only in two treatment plants. The first plant was built in 2018 and the second was constructed in 2019 becoming operational in 2020.

The first priority phase of the Hemco Property which was to service areas not previously serviced or where the system was in poor condition was completed in 2018. The first treatment plant started operations in August 2018, and 3,090 m^3 were treated during the five months of operation. In 2019, the second plant was built and 8,496 m3 were treated in the year. Due to a variety of reasons, Hemco struggled to operate the treatment plant as planned and as a result plant discharges did not comply with regulatory limits at times throughout the year.

For isolated locations in the Hemco Plant industrial area, portable toilets, or fixed sanitary systems with eco-digesters are currently in use. At present, internal control monitoring is carried out daily and external laboratory monitoring is carried out every six months.

In 2020, additional improvements were made to the existing new sewage treatment system including the addition of a dedicated backup power system and the construction of sludge drying beds. In addition, the domestic wastewater treatment plant, located in Sector I, started operations, ensuring that all domestic water discharges in the Hemco facility meet the permissible limits of current regulations.

In 2020, the sewage treatment plants treated a total of 10,042 m^3.

Hemco Plant Tailings Areas (Concha Urrutia, Aguas Claras, San Jose)

Prior to 1995, tailings from the Hemco Plant were released without treatment to the environment into the Tunky River, locally known as the Rio Sucio. In 1995, this practice was stopped as tailings facilities were designed and constructed. The following is a summary of the past and present tailings systems.

- Concha Urrutia, the original tailings basin, was built in 1995 and contains approximately 2.25 Mt of tailings. It is in the first stage of closure and no longer in active use for tailings storage, as per the SERENA approved 2010 closure plan.

  At present, Concha Urrútia is totally isolated from the tailings system and in 2018 equipment dismantling and monitoring activities were started. In 2019, the final closure plan was submitted and approved, and final closure works are expected to occur during the summer periods of 2020 and 2021. During 2020 and 2021 activities included ongoing monitoring of the facilities, rainwater management works, and surface and underground water monitoring.

- The Aquas Claras tailings basin was built in 2010, with a design storage of approximately 1.4 Mt of tailings for a design life of 4.5 years. While essentially full, it still had limited capacity for use under emergency conditions until a second tailings pipeline was constructed from the Hemco Plant to the San José tailings area. Since installation of the second tailings line to San José in 2018, all tailings lines have been removed and work is underway to assess final closure needs.

  After the construction of a second tailings line to the new San Jose tailings basin was completed in 2018, the process of decommissioning the Aguas Claras tailings facilities was initiated. The Company has suggested to authorities that the site itself could be preserved as a community water reservoir for future use, including possible use as a contingency water supply source during summers to support community needs or for emergency use in case of fires. In 2019, all the studios requested for the development of this proposal were underway. In 2019, the authorities accepted a partial use of the dam for a period of five years, after which the final closure plan must be presented.

- The new San José tailings dam is a state of the art tailings facility that started to receive tailings in 2018. The San José facility is located approximately 3.3 km northeast of the Hemco Plant site and has a design capacity of approximately 27.5 Mt of tailings for a design life of more than 60 years. The facility consists of engineered lined ponds, complete with underdrains and seepage collection systems and testing. A recycle pond piping

system is used to pump excess water back to the mill for mill use or cyanide destruction when water discharge is needed during the rainy season (approximately seven month period).

- During 2020, tailings were placed into the basin at a rate of 1,230 m3/d. The tailings facility is designed to be constructed in a series of lifts as follows:
    - Stage I Lift (Actual) to Elevation 240 m provides 2.7 year life
    - Stage II Planned Lift to Elevation 255 m provides 14 years of life
    - Stage III Planned lift to Elevation 275 m provides 36.8 years of life
- In 2021, Hemco initiated a tailings dam failure assessment study for the Concha Urrutia, Aguas Claras and Vesmisa I tailings dams through contracts with ANDDES.

Hemco Plant Tailings Line

Tailings from the Hemco Plant are presently pumped to the new San Jose tailings site via a 3.8 km long slurry pipeline. Approximately 2,200 metres of the line is installed in the underground drifts and approximately 1,600 metres on surface. Most of the surface pipeline had no secondary containment and minimal protection against surface accidents. The high-pressure portion of the pipeline (approximately 1,000 m) is constructed using six inch diameter rubber lined steel pipe, while the remainder of the pipeline is constructed using five inch diameter HDPE pipe. The tailings are pumped using a positive displacement pump at a pressure of approximately 320 psi. The pipe is inspected and monitored on a continuous basis. In the event of a spill, the pump will be shut off by plant operators and the tailings line will drain to either the tailings or plant site areas.

In 2017, the HDPE tailings pipeline to the Aquas Claras was functional and could be used to convey tailings to that facility if needed on an emergency basis. Free water overflow from the basin drains by HDPE pipe to the Concha Urrutia water pond from where it can be pumped via HDPE pipe back to the Hemco Plant site for use as process water. At that time there was a connection between Aguas Claras and the Hemco Plant, but Concha Urrútia was isolated and in the process of closure, according to terms of reference by the authorities.

In 2018, a second tailings line was installed from the plant to the San Jose tailings basin. The addition of this second line allows for the routine and regular care and maintenance of each of the lines and provides for emergency responses if failure occurs on one of the lines. Given the addition of the second line to San Jose, all former tailings and recycle lines to Concha Urrutia and Aquas Claras can now be decommissioned and removed. During 2019, the tailings lines were removed with the exception of one standby makeup water line from Aquas Claras to the plant.

Excess Tailings Water Treatment Plant

Tailings supernatant is recycled to the process plant by means of recycle pump and HDPE pipeline. During high rainfall periods, it may be necessary to discharge part of the recycle flow (i.e., excess water discharge). In these circumstances, water is discharged after it has been treated in a multi-stage cyanide destruction plant so that the discharge complies with the current Nicaraguan regulations (Decree 21 of 2017). To ensure compliance, daily monitoring of total cyanide and free cyanide is carried out with specialized equipment and verified through sampling programs using certified laboratories.

During 2019, approximately 465,000 m^3 of tailings solution was recirculated from the San José tailings facility for reuse in the Hemco Plant. In addition, during the winter season (July – October) approximately 251,000 m^3 of excess water was treated and discharged.

In 2020, 476,325 m^3 of tailings solution was recirculated from the San José tailing facility and 256,230 m^3 was recirculated from the Vesmisa tailing facility. Approximately 310,321 m^3 of excess water was treated and discharged from the San José tailings facility and 53,903 m^3 of excess water was treated and discharged from the Vesmisa tailings facility.

The detoxification expansion project began in the first quarter of 2020, in keeping with the need to treat more precipitation water that will result from the increased surface area of the San José tailings basin due to construction of the second stage of the dam. The expanded area will require the management of significantly more excess surface water during the wet season. The expansion project will have a treatment processing capacity of 300 m^3/h. Conceptual engineering was initiated in 2020 and currently the project activities include basic and detailed engineering, equipment specification and purchases, and general earthworks and excavations to establish yard grading for foundations, slabs, and laydown areas. The expansion project is expected to be completed by March 2022.

Treatment and Recirculation of Underground Water

During 2018, Mineros carried out a project for the treatment and recirculation of underground mine water. The objective was to allow for reuse of mine water, to reduce the quantity of underground water to be discharged on surface, while complying with water quality discharge limits for the operation. In particular, the Hemco Property addresses the need to treat acid waters, and the retention of sediments and hydrocarbons.

The acid water treatment system was installed at the Neptune 1275 portal and includes lime addition to a series of three agitator tanks to increase the pH of mine waters The tanks have a total storage capacity of 584 m^3, with capacities of 193.09 m^3, 195.8 m^3, and 195.8 m^3 respectively. The solution flows by gravity decant through the system with lime slurry dosing and agitation mixing to ensure the acid water complies with the limits according to Decree 21 of 2017 (pH: 6 a 9).

After treatment the water is recirculated back to the mine to be used in operation. Weekly internal pH monitoring is carried out to ensure treatment effectiveness, and monitoring is conducted every six months through a certified laboratory ensuring compliance with regulations. During 2019, approximately 75,000 m^3 of underground water was handled by the system. During 2020, approximately 76,285 m^3 of underground water was handled by the system.

During the 2021 site visit, Hemco staff stated that they are considering concepts to replace the existing system with updated facilities to improve operational control and energy efficiency in future years.

La Curva Plant and Tailings Area

The Company has constructed the La Curva Plant, a 110 tpd modular plant and tailings area, at the Hemco Property. Its primary purpose is to recover gold through a combination of flotation and gravity separation from the sulphur-bearing material supplied by artisanal miners. The Company uses modern milling technologies to improve the recovery of gold, which benefits the artisanal miners who rely on the La Curva Plant, as well as the Hemco Property. This approach is a positive socio-environmental cooperative approach to integrating local artisanal and small-scale mining in the area with the Company and provides a significant reduction in environmental impacts from the mineral processing conventionally used by small-scale and artisanal miners.

The modular plant serves as regional milling centre for the Porvenir district. The La Curva location was selected due to its strategic socio-economic environmental location. The growth in the surrounding communities and its proximity to the areas of artisanal and small scale mining and extraction activities reduces transportation distances, as well as the use of mercury in the region.

Ore extracted by artisanal and small-scale miners in the district is transported in ten ton haul trucks to the plant site laydown area where it is sampled and assayed prior to processing in the modular plant. The modular plant components include a two-stage grinding circuit combined with gravimetric concentration and flotation systems. The concentrates are transferred to the Hemco Plant for further processing by direct cyanidation.

Plant tailings are deposited in a local temporary tailings area. The dried tailings are subsequently excavated and transported to the Hemco Plant for reprocessing and final disposition in the San Jose tailings area.

The La Curva Plant was developed in compliance with the Nicaraguan legal framework for environmental and labour regulations and standards. The Environmental Impact Statement (EIS) “Construction of La Curva-Vesubio Modular Beneficiation Plant and Dam” (*Projecto “Planta Modular de Beneficio y Presa de Colas La Curva – Vesubio”*, *Bonanza*, *Región Autónoma del Atlantico Norte*, 2012) summarizes all relevant project information.

Vesmisa Plant and Tailings Areas

The Vesmisa Plant facility is located in the High Land Mary community of the municipality of Bonanza, which is approximately five kilometres southwest from the town centre. The plant is a conventionally constructed facility (i.e., not modular) which operates at approximately 140 tpd. The main process stages are crushing, milling, leaching, filtration, precipitation, smelting, and tailings management. The tailings generated in the last stage of the process are either a pulp with 50% solids and 50% of moisture, which is filtered to obtain a solid material with between 18% and 25% moisture, or between 75% and 82% solid in pulp. The filtered tailings are managed by means of a tailings pumping system consisting of one repulp tank where the filtered tailings are mixed to 30% of solids with recirculated solution from the tailings dam, one pulp pump, and one 550 metres long 3" HDPE pipeline that discharges into the current Vesmisa II tailings dam.

The Vesmisa Plant uses a Merrill-Crowe cyanide gold recovery process, with bulk cyanide storage located at the main Hemco site cyanide storage facility. Cyanide required at the Vesmisa is brought from the main Hemco storage facility in one ton bag boxes as needed based on plant consumption. Plant consumption typically is in the order of one ton per eight hour shift. Cyanide is stored at Vesmisa in a small wooden locked shed. All areas where cyanide is stored, handled, and used are placarded with controlled access to reduce health and safety risks.

In 2017, the existing tailings facility was nearing its design life capacity, and a new tailings area was in the process of being developed by the Company. The environmental aspects of this tailings expansion are assessed in the document entitled "Environmental Impact Study, Construction of the Vesmisa Tailings Treatment System, dated January 2017". The EIS identified the Hemco Property benefits and risks and concluded that the potential negative physical environment, biological, human interest, and health impacts of the Hemco Property were moderate and could be mitigated or avoided, with the implementation of appropriate environmental prevention measures and/or controls. The socio-economic and environmental benefits of supporting artisanal and small scale industrial mining, in addition to the associated reduction of environmental impacts including the reduction of mercury, were significant positive contributions to the region.

In April 2018, the new Vesmisa tailings dam started operation. The dam is an engineered synthetic lined impervious system basin receiving and recycling tailings supernatant through HDPE piping system. The capacity of the dam is 125,000 m^3 and it has a life time of 3.3 years to 2021.

During 2019, closure works including regrading, stabilization, and vegetation of the downstream slope as well as the placement of a cover over the tailings surface were carried out at the Vesmisa I tailings facility. After completion of the works, the area was converted into a storage yard for artisanal miners. The closure works were reviewed and approved by the competent authorities, and complied with required stability standards.

In 2020, the capacity of the Vesmisa II Tailings Dam, was expanded through the construction of concrete and gabion wall of up to five metre height that that raised the crest elevation from 257m to 262 m. This will allow an additional 1.5 years of tailings deposition in the facility. The engineering of this project was carried out by the company S&R Ingeniería, and endorsed by the authorities through the Certificate of Non-Objection 24-07-2020-30. (Under construction)

Pioneer Mine Portal

The Pioneer deposit is estimated to have a total of 2,144,361 tonnes of gold mineralization with a grade of 3.44 g/t Au, which will allow maintaining a maximum supply of 900 tpd to the Hemco Plant for an estimated period of 10 years.

Project development began in 2018 with preparation, development, and construction of local support surface works. The construction was completed in 2019. In 2020 and 2021, the Pioneer Mine continues to be developed and is producing between 100 tpd to 150 tpd depending on mineral development activities. Surface facilities are small, compact, well designed, neat, and clean and include appropriate environmental controls for collections of oils and greases at the storage, repair, and wash facility.

Runoff from the site and underground mine is monitored downgradient from the portal. Plans are being developed to expand sediment controls for underground waters through the construction of a new sediment pond near the portal entrance.

Power Generation

Siempre Viva Reservoir and Power Hydroelectric Plant

The Siempre Viva reservoir and power plant were constructed in the mid-1940s. The construction of the dam and reservoir has resulted in the creation of a relatively large lake in the southwestern portion of the Porvenir district of the Bonanza concession. The lake has a water depth of 30 metres under normal conditions. Water from the reservoir is directed through an open channel and intake pipeline to the Siempre Viva power plant which contains one relatively new 2,400 kW turbine built in 2011, as well as two older 500 kW turbines which have been in use since the 1950s when the plant was constructed at its current location. At the time of SLR's site visit, the plant and site conditions were neat and clean with only the 2,400 kW generator being in operation due to the low water level of 18 m.

From site observations of the general local topography, and the specific contours at the dam site, it appears that additional storage capacity could easily be added by raising or replacing the existing dam. An EIS would be required to assess potential impacts. Initial observations indicate that any impacts would appear to be manageable.

During the year 2020, the Company initiated a project to analyze the capacity of the Siempre Viva and Salto Grande reservoirs. Currently, this project is in planning and development stage.

Salto Grande Reservoir and Power Hydroelectric Plant

The Salto Grande hydroelectric power plant was constructed in 1940 at a location about seven kilometres northwest of the Hemco Plant complex. The reservoir is just north of the Bonanza airstrip and was created by construction of a small dam at the north end of the reservoir. An intake structure draws water into a 200 metres long tunnel through the hillside to the north and connecting it to the penstock feeder pipes for the three turbines, two 600 MW units and one 800 MW unit. Recent plant additions include new motor controls in 2010 and new transformers in 2011 and 2016. The plant and site conditions were tidy and clean.

At the time of the 2017 site visit, the water level in the reservoir was low at 4.1 metres compared to a normal water level of 5.9 metres. Due to low reservoir water levels, a portion of the historical creek bed was dry for approximately 600 metres between the location of the intake tunnel and the point where the power plant discharge intersected the original creek bed. Given the age of the plant, this condition has likely occurred regularly over the years during the dry season.

During 2020, Hurricanes Eta and Iota caused damage to the system resulting in the need to replace 80 m of conveyance piping and related facilities, the restoration of a warehouse in a diesel generation plant, and the design and construction of stabilization work for the Salto Grande powerhouse. The work commenced in December 2020 and was completed in mid-May 2021.

Cesar Richard Diesel Power Plant

In addition to its hydroelectric facilities, the Company also operates a diesel power generation plant within the community of Bonanza. During the 2017 visit, SLR noted that the plant had two 700 KW diesel generators that operate during the dry seasons to supply 1.4 MW of power to the operation. The power plant is nonetheless required during the dry season from January to June when hydroelectric power production from Siempre Viva and Salto Grande is only approximately 2.5 MW compared to the Hemco operational demand of 5.1 MW. Power purchases are capped at 1.2 MW from the national grid.

Starting at the end of 2019, Hemco initiated a project to create a new diesel-powered power generation plant with a capacity of 2.3 MW to improve operational efficiency and reduce fuel consumption. The project began with the acquisition and subsequent manufacture of main equipment in China and Germany. During 2020, civil works were carried out for the expansion of the existing main building and a new substation. Logistics for the transfer of

equipment was carried out in parallel to the integration engineering for the project area concluding with the installation of all equipment and auxiliary systems in June 2021. The expanded facilities centralize diesel operations, improving yields in fuel consumption and plant efficiency, and increases available diesel power generation by 34% from 6,700 kW to 9,000 kW.

Rosita Electrical Transmission Line

The Rosita transmission line project started in 2019 driven by the projected increased energy requirements and the objective to decrease power operating costs and environmental impacts. However, socio-political issues delayed permits issuance that year the project was put on standby.

In 2021, after validating the re-activation of works with the government, communication was established with the MEM and a supply agreement of 10 MW at 24.9KV was reached. This made it possible to reactivate the Rosita Transmission Line project, which includes a connection to the national grid at Rosita, a 30 km transmission line, and a substation in Bonanza. The project is currently in the engineering and planning phase with an expected completion date of October 2022.

Energy Management, Reduction and Sustainability

As part of its sustainability initiatives, Mineros monitors and manages supply and demand. The Company has extensive landholdings surrounding its hydroelectric plants which, in addition to providing hydrological basin source security, also provide biodiversity protection in the region. Energy consumption was reduced by 5% in 2019 as a result of a variety of initiative including high efficiency lighting and equipment replacements, photocell lighting controls, and corporate wide implementation of energy saving policy. A total of 46,465,198.89 kW/h was consumed by Hemco in 2019.

In 2020, a total of 50,080,081 kW/h was consumed, which corresponds to an increase of 7.8% in energy consumption. SLR notes that the 2020 energy consumption increase relates to new projects and the expansion of many of the existing facilities, some of which include: collection yards at Hemco and Vesmisa Plant complexes, the domestic wastewater treatment plant, development and operation of the Pioneer and Marta 850 mine, in addition to the expansion of crushing plant at Hemco campus, which increased energy consumption from 1.2 kW/h to 1.9 kW/h. These operational energy requirements were supplemented mainly with diesel energy.

Corporate Social Responsibility

Hemco has a comprehensive and effective Corporate Social Responsibility (CSR) Plan and various subsidiary strategic plans (e.g., the Plan for Urban Development and Development's (PODU), the Bonanza Model, Ordnance Plan for Artisanal Mining (PODMA), etc.), Policies and Procedures that encompass all aspects of corporate governance in regard to federal, regional and local interactions and initiatives with the full range of stakeholders including: individual inhabitants; rural and urban communities; individual, small scale, and collective artisanal miners; regional and federal institutions and services. Hemco (and Mineros) develops and monitors strategic and annual plans and has a proven record of positive contribution and enhancements. Reporting on the performance of Hemco's social and environmental programs is carried out at various levels including Hemco Quarterly CSR reports, Annual Sustainability Reports, and through Global Reporting Initiative Index reports.

The following subsections provide insight into recent community initiatives.

1.1.1 Bonanza Community Initiatives

Hemco has a strong record of community engagement and support to activities and projects that provide beneficial and sustainable contributions to individual and community well-being. Hemco is cognizant of its setting and position both locally and within the broader region in which it carries out its activities. As a result, systems are in place to communicate with the community at all levels to ensure that community needs and desires are understood and to establish appropriate frameworks for the provision of enabling frameworks and support to specific projects on a priority and long term basis.

Hemco's objective is to comply with social commitments in a responsible manner and contribute to the sustainable growth of communities in the area of influence, through social programs and synergies that guarantee the development of the region. Hemco's community relations are distinguished by supporting municipal development programs with a focus on education, health care, culture, sport, citizen security, urban planning, rural development, indigenous communities, diversification, and support to biodiversity and the environment. In 2020, Hemco spent approximately US$1.63 million on CSR activities

In 2021, Hemco has continued to participate in and contribute to the physical, social, health, and well-being programs in the communities in the vicinity of the Hemco Property. In the first half of 2021, 19 projects have been undertaken to provide systems and physical sustainability improvements including: administration support to municipal government and a range of additional projects in the areas of education, health, infrastructure, and facilities. Hemco has also been promoting actions with the State on three fundamental and vital social projects for Bonanza including drinking water system, improvement of waste treatment, and construction of a sewer network. In support of this objective, Hemco spoke with the Governor and the Government delegate for the Mining Triangle. The Governor negotiated with the Nicaraguan Company of Aqueducts and Sanitary Sewers (La Empresa Nicaragüense de Acueductos y Alcantarillados Sanitarios, or ENACAL) and arranged a meeting with the President of ENACAL, that included the Governor, the Mayor, and Hemco . The meeting resulted in a commitment to carry out the study for the drinking water system for the urban area of the municipality. Hemco is supporting this initiative through the provision of an updated topographic survey. ENACAL sent a technical team to evaluate the field, water sources ,and preliminary information.

In addition, Hemco continues to provide logistical and material support to address the impacts of hurricanes ETA and Iota.

Forestry and Forest Conservation

In 2009, Hemco participated in the National Reforestation Campaign coordinated by INAFOR, donating 100,000 high genetic quality seedlings. In the same year, in coordination with the Norwegian company Norteak, Hemco created the Norteak Maderas Company, which specializes in establishing plantations, production, research, and marketing of the forestry products of Hemco and Norteak.

The Mineros forestry activities also include implementation of a Joint Forestry Development and Training Project, with the participation of the Bonanza mayor's office, the National Technological Institute (INATEC), the Forestry Cooperative of Bonanza (COOSBA, RL), and the German Social-Technical Cooperation Service (DED). The Hemco Property's objective is to maximize the lumber value chain by adding manufacturing value in Bonanza. COOSBA, RL has been provided with carpentry equipment and training.

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The Company is also supporting the development of commercial plantations for teak, pine, and rubber trees, with a view to contributing to local development, create new productive forest alternatives, and to continue the forest development strategies included in the local municipal plans.

Sanitary Complex

The Wastuná Sanitary (Waste Management) Complex, opened in July 2018, was built to meet the needs of adequate management of solid waste generated from all the processes of the operations, and to promote and support substitution,

reduction, reuse, recycling, and adequate storage of the Company's wastes. The Waste Management Complex is the only facility of its type in the region.

The Waste Management Complex was inaugurated on July 31, 2018 with a project cost of approximately US$282,000. The facility has a design life of approximately 12 years, while the confinement trench has a design life of four years.

The Waste Management Complex not only complies with waste regulations, but also illustrates the Company's commitment to the environment and natural resources and promotes effective waste management to the community and region. Approximately 1,400 workers who work at the Hemco Property live in the community and through this project they and their families are pioneers of a new culture of proper waste management and environmental awareness in Bonanza.

In 2019, a 40% reduction in the generation of hazardous waste was achieved, despite the inclusion of three new projects.

In 2020, the generation of non-hazardous and hazardous wastes was below the 2019 level despite the execution of five new projects (chemical laboratory, fuel station, CKD expansion, reconstruction of infrastructures and warehouses, Pioneer underground mine and others). Recyclable registered waste increased significantly by 9% over 2019, providing a positive indicator of good management of separation of recyclable waste. This was mainly related to programs for potentiation reuse of plastic. Organic waste decreased by 6.42% compared to the 2019, thanks to non-food waste campaigns and training for employees.

During the year 2020, new sustainable projects were developed with the COOPSAMWAS cooperative. One of these was the establishment of an ecological garden for vegetables. This project provided for knowledge exchange and took advantage of the organic fertilizer generated by the complex by the Wastuná complex. Foods grown in 2020 included apple chili, chives, chiltoma, cucumber, and lettuce crops and these are currently consumed by diners at the Hemco company dining room.

Artisanal Mining

There is a long history of artisanal and industrial mining in the northeastern region of Nicaragua (known as the Mining Triangle). This history has provided unique challenges and opportunities for the integration of artisanal and small scale mining with large scale mineral resource development. The Company has made significant strides in developing a positive working relationship with local artisanal and small scale miners. This includes providing numerous social and economic benefits to individuals and communities in the region directly and indirectly, while advancing safe work practices and reducing environmental impacts associated with mineral extraction and processing.

In the context of the regional history, the commercial and social success of its arrangements for the purchase and processing of ore from artisanal and small scale miners, the Company has developed the Bonanza Model, a strategic plan to cooperate with and incorporate artisanal and small scale mining into its future activities in an ongoing and meaningful basis. The plan extends the current operational model to include planning for artisanal and small scale miners at early stages in the exploration process and mine development process and aims to ensure that appropriate worker health and safety and environmental practices are followed in the mining process. The plan provides a program for exploration and development of new areas of the Hemco Property in a manner consistent with existing social, community, and government goals, objectives, and plans for regional development and commercial growth and prosperity.

In October 2010, Hemco initiated the "First Forum of Artisanal Mining in Bonanza", which involved the main leaders of the artisanal mining and key governmental sectors such as the City Hall, Ministry of Energy and Mines (MEM (Nicaragua)), Ministry of Environment and Natural Resources, through the BOSAWAS Technical Secretariat (MARENA-SETAB), the Costa Development Secretariat, the Nicaraguan Social Security Institute (INSS), the Ministry of the Family (MIFAMILIA), and the National Police. This was the first time both operations and government participants met to discuss the most sensitive issues affecting their relationships.

Following the "First Forum of Artisanal Mining of Bonanza", in coordination with the MEM (Nicaragua), Hemco proposed the Bonanza Model, a development model that contains the policies and actions for the integral development

of the mining in the Bonanza district. The Bonanza Model is based on four fundamental principles: (1) order and stability in the workplace, (2) ore recovery and processing in environmentally responsible manner, (3) technical assistance for occupational health and safety, and (4) development of a comprehensive social program for artisanal mining. It is based on a framework developed by PODU, a unique municipal development strategy in the Caribbean, promoted since 2008 by the Mayor of Bonanza and Hemco as its strategic ally. The Bonanza Model established the first set of rules and guidelines for a responsible activity in the Nicaraguan mining sector, covering both industrial and artisanal mining.

Although the plan was structured legally in 2012, many of the Hemco projects have a history of up to ten years, such as the commercialization of the mineral at the international price of gold and the search for solutions to social issues. Through the PODU, 22 projects have been completed, including the first safe and healthy settlements of the town, many kilometres of urban streets, a maternal house, a 17 ha municipal park, and connecting the municipality to the National Electric Power Interconnection System which benefited 1,400 urban dwellings that serve as home to 12,000 people who have continuous light for the first time in 73 years. In the coming years, PODU will build a development center for the children of artisanal miners, a commercial centre, an airfield terminal, a market, and other important projects in the area including drinking water and public sewerage.

The Company will also continue to work on a strategy for mining in coordination with the Municipal Government and the MEM (Nicaragua). Through the Bonanza Model, the installed capacity to process the gold ore was expanded with the construction of the first industrial sites for exclusive use of artisanal mining, the Vesmisa Plant and the La Curva Plant. Its investment was $6 million with a capacity of 200 tpd that generates employment for more than 2,000 artisanal miners.

The Company is executing exploration programs to find new areas for artisanal and small scale industrial mining. These efforts will include exploration drilling and reserve analysis of targets to a depth of 80 metres to identify areas with gold grade of greater than 5 g/t Au. When these areas are defined, artisanal miners will be able to work the top 30 metres from surface. The Company will also drive drifts at the 50 metres level from which small scale mechanized miners can work 20 metres above and 20 metres below. All underground reserves below 70 metres will then be mined by the Company. To assist the development of these areas, the Company will carry out road and infrastructure construction as needed to allow for access and mining activities of the artisanal and small scale miners.

These projects have created a climate of trust and harmony between both sectors, since the Bonanza Model seeks to improve the quality of life for artisanal miners through initiatives, such as access to social security, own trucks to transport mineral and even a commissary, which benefits miners and their families.

The Company and Hemco have been instrumental in efforts that improved access to social and economic benefits for approximately 7,000 artisanal miners in the region. These improvements have been coupled with improved occupational health and safety, reduced environmental hazards and impacts, and economic benefits throughout the region and to the Hemco Property. The Company believes that this is at the forefront of industry best practice.

Closure Plan

Mineros has put in place financial provisions for future expenses related to the closing of its operations. The Hemco closure plan was last updated November 30, 2020 on behalf of Hemco by Lic. Dámaso Palaviciny.

The closure plan includes detailed inventory of facilities and equipment. Soil and earthwork quantities are based on takeoffs from drawing and topography and unit costs are based on cost information from operation managers and superintendents and industry standard rates from 2012, and the labour costs from the Nicaraguan Construction Chamber of September 2018, approved by the National Minimum Wage Commission.

The Final Closure Liability estimate assumes that progressive reclamation of past, existing, and future pits and stockpiles and related facilities will have been completed prior to final closure.

Final closure in 2032 (12 years from the time of the most recent Closure Plan update) is expected to include surface works associated with the closure of nine portals, three vent raises, 21 open cuts, two sterile stockpiles, three tailings dams and impoundment areas and related systems, the Hemco Bonanza plant and equipment, 67 buildings, and various

components of the electrical transmission system. The closure plan does not include costs for 32 open cuts inherited by Mineros for which Mineros intends to work with state authorities to carry out progressive reclamation. The closure plan for the LOM includes expenses for the closure of the Panama and Pioneer underground operations, the Processing Plants (Bonanza and La Curva), industrial waste management facilities, disassembly of the equipment and machinery, as well as the dismantling and/or demolition of infrastructure at the time of closure.

The final closure plan assumes no cost for various components such as housing and related infrastructure (sewage treatment, solid waste management facility, etc.) which are expected to remain as they are important socio-economic elements of the region.

The current Hemco Closure Plan includes costs associated with the closure of the La Curva facility, but does not include costs for the Rosita operation, which was closed in 2013, nor the Vesmisa facilities, with the exception of the Vesmisa II tailings pond.

A total of US$22,926,629 has been estimated as the closure cost at the end of 2032. This amount is based on a total direct labour cost of US$10,725,908 comprised of US$4.295.821 for progressive reclamation, US$6,430,087 for final closure and reclamation, and indirect costs of US$12,200,721. Based on this estimate, and the indirect factors assumed as listed below, Hemco calculated a net present value of US$6,729,540 for current closure liability.

Capital and Operating Costs

The capital and operating costs presented in this section include only the costs required for mining and processing Mineral Reserves from Panama and Pioneer between Q3 2021 and Q2 2026. The capital and operating cost estimates were prepared based on recent operating performance and the current operating budget for fiscal 2021. All costs in this section are expressed in Q1 2021 US dollars, and assume an exchange rate USD:NIO of NIO$36.3 per US dollar.

Capital Costs

Sustaining Capital

The sustaining capital costs for the Panama underground operation are based on historical performance and the current operating budget for fiscal 2021. Sustaining capital costs are estimated to be approximately US$30 million and assumed to support sustaining capital requirements for the Hemco Technical Report's LOM scenario based on Mineral Reserves. Sustaining capital requirements occur between years 2021 and 2024, including ramp and horizontal development, and other expenses (insurance, logistics, instrumentation). A summary of the LOM sustaining capital costs by vein for Panama and Pioneer is provided in Table C-20. The capital cost estimate excludes working capital, sunk costs, exploration, and future expansion.

TABLE C-20 – LIFE OF MINE CAPITAL COSTS

Item	Total (US$ million)
Elefante	7.21
Pluto SW	4.14
Neptuno	3.78
Neblina Principal	7.58
Neblina Sur	6.19
Lone Star	1.11
Total Sustaining Capital Costs	30.00

Closure Costs

Mine closure costs for the LOM scenario described in the HemcoTechnical Report are based on the Hemco closure plan last updated November 30, 2020 on behalf of Hemco by Lic. Dámaso Palaviciny. The estimate includes

concurrent reclamation and closure costs estimated to be US$22.93 million over the LOM. Concurrent reclamation activities occur between years 2021 and 2026, and closure and post closure activities occur between years 2027 and 2037.

Operating Costs

Underground mine operating costs are based on the two mining methods that will be used for the exploitation of Panama and Pioneer underground, as per the 2021 operating budget. The shrinkage stoping costs are based on historical mine performance, and the long hole stoping costs are based on the mining study completed by Varmin. Table C-21 shows a breakdown of mining unit operating costs by vein.

TABLE C-21 – UNIT MINING OPERATING COSTS

Item	Unit	Total
Panama>850 - Shrinkage	US$/t	45.2
Elefante - Mechanized	US$/t	47.7
Toboba - Mechanized	US$/t	39.6
Tesoro - Mechanized	US$/t	39.6
Neblina Principal - Mechanized	US$/t	47.7
Neblina Sur - Mechanized	US$/t	47.7
Pluto SW - Mechanized	US$/t	39.6
Neptuno - Mechanized	US$/t	39.6
Capitan FW - Shrinkage	US$/t	45.2
Lone Star - Mechanized	US$/t	25.6
Mining Labour	US$ million/year	0.4
Average UG Operating Cost	**US$/t**	**38.1**

Processing operating costs are based on Hemco Plant costs as per the 2021 operating budget. Processing costs are considered to be 85% variable (at US$38.43 per tonne) and 15% fixed (US$2.6 million per year). Total LOM processing operating costs are estimated to average US$42.89 per tonne.

Support and G&A costs are based on the 2021 operating budget and include costs for areas such as accounting, logistics, insurance, security services, clinic, and CSR. Support and G&A costs are estimated to be US$7.4 million per year.

The operating costs to mine and process an estimated 1,902 kt ore over the LOM total US$189 million over the LOM as shown in in Table C-22.

TABLE C-22 – LIFE OF MINE OPERATING COSTS

Item	Total (US$ million)	2021 (US$ million)	2022 (US$ million)	2023 (US$ million)	2024 (US$ million	2025 (US$ million	2026 (US$ million)
Underground Mining	72.39	6.75	14.78	17.53	16.52	15.36	1.46
Processing	81.56	7.47	14.99	17.72	19.57	19.23	2.58
Support	35.15	3.70	7.40	7.40	7.40	7.40	1.85
Total Operating Cost	189.09	17.92	37.17	42.65	43.48	41.99	5.89

Note:

1. Totals may not add due to rounding.

The LOM unit operating costs are shown in Table C-23.

TABLE C-23 – LIFE OF MINE UNIT OPERATING COSTS

Item	Unit	Total
UG Mining	US$/t	38.07
Processing	US$/t	42.89
Support	US$/t	18.48
Total Operating Cost	US$/t	99.44

Economic Analysis

SLR prepared LOM unlevered after-tax cash flow model to confirm the economics of the Hemco Property over the LOM (between Q3 2021 and Q2 2026). Economics have been evaluated using the discounted cash flow method by considering annual processed tonnages and gold grade of ore. The associated process recovery, gold prices, operating costs, refining and transportation charges, royalties, and capital expenditures were also considered.

The economic analysis shows that the Mineral Reserves are economically viable at a flat gold price of US$1,500/oz. The pre-tax net present value (NPV) at a 10% discount rate is US$80 million and the after-tax NPV at a 10% discount is US$58 million.

The undiscounted pre-tax cash flow is US$97 million, and the undiscounted after-tax cash flow is US$69 million. For this cash flow analysis, internal rate of return (IRR) and payback are non-applicable since there is no negative initial cash flow (no initial investment to be recovered).

The World Gold Council Adjusted Operating Cost (AOC) is US$889/oz of gold. The mine life sustaining capital cost is US$292/oz of gold, for an AISC of US$1,181/oz of gold. Mine average annual gold production during the four years of full production is approximately 48 koz per year between 2022 and 2025 (full production years).

Project risks can be identified in both economic and non-economic terms. Key economic risks were examined by running cash flow sensitivities on after-tax NPV at a 10% discount rate. The following items were examined: (i) gold metal price; (ii) gold head grade; (iii) gold metallurgical recovery; (iv) operating costs; and (v) capital costs (Development, Sustaining, and Closure). The after-tax NPV is most sensitive to head grade, then gold price, followed by operating costs, metallurgical recovery, and capital costs.

A cash flow summary is presented in Table C-24.

TABLE C-24 – LIFE OF MINE CASH FLOW

Item	Units	Total	2021	2022	2023	2024	2025	2026	2027	2028
Gold Price	US$/oz	1,500								
Gold Forward Contract Average Price	US$/oz	1,963								
Total Gross Revenue	**US$ M**	**354.28**	**36.65**	**76.19**	**86.51**	**81.54**	**64.58**	**8.82**	**-**	**-**
Off-site Transport Treatment & Refining	US$ M	-1.10	-0.15	-0.20	-0.21	-0.21	-0.20	-0.13	-	-
Royalty NSR	US$ M	-3.53	-0.36	-0.76	-0.86	-0.81	-0.64	-0.09	-	-
Net Revenue	**US$ M**	**349.65**	**36.13**	**75.23**	**85.44**	**80.51**	**63.74**	**8.60**	**-**	**-**
Total Operating Cost	US$ M	-189.09	-17.92	-37.17	-42.65	-43.48	-41.99	-5.89	-	-
Other Admin Expenses – Not Site	US$ M	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-
EBITDA	**US$ M**	**160.55**	**18.21**	**38.06**	**42.79**	**37.03**	**21.75**	**2.71**	**-**	**-**
Gov. Ad-Valorem Tax NSR	US$ M	-10.60	-1.09	-2.28	-2.59	-2.44	-1.93	-0.26	-	-
Development Capital Cost	US$ M	0.00	-	-	-	-	-	-	-	-
Sustaining Capital Costs	US$ M	-30.00	-11.45	-5.56	-7.64	-5.35	-	-	-	-
Net Working Capital	US$ M	0.00	1.42	0.02	0.34	0.02	-0.10	-1.44	-0.25	-

Item	Units	Total	2021	2022	2023	2024	2025	2026	2027	2028
Reclamation and Closure	US$ M	-22.93	-1.12	-0.50	-0.65	-0.74	-1.19	-1.47	-1.04	-0.87
Pre-Tax Net Cash Flow	**US$ M**	**97.03**	**5.97**	**29.74**	**32.25**	**28.51**	**18.53**	**-0.47**	**-1.29**	**-0.87**
Income Tax – Federal	US$ M	-28.53	-3.46	-7.43	-8.35	-6.68	-2.60	0.00	-	-
After-Tax Cash Flow	**US$ M**	**68.50**	**2.50**	**22.31**	**23.91**	**21.83**	**15.93**	**-0.47**	**-1.29**	**-0.87**

Exploration, Development, and Production

For a description of the Company's current and contemplated exploration, development and production activities in relation to the Hemco Property, see "*General Development and Business of the Company – Exploration – Nicaragua*" in this prospectus.

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APPENDIX "D"

MINEROS S.A.

AUDIT AND RISK COMMITTEE CHARTER

I. Purpose

The purpose of the Audit and Risk Committee (the "**Committee**") is to assist the board of directors (the "**Board**") of Mineros S.A. (the "**Company**" or "**Mineros**") in fulfilling its oversight responsibilities with respect to:

(a) financial reporting and disclosure requirements;

(b) evaluating accounting procedures, interacting with the auditor in connection with preparation of financial statements and other related matters; and

(c) in general, ensuring that an effective risk management and financial control framework has been implemented and tested by management of the Company,

as instituted by this Audit and Risk Committee Charter (this "**Charter**").

When the term "**Applicable Laws**" is used in this Charter, it refers, as appropriate, to Colombian laws and Applicable Foreign Law. For such purposes, "**Applicable Foreign Law**" means any law, rule, policy, regulation, decree, order, resolution, practice, standard or pronouncement issued or adopted by a governmental authority, regulatory authority, securities commission or stock exchange (and includes any rules or regulations required to be observed or followed by any transfer agent) that is applicable in any country in which shares are issued, or which apply to the Company or to such shares as a result of such shares having been listed and posted for trading on any stock exchange outside of Colombia.

II. Composition

(a) The Board will appoint the members ("**Members**") of the Committee after the ordinary meeting of the General Shareholder Assembly. The Members will be appointed to hold office until the next ordinary meeting of the General Shareholder Assembly or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will cease to be a Member upon ceasing to be a director.

(b) The Committee will consist of at least three (3) directors, all of whom are: (i) "independent" as set out in Appendix "B" to the Policy for the Election, Evaluation and Compensation of Board of Directors of the Company, (ii) comply with the additional independence criteria set out in Appendix "A" to this Charter, and (iii) financially literate. In addition, each Member will be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member's independent judgment. For the purposes of this Charter, an individual will be considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

III. Meetings

(a) Meetings of the Committee will take place no less than every three (3) months, at such times and places as the Chair of the Committee may determine. Forty-Eight (48) hours advance notice of each meeting will be given to each Member by any written means, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by conference call or videoconference.

(b) Committee meetings may be called at any time by the Chair of the Committee at the request of the auditor, the Company's President, the Chief Financial Officer or any Member. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested. The auditor and any

other person invited to attend a meeting of the Committee may attend and participate in the meeting, but shall not be entitled to vote.

(c) The Board will appoint one of the Members to act as the Chair of the Committee. The internal auditor of the Company will act as the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. In the absence of the internal auditor at any meeting, the Committee will appoint another person who may, but need not, be a Member to be the secretary of that meeting.

(d) Two (2) Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chair of the Committee will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolution signed by all Members.

(e) The Committee may invite from time to time such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee will meet "in camera" (that is, in private) without management and without the internal auditor at each meeting of the Committee.

(f) In advance of every meeting of the Committee, the Chair, with the assistance of the Secretary General, will prepare and distribute to the Members and others, as deemed appropriate by the Chair, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of Mineros to produce such information and reports as the Committee may deem appropriate in order to fulfill its duties.

IV. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee as they relate to the following matters are to:

1. Financial Reporting and Disclosure

(a) Review and recommend to the Board for approval, the audited annual financial statements, including the auditors' report thereon, the quarterly financial statements, management discussion and analysis, financial reports, guidance with respect to earnings per share, and any public release of financial information through press release or otherwise, before the Company publicly discloses this information, with such documents to indicate whether such information has been reviewed by the Board or the Committee.

(b) Review and recommend to the Board for approval, where appropriate, financial information contained in any prospectus, annual information form, annual report to shareholders, management proxy circular, material change disclosure of a financial nature, and similar disclosure documents, before the Company publicly discloses this information.

(c) Review with management of Mineros and with external auditors significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("**IFRS**"), all with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly Mineros' financial position and the results of its operations in accordance with IFRS, as applicable.

(d) Review the minutes from each meeting of the Disclosure Committee established pursuant to Mineros' Corporate Disclosure Policy, since the last meeting of the Committee.

(e) Satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in IV.1(a), and must periodically assess the adequacy of such procedures.

2. Internal Controls and Audit

(a) Review and discuss with management the sufficiency of the Company's internal financial controls and any issues involving the Company's or its employees' compliance with relevant Applicable Laws and significant policies and procedures approved by the Board from time to time that are not related to matters handled by

the Corporate Governance and Sustainability Committee and the Executive Compensation Committee, including:

(i) reviewing and affirming written policies relating to business conduct, ethics and financial matters (including the Code of Ethics, Anti-Corruption Policy and the Compliance Manual on Anti-Bribery and Anti-Corruption and Related Guidelines) and ensuring that management has established a system to monitor compliance with all relevant policies of the Company;

(ii) obtaining reports from management about compliance by the Company and its directors, officers and employees of the relevant policies;

(iii) making recommendations to the Board regarding application of the policies; and

(iv) advising the Board about policies and procedures regarding compliance with the policies;

(b) Ensure that Mineros maintains:

(i) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect Mineros' transactions;

(ii) effective and independent internal control systems;

(iii) adequate processes for assessing the risk of material misstatement of the financial statements and for detecting control weaknesses or fraud. From time to time the Committee will assess whether a formal internal audit department is necessary or desirable having regard to the size and stage of development of Mineros at any particular time;

(c) Satisfy itself that management has established adequate procedures for the review of Mineros' disclosure of financial information extracted or derived from Mineros' financial statements;

(d) Satisfy itself that management has periodically assessed the adequacy of internal controls, systems and procedures in order to ensure compliance with regulatory requirements and recommendations, including AML Policy regulations;

(e) Review and discuss Mineros' major balance sheet and off-balance sheet exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities;

(f) Review and assess, and in the Committee's discretion make recommendations to the Board regarding the adequacy of Mineros' risk management policies and procedures with regard to identification of Mineros' principal risks and implementation of appropriate systems to manage such risks, including an assessment of the adequacy of insurance coverage maintained by Mineros;

(g) Review and assess, and in the Committee's discretion make recommendations to the Board regarding the planned scope of the internal audit;

(h) Review and assess, and in the Committee's discretion make recommendations to the Board regarding all related-party transactions;

(i) Review and assess, and in the Committee's discretion make recommendations to the Board regarding the appointment, termination, replacement and compensation of the internal auditor, when applicable; and

(j) Review and uphold the Company's Code of Ethics, the Anti-Corruption Policy and the Compliance Manual on Anti-Bribery and Anti-Corruption and Related Guidelines, make recommendations thereto and ensure that management has established a system to oversee compliance with and the implementation and obtain reports from management validating whether the Company and its different organs are effectively complying with such instruments.

3. External Audit

(a) Recommend to the Board a firm of external auditors to be engaged by Mineros that meets the criteria set out in Appendix "B" of this Charter.

(b) Ensure the external auditors report directly to the Committee on a regular basis.

(c) Review the independence of the external auditors in accordance with the criteria set out in Appendix "B" of this Charter, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards.

(d) Review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors.

(e) Review the audit plan of the external auditors prior to the commencement of the audit.

(f) Establish and maintain a direct line of communication with Mineros' external and internal auditors.

(g) Meet "in camera" (being in private) with only the auditors, with only management, and with only the members of the Committee.

(h) Review the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditor's team.

(i) Oversee the work of the external auditors appointed by the shareholders of Mineros with respect to preparing and issuing an audit report or performing other audit, review or attest services for Mineros, including the resolution of issues between management of Mineros and the external auditors regarding financial reporting and disclosure.

(j) Review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of Mineros, and the ramifications of their use as well as any other material changes. Review a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences.

(k) Discuss with the external auditors their perception of Mineros' financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review, and availability of records, data and other requested information and any recommendations with respect thereto.

(l) Review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board.

(m) Review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues.

4. Associated Responsibilities

(a) Monitor and periodically review the whistleblower policy of the Company contained in the Compliance Manual on Anti-Bribery and Anti-Corruption and Related Guidelines, the procedures for the management of the whistleblower policy and associated procedures for:

(i) the receipt, retention and treatment of complaints received by Mineros regarding accounting, internal accounting controls or auditing matters;

(ii) the confidential, anonymous submission by directors, officers and employees of Mineros of concerns regarding questionable accounting or auditing matters; and

(iii) any violations of any Applicable Law that relates to corporate reporting and disclosure, or violations of Mineros' governance policies.

(b) Review and approve Mineros' hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditor of Mineros.

5. Non-Audit Services

Pre-approve all non-audit services to be provided to Mineros or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre-approval by such member or members so delegated shall be presented to the full Committee at its first scheduled meeting following such pre-approval.

6. Oversight Function

The Committee's responsibilities and powers are those herein described. It is not the duty of the Committee to plan or carry out audits or determine whether the Company's financial statements are complete, accurate or meet the applicable accounting standards, including IFRS. These are the responsibilities of management and the external auditor.

The Committee, its Chairman and any of its members experienced in financial and/or accounting issues, are appointed to provide broad oversight of the financial, risk and control related activities of the Company, and are not accountable or responsible for the day-to-day operation or performance of such activities.

Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liabilities imposed on such person as a member of the Committee and the Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of Mineros' financial information or public disclosure.

V. REPORTING

The Chair of the Committee will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Committee will annually review and approve the Committee's report for inclusion in the report of the Board to the General Shareholder Assembly. The Secretary General will circulate the minutes of each meeting of the Committee to the members of the Board.

VI. ACCESS TO INFORMATION AND AUTHORITY

The Committee will be granted unrestricted access to all information regarding Mineros and all directors, officers and employees will be directed to cooperate as requested by members of the Committee. The Committee has the authority to retain, at Mineros' expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities, and to set and pay the compensation for any such advisors, consultants and experts. The Committee also has the authority to communicate directly with internal and external auditors.

VII. REVIEW OF CHARTER

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

Approved and adopted: February 24, 2021.

Appendix "A" of the Audit and Risk Committee Charter

Additional Independence Criteria
For Audit and Risk Committee Members

Despite any determination made about "**independence**" in accordance with Appendix "B" to the Policy for the Election, Evaluation and Compensation of Directors of the Company regarding an individual's independence for purposes of sitting on the Board, to be considered an independent **Committee member**, the following **additional** considerations regarding the definition of independence must be met:

1. An individual will be considered to have a material relationship with the Company if he, she or they:

   (a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the Company (or subsidiary entities), other than as remuneration for acting in his or her capacity as a member of the Board of any committee of the Board of the Company, or as a part-time chair or vice chair of the Board of any committee of the Board; or

   (b) is an affiliated entity of the Company (or its subsidiary entities),

2. For purposes of paragraph 1 above, the indirect acceptance by an individual of any consulting, advisory or other compensatory fees includes acceptance of a fee by:

   (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home, or

   (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal investment banking or financial advisory services to the Company (or its subsidiary entities).

3. For purposes of paragraph 1 above, compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company (or its subsidiary entities) if the compensation is not contingent in any way on continued service.

Appendix "B" of the Audit and Risk Committee Charter

Criteria for the Appointment of the External Auditor

1. **Policy for the appointment and engagement of the External Auditor**. The following rules will apply to the appointment of the external auditor:

   (a) Firms or individuals can only be engaged or hired based on their professionalism, experience and reputation. Individuals or firms that have been disqualified, suspended or subject to any type of definitive sanction resulting from the provision of financial auditing services, imposed by a judge or regulatory and/or supervision authority in the countries in which any entity of the Mineros' group of companies has operations, cannot be considered for appointment at the General Shareholders Assembly.

   (b) The external auditor's engagement team must have relevant experience meeting the criteria specified by the Committee.

   (c) The Company shall not hire or engage an external auditor for services that are not related to the financial audit of the Company or all other tasks entrusted to the external and/or statutory auditor under Applicable Law. Such restriction will also apply to the individuals providing services for and on behalf of the external auditor, including (i) members of the external auditor's corporate group; and (ii) the principal managers, directors, managers and executives of the external auditor, as well as companies in which any partner and/or administrator of the external auditor is also a partner and/or administrator.

   (d) Notwithstanding the foregoing, the Company may engage an external auditor for non-audit services as and where approved by the Committee in accordance with this Charter, provided that the fees payable to the external auditor for such services (excluding, for greater certainty, general audit services and other functions as defined in Applicable Laws) does not exceed 25% of the operating income of the external auditor in the corresponding year.

2. **Auditor Ineligibility**: The following individuals and entities are prohibited from acting as external auditor of the Company:

   (a) shareholders of the Company or of any entity of the Mineros' group of companies;

   (b) relatives or spouses of members of the senior management of the Company or of any entity of the Mineros' group of companies;

   (c) any employee or contractor of the Company or of any entity of the Mineros' group of companies;

   (d) individuals or companies having received payments from the Company or any entity in the Mineros' group of companies and/or related parties representing twenty five per cent (25%) or more of their annual income for the preceding year;

   (e) persons who have been convicted of financial crimes, or crimes against public administration, or any crime relating to money laundering or terrorism financing, and/or had been the subject of disciplinary sanctions or any other administrative sanction; and

   (f) anyone included in restricted lists due to conduct linked to money laundering, terrorism financing, fraud, corruption, bribery or any other illegal conduct.

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MINEROS S.A.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

For the three and six-month ended 30 June 2021 and 2020 and December 31, 2020

Mineros
for the well-being of every one

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MINEROS S.A.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE THREE AND SIX-MONTHS ENDED 30 JUNE 2021 AND 2020 (UNAUDITED)
AMOUNTS EXPRESSED IN THOUSANDS OF U.S. DOLLARS

	Note	3 months ending June 30		6 months ending June 30	
		2021	2020	2021	2020
Revenues	8	128,449	126,312	253,841	242,558
Costs of sales	9	(92,577)	(76,856)	(180,909)	(155,481)
GROSS PROFIT		**35,872**	**49,456**	**72,932**	**87,077**
Administration expenses		(5,429)	(4,218)	(10,037)	(8,224)
Other income		1,112	810	1,659	1,080
Other expenses		(4,740)	(6,216)	(8,981)	(8,951)
Exploration expenses	10	(1,378)	(2,562)	(2,518)	(6,300)
Impairment of Asset, net	6	-	(7,947)	-	(7,947)
Finance income		437	47	823	323
Finance expense		(2,426)	(2,051)	(4,540)	(4,395)
Gain/(Loss) from Hedging operations		-	(2,554)	-	(5,215)
Foreign currency exchange differences		(1,275)	(4,283)	(2,287)	(2,365)
PROFIT FOR THE PERIOD BEFORE TAX		**22,173**	**20,482**	**47,051**	**45,083**
		-			
Current tax		(7,433)	(12,210)	(16,700)	(21,137)
Deferred tax		(4,332)	409	(6,174)	759
NET PROFIT FOR THE PERIOD		**10,408**	**8,681**	**24,177**	**24,705**
Attributable to:					
Controlling interest		10,355	8,606	24,061	24,560
Non-controlling interests		53	75	116	145
NET PROFIT FOR THE PERIOD		**10,408**	**8,681**	**24,177**	**24,705**
Basic and diluted earnings per share in U.S. Dollars	11	**0.04**	**0.03**	**0.09**	**0.09**

MINEROS S.A.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE AND SIX-MONTH ENDED 30 JUNE 2021 AND 2020 (UNAUDITED)
AMOUNTS EXPRESSED IN THOUSANDS OF U.S. DOLLARS

	3 months ending June 30		6 months ending June 30	
	2021	**2020**	**2021**	**2020**
NET PROFIT FOR THE PERIOD	**10,408**	**8,681**	**24,177**	**24,705**
Other comprehensive income, net of taxes				
Items that will not be reclassified to results for the period:				
Remeasurement of defined benefit plans	4	-	4	-
Revaluation of property, plant and equipment	(39)	-	187	-
	(35)	**-**	**191**	**-**
Items that will be reclassified to results for the period:				
Cash flows hedges	(2,169)	3,791	2,281	(472)
Foreign exchange differences on translation of foreign operations	(1,519)	2,563	367	(19,000)
	(3,688)	**6,354**	**2,648**	**(19,472)**
Foreign exchange differences on translation of foreign operations non-controlling interests	184	(3)	24	(5)
Other comprehensive income, net of taxes	**(3,539)**	**6,351**	**2,863**	**(19,477)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**6,869**	**15,032**	**27,040**	**5,228**
Total comprehensive income attributable to:				
Controlling interest	6,632	14,833	26,900	5,088
Non-controlling interests	54	199	140	140
	6,686	**15,032**	**27,040**	**5,228**

MINEROS S.A.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2021, AND DECEMBER 31,2020 (UNAUDITED)
AMOUNTS EXPRESSED IN THOUSANDS OF U.S. DOLLARS

	Notes	30/06/2021	31/12/2020
ASSETS			
Current assets			
Cash and cash equivalents	**12**	42,551	63,598
Trade and other receivables	**13**	35,400	19,811
Inventories	**14**	53,910	64,621
Derivative financial instruments	**5**	3,878	11,332
Investments		71	1,563
Income tax receivables	**15**	10,143	5,189
Other tax receivables	**15**	22,270	29,192
Other assets	**16**	11,249	4,969
Current assets		**179,472**	**200,275**
Non-current assets			
Trade and other receivables	**13**	2,114	2,414
Inventories	**14**	23,177	21,232
Investments		4,860	5,235
Other tax receivables	**15**	525	592
Deferred tax assets	**15**	77	4,612
Investment property		2,441	2,441
Exploration and evaluation projects	**17**	55,155	26,112
Intangible assets, net		35,625	39,897
Property, plant and equipment, net	**18**	258,037	239,425
Total non-current assets		**382,011**	**341,960**
TOTAL ASSETS		**561,483**	**542,235**

MINEROS S.A.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF JUNE 30, 2021, AND DECEMBER 31,2020 (UNAUDITED)

AMOUNTS EXPRESSED IN THOUSANDS OF U.S. DOLLARS

	Notes	30/06/2021	31/12/2020
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Loans and other borrowings	**19**	43,253	27,277
Derivative financial instruments	**5**	1,465	9,319
Trade and other payables		48,087	52,050
Other financial liabilities	**11**	13,953	4,076
Employee benefits		6,792	6,086
Income tax	**15**	20,420	27,851
Other taxes	**15**	3,086	1,408
Provisions	**20**	479	746
Total current liabilities		**137,535**	**128,813**
Non-current liabilities			
Loans and other borrowings	**19**	46,570	47,181
Employee benefits		4,396	4,603
Deferred tax	**15**	12,198	10,442
Provisions	**20**	38,482	36,415
Total non-current liabilities		**101,646**	**98,641**
Total liabilities		**239,181**	**227,454**
Equity			
Issued capital		39	39
Share premium		383	383
Reserves		229,883	184,724
Other comprehensive income	**21**	57,943	55,128
Retained earnings		33,748	74,158
Equity attributable to the controlling interest		**321,996**	**314,432**
Non-controlling interest		306	349
Total equity		**322,302**	**314,781**
TOTAL LIABILITIES AND EQUITY		**561,483**	**542,235**

MINEROS S.A.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTHS ENDED JUNE 30, 2021 AND 2020 (UNAUDITED)
AMOUNTS EXPRESSED IN THOUSANDS OF U.S. DOLLARS

	Issued capital	Share premium	Reserves	Other comprehensive income	Retained earnings	Equity attributable to the controlling interest	Non-controlling interests	Total equity
Balance at January 1, 2020	**53**	**517**	**226,738**	**8,200**	**46,718**	**282,226**	**332**	**282,558**
Net profit for the period	-	-	-	-	24,560	24,560	145	24,705
Other comprehensive income for the period	-	-	-	(19,472)	-	(19,472)	(5)	(19,477)
Total comprehensive income for the period	**-**	**-**	**-**	**(19,472)**	**24,560**	**5,088**	**140**	**5,228**
Effect of change in functional currency	(14)	(134)	(59,708)	65,879	(6,023)	-	-	-
Appropriation of reserves	-	-	30,151	-	(30,151)	-	-	-
Dividends declared	-	-	(12,457)	-	-	(12,457)	-	(12,457)
Reclassification	-	-	-	(217)	217	-	-	-
Others	-	-	-	-	491	491	-	491
Balance at June 30, 2020	**39**	**383**	**184,724**	**54,390**	**35,812**	**275,348**	**472**	**275,820**
Balance at January 1, 2021	**39**	**383**	**184,724**	**55,128**	**74,158**	**314,432**	**349**	**314,781**
Net Profit for the period	-	-	-	-	24,061	24,061	116	24,177
Other comprehensive income for the period	-	-	-	2,839	-	2,839	24	2,863
Total comprehensive income for the period	**-**	**-**	**-**	**2,839**	**24,061**	**26,900**	**140**	**27,040**
Appropriation of reserves	-	-	63,372	-	(63,372)	-	-	-
Acquisition of non-controlling interests	-	-	-	-	(1,123)	(1,123)	(183)	(1,306)
Dividend declared	-	-	(18,213)	-	-	(18,213)	-	(18,213)
Reclassification	-	-	-	(24)	24	-	-	-
Balance at June 30, 2021	**39**	**383**	**229,883**	**57,943**	**33,748**	**321,996**	**306**	**322,302**

MINEROS S.A.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 AND 2020 (UNAUDITED)
AMOUNTS EXPRESSED IN THOUSANDS OF U.S. DOLLARS

	30/06/2021	30/06/2020
Cash flows from (used in) operating activities		
Classes of cash receipts from operating activities		
Receipts from sales of goods	237,629	248,327
Receipts from commissions and other revenue	1,574	874
Cash receipts from futures contracts, forward contracts, option contracts and swap contracts	3,774	120
Other charges for operating activities	4,297	1,079
Classes of cash payments from operating activities		
Payments to suppliers for goods and services	(142,280)	(152,646)
Payments to employees and social security agencies	(33,343)	(39,677)
Payments for premiums and claims, annuities and other policy benefits	(6,610)	(2,236)
Payments for futures contracts, forward contracts, option contracts and swap contracts	-	(1,562)
Income taxes (paid)	(32,065)	(12,008)
Other outflows of cash	(345)	(1,208)
Net cash flows generated by operating activities	**32,631**	**41,063**
Cash flows from (used in) investing activities		
Cash flows from the disposal of subsidiaries	-	967
Cash payments for acquisition of subsidiary or non-controlling interests, net of cash acquired	(1,110)	-
Proceeds from sales of property, plant and equipment	1,318	37
Purchase of property, plant and equipment	(39,753)	(11,228)
Purchase of intangible assets and exploration projects	(30,439)	(7,746)
Purchase of other long-term assets	-	(237)
Loans granted to third parties	88	33
Interest received	46	46
Proceeds from sales of financial instruments	11,092	4
Net cash flows used in investing activities	**(58,758)**	**(18,124)**
Cash flows from (used in) financing activities		
Proceeds from borrowings	28,342	17,273
Payments of borrowings	(5,512)	(14,845)
Payments of lease liabilities	(5,525)	(6,841)
Dividends paid	(9,621)	(6,488)
Interest paid	(2,196)	(2,672)
Net cash flows generated by (used in) financing activities	**5,488**	**(13,573)**
Net (decrease) increase in cash and cash equivalents before effect of exchange rate changes	**(20,639)**	**9,366**
Effect of exchange rate changes on cash and cash equivalents	(408)	536
Net (decrease) increase in cash and cash equivalents	**(21,047)**	**9,902**
Cash and cash equivalents at beginning of year	63,598	19,046
Cash and cash equivalents at end of year	**42,551**	**28,948**

MINEROS S.A.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(AMOUNTS IN THOUSANDS OF UNITED STATES DOLLARS, UNLESS OTHERWISE INDICATED)

NOTE 1. CORPORATE INFORMATION

Mineros S.A. ("Mineros", the "Company" or "Group") is a Colombian Company that was incorporated on November 14, 1974 for an initial period of 99 years, which can be extended by amending the Company's by-laws. Its registered and head offices are located in Medellín, Colombia at the Nova Tempo Building (6th floor), Carrera 43 A #14-109.

The Company is publicly listed on the Colombian Securities Exchange, *Bolsa de Valores de Colombia*, where 100% of the issued and outstanding common shares are listed under the symbol: MINEROS CB

The Company is a precious metals producer with significant gold production, development and exploration stage properties throughout Latin and South America, including Colombia, Nicaragua and Argentina. The Company's principal producing mining properties are comprised of the Nechí Alluvial and La Ye mines (disposed in May 2020) in Colombia; the Pioneer and Panama mines in Nicaragua; and the Gualcamayo mine in Argentina.

Details of the Company's subsidiaries

The names, country of incorporation, main activity, functional currency and equity interest held by Mineros S.A. in each subsidiary are listed below:

Corporate Name	Place of incorporation and operation	Main Activity	Functional Currency	Equity interest %	
				30/06/2021	31/12/2020
Mineros Chile SpA	Chile	Holding company	USD(1)	100%	100%
Mineros Argentina Holdings BV	Netherlands	Holding company	USD(1)	100%	100%
Mineros Chile Rentista de Capitales Mobiliarios Limitada	Chile	Holding company	USD(1)	100%	100%
Minas Argentinas S.A	Argentina	Underground and open pit gold mining	USD(1)	100%	100%
Hemco Nicaragua S.A.	Nicaragua	Underground gold mining and holding company for operations in Nicaragua	USD(1)	100%	100%
Vesubio Mining S.A.(3)	Nicaragua	Underground gold mining	USD(1)	85%	75%
Rosita Mining S.A.	Nicaragua	Underground gold mining	USD(1)	100%	100%
New Castle Gold Mining S.A.	Nicaragua	Inactive	USD(1)	69.9%	69.9%
Roca Larga Mining, S.A.	Nicaragua	Inactive	USD(1)	100%	100%
Distribuidora Caribe Norte, S.A.	Nicaragua	Inactive	USD(1)	100%	100%
Minerales Matuzalén S.A.	Nicaragua	Underground gold mining	USD(1)	100%	100%
Mineros Aluvial S.A.S. BIC.	Colombia	Alluvial gold mining	USD(1)	100%	100%
Negocios Agroforestales S.A.S. BIC.	Colombia	Biological assets management	COP(2)	100%	100%
Compañía Minera de Ataco S.A.S.	Colombia	Underground gold mining	COP(2)	100%	100%

(1) United States dollar
(2) Colombian Peso
(3) On March 4, 2021, the Company acquired an additional 10% of the shares of Vesubio Mining S.A. through Hemco Nicaragua S.A.. Vesubio is a processing plant for minerals from artisanal mining in the municipality of Bonanza, in the

Northern Caribbean Autonomous Region. As a result of this transaction, Hemco currently owns 85% of this company. The purchase of these shares constituted a direct investment of US$1,306, corresponding to 100 ordinary shares.

Acquisition of 50% of the Luna Roja Project in Nicaragua

Hemco Nicaragua S.A. (a subsidiary of Mineros in Nicaragua), completed the purchase of 50% Royal Road's interest in the Luna Roja Project, which includes mining concessions Monte Carmelo I and Monte Carmelo II in Nicaragua.

The acquisition of the 50% stake in the Luna Roja Project was carried out as follows:

- Purchase price: (i) $24.4 million, (ii) NSR royalty of 1.25% on all future mineral production from the mining concessions of Mount Carmel I and Mount Carmel II, from the start of their commercial production.

- Investment Commitment - Royal Road agreed to an investment of at least $7.5 million over a five-year period until May 21, 2026, in exploration programs to be carried out by Hemco Nicaragua S.A and Royal Road, under the Strategic Partnership Agreement.

The transaction was completed on May 21, 2021. With the closure of this transaction, Mineros consolidates 100% participation in the Luna Roja Project, which will consequently cease to be part of the strategic alliance between Royal Road Minerals and Hemco Nicaragua S.A. However, the alliance will continue to be in force including the Caribe project and other property projects jointly.

The transaction was recorded in the financial statements as the acquisition of a mineral exploration asset. See note 17.

Option agreement Minera Cavancha SpA

On June 25, 2021, Mineros S.A., through its subsidiary Mineros Chile SpA, sent a notification to Minera Yamana Chile SpA, presenting its intention to give effect to the 20% interest in Minera Cavancha SpA, which holds title to the La Pepa exploration project. To date, the Company has not received confirmation from Minera Yamana Chile SpA regarding this request.

NOTE 2. STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting (‘IFRS’).

These condensed interim consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements as of December 31, 2020, 2019 and 2018 prepared in accordance with International Financial Reporting Standards (‘IFRS’) as issued by the International Accounting Standards Board (‘IASB’), which include information necessary or useful to understanding the Company’s operations, financial performance, and financial statement presentation. In particular, the Company’s significant accounting policies were presented in Note 3 to the consolidated financial statements for the year ended December 31, 2020, 2019

and 2018 and have been consistently applied in the preparation of these condensed interim consolidated financial statements.

NOTE 3. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared on the historical cost basis, except certain financial instruments, investment properties and certain classes of property and plant that are measured at fair value at the end of each reporting period. The Company's accounting policies have been applied consistently to all periods in the preparation of these condensed interim consolidated financial statements. In preparing, the Company's condensed interim consolidated financial statements for the three and six months ended June 30, 2021, the Company applied the critical judgments and estimates disclosed in note 4 of its consolidated financial statements for the year ended December 31, 2020.

As of June 30 2021, there are no changes on accountings estimates compared to December 31, 2020.

NOTE 4. RECENT ACCOUNTING PRONOUNCEMENTS

New and Revised IFRSs, Narrow Scope Amendments to IFRSs and IFRS Interpretations not yet Effective

Certain pronouncements and amendments have been issued by the IASB that are mandatory for accounting periods after December 31, 2020 as described in Note 2 to the annual Consolidated Financial Statements. There are currently no such pronouncements that are expected to have a significant impact upon adoption.

NOTE 5. FINANCIAL INSTRUMENTS

The following table combines information about:

- Classes of financial instruments based on their nature and characteristics;
- The carrying amounts of financial instruments;
- Fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and

2021	Carrying value							
	Financial assets				Financial liabilities			Total
	FVTPL – designated	FVTOCI – designated	FVTOCI – mandatorily measured	Amortized cost	FVTPL – designated	FVTOCI – mandatorily measured	Amortized cost	
Cash and cash equivalents	-	-	-	42,551	-	-	-	42,551
Trade and other receivables	-	-	-	37,514	-	-	-	37,514
Derivative financial instruments	-	-	3,878	-	-	(1,465)	-	2,413
Investments current	71	-	-	-	-	-	-	71
Investments non-current	914	3,946	-	-	-	-	-	4,860
Loans and other borrowing	-	-	-	-	-	-	(89,823)	(89,823)
Trade and other payables	-	-	-	-	-	-	(48,087)	(48,087)
Other financial liabilities	-	-	-	-	-	-	(13,953)	(13,953)

Fair value hierarchy of financial instruments

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2021	Fair value			
	Level			
	1	2	3	Total
Investments current	71	-	-	71
Investments non-current	-	-	4,860	4,860
Derivative financial instruments	-	2,413	-	2,413

For financial instruments designated at amortized cost, fair value information is not disclosed because management believes that the carrying amount approximates fair value.

There have been no transfers of assets or liabilities between level 1, level 2 and level 3 measurements in either the current or previous year. There are no non-recurring fair value measurements.

As of June 30, 2021, there were no changes on the risk management policies and procedures compared with December 31, 2020.

Valuation techniques for fair value measurement of investments were discounted cash flows over specific periods of time. There are no changes in valuation techniques compared to December 31, 2020. For derivative financial instruments, the Company uses the Black Scholes model for estimating fair value using observable market inputs.

Derivative Financial Instruments

The following tables summarize the positions held by the Company at June 30, 2021:

Gold hedging outstanding:

Company	Type	Contracts	Ounces	Maturity	Price (US$/oz)
HEMCO	Put / Call	22	15,000	Jul – Dec 2021	Min: 1,800
					Max: 1,939
MINEROS	Put / Call	22	24,000	Jul – Dec 2021	Min: 1,800
					Max: 1,939
MINAS ARGENTINAS	No hedging				

Foreign exchange hedging outstanding:

Company	Type	Contracts	Amount USD	Maturity	Price
MINEROS ALUVIAL	Put/Call USD	12	6,000,000	Jul – Dec 2021	Min: 3,450
					Max: 4,057
MINEROS ALUVIAL	Put/Call USD	6	9,000,000	Jul – Sep 2021	Min: 3,700
					Max: 4,188
MINEROS	No hedging				
HEMCO	No hedging				
MINAS ARGENTINAS	No hedging				

Fair value of derivatives

Item	30/06/2021	31/12/2020
Assets for hedging operations with derivative financial instruments	$3,878	$11,332
Liabilities for hedging operations with derivative financial instruments	(1,465)	(9,319)
Total assets net derivatives financial instruments	**$2,413**	**$2,013**

Cash Flow Hedge Gains (Losses) in Other Comprehensive Income ("AOCI")

	30/06/2021	31/12/2020
Cash flows hedges[(1)]	$2,281	$1,351
Total	**$2,281**	**$1,351**

[(1)] Corresponds to the valuation of hedges by $2,452 (2020: $1,379) and deferred tax of hedges by $(171) (2020: $(28)).

Gold revenue protection strategy

The Company implemented a deferred premium strategy ("Collar"). The strategy consists of the sale of options and the purchase of options on the underlying gold asset. The program covers a total of 24,000 ounces for the period from July to December 2021, which represents approximately 75% of the total estimated gold production of Minas Argentinas S.A. for this period of 2021. The collar has a minimum price of US$1,800/oz and a maximum price of US$1,930/oz for the second half of 2021.

Additionally, the Company implemented a deferred premium strategy ("Collar"). The strategy consists of the sale of options and the purchase of options on the underlying gold asset. The program covers a total of 15,000 ounces for Hemco Nicaragua S.A. for the remaining period from July to December 2021, representing approximately 25% of Hemco's total estimated gold production for this 2021 period, with a minimum price of US$1,800/oz and a maximum price of US$1,939/oz for the second half of 2021.

The total premium paid for admission was included as part of the fair value of and was settled in cash on a net basis as the monthly contracts expired. As of June 30, 2021, the Company received $808 for Collar settlements, included in the realized gains and losses on TRM (market representative rate) derivative financial instruments.

Item	30/06/2021	30/06/2020
Realized gain (loss) in revenue protection strategy[(1)]	$808	($1,439)
Unrealized (loss) gains in gold revenue protection strategy[(2)]	-	(5,215)
Profit (loss) on derivative financial instruments	**$808**	**($6,654)**

(1) Realized gain (loss) recognized on the line revenues on the profit or loss statement.

(2) Effect of the variation of hedges, which have been affected by the greater volatility of the exchange rate (COP/USD) compared to previous years. According to the analysis, no ineffective hedges were reported during 2021.

NOTE 6. IMPAIRMENT

The cash-generating units (CGUs) defined by the company and on which impairment or recovery analyses are carried out are the following:

The Company performed a review for indicators of impairment at each of the cash generating units and evaluated key assumptions such as significant revisions to the mine plan including current estimates of recoverable mineral reserves and resources, recent operating results, future expected production based on the reserves, appropriate discount rates), which led to an indicator of impairment of the Gualcamayo CGU as of June 2020.

Gualcamayo

During the six months ended June 30, 2021, the Company concluded that there are no significant changes in the internal and external factors that are assessed for the determination of impairment on this CGU and therefore no impairment or recovery occurred.

During the six months ended June 30, 2020, the Company recorded an impairment charge on non-current assets of $7,947 recognized at the Gualcamayo Mine in property, plant and equipment for $7,217 and exploration expenses for $730. The closing net book value after impairment was $99,553.

Key Assumptions

The Company's impairment test incorporated the following key assumptions: long term gold prices ranging from $1,350 to $1,639 per ounce; life of mine estimate of 9 years; and, an after-tax discount rate of 31.7%, which represented the Company's weighted average cost of capital and which included estimates for risk-free interest rates, market value of the Company's equity, market return on equity, share volatility and debt-to-equity financing ratio.

The recoverable amounts of the Gualcamayo CGU were based primarily on the future after-tax cash flows expected to be derived from the Company's mining interests and represents the VIU (Value in use). The projected cash flows used in impairment testing is affected by changes in assumptions for discount rates, metal prices, changes in the amount of recoverable reserves, resources, and exploration potential, production costs estimates and capital expenditures estimates.

Hemco Nicaragua S.A.

During the six months ended June 30, 2021 and 2020, the Company concluded that there are no significant changes in the internal and external factors that are assessed for the determination of impairment on this CGU and therefore no impairment or recovery occurred.

Nechi Alluvial

On April 9, 2021 the ANLA (Agencia Nacional de Licencias Ambientales) issued the Resolution 00659 denying a significant portion of the permits for the alluvial operation, Mineros responded to the resolution by filing an appealing for the ungranted permits and later on June 23, the ANLA responded to the appeal regarding the decisions taken in the Resolution No. 00659, which were largely reconsidered by the environmental authority. In this sense, after evaluating the impacts of the same, the Company considers that, although not all the requested areas were granted, it will be able to continue its operation.

The Company continues to work to ensure the viability of the operation in the areas not yet granted. Management considers that the recoverable amount of non-current assets related to the alluvial operation has not suffered significant changes.

Others Segments

During the six months ended June 30, 2021 and 2020, the Company concluded that there are no significant changes in the internal and external factors that are assessed for the determination of impairment on this CGU and therefore no impairment or recovery occurred.

NOTE 7. SEGMENTS

The Company operates in three principal countries, Colombia (Nechi Alluvial), Nicaragua (Hemco), and Argentina (Gualcamayo). The Company also has significant gold exploration projects including the La Pepa project in Chile included in the Segment Chile (La Pepa). The following table provides the Company's results by operating segment in the way information is provided to and used by the Corporation's chief operating decision maker, which is the CEO, to make decisions about the allocation of resources to the segments and assess their performance.

	Six months ended June 30 2021							
	Nechi Alluvial	**Hemco Nicaragua**	**Gualcamayo**	**Chile (La Pepa)****	**Mineros S.A. (Holding)****	**Others**	**Intersegment adjustments and eliminations**	**Total**
Revenue	$75,822	$116,660	$59,079	($2,048)	$97,431	$122	($93,225)	$253,841
Cost of sales	(45,483)	(85,937)	(52,542)	-	(59,738)	(277)	63,068	(180,909)
Gross Profit	**30,339**	**30,723**	**6,537**	**(2,048)**	**37,693**	**(155)**	**(30,157)**	**72,932**
Administration expenses	(1,166)	(1,424)	(1,081)	(476)	(7,359)	(17)	1,486	(10,037)
Exploration expenses	-	(667)	(1,240)	(381)	(230)	-	-	(2,518)
Finance income	195	134	476	-	469	-	(451)	823
Finance expense	(765)	(910)	(2,170)	-	(1,124)	(22)	451	(4,540)
							Income Tax	(22,874)
							Current period net income	24,177

**Includes income by equity method

	Three months ended June 30 2021							
	Nechi Alluvial	**Hemco Nicaragua**	**Gualcamayo**	**Chile (La Pepa)****	**Mineros S.A. (Holding)****	**Others**	**Intersegment adjustments and eliminations**	**Total**
Revenue	$37,192	$61,170	$28,727	($5,068)	$47,337	$69	($40,978)	$128,449
Cost of sales	(21,520)	(43,687)	(28,686)	-	(29,200)	(153)	30,669	(92,577)
Gross Profit	**15,672**	**17,483**	**41**	**(5,068)**	**18,137**	**(84)**	**(10,309)**	**35,872**
Administration expenses	(570)	(706)	(462)	(132)	(4,266)	(8)	715	(5,429)
Exploration expenses	-	(450)	(611)	(206)	(111)	-	-	(1,378)
Finance income	95	42	236	-	281	-	(217)	437
Finance expense	(374)	(491)	(1,108)	-	(662)	(10)	219	(2,426)
							Income Tax	(11,765)
							Current period net income	**10,408**

**Includes income by equity method

	Six months ended Jun 30 2020							
	Nechi Alluvial*	**Hemco Nicaragua**	**Gualcamayo**	**Chile (La Pepa)****	**Mineros S.A. (Holding)****	**Others**	**Intersegment adjustments and eliminations**	**Total**
Revenue	$73,351	$107,858	$61,259	($933)	$110,490	$48	($109,515)	$242,558
Cost of sales	(41,801)	(69,870)	(48,113)	-	(71,532)	(152)	75,987	(155,481)
Gross Profit	**31,550**	**37,988**	**13,146**	**(933)**	**38,958**	**(104)**	**(33,528)**	**87,077**
Administration expenses	(783)	(1,417)	(797)	(238)	(4,474)	(11)	(504)	(8,224)
Exploration expenses	-	(1,286)	-	(2,089)	(2,925)	-	-	(6,300)
Impairment of Asset	-	-	(7,947)	-	-	-	-	(7,947)
Finance income	89	22	112	-	471	1	(372)	323
Finance expense	(858)	(978)	(6,050)	(1)	(1,260)	(22)	4,774	(4,395)
							Income Tax	(20,378)

Current period net income	24,705

*Includes La Ye Mine which was disposed of on May 31, 2020.
**Includes income by equity method

	Three months ended Jun 30 2020							
	Nechi Alluvial*	**Hemco Nicaragua**	**Gualcamayo**	**Chile (La Pepa)****	**Mineros S.A (Holding)****	**Others**	**Intersegment adjustments and eliminations**	**Total**
Revenue	$36,635	$56,780	$32,836	($2,080)	$55,686	$22	($53,567)	$126,312
Cost of sales	(20,886)	(34,448)	(23,715)	-	(36,894)	(79)	39,166	(76,856)
Gross Profit	**15,749**	**22,332**	**9,121**	**(2,080)**	**18,792**	**(57)**	**(14,401)**	**49,456**
Administration expenses	(272)	(694)	(344)	(174)	(1,584)	(2)	(1,148)	(4,218)
Exploration expenses	-	(405)	-	(653)	(1,504)	-	-	(2,562)
Impairment of Asset	-	-	(7,947)	-	-	-	-	(7,947)
Finance income	(1)	15	-	-	204	-	(171)	47
Finance expense	(377)	(483)	(2,911)	(1)	(602)	(11)	2,334	(2,051)
							Income Tax	(11,801)
							Current period net income	**8,681**

*Includes La Ye Mine, which was disposed of on May 31, 2020.
**Includes income by equity method

	Six months ended June 30 2021							
	Nechi Alluvial	**Hemco Nicaragua**	**Gualcamayo**	**Chile (La Pepa)(1)**	**Mineros S.A (Holding)**	**Others**	**Intersegment adjustments and eliminations**	**Total**
Property, plant and equipment	$95,767	$72,990	$76,075	-	$2,749	$10,456		$258,037
Total assets	158,826	199,790	166,058	103,311	425,379	10,702	(502,583)	561,483
Total liabilities	77,306	59,388	260,567	61	101,611	2,293	(262,045)	239,181
Additions of PP&E, intangibles and exploration and evaluation projects	7,284	39,730	25,099	-	726	221	-	73,060

(1) This segment includes the financial information corresponding to Mineros Chile SpA, the company that holds the investments in subsidiaries in non-current assets.

The following is the Information about major customers:

Customer	30/06/2021	30/06/2020
1	$99,884	-
2	75,235	26,747
3	38,996	110,145
4	35,874	45,357
5	-	29,373
Total sales to customers exceeding 10% of annual metal sales	**$249,989**	**$211,622**
Percentage of metal sales	**98%**	**87%**

Non-current assets and depreciation and amortization by segment are detailed below:

Non-current assets		
	30/06/2021	**31/12/2020**
Nechi Alluvial	$108,433	$103,957
Hemco Nicaragua	157,158	132,356
Gualcamayo	93,449	82,761
Chile (La Pepa)	100,552	102,601
Mineros Holdings	349,394	360,140
Others and eliminations	(426,975)	(439,855)
Total Non-current assets	**$382,011**	**$341,960**

Depreciation and amortization		
	30/06/2021	**30/06/2020**
Nechí Alluvial + Mine Y[(1)]	$5,669	$4,375
Hemco Nicaragua	11,125	6,565
Gualcamayo	6,505	5,166
Mineros S.A (Holding)	652	641
Others	49	52
Total depreciation and amortization	**$24,000**	**$16,799**

(1) Includes information until May 31, 2020, date of the disposal of Operadora.

NOTE 8. REVENUES

The Company derives its revenue from contracts with customers for the transfer of gold and silver at a point of time. This is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 Operating Segments (see note 7).

	Three-months ended, June 30		Six-months ended, June 30	
Item	**2021**	**2020**	**2021**	**2020**
Sales of gold	$124,602	$124,538	$246,175	$239,712
Sales of silver	2,543	1,417	4,623	2,645
Sales of electric energy	1,241	1,082	2,115	1,550
Hedging of sales of gold (See note 5)	-	(786)	808	(1,439)
Other revenues	63	61	120	90
Total	**$128,449**	**$126,312**	**$253,841**	**$242,558**

At the reporting date, the Company did not have any pending performance obligations related to sales of gold from contracts with customers.

NOTE 9. COST OF SALES

	Three-months ended, June 30		Six-months ended, June 30	
Item	**2021**	**2020**	**2021**	**2020**
Direct mining costs	$77,438	$62,403	$147,719	$126,425
Depreciation and amortization	10,939	7,884	23,266	16,162
Taxes and royalties	4,200	6,569	9,924	12,894
Total	**$92,577**	**$76,856**	**$180,909**	**$155,481**

NOTE 10. EXPLORATION EXPENSES

	Three-months ended, June 30		Six-months ended, June 30	
Item	**2021**	**2020**	**2021**	**2020**
Exploration expenses	$1,378	$2,562	$1,967	$6,028
Disposals, net (See note 17)	-	-	551	272
Total	**$1,378**	**$2,562**	**$2,518**	**$6,300**

NOTE 11. EARNINGS PER SHARE

The Company does not have potentially dilutive shares in any of the periods presented.

	Three-months ended, June 30		Six-months ended, June 30	
Item	**2021**	**2020**	**2021**	**2020**
Profit attributable to controlling interest	$10,355	$8,606	$24,061	$24,560
Weighted average number of outstanding ordinary shares	261,687,402	261,687,402	261,687,402	261,687,402
Earnings per share in U.S Dollars	**0.04**	**0.03**	**0.09**	**0.09**

Dividends payable

The balances of dividends payable, classified in the financial statement under other financial liabilities, are:

Item	**30/06/2021**	**31/12/2020**
Dividends payables	$13,564	$3,679
Dividends payables from prior periods	389	397
Total	**$13,953**	**$4,076**

In Colombia, according to minute no. 59 of the Ordinary General Meeting of Shareholders of March 25, 2021, the proposal on the payment of dividends was approved. It decrees an ordinary dividend per share of $0.0154 payable each quarter in the months of April, July, October 2021 and January 2022, between the 10th and 20th days of each month; and an extraordinary dividend per share of $0.0080 for the period of April 2021 - March 2022.

The declared dividends in 2021 totaled $18,213, taken from reserves from previous years, as non-taxable dividends.

The following is a reconciliation of dividends payable presented as “Other Financial Liabilities”:

Item	30/06/2021	31/12/2020
January 1	$4,076	$3,850
Dividends declared	18,213	12,457
Dividends declared non-controlling interest	-	266
Dividends paid as advances in prior periods [(1)]	(360)	(184)
Effect exchange rate changes	1,645	990
Dividends paid	(9,621)	(13,303)
Total	**$13,953**	**4,076**

(1) Non-cash transaction for the period

11.1 Share-based Payments

Share appreciation rights

The Company adopted a Share Appreciation Rights (“SARs”) plan that entitles certain senior management to receive a cash payment that equals the increase in value of the shares from a specified level over a specified period of time – e.g. from grant date to a vesting date. Awards are made based on whether objective performance goals for the applicable executive were met in the previous financial year, as adjusted for subjective factors. The formula is: cash bonus received by the applicable executive multiplied by a factor of two, divided by Mineros’ average stock price during October and November of preceding year. SARs vest after three years from the grant date and are exercisable for a period of five years. Vested SARs can be exercised for cash payment equal to the SAR base price less the then-current stock price (calculated as the average closing price during the two month preceding the exercise date).

SARs have been granted to certain employees at exercise prices determined by reference to the market value of the Company’s common shares on the date of the grant. The changes in SARs during the three months ended June 30, 2021 are as follows:

	Number of SARs outstanding	Weighted average exercise price (COP)
Balance, beginning of period	**1,760,626**	**2,595**
Granted	737,519	3,700
Balance, end of period	**2,498,145**	**3,010**

The estimated grant date fair value of the SARs granted during the six months ended June 30, 2021 was calculated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	Granted in 2021	Granted in 2020	Granted in 2019
Risk-free interest rate	5.70%	4.90%	3.70%
Expected annual volatility	33%	33%	33%
Expected life (in years)	4.99	4.14	2.89
Expected dividend yield	5.1%	5.1%	5.1%
Grant date fair value per SARs (COP)	1,046	613	1,199
Share price at grant date (COP)	4,095	3,248	3,193

The following summarizes information about SARs outstanding and exercisable at June 30, 2021:

Expiry date	Exercise price (COP)	SARs outstanding	SARs exercisable	Estimated fair value ($)	Weighted average remaining contractual life (in years)
February 20, 2024	1,999	974,148	-	225	2.89
May 20, 2025	3,332	786,478	-	43	4.14
March 25, 2026	3,700	737,519	-	4	4.99
Total	**3,010**	**2,498,145**	**-**	**272**	**3.90**

NOTE 12. CASH AND CASH EQUIVALENTS

The following is the breakdown of cash and cash equivalents:

Item	30/06/2021	31/12/2020
Bank accounts (USD)	$29,652	$51,942
Bank accounts (other foreign currencies)	7,920	9,571
Collective investment fund (*)	4,929	2,031
Petty cash	26	30
Bank – funds	24	24
Total	**$42,551**	**$63,598**

(*) Collective investment funds are alternative investment funds that can be cashed in at any time.

NOTE 13. TRADE AND OTHER RECEIVABLES

The following is the breakdown of trade and other receivables:

Item	30/06/2021	31/12/2020
Trade accounts receivable:		
International Clients [(1)]	$29,037	$13,836
Local Clients	30	-
Total trade accounts Receivable	**$29,067**	**$13,836**
Other accounts receivable:		
Employee loans	2,347	2,745
Other debtors	5,950	5,644
Total	**$8,297**	**$8,389**
Trade and other receivables	**$37,364**	**$22,225**
Current portion	35,400	19,811
Non-current portion	2,114	2,414

(1) Corresponds to the invoices for the last shipments of gold.

NOTE 14. INVENTORIES

The following is the breakdown of inventories:

Item	30/06/2021	31/12/2020
Ore Stockpiles[(1)]	$34,273	$47,716
Materials and spare parts	42,814	38,137
Total	**$77,087**	**$85,853**
Current portion	53,910	64,621
Non-current portion	23,177	21,232

(1) The decrease in ore stockpiles is associated with higher consumption of heap leaches in Argentina.

NOTE 15. TAXES

Assets: Income tax receivables and other tax receivables

Tax receivable balances are as follows:

Other taxes

Item	30/06/2021	31/12/2020
VAT	$21,572	$28,647
Financial transaction tax	544	607
Municipal tax	679	530
Total	**$22,795**	**$29,784**
Current portion	22,270	29,192
Non- current portion	525	592

Income taxes

Item	30/06/2021	31/12/2020
Income taxes receivable	$10,143	$5,189

The amounts above represent amounts paid in advance by the Company, on which reimbursement is expected. The Company and its legal and tax advisors consider that the amounts paid will be recoverable once the respective procedure has been completed. Consequently, no estimated losses or contingencies are associated with these items.

Liabilities: Income tax and other taxes

Liabilities show the net balance owed by the Company for the taxes in each country of operation, pursuant to the applicable tax framework in each nation, as described in detail in Note 23.5 of the consolidated financial statements annual. The breakdown of liabilities is as follows:

Other taxes

Item	30/06/2021	31/12/2020
Municipal taxes[(1)]	3,060	1,334
VAT	26	74
Total	**$3,086**	**$1,408**

(1) The variation corresponds mainly to gold taxes payable at Minas Argentinas S.A.

Income tax

Item	30/06/2021	31/12/2020
Income tax	$13,759	$27,851
Prior year income tax [1]	6,661	-

(1) The variation corresponds to the recognition of works for taxes in the Nechi Alluvial segment. See note 16

Tax current and deferred

The following is a breakdown of the current and deferred taxes recorded in the statement of income:

Item	30/06/2021	30/06/2020
Income tax [1]	$16,700	$21,137
Subtotal current	**$16,700**	**$21,137**
Deferred tax expense (recovery) [2]	6,174	(759)
Total current and deferred tax expense (recovery)	**$6,174**	**(759)**
Total income tax expense	**$22,874**	**$20,378**

(1) The change mainly corresponds to the decrease in the nominal rate in Colombia, which went from 32% in 2020 to 31% in 2021, as well as a decrease in the profit of the Hemco Nicaragua segment.

(2) The variation with respect to 2020 corresponds mainly to the change of functional currency in Mineros S.A. and Mineros Aluvial S.A.S., this change mainly affected property, plant and equipment and other assets. During 2021, the variation is mainly generated in the Gualcamayo segment due to the exchange differential on financial obligations for $3.2 million, disposing assets and tax inflation adjustments for $6.9 million and expense in Mineros S.A associated to intangibles for $1.5M.

Deferred tax

The deferred income tax is as follows:

Item	30/06/2021	31/12/2020
Initial balance asset	$4,612	$13,751
Taxes movement	(4,535)	(9,139)
Total deferred tax asset	**$77**	**$4,612**
Initial balance liabilities	(10,442)	(17,003)
Taxes movement	(1,756)	6,561
Total deferred tax liability	**(12,198)**	**(10,442)**
Total deferred tax (net)	**($12,121)**	**($5,830)**

The movement of the deferred tax for each period is as follows:

Item	Property, plant and equipment	Other[(1)]	Financial Obligations	Other	Currency translation effect	Total
Total 31/12/2020	**($24,683)**	**$6,035**	**$6,723**	**$6,095**	**-**	**($5,830)**
(Charge) credit to the statement of profit & loss	4	(8,809)	3,502	(871)	-	(6,174)
(Charge) credit to other comprehensive income	61	-	(171)	-	-	(110)
Currency translation effect	(7)	-	-	-	-	(7)
Total 30/06/2021	**($24,625)**	**($2,774)**	**10,054**	**5,224**	**-**	**($12,121)**

(1) Includes mainly intangible assets, investments, inventories, accounts receivable and tax credits. The variation corresponds mainly to differences in intangible assets of Hemco Nicaragua S.A. and inflation adjustment of Minas Argentina S.A.

Tax rules applicable to current and deferred tax corresponding to tax periods 2021

Tax Framework

a) **Income Tax:** The Company is subject to an income tax rate of 31% (2020: 32%). The company for the year 2021 considers a presumptive income base of 0% (2020: 0.5%) in Colombia.

b) No changes in the income tax rate in Nicaragua (30%) and Argentina (25%).

NOTE 16. OTHER ASSETS

Item	30/06/2021	31/12/2020
Works for taxes[(1)]	$6,661	-
Prepaid expenses	4,564	4,893
Other assets	24	76
Total	**$11,249**	**$4,969**
Current portion	11,249	4,969

(1) Corresponds to the second stage of rehabilitation, improvement and paving of the Escarralao-El Jobo road, which will be carried out with the resources that were destined to the income tax of Mineros Aluvial of 2020.

NOTE 17. EXPLORATION AND EVALUATION PROJECTS

The following are the Company's exploration and evaluation projects, assets in development, under the scope of IFRS 6 - Exploration for and Evaluation of Mineral Resources:

Description	Segment	30/06/2021	31/12/2020
Hem Jv RRM Luna Roja (see note 1)	Hemco Nicaragua	$24,486	$-
Vesubio exploration project	Hemco Nicaragua	13,901	12,714
Pluto SW 850 Project	Hemco Nicaragua	3,719	2,283
Elefante II	Hemco Nicaragua	3,672	3,368
Target D	Gualcamayo	2,711	2,675
QDD LW	Gualcamayo	1,754	1,360
Las Vacas	Gualcamayo	1,616	1,324
Mas AIM- Y Alrededores	Gualcamayo	852	-
QDDM	Gualcamayo	690	272
Preg Robbin Phase 2	Gualcamayo	503	503
Ataco	Mineros S.A. Holding	434	434
Preg Robbin Phase 1	Gualcamayo	413	413
Environmental feasibility study (stage 2)	Nechi Alluvial	311	216
Alaya	Gualcamayo	93	-
Santiago target	Gualcamayo	-	550
Total		**$55,155**	**$26,112**

Below is the movement in the exploration and evaluation projects during the six months ended June 30, 2021:

Description	30/06/2021
As of January 1, 2021	**$26,112**
Additions (See note 1)	29,593
Disposals (See note 10)	(550)
Total at June 30, 2021	**$55,155**

NOTE 18. PROPERTY PLANT AND EQUIPMENT, NET

Below is the movement in the Property, Plant and Equipment during the three months ended June 30, 2021:

	2021				
	Land and buildings	**Machinery, plant and equipment**	**Constructions in progress**	**Plantations**	**Total**
Initial balance	$76,846	$135,180	$20,274	$7,125	$239,425
Additions	40	1,930	37,562	221	39,753
Additional liabilities for new leases	-	2,868	-	-	2,868
Transfer (-/+)	11,614	9,879	(21,493)	-	-
Transfers to other accounts (-/+)	(431)	39	(278)	(49)	(719)
Disposals, net (-)	-	(43)	(2,001)	(16)	(2,060)
Depreciation	(5,707)	(14,533)	-	(27)	(20,267)
Impairment	-	-	16	-	16
Currency translation adjustment	(358)	(5)	-	(616)	(979)
Net final balance	**82,004**	**135,315**	**34,080**	**6,638**	**258,037**
Cost at June 30, 2021	110,893	228,948	34,080	6,815	380,736
Accumulated depreciation at June 30, 2021	(28,889)	(93,633)	-	(177)	(122,699)
Property, plant and equipment at June 30, 2020	**82,004**	**135,315**	**34,080**	**6,638**	**258,037**

NOTE 19. LOANS AND OTHER BORROWINGS

The following are the balances of credits and other borrowings:

Item	30/06/2021	31/12/2020
Financial obligations[1]	$64,842	$42,369
Lease liabilities [2]	24,981	32,089
Total	**$89,823**	**$74,458**
Current portion	43,253	27,277
Non-current portion	46,570	47,181

(1) At June 30, 2021, the breakdown of loans is as follows:

- Loan for $24,866, taken out in April 2019, with a term of 7 years, at an interest rate of 8.096% E.A (Effective annual). For the Mineros S.A. Holding segment.
- Treasury loan for $15,036, taken out in May 2021, for a term of 6 months for the Mineros S.A Holding with a variable rate of LIBOR + 1.65%.
- Treasury loans for $6,436 taken out in March 2021 for a term of 12 months for the Mineros S.A. Holding segment with a variable rate of 6.77% E.A.
- Loan for $4,285, taken out in April 2021, for a term of 1 years for the Mineros S.A. Holding segment with a variable rate of IBR semiannual + 1%.
- 22 loans taken out between 2015 and 2021 with terms between 2 and 7 years for $14,219, at an average interest rate of 6.05% E.A with suitable guarantee for the Hemco Nicaragua segment.

(2) At June 30, 2021, the breakdown of lease liabilities is as follows:

- Lease obligation the machinery and equipment at a rate DTF (Colombian average savings rate) + 3.05 points over a 144-month period for $16,106 for the Nechí Alluvial segment.
- Leases obligation the machinery and equipment taken out between 2019 and 2020 for $3,195, at a rate average of 6.68% for a period1 between 3 years for the Hemco Nicaragua segment.
- Lease obligation the machinery and equipment, taken out in 2020 for $4,690, for a period between 1 and 3 years, at an interest rate of 15% E.A, for the Gualcamayo segment.
- Other finance lease of $990

The change in financial obligations is shown below:

Type of contract	Financial obligations	Lease liabilities	Total Loans and other borrowings
Balance at January 1, 2021	**$42,369**	**$32,089**	**$74,458**
New credits acquired	28,342	-	28,342
Liabilities for new leases	-	641	641
Reclassification	668	(668)	-
Disposals leases liabilities	-	(20)	(20)
Credits paid	(5,512)	(5,525)	(11,037)
Interest accrued	2,230	1,023	3,253
Interest paid	(1,206)	(990)	(2,196)
Currency translation effect	(2,049)	(1,569)	(3,618)
Balance at June 30, 2021	**$64,842**	**$24,981**	**$89,823**

The reconciliation of the present value of future minimum lease payments is as follows:

	30/06/2021	31/12/2020
1 Year	$7,084	$6,571
1 to 5 Years	16,520	15,223
More than 5 years	23,821	23,821
	$47,425	**$45,615**
Less: unaccrued finance expenses	(22,444)	(13,526)
Present value of minimum lease payments	$24,981	$32,089

NOTE 20. PROVISIONS

The detail of provision is the following:

Item	30/06/2021	31/12/2020
Dismantling of assets [(1)]	$33,733	$31,722
Other provisions	5,228	5,439
Total	**$38,961**	**$37,161**
Current portion	479	746
Non-current portion	38,482	36,415

(1) The amounts by country: Argentina $19,700 (2020: $19,100), Nicaragua $9,306 (2020: $8,923) and Colombia $4,727 (2020: $3,699).

A reconciliation of the decommissioning obligations for assets and other provisions is presented below:

	Dismantling of assets	Other provisions
Balance December 31, 2020	**$31,722**	**$5,439**
Additions, changes in estimates and other	1,935	768
Accretion expense	533	-
Foreign currency exchange	(457)	(979)
Balance June 30, 2021	**$33,733**	**$5,228**

Contingent assets

Type of process	Number of processes	Claims
Administrative and environmental	11	$9,871
Taxes, other than income tax	8	48,049
Total	**19**	**$57,920**

Contingent Liabilities

Contingencies that were evaluated as possible are detailed below:

Type of process	Number of processes	Claims
Administrative and environmental	3	$288
Taxes	1	1,448
Civil	6	593
Labor	47	2,604
Total	**57**	**$4,933**

NOTE 21. OTHER ACCUMULATED COMPREHENSIVE INCOME

Detailed below are the figures of the AOCI:

Item	30/06/2021	31/12/2020
Items that will not be reclassified to results of the period. net of deferred tax:		
Revaluation of property. plant and equipment	$7,670	$7,507
Measurement of defined benefits plans	(4)	(8)
Items that may be reclassified to results of the period. net of deferred tax:		
Cash flows hedges	1,674	(607)
Conversion adjustment	45,867	45,500
Changes in Financial instruments designated at FVTOCI	2,736	2,736
Total	**$57,943**	**$55,128**

NOTE 22. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The following is disclosed in accordance with IAS 24:

Related party transactions

All the transactions entered into with the Company's related parties were carried out on an arm's length basis, under equal general conditions as for similar transactions with third parties. Transactions between related parties and the Company are eliminated in consolidation.
During the three months ended June 30, 2021, the Company entered into the following commercial transactions with related parties of certain Board members:

- Paid insurance premiums to Axa Colpatria Seguros S.A. and Seguros de Vida Colpatria S.A., of $1,018 (2021) and $488 (2020) for various insurance policies of the Company.

On June 18, 2021, Alberto Mejia Hernandez, Director and stakeholder, sold 100,000 shares. The sale was approved by the Board of Directors on July 2, 2021, as recorded on the Board's meeting minutes No. 537.

Compensation of Key Management Personnel

The total compensation paid to key management personnel of the Company (persons who have the authority and responsibility to plan, direct and control the Company's activities) as at June 30 2021 and 2020 are as follows:

	30/06/2021	30/06/2020
Salaries and short-term benefits	573	508
Other compensation	1,520	955

The Company does not have long-term post-employment or termination benefits for its key management personnel.

The fees paid to Directors for their attendance at the Board of Directors meetings for the six months ended June 30, 2021 of $270 (June 30, 2020: $94).

NOTE 23. SUBSEQUENT EVENTS

a) Acquisition of 15% of Vesmisa

On 27 July 2021, Hemco Nicaragua S.A. signed the agreement, for the 15% of the shares of Vesubio Mining S.A. As a result of this transaction the participation of Hemco Nicaragua S.A. will be 100% in Vesubio Mining S.A. The purchase of these shares constituted a direct investment of one million five hundred thousand dollars ($1,500), corresponding to 150 ordinary shares that will be paid at the close of the transaction.

b) Strategic Alliance Agreement between Mineros S.A. and Royal Road Minerals Limited (Guintar-Niverengo)

On July 22, 2021 Mineros S.A sent a notification to Royal Road indicating that the conditions established to exercise the first option to acquire a 25% interest have been met to date.

c) Tax Reform

The Tax Reform in Colombia has been approved on September 14, 2021.

The most relevant impact at corporate level of the Tax Reform implies an increase in the nominal income tax rate that would go from 30% to 35% for the taxable year 2022; it must be taken into account that this same rate applies in case of distributing dividends as taxed, when dividends are distributed, charged to the non-taxed net income, the dividend tax is caused at a rate of 10% for individuals or non-tax resident.

The discount for payment of ICA (Industry and Commerce Tax) will remain at 50%, revoking the benefit of 100% that was estimated to apply from 2022.

NOTE 24. APPROVAL OF FINANCIAL STATEMENTS

The Condensed Consolidated Interim Condensed Financial Statements of Mineros S.A. for the six months ended June 30, 2021 were approved by the Board of Directors at its meeting as [■], 2021 as per minute number [■].

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Mineros S.A.

Opinion

We have audited the consolidated financial statements of Mineros S.A. and its subsidiaries (The Group), which comprise the consolidated statement of financial position as at December 31, 2020, 2019 and 2018, and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the IASB (IFRSs).

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing (ISAs). 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 are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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.

Impairment of long-term assets, specifically the value in use of cash generating units (CGU)

-Description of Key Audit Matter

As described in note 8 to the consolidated financial statements, Management recognized a reversal of a previous impairment charge in the Cash Generating Unit (CGU) of HEMCO in Nicaragua for $ 8.7 million, and recognized an impairment charge in the CGU of Gualcamayo in Argentina for $7.5 million. Management estimated the recoverable value using the value in use method, which is based on the discounted cash flow projections of the CGUs. The value in use estimated by Management includes significant judgments and assumptions, related to expected revenue, operating margins and the discount rate applied to estimated future cash flows. The valuation model is sensitive to the discount rate and changes in gold price.

How the Key Audit Matter was addressed in the audit

The primary audit procedures performed related to the review of the discounted cash flow models prepared by the Group for each CGU were the following:

- Evaluating the risk associated to the value in use estimate prepared by the Management and the relevant assumptions of the discounted cash flow.

- Testing the relevant controls over the Group's process for the determination of recoverable value;

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- Testing, with the assistance of valuation specialists, the appropriateness of the discounted cash flows prepared by Management for each CGU, including the reasonableness of the assumptions used by the Group for the discount rate and changes in gold price.

Functional currency related to Mineros S.A. and Mineros Aluvial S.A.S.

Description of Key Audit Matter

As described in note 1.4 to the consolidated financial statements, the Group changed the functional currency of Mineros S.A. and its subsidiary Mineros Aluvial S.A.S. to the US dollar as of April 1, 2020. The change in the functional currency involves significant judgment by Management in the evaluation of the relevant facts and circumstances for the determination of the date of the prospective change.

How the Key Audit Matter was addressed in the audit

The primary audit procedures were performed with the assistance of our internal specialist in accounting. We (i) evaluated the facts and circumstances that led to the change in functional currency (ii), reviewed the technical accounting basis and the analysis prepared by the Management and (iii) evaluated the appropriateness of the conclusions reached by the Group regarding the accounting for the change in functional currency and the date of the prospective change.

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 IFRSs, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 ISAs 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 ISAs, we exercise professional judgment 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 Group'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 Group'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 Group 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 Group 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.

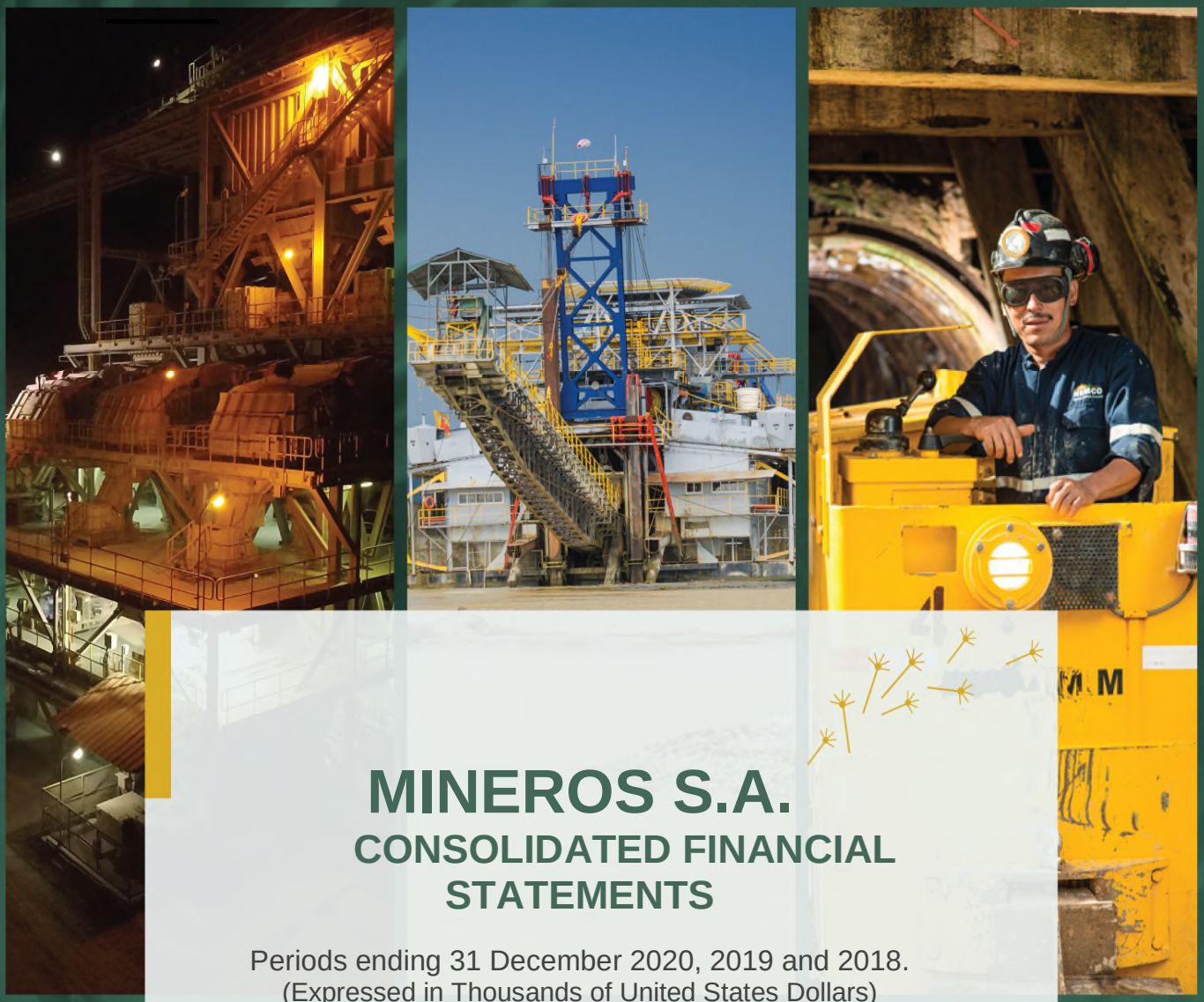
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law 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 [●].

[Member Firm's signature]

Medellín, Colombia

Date [●].



MINEROS S.A.

CONSOLIDATED FINANCIAL STATEMENTS

Periods ending 31 December 2020, 2019 and 2018.
(Expressed in Thousands of United States Dollars)

Mineros
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General Notes

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MINEROS S.A.
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018
AMOUNTS EXPRESSED IN THOUSANDS OF U.S. DOLLARS

	Note	2020	2019	2018
Revenues	**9**	485,301	411,361	272,306
Costs of sales	**10**	(322,340)	(316,991)	(197,167)
GROSS PROFIT		**162,961**	**94,370**	**75,139**
Administration expenses	**12**	(16,157)	(11,243)	(9,781)
Other income	**11**	3,735	1,151	2,697
Other expenses	**13**	(23,447)	(13,806)	(18,204)
Exploration expenses	**14**	(9,977)	(7,636)	(12,254)
Impairment of assets, net	**15**	1,192	(2,044)	(33,600)
Finance income	**16**	1,094	1,452	1,839
Finance expense	**17**	(8,706)	(8,391)	(4,760)
Hedging Operations, net	**5.3**	(2,027)	3,106	(1,956)
Foreign currency exchange differences		(2,643)	(4,150)	1,602
Bargain purchase gain			-	51,283
PROFIT FOR THE YEAR BEFORE TAX		**106,025**	**52,809**	**52,005**
Current tax	**23**	(38,149)	(15,313)	(12,633)
Deferred tax	**23**	(4,221)	32	12,749
PROFIT FOR THE YEAR		**63,655**	**37,528**	**52,121**
Attributable to:				
Controlling interest		63,372	37,258	51,820
Non-controlling interests	**35**	283	270	301
PROFIT FOR THE YEAR		**63,655**	**37,528**	**52,121**
Basic and dilute earnings per share in U.S Dollars:	**18**	**0.24**	**0.14**	**0.20**

MINEROS S.A.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018
AMOUNTS EXPRESSED IN THOUSANDS OF U.S. DOLLARS

	2020	2019	2018
PROFIT FOR THE YEAR	**63,655**	**37,528**	**52,121**
Other comprehensive income, net of taxes			
Items that will not be reclassified to results for the year:			
Measurement of defined benefits plans	25	(85)	164
Revaluation of property, plant and equipment	1,877	1,494	(282)
Measurement of financial instruments	(823)	(93)	(196)
	1,079	**1,316**	**(314)**
Items that may be reclassified to results for the year:			
Cash flows hedges	1,351	1,165	(924)
Foreign exchange differences on translation of foreign operations	(21,139)	130	(11,872)
	(19,788)	**1,295**	**(12,796)**
Foreign exchange differences on translation of foreign operations non-controlling interests	-	(86)	(420)
Other comprehensive income, net of taxes	**(18,709)**	**2,525**	**(13,530)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**44,946**	**40,053**	**38,591**
Total comprehensive income attributable to:			
Controlling interest	44,663	39,869	38,710
Non-controlling interests	283	184	(119)
	44,946	**40,053**	**38,591**

MINEROS S.A.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018
AMOUNTS EXPRESSED IN THOUSANDS OF U.S. DOLLARS

	Notes	2020	2019	2018
ASSETS				
Current assets				
Cash and cash equivalents	**19**	63,598	19,046	24,602
Trade and other receivables	**20**	19,811	24,155	13,400
Inventories	**21**	64,621	63,415	58,905
Derivative financial instruments	**5.3**	11,332	3,518	1,534
Investments	**22**	1,563	1,074	3,483
Income tax receivables	**23**	5,189	9,051	7,960
Other tax receivables	**23**	29,192	16,044	16,796
Other assets	**24**	4,969	7,380	7,383
Subtotal current assets			**143,683**	**134,063**
Assets held for sale	**6.1**	-	8,012	-
Current assets		**200,275**	**151,695**	**134,063**
Non-current assets				
Trade and other receivables	**20**	2,414	2,478	2,972
Inventories	**21**	21,232	23,530	21,049
Investments	**22**	5,235	4,386	4,527
Other assets	**24**	-	2	2
Other tax receivables	**23**	592	545	1,172
Deferred tax assets	**23**	4,612	13,751	14,919
Investment property	**26**	2,441	2,557	2,439
Exploration and evaluation projects	**27**	26,112	26,292	23,593
Intangible assets, net	**28**	39,897	25,547	19,760
Property, plant and equipment, net	**25**	239,425	241,436	222,810
Total non-current assets		**341,960**	**340,524**	**313,243**
TOTAL ASSETS		**542,235**	**492,219**	**447,306**

MINEROS S.A.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020, 2019 AND 2018
AMOUNTS EXPRESSED IN THOUSANDS OF U.S. DOLLARS

	Notes	2020	2019	2018
LIABILITIES AND EQUITY				
Liabilities				
Current liabilities				
Loans and other borrowings	**29**	27,277	24,280	19,883
Derivative financial instruments	**5.3**	9,319	626	3,507
Trade and other payables	**30**	52,050	53,457	53,455
Other financial liabilities	**18**	4,076	3,850	3,531
Employee benefits	**31**	6,086	5,606	5,204
Income tax	**23**	27,851	9,867	5,159
Other taxes	**23**	1,408	7,433	6,150
Provisions	**32**	746	544	1,582
Subtotal current liabilities		**128,813**	**105,663**	98,471
Liabilities directly associated with assets held for sale		-	2,512	-
Total current liabilities		**128,813**	**108,175**	**98,471**
Non-current liabilities				
Loans and other borrowings	**29**	47,181	58,571	49,528
Employee benefits	**31**	4,603	4,167	4,009
Deferred tax	**23**	10,442	17,003	17,079
Provisions	**32**	36,415	21,745	19,596
Trade and other payables	**30**	-	-	90
Total non-current liabilities		**98,641**	**101,486**	**90,302**
Total liabilities		**227,454**	**209,661**	**188,773**
Equity				
Issued capital	**33**	39	53	53
Share premium	**33**	383	517	517
Reserves		184,724	226,738	197,724
Other comprehensive income	**34**	55,128	8,200	5,654
Retained earnings		74,158	46,718	54,231
Equity attributable to the controlling interest		**314,432**	**282,226**	**258,179**
Non-controlling interest	**35**	349	332	354
Total equity		**314,781**	**282,558**	**258,533**
TOTAL LIABILITIES AND EQUITY		**542,235**	**492,219**	**447,306**

MINEROS S.A.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018
AMOUNTS EXPRESSED IN THOUSANDS OF U.S. DOLLARS

	Issued capital	Share premium	Reserves	Other comprehensive income	Retained earnings	Equity attributable to the controlling interest	Non-controlling interests	Total equity
Balance at December 31, 2017	**53**	**517**	**173,642**	**19,141**	**40,662**	**234,015**	**309**	**234,324**
Net result of the year	-	-	-	-	51,820	51,820	301	52,121
Other comprehensive income for the year	-	-	-	(13,110)	-	(13,110)	(420)	(13,530)
Total comprehensive income for the year	**-**	**-**	**-**	**(13,110)**	**51,820**	**38,710**	**(119)**	**38,591**
Appropriation of reserves	-	-	24,082	-	(24,082)	-	-	-
Dividend declared	-	-	-	-	(13,832)	(13,832)	(550)	(14,382)
Transfers to NCI	-	-	-	-	(714)	(714)	714	-
Reclassification	-	-	-	(377)	377	-	-	-
Balance at December 31, 2018	**53**	**517**	**197,724**	**5,654**	**54,231**	**258,179**	**354**	**258,533**
Net result of the year	-	-	-	-	37,258	37,258	270	37,528
Other comprehensive income of the year	-	-	-	2,611	-	2,611	(86)	2,525
Total comprehensive income for the year	**-**	**-**	**-**	**2,611**	**37,258**	**39,869**	**184**	**40,053**
Appropriation of reserves	-	-	44,188	-	(44,188)	-	-	-
Dividend declared	-	-	(15,174)	-	-	(15,174)	(799)	(15,973)
Transfers to NCI	-	-	-	-	(593)	(593)	593	-
Reclassification	-	-	-	(65)	65	-	-	-
Others	-	-	-	-	(55)	(55)	-	(55)
Balance at December 31, 2019	**53**	**517**	**226,738**	**8,200**	**46,718**	**282,226**	**332**	**282,558**
Net result of the year	-	-	-	-	63,372	63,372	283	63,655
Other comprehensive income of the year	-	-	-	(18,709)	-	(18,709)	-	(18,709)
Total comprehensive income for the year	**-**	**-**	**-**	**(18,709)**	**63,372**	**44,663**	**283**	**44,946**
Effect of change in functional currency	(14)	(134)	(59,708)	65,879	(6,023)	-	-	-
Appropriation of reserves	-	-	30,151	-	(30,151)	-	-	-
Dividend declared	-	-	(12,457)	-	-	(12,457)	(266)	(12,723)
Reclassification	-	-	-	(242)	242	-	-	-
Balance at December 31, 2020	**53**	**383**	**184,724**	**55,128**	**74,158**	**314,432**	**349**	**314,781**

MINEROS S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018
AMOUNTS EXPRESSED IN THOUSANDS OF U.S. DOLLARS

	2020	2019	2018
Cash flows from (used in) operating activities			
Classes of cash receipts from operating activities			
Receipts from sales of goods	494,077	379,159	268,314
Receipts from commissions and other revenue	4,516	2,077	3,819
Cash receipts from futures contracts, forward contracts, option contracts and swap contracts	1,380	59	2,336
Classes of cash payments from operating activities			
Payments to suppliers for goods and services	(252,927)	(228,508)	(143,690)
Payments to employees and social security agencies	(72,292)	(71,110)	(50,930)
Payments for premiums and claims, annuities and other policy benefits	(3,763)	(4,636)	(289)
Payments for futures contracts, forward contracts, option contracts and swap contracts	(10,666)	(1,432)	-
Income taxes (paid)	(17,577)	(12,363)	(22,941)
Other inflows (outflows) of cash	(504)	(570)	(375)
Net cash flows from operating activities	**142,244**	**62,676**	**56,244**
Cash flows from (used in) investing activities			
Cash flows from the disposal of subsidiaries	5,475	-	-
Cash payments for acquisition of subsidiary or non-controlling interests, net of cash acquired	-	-	(30,729)
Proceeds from sales of property, plant and equipment	83	931	66
Purchase of property, plant and equipment	(54,416)	(41,680)	(20,008)
Purchase of intangible assets and exploration projects	(17,630)	(16,391)	(13,049)
Proceeds from sales of other long-term assets	-	-	2,199
Loans granted to third parties	(255)	-	-
Interest received	303	62	6,469
Proceeds from sales of financial instruments	3,670	17,072	610
Other inflows (outflows) of cash	65	(773)	(22)
Net cash flows used in investing activities	**(62,705)**	**(40,779)**	**(54,464)**
Cash flows from (used in) financing activities			
Proceeds from borrowings	20,268	37,610	33,167
Repayments of borrowings	(25,174)	(32,295)	(5,941)
Payments of lease liabilities	(12,359)	(11,326)	(2,425)
Dividends paid	(13,303)	(14,248)	(13,857)
Interest paid	(5,147)	(6,711)	(4,392)
Other inflows (outflows) of cash	-	(1,430)	-
Net cash flows used in (used in) generated by financing activities	**(35,715)**	**(28,400)**	**6,552**
Net (decrease) increase in cash and cash equivalents before effect of exchange rate changes	**43,824**	**(6,503)**	**8,332**
Effect of exchange rate changes on cash and cash equivalents	728	1,078	(1,864)
Net (decrease) increase in cash and cash equivalents	**44,552**	**(5,425)**	**6,468**
Cash and cash equivalents at beginning of year	19,046	24,602	18,134
Cash and cash equivalents at end of year classified as held for sale	-	(131)	-
Cash and cash equivalents at end of year	**63,598**	**19,046**	**24,602**

NOTE 1. CORPORATE INFORMATION

1.1. Entity and corporate purpose of the parent Company and its subsidiaries

Mineros S.A. is the ultimate parent company of its consolidated group ("Mineros", "the Company" or "Group"). The Company is a Colombian corporation that was incorporated on November 14, 1974 for an initial period of 99 years, which can be extended by amending the Company's by-laws. Its registered and head offices are located in Medellín, Colombia at the Nova Tempo Building (6th floor), Carrera 43 A #14-109.

The Company is publicly listed on the Colombian Securities Exchange, *Bolsa de Valores de Colombia*, where 100% of the issued and outstanding common shares are listed under the symbol: MINEROS CB.

The Company is a precious metals producer with significant gold production, development and exploration stage properties throughout Latin and South America, including Colombia, Nicaragua and Argentina. The Company's principal producing mining properties are comprised of the Nechí Alluvial and La Ye (see note 6.1) mines in Colombia; the Pioneer and Panama mines in Nicaragua; and the Gualcamayo mine in Argentina.

At December 31, 2019, the Company's projects include La Pepa project in Chile. In December 2018, Yamana and its subsidiary Minera Cavancha SpA which holds the La Pepa project also entered into an option agreement with the Company pursuant to which, the Company could (in stages), (i) earn up to 51% of the issued share capital of Minera Cavancha, and (ii) purchase at market value the remaining 49% interest in Minera Cavancha in order to acquire up to a 100% interest in the La Pepa Project. As of December 31, 2020, the Company has not earned an interest in the La Pepa Project.

On December 16, 2020 Mineros S.A. presented a binding letter of intent, pursuant to which Royal Road Minerals has agreed to sell to Mineros its entire 50% interest in the Luna Roja Project, comprising the Monte Carmelo I and Monte Carmelo II mining concessions, in Nicaragua. The Luna Roja Project is currently jointly owned and operated by the Hemco S.A. and Royal Road Minerals, pursuant to the terms of a strategic alliance agreement (the "Strategic Alliance Agreement") dated September 1, 2017, as amended. Under the terms of the Letter Agreement, Mineros agreed to purchase the Royal Road´s 50% interest in the Luna Roja Project on the following key terms: Purchase Price - Mineros will pay to Royal Road a purchase price of (i) US$22.5 million payable in cash on the closing of the proposed transaction, plus (ii) a 1.25% Net Smelter Royalty (NSR) on all future mineral production from the Monte Carmelo I and Monte Carmelo II mining concessions commencing from the first production there from. Royal Road will invest no less than US$7.5 million over a five-year period in exploration operations on the Strategic Alliance properties in Nicaragua as part of the transaction´s commitment.

COVID effect on operations - During the year 2020, the pandemic declared in 2019 by the World Health Organization (WHO) caused by the coronavirus (COVID-19) has spread in the countries in which it operates, thereby prompting governmental health, social and economic measures to prevent the spread of the virus, including restrictions, on the mobility of people, travel restrictions, temporary closure of businesses and other limitations on the Company´s operations. These measures have not led to the suspension of operations or affected the commercialization of gold by Mineros S.A. and its subsidiaries in Colombia, Argentina and Nicaragua, since they belong to the mine-energy sector. The Management of Mineros S.A. has been establishing certain actions that are consistent with such provisions, such as working from home, restriction of access to facilities for personnel not authorized, etc. Administrative activities continue to be carried out under virtual and face-to-face modality, complying with the instructions of the Government.

Considering the above-mentioned facts and their impact, as well as measures established by the governments of the countries in which Mineros operates, the economic impact and consequences for Mineros operations will mainly depend

on the evolution and duration of the pandemic during the upcoming months, as well as its capacity to react and adapt. However, management considers that these effects will not have a significant impact on the Company's ability to continue as a going concern for a period of 12 months, considering that the only restrictions affecting the Company are those limiting the number of operational personnel in the Argentina segment which has not had a significant impact on the financial statements of the Company.

According to Management's expectations, stability is expected in the operating plans of the different countries and no interruptions in terms of operations, supply and/or logistics are anticipated. Operations are susceptible to the volatility of financial markets and macro-economic conditions which are reflected in changes in the international price of gold and currency exchange rates.

Agreements with suppliers and employees subscribed before the contingency period have not been amended. The accounting impacts are disclosed in the notes to the financial statements.

Mining Regulations of Colombia

The Mining Code (Law 685 of 2001) and the Regulatory Decree of the Mines and Energy Administrative Sector (Decree 1073) regulate mining activities in Colombia. The Mining Code establishes a general legal regime for mining activities, regardless of the type of mining (open pit, underground or alluvial), with certain technical distinctions related to operational issues.

The Republic of Colombia owns the property rights over the subsoil and all mineral resources located in the soil and subsoil, with the exception of legacy private rights that were acquired by private parties under previous legal regimes. These private rights are known as Private Property Recognitions (*Reconocimiento de Propiedad Privada*, or “RPP”).

Alluvial operations in Colombia

Mineros owns a RPP in the department of Antioquia, identified with No. R57011 (EDKA03). This legal title has no expiration date, but it may be cancelled if mining activities are suspended for more than 12 months.

The owner of the RPP must pay a 2% royalty based on the production volumes of the properties, all in accordance with the Mining Code (as amended by Law 1955 of 2019). It must also pay a 4% royalty on the gold volumes produced at the mine, calculated on the basis of the international gold price certified by the Central Bank (*Banco de la República*), as set forth in Law 488 of 1998. RPP holders must also submit an annual statement (Basic Mining Form) to the national mining authority, indicating the volume of gold produced and sold by the mining title holder, the investments made during the relevant contractual phase; existing reserves and resources, data on personnel, days worked and HSE, cost structure of the operation, investments in equipment associated with mining operations, asset and property ownership, environmental contingencies, social unrest, and social and environmental investments.

Underground operations in Colombia

Our underground mining is carried out under mining concession title number L5682005. Mining concessions are granted for 30-year periods from the date of registration with the national mining authority in Colombia, Agencia Nacional de Minería (“ANM”). Concession title L5682005 expires in 2034, and its renewal for 30 additional years is subject to prior approval by the ANM. Such renewal is not automatic, and the decision to extend it is entirely at the discretion of the ANM. The company must submit a request for extension at least two years prior to expiration.

The concession holder must pay a surface fee depending on the number of hectares covered by the concession, at a rate that varies between 0.5 and 3 daily legal minimum wages per hectare. During the production phase, the concession holder must pay a 4% royalty on the value of the mineral extracted. Additional requirements include the submission of annual production reports and of a work plan prior to starting the production phase.

Mining Regulations in Nicaragua

Mining activities are authorized by means of a mining concession granted by the Nicaraguan Government, pursuant to Law 387. Hemco Nicaragua S.A. ("Hemco or Hemco S.A") holds 25 mining concessions, of which fourteen concessions will expire in 2035, three in 2027, two in 2037, one in 2032, two in 2037 and three concessions in 2044. Hemco currently pays surface and value-added taxes, and must comply with social security and environmental regulations

Mining Regulations in Argentina

Mining activities are authorized by means of a mining concession granted by the Argentinian Government, pursuant to article 10 of the Mining Code, which establishes that private ownership over the concession is granted for a limited time period, pursuant to article 18 of the Mining Code, subject to payment of a mining canon fee and capital expenditures. Additionally, royalties of up to 3% are to be paid to the provinces.

Details of the Company's subsidiaries

The fiscal year of the Company and its subsidiaries is December 31st. The names, country of incorporation, main activity, functional currency and equity interest held by Mineros S.A. in each subsidiary are listed below:

Corporate Name	Place of incorporation and operation	Main Activity	Functional Currency	Equity interest %		
				31/12/2020	31/12/2019	31/12/2018
Mineros Chile SpA	Chile	Holding company	USD [(1)(3)]	100%	100%	100%
Mineros Argentina Holdings BV	Netherlands	Holding company	USD[(1)]	100%	100%	100%
Mineros Chile Rentista de Capitales Mobiliarios Limitada	Chile	Holding company	USD[(1)]	100%	100%	100%
Minas Argentinas S.A	Argentina	Underground and open pit gold mining	USD[(1)]	100%	100%	100%
Mineros Atacama SpA	Chile	Holding company	USD[(1)(3)]	N/A	N/A	100%
Hemco Nicaragua S.A.	Nicaragua	Underground gold mining and holding company for operations in Nicaragua	USD	100%	100%	100%
Vesubio Mining S.A.	Nicaragua	Underground gold mining	USD	75%	75%	75%
Rosita Mining S.A.	Nicaragua	Underground gold mining	USD	100%	100%	100%
New Castle Gold Mining S.A	Nicaragua	Inactive	USD	69,9%	69,9%	69,9%
Roca Larga Mining, S.A.	Nicaragua	Inactive	USD	100%	100%	100%
Distribuidora Caribe Norte, S.A.	Nicaragua	Inactive	USD	100%	100%	100%
Minerales Matuzalén S.A.	Nicaragua	Underground gold mining	USD	100%	100%	100%
Mineros Aluvial S.A.S.BIC.	Colombia	Alluvial gold mining	USD[(1)(4)]	100%	100%	100%
Operadora Minera S.A.S.	Colombia	Underground gold mining	COP[(2)(5)]	0%	100%	100%
Negocios Agroforestales S.A.S.BIC.	Colombia	Biological assets management	COP[(2)]	100%	100%	100%
Compañía Minera de Ataco S.A.S.	Colombia	Underground gold mining	COP[(3)]	100%	100%	100%

(1) United States Dollar
(2) Colombian Peso
(3) The change for 2019 in Mineros Atacama is due to a merger between Mineros Chile SpA and Mineros Atacama SpA in August 2019.
(4) Mineros S.A. for 2019 and 2018 outsourced its mining operation to its subsidiary (Mineros Aluvial), whose primarily services were mining-related (movement of minerals) for the holding company (Mineros S.A.); payments and cash flows were based on moved tons instead of gold production.
(5) Disposed as of May 31 2020 (see note 6.1)

1.2. Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and its corresponding interpretations ("IFRIC") issued by the International Financial Reporting Interpretation Committee.

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, investment properties and certain classes of property and plant that are measured at fair value.

In general, historical cost is based on the fair value of the consideration delivered or received in exchange for the goods or services involved in the transaction, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Fair value is the price that would be received for selling an asset or paid for transferring a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

The preparation of these consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to use its judgment in the application of accounting policies. These significant judgments and accounting estimates are disclosed in Note 4.

These consolidated financial statements have been prepared on a going concern basis that assumes, amongst other things, that the Company will realize its assets and settle its obligations in the normal course of business.

1.3. Purpose of these financial statements

These consolidated financial statements of the Company as of December 31, 2020, 2019 and 2018 have been prepared under IFRS for the purpose of fulfilling the information requirements for the Company's registration with the Ontario Securities Commissions and an initial public offering on the Toronto Stock Exchange ("TSX").

1.4. Functional currency change

Considering the business dynamics and characteristics of the business (until March 31, 2020), the Company had estimated the Colombian peso (COP) as its functional currency for the companies Mineros S.A. and Mineros Aluvial S.A.S. BIC. However, in accordance with certain changes in the business structure that occurred during the first quarter of 2020, Mineros S.A. and Mineros Aluvial S.A.S. BIC. have re-assessed and changed their functional currency to the U.S. dollar prospectively as from April 1, 2020., reaching the conclusion that the primary economic environment in which they operate is the US dollar based on the following:

- A shift in the business model of the Company due to the transfer of the mining titles and exploitation activities to its Colombian subsidiary Mineros Aluvial S.A.S. BIC., which implied changes in revenues and cash flows from COPs to USD.

- The signing of a commercial agreement with Mineros Aluvial S.A.S. BIC. for the acquisition of minerals at prices denominated in USD (previous to the change in functional currency, the Company had an operating agreement with Mineros Aluvial S.A.S. BIC. in COPs, which generated costs and cash flows in such currency.

- The sale of Operadora Minera S.A.S. (subsidiary in Colombia) which exploited the Alluvial and La Ye mines up to April, 2020.

The above-mentioned facts also generated changes in the subsidiary Mineros Aluvial S.A.S. BIC, which changed its business from receiving income for mining operation services in COP (Colombian pesos), to receiving direct income for

mineral extraction and sale (gold) in USD (United States dollars). The mineral sale price is directly related to the price per ounce at the international level, in US dollars.

According to IAS 21, this constitutes a prospective change in the functional currency of the companies due to events occurring during the period detailed above. The translated balances of monetary and nonmonetary assets and liabilities recorded in Mineros and Mineros Aluvial´s financial statements as of March 31, 2020 became the new accounting basis for those assets and liabilities in the period of the change. To the extent the entities had monetary assets and liabilities denominated in the previous functional currency, such balances created transactional gains and losses subsequent to the change in functional currency. The amount recorded in the currency translation adjustment account for prior periods was not reversed upon the change in functional currency. The exchange rate on April 1, 2020 became the historical rate for the measurement of non-monetary assets and liabilities in the new functional currency.

NOTE 2. ADOPTION OF NEW AND REVISED STANDARDS

2.1 New and amended IFRS standards that are effective for the current year

In the current year-to-date period, the Company has applied a number of new and amended IFRS and interpretations issued by the International Accounting Standards Board ("IASB") that are mandatorily effective for an accounting period that begins on or after January 1, 2020. The conclusions related to their adoption are described as follows:

Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7

In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9.

The adoption of these standards has not had any impact on these financial statements.

Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

c) There is no substantive change to other terms and conditions of the lease.

In the current financial year, the Group has applied the amendment to IFRS 16 (as issued by the IASB in May 2020) in advance of its effective date.

The adoption of these standards has not had any impact on these financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards

The Group has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

The adoption of these standards has not had any impact on these financial statements.

Amendments to IFRS 3 Definition of a business

The Group has adopted the amendments to IFRS 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.

The adoption of these standards has not had any impact on these financial statements.

Amendments to IAS 1 and IAS 8 Definition of material

The Group has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term ‘material’ to ensure consistency.

The adoption of these standards has not had any impact on these financial statements.

2.2 New and revised IFRS Standards issued, but not yet effective

At the date of authorization of these financial statements, the Company has not applied the following new and revised IFRS that have been issued but are not yet effective. The Company does not expect that the adoption of the following standards will have a material impact on the financial statements in future periods:

IFRS 17	Insurance Contracts
IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment—Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to IFRS Standards 2018-2020 Cycle	Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture

- **IFRS 17 Insurance Contracts**

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023.

At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023. IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

- **Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted.

- **Amendments to IAS 1 – Classification of Liabilities as Current or Non-current**

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.

- **Amendments to IFRS 3 - Reference to the Conceptual Framework**

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

- **Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use**

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e., proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted.

- **Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted.

- **Annual Improvements to IFRS Standards 2018–2020**

The Annual Improvements include amendments to four Standards.

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e., for fair value measurements on or after the date an entity initially applies the amendment.

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies established below have been consistently applied in the preparation of the consolidated financial statements for the years ended on December 31, 2020, 2019 and 2018.

3.1 Basis for consolidation

The consolidated financial statements include financial information of Mineros S.A. and its subsidiaries at December 31, 2020, 2019 and 2018.

Accordingly, all assets, liabilities, equity and income of the subsidiaries are added to the financial statements of the parent or controlling Company, with prior elimination of the parent's investment in the equity of the subsidiaries, as well as the elimination of intercompany balances and transactions existing at the reporting date of the consolidated financial statements, as established in IFRS 10.

The accounting policies and practices are applied uniformly by the parent Company and its subsidiaries. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Company's accounting policies.

Control is achieved when the Company:

- Has power over an investee;
- Is exposed, or has the rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power on the investee to exercise influence on the amount of the returns of the investor.

Mineros S.A. reassesses whether or not it controls an investee whenever the facts or circumstances indicate that there are changes to one or more of the three aforementioned elements of control.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to unilaterally direct the relevant activities of the investee. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The consolidation of a subsidiary starts when Mineros S.A. obtains control over the subsidiary and ends when it loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or sold during the year are included in the consolidated statements of profit or loss and comprehensive income from the date that Mineros S.A. obtains control until the date that it ceases controlling the subsidiary.

The profit or loss and total comprehensive income of each subsidiary are attributed to the Company's shareholders and to the non-controlling interest, even if this results in the non-controlling interest having a deficit balance.

Non-controlling interests in the net assets of consolidated subsidiaries are presented separately within equity. Profit and loss and total comprehensive income are also attributed to the non-controlling and controlling interests.

The interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Company considers transactions with non-controlling interests, in which control is not lost, as transactions with the Company's shareholders.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the Company's owners.

When the Company loses control over a subsidiary, the gain or loss on disposal recognized in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Company had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

3.2 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interest issued by the Company in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquire are measured in accordance with IFRS 2 Share-Based Payments at the acquisition date; and
- Assets (or disposal) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of

the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Company in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognized in profit or loss.

When a business combination is achieved in stages, the Company's previously held interests in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

3.3 Cash and cash equivalents

Cash consists of amounts held in banks and deposits. Cash equivalents consist of investments made as part of the usual management of cash surplus, with maturity of less than 90 days and for which risk of changes in their value is not significant.

3.4 Functional and presentation currency in the consolidated financial statements

The functional and presentation currency of the Company and certain subsidiaries is the US Dollar. Transactions in foreign currency are initially recorded at the current exchange rate at the transaction date. Subsequently, monetary assets and liabilities in foreign currency are converted at the exchange rate at the period closing date; non-monetary items measured at fair value are converted using the exchange rates at the date their fair value is determined and non-monetary items measured at the historical cost are converted using the exchange rates in effect at the date of the original transactions. All exchange differences are recognized in the statement of profit or loss.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

Statement of Comprehensive Profit Loss items denominated in foreign currencies are converted at the average exchange rates prevailing during the year. Foreign exchange net losses are included in foreign currency exchange differences line items. Foreign exchange gains and losses related to income taxes, if any, are reported within the current or deferred income tax expense line item, as applicable.

3.5 Revenue recognition

Mineros S.A. and subsidiaries recognize revenue from the following major sources:

- Sale of precious metals
- Sale of goods
- Sale of energy

Revenue is recognized based on specific contractual considerations stemming from contracts with customers and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over the sold goods to the customers.

Sale of precious metals

Revenue is recognized when control over the goods has been transferred, which occurs when the goods have been delivered to the wholesaler or the refinery according to the negotiated terms. Following delivery, the buyer has full discretion over the manner of distribution and price to sell the goods, and has the primary responsibility when selling the goods and bears the risks of obsolescence, market value and loss in relation to the goods.

Payment of the transaction price is due within a maximum of 30 days after the customer purchases the goods.

Given the nature of the goods sold, considered commodities, there are no return for the goods.

Energy sales

Mineros, as part of its operations, has an electric power plant to supply energy for its operations in Colombia and Nicaragua. The Company sells unused energy and the related revenue is recognized once the reading of the energy meters is captured by the "Operador de Bolsa de Energia" (Energy Exchange Operator). Payment of the transaction price is due within a maximum of 30 days after the customer purchases the energy.

Sale of goods

Sales of latex in liquid or solid presentation are made locally, and recognized when collected by the customer at the Company's facilities.

3.6 Taxes

Taxes consist of general mandatory levies paid to the state by corporations, determined based on the tax bases stipulated in the national and regional tax regulations in effect in Colombia and Nicaragua, countries where the Company operates.

The tax framework in the three countries where the Company operates is described in the note 23.

3.6.1 Current Tax

The current income tax balances are measured as the values expected to be recovered from or paid to the tax authority. The current income tax expense is recognized based on taxable income, which is reconciled from accounting pre-tax income, multiplied by the statutory income tax rate of the year, pursuant to the country's tax laws. The tax rates and regulations used to calculate said amounts are those that have been enacted or substantively enacted as of the end of the reporting period.

Taxable income differs from that reported in the statement of income of the period due to the items of income or expenses that are taxable or deductible in other years and items that will not be taxable or deductible in the future.

Current income tax assets and liabilities are also offset if they are related to the same tax authority and the intention is to settle them for the net value or to derecognize the asset and settle the liability simultaneously.

A provision is recognized for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company , supported by previous experience on similar matters, and in certain cases based on independent tax specialist advice.

3.6.2 Deferred Tax

Deferred income tax is recognized based on the temporary differences between the tax bases of the assets and liabilities and their carrying amounts. Deferred tax liabilities are generally recognized for all the taxable temporary differences and deferred tax assets are recognized for all the deductible temporary differences and for the future offsetting of unused tax credits and unused tax losses, to the extent that it is probable that taxable income will be available against which the deduct the temporary differences. Deferred taxes are not discounted.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of an asset or liability in a transaction other than in a business combination that, at the time of the transaction does not affect either the accounting gains or the taxable profit or loss; and in the case of deferred tax liabilities, when they arise from the initial recognition of goodwill.

The carrying value of deferred tax assets is reviewed on each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available for all or part of that deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed on each reporting date and are recognized to the extent that it is probable that future taxable income will enable their recovery.

Deferred tax assets and liabilities are measured at the tax rates expected to be applied in the period in which the asset is realized or the liability is settled based on tax rates and regulations that have been enacted or substantively enacted.

Deferred tax assets and liabilities are offset if there is a legally exercisable right for this and they are with the same tax authority.

Current and deferred tax are recognized in results of the period, except when they relate to items that are recognized in other comprehensive income or in equity, for which the related current or deferred tax is recognized therein. Where the tax arises from a business combination, the tax effect is included in the accounting for the business combination.

3.7 Financial instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

3.7.1 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- The Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- The Company may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iii) below).

i. Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below).

For purchased or originated credit-impaired financial assets, the Company recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired. Interest income is recognized in profit or loss and is included in the "financial income" line item.

ii. Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.
A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or

- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'financial income' line item in profit or loss.

The Company has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9 (see note 5).

iii. Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically;

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'Foreign exchange gains and losses' line item;
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'Foreign currency exchange' item; and
- For equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income in the investment revaluation reserve.

See hedge accounting policy regarding the recognition of exchange differences where the foreign currency risk component of a financial asset is designated as a hedging instrument for a hedge of foreign currency risk.

Impairment of financial assets

Mineros recognizes, when applicable, a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortized cost or at FVTOCI, Investments, trade and other receivables and prepaid

expenses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

i. Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Significant deterioration in external market indicators of credit risk for a particular financial instrument
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

i. The financial instrument has a low risk of default,
ii. The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
iii. Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

ii. Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default in the mining business has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

iii. Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a. Significant financial difficulty of the issuer or the borrower;
b. A breach of contract, such as a default or past due event (see (ii) above);
c. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
d. It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
e. The disappearance of an active market for that financial asset because of financial difficulties.

iv. Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are considered unrecoverable, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Historically, Mineros has not written-off trade receivables given the economic conditions of their customers.

- **Measurement and recognition of expected credit losses**

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

3.7.2 Financial liabilities and equity

Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Company, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss to the extent that they are not part of a designated hedging relationship (see Hedge accounting

policy). The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Financial expenses' line item (note 16 in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Foreign exchange gains and losses
For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments. These foreign exchange gains and losses are recognized in the 'Foreign currency exchange' line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

3.7.3 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts and options.

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Company has both legal right and intention to offset. For Mineros typically a derivative is presented as current asset or as current liability if the remaining maturity of the instrument is 12 months or less, if applicable other derivatives may be presented as non-current assets or non-current liabilities.

3.7.4 Hedge accounting

At the inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge. The documentation includes the identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the entity will assess whether the hedging relationship meets the hedge effectiveness requirements.

Hedged Item
A hedged item can be a recognized asset or liability, an unrecognized firm commitment, a highly probable forecast transaction or a net investment in a foreign operation. The hedged item can be a single item or group of items

Type of Hedge
Cash flow hedge: a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognized asset or liability (such as all or some future interest payments on variable-rate debt) or a highly probable forecast transaction, and could affect profit or loss.

Measurement of Effectiveness

The Company guarantees the effectiveness of its hedges with strict compliance through the following requirements:

- Economic relationship: The Company demonstrated that there is an economic relationship between the hedged item and the hedging instrument.
- Effect of credit risk: the effects of credit risk do not control the changes in value consequent from the economic relationship.
- Hedge ratio: Resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

These requirements are guaranteed through the contracting of financial derivatives whose underlying assets are precisely the resources that generate the market risks for the Company. Additionally, the nominal amounts negotiated on these derivatives never exceed the exposures that are to be hedged according to the hedge’s policies and strategies.

Taking into account the aforementioned policy, instruments entered into for hedging operations are considered 100% effective, since the amount of the hedged item, the hedging instrument and the forward price are known from the beginning of the relationship.

Measurement

The Company initially measures the hedging instruments at their fair value on the date on which the derivative contract is subscribed.

The subsequent measurement of the hedging instruments is at fair value. Derivatives are accounted for as financial assets when their fair value is positive, and as financial liabilities when their fair value is negative, in the statement of financial position.

Recognition

Cash flow hedges: As long as a cash flow hedge meets the qualifying criteria the hedging relationship shall be accounted for as follows:

a) The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognized in other comprehensive income.

b) Any remaining gain or loss on the hedging instrument is hedge ineffectiveness that shall be recognized in profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Company expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Derecognition

The Company discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognized in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in cash flow hedge reserve is reclassified immediately to profit or loss.

3.8 Inventories

Goods acquired with the intention to sell them in the ordinary course of business or to consume them in the process of mineral extraction are classified as inventories, which are valued at the lower of cost and net realizable value.

In Colombia and Nicaragua, inventories only consist of spare parts, materials and items of consumption used in mining operations. They are carried out at the lower of cost and net realizable value.

In Argentina, inventories consisting of product inventories, work-in-process (metal-in-circuit, gold-in-process, heap leach ore) and ore stockpiles are measured at the lower of the cost of production and net realizable value. Net realizable value is calculated as the difference between prevailing prices at the end of the period and the estimated costs to complete production into a saleable form.

Work-in-process represents inventories that are currently in the process of being converted to a saleable product. The cost of production includes an appropriate proportion of depreciation, depletion and amortization and overhead. The assumptions used in the valuation of working- process inventories include estimates of metal contained and recoverable in the ore stacked on leach pads, the amount of metal stacked in the mill circuits that is expected to be recovered from the leach pads, the amount of gold in these mill circuits and an assumption of the precious metal price expected to be realized when the precious metal is recovered. If the cost of inventories is not recoverable due to decline in selling prices or the costs of completion or the estimated costs to be incurred to make the sale have increased, the Company would be required to write-down the recorded value of its work-in-process inventories to net realizable value. Adjustments related to write-down of inventory are included in cost of sales.

Ore in stockpiles is comprised of ore extracted from the mine and available for further processing. Costs are added to ore in stockpiles at the current mining cost per tonne and removed at the accumulated average cost per tonne. Costs are added to ore on the heap leach pads based on current mining costs and removed from the heap leach pad as ounces are recovered in process at the plant based on the average cost per recoverable ounce on the heap leach pad. Although the quantities of recoverable gold placed on the heap leach pads are reconciled by comparing the grades of ore placed

on the heap leach pads to the quantities of gold actually recovered, the nature of the leaching process inherently limits the ability to precisely monitor inventory levels. As such, engineering estimates are refined based on actual results over time.

Variances between actual and estimated quantities resulting from changes in assumptions and estimates that do not result in write-downs to net realizable value are accounted for on a prospective basis. The ultimate recovery of gold from each heap leach pad will not be known until the leaching process is concluded.

Inventories of materials and supplies expected to be used in production are valued at the lower of cost and net realizable value. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of write-down is reversed up to the original write-down amount.

Write-downs of inventory and reversals of write-downs are reported as a component of current period costs of sales.

3.9 Goodwill

Goodwill is initially recognized and measured as set out above.

Goodwill is not amortized but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

On disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.10 Property, plant and equipment

Property, plant and equipment, except for real estate (land and civil works) is measured at cost less accumulated depreciation and less accumulated impairment losses, if any. Cost includes the (i) acquisition price, (ii) costs directly related to the placement of the asset in the location and under the conditions necessary to operate it in its intended way, (iii) borrowing costs for construction projects that take a substantial amount of time to be completed if recognition requirements are met, and (iv) the present value of the expected costs for dismantling the asset after its use, if the criteria for recognition of a provision are met.

Properties under construction for administrative, production or service provision purposes are recorded at cost less any recognized impairment loss. The cost includes professional fees and, in the case of qualifying assets, borrowing costs capitalized pursuant to the accounting policy of the Company. Such properties are classified in the appropriate categories of property, plant and equipment at the time of their completion and when they are ready for their intended use. The depreciation of these assets, according to the same basis as in the case of other property assets, starts when the assets are ready for their intended use.

Land and buildings are accounted for based on the revaluation method permitted by IFRS. Any revaluation increasing the value of such real estate is recognized in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in results, in which case the increase is credited to results to the extent of the previously recognized decrease. A decrease on revaluation is recognized in results to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous increase in the revaluation of the asset.

The Company capitalizes additions or improvements that are made thereto, provided that they meet one of the following conditions: a) they increase the useful life; b) they expand their production capacity and operating efficiency; and c) they reduce costs for the Company. Other repair and maintenance costs are recognized in the statement of income as they are incurred.

Depreciation is calculated at each Cash generating unit (CGU) based on the straight-line method over the following useful lives:

Location / Description	Useful life						
	Hemco	MASA	Operadora Minera	Mineros Aluvial	Mineros Aluvial (Hydroelectric Providencia)	Mineros	Negocios Agroforestales
Construction and buildings	1 to 13.5 years	1 to 5 years	5 years	1 to 17.1 years	1 to 100 years	1 to 17.1 years	1 to 25 years
Machinery and equipment	1 to 13.5 years	1 to 5 years	3.3 years	1 to 17.1 years	1 to 100 years	1 to 17.1 years	1 to 5 years
Biological assets – Rubber plantations	1 to 13.5 years	N/A	N/A	N/A	N/A	N/A	1 to 25 years

The Company calculates depreciation based on components, which involves individually depreciating the material parts of each category of assets. The residual value is also determined for assets when material, which is not part of the depreciable amount.

Depreciation begins from the time that the asset is ready for use, whether it is a purchased asset or a built asset, Depreciation on equipment utilized in the development of assets, including open pit and underground mine development, is recapitalized as development costs attributable to the related asset.

The depreciation method, useful lives and residual values are reviewed annually. Any change in estimation is accounted for prospectively.

Useful lives for assets are estimated considering Life of Mine (LOM); for the case of the CGU Nechí Alluvial, useful life is estimated for the hydropower plant and assets related to the alluvial operations, and are consistent with the LOM.

3.11 Leases

Mineros as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;

- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented within Loans and other borrowings in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as property, plant and equipment in the consolidated statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "administration expenses" or "cost of sales" in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3.12Borrowing costs

Borrowing costs consist of interest that Mineros incurs related to the borrowing of funds that qualify for capitalization under IFRS.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets, until such time as the assets are substantially ready for their intended use or sale.

The interest income earned from temporary investment of funds pending their use in qualifying assets is deducted from the borrowing costs allowable for capitalization.

All the other borrowing costs are accounted for as expenses in the period in which they are incurred.

3.13Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

3.14Intangible assets

i) Intangible assets acquired separately - Intangible assets with a finite useful life acquired separately are recorded at cost less accumulated amortization and impairment losses. Amortization is recognized based on the straight-line method over the assets' estimated useful life. The estimated useful life and depreciation method are reviewed at the end of every reporting period, while the effect of any change in the estimate will be recorded prospectively. Intangible assets with an indefinite useful life that are acquired separately are recorded at cost less any accumulated impairment loss.

ii) Intangible assets generated internally – research and development costs – Disbursements for research activities – are recognized as an expense in the period they are incurred.

An intangible asset internally generated as a result of development activities (or of the development phase of an internal project) is recognized if, and only if, the entity can demonstrate the following conditions are met:

- Technically, it is possible to complete the production of the intangible asset in a way that it may be available for its use or sale;
- The Company's intention is to complete the subject intangible asset, to use or sell it;
- The Company has capacity to use or sell the intangible asset;
- The form in which the intangible asset will generate probable economic benefits in the future;
- The availability of the appropriate technical, financial or other type of resources, to complete the development and to use or sell the intangible asset; and
- The Company has capacity to measure, reliably, the disbursement attributable to the intangible asset during its development.

The initially recognized amount for an internally generated intangible asset shall be the sum of the payments incurred from the time that the item meets the previously established conditions for its recognition. When an

internally generated intangible asset cannot be recognized, the payments for development are charged to profit or loss in the period in which they are incurred.

After its initial recognition, an internally generated intangible asset shall be accounted at its cost less accumulated amortization and the accumulated amount of impairment losses, on the same basis as the intangible assets that are acquired separately.

iii) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are recognized initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

3.15Impairment of tangible and intangible assets excluding goodwill

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.16Provisions

Provisions are recognized when the Company has the present obligation, legal or constructive, that has arisen as a result of a past event, it is probable that the Company will have to use resources that incorporate economic benefits to pay the obligation, and the amount of the obligation can be estimated reliably. In cases in which the Company expects the provision to be fully or partly reimbursed, the reimbursement is recognized as a separate asset, but only in the cases in which it is virtually certain that reimbursement will be received and the amount of the asset can be measured reliably.

Provisions are measured by the best estimation of Management of the disbursements required to settle the present obligation at the end of the reporting period, taking into account the corresponding risks and uncertainties. When a provision is measured using the estimated cash flow to settle the present obligation, its carrying amount corresponds to the present value of said cash flow, using the discounted cash flows technique. Expenses corresponding to any provision are presented in the consolidated statement of profit or loss of the period net of any reimbursement. The increase in the provision due to the passing of time is recognized as a financial expense.

Provision for dismantling

The Company recognizes as part of the cost of a specific fixed asset, the estimate of the future costs the Company expects to incur for dismantling or restoring the asset, provided that there is a legal or constructive obligation to do so. The corresponding entry is a provision for costs of dismantling or restoring the asset. The cost of dismantling is depreciated during the estimated useful life of the fixed asset.

The costs are estimated based on the Company's mine closure plan. The cost estimates are updated annually during the life of the operation to reflect known developments, (e.g., revisions to cost estimates and to the estimated lives of operations, or changes in legal or regulatory requirements), and are subject to review at regular intervals.

Dismantling costs are recognized for the present value of the expected costs to settle the obligation using estimated cash flows. Cash flows are discounted at a pre-tax rate, which is the average debt rate of the Company.

The estimated future costs of dismantling or restoring assets are revised annually. Changes in the estimated future costs on the estimated dates of payment or the applied discount rate are added to or deducted from the cost of the asset, without exceeding the carrying amount of the asset. Any excess is immediately recognized in the income of the period.

Contingent Liabilities

Possible obligations that arise from past events and of which the existence shall only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or present obligations that arise from past events when it is not probable but possible that an outflow of resources that includes economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability, are not recognized in the statement of financial position, but are disclosed as contingent liabilities when their occurrence is probable.

Restructurings

A restructuring provision is recognized when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognized in accordance with IAS 37 and the amount recognized initially less cumulative amount of income recognized in accordance with the principles of IFRS 15.

Contingent Assets

Assets of a possible nature that arise from past events which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company are not recognized in the consolidated statement of financial position, rather they are disclosed as contingent assets only when their

occurrence is probable. When the contingent event is certain, the asset or related income is recognized in results of the period.

3.17Pensions and other post-employment benefits

Defined Contribution Plans

Payments to defined contribution plans are recognized as expenses in the statement of income of the period at the time the employee has provided the service that grants the right to receive the contributions, which are included as a cost or administrative expense when applicable and amount payable are recognized as short term employee benefits (see note 31).

Defined Benefit Plans

These are post-employment benefit plans in which the Company has the legal or constructive obligation to respond for the payments that are under its responsibility.

For defined benefit plans, the difference between the fair value of the plan's assets and the present value of the obligation of said plan is recognized as an asset or liability in the consolidated statement of financial position. The cost of providing benefits under the defined benefit plans is determined separately for each plan through the actuarial valuation method called projected unit credit, using actuarial assumptions at the reporting date. The plan's assets are measured at fair value, which is based on the information of market prices, and in the case of quoted securities, it corresponds to the published purchase price.

Actuarial gains or losses, the return on the plan's assets and the changes in the effect of the asset ceiling, excluding the values included in the net interest on the liability (asset) of net defined benefits are recognized in other comprehensive income. Actuarial gains or losses comprise the effects of changes in the actuarial assumptions, as well as adjustments due to experience.

Remeasurements recognized in the statement of comprehensive income are not reclassified. Past service cost is recognized in profit or loss when the plan amendment or curtailment occurs, or when the Company recognizes related restructuring costs or termination benefits, if earlier. Gains or losses on settlement of a defined benefit plan are recognized when the settlement occurs. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Defined benefit costs are split into three categories:

- Service costs, which includes current service cost, past service cost and gains and losses on curtailments and settlements;
- Net interest expense or income; and remeasurements.

The net interest on the liability (asset) for net defined benefits comprises the revenue from interest on the plan's assets, costs of interest due to the obligation of defined benefits, and interest from the effect of the asset ceiling.

The current service cost, the past service cost, and any settlement or reduction of the plan is immediately recognized in the consolidated statement of profit or loss of the period in which it arises.

- The Company classifies as short-term benefits those obligations with employees that it expects to settle within the term of twelve months following the end of the accounting period in which the obligation has been generated or the service has been provided. Some of these benefits are generated by current labor legislation, collective agreements or practices that are not formalized and generate constructive obligations.

- The Company recognizes short-term benefits at the time the employee has provided his/her services as liabilities, at the value that will be paid to the employee, deducting the amounts already paid, with an offsetting entry to expense for the period, unless IFRS requires or permits the inclusion of payments in the cost of an asset or inventory. For example, if the payment corresponds to employees whose services are directly related to a construction, this will be capitalized to that asset.

- The Company classifies as long-term employee benefits the obligations that it expects to settle after the twelve months following the end of the accounting period or the period in which the employees provide the related services, that is, from month thirteen onward. They are different to short-term benefits, post-employment benefits and benefits for contract termination.

3.18Fair Value

The fair value is the price that would be received upon the sale of an asset or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether the price is directly observable or estimated using another valuation technique. When estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability being measured that the market participants would consider when pricing the asset or liability at the measurement date. The fair value of all financial assets and liabilities is determined at the reporting date of the financial statements for recognition or disclosure in the notes to the financial statements.

The Company uses valuation techniques that are appropriate in the circumstances and for which it has enough information available to measure the fair value, maximizing the use of relevant observable information and minimizing the use of unobservable information.

Fair value is determined:

- Based on prices quoted in active markets for identical assets or liabilities to those that the Company can access at the measurement date (Level 1).

- Based on the valuation techniques commonly used by the market participants that use inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly (Level 2).

- Based on internal valuation techniques of discounting cash flows or other valuation models, using unobservable inputs estimated by the Company for the asset or liability in absence of inputs observed on the market (Level 3).

Judgments include information such as the liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the fair value of the financial instruments.

In 2020, 2019 and 2018, no transfers were made between the hierarchical levels of fair value for both input and output transfers of the levels.

Valuation techniques and variables used by the Company in fair value measurement for recognition and disclosure:

i. **Cash equivalents:** cash equivalents are high liquidity investments (collective portfolios and money market accounts) that are easily convertible into a certain amount of cash and subject to an insignificant risk of changes in their value with maturity in three months or less from their acquisition date. The Company uses stated fair values as a valuation technique for this item. These items are classified within Level 1 of the fair value hierarchy.

ii. **Portfolio investments at fair value**: these include investments that are made to optimize liquidity surpluses. The Company uses fair values of market prices (Bolsa de Valores de Colombia – BVC - Colombia Stock Exchange). These items are classified within Level 1 of the fair value hierarchy.

iii. **Derivative instruments:** The Company uses derivative financial instruments such as options (zero-cost collars) and forwards to hedge exchange rate and commodity price financial risks. The methods used by the Company for the valuation of financial derivatives coincide with the methods commonly used by market agents. The valuation of forward transactions principally consists of discounting the forecasted future flows in the transaction using market discount rates against the underlying value on the day of the assessment. The Black-Scholes model is used for the valuation of options. This model is essentially based on the application of stochastic processes for the calculation of premiums for purchase and/or sale options. These items are classified within Level 2 of the fair value hierarchy.

iv. **Investment properties:** Investment properties consist of properties (land or buildings or portions thereof) that are owned (by the Company in its own name or through a finance lease) to earn rentals or for capital appreciation, or both. The Company uses two valuation techniques for these items. Within the market approach, the comparative or market method is used, which consists of determining fair value based on a comparison of transactions, supply and demand, and appraisals of similar or comparable real estate, with prior adjustments of time, formation and location. The items that are valued using this technique are classified within Level 2 of the fair value hierarchy. In the cost approach, the residual method that is used, is applied only to the buildings and is based on determining the updated cost of construction less depreciation due to age and state of conservation. These items are classified within Level 2 of the fair value hierarchy.

3.19 Evaluation and exploration of mineral resources

With respect to the cost of recognition of assets for exploration and evaluation, and their corresponding amortization, the Company has adopted the following policies in accordance with IFRS 6, Exploration and Evaluation of Mineral Resources, including regular evaluation of the technical and economic feasibility of the respective project:

Exploration stages are the following:

3.19.1 Early Stage or Grass Roots

Potential Areas Definition: Recognition of potential areas; in this stage the Company collects information available within the area of interest and performs activities such as:

- Cartography
- Geological information, satellite images.
- Structural interpretation

The expenses of this stage are recorded in profit or loss; property plant and equipment are recognized separately according to policy (see note 3.10)

Initial Exploration: Using previously collected cartography, field tests are performed to determine whether or not favorable conditions exist to consider the existence of minerals of interest for the Company. This includes activities such as laboratory testing, sampling, geophysics.

The expenses of this stage are recorded in profit or loss; property plant and equipment (mainly machinery) are recognized separately according to policy (see note 3.10)

Exploratory Drilling: In this stage, the Company uses Diamond Drilling Holes (DDH) or Reverse Circulation Holes (RCH), which provide more accurate information regarding discovery. Initial planning and design of the exploitation system is performed in this stage.

The expenses on this stage are recorded in profit or loss; property plant and equipment (mainly machinery) are recognized separately according to policy (see note 3.10).

3.19.2 Advanced projects

The policy is applied consistently to each exploration project as it reaches this stage:

Mineral potential definition: It mainly consists in the verification of the type of the target minerals and deposits, and includes activities such as mapping, geophysics and surveys.

The expenses on this stage are recorded in profit or loss; property plant and equipment (mainly machinery) are recognized separately according to policy (see note 3.10).

Resource classification: During this stage, the Company seeks to obtain a better understanding of the ore body, depth, tectonics, hardness, and qualitative and quantitative characteristics such as mineral distribution using geological and statistical methods. Resources are classified as inferred, indicated, and measured.

The expenses on this stage are recorded in profit or loss; property plant and equipment (mainly machinery) are recognized separately according to policy (see note 3.10).

Scoping study: Includes early economic studies on the feasibility of the mineral resources**,** and includes activities such as:

- Preliminary calculations
- Desk studies
- Studies based on unproved assumptions

Prefeasibility: In this stage the Company conducts exhaustive studies reviewing the feasibility of the project considering the mining method (underground, open-pit, alluvial), using reasonable technical assumptions, engineering, operational, and considering economic factors. During this stage the resources are classified as reserves (probable and proved).

Costs incurred during this stage are recognized as assets under IFRS 6 Exploration and evaluation for mineral resources; property plant and equipment (mainly machinery) are recognized separately according to policy (see note 3.10).

Feasibility: It consists in a full study on the deposit including all factors: engineering, legal, operational, economic, social, environmental. This detailed information should be sufficiently accurate to reasonably determine whether the project is a "go" or "no go".

Any obligation incurred for dismantling or restoring an asset as a result of having carried out exploration or evaluation activities is recognized.

At Mineros, in this stage the expenses are recognized as assets under IFRS 6; property plant and equipment (mainly machinery) are recognized separately according to policy (see note 3.10).

The company performs impairment analysis of its exploration projects on an annual basis.

3.19.3 Stripping costs

The Company recognizes the costs involved in the stripping activity required to improve access to the mineral ore deposit as a non-current asset if, and only if:

- It is probable the future economic benefit associated with the stripping activity will flow to the Company
- The entity can identify the component of the ore body for which access has been improved; and
- The costs relating to the stripping activity associated with that component can be measured reliably.

Initial recognition

It is measured initially at cost as property plant and equipment, consisting of the accumulated costs directly incurred in performing the stripping activity that improves access to the identified component of the ore body.

Subsequent measurement of the stripping activity asset

After initial recognition, the stripping activity is measured at cost less depreciation and less impairment; depreciation is made on a systematic basis over the expected useful life of the identified component of the ore body to which the stripping activity is related.

3.19.4 Impairment of exploration and evaluation assets

Exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, an entity shall measure, present and disclose any resulting impairment loss.

One or more of the following facts and circumstances indicate that an entity should test exploration and evaluation assets for impairment (the list is not exhaustive):

- the entity's right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.
- substantive expenditure on further exploration and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- exploration and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full through its successful development or by sale.

In any such case, or similar cases, the Company performs an impairment test in accordance with IAS 36.

3.20 Stock-based Compensation

During 2020 the Company implemented the following accounting policy:

The Company records stock-based compensation at fair value on the date of the grant using the Black-Scholes valuation model. The fair value of the share appreciation rights ("SARs") are based on the Mineros' stock price on the date of grant. Stock-based compensation expense related to SARs is generally recognized rateably over the requisite service period of the award on a straight-line basis (See note 18.1).

In the case of share-based payments in cash, a liability is recognized for the acquired goods or services. These are initially measured at their fair value. Once the liability is paid, the entity will assess again the liability's fair value at the end of every period being reported, as well as the payment date, recognizing any difference in the reasonable value of profits or losses for the period.

The Company, as of this date, does not have any equity settled share-based payments with third parties, or employees.

NOTE 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN THE CONSOLIDATED FINANCIAL STATEMENTS

The estimates and criteria used are continuously evaluated and are based on historical experience and other factors, including the expectation of occurrence of future events that are deemed reasonable in the circumstances.

The Company makes estimates and assumptions regarding the future. The resulting accounting estimates, by definition, are not generally equal to actual results. Estimates and assumptions that have a significant risk of causing a material adjustment to balances of assets and liabilities in the following year are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgments in applying accounting polices:

The following are the critical judgements, apart from those involving estimations (see note 4.2 below), that the directors have made in the process of applying the Company accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

a) Deferred tax: Deferred tax assets and liabilities are recognized for all taxable or deductible differences as required by IAS 12. Deferred tax assets are recognized to the extent that the Company will generate future taxable profits to

be able to recover the benefits of such assets. Management reviews all the differences between the carrying values of assets and liabilities existing in the consolidated financial statements and their respective tax base. Critical judgment is applied for deferred tax assets and liabilities which are calculated on the basis of legal tax rates that will be applied to taxable income during the years in which temporary differences between carrying values and the tax base, are expected to be recovered or settled.

b) Evaluation of the existence of impairment indicators for tangible and intangible: Critical judgment is applied at each reporting date when management determines if there are indications that any asset or group of assets have suffered impairment. If any such indications exist, the recoverable amount of the asset is calculated to determine if an impairment loss exists. When the recoverable amount is lower than the carrying amount, an impairment loss exists and is recorded, reducing the carrying amount of the asset or group of assets to their recoverable amount.

   The evaluation of the existence of impairment is based on external and internal factors, and in turn in quantitative and qualitative factors. Evaluations are based on financial results, legal and social environment and market conditions; significant changes in the scope or way the asset or cash generating unit (CGU) is used or expected to be used and evidence on the obsolescence or physical impairment of an asset or CGU, among others.

   Investments in mining exploration and development projects are of high risk, and such risk cannot be eliminated or mitigated without careful evaluation. Once the necessary information is available, thorough pre-feasibility and feasibility studies are carried out (depending upon the stage in which the project is) with an independent advisor to analyze its viability. Social-environmental, financial, legal, geological aspects, among others are assessed by means of these studies.

c) Contingent liabilities: Critical judgment is applied when assessing the probability of occurrence, as determined with the advice of expert legal counsel based on the type of contingent liability, possible legislation changes and the existence of jurisprudence applied to the specific case, the study and in-depth analysis of the matter.

d) Stripping costs in the production phase of a surface mine: Stripping costs are recognized as an asset according to IFRIC 20. The amortization process begins when the pit is in production, using the production unit method for amortization. Critical accounting judgments are made to assess the recoverability of ounces of minerals contained on the pit.

e) Business model assessment: The classification and measurement of financial assets depends on the results of the SPPI (Solely Payments of Principal and Interest) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

4.2 Key sources of estimation uncertainty:

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) The useful life and residual values of property, plant and equipment and intangibles - In the assumptions and hypothesis used for the determination of useful lives, technical aspects are considered, such as: periodic maintenance and inspections made to assets, failure statistics, environmental conditions and operating environment, protection systems, replacement processes, obsolescence factors, recommendations of manufacturers, weather and geographical conditions and experience of technicians who are familiar with the assets.

For the determination of the residual value, consideration is given to aspects such as: fair values, publications of reference and historical sale data.

b) Determination of useful life for assets and amortization mining projects. The useful life that is determined for amortization of mining projects, is established by calculating the total ounces that are expected to be produced in a mine based on the resources and reserves found in the exploration phase and on their probability of occurrence.

c) Fair value measures. Some of the Company´s assets and liabilities are measure at fair value for financial purposes. The financial area determines the appropriate valuation techniques and inputs for fair value measures. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent it is available. Where level 1 inputs or other observable inputs are not available, the Company engages third party qualified appraisers to perform the valuation (such as for the investment properties). The fair value accounting estimates are reviewed and approved by management before being booked.

d) Pension plans benefits. The present value of obligations of pension plans depends upon a number of factors determined on actuarial bases, using a number of assumptions. The assumptions used to determine the net cost of pensions include the discount rate. Any change in these assumptions will have impact on the carrying value of the pension plans obligation.

The Company determines the best discount rate at the end of each year (Colombia Government Treasury Bonus). This is the interest rate that should be used to calculate the present value of estimated future cash outflows expected to be required to pay for pension plans obligations.

Other key assumptions to establish the pension plans obligations are based on the current market conditions. Additional information in this regard is presented in Note 36.

e) Recoverability of internally generated intangible assets – During the year, Management reconsiders the recoverability of its internally generated intangible assets which arise from the development of the Company's projects

The financial viability of the projects is made using the discounted cash flow methodology, taking into account variables such as resources and reserves, macroeconomic variables (gold price, exchange rate, inflation, among others), WACC - Weighted Average Cost of Capital, Opex - Operational expenditures, Capex – Capital expenditures, etc. In addition, sensitivity analyses are made to determine the impact on the project profitability upon key variables and where there is uncertainty, for example, the gold price, exchange rate (Colombia), Opex, Capex, among others. Impairment losses on assets recorded related to exploration and development are impaired accordingly.

f) Reserves and resources: In assessing resources and reserves available for future exploitation and base for determination of the Life of Mine (LOM), assumptions are made regarding the categorization of the resources, probed or probable, indicated, measured or inferred, depending on different scenarios and assumptions regarding the probability of extract such resources.

g) Asset Retirement Obligation (ARO): ARO is considered under the scope of IAS 37; management assumptions are made considering the periods where the cash flow will be paid and the amounts to be paid depending on the different activities for the closing; this also involves the construction of the discount rate following standard procedures available in the market. Adjustments to the estimated amount and timing of future closure and rehabilitation cash flows are a normal occurrence in light of the significant judgments and estimates involved. The principal factors that can cause expected cash flows to change are: the construction of new processing facilities; changes in the quantities of material in reserves and resources with a corresponding change in the life of mine plan; changing ore characteristics that impact required environmental protection measures and related costs; changes in water quality that impact the extent of water treatment required; changes in discount rates; changes in foreign exchange rates; changes in closure policies; and changes in laws and regulations governing the protection of the environment.

h) Fair Value of net asset acquired: as part of the business combination for the purchase of Mineros Argentina BV and its subsidiaries, several key assumptions were made regarding the fair value of the net assets acquired in connection with the transaction. As further described in Note 6.2, the fair value of the contingent consideration was

determined by the Company to be $nil, as it considered that the likelihood of having the amount become payable was remote given there were significant uncertainties regarding the technical and economic viability of the Near Targets and DCP projects on which the contingent consideration was based upon. Such projects are in early stages according to the exploration policy (see note 3.19 Evaluation and exploration of mineral resources).

i) Litigation and other contingencies: The Company is or could be part to a number of labor and tax proceedings that, either alone or in combination with other proceedings, if resolved in whole or in part adversely against it, could result in the imposition of material costs, judgments, fines or other losses. While the Company believes that such risks, if probable, have been provisioned appropriately based on the opinions and advice of our legal and tax advisors and in accordance with applicable accounting standards, certain loss contingencies are subject to change as new information develops and results of the presented evidence are obtained, among other factors. It is possible that losses resulting from such risks, if proceedings are decided in whole or in part adversely to the Company, could result in recognition of new provisions or in a significantly increase of the currently recorded provisions.

The final costs arising from litigation and other contingencies, and the perspective given to each issue by the Management of the Company may vary from their estimates due to different interpretations of laws, contracts, opinions and final assessments of the amount of the claims.

In evaluating the probability of contingent liabilities, the Company, with the support of the expert legal advisor, applies its judgment based on the type of contingent liability, considering the possible legislative changes and available jurisprudence applicable to each case, for determine the amounts to be disclosed and / or recognized in the financial statements (See note 32).

NOTE 5. FINANCIAL INSTRUMENTS

Classes and categories of financial instruments and their fair values

The following table combines information about:

- Classes of financial instruments based on their nature and characteristics;
- The carrying amounts of financial instruments;
- Fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- Fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

2020	Carrying value						
	Financial assets			Financial liabilities			
	FVTPL – designated	FVTOCI – mandatorily measured	Amortized cost	FVTPL – designated	FVTOCI – mandatoril y measured	Amortized cost	Total
Cash and cash equivalents	-	-	63,598	-		-	63,598
Trade and other receivables	-	-	22,225	-		-	22,225
Derivative financial instruments	-	11,332	-	-	(9,319)	-	2,013
Investments current	1,563	-	-	-		-	1,563
Investments non-current	916	4,319	-	-		-	5,235
Loans and other borrowing	-	-	-	-		(74,458)	(74,458)
Trade and other payables	-	-	-	-		(52,023)	(52,023)
Other financial liabilities	-	-	-	-		(4,076)	(4,076)
Stock-based Compensation	-	-	-	(511)		-	(511)

2019	Carrying value						
	Financial assets				Financial liabilities		
	FVTPL – designated	FVTOCI – designated	FVTOCI – mandatorily measured	Amortized cost	FVTOCI – mandatorily measured	Amortized cost	Total
Cash and cash equivalents	-	-	-	19,046	-	-	19,046
Trade and other receivables	-	-	-	26,633	-	-	26,633
Derivative financial instruments	-	-	3,518	-	(626)	-	2,892
Investments current	1,074	-	-	-	-	-	1,074
Investments non-current	25	4,361	-	-	-	-	4,386
Loans and other borrowing	-	-	-	-	-	(82,851)	(82,851)
Trade and other payables	-	-	-	-	-	(53,457)	(53,457)
Other financial liabilities	-	-	-	-	-	(3,850)	(3,850)

2018	Carrying value						
	Financial assets				Financial liabilities		
	FVTPL – designated	FVTOCI – designated	FVTOCI – mandatorily measured	Amortized cost	FVTOCI – mandatorily measured	Amortized cost	Total
Cash and cash equivalents	-	-	-	24,602	-	-	24,602
Trade and other receivables	-	-	-	16,372	-	-	16,372
Derivative financial instruments	-	-	1,534	-	(3,507)	-	(1,973)
Investments current	3,483	-	-	-	-	-	3,483
Investments non-current	25	4,502	-	-	-	-	4,527
Loans and other borrowing	-	-	-	-	-	(69,411)	(69,411)
Trade and other payables	-	-	-	-	-	(53,545)	(53,545)
Other financial liabilities	-	-	-	-	-	(3,531)	(3,531)

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2020	Fair value			
	Level			
	1	2	3	Total
Investments non-current	-	-	5,235	5,235
Investments current	1,563	-	-	1,563
Stock-based Compensation	-	511	-	511
Derivative financial instruments (See note 5.3)	-	2,013	-	2,013

2019	Fair value			
	Level			
	1	2	3	Total
Investments non-current	-	-	4,386	4,386
Investments current	1,074	-	-	1,074
Derivative financial instruments	-	2,892	-	2,892

2018	Fair value			
	Level			
	1	2	3	Total
Investments non-current	-	-	4,527	4,527
Investments current	3,483	-	-	3,483
Derivative financial instruments	-	(1,973)	-	(1,973)

For financial instruments designated at amortized cost, fair value information is not disclosed because management considers the carrying amount to be close to fair value.

5.1 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ financial liabilities	Valuation technique(s) and key input(s)	Significant unobservable input(s) Relationship and sensitivity of	unobservable inputs to fair value
Foreign currency forward contracts	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates	N/A	N/A

Financial assets/ financial liabilities	Valuation technique(s) and key input(s)	Significant unobservable input(s) Relationship and sensitivity of	unobservable inputs to fair value
Commodity options	Black-Scholes model The following variables were taken into consideration: current underlying price of the commodity, options strike price, time until expiration (expressed as percent of a year), implied volatility of the commodity and LIBOR.	N/A	N/A
	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees.	Long-term revenue growth rates, taking into account management's experience and knowledge of market conditions of the specific industries ranging from 5% to 18% in 2020 (2019: 1% al 13% and 2018: 1% to 13%).	The higher the revenue growth rate, the higher the fair value. If the revenue growth was 1% per cent higher/lower while all other variables were held constant, the carrying amount would decrease by ($2.856) and increase $2.761 (2019: decrease $223 and increase $223 and 2018: decrease $1,267 and increase by $1,383)
		Long-term pre-tax operating margin taking into account management's experience and knowledge of market conditions of the specific industries, changing on average from 9% a 19% in 2020, 9% to 11% in 2019 and 9% to 11% in 2018	The higher the pre-tax operating margin, the higher the fair value. If the pre-tax operating margin was per cent higher/lower while all other variables were held constant, the carrying amount would increase/decrease by 202 in 2020, 62 in 2019 increase/ decrease by 505 in 2018)
		Weighted average cost of capital, determined using a Capital Asset Pricing Model, ranging from 11,88% to 16,13% in 2020 (2019: 14% to 16,32% and 2018 12,84% to 14,84%)	The higher the weighted average cost of capital, the lower the fair value. If the weighted average cost of capital was per cent higher/lower while all other variables were held constant, the carrying amount would increase by $3.788 and decrease by $3.378 (2019: increase by 353 and decrease by 317 and 2018: increase by 412 and decrease by 366.)

There were no transfers between levels during the current or prior year.

5.2 Reconciliation of Level 3 fair value measurements of financial instruments

The following table only includes financial assets.

	Equity investments -unlisted shares		
	31/12/2020	**31/12/2019**	**31/12/2018**
Balance at January 1st	$4,386	$4,527	$5,382
Total gains or losses:			
– in other comprehensive income	(43)	(141)	(855)
Acquired rights	892	-	-
Balance at December 31	**$5,235**	**$4,386**	**$4,527**

There were no transfers between levels during the current or prior year.

The fair value of cash and cash equivalents, trade receivables, other receivables, trade and other payables, loans and other borrowings and other financial liabilities do not differ significantly from their book value.

There were no transfers in or out Level 3 of Fair value (see note 5).

5.3 Derivative Financial Instruments

The following tables summarize the positions held by the Company:

Gold hedging:

Company	Year	Type	Contracts	Ounces	Maturity	Price (US$/oz)
HEMCO	2020	Put/Call	36	30,000	Jan – Dec 2020	Min: 1,400 Max: 1,780
HEMCO	2020	Put/Call	36	30,000	Jan – Dec 2021	Min: 1,800 Max: 1,939
MINEROS	2020	Put/Call	36	48,000	Jan – Dec 2021	Min: 1,800 Max: 2,046
MINEROS	2019	Put / Call	100	72,000	Jan – Dec 2020	Min: 1,407 Max: 1,814.75
MINEROS	2018	Put / Call	24	12,000	Jan – Dec 2019	Min: 1,250 Max: 1,298
HEMCO	2019	Put / Call	24	30,000	Jan – Dec 2020	Min: 1,400 Max: 1,780
HEMCO	2018	Put / Call	36	18,000	Jan – Dec 2019	Min: 1,258 Max: 1,301
MASA	No hedging					

Foreign exchange hedging:

Company	Year	Type	Contracts	Amount	Maturity	Price
MINEROS ALUVIAL	2020	Put/Call USD	18	24,000	Jan – Sep 2021	Min: 3.700
						Max: 4.188
MINEROS	2020	Put/Call USD	6	9,000	Jan – Mar 2021	Min: 3,800
						Max: 4,279
MINEROS	2019	Put / Call USD	96	60,000	Jan – Dec 2020	Min: 3,350
						Max: 3,723
MINEROS	2018	Put / Call USD	60	54,000	Jan – Dec 2019	Min: 3,094
						Max: 3,251
MINEROS	2018	Forward	12	6,000	Jan – Dec 2019	Average: 3,127
HEMCO	No hedging					
MASA	No hedging					

Fair value of derivatives

	31/12/2020	31/12/2019	31/12/2018
Assets for hedging operations with derivative financial instruments	11,332	3,518	1,534
Liabilities for hedging operations with derivative financial instruments	(9,319)	(626)	(3,507)
Total assets (liabilities) derivatives financial instruments	**$2,013**	**$2,892**	**(1,973)**

Cash Flow Hedge Gains (Losses) in Accumulated Other Comprehensive Income ("AOCI")

	31/12/2020	31/12/2019	31/12/2018
Cash flows hedges	1,351	1,165	(924)
Total	**$1,351**	**$1,165**	**($924)**

Gold revenue protection strategy

The Company implemented a deferred premium strategy ("Collar") using written call options and bought put options for the 12-month period from January 1, 2021 to December 2021. The program covers a total of 48,000 ounces, representing approximately 75% of Minas Argentinas' total estimated gold production by 2021, with an average minimum price of $1,850 and a maximum price of $2,046 per ounce in the first half of 2021 and with an average minimum price of $1,800 and a maximum price of $1,939 per ounce in the second half of 2021.

In addition, the Company implemented a deferred premium strategy ("Collar") using written call options and bought put options for the 12-month period from January 1, 2021 through December 2021. The program covers a total of 30,000 ounces of Hemco, representing approximately 25% of Hemco's total estimated gold production by 2021, with an average minimum price of $1,800 and a maximum price of $1,939 per ounce throughout the year.

The total premium paid for admission was included as part of the fair value of and was settled in cash on a net basis as the monthly contracts expired. As of December 31, 2020, the Company paid $6,193 (2019: $1,372 and 2018 received: $2,177) for Collar settlements, included in the realized gains and losses on TRM derivative financial instruments.

Description	December		
	2020	2019	2018
Realized (loss) in revenue protection strategy[1]	($4,175)	($1,333)	($6,510)
Unrealized (loss) gains in gold revenue protection strategy[2]	(2,027)	3,106	(1,956)
Profit (loss) on derivate financial instruments	**($6,202)**	**$1,773**	**($8,466)**

(1) Realized loss recognized on the line revenues on the profit or loss statement.
(2) Effect of the variation of hedges, which have been affected by the greater volatility of the exchange rate (COP/USD) compared to previous years

5.4 Capital Management

The Company manages its capital so as to ensure that its subsidiaries may continue maximizing the return to investors and other stakeholders through an optimum balance between net debt and equity. The debt/equity mix has remained at expected levels and in line with the Company's growth strategy.

The capital structure consists of net debt (loans detailed in Note 29) and equity (detailed in Note 33).

The Company has determined that the internal rate of return (IRR: the expected compound annual rate of return that will be earned on a project or investment) associated with new projects should be approximately 15%; likewise, it has defined a leverage (Leverage is the use of debt (borrowed capital) in order to undertake an investment or project) target of maximum 3 times EBITDA (Non-GAAP measure) (Earnings Before Interest, Taxes, Depreciation and Amortization, is a measure of a Company's overall financial performance).For the periods 2020, 2019, and 2018 the leverage level is within the defined range

5.5 Objectives of Financial Risks Management

The Company's corporate treasury manages the access to global financial markets, monitors and administers financial risks related with the Company's operations by means of the analysis of exposures and the size of the risks associated with each operation, including analysis of market risk, credit risk and liquidity risk.

The Company seeks to minimize the effect of these risks through the use of derivative financial instruments to hedge exposures, as well as investments of liquidity surpluses, which are governed by the Board of Directors, in strict compliance with the policy on investments and hedges. These positions are continuously audited by the internal control group. The Company does not use any type of derivative financial instrument solely for speculative purposes.

The Company's Corporate Financial Area submits monthly reports to the Board of Directors on the status of exposures and the instruments that are being used to mitigate such risks.

5.5.1 Market Risk

Market risk is the risk that arises from a change in the fair value of future cash flows, as a result of fluctuations of market prices, exchange rates and interest rates. The risk is measured by means of a strict analysis of the markets and of

volatilities observed in the prices of assets or liabilities that could affect the Company's results, based on the exposure. The Company actively manages the risks derived from the price of precious metals and from exchange rate variations.

The economic activity of the Company mainly exposes it to the risk of changes in the price of gold and of foreign currencies, principally the risks deriving from the fluctuations of the U.S. dollar and the Colombian peso. The Company contracts several types of financial derivatives to manage these exposures.

There have been no changes in the Company's exposures to market risks or in the way in which these risks are managed and measured during 2020 and 2019.

Sensitivity analysis

The sensitivity analysis evaluates the potential impact on the Company's budgeted results of a reasonable change in the price of gold in U.S. dollars, and of the U.S. dollar versus the Colombian peso. This analysis is made based on a time horizon of one year and helps Risk Management define the hedging strategy with respect to amounts and transactions to hedge.

a) The risk of the gold market

The Company sells gold in the international precious metals market. These sales represent around 95 % of the Company's operating revenues; consequently, the exposure to the gold price variations is significant.

This risk is managed by means of the contracting of OTC financial derivatives, for which the underlying item is the commodity and whose objective is to reduce variability of operating revenues generated by the volatility of the price of gold. Derivatives are not entered into for speculative purposes and are used to guarantee the price of a portion of sales planned for the following year.

Sensitivity analysis of derivatives on gold

The following tables show the sensitivity of a change in the price of gold, with other constant variables, on revenue, expenses and equity accounts, considering the use of hedging instruments.

Year	Gold price variation	Change in revenues from valuation of derivative instruments	Change in expense from valuation of derivative instruments	Change in equity from valuation of derivative instruments
2020	XAUUSD* + 10%	NA	NA	(12,005)
	Close price	NA	NA	899
	XAUUSD - 10%	NA	NA	10,415
2019	XAUUSD* + 5 %	608	(1,100)	(796)
	Close price	1,405	(452)	(576)
	XAUUSD - 5 %	3,149	(162)	(356)
2018	XAUUSD* + 5 %	144	(274)	(2,222)
	Close price	310	(511)	(425)
	XAUUSD - 5 %	457	(273)	755

XAU: Philadelphia Gold and Silver Index

b) Risk of foreign exchange rates

100% of the Company's operating risks are derived from gold exports, which are priced in U.S. dollars.

This risk is managed by means of OTC derivative financial instruments, for which the underlying item is the U.S. dollar / Colombian peso pair (TRM for its Spanish acronym), entered into for the purpose of reducing the variability of the cash flows in pesos generated by the volatility of the U.S. dollar / Colombian peso. Derivatives are not entered into for

speculative purposes and are used to guarantee the exchange rate of a portion of the payments in foreign currency planned for the following year.

Due to the change in the functional currency of Mineros S.A. and Mineros Aluvial S.A.S. BIC on April 1, 2020 there are no changes on the financial instrument and the underlying item. Instead, the Company has adjusted the proportion of the hedges to reflect the new risk Colombia Peso / U.S Dollar.

Effect of financial instrument on the sensitivity analysis for exchange rate

The following tables show the sensitivity of assets and liabilities considering expected exchange rates versus closing rates for entities in Colombia, (the other companies the functional currency is the USD).

YEAR 2020				
Exchange rate of closing	**3,432.50**			
ASSETS	**USD**	**Thousands of COP**	**Change in FX 5%**	**Change in FX (5%)**
Petty cash in COP	$14	$48	2	(2)
Banks	9,571	32,852	1,643	(1,643)
Domestic funds	2,031	6,971	349	(349)
Total assets	**$11,616**	**$39,871**	**$1,994**	**$(1,994)**
LIABILITIES				
Domestic accounts payable	(15,307)	(52,540)	(2,627)	2,627
Total liabilities	**$(15,307)**	**$(52,540)**	**$(2,627)**	**$2,627**
		Total effect profit or loss	**$(633)**	**$633**

YEAR 2019				
Exchange rate of closing $3,277.14				
ASSETS	**Thousands of COP**	**USD**	**Change in FX 5.7%**	**Change in FX -5.70%**
Petty cash in U.S. dollars	$27,767	$8	$0.483	$(0.483)
Bank of Bogota Miami	19,524,211	5,958	340	(340)
Foreign funds	18,305,489	5,586	319	(319)
Foreign clients	68,847,335	21,008	256	(256)
Total assets	**$106,704,802**	**$32,560**	**$915**	**$(915)**
LIABILITIES				
Foreign accounts payable	(5,958,202)	(1,818)	(32)	32
Total liabilities	**$(5,958,202)**	**$(1,818)**	**(32)**	**32**
		Total effect profit or loss	**$883**	**$(883)**

YEAR 2018				
Closing exchange rate $3,249.75				
ASSETS	**Thousands of COP**	**USD**	**Change % in FX 7.40%**	**Change % in FX -7.40%**
Petty cash in U.S. dollars	$24,116	$7	$1	$(1)
Bank of Bogota Miami	36,530,688	11,241	832	(832)
Foreign funds	79,556	24	2	(2)
Foreign clients	3,308,019	1,018	75	(75)
Total assets	**$39,942,379**	**$12,290**	**$910**	**$(910)**

LIABILITIES				
Foreign accounts payable	(979,389)	(301)	(22)	22
Total liabilities	**$(979,389)**	**$(301)**	**$(22)**	**$22**
		Total effect profit or loss	**$888**	**$(888)**

Effect of derivatives on the sensitivity analysis for exchange rate risk on valuation of hedges

The following tables show the sensitivity of a fair value change in the US dollar exchange rate versus the Colombian peso, with other constant variables, on the revenue, expenses and equity accounts upon the valuation of hedges:

Year	Exchange rate differences USD COP	Change in income from valuation of derivative instruments	Change in expenses from the valuation of derivative instruments	Change in equity from valuation of derivative instruments
2020	USDCOP + 10 %	NA	NA	509
	Close price	NA	NA	2,913
	USDCOP - 10%	NA	NA	6,657
2019	USDCOP + 5 %	872	(538)	-
	Close price	1,480	(174)	633
	USDCOP - 5 %	599	(47)	3,586
2018	USDCOP + 5 %	311	(845)	(3,044)
	Close price	728	(1,380)	(709)
	USDCOP - 5 %	1,334	(891)	247

Interest rate risk is not managed, due to the high cost and the limited offer of financial instruments available to manage this type of risk in the local market. The asset positions of the Company's investment portfolio are used to leverage treasury, for which reason the Company remains invested in local fixed-yield investments.

If the Company decides to secure long-term borrowings, mitigation of the risk will be evaluated, trying to maintain a balanced portfolio of loans and credits at fixed, if the market so permits.

5.5.2 Credit Risk

The Company is subject to credit risk as a result of the potential incapacity of debtors to fulfill their obligations, or upon the eventual loss that could arise due to non-fulfillment of the financial obligations acquired by the issuers of the financial

instruments in which the Company has investments. The Company has adopted the policy of trading only with solvent companies. The credit exposures of the Company and the credit ratings of its counterparties are continuously monitored.

In connection with customers, the main debtors are evaluated annually in respect of their conditions and liquidity and solvency indicators; the conditions established with customers for the payment of exports are in cash and the amounts thereof are paid upon delivery of production to the customers or refineries with whom the Company works.

The Company deposits or invests its liquidity surpluses in recognized financial institutions, with minimum ratings of <A- for international investments and for national ones in issuers with ratings not lower than AA/DP1. Additionally, conservative credit policies are established and the market conditions they operate in are permanently evaluated by means of quantitative and qualitative evaluations of risk ratings for commercial, investment and credit operations.

The Company does not have any guarantee to cover credit risks associated with its financial assets.

Overview of the Company's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. As of December 31, 2020 and 2019, the Company's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which would cause a financial loss to the Company due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Company arises from:

- The carrying amount of the respective recognized financial assets as stated in the consolidated statement of financial position; and
- The maximum amount the entity would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised, for the periods 2020, 2019 the Company did not sign financial guarantees for third parties.

In order to minimize credit risk, the Company has tasked its Financial Committee to develop and maintain the Company's credit risk ratings to categorize exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the Financial Committee uses other publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

Category	Description	Basis for recognizing expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery	Amount is written off

For trade receivables the Company has applied the simplified approach of IFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

However, there is no history at Mineros of losses on its financial instruments given the nature of the transactions performed and the high rating of its counterparty. The amounts receivable for 2020 is $22,225 (2019: $26,633 and 2018: $16,372).

5.5.3 Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The maturity of liabilities is disclosed in Note 30. All other financial liabilities disclosed in this note mature within one year and do not accrue interest.

NOTE 6. ACQUISITION AND DISPOSITION OF SUBSIDIARIES

6.1 Disposition of Operadora Minera S.A.S.

On June 5, 2020, the sale of 100% of the shares of the subsidiary Operadora Minera S.A.S. to Soma Gold Inc. (previously called Para Resources Inc.), was closed. This represented losing control of such operation.

The total selling price of this transaction was $5,475. The first payment was paid by $1,000 during the month of June, 2020 and $4,475 was paid in September, 2020. The profit on sale assets was $459.

Item	**31/05/2020**
Total net assets held for sale	$5,997
(-) Royalties receivable	(496)
Selling price	5,475
(+) Contingent consideration	496
Total paid	**5,971**
(+) Currency translation adjustment	11
Profit on sale of assets (See note 12)	**$459**

The parties also subscribed a Royalty Agreement, in which a 1% NSR (net smelter return) over production is constituted in favor of Mineros, once Operadora Minera produces 17,000 ounces in any of the assets involved in the transaction.

The December 31, 2019, the assets and liabilities of Operadora Minera S.A.S. were classified as assets and liabilities (a disposal group) held for sale and presented separately under current assets and current liabilities, respectively. Immediately prior to the classification to assets and liabilities held for sale, the carrying amount of Operadora was re-measured to its recoverable amount.

The components of assets and liabilities held for sale relating to the above assets and disposal group before fair value at May 31 and December 31, adjustment are as follows:

	May 2020	Dec 2019
Property, plant and equipment, net	2,763	$3,761
Exploration and evaluation projects	496	-
Intangible assets, net	564	763
Trade and other receivables	282	369
Deferred tax assets	84	-
Inventories	1,777	1,854
Total non-current assets	**$5,966**	**$6,747**
Inventories	711	668
Trade and other receivables	1,543	143
Taxes	1,154	673
Other assets	36	75
Cash and cash equivalents	47	132
Total current assets	**$3,491**	**$1,691**
Total Assets classified as held for sale	**$9,457**	**$8,438**
Loans and other borrowing	95	148
Deferred tax	-	36
Provisions	254	273
Total non-current liabilities	**349**	**$457**
Loans and other borrowing	47	43
Trade and other payables	908	1,197
Employee benefits	762	541
Taxes	1,394	274
Total current liabilities	**$3,111**	**$2,055**
Total liabilities relating to assets held for sale	**$3,460**	**$2,512**
Net assets held for sale	**$5,997**	**$5,926**

The amount of the fair value adjustment for the CGU is then determined as follows:

Item	31/12/2019
Carrying value of the net assets and liabilities of the sale transaction	$5,926
Fair value of non-current asset held for sale less selling costs	5,500
Fair value adjustment less selling costs	**$426**

Once the fair value adjustment was recognized, the value disclosed in the financial statements as non-current assets and liabilities held for sale is as follows:

Item	31/12/2019
Total asset held for sale	$8,438
Impairment adjustment *	(426)
Total non-current assets held for sale	**$8,012**

*The impairment value was assigned to the property, plant and equipment and intangibles in proportional allocation.

Item	31/12/2019
Non-current liability held for sale	$2,512
Total non-current liabilities held for sale	**$2,512**

The business was sold by Mineros had a gross margin for 2018 to 2020 is in a range between 20% to 25% and it represents between 5% and 8% of the gold sales of the group.

6.2 Business combination with Mineros Argentina BV

On December 14, 2018, Mineros (through its wholly-owned subsidiary Mineros Chile SPA) acquired 100% control of the issued and outstanding common shares of Mineros Argentina BV (formerly, *Yamana Argentina BV*), a Dutch holding company, whose principal asset is its investment in Minas Argentinas S.A. ("MASA").

Mineros Argentina BV is a holding company with the following structure:

Company	Activity	Equity interest
Mineros Rentista de Capitales Mobiliarios Ltda.	Management of land and holding	100%
Minas Argentinas S.A.- MASA	Mining (open pit and underground)	100%

MASA owns the Gualcamayo underground gold mine located in the San Juan Province, Argentina. Mineros acquired MASA as part of its ongoing operational growth strategy.

During 2019, the Company finalized the measurement of the fair values of the assets and liabilities of Mineros Argentina Holdings BV, the acquisition of which took place on December 14th 2018.

The purchase price for this acquisition comprised (i) a cash consideration of $31,138, (ii) a contingent consideration of $30,000 to be paid on the date of the commercial operation of the Deep Carbonates Project (as further detailed below), and (iii) the subscription by MASA of a New Royalty Agreement subject to certain conditions (as further detailed below). The Company estimated that the fair values of the contingent consideration mentioned above and the New Royalty Agreement was nil at the acquisition date, for the reasons explained below in this note.

The amounts recognized in respect of the identifiable assets acquired and liabilities assumed are set forth in the table below:

Description	Fair value at acquisition date
ASSETS	
Non-current assets	
Property, plant and equipment, net	$47,941
Deferred tax assets	7,106
Total non-current assets	**$55,047**
Current assets	
Inventories	53,847
Trade and other receivables	7,576
Taxes	11,451
Prepaid expenses	331
Cash and cash equivalents	1,487
Total current assets	**$74,692**
Total assets	**$129,739**
LIABILITIES	
Non-current liabilities	
Employee benefits	838
Provisions	10,568
Trade and other Payables	585
Total non-current liabilities	**11,991**
Current liabilities	
Employee benefits	1,952
Trade and other payables	33,374
Total current liabilities	**$35,326**
Total liabilities	**$47,317**
Total net identifiable assets at fair value	**$82,422**
Consideration transferred for purchase	31,139
Bargain purchase gain	51,283

The net cash outflows arising on acquisition are as follow:

Net cash outflow arising on acquisition	
Consideration transferred for purchase	$31,138
Cost of transaction	2,216
Cash and cash equivalent balances acquired	(1,487)
Account payable working capital adjustment	(1,138)
Total Net cash outflow arising on acquisition	**$30,729**

The costs of the transaction amounting to $2,216 have been recorded as expenses in the Statement of Profit or Loss under “other expenses”.

Revenues from ordinary activities from the acquisition date to December 31, 2018 totaled $3,511, with a net loss of $1,208 was realized by MASA over the same period. Mineros' revenues for the year-ended December 31, 2018, if combined with those of MASA, had the acquisition took place on January 1, 2018, would have totaled $399,826 with a combined net income of $33,896.

The fair value of the financial assets includes receivables for precious metals sold to former owner with a fair value of $7,566, as gross contractual value. The Company estimates that it will be able to recover the totality of the amount receivable.

The transaction was accretive in value for Mineros as the purchase price was lower than the fair value of the net assets acquired, mainly because the former owner had halted production from the Gualcamayo mine and was in the process being placed in care and maintenance (ie. closure). Mineros considers that this acquisition offers growth potential as part of its growth and expansion strategy in the region, given the favourable price negotiated for these assets.

The New Royalty Agreement between MASA and Yamana established a royalty payment by MASA as follows: a) a Capped royalty of 2% of Net Smelter Return (“NSR”) from the Non Deep Carbonate Project (DCP) which includes all economic marketable metallic material produced at Gualcamayo mine after the initial production of 396,000 ounces of gold, capped at $50,000 of total payments (excluding the DCP); and b) A 1.5%, uncapped NSR on all economic marketable metallic material produced from the DCP.

On May 25th, 2020 both royalties were subsequently sold by Yamana and acquired by Nomad Royalty Company Ltd. The Company’s obligations under the royalty agreements are secured by a first ranking mortgage over its mining titles located in the Province of San Juan.

As of the date of these consolidated financial statements, MASA has not started exploiting the DCP nor has reached a gold production of 396,000 ounces, thus no charge has been recognized on these royalties.

Under the New Royalty Agreement, MASA has also registered a mortgage in favour of Yamana on certain Mineral Rights (titles) for an initial amount of $5,000. At any time during the term of the agreement, Yamana has the right to increase the principal amount by no more than an additional $30,000 cumulatively against title to the mineral rights.

The acquired business has potential for growth through development of the so-called case 2 “Near targets” (extraction of mineral resources located near current facilities using same extraction techniques) and case 3 “Deep Carbonates” (extraction of mineral resources using different techniques). The contingent considerations mentioned above depend on the successful development of those projects. At the acquisition date, these projects, based on the technical opinions of the specialists retained by Mineros for the due diligence process for Minas Argentinas, represents an uncertainty in terms of production and metallurgical process, and thus given the assessment of remote probability to develop the project with the available technical and financial information as of such date, the fair value of the contingent consideration was estimated at nil.

As of the acquisition date, only preliminary internal desktop studies had been completed for the Near Targets and for Deep Carbonates resources classification studies. For those reasons, Mineros, based on the opinion of its technical advisors as of 14th december 2018, considered that the probability of developing these projects is not reasonably determinable at this time due to early-stage nature of the DCP targets.

Because of this, the fair value of the assets, liabilities and consideration was carried out using the “base case” scenario (cash flows for a closing mine). No revenues, nor OPEX or CAPEX outflows related to the case 2 and case 3 were taken into consideration.

Based on the remote probability for developing these projects, and given the high degree of uncertainty in reasonably estimating the moment when commercial production will begin, or its estimated cash flows, management has not recognized any contingent liability in determining the total consideration of the transaction.

NOTE 7. SEGMENTS

The Company bases its operating segments on the way information is reported and used by the Company's chief operating decision maker ("CODM"). The results of operating segments are reviewed by the CODM in order to make decisions about resources to be allocated to the segments and to assess their performance.

Mineros' operating segments are defined based on the geographical location of the exploration, exploitation and sale of precious metals (gold and silver) operations.

7.1 Products from which reportable segments derive their revenues

The Company operates in three principal countries, Colombia (Nechí Alluvial), Nicaragua (Hemco mine), and Argentina (Gualcamayo mine). The Company also has significant gold exploration projects including the La Pepa project in Chile included in the Segment Chile (La Pepa). The following table provides the Company's results by operating segment in the way information is provided to and used by the Corporation's chief operating decision maker, which is the CEO, to make decisions about the allocation of resources to the segments and assess their performance.

Specifically, reportable segments of Mineros in accordance with IFRS 8 are as follows:

Description	Nechí Alluvial + La Ye Mine	Hemco	Gualcamayo	Chile (La Pepa)	Mineros S.A (Holding)	Others
Products and services	Sale of gold and silver	Sale of gold and silver	Sale of gold and silver	Pre-operative	Sale of gold and silver	Sale of latex and gold
Type of mining operations	Alluvial and underground mining operation	Underground mining and artisanal mining operation	Open pit and underground mining	Pre-operative	Others	Others
Type of sales	Exports	Exports	Exports	Pre-operative	Exports	Local Sales
Main companies belonging to the segment	Mineros Aluvial S.A.S. BIC Operadora Minera S.A.S.*	Hemco S.A. Vesubio Mining S.A. Rosita Mining S.A. Minerales Matuzalén S.A New Castle Gold Mining S.A Roca Larga Mining, S.A. Distribuidora Caribe Norte S.A.	Minas Argentinas S.A.	Mineros Chile SpA	Mineros S.A	Negocios Agroforestales S.A.S Minera de Ataco S.A.S

* Includes information until May 31, 2020, date of the disposal of the Operadora.

7.2 Segment operations

The following is an analysis of the Group's revenue and results, assets and liabilities by reportable segment in 2020, 2019 and 2018:

	2020							
	Nechí Alluvial	**Hemco**	**Gualcamayo**	**Chile (La Pepa)**	**Mineros S.A (Holding)**	**Others**	**Intersegment adjustments and eliminations**	**Total**
Property, plant and equipment	93,334	67,787	64,157	-	2,850	11,297	-	$239,425
Total assets	162,643	180,779	166,053	106,195	420,403	11,530	(505,368)	542,235
Total liabilities	(61,197)	(55,779)	(258,514)	(41)	(104,199)	(2,082)	254,358	(227,454)
Additions of PP&E, intangibles and exploration and evaluation projects	16,792	31,504	37,030	-	2,938	663	(3,381)	85,546

	2019							
	Nechí Alluvial + La Ye Mine	**Hemco**	**Gualcamayo**	**Chile (La Pepa)**	**Mineros S.A (Holding)**	**Others**	**Intersegment adjustments and eliminations**	**Total**
Property, plant and equipment	105,496	59,972	60,991	-	3,946	11,031	-	$241,436
Total assets	143,564	132,341	163,484	101,935	354,318	113,161	(516,584)	492,219
Total liabilities	(51,180)	(50,405)	(252,494)	(401)	(69,900)	(1,645)	216,364	(209,661)
Additions of PP&E, intangibles and exploration and evaluation projects	13,981	23,673	35,098	-	4,503	940	-	78,195

	2018							
	Nechí Alluvial + La Ye Mine	**Hemco**	**Gualcamayo**	**Chile (La Pepa)**	**Mineros S.A (Holding)**	**Others**	**Intersegment adjustments and eliminations**	**Total**
Property, plant and equipment	110,178	59,972	37,557	-	3,980	11,123	-	$222,810
Total assets	144,774	110,769	128,619	82,297	357,304	11,321	(387,778)	447,306
Total liabilities	(51,611)	(48,035)	(227,000)	1,138	(70,489)	(1,254)	208,478	(188,773)
Additions of PP&E, intangibles and exploration and evaluation projects	1,481	19,047	47,941	-	11,673	133	-	80,275

	2020							
	Nechí Alluvial + La Ye Mine[1]	**Hemco**	**Gualcamayo**	**Chile (La Pepa)[2]**	**Mineros S.A (Holding)[2]**	**Others**	**Intersegment adjustments and eliminations**	**Total**
Revenue	135,130	220,393	129,293	3,168	210,871	485	(214,039)	485,301
Cost of sales	(81,368)	(151,092)	(98,401)	-	(122,912)	(367)	131,800	(322,340)
Gross Profit	**53,762**	**69,301**	**30,892**	**3,168**	**87,959**	**118**	**(82,239)**	**162,961**
Administration expenses	(1,988)	(2,856)	(1,463)	(64)	(11,089)	(25)	1,328	(16,157)
Exploration expenses	-	(2,038)	(3,476)	(1,830)	(2,633)	-	-	(9,977)
Recovery (Impairment) of assets	-	8,695	(7,503)	-	-	-	-	1,192
Finance income	290	101	512	-	929	10	(748)	1,094
Finance expense	(1,746)	(2,057)	(10,465)	(1)	(2,482)	(54)	8,099	(8,706)
							Income Tax	(42,370)
							Profit for the year	63,655

(1) This segment includes information of Operadora Minera S.A.S. until May 31, 2020, date in which it is made available (See note 6.1)
(2) Includes income by equity method

	2019							
	Nechí Alluvial + La Ye Mine	**Hemco**	**Gualcamayo**	**Chile (La Pepa) [1]**	**Mineros S.A (Holding)[1]**	**Others**	**Intersegment adjustments and eliminations**	**Total**
Revenue	97,378	177,319	136,529	17,714	103,363	17,850	(138,792)	411,361
Cost of sales	(79,229)	(131,575)	(109,755)	-	(80,109)	(321)	83,998	(316,991)
Gross Profit	**18,149**	**45,744**	**26,774**	**17,714**	**23,254**	**17,529**	**(54,794)**	**94,370**
Administration expenses	(2,865)	(2,323)	(403)	(421)	(8,095)	(29)	2,893	(11,243)
Exploration expenses	-	(3,097)	-	(2,231)	(2,308)	-	-	(7,636)
Impairment of assets	-	(848)	-	-	(1,196)	-	-	(2,044)
Finance income	418	9	584	-	1,402	4	(965)	1,452
Finance expense	(2,279)	(2,578)	(2,676)	(4)	(2,680)	(27)	1,853	(8,391)
							Income Tax	(15,281)
							Profit for the year	37,528

(1) Includes income by equity method

	2018							
	Nechí Alluvial + La Ye Mine	**Hemco**	**Gualcamayo**	**Chile (La Pepa)[1]**	**Mineros S.A (Holding)[1]**	**Others**	**Intersegment adjustments and eliminations**	**Total**
Revenue	124,030	144,291	3,985	50,075	151,608	1,455	(203,138)	272,306
Cost of sales	(78,892)	(115,185)	(5,832)	-	(88,020)	(369)	91,131	(197,167)
Gross Profit	**45,138**	**29,106**	**(1,847)**	**50,075**	**63,588**	**1,086**	**(112,007)**	**75,139**
Administration expenses	(8,103)	(2,016)	-	**-**	(7,637)	(26)	8,001	(9,781)
Exploration expenses	-	(3,060)	-	-	(9,194)	-	-	(12,254)
Impairment of assets	-	(33,600)	-	-	-	-	-	(33,600)
Finance income	566	-	3	-	2,462	2	(1,194)	1,839
Finance expense	(2,718)	(2,256)	(65)	-	(2,806)	(29)	3,114	(4,760)
							Income Tax	116
							Profit for the year	52,121

(1) Includes income by equity method

Information about Geographical Areas

The Company sells the metals to foreign customers from each of the geographies (Colombia, Nicaragua and Argentina).

	2020	**2019**	**2018**
Colombia	$135,615	$97,513	$124,030
Nicaragua	220,393	177,319	144,291
Argentina	129,293	136,529	3,985
Total Revenue	**$485,301**	**$411,361**	**$272,306**

Information about major customers

The following table shows the sales of the four main customers to whom sales of metals were made during the following periods:

Customer	**2020**	**2019**	**2018**
1	$222,352	$224,523	$84,092
2	85,580	55,466	120,164
3	53,211	74,575	21,572
4	38,599	-	-
5	31,153	44,382	41,885
Total sales to customers exceeding 10% of annual metal sales	**$430,895**	**$398,946**	**$267,713**
Percentage of metal sales	**89%**	**97%**	**98%**

The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 3. These are the figures reported to the Company's Chief Operating Decision Maker for the purpose of resource allocation and assessment of segment performance.

7.3 Other segment information

Non-current assets			
	31/12/2020	31/12/2019	31/12/2018
Nechí Alluvial + La Ye Mine	103,957	115,366	121,039
Hemco	132,356	104,563	114,700
Gualcamayo	82,781	85,376	62,260
Chile (La Pepa)	102,601	98,697	81,157
Mineros S.A (Holding)	360,140	314,482	276,535
Others	11,338	11,076	10,354
Intersegment adjustments and eliminations	(453,073)	(389,038)	(352,804)
Total non-current assets	**340,100**	**340,522**	**313,241**

Depreciation and amortization for each segment are presented below:

Depreciation and amortization			
	31/12/2020	31/12/2019	31/12/2018
Nechí Alluvial + La Ye Mine	$9,558	$10,784	$12,352
Hemco	17,949	12,028	7,224
Gualcamayo	12,586	20,474	282
Mineros S.A (Holding)	760	1,249	52
Others	94	246	-
Total depreciation and amortization	**$40,947**	**$44,781**	**$19,910**

NOTA 8. IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT, EXPLORATION AND EVALUATION PROJECTS, INTANGIBLE ASSETS AND GOODWILL

8.1 Hemco

The determination of impairment for 2020, 2019 and 2018 is shown below:

Description	31/12/2020	31/12/2019	31/12/2018
Group of assets subject to impairment assessment	$128,379	$95,286	$113,301
Recoverable amount	(137,074)	(94,437)	(82,733)
Currency translation effect	-	(1)	3,032
(Recovery) Impairment	**$(8,695)**	**$848**	**$33,600**

The following table shows the detail of impairment in 2020:

Description	CGU Balance	Recovery 2020 (See note 15)	Adjusted CGU balance
Intangible business combination assets	5,870	8,695	14,565
Property, plant and equipment, exploration and evaluation projects and intangible assets	122,509	-	122,509
Total	**128,379**	**8,695**	**137,074**

The following table shows the detail of impairment in 2019:

Description	CGU Balance	Impairment (See note 15)	Adjusted CGU balance
Intangible business combination assets	$8,907	$(848)	$8,058
Property, plant and equipment, exploration and evaluation projects and intangible assets	86,379	-	86,379
Total	**$95,286**	**$(848)**	**$94,437**

The following table shows the detail of impairment in 2018:

Description	CGU Balance	Impairment (See note 15)	Adjusted CGU balance
Intangible business combination assets	$38,881	($29,326)	$9,555
Goodwill	1,241	(1,241)	-
Property, plant and equipment, exploration and evaluation projects and intangible assets	73,179	-	73,179
Currency translation effect	-	($3,033)	-
Total	**$113,301**	**$(33,600)**	**$82,734**

In 2020, the Company performed an impairment test, considering the inputs that caused impairment in 2019, without finding changes in macroeconomic and political factors in Nicaragua. At the operational level, improvements were evident in the gold production of the mine and gold prices, registering an increase in the projection of ounces of gold during the next years of useful life, generating a recovery of the CGU. Value in Use (“VIU”) and Carrying amount were updated, and an impairment recovery was recognized for $8,695. The discount rate used for the valuation was 17.8%.

In 2019, the Company performed an impairment test, considering the inputs that caused impairment in 2018, without finding changes in the macroeconomics and political factors in Nicaragua; as a result, the VIU and carrying value were updated, and additional impairment was recognized for the CGU for $848. The discount rate used for the valuation was 12.61%.

In 2018, because of the political unrest and macroeconomic uncertainty, the company performed an impairment test for the CGU. Such review led to an impairment loss for $33,600 on the intangible assets, recorded in profit and loss. The discount rate used for the valuation was 14.95%.

The recoverable amount is sensitive to the discount rate and gold prices. The gold price in U.S Dollars used for the free cash flow analysis is between $1,450 and $1,849 (2019: $1,380 and $1,480 and 2018: $1,265 and $1,394).

The discounting period was set at 11 years (2019: 13.5 years and 2018: 14.5 years). Management considers that given the existence of mining plans and long-term budgets, it is suitable to use the Free Cash Flows (FCF) technique for the period of estimation.

8.2 Argentina

The determination of impairment for 2020, 2019 and 2018 is shown below:

Description	31/12/2020
Group of assets subject to impairment assessment	$119,244
Recoverable amount	(111,741)
(Recovery) Impairment	**$7,503**

The following table shows the detail of impairment in 2020:

	CGU Balance	Total Impairment (See notes 15)	Adjusted CGU balance
Property, plant and equipment	$70,183	($6,817)	$63,366
Exploration projects	7,830	(686)	7,144
Other CGU assets, net	41,231	-	41,231
Total	**$119,244**	**($7,503)**	**$111,741**

The Company recorded an impairment charge on non-current assets of $7,503 recognized at the Gualcamayo Mine. During the year, the Company performed a review for indicators of impairment at each of the cash generating units and evaluated key assumptions such as significant revisions to the mine plan including current estimates of recoverable mineral reserves and resources, recent operating results, future expected production based on the reserves, appropriate discount rates), which led to an indicator of impairment of the Gualcamayo cash-generating unit (“CGU”).

The Company’s impairment testing incorporated the following key assumptions: long term gold prices ranging from $1,550 and $1,849 per ounce; life of mine estimate of 6 years; and, a pre-tax discount rate of 19.2%, which represented the Company’s weighted average cost of capital and which included estimates for risk-free interest rates, market value of the Company’s equity, market return on equity, share volatility and debt-to-equity financing ratio.

Management considers that given the existence of mining plans and long-term budgets, it is suitable to use the Free Cash Flows (FCF) technique for the period of estimation.

During 2019 and 2018, there was no impairment of the CGU in Argentina (Minas Argentina S.A.).

8.3 Nechí Alluvial and La Ye Mine

The determination of impairment of exploration projects for 2020, 2019 and 2018 is shown below:

Description	31/12/2020	31/12/2019	31/12/2018
Group of assets subject to impairment assessment	$-	$1,802	$6,406
Recoverable amount	-	(606)	-
Impairment	**$-**	**$1,196**	**$6,406**

During 2020, there was no impairment of the CGU in Colombia.

For 2019, the Company performed a review of the recoverable amount for the exploration projects under the scope of IFRS 6. Such review considered the value in use of the assets of the exploration project called “Distrito Bagre”, finding impairment indicators that led to impairment charges of $1,196. The recoverable amount of the assets includes revenues from the royalties associated with the disposal of the subsidiary Operadora Minera S.A. The discount rate used for recoverable amount estimation was 8.2% and the measurement period was for 3 year beginning in 2021.

For 2018, socio-political factors such as security issues, public order and social instability in the operation area for the projects called “Santa Elena” and “El Catorce” made it impossible to develop the projects; consequently, the Company recognized an impairment expense of $6,406.

NOTE 9. REVENUE

Item	31/12/2020	31/12/2019	31/12/2018
Sales of gold	$479,128	$404,470	$273,636
Sales of silver	6,070	5,539	3,724
Sales of electric energy	3,793	2,549	1,456
Hedging of sales of gold	(4,175)	(1,333)	(6,510)
Other Revenues	485	136	-
Total	**$485,301**	**$411,361**	**$272,306**

The Company derives its revenue from contracts with customers for the transfer of gold and silver at a point of time. This is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 Operating Segments (see note 7).

As described in note 3.5, Mineros recognizes revenue when it transfers control over the sold goods to the customers. The price is established considering the price of gold and silver in international markets where sales are made at the time of the sale.

At the reporting date, the Company did not have any pending performance obligations related to sales of gold and silver from contracts with customers.

NOTE 10. COSTS OF SALES

This item comprises the following costs:

Item	31/12/2020	31/12/2019	31/12/2018
Direct cost of mining [(1)]	$257,580	$249,983	$168,996
Depreciation and amortization	40,200	43,525	19,277
Taxes and royalties [(2)]	24,560	23,483	8,894
Total	**$322,340**	**$316,991**	**$197,167**

(1) Includes payroll expenses for $58,262 (2019: $48,436 and 2018: $50,003), as well as Artisanal mining in Nicaragua for $66,555 (2019: $61,359 2018 $50,818). The Company's operating costs include maintenance, repairs and associated services, and inventory consumptions of $132,761 (2019: $133,664 and 2018: $66,106).

(2) Includes export tax charges of 4% over revenue in Argentina for $16,662 (2019 $11,890 and 2018$nil).

NOTE 11. ADMINISTRATION EXPENSES

This item comprises the following expenses:

Item	31/12/2020	31/12/2019	31/12/2018
Payroll expenses[(1)]	$8,495	$5,626	$5,447
Services [(2)]	6,440	3,536	2,774
Depreciation and amortization	747	1,256	633
Miscellaneous	409	803	909
Taxes	66	22	18
Total	**$16,157**	**$11,243**	**$9,781**

(1) The variation during 2020 is mainly generated by early retirement plans of administrative staff, performance bond payments, and the recognition of share-based payment expenses.

(2) The increase in 2020 relates mainly to consultancy services for internal projects and computer and communication equipment maintenance services.

NOTE 12. OTHER INCOME

This item comprises the following types of income:

Item	31/12/2020	31/12/2019	31/12/2018
Miscellaneous[1]	$2,979	$611	$1,923
Profit on disposal of asset (See note 6.1)	459	-	-
Reimbursement of costs and expenses	297	402	198
Fair value gain on investment properties[2]	-	138	576
Total	**$3,735**	**$1,151**	**$2,697**

(1) During 2020, the increase mainly relates to the recovery of an insurance claim of the Alluvial operation.

(2) Corresponds to the changes in the fair value of the asset held as an investment property (land held in Barú, Colombia).

NOTE 13. OTHER EXPENSES

This item includes the following expenses:

Item	31/12/2020	31/12/2019	31/12/2018
Corporate projects[1]	$6,747	$4,295	$2,075
Taxes incurred[2]	6,887	3,634	4,282
Miscellaneous[3]	3,765	1,780	8,082
Donations[4]	1,493	2,336	406
Community Support	1,579	900	1,357
Tax on financial movements	1,437	792	557
Estimated liabilities	1,539	69	1,445
Total	**$23,447**	**$13,806**	**$18,204**

(1) For 2020, it mainly includes expenses related advisory fees related to the readiness for the listing of the Company's shares in a foreign stock exchange for $3,354, administrative expenses associated with Hemco projects for $1,336 and expenses of the M&A project of MASA $1,265.

(2) Includes charges for non-deductible taxes incurred in the countries where the Company operates.

(3) It mainly includes withholding tax in Argentina $1,216.

(4) For 2020 and 2019, donations were made for social works in the areas of the operation in Colombia and Nicaragua.

NOTE 14. EXPLORATION EXPENSES

This item comprises the following types of exploration and other expenses:

Item	31/12/2020	31/12/2019	31/12/2018
Exploration expenses	$9,016	$5,921	$4,671
Disposals, net (See note 27)	961	1,715	7,583
Total	**$9,977**	**$7,636**	**$12,254**

During the year the company expensed in explorations of DCP $711 (2019 $677 and 2018 $nil), also invested in the construction of a tunnel for further exploration over the DCP for $944 recognised under the line of Property plant and equipment The Deep Carbonates Project or DCP, being comprised primarily of the Rodado deposit (but also includes other small mixed oxide-sulphide deposits such as the Santiago deposit, the Santiago Satellite deposits and the Feeder deposit), accounts for a significant portion of the sulphide Mineral Resources at the Gualcamayo Property, but is not amenable to processing by heap leaching which is the current processing method used at the Gualcamayo Mine. Mineros is currently completing geotechnical and metallurgical test work, and a PEA to investigate mining and processing scenarios for the DCP. It is anticipated that the PEA will be completed in 2021. The PEA will analyze underground mining scenarios, and various alternatives for the treatment of refractory gold, mainly arsenopyrite. Alkaline leaching, calcination and albion process are among the technologies to be studied.

NOTE 15. IMPAIRMENT OF ASSETS, NET

This item comprises the following types of impairment:

Item	31/12/2020	31/12/2019	31/12/2018
Impairment recovery (See note 8.1)	$8,695	$-	$-
Impairment property, plant and equipment (See note 8.2)	(6,817)	(848)	(33,600)
Impairments, exploration expenses (See note 8.2 y 8.3)	(686)	(1,196)	-
Total	**$1,192**	**$(2,044)**	**$(33,600)**

NOTE 16. FINANCE INCOME

This item comprises the following types of income:

Item	31/12/2020	31/12/2019	31/12/2018
Interest	$1,030	$1,245	$828
Valuation of securities	9	207	414
Trust rights	55	-	597
Total	**$1,094**	**$1,452**	**$1,839**

NOTE 17. FINANCE EXPENSES

This item comprises the following expenses:

Item	31/12/2020	31/12/2019	31/12/2018
Interest [1]	$8,196	$7,748	$4,237
Bank expenses	261	209	16
Miscellaneous	249	434	507
Total	**$8,706**	**$8,391**	**$4,760**

(1) Interest on bank loans and financial leases: Colombia for 2019 $3,554 (2019: $3,704 and 2018: $2,089), Nicaragua for 2019 $1,068 (2019: $2,167 and 2018: $2,148), Argentina for 2019 $1,040 (2019: $1,792, 2018: $Nil). The most important change took place in Colombia due to new loans taken out in 2019.

NOTE 18. EARNINGS PER SHARE

Basic and Diluted Earnings per Share

Basic earnings per share are calculated by dividing the earnings attributable to the Company's shareholders by the weighted average of the common outstanding shares in the year, excluding any common shares reacquired by the Company and held as treasury shares (see Note 18.1).

Diluted earnings per share are calculated by adjusting the average of outstanding common shares to simulate the conversion of all the potential dilutive common shares. The Company does not have potentially dilutive shares in any of the years presented.

The calculation of the basic earnings per share is based on the following data:

Item	31/12/2020	31/12/2019	31/12/2018
Profit attributable to controlling interest	$63,372	$37,258	$51,820
Weighted average number of outstanding ordinary shares	261,687,402	261,687,402	261,687,402
Earnings per share in U.S Dollars	**0.24**	**0.14**	**0.2**

Dividends payable

The balances of dividends payable, classified in the financial statement under other financial liabilities, are:

Item	31/12/2020	31/12/2019	31/12/2018
Ordinary dividends declared	$3,679	$3,473	$3,141
Dividends from prior periods	397	377	390
Total	**$4,076**	**$3,850**	**$3,531**

In Colombia, according to Minutes No. 58 of the Ordinary General Meeting of Shareholders of April 3, 2020, the proposal on the payment of dividends was approved. The anticipated quarterly dividend is $0.01 per share or $3,474 per quarter based on the current issued and outstanding common shares of 261,687,402 for the period April 2019 - March 2020,

payable in advance each quarter in the months of April, July, October and January 2020, between the 10th and 20th day of each month.

During 2020, dividends have been paid quarterly in advance, in April, July and September of 2020, for a total of $49.134.

The declared dividends in 2020 totaled $12,457, taken from reserves from previous years, as non-taxable dividends.

The following is a reconciliation of dividends payable presented as “Other Financial Liabilities”:

Item	31/12/2020	31/12/2019	31/12/2018
January 1	$3,850	$3,531	$3,524
Dividends declared	12,457	15,174	13,832
Dividends declared non-controlling interest	266	799	550
Dividends paid as advances in prior periods (1)	(184)	(1,406)	(518)
Effect exchange rate changes	990	-	-
Dividends paid	(13,303)	(14,248)	(13,857)
Total	**$4,076**	**$3,850**	**$3,531**

(1) Non-cash transaction for the period

18.1 Share appreciation rights

During 2019, the Company adopted a share appreciation rights (“SARs”) that entitles certain senior management to receive a cash payment that equals the increase in value of the shares from a specified level over a specified period of time – e.g., from grant date to a vesting date. Awards are made based on whether objective performance gZs for the applicable executive were met in the previous financial year, as adjusted for subjective factors. The formula is: cash bonus received by the applicable executive multiplied by a factor of two, divided by Mineros’ average stock price during October and November of preceding year. SARs vest after three years from the grant date and are exercisable for a period of five years. Vested SARs can be exercised for cash payment equal to the SAR base price less the then-current stock price (calculated as the average closing price during the two-month preceding the exercise date).
SARs have been granted to certain employees at exercise prices determined by reference to the market value of the Company’s common shares on the date of the grant. The changes in SARs during the year, 2020 as follows:

	Number outstanding	Weighted average exercise price (COP)
Balance, beginning of period	**974,148**	**1,999**
Granted	786,478	3,332
Balance, end of period	**1,760,626**	**2,595**

The estimated grant date fair value of the SARs as of December 31, 2020 granted during 2020 and 2019 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	December 31, 2020	
	Granted in 2020 (May)	**Granted in 2019 (February)**
Risk-free interest rate	2.9%	2.3%
Expected annual volatility	32.6%	32.6%
Expected life (in years)	4.4	3.1
Expected dividend yield	4,7%	4,7%
Grant date fair value per SAR (COP)	613	1,199
Share price at grant date (COP)	3,248	3,193

The Company recognized share-based payments expenses for $511 (2019: Nil).

The following summarizes information about SARs outstanding and exercisable at December 31, 2020:

Expiry date	**Exercise price (COP)**	**SARs outstanding**	**SARs exercisable**	**Estimated fair value ($)**	**Weighted average remaining contractual life (in years)**
February 20, 2024	1,999	974,148	-	$512	3.1
May 20, 2025	3,332	786,478	-	246	4.4
Total		**1,760,626**	**-**	**$758**	**3.7**
Weighted average exercise price (COP)		**1,464**	**-**		

The value of the share-based payment liability amounts to $511 and is being disclosed as an employee benefit (see note 31).

NOTE 19. CASH AND CASH EQUIVALENTS

The following is the breakdown of cash and cash equivalents:

Item	31/12/2020	31/12/2019	31/12/2018
Bank deposits (US dollars)	$51,942	$12,661	$13,660
Foreign currency national banks	9,571	688	2,334
Collective investment fund (*)	2,031	84	8,551
Petty cash	30	27	33
Bank – funds	24	5,586	24
Total	**$63,598**	**$19,046**	**$24,602**

(*) Collective investment funds are alternative investment funds that can be cashed in at any time.

These accounts have average yields of 2.04% (2019: 2.19% 2018: 2.22%). To date there is no restricted cash.

NOTE 20. TRADE AND OTHER RECEIVABLES

The carrying amount of trade receivables and other receivables is displayed below:

Item	31/12/2020	31/12/2019	31/12/2018
Trade accounts receivable:			
International Clients [(1)]	$13,836	$21,010	$11,600
Local Clients	-	-	4
Total trade accounts Receivable	**$13,836**	**$21,010**	**$11,604**
Other accounts receivable:			
Employee loans [(2)]	2,745	2,835	3,282
Other debtors and advance payments [(3)]	5,644	2,788	1,486
Total	**$8,389**	**$5,623**	**$4,768**
Trade and other receivables	**$22,225**	**$26,633**	**$16,372**
Current portion	19,811	24,155	13,400
Non-current portion	2,414	2,478	2,972

(1) Trade accounts receivable are billed in U.S. dollars. They are current and become due within less than 30 days. They do not generate interest and have no specific guarantees. Upon adoption of IFRS 9, the Company applied the expected credit loss model based on lifetime credit loss. However, given the historical behavior of receivables collection within less than 30 days, application of the model did not indicate the need for the Company to recognize any provisions on its trade receivables. The Company applies the practical expedient of IFRS 9 in recording expected credit losses.

(2) The following are details of loans granted to employees:

Type of loan	31/12/2020	31/12/2019	31/12/2018
Housing (conventional and employees)	$2,229	$2,475	$2,875
Other loans to workers and employees	301	140	133
Family emergency (conventional and employees)	196	201	161
Vehicles	19	19	113
Total	**$2,745**	**$2,835**	**$3,282**

For loans to employees, impairment is evaluated using the expected credit loss model, to reflect:

- A weighted probability amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable information that is available without disproportionate cost or effort on the date of presentation about past events, current conditions and forecasts of future economic conditions.

Additionally, at the time of initial recognition, the Company evaluates and takes into consideration the risk or probability of a credit loss occurring.

Annually the Company evaluates the credit risk and calculates the expected credit loss. In the case of loans to employees, application of such model did not indicate the need to recognize any provisions, considering that long-term loans correspond to housing loans backed by mortgages in favor of the Company, under which the value of the expected loss would be offset by the recoverable value from exercising the guarantee.

(3) It mainly includes the following: For 2020: receivables on electric power sales for $418, advance of guarantee on hedging operations for $2,707 and advances of expenses and costs for $1,207. For 2019: receivables on electric power sales for $339, loans to third parties for $522, and in Hemco the advance payment of dividends to non-controlling interests of Vesubio Mining, S.A. (“Vesmisa”) for $344. For 2018: receivables on electric power sales for $430, loans to private individuals for $510, and in Hemco the advance payment of dividends to non-controlling interests of Vesmisa for $260.

As in the case of other accounts receivable, the Company applied the expected credit loss model. Application of the model did not indicate the need for the Company to recognize a provision on its other debtors and advance payments.

NOTE 21. INVENTORIES

The value of inventories is broken down below:

Item	31/12/2020	31/12/2019	31/12/2018
Gold inventory (1)	$47,716	$50,084	$46,087
Materials and spare parts	38,137	36,861	33,867
Total	**$85,853**	**$86,945**	**$79,954**
Short-term inventory	64,621	63,415	58,905
Long-term inventory	21,232	23,530	21,049

(1) The decrease in inventories of minerals in process is associated with the production of Minas Argentinas S.A.

During 2020, 2019 and 2018 obsolete inventories for Colombia ($138, Nil and $138) and Nicaragua ($487, $215 and $328) were written off, respectively. There were no obsolete inventory adjustments required in Argentina.

NOTE 22. INVESTMENTS

	31/12/2019	31/12/2019	31/12/2018
Investments in equity instruments designated as at FVTOCI			
Shares [1]	$4,319	$4,361	$4,502
Total	**$4,319**	**$4,361**	**$4,502**
Financial assets measured at FVTPL			
Tax refund securities[2]	$1,473	$-	$2,324
Other financial assets	90	79	112
Other investments[3]	916	25	25
Government Treasury Bonds [4]	-	$995	$1,047
Total	**$2,479**	**$1,099**	**$3,508**
Total	**$6,798**	**$5,460**	**$8,010**
Current investments	1,563	1,074	3,483
Non-current investments	5,235	4,386	4,527

(1) Investments in shares are equity instruments mainly in the non-listed company Unipalma del Llano S.A. These investments in equity instruments are not held for trading, but for medium to long-term strategic purposes.

Accordingly, the Company has elected to designate these investments in equity instruments as at FVTOCI, considering that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes and realizing their performance potential in the long run.

(2) Securities issued by the Ministry of Finance as a mechanism to refund tax-related balances, which constitute domestic public debt and are freely negotiable.

(3) The agreement with Soma Goal Inc, entitles Mineros to receive payment of royalty the 1% over production, once Operadora Minera produces 17,000 ounces in any of the assets involved in the transaction.

As of December 31, 2020, the asset is valued at $892.This asset is measured by Mineros at fair value, the discount rate used is 8.2%, the prices gold used in the valuation are between $1,770 and $1,849; with a production between 14,331 and 22,624.

A reconciliation of the royalty receivable balance is as follows:

	31/12/2020
Initial recognition	$512
Fair value royalty	380
Total	**$892**

(4) Investment in government treasury bonds issued by the Colombian Government have annual yields of between 5% and 6% and will mature in June 2025. The bonds are held by the Company within a business model whose objective is to sell these financial assets. Hence the government bonds are classified as at FVTPL.

NOTE 23. TAXES

23.1Current tax

23.1.1 Assets: Income tax receivables and other tax receivables

Tax receivable balances are as follows:

Item	31/12/2020	31/12/2019	31/12/2018
VAT	$28,647	$16,151	$16,866
Financial transaction tax	607	-	403
Municipal tax	530	438	34
Specific combined fuel tax	-	-	665
Total	**$29,784**	**$16,589**	**$17,968**
Current portion	29,192	16,044	16,796
Non- current portion	592	545	1,172

Item	31/12/2020	31/12/2019	31/12/2018
Income tax receivables	5,189	9,051	7,960

The amounts above represent amounts paid in advance by the Company, on which reimbursement is expected. The Company and its legal and tax advisors consider that the amounts paid will be recoverable once the respective procedure has been completed. Consequently, no estimated losses or contingencies are associated with these items.

23.1.2 Liabilities: Income tax and other taxes

Liabilities show the net balance owing by the Company for the taxes in each country of operation, pursuant to the applicable tax framework in each nation, as described in detail in Note 23.4 of these consolidated financial statements. The breakdown of liabilities is as follows:

Item	31/12/2020	31/12/2019	31/12/2018
Works for taxes (See note 24)	$-	$5,691	$5,739
Municipal taxes	1,334	1,160	65
VAT	74	582	346
Total	**$1,408**	**$7,433**	**$6,150**

Item	31/12/2020	31/12/2019	31/12/2018
Income tax	$27,851	$9,867	$5,159

The following is a breakdown of the current and deferred taxes recorded in the statement of income:

Item	31/12/2020	31/12/2019	31/12/2018
Income tax	$38,443	$15,535	$11,777
Prior period adjustments	(294)	(222)	55
CREE surtax	-	-	801
Subtotal current	**$38,149**	**$15,313**	**$12,633**
Deferred tax expense (recovery) (1)	4,221	(32)	(12,749)
Total current and deferred tax expense (recovery)	**$4,221**	**($32)**	**($12,749)**
Total income tax expense (recovery)	**$42,370**	**$15,281**	**($116)**

(1) The variation in 2020 corresponds mainly to the hedging transactions, adjustment to the value of assets of mineral resources of Hemco, leases, exchange differential of Argentina and adjustment of functional currency on the assets of Alluvial.

23.2Deferred tax

The deferred income tax is as follows:

Item	31/12/2020	31/12/2019	31/12/2018
Initial balance asset	$13,751	$14,919	$10
Taxes movement (1)	(9,139)	(1,168)	14,909
Total deferred tax asset	**$4,612**	**$13,751**	**$14,919**
Initial balance liabilities	(17,003)	(17,079)	(21,019)
Taxes movement(1)	6,561	76	3,940
Total deferred tax liability	**($10,442)**	**($17,003)**	**($17,079)**
Total deferred tax (net)	**($5,830)**	**($3,252)**	**($2,160)**

(1) The variation in 2020 corresponds mainly to the hedging transactions, adjustment to the value of assets of mineral resources of Hemco, leases, exchange differential of Argentina and adjustment of functional currency on the assets of Aluvial.

The movement of the deferred tax for each year is as follows:

Item	Property, plant and equipment	Other	Financial Obligations	Other	Currency translation effect	Total
Total 1/01/2018	**$(29,188)**	**$(4,602)**	**$10,265**	**$704**	**-**	**$(22,880)**
(Charge) credit to the statement of profit & loss	1,908	10,785	755	(699)	-	12,749
(Charge) credit to other comprehensive income	570	751	-	17	(473)	865
Business combination	(6,696)	2,750	-	10,579	473	7,106
Currency translation effect	-	-	-	(59)	-	(59)
Total 31/12/2018	**$(33,406)**	**$9,684**	**$11,020**	**$10,542**	**-**	**$(2,160)**
(Charge) credit to the statement of profit & loss	217	6,172	(2,933)	(3,424)	-	32
(Charge) credit to other comprehensive income	19	10	(547)	(623)	-	(1,141)
Currency translation effect	-	-	-	17	-	17
Total 31/12/2019	**$(33,170)**	**$15,866**	**$7,540**	**$6,512**	**-**	**$(3,252)**
(Charge) credit to the statement of profit & loss	7,007	(10,197)	(771)	(261)	-	(4,222)
(Charge) credit to other comprehensive income	78	62	(28)	(8)	-	104
Currency translation effect	1,402	304	(18)	(148)	-	1,540
Total 31/12/2020	**$(24,683)**	**$6,035**	**$6,723**	**$6,095**	**-**	**$(5,830)**

23.3Effective rate

The effective income tax amount differs from the amount obtained by applying the applicable nominal rate in accordance with actual regulations. The following is the reconciliation between the tax expense and the product of the accounting profit multiplied by the applicable tax rates:

Item	31/12/2020	Rate	31/12/2019	Rate	31/12/2018	Rate
Net income	$63,655		$37,528		$52,121	
Income tax	(42,370)		(15,281)		116	
Profit before taxes	**$106.025**		**$52,809**		**$52,005**	
Income tax applying the Company's statutory tax rate	**33,929**	**32%**	**17,427**	33%	16,939	**33%**
Effect of tax rates in foreign jurisdictions	(1,229)	(1%)	(2,207)	(4%)	1,611	3%
Non-deductible/non-taxable income	302	1%	(4,457)	(9%)	(5,878)	(11)%
Tax incentives	(186)	0%	(366)	(1%)	(103)	0%
Temporary differences	4,221	4%	(32)	0%	(12,749)	(25%)
Income tax adjustment previous years	(295)	0%	(219)	0%	55	0%
Presumptive income tax	5,823	5%	4,566	9%	8	0%
Currency adjustment	(195)	0%	569	1%	-	0%
Income tax charge as per Statement of Profit or Loss	**$42,370**	**41%**	**$15,281**	**29%**	**$(116)**	**0%**

There are no unrecognized tax losses during the reporting periods.

23.4 Amount of taxable temporary differences in subsidiaries for which no deferred tax liability was recognized is recognized

The Company has investments in subsidiaries over which it does not recognize deferred tax liabilities, since at the date of the report the Company does not have plans for selling these investments in the foreseeable future nor are dividends from such investments taxed in Colombia. The unrecognized deferred tax liabilities are:

Company	31/12/2020	31/12/2019	31/12/2018
Minas Argentinas S.A.	$68,470	$65,893	$42,738
Hemco S.A.	87,149	49,438	24,471
Mineros Aluvial S.A.S. BIC	68,686	36,833	32,414
Negocios Agroforestales S.A.S. BIC.	1,939	2,127	2,377
Operadora Minera S.A.S.	-	682	3,003
Minera de Ataco S.A.S.	22	14	13

23.5Tax aspects

23.5.1 Tax Framework in Colombia

The most relevant tax in Colombia consists of income tax.

a) Income Tax: The Company is subject to an income tax rate of 32% (2019 – 33% and 2018 – 37%).

Tax reform in Colombia

Law of Economic Growth -The National Government issued the Law 2010 of 2019 called "Law of Economic Growth", which incorporates, among others, the following provisions from January 1, 2020:

Income and Supplementary Tax - The rate on taxable income to entities in Colombia, required to file income tax will be 32% for the taxable year 2020, 31% for the taxable year 2021 and 30% from the taxable year 2022.

In addition, the deduction of 100% of taxes, fees and contributions actually paid during the year that are causally related to the Company's economic activity is included. In the Industry and Trade Tax, Notices and Boards (ICA) the taxpayer may discount from income the tax 50% of the tax during 2020 and 2021, and 100% from the taxable year 2022. The tax on financial transactions will be deductible 50% (tax rate: 4x1000 on transaction amount).

Deduction from first job - Taxpayers may deduct 120 per cent of salary payments made by employees under the age of 28, provided that this is the person's first employment. The maximum deduction per employee may not exceed 115 UVT per month ($4,095 by 2020).

Audit benefit - The audit benefit for taxpayers who increase their income tax by certain percentages, in relation to the income tax of the immediately preceding taxable year, initially foreseen for the years 2019 and 2020, was also extended for the year 2021. The benefit is that the respective tax return will be final at six (6) or twelve (12) months after its presentation and timely payment.

23.5.2 Tax Framework in Nicaragua

Hemco S.A. is subject to the payment of income tax at a rate of 30% of the taxable profit, and the surface fees ("*Canon Superficiarios"* under it's Spanish name) are considered payments of income tax advances for the period.

According to the Tax Concertation Law (Law 822) and its regulations, in Nicaragua the income tax payable will be the highest amount resulting from comparing income tax to the 30% rate applicable to taxable income, and the minimum payment determined on 1% of total gross revenue.

23.5.3 Tax Framework in Argentina

On December 29, 2017, Law No., 27,430 of Tax Reform was published in the Official Gazette, which entered into force the day after its publication. One of the main changes of the tax reform is the reduction of the tax rate to the profits that taxes the business profits not distributed from 35% to 25% since January 2020, with a transition scheme between January 1, 2018 and December 31, 2019, in which the tax rate will be 30%. Nevertheless, on December 23, 2019, Law No. 27,541 of Social Solidarity and Productive Reactivation was published in the Official Gazette, which entered into force the day after its publication, suspended the reduction of the tax rate which, until December 31, 2020, is still 30%.

The main accounting impact of the new rules is the measurement of deferred tax assets and liabilities, given that these should be recognized by applying the tax rate that will be in effect at the dates when the differences between accounting and tax values will be reversed or used.

As provided in the penultimate paragraph of article 106 of the Income Tax Law (text ordered by Decree No. 824/2019), incorporated by Law No. 27,430 with effect from fiscal years beginning as of January 1, 2018, the so-called inflation adjustment shall be applicable in the fiscal year in which a percentage variation of the general consumer price index (CPI), accumulated in the thirty six (36) months prior to the closing of the fiscal year under consideration, exceeds one hundred per cent (100%).

Without prejudice to this, the last paragraph of the aforementioned article 106 (as amended by Law No. 27.468 -published in the Official Gazette on December 4, 2018) specifically provides that for the first, second and third fiscal years as of the effective date, the inflation adjustment shall be applicable in the event that the variation in the index, calculated from the beginning and until the end of each of those years, exceeds fifty-five percent (55%), thirty percent (30%) and fifteen percent (15%) for the first, second and third year of application, respectively.

In accordance with the above provisions, the annual variation of the CPI for the year 2018 was 47.6% and, therefore, the inflation adjustment procedure in the Income Tax for the fiscal year 2018 is not applicable.

Additionally, the annual variation of the CPI for the year 2019 was 53.8% and, therefore, the application of the inflation adjustment in the Income Tax for the fiscal year 2019 becomes effective for the Company.

On the other hand, the annual variation of the CPI for the year 2020 is 36.14%; therefore, the inflation adjustment in the Income Tax for the fiscal year 2020 is applicable, as well.

At the date of issue of these financial statements, the Board and the Management of the Company have analyzed the deferred tax impact of this reform and have assessed the Income Tax for the fiscal periods 2020, 2019 and 2018 applying the adjustment for tax inflation established in Title VI of the Income Tax Law.

On December 23, 2019, Law No., 27.541 of Social Solidarity and Productive Reactivation in the framework of the public emergency, was published in the Official Gazette. It established that the income or loss arising from the adjustment for inflation procedure corresponding to the first and second fiscal periods beginning as of January 1,2019 must be proportionally allocated in a six-year period, instead of the three years according to previous regulations.

At the date of issue of these financial statements, the Company has applied the amendments to law.

i. Exchange and Export Duty Law in Argentina

a) Export duty

In 2002, as an emergency measure, Argentina adopted a 5% export duty on certain mineral products, including gold. At the time, the duty was described as “temporary”. Gualcamayo export of gold doré was subject to this 5% export duty from the commencement of operations in March 2009 until December 20, 2015, when the duty was repealed by the Argentine government. On September 3, 2018, after significant depreciation of the Argentine peso, the Argentine government re-established customs duties on all exports from Argentina until December 31, 2020. As a result, exports of gold doré are subject to a 12% duty, capped at ARS 4.00 per dollar exported, resulting in an effective rate of about 10.5% at the then current foreign exchange rate.

On December 23, 2019, Law No. 27,541 was enacted, lowering the export duty to 8% until December 31, 2020. However, until the effective ruling of such Law was issued on October 2, 2020 (Decree No. 785/2020), the Company was still paying export duties at 12% rate. Additionally, such regulation extended the application of the lower rate until December 31, 2021.

b) Foreign Exchange regulations

The Executive Decree No. 609/2019, as amended by Executive Decree No. 91/2019, reinstated the foreign-exchange control regime, which imposes a series of restrictions affecting the official foreign-exchange market (“MLC” for its Spanish acronym), cross-border transfers and the free availability of foreign currency to exporters of goods and services - provides that foreign exchange proceeds from exports of goods and services shall be transferred to Argentina's financial system and exchanged for Argentine pesos in the MLC under the terms and conditions that the Argentine Central Bank (*Banco Central de la República de Argentina* or “BCRA”) may establish -. In addition, it vests the BCRA with powers to regulate the cases of transfers abroad, as well as purchases of foreign currency and precious metals which require its authorization before having access to the market. The BCRA is also empowered to lay down regulations to avoid practices and transactions intended to circumvent the provisions of the executive order through sovereign bonds or other instruments.

On December 28, 2019, the Argentine Government amended article 1 of Decree 609/2019, extending the obligation to transfer export proceeds to Argentina and exchange them for Argentine pesos in the MLC established for an indefinite period of time. To date, the restrictions for accessing the foreign exchange market applicable to the Company are as follows:

Export of goods

Exports receipts in foreign currency originating from goods' exports are to be settled in the MLC within 5 business days after the receipt date or within the specific term as of custom clearance set by the BCRA for each type of goods, if exported after September 2,2019.

The exporting Company must designate a financial entity to track each export transaction. The obligation of settling the foreign exchange in the MLC is considered extinguished when the financial institutions certify the completion of the settlement transaction in the local market.

Import payments and other foreign purchase transactions

Access to the MLC to pay for principal and interest of imports of goods and supplies is allowed under certain specific conditions. The Company, through financial entities, may access to the MLC for foreign debt payment related to guarantees or collaterals for importing goods and for the payment of credit lines opened for importing purposes to the extent that the specific conditions set forth in the foreign-exchange regulations are met.

Exceptions for the obligations to settle foreign currency using the MLC for the proceeds of exports of goods and services, foreign debt in the MLC

It will not be mandatory the settlement of foreign currency in the MLC originated from exports and foreign debt, if they comply with the following conditions:

i. The foreign currency funds are credited to foreign currency denominated accounts that the individual or legal entity (i.e., the Company) holds in local financial entities;
ii. The funds are transferred to said accounts within the established deadlines mentioned above;
iii. The funds will be used simultaneously for transactions for which current foreign-exchange regulations allow access to the MLC against local currency; and,
iv. The use of this alternative is tax neutral.

Foreign financial debt
In order to be allowed access to the MLC to cancel foreign currency financial debt principal and interest, the original principal from these debts must have been transferred to Argentina and exchange for Argentine pesos in the MLC in accordance with the terms and conditions required by the BCRA. Additionally, it is required that the BCRA formally approves the access to the MLC for such payments if made with more than three business days in advance of its maturity date.

Furthermore, if the financial debt is between related companies, the Argentine debtor requires the prior written authorization from the BCRA to access the MLC to cancel the principal unless the disbursements were transferred to Argentine and exchange for Argentine pesos in the MLC as of October 2, 2020 and the indebtedness has an average life of not less than two years.

The authorization from the BCRA is rarely obtained or at least not in a timely manner, which in practice implies an effective restriction of access to the MLC for these purposes.

Payment of dividends
Local entities may access the MLC to pay dividends to non-resident shareholders exclusively in those cases in which there were new capital injections since January 17, 2020, previously transferred to Argentina and exchanged for Argentine Pesos, and that such payments comply with certain requirements set forth in the foreign-exchange regulations, such as the dividends arise from audited financial statements, the amount does not exceed certain limitations, the Company complies with certain documentation filing requirements, among others.

Additionally, the BCRA established through Communiqué "A" 7123 the obligation for non-residents to prove that the funds related to new investments (after October 2, 2020) have been brought to Argentina and exchanged for Argentine pesos through the MLC to repatriate the proceeds arising from said direct investment (e.g.: capital contributions, purchase of interests in local companies and real estate) and the repatriation takes place at least two years after its entry.

Payment for services provided by non-residents

The entities may access the MLC to pay for services provided by non-residents if such debts were declared in the last overdue filing of the reporting information regime regarding foreign debt and direct investment ("Relevamiento de activos y pasivos externos" under its Spanish name). In addition, if the entity intends to pay for such services before its due date, it must receive prior written authorization from the BCRA to access the MLC. Such authorization will also be required for payments made to related parties.

The authorization from the BCRA is rarely obtained or at least not in a timely manner, which in practice implies an effective restriction of access to the MLC for these purposes.

Additional general rulings applicable to payments in foreign currency (BCRA's Communiqué No. "A" 7030, as amended)

In order to access to the MLC for the payments of imports of goods or services, dividends, financial debt, and others without the prior written authorization of the BCRA, financial institutions will require to the client the compliance of additional requirements, among others the filing of an affidavit stating that:

(i) on the day that it requests access to the MLC and in the previous 90 consecutive days, it didn't carry out sales of securities against foreign currency or transfers of the same to depository entities abroad;
(ii) undertakes not to sell securities against foreign currency or transfer them to depository entities abroad for the subsequent 90 consecutive days;
(iii) all of its foreign currency holdings in Argentina are deposited in local bank accounts and that it does not have available external liquid assets for an amount exceeding the equivalent to USD100,000, at the beginning of the day in which access to the MLC is being requested; and
(iv) undertakes to transfer to Argentina and exchange for Argentine pesos through the MLC (within five working days of its availability), any proceeds received abroad from the collection of loans granted to third parties, the collection of fix-term deposits or the sale of any type of asset, when the asset has been acquired, the deposit constituted, or the loan granted after May 28, 2020.

Temporary restrictions applicable to the payment of imports of goods

Until March 31, 2021, access to the MLC for the payment of imports (including prepayments and cancellations of credit lines related with the imports of goods), will require the prior authorization of the BCRA, except for:

(i) Payments within the established quota: In order to access to the MLC for the payment of imports, local importers must provide an affidavit stating that the total amount of payments for imports of goods made through the MLC as of January 1, 2020, including the payment for which access to the MLC is being requested, does not exceed by more than the equivalent of $1,000 the total amount resulting from considering: (i) the amount for which the importer would have access to the MLC by computing the imports of goods registered on behalf of the importer in the tracking system for payments of imports (Sistema de seguimiento de pagos de importaciones - SEPAIMPO) and that have obtained the corresponding custom clearance between January 1, 2020 and the day before accessing to the MLC; (ii) plus the amount of payments made under sections 2.2. to 2.6. of Communiqué "A" 7193 not associated with imports included in item (i) above; and (iii) minus the amount pending to be regularized for payments of imports with pending customs clearance between September 1, 2019 and December 31, 2019.

(ii) Deferred payments or payments on demand: The prior authorization of the BCRA will not be required if the importer requests access to the MLC for deferred payments or payments on demand of imports of goods shipped as of July 1, 2020 or which, having been shipped prior to that date, had not arrived to Argentina before that date.

(iii) Commercial debts with export credit agencies: The prior authorization of the BCRA will not be required if the access to the MLC is being requested for a payment associated with a transaction not included in item (ii), to the extent that it corresponds to the cancellation of a commercial debt for imports of goods with an export credit agency, a foreign financial institution or has a guarantee granted by one of them.

(iv) Public sector: The prior authorization of the BCRA will not be required if the importer is (a) part of the Argentine public sector; (b) a private company under the control of the Argentine National State; or (c) a trust incorporated with contributions from the national public sector.

(v) Provision of critical medicines: The prior authorization of the BCRA will not be required for import payments with pending customs clearance to be made by a legal entity in charge of the provision of critical medicines to be entered by Private Request (Solicitud Particular) by the beneficiary of such medical coverage.

(vi) COVID-19 detection kits: The prior authorization of the BCRA will not be required for imports with pending customs clearance for the purchase of COVID-19 detection kits or other goods included in the list published by Decree No. 333/2020.

(vii) Advance payments of imports for goods or supplies related to the provision of medicines or linked to medical and/or health care: The prior authorization of the BCRA will not be required if the payment corresponds to import of goods or supplies related with the provision of medicines or linked to medical and/or health care, to the extent that it does not exceed the amount of US$3,000,000, calculated as described in item (i) above.

It should be noted that as of December 30, 2020, the amount by which importers may access to the MLC for the payment of imports has been increased up to the equivalent of 50% of the amounts transferred by the importer and exchanged for Argentine pesos through the MLC as advances or pre-financing of exports from a foreign jurisdiction, as from October 2, 2020 and with a minimum term of 180 days.

Additionally, the BCRA has established that, in the case of operations transferred and exchanged for Argentine pesos through the MLC as of January 4, 2021, access to the MLC for the remaining 50% will be allowed, to the extent that it corresponds to advance payments of capital goods.

Finally, Communiqué "A" 7201 has established that the prior authorization of the BCRA will be required in order to proceed with the payment of imports of certain luxury goods listed in Annex I and II of such Communiqué.

Additional general rulings applicable to repayments of financial borrowings in foreign currency (BCRA's Communiqués No "A" 7106 and 7230)

Companies holding foreign financial indebtedness with monthly maturities exceeding U$1,000,000 must renegotiate repayment conditions with such creditors under the terms established within this new regulation.

The regulation indicates that those who require access to the MLC for the payment of principal of certain financial debts due between October 15, 2020 and March 31, 2021, and between April 1, 2021 and December 31, 2021 must submit to the BCRA a detailed refinancing plan based on the following criteria:

a) Access to the FX Market on the original maturity date shall not exceed 40% of the principal maturing.

b) The remaining principal must be refinanced with a new external debt with an average duration of 2 years.

The refinancing plan for financial debt with principal due until December 31, 2020 was required to be submitted to the BCRA before September 30, 2020. For maturities between January 1, 2021 and March 31, 2021, the plan must be submitted at least 30 calendar days prior to the maturity of the principal to be refinanced. For maturities between April 1, 2021 and April 15, 2021, the plan was required to be submitted before March 15, 2021; and for maturities between April 16, 2021 and December 31, 2021, the plan must be submitted at least 30 calendar days prior to the maturity of the principal to be refinanced.

The refinancing plan is not required for:

i) indebtedness with multilateral financial institutions or guaranteed by them;

ii) indebtedness with official credit agencies or guaranteed by them; or

iii) in cases where access to the exchange market is granted for the repayment of principal of such indebtedness in an amount not exceeding the equivalent of US$1,000,000 per calendar month.

Based on the analysis of the restrictions established by the BCRA for access to the foreign exchange market management understands that most significant impact refers to the repayment conditions of MASA's intercompany loan held with the Business, specifically since the publication of Communication No. 7,106 that refers to repayment of principal amounts of offshore loans in USD.

NOTE 24. OTHER ASSETS

The details of this item are shown below:

Item	31/12/2020	31/12/2019	31/12/2018
Prepaid expenses	$4,893	$1,689	$1,644
Other assets	76	2	2
Works for taxes[(1)]	-	5,691	5,739
Total	**$4,969**	**$7,382**	**$7,385**
Current portion	4,969	7,380	7,383
Non-current portion	-	2	2

(1) In 2017, Mineros S.A. adopted the "works for taxes" scheme established in art. 238 of Law 1819 of 2016, regulated by Decree 1915 of 2017. To this effect, part of the income tax for the period was allocated to performing a road paving project at Escarralao - El Jobo - Palizados - El Bagre - Stage 1 - Antioquia.

As part of the procedure to engage in the "works for taxes" scheme, the Territory Renewal Agency (ART) issued Resolution No. 000167 of May 7, 2018, approving the request submitted by the company.

Subsequently, on May 22 this year, Mineros SA signed a trust contract with Fiduciaria La Previsora S.A., to deposit the amount of $5,691 to manage the funds used to perform the road paving project.

On December 17, 2020, the Ministry of Transport, with the approval of INVIAS, issued the certification of delivery of the project, therefore, the balance was settled in accordance with Art. 1.6.5.4.1 of Decree 1915 of 2017, given the extinction of the tax obligation.

NOTE 25. PROPERTY, PLANT AND EQUIPMENT, NET

The movement of property, plant and equipment is as follows:

2020					
	Land and buildings	**Machinery, plant and equipment**	**Constructions in progress**	**Plantations**	**Total**
Initial balance	$61,478	$147,954	$25,250	$6,754	$241,436
Additions	7,126	5,577	41,050	663	54,416
Additional liabilities for new leases	-	13,500	-	-	13,500
Revaluation of assets	1,799	-	-	-	1,799
Transfer (-/+)	15,690	25,795	(41,485)	-	-
Transfers to other accounts (-/+)	7,268	(22,298)	(11)	-	(15,041)
Disposals, net (-)	(21)	(747)	(2,305)	-	(3,073)
Depreciation	(8,329)	(29,407)	(78)	(36)	(37,850)
Impairment	(5,239)	(1,833)	(23)	-	(7,095)
Currency translation adjustment	(2,926)	(3,361)	(2,124)	(256)	(8,667)
Net final balance	**$76,846**	**$135,180**	**$20,274**	**$7,125**	**$239,425**
Cost at December 31, 2020	99,600	218,358	20,274	7,242	345,474
Accumulated depreciation at December 31, 2020	(22,754)	(83,178)	-	(117)	(106,049)
Property, plant and equipment at December 31, 2020	**$76,846**	**$135,180**	**$20,274**	**$7,125**	**$239,425**

2019					
	Land and buildings	**Machinery, plant and equipment**	**Constructions in progress**	**Plantations**	**Total**
Initial balance	$53,429	$152,053	$11,372	$5,956	$222,810
Additions	968	8,577	31,297	838	41,680
Additional liabilities for new leases	-	20,124	-	-	20,124
Revaluation of assets	1,607	-	-	-	1,607
Transfer (-/+)	9,715	6,769	(16,484)	-	-
Transfers to other accounts (-/+)	232	(541)	(15)	-	(324)
Disposals, net (-)	-	(1,693)	(448)	-	(2,141)
Depreciation	(4,291)	(32,009)	-	(40)	(36,340)
Currency translation adjustment	(182)	(5,326)	(472)	-	(5,980)
Net final balance	**$61,478**	**$147,954**	**$25,250**	**$6,754**	**$241,436**
Cost at December 31, 2019	71,190	229,566	25,170	6,839	332,766
Accumulated depreciation at December 31, 2019	(9,712)	(81,612)	80	(85)	(91,330)
Property. plant and equipment at December 31, 2019	**$61,478**	**$147,954**	**$25,250**	**$6,754**	**$241,436**

2018					
	Land and buildings	**Machinery, plant and equipment**	**Constructions in progress**	**Plantations**	**Total**
Initial balance	$29,245	$141,190	$7,531	$5,668	$183,634
Additions by business combination	24,844	22,361	736	-	47,941
Additions	23	4,240	14,873	872	20,008
Revaluation of assets and liabilities	493	-	-	-	493
Transfer (-/+)	2,391	8,650	(11,041)	-	-
Transfers to other accounts (-/+)	543	(747)	-	-	(204)
Disposals, net (-)	(293)	(651)	(122)	-	(1,066)
Impairment of assets (-)	(126)	-	-	-	(126)
Depreciation	(2,208)	(17,094)	-	(46)	(19,348)
Currency translation adjustment	(1,483)	(5,896)	(605)	(538)	(8,522)
Net final balance	**$53,429**	**$152,053**	**$11,372**	**$5,956**	**$222,810**
Cost at December 31, 2018	61,873	205,222	11,372	5,512	283,979
Accumulated depreciation at December 31, 2018	(8,444)	(53,169)	-	444	(61,169)
Property. plant and equipment at December 31, 2018	**$53,429**	**$152,053**	**$11,372**	**$5,956**	**$222,810**

The Company's land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Company's land and buildings at December 31, 2020, 2019 and 2018 were performed by independent appraisers not related to the Company. They have appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. The fair value accounting estimates are reviewed and approved by the management before being recorded.

The fair value of the land was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

The fair value of the buildings was determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.

There has been no change to the valuation technique during the year.

Details of the Company's land and buildings and information about the fair value hierarchy at the end of the reporting period are as follows:

There were no transfers between Levels during the year.

				Fair value at
	Level 1	**Level 2**	**Level 3**	**31/12/2020**
Land	-	13,017	-	13,017
Construction and buildings	-	56,059	-	56,059
Total	**-**	**$69,076**	**-**	**$69,076**

				Fair value at
	Level 1	**Level 2**	**Level 3**	**31/12/2019**
Land	-	$12,351	-	$12,351
Construction and buildings	-	47,960	-	47,960
Total	**-**	**$60,311**	**-**	**$60,311**

				Fair value at
	Level 1	**Level 2**	**Level 3**	**31/12/2018**
Land	-	$11,824	$-	$11,824
Construction and buildings	-	40,464	-	40,464
Total	**-**	**52,288**	**$-**	**$52,288**

The cost of the land and construction and buildings measured at fair value for 2020: $23,294 (2019: $52,200, 2018: $44,962)

The revaluation surplus accumulated is disclosed in note 34.

Assets pledged as security

The Company has pledged the following assets as collateral on certain agreements in Hemco S.A.:

a) Banco de América Central S.A. (BAC).
Corresponds to the credit line for $7,085 in 2020 (2019: $5,991), on machinery and equipment and transportation equipment.

b) Caterpillar Finance S.A.
Loan with collateral on heavy machinery and transportation equipment amounting to $839 in 2020 (2019: $511) machinery and equipment and transportation equipment

Leases

The Company leases several assets included in plant and electric networks (corresponding to hydroelectric power plant Providencia III) and transport equipment.

Details of the balances recognized for the year 2020, 2019 and 2018 for leasing are given below and are included under machinery, plant and equipment.

Item	2020	2019	2018
Depreciation expense on right-of-use assets	$4,396	$8,935	$968
Interest expense on lease liabilities	2,227	1,461	1,957
Costs related to leases of low-value or short-term assets	715	823	104

For some assets, the Company has options to purchase the asset for a nominal amount at the end of the lease term. The Company's obligations are secured by the lessor's title to the leased assets for such leases.

NOTE 26. INVESTMENT PROPERTY

The following is a breakdown of investment properties and their movements:

Item	31/12/2020	31/12/2019	31/12/2018
Land	$2,441	$2,557	$2,439
Total	**$2,441**	**$2,557**	**$2,439**

The fair value of investment property for 2020, 2019 and 2018 was obtained through a technical appraisal, which used the method of comparable market prices. In 2020, no valuation changes were reported, the difference being the difference effect in exchange; in 2019, the increase is of $118; the variation represents solely the changes in fair value according to appraisals.

				Fair value at
	Level 1	Level 2	Level 3	31/12/2020
Land (Barú Cartagena)	-	2,441	-	2,441

				Fair value at
	Level 1	Level 2	Level 3	31/12/2019
Land (Barú Cartagena)	-	2,557	-	2,557

				Fair value at
	Level 1	Level 2	Level 3	31/12/2018
Land (Barú Cartagena)	-	2,439	-	2,439

NOTE 27. EXPLORATION AND EVALUATION PROJECTS

The following are the Company's exploration and evaluation projects, assets in development, under IFRS 6 scope:

Description	Segment	31/12/2020	31/12/2019	31/12/2018
Vesubio exploration project	Hemco	$12,714	$8,136	$7,656
Elefante drilling project	Hemco	3,368	2,945	1,293
Target D	Mineros Chile SpA (Gualcamayo)	2,675	-	-
Pluto SW 850 Project	Hemco	2,283	-	-
QDDLW	Mineros Chile SpA (Gualcamayo)	1,360	-	-
Las Vacas	Mineros Chile SpA (Gualcamayo)	1,324	-	-
Santiago target	Mineros Chile SpA (Gualcamayo)	550	-	-
Preg Robbin phase 2	Mineros Chile SpA (Gualcamayo)	503	-	-
Ataco Project	Mineros S.A. Holding	434	536	524
Preg Robbin phase 1	Mineros Chile SpA (Gualcamayo)	413	-	-
QDDM	Mineros Chile SpA (Gualcamayo)	272	-	-
Environmental feasibility study (stage 2)	Nechí Alluvial	216	-	-
Mine Pioneer project	Hemco	-	5,441	1,836
Exploration (AUC/WIP)	Mineros Chile SpA (Gualcamayo)	-	4,134	-
Pioneer exploration project	Hemco	-	1,709	6,181
Panamá deep drilling project	Hemco	-	1,399	1,025
EBF Pioneer DDH	Hemco	-	665	173
Bagre District Project	Nechí Alluvial + La Ye Mine	-	606	1,374
Panamá Periferia project	Hemco	-	596	151
Proyecto Neptuno 850	Hemco	-	125	-
Toboba drilling project	Hemco	-	-	1,762
Pioneer open block	Hemco	-	-	1,158
Amelia Project	Mineros Chile SpA (Gualcamayo)	-	-	360
Panamá Tajos project	Hemco	-	-	96

Matusalen Project	Hemco	-	-	4
Total		**$26,122**	**$26,292**	**$23,593**

The following are the movements of mining exploration and evaluation projects:

Description	31/12/2020	31/12/2019	31/12/2018
Cost at January 1	$26,292	$23,593	$21,386
Additions by business combination	-	-	395
Transfer to profit and loss (-/+)	(1,763)	-	-
Additions	13,085	12,793	10,099
Transfers to/from other accounts (-/+)	(9,637)	(6,763)	(624)
Disposals, net (-)	(961)	(1,715)	(7,583)
Impairments (See note 8.2)	(686)	(1,196)	-
Currency translation adjustment	(218)	(420)	(80)
Total	**$26,122**	**$26,292**	**$23,593**

NOTE 28. INTANGIBLE ASSETS, NET

The following are details of the cost of intangible assets:

Type of the intangible	31/12/2020	31/12/2019	31/12/2018
Exploitation and development projects [(1)]	$16,734	$11,027	$6,152
Mineral resource assets[(2)]	14,485	8,058	9,554
Projects of modernization I.T [(3)]	8,678	6,462	3,867
Others	-	-	187
Total	**$39,897**	**$25,547**	**$19,760**

(1) The variation in the projects in operation is due to the beginning of the commercial activity of the Pioneer mine in Hemco.

(2) Value in Use ("VIU") and Carrying amount were updated, and an impairment recovery was recognized for $8,695. See note 8.1.

(3) The increase corresponds to the recognition of the SAP license for Hemco, which was granted during 2019.

The movement of intangible assets net is:

YEAR 2020				
Description	**Exploitation and development projects**	**Mineral resource assets[(1)]**	**Software and software applications**	**Total**
Initial balance	$11,027	$8,058	$6,462	$25,547
Additions	13	-	4,532	4,545
Reversal of impairment losses (See note 8.1)	-	8,695	-	8,695
Transfers to other accounts (-/+)	9,637	-	39	7,238
Transfer (-/+)	(231)	-	-	(231)
Amortization	(3,713)	(2,268)	(1,170)	(6,990)
Currency translation effect	1	-	(1,185)	(1,184)
Net final balance	**$16,734**	**$14,485**	**$8,678**	**$39,897**
Cost at December 31, 2020	23,977	17,469	13,430	53,446
Accumulated depreciation at December 31, 2020	(7,243)	(2,984)	(4,752)	(13,549)
Intangible assets at December 31, 2020	**$16,734**	**$14,485**	**$8,678**	**$39,897**

(1) Corresponds to an intangible asset acquired in a business combination in 2013.

YEAR 2019					
Description	**Exploitation and development projects**	**Software and software applications**	**Mineral resource asset**	**Others**	**Total**
Initial balance	$6,152	$3,867	$9,554	$187	$19,760
Additions	-	3,598	-	-	3,598
Transfers to other accounts (-/+)	6,761	163	-	(191)	6,733
Disposals, net(-)	-	(76)	-	15	(61)
Impairment of assets (-)	-	-	(848)	-	(848)

Amortization	(1,515)	(1,061)	(567)	(11)	(3,154)
Currency translation effect	389	(29)	(78)	-	282
Transfer to net assets held for sale	(760)	-	(3)	-	(763)
Net final balance	**$11,027**	**$6,462**	**$8,058**	**$-**	**$25,547**
Cost at December 31, 2019	14,776	11,150	21,189	-	47,115
Accumulated depreciation at December 31, 2019	(3,749)	(4,688)	(13,131)	-	(21,568)
Intangible assets at December 31, 2019	**$11,027**	**$6,462**	**$8,058**	**$-**	**$25,547**

YEAR 2018						
Description	**Exploitation and development projects**	**Software and software applications**	**Patent**	**Mineral resource asset**	**Others**	**Total**
Initial balance	$7,241	$2,533	$1	$45,652	$-	$55,427
Additions	-	2,737	-	-	215	2,952
Transfers to other accounts (-/+)	624	-	-	-	-	624
Disposals, net (-)	-	-	(1)	-	-	(1)
Impairment of assets(-)	-	-	-	(32,359)	-	(32,359)
Amortization	(1,555)	(1,057)	-	(3,339)	(6)	(5,957)
Currency translation effect	(158)	(346)	-	(400)	(18)	(922)
Net final balance	**$6,152**	**$3,867**	**$-**	**$9,554**	**$187**	**$19,760**
Cost at December 31, 2018	14,951	7,126	-	21,783	200	44,060
Accumulated depreciation at December 31, 2018	(8,799)	(3,259)	-	(12,229)	(13)	(24,300)
Intangible assets at December 31, 2018	**$6,152**	**$3,867**	**$-**	**$9,554**	**$187**	**$19,760**

The amortization period of intangibles is as follows:

Description	**Useful life**
Exploitation and development project	5 – 6 years
Patent	Indefinite
IT applications and software	5 years
Intangibles acquired from business combination – Mineral reserves	14 years

NOTE 29. LOANS AND OTHER BORROWINGS

The following are the balances of credits and loans:

Item	31/12/2020	31/12/2019	31/12/2018
Bank loans[1]	$42,369	$49,057	$43,879
Lease liabilities [2]	32,089	33,794	25,532
Total	**$74,458**	**$82,851**	**$69,411**
Current portion	27,277	24,280	19,883
Non-current portion	47,181	58,571	49,528

The change in financial obligations is shown below:

Type of contract	Bank loans	Leases	Total financial obligations
Balance at January 1, 2020	$49,057	$33,794	$82,851
New credits acquired	20,268	-	20,268
Liabilities for new leases	-	13,504	13,504
Remedy leases obligations	-	(1,618)	(1,618)
Credits paid	(25,174)	(12,359)	(37,533)
Interest accrued	2,975	2,227	5,202
Interest paid	(2,931)	(2,216)	(5,147)
Currency translation effect	(1,826)	(1,243)	(3,069)
Balance at December 31, 2020	**$42,369**	**$32,089**	**$74,458**

Type of contract	Bank loans	Leases	Total financial obligations
Balance at January 1, 2019	$43,879	$25,532	$69,411
New credits acquired	37,610	-	37,610
Liabilities for new leases	-	20,123	20,123
Credits paid	(32,295)	(11,326)	(43,621)
Interest accrued	3,527	3,266	6,793
Interest paid	(3,445)	(3,266)	(6,711)
Currency translation effect	(219)	(535)	(754)
Balance at December 31, 2019	**$49,057**	**$33,794**	**$82,851**

Type of contract	Bank loans	Leases	Total financial obligations
Balance at January 1, 2018	$18,121	$30,174	$48,295
New credits acquired	33,167	-	33,167
Liabilities for new leases	-	169	169
Credits paid	(5,941)	(2,425)	(8,366)
Interest accrued	2,435	1,957	4,392
Interest paid	(2,435)	(1,957)	(4,392)
Currency translation effect	(1,468)	(2,386)	(3,854)
Balance at December 31, 2018	**$43,879**	**$25,532**	**$69,411**

(1) At December 31, 2020, the breakdown of loans is as follows:

- 10 loans taken out between 2015 and 2020 with terms between 1 and 7 years for $7,085, at an average interest rate of 7.62% E.A (Effective annual) with suitable guarantee for the Hemco segment.
- Loan for $28,055, taken out in May 2019, with a term of 7 years, at an interest rate of 8.096% E.A. for the Mineros S.A. Holding segment.
- Treasury loans for $6,992 with Bancolombia for a term of 12 months for the Mineros S.A. Holding segment with a variable rate of 6,77% E.A. (Effective annual).
- Other minor loans for $237.

(2) At December 31, 2020, the breakdown of lease liabilities are as follows:

- Lease obligation at a rate DTF (Colombian average savings rate) + 3.25 points over a 144-month period for $19,358 for the Nechí Alluvial segment.
- 19 Leases obligation taken out between 2015 and 2020 for $5,143, at a rate average of 6.12% for the Hemco segment.
- Lease obligation, at an interest rate of 15% EA, for $7,363 for the Mineros Chile SpA (Gualcamayo) segment.
- Other finance lease of $225.

The reconciliation of the present value of future minimum payments is as follows:

	31/12/2020	31/12/2019	31/12/2018
1 Year	$6,571	$1,516	$3,991
1 to 5 Years	15,223	19,258	25,227
More than 5 years	23,821	33,625	12,195
	$45,615	**$54,399**	**$41,413**
Less: unaccrued finance expenses	(13,526)	(20,605)	(15,881)

Present value of minimum lease payments	32,089	33,794	25,532

A significant proportion of the Company's lease arrangements, by value, relate to equipment and vehicles used at the Company's mine sites. Other leases include the expansion of Providencia Hydroelectric Power Plant in the segment Colombia. The majority of lease terms are negotiated through the Company's procurement function, although agreements contain a wide range of different terms and conditions. Information about leases for which the Company is a lessee is presented below.

The lease contracts by segment are detailed below, as follows:

Mineros S.A. (Holding):

Type of contract	Quantity of contracts	Interest rate	Term
Renting	4	DTF T.A. and IBR N.A.M.V	Between 36 and 60 months

Nechí Alluvial:

Type of contract	Quantity of contracts	Interest rate	Term
Expansion of Providencia Hydroelectric Power Plant	2	DTF(*) TA	144 months
Renting	2	DTF T.A	Between 36 and 48 months

(*) The rate for fixed-term deposits (DTF) is an interest rate calculated as a weighted average.

Mineros Chile SpA (Gualcamayo):

Type of contract	Quantity of contracts	Interest rate	Term
Equipment and loaders	3	15% E.A	Between 15 and 38 months

Hemco

Type of contract	Amount of the contract	Interest rate	Term
Equipment and loaders	16	Between 2.7% - 6.5% E.A	Between 36 and 60 months
Pick-up trucks/ Transport equipment	3	Between 8.5% E.A – 10.3% E.A	Between 24 and 36 months

The following is the analysis of loans and other borrowings by currency denomination:

Analysis of borrowings by currency	MCOP	*USD*	(A) USD Equivalent	Total
	(A)	*(B)*	(C)	(B +C)
31 December 2020				
Bank loans	$121,109	$7,086	$35,283	$42,369

Finance lease liabilities	67,222	12,505	19,584	32,089
Total	**$188,331**	**$19,591**	**$54,867**	**$74,458**
31 December 2019				
Bank loans	$125,561	*$10,742*	$38,315	$49,057
Finance lease liabilities	75,813	*10,660*	23,134	33,794
Total	**$201,374**	**$21,402**	**$61,449**	**$82,851**
31 December 2018				
Bank loans	$90,531	*$16,020*	$27,859	$43,879
Finance lease liabilities	82,252	*222*	25,310	25,532
Total	**$172,783**	**$16,242**	**$53,169**	**$69,411**

NOTE 30. TRADE AND OTHER PAYABLE

The following is a breakdown of the amounts under this heading:

Item	31/12/2020	31/12/2019	31/12/2018
Suppliers	$36,183	$38,684	$38,588
Taxes	15,238	14,183	14,719
Other	629	590	238
Total	**$52,050**	**$53,457**	**$53,545**
Current portion	52,050	53,457	53,455
Non-current portion	-	-	90

In accordance with the Company's policies, trade and other accounts payable arising in the ordinary course of business are paid within a maximum term of 30 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

NOTE 31. EMPLOYEE BENEFITS

It comprises the following line items:

	December		
	2020	**2019**	**2018**
Other employee benefits	$6,850	$6,446	$6,095
Provision for severance payment [1]	2,466	2,393	2,296
Stock-based Compensation (See note 18.1)	511	-	-
Retirement pensions [2]	437	494	479
Retirement bonus [3]	425	440	343
Total	**$10,689**	**$9,773**	**$9,213**
Current portion	6,086	5,606	5,204
Non-current portion	4,603	4,167	4,009

Pension and Other Benefit Plans

The following tables present the changes in obligations for 2020, 2019 and 2018:

	Retirement pensions			Other Benefits		
Change in benefit obligation	**31/12/2020**	**31/12/2019**	**31/12/2018**	**31/12/2020**	**31/12/2019**	**31/12/2018**
Benefit obligation at beginning of year	$494	$479	$572	$2,833	$2,639	$2,279
Service cost	-	-	-	308	495	579
Interest cost	25	31	35	246	193	226
Actuarial loss (gain)	(27)	29	(37)	(106)	26	(26)
Benefits paid	(30)	(43)	(41)	(303)	(404)	(289)
Foreign currency exchange	(25)	(2)	(50)	(87)	(116)	(130)
Total	**$437**	**$494**	**$479**	**$2,891**	**$2,833**	**$2,639**

Actuarial gains of $133 were recognized in the year ended December 31, 2020, primarily due to an increase in discount rate from the prior year. Actuarial losses of $55 were recognized in the year ended December 31, 2019, primarily increase of employees from the prior year. In 2018, were recognized actuarial gain of $63.

The following table provides the net pension and retirement pensions amounts recognized in the Consolidated Balance Sheets at December 31:

	Pension Benefits and Retirement pensions		
	31/12/2020	31/12/2019	31/12/2018
Accrued employee benefit liability	$862	$934	$822
Accumulated other comprehensive income (loss):			
Net actuarial gain (loss)	30	9	37
Exchange difference	(29)	(41)	26
Less: Income taxes	(9)	(1)	(11)
Total	**(8)**	**(33)**	**52**

(1) In accordance with the Labor Code of the Republic of Nicaragua, upon termination of an employment contract, employers must make severance payments that vary depending on the employee's seniority, where the minimum is one month of salary and the maximum is five months of salary. For the termination of management employment contracts, an equivalent amount of between two and six months of salary must be paid, provided that the employee has been working at the Company for at least one year uninterruptedly.

To this effect, an actuarial expert from Nicaragua determined the current value of the severance payment obligation at December 31, 2020 and 2019. The actuarial calculation is established annually using the projected unit credit method in accordance with IAS 19, for 1,495 employees at December 31, 2020 (1,284 employees at December 31, 2019). The provision is based on the following assumptions:

Assumption	31/12/2020	31/12/2019	31/12/2018
Discount rate	10.20%	10.15%	8.50%
Salary readjustment rate	5.00%	5.00%	5.00%
Employee turnover	100% values, table used by Watson Wyatt Worldwide Mexico	100% values, table used by Watson Wyatt Worldwide Mexico	100% values, table used by Watson Wyatt Worldwide Mexico

(2) In Colombia, Mineros S.A. is currently only responsible for the pensions of employees who at the date of the Pension Transfer Resolution issued by the Social Security Institute (November 1997) expected to acquire the special retirement pensions agreed to in the Collective Bargaining Agreement (18 years of service and 47 years of age), whereby the date of recognition depended on the employee's decision. This includes former employees who at the date of the resolution had left the Company, but had rights to the pension and were only pending fulfillment of the age requirement.

The actuarial valuations made by an actuarial expert for Mineros S.A. determined the current value of the retirement and survivors' pension obligations at December 31, 2020 and 2019, in accordance with Colombian pensions legislation, and includes the additional monthly payments that must be made in the months of June and December every year, as well as the current value of funeral assistance for the Company of retirees to be paid fully by the Company.

The actuarial calculation of retirement pensions is established annually using the projected unit credit method in accordance with IAS 19 for 17 pensioners at December 31, 2020 and 2019. The provision is based on the following assumptions:

Assumption	31/12/2020	31/12/2019	31/12/2018
Discount rate	6.21%	6.10%	7.12%
Pension readjustment rate	3.00%	3.20%	3.20%

For the actuarial calculations at December 31, 2020, 2019 and 2018, mortality tables were used of male and female receivers of income from 2005 to 2008 based on experience, approved by the Financial Superintendence through Resolution 1555 of July 30, 2010.

Additionally, the Company funds the payment of retirement pensions under its responsibility with its own resources, rather than through an established fund.

The amounts recognized in the income statement for the retirement pensions heading are broken down as follows:

	31/12/2020	31/12/2019	31/12/2018
Appropriation for pensions (actuarial calculation)	(1)	(2	(4)
Pension payments	31	45	45

This calculation used the mortality tables of male and female receivers of income from 2005 to 2008 based on experience, approved by the Financial Superintendence with Resolution 1555 / June 30, 2010, and for the purposes of the employee turnover rate, the statistics prepared by the Company for staff with a permanent contract were used, as follows:

Seniority ranges (Years)	Average Turnover in the Range 31/12/2020	Average Turnover in the Range 31/12/2019	Average Turnover in the Range 31/12/2018
0 to 2	8.79%	10.92%	11.83%
2 to 5	2.45%	7.44%	8.13%
5 to10	1.84%	3.91%	3.60%
15 to 20	0.00%	0.00%	0.00%
20 to 30	0.00%	0.00%	0.00%
More than 30	0.00%	0.00%	0.00%

(3) Represents the estimate at December 31, 2020, 2019 and 2018, of the current value of the Company's conventional obligation for seniority bonuses agreed with its employees, corresponding to seven (7) days of salary when completing five (5) years of service and fifteen (15) days upon completing every five (5) years of service after ten (10) years of service. For the appraisal, it was assumed that the seniority bonus is effective until December 31, 2022, date of the maximum useful life of the mining reserves.

These benefits are valued annually, measuring the projected unit credit pursuant to IAS 19 for 842 employees in 2020 (705 and 538 employees in 2019 and 2018 respectively), based on the following financial assumptions:

Assumption	31/12/2020	31/12/2019	31/12/2018
Annual inflation rate	3.00%	3.20%	3.20%
Annual rate of increase of the benefit	4.73%	5.60%	3.23%
Discount rate	7.18%	4.61%	3.16%

NOTE 32. PROVISIONS

The value of provision is the following:

Item	31/12/2020	31/12/2019	31/12/2018
Dismantling of assets [(1)]	$31,722	$18,174	$15,675
Other provisions	5,439	4,115	5,503
Total	**$37,161**	**$22,289**	**$21,178**
Current portion	746	544	1,582
Non-current portion	36,415	21,745	19,596

(1) The provision for dismantling assets reflects the value of the closing costs that are expected to be incurred at the end of the mining operations with the closure of the operations and tailings related to underground mining. The estimate of said closing costs is based on studies that have been prepared by the Company's technical experts, complying with the environmental legislation in force.

The provision mainly corresponds to the activities that must be carried out to restore the areas that have been affected by the mining work, such as movement of earth, dismantling of the processing plant, closure of mine entrances, monitoring and revegetation work. The closing budgets are regularly reviewed to take into account any significant change that could have occurred in any of the studies conducted. However, the closing costs will depend on the market prices of the closing works required that will reflect the future economic conditions. Additionally, the timing of the payments will depend on the mine's useful life, which will depend on the future gold prices and the new areas to develop resulting from the exploration activity. The amounts by geography are: Colombia $3,699 (2019: $1,196 and 2018: Nil), Nicaragua $8,923 (2019: $5,956 and 2018: $6,312), Mineros Chile SpA (Gualcamayo) $19,100 (2019: $11,022 and 2018: $9,363).

The discount rate and expected outflows of economic benefits for each country are as follows:

2020			
Description	**Colombia**	**Nicaragua**	**Argentina**
Rate	7.45%	10.85 %	6.38%
Expected outflows of economic benefits	2021-2037	2021-2032	2024-2028

2019			
Description	**Colombia**	**Nicaragua**	**Argentina**
Rate	7.40%	10.30%	8.50%
Expected outflows of economic benefits	2020 - 2026	2020 - 2037	2024 - 2028

2018			
Description	**Colombia**	**Nicaragua**	**Argentina**
Rate	N/A	4.87%	9.60%
Expected outflows of economic benefits	N/A	2020-2035	2024 - 2028

A reconciliation of the decommissioning obligations for assets and other provisions is presented below:

	Dismantling of assets	Other provisions
Balance at January 1, 2018	**$5,040**	**$4,932**
Additions by business combination	10,292	-
Additions, changes in estimates and other	1,306	2,591
Payments and other	(34)	(2,515)
Foreign currency exchange	(929)	495
Balance at January 1, 2019	**$15,675**	**$5,503**
Additions, changes in estimates and other	793	272
Payments and other	(258)	(881)
Accretion expense	1,960	(621)
Foreign currency exchange	4	(158)
Balance December 31, 2019	**$18,174**	**$4,115**
Additions, changes in estimates and other	12,865	2,384
Payments and other	-	(736)
Accretion expense	733	(224)
Foreign currency exchange	(50)	(100)
Balance December 31, 2020	**$31,722**	**$5,439**

Contingent assets

Type of process	Number of processes	Claims
Administrative and environmental[(1)]	10	9,354
Taxes, other than income tax[(2)]	8	45,252
Total	**18**	**54,606**

(1) Corresponds to the proceedings initiated in the Administrative Courts against Corantioquia for the determination of rates of remuneration for the discharge and use of surface water in different periods for $9,344 and proceedings against the National Mining Agency for the return of royalties for $10.

(2) It corresponds mainly to a lawsuit against the ANLA (the environmental agency in Colombia) for $36,845 requesting exemption from law 1715, which was admitted in October 2019.

Contingent Liabilities

Contingencies that were evaluated as possible are detailed below:

Type of process	Number of processes	Claims
Labor	53	2,546
Civil	5	536
Administrative and environmental	4	381
Total	**62**	**3,463**

Contingent assets and liabilities for each segment are as follows:

- Mineros S.A. Holding: $50,750 contingent assets and $1,160 contingent liabilities.
- Mineros Chile SpA (Gualcamayo): $3,856 contingent assets and $2,285 contingent liabilities.
- Nechí Alluvial: $Nil contingent assets and $18 contingent liabilities.
- Hemco currently does not have recognized contingent assets and liabilities.

NOTE 33. ISSUED CAPITAL AND SHARE PREMIUM

The changes on the items of issued capital, share premium and reserves is generated by the determination of a new historical rate from the determination of the prospective functional currency exchange (from April 1, 2020). See note 1.4:

Item	Balance before functional currency exchange	Functional currency adjustment	Balance after functional currency exchange
Issued capital	53	(14)	39
Share premium	517	(134)	383
Reserves	226,738	(59,708)	184,724
Retained earnings	46,718	(6,023)	40,695

The following are details of issued capital, own shares in treasury and additional paid-in capital at December 31, 2020, 2019 and 2018:

This represents the premium paid over the face value of shares issued, for $517. This amount may not be distributed as profit, but is allowed to be capitalized free of taxes.

Description	31/12/2020	31/12/2019	31/12/2018
Issued capital	39	53	53
Total	**$39**	**$53**	**$53**

The number of outstanding shares is 261,687,402 as of December 31, 2020, 2019 and 2018.

Description	Number of shares	Capital at nominal value
Common shares	317,906,252	$49
Treasury shares	(56,218,850)	(10)
Total outstanding shares	**261,687,402**	**$39**

NOTE 34. OTHER COMPREHENSIVE INCOME

Detailed below are the figures of the AOCI:

Item	31/12/2020	31/12/2019	31/12/2018
Items that will not be reclassified to results of the period. net of deferred tax:			
Revaluation of property. plant and equipment	$7,507	$5,592	$4,161
Measurement of defined benefits plans	(8)	(33)	52
Items that may be reclassified to results of the period. net of deferred tax:			
Cash flows hedges	(607)	(1,958)	(3,122)
Conversion adjustment	45,500	1,041	912
Changes in Financial instruments designated at FVTOCI	2,736	3,558	3,651
Total	**$55,128**	**$8,200**	**$5,654**

The movements for the years 2020, 2019 and 2018 are presented below:

Item	31/12/2020	31/12/2019	31/12/2018
Initial balance	$8,200	$5,654	$19,141
Measurement of defined benefits plans	25	(85)	164
Measurement of financial instruments	(823)	(93)	(196)
Revaluation of property, plant and equipment	1,877	1,494	(282)
Cash flows hedges	1,351	1,165	(924)
Conversion adjustment	44,740	130	(11,872)
Reclassification	(242)	(65)	(377)
Total	**$55,128**	**$8,200**	**$5,654**

NOTE 35. NON-CONTROLLING INTERESTS

Summarized financial information in respect of each of the Company's subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

	31/12/2020	31/12/2019	31/12/2018
Assets	$2,321	$2,175	$2,827
Liabilities	(931)	(846)	(1,411)
Equity	(1,390)	(1,329)	(1,416)
Non-controlling interest	(349)	(332)	(354)

	31/12/2020	31/12/2019	31/12/2018
Revenues	1,810	1,800	1,800
Profit (loss) attributable to owners of the Company	1,129	1,080	1,205
Profit (loss) attributable to the non-controlling interests	283	270	301

NOTE 36. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

All the transactions entered into with the Company's related parties were carried out on an arm's length basis, under equal general conditions as for similar transactions with third parties. Transactions between related parties and the Company are eliminated in consolidation.

During the year, group entities entered into the following commercial transactions with parties that are not members of the Group, but that are related parties of certain Board members:

- Paid insurance premiums to Axa Colpatria Seguros S.A. and Seguros de Vida Colpatria S.A., of $2,269 (2020), $1,136 (2019) and $1,182 (2018) for various insurance policies of the Company.

- Paid consulting fees to Ambientalmente S.A.S. of $Nil (2020) and $364 (2019) and $661 (2018) for the preparation of the study required for the modification of the environmental management plan of the alluvial exploitation. For the 2020 Ambientalmente S.A.S. is no longer a related party as Mr. Mejia is no longer a Board member.

- Paid fees to Barranco Inc. of $Nil (2020), $62 (2019) and $107 (2018) for consulting services.

Compensation of Key Management Personnel

The total compensation paid to key management personnel of the Company (persons who have the authority and responsibility to plan, direct and control the Company's activities) during the years 2020 and 2019 are as follows:

	2020	2019	2018
Salaries and short-term benefits	1,013	926	854
Other compensations	1,181	599	606

The Company does not have long-term post-employment or termination benefits for its key management personnel. The fees paid to Directors for their attendance at the Board of Directors meetings in 2020 amounted to $407 (2019: $56, 2018: $65).

NOTE 37. SUBSEQUENT EVENTS

a) Acquisition of 25% of Vesmisa

On March 4th, the Company subscribed an agreement for the acquisition of 10% of the shares of Vesmisa by one of its subsidiaries, Hemco S.A. Vesmisa is a processing plant of minerals coming from artisanal mining in the municipality of Bonanza, in the North Caribbean Autonomous Region. As a result of this transaction, Hemco will own 85% of this Company. The purchase of these shares will constitute a direct investment of USD $1,306, corresponding to 100 ordinary shares to be paid once the transaction is closed.

On 27 July 2021, Hemco Nicaragua S.A. signed the agreement, for the 15% of the shares of Vesubio Mining S.A. As a result of this transaction the participation of Hemco Nicaragua S.A. will be 100% in Vesubio Mining S.A. The purchase of these shares constituted a direct investment of one million five hundred thousand dollars ($1,500), corresponding to 150 ordinary shares that will be paid at the close of the transaction.

b) Acquisition of 50% of the Luna Roja Project in Nicaragua

On March 21th, the Company announced the negotiation of the Final Agreement with Royal Road Minerals Limited to acquire 50% of Royal Road's interest in the Luna Roja Project, which includes mining concessions Monte Carmelo I and Monte Carmelo II in Nicaragua. This transaction was approved by Mineros S.A.'s Board of Directors Meeting of December 16, 2020, date in which the Binding Intention Letter was subscribed. The Agreement was executed by subsidiary Hemco S.A, which is 100% property of Mineros, and Minerales Camino Real SAS, 100% property of Royal Road.

Luna Roja Project is currently jointly owned and operated by Royal Road and Hemco, in accordance with terms and conditions of their strategic alliance agreement ("Strategic Alliance Agreement") dated September 1, 2017. Through this Transaction, Mineros, through Hemco, consolidates 100% property of the Luna Roja Project.

The purchasing price is US$24.48 million in cash, on the date of the closing of the transaction, plus a royalty of 1.25% over the entire future production mineral production from Monte Carmelo I and Monte Carmelo II mining concessions.

Additionally, RRM undertakes the re-investment of US$7.5 million in exploration activities during the Joint Venture period.

c) Appeal for reconsideration of ANLA's decision

On April 9, 2021, through Resolution no. 00659, the National Environmental Licensing Authority (ANLA) modified the Environmental management plan established by Resolution 810 of September 3, 2001 and its modifications, for the project “Exploitation auriferous in the Nechí river basin” located in the municipalities of Zaragoza, El Bagre, Caucasia and Nechí in the department of Antioquia, in the sense of granting permits or authorizations for the use and exploitation of renewable natural resources and adopts other determinations.

Through this Resolution, the environmental authority resolved not to give environmental viability to an important area of the company's main and closest mining plan, based on technical and legal arguments that are not shared by the Company. For this reason, on April 23, 2021, the subsidiary Mineros Aluvial SAS BIC filed an appeal for reversal against the aforementioned resolution, which could have an impact on production levels depending on the time required to obtain the permits and consequently lead to a lower financial result for the Company.

At the date of approval of the financial statement, management considers that the recoverable value of the non-current assets related to the alluvial operation has not undergone significant changes, because the expectation regarding the

resolution of said event is positive and it is expected to be resolved. in the short term, therefore, it will not affect future operating plans.

d) Option agreement Minera Cavancha SpA

On June 25, 2021, Mineros S.A., through its subsidiary Mineros Chile SpA, sent a notification to Minera Yamana Chile SpA, presenting its intention to give effect to the 20% interest in Minera Cavancha SpA, which holds title to the La Pepa exploration project. To date, the Company has not received confirmation from Minera Yamana Chile SpA regarding this request.

e) Strategic Alliance Agreement between Mineros S.A. and Royal Road Minerals Limited (Guintar-Niverengo)

On July 22, 2021 Mineros S.A sent a notification to Royal Road indicating that the conditions established to exercise the first option to acquire a 25% interest have been met to date.

f) Tax Reform

The Tax Reform in Colombia has been approved on September 14, 2021.

The most relevant impact at corporate level of the Tax Reform implies an increase in the nominal income tax rate that would go from 30% to 35% for the taxable year 2022; it must be taken into account that this same rate applies in case of distributing dividends as taxed, when dividends are distributed, charged to the non-taxed net income, the dividend tax is caused at a rate of 10% for individuals or non-tax resident.

The discount for payment of ICA (Industry and Commerce Tax) will remain at 50%, revoking the benefit of 100% that was estimated to apply from 2022.

NOTE 38. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements of Mineros S.A. as of and for the years ended December 31, 2020, 2019 and 2018, were approved by the Board of Directors at its meeting on [■], 2021.

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INDEPENDENT AUDITOR'S REPORT

To the Management Board and Shareholders of Mineros Argentina Holdings B.V.

Opinion

We have audited the carve-out consolidated financial statements of the acquired business of Gualcamayo mine, as defined in Note 2.1 to these financial statements (the "Business"), which comprise the carve-out consolidated statements of financial position as at December 31, 2018 and 2017, and the carve-out consolidated statements of profit or loss and comprehensive loss, changes in net parent investment (deficit) and cash flows for the years then ended, and notes to the carve-out consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying carve-out consolidated financial statements present fairly, in all material respects, the financial position of the Business as at December 31, 2018 and 2017, 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 (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the carve-out consolidated financial statements* section of our report. We are independent of Mineros Argentina Holdings B.V. in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management board and those charged with governance for the carve-out consolidated financial statements

The management board of Mineros Argentina Holdings B.V. is responsible for the preparation and fair presentation of the carve-out consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management board has prepared the carve-out consolidated financial statements solely in connection with the filing by Mineros S.A. (Mineros Argentina Holdings B.V.'s parent) of a prospectus with the Ontario Securities Commission relating to its intended IPO in the Toronto Stock Exchange (Canada).

The management board is responsible for assessing Mineros Argentina Holdings B.V.'s ability to continue as a going concern, and, in preparing the carve-out consolidated financial statements, for the appropriate application of the going concern basis of accounting and for the related appropriate disclosures. The management board prepares the carve-out consolidated financial statements on a going concern basis unless the management board either intends to liquidate the Business or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the carve-out consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the carve-out 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 ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the carve-out 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 Business' 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 Business' 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 Business' 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 carve-out 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 Business to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the carve-out consolidated financial statements, including the disclosures, and whether the carve-out 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 Business to express an opinion on the carve-out 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.

Deloitte S.A.
/s/ Alan Am – Partner
City of Córdoba, Argentina
March 24rd, 2021



Deloitte S.A.

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ACQUIRED BUSINESS OF GUALCAMAYO MINE
CARVE-OUT CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of December 31, 2018 and 2017
Amounts expressed in thousands of U.S. Dollars

	Notes	31/12/2018	31/12/2017
ASSETS			
Non-current assets			
Property, plant and equipment, net	**8**	$45,534	$56,999
Exploration and evaluation projects		359	-
Deferred tax assets	**9**	3,406	30,769
Inventories	**10**	1,939	6,200
Total non-current assets		**51,238**	**93,968**
Current assets			
Inventories	**10**	50,510	51,665
Trade and other receivables	**11**	7,030	26,382
Tax receivables	**12**	11,457	14,483
Prepaid expenses	**13**	371	1,328
Cash and cash equivalents	**14**	448	6,307
Total current assets		**69,816**	**100,165**
TOTAL ASSETS		**$121,054**	**$194,133**
LIABILITIES AND NET PARENT INVESTMENT (DEFICIT)			
Non-current liabilities			
Loans and other borrowings	**16**	-	213,474
Provisions	**17**	10,585	13,832
Employee benefits	**18**	73	344
Total non-current liabilities		**10,658**	**227,650**
Current liabilities			
Loans and other borrowings	**16**	-	97,214
Trade and other payables	**19**	32,972	39,996
Employee benefits	**18**	2,626	7,108
Total current liabilities		**35,598**	**144,318**
TOTAL LIABILITIES		**$46,256**	**$371,968**
Total net parent investment (deficit)	**15**	**$74,798**	**$(177,835)**
TOTAL LIABILITIES AND NET PARENT INVESTMENT (DEFICIT)		**$121,054**	**$194,133**

ACQUIRED BUSINESS OF GUALCAMAYO MINE
CARVE-OUT CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE LOSS
For the Years Ended December 31, 2018 and 2017
Amounts expressed in thousands of U.S. Dollars

	Note	31/12/2018	31/12/2017
Revenue	**20**	127,519	191,836
Costs of sales	**21**	(130,295)	(192,714)
GROSS LOSS		(2,776)	(878)
Administration expenses	**22**	(1,910)	(1,580)
Other expenses	**23**	(9,315)	(5.578)
Finance income	**24**	532	741
Finance expense	**25**	(25,029)	(20,612)
LOSS FOR THE YEAR BEFORE INCOME TAX		(38,498)	(27,907)
Deferred income tax (expense) income	**9**	(27,363)	110
NET LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE LOSS		(65,861)	(27,797)

ACQUIRED BUSINESS OF GUALCAMAYO MINE
CARVE-OUT CONSOLIDATED STATEMENT OF CHANGES IN NET PARENT INVESTMENT
For the Years Ended December 31, 2018 and 2017
Amounts expressed in thousands of U.S. Dollars

	Year ended December 31	
	2018	**2017**
Net Parent Investment (Deficit), Beginning of the Year	**(177,835)**	**(150,038)**
Loans Contributions from parent (Note 15)	276,894	-
Other Contributions from parent (Note 16)	41,600	-
Net loss for the year and total comprehensive loss	(65,861)	(27,797)
Net Parent Investment (Deficit), End of Year	**74,798**	**(177,835)**

ACQUIRED BUSINESS OF GUALCAMAYO MINE
CARVE-OUT CONSOLIDATED STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2018 and 2017
Amounts expressed in thousands of U.S. Dollars

	31/12/2018	31/12/2017
Cash flows from (used in) operating activities		
Classes of cash receipts from operating activities		
Receipts from sales of goods and rendering of services	$ 139,593	$ 191,236
Receipts from reimbursement of VAT paid	9.558	21.823
Classes of cash payments from operating activities		
Payments to suppliers for goods and services	(83.063)	(106.524)
Payments to and on behalf of employees	(38.923)	(55.344)
Payments for premiums and claims, annuities and other policy benefits	(796)	(2,108)
Payments Export/Import duties	(17,251)	(6,933)
Payment to the Trust Fund	(7,800)	(13,037)
Other outflows of cash	(3,816)	(4,886)
Net cash flows (used in) from operating activities	**(2,498)**	**24,227**
Cash flows used in investing activities		
Purchase of property, plant and equipment	(125)	(129)
Net cash flows used in investing activities	**(125)**	**(129)**
Cash flows from (used in) financing activities		
Proceeds from borrowings	4.100	1,496
Repayments of borrowings	(7,016)	(12,471)
Interest paid	(1,195)	(12,049)
Net cash flows used in financing activities	**(4,111)**	**(23,024)**
Net (decrease) increase in cash and cash equivalents before effect of exchange rate changes	**(6,734)**	**1,074**
Effect of exchange rate changes on cash and cash equivalents	875	(5,897)
Net decrease in cash and cash equivalents	**(5,859)**	**(4,823)**
Cash and cash equivalents at beginning of the year	6,307	11,130
Cash and cash equivalents at end of the year	**$ 448**	**$ 6,307**

ACQUIRED BUSINESS OF GUALCAMAYO MINE
NOTES TO THE CARVE-OUT CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Amounts expressed in thousands of U.S. Dollars, except when otherwise indicated)

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GENERAL NOTES

1. Corporate Information

1.1. Background information

On December 14, 2018, Mineros S.A., a Colombian publicly listed company ("Mineros"), acquired the following from Yamana International Holdings Coöperatie U.A. ("Yamana"): i) 100% of the issued share capital of Yamana Argentina Holdings B.V. (now, Mineros Argentina Holdings B.V.), and ii) 0.0006% interest in Yamana Chile Rentista de Capitales Mobiliarios Limitada (now, Mineros Chile Rentista de Capitales Mobiliarios Limitada) ("Rentista"). In turn, Mineros Argentina Holdings BV owns a 99.9994% interest in Rentista, and a 44.63% interest in Minas Argentinas S.A. ("MASA") with the remaining 55.37% interest in MASA being owned by Rentista (collectively, the "Transaction").

Mineros Argentina Holdings B.V. ("MAH BV" or the "Company") is a Dutch holding company, incorporated under the laws of the Netherlands on December 13, 2013. The registered office address of the company is at Prins Bernhardplein 2p00, 1097 JB Amsterdam, the Netherlands. The main activities of the Company are to act as a holding and financing company.

MAH BV currently holds investments in two subsidiaries: a) MASA, which is its principal asset; and b) Rentista, which is mainly a holding company with no substantial balances and operations, other than its controlling equity interest in MASA.

The main operation of Minas Argentinas S.A. is the exploitation of the Gualcamayo gold mine deposit ("Gualcamayo"), located 270 kilometers from the capital of the Province of San Juan, Argentina. The Gualcamayo gold mine is a heap-leach operation with three main deposits: Quebrada del Diablo "QDD", Amelia Inés and Magdalena and Quebrada del Diablo Bajo.

Mineros, the ultimate parent company, is a Colombian corporation that was incorporated on November 14, 1974 for an initial period of 99 years, which can be extended by amending the Company's by-laws. Is registered and its head offices are located in Medellín, Colombia at the Nova Tempo Building (6th floor), Carrera 43 A #14-109. Mineros is publicly listed on the Colombian Securities Exchange, Bolsa de Valores de Colombia, where 100% of the issued and outstanding common shares are listed under the symbol: MINERS.

Before consummating the Transaction, MAH BV transferred its 50% equity interest in Yamana Argentina Servicios S.A. and its 2.17% equity interest in Orión del Sur S.A. (the "Carved-out entities") to Yamana. Consequently, these carve-out consolidated financial statements (the "Carve-Out Consolidated Financial Statements") of the acquired Gualcamayo mine business (hereinafter referred to as the "Business") exclude the assets, liabilities and results of operations of such Carved-out entities which were not part of the Transaction.

1.2 Purpose

Mineros intends to carry out an initial public offering on the Toronto Stock Exchange (Canada). In connection with that, Mineros will be preparing a prospectus to be filed with the Ontario Securities Commission. As the Transaction constituted an acquisition of a primary business under Canadian securities rules, audited financial statements of the acquired business for the 2017 and 2018 fiscal years are therefore required to be included in the prospectus of Mineros. The Carve-Out Consolidated Financial Statements have been prepared to comply with this requirement.

2. Basis of presentation

2.1. Carve-out

These Carve-Out Consolidated Financial Statements of the Business have been prepared by the Management Board of MAH BV and derived from the financial statements and the consolidated accounting records of MAH BV, Rentista and MASA as of December 31, 2018 and 2017 and for each of the years then ended, prepared under International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). These Carve-Out Consolidated Financial Statements are presented on a carve-out basis to exclude the assets, liabilities and results of operations of the Carved-out entities, in order to present the financial position and results of operations and cash flows of the acquired Business, for the purpose described in 1.2 above.

Net parent investment represents Yamana International Holdings Coöperatie U.A. contribution to the Business and includes accumulated net earnings attributable to Mineros Argentina Holdings B.V., after elimination of transactions between Mineros Argentina Holdings B.V. and Mineros Argentina Holdings B.V.'s subsidiaries.

In addition, where allocations of amounts were necessary, the Management Board of MAH BV believes the allocation of these amounts were determined on a reasonable basis, reflecting all of the costs of the Business and consistently applied in the periods presented. These allocated amounts, however, are not necessarily indicative of the actual amounts that might have been incurred or realized had the Business operated as a separate stand-alone entity during the periods presented.

Consequently, the Carve-Out Consolidated Financial Statements do not necessarily represent the results the Business would have achieved if the Business had operated as a separate stand-alone entity from Mineros Argentina Holdings B.V. during the periods presented.

2.2. Statement of Compliance

These Carve-Out Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and its corresponding interpretations (IFRIC) issued by the International Financial Reporting Interpretation Committee (IFRIC).

These Carve-Out Consolidated Financial Statements have been prepared under the historical cost basis, except for certain financial assets and liabilities and lands and certain construction & buildings and machinery and equipment ("Machinery and Equipment") that are measured at fair value.

In general, historical cost is based on the fair value of the consideration delivered or received in exchange for the goods or services involved in the transaction except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Fair value is the price that would be received for selling an asset or paid for transferring a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Management Board of MAH BV takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Carve-Out Consolidated Financial Statements is determined on such a basis, leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

The preparation of these Carve-Out Consolidated Financial Statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires that management exercises its judgment in the application process of accounting policies. These significant judgments and accounting estimates are disclosed in Note 5.

The Carve-Out Consolidated Financial Statements have been prepared on a going concern basis, assuming that the Business will realize its assets and comply with its obligations in the normal course of business.

The Business and its consolidated entities have the same calendar year closing and use consistent accounting policies for each year presented. All intra-group balances, transactions, income and expenses, and profits and losses resulting from intra-group transactions are eliminated.

2.3. New and Revised IFRS and Amendments not effective for these Carve-Out Consolidated Financial Statements

The Business has not applied the following new and revised IFRS that have been issued but are not effective for these Carve-Out Consolidated Financial Statements:

IFRS 16	Leases
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 19 Employee Benefits	Plan Amendment, Curtailment or Settlement
IFRIC 23	Uncertainty over Income Tax Treatments
Amendments to IAS 1 & IAS 8	Definition of Material
Amendments to Conceptual Framework	References to the Conceptual Framework for Financial Reporting
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest rate benchmark reform
Amendments to IAS 16	Property, plant and equipment proceeds before intended use
Amendments to IAS 37	Cost of fulfilling an onerous contract
Amendments to IFRS 9	Financial instruments

- **IFRS 16**

General impact of application of IFRS 16 Leases

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related Interpretations when it becomes effective for accounting periods beginning on or after 1 January 2019. The date of initial application of IFRS 16 for the Business will be 1 January 2019.

The Management Board of MAH BV has chosen the modified retrospective application of IFRS 16 in accordance with IFRS 16:C5(b).

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17.

Impact of the new definition of a lease

The Management Board of MAH BV will make use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to apply to those leases entered or modified before 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 distinguishes between leases and service contracts based on whether the use of an identified asset is controlled by the customer. Control is considered to exist if the customer has:

– The right to obtain substantially all of the economic benefits from the use of an identified asset; and
– The right to direct the use of that asset.

The Management Board of MAH BV will apply the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or modified on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract). In preparation for the first-time application of IFRS 16, the Management Board of MAH BV has carried out an implementation project. The project has shown that the new definition in IFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Business for these Carve-Out Consolidated Financial Statements.

Impact on Lessee Accounting

Operating leases

IFRS 16 will change how the Business accounts for leases previously classified as operating leases under IAS 17, which were off-balance sheet.

On initial application of IFRS 16, for all leases (except as noted below), the Business will:

a) Recognise right-of-use assets and lease liabilities in the carve-out consolidated statement of financial position, initially measured at the present value of the future lease payments;
b) Recognise depreciation of right-of-use assets and interest on lease liabilities in the carve-out consolidated statement of profit or loss and other comprehensive income;
c) Separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the carve-out consolidated cash flow statement.

Lease incentives (e.g. rent-free period) will be recognized as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease liability incentive, amortized as a reduction of rental expenses on a straight-line basis.

Under IFRS 16, right-of-use assets will be tested for impairment in accordance with IAS 36 Impairment of Assets. This will replace the previous requirement to recognise a provision for onerous lease contracts.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Management Board of MAH BV will opt to recognise a lease expense on a straight-line basis as permitted by IFRS 16.

Impact Assessment

The Business will recognize right-of-use assets and lease liabilities of 13,554, respectively, on January 1, 2019, measured at the present value of future lease payments, in the statement of financial position.

Regarding the statement of profit or loss and other comprehensive income, the Management Board of MAH BV calculated that the resulting net loss for 2019 will decrease by about 7,999, as a result of recognizing depreciations charges on the of right-of-use assets and the accrual of interest of relating to lease liabilities.

On the other hand, as the repayment of the principal portion of lease liabilities will be classified as cash flows from financing activities, the Management Board of MAH BV estimated a decrease thereof and that cash flows from operating activities will increase 337 for 2019.

The application of this standard will have no effect on the retained earnings since the Management Board of MAH BV intends to apply the simplified model without restating any comparative figures, recognizing a right-of-use asset equivalent to the lease liability on the initial date of transition (January 1, 2019). There are no adjustments to be made due to impairment arising from the provision for onerous contracts related to these right-of-use assets.

With regard to short-term leases, and leases of low-value assets, the Management Board of MAH BV estimated a loss impact of 222 for 2019.

- **Amendments to IFRS 9 Prepayment Features with Negative Compensation**

The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the solely payments of principal and interest ("SPPI") test, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail the SPPI test.

The amendment applies to annual periods beginning on or after 1 January 2019, with earlier application permitted. There are specific transition provisions depending on when the amendments are firstly applied, relative to the initial application of IFRS 9.

The Management Board of MAH BV does not anticipate that the application of the amendments in the future will have an impact on the Carve-out Consolidated Financial Statements.

- **Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement**

The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). IAS 19 is now clear that the change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognized in the normal manner in other comprehensive income.

The paragraphs that relate to measuring the current service cost and the net interest on the net defined benefit liability (asset) have also been amended. An entity will now be required to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest, the amendments make it clear that for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under IAS 19.99 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).

The amendments are applied prospectively. They apply only to plan amendments, curtailments or settlements that occur on or after the beginning of the annual period in which the amendments to IAS 19 are first applied.

The amendments to IAS 19 must be applied to annual periods beginning on or after 1 January 2019, but they can be applied earlier if an entity elects to do so.

The Management Board of MAH BV does not anticipate that the application of the amendments in the future will have an impact on the Carve-Out Consolidated Financial Statements.

- **IFRIC 23 Uncertainty over Income Tax Treatments**

IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires an entity to:

-determine whether uncertain tax positions are assessed separately or as a group; and
-assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:

– If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
– If no, the entity should reflect the effect of uncertainty in determining its accounting tax position.

The Interpretation is effective for annual periods beginning on or after 1 January 2019. Entities can apply the Interpretation with either full retrospective application or modified retrospective application without restatement of comparatives retrospectively or prospectively.

The Management Board of MAH BV do not anticipate that the application of the amendments in the future will have an impact on the Carve-out Consolidated Financial Statements.

- **Amendments to IAS 1 "Presentation of financial statements" and IAS 8 "Accounting policies, changes in accounting estimates and errors" – Definition of material**

In October 2018, the IASB issued amendments that are applicable to fiscal years beginning on or from January 1, 2020, allowing for its anticipated application.

The amendments to the definitions of "material" or "with relative importance" seek to unify the definition of such concepts to the definitions of conceptual framework, also amended in 2018.

The **Management Board of MAH BV** estimates that the implementation of these amendments will not affect its Carve-out Consolidated Financial Statements.

- **Amendments to References to the Conceptual Framework for Financial Reporting**

In March 2018, the IASB issued the revised conceptual framework applicable to annual periods beginning on or after January 1, 2020. These amendments are applicable to fiscal years beginning on or after January 1, 2022. This revision process did not imply a substantial change in the set of definitions, concepts and guidelines used as a basis for preparing financial information, therefore, no impact is anticipated on the Carve-Out Consolidated Financial Statements.

- **Amendments to IAS 1 "Presentation of financial statements" – Classification of Liabilities as Current or Non-Current**

In January 2020, the IASB issued this amendment to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. These amendments are applicable to fiscal years beginning on or after January 1, 2023.

The Management Board of MAH BV estimates that the implementation of these amendments will not affect its Carve-Out Consolidated Financial Statements.

- **Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest rate benchmark reform**

The amendments in the Interest Rate Benchmark Reform deal with issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative interest rate and addresses the implications for specific hedge accounting requirements and disclosures in IFRS 9, IAS 39 and IFRS 7. The amendments also clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of the interest rate benchmark reform.

The Management Board of MAH BV estimates that the implementation of these amendments will not affect its Carve-Out Consolidated Financial Statements.

- **Amendments to IFRS 16 - Rent concessions related to Covid-19**

The amendments introduce a practical expedient that provides lessees the option not to assess whether a rent concession that meets certain conditions is a lease modification. The practical expedient is applicable to rent concessions occurring as a direct consequence of the Covid-19 pandemic and only if all of the following conditions are met:

a) The change in the lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
b) Any reduction in lease payments affects only payments originally due on or before June 30, 2021; and
c) There is no substantive change to other terms and conditions of the lease.

The Management Board of MAH BV estimates that the implementation of these amendments will not affect its Carve-Out Consolidated Financial Statements.

- **Amendments to IAS 16 - Property, plant and equipment proceeds before intended use**

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendments are applied retrospectively only to the items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management for annual reporting periods beginning on or after January 1, 2022, with early application permitted.

The Management Board of MAH BV estimates that the implementation of these amendments will not affect its Carve-Out Consolidated Financial Statements.

- **Amendments to Amendments to IAS 37 - Cost of fulfilling an onerous contract**

The amendments specify that the "cost of fulfilling" a contract comprises the costs that relate directly to the contract. Costs that relate directly to the contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments are applied prospectively to contracts for which the entity has not yet fulfilled all its costs for annual reporting periods beginning on or after January 1, 2022, with early application permitted.

The Management Board of MAH BV estimates that the implementation of these amendments will not affect its Carve-Out Consolidated Financial Statements.

- **Amendments to Amendments to IFRS 9 – Financial instruments**

The amendment specifies which fees an entity must include in its assessment to conclude if the refinancing of a finance liability is an extinguishment or a modification, clarifying that an entity must include only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendments are applied prospectively for annual reporting periods beginning on or after January 1, 2022, with early application permitted.

The Management Board of MAH BV estimates that the implementation of these amendments will not affect its Carve-Out Consolidated Financial Statements.

3. Consolidation

The Carve-Out Consolidated Financial Statements include financial information of Mineros Argentina Holdings B.V. and its subsidiaries at December 31, 2018 and 2017.

Accordingly, all assets, liabilities, equity and income of the subsidiaries are consolidated within Carve-Out Consolidated Financial Statements, with prior elimination of the Business' investment in the equity of the subsidiaries, as well as the elimination of intercompany balances and transactions existing at the reporting date of the Carve-Out Consolidated Financial Statements, as established in IFRS 10.

The accounting policies and practices are applied uniformly by the Business and its subsidiaries. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Business's accounting policies.

Control is achieved when the Business:

- Has power over an investee;
- Is exposed, or has the rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affects its returns.

Mineros Argentina Holdings B.V. reassesses whether or not it controls an investee whenever the facts or circumstances indicate that there are changes to one or more of the three aforementioned elements of control.

When the Business has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to unilaterally direct the relevant activities of the investee. The Management Board of MAH BV considers all relevant facts and circumstances in assessing whether or not the Business's voting rights in an investee are sufficient to give it power, including:

- The size of the Business's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Business, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Business has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The consolidation of a subsidiary starts when Mineros Argentina Holdings B.V. obtains control over the subsidiary and ends when it loses control of the subsidiary. Specifically, the results of a subsidiary acquired or sold during the year are included in the consolidated statements of profit or loss and comprehensive income from the date that Mineros Argentina Holdings B.V. obtains control until the date that it ceases controlling the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are presented separately within net parent investment. Profit and loss and total comprehensive income are also attributed to the non-controlling and controlling interests.

Changes in the Business' interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Business' interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in net parent investment and attributed to the Business' owners.

When the Business loses control over a subsidiary, the gain or loss on disposal recognized in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Business had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of net parent investment as required/permitted by applicable IFRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

4. Summary of principal significant accounting policies

The accounting policies established below have been consistently applied in the preparation of the Carve-Out Consolidated Financial Statements for the years ended December 31, 2018 and 2017.

4.1. Cash and cash equivalents

Cash consists of amounts held in banks and deposits. Cash equivalents consist of investments made as part of the usual management of cash surplus, with maturity less than 90 days and for which risk of changes in their value is not significant.

4.2. Functional and presentation currency of Carve-Out Consolidated Financial Statements

For purposes of these Carve-Out Consolidated Financial Statements of the Business under IFRS, the Management Board of MAH BV performed an analysis and determined that the functional currency is the U.S. dollars, which is also the presentation currency.

Transactions in foreign currency are initially recorded at the current exchange rate at the transaction date. Subsequently, monetary assets and liabilities in local currency are converted at the exchange rate at the period closing date; non-

monetary items measured at their fair value are converted using the exchange rates at the date their fair value is determined and non-monetary items measured at the historical cost are converted using the exchange rates in effect at the date of the original transactions. Statement of comprehensive profit of loss items denominated in foreign currencies are converted at the average exchange rates prevailing during the year, with the exception of depletion, depreciation and amortization which is converted at historical exchange rates. Foreign exchange net losses are included in the financial expenses line item. Foreign exchange gains and losses related to income taxes, if any, are reported within the current or deferred income tax expense line item, as applicable.

4.3. Revenue recognition

The Business recognize revenue from selling goods to a single customer.

Revenue is recognized based on specific contractual considerations stemming from contracts with customers net of tax. The Business recognize revenue when it transfers control to the customers of the goods it sells.

Sale of precious metals

Revenue is recognized when control of the goods has transferred, being when the goods have been shipped to the wholesaler or the refinery's specific location (delivery), moment on which the customer receives legal title of the goods and significant risks and rewards have been transferred to it. Following delivery, the buyer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when selling the goods and bears the risks of obsolescence, market value and loss in relation to the goods.

Sales price is fixed on the date of sale based on the London gold spot market price and excludes any amounts collected on behalf of third parties. Prior to shipment, metals are tested within Business quality laboratories to determine, with a high level of certainty, the quality of the mineral being sold. On the refining process, any adjustment on the quality of the gold is made on the issuance of a credit note. Historically, adjustments on revenue are in range of 0.5%. As such, the Management Board of MAH BV estimates that revenues can be reliably measured at the delivery date.

Payment of the transaction price is due maximum 30 days after the customer purchases the goods. There is no history of non-collectability of payments from customers.

Given the nature of the goods sold, there are no returns.

4.4. Taxes

Current Income Tax

The income tax expense represents the sum of the tax currently payable and deferred tax. Current income tax expense is recognized based on the taxable profit, which is reconciled from accounting net income before tax, multiplied by the statutory income tax rate of the year, pursuant to the country's tax laws. Current income tax benefit or expense is measured by the values expected to be recovered or paid to the tax authority. The tax rates and regulations used to calculate said amounts are those that have been enacted or substantively enacted by the end of the reporting period.

Argentina tax laws

It should be noted that MASA, according to the law 24.196, has the benefit of fiscal rates stability. This means that once a mining project reaches the feasibility stage, the government cannot impose new taxes or increase tax rates for 30 years. In addition, MASA is beneficiary of a double deduction of exploration and other expenses for income tax purposes and has the possibility to use a method of accelerated depreciation for tax purposes.

Taxable profit differs from that reported in the statement of profit or loss and other comprehensive income due to the items of income or expenses taxable or deductible in other years and items that will not be taxable or deductible in the future.

Current income tax assets and liabilities are also offset if they are related to the same tax authority and the intention is to settle them for the net value or to derecognize the asset and settle the liability simultaneously.

Netherland Tax laws

Netherlands do not have a tax treaty for the avoidance of double taxation in force with Chile or with Colombia. This means that a dividend distribution or deemed dividend distribution (if any) should be subject to the standard Dutch dividend withholding tax burden of 15%. In the case with Argentina, there is a tax treaty in place. However, it could be subject to a 10% tax withholding in case dividends are distributed from such location.

Results derived from participations are generally exempt from Dutch tax if the Dutch participation exemption applies. In general, the Dutch participation exemption should apply to operational and or high taxed subsidiaries.

Interest income received or accrued is generally considered taxable income for the gross amount. If withholding tax is factually levied or due, this withholding tax should in principle be available to credit against the Dutch tax base (subject to certain conditions) or alternatively a request could be made for a cost deduction. Accrued withholding tax cannot be credited and in principle also not deducted.

In addition, the Netherlands is a member of the Organization for Economic Co-operation and Development ("**OECD**") and it applies the OECD transfer pricing guidelines. Therefore, interest income should only be taxable in the Netherlands in so far as it is at arm's length (i.e. the same interest that would be applied by independent third parties).

Prior to Mineros S.A.'s acquisition on December 14, 2018, MAH BV was member of a fiscal unity for the corporate income tax with Yamana International Holdings Cooperatie U.A. (head of the fiscal unity) and other entities belonging to Yamana Gold Inc. and was, for that reason, Mineros Argentina Holdings B.V. was not subject to corporate income tax in the Netherlands, but was jointly and severally liable for the tax liabilities of the whole fiscal unity.

Since Mineros S.A.'s acquisition, MAH BV and the Business do not belong to such fiscal unity and in the opinion of the Management Board of MAH BV and its Dutch tax advisors, understands that no obligations remain in relation to its prior activities within such unity. However, MAH BV, since December 18, 2018, BV becomes a standalone taxable entity for Dutch tax purposes due to its exclusion from the fiscal unity. For these Carve-out Consolidated Financial Statements, the Business is considered to have the same fiscal situation as MAH BV prior to Mineros S.A.'s acquisition.

4.4.1. Deferred Tax

Deferred income tax is recognized based on the temporary differences between the tax bases of the assets and liabilities and their carrying amounts. Deferred tax liabilities are generally recognized for all the taxable temporary differences and deferred tax assets are recognized for all the deductible temporary differences and for the future offsetting of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Deferred taxes are not discounted.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of an asset or liability in a transaction other than in a business combination that, at the time of the transaction does not affect either the accounting gains or the taxable profit or loss; and in the case of deferred tax liabilities, when it arises from the initial recognition of goodwill.

The carrying value of deferred tax assets is reviewed on each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available for all or part of that deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed on each reporting date and are recognized to the extent that it is probable that the future taxable profit permits their recovery.

Deferred tax assets and liabilities are measured at the tax rates expected to be applied in the period in which the asset is sold or the liability is paid based on the tax rates and regulations that have been enacted or substantively enacted.

Current and deferred tax are recognized in results for the year, except when they relate to items that are recognized in other comprehensive income or in net parent investment, for which the related current or deferred tax is recognized therein.

4.5. Property, plant and equipment

Property, plant and equipment, except for land is measured at cost less accumulated depreciation and less accumulated impairment losses, if any. Cost includes the (i) acquisition price, (ii) costs directly related to the placement of the asset in the location and under the conditions necessary to operate it in its intended way, (iii) borrowing costs for construction projects that take a substantial amount of time to be completed if recognition requirements are met, and (iv) the present value of the expected costs for dismantling the asset after its use, if the criteria for recognition of a provision are met.

Construction in progress for administrative, production or service provision purposes are recorded at cost less any recognized impairment loss. The cost includes professional fees and, in the case of qualifying assets, borrowing costs capitalized pursuant to the accounting policy of the Business. Such properties are classified in the appropriate categories of property, plant and equipment at the time of their completion and when they are ready for their intended use. The depreciation of these assets, according to the same basis as in the case of other property assets, starts when the assets are ready for their intended use.

Land is accounted for based on the revaluation method permitted by IFRS. Any revaluation increasing the value of such real estate is recognized in other comprehensive income and accumulated in net parent investment, except to the extent

that it reverses a revaluation decrease for the same asset previously recognized in results, in which case the increase is credited to results to the extent of the previously recognized decrease. A decrease on revaluation is recognized in results to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous increase in the revaluation of the asset.

The Business capitalizes additions or improvements that are made thereto, provided that they meet one of the following conditions: a) they increase the useful life; b) they expand their production capacity and operating efficiency; and c) they reduce costs for the Business. Other repair and maintenance costs are recognized in the statement of profit or loss and other comprehensive income as they are incurred. Depreciation is calculated based on the straight-line method over the following useful lives at each operation:

Location / Description	Useful life
	Minas Argentinas
Construction and buildings	7 years
Machinery and Equipment	7 years
Communication and computer equipment	5 years
Construction in progress	N/A
Land	N/A

The Management Board of MAH BV calculates depreciation based on components, which involves individually depreciating the material parts of each category of assets. The residual value is also determined for assets when material, which is not part of the depreciable amount.

Depreciation begins from the time that the asset is ready for use, whether it is a purchased asset or a built asset.

The depreciation method is reviewed annually. Any change in estimation is accounted for prospectively.

The residual values, useful lives and depreciation methods are reviewed and adjusted prospectively at the end of each closing period, if necessary.

4.6. Financial instruments

Financial assets and financial liabilities are recognised in the Business's statement of financial position when the Business becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

4.6.1. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Business may make the following irrevocable election/designation at initial recognition of a financial asset:

- The Business may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- The Business may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iii) below).

i. Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below).

For purchased or originated credit-impaired financial assets, the Business recognises interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired. Interest income is recognised in profit or loss and is included in the "finance income" line item.

ii. Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Business designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Business has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically, for financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in 'Foreign currency exchange loss, net' within Financial expenses line item;

Impairment of financial assets

The Business recognises when applicable a loss allowance for Expected Credit Losses (ECL) on investments in debt instruments that are measured at amortized cost or at FVTOCI, trade and other receivables, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Business always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Business' historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

i. Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Management Board of MAH BV compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Management Board of MAH BV considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which Business' debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Business' core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Significant deterioration in external market indicators of credit risk for a particular financial instrument
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Management Board of MAH BV presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Management Board of MAH BV has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Management Board of MAH BV assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

i. The financial instrument has a low risk of default,
ii. The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
iii. Adverse changes in economic and business conditions in the longer term may, but will not necessarily reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Management Board of MAH BV considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available,

the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

The Management Board of MAH BV regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

ii. Definition of default

The Management Board of MAH BV considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Business, in full (without taking into account any collateral held by the Business).

Irrespective of the above analysis, the Business considers that default has occurred when a financial asset is more than 90 days past due unless the Management Board of MAH BV has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

iii. Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a. Significant financial difficulty of the issuer or the borrower;
b. A breach of contract, such as a default or past due event (see (ii) above);
c. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
d. It is becoming probable that the borrower will enter bankruptcy or another financial reorganisation; or
e. The disappearance of an active market for that financial asset because of financial difficulties.

iv. Write-off policy

The Business writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are considered unrecoverable, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Business recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Historically, the Business has not written-off trade and other receivables given the economic conditions of their customers.

v. Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Business in accordance with the contract and all the cash flows that the Management Board of MAH BV expects to receive, discounted at the original effective interest rate.

The Business recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Business derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Business neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Business recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Business retains substantially all the risks and rewards of ownership of a transferred financial

asset, the Business continues to recognise the financial asset and also recognizes a collateralized borrowing for the proceeds received.

4.6.2. Financial liabilities and net parent investment

Classification as debt or net parent investment
Debt and equity instruments are classified as either financial liabilities or as net parent investment in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts, are measured in accordance with the specific accounting policies set out below.

Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments. These foreign exchange gains and losses are recognized in the 'Foreign currency exchange' line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Business derecognizes financial liabilities when, and only when, the Business obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Business exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Business accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

4.7. Inventories

Inventories consist of product inventories, work-in-process (metal-in-circuit, gold-in-process, and heap leach ore) and ore stockpiles are measured at the lower of the cost of production and net realizable value. Net realizable value is calculated as the difference between prevailing prices at the end of the year and the estimated costs to complete production into a saleable form.

Work-in-process represents inventories that are currently in the process of being converted to a saleable product. The cost of production includes an appropriate proportion of depreciation, depletion and amortization and overhead. The

assumptions used in the valuation of working- process inventories include estimates of metal contained and recoverable in the ore stacked on leach pads, the amount of metal stacked in the mill circuits that is expected to be recovered from the leach pads, the amount of gold in these mill circuits and an assumption of the precious metal price expected to be realized when the precious metal is recovered. If the cost of inventories is not recoverable due to decline in selling prices or the costs of completion or the estimated costs to be incurred to make the sale have increased, the Business would be required to write-down the recorded value of its work-in-process inventories to net realizable value. Adjustments related to write-down of inventory are included in cost of sales.

Material extracted from our mines is classified as either ore or waste. Ore represents material that, at the time of extraction, the Business expects to process into a saleable form and sell at a profit. Raw materials are comprised of both ore in stockpiles and ore on leach pads as processing is required to extract benefit from the ore. Ore is accumulated in stockpiles that are subsequently processed into gold in a saleable form. The recovery of gold from certain oxide ores is achieved through the heap leaching process. Work in process represents gold in the processing circuit that has not completed the production process, and is not yet in a saleable form. Finished goods inventory represents gold in saleable form.

Ore in stockpiles is comprised of ore extracted from the mine and available for further processing. Costs are added to ore in stockpiles at the current mining cost per tonne and removed at the accumulated average cost per tonne. Costs are added to ore on the heap leach pads based on current mining costs and removed from the heap leach pad as ounces are recovered in process at the plant based on the average cost per recoverable ounce on the heap leach pad. Although the quantities of recoverable gold placed on the heap leach pads are reconciled by comparing the grades of ore placed on the heap leach pads to the quantities of gold actually recovered, the nature of the leaching process inherently limits the ability to precisely monitor inventory levels. As such, engineering estimates are refined based on actual results over time.

Variances between actual and estimated quantities resulting from changes in assumptions and estimates that do not result in write-downs to net realizable value are accounted for on a prospective basis. The ultimate recovery of gold from each heap leach pad will not be known until the leaching process is concluded.

Inventories of materials and supplies expected to be used in production are valued at the lower of cost and net realizable value. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of write-down is reversed up to the original write-down amount.

Write-downs of inventory and reversals of write-downs are reported as a component of current period costs.

4.8. Provisions

Provisions are recognized when the Business has the present obligation, legal or constructive, that has arisen as a result of a past event, it is probable that the Business will have to use resources that incorporate economic benefits to pay the obligation, and the amount of the obligation can be estimated reliably. In cases in which the Management Board of MAH BV expects the provision to be fully or partly reimbursed, the reimbursement is recognized as a separate asset, but only in the cases in which it is virtually certain that reimbursement will be received and the amount of the asset can be measured reliably.

Provisions are measured by taking the Management Board of MAH BV's estimation of the disbursements required to settle the present obligation at the end of the reporting period, taking into account the corresponding risks and uncertainties. When a provision is measured using the estimated cash flow to settle the present obligation, its carrying amount corresponds to the present value of said cash flow, using the discounted cash flows technique. Expenses corresponding to any provision are presented in the income statement for the year net of any reimbursement. The increase in the provision due to the passing of time is recognized as a financial expense.

Provision for dismantling

The Business recognizes as part of the cost of a specific fixed asset, the estimate of the future costs the Management Board of MAH BV expects to incur for dismantling or restoring the asset, provided that there is a legal or constructive obligation to do so. These include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas.

The corresponding entry is a provision for costs of dismantling or restoring the asset. The cost of dismantling is depreciated during the estimated useful life of the fixed asset.

The costs are estimated based on the Business' mine closure plan. The cost estimates are updated annually during the life of the operation to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations, or changes in legal or regulatory requirements), and are subject to review at regular intervals.

Dismantling costs are recognized for the present value of the expected costs to settle the obligation using estimated cash flows. Cash flows are discounted at a pre-tax rate, which is the average debt rate of the Business.

The estimated future costs of dismantling or restoring assets are revised annually. Changes in the estimated future costs on the estimated dates of payment or the applied discount rate are added to or deducted from the cost of the asset, without exceeding the carrying amount of the asset. Any excess is immediately recognized in the income for the year.

Contingent Liabilities

Possible obligations that arise from past events and of which the existence shall only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Business, or present obligations that arise from past events when it is not probable but possible that an outflow of resources that includes economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability, are not recognized in the statement of financial position, but are disclosed as contingent liabilities when their occurrence is probable.

Contingent Assets

Assets of a possible nature that arise from past events which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Business are not recognized in the statement of financial position, rather they are disclosed as contingent assets only when their occurrence is probable. When the contingent event is certain, the asset or related income is recognized in results of the year.

4.9. Fair Value

The fair value is the price that would be received upon the sale of an asset or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether the price is directly observable or estimated using another valuation technique. When estimating the fair value of an asset or liability, the Management Board of MAH BV takes into account the characteristics of the asset or liability being measured that the market participants would consider when pricing the asset or liability at the measurement date. The fair value of all financial assets and liabilities is determined at the reporting date of the Carve-Out Consolidated Financial Statements for recognition or disclosure in the notes to the Carve-Out Consolidated Financial Statements.

The Management Board of MAH BV uses valuation techniques that are appropriate in the circumstances and for which it has enough information available to measure the fair value, maximizing the use of relevant observable information and minimizing the use of unobservable information.

Fair value is determined:

- Based on prices quoted in active markets for identical assets or liabilities to those that the Business can access at the measurement date (Level 1).

- Based on the valuation techniques commonly used by the market participants that use inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly (Level 2).

- Based on internal valuation techniques of discounting cash flows or other valuation models, using unobservable inputs estimated by the Management Board of MAH BV for the asset or liability in absence of inputs observed on the market (Level 3).

Judgments include information such as the liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the fair value of the financial instruments.

In 2018 and 2017, no transfers were made between the hierarchical levels of fair value for both input and output transfers of the levels.

Valuation techniques and inputs used by the Business in fair value recognition, measurement and disclosure:

Land: The fair value measurements of the Business' land at December 31, 2018 and 2017 were performed by independent appraisers not related to the Business and approved by Management Board of MAH BV. The appraisers have appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

The fair value of the land was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

There has been no change to the valuation technique during 2018 and 2017.

4.10. Evaluation and exploration of mineral resources

With respect to the recognition of assets for exploration and evaluation, and their corresponding amortization, the Business has adopted the following policies in accordance with IFRS 6, Exploration and Evaluation of Mineral Resources, including regular evaluation of the technical and economic feasibility of the respective project:

Exploration stages are the following:

4.10.1. Early Stage or Grass Roots

Potential Areas Definition: Recognition of potential areas, in this stage the Management Board of MAH BV collects information available within the area of interest and perform activities such as:

- Cartography
- Geological information, satellite images.
- Structural interpretation

The expenses on this stage are recorded in profit or loss, property plant and equipment are recognized separately according to the policies described in note 4.5.

Initial Exploration: Using the cartography collected previously, field tests are performed to determine whether or not exist favourable conditions to consider the existence of mineralization to be of interest for the Business, this includes activities such as laboratory test, samples, geophysics.

The expenses on this stage are recorded in profit or loss, property plant and equipment are recognized separately according to the policies described in note 4.5.

Exploratory Drilling: In this stage the Business uses Diamond Drilling Holes (DDH) or Reversed Circulation Holes (RCH) which gives a more accurate information regarding discovery. Initial planning and design of the exploitation system is performed in this stage.

The expenses on this stage are recorded in profit or loss, property plant and equipment are recognized separately according to the policies described in note 4.5.

4.10.2. Advanced projects

The policy is applied consistently on all exploration projects as they reach the stage

Mineral potential definition: It mainly consists in the verification of the type of the target minerals and deposits, and includes activities such as mapping, geophysics and surveys.

The expenses on this stage are recorded in profit or loss; property plant and equipment are recognized separately according to the policy.

Resource classification: during this stage the Management Board of MAH BV seeks to better know the ore body, depth, tectonics, hardness, qualitative and quantitative characteristics like mineral distribution using geological and statistical methods. Resources are classified as inferred, indicated, and measured.

The expenses on this stage are recorded in profit or loss, property plant and equipment are recognized separately according to the policy.

Scoping study: Includes early economic studies about the possible feasibility of the mineral resources**,** includes activities such as:

- Preliminary calculations
- Desk studies
- Studies based on assumptions

Prefeasibility: In this stage the Management Board of MAH BV conducts exhaustive studies reviewing the feasibility of the project considering the mining method (underground, open-pit, alluvial) using reasonable technical assumptions, engineering, operational, and considering economic factors. During this stage the resources are classified as reserves (probable, and proved).

According to the accounting policy of the group on this stage the expenses are recognized as an asset under IFRS 6, property plant and equipment is recognized separately according to the policy.

Feasibility: It consists in a full study on the deposit including all factors: engineering, legal, operational, economic, social, and environmental. This detailed information should be sufficiently accurate to reasonably determine whether the project is a “go” or “no go”.

Any obligation incurred for dismantling or restoring an asset as a result of having carried out exploration or evaluation activities is recognized.

For the Business, in this stage the expenses are recognized as an asset under IFRS 6, property plant and equipment is recognized separately according the policy.

Stripping costs

The Business recognizes costs of the stripping activity related to improve the access to the mineral ore body as a non-current asset if, and only if:

- It is probable the future economic benefit associated with the stripping activity will flow to the Business
- The entity can identify the component of the ore body for which access has been improved; and
- The costs relating to the stripping activity associated with that component can be measured reliably.

Initial recognition

Measured initially at cost, stripping cost are the accumulated costs directly incurred in performing the stripping activity that improves access to the identified component of the ore body.

Subsequent measurement of the stripping activity asset

After the initial recognition the stripping activity is measured at cost less depreciation and less impairment losses, depreciation is made on a systematic basis over the expected useful life of the identified component of the ore body to which the stripping activity is related.

As of December 31, 2018, and 2017, the Business has not recognized any stripping costs.

4.11. Leases

Determining whether an agreement constitutes or contains a lease is based on the nature of the agreement at its commencement date, if compliance with the agreement depends on the use of the asset or specific assets, or if the agreement grants the right to use the asset.

Leases are classified as financial or operating leases. A lease is classified as a financial lease when substantially all the risks and rewards inherent to the ownership of the underlying asset are transferred to the lessee. Otherwise, a lease is classified as an operating lease.

The Business as lessee

Assets received under finance lease are recognized and presented as assets in the statement of financial position at the commencement of the lease, for the fair value of the leased asset or the present value of the minimum lease payments, whichever is lower. The corresponding liability is included in the statement of financial position as a financial lease obligation.

Assets received under finance leases are depreciated throughout the useful life of the asset using the straight-line method. However, if there is no reasonable certainty that the Business will obtain the property at the end of the lease term, the asset is depreciated throughout its estimated useful life or the lease term, whichever is shorter. Lease payments are divided between the financial expenses and reduction of the debt. Financial charges are recognized in results for the year unless they can be directly attributed to qualifying assets, in which case, they are capitalized according to the entity’s policy for borrowing costs. Contingent rental payments are recognized as expenses in the periods they are incurred.

Operating lease payments, including the incentives received, are recognized on a straight-line basis as expenses in the statement of profit or loss and other comprehensive income throughout the lease term, except when another systematic basis of distribution is more representative of the temporary pattern of the benefits of the lease for the user.

5. Critical judgments and key sources of estimation uncertainty in preparing the Carve-Out Consolidated Financial Statements

5.1. Critical judgments in applying accounting policies:

In applying the Business's accounting policies, management is required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Business's accounting policies

a) Judgement in identifying whether a contract includes a lease under IAS 17: the Business has entered into certain contracts with manufacturers for the supply of machinery for a specific period of time. Each month, the use of the machinery and the production volume are determined by the Management Board of MAH BV and are not specified in the contract.

Due to Gualcamayo's remote mine location, these manufacturers are unable to replace such machinery regardless of whether or not the machinery has been identified in the contract. Management assessed whether or not the Business has contracted for the rights to substantially all of the capacity of the machinery and whether the contracts with the manufacturers contain a lease. After analyzing forecast production volumes over the contract term and machinery useful life, the Management Board of MAH BV believes that it does not have the right to obtain substantially all of the economic benefits from the use of the machinery. As a result, the Management Board of MAH BV has concluded that it has not contracted for substantially all of the capacity of the machinery; and, therefore, the contracts do not contain a lease.

b) Contingencies: contingencies can be either possible assets or possible liabilities arising from past events which, by their nature, will only be resolved when one or more future events not wholly within our control occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. In assessing loss contingencies related to legal proceedings that are pending against the Business or unasserted claims that may result in such proceedings or regulatory or government actions that may negatively impact our business or operations, the Management Board of MAH BV with assistance from its legal counsels evaluates the perceived merits of any legal proceedings or unasserted claims or actions as well as the perceived merits of the nature and amount of relief sought or expected to be sought, when determining the amount, if any, to recognize as a contingent liability or assessing the impact on the carrying value of assets. Contingent assets are not recognized in the Carve-Out Consolidated Financial Statements.

c) DCP and Near Targets developments: the Management Board of MAH BV does not believe, to the best of its knowledge and under the specific technical, economic and operational conditions as of the issuance date of these Carve-Out Consolidated Financial Statements, that the Business will be able to develop the Deep Carbonate Project (hereinafter, "DCP") and Near Targets project in MASA in its foreseeable future. If this situation changes, the Business would be liable to pay Yamana U.A. certain royalties, as detailed in note 16.

Key sources of estimation uncertainty

The estimates used by the Management Board of MAH BV are continuously evaluated and are based on historical experience and other factors, including the expectation of occurrence of future events that are deemed reasonable in the circumstances.

The Management Board of MAH BV makes estimates and assumptions regarding the future. The resulting accounting estimates, by definition, are not generally equal to actual results. Estimates and assumptions that have a significant risk of causing a material adjustment to balances of assets and liabilities in the following year are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Deferred tax: Deferred tax assets and liabilities are recognized for all taxable or deductible differences as required by IAS 12. Deferred tax assets are recognized to the extent that the Business will generate future taxable profits to be able to recover the benefits of such assets. Accordingly, judgement is applied in this determination. In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operating activities and the application of existing tax laws in each jurisdiction. The Management Board of MAH BV considers relevant tax planning opportunities that are within the Business's control, are feasible, and within management's ability to implement.

Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Business from realizing the tax benefits from the deferred tax assets.

b) Evaluation of the existence of impairment indicators for tangible assets: at each reporting date, the Management Board of MAH BV determines if there are indications that any asset or group of assets have suffered loss from impairment. If indicators exist, the recoverable amount of the asset is calculated to determine if an impairment loss exists. When the recoverable amount is lower than the carrying amount, an impairment loss exists and is recorded, reducing the carrying amount of the asset or group of assets to their recoverable amount.

The evaluation of the existence of impairment is based on external and internal factors, and in turn in quantitative and qualitative factors. Evaluations are based on financial results, legal and social environment and market conditions, estimates and assumptions with respect to future production levels, operating, capital and closure costs in our Life of Mine (“LOM”) plans, future metal prices, foreign exchange rates, Net Asset Value (“NAV”) multiples, value of reserves outside LOM plans in relation to the assumptions related to comparable entities and the market values per ounce and per pound and discount rates. Changes in any of the assumptions or estimates used in determining the fair values, significant changes in the scope or way the asset or cash generating unit (CGU) is used or expected to be used and evidence on the obsolescence or physical impairment of an asset or CGU, among others, could impact the impairment analysis.

c) Useful life and residual values of property, plant and equipment and intangibles: In the assumptions and hypothesis used for the determination of useful lives, technical aspects are considered, such as: periodic maintenance and inspections made to assets, failure statistics, environmental conditions and operating environment, protection systems, replacement processes, obsolescence factors, recommendations of manufacturers, weather and geographical conditions and experience of technicians who are familiar with the assets. For the determination of the residual value of land, constructions and buildings are carried at fair value, and consideration is given to aspects such as: market public quotes on assets of similar nature and location and historical sale data.

d) Determination of useful life for assets and amortization mining projects: estimates of the quantities of proven and probable mineral reserves and mineral resources form the basis for our LOM plans, which are used for a number of important business and accounting purposes, including: the calculation of depreciation expense; the capitalization of production phase stripping costs; and forecasting the timing of the payments related to the environmental rehabilitation provision. In addition, the underlying LOM plans are used in the impairment tests tangible assets. In certain cases, these LOM plans have made assumptions about our ability to obtain the necessary permits required to complete the planned activities. We estimate our ore reserves based on information compiled by qualified persons as defined in accordance with the Canadian Securities Administrators’ National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* requirements.

e) Valuation of inventories: 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 contained therein, and in determining the remaining costs of completion to bring inventory into its saleable form. Estimates of recoverable gold on the leach pads are calculated from the quantities of ore placed on the leach pads (measured tons 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).

f) Decommissioning and restoration obligation provision: given the nature of its operations, the Business incurs obligations to close, restore and rehabilitate its sites. Closure and rehabilitation activities are governed by a combination of legislative requirements and Business policies. The Business's provision for dismantling and similar liabilities represents management's best estimate of the present value of the future cash outflows required to settle the liabilities, which reflects estimates of future costs, inflation, movements in foreign exchange rates and assumptions of risks associated with the future cash outflows, and the applicable risk-free interest rates for discounting the future cash outflows. Changes in the above factors can result in a change to the provision recognized by the Business. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different from actual results or if there are significant changes in environmental and/or regulatory requirements in the future.

g) Litigation and other contingencies: The Business is or could be part to a number of labor and tax proceedings that, either alone or in combination with other proceedings, if resolved in whole or in part adversely against it, could result in the imposition of material costs, judgments, fines or other losses. While the Management Board of MAH BV believes that such risks, if probable, have been provisioned appropriately based on the opinions and advice of our legal and tax advisors and in accordance with applicable accounting standards, certain loss contingencies are subject to change as new information develops and results of the presented evidence are obtained, among other factors. It is possible that losses resulting from such risks, if proceedings are decided in whole or in part adversely to the Business, could result in recognition of new provisions or in a significantly increase of the currently recorded provisions.

The final costs arising from litigation and other contingencies, and the perspective given to each issue by Management Board of MAH BV may vary from their estimates due to different interpretations of laws, contracts, opinions and final assessments of the amount of the claims.

6. Financial instruments

The following table combines information about:

- Classes of financial instruments based on their nature and characteristics;
- The carrying amounts of financial instruments;

As at December 31, 2018 and 2017 there were no financial instruments measured at fair value.

2018	**Carrying value**		
	Financial assets	**Financial liabilities**	**Total**
	Amortized cost	**Amortized cost**	
Cash and cash equivalents	$ 448	-	**$ 448**
Trade and other receivables	7,030	-	**7,030**
Trade and other payables		(32,972)	**(32,972)**

2017	**Carrying value**		
	Financial assets	**Financial liabilities**	**Total**
	Amortized cost	**Amortized cost**	
Cash and cash equivalents	$ 6,307	-	**$ 6,307**
Trade and other receivables	26,382	-	**26,382**
Loans and other borrowings		(310,688)	**(310,688)**
Trade and other payables		(32,972)	**(32,972)**

Fair value of financial assets and financial liabilities measured at amortized cost

The fair value of trade receivables, other receivables, cash and cash equivalents, loans, other borrowing and trade and other payables do not differ significantly from their book value.

6.1. Capital Management

The Management Board of MAH BV manages its capital in order that it may ensure that may continue maximizing the return to investors and other interested groups through an optimum balance between net debt and net parent investment. The debt/net parent investment composition has remained at expected levels and in line with the Business's growth strategy.

The capital structure consists of net debt (loans detailed in Note 16) and net parent investment (detailed in Note 15).

For the purpose of the capital management, capital includes issued capital and related party payables and loans. Our capital management objectives are to safeguard our ability to support our operating requirements on an ongoing basis, continue the development and exploration of our mineral properties and support any expansion plans. We have no significant financial covenants or capital requirements.

6.2. Objectives of Financial Risks Management

The Business' most significant funding source is its parent entity. Management Board of MAH BV monitors and administers financial risks related to its operations by means of the analysis of exposures and the size of the risks associated with each operation, including analysis of market risk, credit risk and liquidity risk and requires funds from its parent entity as necessary.

6.2.1. Market Risk

Market risk is the risk that arises from a change in the fair value of future cash flows, as a result of the fluctuations of market prices, exchange rates and interest rates. The risk is measured by means of a strict analysis of the markets and of volatilities observed in the prices of assets or liabilities that could affect the Business' results, based on the exposure. In the Business, the risks deriving from the price of precious metals and from exchange rate risks are actively managed.

The economic activity of the Business mainly exposes it to the risk derived from the changes in the price of gold and of the foreign exchange market, principally the risks deriving from the fluctuations of the price of gold.

There have been no changes in the Business' exposures to market risks or in the way in which these risks are managed and measured during 2018 and 2017.

Foreign exchange risk: The Business' functional currency is USD. The vast majority of the Business' revenues and borrowings are denominated in USD. Foreign exchange risk arises from transactions denominated in currencies other than USD. In this sense, most of its operating expenses and local tax credits are denominated in ARS. The Business does not use derivatives as a hedge against exchange rate fluctuations.

Sensitivity analysis
The following table provides a breakdown of the effect of a variation of 59% in the prevailing exchange rates on the Business's net income, taking into consideration the exposure of financial assets and liabilities denominated in Argentine Pesos (ARS) that have this Carve-Out Consolidated Financial Statement at December 31, 2018, that the main operation is located in Argentina.

	Appreciation (+) / depreciation (-) of exchange rate of Peso against U.S. dollar	Income (loss) for fiscal year ended December 31, 2018
Impact on net income and net parent investment	+59%	(9,552)
	-59%	6,007

Commodity price risk: The Business sells gold in the international precious metals market. The Business' profitability and long-term viability depend, in large part, upon the market price of gold. Market price fluctuations of this commodity could adversely affect profitability of operations and lead to impairments. Gold price fluctuate widely and is affected by numerous factors beyond the Business' control including but not limited to supply and demand, consumption patterns, macroeconomic factors (interest, exchange and inflation), banking and political conditions, and mining specific factors.

The following table provides a breakdown of the effect of a variation of 5% in gold price on the Business' net income, taking into consideration the exposure of financial assets and liabilities denominated in ARS as of December 31, 2018.

	Increase (+) / decrease (-) of gold price	Income (loss) for fiscal year ended December 31, 2018
Impact on net income and net parent investment	+5%	6,209
	-5%	(5,913)

6.2.2. Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Business. As at 31 December 2018, the Business maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Business due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Business arises from the carrying amount of the respective recognized financial assets as stated in the statement of financial position.

For trade receivables, the Business has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Management Board of MAH BV determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. However, there is no history of losses on the Business' trade receivables given the nature of the transactions performed and the high credit rating of its counterparty. Receipts are in cash and received upon delivery of production to the customer.

In relation to other local tax credits, the Business does not have a history of losses and normally recovers its balances within a short period of time.

The Business does not have any guarantee to cover credit risks associated with its financial assets.

6.2.3. Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Business' short, medium and long-term funding and liquidity management requirements. The Management Board of MAH BV manages liquidity risk by maintaining adequate operating cash flow and requesting sufficient loans from related parties, as it continuously monitors forecast and actual cash flows, and by matches the maturity profiles of financial assets and liabilities.

The following table sets forth the maturity dates of the Business' financial assets and liabilities as of December 2019:

December 31, 2018				
	Maturity Date			
	1 - 3 months	3 - 6 months	More than 1 year	Total
Financial assets				
VAT receivables	$2,398	$3,437	$4,585	**$10,420**
Trade and other receivables	7,030	-	-	**$7,030**
Tax receivables	1,037	-	-	**$1,037**
	$10,465	**$3,437**	**$4,585**	**$18,487**
Financial liabilities				
Trade and other payables	32,972	-	-	**$32,972**
Provisions	-	-	10,585	**$10,585**
Employee benefits	73	-	2,626	**$2,699**
	$33,045	**-**	**$13,211**	**$46,256**

7. Segments

Due to the nature of MASA's operations (and that neither the Business nor Rentista held any other operations), information reported to the Business' Chief Executive Officer (considered the *Chief Operating Decision Maker* ("CODM")) for the purposes of resource allocation and assessment of the Business' performance is prepared considering the Business as a single segment. Most of its significant non-current assets are related to a single geographical area (Gualcamayo mine). All of its revenue is generated from this location and its sales are made to a single customer.

8. Property, plant and equipment, net

Property, plant and equipment, net is broken down as follows:

Description	31/12/2018	31/12/2017
Cost	$174,030	$174,542
Accumulated depreciation	(128,496)	(117,543)
Total property, plant and equipment, net	**$45,534**	**$56,999**

Type of asset	31/12/2018	31/12/2017
Fair Value		
Land	$465	$465
Depreciated cost		
Construction and buildings	34,472	42,641
Machinery and Equipment	9,801	12,183
Computers and communication equipment	60	336
Construction in progress	736	1,374
Total property, plant and equipment, net	**$45,534**	**$56,999**

The movements of property, plant and equipment for 2018 are as follows:

2018						
Cost	**Land**	**Construction and buildings**	**Machinery and Equipment**	**Computers and communication equipment**	**Construction in progress**	**Total**
Cost at January 1	**$465**	**$126,086**	**$39,278**	**$7,339**	**$1,374**	**$174,542**
Additions	-	-	126	-	-	126
Write off (*)	-	-	-	-	(638)	(638)
Carrying cost as at December 31, 2018	**$465**	**$126,086**	**$39,404**	**$7,339**	**$736**	**$174,030**
Accumulated depreciation as at January 1	**-**	**$(83,445)**	**$(27,095)**	**$(7,003)**	**-**	**$(117,543)**
Depreciation of the year	-	(8,169)	(2,508)	(276)	-	(10,953)
Accumulated depreciation as at December 31	-	(91,614)	(29,603)	(7,279)	-	(128,496)
Property, plant and equipment as at December 31,2018	**$465**	**$34,472**	**$9,801**	**$60**	**$736**	**$45,534**

The movements of property, plant and equipment for 2017 are as follows:

2017						
Cost	**Land**	**Construction and buildings**	**Machinery and Equipment**	**Computers and communication equipment**	**Construction in progress**	**Total**
Cost at January 1	**$465**	**$126,086**	**$39,149**	**$7,339**	**$2,549**	**$175,588**
Additions	-	-	129	-	-	129
Write off (*)	-	-	-	-	(1,175)	(1,175)
Carrying cost as at December 31, 2017	**$465**	**$126,086**	**$39,278**	**$7,339**	**$1,374**	**$174,542**
Accumulated depreciation as at January 1	**-**	**(73,230)**	**(23,378)**	**(6,239)**	**-**	**$(102,847)**
Depreciation of the year	-	(10,215)	(3,717)	(764)	-	(14,696)
Accumulated depreciation as at December 31	-	(83,445)	(27,095)	(7,003)	-	(117,543)
Property, plant and equipment as at December 31,2017	**$465**	**$42,641**	**$12,183**	**$336**	**$1,374**	**$56,999**

(*) Corresponds to construction in progress that ultimately was abandoned.

Details of the Business land information about the fair value hierarchy as at the end of the reporting year are as follows:

There were no transfers between Level 1 and Level 2 during the year.

				Fair value as at
	Level 1	**Level 2**	**Level 3**	**31/12/2018**
Land	-	$465	-	$465

				Fair value as at
	Level1	**Level2**	**Level3**	**31/12/2017**
Land	-	$465	-	$465

9. Deferred tax assets

Deferred income tax is broken down as follows:

Description	**31/12/2018**	**31/12/2017**
Deferred income tax asset, opening balance	$30,769	$30,659
Movements during the year	(27,363)	110
Total deferred tax assets at year end	**$3,406**	**$30,769**

	DEFERRED TAX					
Description	**Property, plant and equipment**	**Intangible Assets**	**Provisions**	**Tax Loss Carry Forward**	**Others**	**Total**
Total 31/12/2017	**$19,545**	**$13,492**	**$(3,756)**	**$2,014**	**$(526)**	**$30,769**
(Expense) gain to the Statement of Profit or Loss and Other Comprehensive Income	(*) (24,970)	(2,277)	3,756	(2,014)	(1,858)	(27,363)
Total 31/12/2018	**$(5,425)**	**$11,215**	**-**	**-**	**$(2,384)**	**$3,406**

(*) It includes 27,100 of accumulated tax depreciation deducted against the tax profit for the year, during 2018

In order to fully realize the deferred income tax asset, the Business will need to generate taxable income. Based upon the level of historical taxable income and future projections for the years in which the deferred income tax assets are deductible, Management believes that in the fiscal year ending December 31, 2019 it is probable that the Business will realize all of the deferred income tax assets recorded as of December 31, 2018.

There are unrecognized deferred tax assets of 31,901 and 15,626 as of December 31, 2018 and 2017, respectively, related to unpaid interest and exchange differences with related parties, because there are no expectations that these interests can be paid and consequently, deducted.

9.1. Effective tax rate

The effective rate of income tax to the Business, differs from the statutory income tax rate applicable in accordance with actual regulations. Profits or losses are originated almost fully in MASA. As such, effective and statutory income tax rates that affect the Business are those applicable for MASA. The reconciliation between the rates is detailed below:

Description	31/12/2018	Rate	31/12/2017	Rate
Loss before income taxes	$(38,498)		$(27,907)	
Income tax gain by applying the statutory income tax rate	11,549	30%	8,372	30%
Effect of exchange differences	(7,467)		(2,028)	
Effect of change in tax rate (*)	(3,086)		(10,989)	
Difference in income tax provision from prior year	-		(1,615)	
Exchange difference over tax loss carry forward	(1,018)		-	
Non deductible accrued interest	(16,275)		4,774	
Tax effect on transactions with owners in subsidiaries (note 16)	(12,480)		-	
Other permanent differences	1,414		1,596	
Income tax (expense) income	**$(27,363)**		**$110**	

(*) Tax Reform – Argentina's Income tax

On December 29, 2017, the Argentinean government enacted a tax reform package. The new law includes a reduction in the corporate tax rate from 35% to 30% over the next two years and to 25% thereafter. To offset this reduction, a proposed new dividend withholding tax at a rate of 7% for the first two years and a 13% rate going forward was introduced. The dividend withholding tax can be reduced under a bilateral treaty.

On December 23, 2019, the Argentinean government enacted a new modification to the tax reform package mentioned above. One of the changes introduced is that it has extended the application of the 30% rate until the year ending on December 31, 2021.

In addition, there is another change in income tax law, which refers to the limit for deduction of the interest and exchange rate due to intercompany transactions in the income tax calculation. The new limit allows to deduct 30% of earnings before interest, depreciation and exchange rate.

Law No. 27,468, published in the Official Bulletin (BO) on December 4, 2018, established that the inflation adjustment procedure for taxation purposes will be applicable for fiscal years beginning January 1, 2018. In the first, second and third fiscal year since it became effective, this procedure shall be applicable if the variation in the CPI, estimated from the beginning to the end of each of those years exceeds 55%, 30% and 15%, for the first, second and third year of application, respectively. As of December 31, 2018, MASA has applied the inflation adjustment procedure for taxation purposes.

10. Inventories

Inventories are broken down as follows:

Description	31/12/2018	31/12/2017
Ore Leach Pads	$22,552	$29,135
Finished products	16,748	14,463
Materials and spare parts	8,005	6,200
Ore Stockpiles	5,144	8,067
Total inventories	**$52,449**	**$57,865**
Short-term inventory	**50,510**	**51,665**
Long-term inventory	**1,939**	**6,200**

11. Trade and other receivables

Trade and other receivables are broken down as follows:

Description	31/12/2018	31/12/2017
Trade accounts receivable:		
External customers	7,030	-
Intercompany (Note 27)	-	19,104
Total trade accounts receivable	**7,030**	**19,104**
Other accounts receivable:		
Intercompany (Note 27)	-	7,278
Total other accounts receivable	-	7,278
Total trade and other accounts receivable	**$7,030**	**$26,382**
Classification by maturity:		
Current portion	7,030	26,382
Non-current portion	-	-
Total trade and other accounts receivable	**$7,030**	**$26,382**

The Business sells to only one customer. All trade accounts receivables are collected in cash within 30 days from the invoice date, which corresponds to the delivery date. As of December 31, 2018, and 2017, there are no trade accounts receivables overdue.

12. Tax receivables

Tax receivables are broken down as follows:

Description	31/12/2018	31/12/2017
VAT[1]	$10,417	$13,271
Income Taxes	751	971
Local taxes	289	241
Total taxes	**$11,457**	**$14,483**

[1] This amount represents VAT paid on past export activities for which MASA is seeking reimbursement from the Argentina's tax authority, *Administración Federal de Ingresos Públicos* (AFIP). The Management Board of MAH BV, based on its legal and tax advisors considers that the amounts paid will be recovered once the respective proceedings have ended. This entire process takes at least six months in order to receive the refund.

13. Prepaid expenses

Prepaid Expenses are broken down as follows:

Description	31/12/2018	31/12/2017
Advance payments	$220	$172
Prepaid License	108	155
Prepaid Insurance[1]	43	1,001
Total Prepaid Expenses	**$371**	**$1,328**

[1] Until December 31, 2017, the Business paid a year in-advance for insurance coverage. In 2018, the Business stop paying the yearly coverage of this service fully in advance.

14. Cash and cash equivalents

Cash and cash equivalents are broken down as follows:

Description	31/12/2018	31/12/2017
Bank- Foreign currency (ARS)	$286	$1,123
Banks – In functional currency (USD)	161	5,182
Petty cash	1	2
Total cash and cash equivalents	**$448**	**$6,307**

The Business did not report non-cash transaction for the years reported excepted for the capitalization held at the Business, as explained in note 15 and Loan's forgiveness of interests and other reductions, as explained in note 16.

15. Net Parent Investment

On December 13, 2018, the Business received loans contributions from its shareholders (Yamana) for a total amount of $276,894, related to the:

1) Assignment of the loan and accrued interest granted to MASA in the total amount of 179,191;
2) Assignment of the loan granted to Rentista. In the amount of 97,214;
3) Capitalization of the total outstanding intercompany balance with the shareholder in the total amount of 489

16. Loans

Loans is broken down as follows:

Secured borrowing at amortized cost	31/12/2018	31/12/2017
Loans (note 27)	$-	$310,688
Total borrowings	**$-**	**$310,688**
Amount due for settlement within 12 months	-	97,214
Amount due for settlement after 12 months	$-	$213,474

Prior to its acquisition by Mineros S.A., as explained in Note 1, Yamana held some loans with Rentista and with MAH BV (formerly Yamana Argentina Holdings B.V.) for 310,688 as of December 31, 2017 (97,214 lent to Rentista and 213,474 to MASA). The loan held by Rentista did not accrue interest and was payable on-demand, within 5 days following the request from the creditor. The loan held by MAH BV had an U.S. Prime, plus EMBI (Emerging Markets Bonds Index) interest rate and was payable on December 31, 2020.

As part of a share and loan purchase agreement between Mineros S.A. and Yamana Gold Inc. and Yamana (collectively, the "Yamana Parties") dated December 14, 2018:

a) The Yamana Parties capitalized the remaining balances of such loans in MAH BV on December 13, 2018, including accrued interest during 2018, excepted for the amount mentioned in b) below. See note 14.

b) MASA and the Yamana Parties executed a new royalty agreement (the "New Royalty Agreement") in exchange for a reduction in the balance of this intercompany loan by 30,600.

The New Royalty Agreement includes: a) a capped royalty of 2% of Net Smelter Return ("NSR") on all economically marketable metallic material produced from the Non-DCP at Gualcamayo mine after the initial production of 396,000 ounces of gold, capped at 50,000 of total payments (excluding the DCP); and b) A 1.5%, uncapped NSR on all economic marketable metallic material produced from the DCP.

On May 25th, 2020 both royalties were subsequently sold by Yamana and acquired by Nomad Royalty Company Ltd. The Company's obligations under the royalty agreements are secured by a first ranking mortgage over its mining titles located in the Province of San Juan.

In the last quarter of 2015, MASA completed the preliminary studies of the DCP. Deep carbonates is an initiative for a new large-scale underground operation in the lower levels of the current QDD pit, which to date has an estimate of reserves based on this preliminary study, of more than 1.8 Million ounces.

In the upcoming years, different alternatives and exploitation methods will be considered to optimize the level of investment required and reduce project risks. The exploration work focuses will be on the development of open sky areas including, Target D, Salamanca, Las Vacas, Sierras de Alaya, Pirrotina and others, to make an extension of the life of the mine effective. The results of these research works will be reviewed during the following years to make the decision of the future exploitation plan of the mine.

As of the date of issuance of these Carve-Out Consolidated Financial Statements, MASA has not started exploiting the DCP nor has reached a gold production of 396,000 ounces, thus no charge has been recognized on these royalties. Since this is a related party transaction, the result on the derecognition of the 30,600 intercompany loan balance has been recognized as a transaction with owners, disclosed as other shareholders contributions.

In addition, the New Royalty Agreement provides that MASA register a mortgage in favor of the Yamana Parties pledging certain mineral Rights titles in the amount of 5,000 as security. At any time during the term of this Agreement, the Yamana Parties have the right to register or record one or more amendments to the mortgage in order to increase the principal amount of the security to no more than 30,000 against these mineral titles.

The breakdown of the Business's loans as of the fiscal year ended on December 31, 2018 and 2017 is as follows:

Description	31/12/2018	31/12/2017
Balance at beginning of the year	**$ 310,688**	**$ 320,356**
Accrued interest	13,506	15,184
Proceed from loans	4,100	1,496
Payments of interest	(1,195)	(12,049)
Income tax withholding	(1,589)	(1,828)
Payments of loans	(7,016)	(12,471)
Forgiveness of interest (2)	(11,000)	-
Other reductions (1)	(30,600)	-
Contribution from parent through debt settlement (3)	(276,894)	**-**
Balance at the end of the year	**$-**	**$310,688**

(1) Corresponds to the partial derecognition of the intercompany loan due to the New Royalty Agreement signed with the Yamana Parties.
(2) Corresponds to the forgiveness of interest relating to the intercompany loan held by MASA with Yamana.
(3) See note 15.

17. Provisions

Due to the size, complexity and nature of the Business's operations, various legal and tax matters arise in the ordinary course of business.

Certain conditions may exist as of the date the Carve-Out Consolidated Financial Statements are issued that may result in a loss to the Business, but which will only be resolved when one or more future events occur or fail to occur. The impact of any resulting loss from such matters affecting these Carve-Out Consolidated Financial Statements and noted below may be material.

In assessing loss contingencies related to legal proceedings that are pending against us or unasserted claims that may result in such proceedings, the Management Board of MAH BV with assistance from its legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought.

The Business has received certain labour, civil and commercial claims and several claims from the AFIP and from provincial and municipal fiscal authorities, which are not individually and combined are significant, and which have not been reflected in these Carve-Out Consolidated Financial Statements due to the Management Board of MAH BV's assessment having considered all of the evidence available as of the date of these Carve-Out Consolidated Financial Statements.

Provisions balances are broken down as follows:

Description	31/12/2018	31/12/2017
Labour(1)	$1,065	$899
Decommissioning and restoration obligations (2)	9,322	12,900
Others	198	33
Total provisions	**$10,585**	**$13,832**
Current portion	-	-
Non-current portion	10,585	13,832

	Labour(1)	Decommissioning and restoration obligations(2)	Others
January 1st, 2018	$899	$12,900	$33
Additional provision in the year	166	-	165

Accretion	-	620	-
Adjustment(+/-)[(a)]	-	(4,198)	-
Total provisions at December 31, 2018	**$1,065**	**$9,322**	**$198**

	Labour	Decommissioning and restoration obligations	Others
January 1st, 2017	$960	$11,013	$33
Additional provision in the year	-	-	-
Accretion	-	655	-
Adjustment(+/-)[(a)]	(61)	1,232	-
Total provisions at December 31, 2017	**$899**	**$12,900**	**$33**

a) The adjustment corresponds to the impact of the update of the discount rate to current market rates at each of the closing dates.

(1) This provision is recognized to cover the estimated probable losses from labour lawsuits, with an amount estimated based on legal counsel's advice. The provision is reviewed annually based on the report submitted by the Business' labour advisors.

(2) The provision for dismantling assets reflects the present value of the closing costs that are expected to be incurred at the end of the mining operations with the closure of the operations and tailings related to underground mining. The estimate of said closing costs is based on studies that have been prepared by the Business' technical experts, complying with the environmental legislation in force. The provision mainly corresponds to the activities that must be carried out to restore the areas that have been affected by the mining work, such as movement of earth, dismantling of the processing plant, closure of mine entrances, monitoring and revegetation work. The closing budgets are regularly reviewed to take into account any significant change that could have occurred in any of the studies conducted. However, the closing costs will depend on the market prices of the closing works required that will reflect the future economic conditions. Additionally, the timing of the payments will depend on the mine's useful life, which will depend on the future gold prices and the new areas to develop resulting from the exploration activity.

18. Employee benefits

Employee benefits are broken down as follows:

Description	31/12/2018	31/12/2017
Payroll contributions and withholdings	$1,180	$2,618
Performance bonus	998	2,859
Vacation	520	1,973
Salaries payable	1	2
Total employee benefit liabilities	**$2,699**	**$7,452**
Current portion	2,626	7,108
Non-current portion	73	344

19. Trade and other payable

Trade and other payable are broken down as follows:

Description	31/12/2018	31/12/2017
Suppliers	$22,646	$29,318
VAT and income tax withheld	8,205	6,949
Royalty payable	1,470	2,431
VAT payable[1]	651	1,298
Total trade and other payable	**$32,972**	**$39,996**

(1) Includes fund of trust to pay for 457 (2017: 800).

In accordance with the Business's policies, liabilities held with trade and other payables resulting from the ordinary course of business are paid within a maximum term of 30 days.

Royalties

According to Argentinian royalty's rules, pursuant to federal law 24.196, enacted in May 1993, and pursuant to corresponding provincial legislation, operating mines are required to pay to the provincial government a royalty of up to

3% “Boca Mina”) for minerals extracted from Argentine soil. Boca Mina is defined as the sales value of the extracted minerals less certain permitted expenses.

On July 2011, the provincial government and mining companies operating in San Juan Province, including MASA, as member of the group, signed a responsible mining agreement under which the mining companies agreed not to deduct certain expenses when calculating their 3% provincial royalty.

In addition, according to a royalty agreement signed between Inversiones Mineras Australes S.A. and MASA, MASA pays in perpetuity a 1% of the NSR in respect of the products extracted from all its mining properties. The impact of this royalty has been recognized in the statement of comprehensive profit or loss as cost of sales.

Furthermore, MASA pays a 1.5 % royalty of total gross sale to a trust fund of infrastructure (the “**Trust Fund of Infrastructure**”) as part of an agreement signed between MASA and the local government (see note 30).

20. Revenue

The revenue is from the sale of gold doré under a contract with a related party until December 14, 2018. After that date, the contract is with a sole third-party smelter, with international reputation at spot market prices.

Concept	31/12/2018	31/12/2017
Sales of gold	127,519	191,836
Total revenue	**$127,519**	**$191,836**

21. Costs of sales

Costs of sales are broken down as follows:

Description	31/12/2018	31/12/2017
Direct mining costs[1]	$ 111,641	$ 172,533
Depreciation and amortization	10,953	14,696
Export duties and royalties[2]	7,701	5,485
Total cost of sales	**$130,295**	**$192,714**

1. Includes payroll expenses for $39,312 (2017: 61,783), maintenance, repair costs including services related and inventory cost for $21,448 (2017: $ 28,499),
2. Includes export duties for $4,366 (2017: nil) and royalties for $ 3,333 (2017 $5,485)

Export Duty

In 2002, as an emergency measure, the Argentinian government adopted a 5% export duty on certain mineral products, including gold. At the time, the duty was described as “temporary”. Gualcamayo exports of gold doré were subject to this 5% export duty from the commencement of operations in March 2009 until December 20, 2015, when the duty was repealed by the Argentinian government. On September 3, 2018, after significant depreciation of the Argentine peso, the Argentine government re-established customs duties on all exports from Argentina until December 31, 2020. As a result, exports of doré are subject to a 12% duty, capped at ARS 4.00 per dollar exported, resulting in an effective rate of about 10.5% at the then current foreign exchange rate.

On December 2019, the Argentinian government enacted Law 27,541, which modified export duty to 8% until December 2020. However, since the effective ruling of such Law has not been in place yet, the Business must still pay export duties at 12% rate.

On October 2, 2020, by means of the Executive Decree No. 785/20, the local government finally confirms the reduction in the rate of export duties related to mining activities from 12% to 8% until December 31, 2021. The goal is to promote the fiscal solvency and the development of the mining sector, whose investments will generate in addition the fiscal resources that allow achieving the solvency of these activities.

22. Administrative expenses

Administrative expenses are broken down as follows:

Description	31/12/2018	31/12/2017
Services [1]	$1,910	$1,580
Total administration expenses	**$1,910**	**$1,580**

1 The amount corresponds to several services provided by Related Parties; See note below 27.

23. Other expenses

Other expenses are broken down as follows:

Description	31/12/2018	31/12/2017
Loss from sales of mineral properties	$5,247	$133
Trust fund contributions[(1)]	1,795	2,775
Tax on debits and credits to bank accounts	931	1,371
Write Off of PP&E	637	1,177
Other	683	-
Donations	22	13
Community support	13	109
Total other expenses	**$9,315**	**$5,578**

(1) Refers to MASA's contributions to Trust Fund of Infrastructure mentioned in note 30

24. Finance income

Finance income is broken down as follows:

Description	31/12/2018	31/12/2017
Interest	$532	$741
Total finance income	**$532**	**$741**

25. Finance expenses

Finance expenses are broken down as follows:

Description	31/12/2018	31/12/2017
Interest	$13,883	$16,144
Foreign currency exchange loss, net	7,800	3,622
Other expenses	3,333	837
Bank expenses	13	9
Total finance expenses	**25,029**	**20,612**

26. Leases

The Business leases office premises under non-cancellable operating leases. The total of future minimum lease payments under non-cancellable operating leases are as follows:

Description	31/12/2018	31/12/2017
Within 1 year	$2,989	$13,795
Between 1 and 5 years	79	223
Total non-cancellable operating leases	**$3,068**	**$14,018**

Operating lease payments represent rentals payable by the Business for equipment and vehicles. Leases are fixed mostly for a term of 1 year and, in some cases, with an option to extend for another year.

The total operating lease payments that were expensed during 2018 were 22,735 (2017: 24,064).

27. Transactions and balances with related parties

During its normal course of operation, the Business and its subsidiaries enter into transactions with its related parties for goods, services and financing that were carried out under market conditions.

As at December 31, 2018, there were no remaining balances with related parties while balances as of December 31, 2017 are as follows:

Description	31/12/2017			
	Trade receivable (Note 11)	Other receivables (Note 11)	Other Borrowing (Note 16)	Loans Payable (Note 16)
Yamana Gold Inc	$19,104	-	-	$3,659
Minera Agua Rica LLC[1]	-	3,955	-	-
Orión del Sur S.A. [1]	-	1,077	-	-
Yamana Chile de Servicios Limitada	-	-	317	-
Estelar Resources Limited S.A.	-	127	40	964
Cognito Ltd.	-	1	-	-
Suyai del Sur S.A. [1]	-	1,940	-	-
Yamana Services Holdings BV	-	1	-	-
Yamana Inti Holdings Coop	-	1	-	-
Yamana International Holdings Cooperatie U.A.	-	-	-	303,672
Yamana Argentina Servicios SA[1]	-	176	2,036	-
Total	**$19,104**	**$7,278**	**$2,393**	**$308,295**

[1]These balances with related parties relate to expenses paid by the Company on behalf of the therein-related parties belonging to Yamana Gold Inc. group of companies in Argentina and/or paid by such entities on behalf of MASA, and then subsequently re-invoiced to the corresponding party.

During the years ended December 31, 2018 and 2017, the Business and its subsidiaries entered into the following trading transactions with related parties:

Description	31/12/2018			31/12/2017		
	Revenue	Administrative expenses	Financial expenses	Revenue	Administrative expenses	Financial expenses
Yamana Gold Inc	$124,009		-	$191,836	-	-
Yamana International Holdings Cooperatie U.A.	-		13,365	-	-	15,184
Yamana Argentina Servicios SA	-	1,791	-	-	1,504	-
Total	**$124,009**	**$1,791**	**$13,365**	**$191,836**	**$1,504**	**$15,184**

The remuneration of the key management personnel amounted to $592 and $1,237 for 2018 and 2017, respectively. The Business does not have post-employment benefits for key personnel of management.

28. Guarantees

The former controlling entity of the Business was a subsidiary of Yamana Gold Inc., an entity that subscribed for the following loan and notes in the past using MAH BV and/or Rentista as guarantors:

Loan

On December 16, 2009, Yamana Gold Inc. and The Bank of Nova Scotia, Ontario, in its capacity agent for the loan syndicate, entered into a credit agreement. In connection therewith, MAH BV signed various guarantee agreements with Yamana Gold Inc., as guarantor. The credit facility amounted to 680,000 and had a due date in 2018.

On January 4, 2011, the credit facility was increased to 750,000 by a first amending agreement “re: credit agreement”. In connection therewith, MAH BV signed a confirmation of guarantee agreement. The agreement was then amended and restated by an amended and restated credit agreement dated February 29, 2012, and, subsequently, by a first amending agreement re: amended and restated credit agreement dated as of February 28, 2013.

On March 31, 2014, the credit facility was increased to 1,000,000 by a second amending agreement "re: amended and restated credit agreement". In connection therewith, MAH BV signed a confirmation of guarantee agreement. The agreement was then amended and restated by an amended and restated credit agreement dated March 31, 2014, December 23, 2014, May 29, 2015, September 28, 2016, June 29, 2018 and a seventh amending agreement dated December 13, 2018. The credit facility was due on March 31, 2019 and then was refinanced, until September 30, 2021.

Notes

On December 18, 2009, Yamana Gold Inc. issued several series of senior unsecured debt notes pursuant to a private placement. In connection therewith, MAH BV signed a guarantee agreement as Yamana Gold Inc. guarantor. The notes had an original value of 270,000. On December 21, 2014, the series A notes, with a value of 15,000, were fully repaid. On December 21, 2016, the series B notes, with a value of 73,500 were fully repaid. The total value of the series C notes outstanding at December 31, 2017 was 181,500. The series C notes had a maturity date of December 21, 2019; however, Yamana Gold Inc. redeemed the series C notes on January 29, 2018.

On 23 March 2012, Yamana Gold Inc. issued several series of senior unsecured debt notes pursuant to a private placement. In connection therewith, MAH BV signed a guarantee agreement as Yamana Gold Inc. guarantor. The notes had a total value of 500,000 at December 31, 2017 and are due in 2018, 2020, 2022 and 2024, respectively. The series notes, with a value of 75,000 were fully repaid on March 23, 2018.

On June 10, 2013, Yamana Gold Inc. issued several series of senior unsecured debt notes pursuant to a private placement. In connection, therewith MAH BV signed a guarantee agreement as Yamana Gold Inc. guarantor. The notes had a total value of 300,000 at December 31, 2017 and are due in 2018 and 2023, respectively.

On June 30, 2014, Yamana Gold Inc. issued senior unsecured debt notes. In connection therewith, MAH BV signed a guarantee agreement as Yamana Gold Inc. guarantor. The notes had a total value of 500,000 at December 31, 2017 and are due in 2024.

On 4 December 2017, Yamana Gold Inc. issued senior unsecured debt notes. In connection, therewith MAH BV signed a guarantee agreement. The notes had a total value of 300,000 at December 31, 2017 and are due in 2027.

As part of the acquisition by Mineros, as explained in Note 1, Yamana Gold Inc. notified the lenders, administrative agents, trustee, securities administrator of the abovementioned loans and notes of the disposition of MAH BV and the consequently release of all the guarantees herein mentioned. Consequently, MAH BV shall no longer has any obligations and the guarantees shall be terminated and of no force and effect with respect of MAH BV from December 13, 2018 onwards.

29. Approval of Carve-Out Consolidated Financial Statements

The Carve-Out Consolidated Financial Statements of the Business for the years ended December 31, 2018 and 2017 were approved by the Management Board of Mineros Argentina Holdings B.V. at its meeting on March 24, 2021.

30. Subsequent events

Agreement with Government of San Juan - Argentina

Until July 15, 2019, MASA and the Government of San Juan used to support the Trust Fund of Infrastructure with the aim of providing support to the community of San Juan. MASA used to contribute 1.5% of the total gross sales of the metals produced by Gualcamayo to the Trust Fund of Infrastructure

Due to the mine's current conditions and in order to encourage mining exploration and the extension of the useful life of the Gualcamayo's project, MASA and the Government signed an updated agreement on July 2019. Under this agreement, MASA will reduce its contribution to the Trust Fund of Infrastructure from 1.5% to 0.75% of the total gross sales of the metals produced by Gualcamayo. In return of this reduction, MASA committed to develop the project called "Plan de Exploración", under which MASA will invest an average annual amount of 8,000 over a 3-year period in exploration work (in 2019, MASA invested 8,161, and during fiscal year 2020 and up to February 2021, the amount invested arose to 7,100).

COVID-19 effect

Starting December 2019, the world suffered a pandemic disease called Covid-19 that affected worldwide all the productive and commercial activities.

Management considers that this situation has not had a significant impact on the going concern assumption for the Carve-Out Consolidated Financial Statements, since the operations in Argentina have not been affected.

In Argentina, the first case of Covid-19 was identified on March 9th, and by March 20th, the national government declared the "Preventive and Mandatory Social Isolation", for eleven days, restricting mining operations. By the end of March, the government extended the isolation until April 26th, but the mining industry was this time exempted and it returned to normal operation.

During this time, the dore price has increased both in the current spot market as well as future prices. In light of the Covid-19 crisis, the Business has assessed its projections as of the date of issuance of these Carve-Out Consolidated Financial Statements, and concluded there was no significant impact on its financial position, results of operations or cash flows, derived from such Covid-19 crisis.

DCP

According to the first Preliminary Economic Assessment ("PEA") carried out by MASA, the DCP project has a potential target of approximately 2.1 million oz. of gold resource. MASA is currently undertaking some researches in order to develop the best method that will be economical and environmentally sustainable for MASA. In consequence, MASA is developing the second PEA, which is expected to be concluded by the second quarter of 2021. During this time, the Management Board of MAH BV will continue the evaluation and exploration of additional targets.

Impairment on Gualcamayo mine

For the fiscal year ended December 31, 2020, the Company recorded an impairment charge on non-current assets of $7,503 recognized at the Gualcamayo Mine. During the year, the Company performed a review for indicators of impairment at each of the cash generating units and evaluated key assumptions such as significant revisions to the mine plan including current estimates of recoverable mineral reserves and resources, recent operating results, future expected production based on the reserves, appropriate discount rates), which led to an indicator of impairment of the Gualcamayo cash-generating unit ("CGU").

The Company's impairment testing incorporated the following key assumptions: long term gold prices ranging from $1,550 and $1,849 per ounce; life of mine estimate of 6 years; and, a pre-tax discount rate of 19.2%, which represented the Company's weighted average cost of capital and which included estimates for risk-free interest rates, market value of the Company's equity, market return on equity, share volatility and debt-to-equity financing ratio.

Management considers that given the existence of mining plans and long-term budgets, it is suitable to use the Free Cash Flows (FCF) technique for the period of estimation.

Tax Framework in Argentina

On December 29, 2017, Law No., 27,430 of Tax Reform was published in the Official Gazette, which entered into force the day after its publication. One of the main changes of the tax reform is the reduction of the tax rate to the profits that taxes the business profits not distributed from 35% to 25% since January 2020, with a transition scheme between January 1, 2018 and December 31, 2019, in which the tax rate will be 30%. Nevertheless, on December 23, 2019, Law No. 27,541 of Social Solidarity and Productive Reactivation was published in the Official Gazette, which entered into force the day after its publication, suspended the reduction of the tax rate which, until December 31, 2020, is still 30%.

The main accounting impact of the new rules is the measurement of deferred tax assets and liabilities, given that these should be recognized by applying the tax rate that will be in effect at the dates when the differences between accounting and tax values will be reversed or used.

As provided in the penultimate paragraph of article 106 of the Income Tax Law (text ordered by Decree No. 824/2019), incorporated by Law No. 27,430 with effect from fiscal years beginning as of January 1, 2018, the so-called inflation adjustment shall be applicable in the fiscal year in which a percentage variation of the general consumer price index (CPI), accumulated in the thirty six (36) months prior to the closing of the fiscal year under consideration, exceeds one hundred per cent (100%).

Without prejudice to this, the last paragraph of the aforementioned article 106 (as amended by Law No. 27.468 -published in the Official Gazette on December 4, 2018) specifically provides that for the first, second and third fiscal years as of the effective date, the inflation adjustment shall be applicable in the event that the variation in the index, calculated from the beginning and until the end of each of those years, exceeds fifty-five percent (55%), thirty percent (30%) and fifteen percent (15%) for the first, second and third year of application, respectively.

In accordance with the above provisions, the annual variation of the CPI for the year 2018 was 47.6% and, therefore, the inflation adjustment procedure in the Income Tax for the fiscal year 2018 is not applicable.

Additionally, the annual variation of the CPI for the year 2019 was 53.8% and, therefore, the application of the inflation adjustment in the Income Tax for the fiscal year 2019 becomes effective for the Company.

On the other hand, the annual variation of the CPI for the year 2020 is 36.14%; therefore, the inflation adjustment in the Income Tax for the fiscal year 2020 is applicable, as well.

At the date of issue of these financial statements, the Board and the Management of the Company have analyzed the deferred tax impact of this reform and have assessed the Income Tax for the fiscal periods 2020, 2019 and 2018 applying the adjustment for tax inflation established in Title VI of the Income Tax Law.

On December 23, 2019, Law No., 27.541 of Social Solidarity and Productive Reactivation in the framework of the public emergency, was published in the Official Gazette. It established that the income or loss arising from the adjustment for inflation procedure corresponding to the first and second fiscal periods beginning as of January 1,2019 must be proportionally allocated in a six-year period, instead of the three years according to previous regulations.

At the date of issue of these financial statements, the Company has applied the amendments to law.

Exchange and Export Duty Law in Argentina

a) Export duty

In 2002, as an emergency measure, Argentina adopted a 5% export duty on certain mineral products, including gold. At the time, the duty was described as “temporary”. Gualcamayo export of gold doré was subject to this 5% export duty from the commencement of operations in March 2009 until December 20, 2015, when the duty was repealed by the Argentine government. On September 3, 2018, after significant depreciation of the Argentine peso, the Argentine government re-established customs duties on all exports from Argentina until December 31, 2020. As a result, exports of gold doré are subject to a 12% duty, capped at ARS 4.00 per dollar exported, resulting in an effective rate of about 10.5% at the then current foreign exchange rate.

On December 23, 2019, Law No. 27,541 was enacted, lowering the export duty to 8% until December 31, 2020. However, until the effective ruling of such Law was issued on October 2, 2020 (Decree No. 785/2020), the Company was still paying export duties at 12% rate. Additionally, such regulation extended the application of the lower rate until December 31, 2021.

b) Foreign Exchange regulations

The Executive Decree No. 609/2019, as amended by Executive Decree No. 91/2019, reinstated the foreign-exchange control regime, which imposes a series of restrictions affecting the official foreign-exchange market (“MLC” for its Spanish acronym), cross-border transfers and the free availability of foreign currency to exporters of goods and services - provides that foreign exchange proceeds from exports of goods and

services shall be transferred to Argentina's financial system and exchanged for Argentine pesos in the MLC under the terms and conditions that the Argentine Central Bank (*Banco Central de la República de Argentina* or "BCRA") may establish -. In addition, it vests the BCRA with powers to regulate the cases of transfers abroad, as well as purchases of foreign currency and precious metals which require its authorization before having access to the market. The BCRA is also empowered to lay down regulations to avoid practices and transactions intended to circumvent the provisions of the executive order through sovereign bonds or other instruments.

On December 28, 2019, the Argentine Government amended article 1 of Decree 609/2019, extending the obligation to transfer export proceeds to Argentina and exchange them for Argentine pesos in the MLC established for an indefinite period of time. To date, the restrictions for accessing the foreign exchange market applicable to the Company are as follows:

Export of goods

Exports receipts in foreign currency originating from goods' exports are to be settled in the MLC within 5 business days after the receipt date or within the specific term as of custom clearance set by the BCRA for each type of goods, if exported after September 2,2019.

The exporting Company must designate a financial entity to track each export transaction. The obligation of settling the foreign exchange in the MLC is considered extinguished when the financial institutions certify the completion of the settlement transaction in the local market.

Import payments and other foreign purchase transactions

Access to the MLC to pay for principal and interest of imports of goods and supplies is allowed under certain specific conditions. The Company, through financial entities, may access to the MLC for foreign debt payment related to guarantees or collaterals for importing goods and for the payment of credit lines opened for importing purposes to the extent that the specific conditions set forth in the foreign-exchange regulations are met.

Exceptions for the obligations to settle foreign currency using the MLC for the proceeds of exports of goods and services, foreign debt in the MLC

It will not be mandatory the settlement of foreign currency in the MLC originated from exports and foreign debt, if they comply with the following conditions:

i. The foreign currency funds are credited to foreign currency denominated accounts that the individual or legal entity (i.e., the Company) holds in local financial entities;
ii. The funds are transferred to said accounts within the established deadlines mentioned above;
iii. The funds will be used simultaneously for transactions for which current foreign-exchange regulations allow access to the MLC against local currency; and,
iv. The use of this alternative is tax neutral.

Foreign financial debt

In order to be allowed access to the MLC to cancel foreign currency financial debt principal and interest, the original principal from these debts must have been transferred to Argentina and exchange for Argentine pesos in the MLC in accordance with the terms and conditions required by the BCRA. Additionally, it is required that the BCRA formally approves the access to the MLC for such payments if made with more than three business days in advance of its maturity date.

Furthermore, if the financial debt is between related companies, the Argentine debtor requires the prior written authorization from the BCRA to access the MLC to cancel the principal unless the disbursements were transferred to Argentine and exchange for Argentine pesos in the MLC as of October 2, 2020 and the indebtedness has an average life of not less than two years.

The authorization from the BCRA is rarely obtained or at least not in a timely manner, which in practice implies an effective restriction of access to the MLC for these purposes.

Payment of dividends
Local entities may access the MLC to pay dividends to non-resident shareholders exclusively in those cases in which there were new capital injections since January 17, 2020, previously transferred to Argentina and exchanged for Argentine Pesos, and that such payments comply with certain requirements set forth in the foreign-exchange regulations, such as the dividends arise from audited financial statements, the amount does not exceed certain limitations, the Company complies with certain documentation filing requirements, among others.

Additionally, the BCRA established through Communiqué "A" 7123 the obligation for non-residents to prove that the funds related to new investments (after October 2, 2020) have been brought to Argentina and exchanged for Argentine pesos through the MLC to repatriate the proceeds arising from said direct investment (e.g.: capital contributions, purchase of interests in local companies and real estate) and the repatriation takes place at least two years after its entry.

Payment for services provided by non-residents
The entities may access the MLC to pay for services provided by non-residents if such debts were declared in the last overdue filing of the reporting information regime regarding foreign debt and direct investment ("Relevamiento de activos y pasivos externos" under its Spanish name). In addition, if the entity intends to pay for such services before its due date, it must receive prior written authorization from the BCRA to access the MLC. Such authorization will also be required for payments made to related parties.

The authorization from the BCRA is rarely obtained or at least not in a timely manner, which in practice implies an effective restriction of access to the MLC for these purposes.

Additional general rulings applicable to payments in foreign currency (BCRA's Communiqué No. "A" 7030, as amended)

In order to access to the MLC for the payments of imports of goods or services, dividends, financial debt, and others without the prior written authorization of the BCRA, financial institutions will require to the client the compliance of additional requirements, among others the filing of an affidavit stating that:

(i) on the day that it requests access to the MLC and in the previous 90 consecutive days, it didn't carry out sales of securities against foreign currency or transfers of the same to depository entities abroad;
(ii) undertakes not to sell securities against foreign currency or transfer them to depository entities abroad for the subsequent 90 consecutive days;
(iii) all of its foreign currency holdings in Argentina are deposited in local bank accounts and that it does not have available external liquid assets for an amount exceeding the equivalent to USD100,000, at the beginning of the day in which access to the MLC is being requested; and
(iv) undertakes to transfer to Argentina and exchange for Argentine pesos through the MLC (within five working days of its availability), any proceeds received abroad from the collection of loans granted to third parties, the collection of fix-term deposits or the sale of any type of asset, when the asset has been acquired, the deposit constituted, or the loan granted after May 28, 2020.

Temporary restrictions applicable to the payment of imports of goods

Until March 31, 2021, access to the MLC for the payment of imports (including prepayments and cancellations of credit lines related with the imports of goods), will require the prior authorization of the BCRA, except for:

(i) Payments within the established quota: In order to access to the MLC for the payment of imports, local importers must provide an affidavit stating that the total amount of payments for imports of goods made through the MLC as of January 1, 2020, including the payment for which access to the MLC is being requested, does not exceed by more than the equivalent of US$1,000,000 the total amount resulting from considering: (i) the amount for which the importer would have access to the MLC by computing the imports of goods registered on behalf of the importer in the tracking system for payments of imports (Sistema de seguimiento de pagos de importaciones - SEPAIMPO) and that have

obtained the corresponding custom clearance between January 1, 2020 and the day before accessing to the MLC; (ii) plus the amount of payments made under sections 2.2. to 2.6. of Communiqué "A" 7193 not associated with imports included in item (i) above; and (iii) minus the amount pending to be regularized for payments of imports with pending customs clearance between September 1, 2019 and December 31, 2019.

(ii) Deferred payments or payments on demand: The prior authorization of the BCRA will not be required if the importer requests access to the MLC for deferred payments or payments on demand of imports of goods shipped as of July 1, 2020 or which, having been shipped prior to that date, had not arrived to Argentina before that date.

(iii) Commercial debts with export credit agencies: The prior authorization of the BCRA will not be required if the access to the MLC is being requested for a payment associated with a transaction not included in item (ii), to the extent that it corresponds to the cancellation of a commercial debt for imports of goods with an export credit agency, a foreign financial institution or has a guarantee granted by one of them.

(iv) Public sector: The prior authorization of the BCRA will not be required if the importer is (a) part of the Argentine public sector; (b) a private company under the control of the Argentine National State; or (c) a trust incorporated with contributions from the national public sector.

(v) Provision of critical medicines: The prior authorization of the BCRA will not be required for import payments with pending customs clearance to be made by a legal entity in charge of the provision of critical medicines to be entered by Private Request (Solicitud Particular) by the beneficiary of such medical coverage.

(vi) COVID-19 detection kits: The prior authorization of the BCRA will not be required for imports with pending customs clearance for the purchase of COVID-19 detection kits or other goods included in the list published by Decree No. 333/2020.

(vii) Advance payments of imports for goods or supplies related to the provision of medicines or linked to medical and/or health care: The prior authorization of the BCRA will not be required if the payment corresponds to import of goods or supplies related with the provision of medicines or linked to medical and/or health care, to the extent that it does not exceed the amount of US$3,000,000, calculated as described in item (i) above.

It should be noted that as of December 30, 2020, the amount by which importers may access to the MLC for the payment of imports has been increased up to the equivalent of 50% of the amounts transferred by the importer and exchanged for Argentine pesos through the MLC as advances or pre-financing of exports from a foreign jurisdiction, as from October 2, 2020 and with a minimum term of 180 days.

Additionally, the BCRA has established that, in the case of operations transferred and exchanged for Argentine pesos through the MLC as of January 4, 2021, access to the MLC for the remaining 50% will be allowed, to the extent that it corresponds to advance payments of capital goods.

Finally, Communiqué "A" 7201 has established that the prior authorization of the BCRA will be required in order to proceed with the payment of imports of certain luxury goods listed in Annex I and II of such Communiqué.

Additional general rulings applicable to repayments of financial borrowings in foreign currency (BCRA's Communiqués No "A" 7106 and 7230)

Companies holding foreign financial indebtedness with monthly maturities exceeding U$1,000,000 must renegotiate repayment conditions with such creditors under the terms established within this new regulation.

The regulation indicates that those who require access to the MLC for the payment of principal of certain financial debts due between October 15, 2020 and March 31, 2021, and between April 1, 2021 and December 31, 2021 must submit to the BCRA a detailed refinancing plan based on the following criteria:

a) Access to the FX Market on the original maturity date shall not exceed 40% of the principal maturing.

b) The remaining principal must be refinanced with a new external debt with an average duration of 2 years.

The refinancing plan for financial debt with principal due until December 31, 2020 was required to be submitted to the BCRA before September 30, 2020. For maturities between January 1, 2021 and March 31, 2021, the plan must be submitted at least 30 calendar days prior to the maturity of the principal to be refinanced. For maturities between April 1, 2021 and April 15, 2021, the plan was required to be submitted before March 15, 2021; and for maturities between April 16, 2021 and December 31, 2021, the plan must be submitted at least 30 calendar days prior to the maturity of the principal to be refinanced.

The refinancing plan is not required for:

i) indebtedness with multilateral financial institutions or guaranteed by them;

ii) indebtedness with official credit agencies or guaranteed by them; or

iii) in cases where access to the exchange market is granted for the repayment of principal of such indebtedness in an amount not exceeding the equivalent of US$1,000,000 per calendar month.

Based on the analysis of the restrictions established by the BCRA for access to the foreign exchange market management understands that most significant impact refers to the repayment conditions of MASA's intercompany loan held with the Business, specifically since the publication of Communication No. 7,106 that refers to repayment of principal amounts of offshore loans in USD.

Management's Discussion and Analysis of Financial Condition & Results of Operations of the Acquired Business – Year Ended December 31, 2018 and 2017

This MD&A relates to the financial condition and results of operations of the Acquired Business for the year ended December 31, 2018 and 2017 and should be read in conjunction with the carve-out consolidated financial statements and related notes for the same periods.

The MD&A is intended to help the reader understand the Acquired Business, as defined in section 1 below, our operations, financial performance and present and future business environment.

For purposes of the carve-out consolidated financial statements, the results and financial position are presented in United States dollar (US$).

Business Overview

On December 14, 2018, the Company acquired the following from Yamana International Holdings Coöperatie U.A. ("**Yamana U.A.**"): i) 100% of the issued share capital of Yamana Argentina Holdings B.V. (now, Mineros Argentina Holdings B.V.), and ii) indirectly, 0.0006% interest in Yamana Chile Rentista de Capitales Mobiliarios Limitada (now, Mineros Chile Rentista de Capitales Mobiliarios Limitada) ("**Rentista**"). In turn, Mineros Argentina Holdings BV owns a 99.9994% interest in Rentista, and a 44.63% interest in MASA with the remaining 55.37% interest in MASA being owned by Rentista (collectively, the "**Transaction**").

Mineros Argentina Holdings B.V. ("**MAH BV**") is a Dutch holding company, incorporated under the laws of the Netherlands on December 13, 2007. The registered office address of the company is at Prins Bernhardplein 2p00, 1097 JB Amsterdam, the Netherlands. The main activities of MAH BV are to act as a holding and financing company.

MAH BV currently holds investments in two subsidiaries: a) MASA, which is its principal asset; and b) Rentista, which is mainly a holding company with no substantial balances and operations, other than its controlling equity interest in MASA.

The main operation of Minas Argentinas S.A. is the exploitation of the Gualcamayo gold mine deposit ("**Gualcamayo**"), located 270 kilometers from the capital of the Province of San Juan, Argentina. The Gualcamayo gold mine is a heap-leach operation with three main deposits: Quebrada del Diablo "**QDD**", Amelia Inés and Magdalena and Quebrada del Diablo Bajo.

Mineros, the ultimate parent company, is a Colombian corporation that was incorporated on November 14, 1974 for an initial period of 99 years, which can be extended by amending Mineros' by-laws. Is registered and its head offices are located in Medellín, Colombia at the Nova Tempo Building (6th floor), Carrera 43 A #14-109. Mineros is publicly listed on the Colombian Securities Exchange, Bolsa de Valores de Colombia, where 100% of the issued and outstanding common shares are listed under the symbol: MINEROS:CB.

Before consummating the Transaction, MAH BV transferred its 50% equity interest in Yamana Argentina Servicios S.A. and its 2.17% equity interest in Orión del Sur S.A. (the "**Carved-out entities**") to Yamana U.A. Consequently, the carve-out consolidated financial statements of the acquired Gualcamayo mine business (hereinafter referred to in this MD&A as the "**Business**") exclude the assets, liabilities and results of operations of such Carved-out entities which were not part of the Transaction.

Highlights

Financial and Operating Performance for the Years Ended December 31, 2018 and 2017

			Change	
In Thousands of US dollars	**2018**	**2017**	**$**	**%**
Revenues	127,519	191,836	(64,317)	(34%)
Gross loss	(2,776)	(878)	(1,898)	(216%)
Loss for the year	(65,861)	(27,797)	(38,064)	(137%)
Adjusted EBITDA[(1)]	6,267	12,238	(5,971)	(49%)
Net Cash from Operating Activities	(2,498)	24,227	(26,725)	(110%)

Note:
(1) Non-IFRS measure – see section 7.1 in this MD&A.

Financial Performance

- Revenue declined by 34%: revenues were $127.5 million in 2018 compared to $191.8 million for 2017;
- Gross Loss for the year was ($2.8) million for 2018 compared to ($1) million for 2017;
- Loss for the year was ($65.9) million for 2018 compared to ($27.8) million in 2017;
- Adjusted EBITDA fell by 49%: Adjusted EBITDA was $6.3 million, compared to $12.2 million in 2017;
- Net cash provided by operating activities down 110%: amounted to ($2.5) million for 2018 (2017: $24.2 million).

OPERATIONS REVIEW

Operations Updates

In mid-December of 2018, Mineros acquired the Acquired Company whose primary indirect asset was the Gualcamayo Property which includes the Gualcamayo Mine.

Review of Financial Results

Overview

The following table sets forth summarized results of operations for the year ended December 31, 2018 and 2017 from financial information extracted from the Acquired Business's financial statements included elsewhere in this prospectus, which have been prepared in accordance with IFRS, for the periods noted.

	Years Ended December 31			
	2018	2017	Change	
	(US$000s)		$	%
Revenues	127,519	191,836	(64,317)	(34%)
Cost of Sales	(130,295)	(192,714)	62,419	(32%)
Gross Loss	**(2,776)**	**(878)**	**(1,898)**	**(216%)**
Administration expenses	(1,910)	(1,580)	(330)	21%
Other expenses	(9,315)	(5,578)	(3,737)	67%
Finance income	532	741	(209)	(28%)
Finance expenses	(25,029)	(20,612)	(4,417)	21%
LOSS FOR THE YEAR BEFORE INCOME TAX	**(38,498)**	**(27,907)**	**(10,591)**	**38%**
Deferred income tax (expense) income	(27,363)	110	(27,473)	(25,000%)
NET LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE LOSS	**(65,861)**	**(27,797)**	**(38,064)**	**(137%)**

	Years Ended December 31			
	2018	2017	Change	
	(US$000s)		$	%
Total current assets	69,816	100,165	(30,349)	(30%)
Total non-current assets	51,238	93,968	(42,730)	(45%)
Total current liabilities	35,598	144,318	(108,720)	(75%)
Total non-current liabilities	10,658	227,650	(216,992)	(95%)
Total net parent investment (deficit)	74,798	(177,835)	(252,633)	(142%)

Review of Annual Results

Revenues down by 34% explained by a 53% decrease in production (2018: 100 koz vs 2017: 152 koz), which was slightly offset by 1% increase in average realized price.

Decrease in cost of sales of 32% is mainly explained by lower labour costs ($22.5 million), lower maintenance and repairs ($7.0 million) and Depreciation and Amortization ($3.7 million), all related to lower production levels and the devaluation of the Argentine peso versus US dollars (49%).

Administrative Expenses increased by 21%, due to services provided by related parties, during the regular course of operations.

Other Expenses increased by 67% explained mainly by impairment of exploration projects according to accounting policies.

Finance Expenses increased by 21% mainly due to foreign currency exchange loss.

Deferred taxes expense increased by $27.4 million, explained by accumulated tax depreciation of $27.1 million, deducted against the tax profit for the year 2018.

Review of financial situation

The decrease in current assets of 30% corresponds to the decrease in accounts receivable with related parties, which were settled before the business combination at the end of the 2018 period (2018 – $0 vs 2017 – $19.1 million). The Business sells to only one customer. All trade accounts receivables are collected in cash within 30 days from the invoice date, which corresponds to the delivery date. As of December 31, 2018, and 2017, there are no trade accounts receivables overdue.

The 45% decrease in non-current assets is mainly due to the decrease in deferred tax assets, which went from $ 30.7 million in 2017 to $ 3.4 million in 2018, explained by accumulated tax depreciation deducted against the tax profit for the year.

The decrease in current liabilities by 75% and non-current liabilities by 95% is mainly due to the capital contribution of intercompany loans that the Business had before the business combination with Mineros S.A. Prior to its acquisition by Mineros S.A., as explained in Note 1, Yamana U.A. held some loans with Rentista and with MAH BV (formerly Yamana Argentina Holdings B.V.) for $310.6 Million as of December 31, 2017. The loan held by Rentista did not accrue interest and was payable on-demand, within five days following the request from the creditor.

As part of a share and loan purchase agreement between Mineros, Yamana, and Yamana U.A. dated December 14, 2018, Yamana and Yamana U.A. capitalized the remaining balances of such loans in MAH BV on December 13, 2018, including accrued interest during 2018, excepted for $30.6 million linked to a new royalty agreement in exchange for a reduction in the balance of this intercompany loan on such amount.

Financial Condition and Liquidity

Cash Flow Analysis

The following table summarizes the Business's cash flow activity for following periods:

	Year Ended December 31	
	2018	**2017**
	(US$000s)	
Cash Flow		
Net cash flow (used in) from operating activities	(2,498)	24,227
Net cash flow used in investing activities	(125)	(129)
Net cash flow used in financing activities	(4,111)	(23,024)
Net (decrease) increase in cash and cash equivalents before effect of exchange rate changes	**(6,734)**	**1,074**
Effect of exchange rate changes on cash and cash equivalents	875	(5,897)
Net decrease in cash and cash equivalents	**(5,859)**	**(4,823)**
Cash and cash equivalents, beginning of the year	6,307	11,130
Cash and cash equivalents, end of year	**448**	**6,307**

Cash flow from operating activities decreased by $26.7 million mainly explained by lower production that translated in lower cash received from clients for $51.6 million and lower reimbursements of VAT for $12.2 million; offset by $39.8 million of lower payments to suppliers ($23.4 million) and employee benefits ($16.4 million).

Net cash used in financing activities decreased by $18.9 million due to lower payments of debt (capital and interest) for $16.3 million and proceeds from new loans for $2.6 million.

Working Capital

As at December 31, 2018, the Business had cash and cash equivalents of $448 thousand.

	As at December 31	
	2018	**2017**
	(US$000s)	
Total assets	121,054	194,133
Total Non-current liabilities	10,658	227,650
Total net parent investment (deficit)	74,798	(177,835)
Working capital[(1)]	34,218	(44,153)
Cash and cash equivalents	448	6,307
Loans and other borrowings (current and non-current)	-	310,688

Note:
(1) Working capital is defined as the excess of current assets over current liabilities, which includes the current portion of long-term debt.

Capital Resource Management

The Business's objectives of capital management are to safeguard the entity's ability to support normal operating requirements on an ongoing basis, continue the development and exploration of its mineral properties and support any expansionary plans.

In the management of capital, the Business includes its net parent investment, related party's short-term and long-term debt and other borrowings, net of cash and cash equivalents, summarized as follows:

	Years Ended December 31	
	2018	**2017**
	(US$000s)	
Net parent investment (deficit)	74,798	(177,835)
Loans and borrowings	-	310,688
Total Capitalization	**74,798**	**132,853**
Less: Cash and cash equivalents	448	6,307
Net Capitalization	**74,350**	**126,546**

The Business manages its capital structure and adjusts it considering changes in its economic environment and the risk characteristics of the Business's assets. To effectively manage the entity's capital requirements, the Business has in place a planning, budgeting and forecasting process to help determine the funds required to ensure the Business has the appropriate liquidity to meet its operating and growth objectives.

Exchange restrictions in Argentina

On September 2019, the Central Bank of Argentina implemented new foreign exchange regulations requiring government permission to transfer money overseas, sell Argentina Peso or buy foreign currency. On December 28, 2019, the Argentine Government amended article 1 of Decree 609, extending the obligation to settle foreign currency assets positions through the local official foreign exchange markets indefinitely.

Differences between the Central Bank's local foreign exchange market (known as "**MULC**") and unregulated international foreign exchange markets may negatively affect the Business's operations in Argentina on the repatriation of dividends (in USD equivalent) as well as the increased cost and risks of doing business in developing markets, which could impact liquidity in the future.

To mitigate this foreign currency exchange restriction, the Business minimizes any cash or financial assets held in Argentina, outside of what is required to operate the business. To date, the Business has not repatriated any earnings from Argentina through regular dividend payments and does not expect to do so in the future unless there is a significant increase in production and cash flow from operations.

Critical Accounting Estimates and Policies

The carve-out consolidated financial statements of the Business have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and its corresponding interpretations (IFRIC) issued by the International Financial Reporting Interpretation Committee (IFRIC). The recent accounting pronouncements and significant accounting policies applied are described in Note 2 to Note 4 to the carve-out consolidated financial statements of the Business for the years ended December 31, 2018 and 2017.

These carve-out consolidated financial statements have been prepared under the historical cost basis, except for certain financial assets and liabilities and lands and certain construction & buildings and machinery and equipment ("Machinery and Equipment") that are measured at fair value.

In applying the Business's accounting policies, management is required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the period of the revision and future periods if the revision affects both current and future periods.

The critical judgments and key sources of estimation uncertainty are disclosed in Note 5 to the carve-out consolidated financial statements of the Business for the years ended December 31, 2018 and 2017.

Non-IFRS Financial Measures

Management believes that these measures, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Business. Reconciliations associated with the above performance measures can be found below. Management's determination of the components of non-IFRS financial measures are evaluated on a periodic basis influenced by new items and transactions, a review of investor uses and new regulations as applicable. Any changes to the measures are duly noted and retrospectively applied as applicable. Subtotals and per unit measures may not calculate based on amounts presented in the following tables due to rounding.

Adjusted EBITDA

The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use the adjusted earnings before interest, tax, depreciation and amortization excluding items such as other non operating income or expenses, financial income or expenses and current and deferred taxes ("**Adjusted EBITDA**"). Adjusted EBITDA is useful to evaluate the Acquired Business' performance and ability to generate cash flows and service debt since it is consistent with the indicators management uses internally to measure the Acquired Business' performance.

These do not have a standard meaning and are 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 and therefore may not be comparable to similar measures presented by other issuers. The following tables provide the illustration of the reconciliation of this margin, for the years ended December 31, 2018 and 2017.

	Years Ended December 31	
	2018	**2017**
	(US$000s)	
Net loss for the year	(65,861)	(27,797)
Add: Other expenses	9,315	5,578
Less: Finance income	(532)	(741)
Add: Finance expense	25,029	20,612
Add/less: Deferred income tax (expense) income	27,363	(110)
Depreciation and amortization	10,953	14,696
Adjusted EBITDA	**6,267**	**12,238**

Risk Factors

The Business's most significant funding source is its parent entity. The management board of MAH BV monitors and administers financial risks related to its operations by means of the analysis of exposures and the size of the risks associated with each operation, including analysis of market risk, credit risk and liquidity risk and requires funds from its parent entity as necessary.

Market Risk

Market risk is the risk that arises from a change in the fair value of future cash flows, as a result of the fluctuations of market prices, exchange rates and interest rates. The risk is measured by means of a strict analysis of the markets and of volatilities observed in the prices of assets or liabilities that could affect the Business's results, based on the exposure. In the Business, the risks deriving from the price of precious metals and from exchange rate risks are actively managed.

The economic activity of the Business mainly exposes it to the risk derived from the changes in the price of gold and of the foreign exchange market, principally the risks deriving from the fluctuations of the price of gold.

There have been no changes in the Business's exposures to market risks or in the way in which these risks are managed and measured during 2018 and 2017.

Foreign exchange risk

The Business's functional currency is US$. The vast majority of the Business's revenues and borrowings are denominated in US$. Foreign exchange risk arises from transactions denominated in currencies other than US$. In this sense, most of its operating expenses and local tax credits are denominated in AR$. The Business does not use derivatives as a hedge against exchange rate fluctuations.

Commodity price risk

The Business sells gold in the international precious metals market. The Business's profitability and long-term viability depend, in large part, upon the market price of gold. Market price fluctuations of this commodity could adversely affect profitability of operations and lead to impairments. Gold price fluctuate widely and is affected by numerous factors beyond the Business's control including but not limited to supply and demand, consumption patterns, macroeconomic factors (interest, exchange and inflation), banking and political conditions, and mining specific factors.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Business. As at December 31, 2018, the Business's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Business due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Business arises from the carrying amount of the respective recognized financial assets as stated in the statement of financial position.

For trade receivables, the Business has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The management board of MAH BV determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. However, there is no history of losses on the Business's trade receivables given the nature of the transactions performed and the high credit rating of its counterparty. Receipts are in cash and received upon delivery of production to the customer.

In relation to other local tax credits, the Business does not have a history of losses and normally recovers its balances within a short period of time.

The Business does not have any guarantee to cover credit risks associated with its financial assets.

Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Business's short, medium and long-term funding and liquidity management requirements. The management board of MAH BV manages liquidity risk by maintaining adequate operating cash flow and requesting sufficient loans from related parties, as it continuously monitors forecast and actual cash flows, and by matches the maturity profiles of financial assets and liabilities.

The following table sets forth the maturity dates of the Business's financial assets and liabilities as of December 31, 2018:

	Maturity Date			
	1 - 3 months	**3 - 6 months**	**More than 1 year**	**Total**
	(US$000s)			
Financial assets				
VAT receivables	2,398	3,437	4,585	10,420
Trade and other receivables	7,030	-	-	7,030
Tax receivables	1,037	-	-	1,037
	10,465	**3,437**	**4,585**	**18,487**
Financial liabilities				
Trade and other payables	32,972	-	-	32,972
Provisions	-	-	10,585	10,585
Employee benefits	73	-	2,626	2,699
	33,045	**-**	**13,211**	**46,256**

CERTIFICATE OF THE COMPANY

Dated: September 16, 2021.

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of Canada, other than Québec.

(signed) "*Andres Restrepo Isaza*"

Andres Restrepo Isaza
President and Chief Executive Officer

(signed) "*Alan Wancier Rode*"

Alan Wancier Rode
Chief Financial Officer

On Behalf of the Board of Directors

(signed) "*Beatriz Orrantia*"

Beatriz Orrantia
Director

(signed) "*Juan Carlos Paez Ayala*"

Juan Carlos Paez Ayala
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: September 16, 2021.

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of Canada, other than Québec.

SCOTIA CAPITAL INC.
By:

(signed) "*Elian Terner*"

Elian Terner
Managing Director, Global Investment Banking

SPROTT CAPITAL PARTNERS LP
By:

(signed) "*David Wargo*"

David Wargo
Managing Director & Head of Investment Banking