MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION & RESULTS OF OPERATION

FOR THE YEAR ENDED DECEMBER 31, 2021

Mineros

for the well-being of every one

Contents

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis ("MD&A") is dated February 25, 2022, and relates to the financial condition and results of operations of Mineros S.A. ("Mineros" or the "Company") for the fiscal years ended December 31, 2021 and 2020, and should be read in conjunction with the consolidated annual financial statements of the Company and related notes for the same periods, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A addresses matters we consider important for an understanding of our financial condition and results of operations as at and for the year ended December 31, 2021, as well as our outlook.
In this MD&A, references to "US dollars" and the symbol "$" refer to United States dollars. References to the symbol "COP$" refers to Colombian pesos. Tabular amounts are in thousands of United States dollars, except per share amounts, prices and where otherwise indicated. References to "we", "us", "our", the "Company" or "Mineros", refer to Mineros S.A. and/or one or more or all of its subsidiaries, as applicable.

This MD&A contains forward looking information. Forward looking information is necessarily based on a number of opinions, estimates and assumptions that we considered appropriate and reasonable as of the date such statements are made, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward looking information, including but not limited to the risk factors described in the ''Risk Factors" section of the Company's final long form prospectus dated November 11, 2021, available on SEDAR at www.sedar.com. There can be no assurance that such forward looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, prospective investors should not place undue reliance on forward looking information, which speaks only as of the date made. See Section 16: Cautionary Notes and Additional Information – Cautionary Statement on Forward Looking Information.

Certain monetary amounts, percentages and other figures included in this MD&A have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

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

- *Adjusted EBITDA*
- *Cash Cost*
- *All-in sustaining costs ("AISC")*
- *Net free cash flow*
- *Return on Capital Employed ("ROCE")*
- *Net Debt to Adjusted EBITDA ratio*
- *Average realized price per ounce of gold/silver sold*

Reconciliations associated with the above performance measures can be found in Section 12: Non-IFRS and Other Financial Measures in this MD&A.

1. OVERVIEW OF THE BUSINESS

Mineros is a Latin American gold mining company headquartered in Medellín, Colombia with diversified gold-producing and development-stage properties across Central and South America, including the Nechí Alluvial Property in Colombia (the "Nechí Alluvial Property"), the Hemco Property in Nicaragua (the "Hemco Property" and the Gualcamayo Property in Argentina (the "Gualcamayo Property"). Together, the Nechí Alluvial Property, the Hemco Property and the Gualcamayo Property comprise the Company's "Material Properties". The Company also has a number of growth projects including the Porvenir Project (the "Porvenir Project") and the Luna Roja exploration target ("Luna Roja Exploration Target") at the Hemco Property, the Deep Carbonates Project at the Gualcamayo Property (the "Deep Carbonates Project"), and the La Pepa project (the "La Pepa Project") in Chile, where Mineros currently holds a 20% interest. In addition, Mineros has a robust pipeline of exploration targets including the Caribe exploration target (the "Caribe Exploration Target") joint venture located at the Hemco Property, and the Guintar-Niverengo-Margarita exploration target ("GNM Exploration Target") joint venture in Colombia.

The Company has over 46 years of experience developing and operating mining assets in Central and South America. The Company is listed on the Colombian Stock Exchange (*Bolsa de Valores de Colombia*, "BVC") under the symbol "MINEROS" and on the Toronto Stock Exchange ("TSX") under the symbol "MSA". The Company has its head office in Medellín, Colombia and a satellite office in Toronto, Canada. Further information about Mineros can be found in the Company's regulatory filings, available on SEDAR at www.sedar.com and on the Company's website at www.mineros.com.co.

2. STRATEGY

Mineros is focused on the development and operation of a high-quality, diversified portfolio of assets. The Company's aim is to become a prominent intermediate gold producer through both organic and inorganic growth, diversified across Latin America. Mineros' goal is to generate consistent returns and substantial value for our shareholders and local stakeholders through responsible development that employs and develops talented local employees and collaborates with 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.

Mineros has built constructive and collaborative relationships with local authorities in each of the jurisdictions where it operates and they have usually been receptive to the Company's needs.

3. HIGHLIGHTS FOR THE YEAR ENDED DECEMBER 31, 2021

3.1 ANNUAL CORPORATE AND PROJECT HIGHLIGHTS

Listing on the TSX and Closing of Canadian and Colombian Offerings

On November 18, 2021, the Company completed a public offering in Colombia (the "Colombian Concurrent Offering"), issuing 12,777,777 common shares in the capital of the Company ("Common Shares") at $0.90 per share for gross proceeds of approximately $11.5 million, including 1,666,666 Common Shares issued pursuant to the exercise in full by the underwriter for the Colombian Concurrent Offering, of its over-allotment option.

On November 18, 2021, the Company completed its initial public offering in Canada (the "Canadian IPO"), issuing 22,222,223 Common Shares at $0.90 per share for aggregate gross proceeds of approximately $20.0 million. Upon completion of the Canadian IPO, the Common Shares were listed for trading on the TSX under the stock symbol "MSA". On November 25, 2021, the co-lead underwriters for the Canadian IPO, partially exercised their over-allotment option granted to them to purchase an additional 3,050,000 Common Shares at $0.90 per share, resulting in additional gross proceeds of approximately $2.8 million.

Total proceeds of the Canadian IPO and the Colombian Concurrent Offering, net of underwriting fees and various issue costs, were $29.8 million.

Mineral Resource and Mineral Reserves

On September 16, and November 12, 2021, Mineros filed technical reports prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") for each of its three material properties, which included Mineral Reserves and Mineral Resources estimates effective June 30, 2021.

Luna Roja Exploration Target Acquisition

On May 21, 2021, Mineros acquired Royal Road Minerals Limited's ("Royal Road") 50% interest in the Luna Roja Exploration Target, bringing the interest of Hemco-Nicaragua S.A. ("Hemco"), a subsidiary of the Company, to 100% for consideration consisting of $24.5 million (including withholding taxes of $3.7 million) and a 1.25% net smelter return ("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 $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 borrowed $15 million (the "Luna Roja Loan") and Hemco borrowed an additional $7 million to fund a portion of the cash consideration for the Luna Roja Acquisition. The Luna Roja Loan was repaid on December 7, 2021, with net proceeds of the Canadian IPO.

Acquisition of 20% Interest in La Pepa Project

In accordance with the terms of an option agreement dated December 14, 2018, and effective as of July 2, 2019 (the "La Pepa Option Agreement") between the Mineros, Mineros Chile SpA, Yamana Gold Inc. ("Yamana"), and Minera Cavancha SpA ("Minera Cavancha"), on June 25, 2021, the Company exercised its first option and earned a 20% beneficial interest in the La Pepa Project. On December 20, 2021, Mineros, through its subsidiary, Mineros Chile SpA, acquired shares representing 20% of the issued capital of Minera Cavancha, and entered into a shareholder agreement between Minera Yamana Chile SpA, a subsidiary of Yamana Gold Inc., Mineros Chile SpA, a subsidiary of Mineros, and Minera Cavancha, pertaining to Minera Cavancha and operations at the La Pepa Project. Minera Cavancha is the joint venture entity under the La Pepa Shareholders Agreement and the La Pepa Option Agreement.

Consolidation of 100% ownership of Vesmisa Plant

On March 4, 2021, Hemco announced the acquisition of shares representing a 10% equity interest in Vesubio Mining, S.A. ("Vesmisa") for $1.3 million. Vesmisa owns one of two mineral processing plants dedicated exclusively to processing material mined by artisanal miners at the Hemco Property in Nicaragua.

Additionally, on July 27, 2021, Hemco announced the acquisition of the remaining 15% of the equity interest in Vesubio Mining S.A. for $1.5 million. Following such acquisition, Hemco holds a 100% interest in all processing infrastructure at the Hemco Property.

Receipt of Environmental Permits at the Nechí Alluvial Property

On October 22, 2021, Mineros announced that the Colombian National Authority of Environmental Licences (Autoridad Nacional de Licencias Ambientales - "ANLA") approved a previously submitted application to amend the Nechí Alluvial Property environmental management plan ("EMP") and granted environmental permits sufficient to support planned operations at Nechí Alluvial Property within the 141 hectare area covered by the environmental management plan amendments. *See Section 7.3: Material Property Updates – Operations*.

Commissioning of Llanuras Plant, Nechí Alluvial Property

In August 2021, Mineros commenced operating the Llanuras plant, a new alluvial production plant at the Nechí Alluvial Property. The Llanuras plant is smaller than the conventional bucket dredges operating at the Nechí Alluvial Property, and as a result can mine in areas not currently accessible to the bucket dredges. The Llanuras plant is expected to produce up to 9 koz of gold per year.

Advancement of Formalization Process at the Nechí Alluvial Property

In 2021, Mineros successfully consolidated a collaborative formalization process and entered into third party contracts (covering nine operating units) with previously informal miners, working on the Nechí Alluvial Property in Colombia. This process generated more than 200 direct jobs in 2021. Production at the Nechí Alluvial Property from formalized miners operating under this model was 9,632 ounces of gold in 2021.

Exploration and Growth

In 2021 the Company continued its exploration and growth programs, as described in Sections 7.3.2 and 7.3.3 below. The Company's exploration efforts aim at increasing Mineral Reserves and Mineral Resources, as well as building a pipeline of exploration opportunities to ensure future organic growth.

Exploration and growth efforts are focused on extending mine life, increasing Mineral Resources and Mineral Reserves, and potentially lowering operating costs at the Company's Material Properties. In addition, the Company has advanced exploration on its La Pepa Project in Chile and GNM Exploration Target in Colombia.

Subsequent to December 31, 2021

On January 7, 2021, Mineros announced that the payment date for the final quarterly installment of the ordinary dividend approved by the Company's shareholders at the Ordinary Meeting of Shareholders held on March 25, 2021 in an amount of $0.0154 per common share, was to be paid on January 20, 2022.

3.2 ANNUAL FINANCIAL HIGHLIGHTS

- **Revenues increased by 2%:** revenues totaled $496.2 million in the year 2021, compared to $485.3 million in the year 2020, with sales of gold of $479.4 million at an average realized price per ounce of gold sold[1] of $1,803 during 2021, compared to sales of gold of $479.1 million at an average realized price per ounce of gold sold of $1,769 in 2020. The increase in revenues is mainly explained by the increase in revenues from silver and higher income from Energy, Hedging and Other revenues;

- **Gross Profit decreased by 23%,** to $125.0 million in the year 2021 compared to $163.0 million in the year 2020; mainly due to higher costs associated with the purchase of mineralized material from artisanal miners in Nicaragua and formalized third party dredges in Colombia, as well as higher operating costs at the Gualcamayo Property in Argentina. The increase in costs is also explained by an 19% increase in depreciation and amortization;

- **Net Profits for the year down 32%,** to $43.4 million or $0.16 per share during 2021 compared to $63.7 million or $0.24 per share during 2020; this decrease is explained mainly by higher cost of sales (as discussed above), an increase in administration expenses and higher exploration expenditures;

- **Adjusted EBITDA[2] down 18%:** Adjusted EBITDA was $154.7 million during 2021 compared to $187.8 million during 2020;

- **ROCE[3] of 24%** as at December 31, 2021 compared to ROCE of 37% as at December 31, 2020;

- **Net Debt to Adjusted EBITDA ratio was (0.05x)** as at December 31, 2021, compared to a ratio of 0.06x as at December 31, 2020; explained by lower loans and other borrowings, after debt payments made with the proceeds from the Canadian IPO and Colombian Concurrent Offering;

- **Dividends Paid up 33%**, Dividends Paid for 2021 totaled $17.7 million, compared to $13.3 million in 2020;

- **Cash flows from operating activities down 39%:** totaling $87.3 million in 2021, compared to $142.2 million in 2020. The Company's net free cash flow for 2021 totaled $17.0 million, down from $100.7 million in 2020;

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[1] Average price realized per ounce of gold sold is a non-IFRS financial measure with no standardized meaning under IFRS, and therefore may not be comparable to similar measures presented by other issuers. For further information and a detailed reconciliation to the most directly comparable IFRS measure, see Section 12: Non-IFRS and Other Financial Measures in this MD&A.

[2] Adjusted EBITDA and net free cash flow are non-IFRS financial measures, and ROCE and net debt to Adjusted EBITDA are non-IFRS ratios, with no standardized meaning under IFRS, and therefore may not be comparable to similar measures presented by other issuers. For further information and detailed reconciliations to the most directly comparable IFRS measures, see Section 12: Non-IFRS and Other Financial Measures in this MD&A.

- **Capital investments[3] up 36% to $116.5 million,** during 2021 capital investments were made into existing mines, and exploration & evaluation projects, compared to $85.5 million in 2020.

Quarterly and Annual Financial Highlights

	Three Months Ended Dec. 31,		Change		Year Ended Dec. 31,		Change	
	2021	2020	#	%	2021	2020	#	%
Revenues	122,218	121,480	738	1%	496,247	485,301	10,946	2%
Gross profit	26,612	33,169	(6,557)	(20%)	124,963	162,961	(37,998)	(23%)
Net Profit for the period	11,060	14,155	(3,095)	(22%)	43,387	63,655	(20,268)	(32%)
Basic Earnings per Share ($)	0.04	0.05	(0.01)	(20%)	0.16	0.24	(0.08)	(33%)
Average realized price per ounce of gold sold ($/oz)	1,802	1,850	(48)	(3%)	1,803	1,769	35	2%
Adjusted EBITDA	35,449	40,210	(4,761)	(12%)	154,703	187,751	(33,048)	(18%)
Cash from Operating Activities	19,643	75,427	(55,784)	(74%)	87,340	142,244	(54,904)	(39%)
Net free cash flow	8,332	59,519	(51,187)	(86%)	17,046	100,689	(83,643)	(83%)
ROCE	24%	37%	(13%)	(35%)	24%	37%	(13%)	(35%)
Net Debt / Adjusted EBITDA	(0.05x)	0.06x	(0.11x)	(190%)	(0.05x)	0.06x	(0.11x)	(190%)
Dividends Paid	4,014	3,849	165	4%	17,670	13,303	4,367	33%

3.3 ANNUAL OPERATIONAL HIGHLIGHTS

- **Gold production down 4% during 2021:** 261,767 ounces of gold were produced in 2021, compared to 271,647 ounces in 2020;

  Total gold production for 2021 met the Company's updated guidance. Guidance for silver production was not provided, as we treat it as a by-product.

- **Cash Cost[4] & AISC[4] in the year ended December 31, 2021:** Cash Cost per ounce of gold sold[4] in 2021 were $1,178, and AISC per ounce of gold sold[4] was $1,492, compared to average Cash Cost per ounce of gold sold $1,018 and an AISC per ounce of gold sold of $1,226 for 2020. The increase in average Cash Cost and ASIC was a result of purchasing more mineralized material from artisanal

[3] Capital investments refers to Additions to exploration, property, plant and equipment, and intangibles (which includes Asset Retirement Obligation amounts) for the Nechí Alluvial, Hemco, Gualcamayo and Chile segments. It excludes Additions to Property, Plant and Equipment, Exploration or intangibles of the Mineros S.A. (Holding) and Others segments. For additional information as Additions to exploration, property, plant and equipment, and intangibles, see Note 7 of our Consolidated Financial Statements.

[4] Cash Cost and all-in sustaining costs (AISC) are non-IFRS financial measures, and Cash Cost per ounce of gold sold and AISC per ounce of gold sold are non-IFRS ratios, with no standardized meaning under IFRS, and therefore they may not be comparable to similar measures presented by other issuers. For further information and detailed reconciliations of non-IFRS financial measures to the most directly comparable IFRS measures, see Section 12: Non-IFRS and Other Financial Measures in this MD&A

miners at the Hemco Property and higher production and sustaining costs at the Gualcamayo Property as the mine nears end of life.

2021 Fourth Quarter and Full Year Production

	Three Months Ended Dec. 31,		Change		Year Ended Dec. 31,		Change	
	2021	2020	ounces	%	2021	2020	ounces	%
Colombia								
Nechí Alluvial Property	15,524	17,561	(2,037)	(12%)	73,129	69,940	3,189	5%
La Ye Mine (1)	-	-	-	0%	-	6,785	(6,785)	(100%)
	15,524	**17,561**	**(2,037)**	**(12%)**	**73,129**	**76,725**	**(3,596)**	**(5%)**
Nicaragua								
Hemco Property	5,885	6,839	(954)	(14%)	30,917	34,679	(3,762)	(11%)
Artisanal Mining	26,316	19,821	6,495	33%	96,234	87,816	8,418	10%
	32,201	**26,660**	**5,541**	**21%**	**127,151**	**122,495**	**4,656**	**4%**
Gualcamayo Property (Argentina)	**17,408**	**20,687**	**(3,279)**	**(16%)**	**61,487**	**72,427**	**(10,940)**	**(15%)**
Total Gold Produced (oz)	**65,133**	**64,908**	**225**	**0%**	**261,767**	**271,647**	**(9,880)**	**(4%)**
Total Silver Produced (oz)	**108,959**	**64,921**	**44,038**	**68%**	**400,562**	**298,088**	**102,474**	**34%**

(1) Colombia's production in the full year ended Dec. 31, 2020, includes ounces from the 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.

- **Exploration:** For the year ended in December 31, 2021, the significant increase in capitalized exploration expenditures is a result of the acquisition from Royal Road of its 50% interest in the Luna Roja Exploration Target for $24.5 million in May 2021. The following is a summary of the exploration and evaluation ("E&E") expenditures for the current and comparative periods:

	Three Months Ended Dec. 31,		Year Ended Dec. 31,	
	2021	2020	2021	2020
E&E expenditures capitalized (1)	3,221	3,379	37,853	13,085
E&E expenditures expensed (2)	4,984	2,032	12,535	9,977
Total	**8,205**	**5,411**	**50,388**	**23,062**

(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".

4. HIGHLIGHTS FOR THE THREE MONTHS ENDED DECEMBER 31, 2021

4.1 Q4-2021 FINANCIAL HIGHLIGHTS

- **Revenues increased by 1%:** revenues totaled $122.2 million in the fourth quarter of 2021 compared to $121.5 million in the fourth quarter of 2020, with sales of gold of $117.1 million at an average realized price per ounce of gold sold of $1,802 in the fourth quarter of 2021 compared to sales of gold of $119.2 million at an average realized price per ounce of gold sold of $1,850 in the fourth quarter of 2020. Key drivers were a decrease in average realized price per ounce of gold sold of 3%, that were partially offset by 1% higher ounces sold and a 56% increase in revenues from silver;

- **Gross Profit decreased by 20%,** to $26.6 million in the fourth quarter of 2021 compared to $33.2 million in the fourth quarter of 2020; the decrease was mainly due to higher costs from purchases of mineralized material from artisanal miners in Nicaragua, from purchases of material from formalized third party dredges in Colombia and higher operating costs at the Gualcamayo Property in Argentina;

- **Net Profits for the period down 22%,** to $11.1 million or $0.04 per share in the fourth quarter of 2021 compared to $14.2 million or $0.05 per share in the fourth quarter of 2020; this decrease is explained mainly by higher costs (as mentioned above), by higher exploration expenses, and by the impairment of the Gualcamayo assets performed during the fourth quarter of 2020;

- **Adjusted EBITDA down 12%:** Adjusted EBITDA was $35.4 million in the fourth quarter of 2021 compared to $40.2 million in the fourth quarter of 2020;

- **ROCE of 24%** as at December 31, 2021 compared to ROCE of 37% as at December 31, 2020;

- **Net Debt to Adjusted EBITDA ratio was (0.05x)** in the fourth quarter of 2021, compared to a ratio of 0.06x in the fourth quarter of 2020; explained by lower loans and other borrowings, after debt payments made with the proceeds from the Canadian IPO and the Colombian Concurrent Offering;

- **Dividends Paid up 4%**, Dividends Paid for the fourth quarter of 2021 totaled $4.0 million, compared to $3.8 million in the fourth quarter of 2020;

- **Cash flows from operating activities down 74%:** totaling $19.6 million in the fourth quarter of 2021, compared to $75.4 million in the fourth quarter of 2020. The Company's net free cash flow for the fourth quarter of 2021 totaled $8.3 million, down from $59.5 million in the fourth quarter of 2020;

- **Capital investments down 60% to $18.9 million,** during the fourth quarter of 2021 capital investments were made into existing mines, and exploration & evaluation projects, compared to $47.4 million in the fourth quarter of 2020.

4.2 Q4-2021 OPERATIONAL HIGHLIGHTS

- **Gold production was flat in the fourth quarter of 2021:** 65,133 ounces of gold were produced in the fourth quarter of 2021, compared to 64,908 ounces in the fourth quarter of 2020;

- **Cash Cost & AISC:** average Cash Cost per ounce of gold sold in the fourth quarter of 2021 were $1,227 and AISC per ounce of gold was $1,463, compared to an average Cash Cost per ounce sold of $1,162 and an AISC per ounce sold of $1,454 in the fourth quarter of 2020. The increase in average Cash Cost and AISC was a result of purchasing more ore from artisanal miners at the Hemco Property and higher production and sustaining costs at the Gualcamayo Property as the mine nears end of life.

5. OUTLOOK

Looking ahead, the Company's primary objectives include:

- Achieving 2022 production guidance of between 262,000 and 285,000 ounces of gold with average Cash Cost between $1,090 and $1,180/oz and an average AISC of between $1,350/oz and $1,450/oz per ounces of gold sold.
- Optimizing and increasing mine life through the growth of the Mineral Resources and Mineral Reserves at the Company's producing mines, including the Hemco Property in Nicaragua and the Gualcamayo Property in Argentina.
- Advancing the Company's growth projects through various activities including drilling, metallurgical test work and geotechnical and hydrogeological studies, to help lay the foundation for future gold production, including at the Porvenir Project in Nicaragua, the Deep Carbonates Project in Argentina and the La Pepa Project in Chile.
- Advancing the Company's exploration targets in its project pipeline including the Luna Roja Exploration Target and the Caribe Exploration Target in Nicaragua and the GNM Exploration Target in Colombia.
- 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 $59.1 million in dividends between January 2018 and the date of this MD&A. It is the Company's objective to maintain its existing dividend policy, subject to the availability of cash flow after servicing the Company's debt, investing in 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.

6. GUIDANCE

6.1 2022 Gold Production Guidance

The following table presents the Company's gold production guidance for 2022 and actual production for the year ended December 31, 2021. The production guidance includes production from the Company's Material Properties and production from artisanal mining.

The following table presents segmented gold production results for the year ended December 31, 2021, along with the expectations for 2022 by Material Property:

	Year Ended Dec. 31 2021 (oz)	2021 Full-Year Guidance (oz)	2022 Full-Year Guidance (oz)
Colombia (Nechí Alluvial)	73,129	68,000 - 74,000	82,000 - 92,000
Nicaragua (Hemco)	30,917	34,000 - 36,000	34,000 - 37,000
Argentina (Gualcamayo)	61,487	61,000 - 65,000	59,000 - 66,000
Total Company Mines	**165,533**	**163,000 - 175,000**	**175,000 - 195,000**
Nicaragua (Artisanal)	96,234	87,000 - 92,000	87,000 - 90,000
Total gold production (ounces)	**261,767**	**250,000 - 267,000**	**262,000 - 285,000**

6.2 2022 Cost Outlook

The following table outlines the Company's Cash Cost and AISC for the year ended December 31, 2021 and cost guidance for 2021 and 2022. The cost guidance includes production from the Company's Material Properties and production from artisanal mining.

	Cash Cost			AISC		
Country (principal mine)	As at Dec. 31, 2021 ($/oz)	2021 Guidance ($/oz)	2022 Guidance ($/oz)	As at Dec. 31, 2021 ($/oz)	2021 Guidance ($/oz)	2022 Guidance ($/oz)
Colombia (Nechí Alluvial)	1,085	1,090 - 1,170	910 - 1,010	1,204	1,200 - 1,285	1,100 - 1,200
Nicaragua (Hemco)	1,167	1,110 - 1,170	1,080 - 1,180	1,388	1,290 - 1,350	1,210 - 1,310
Argentina (Gualcamayo)	1,403	1,300 - 1,395	1,450 - 1,550	1,969	1,800 - 1,930	1,890 - 1,990
Consolidated	**1,178**	**1,151 - 1,225**	**1,090 - 1,180**	**1,492**	**1,390 - 1,473**	**1,350 - 1,450**

Cost and AISC outlook were prepared assuming an average selling price of gold of $1,780/oz and inflation of: 3.5% in Colombia, 4.0% in Nicaragua and 40% in Argentina.

Cash Cost and AISC increases at the Gualcamayo Property are attributable to lower gold recovery and reduced gold inventory on the leach pads.

At the Hemco Property in Nicaragua, approximately 70% of the gold produced is purchased from artisanal miners at a percentage of the gold spot price, such that the Cash Cost and AISC at these operations will be higher when the price of gold is higher, and lower when the price of gold is lower.

At the Nechí Alluvial Property, a formalization program in which Mineros purchases mineralized material from third party miners was initiated in 2021. The model is similar to the Bonanza model employed at the Hemco Property, where the mineralized material is purchased at a percentage based discount to the gold spot price. Accordingly, Cash Cost and AISC at the Nechí Alluvial Property may increase when the price of gold is higher, and will decrease when the gold spot price decreases.

7. REVIEW OF OPERATIONS

7.1 Segmented Financial and Operating Highlights

The following table provides the Company's results by material property with measures determined in accordance with IFRS information extracted from the Company's financial statements included elsewhere in this MD&A.

Year End Results for 2021 vs. 2020

During the year ended December 31, 2021, the Company produced 261,767 ounces of gold, a reduction of 4% from the 271,647 ounces of gold produced in 2020. This minor decrease in production is mainly due to a drop in gold production from the Gualcamayo Property, which is nearing the end of life of a portion of the open pit mine and to the delay of some environmental permits in the Nechí Alluvial mine. Also, in Colombia, production for the year ended December 31, 2020 includes the La Ye underground mine, which was sold by the Company in June 2020. Decreases in production in Argentina and Colombia are partially offset by an increase in production in Nicaragua from the Panama and Pioneer Mines and an increase in the amount of mineralized material purchased from artisanal miners.

Operating Segment		Revenue ($000's)	Gold Produced (oz)	Cash Costs ($/oz)	AISC ($/oz)
Nechi Alluvial Property (Colombia) (1)	**2021**	**136,298**	**73,129**	**1,085**	**1,204**
	2020	135,130	76,725	931	998
Hemco Property (Nicaragua)	**2021**	**237,474**	**127,151**	**1,167**	**1,388**
	2020	220,393	122,495	1,045	1,222
Gualcamayo Property (Argentina)	**2021**	**118,554**	61,487	**1,403**	**1,969**
	2020	129,293	72,427	1,189	1,473
Total (2)	**2021**	**496,247**	**261,767**	**1,178**	**1,492**
	2020	485,301	271,647	1,018	1,226

(1) Colombia's production in 2020 includes ounces from the 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) Includes non-mining operations and eliminations not included in the material properties (segments) presented.

Fourth Quarter 2021 vs. 2020

In the fourth quarter of 2021, the Company produced 65,133 ounces of gold, similar to the 64,908 ounces of gold produced in the fourth quarter of 2020. Production is explained by higher production from the Hemco Property, which offset the lower production from the Gualcamayo Property as a result of lower recoveries and nearing the end of life of a portion of the open pit mine, and lower production at the Nechí Alluvial Property caused by environmental permitting delays.

Operating Segment	Three Months Ended Dec. 31,	Revenue ($000's)	Gold Produced (oz)	Cash Costs ($/oz)	AISC ($/oz)
Nechi Alluvial Property (Colombia)	**2021**	**28,935**	15,524	**1,305**	**1,523**
	2020	32,636	17,561	1,094	1,191
Hemco Property (Nicaragua)	**2021**	**60,233**	32,201	**1,212**	**1,447**
	2020	50,712	26,660	1,250	1,553
Gualcamayo Property (Argentina)	**2021**	**31,212**	17,408	**1,275**	**1,457**
	2020	37,977	20,687	1,271	1,558
Total (1)	**2021**	**122,218**	**65,133**	**1,227**	**1,463**
	2020	121,480	64,908	1,162	1,454

(1) Includes non-mining operations and eliminations not included in the material properties (segments) presented.

7.2 Consolidated Mineral Reserves and Mineral Resources

Consolidated Mineral Reserves and Mineral Resources 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 grams per tonne ("g/t") of gold for 1.6 million ounces of gold;
- Measured and Indicated Mineral Resources were estimated to total 1,094 Mt at an average grade of 0.12 g/t of gold for 4.1 million ounces of gold;
- Inferred Mineral Resources were estimated to total 24 Mt at an average grade of 2.69 g/t of gold for 2.0 million ounces of gold.

For further information regarding the foregoing estimates, including the key assumptions, parameters, and methods used to estimate the Mineral Resources and Mineral Reserves, see the Company's final long form prospectus dated November 11, 2021. An update on depletion of Mineral Resources and Mineral Reserves as at December 31, 2021, will be reported in the Company's annual information form for the year ended December 31, 2021.

7.3 Material Property Updates

7.3.1 Operations

Country: Colombia
Property: Nechí Alluvial Property
Ownership: 100% owned

The Nechí Alluvial Property has been operating since 1974. The Company holds a historical and perpetual mining title (RPP 55) with an area of 36,408 hectares and five concession contracts with a total area of 4,885 hectares along the Nechí River and adjacent floodplain that occupy an area of approximately 473km^2 between the towns of Zaragoza in the south and Nechí in the north. The main mining method used is bucket line dredges and selective mining techniques using suction dredges.

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.

In August 2020, as part of its ordinary course of operations, Mineros requested that ANLA amend the EMP for the Nechí Alluvial Property, 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 of 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 application is referred to by Mineros as "Stage 1.5".

By ANLA Resolution 01858 of October 19, 2021, ANLA approved the EMP amendment request, granting environmental permits sufficient to support planned operations through the end of Stage 1.5. On November 18, 2021, Mineros filed a further amendment to the EMP for the Nechí Alluvial Property with ANLA, to seek environmental permits sufficient to support planned operations for a four-year period which is referred to as Stage "2".

Operating and financial data for the Nechí Alluvial Property were as follows:

	Three Months Ended Dec. 31,		Year Ended Dec. 31,	
	2021	**2020**	**2021**	**2020**
Operating Data				
m^3 of ore milled (1)	7,931,502	6,073,000	30,806,306	19,691,313
Gold grade (mg/m^3) (2)	61	80	74	83
Gold Recovery Rate (3)	83%	77%	78%	85%
Gold Produced (oz)	15,524	17,561	73,129	76,725
Silver Produced (oz)	1,491	1,591	6,710	20,224
Financial Data				
Revenue	28,935	32,636	136,298	135,130
Cost of sales	(23,154)	(21,395)	(90,827)	(81,368)
Gross Profit	5,781	11,241	45,471	53,762
Cash costs per ounce of gold sold ($/oz)	1,305	1,094	1,085	931
AISC per ounce of gold sold ($/oz)	1,523	1,191	1,204	998

(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 % of gold recovered versus estimated amount of gold

Operating and Financial Highlights: Year ended Dec. 31, 2021

Revenues for the year ended December 31, 2021 were 1% higher than during 2020, as a result of 5% lower production, given the delay of some environmental permits and the sale of Operadora Minera S.A.S. ("Operadora Minera") which held the La Ye underground mine, on or about May 31, 2020. Lower production was partially offset by a 2% higher average selling price.

Gross profit for 2021 was 15% lower when compared to 2020, explained by higher depreciation and amortization and by higher costs of purchase of mineralized alluvial material from formalized third party dredges.

AISC per ounce of gold sold for the year ended 2021 was 21% higher than year ended 2020, mainly explained by higher costs explained above and higher sustaining capital expenditures.

Operating and Financial Highlights: Three months ended Dec. 31, 2021

Revenues for the fourth quarter of 2021 were 11% lower than during the fourth quarter of 2020, mainly as a result of 12% lower production, due to the delay of some environmental permits that were approved in October, as mentioned above.

Gross profit for the fourth quarter of 2021 was 49% lower when compared to the fourth quarter of 2020, explained by higher depreciation and amortization and by higher costs of purchase of mineralized alluvial material from formalized third party dredges.

AISC per ounce of gold sold for the fourth quarter of 2021 was 28% higher than the fourth quarter of 2020, mainly as a result of higher costs and higher sustaining capital.

Country: Argentina
Property: Gualcamayo Property
Ownership: 100% owned

The Company acquired the Gualcamayo Property in December 2018. The Gualcamayo Property is located in the Argentinian Andes, in the Provinces of San Juan and La Rioja and hosts gold mineralization. The Gualcamayo Mine, in operation since 2009, hosts three operating open pits that exploit the Quebrada del Diablo ("QDD"), Amelia Ines-Magdalena ("AIM") and Condor deposits, and one underground mine that exploits Quebrada del Diablo Lower deposit. 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, account for a significant portion of the sulphide Mineral Resources at the Gualcamayo Property.

Operating and financial data for the Gualcamayo Property were as follows:

	Three Months Ended Dec. 31,		Year Ended Dec. 31,	
	2021	2020	2021	2020
Operating Data				
Tonnes of ore milled	683,105	385,452	1,038,677	1,799,691
Gold grade (grams/tonne)	1.74	1.59	1.19	1.50
Gold Recovery Rate	58%	67%	68%	57%
Gold Produced (oz)	17,408	20,687	61,487	72,427
Gold Sold (oz)	17,244	20,232	65,526	71,678
Silver Produced (oz)	4,437	6,687	20,231	26,981
Financial Data				
Revenue	31,212	37,977	118,554	129,293
Cost of sales	(26,346)	(29,808)	(106,143)	(98,401)
Gross Profit	4,866	8,169	12,411	30,892
Cash costs per ounce of gold sold ($/oz)	1,275	1,271	1,403	1,189
AISC per ounce of gold sold ($/oz)	1,457	1,558	1,969	1,473

Operating and Financial Highlights: Year ended Dec. 31, 2021

2021 revenues were 8% lower than during 2020, explained by a 9% decrease in gold sold as a result of lower recoveries and nearing the end of life of a portion of the open pit mine, which was partially offset by a 2% increase in gold average selling price.

Gross profit for the year 2021 was 60% lower than in 2020, due to higher direct mining costs per ounce.

AISC per ounce of gold sold for 2021 was 34% higher than during 2020 explained primarily by lower production, higher inventory costs, investments to increase the heap leach piles' capacity, higher sustaining capital expenditures used for underground and open pit mine development and higher investments in exploration that resulted in an increase of life of mine of 1 year.

Operating and Financial Highlights: Three months ended Dec. 31, 2021

Revenues for the fourth quarter of 2021 were 18% lower than during the fourth quarter of 2020, explained mainly by a 15% decrease in gold sold. Gold production for the three months ended December 31, 2021 was 16% lower than the three months ended December 31, 2020 as a result of lower recoveries and nearing the end of life of a portion of the open pit mine.

During the fourth quarter of 2021, AISC per ounce of gold sold was 6% lower than during the same period of 2020, primarily as a result of lower cost per ounce.

Country: **Nicaragua**
Property: **Hemco Property**
Ownership: **99.9975% owned**

The Hemco Property, acquired by Mineros in 2013, is located in northeastern Nicaragua in the vicinity of the town of Bonanza, approximately 230 km northeast of the capital of Managua. The Hemco Property includes the Panama and Pioneer Mines, the Porvenir Project, the Luna Roja Exploration Target, the Caribe Exploration Target, artisanal mining and the Hemco, La Curva, and Vesmisa processing plants.

The Panama and Pioneer Mines exploit epithermal medium-sulphidation vein mineralization hosted in volcanic rocks. Since acquiring the Hemco Property in 2013, the Company has worked extensively with artisanal miners through the "Bonanza Model" that aims to maintain reliability of supply of mineralized material from artisanal miners by exploring to identify areas for them to work, offering a fair price for their production, promoting better work conditions, including health and safety, supporting their organization in cooperatives, and ensuring the participation of miner groups, and local and national authorities in the steering committee that organizes the artisanal miners.

Operating and financial data for the Panama and Pioneer Mines and Artisanal mining were as follows:

	Three Months Ended Dec. 31,		Year Ended Dec. 31,	
	2021	**2020**	**2021**	**2020**
Operating Data				
Tonnes of ore milled	194,737	182,509	521,055	525,911
Gold grade (grams/tonne)	6.25	6.15	6.37	6.32
Gold Recovery Rate	88%	89%	89%	89%
Underground Gold Produced (oz)	5,885	6,839	30,917	34,679
Artisanal Mining Gold Production (oz)	26,316	19,821	96,234	87,816
Silver Produced (oz)	103,031	56,643	373,621	250,883
Financial Data				
Revenue	60,233	50,712	237,474	220,393
Cost of sales	(47,489)	(40,296)	(180,131)	(151,092)
Gross Profit	12,744	10,416	57,343	69,301
Cash Cost per ounce of gold sold ($/oz)	$1,212	$1,250	$1,167	$1,045
AISC per ounce of gold sold ($/oz)	$1,447	$1,553	$1,388	$1,222

Operating and Financial Highlights: Year Ended Dec. 31, 2021

Revenues for 2021 were 8% higher than in 2020, as a result of a 4% increase in gold production and 49% higher silver production added to a 2% increase in the average selling price of gold.

Gross profit for 2021 was 17% lower than during 2020, due to the 19% increase in cost because of higher purchases of mineralized material from artisanal miners and to higher depreciation and amortization.

AISC per ounce of gold sold for 2021 was 14% higher when compared to 2020, this is explained primarily by higher investments in sustaining capital expenditures and also as a result of higher costs, as explained above.

Operating and Financial Highlights: Three months ended Dec. 31, 2021

Revenues for the fourth quarter of 2021 were 19% higher than during the fourth quarter of 2020, explained mainly by the 21% increase in gold production, partially offset by a 2% decrease in average selling price.

Gross profit for the fourth quarter of 2021 was 22% higher than during the fourth quarter of 2020, explained mainly by the increase in revenue, which was partially offset by an 18% increase in costs due to the higher purchases of mineralized material from artisanal miners.

AISC per ounce of gold sold for the period was 7% below when compared to the same period of 2020 explained primarily by lower sustaining capital expenditures.

7.3.2 Growth Projects

Country: **Argentina**
Project: **Deep Carbonates Project**

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

During the fourth quarter of 2021, Mineros completed 1,548 metres of diamond drilling in 3 holes at the DCP, for a total of 3,896 metres in 8 holes in 2021.

The Company previously announced the completion of a preliminary economic assessment of the Deep Carbonates Project by the end of the first quarter of 2022. Mineros is currently advancing with additional drill testing of the Deep Carbonates Project and is re-evaluating the schedule for completion of the preliminary economic assessment.

Country: **Nicaragua**
Project: **Porvenir Project**

Ongoing studies are being completed by Hatch Ingenieros y Consultores Limitada to assess processing and mining scenarios for the Porvenir Project on the Hemco Property. Additional work is underway to complete a feasibility study at the Porvenir Project. Initially, this study was expected to be complete by the end of the first quarter of 2022. However, as a result of delays and refinement of project parameters, this work is now anticipated to be completed in the second half of 2022.

Country: **Chile**
Project: **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. The La Pepa Project lies in the Maricunga Gold Belt of the Atacama Region, which is known worldwide for important gold, copper and other mineral deposits.

The La Pepa Project was optioned to the Company under an agreement executed on December 14, 2018, and effective as of July 2, 2019, between the Company, Yamana Gold Inc. ("Yamana"), and certain of our respective subsidiaries (the "La Pepa Option Agreement"). On December 22, 2021, Mineros announced that the Company had acquired legal ownership of a 20% interest in the La Pepa Project by acquiring 20% of the issued capital of Minera Cavancha, a joint venture entity that holds a 100% interest in the La Pepa Project. The remaining 80% of the issued capital of Minera Cavancha is currently held by Yamana. Under the La Pepa Option Agreement, the Company has the option to earn an additional 31% 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 fair market value. On September 25, 2021, Mineros delivered notice to Yamana of its intention to acquire a further 31% interest, for an aggregate 51% interest in the La Pepa Project.

At the La Pepa Project, the Company is focused on developing and expanding a porphyry-style gold system, similar to other gold systems in the Maricunga Gold Belt. A Mineral Resource estimate and a preliminary economic assessment ("PEA") at the La Pepa Project was initially scheduled to be completed in the first quarter of 2022. However, as a result of the Company's internal strategic analysis, the progress and timeline for completion of the PEA is under review.

7.3.3 Exploration

Exploration is focused on the replacement and expansion 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. We are achieving these plans through systematic exploration programs, which include surface mapping, geochemical surveys, geophysical surveys and drilling.

Through two strategic alliance agreements, we are collaborating with Royal Road to actively explore (i) in Nicaragua, subject to the an alliance agreement between Hemco and Royal Road (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, subject to an alliance agreement between the Company, Royal Road, and its Colombian affiliate (the "Royal Road Colombia Alliance Agreement"), Royal Road's GNM Exploration Target.

Exploration Targets

Country: **Nicaragua**
Target: **Luna Roja**

Luna Roja is a gold skarn exploration target located on the Hemco Property, approximately 26 km southeast of the Panama Mine on the Hemco Property. On September 3, 2019, Royal Road declared the Luna Roja Exploration Target a "designated project area" under the Royal Road Nicaragua Alliance Agreement, thereby forming a joint venture. On January 1, 2021, Mineros assumed operation of the Luna Roja Exploration Target from Royal Road and on May 21, 2021, completed the acquisition of the Luna Roja Exploration Target, bringing the Company's interest to 100%.

Mineros completed 1,119 metres of diamond drilling at Luna Roja in the fourth quarter of 2021, for a total of 6,700 metres in 40 diamond drill holes in 2021. This was 4% below the planned drilling meterage for the year. Geochemical results of this drill program are pending as a result of analytical laboratory delays due to the COVID-19 pandemic. Pending receipt of geochemical results, an initial Mineral Resource estimate is expected to be completed for the Luna Roja Exploration Target in the first half of 2022.

Country: **Nicaragua**
Target: **Caribe**

The Caribe Exploration Target is located on the Hemco Property, approximately 42 km southeast of the Panama Mine, and 26 km southeast of the Luna Roja Exploration Target. Caribe is owned by Mineros and within the Royal Road Nicaragua Alliance Agreement. Royal Road is the operator at 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" in the future, Caribe would be held subject to a joint venture under which each of Mineros and Royal Road hold a 50% interest.

A total of 767 metres of diamond drilling distributed in 9 holes was carried out in the fourth quarter of 2021, for a total of 3,961 metres of drilling and 23 holes in 2021. This is 21% below the planned meterage for 2021. The purpose of this drill campaign was to confirm the continuity of mineralization laterally and at depth. In the fourth quarter of 2021, a Rotary Air Blast/Reverse Circulation ("RAB/RC") drill campaign was also completed. This campaign focused on soil/laterite sampling, with a total of 2,178 metres in 104 RAB/RC holes. Analytical results of both the diamond and RAB/RC drill programs are pending as a result of analytical laboratory delays due to the COVID-19 pandemic. Assay results are expected to be received in mid-2022.

Country: **Nicaragua**
Target: **Hemco Property Expansion**

A 2021 diamond drill program at the Panamá and Pioneer Mines on the Hemco Property finished with 35,835 metres in 157 holes, which included 12% more metres drilled than originally planned. The results of this drill campaign will be used to prepare an updated Mineral Resource estimate during 2022. The Company plans to conduct an additional 28,000 metres of additional drilling in 2022 to continue to add to the Mineral Resource and Mineral Reserve inventory for the Panamá and Pioneer Mines.

Regional Exploration

Country: **Colombia**
Target: **Nechí Regional Exploration**

At the Nechí Alluvial Property all mining by Mineros currently takes place east of the Nechí River. There are approximately 15,000 hectares of unexplored terrain located west of the Nechí River. In 2021, Mineros completed 5,329 metres in 301 rotary drill holes primarily in the alluvial plain and terraces in the southern part of the Company's landholdings. This work was conducted west of the Nechí River, approximately 30 km from the areas of current production. The meterage initially contemplated for this program was increased by 78% to allow for infill drill testing of areas with positive results drill plan. The objective of the 2021 exploration drill program was to define new Mineral Resources in 2022. Further exploration drilling is currently being planned for 2022 in areas north of the 2021 exploration drilling.

Country: **Colombia**
Target: **GNM**

The GNM Exploration Target comprises the contiguous Guintar and Niverango concession contracts and the non-contiguous Margaritas concession contract, located in the Anza mining district, 50 km west of Medellín, which Royal Road acquired from AngloGold Ashanti Limited in 2019. Pursuant to the Royal Road Colombia Alliance Agreement, the Company holds a 25% interest in the GNM Exploration Target and has the option to acquire another 25% interest, to bring the Company's total interest in the GNM Exploration Target to 50%. The Margaritas concession contract, which had previously been under application, was signed on August 19, 2021 and registered on August 27, 2021.

On December 14, 2021, Mineros announced promising results[5] from the first three drill holes of a drill program undertaken by the Company's partner at the Guintar Target Area on the GNM Exploration Target. Although preliminary in nature, the Company is encouraged by these results and the joint venture partners increased the 2021 drill campaign from 1,800 metres to a total of 3,705 metres in 9 diamond drill holes. This drilling was completed in December 2021 and results from the remaining drill holes are anticipated to be received by the Company in the first half of 2022. Exploration of target areas on the Guintar and Niverengo concession contracts is planned to continue in 2022 and will include further field-based studies and refining of potential drill targets. In addition, a drill program on the Margaritas concession contract is planned for 2022, pending receipt of all required environmental permits.

Country: **Argentina**
Target: **Gualcamayo Property Expansion**

Following 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 at the Sierras de Alaya, Las Vacas, Target D, Quebrada Perdida, San José, Salamanca, and Saltito targets. Mineralization was identified in oxidized carbonate rocks and in non-carbonate rocks, returning gold values from grab samples from 0.1 to 36 grams per tonne gold.

Regional exploration during the fourth quarter of 2021 and the year ended 2021 was focused primarily on the Salamanca deposit, located close to 10 km north of the existing mining operations. During the fourth quarter of 2021, a total of 4,627 metres in 28 holes was were drilled on the Salamanca deposit in this sector, which represents the total of drilling on the Salamanca deposit in 2021 (including 1,755 metres in 14 diamond drill holes and 2,872 metres in 14 reverse circulation holes). The objective of

[5] For additional information on GNM drilling results, please to the News Release from December 14, 2021, titled "Mineros and Royal Road intersect 303.7 metres of 1.1 grams per tonne gold equivalent in newly discovered porphyry copper-gold system at the Guintar-Niverengo Margaritas exploration target, Colombia"

this drilling was focused on increasing and upgrading the existing Mineral Resources and collecting material for metallurgical testwork.

In 2021, regional exploration advanced as planned, with 3,424 surface samples collected including rock chip and trench samples. The purpose of this work was to identify new zones of mineralization in underexplored parts of the property. A near-mine exploration diamond and reverse circulation drilling campaign finished with a total of 24,763 metres in 184 holes. Results are currently being reviewed.

7.4 Environment, Social and Governance ("ESG") Summary Performance

The Board of Directors has oversight on ESG initiatives and the Company is actively monitoring the changing landscape on ESG reporting regulations and standards, and it will be aligning disclosures with recommendations from the Task Force On Climate Related Disclosures and with the standards of the Sustainability Accounting Standards Board.

Health and 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. Mineros puts the highest priority on safe working environments and practices. The following table presents the safety statistics for 2021 compared to 2020.

Health and Safety KPIs		Year Ended	
		2020	2021
Nechí Alluvial Property (Colombia)	LTIFR[(1)]	0.40	0.21
	TRIFR[(2)]	1.66	0.91
Hemco Property (Nicaragua)	LTIFR	0.15	0.18
	TRIFR	0.94	0.98
Gualcamayo Property (Argentina)	LTIFR	0.10	0.08
	TRIFR	1.31	0.72
Mineros (Weighted Average)	LTIFR	0.24	0.17
	TRIFR	1.28	0.90

(1) Lost time injury frequency rate ("LTIFR") which refers to number of lost time injuries that occurred during the reporting period
(2) Total recordable incident frequency rate ("TRIFR") combines all of the recorded fatalities, lost time injuries, cases or alternate work and other injuries requiring medical treatment by a medical professional

Despite year-over-year improvements in our total recordable injury frequency rate and lost time injuries indicators, two fatal accidents occurred at operations in the third quarter, one in Argentina and one in Nicaragua.

On July 21, 2021, an employee of the Company's Argentinian subsidiary was killed in a motor vehicle accident in the open pit on the Gualcamayo Property. Mining operations were temporarily suspended so that the Company and local authorities could conduct investigations. New security measures with respect to the operation of motor vehicles were put in place to prevent future injury or loss of life.

On September 30, 2021, an employee of the Company's Nicaraguan subsidiary was killed in a rock blast underground at the Panama Mine. Mining operations were temporarily suspended and investigations were conducted by the Company and local authorities. A set of corrective actions were identified and implemented to prevent future injury or loss of life.

Impact of COVID-19

Since the beginning of the COVID-19 global pandemic, Mineros has focused on the well-being of its employees, contractors and the communities in which it operates, as well as the safe continuation of operations. 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:

- Strictly following recommendations made by the World Health Organization and local government authorities and medical experts.
- Joining the initiative of the Colombian Government called "Companies for Vaccination". Through this initiative Mineros has vaccinated 100% of its employees at the head office in Medellín and over 95% of its employees at the Nechí Alluvial Property against COVID-19. In Argentina and Nicaragua employees are being vaccinated against COVID-19 through the respective countries' programs.
- Continuing our communication campaigns, which include self-care, protection and self-diagnostic messages.
- Developing the "Good Neighbor and Wellbeing for All Plan" which comprises: (i) providing aid to host communities in combating the COVID-19 pandemic through donations and support to local governments and authorities; (ii) supplying food and hygiene products, (iii) employing local workshops for the manufacturing of personal protection equipment; and (iv) carrying on and sponsoring prevention campaigns.

There have been confirmed cases of COVID-19 at each of our Material Properties. The affected individuals have all followed local protocols and the Company's operations otherwise remain unaffected. Currently, the number of active cases are at low levels in all operations. The crisis response teams continue to meet periodically to monitor the number of cases and reactivate, if necessary, some contagion prevention measures. If at any point Mineros 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.

Approach to Sustainability

Sustainability is fundamental to Mineros' business strategy. The Company believes that maintaining strong stakeholder support for its operations is critical to success, and accordingly aims to maintain such support to create long-term value for all stakeholders. Mineros does this by embedding environmental, social and economic considerations into all of its business decisions, promoting the health, well-being and development of its personnel, maintaining strong relationships with host communities and proactively managing the impact of the business on the environment. The corporate strategy focuses on fostering the positive transformation of the communities where it operates. Throughout 2021, the Company has worked to implement this strategy by defining key performance indicators, implementing various programs and enhancing monitoring and reporting systems. Detailed information on these initiatives will be reported in the 2021 Sustainability Report, which will be released by the Company by March 31, 2022.

Mineros' approach to sustainability is guided by the United Nations Sustainable Development Goals, and is built on five key areas, as follows: Social and Economic Development, Environment, Governance and Human Rights and Health and Safety.

Relationship with Artisanal Miners in Nicaragua

Mineros expands the reach of its health, safety, human rights and environmental standards through commercial agreements with artisanal mining cooperatives in Nicaragua, which include obligations for the artisanal miners cooperatives to strictly abide by applicable laws. The Company also supports artisanal miners in the closure and recovery of mined areas, and provides guidance to help artisanal miners comply with environmental directives based on weekly inspections carried out by the Company. If a breach of safety, social or environmental matters at an artisanal miners' operations is identified, services provided to the artisanal miner are suspended until the breach is remedied. If a breach is material, an investigation is conducted and various measures may be taken, including suspending the purchase of mineralized material. In addition, the Ministry of Energy and Mines "MEM" (Nicaragua) is in charge of overseeing mining activity in the area, including artisanal mining.

Formalization of Third Party Miners in Colombia

In Colombia, as a contribution to formalization of local third party mining, Mineros has been working on a collaborative model, which allows industrial and third party mining to work together. Under this model, two contracts (covering seven operating units, which employ more than 200 people) have been signed with former informal miners. As such, these former informal miners are now formal third party miners, pay taxes and royalties and operate in compliance with the Company's environmental labour and operational standards.

7.4 Market Overview

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

Gold Price

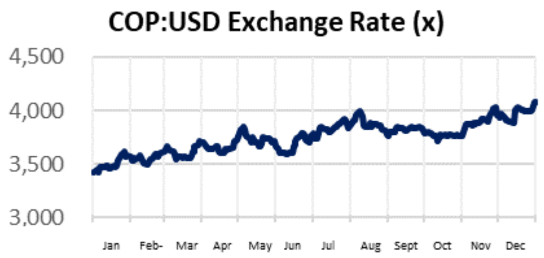
The market price of gold is a primary driver of the Company's profitability. The price of gold can fluctuate widely and is affected by a number of macroeconomic factors, including the sale or purchase of gold by central banks and financial institutions, interest rates, exchange rates, inflation or deflation,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

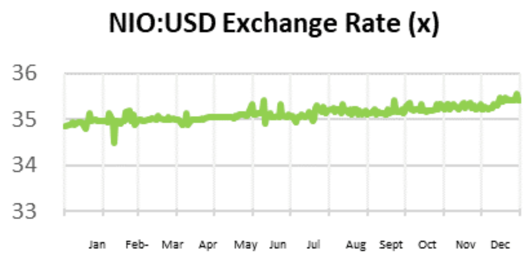
Source: Bloomberg

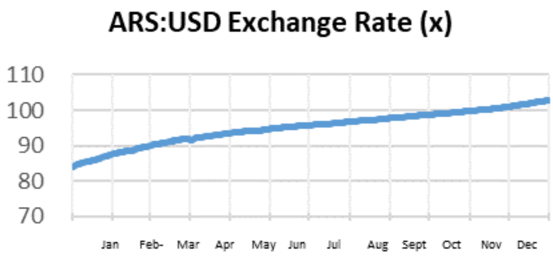
As at December 31, 2021, the price of gold was $1,829 per ounce, which was 3.9% above the closing price as at September 30, 2021 and 3.6% below the closing price as at December 31, 2020. During the fourth quarter of the year, the price of the commodity showed a slight recovery despite the strength of the dollar globally. Inflation and problems with global supply chains are still present, therefore, additional pressures on the indicator can be expected. See "*Section 13: Risk Factors - Financial Instruments and Risks - (iii) Market Risks*" for information on hedging operations.

Foreign Currency Exchange Rates

Cash generated from gold sales are in US dollars, but some of the Company's costs are denominated in Colombian pesos, Argentine pesos and Nicaraguan córdobas. Accordingly, the $/COP$ exchange rate is an important factor in the financial performance of the Company. The following table shows the closing and average exchange rate of US dollar, Colombian peso ($/COP$), Nicaraguan córdoba ($/NIO) and Argentinian peso ($/AR$) between January and September 2021. See "*Section 13: Risk Factors - Financial Instruments and Risks - (iii) Market Risks*" for information on hedging operations.







Source: Bloomberg

8. REVIEW OF FINANCIAL RESULTS

Overview

The following table sets forth summarized results of operations for the three months and the years ended December 31, 2021 and 2020 from financial information extracted from the Company's consolidated annual financial statements, which have been prepared in accordance with IFRS, for the periods noted.

	Three Months Ended Dec. 31,		Year Ended Dec. 31,	
	2021	**2020**	**2021**	**2020**
Revenues	122,218	121,480	496,247	485,301
Cost of Sales	(95,606)	(88,311)	(371,284)	(322,340)
Gross Profit	**26,612**	**33,169**	**124,963**	**162,961**
Administration expenses	(4,665)	(4,363)	(19,368)	(16,157)
Other income	465	1,008	2,506	3,735
Results investments in associates	5,287	-	5,287	-
Other expenses	(7,875)	(9,818)	(19,128)	(23,447)
Exploration expenses	(4,984)	(2,032)	(12,535)	(9,977)
Impairment of Asset	1,901	9,139	1,901	1,192
Finance income	476	472	1,564	1,094
Finance expense	(2,456)	(2,428)	(9,188)	(8,706)
Hedging Operations	-	463	-	(2,027)
Foreign currency exchange differences	1,469	(2,284)	1,125	(2,643)
Profit for the period before tax	**16,230**	**23,326**	**77,127**	**106,025**
Current tax	(4,843)	(6,648)	(28,355)	(38,149)
Deferred tax	(327)	(2,523)	(5,385)	(4,221)
Net profit for the period	**11,060**	**14,155**	**43,387**	**63,655**

Review of fourth quarter and Year-end Financial Results

For the Years ended December 31, 2021 vs. December 31, 2020

Net profits for 2021 were $43.4 million ($0.16 per share) compared to $63.7 million ($0.24 per share) for 2020. Earnings were positively impacted by a $3.8 million increase in sales of silver and by higher other revenues (from energy sales, hedging and royalties of Operadora Minera) for $6.9 million. The results were impacted mainly by higher production costs ($49.0 million), by higher income from hedging operations ($2.0 million), by higher income from foreign currency exchange differences ($3.8 million) and by lower taxes ($8.6 million).

For the three months ended December 31, 2021 vs. to December 31, 2020

Net profits for the three months ended December 31, 2021 period were $11.1 million ($0.04 per share) compared to $14.2 million ($0.05 per share) for three months ended December 31, 2020. Earnings were positively impacted by sales of silver ($0.9 million) and higher other revenues (from energy sales, hedging and royalties of Operadora Minera) for $2.0 million. The results were impacted mainly by higher production costs ($7.3 million), higher exploration expenses ($2.9 million), by a lower net recovery of assets ($7.2 million) mainly as a result of the recovery in the Hemco asset ($8.7 million) in 2020, by higher income from foreign currency exchange differences ($3.8 million) and by lower taxes ($4 million).

Revenues

	Three Months Ended Dec. 31,		Change		Year Ended Dec. 31,		Change	
	2021	2020	ounces	%	2021	2020	ounces	%
Gold								
Ounces sold (oz)	64,969	64,453	516	1%	265,806	270,898	(5,092)	(2%)
Average realized price per ounce of gold sold ($/oz) (1)	1,802	1,850	(48)	(3%)	1,803	1,769	35	2%
Silver								
Ounces sold (oz)	108,959	64,921	44,038	68%	400,562	298,088	102,474	34%
Average realized price per ounce of silver sold ($/oz) (2)	23	25	(2)	(7%)	25	21	3	15%
Revenues								
Sales of gold	117,053	119,210	(2,157)	(2%)	479,363	479,128	235	0%
Sales of silver	2,528	1,623	905	56%	9,875	6,070	3,805	63%
Sales from metal concentrates	**119,581**	**120,833**	**(1,252)**	**(1%)**	**489,238**	**485,198**	**4,040**	**1%**
Energy, Hedging and Other Revenues	2,637	647	1,990	308%	7,009	103	6,906	6705%
Total Revenues	**122,218**	**121,480**	**738**	**1%**	**496,247**	**485,301**	**10,946**	**2%**

(1)(2) Average price realized per ounce of gold sold and average price realized per ounce of silver sold, are non-IFRS financial measures with no standardized meaning under IFRS, and therefore it may not be comparable to similar measures employed by other companies presented by other issuers. For further information and a detailed reconciliation to the most directly comparable IFRS measure, see section 12: non-IFRS and other financial measures in this MD&A.

Total Revenues for the years ended in December 31, 2021 increased by 2%, explained mainly by the increase in sales of silver and by the increase in Energy, Hedging and Other revenues.

Total Revenues in three months ended December 31, 2021 increased by 1%, explained mainly for the reasons mentioned above.

Cost of Sales

	Three Months Ended Dec. 31,		Change		Year Ended Dec. 31,		Change	
	2021	2020	$	%	2021	2020	$	%
Direct Mining Costs	77,136	70,426	6,710	10%	301,757	257,580	44,177	17%
Depreciation and Amortization	13,221	11,649	1,572	13%	47,729	40,200	7,529	19%
Taxes and Royalties	5,249	6,236	(987)	(16%)	21,798	24,560	(2,762)	(11%)
Total Cost of Sales	**95,606**	**88,311**	**7,295**	**8%**	**371,284**	**322,340**	**48,944**	**15%**

For the year ended in December 31, 2021, direct mining costs increased by 15% explained mainly by higher costs of purchases of artisanal mining of $17.6 million, by higher inventory costs of $17.9 million in Gualcamayo and by the cost of purchases of mineral from the formalization program at the Nechí Alluvial Property. Total cost of sales was also affected by higher depreciation and amortization by $7.5 million, which were partially offset by $2.8 million in lower taxes and royalties.

During the fourth quarter of 2021, the $7.3 million increase in direct mining costs compared to the fourth quarter of 2020, is mainly explained by higher costs related to purchases of artisanal mining material of $5.2 million, by higher labour costs for $1.8 million, due mainly to salary increases in Gualcamayo and Hemco and by the cost of purchases of mineral from the formalization program at the Nechí Alluvial Property. Total cost of sales was also affected by higher depreciation and amortization by $1.6 million, which were partially offset by $1.0 million in lower taxes and royalties.

Administration Expenses

	Three Months Ended Dec. 31,		Change		Year Ended Dec. 31,		Change	
	2021	2020	$	%	2021	2020	$	%
Payroll expenses	2,658	2,261	397	18%	8,561	8,495	66	1%
Services	1,493	2,126	(633)	(30%)	8,788	6,440	2,348	36%
Depreciation and amortization	281	(260)	541	(208%)	1,379	747	632	85%
Miscellaneous	233	192	41	21%	535	409	126	31%
Taxes	-	44	(44)	(100%)	105	66	39	59%
Total Administration expenses	**4,665**	**4,363**	**302**	**7%**	**19,368**	**16,157**	**3,211**	**20%**

The 20% or $3.2 million increase in administration expenses between 2020 and 2021, is mainly explained by higher services from external advisors and insurance premiums ($2.3 million) and by an increase in depreciation and amortization (0.6 million).

Results of Investments in Associates

	Three Months Ended Dec. 31,		Change		Year Ended Dec. 31,		Change	
	2021	2020	$	%	2021	2020	$	%
Results of Investments of Associates	5,287	-	5,287	-	5,287	-	5,287	-
Results of Investments of Associates	**5,287**	**-**	**5,287**	**-**	**5,287**	**-**	**5,287**	**-**

Mineros SA, through its subsidiary, Mineros Chile SpA, has acquired shares representing 20% of the issued capital of Minera Cavancha, a joint venture company that owns 100% of the Project La Pepa. Parallel to this acquisition, Mineros Chile, Minera Yamana Chile SpA, a subsidiary of Yamana Gold Inc., and Minera Cavancha entered into a shareholders' agreement in relation to Minera Cavancha and the operations of the La Pepa Project, dated December 20, 2021.

The acquisition of shares and entry into the La Pepa Shareholders' Agreement were preceded by Company's exercise of its option to acquire a 20% stake in the La Pepa Project on June 25, 2021.

The results of investments of associates of $5.3 million are based on 20% of the estimated fair value of the acquired assets and liabilities of Minera Cavancha of $26.4 million.

The Company has the option to obtain an additional 31% share interest (for a total interest of 51%) in the La Pepa Project, subject to the completion of an additional investment and the satisfaction of other conditions, and subsequently acquire the Yamana's remaining 49% stake in Minera Cavancha at fair market value.

Other Expenses

	Three Months Ended Dec. 31,		Change		Year Ended Dec. 31,		Change	
	2021	2020	$	%	2021	2020	$	%
Corporate Projects	-	1,974	(1,974)	(100%)	3,141	6,747	(3,606)	(53%)
Taxes incurred	2,086	4,141	(2,055)	(50%)	4,255	6,887	(2,632)	(38%)
Miscellaneous	4,079	2,295	1,784	78%	7,233	3,765	3,468	92%
Donations	389	424	(35)	(8%)	1,116	1,493	(377)	(25%)
Community support	221	320	(99)	(31%)	1,053	1,579	(526)	(33%)
Tax on financial movements	378	299	79	26%	1,330	1,437	(107)	(7%)
Estimated liabilities	500	365	135	37%	778	1,539	(761)	(49%)
Devaluation of investment property	222	-	222	-	222	-	222	-
Total Other Expenses	**7,875**	**9,818**	**(1,943)**	**(20%)**	**19,128**	**23,447**	**(4,319)**	**(18%)**

The 18% or $4.3 million decrease in other expenses from 2020 to 2021 is mainly explained by lower corporate projects expenses related to the Canadian IPO ($3.6 million) and by a decrease in taxes incurred ($2.6 million), that were partially offset by higher miscellaneous expenses ($3.5 million), such as the write-off of obsolete inventories in Gualcamayo and Nechí Alluvial and other expenses associated to hurricanes Eta and Iota in Hemco.

The 20% or $1.9 million decrease in other expenses from 2020 to 2021 is mainly explained by lower corporate projects expenses related to the Canadian IPO ($2.0 million) and by a decrease in taxes incurred ($2.1 million), which were partially offset by higher miscellaneous expenses ($1.8 million).

Exploration Expenses

	Three Months Ended Dec. 31,		Change		Year Ended Dec. 31,		Change	
	2021	2020	$	%	2021	2020	$	%
Exploration expenses	4,434	1,071	3,363	314%	11,985	9,016	2,969	33%
Disposals, net	550	961	(411)	(43%)	550	961	(411)	(43%)
Total exploration expenses	**4,984**	**2,032**	**2,952**	**145%**	**12,535**	**9,977**	**2,558**	**26%**

During 2021, the 33% or $2.9 million increase in exploration expenses is explained by higher regional exploration expenses ($1.9 million), expenses related to the Deep Carbonates Projects in Argentina ($0.4 million) and the Luna Roja Exploration Target ($1.2 million).

The 43% or $0.4 million decrease in net disposals from 2020 to 2021 corresponds to exploration targets in Gualcamayo.

Impairment of Assets

	Three Months Ended Dec. 31,		Change		Year Ended Dec. 31,		Change	
	2021	2020	$	%	2021	2020	$	%
Impairment	3,799	9,095	(5,296)	(58%)	3,799	1,878	1,921	102%
Impairments exploration expenses	(1,898)	44	(1,942)	(4414%)	(1,898)	(686)	(1,212)	177%
Total Recovery (impairment) of assets	**1,901**	**9,139**	**(7,238)**	**(79%)**	**1,901**	**1,192**	**709**	**59%**

The 59% increase in total recovery (impairment) of assets in 2021 when compared to 2020 is explained by a recovery in the Hemco asset of $6.8 million, which was partially offset by a higher impairment on the Gualcamayo asset of $4.9 million, added to higher impairment expenses from exploration ($1.2 million).

The $7.2 million drop in total recovery (impairment) of assets in the fourth quarter of 2021 compared to the fourth quarter of 2020, is mainly due to a recovery in the Hemco asset of $6.8 million, added to the increase in impairment expenses from exploration, to the Gualcamayo material property for $1.9 million.

Hedging Operations

	Three Months Ended Dec. 31,		Change		Year Ended Dec. 31,		Change	
	2021	2020	$	%	2021	2020	$	%
Change in Fair Value of Derivatives	-	463	(463)	(100%)	-	(2,027)	2,027	(100%)
Total Finance Expenses	**-**	**463**	**(463)**	**(100%)**	**-**	**(2,027)**	**2,027**	**(100%)**

The variation of $2.0 million of the fair value of derivatives for year ended 2021 compared to 2020, is due to the fact that hedges with maturities in 2021 and 2022 are considered effective and are recognized in the Other Comprehensive Income “OCI”.

The variation of the fair value of derivatives for the three months ended in December 31, 2021 compared to the same period of 2020 was $0.5 million, as explained above.

Current and Deferred Tax

	Three Months Ended Dec. 31,		Change		Year Ended Dec. 31,		Change	
	2021	2020	$	%	2021	2020	$	%
Current tax	(4,843)	(6,648)	1,805	(27%)	(28,355)	(38,149)	9,794	(26%)
Deferred tax	(327)	(2,523)	2,196	(87%)	(5,385)	(4,221)	(1,164)	28%
Total income tax	**(5,170)**	**(9,171)**	**4,001**	**(44%)**	**(33,740)**	**(42,370)**	**8,630**	**(20%)**

During 2021, the $8.6 million (20%) decrease in total income tax for the first years ended of 2021, is explained by lower profits before taxes and fiscal losses in the subsidiaries Mineros S.A. and Negocios Agroforestales S.A.S.

The $1.2 million (28%) increase in deferred taxes is mainly explained by the effect of Colombian Law 2155 of September 14, 2021, which increases the nominal income tax rate from 30% to 35%, effective on January 1, 2022. Deferred taxes were also affected by the change of functional currency in Mineros S.A. and Mineros Aluvial S.A.S. BIC due to changes in the recorded value of property, plant and equipment and other assets; also by tax shields used in Gualcamayo, tax inflation adjustments, adjustment on temporary accounts and impairments of fixed assets in Gualcamayo, partially offset by the Hemco asset recovery.

Selected Annual Information

	Year Ended December 31,		
	2021	**2020**	**2019**
Revenues	496,247	485,301	411,361
Cost of Sales	(371,284)	(322,340)	(316,991)
Gross Profit	**124,963**	**162,961**	**94,370**
Administration expenses	(19,368)	(16,157)	(11,243)
Other income	2,506	3,735	1,151
Results investments in associates	5,287	-	-
Other expenses	(19,128)	(23,447)	(13,806)
Exploration expenses	(12,535)	(9,977)	(7,636)
Impairment of Asset, net	1,901	1,192	(2,044)
Finance income	1,564	1,094	1,452
Finance expense	(9,188)	(8,706)	(8,391)
Hedging Operations	-	(2,027)	3,106
Foreign currency exchange differences	1,125	(2,643)	(4,150)
Profit for the period before tax	**77,127**	**106,025**	**52,809**
Current tax	(28,355)	(38,149)	(15,313)
Deferred tax	(5,385)	(4,221)	32
Net Profit for the period	**43,387**	**63,655**	**37,528**
Basic Earnings per Share ($)	0.16	0.24	0.14
Dividends Paid	17,670	13,303	14,248
Dividends Paid per Share ($)	0.07	0.05	0.05

For the year ended December 31, 2021 compared to December 31, 2020

Revenues in 2021 increased by 2%, due to the higher average selling price of gold, which was partially offset by a 4% decrease in production, to higher revenue from silver and to the increase in energy, hedging and other revenues

Net profits were $43.4 million ($0.16 per share) for the year ended December 31, 2021, compared to $63.7 million ($0.24 per share) for the same period in 2020. Net profits were impacted by a 15% increase in costs, and a 26% increase in exploration expenses. Net profits were positively impacted by a steep decrease in foreign currency exchange differences and by $5.3 million in results from investments in associates, which is the value recognized for the 20% participation in the La Pepa project in Chile. Also by $8.6 million lower taxes due to decrease in profit before taxes.

For the year ended December 31, 2020 compared to December 31, 2019

Revenues in 2020 increased by 18% due to the higher average selling price of gold, which was partially offset by a 6% decrease in production.

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.

Summary Balance Sheet

	As at December 31,		
	2021	**2020**	**2019**
Total Current Assets	174,737	200,275	151,695
Total Non Current Assets	405,309	341,960	340,524
Total Current Liabilities	110,601	128,813	105,663
Total Non Current Liabilities	101,913	98,641	101,486
Total Equity	367,532	314,781	282,558

As at December 31, 2021 vs. December 31, 2020

Current and Non-current Assets

The decrease in current assets by $25.5 million (13%) corresponds mainly to a decrease in tax receivables of $10.1 million, a lower balance in trade and other receivables for $5.5 million, to lower inventories by $4.1 million and lower valuation of derivative financial instruments for $9.5 million that were partially offset by higher other assets for $5.6 million.

The $63.3 million increase in non-current assets as at December 31, 2021 is, mainly due to additions in property, plant and equipment for $9.8 million, by higher exploration and evaluation projects for $34.8 million, which include the Luna Roja Exploration Target for $24.5 million, by the recognition of the investment in the La Pepa Project in Chile for $5.3 million and by higher intangible assets by $7.4 million.

Current and Non-current Liabilities

The decrease in current liabilities of $18.2 million (14%) is mainly attributable to a decrease in loans and other borrowings for $10.1 million, lower derivative financial instruments for $5.3 million and lower tax liabilities for $4.7 million that were partially offset by an increase in employee benefits for $2.7 million.

The increase in Non-current liabilities for $3.3 million (4%) is mainly explained by higher deferred tax and higher provisions for $13.0 million, which were partially offset by a decrease in loans and other borrowings for $9.2 million.

As at December 31, 2020 vs. December 31, 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 $44.6 million and to the increase in assets associated with Value Added Taxes to be recovered for $9.3 million.

There was an immaterial increase in non-current assets in 2020, mainly due to a decrease in property, plant and equipment for $2.0 million, lower deferred taxes for $9.1 million and lower inventories for $2.3 million, which were offset by increased intangibles for $14.4 million.

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.

9. 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			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Financial Results								
Revenues	122,218	120,188	128,449	125,392	121,480	121,263	126,312	116,246
Profit for the period	11,060	8,150	10,408	13,769	14,155	24,795	8,681	16,024
Basic Earnings per share ($)	0.04	0.03	0.04	0.05	0.05	0.09	0.03	0.06
Cash Flow from Operating Activities	19,643	35,066	19,648	12,983	75,427	25,754	31,248	9,815
Adjusted EBITDA	35,449	32,359	41,759	45,136	40,210	51,889	53,373	42,279
Dividends Paid	4,014	4,035	6,076	3,545	3,849	2,966	3,277	3,211
Expenditures on mining interests (cash basis)								
Sustaining capital expenditure	7,218	6,309	17,480	18,347	10,875	5,364	2,977	3,889
Sustaining exploration	2,286	3,384	2,645	1,180	1,933	2,476	2,340	2,584
Operating Results								
Gold Produced (oz)	65,133	63,758	67,403	65,473	64,908	64,225	69,952	72,562
Gold Sold (oz)	64,969	65,319	67,895	67,623	64,453	63,020	71,790	71,635
Average realized price per ounce of gold sold ($/oz)	1,802	1,778	1,835	1,798	1,850	1,907	1,735	1,608
Silver Produced (oz)	108,959	115,057	95,559	80,987	64,921	69,769	82,407	80,991
Average realized price per ounce of silver sold ($/oz)	23	24	27	26	25	26	17	15
Cash Cost per ounce of gold sold ($/oz)	1,227	1,235	1,163	1,091	1,162	1,020	940	964
AISC per ounce of gold sold ($/oz)	1,463	1,476	1,559	1,469	1,454	1,225	1,108	1,139

In 2020 and 2021, operations and mine planning at the Nechí Alluvial Property (Colombia) were affected by delays in the approval of some environmental permits. As a result, the Company modified its mine plan for those years to only mine within fully permitted areas. In 2021, the Company completed a formalization process to work in a collaborative model with third party contractors, covering 9 operating units with previously informal miners. The operating units used by the newly formalized miners are smaller than the Company's dredges, resulting in the ability to mine portions of the deposit that were not previously accessible or profitable for the Property.

At the Hemco Property (Nicaragua), operations can be affected by tropical storms, typically from mid-August to mid-October, which can result in production delays. In November 2020, after the end of the traditional storm season, the Hemco Property was affected by hurricanes Eta and Iota. The two hurricanes, occurring approximately two weeks apart, resulted in energy cuts, plant stoppages and damage to mine infrastructure, including the hydroelectric facilities.

At Gualcamayo (Argentina), Mineros is focused on increasing the recovery rate from the heap leach piles and on near-mine targets exploration. The objective of this work is to increase life of mine, since by the second half of 2020 a portion of the open-pit mine reached its end of life. In addition, Mineros has made significant investments in the stripping of a new open-pit, in order to maintain production levels.

10. FINANCIAL CONDITION & LIQUIDITY

Cash Flow Analysis

The following table summarizes the Company's cash flow activity for following periods:

	Three Months Ended Dec. 31,		Year Ended Dec. 31,	
	2021	**2020**	**2021**	**2020**
Cash Flow				
Net cash flow provided by operating activities	19,643	75,427	87,340	142,244
Net cash flow used in investing activities	(579)	(33,591)	(77,852)	(62,705)
Net cash flow used in financing activities	(6,608)	(13,417)	(9,240)	(35,715)
(Decrease) increase in cash and cash equivalents	**12,456**	**28,419**	**248**	**43,824**
Effect of exchange rate on cash and cash equivalents	(1,102)	770	(716)	728
Cash and cash equivalents, beginning of the period	51,776	34,409	63,598	19,046
Cash and cash equivalents, end of period	**63,130**	**63,598**	**63,130**	**63,598**

Cash flow from operating activities for the year ended in December 31, 2021, decreased by $54.9 million, explained mainly by higher cash from sales of gold for $2.5 million, higher payments to suppliers for $43.6 million, lower payments for hedging operations for $13.9 million, higher payments of employee benefits $4.7 and higher income tax payments for $21.5 million. For the fourth quarter the decrease of $55.8 million explained by lower income from gold sales for $1.0 million, higher payments to suppliers for $46.9 million, lower payments for hedging operations for $1.0 million, higher tax payments for $1.0 million and higher benefits payments to employees for $3.8 million.

As at December 31, 2021, net cash used in investing activities increased by $15.1 million compared to the year ended in 2020, mainly due to the sale of Operadora Minera S.A.S. in 2020 for $5.5 million, the acquisition of additional interest in Vesmisa for $2.4 million, higher additions in property, plant and equipment and intangibles for $24.1 million, including $24.5 million in respect to the Luna Roja Exploration Target and higher financial instruments held for sale by $15.7 million. For the fourth quarter, the $33.0 million decrease is mainly explained by lower investments in property, plant and equipment for $35.9 million and by the raise of financial instruments held for sale for $3.5 million.

As at December 31, 2021, net cash used in financing activities decreased by $26.5 million, explained by new proceeds the proceeds from the IPO on TSX and the offering in Colombia for a total of $29.8 million, proceeds from borrowings for $10.8 million, higher debt payments for $10.3 million, lower interest payments for $0.8 million and higher dividend payments for $4.3 million. For the fourth quarter of 2021, net cash used in financing activities increased by $6.8 million, explained mostly by the proceeds from the IPO on TSX and the offering in Colombia for a total of $29.8 million, partially offset by higher debt payments for $22.3 million.

Working Capital

As at December 31, 2021, the Company had cash and cash equivalents of $63.1 million, and working capital, defined as current assets less current liabilities, was $64.1 million (December 31, 2020: $71.5 million).

	As at Dec. 31, 2021	As at Dec. 31, 2020
Total Assets	580,046	542,235
Total Non Current Liabilities	101,913	98,641
Total Equity	367,532	314,781
Working Capital (1)	64,136	71,462
Cash and Cash Equivalents	63,130	63,598
Loans and Other Borrowings (Current and Non Current)	55,110	74,458

(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 by country for the three months and years ended December 31, 2021 and 2020 include non-cash transactions such as leasings and Asset Retirement Obligations and were as follows:

	Three Months Ended Dec. 31,		Year Ended Dec. 31,	
	2021	2020	2021	2020
Additions to Exploration Projects				
Nechi Alluvial (Colombia)	622	216	744	216
Hemco (Nicaragua)	2,345	2,061	31,950	8,664
Gualcamayo (Argentina)	254	1,102	5,159	4,205
Total Additions to Exploration Projects	**3,221**	**3,379**	**37,853**	**13,085**

	Three Months Ended Dec. 31,		Year Ended Dec. 31,	
	2021	**2020**	**2021**	**2020**
Additions to property, plant and equipment and intangibles [(1)]				
Nechi Alluvial (Colombia)	3,271	10,566	12,988	18,487
Hemco (Nicaragua)	9,861	9,482	28,002	21,150
Gualcamayo (Argentina)	2,580	24,004	37,680	32,825
Total Additions to property, plant and equipment and intangibles	**15,712**	**44,051**	**78,670**	**72,461**

(1) Does not include additions to Property, Plant and Equipment, Exploration or intangibles of the Mineros S.A. (Holding) and Others segments. For additional information as Additions to exploration, property, plant and equipment, and intangibles, see Note 7 of our Consolidated Financial Statements.

Additions to Exploration projects and Property, plant and equipment and intangibles for the year ended December 31, 2021

During 2021, the mining operations had capital expenditures of $116.5 million: $13.7 million in Nechí Alluvial (Colombia), $60.0 million in Hemco (Nicaragua) and $42.8 million in Gualcamayo (Argentina).

In Nechí Alluvial, the majority of the $13.7 million in capital expenditures are related to the new alluvial plant named Llanuras ($2.6 million), exploration ($0.7 million) and property, plant and equipment ($10.4 million).

In Nicaragua, expenditures of $60.0 million, were mainly due to the acquisition of the Luna Roja Exploration Target for $24.5 million, at the Hemco Property on exploration ($7.0 million), underground mine development and equipment ($9.8 million), lease of vehicles ($4.8 million), a new sample testing laboratory ($1.3 million), increase the capacity of the tailings dam ($2.6 million) and property, plant and equipment ($10.0 million).

In Argentina, expenditures of $42.8 million were at the Gualcamayo Property on exploration ($5.2 million), open-pit mine development ($25.8 million), underground mine development ($3.3 million), asset retirement obligations ($2.1 million), increase of capacity of heap leach piles ($4.1 million) and property, plant and equipment ($2.3 million).

Additions to Exploration projects and Property, plant and equipment and intangibles for the three months ended December 31, 2021

During the fourth quarter 2021, the mining operations had capital expenditures of $18.9 million: $3.9 million in Nechí Alluvial (Colombia), $12.2 million in Hemco (Nicaragua) and $2.8 million in Gualcamayo (Argentina).

Expenditures in the Nechí Alluvial Property for $3.9 million, were on exploration ($0.6 million); and property, plant and equipment ($5.7 million).

In Hemco, expenditures of $12.2 million were mainly related to exploration ($2.3 million), underground mine development and equipment ($1.7 million), asset retirement obligations ($1.1

million), leasing and leaseback of vehicles ($1.8 million), increase the capacity of the tailings dam ($1.1 million) and property, plant and equipment ($4.2 million).

In Gualcamayo, expenditures of $2.8 million, mostly related to asset retirement obligations ($2.1 million) and property, plant and equipment ($0.7 million).

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 December 31, 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	50,757	-	-	-	50,757
Loans and other borrowings	10,893	23,204	-	-	34,097
Other financial liabilities	5,007	-	-	-	5,007
	66,657	**23,204**	**-**	**-**	**89,861**
Other Commitments					
Reclamations and closure cost obligations	1,101	4,865	15,335	50,616	71,917
Minimum rental and lease payments	2,738	6,131	2,822	9,322	21,013
	3,839	**10,996**	**18,157**	**59,938**	**92,930**
Total	**70,496**	**34,200**	**18,157**	**59,938**	**182,791**

Capital Resource Management

The Company'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.

Historically, the Company's operations in Colombia have generated enough cash flow to maintain the operation without needing to request 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. At the Company's operations 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 income and costs, expenses and necessary investments are projected. Thus, there is on-going 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/US 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 per ounce of gold sold, specifically its underground operations in Argentina and Nicaragua. Exchange rate hedges cover around 50% of projected cash flows for Colombia. Hedges are not made for terms of longer than eighteen months. Nicaragua's and Argentina's functional currency are US 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 reduces 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. In the management of capital, the Company includes components of equity, short-term and long-term loans and other borrowings, net of cash and cash equivalents and short-term investments, summarized as follows:

	Year Ended Dec. 31, 2021	Year Ended Dec. 31, 2020
Equity	367,532	314,781
Loans and Other Borrowings	55,110	74,458
Total Capitalization	**422,642**	**389,239**
Less: Cash and cash equivalents	(63,130)	(63,598)
Less: Current investment	(98)	(1,563)
Net Capitalization	**359,414**	**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 US 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.

Financial instruments

In order to provide protection for the higher Cash Cost ounces and to increase cash flow certainty, the Company put in place a short-term Gold Revenue Protection Strategy by entering 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. For further information regarding collar contracts see "Section 11 Risk Factors Financial Instruments and Risks (iii)- Market Risks".

Off-Balance Sheet Arrangements

Other commitments associated with the acquisition of the Gualcamayo Property

The purchase price for the Gualcamayo Property 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 of December 31, 2021.

Other commitments associated with the acquisition of Royal Road's 50% part of the Luna Roja Exploration Target

Given the acquisition on May 21, 2021 of the 50% stake held by Royal Road in the Luna Roja Exploration Target in Nicaragua, comprised of the mining concessions Monte Carmelo I and Monte Carmelo II, the Company has the following commitments as of December 31, 2021:

An NSR royalty of 1.25% on all future mineral commercial production from the mining concessions of Monte Carmelo I and Monte Carmelo II payable to Royal Road.

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 these royalties.

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.

Outstanding Share Data

As at the date of this MD&A, the Company had 299,737,402 common shares issued and outstanding. The common shares trade on the BVC under the symbol MINEROS and on the TSX under the symbol MSA.

Use of Proceeds from Financings

The following table sets out the Company's previous disclosure regarding the intended use of proceeds (other than working capital) from previous financings, and the actual use of proceeds as at December 31, 2021:

Intended use of net proceeds	Estimated Amount to be Expended	Use of net proceeds as at December 31, 2021
Canadian IPO		
Repayment of loan to the Company pursuant to a loan agreement dated May 12, 2021, between the Company and Banco Davivienda S.A.	15,000	15,000
Colombian Concurrent Offering (1)		
Repayment of other existing indebtedness	9,150	9,150

(1) The Prospectus filed in Colombia in respect of the Colombian Concurrent Offering, disclosed that 69% of the total anticipated gross proceeds of the Canadian IPO and the Colombian Concurrent Offering ($24.2 million) would be used for repayment of existing indebtedness, including $15.0 million allocated for the repayment of certain debts under r the Canadian IPO, and a further $9.2 million designated for repayment of other existing indebtedness under the Colombian Concurrent Offering.

11. RELATED PARTIES

Transactions

During the period, the Company or its subsidiaries entered into the following commercial transactions with parties that are not members of the Company's Corporate Family, but that are related parties of certain board members:

- Paid insurance premiums to Axa Colpatria Seguros S.A. of $1.9 million (year ended December 31, 2020: $2.3 million).

Axa Colpatria Seguros S.A. and Seguros de Vida Colpatria S.A. are 100% owned by Mercantil Colpatria S.A. Three of the Company's directors, Eduardo Pacheco Cortés and Pacheco, Luis Santiago Perdomo Maldonado and José Fernando Llano Escandón are executive officers of Mercantil Colpatria S.A.

During 2021, payments were made to Royal Road through its subsidiary Minerales Camino Real S.A.S in the amount of $22.0 million by Hemco Nicaragua and $1.2 millon by Mineros S.A.

During 2021 and 2020, there were no transactions with Yamana Chile Servicios SpA[6] or Minera Cavancha.

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. 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, 2021, the loan has been paid in full.

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, 2021, the balance outstanding was $0.003 million (COP $11.7 million) and is included in "trade and other receivables"

Balances

There were no balances due to the Company's directors and officers as at December 31, 2021.

[6] Company that owns an 80% participation in Minera Cavancha, an investment in associate of Mineros S.A

12. NON-IFRS AND OTHER FINANCIAL MEASURES

The Company has included certain non-IFRS financial measures and non-IFRS ratios in this MD&A. Management believes that non-IFRS financial measures and non-IFRS ratios, when supplementing measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. Non-IFRS financial measures and non-IFRS ratios do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. These data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. For a discussion of the use of non-IFRS financial measures and reconciliations thereof to the most directly comparable IFRS measures, see below.

EBITDA and Adjusted EBITDA

The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use the earnings before interest, tax, depreciation and amortization ("**EBITDA**"), and adjusted earnings before interest, tax, depreciation and amortization ("**Adjusted EBITDA**"), which excludes certain non-operating income and expenses, such as financial income or expenses, hedging operations, exploration expenses, impairment of assets, foreign currency exchange differences, and other expenses (principally, donations, corporate projects and taxes incurred). The Company believes that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results because it is consistent with the indicators management uses internally to measure the Company's performance, and is an indicator of the performance of the Company's mining operations.

The following table sets out the calculation of EBITDA and Adjusted EBITDA for the three months and years ended December 31, 2021 and 2020:

	Three Months Ended Dec. 31,		Year Ended Dec. 31,	
	2021	2020	2021	2020
Profit for the Period	**11,060**	**14,155**	**43,387**	**63,655**
Less: Interest income [(1)]	(445)	(441)	(1,392)	(1,030)
Add: Interest expense[(2)]	1,346	1,686	4,950	6,239
Add: Current tax[(3)]	4,843	6,648	28,355	38,149
Add/less: Deferred tax [(3)]	327	2,523	5,385	4,221
Add: Depreciation and Amortization	13,502	11,404	49,108	40,947
EBITDA	**30,633**	**35,975**	**129,793**	**152,181**
Less: Other income [(4)]	(465)	(1,008)	(2,506)	(3,735)
Less: Results investments in associates [(5)]	(5,287)	-	(5,287)	-
Less: Finance income (excluding interest income)	(31)	(31)	(172)	(64)
Add: Finance expense (excluding interest expense)	1,110	742	4,238	2,467
Add: Other expenses [(6)]	7,875	9,818	19,128	23,447
Add: Exploration Expenses [(7)]	4,984	2,032	12,535	9,977
Less: Impairment of Assets, net [(8)]	(1,901)	(9,139)	(1,901)	(1,192)
Less: Hedging Operations [(9)]	-	(463)	-	2,027
Less: Foreign currency exchange differences [(10)]	(1,469)	2,284	(1,125)	2,643
Adjusted EBITDA	**35,449**	**40,210**	**154,703**	**187,751**

(1) For additional information regarding interest income, see Note 15 of our Consolidated Financial Statements.
(2) For additional information regarding interest expense, see Note 16 of our Consolidated Financial Statements.
(3) For additional information regarding taxes, see Note 22 of our Consolidated Financial Statements.
(4) For additional information regarding other income, see Note 12 of our Consolidated Financial Statements.
(5) Results in investments in associates was included in the EBITDA starting in the fourth quarter of 2021, as a recognition of the value of the acquisition of legal ownership of shares representing a 20% interest in Minera Cavancha. See Section 3.1: Highlights for the year ended December 31, 2021 – Annual Corporate and Project Highlights – Acquisition of 20% Interest in La Pepa Project. For additional information regarding results in investments in associates, see Note 27 of our Consolidated Financial Statements.
(6) For additional information regarding other expenses, see Note 13 of our Consolidated Financial Statements.
(7) For additional information regarding exploration expenses, see Note 14 of our Consolidated Financial Statements.
(8) For additional information regarding impairment of assets, see Note 8 of our Consolidated Financial Statements.
(9) For additional information regarding hedging operations, see Note 5 of our Consolidated Financial Statements.
(10) For additional information regarding foreign currency exchange differences, see Note 3.4 of our Consolidated Financial Statements.

Cash Cost & All-in Sustaining Costs

The Company reports Cash Cost 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 Cost include mining, milling, mine site security, royalties, and mine site administration costs, and exclude non-cash operating expenses. Cash Cost per ounce of gold sold and AISC 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 AISC is to provide stakeholders with a key indicator that reflects as close as possible the full cost of producing and selling an ounce of gold.

The Company reports AISC per ounce of gold sold on a by-product basis. The methodology for calculating AISC 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 ratio provides investors with transparency regarding the total costs of producing an ounce of gold in each period.

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

The following table provides a reconciliation of Cash Cost per ounce of gold sold on a by-product basis for the three months and years ended December 31, 2021 and 2020:

	Three Months Ended Dec. 31,		Year Ended Dec. 31,	
	2021	**2020**	**2021**	**2020**
Costs of sales	**95,606**	**88,311**	**371,284**	**322,340**
Less: Cost of non-mining operations	(145)	(114)	(567)	(253)
Less: Depreciation and amortization	(13,221)	(11,649)	(47,729)	(40,200)
Less: Sales of silver	(2,526)	(1,623)	(9,873)	(6,070)
Cash Cost	**79,714**	**74,925**	**313,115**	**275,817**
Gold sold (oz)	64,969	64,453	265,806	270,898
Cash Cost per ounce of gold sold ($/oz)	**1,227**	**1,162**	**1,178**	**1,018**

The following table provides a reconciliation of AISC per ounce of gold sold for the three months and years ended December 31, 2021 and 2020:

	Three Months Ended Dec. 31,		Year Ended Dec. 31,	
	2021	2020	2021	2020
Costs of sales	**95,606**	**88,311**	**371,284**	**322,340**
Less: Cost of sales of non-mining operations	(145)	(114)	(567)	(253)
Less: Depreciation and amortization	(13,221)	(11,649)	(47,729)	(40,200)
Less: Sales of silver	(2,526)	(1,623)	(9,873)	(6,070)
Less: Energy sales revenues	(1,134)	(1,216)	(4,495)	(3,793)
Add: Administration expenses	4,665	4,363	19,368	16,157
Less: Depreciation and amortization of Adm. Expenses	(281)	245	(1,379)	(747)
Less: Administration Expenses of non-mining operations	(8)	-	(33)	(21)
Add: Sustaining leases and leaseback	3,612	2,561	12,260	12,272
Add: Sustaining exploration	2,286	1,933	9,495	9,333
Add: Sustaining capital expenditure	6,173	10,875	48,309	23,105
AISC	**95,027**	**93,686**	**396,640**	**332,123**
Gold sold (oz)	64,969	64,453	265,806	270,898
All-in sustaining costs per ounce of gold sold ($/oz)	**1,463**	**1,454**	**1,492**	**1,226**

Cash Cost and All-in Sustaining Costs by Operating Segment

The following table provides a reconciliation of Cash Cost per ounce of gold sold and AISC per ounce of gold sold by operating segment[7] for the three months and fiscal years ended December 31, 2021 and 2020:

[7] For additional information regarding Segments (Material Properties), see Note 7 of our Consolidated Annual Financial Statements.

Year Ended December 31, 2021

	Nechí Alluvial	Hemco	Gualcamayo
Cost of sales	**90,827**	**180,131**	**106,143**
Less: Depreciation and amortization	(11,338)	(22,492)	(13,734)
Less: Sales of silver	(173)	(9,193)	(507)
Cash costs	79,316	148,446	91,902
AISC Adjustments			
Less: Depreciation and amortization administrative expenses	(83)	(63)	-
Less: Energy sales revenues	(4,495)	-	-
Add: Administration expenses	2,179	3,276	2,050
Add: Sustaining leases and Leaseback	2,497	3,487	6,276
Add: Sustaining exploration	744	4,244	4,507
Add: Sustaining capital expenditure	7,892	17,154	24,308
AISC	**88,050**	**176,544**	**129,043**
Gold sold (oz)	73,129	127,151	65,526
Cash costs per ounce of gold sold ($/oz)	**1,085**	**1,167**	**1,403**
All-in sustaining costs per ounce of gold sold ($/oz)	**1,204**	**1,388**	**1,969**

Year Ended December 31, 2020

	Nechí Alluvial + La Y Mine (1)	Hemco	Gualcamayo
Total cost of sales	**81,368**	**151,092**	**98,401**
Less: Depreciation and amortization	(9,549)	(17,906)	(12,586)
Less: Sales of silver	(378)	(5,131)	(561)
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	2,763	1,463
Add: Sustaining leases	2,418	1,897	7,957
Add: Sustaining Exploration	216	5,551	3,566
Add: Sustaining capital expenditure	4,324	11,429	7,352
AISC	**76,585**	**149,652**	**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**

(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.

Three Months ended December 31, 2021

	Nechí Alluvial	Hemco	Gualcamayo
Cost of sales	**23,154**	**47,489**	**26,346**
Less: Depreciation and amortization	(2,855)	(6,057)	(4,264)
Less: Sales of silver	(33)	(2,392)	(101)
Cash costs	**20,266**	**39,040**	**21,981**
AISC Adjustments			
Less: Depreciation and amortization administrative expenses	(3)	(20)	-
Less: Energy sales revenues	(1,134)	-	-
Add: Administration expenses	477	1,067	576
Add: Sustaining leases and Leaseback	613	1,167	1,832
Add: Sustaining exploration	622	1,410	254
Add: Sustaining capital expenditure	2,809	3,929	480
AISC	**23,650**	**46,593**	**25,123**
Gold sold (oz)	15,524	32,201	17,244
Cash costs per ounce of gold sold ($/oz)	**1,305**	**1,212**	**1,275**
All-in sustaining costs per ounce of gold sold ($/oz)	**1,523**	**1,447**	**1,457**

Three Months ended December 31, 2020

	Nechí Alluvial	Hemco	Gualcamayo
Total cost of sales	**21,395**	**40,296**	**29,808**
Less: Depreciation and amortization	(2,115)	(5,557)	(3,935)
Less: Sales of silver	(61)	(1,404)	(158)
Cash costs	**19,219**	**33,335**	**25,715**
AISC Adjustments			
Less: Depreciation and amortization administrative expenses	2	(13)	-
Less: Energy sales Revenues	(1,216)	-	-
Add: Administration Expenses	434	807	194
Add: Sustaining leases	632	682	1,247
Add: Sustaining Exploration	216	836	881
Add: Sustaining capital expenditure	1,636	5,751	3,488
AISC	**20,923**	**41,398**	**31,525**
Gold Sold (oz)	17,561	26,660	20,232
Cash costs per ounce of gold sold ($/oz)	**1,094**	**1,250**	**1,271**
All-in sustaining costs per ounce of gold sold ($/oz)	**1,191**	**1,553**	**1,558**

Net Free Cash Flow

The Company uses the financial measure "net free cash flow", which is a non-IFRS financial measure, to supplement information regarding cash flows from operating activities. The Company believes that in addition to IFRS financial measures, certain investors and analysts use this information to evaluate the Company's performance with respect to its operating cash flow capacity to meet recurring outflows of cash.

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 relevant period.

The following table sets out the calculation of the Company's net free cash flow for the three months and years ended December 31, 2021 and 2020:

	Three Months Ended Dec. 31,		**Year Ended Dec. 31,**	
	2021	**2020**	**2021**	**2020**
Cash flows from operating activities	19,643	75,427	87,340	142,244
Non-discretionary items:				
Sustaining capital expenditures	(6,173)	(10,875)	(48,309)	(23,105)
Interest paid	(1,124)	(1,184)	(4,315)	(5,147)
Dividends paid	(4,014)	(3,849)	(17,670)	(13,303)
Net free cash flow	**8,332**	**59,519**	**17,046**	**100,689**

Return on Capital Employed

The Company uses ROCE as a measure of long-term operating performance to measure how effectively management utilizes the capital it has provided. This non-IFRS ratio 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.

	As at Dec. 31, 2021	As at Dec. 31, 2020
Adjusted EBITDA (Last 12 months)	154,703	187,751
Less: Depreciation and amortization (Last 12 months)	(49,108)	(40,947)
Adjusted EBIT (A)	**105,595**	**146,804**
Total Assets at the beginning of the Period	542,235	492,219
Less: Total current liabilities at the beginning of the Period	(128,813)	(108,175)
Opening Capital Employed (B)	**413,422**	**384,044**
Total Assets at the end of the Period	580,046	542,235
Less: Current Liabilities at the end of the Period	(110,601)	(128,813)
Closing Capital employed (C)	**469,445**	**413,422**
Average Capital employed (D)= (B) + (C) /2	**441,434**	**398,733**
ROCE (A/D)	**24%**	**37%**

Net Debt to Adjusted EBITDA Ratio

Net Debt to Adjusted EBITDA ratio is a non-IFRS ratio that 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 three months and fiscal years ended December 31, 2021 and 2020.

	Year Ended Dec. 31,	
	2021	2020
Loans and other borrowings	55,110	74,458
Less: Cash and cash equivalents	(63,130)	(63,598)
Net Debt	**(8,020)**	**10,860**
Adjusted EBITDA (Last 12 months)	154,703	187,751
Net Debt to Adjusted EBITDA	**(0.05X)**	**0.06X**

Average Realized Price

The Company uses "average realized price per ounce of gold" and "average realized price per ounce of silver", which are non-IFRS financial measures. Average realized metal price represents the revenue from the sale of the underlying metal as per the Statement of Operations, adjusted to reflect the effect of trading at holding level (parent Company) on the sales of gold purchased from subsidiaries. Average realized prices are calculated as the revenue related to gold and silver sales divided by the number of ounces of metal sold. The following table sets out the reconciliation of average realized metal prices to sales of gold and sales of silver for the three months and years ended December 31, 2021 and 2020:

	Three Months Ended Dec. 31,		Year Ended Dec. 31,	
	2021	**2020**	**2021**	**2020**
Sales of gold	117,053	119,210	479,363	479,128
Sold gold ounces (oz)	64,969	64,453	265,806	270,898
Average realized price per ounce of gold sold ($/oz)	**1,802**	**1,850**	**1,803**	**1,769**
Sales of silver	2,528	1,623	9,875	6,070
Sold silver ounces (oz)	108,959	64,921	400,562	298,088
Average realized price per ounce of silver sold ($/oz)	**23**	**25**	**25**	**20**

13. RISK FACTORS

Readers of this MD&A should consider the information included in the Company's audited consolidated annual financial statements and related notes for the period ending December 31, 2021. The nature of the Company's activities and the locations in which it works mean that the Company's business generally is exposed to significant risk factors, many of which are beyond its control. The Company examines the various risks to which it is exposed and assesses any impact and likelihood of those risks. The risks that affect the financial statements specifically, and the risks that are reasonably likely to affect them in the future which are incorporated by reference in this MD&A, are discussed below.

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 Financial 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.

(i) 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.
The Company's maximum exposure to credit risk was as follows:

	As at Dec. 31, 2021	As at Dec. 31, 2020
Cash and cash equivalents	63,130	63,598
Short Term Investments	98	1,563
Accounts receivable arising from sales of metal concentrates	10,580	13,836
Derivative financial instruments, net	(2,270)	2,013
Total	**71,538**	**81,010**

(ii) 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 5 of the consolidated annual financial statements. All other financial liabilities disclosed in this note mature within one year and do not accrue interest.

During the three months ended December 31, 2021, the Company generated net cash flows from operating activities, one of the Company's main sources of liquidity, of $19.6 million (December31, 2020: $75.4 million). By the end of December 31, 2021, the Company held cash and cash equivalents of $63.1 million (December 31, 2020: $63.6 million). At December 31, 2021, the Company's working capital, defined as current assets less current liabilities, was $64.1 million (December 31, 2020: $71.5 million).

(iii) Market Risk

Currency risk

Cash is generated from gold sales in US 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 $/COP$ exchange rate is an important factor in the financial performance of the Company.

This risk is managed by means of OTC derivative financial instruments, for which the underlying item is the US dollar/Colombian peso pair (based on the *Tasa Representativa de Mercado* - TRM), entered into for the purpose of reducing the variability of the cash flows in pesos generated by the volatility of the US 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.

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 US dollar to Colombian peso put option contracts and sold a series of US 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 for 2020 and 2021 are as follows:

Company	Type	Contracts	Amount ($000s)	Maturity	Price (COP$)
Mineros Aluvial	Put/Call $	12	36,000	Jan – Dec 2022	Min: 3,700
					Max: 4,217
Mineros Aluvial	Put/Call $	18	24,000	Jan – Sep 2021	Min: 3,700
					Max: 4,188
Mineros	Put/Call $	6	9,000	Jan – Mar 2021	Min: 3,800
					Max: 4,279
Hemco	No hedging				
MASA	No hedging				

As at December 31, 2021, there were no collar contracts for Mineros S.A. (Holding Company), Hemco or MASA. The Company was primarily exposed to currency risk through financial assets and liabilities, income 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 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.

The Company monitors interest rate behavior, in order to secure favorable interest rates when possible. In addition the Company has kept conservative debt levels, the Net Debt to Adjusted EBITDA ratio was (0.05X) as at December 31, 2021 and 0.06X as at December 31, 2020.

Commodity price risk

Due to its economic activity, the company sells gold in the international precious metals market. These sales represent close to 95% of the company's operating income, and consequently, exposure to variations in the price of gold is high.

This risk is managed by contracting OTC derivative financial instruments, whose underlying is the commodity itself, its modality is with delivery and its objective is to reduce the variability of operating income generated by the volatility of the price of gold; Derivatives are not for speculative purposes and are used to guarantee the price of a portion of the planned sales for the following year.

The derivatives 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 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 for the years 2020 and 2021 are as follows:

Company	Type	Contracts	Ounces	Maturity	Price ($/oz)
Hemco	Put/Call	6	9,000	Jan – Jun 2022	Min: 1,750 Max: 1,885
Hemco	Put/Call	12	6,000	Jan – Dec 2022	Min: 1,750 Max: 1,865
Mineros	Put/Call	6	15,000	Jan – Jun 2022	Min: 1,750 Max: 1,885
Mineros	Put/Call	12	18,000	Jan – Dec 2022	Min: 1,750 Max: 1,870
Hemco	Put/Call	36	30,000	Jan – Dec 2021	Min: 1,800 Max: 1,939
Mineros	Put/Call	36	48,000	Jan – Dec 2021	Min: 1,800 Max: 2,046

Note: 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, 2021 have been recognized, on a net basis, in derivative liabilities on the Mineros 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 and Scholes valuation model which uses quoted observable inputs and are classified as Level 2 in the fair value hierarchy. Details are as follows:

	Year Ended Dec. 31,	
	2021	**2020**
Realized (loss) in revenue protection strategy	700	(4,175)
Unrealized (loss) gains in gold revenue protection strategy	-	(2,027)
Net profit (losses) in commodity contracts	**700**	**(6,202)**

14. CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's consolidated annual 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 Audited consolidated annual financial statements for years ended December 31, 2021 and 2020.

In preparing the consolidated annual 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 annual 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 judgments and key sources of estimation uncertainties in the application of accounting policies during the years ended December 31, 2021 and 2020 are disclosed in Note 4 to the Company's consolidated annual financial statements for the years ended December 31, 2021 and 2020.

15. INTERNAL CONTROLS OVER FINANCIAL REPORTING AND DISCLOSURE 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 National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("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

In accordance with Items 4.1(2) and 4.3 of NI 52-109 the Company will file concurrently with its annual information form a certificate in the Form 52-109F1 - IPO/RTO relating to its annual financial statements and the accompanying notes, MD&A, and annual information form for the year ended December 31, 2021 because it is the first annual period that has ended after the Company became a reporting issuer by filing a prospectus.

In particular, the certifying officers filing the certificate in the Form 52-109F1 - IPO/RTO required under NI 52-109 are not making any representations relating to the establishment and maintenance of:

- Controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

- A process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's IFRS.

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificates.

16. CAUTIONARY NOTES AND ADDITIONAL INFORMATION

Cautionary Statement on Forward Looking Information

This MD&A 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 2022; 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; timing for the preparation of a Mineral Resource estimate and a PEA on the La Pepa Project; 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 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; expectations regarding future currency exchange rates; 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 MD&A 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;

- 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;
- 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; and
- the Company may experience conflicts with artisanal and small-scale miners;

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.

For further information of these and other risk factors, please see the ''Risk Factors" section of the Company's final long form prospectus dated November 11, 2021, and, when filed, the Company's Annual Information Form, available on SEDAR at www.sedar.com. For clarity, mineral resources that are not mineral reserves do not have demonstrated economic viability and inferred resources are considered too geologically speculative for the application of economic considerations.

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 MD&A 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.

Industry and Market Data

This MD&A 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, the Company has not independently verified any of the data from third party sources referred to in this MD&A, 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 in this MD&A are not guaranteed, and the Company does not make any representation as to the accuracy or completeness of such information.

Note to U.S. Investors Concerning Estimates of Indicated and Inferred Resources

The terms "Indicated" and "Inferred" Resources are used herein. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. United States investors are cautioned not to assume that all or any part of Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of a Mineral Resource is economically or legally mineable.

Qualified Person

Scientific and technical information contained in this MD&A has been reviewed and approved by Jorge Aceituno, P.Geo. Resources and Reserves Planning Manager for Mineros S.A., who is a qualified person within the meaning of NI 43-101.

Additional Information

Additional information relating to the Company, including, when filed, the Company's Annual Information Form, available on SEDAR at www.sedar.com.