aura

360° MINING

Management's Discussion and Analysis

For the three and six months ended June 30, 2019

Dated as of August 14, 2019

AURA MINERALS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JUNE 30, 2019

This management's discussion and analysis ("MD&A") should be read in conjunction with Aura Minerals Inc.'s (the "Company" or "Aura Minerals") unaudited condensed consolidated financial statements for the three and six months ended June 30, 2019 and 2018 and related notes thereto (the "Financial Statements") which have been prepared in accordance with International Financial Reporting Standards and Interpretations (collectively, "IFRS"). In addition, this MD&A should be read in conjunction with the most recent Annual Information Form ("AIF") as well as other information relating to Aura Minerals as filed on the Company's profile on SEDAR at *www.sedar.com*. This MD&A has been prepared as at the date written on the cover page and provides information that management believes is relevant to assessing and understanding the financial condition of the Company and the results of operations and cash flows for the three and six months ended June 30, 2019.

Unless otherwise noted, references herein to "$" are to thousands of United States dollars. References to "C$" are to thousands of Canadian dollars. Tables are expressed in thousands of United States dollars, except where otherwise noted.

Statements herein are subject to the risks and uncertainties identified in the Risk Factors and Cautionary Note regarding Forward-Looking Information sections of this MD&A.

All mineral resource and mineral reserve estimates included in documents referenced in this MD&A have been prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). Readers are encouraged to review the AIF and full text of the Company's continuous disclosure documents. These documents are available on SEDAR and supply further information on the Company's compliance with NI 43-101 requirements.

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

1. BACKGROUND AND CORE BUSINESS

Aura Minerals is a mid-tier gold and copper production company focused on the operation and development of gold and base metal projects in the Americas. The Company is listed on the Toronto Stock Exchange under the symbol ORA. Aura Minerals is focused on responsible, sustainable growth and strives to operate to the highest environmental and safety standards and in a socially responsible manner at all of its operations.

The Company has the following mineral properties (with either a 100% interest in, or 100% effective control over):

- *The San Andres Gold Mine ("San Andres")* – an open-pit heap leach gold mine located in the highlands of western Honduras, in the municipality of La Union, Department of Copan, approximately 150 km southwest of the city of San Pedro Sula.

- *The Ernesto/Pau-a-Pique Project ("EPP Project", "EPP")* – located in the southwest of Mato Grosso state, near Pontes e Lacerda in Brazil which consists of the following gold deposits: the Lavrinha open-pit ("Lavrinha"), the Ernesto open pit mine, the Pau-a-Pique underground mine ("Pau-a-Pique" or "PPQ"), the Japones open pit mine (on April 1, 2019 the Company declared commercial production) and the near mine open-pit prospects of Nosde and Pombinhas.

- *The Aranzazu Copper Mine ("Aranzazu")* – an underground mine operation in the state of Zacatecas, Mexico. On December 11, 2018 the Company declared commercial production.

- *The Sao Francisco Gold Mine ("Sao Francisco")* – an open-pit heap leach gold mine located in the southwest of the state of Mato Grosso, Brazil, approximately 560 km west of Cuiaba, the state capital. Mining at Sao Francisco was suspended in October 2016 and from January to September of 2017, the mine operated a fines recovery project to recovery the remaining gold from the heap leach piles. In 2018 the Company conducted a drill program at Sao Francisco and is considering its further options.

- *The Almas Gold Project* ("Almas") – a permitted for construction gold project located in the state of Tocantins, Brazil. The Almas Gold Project consists of three deposits (Paiol, Vira Saia and Cata Funda) and several exploration targets including: Nova Prata/Espinheiro, Jacobina and Morro do Carneiro. Of these, only the three deposits have seen significant exploration work.

- *The Matupa Gold* Project ("Matupa") – a gold project located in the state of Mato Grosso, Brazil. The Matupa Gold Project consists of one deposit (the X1 deposit) and several exploration targets (the Matupa, Guaranta Ridge, V4, V5, V6, and Fucao targets).

- *The Tolda Fria Gold Project ("Tolda Fria")* – located in Caldas State, Colombia.

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

2. FINANCIAL AND OPERATING HIGHLIGHTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019

	For the three months ended June 30, 2019	For the three months ended June 30, 2018	For the six months ended June 30, 2019	For the six months ended June 30, 2018
FINANCIAL DATA				
IFRS Measures				
Revenue	**$ 50,374**	$ 45,338	**$ 86,630**	$ 90,361
Cost of goods sold	**45,563**	37,932	**80,743**	75,143
Depreciation (included in cost of goods sold)	**4,726**	4,064	**10,418**	8,126
Gross Margin	**4,811**	7,406	**5,887**	15,218
Gross Margin (excluding depreciation)	**9,537**	11,470	**16,305**	23,344
Net income (loss)	**$ (3,913)**	$ (5,330)	**$ (8,637)**	$ 5,950
Income (loss) per share - Basic	**$ (0.90)**	$ (1.59)	**$ (1.98)**	$ 1.62
OPERATING DATA				
Gold ore processed (tonnes)	**1,949,555**	1,940,867	**3,135,473**	4,035,935
Gold produced (ounces)	**25,558**	31,482	**45,623**	65,397
Gold sold (ounces)	**26,255**	35,738	**46,271**	70,583
Copper ore processed (tonnes)	**201,675**	-	**360,978**	-
Copper concentrate produced (dry metric tonnes "DMT")	**9,578**	-	**15,435**	-

- Net revenues in the second quarter of 2019 increased $5,306 compared to the same period of 2018, as result of revenues from copper concentrate produced by Aranzazu. As shown on Section 6, the company reached its highest revenues considering the eight most recently completed quarters.
- In February, Minosa decided to resume operation which has been gradually ramping up during the second quarter to reach full capacity during the second semester.
- The gross margin decrease is primarily attributable to the operation ramp up at the San Andres mine which was caused by the unlawful invasions during the first quarter of 2019. The second quarter of 2019 showed significant improvement against the first quarter of 2019 ($ 4,881 and $1,076), with Aranzazu and Minosa reaching higher levels of production and we expect the third quarter to continue to increase production on both operations.
- Net loss of $3,913 or $.90 per share for the three months ended June 30, 2019 (second quarter) compared to loss of $5,330 or $1.59 per share for the second quarter of 2018. The net loss was reduced from $ 4,723 in the first quarter of 2019 to $ 3,913 in the second quarter. The net loss for the second quarter of 2019 includes unrealized Gold derivatives losses of $1,776 as result of the increase in the gold price in the second quarter of 2019.
- Gold produced in the second quarter of 2019 was 18.8% lower than the same period in 2018, mainly due to the decrease in Gold production in Minosa caused by the ramp-up and the leaching cycle.
- Copper concentrate produced continues to increase driven by the gradual restart of Aranzazu which impacted the revenue for the second quarter by $16,828.

	For the three months ended June 30, 2019	For the three months ended June 30, 2018	For the six months ended June 30, 2019	For the six months ended June 30, 2018
Gold revenue	**33,546**	45,338	**59,137**	90,361
Copper concentrate revenue	**16,828**	-	**27,493**	-
Revenue	**50,374**	45,338	**86,630**	90,361
Ounces sold				
San Andres	**12,728**	21,121	**18,416**	40,746
Brazilian Mines	**13,528**	14,617	**27,855**	29,837
Total ounces sold	**26,255**	35,738	**46,271**	70,583
Gold sales revenues, net of local sales taxes	**$ 33,546**	$ 45,338	**$ 59,137**	$ 90,361
Average gold market price per oz (London PM Fix)	**$ 1,310**	$ 1,278	**$ 1,307**	$ 1,329
Realized average gold price per ounce sold, gross [1]	**$ 1,302**	$ 1,309	**$ 1,302**	$ 1,324
Realized average gold price per ounce sold, net of local sales taxes and hedging [1]	**$ 1,277**	$ 1,264	**$ 1,258**	$ 1,257

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- Gold production and cash operating costs per ounce produced[1] for the three and six months ended June30, 2019 and 2018 were as follows:

Six months ended, June 30	2019			2018		
		Cash Operating			Cash Operating	
	Oz Produced	Costs		Oz Produced	Costs	
San Andres	18,899	$	1,174	38,743	$	893
Brazilian Mines	26,723	$	929	26,654	$	908
Total / Average	**45,623**	**$**	**1,030**	65,397	$	899

Three months ended, June 30	2019			2018		
		Cash Operating			Cash Operating	
	Oz Produced	Costs		Oz Produced	Costs	
San Andres	12,413	$	1,165	18,395	$	960
Brazilian Mines	13,145	$	1,017	13,087	$	903
Total / Average	**25,558**	**$**	**1,089**	31,482	$	936

- Due to the restart of San Andres mine and the leaching cycle, the mine showed a higher than average cost. We expect to have significant higher production in the following quarters and consequently lower cash cost per Oz.

- Copper production and cash operating costs per ounce produced[1] for the three and six months ended June30, 2019 and 2018 were as follows:

Six months ended, June 30, 2019	2019			2018		
	Copper Pounds Produced (k/Lb)	Cash Costs per Payable pound of Copper		Copper Pounds Produced (k/Lb)	Cash Costs per Payable pound of Copper	
Aranzazu	12,329	$	2.03	-	$	-
Total / Average	**12,329**	**$**	**2.03**	-	$	-

Three months ended, June 30, 2019	2019			2018		
	Copper Pounds Produced (k/Lb)	Cash Costs per Payable pound of Copper		Copper Pounds Produced (k/Lb)	Cash Costs per Payable pound of Copper	
Aranzazu	7,579	$	1.92	-	$	-
Total / Average	**7,579**	**$**	**1.92**	-	$	-

3. OUTLOOK AND STRATEGY

The Company's updated gold and copper production and cash cost per ounce[1] guidance for 2019 is detailed below:

	Ounces produced Oz		Cash operating costs per ounce produced[1]				Capital expenditures (in thousands)			
Gold Mines	**Low**	**High**		**Low**		**High**		**Low**		**High**
San Andres	55,000	65,000	$	900	$	1,000	$	4,000	$	6,000
Brazilian Mines	52,000	63,000		837		929		4,000		5,800
Total	**107,000**	**128,000**	**$**	**869**	**$**	**965**	**$**	**8,000**	**$**	**11,800**

	Copper production '000 lb		Gold Production Oz		Cash Operating costs USD/lb Cu Equivalent				Capital Expenditures (in thousands)			
Copper mine	**Low**	**High**	**Low**	**High**		**Low**		**High**		**Low**		**High**
Aranzazu	20,000	23,000	17,000	19,000	$	1.78	$	1.90	$	12,000	$	14,000

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Strategy

The Company's strategy is to generate value through a reduction of cash costs, a continuous performance improvement of our operating assets to gain efficiencies, optimize and develop advanced stage projects and unlocking value from care-and-maintenance assets. The Company has taken considerable steps to following through on the Company's strategy including but not limited to: (i) obtaining in-country debt in the areas that we operate to reduce cost and gain efficiencies; (ii) focusing on continual improvement; and (iii) ensuring that each operating entity is self-funded and not reliant on any other entity (other than with respect to a start-up / pre-commercial production phase). With the new assets from Rio Novo (Almas, Matupa and Tolda Fria), Aura is currently analyzing the opportunities to optimize the returns including alternatives to reduce Capex while reassessing its geological potential.

Key Factors

The Company's future profitability, operating cash flows and financial position will be closely related to the prevailing prices of gold and copper. Key factors influencing the price of gold and copper include, but are not limited to, the supply of and demand for gold and copper, the relative strength of currencies (particularly the United States dollar) and macroeconomic factors such as current and future expectations for inflation and interest rates. Management believes that the short-to-medium term economic environment is likely to remain relatively supportive for commodity prices but with continued volatility.

To decrease risks associated with commodity prices and currency volatility, the Company will continue to evaluate and implement available protection programs. For additional information on this, please refer to the AIF.

Other key factors influencing profitability and operating cash flows are production levels (impacted by grades, ore quantities, process recoveries, labor, country stability, plant and equipment availabilities) and production and processing costs (impacted by production levels, prices and usage of key consumables, labor, inflation, and exchange rates).

Divestiture – Mineracao Vale Verde Ltda (MVV-Serrote)

On December 1, 2017, the Company announced that it had entered into a purchase and sale agreement to sell MVV which owns the Serrote Project for an aggregate consideration of $40 million. The aggregate consideration of $40 million was made up of a cash payment of $30 million (paid), as well the delivery by the purchasers of a subordinated unsecured note in the principal amount of $10 million, payable from 75% of excess cash from the project after the project has repaid project financing and operating cash requirements (contingent consideration).

During the second quarter of 2019, it was disclosed in the Brazilian media several news about potential developments of the project, including the acquisition of equipment, advances in the negotiations between the MVV-Serrote and potential lenders to the project finance and the hiring of direct and indirect employees for the Serrote project. Advances in the project increases the probability that the Company will collect cash $ 10 million in the future from the unsecured note. The Company will continue following the advances on the project in order to reassess the fair value of the such note at each reporting date.

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4. REVIEW OF MINING OPERATIONS

San Andres, Honduras

The table below sets out selected operating information for San Andres for the three and six months ended June 30, 2019 and 2018:

	For the three months ended June 30, 2019	For the three months ended June 30, 2018	**For the six months ended June 30, 2019**	For the six months ended June 30, 2018
Ore mined (tonnes)	**1,508,248**	1,583,416	**2,343,442**	3,372,109
Waste mined (tonnes)	**1,201,400**	1,049,133	**1,871,925**	2,211,520
Total mined (tonnes)	**2,709,647**	2,632,549	**4,215,367**	5,583,629
Waste to ore ratio	**0.80**	0.66	**0.80**	0.66
Ore plant feed (tonnes)	**1,554,436**	1,594,000	**2,351,684**	3,380,620
Grade (g/tonne)	**0.46**	0.42	**0.46**	0.44
Recovery (%)	**53.5%**	85.9%	**54.3%**	80.7%
Production (ounces)	**12,413**	18,395	**18,899**	38,743
Sales (ounces)	**12,728**	21,121	**18,416**	40,746
Average cash cost per ounce of gold produced[1]	**$ 1,165**	$ 960	**$ 1,174**	$ 893

The San Andres mine is 100% owned through the Company's wholly-owned subsidiary, Minerales de Occidente S.A. de C.V. ("Minosa").

As disclosed in public filings, during certain periods of 2018, Minosa has incurred the illegal occupation of the mine by certain individuals that were making personal demands of the mine. On December 6, 2018, the Company announced a suspension of operations at the mine because of illegal invasions of its private property that hindered the works in the mining operation. This temporary suspension was formalized at the Ministry of Labor on December 10, 2018 and in INHGEOMIN (Honduran Institute of Geology and Mines) on December 14, 2018. On January 31, 2019, El Ministerio Publico of Santa Rosa de Copán through the Prosecutor of the case issued Criminal Requirements against 18 cases involved in crimes for damages to Minosa and dictated precautionary measures including not approaching the mining operation for the duration of the trial. Given the actions of local authorities seeking legal security for private investment, on February 8, 2019 Minosa decided to restart its operations progressively and issued an official statement to its collaborators, suppliers, authorities and the general public. On April 10, 2019, the first hearing was held in court against those involved in crimes of illicit manifestation and damages. Minosa is waiting for the ruling of the Appeal.

Due to the long leaching cycle and the ramp up plan, the second quarter results were still lower compared to the same period of 2018. Compared to the first quarter, there has been significant improvement with 12,413 Oz produced in the second quarter against 6,486 Oz produced in the previous quarter. We expect further increases during the third quarter.

Results for San Andres during the second quarter of 2019 as compared to the same period of 2018 are as follow:

- Average cash cost per ounce of gold produced increased by 21% related mainly to lower produced ounces in 2019, partially offset by cost cutting efforts to compensate lower production in order to preserve cash
- Ore mined decreased by 4.7% as a result of few remaining issues with some individuals to access certain concession areas
- Waste mined increased by 14.5% a result of mining out of sequence phases due to remining issues plus unplanned increase in strip ratio at the sulfide interface, partially offset by lower than expected strip ratio in another part of the mine
- Ore plant feed decreased by 2.5% in line with ore mined.

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- Recovery decreased by 32.4 p.p. for the following reasons: a) Mined areas in the second quarter of 2019 presented worse recovery rate due to the geological alteration and the mineralogy. b) Normal heap leach ramp-up dynamics after the re-start of the operation in the first quarter
- Production decreased by 32.5% because of ore stacking ceased between December 2018 and February 2019. However, leaching continued to produce residual gold. Once ore stacking began again, the gold extraction kinetics began their ramp-up on the permanent leach pads.
- Sales decreased by 39.6% as a result of less ounces sold related to lower production in the second quarter of 2019 and no carry-over from the first quarter of 2019.

On July 29, 2019, Minosa reached an agreement ensure for a sustainable operation within its concessions. The amendment to a 2016 agreement was signed by relevant stakeholders, such as the nearby village Azacualpa patronato, the mayor of the municipality, other members of the government and the Company. This agreement clarifies Minosa's rights to access its concession areas while anticipates important social benefits to the local community.

Besides the substantial improvement and no more issues with the individuals that were causing problems, management remains cautiously optimist.

EPP Project:

The Ernesto/Pau-a-Pique Project ("EPP Project", "EPP") consists of the following gold deposits: the Lavrinha open-pit ("Lavrinha"), the Ernesto open pit mine, the Pau-a-Pique underground mine ("Pau-a-Pique" or "PPQ"), the Japones open pit mine ("Japonês"). Mine planning for all the deposits is integrated, since they share the same production plant, and any increase or decrease in each of the mines can be (but not necessarily is) the result of changing in such mine sequencing.

***EPP Project*: Pau-a-Pique Mine**

The table below sets out selected operating information for Pau-a-Pique for the three and six months ended June 30, 2019 and 2018.

	For the three months ended June 30, 2019	For the three months ended June 30, 2018	**For the six months ended June 30, 2019**	For the six months ended June 30, 2018
Ore mined (tonnes)	**52,150**	51,427	**98,350**	93,329
Waste mined (tonnes)	**15,620**	19,656	**42,315**	52,652
Total mined (tonnes)	**67,770**	71,083	**140,665**	145,981
Waste to ore ratio	**0.30**	0.38	**0.43**	0.56
Ore plant feed (tonnes)	**51,636**	51,315	**99,133**	92,969
Grade (g/tonne)	**1.74**	2.49	**2.19**	2.77
Recovery (%)	**95.2%**	93.6%	**95.3%**	93.5%
Production (ounces)	**2,751**	3,797	**6,658**	7,666
Sales (ounces)	**-**	4,243	**9,717**	8,996
Average cash cost per ounce of gold produced[1]	**$ 1,162**	$ 962	**$ 1,052**	$ 945

Results for Pau-a-Pique during the second quarter of 2019 as compared to the same period of 2018 are as follow:

- Ore mined improved by 1.4%, in line with long-term production forecasts.
- Waste mined decreased by 20.5% due to the lower development of access galleries and transportation.
- Waste to ore ratio decreased by 21.6% due to the lower production of sterile.

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- Ore plant feed increased by 0.6%, due to the upgrading of the cyclone system and the alteration of the design of the mill discharge grids, a significant increase in plant performance was possible.
- Grade decreased by 30.6% due to lower mine grade.
- Recovery increased by 1.6 p.p. in the plant due mainly to the introduction of an oxygen injection system in the CIL process, which increases the kinetic cyanide / gold.
- Production was 27.5% lower due to lower feed grade and lower processed mass in the plant.
- Cash cost increased by 20.8% because of the lower production

EPP Project: Lavrinha, Brazil

The table below sets out selected operating information for Lavrinha for the three and six months ended June 30, 2019 and 2018.

	For the three months ended June 30, 2019	For the three months ended June 30, 2018	**For the six months ended June 30, 2019**	For the six months ended June 30, 2018
Ore mined (tonnes)	**182,116**	323,892	**344,856**	629,426
Waste mined (tonnes)	**2,005,021**	2,328,718	**3,909,270**	4,603,561
Total mined (tonnes)	**2,187,137**	2,652,610	**4,254,126**	5,232,987
Waste to ore ratio	**11.01**	7.19	**11.34**	7.31
Ore plant feed (tonnes)	**212,871**	295,552	**454,091**	562,346
Grade (g/tonne)	**0.87**	1.05	**0.89**	1.13
Recovery (%)	**95.7%**	93.6%	**95.6%**	93.6%
Production (ounces)	**5,723**	9,290	**12,381**	18,988
Sales (ounces)	**8,867**	10,374	**13,478**	20,841
Average cash cost per ounce of gold produced[1]	**$ 1,190**	$ 879	**$ 1,027**	$ 893

Results for Lavrinha during the second quarter of 2019 as compared to the same period of 2018 are as follow:

- Ore mined decreased by 43.8% as due to the integrated sequencing on both mines, with the ore increase in Japonês, which presented better mass and grade, to supply the plant gold demand.
- Waste mined decreased by 13.9% as a result of integrated sequencing on both mines, with the increased waste production on the Japonês mine.
- Waste to ore ratio increased by 53.1% due to the deepening of the mine and the need for expansion to release ore in the bottom of the pit.
- Ore plant feed reduced by 28% due to the upgrading of the cyclone system and the alteration of the design of the mill discharge grids, a significant increase in plant performance was possible.
- Grade decreased by 16.8% due to lower mine grade.
- Recovery increased by 2.1 p.p. because of higher recovery due to the introduction of concentrated oxygen in the leaching process.
- Production decreased by 38.4% due to feed grade and addition of Japones mines into the mine sequencing plan.
- Average cash cost per ounce increased by 35.3% as consequence of a lower production

***EPP Project*: Japones**

The table below sets out selected operating information for Japones for the three and six months ended June 30, 2019 and 2018. Commercial production was declared for Japones in April 2019.

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	For the three months ended June 30, 2019	For the three months ended June 30, 2018	For the six months ended June 30, 2019	For the six months ended June 30, 2018
Ore mined (tonnes)	127,074		235,744	
Waste mined (tonnes)	1,073,741		1,926,513	
Total mined (tonnes)	1,200,815		2,162,256	
Waste to ore ratio	8.45		8.17	
Ore plant feed (tonnes)	130,611		230,565	
Grade (g/tonne)	1.17		1.09	
Recovery (%)	95.0%		95.2%	
Production (ounces)	4,671		7,684	
Sales (ounces)	4,661		4,661	
Average cash cost per ounce of gold produced[1]	$ 720		$ 663	

Aranzazu

On December 10, 2018, the Company declared commercial production at the Aranzazu mine. As a result, both revenue and operating costs for Aranzazu are recognized in the consolidated statements of loss and comprehensive loss. In addition, the mine development related to Aranzazu was reclassified to property, plant and equipment and depletion commences. Commercial production was achieved ahead of schedule and with less capital needs compared to the business plan. An excellent safety record has been attained during ramp-up period and throughout the completion of various infrastructure projects. The Company continues to further progress on the underground mine development and operational improvements to the plant in order to reach full production. Construction of the new tailings disposal facility (TD5) was completed on April 5, 2019.

The table below sets out selected operating information for Aranzazu for the three and six months ended on June 30, 2019. The information below includes pre-commercial production from the Aranzazu Mine:

	For the three months ended June 30, 2019	For the three months ended June 30, 2018	For the six months ended June 30, 2019	For the six months ended June 30, 2018
Ore mined (tonnes)	187,096		347,272	
Ore milled (tonnes)	201,675		360,978	
Copper grade (%)	1.39%		1.25%	
Gold grade (g/tonne)	0.79		0.73	
Silver grade (g/tonne)	19.98		17.75	
Cooper recovery	88.0%		87.4%	
Gold recovery	74.9%		74.6%	
Silver recovery	57.9%		56.5%	
Concentrate production:				
Cooper concentrate produced (DMT)	9,578		15,435	
Cooper contained in concentrate (%)	25.5%		25.4%	
Gold contained in concentrate (g/DMT)	12.1		12.4	
Silver contained in concentrate (g/DMT)	234.5		227.7	
Copper Pounds Produced (k/Lb)	7,579		12,329	
Average cash cost per payable pound of copper produced, net of gold and silver credits [1]	$ 1.92		$ 2.03	

- Production continues ramping up since the restart and the second quarter showed significant improvement in the mine production performance with Aranzazu being able to mine an average of 2,056 tons per day against 1,780 tons per day in the previous quarter; production performance is expected to continue to improve during the next months.
- In accordance with the ramp up plan, the mine production increased 14% compared with previous quarter. Aranzazu also accessed and started to produce in Glory Hole, the main ore body with better Copper and

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Gold grades with 30% increase in copper grade and 20% increase in gold grade compared to previous quarter.

- Plant production increased 26.6% vs. previous quarter in throughput stabilizing recoveries and concentrate quality.
- Cooper grade of 1.390% was 30% above previous quarter (1.069%).
- Gold grade of 0.79 g/t was 20% higher than previous quarter (0.66 g/t).
- During the second quarter, Aranzazu was able to reach the targeted recovery rate (88%), stabilizing the process and being able to increase throughput at the same recovery levels.
- Gold recovery achieved 74.9% compared with 65% planned in the Feasibility study due to adjustment in flotation testing different and redesigning the circuit
- Silver recovery of 58% was lower than planned recovery (65%) due to the focus on recovering Copper and Gold

Almas Project

The Company has commenced a pre-feasibility study (the "Study") which will incorporate a newly defined project execution strategy aiming at reducing capital expenditure requirements and optimizing project cash flows. During the second quarter of 2019, the Company engaged "Ausenco", a mining engineering contractor, to support the development of the pre-feasibility study. The Company expects to generate a new mineral reserve estimate as part of the Study during 2020.

Matupa

The Company maintains its views about the relevance and importance of this deposit and will continue investing in exploration and development.

Tolda Fria

The Company continues to assess possible ways for further developing Tolda Fria.

5. RESULTS OF OPERATIONS

Details of revenues, cost of goods sold and gross margin are presented below:

	For the three months ended June 30, 2019	For the three months ended June 30, 2018	**For the six months ended June 30, 2019**	For the six months ended June 30, 2018
Revenues:				
San Andres	**$ 16,305**	$ 26,578	**$ 24,146**	$ 51,700
Brazilian Mines	**17,241**	18,760	**34,991**	38,661
Aranzazu	**16,828**	-	**27,493**	-
	$ 50,374	$ 45,338	**$ 86,630**	$ 90,361
Cost of Production:				
San Andres	**$ 14,444**	$ 20,030	**$ 21,521**	$ 38,638
Brazilian Mines	**13,478**	13,838	**24,473**	28,379
Aranzazu	**12,915**	-	**24,331**	-
	$ 40,837	$ 33,868	**$ 70,325**	$ 67,017
Depletion and Amortization:				
San Andres	**$ 1,721**	$ 2,217	**$ 3,082**	$ 4,347
Brazilian Mines	**1,387**	1,847	**4,191**	3,779
Aranzazu	**1,618**	-	**3,145**	-
	$ 4,726	$ 4,064	**$ 10,418**	$ 8,126
Gross Margin:				
San Andres	**$ 140**	$ 4,331	**$ (457)**	$ 8,715
Brazilian Mines	**2,376**	3,075	**6,327**	6,503
Aranzazu	**2,295**	-	**17**	-
	$ 4,811	$ 7,406	**$ 5,887**	$ 15,218

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

Revenues

Total sales revenue for the second quarter of 2019 increased by 11.1% compared to the same period in 2018. The increase was driven by Aranzazu copper concentrate revenue of $ 16,828, which was partially offset by the $10,273 decrease in Minosa.

Cost of Goods Sold

Total cost of production from San Andres during the second quarter of 2019 decreased by 27.8% in comparison to the same period in 2018 due to lower production and mine operation. Total cost of production from Brazilian Mines during second quarter decreased by 2.6%.

Care-and-maintenance expenses

		For the three months ended June 30, 2019		For the three months ended June 30, 2018		**For the six months ended June 30, 2019**		For the six months ended June 30, 2018
Aranzazu mine	**$**	**-**	$	262	**$**	**-**	$	721
Serrote project		**-**		-		**-**		421
Rio Novo projects		**331**		158		**622**		158
Brazilian projects		**358**		470		**843**		590
	$	**689**	$	890	**$**	**1,465**	$	1,890

The care-and-maintenance expense for other Brazilian projects, Rio Novo projects, and the Aranzazu Mine (before reaching pre-commercial stage), mainly represents costs with respect to maintaining adequate provisions for security, contracts, environmental licenses and adequate maintenance of the assets (*See Section 9, Related Party Transactions).*

General and administrative costs

		For the three months ended June 30, 2019		For the three months ended June 30, 2018		**For the six months ended June 30, 2019**		For the six months ended June 30, 2018
Salaries, wages and benefits	**$**	**1,637**	$	1,655	**$**	**2,858**	$	2,255
Professional and consulting fees		**930**		1,175		**1,567**		2,438
Legal, Filing, listing and transfer agent fees		**167**		6		**209**		118
Insurance		**253**		222		**433**		392
Directors' fees		**38**		47		**77**		90
Occupancy cost		**52**		64		**99**		131
Merger and acquisition		**-**		12		**-**		312
Travel expenses		**146**		74		**332**		159
Share-based payment expense		**110**		38		**228**		38
Depreciation and amortization		**33**		13		**65**		18
Other		**210**		92		**347**		456
	$	**3,576**	$	3,398	**$**	**6,215**	$	6,407

Management Continues to focus on reducing G&A and, despite the addition of Aranzazu, Aura was able to reduce G&A in 2019.

General and administrative costs include the following when comparing the second quarter of 2019 to 2018:

- Legal, Filing, listing and transfer fees increased due to statutory filing fees for all our subsidiaries. In 2018, those fees were recognized and paid in during Q3.
- Travel costs increased due to additional travelling of the Company's officers and consultants to EPP, Almas and Aranzazu (all flights are booked in economy class subject to limited exceptions).
- Share-based payment expense increase due to the issuance of Stock Options in the last quarter of 2018.

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

Finance Costs

	For the three months ended June 30, 2019	For the three months ended June 30, 2018	**For the six months ended June 30, 2019**	For the six months ended June 30, 2018
Accretion expense	**$ 134**	$ 198	**$ 477**	$ 387
Interest expense on debts (note 14)	**773**	463	**1,462**	1,132
Finance cost on post-employment benefit	**288**	-	**288**	116
Other interest and finance costs	**13**	62	**28**	73
	$ 1,208	$ 723	**$ 2,255**	$ 1,708

The increase in interest expense on debts is related to the new debts mostly related to Aranzazu restart (refer to Section 7, Liquidity and Capital Resources. For further information, refer to the Financial Statements Note 11 and Note 11 (b)).

Other (losses) income

	For the three months ended June 30, 2019	For the three months ended June 30, 2018	**For the six months ended June 30, 2019**	For the six months ended June 30, 2018
Net loss on call options and fixed price contracts	**$ (2,257)**	$ 562	**$ (1,739)**	$ (423)
Gain on disposal of assets	**(103)**	(2)	**(104)**	742
Foreign exchange (loss) gain	**(737)**	(2,783)	**(1,150)**	(1,414)
Other items	**736**	(372)	**792**	(1,021)
	$ (2,361)	$ (2,595)	**$ (2,201)**	$ (2,116)

Other losses for the second quarter of 2019 are mainly related to the unrealized losses with gold hedges as result of significant increase in gold prices in the second quarter of 2019.

6. SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected unaudited interim consolidated financial information for each of the eight most recently completed quarters.

Fiscal quarter ended	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017
Revenue	**$ 50,374**	$ 36,256	$ 34,165	$ 33,176	$ 45,338	$ 45,023	$ 38,734	$ 39,828
Working capital	**(3,279)**	6,179	18,374	32,866	32,718	26,882	29,109	11,970
Property, plant and equipment	**215,059**	214,441	205,197	142,244	134,768	132,299	80,700	102,689
Impairment recovery (1,2)	**-**	-	53,701	-	-	-	10,007	-
Gain on acquisition of Rio Novo Project	**-**	-	-	-	-	21,898	-	-
Gain on acquisition of EPP Project	**-**	-	-	-	-	-	-	-
(Loss) Income for the period	**(3,913)**	(4,723)	45,179	837	(5,330)	11,280	6,368	4,594
(Loss) Income per share								
Basic	**$ (0.90)**	$ (1.08)	$ 10.42	$ 0.20	$ (1.20)	$ 3.10	$ 1.86	$ 1.37
Diluted	**$ (0.90)**	$ (1.08)	$ 10.26	$ 0.20	$ (1.20)	$ 3.10	$ 1.86	$ 1.37

*[1] For the quarter ended December 31, 2017 impairment reversal recorded is related to the sale of MVV and the Serrote Project.
*[2] For the quarter ended December 31, 2018 impairment reversal recorded is related to restart of Aranzazu Mine.

7. LIQUIDITY AND CAPITAL RESOURCES

Management of the Company believes that our ongoing operations and associated cash flows, will provide enough liquidity to continue financing our planned growth in the near term, and that we will have access to additional debt as we grow to support further expansion.

The Company will, from time to time, repay balances outstanding on its revolving credit with operating cash flow and cash flow from other sources.

During the three months ended June 30, 2019, cash decreased from $18,845 at the beginning of the second quarter of 2019 period to $15,012 at the end of the second quarter of 2019. Details are as follows:

		For the three months ended June 30, 2019		For the three months ended June 30, 2018		**For the six months ended June 30, 2019**		For the six months ended June 30, 2018
Net cash generated by (used in) operating activities	**$**	**1,200**	$	1,957	**$**	**6,982**	$	7,696
Net cash generated by (used in) investing activities		**(1,344)**		(6,548)		**(4,027)**		19,007
Net cash generated by (used in) financing activities		**(3,689)**		9,786		**1,550**		(867)
	$	**(3,833)**	$	5,195	**$**	**4,505**	$	25,836

The increase in cash position of $4,505 during the six months ended June 30, 2019, was made up of:

- Cash flow from operating activities of $6,982 result of: net loss of $(8,637), items not affecting cash of $14,431 (see note 27(a) of the Financial Statements), changes in working capital of $3,069 (see note 27(b) of the Financial Statements), taxes paid of $(458), and changes in other assets and liabilities of $(1,423).
- Cash used in investing activities of $(4,027) result of: purchases of property, plant and equipment $(14,424), proceeds on sale of plat and equipment $249 and proceeds from short term investment of $10,148 of government and corporate bonds maturity.
- Cash flow used in financing activities of $1,550 result of: proceeds received from debts $10,568, repayment of short term loans $(6,538), repayment of other liabilities of $(275), repayment of lease liabilities $(1,041), repayment of stock options exercise $(45),and interest paid on debt of $(1,119).

As of June 30, 2019, the Company has the following debt obligations:

Financial debt		**Total**		**Less than 1 year**		**1 - 3 years**		**4 - 5 years**		**After 5 years**
Banco Occidente	**$**	**2,626**	$	1,626	$	1,000	$	-	$	-
Banco Atlántida		**5,950**		726		2,800		2,424		-
Banco ABC Brasil S.A.		**4,092**		2,537		1,555		-		-
Banco Santander Brasil		**4,644**		4,644		-		-		-
IXM S.A.		**17,625**		10,125		7,500		-		-
	$	**34,937**	$	19,658	$	12,855	$	2,424	$	-

For a detailed discussion of the above noted debts, please see Note 11 in the Financial Statements. In the ordinary course of business, the Company has trade and other payables owing and for mine closure and restoration which are discussed in the Financial Statements.

8. CONTRACTUAL OBLIGATIONS

Except as set forth in this MD&A, for the six months ended June 30, 2019 and as at the date of this MD&A, the Company has not entered into any contractual obligations that are outside of the ordinary course of business.

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

		Within 1 year		**2 to 3 years**		**4 to 5 years**		**Over 5 years**		**Total**		**Total**
Trade and other payables		59,703		-		-		-		**59,703**		35,811
Short-term loans and gold loan repayment		19,658		12,855		2,424		-		**34,937**		30,125
Provision for mine closure and restoration		-		-		-		26,127		**26,127**		21,309
Other liabilities and Leases		2,069		5,248		-		-		**7,317**		4,550
	$	**81,430**	**$**	**18,103**	**$**	**2,424**	**$**	**26,127**	**$**	**128,084**	**$**	**91,795**

9. RELATED PARTY TRANSACTIONS

On December 18, 2017 the Company and Rio Novo entered into an agreement to combine and create a portfolio of mining properties with a long-term production life. On February 22, 2018, the Company and Rio Novo announced,

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

in accordance with Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"), that the proposed merger (the "Merger") of the Company and Rio Novo was approved by their respective shareholders at Special Meetings of the respective shareholders. On March 2, 2018, the Company and Rio Novo announced the completion of the Merger under section 170 of the BVI Business Companies Act, 2004 under which the Company merged with Rio Novo and the separate corporate existence of Rio Novo ceased. Upon consummation of the Merger, all of the shares in Rio Novo were automatically converted into the relevant number of shares of the Company where holders of Rio Novo Shares received 0.0053 of the Company's common share for every Rio Novo Share held (being an aggregate of 947,396 common shares of the Company). As part of the Merger, the Company also issued (i) 31,418 common shares to holders of Rio Novo deferred share units outstanding as of December 18, 2017 and (ii) options to acquire 10,700 Company common shares to holders of Rio Novo options (which were cancelled). The approval of the Merger was conducted in accordance with MI 61-101 because of Northwestern shareholdings in each of the Company and Rio Novo. Northwestern is beneficially owned, controlled or directed by Paulo Brito, the Company's Chairman of the Board.

As part consideration for the acquisition of the EPP Project, the Company granted to SBMM a net smelter return royalty (the "EPP NSR Royalty") as to 2% on the first 1,000,000 gold ounces produced from the EPP Project, and thereafter, a 1% NSR Royalty on gold ounces produced from the EPP Project. The Company has been provided notice that pursuant to the royalty agreement, a company beneficially owned or controlled by Paulo de Brito has acquired the EPP NSR Royalty from SBMM. The Company was not a party to the negotiations between the entities and the transaction was not a related party.

On January 1, 2015, the Company entered into a consulting agreement for the provision of management services to the Company, including those of the President and Chief Executive Officer, with Acumen Capital, LLC ("Acumen"), a US based company which is controlled by Jim Bannantine, the Company's former President and Chief Executive Officer. The consulting agreement was terminated on January 15, 2017. For three and six months ended June 30, 2019, the Company paid consulting fees and termination benefits to Acumen of $41 and $41 (2018: $124 and 227). As at June 30, 2019, the Company owed $nil (December 31, 2018: $62) to Acumen, mainly related to termination benefits.

Total compensation paid to key management personnel, remuneration of directors and other members of key executive management personnel for the three and six months ended June 30, 2019 and 2018 are as follows:

	For the three months ended June 30, 2019	For the three months ended June 30, 2018	**For the six months ended June 30, 2019**	For the six months ended June 30, 2018
Salaries and short-term employee benefits	**$ 973**	$ 1,147	**$ 1,413**	$1,572
Termination benefits	**51**	-	**297**	-
	$ 1,024	$ 1,147	**$ 1,710**	$1,572

As noted above and as result of the merge with Rio Novo, on April 16, 2018, the Company entered into a payment schedule with Northwestern pursuant to which the Company agreed to repay the notes of $3,576. As at June 30, 2019, the outstanding balance of the loan from Northwestern was $nil

10. PROPOSED TRANSACTION

Other than as disclosed in this MD&A, the Company has not entered into a binding agreement for an asset or business acquisition or disposition. Management is committed to further analyzing and where applicable, negotiating, one or more transactions to maximize the value of its assets and increasing shareholder value.

11. CHANGES IN ACCOUNTING POLICIES

The Company has adopted the following new and revised standards, effective January 1, 2019. These changes were made in accordance with the applicable transitional provisions.

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

IFRS 16 Leases - The standard on leases was issued in January 2016 and is effective for annual reporting periods beginning on or after January 1, 2019 for public entities with early adoption permitted, provided IFRS 15 has been applied or is applied at the same date as IFRS 16. The Company adopted IFRS 16 effective January 1, 2019, using the modified retrospective approach. The comparatives for the 2018 reporting period have not been restated and are accounted for under IAS 17, Leases, and IFRIC 4, Determining Whether an Arrangement Contains a Lease, as permitted under the specific transitional provisions in the standard. The transitional adjustments arising from the adoption are recognized in the opening balance sheet on January 1, 2019. The associated right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to the leases recognized on the balance sheet as at December 31, 2018.

12. CRITICAL ACCOUNTING ESTIMATES

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

Please refer to Note 4 of the June30, 2019 Financial Statements for the critical accounting policies under which significant judgements, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the Company’s consolidated statements of financial position reported in future periods.

13. CORPORATE GOVERNANCE

The Company’s Board and its committees substantially follow the recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The current Board is comprised of four individuals, two of whom are not independent of the Company and two of whom are unrelated in that they are independent of management. Mr. Barbosa is currently not considered independent due to his role as President & CEO of the Company. Mr. Brito is not considered independent because of Northwestern. The Audit Committee is currently comprised of two directors who are independent of management.

The Audit Committee fulfills its role of ensuring the integrity of the reported information through its review of the interim and audited annual consolidated financial statements prior to their submission to the Board for approval. The Audit Committee meets with management quarterly to review the consolidated financial statements including the MD&A and to discuss other financial, operating and internal control matters. The Company also retains external auditors to audit its annual consolidated financial statements.

The Audit Committee has reviewed this MD&A pursuant to its charter and the Board has approved the disclosure contained herein. A copy of this MD&A will be provided to anyone who requests it.

14. DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's management is responsible for designing and maintaining adequate internal controls over financial reporting (“ICFR”), under the supervision of the CEO, VP of Finance and Corporate Controller, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements in accordance with IFRS. Management is also responsible for the design and effectiveness of disclosure controls and procedures (“DC&P”), under the supervision of the CEO, VP of Finance and Corporate Controller, to provide reasonable assurance that material information related to the Company is made known to the Company’s certifying officers. As at December 31, 2018, the Company’s CEO, VP of Finance and Corporate Controller have certified that DC&P were effective and that during the second quarter of 2019, the Company did not make any material changes

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in the ICFR that materially affected or are reasonably likely to materially affect the Company's ICFR.

15. NON-GAAP PERFORMANCE MEASURES

In this MD&A, the Company has included realized average gold price per ounce sold, gross, realized average gold price per ounce sold - net of local sales taxes, hedging and gold loan repayments, cash operating cost per ounce produced, cash operating costs per ounce sold and all-in costs per ounce sold which are non-GAAP performance measures. These non-GAAP measures do not have any standardized meaning within IFRS and therefore may not be comparable to similar measures presented by other companies. The Company believes that these measures provide investors with additional information which is useful in evaluating the Company's performance and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

A. Reconciliation from revenue to EBITDA

	For the three months ended June 30, 2019	For the three months ended June 30, 2018	**For the six months ended June 30, 2019**	For the six months ended June 30, 2018
Revenue	**$ 50,374**	$ 45,338	**$ 86,630**	$ 90,361
Cost of goods sold	**(45,563)**	(37,932)	**(80,743)**	(75,143)
Care-and-maintenance expenses	**(689)**	(890)	**(1,465)**	(1,890)
General and administrative expenses	**(3,576)**	(3,398)	**(6,215)**	(6,407)
Exploration expenses	**(1,092)**	(1,263)	**(2,108)**	(2,265)
Impairment reversal	**-**	-	**-**	-
EBIT	**(546)**	1,855	**(3,901)**	4,656
Depreciation and amortization	**4,759**	4,077	**10,483**	8,144
EBITDA	**4,213**	5,932	**6,582**	12,800
Other items not included in EBITDA:				
Gain on disposal of assets	**(103)**	(2)	**(104)**	742
Other items in other gains (losses)	**736**	(372)	**792**	(1,021)
Depreciation and amortization	**(4,759)**	(4,077)	**(10,483)**	(8,144)
Net loss on call options and fixed price contracts	**(2,257)**	562	**(1,739)**	(423)
Change in estimate of provision for mine closure and restoration	**-**	-	**-**	-
VAT and other taxes recoveries	**-**	-	**-**	-
Finance costs	**(1,208)**	(723)	**(2,255)**	(1,708)
Changes in fair value of gold loans	**-**	-	**-**	-
Foreign exchange gain (loss)	**(737)**	(2,783)	**(1,150)**	(1,414)
Gain on acquisition of Rio Novo Gols Inc	**-**	(40)	**-**	21,858
Currency translation adjustment reversal	**-**	-	**-**	(15,827)
Gain on Sale of Mineração Vale Verde Ltda (Serrote)	**-**	-	**-**	3,945
Income (loss) before taxes	**(4,115)**	(1,503)	**(8,357)**	10,808
Taxes	**202**	(3,827)	**(280)**	(4,858)
Net income (loss)	**$ (3,913)**	$ (5,330)	**$ (8,637)**	$ 5,950

B. Reconciliation from the consolidated financial statements to cash operating costs per ounce of gold produced:

	For the three months ended June 30, 2019	For the three months ended June 30, 2018	**For the six months ended June 30, 2019**	For the six months ended June 30, 2018
Cost of goods sold	**$ 45,563**	$ 37,932	**$ 80,743**	$ 75,143
Cost of production related to copper operation	**(12,915)**	-	**(24,331)**	-
Depreciation	**(3,108)**	(4,064)	**(7,273)**	(8,126)
Cost of production	**29,540**	33,868	**49,139**	67,017
Change in inventory	**286**	2,059	**468**	(4,528)
Other adjustments	**(1,995)**	(6,453)	**(2,596)**	(3,693)
Total operating cost of gold produced	**$ 27,831**	$ 29,474	**$ 47,011**	$ 58,796
Ounces of gold produced	**25,558**	31,482	**45,623**	65,397
Cash operating costs per ounce produced	**$ 1,089**	$ 936	**$ 1,030**	$ 899

C. Reconciliation from the consolidated financial statements to realized price per ounce sold:

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		For the three months ended June 30, 2019		For the three months ended June 30, 2018		For the six months ended June 30, 2019		For the six months ended June 30, 2018
Gross gold revenue	**$**	**34,189**	$	46,784	**$**	**60,237**	$	93,455
Local gold sales taxes		**(643)**		(1,446)		**(1,100)**		(3,094)
Gold revenue, net of sales taxes		**33,546**		45,338		**59,137**		90,361
Realized gain (loss) from fixed price contracts		**(11)**		(152)		**(941)**		(1,651)
Gold revenue, net of local sales taxes and hedging	**$**	**33,535**	$	45,186	**$**	**58,196**	$	88,710
Ounces of gold sold		**26,255**		35,738		**46,271**		70,583
Realized average gold price per ounce sold, gross [1]	**$**	**1,302**	$	1,309	**$**	**1,302**	$	1,324
Realized average gold price per ounce sold, net of local sales taxes [1]		**1,278**		1,269		**1,278**		1,280
Realized average gold price per ounce sold, net of local sales taxes and hedging [1]	**$**	**1,277**	$	1,264	**$**	**1,258**	$	1,257

16. RISK FACTORS

The operations of the Company contain significant risk due to the nature of mining, exploration and development activities. For details of these risks, please refer to the risk factors set forth in the Company's AIF which could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

17. DISCLOSURE OF SHARE DATA

As at June 30, 2019, the Company had the following outstanding: 4,353,865 common shares, 177,584 stock options, and 11,404 deferred share units.

18. CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A, and the documents incorporated by reference, contain certain "forward-looking information" and "forward-looking statements", as defined in applicable securities laws (collectively, "forward-looking statements"). All statements other than statements of historical fact are forward-looking statements. Forward-looking statements relate to future events or future performance and reflect the Company's current estimates, predictions, expectations or beliefs regarding future events and include, without limitation, statements with respect to: the economic viability of a project; strategic plans, including the Company's plans with respect to its properties; the amount of mineral reserves and mineral resources; the amount of future production over any period; the amount of waste tonnes mined; the amount of mining and haulage costs; cash costs; operating costs; strip ratios and mining rates; expected grades and ounces of metals and minerals; expected processing recoveries; expected time frames; prices of metals and minerals; mine life; and gold hedge programs. Often, but not always, forward-looking statements may be identified by the use of words such as "expects", "anticipates", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Forward-looking statements in this MD&A are based upon, without limitation, the following estimates and assumptions: the presence of and continuity of metals at the Company's projects at modeled grades; gold and copper price volatility; the capacities of various machinery and equipment; the availability of personnel, machinery and equipment at estimated prices; exchange rates; metals and minerals sales prices; appropriate discount rates; tax rates and royalty rates applicable to the mining operations; cash costs; anticipated mining losses and dilution; metals recovery rates, reasonable contingency requirements; our expected ability to develop adequate infrastructure and that the cost of doing so will be reasonable; our expected ability to develop our projects including financing such projects; and receipt of regulatory approvals on acceptable terms.

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

Known and unknown risks, uncertainties and other factors, many of which are beyond the Company's ability to predict or control could cause actual results to differ materially from those contained in the forward-looking statements. Specific reference is made to the Company's most recent AIF for a discussion of some of the factors underlying forward-looking statements, which include, without limitation, gold and copper or certain other commodity price volatility, changes in debt and equity markets, the uncertainties involved in interpreting geological data, increases in costs, environmental compliance and changes in environmental legislation and regulation, interest rate and exchange rate fluctuations, general economic conditions, political stability and other risks involved in the mineral exploration and development industry. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements.

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