MINEROS S.A.

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

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

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 November 11, 2022, and relates to the financial condition and results of operations of Mineros S.A. ("Mineros" or the "Company") for the three and nine months ended September 30, 2022 and 2021, and should be read in conjunction with the unaudited condensed interim consolidated 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 three and nine months ended September 30, 2022 as well as our outlook.

In this MD&A, references to "US dollars" and the symbol "$" refer to United States dollars. References to the symbol "COP$" refer 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 most recent annual information form, 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 13: Cautionary Notes and Additional 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 ("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 9: Non-IFRS and Other Financial Measures in this MD&A.

1. OVERVIEW OF THE BUSINESS

Mineros is a gold mining company headquartered in Medellín, Colombia with diversified 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 deposit ("Luna Roja Deposit") at the Hemco Property and the Deep Carbonates Project at the Gualcamayo Property (the "Deep Carbonates Project"). 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-Margaritas exploration target ("GNM Exploration Target") joint venture in Colombia, in which as at September 30, 2022 Mineros held a 50% interest. Mineros also holds a 20% interest in the La Pepa project ("The La Pepa Project") in Chile.

The Company has over 47 years of experience developing and operating mining assets in Central and South America. The Company is listed on the Colombia Stock Exchange (*Bolsa de Valores de Colombia*, "BVC") under the symbol "MINEROS:CB" 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. HIGHLIGHTS

2.1 CORPORATE HIGHLIGHTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

Luna Roja Deposit – initial Mineral Resource estimate

On July 7, 2022, the Company announced an initial Mineral Resource estimate for the Luna Roja Deposit, which included 1.164 million tonnes of Indicated Mineral Resources averaging 2.46 grams of gold per tonne ("g/t Au"), for approximately 92,000 ounces of gold and 0.504 million tonnes of Inferred Mineral Resources averaging 2.31 g/t Au, for approximately 37,000 ounces of gold. The initial Mineral Resource estimate assumes both open pit and underground mining and extends from surface to a depth of 200 metres. See the Company's July 7, 2022 press release entitled, "Mineros Announces Initial Mineral Resource Estimate for the Luna Roja Deposit, Nicaragua".

Overturning of Floating Beneficiation Plant at Nechí Alluvial Property

On May 28, 2022, a storm with unusually heavy rains and strong winds hit the area where the Nechí Alluvial Property is located and overturned the Llanuras Plant, a floating beneficiation plant connected to the Llanuras suction dredge. Immediately following the accident, the Company's emergency protocols were activated, which included a rescue operation followed by a coordinated search, and subsequent recovery actions. These operations are now complete and accident investigations by both the relevant Colombian authorities and independent investigators hired by the Company are underway.

After a thorough review, as of September 30, 2022, management had not found a way to recover, repair or perform any type of rescue or maneuver to refloat the Llanuras Plant, resulting in the recognition by the Company of a $4.8 million impairment of asset. Mineros has filed a claim with its insurers in respect of the damage to the Llanuras Plant. The Company has adjusted its production plan to compensate for the loss of the Llanuras Plant, and accordingly does not expect any negative impact on its ability to meet its 2022 production or cost guidance for the Nechi Alluvial Property.

Appointment of Vice President, Nicaragua

On July 11, 2022, Mineros announced the appointment of Mr. Luis Villa as Vice President, Nicaragua, effective as of October 1, 2022. Mr. Villa has been with the Company and its subsidiaries for 16 years, most recently in the position of Manager of Projects and Supply Chain for Mineros Alluvial S.A.S. BIC. Mr. Villa succeeds Mr. Carlos Mario Gomez, who retired effective September 30, 2022, following 14 years of service with the Company.

Appointment of Vice President, Business Development and Strategy

On August 26, 2022, Mineros announced the appointment of Ms. Ana María Ríos as Vice President, Business Development and Strategy, effective as of October 1, 2022. Ms. Ríos has seventeen years of professional experience, of which the last fourteen have been at Mineros, most recently as Corporate Finance Manager, where she played a strategic role in Mineros' listing on the Toronto Stock Exchange and initial public offering in Canada (the "Canadian IPO") and in the concurrent public offering in Colombia in November 2021 (the "Concurrent Colombian Public Offering"). Ms. Ríos succeeds Eduardo Flores Zelaya.

Workforce reduction in Argentina

On September 9, 2022, Mineros announced that over the next six months, it will downsize its operations at its Gualcamayo Property, reducing its workforce in Argentina by up to 30%, as a result of the natural depletion of the deposit. The Company expects to incur costs of between $3.0 million and $5.0 million in connection with the workforce reduction, but does not expect such costs to impact its ability to meet its previously-disclosed 2022 production and cost guidance for the Gualcamayo Property. As of September 30, 2022, a severance provision in the amount of $3.0 million was reported in connection with the downsizing of operations at the Gualcamayo Property.

Subsequent Events

OFAC Sanctions Imposed on General Directorate of Mines of Nicaragua

On October 24, 2022, the United States Department of the Treasury's Office of Foreign Assets Controls ("OFAC") imposed economic sanctions on General Directorate of Mines of Nicaragua ("DGM"), a subordinate office within the Nicaraguan Ministry of Energy and Mines, pursuant to Executive Order ("EO") 13851 of the U.S. President . As such, all properties and interests in property of the DGM are now blocked, and all transactions by U.S. persons or transiting the U.S. that involves blocked property are prohibited. All property or interest in property of any entity that is owned, directly or indirectly, 50% or more by the DGM are also blocked. Concurrently, OFAC issued General License No. 4, authorizing transactions ordinarily incident and necessary to wind down any transaction involving the DGM through November 23, 2022.

Also on October 24, 2022, the U.S. President also issued EO 14088 (together with EO 13851, the "Nicaragua Sanctions Measures"), which authorizes the U.S. government to promptly apply further sanctions to various sectors of the Nicaraguan economy such as the gold sector. Although EO 14088 specifically mentions the gold sector, as at the date of this MD&A, no entity or person, other than the DGM and one official of the Government of Nicaragua, has been designated by OFAC under the Nicaragua Sanctions Measures.

The Company remains committed to complying with applicable legal and regulatory requirements, including sanctions, and is evaluating the actual and potential impacts of the U.S. sanctions on its current and planned business and operations in coordination with its advisors. As at the date of this MD&A, U.S. sanctions measures adopted on October 24, 2022 have not resulted in any material impacts on its operations in Nicaragua, and the Company is continuing to evaluate their potential impact on its commercial relationships.

Election Not To Exercise Second Option at La Pepa Project

On October 25, 2022, the Company determined not to exercise its second option under the agreement executed on December 14, 2018, and effective as of July 2, 2019, between the Company, Yamana Gold Inc. ("Yamana"), and their respective affiliates (the "La Pepa Option Agreement") to earn an additional 31% interest in the La Pepa Project. As a result, the Company holds a 20% interest in the La Pepa Project and has ceased to be the operator of the project. Plans for further exploration of the La Pepa Project moving forward remain subject to discussion and have not been finalized at this time.

2.2 FINANCIAL HIGHLIGHTS

The following table summarizes financial highlights for the three and nine months ended September 30, 2022 and 2021:

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2022	2021	#	%	2022	2021	#	%
Revenue	135,873	120,188	15,685	13%	397,809	374,029	23,780	6%
Gross profit	32,362	25,419	6,943	27%	102,806	98,351	4,455	5%
Net profit for the period	2,610	8,150	(5,540)	(68%)	24,481	32,327	(7,846)	(24%)
Cost of sales	103,511	94,769	8,742	9%	295,003	275,678	19,325	7%
Basic and diluted earnings per share ($)	0.01	0.03	(0.02)	(67%)	0.08	0.12	(0.04)	(33%)
Average realized price per ounce of gold sold ($/oz) (1)	1,722	1,778	(56)	(3%)	1,810	1,804	6	0%
Adjusted EBITDA (1)	43,126	32,359	10,767	33%	130,983	119,254	11,729	10%
Net cash flows generated by operating activities	22,849	35,066	(12,217)	(35%)	46,005	67,697	(21,692)	(32%)
Net free cash flow (1)	7,752	23,727	(15,975)	(67%)	2,207	8,714	(6,507)	(75%)
ROCE (1)	23%	27%	(4%)	(13%)	23%	27%	(4%)	(13%)
Net Debt to Adjusted EBITDA ratio (1)	0.10x	0.22x	(0.11x)	(53%)	0.10x	0.22x	(0.11x)	(53%)
Dividends paid	5,655	4,035	1,620	40%	18,128	13,656	4,472	33%

(1) Average price realized per ounce of gold sold, Adjusted EBITDA, and net free cash flow are non-IFRS financial measures, and ROCE and Net Debt to Adjusted EBITDA ratio 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 9: Non-IFRS and Other Financial Measures in this MD&A.

FINANCIAL HIGHLIGHTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

- **Revenue increased by 13%:** revenue totaled $135.9 million during the third quarter of 2022, compared to $120.2 million in the third quarter of 2021, with sales of gold of $133.9 million at an average realized price per ounce of gold sold of $1,722 during the third quarter of 2022, compared to sales of gold of $116.1 million at an average realized price per ounce of gold sold of $1,778 in the third quarter of 2021. The increase in revenue is mainly explained by increased sales of gold at the Nechí Alluvial and Gualcamayo properties;

- **Gross Profit increased by 27%,** to $32.4 million in the third quarter of 2022, compared to $25.4 million in the third quarter of 2021; mainly due to higher revenue as explained above that was partially offset by a 9% increase in cost of sales; 40% of the costs increase being explained by higher depreciation and amortization, with the remaining increase being explained by higher prices of consumables due to inflation, and higher gold taxes and royalties given the higher sales of gold at the Nechí Alluvial and Gualcamayo properties;

- **Net profit for the quarter down 68%,** to $2.6 million or $0.01 per share during the third quarter of 2022 compared to $8.1 million or $0.03 per share during the third quarter of 2021; this decrease is explained by the recognition of severance provisions of $3.0 million at the Gualcamayo Property and the impairment of asset of $4.8 million at the Nechí Alluvial Property due to damage to the Llanuras Plant;

- **Adjusted EBITDA up 33%:** Adjusted EBITDA was $43.1 million during the third quarter of 2022 compared to $32.4 million during the third quarter of 2021, due to a 19% increase in sales of gold offset by a lower increase in costs excluding depreciation and amortization of 6%;

- **ROCE of 23%** as at September 30, 2022 compared to ROCE of 27% as at September 30, 2021; decreases due to an increase in depreciation and amortization during the last twelve months at the Hemco Property and to increases in exploration assets, debt payment at the beginning of the period and increases in income tax receivables and inventories at the end of the period;

- **Net Debt to Adjusted EBITDA ratio was 0.10x** as at September 30, 2022, compared to a ratio of 0.22x as at September 30, 2021; explained by lower debt, after repayments made with the proceeds from the Canadian IPO and Concurrent Colombian Public Offering, and by an increase in Adjusted EBITDA;

- **Dividends paid up 40%**, Dividends paid during the third quarter of 2022 of $5.7 million during the third quarter, compared to $4.0 million in the same period in 2021, explained by the 38 million common shares of the Company ("Common Shares") issued pursuant to the Canadian IPO and Concurrent Colombian Public Offering and the 7.5% increase in the dividend paid per Common Share in 2022;

- **Net cash flows generated by operating activities down 35%:** totaling $22.9 million in the third quarter of 2022, compared to $35.0 million in the third quarter of 2021. The Company's net free cash flow for the third quarter of 2022 totaled $7.8 million, down from $23.7 million in the third quarter of 2021, and;

- **Capital investments[1] down 28% to $18.4 million:** during the third quarter of 2022, capital investments of $18.4 million were made into existing mines, and exploration and growth projects, compared to $25.5 million in the third quarter of 2021; the decrease is explained by a decrease in capital expenditures of $7.6 million at the Gualcamayo Property.

FINANCIAL HIGHLIGHTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

- **Revenue increased by 6%:** revenue totaled $397.8 million during the nine months ended September 30, 2022, compared to $374.0 million in the nine months ended September 30, 2021, with sales of gold of $389.9 million at an average realized price per ounce of gold sold of $1,810 during the nine months ended September 30, 2022, compared to sales of gold of $362.3 million at an average realized price per ounce of gold sold of $1,804 in the nine months ended September 30, 2021. The increase in revenue is mainly explained by an increase in sales of gold that was partially offset by lower revenue from sales of electric energy due to depreciation of the Colombian peso;

- **Gross Profit increased by 5%,** to $102.8 million in the nine months ended September 30, 2022, compared to $98.3 million in the nine months ended September 30, 2021; mainly due to higher revenue as explained above and lower costs from purchases of artisanal material at the Hemco Property that was partially offset by a 7% increase in cost of sales; 40% of this increase being explained by higher depreciation and amortization, with the remaining increase being explained by salary increases, higher prices of consumables due to inflation, and higher maintenance costs;

- **Net profit for the year down 24%,** to $24.4 million or $0.08 per share during the nine months ended September 30, 2022 compared to $32.3 million or $0.12 per share during the nine months ended September 30, 2021. This decrease is explained by the recognition of severance provisions of $3.0 million at the Gualcamayo Property and the impairment of asset of $4.8 million at the Nechí Alluvial Property due to damage to the Llanuras Plant;

- **Adjusted EBITDA up 10%:** Adjusted EBITDA was $131.0 million during the nine months ended September 30, 2022 compared to $119.2 million during the nine months ended September 30, 2021 due to a 8% increase in sales of gold offset by a lower increase in costs excluding depreciation and amortization of 5%;

[1]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 (La Pepa) segments. It excludes additions to property, plant and equipment, exploration or intangibles of Mineros and other segments. For additional information as additions to exploration, property, plant and equipment, and intangibles, see Note 7 of our unaudited condensed interim consolidated financial statements.

- **ROCE of 23%** as at September 30, 2022 compared to ROCE of 27% as at September 30, 2021; decreases due to an increase in depreciation and amortization during the last twelve months at the Hemco Property and to increases in exploration assets, debt payment at the beginning of the period and increases in income tax receivables and inventories at the end of the period.

- **Net Debt to Adjusted EBITDA ratio was 0.10x** as at September 30, 2022, compared to a ratio of 0.22x as at September 30, 2021; explained by lower debt, after repayments made with the proceeds from the Canadian IPO and Concurrent Colombian Public Offering; and by an increase in Adjusted EBITDA;

- **Dividends paid up 33%**, Dividends paid of $18.1 million during the nine months ended September 30, 2022, compared to $13.7 million in the same period in 2021, explained by the 38 million Common Shares issued pursuant to the Canadian IPO and Concurrent Colombian Public Offering and the 7.5% increase in the dividend paid per Common Share in 2022;

- **Net cash flows generated by operating activities down 32%:** totaling $46.0 million in the nine months ended September 30, 2022, compared to $67.7 million in the same period in 2021. The Company's net free cash flow for the nine months ended September 30, 2022 totaled $2.2 million, down from $8.7 million in the same period in 2021;

- **Capital investments[2] down 41% to $57.8 million:** during the nine months ended September 30, 2022 capital investments of $57.8 million were made into existing mines, and exploration and growth projects, compared to $97.6 million in the nine months ended September 30, 2021. This decrease is explained in part by the acquisition of the Luna Roja Deposit in 2021 for $25.0 million and a decrease in capital expenditures of $12.9 million at the Gualcamayo Property, due to additional stripping of the open pit mine and to underground mine development during 2021.

2.3 OPERATIONAL HIGHLIGHTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

- **Gold production up 17%:** 74,513 ounces of gold were produced during the third quarter of 2022, compared to 63,758 ounces in the third quarter of 2021, as further discussed in Section 4: Review of Operations and summarized in the following table:

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[2] 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 (La Pepa) segments. It excludes additions to property, plant and equipment, exploration or intangibles of Mineros and other segments. For additional information as additions to exploration, property, plant and equipment, and intangibles, see Note 7 of our unaudited condensed interim consolidated financial statements.

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2022	2021	ounces	%	2022	2021	ounces	%
Nechí Alluvial Property (Colombia)	24,720	17,085	7,635	45%	67,399	57,605	9,794	17%
Hemco Property	10,918	9,949	969	10%	30,849	25,032	5,817	23%
Artisanal Mining	21,292	22,579	(1,287)	(6%)	68,060	69,918	(1,858)	(3%)
Nicaragua	32,210	32,528	(318)	(1%)	98,909	94,950	3,959	4%
Gualcamayo Property (Argentina)	17,583	14,145	3,438	24%	48,276	44,079	4,197	10%
Total Gold Produced (oz)	**74,513**	**63,758**	**10,755**	**17%**	**214,584**	**196,634**	**17,950**	**9%**
Total Silver Produced (oz)	**90,862**	**115,057**	**(24,195)**	**(21%)**	**285,863**	**291,603**	**(5,740)**	**(2%)**

- **Cash Cost & AISC:** Cash Cost per ounce of gold sold in the third quarter of 2022 was $1,120 and AISC per ounce of gold sold was $1,338, compared to Cash Cost per ounce of gold sold of $1,235 and AISC per ounce of gold sold of $1,476 for the third quarter of 2021. The 9% decrease in Cash Cost per ounce of gold sold was a result of higher production due to increased efficiencies at the three Material Properties. The 9% decrease in AISC per ounce of gold sold is explained by an increase of 19% in ounces sold offset by an increase of 6% in costs excluding depreciations and amortizations with similar levels of sustaining capital expenditures[3];

- **Exploration and Evaluation Expenditures:** for the three months ended September 30, 2022, the Company incurred $7.8 million in exploration and evaluation ("E&E") expenditures, a decrease of 22% as compared with the third quarter of 2021. The decrease in capitalized expenditures is explained by decreased exploration at the Gualcamayo Property. The decrease in expensed expenditures is mainly associated with decreased exploration in all segments. The following table summarizes E&E expenditures for the current and comparative periods:

[3] For information regarding the composition of sustaining capital expenditures, see Section 9: Non-IFRS and Other Financial Measures – All-In Sustaining Costs.

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2022	2021	$	%	2022	2021	$	%
E&E expenditures capitalized [(1)]	4,065	5,039	(974)	(19%)	9,344	34,632	(25,288)	(73%)
E&E expenditures expensed [(2)]	3,742	5,033	(1,291)	(26%)	10,038	7,551	2,487	33%
Total	**7,807**	**10,072**	**(2,265)**	**(22%)**	**19,382**	**42,183**	**(22,801)**	**(54%)**

(1) Capitalized exploration and evaluation costs are reflected in E&E projects in the consolidated statements of financial position.
(2) Expensed exploration and evaluation costs are reported in the consolidated statement of profit or loss for the respective period under "Exploration expenses".

2.4 OPERATIONAL HIGHLIGHTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

- **Gold production up 9%:** 214,584 ounces of gold were produced during the nine months ended September 30, 2022, compared to 196,634 ounces in the nine months ended September 30, 2021, as further discussed in Section 4: Review of Operations;

- **Cash Cost & AISC:** Cash Cost per ounce of gold sold in the nine months ended September 30, 2022 was $1,140 and AISC per ounce of gold sold was $1,367, compared to Cash Cost per ounce of gold sold of $1,162 and AISC per ounce of gold sold of $1,502 for the nine months ended September 30, 2021. The 2% decrease in Cash Cost per ounce of gold sold was a result of 7.2% increase in gold sold as a result of higher production due to increased efficiencies at the three Material Properties. The 9% decrease in AISC per ounce of gold sold is explained by an increase of 9% in ounces sold offset by an increase of 5% in costs excluding depreciation and amortization and lower levels of sustaining capital expenditures, and;

- **Exploration and Evaluation Expenditures:** for the nine months ended September 30, 2022, the Company incurred $19.4 million in E&E expenditures, a decrease of 54% as compared with the nine months ended September 30, 2021. The decrease in capitalized expenditures is explained by the acquisition of the Luna Roja Deposit in 2021. The increase in expenditures are mainly associated with exploration work at the Deep Carbonates Project and drilling on the heap leach piles at the Gualcamayo Property, and regional exploration in Nicaragua.

3. OUTLOOK

The following section of this MD&A represents forward looking information and users are cautioned that actual results may vary. We refer to the risks and assumptions contained in Section 13: Cautionary Notes and Additional Information - Cautionary Statement on Forward Looking Information.

The Company is on track to achieve its 2022 guidance of between 262,000 and 285,000 ounces of gold with average Cash Cost per ounce of gold sold of between $1,090 and $1,180/oz and an average AISC ounces of gold sold of between $1,350/oz and $1,450/oz.

Looking ahead we do not expect major changes in our operations at the Nechí Alluvial and Hemco properties. At the Gualcamayo Property, the Company is reviewing strategies and scenarios for optimizing the remaining production from the Gualcamayo Mine as it nears the end of its life of mine.

4. REVIEW OF OPERATIONS

4.1 Segmented Financial and Operating Highlights

Three months ended September 30, 2022 vs. 2021

In the third quarter of 2022, the Company produced 74,513 ounces of gold, 17% higher than the 63,758 ounces of gold produced in the third quarter of 2021. The increase in production relative to the equivalent quarter in 2021 is a result of greater efficiencies at the Nechí Alluvial Property, steady levels of production at the Hemco Property and higher production at the Gualcamayo Property.

The following table provides the Company's financial and operating results for the three months ended September 30, 2022 by operating segment:

Operating Segment	Three Months Ended September 30,	Revenue ($000's)	Gold Produced (oz)	Cash Cost ($/oz)	AISC ($/oz)
Nechi Alluvial Property (Colombia)	**2022**	**42,522**	**24,720**	**874**	**951**
	2021	31,541	17,085	1,127	1,226
Hemco Property (Nicaragua)	**2022**	**57,128**	**32,210**	**1,175**	**1,351**
	2021	60,581	32,528	1,193	1,384
Gualcamayo Property (Argentina)	**2022**	**36,001**	**17,583**	**1,429**	**1,778**
	2021	28,263	14,145	1,539	1,873
Total[(1)]	**2022**	**135,873**	**74,513**	**1,120**	**1,338**
	2021	120,188	63,758	1,235	1,476

(1) Total revenue includes non-mining operations and eliminations not included in the Material Properties (segments) presented.

Nine months ended September 30, 2022 vs. 2021

In the nine months ended September 30, 2022, the Company produced 214,584 ounces of gold, 9% higher than the 196,634 ounces of gold produced in the nine months ended September 30, 2021. The increase in production relative to the equivalent period in 2021 is a result of greater efficiencies at the Nechí Alluvial Property and Hemco Property.

The following table provides the Company's financial and operating results for the nine months ended September 30, 2022 by operating segment:

Operating Segment	Nine Months Ended September 30,	Revenue ($000's)	Gold Produced (oz)	Cash Cost ($/oz)	AISC ($/oz)
Nechi Alluvial Property (Colombia)	**2022**	**123,964**	**67,399**	**968**	**1,076**
	2021	107,363	57,605	1,025	1,118
Hemco Property (Nicaragua)	**2022**	**185,774**	**98,909**	**1,170**	**1,311**
	2021	177,241	94,950	1,152	1,369
Gualcamayo Property (Argentina)	**2022**	**89,286**	**48,276**	**1,448**	**1,818**
	2021	87,342	44,079	1,448	2,152
Total[(1)]	**2022**	**397,809**	**214,584**	**1,140**	**1,367**
	2021	374,029	196,634	1,162	1,502

(1) Total revenue includes non-mining operations and eliminations not included in the Material Properties (segments) presented.

4.2 Mineral Property Updates

4.2.1 Operations

4.2.1.1 Nechí Alluvial Property, Colombia

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Operating Data				
m3 of ore processed (1)	9,269,142	8,161,520	28,100,940	22,874,804
Gold grade (mg/m3) (2)	83	65	75	78
Gold Recovery Rate (3)	74%	91%	68%	79%
Gold Produced (oz)	24,720	17,085	67,399	57,605
Silver Produced (oz)	2,437	1,649	6,649	5,219
Financial Data				
Revenue	42,522	31,541	123,964	107,363
Cost of sales	(25,063)	(22,190)	(75,657)	(67,673)
Gross Profit	17,459	9,351	48,307	39,690
Cash cost per ounce of gold sold ($/oz)	874	1,127	968	1,025
AISC per ounce of gold sold ($/oz)	951	1,226	1,076	1,118

(1) Total volume for larger scale alluvial (suction and bucket dredges) and smaller scale alluvial (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: Three months ended September 30, 2022

Revenue for the third quarter of 2022 was 35% higher than during the third quarter of 2021, mainly as a result of a 45% increase in production, due to higher operating efficiencies.

Gross profit for the third quarter of 2022 was 87% higher than in the third quarter of 2021, explained mainly by higher production and a relatively lower increase in costs.

Cash Cost and AISC per ounce of gold sold for the third quarter of 2022 were respectively 23% and 22% lower than the same period in 2021, as explained above.

Operating and Financial Highlights: Nine months ended September 30, 2022

Revenue for the nine months ended September 30, 2022 was 15% higher than during the nine months ended September 30, 2021, mainly as a result of higher production in the third quarter of 2022 as explained above.

Gross profit for the nine months ended September 30, 2022 was 22% higher than in the same period in 2021, explained mainly by 17% higher production and a 12% increase in costs.

Cash Cost and AISC per ounce of gold sold for the nine months ended September 30, 2022 were respectively 6% and 4% lower than in the nine months ended September 30, 2021, mainly as a result of higher production in the third quarter of 2022 as explained above.

4.2.1.2 Hemco Property, Nicaragua

Operating and financial data for the Company's producing underground mines on the Hemco Property which exploit the Panama deposit (the "Panama Mine") and the Pioneer deposit (the "Pioneer Mine") and artisanal mining were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Operating Data				
Tonnes of ore milled	170,781	177,935	540,343	521,055
Gold grade (grams/tonne)	6,65	6,44	6,42	6,37
Gold Metallurgical Recovery Rate	89%	89%	89%	89%
Underground Gold Produced (oz)	10,918	9,949	30,849	25,032
Artisanal Mining Gold Production (oz)	21,292	22,579	68,060	69,918
Silver Produced (oz)	81,989	108,358	262,805	270,590
Financial Data				
Revenue	57,128	60,581	185,774	177,241
Cost of sales	(46,542)	(46,705)	(142,310)	(132,642)
Gross Profit	10,586	13,876	43,464	44,599
Cash cost per ounce of gold sold ($/oz)	1,175	1,193	1,170	1,152
AISC per ounce of gold sold ($/oz)	1,351	1,384	1,311	1,369

Operating and Financial Highlights: Three months ended September 30, 2022

Revenue for the third quarter of 2022 was 6% lower than during the third quarter of 2021, primarily as a result of a 3% decrease in average realized price of gold, by a 1% decrease in gold sold and a 24% decrease in silver sold along with a 25% lower average realized price of silver.

Gross profit for the third quarter of 2022 was 24% lower than during the third quarter of 2021, because of the decrease in revenue with steady costs during the comparable periods.

Cash Cost per ounce of gold sold for the third quarter of 2022 was 2% lower than the same period in 2021, explained mainly by lower sales of silver for $1.0 million, which are recorded as revenue and credited in calculating Cash Cost. AISC per ounce of gold sold was 2% lower mainly as a result of lower sales of silver in the third quarter of 2022 as explained above.

Operating and Financial Highlights: Nine months ended September 30, 2022

Revenue for the nine months ended September 30, 2022 was 5% higher than during the same period in 2021, primarily as a result of a 4% increase in gold production.

Gross profit for the nine months ended September 30, 2022 was 3% lower than in the same period in 2021. The increase in revenue was partially offset by a 7% increase in costs due to the higher cost of consumables due to inflation and to a $4.4 million increase in depreciation and amortization from the activation of new underground mining work fronts.

Cash Cost per ounce of gold sold for the nine months ended September 30, 2022 was 2% higher than the same period in 2021, explained mainly by a $5.6 million increase in costs of maintenance and materials due to high inflation. AISC per ounce of gold sold was 4% lower between the comparable periods primarily as a result of lower sustaining capital expenditures.

4.2.1.3 Gualcamayo Property, Argentina

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

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
	2022	**2021**	**2022**	**2021**
Operating Data				
Tonnes of ore placed	628,671	481,735	2,011,100	1,038,677
Gold grade (grams/tonne)	1.74	1.19	1.67	1.19
Gold Metallurgical Recovery Rate	53%	68%	53%	68%
Gold Produced (oz)	17,583	14,145	48,276	44,079
Gold Sold (oz)	20,815	15,706	49,121	48,282
Silver Produced (oz)	6,436	5,050	16,409	15,794
Financial Data				
Revenue	36,001	28,263	89,286	87,342
Cost of sales	(33,820)	(27,255)	(82,762)	(79,797)
Gross Profit	2,181	1,008	6,524	7,545
Cash cost per ounce of gold sold ($/oz)	1,429	1,539	1,448	1,448
AISC per ounce of gold sold ($/oz)	1,778	1,873	1,818	2,152

Operating and Financial Highlights: Three months ended September 30, 2022

The tonnes of ore placed in the three month period ending September 30, 2022 were 31% higher than the same period in 2021. This is a result of increases in ore mined and stripping at the open pit, as compared with the same period in 2021, as contemplated by the life of mine production plan.

The process recovery rate decreased from 68% to 53% in the comparable period due to an increase in the amount of sulphide and mixed sulphide-oxide ore being fed to the heap leach pads.

Revenue for the third quarter of 2022 was 27% higher than during the third quarter of 2021, primarily as a result of a 33% increase in the number of ounces of gold sold, which was offset by a lower average realized price of gold.

Gross profit for the third quarter of 2022 was 116% higher compared to the third quarter of 2021, explained by the 27% increase in revenue offset by 24% increase in cost of sales which led to a gross profit of $2.1 million compared to $1 million in the same period in 2021.

Cash Cost and AISC per ounce of gold sold for the third quarter of 2022 decreased by 7% and 5% respectively, explained by lower sustaining capital expenditures.

Operating and Financial Highlights: Nine months ended September 30, 2022

The tonnes of ore placed in the nine month period ending September 30, 2022 were 94% higher than the same period in 2021. This is a result of increases in ore mined and stripping at the open pit, as compared with the same period in 2021, as contemplated by the life of mine production plan.

The process recovery rate decreased from 68% to 53% in the comparable period due to an increase in the amount of sulphide and mixed sulphide-oxide ore being fed to the heap leach pads.

Revenue for the nine months ended September 30, 2022 was 2% higher than during the nine months ended September 30, 2021, primarily as a result of a 2% increase in gold production as explained above.

Gross profit for the nine months ended September 30, 2022 was 14% lower than in the same period in 2021. The increase in revenue was offset by a 4% increase in costs due to the higher cost of consumables due to inflation and to a $1.9 million increase in depreciation and amortization from the activation of new work fronts at the underground mines.

Cash Cost per ounce of gold sold for the nine months ended September 30, 2022 was unchanged when compared with the same period in 2021. AISC per ounce of gold sold was 18% lower between the comparable periods primarily as a result of lower sustaining capital expenditures.

4.2.2 Exploration and Growth

The Company's exploration and growth is focused on the replacement and expansion of Mineral Resources and Mineral Reserves by completing further work at or near our operating mines, at our growth projects and at early-stage exploration targets on our under-explored property interests. We are achieving our goals through systematic exploration programs, which include surface mapping and sampling, geochemical data collection surveys, geophysical surveys and drilling.

Through two strategic alliance agreements, the Company is collaborating with Royal Road to actively explore (i) in Nicaragua, subject to an alliance agreement between Hemco Nicaragua S.A. ("Hemco") a direct subsidiary of Mineros 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") and Royal Road's GNM Exploration Target.

4.2.2.1 Nechí Alluvial Property, Colombia

Near Mine Exploration, Nechí Alluvial Property Expansion

At the Nechí Alluvial Property, Mineros is exploring for alluvial gold predominantly east of the Nechí River, where the Company is currently mining within Quaternary alluvial sediments.

A total of 3,575 metres in 142 holes were drilled in the third quarter of 2022, with 2,952 metres focused on Mineral Resource expansion and 623 metres of infill drilling in the current production area. A total of 8,657 metres in 337 holes have been completed in 2022.

Nechí Property Regional Exploration

The Company completed interpretation of the results of a 2021 drilling campaign west of the Nechí River. Results increased the level of confidence in the geological model, but were not as positive as expected to delineate new Mineral Resources. There is no further drilling planned for this area.

4.2.2.2 Hemco Property, Nicaragua

Near Mine Exploration, Hemco Property Expansion

A 28,000 metre near-mine diamond drill program is currently underway, with the objective of increasing Mineral Resources and Mineral Reserves at the Panama and Pioneer Mines. In the third quarter of 2022, the drill program advanced at the Panama and Pioneer Mines, with 9,370 metres of drilling completed in 36 holes, for a total of 26,132 metres in 93 holes completed in 2022. The drill program is proceeding as planned and Mineral Resources and Mineral Reserves are planned to be updated effective December 31, 2022.

Porvenir Project

Ongoing studies are being completed to assess processing and mining scenarios for the Porvenir Project. The Company is on track to complete its pre-feasibility study in the fourth quarter of 2022.

Luna Roja Deposit

On July 7, 2022, the Company announced an initial Mineral Resource estimate for the Luna Roja Deposit. For more information, see *Section 2: Highlights*.

In October 2022, the Company started a 3,000 metre diamond drill campaign, which is planned to be completed by December 2022. This campaign includes 800 metres of short, near-surface holes into the Luna Roja Deposit and is designed to increase the confidence level in areas previously tested with channel samples, as well as initial 2,200 metre diamond drilling program testing geophysical anomalies south of the Luna Roja Deposit.

Caribe Exploration Target

As part of the Royal Road Nicaragua Alliance Agreement, Mineros and its partner Royal Road originally planned a 1,300 metre exploration diamond drilling program and a 4,800-metre Rotary Air Blast/Reverse Circulation ("RAB/RC") drill campaign at the Caribe Exploration Target in 2022. Results received to-date imply that the gold mineralized system remains open for a further approximately 300 metres towards the west and southwest and suggests a broad and significant copper anomaly towards the east.

Due to the positive results, Mineros and Royal Road agreed to continue with the drilling program, adding 3,500 metres of diamond drilling and 1,900 metres of RAB/RC to the original plan.

A total of 865 metres of diamond drilling in 3 holes and 1,556 metres of RAB/RC drilling in 90 holes were completed in the third quarter of 2022, for a total of 2,119 metres in 11 diamond drill holes and 6,237 metres in 331 holes of RAB/RC drilling in 2022.

Hemco Property Regional Exploration

As part of the Royal Road Nicaragua Alliance Agreement, Mineros and Royal Road are conducting regional exploration on the Hemco Property outside the area of the current and planned Hemco mining operations (including the Luna Roja Deposit) to delineate new drill targets through rock sampling, soil sampling, mapping programs, geophysics survey and exploration drilling. The 2022 regional exploration program includes 3,000 metres of diamond drilling with the aim of identifying new drill targets and testing the continuity of mineralization to depth in the Nueva America and Murciélago areas. In the third quarter of 2022, a total of 2,037 metres in 8 diamond drill holes was completed at the Nueva América and Murciélago targets, totalling 2,733 metres in 2022. The required permits to conduct initial drill testing of the remaining targets as Bambanitas, Oro Fino and Youya areas are being processed by the relevant environmental authority and are expected to be approved in late 2022.

The Company continued to independently advance greenfield exploration at several targets within the area of the Hemco mining operations at El Piñal, La Colonia and Guillermina.

4.2.2.3 Gualcamayo Property, Argentina

Near Mine Exploration, Gualcamayo Property Expansion

In the third quarter of 2022, a total of 4,493 metres was drilled in 26 drill holes, for a total of 19,856 metres in 111 holes in 2022, which is 2,856 metres more than originally planned. The Company decided to cover broader areas of production with the same drilling budget by drilling more metres of RC drilling, re-balancing the drilling plan. The total includes 4,974 metres of diamond drilling and 14,882 metres of RC drilling. This work was focused in two areas, with 2,742 metres of RC drilling in 18 holes at the AIM deposit, and 1,751 metres of diamond drilling in 8 holes at QDD deposit.

Deep Carbonates Project

Mineros reviewed its original 7,750 metre drilling plan as a consequence of general difficulties with deep drilling and limited availability of drilling equipment in the region. The Company now plans to complete a total of 5,300 metres of diamond drilling focused on expanding the current mineral resources at the Rodado deposit, which forms part of the Deep Carbonates Project. During the third quarter of 2022, Mineros completed 1,747 metres of diamond drilling in 2 deep holes at the Deep Carbonates Project, totaling 4,797 metres in 9 holes in 2022.

Gualcamayo Property Regional Exploration

Mineros reviewed its original greenfield exploration program on account of limited availability of drilling equipment in Argentina and there is no further drilling planned in this area in 2022. The Company will focus on field work as mapping and chip sampling at Salamanca, Los Piojos, Las Vacas Norte, Quebrada Perdida and San José targets.

4.2.2.4 La Pepa Property, Chile

On October 25, 2022, the Company determined not to exercise its second option under the La Pepa Option Agreement to earn an additional 31% interest in the La Pepa Project. The Company continues to hold a 20% interest in the La Pepa Project.

La Pepa Project Regional Exploration

Greenfield exploration on the La Pepa Project focused on new discoveries on the property with different styles of mineralization related to veins around the main Cavancha deposit. The Company is interpreting the data collected in the second quarter of 2022 and the preliminary geochemical results suggest significant gold and silver anomalies associated with mapped veins.

4.2.2.5 GNM Exploration Target, Colombia

A total of 614 metres of diamond drilling in 1 hole was completed in the Guintar and Niverango areas in the third quarter of 2022, totaling 2,583 metres in 8 holes in 2022. The 2022 Guintar and Niverango drilling program was completed in the third quarter of 2022, 483 metres more than originally planned. The Company is waiting for the drilling results to interpret the data and update the geological model to plan the next stage of drilling. The Company has postponed a scout drilling program at the Margaritas concession to 2023.

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

The board of directors of the Company (the "Board of Directors"), through the Corporate Governance and Sustainability Committee, has oversight of ESG initiatives. The Company is actively monitoring the changing landscape on ESG reporting regulations and industry standards, and it will be aligning disclosures accordingly.

Approach to Social License to Operate

The Company believes that maintaining a healthy social license and 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. To monitor its social license, Mineros conducts consultations with its interest groups at least every 24 months.

We measure our social license to operate ("SLO") using the model proposed by Thomson and Boutilier, according to which SLO is defined as a community's perception of the acceptability of a company and its local operations. Their model is based on the concept that the level of SLO is inversely related to the level of socio-political risk a company faces: a lower SLO score indicates higher risk, and vice versa. Thomson and Boutilier's model identifies four levels of the SLO: the lowest level of SLO is having the social license "withheld or withdrawn". This implies that the project is viewed as illegitimate, and is accordingly in danger of restricted access to essential resources (e.g., financing, legal licenses, raw material, labour, markets, public infrastructure). Losing a social license represents extremely high socio-political risk. The next highest level of SLO is "acceptance" of the project. If the company establishes its credibility, the social license rises to the level of "approval". Over time, if trust is established, the social license could rise to the level of "psychological identification", where the level of socio-political risk is very low.

The Company's latest SLO review process started in the first half of 2022 and concluded for Nicaragua and Argentina in August. The analysis had qualitative and quantitative inputs and the results show a healthy SLO in both operations: 84/100 and 75/100 in Nicaragua and Argentina respectively. Subsequent to the end of the period, the Company initiated SLO review consultations in Colombia at the beginning of November 2022.

The median values, 84/100 and 75/100 for Hemco and MASA respectively, indicates that both operation's social license is at the "approval" threshold, and in the case of Hemco, it is very close to the "psychological identification" threshold.

Health and Safety

Mineros reaffirms its commitment to provide and maintain a safe and healthy work environment in which all employees and contractors conduct themselves in a responsible and safe manner. Thus, the Company is committed to achieving a high standard of Occupational Health and Safety through the implementation of all policies, procedures, and standards and the continuous improvement of management systems, setting targets and monitoring performance. Operations at all three of the Company's Material Properties are now ISO 45001 (Occupational Health and Safety Management) certified.

The following table presents the safety statistics for the nine months ended September 30, 2022 and the comparative period in 2021.

Health and Safety KPIs		Nine Months Ended September 30,	
		2022	2021
Nechí Alluvial Property (Colombia)	LTIFR[1]	1.65	0.22
	TRIFR[2]	2.43	1.09
Hemco Property (Nicaragua)	LTIFR	0.08	0.20
	TRIFR	0.44	1.14
Gualcamayo Property (Argentina)	LTIFR	0.11	0.11
	TRIFR	0.22	0.74
Mineros (Weighted Average)	LTIFR	0.66	0.19
	TRIFR	1.13	1.04

(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

Cyanide Compliance at Gualcamayo

On July 1, 2022, the Gualcamayo Mine on the Gualcamayo Property was recertified as being in full compliance under the International Cyanide Management Institute's ("ICMI") International Cyanide Management Code ("Cyanide Code"). This is the Gualcamayo Mine's fourth certification in full compliance under the Cyanide Code, with initial certification in full compliance under the Cyanide Code in April 2012. As required under the Cyanide Code, for recertification the Gualcamayo Mine was audited by independent professional third-party auditors within three years of its previous certification. ICMI has received and accepted the auditors' Detailed Audit Findings Report, which found that the Gualcamayo Mine had maintained full compliance with the Cyanide Code's Principles and Standards of Practice since its previous certification. The Cyanide Code is a voluntary industry program focused on the safe and environmentally responsible management of cyanide by companies producing gold and/or silver and by companies manufacturing, warehousing, and transporting cyanide. The Cyanide Code was developed under the aegis of the United Nations Environment Programme by a multi-stakeholder steering committee and is amongst the most established certification programs in the mining sector. The Cyanide Code is intended to complement an operation's existing obligation to comply with the applicable laws and regulations of the political jurisdiction in which the operation is located.

4.4 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

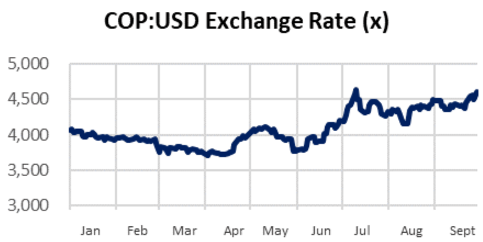
The market price of gold is a primary driver of the Company's profitability. The price of gold can fluctuate widely and is affected by a number of macroeconomic factors, including the sale or purchase of gold by central banks and financial institutions, interest rates, exchange rates, inflation or deflation,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

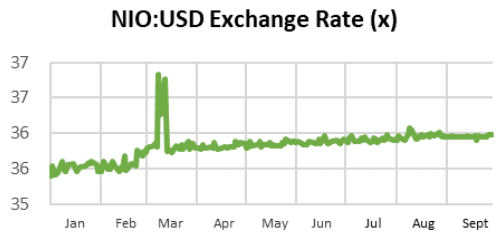
Source: Bloomberg

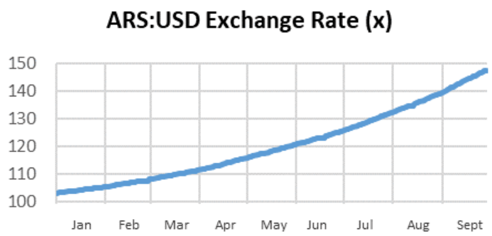
During the three months ended September 30, 2022, the price of gold ranged from $1,622 to $1,811 per ounce, averaging $1,727 per ounce for the period, a 8% decrease from the previous period in 2022. The decrease in the gold price was mainly driven by high inflation levels and an increase in interest rates of central banks in developed economies. See Section 10: Risk Factors - Financial Instruments and Risks - (iii) Market Risk 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 cordobas. Accordingly, these currency exchange rates are an important factor in the financial performance of the Company. The following graphs show the daily exchange rate of Colombian peso ($/COP$), Nicaraguan cordoba ($/NIO) and Argentinian peso ($/AR$) between January and September 2022. See Section 10: Risk Factors - Financial Instruments and Risks - (iii) Market Risk for information on hedging operations.







Source: Bloomberg

5. REVIEW OF FINANCIAL RESULTS

Overview

The following table sets forth summarized results of operations for the three and nine months ended September 30, 2022 and 2021, from financial information extracted from the Company's unaudited condensed interim consolidated financial statements, which have been prepared in accordance with IFRS, for the periods noted.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue	135,873	120,188	397,809	374,029
Cost of sales	(103,511)	(94,769)	(295,003)	(275,678)
Gross Profit	**32,362**	25,419	**102,806**	98,351
Administrative expenses	(4,167)	(4,666)	(15,580)	(14,703)
Other income	298	382	1,000	2,041
Other expenses	(5,123)	(2,272)	(9,276)	(11,253)
Exploration expenses	(3,742)	(5,033)	(10,038)	(7,551)
Impairment of asset	(4,791)	0	(4,791)	0
Finance income	87	265	699	1,088
Finance expense	(3,007)	(2,192)	(8,070)	(6,732)
Foreign exchange differences	3,035	1,943	3,718	(344)
Profit for the period before tax	**14,952**	**13,846**	**60,468**	**60,897**
Current tax	(8,640)	(6,812)	(28,929)	(23,512)
Deferred tax	(3,702)	1,116	(7,058)	(5,058)
Net profit for the period	**2,610**	**8,150**	**24,481**	**32,327**
Basic and Diluted Earnings per Share ($)	0.01	0.03	0.08	0.12

Net profit for the period ended September 30, 2022, was $2.6 million ($0.01 per share) a 68% decrease when compared to $8.1 million ($0.03 per share) for three months ended September 30, 2021. The results were impacted by higher gross profit $7 million, increase in other expenses as a result of severance provision of $3.0 million at the Gualcamayo Property, $4.8 million impairment of asset charge at the Nechí Alluvial Property, and $4.8 million in deferred taxes explained by the use of tax credits across the operations, and positively impacted by decrease in exploration expenses and foreign exchange differences.

For the nine months ended September 30, 2022, net profit for the period was $24.4 million ($0.08 per share), a 24% decrease when compared to $32.3 million ($0.12 per share) for the nine months ended September 30, 2021. The results for the period were impacted by higher gross profit of $4.5 million, and $4 million in foreign exchange differences mainly due to significant devaluation of the local currencies against the U.S dollar, and negatively impacted by $2.4 million in exploration expenses, a $4.8 million charge on impairment at the Nechí Alluvial Property, $3.0 million charge in severance provision at the Gualcamayo Property in Argentina and $7.4 million expenses in current and deferred taxes.

Revenue

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2022	2021	#	%	2022	2021	#	%
Gold								
Ounces sold (oz)	77,745	65,319	12,426	19%	215,429	200,837	14,592	7%
Average realized price per ounce of gold sold ($/oz) (1)	1,722	1,778	(56)	(3%)	1,810	1,804	6	0%
Silver								
Ounces sold (oz)	90,862	115,057	(24,195)	(21%)	285,863	291,603	(5,740)	(2%)
Average realized price per ounce of silver sold ($/oz) (1)	19	24	(5)	(20%)	22	25	(4)	(14%)
Revenue								
Sales of gold	133,890	116,135	17,755	15%	389,855	362,310	27,545	8%
Sales of silver	1,722	2,724	(1,002)	(37%)	6,180	7,347	(1,167)	(16%)
Sales of metal concentrates	**135,612**	**118,859**	**16,753**	**14%**	**396,035**	**369,657**	**26,378**	**7%**
Sales of electric energy	994	1,246	(252)	(20%)	2,796	3,361	(565)	(17%)
Hedging of sales of gold	(820)	(1)	(819)	81900%	(1,247)	807	(2,054)	(255%)
Other revenue	87	84	3	4%	225	204	21	10%
Total Revenue	**135,873**	**120,188**	**15,685**	**13%**	**397,809**	**374,029**	**23,780**	**6%**

(1) 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 9: Non-IFRS and Other Financial Measures in this MD&A.

Total revenue for the three months ended September 30, 2022 increased by 13%, explained mainly by higher ounces of gold sold given higher efficiencies at the Nechí Alluvial Property and Hemco Property and an increase in gold sold at the Gualcamayo Property, which was partially offset by lower sales of silver and sales of electric energy.

Total revenue for the nine months ended September 30, 2022 increased by 6%, explained mainly by higher ounces of gold sold during the third quarter of the year, as explained above, which was partially offset by lower sales of electric energy.

Cost of Sales

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2022	2021	$	%	2022	2021	$	%
Direct mining costs	82,136	76,902	5,234	7%	235,098	224,621	10,477	5%
Depreciation and amortization	14,574	11,242	3,332	30%	42,667	34,508	8,159	24%
Taxes and royalties	6,801	6,625	176	3%	17,238	16,549	689	4%
Total Cost of Sales	**103,511**	**94,769**	**8,742**	**9%**	**295,003**	**275,678**	**19,325**	**7%**

During the third quarter of 2022, total costs of sales increased by $8.7 million, mainly explained by higher depreciation and amortization of $3.3 million from the activation of new underground mining work fronts at the Hemco Property, the lease of mining vehicles at the Gualcamayo Property, and an increase in direct mining costs for $5.2 million related to inflation and labor costs.

For the nine months ended September 30, 2022, total cost of sales increased by 7% mainly explained by higher depreciation and amortization for $8.2 million, from the activation of new underground mining work fronts at the Hemco Property, lease of mining vehicles, stripping costs and underground development at the Gualcamayo Property, and higher direct mining costs for $10.5 million, related to higher costs of materials due to inflation as well as labor costs. In general inflation has put pressure on mining costs in all geographies with the overall impact partially mitigated by local currency weaknesses in Colombia and Argentina.

Other Expenses

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2022	2021	$	%	2022	2021	$	%
Estimated liabilities	2,645	3	2,642	88067%	2,645	278	2,367	851%
Miscellaneous	1,019	398	621	156%	1,847	3,111	(1,264)	(41%)
Taxes incurred	695	792	(97)	(12%)	1,841	2,169	(328)	(15%)
Donations	105	323	(218)	(67%)	1,048	727	321	44%
Tax on financial movements	357	307	50	16%	1,004	952	52	5%
Community support	302	173	129	75%	886	832	54	6%
Corporate projects	0	276	(276)	(100%)	5	3,184	(3,179)	(100%)
Total Other Expenses	**5,123**	**2,272**	**2,851**	**125%**	**9,276**	**11,253**	**(1,977)**	**(18%)**

The $2.8 million increase in other expenses from the third quarter of 2022 to the third quarter of 2021 is mainly explained by an increase of estimated liabilities, related to the severance provision at the Gualcamayo Property due to a workforce reduction announcement of up to 30%.

For the nine months ended September 30, 2022, total other expenses decreased by $2.0 million, explained by lower corporate projects expenses related to the Canadian IPO and to a decrease in miscellaneous expenses, given lower consulting service expenses and the write-off of obsolete inventories in 2021, which were offset partially by severance provision at the Gualcamayo Property as explained above.

Impairment of Asset

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2022	2021	$	%	2022	2021	$	%
Impairment of property plant and equipment	4,791	0	4,791	100%	4,791	0	4,791	100%
Total impairment of assets	**4,791**	**0**	**4,791**	**100%**	**4,791**	**0**	**4,791**	**100%**

The impairment of asset of $4.8 million recognized during the period relates to damage to the Llanuras Plant sustained in a storm with unusually heavy rains and strong winds in the area of the Nechí Alluvial Property

Current and Deferred Tax

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2022	2021	$	%	2022	2021	$	%
Current tax	(8,640)	(6,812)	(1,828)	27%	(28,929)	(23,512)	(5,417)	23%
Deferred tax	(3,702)	1,116	(4,818)	(432%)	(7,058)	(5,058)	(2,000)	40%
Total income tax	**(12,342)**	**(5,696)**	**(6,646)**	**117%**	**(35,987)**	**(28,570)**	**(7,417)**	**26%**

The increase in current taxes for the three and nine months ended September 30, 2022, are explained by higher profit at the Hemco Property (Nicaragua), Nechí Alluvial Property (Colombia) and a 4% increase in the income tax rate in Colombia.

The $4.8 million increase in deferred tax expense for the three months ended September 30, 2022, compared to the same period in 2021, is mainly explained by lower tax credits given the lower book value of the Gualcamayo Property and Nechí Alluvial Property assets due to devaluation, and by lower value of tax credits to the Company.

6. QUARTERLY FINANCIAL AND OPERATING RESULTS

The following table sets forth selected quarterly financial information for each of the eight most recent quarters:

	2022			2021				2020
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Financial Results								
Revenue	135,873	137,286	124,650	122,218	120,188	128,449	125,392	121,480
Profit for the period	2,610	11,399	10,472	11,060	8,150	10,408	13,769	14,155
Basic and diluted earnings per share ($)	0.01	0.04	0.03	0.04	0.03	0.04	0.05	0.05
Net cash flows generated by operating activities	22,849	17,853	5,303	19,643	35,066	19,648	12,983	75,427
Adjusted EBITDA (1)	43,126	46,710	41,147	35,449	32,359	41,759	45,136	40,210
Dividends paid	5,655	7,875	4,598	4,014	4,035	6,076	3,545	3,849
Expenditures on mining interests (cash basis)								
Sustaining capital expenditures	8,011	8,435	5,623	7,218	6,309	17,480	18,347	10,875
Sustaining exploration (2)	2,692	2,844	1,460	2,286	3,384	2,645	1,180	1,933
Operating Results								
Gold Produced (oz)	74,513	74,062	66,009	65,133	63,758	67,403	65,473	64,908
Gold Sold (oz)	77,745	73,147	64,537	64,969	65,319	67,895	67,623	64,453
Average realized price per ounce of gold sold ($/oz) (1)	1,722	1,837	1,884	1,802	1,778	1,835	1,798	1,850
Silver Produced (oz)	90,862	93,528	101,473	108,959	115,057	95,559	80,987	64,921
Average realized price per ounce of silver sold ($/oz) (1)	19	22	24	23	24	27	26	25
Cash Cost per ounce of gold sold ($/oz) (1)	1,120	1,131	1,175	1,227	1,235	1,163	1,091	1,162
AISC per ounce of gold sold ($/oz) (1)	1,338	1,388	1,377	1,479	1,476	1,559	1,469	1,454

(1) Average price realized per ounce of gold sold, Average price realized per ounce of silver sold, Adjusted EBITDA, Cash Cost per ounce of gold sold and AISC per ounce of gold sold are non-IFRS financial measures. For further information and detailed reconciliations to the most directly comparable IFRS measures, see Section 9: Non-IFRS and Other Financial Measures in this MD&A.

(2) For further information regarding the composition of sustaining capital expenditures and sustaining exploration, see Section 9: Non-IFRS and Other Financial Measures – All-In Sustaining Costs in this MD&A.

In 2021 and the beginning of 2022, operations and mine planning at the Nechí Alluvial Property (Colombia) were affected by delays in the approval of some local environmental permits. As a result, the Company modified its mine plan for those periods. On April 25, 2022, ANLA approved Mineros' application to amend the EMP resulting in the granting of environmental permits sufficient to support planned operations for at least a four-year period. Also, in 2021, the Company completed a formalization process to work in a collaborative model with third party contractors. These contractors´

operating units are smaller than the Company's dredges. This allows them to mine portions of the deposit that were not previously accessible or profitable for the Company.

At the Hemco Property (Nicaragua), operations can be affected by the weather. The strongest portion of the rainy season is typically from mid-August to mid-October, which can result in production delays.

At the Gualcamayo Property (Argentina), during the first quarter of 2022, supply chain interruptions affected the purchase of cyanide which negatively impacted the speed of gold recovery from the heap leach piles.

7. FINANCIAL CONDITION & LIQUIDITY

Balance Sheet Review

	As at September 30, 2022	As at Dec. 31, 2021	Change $	Change %
Total current assets	196,384	174,737	21,647	12%
Total non current assets	411,724	405,309	6,415	2%
Total assets	608,108	580,046	**28,062**	**5%**
Total current liabilities	138,731	110,601	28,130	25%
Total non current liabilities	97,753	101,913	(4,160)	-4%
Total liabilities	**236,484**	**212,514**	**23,970**	**11%**
Total equity	**371,624**	**367,532**	**4,092**	**1%**

Assets

Total current assets increased by $21.6 million, mainly explained by an increase in inventories (gold inventories at different production stages at the Gualcamayo Property and chemicals and other supplies) for $9.6 million, higher trade and other receivables for $12.3 million, higher tax receivables for $22.7 million, and other assets for $3.6 million, that were partially offset by lower cash and cash equivalents for $30.7 million.

Total non-current assets increased by $6.4 million, mainly due to increases in property, plant and equipment of $4.8 million, exploration projects of $4.4 million and inventories of $3.7 million, offset by decreases in taxes of $5.6 million.

Liabilities

Total current liabilities increased by $28.1 million, explained by an increase in other financial liabilities (dividends payable) for $5.1 million, higher current loans and other borrowings (explained by new short term loans and long term debt that becomes current) for $4.6 million, higher tax liabilities due to higher income tax for $18.3 million, and $3.0 million increase in provisions due to the severance recognized at the Gualcamayo Property following the announcement of workforce reduction, which were partially offset by derivative financial instruments for $1.6 million and lower trade and other payables for $1.9 million.

Total non-current liabilities decreased by $4.1 million mainly due to lower loans and other borrowings for $10.3 million, which were partially offset by higher mine closure provisions for $2.8 million and deferred tax for $3.9 million.

Working Capital

As at September 30, 2022, the Company had cash and cash equivalents of $32.4 million, and working capital, defined as current assets less current liabilities, was $57.6 million (December 31, 2021: $64.1 million). The Company has sufficient cash on hand, available credit, and liquidity to fully manage its business.

	As at September 30, 2022	As at Dec. 31, 2021
Total assets	608,108	580,046
Total non current liabilities	97,753	101,913
Total equity	371,624	367,532
Working capital	57,653	64,136
Cash and cash equivalents	32,417	63,130
Loans and other borrowings (current and non current)	49,407	55,110

Net change in working capital was a cash outflow of $6.5 million for the nine months ended September 30, 2022. Working capital for the period was impacted by an increase for $28.1 million in current liabilities that was partially offset by higher current assets of $21.6 million, as explained above in this Section 7 under Balance Sheet Review.

Cash Flow Analysis

The Company's three Material Properties provide a diverse source of cash flow, sufficient to maintain the Company's liquidity. The following table summarizes the Company's cash flow activity for the following periods:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Cash Flow				
Net cash flows generated by operating activities	22,849	35,066	46,005	67,697
Net cash flows used in investing activities	(19,611)	(18,515)	(47,060)	(77,273)
Net cash flows used in financing activities	(12,042)	(8,120)	(34,054)	(2,632)
Net (decrease) increase in cash and cash equivalents	**(8,804)**	**8,431**	(35,109)	(12,208)
Effect of exchange rate changes on cash and cash equivalents	2,416	794	4,396	386
Cash and cash equivalents at beginning of period	38,805	42,551	63,130	63,598
Cash and cash equivalents at end of period	**32,417**	**51,776**	**32,417**	**51,776**

Net cash flows generated by operating activities for the third quarter of 2022 decreased by $12.2 million explained mainly by higher sales for $18.5 million, offset by expense in financial derivatives for $1.8 million, higher payments to suppliers for $7.0 million, higher benefits payments to employees for $4.3 million, and higher income tax for $14.6 million.

Net cash used in investing activities during the third quarter of 2022 increased by $1.1 million compared to the third quarter of 2021, mainly due to cash used to purchase financial instruments for $4.0 million compared to proceeds from financial instruments in the same period in 2021 for $8.3 million; offset by lower purchase of property plant and equipment for $8.6 million, lower purchase of intangible assets and exploration for $1.0 million, and lower payments for acquisition of non-controlling interest of $1.5 million relating to the purchase of shares representing a 15% interest in Vesubio Mining, S.A. in the comparative period in 2021.

For the third quarter of 2022, net cash used in financing activities increased by $3.9 million, when compared to the same quarter of 2021, explained mostly by proceeds from new loans and borrowings for $3.1 million; offset by higher repayments of debt including lease liabilities for $4.9 million and higher dividends paid for $1.6 million.

Net cash flows generated by operating activities for the nine months ended September 30, 2022 decreased by $21.7 million explained mainly by higher sales for $26.7 million, lower tax payments for $2.6 million, which were partially offset by higher payments to suppliers for $30.3 million, higher payments to employees and social security agencies for $16.1 million and higher payments for futures contracts, forward contracts, option contracts for $5.0 million.

Net cash flows used in investing activities during the nine months ended September 30, 2022 decreased by $30.2 million compared to the same period in 2021, mainly due to lower additions in property, plant and equipment for $26.5 million, lower purchase of intangible assets and exploration for $26 million considering the purchase of Luna Roja Deposit in 2021 for $24.9 million, lower payments for acquisition of non-controlling interest of $2.8 million related to the purchase of shares representing a 25% interest in Vesubio Mining, S.A. in the comparative period in 2021; offset lower proceeds from sales of financial instruments for $23.9 million

For the nine months ended September 30, 2022, net cash flows used in financing activities increased by $31.4 million, when compared to the same quarter of 2021, explained mostly by lower new loans and borrowings for $22.8 million, higher payments of lease liabilities and borrowings for $3.7 million, and higher dividends paid for $4.5 million.

Capital Expenditures

Capital expenditures by country for the three and nine months ended September 30, 2022 and 2021 include non-cash transactions such as leasing and asset retirement obligations and were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	**2021**	**2022**	**2021**
Additions to Exploration Projects				
Nechi Alluvial Property (Colombia)	580	27	1,102	122
Hemco Property (Nicaragua)	2,362	2,190	4,408	29,605
Gualcamayo Property (Argentina)	1,123	2,822	3,834	4,905
Total Additions to Exploration Projects	**4,065**	**5,039**	**9,344**	**34,632**
Additions to property, plant and equipment and intangibles				
Nechi Alluvial Property (Colombia)	1,873	2,528	7,956	9,717
Hemco Property (Nicaragua)	6,343	5,826	17,291	18,141
Gualcamayo Property (Argentina)	6,166	12,084	23,231	35,100
Total Additions to property, plant and equipment and intangibles (1)	**14,382**	**20,438**	**48,478**	**62,958**

(1) Does not include additions to property, plant and equipment, exploration or intangibles of the Mineros and Others segments. For additional information as additions to exploration, property, plant and equipment, and intangibles, see Note 7 of our unaudited condensed interim consolidated financial statements.

Capital Expenditures: Three months ended September 30, 2022

During the third quarter of 2022, the mining operations had capital expenditures of $18.4 million: $2.5 million in the Nechí Alluvial Property (Colombia), $8.7 million in the Hemco Property (Nicaragua) and $7.2 million in the Gualcamayo Property (Argentina).

In the Nechí Alluvial Property (Colombia), the majority of the $2.6 million in capital expenditures were related to equipment ($1.6 million), maintenance ($0.5 million) and exploration ($0.5 million).

In the Hemco Property (Nicaragua), expenditures of $8.7 million, were mainly due to exploration ($2.3 million), underground mine development ($1.7 million), increase the capacity of the tailings dam ($0.5 million), increase the capacity of the processing plant ($0.9 million), vehicle leases($0.8 million) and property, plant and equipment ($2.5 million).

In the Gualcamayo Property (Argentina), capital expenditures of $7.2 million were related to exploration ($1.1 million), and open-pit and underground mine development ($6.1 million).

Capital Expenditures: Nine months ended September 30, 2022

During the nine months ended September 20, 2022, the mining operations had capital expenditures of $57.8 million: $9.0 million in the Nechí Alluvial Property (Colombia), $21.7 million in the Hemco Property (Nicaragua) and $27.0 million in the Gualcamayo Property (Argentina).

In the Nechí Alluvial Property (Colombia), the majority of the $9.0 million in capital expenditures were related to equipment ($2.9 million), maintenance ($5.0 million) and exploration ($1.1 million).

In the Hemco Property (Nicaragua), expenditures of $21.7 million, were mainly due to exploration ($4.4 million), underground mine development ($6.2 million), increases in the capacity of the tailings dam ($1.3 million), increases in the capacity of the processing plant ($2.5 million), vehicles leases ($1.7 million) and property, plant and equipment ($5.6 million).

In the Gualcamayo Property (Argentina), capital expenditures of $27.0 million were related to exploration ($3.8 million), open-pit and underground mine development ($13.5 million), vehicle leases ($9.3 million) and property, plant and equipment ($0.4 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 as at September 30, 2022, shown in contractual undiscounted cash flows:

	Within 1 Year	1 to 3 Years	4 to 5 Years	Over 5 Years	Total
Financial Liabilities					
Trade and other payables	48,884	0	0	0	48,884
Bank Loans	13,119	18,324	0	0	31,443
Other financial liabilities	10,097	0	0	0	10,097
Total financial liabilities	**72,100**	**18,324**	**0**	**0**	**90,424**
Other Commitments					
Reclamations and closure cost obligations	1,101	5,538	16,761	53,728	77,128
Minimum rental and lease liabilities	13,020	11,082	2,300	0	26,402
Total other commitments	**14,121**	**16,620**	**19,061**	**53,728**	**103,530**
Total	**86,221**	**34,944**	**19,061**	**53,728**	**193,954**

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 its current expansion plans.

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.

The main drivers that create volatility to cash flows are the gold price, the Colombian peso/US dollar and the Argentinian peso/US dollar exchange rate. To mitigate such fluctuations and stabilize cash flows, the Company undertakes 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. Exchange rate hedges cover up to 50% of projected cash flows for Colombia. Hedging is not performed for terms longer than eighteen months. Nicaragua's and Argentina's currencies are not hedged since more than 50% of the obligations in these properties are stated in US dollars.

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:

	Nine Months Ended September 30, 2022	Year Ended Dec. 31, 2021
Equity	371,624	367,532
Loans and Other Borrowings	49,407	55,110
Total Capitalization	**421,031**	**422,642**
Less: Cash and cash equivalents	(32,417)	(63,130)
Less: Current investment	(1,339)	(98)
Net Capitalization	**387,275**	**359,414**

The Company manages its capital structure and adjusts it considering changes in its economic environment and the risk characteristics of the Company's assets. 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.

Liquidity Outlook

As at September 30, 2022, the Company has $86.2 million in scheduled debt repayments due in the next 12 months related to trade and other payables, bank loans, lease liabilities, other financial liabilities (dividends) and reclamation and closure costs.

We believe that the Company's existing cash and cash equivalents balance of $32.4 million, available credit, and expected net cash flows generated by operating activities based on current assumptions (noted in Section 3: Outlook) will be sufficient to fund the Company's normal operating requirements and capital commitments on an ongoing basis.

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.

In addition, on Communication A 7532 of June 27 of 2022, the Central Bank of Argentina announced further restrictions to imports of goods and services, assigning quotas and payment terms, depending on Company size, the type of goods or services to be imported and the amounts paid for these good or services during 2020 and 2021.

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 10: Risk Factors - Financial Instruments and Risks - (iii)- Market Risk.

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% net smelter return ("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 September 30, 2022.

Other commitments associated with the acquisition of Royal Road's 50% interest of the Luna Roja Deposit

Given the acquisition on May 21, 2021 of the 50% stake held by Royal Road in the Luna Roja Deposit in Nicaragua, comprised of the mining concessions Monte Carmelo I and Monte Carmelo II, the Company has the following commitments as of September 30, 2022:

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 Deposit 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.

For additional information regarding provisions, please refer to Note 19 of the unaudited condensed interim consolidated 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:CB and on the TSX under the symbol MSA.

8. 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 structure, but that are related parties of certain members of the Board of Directors:

- Paid insurance premiums to Axa Colpatria Seguros S.A. of $1.6 million, compared to $1.3 million as at September 30, 2021.
- Paid Banco Colpatria Multibanca $0.9 million for hedging operations, compared to $nil as at September 30, 2021.
- Received Banco Colpatria Multibanca Nil for hedging operations, compared to $ 0.6 as at September 30, 2021.

Axa Colpatria Seguros S.A. and Banco Colpatria Multibanca are related to Mercantil Colpatria S.A., a principal shareholder of the Company. Two of the Company's directors, Eduardo Pacheco Cortés and José Fernando Llano Escandón are executive officers of Mercantil Colpatria S.A.

During the third quarter of 2022, payments were made to Royal Road through its subsidiary Minerales Camino Real S.A.S:

- Costs in the amount of $1.5 million by Hemco and $1.0 million by Mineros.
- Trade and other receivables for $0.6 million by Hemco.

9. 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. 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. For a discussion of the use of non-IFRS financial measures and reconciliations thereof to the most directly comparable IFRS measures, see below.

EBIT, 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 and tax ("**EBIT**"), 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 provides a reconciliation of EBIT, EBITDA, Adjusted EBITDA to net profit for the period for the three and nine months ended September 30, 2022 and 2021:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net profit for the period	2,610	**8,150**	**24,481**	**32,327**
Less: Interest income	(50)	(235)	(568)	(946)
Add: Interest expense	1,511	1,156	3,835	3,604
Add: Current tax (1)	8,640	6,812	28,929	23,512
Add/less: Deferred tax (1)	3,702	(1,116)	7,058	5,058
EBIT	**16,413**	**14,767**	**63,735**	**63,555**
Add: Depreciation and amortization	14,931	11,606	43,757	35,606
EBITDA	**31,344**	**26,373**	**107,492**	**99,161**
Less: Other income	(298)	(382)	(1,000)	(2,041)
Less: Finance income (excluding interest income)	(37)	(30)	(131)	(142)
Add: Finance expense (excluding interest expense)	1,496	1,036	4,235	3,128
Add: Other expenses (2)	5,123	2,272	9,276	11,253
Add: Exploration expenses	3,742	5,033	10,038	7,551
Add: Impairment of asset (3)	4,791	-	4,791	-
Less: Foreign exchange differences	(3,035)	(1,943)	(3,718)	344
Adjusted EBITDA	**43,126**	**32,359**	**130,983**	**119,254**

(1) For additional information regarding taxes, see Note 15 of our unaudited condensed interim consolidated financial statements.
(2) For additional information regarding other expenses, see Note 10 of our unaudited condensed interim consolidated financial statements.
(3) For additional information regarding impairment of asset, see Note 6 of our unaudited condensed interim consolidated financial statements.

Cash Cost

The objective of Cash Cost is to provide stakeholders with a key indicator that reflects as close as possible the direct cost of producing and selling an ounce of gold

The Company reports Cash Cost per ounce of gold sold which is calculated by deducting revenue 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 includes mining, milling, mine site security, royalties, and mine site administration costs, and exclude non-cash operating expenses. Cash Cost per ounce of gold sold is a non-IFRS financial measure used to monitor the performance of our gold mining operations and their ability to generate profit, and is consistent with the guidance methodology set out by the World Gold Council.

The following table provides a reconciliation of Cash Cost per ounce of gold sold on a by-product basis to cost of sales for the three and nine months ended September 30, 2022 and 2021:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Cost of sales	103,511	94,769	295,003	275,678
Less: Cost of sales of non-mining operations (1)	(134)	(145)	(478)	(422)
Less: Depreciation and amortization	(14,574)	(11,242)	(42,667)	(34,508)
Less: Sales of silver	(1,722)	(2,724)	(6,180)	(7,347)
Cash Cost	**87,081**	**80,658**	**245,678**	**233,401**
Gold sold (oz)	77,745	65,319	215,429	200,837
Cash Cost per ounce of gold sold ($/oz)	**1,120**	**1,235**	**1,140**	**1,162**

(1) Refers to cost of sales incurred in the Company's "Others" segment. See Note 7 to the Company's condensed interim consolidated statements for three and nine months ended September 30, 2022 and 2021. The majority of this amount relates to the cost of sales of latex.

All-in Sustaining Costs

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. AISC per ounce of gold sold is a non-IFRS ratio that is intended to provide investors with transparency regarding the total costs of producing one ounce of gold in the relevant period.

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. The World Gold Council definition of AISC seeks to extend the definition of total Cash Cost by deducting administrative expenses, cost of sales of non-mining operations, sustaining exploration, sustaining leases and leaseback, sustaining capital expenditures. Non-sustaining costs are primarily those related to new operations and major projects at existing operations that are expected to materially benefit the current operation. The determination of classification of sustaining versus non-sustaining requires judgment by management. AISC excludes current and deferred income tax payments, finance expenses and other expenses. Consequently, these measures are not representative of all of the Company's cash expenditures. In addition, the calculation of AISC does not include depreciation and amortization cost or expense as it does not reflect the impact of expenditures incurred in prior periods. Therefore, it is not indicative of the Company's overall profitability. Other companies may quantify these measures differently because of different underlying principles and policies applied. Differences may also occur due to different definitions of sustaining versus non-sustaining.

The following table provides a reconciliation of AISC per ounce of gold sold to cost of sales for the three and nine months ended September 30, 2022 and 2021:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Cost of sales	103,511	94,769	295,003	275,678
Less: Cost of sales of non-mining operations (1)	(134)	(145)	(478)	(422)
Less: Depreciation and amortization	(14,574)	(11,242)	(42,667)	(34,508)
Less: Sales of silver	(1,722)	(2,724)	(6,180)	(7,347)
Less: Sales of electric energy	(994)	(1,246)	(2,796)	(3,361)
Add: Administrative expenses	4,167	4,666	15,580	14,703
Less: Depreciation and amortization of administrative expenses (2)	(357)	(364)	(1,090)	(1,098)
Add: Sustaining leases and leaseback (3)	3,444	3,000	7,991	8,648
Add: Sustaining exploration (4)	2,692	3,384	6,996	7,209
Add: Sustaining capital expenditures (5)	8,011	6,309	22,069	42,136
AISC	**104,044**	**96,407**	**294,428**	**301,638**
Gold sold (oz)	77,745	65,319	215,429	200,837
All-in sustaining costs per ounce of gold sold ($/oz)	**1,338**	**1,476**	**1,367**	**1,502**

(1) Cost of sale of non-mining operations is the cost of sales excluding cost incurred by non-mining operations and the majority of this cost comprises cost of sales of latex.

(2) Depreciation and amortization of administrative expenses is included in the administrative expenses line on the interim condensed consolidated financial statements, and is mainly related to depreciation for corporate office spaces and local administrative buildings in Gualcamayo and HEMCO.

(3) Represents most lease payments as reported on the condensed interim consolidated statements of cash flows and is made up of the principal component of such cash payments, less non-sustaining lease payments. Lease payments for new development projects and capacity projects are classified as non-sustaining.

(4) Sustaining exploration: Exploration expenses and exploration and evaluation projects as reported on the condensed interim consolidated financial statements, less non-sustaining exploration. Explorations are classified as either sustaining or non-sustaining based on a determination of the type and location of the exploration expenditure. Exploration expenditures within the footprint of operating mines are considered costs required to sustain current operations and so are included in sustaining costs. Exploration expenditures focused on new ore bodies near existing mines (i.e. brownfield), new exploration projects (i.e. greenfield) or for other generative exploration activity not linked to existing mining operations are classified as non- sustaining.

(5) Sustaining capital expenditures: Represents the capital expenditures at existing operations including, periodic capitalized stripping and underground mine development costs, ongoing replacement of mine equipment and overhaul of existing equipment, and is calculated as total additions to property, plant and equipment (as reported on the interim condensed consolidated statements of cash flows), less non-sustaining capital. Non-sustaining capital represents capital expenditures for major projects, including projects at existing operations that are expected to materially benefit the operation and provide a level of growth, as well as enhancement capital for significant infrastructure improvements at existing operations. Non-sustaining capital expenditures during the three and nine months ended September 30, 2022, primarily related to major projects at the Hemco Property, Nechí Alluvial Property and Gualcamayo Property. . The sum of sustaining capital expenditures and non-sustaining capital expenditures is reported as the total of additions of property plant and equipment in the condensed interim consolidated financial statements.

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[4] to cost of sales for the three and nine months ended September 30, 2022 and 2021:

Three months ended September 30, 2022

	Nechí Alluvial	Hemco	Gualcamayo
Cost of sales	**25,063**	**46,542**	**33,820**
Less: Depreciation and amortization	(3,425)	(7,153)	(3,949)
Less: Sales of silver	(45)	(1,553)	(124)
Cash cost	**21,593**	**37,836**	**29,747**
AISC Adjustments			
Less: Depreciation and amortization of administrative expenses	(3)	(9)	-
Less: Sales of electric energy	(994)	-	-
Add: Administrative expenses	460	736	554
Add: Sustaining leases and Leaseback	480	1,515	1,449
Add: Sustaining exploration	373	1,196	1,123
Add: Sustaining capital expenditure	1,612	2,254	4,145
AISC	**23,521**	**43,528**	**37,018**
Gold sold (oz)	24,720	32,210	20,815
Cash cost per ounce of gold sold ($/oz)	**874**	**1,175**	**1,429**
All-in sustaining costs per ounce of gold sold ($/oz)	**951**	**1,351**	**1,778**

[4] For additional information regarding operating segments (Material Properties), see Note 7 of our unaudited condensed interim consolidated financial statements.

Three months ended September 30, 2021

	Nechí Alluvial	Hemco	Gualcamayo
Cost of sales	**22,190**	**46,705**	**27,255**
Less: Depreciation and amortization	(2,891)	(5,343)	(2,965)
Less: Sales of silver	(38)	(2,562)	(124)
Cash cost	**19,261**	**38,800**	**24,166**
AISC Adjustments			
Less: Depreciation and amortization of administrative expenses	(3)	(10)	-
Less: Sales of electric energy	(1,246)	-	-
Add: Administrative expenses	536	785	393
Add: Sustaining leases and Leaseback	606	677	1,717
Add: Sustaining exploration	27	1,094	2,263
Add: Sustaining capital expenditure	1,765	3,670	874
AISC	**20,946**	**45,016**	**29,413**
Gold sold (oz)	17,085	32,528	15,706
Cash cost per ounce of gold sold ($/oz)	**1,127**	**1,193**	**1,539**
All-in sustaining costs per ounce of gold sold ($/oz)	**1,226**	**1,384**	**1,873**

Nine months ended September 30, 2022

	Nechí Alluvial	Hemco	Gualcamayo
Cost of sales	**75,657**	**142,310**	**82,762**
Less: Depreciation and amortization	(10,280)	(20,875)	(11,347)
Less: Sales of silver	(140)	(5,744)	(296)
Cash cost	**65,237**	**115,691**	**71,119**
AISC Adjustments			
Less: Depreciation and amortization of administrative expenses	(9)	(46)	-
Less: Sales of electric energy	(2,796)	-	-
Add: Administrative expenses	1,391	2,282	1,574
Add: Sustaining leases and Leaseback	1,639	3,372	2,980
Add: Sustaining exploration	743	2,419	3,834
Add: Sustaining capital expenditure	6,332	5,964	9,773
AISC	**72,537**	**129,682**	**89,280**
Gold sold (oz)	67,399	98,909	49,121
Cash cost per ounce of gold sold ($/oz)	**968**	**1,170**	**1,448**
All-in sustaining costs per ounce of gold sold ($/oz)	**1,076**	**1,311**	**1,818**

Nine months ended September 30, 2021

	Nechí Alluvial	Hemco	Gualcamayo
Cost of sales	**67,673**	**132,642**	**79,797**
Less: Depreciation and amortization	(8,483)	(16,435)	(9,470)
Less: Sales of silver	(140)	(6,801)	(406)
Cash cost	**59,050**	**109,406**	**69,921**
AISC Adjustments			
Less: Depreciation and amortization of administrative expenses	(80)	(43)	-
Less: Sales of electric energy	(3,361)	-	-
Add: Administrative expenses	1,702	2,209	1,474
Add: Sustaining leases and Leaseback	1,884	2,320	4,444
Add: Sustaining exploration	122	2,834	4,253
Add: Sustaining capital expenditure	5,083	13,225	23,828
AISC	**64,400**	**129,951**	**103,920**
Gold sold (oz)	57,605	94,950	48,282
Cash cost per ounce of gold sold ($/oz)	**1,025**	**1,152**	**1,448**
All-in sustaining costs per ounce of gold sold ($/oz)	**1,118**	**1,369**	**2,152**

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 generated by 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 generated by operating activities less non-discretionary sustaining capital expenditures and interest and dividends paid related to the relevant period.

The following table provides a reconciliation of the Company's net free cash flow to net cash flows generated by operating activities for the three and nine months ended September 30, 2022 and 2021:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net cash flows generated by operating activities	22,849	35,066	46,005	67,697
Non-discretionary items:				
Sustaining capital expenditures	(8,011)	(6,309)	(22,069)	(42,136)
Interest paid	(1,431)	(995)	(3,601)	(3,191)
Dividends paid	(5,655)	(4,035)	(18,128)	(13,656)
Net free cash flow	**7,752**	**23,727**	**2,207**	**8,714**

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. The following sets out the calculation of ROCE as at September 30, 2022 and 2021:

	As at September 30,		As at September 30,	
	2022	2021	2022	2021
Adjusted EBITDA (Last 12 months)	166,432	159,464	166,432	159,464
Less: Depreciation and amortization (Last 12 months)	(57,259)	(47,010)	(57,259)	(47,010)
Adjusted EBIT (A)	**109,173**	**112,454**	**109,173**	**112,454**
Total Assets at the beginning of the Period	580,046	542,235	580,046	542,235
Less: Total current liabilities at the beginning of the Period	(110,601)	(128,813)	(110,601)	(128,813)
Opening Capital Employed (B)	**469,445**	**413,422**	**469,445**	**413,422**
Total Assets at the end of the Period	608,108	565,107	608,108	565,107
Less: Current Liabilities at the end of the Period	(138,731)	(138,041)	(138,731)	(138,041)
Closing Capital employed (C)	**469,377**	**427,066**	**469,377**	**427,066**
Average Capital employed (D)= (B) + (C) /2	**469,411**	**420,244**	**469,411**	**420,244**
ROCE (A/D)	**23%**	**27%**	**23%**	**27%**

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 as at September 30, 2022 and 2021:

	As at September 30,	
	2022	**2021**
Loans and other borrowings	49,407	86,288
Less: Cash and cash equivalents	(32,417)	(51,776)
Net Debt	**16,990**	**34,512**
Adjusted EBITDA (Last 12 months)	166,432	159,464
Net Debt to Adjusted EBITDA ratio	**0.10x**	**0.22x**

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 tables sets out the reconciliation of average realized metal prices to sales of gold and sales of silver for the three and nine months ended September 30, 2022 and 2021:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	**2021**	**2022**	**2021**
Sales of gold	133,890	116,135	389,855	362,310
Gold sold (oz)	77,745	65,319	215,429	200,837
Average realized price per ounce of gold sold ($/oz)	**1,722**	**1,778**	**1,810**	**1,804**
Sales of silver	1,722	2,724	6,180	7,347
Silver sold (oz)	90,862	115,057	285,863	291,603
Average realized price per ounce of silver sold ($/oz)	**19**	**24**	**22**	**25**

10. RISK FACTORS

Readers of this MD&A should consider the information included in the Company's unaudited condensed interim consolidated financial statements and related notes for the period ending September 30, 2022. 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 are discussed below. Additional risk factors and details with respect to risk factors that may affect the Company's ability to achieve the expectations set forth in this MD&A are described in the "Risk Factors" section of the Company's most recent annual information form, available on SEDAR at www.sedar.com, to which readers are referred, and which are incorporated by reference in this MD&A.

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 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 September 30, 2022	**As at Dec. 31, 2021**
Cash and cash equivalents	32,417	63,130
Short Term Investments	1,339	98
Accounts receivable arising from sales of metal concentrates	21,682	10,580
Derivative financial instruments, net	2,000	(2,270)
Total	**57,438**	**71,538**

(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 unaudited condensed interim consolidated financial statements. All other financial liabilities disclosed in this note mature within one year and do not accrue interest.

During the nine months ended September 30, 2022, the Company´s net cash flows generated by operating activities, one of the Company's main sources of liquidity, were $46.0 million (September 30, 2021: $67.7 million). By the end of September 30, 2022, the Company held cash and cash equivalents of $32.4 million (December 31, 2021: $63.1 million). At September 30, 2022, the Company's working capital, defined as current assets less current liabilities, was $57.7 million (December 31, 2021: $64.1 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 cordobas. 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 2022 and 2021 are as follows:

Company	Type	Contracts	Amount ($000s)	Maturity	Price (COP$)
Mineros Aluvial	Put/Call $	6	9,000	Oct - Dec 2022	Min: 3,700
					Max: 4,217
Mineros Aluvial	Put/Call $	24	24,000	Ene - Jun 2023	Min: 4,100
					Max: 5,737
Mineros			No hedging		
MASA			No hedging		

As at September 30, 2022, there were no collar contracts for Mineros, Hemco or Minas Argentinas S.A. ("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 0.10x as at September 30, 2022 and 0.22x as at September 30, 2021.

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 asset 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 2022 and 2021 are as follows:

Company	Type	Contracts	Ounces	Maturity	Price ($/oz) (1)
Hemco	Put/Call	6	1,500	Oct- Dec 2022	Min: 1,750 Max: 1,860
Hemco	Put/Call	6	4,500	Oct- Dec 2022	Min: 1,780 Max: 1,870
Hemco	Put/Call	24	12,000	Ene - Dec 2023	Min: 1,700 Max: 1,820
Mineros	Put/Call	6	4,500	Oct- Dec 2022	Min: 1,750 Max: 1,870
Mineros	Put/Call	12	7,500	Oct- Dec 2022	Min: 1,780 Max: 1,890
Mineros	Put/Call	24	12,000	Ene - Dec 2023	Min: 1,700 Max: 1,820

(1) Minimum and maximum prices are weighted averages of different put and call options.

The resulting fair values of the outstanding commodity contracts at September 30, 2022 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:

	Nine Months Ended September 30,	
	2022	2021
Realized gain (loss) in revenue protection strategy	(1,248)	808
Net profit (losses) in commodity contracts	**(1,248)**	**808**

(iv) Risks Related to our Business and Industry

Changes in Colombian legislation could have adverse effects on our operations

Elections were held in Colombia on May 29, 2022, and a newly-elected president took office on August 7, 2022.

The new administration has announced potential regulatory and institutional changes for the mining and energy sectors as part of an energy transition plan, strategy to be adopted in furtherance of Colombia's Nationally Determined Contribution (NDC) goals under the Paris Agreement on Climate

Change to reduce greenhouse gas emissions.Potential measures announced by the Ministry of Environment and Sustainable Development and the Ministry of Energy and Mining include:

- Plans to review the compliance of the mining title holders with the applicable law, particularly in regulatory and environmental aspects.
- Institutional changes to strengthen the government's capacity to guarantee social participation in the environmental licensing process.
- Adoption or enhancement of policies to designate certain minerals as "strategic minerals" for the energy transition, and to incentivize the exploration and exploitation of those minerals.
- Review of the coordination and concurrence agreements (acuerdos de coordinación y concurrencia) entered by the Colombian mining authorities to verify that governments have participated in the processes by which the national government determined the conditions under which the mining operations were to be conducted in each region.
- Review the environmental and land-use restrictions under Colombian mining laws and regulations to determine if it is necessary to strengthen prohibitions and restrictions.

In addition, the President has announced his intention to revise the Mining Code (Colombia), which governs aspects of our Colombian operations including environmental, zoning, and control matters. As at the date of this MD&A, none of the Congress, the President, or any ministry or agency has proposed laws or regulations in pursuit of this agenda, and there is no guarantee that any such laws or regulations, if adopted, will become binding and enforceable. However, the adoption of new laws or regulations, or amendments to current laws, regulations and permits governing operations and activities of mining companies, including environmental laws and regulations, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in expenditures and costs, affect the Company's ability to expand or transfer existing operations or require the Company to abandon or delay the development of new properties.

We have operations in countries that may become subject to economic sanctions that could subject us to penalties and other adverse consequences.

On October 24th, 2022, OFAC imposed economic sanctions on DGM, and the U.S. President passed EO 14088 expanding OFAC's authority to impose further sanctions to various sectors of the Nicaraguan economy, including, in particular, the gold sector. While the Company is not directly subject to economic sanctions regulations imposed by OFAC, there can be no assurance that other sanctioning authorities will not adopt sanctions similar to those imposed by OFAC. In addition, the Nicaragua Sanctions Measures may indirectly affect the Company through its impacts on third parties with whom the Company has commercial relationships. If such third parties determine that their dealings with the Company are or may be restricted as a result of economic sanctions to which they are subject, they may terminate their relationships with the Company, which could lead to increased operating costs and more challenges in exporting the metals that we produce, which could adversely affect the Company's operations and financial results.

The Company is closely monitoring communications by the U.S. government and other sanctioning authorities regarding the designation and application of other specific trade-based sanctions against Nicaragua and its gold sector. The Company remains committed to complying with applicable legal and regulatory requirements, including sanctions, and is evaluating the actual and potential impacts of sanctions on its current and planned business and operations in coordination with its advisors.

11. CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company´s unaudited condensed interim consolidated financial statements are prepared in accordance with IFRS. The recent accounting pronouncements and significant accounting policies applied are described in Note 3 and Note 4, respectively, to the Company's condensed interim consolidated statements for three and nine months ended September 30, 2022 and 2021.

In preparing the unaudited condensed interim consolidated financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Critical accounting estimates represent estimates that are uncertain and for which changes in those estimates could materially impact the Company's unaudited condensed interim consolidated financial statements. Actual future outcomes may differ from present estimates. Management reviews its estimates and assumptions on an ongoing basis using the most current information available.

The critical judgments and key sources of estimation uncertainties in the application of accounting policies during the quarters ended September 30, 2022 and 2021 are disclosed in Note 4 to the Company's condensed interim consolidated statements of financial position for the three and nine months ended September 30, 2022 and 2021.

12. INTERNAL CONTROLS OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

The Company's controls and procedures have been 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 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.

The President and Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control framework was designed based on the Committee of Sponsoring Organizations of the Treadway Commission 2013 Framework.

There was no change in the Company's internal controls over financial reporting that occurred during the three months ended September 30, 2022 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

The Company's management, including the President and Chief Executive Officer and Chief Financial Officer, believe that any internal controls over financial reporting and disclosure controls and procedures, no matter how well designed, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

13. 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 pre-feasibility study on the Porvenir Project; completion of an initial Mineral Resource estimate on the Luna Roja Deposit; 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 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; 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 applicable 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; inflation rates; availability of labour and 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, or as a result of higher than anticipated inflation or labour costs;
- 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;
- 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 annual information form dated March 31, 2022, 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

Disclosure regarding Mineral Reserve and Mineral Resource estimates included in this MD&A was prepared in accordance with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. NI 43-101 differs significantly from the disclosure requirements of the United States Securities and Exchange Commission ("SEC") generally applicable to U.S. companies. For example, the terms "mineral reserve", "proven mineral reserve", "probable mineral reserve", "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in NI 43-101. These definitions differ from the definitions in the disclosure requirements promulgated by the SEC. Accordingly, information contained in this MD&A will not be comparable to similar information made public by U.S. companies reporting pursuant to SEC disclosure requirements. In particular, 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 the Company's most recent annual information form, is available on SEDAR at www.sedar.com.