Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2020 and 2019
(Unaudited)

Expressed in thousands of United States dollars

For the three months ended March 31,	Note		2020		2019
Net revenue	19	**$**	**48,626**	$	36,256
Cost of goods sold	20		**41,936**		35,180
Gross margin			**6,690**		1,076
General and administrative expenses	21		**4,069**		2,638
Care-and-maintenance expenses	22		**436**		776
Exploration expenses	23		**838**		1,016
Operating income/(loss)			**1,347**		(3,354)
Finance costs	24		**(1,722)**		(1,047)
Other gains (losses)	25		**(6,569)**		160
Loss before income taxes			**(6,944)**		(4,241)
Current income tax (expense)	14		**(1,152)**		(1,042)
Deferred income tax (expense) recovery	14		**(9,568)**		560
Loss for the period		**$**	**(17,664)**	$	(4,723)
Loss per share:					
Basic & Diluted	32	**$**	**(4.06)**	$	(1.09)
Weighted average number of common shares outstanding:					
Basic & Diluted	32		**4,353,865**		4,350,280

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

Aura Minerals Inc.

Condensed Consolidated Statements of Comprehensive Loss

For the three months ended March 31, 2020 and 2019

Expressed in thousands of United States dollars

(Unaudited)

For the three months ended March 31,		2020		2019
Loss for the period	**$**	**(17,664)**	$	(4,723)
Other comprehensive loss				
Items that may be reclassified to profit or loss				
Gain on foreign exchange translation of subsidiaries		**465**		9
Items that will not be reclassified to profit or loss				
Actuarial loss on post-employment benefit, net of tax		**(240)**		-
Other comprehensive loss, net of tax		**225**		9
Total comprehensive loss	**$**	**(17,439)**	$	(4,714)

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

Expressed in thousands of United States dollars

For the three months ended March 31,	Note		2020		2019
Cash flows from operating activities					
Loss for the period		**$**	**(17,664)**	$	(4,723)
Items not affecting cash	26(a)		**20,498**		6,664
Changes in working capital	26(b)		**(63)**		4,998
Taxes paid			**(1,021)**		(46)
Other assets and liabilities	26(c)		**2,110**		(1,111)
Net cash generated by operating activities			**3,861**		5,782
Cash flows from investing activities					
Purchase of property, plant and equipment, and other investments	11		**(10,704)**		(8,487)
Proceeds from maturity of short term investments			**-**		5,564
Proceeds on sale of plant and equipment			**189**		240
Net cash used in investing activities			**(10,515)**		(2,683)
Cash flows from financing activities					
Proceeds received from debts	26(e)		**8,000**		8,568
Payments of dividends	28		**(3,044)**		-
Proceeds and (payments) from exercise of stock options			**-**		(44)
Repayment of short term loans	26(e)		**(3,450)**		(1,997)
Repayment of other liabilities	17(a)		**(416)**		(174)
Principal payments of lease liabilities	17(b)		**(323)**		(654)
Interest paid on debts	26(e)		**(1,154)**		(460)
Net cash generated (used) in financing activities			**(387)**		5,239
Increase (decrease) in cash and cash equivalents			**(7,041)**		8,338
Effect of foreign exchange loss on cash equivalents			**(2,131)**		-
Cash and cash equivalents, beginning of the period			**38,870**		10,507
Cash and cash equivalents, end of the period		**$**	**29,698**	$	18,845

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

Aura Minerals Inc.

Condensed Consolidated Statements of Financial Position

As at March 31, 2020 and December 31, 2019

Expressed in thousands of United States dollars

(Unaudited)

	Note		**March 31, 2020**		December 31, 2019
ASSETS					
Current					
Cash and cash equivalents		**$**	**29,698**	$	38,870
Restricted cash			**179**		230
Value added taxes and other receivables	7		**27,103**		31,470
Inventory	8		**41,726**		33,535
Other current assets	9		**11,421**		6,139
			110,127		110,244
Other long-term assets	10		**7,345**		9,753
Property, plant and equipment	11		**238,532**		212,496
Deferred income tax assets	14		**11,625**		18,016
		$	**367,629**	$	350,509
LIABILITIES					
Current					
Trade and other payables	12	**$**	**59,680**	$	56,992
Derivative Financial Instrument	27		**1,196**		227
Current portion of debts	13		**25,157**		22,104
Current income tax liabilities			**3,862**		6,157
Current portion of other liabilities	17		**926**		1,944
			90,821		87,424
Debts	13		**46,520**		20,850
Deferred income tax liabilities	14		**11,281**		8,315
Provision for mine closure and restoration	15		**31,194**		30,142
Other provisions	16		**8,168**		7,598
Other liabilities	17		**1,338**		560
			189,322		154,889
SHAREHOLDERS' EQUITY	18				
Share capital			**569,286**		569,285
Contributed surplus			**55,549**		55,424
Accumulated other comprehensive income			**5,604**		5,379
Deficit			**(452,132)**		(434,468)
			178,307		195,620
		$	**367,629**	$	350,509

Approved on behalf of the Board of Directors:

"Stephen Keith" | *"Rodrigo Barbosa"*

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

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

Aura Minerals Inc.

Condensed Consolidated Statements of Changes in Equity

For the three months ended March 31, 2020 and 2019

Expressed in thousands of United States dollars

(Unaudited)

	Note	Number of common shares		Share capital		Contributed surplus		Accumulated other comprehensive income		Deficit		Total equity
At December 31, 2019		**4,353,865**	**$**	**569,285**	**$**	**55,424**	**$**	**5,379**	**$**	**(434,468)**	**$**	**195,620**
Stock options issued		**-**		**-**		**125**		**-**		**-**		**125**
Income for the period		**-**		**-**		**-**		**-**		**(17,664)**		**(17,664)**
Non-controlling interests		**-**		**1**		**-**		**-**		**-**		**1**
Gain on translation of subsidiaries		**-**		**-**		**-**		**465**		**-**		**465**
Actuarial loss on severance liability, net of tax		**-**		**-**		**-**		**(240)**		**-**		**(240)**
At March 31, 2020		**4,353,865**	**$**	**569,286**	**$**	**55,549**	**$**	**5,604**	**$**	**(452,132)**	**$**	**178,307**

	Note	Number of common shares		Share capital		Contributed surplus		Accumulated other comprehensive income		Deficit		Total equity
At December 31, 2018		**4,337,733**	**$**	**569,052**	**$**	**55,253**	**$**	**6,427**	**$**	**(456,311)**	**$**	**174,421**
Exercise of options	18	16,132		233		(277)		-		-		(44)
Stock options issued		-		-		118		-		-		118
Loss for the period		-		-		-		-		(4,723)		(4,723)
Gain on translation of subsidiaries		-		-		-		9		-		9
At March 31, 2019		**4,353,865**	**$**	**569,285**	**$**	**55,094**	**$**	**6,436**	**$**	**(461,034)**	**$**	**169,781**

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

1 DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS

Aura Minerals Inc. ("Aura Minerals" or the "Company") is a mining company focused on the operation and development of mining properties in the Americas.

Aura Minerals is a public company listed on the Toronto Stock Exchange (Symbol: ORA). The Company is incorporated under the *BVI Business Companies Act, 2004* (British Virgin Islands). The Company's registered office is located at Craigmuir Chambers, PO Box 71, Road Town, Tortola VG1110, British Virgin Islands. The Company maintains a head office at 78 SW 7th street, 7115, Miami, Florida 33130, United States of America.

The Company's majority shareholder is Northwestern Enterprises Ltd ("Northwestern"), a company beneficially owned by the Chairman of the board of directors of the Company (the "Board").

These financial statements were approved for issue by the Board effective May 22, 2020.

2 BASIS OF PREPARATION AND PRESENTATION

The condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in the Company's annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB have been condensed or omitted. These condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2019, ("2019 Annual Financial Statements").

In particular, the Company's significant accounting policies were presented in *Note 3* of 2019 Annual Financial Statements. The condensed interim consolidated financial statements have been prepared on a going concern basis using historical cost except for those assets and liabilities that are measured at revalued amounts or fair values at the end of each reporting period as explained in *Note 3*. Additionally, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies followed in these condensed interim consolidated financial statements are consistent with those disclosed in *Note 3* of 2019 Annual Financial Statements, with the exception of income taxes that are based on the weighted average effective tax rates and the application of certain new and amended IFRS pronouncements issued by the IASB, which were effective from January 1, 2020. Of those new and amended IFRS pronouncements that had a significant impact on the Company's condensed interim consolidated financial statements are described in *Note 5* below.

The functional currency of the Company and majority of its subsidiaries is the United States Dollar ("US Dollar") except for several services companies in Mexico which have a function currency of Mexican Pesos ("MXN Pesos") and several Brazilian subsidiaries in Brazilian Reais ("BRL Reais"). All values in the consolidated financial statements are rounded to the nearest thousand.

3 IMPACT OF THE COVID-19 PANDEMIC

At the end of 2019, a novel strain of coronavirus ("COVID-19") was reported in China. By March 11, 2020, the World Health Organization deemed the COVID-19 outbreak to be a pandemic.

During the first quarter of 2020, measures were taken by governments to contain the pandemic, including in some of the countries in which the Company operates. On March 16, 2020, the Honduran government approved by PCM Decree 21-2020, among others, the suspension of work in the public and private sectors, with private companies such as Aura having to operate with a minimal work force for general maintenance no greater than 50 people. Mining operations at San Andres were interrupted and Aura has reduced its workforce to the minimum in order to maintain tailings and continue to satisfy environmental requirements in connection with operations and other critical activities at the mine. The Honduran government has issued new orders since then extending its previously-issued decree until May 24, 2020.

On March 31, 2020, the Mexican government issued a decree requiring the suspension of all non-essential activities in the private and public sectors until April 30, 2020, which has since been extended until May 30, 2020. Nevertheless, on May 12, 2020, mining was included as an essential activity by the Mexican authorities, and mining Companies were allowed to request authorization to fully resume operations from May 18, 2020.

The March 31 decree allowed businesses to maintain critical activities which, if interrupted, could result in potentially irreversible damage that prevents their further continuation. Accordingly, the Company suspended all non-essential operations at Aranzazu while maintaining only critical activities which are required to prevent safety and/or environmental risks from materializing and potentially irreversible damage occurring that could prevent our operations from continuing.

As of March 31, 2020, the currency of Brazil and Mexico devaluated from December 31, 2019 by 29% and 29%, respectively, which affected various financial statement line items including foreign exchange gain/loss (*Note 25*), deferred tax assets (*Note 14*), and VAT taxes (*Note 7*).

The Company has been monitoring the developments of the pandemic and instituted some preventative measures to ensure the safety of its workforce and local communities by having essential personnel on-site and other non-essential personnel work remotely.

As a result of the events and factors described above, assumptions utilized by the Company, such as future metal prices, exchange rates, discount rates, and other key assumptions, in the impairment assessments are subject to greater uncertainty given the current economic conditions. The extent to which COVID-19 impacts future business activity or financial results (including impairment of non-financial assets), and the duration of any such negative impact, will depend on future developments, which are highly uncertain and unknown at this time.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed interim consolidated financial statements have been prepared in accordance with the accounting policies adopted in *Note 3* of the 2019 Annual Financial Statements, except for the effects of the following new and revised standards, which were adopted by the Company, effective January 1, 2020:

Revised "Conceptual Framework for Financial Reporting"

On March 29, 2018, the International Accounting Standards Board (IASB) issued a revised "Conceptual Framework for Financial Reporting" which is currently being used by the Board and Interpretations Committee of the IASB in developing new pronouncements. The revision includes definitions of an "asset" and a "liability" along with new guidance on measurement, derecognition, presentation, and disclosure.

Amendments to IFRS 3 regarding the definition of "business"

On October 22, 2018, the International Accounting Standards Board (IASB) issued an amendment to the "Definition of a Business (Amendments to IFRS 3)" to clarify the definition of a "business" to remove difficulties in determining whether a company has acquired a business or a group of assets.

Amendments to IAS 1 and IAS 8 regarding the definition of "materiality"

On October 31, 2018, the International Accounting Standards Board (IASB) issued an amendment to the "Definition of Material (Amendments to IAS 1 and IAS 8)" to clarify the definition of "material" and to align the definition used in the Conceptual Framework and the standards.

5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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 2019 Annual 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.

As a result of the events and factors described in Note 3, as at March 31, 2020, triggering events were identified in relation to the operation in Mexico and Honduras. As a result, an impairment assessment was performed by management with no impairments identified, as the recoverable amount of those assets (defined as the fair value less cost to sell), exceeded the carrying value. The precision of the recoverable value, the associated estimates and the likelihood of future changes in these estimates depend on a number of underlying variables and a range of possible outcomes. Actual results may materially differ from management's estimates, especially due to the uncertainties associated with the COVID-19 pandemic.

Critical judgements made in determining the fair values of identifiable assets and liabilities in relation to the Acquisition of Gold Road Corporation (see Note 6 for details) include the discount rate and the cash flows associated with the fair value of certain property, plant and equipment acquired and the discount rate and probabilities assigned to the exercise of the prepayment option used in the determination of the fair value of the assumed Pandion Debt.

6 ACQUISITION OF GOLD ROAD CORPORATION

On March 7th, 2020, the Company entered into a share purchase agreement to acquire all the outstanding common shares of Z79 Resources, Inc. ("Z79") (the "Share Purchase Agreement"), which, through Z79 holds: I) a 94% interest in Gold Road Mining Corp. ("GRMC"), which in turn owns the Gold Road Mine located in Arizona (the "Gold Road Project") and II) a 94% interest in TR-UE Vein Exploration, Inc. ("TR-UE Vein"), which in turn owns various options to acquire parcels of land adjacent to the Gold Road Project. The Company entered into the purchase of the Gold Road mine to further diversify its portfolio of mines in the Americas. The Gold Road mine is currently in care and maintenance.

The closing of the Gold Road Project acquisition occurred on March 27, 2020. Consideration paid pursuant to the Share Purchase Agreement consists of $1. As part of the acquisition, the Company assumed a debt of $35 million, with an option to pre-pay for $24 million during the first year, which was fair valued at $25.2 million and guaranteed with the mine itself.

The transaction was deemed to be within the scope of *IFRS 3 - Business Combinations* and concluded that the activities of Z79 constitute a business.

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

The allocation of the purchase consideration to the fair values of the identifiable assets and liabilities (other than cash) is preliminary and may be revised by the Company as additional information becomes available. Changes to the allocation could be material. The purchase price and preliminary allocation of the purchase price (expressed in $US dollars) is as follows:

Cash Paid	1
Total purchase consideration	**1**
Assets acquired	
Cash	4,863
Inventory	148,428
Other assets	166,411
ARO Asset (Note 11)	520,483
FV of Pandion Debt Option (Note 9)	5,044,883
Property, plant and equipment (Note 11)	20,068,992
Total assets acquired	**25,954,060**
Liabilities assumed	
Accounts payable and accrued liabilities	(226,766)
ARO Liability (Note 15)	(520,483)
Pandion Debt (Note 13)	(25,205,466)
Total liabilities assumed	**(25,952,715)**
Net assets acquired	**1,345**
Less: Non-controlling Interest	(1,344)
	1

In connection with the purchase of the Gold Road mine, the Company assumed a royalty (the "Royalty"), paid to Mojave Desert Minerals, Inc., a non-related party to the Company, that is equal to 2.0% of Net Smelter Returns on all gold-mined from the Gold Road mine (the "Gold Road-Mined Products") and 1.0% of Net Smelter Returns on all gold-processed in the Gold Road mine (the "Gold Road-Processed Products") sold or deemed to have been sold by or for Gold Road.

The Company also acquired the rights to certain options to purchase and explore several adjacent parcels of land (subject to future NSR royalty arrangements) surrounding the Gold Road mine. These options have been assigned a minimal value.

Additionally, in connection with the acquisition of the Gold Road mine, the Company incurred acquisition-related expenses of $91 which were reflected mainly in travel expenses and legal, filing, listing and transfer agent fees categories in General and Administrative expenses.

After the acquisition, the Company increased capital in GRMC for an aggregate amount of $8,000 with $4,000 paid at the date of closing on March 27, 2020 and another $4,000 to be paid on April 27, 2020 for working capital purposes.

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

7 VALUE ADDED TAXES AND OTHER RECEIVABLES

		March 31, 2020		December 31, 2019
Value added taxes receivable	$	28,516	$	33,461
Trade receivables		4,662		6,427
Other receivables		463		541
Provision for bad debts - trade receivables		(44)		(62)
Total trade and other receivables		33,597		40,367
Less: non-current portion of receivables		(6,494)		(8,897)
Trade and other receivables recorded as current assets	$	27,103	$	31,470

Due to their short-term maturities, the fair value of trade and other receivables approximate their carrying value.

Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognized at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. The Company notes that such receivables arise when ore that has been produced has been shipped to the buyer in accordance to the applicable agreement. The Company does not recognize any receivables related to ore that is estimated or has not yet been produced. As of March 31, 2020, the company has a provision for expected credit losses for $44.

Value added tax receivables are expected to be recovered, taking into consideration the different alternatives available to the company, including: (1) Reimbursement from government authorities, (2) Used as credit for income tax payments and (3) As payment to certain suppliers.

8 INVENTORY

		March 31, 2020		December 31, 2019
Finished product	$	15,080	$	8,883
Work-in-process		5,640		6,577
Parts and supplies		25,502		22,571
Provision for inventory obsolescence		(4,496)		(4,496)
Total inventory	$	41,726	$	33,535

During the period ended March 31, 2020, the cost of inventories recognized as an expense (*Note 20*) was $41,936 (2019: $35,180).

9 OTHER CURRENT ASSETS

		March 31, 2020		December 31, 2019
Prepaids expenses	$	5,505	$	5,290
Fair value of debt option (Note 6)		5,045		-
Deposits		871		849
	$	11,421	$	6,139

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

Prepaid expenses are prepayments made for general working capital needs such as advances to suppliers and general prepayment of general and administrative expenses like insurance and mining concessions.

10 OTHER LONG-TERM ASSETS

		March 31, 2020		December 31, 2019
Non-current portion of value added taxes receivables (note 7)	**$**	**6,494**	$	8,897
Other long-term assets, receivables and deposits		**851**		856
	$	**7,345**	$	9,753

11 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment movements for the three months ended March 31, 2020 and for the year ended December 31, 2019 are as follows:

	Mineral properties	Land and buildings	Furniture, fixtures and equipment	Plant and machinery	Right of use assets	Assets under construction	Total
Net book value at December 31, 2019	**$ 131,106**	**$ 45,139**	**$ 6,771**	**$ 22,137**	**$ 1,299**	**$ 6,044**	**$ 212,496**
Additions	**4,369**	**370**	**176**	**831**	**471**	**4,962**	**11,179**
Acquisition of Gold Road	**17,165**	**2,187**	**3**	**804**	**-**	**430**	**20,589**
Disposals	**-**	**-**	**(39)**	**(150)**	**-**	**-**	**(189)**
Reclassifications and adjustments	**-**	**1,405**	**-**	**-**	**-**	**(1,405)**	**-**
Change in estimate	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depletion and amortization	**(2,580)**	**(1,323)**	**(98)**	**(1,297)**	**(245)**	**-**	**(5,543)**
Net book value at March 31, 2020	**$ 150,060**	**$ 47,778**	**$ 6,813**	**$ 22,325**	**$ 1,525**	**$ 10,031**	**$ 238,532**
Consisting of:							
Cost	**$ 298,389**	**$ 96,049**	**$ 18,842**	**$ 121,655**	**$ 2,266**	**$ 10,031**	**$ 547,232**
Accumulated depletion and amortization	**(148,329)**	**(48,271)**	**(12,029)**	**(99,330)**	**(741)**	**-**	**(308,700)**
	$ 150,060	**$ 47,778**	**$ 6,813**	**$ 22,325**	**$ 1,525**	**$ 10,031**	**$ 238,532**

	Mineral properties	Land and buildings	Furniture, fixtures and equipment	Plant and machinery	Right of use assets	Assets under construction	Total
Net book value at January 1, 2019	$ 124,397	$ 36,390	$ 6,742	$ 26,494	$ -	$ 11,174	$ 205,197
Additions	6,495	3,071	270	2,012	1,795	16,340	29,983
Disposals	-	-	-	(112)	-	(241)	(353)
Reclassifications and adjustments	11,148	9,101	-	980	-	(21,229)	-
Depletion and amortization	(10,934)	(3,423)	(241)	(7,237)	(496)	-	(22,331)
Net book value at December 31, 2019	$ 131,106	$ 45,139	$ 6,771	$ 22,137	$ 1,299	$ 6,044	$ 212,496
Consisting of:							
Cost	$ 276,855	$ 92,087	$ 18,702	$ 120,170	$ 1,795	$ 6,044	$ 515,653
Accumulated depletion and amortization	(145,749)	(46,948)	(11,931)	(98,033)	(496)	-	(303,157)
	$ 131,106	$ 45,139	$ 6,771	$ 22,137	$ 1,299	$ 6,044	$ 212,496

For the three months ended March 31, 2020 and 2019, depletion and amortization expenses of $4,432 and $5,692 respectively, have been charged to cost of goods sold.

The right of use assets corresponds to the lease liability obligations discussed under Note 17(b) below.

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

12 TRADE AND OTHER PAYABLES

		March 31, 2020		December 31, 2019
Trade accounts payable	**$**	**39,252**	$	34,634
Other payables		**6,240**		6,971
Accrued liabilities		**7,424**		11,503
Deferred revenue		**6,764**		3,884
Accounts Payable	**$**	**59,680**	$	56,992

At the end of March 31, 2020, the Company received payment in advance related to an expected refined gold shipment to occur in early April 2020 for the amount of $6,764. Thus, the Company recognized a deferred revenue amount in the period. Such instances occur from time to time and the Company recognizes revenues once the refined gold has transferred title to the buyer.

13 DEBTS

		March 31, 2020		December 31, 2019
Term loans (note 13 (a))	**$**	**71,677**	$	42,954
Total debt		**71,677**		42,954
Less: current portion		**(25,157)**		(22,104)
Non-current portion	**$**	**46,520**	$	20,850

a) Term loans

i) Banco de Occidente, S.A. ("Banco Occidente")

On November 18, 2016, the Company, through Minosa, received another approval for a $1,800 short-term promissory note (the "Second Promissory Note") from Banco Occidente for working capital requirements. The Second Promissory Note bears an annual interest rate of 7.0% with a grace period of one year and a maturity date of November 17, 2019. During the first quarter of 2019, Banco Occidente approved a three-month grace period on principal payments from December 2018 to February 2019 and extended the maturity date to February 2020. As at March 31, 2020, the outstanding balance on the Second Promissory Note was $nil (December 31, 2019: $159). For the three months ended March 31, 2020, the Company incurred $1 of interest expenses (2019: $16) which were recorded as finance costs.

On April 1, 2019, the Company, through Minosa, received another approval for a $2,000 short-term promissory note (the "Third Promissory Note") from Banco Occidente for working capital requirements. The Third Promissory Note bears an annual interest rate of 7.5% with a grace period of six months and a maturity date of October 2, 2020. As at March 31, 2020, the outstanding balance on the Third Promissory Note was $1,500 (December 31, 2019: $2,000). For the three months ended March 31, 2020, the Company incurred interest expenses of $50 (2019: $nil) which were recorded as finance costs.

ii) Banco ABC Brasil S.A. ("ABC Bank")

During the first quarter of 2017, the Company through Apoena, entered into a $3,162 loan agreement with ABC Bank for working capital requirements. The loan bears an annual interest rate of 5.38% with a grace period of one year and a maturity date of July 15, 2019. As at March 31, 2020, the outstanding balance of the loan from ABC Bank was $nil (December 31, 2019: $nil). For the three months ended March 31, 2020, the Company incurred $0 of interest expenses (2019: $12) which were recorded as finance costs.

During the second quarter of 2019, the Company through Apoena, entered into a $4,068 loan agreement with ABC Bank for working capital requirements (the "Second Loan"). The Second Loan bears an annual interest rate of 6.40% with a grace period of 12 months and a maturity date of August 2021. As at March 31, 2020, the outstanding balance of the Second Loan was $4,107 (December 31, 2019: $4,107). For the three months ended March 31, 2020, the Company incurred interest expenses of $68 (2019: $23) which were recorded as finance costs.

During the second quarter of 2019, the Company through Apoena, entered into a $2,677 loan agreement with ABC Bank for working capital requirements (the "Third Loan"). The Third Loan bears an annual interest rate of 6.4% with a grace period of twelve months and a maturity date of July 2021. As at March 31, 2020, the outstanding balance of the Third Loan was $2,708 (December 31, 2019: $2,708). For the three months ended March 31, 2020, the Company incurred interest expenses of $42 (2019: $nil) which were recorded as finance costs.

iii) Banco Atlántida

During the second quarter of 2017, the Company through Minosa, entered into a $7,000 loan agreement with Banco Atlántida for investment capital for the development of the phase 6 heap leach project and drew down $4,000 on the loan agreement. In May 2017, the Company drew down a balance of $4,000; and, later on in October 2017, drew down the remaining balance of $3,000. The loan bears an annual interest rate of 7.3% with a grace period of one year and a maturity date of July 15, 2023. As at March 31, 2020, the outstanding balance of the loan from Banco Atlántida was $5,659 (December 31, 2019: $5,949). For the three months ended March 31, 2020, the Company incurred $108 of interest expenses (2019: $115) which were recorded as finance costs.

iv) Santander Brazil

During the first quarter of 2019, the Company through Apoena, entered into a $4,500 loan agreement with Banco Santander Brazil for working capital requirements. The loan bears an annual interest rate of 7.70% with a maturity date of January 2020.

During the first quarter of 2020, the Company through Apoena, entered into a refinancing of the $4,500 loan agreement which resulted in a reduction of the loan annual interest rate was reduced from 7.70% to 7.18% and a new maturity date of January 2021.

As at March 31, 2020, the outstanding balance of the loan was $4,556 (December 31, 2019: $4,822). For the three months ended March 31, 2020, the Company incurred interest expenses of $79 (2019: $57) which were recorded as finance costs.

v) Banco Votorantim

During the second quarter of 2019, the Company through Apoena, entered into a $3,602 loan agreement with Banco Votorantim for working capital requirements. The loan bears an annual interest rate of 6.50% with a grace period of one year and a maturity date of September 2022. As at March 31, 2020, the outstanding balance of the loan was $3,641 (December 31, 2019: $3,661). For the three months ended March 31, 2020, the Company incurred interest expenses $59 (2019: $nil) which were recorded as finance costs.

vi) FIFOMI Credit Facility

On December 9, 2019, the Company through Aranzazu, entered into credit facility denominated in Mexican Pesos (MXN) of 69.5M or an equivalent of $3.6M USD with Fideicomiso de Fomento Minero ("FIFOMI") for working capital requirements. The facility bears an annual interest rate per the annual TIIE rate from the Central Bank of Mexico plus 4 bps, ending on a 11.99%, with a grace period of twelve (12) months and a maturity date of November 20, 2024. As at

March 31, 2020, the outstanding balance of the loan was $2,861 (December 31, 2019: $3,596). For the three months ended March 31, 2020, the Company incurred interest expenses $105 (2019: $nil) which were recorded as finance costs.

vii) IXM S.A. (formerly Louis Dreyfus) ("IXM")

On March 8, 2018, the Company through Aranzazu, entered into a $20,000 loan facility (the "Facility") and an off-take agreement (the "Off-Take Agreement") with IXM for the re-start of operations and copper concentrates to be produced from its wholly-owned Aranzazu mine (the "Project") located within the Municipality of Concepción del Oro in the Northeastern region of the State of Zacatecas, Mexico.

The Facility includes a 12-month grace period and is subject to customary conditions, including but not limited to, the repayment of the Company's outstanding loan with Auramet International LLC which was repaid in full in March 2018. The Facility is guaranteed by the Company and its interests in the Project and the San Andres gold mine. The Off-Take Agreement covers 100% of the copper concentrates to be produced from the Project.

On December 12, 2019, the Company entered into an amendment whereby the facility was extended until July 31, 2021 from the original due date of March 2021. The facility bears an annual interest rate equal to one-month LIBOR plus 700 bps.

As at March 31, 2020, the outstanding balance of the loan from IXM was $13,435 (December 31, 2019: $15,952). For the three months ended March 31, 2020, the Company incurred interest expenses of $339 (2019: $439) which were recorded as finance costs.

viii) Banco Itaú

During the first quarter of 2020, the Company through Apoena, entered into a $8,000 loan agreement with Banco Itau for working capital requirements. The loan bears an annual interest rate of 7.00% with a maturity date of March 2023.

As at March 31, 2020, the outstanding balance of the loan was $8,000 (December 31, 2019: $nil). For the three months ended March 31, 2020, the Company incurred interest expenses of $6 (2019: $nil) which were recorded as finance costs.

ix) Pandion Loan

On March 27, 2020, in connection with the acquisition of the Gold Road mine, the Company assumed an outstanding loan to Pandion Mine Finance, LLC of a fixed amount of $35 million, with a pre-payment provision where if Gold Road and the Company prepay the amounts prior to March 27, 2021, Gold Road and the Company would only pay $24 million. The maturity date of the loan is November 30, 2023. The loan agreement does not explicitly state an interest rate. As such, the Company determined a credit spread of 16.5% and discounted the loan amount and recognized an outstanding liability of $25,205. Refer to *Note 6* for further information regarding the acquisition of the Gold Road mine.

As at March 31, 2020, the outstanding liability totaled $25,205.

b) Working Capital Facility - EPP

On March 28, 2018, Apoena and the Company entered into an agreement with Yamana Gold Inc. ("Yamana") and Serra da Borda Mineracao e Metalurgia S.A., a company affiliated with Yamana, with respect to the repayment of the working capital facility provided to Apoena in connection with the acquisition of the EPP Project. Pursuant to the agreement, Apoena and the Company acknowledged a debt of $9,638 with repayment terms as follows: (i) $5,000 on March 28, 2018 (paid); (ii) $1,000 each on June 30, 2018 (paid) and September 30, 2018 (paid); (iii) $1,400 on December 31, 2018 (paid); and (iv) $1,461 on March 30, 2019.

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

As at March 31, 2020, the outstanding balance of the working capital facility was $nil (December 31, 2019: $nil). For the three months ended March 31, 2020, the company incurred interest expenses of $nil (2019: $27) which were recorded as finance costs.

14 INCOME TAXES

a) Income tax (recovery) expenses

Income tax (recovery) expenses included in the consolidated statements of income for the three months ended March 31, 2020 and 2019 are as follows:

Net deferred income tax assets (liabilities) are classified as follows:		**March 31, 2020**		December 31, 2019
Deferred income tax assets	**$**	**11,625**	$	18,016
Deferred income tax liabilities	**$**	**(11,281)**	$	(8,315)
	$	**344**	$	9,701

In 2019, for Aranzazu, management recognized a deferred tax asset to an effect of $18,879 of previously unrecognized tax losses as management considered it probable that future taxable profits would be available against which such losses can be used. In Q1 2020, due to the significant devaluation of the Mexican Peso, the deferred tax asset value reduced significantly resulting in a deferred income tax expense charge in the period.

b) Deferred income tax assets and liabilities

Deferred tax assets (liabilities) on the consolidated statements of financial position consist of:

		2020		2019
Balance, January 1	**$**	**9,701**	$	(8,539)
Recovered from (charged to) the statement of income		**(9,568)**		18,375
Recorded through other comprehensive income		**60**		189
Exchange differences		**151**		(324)
Balance, March 31	**$**	**344**	$	9,701

The movement in the net deferred income tax asset (liability) account was as follows:

Balance, December 31st, 2018	**$**	**(8,539)**
Recovered from (charged to) the statement of income		18,375
Recorded through other comprehensive income		189
Exchange differences		(324)
Balance, December 31st, 2019	**$**	**9,701**
Recovered from (charged to) the statement of income		(9,568)
Recorded through other comprehensive income		60
Exchange differences		151
Balance, March 31st, 2020	**$**	**344**

15 PROVISION FOR MINE CLOSURE AND RESTORATION

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

	March 31, 2020	December 31, 2019
Balance, beginning of year	**$ 30,142**	$ 25,700
Accretion expense	**542**	2,331
Change in estimate	**(10)**	2,397
Acquisition of Gold Road (Note 6)	**520**	-
Change in estimate for properties in care and maintenance	**-**	(286)
Balance, end of year	**31,194**	30,142
Less: current portion	**-**	-
	$ 31,194	$ 30,142

Provision for mine closure and restoration is related to the closure costs and environmental restoration associated with mining operations. The provisions have been recorded at their net present values, using discount rates based upon the risk-free rates of 4.4%, 7.14%, and 8.86% for Brazil, Mexico, and Honduras, respectively. The provisions have been remeasured at each reporting date, with the accretion expense being recorded as a finance cost. The change in estimate increased during 2019 was primarily driven by the changes in discount rates and inflation rates across all sites and increased additional costs for the Aranzazu mine due to the full year activity since the ramp-up in commercial production.

16 OTHER PROVISIONS

	Long-term employee benefits	**Provision for judicial contingencies**	**Total**
At December 31, 2018	**$ 6,049**	**$ 511**	**$ 6,560**
Periodic service and finance cost	867	-	867
Change in provision for the year	424	(173)	251
Actuarial changes	757	-	757
Settlement during the year	(701)	-	(701)
Impact of currency translation	(126)	(10)	(136)
At December 31, 2019	**$ 7,270**	**$ 328**	**$ 7,598**
Periodic service and finance cost	163	-	163
Change in provision for the period	151	414	565
Actuarial changes	240	-	240
Settlement during the year	(278)	-	(278)
Impact of currency translation	(120)	-	(120)
At March 31, 2020	**$ 7,426**	**$ 742**	**$ 8,168**

Long-term employee benefits liability exists as a result of a legal requirement in Honduras pursuant to which the company is obligated to pay a severance payment based on the years of service provided by an employee without regard to the cause of termination.

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

17 OTHER LIABILITIES

		March 31, 2020		December 31, 2019
NSR royalty (note 17 (a))	**$**	**774**	$	1,183
Lease payment obligation (note 17 (b))		**1,490**		1,321
Total other liabilities		**2,264**		2,504
Less: current portion of other liabilities		**(926)**		(1,944)
	$	**1,338**	$	560

a) NSR Royalty

		March 31, 2020		December 31, 2019
Balance, beginning of period	**$**	**1,183**	$	2,090
Accretion expense		**11**		82
Royalty payments		**(416)**		(928)
Change in estimate		**(4)**		(61)
Balance, end of period		**774**		1,183
Less: current portion		**(774)**		(1,183)
	$	**-**	$	-

In 2011, the Company completed a restructuring of its contractual obligations, which resulted in the settlement of the deferred purchase consideration and the granting of a NSR Royalty equal to 1.5% on the net sales from the San Andres Mine, the Sao Francisco Mine, and the Company's former Sao Vincente Mine, commencing on March 1, 2013 and up to a cumulative royalty amount of $16,000. The liability has been recorded at its net present value using a discount rate of 5% (2019: 5%). The liability is re-measured at each reporting date, with the accretion expense and change in estimate being recorded within finance costs and other gains, respectively. The total undiscounted amount of the estimated obligation at March 31, 2020 is approximately $803 and is expected to be incurred through 2020 (2019: $1,973).

Subsequent to March 31, 2020, the Company made a royalty payment of $280.

b) Lease Payment Obligation

		March 31, 2020		December 31, 2019
Balance, beginning of period		**1,321**		905
Additions to lease obligation		**471**		890
Accretion expense		**21**		49
Lease payments		**(323)**		(523)
Balance, end of period		**1,490**		1,321
Less: short-term portion		**(926)**		(761)
	$	**564**	$	560

The weighted average discount rate applied to the lease liability on March 31, 2020 was 8% (December 31, 2019: 8%).

Lease liabilities are reflected within the current and long-term liabilities in the consolidated statements of financial position. The finance cost or amortization of the discount on the lease liabilities are charged to the consolidated statements of income and comprehensive income using the effective interest method.

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

The following table is a summary of the carrying amounts of the Company's lease liabilities measured at the present value of the remaining lease payments that are recognized in the Consolidated Statements of Financial Position as of:

		Balance at March 31, 2020
Short-term portion of lease liability	$	(926)
Long-term portion of lease liability		(564)
	$	(1,490)

The table below analyzes the Company's lease liabilities into relevant contractual maturity date groupings based on the remaining period at the Consolidated Statements of Financial Position date to the contractual maturity date of the lease. The amounts shown in the table are the contractual undiscounted cash flows related to lease liabilities as follows:

	Within 1 year	2 to 3 years	4 to 5 years	Total Contractual Cash Flows	Carrying Amount
Lease Liabilities	997	744	109	1,850	1,490
	$ 997	$ 744	$ 109	$ 1,850	$ 1,490

18 SHARE CAPITAL

a) Authorized

The Company has authorized an unlimited number of common shares.

b) Stock options

A continuity of the Company's stock options issued and outstanding are as follows:

	Number of options	Weighted average price C$
Balance, December 31st, 2018	**218,791**	**20.23**
Granted	65,872	23.50
Exercised	(16,132)	10.57
Forfeited	(38,381)	11.91
Balance, December 31st, 2019	**230,150**	**23.23**
Granted	2,400	30.00
Exercised	-	-
Forfeited	-	-
Balance, March 31st, 2020	**232,550**	**$23.29**

As at March 31, 2020, the company had 232,550 options issued and outstanding as follows:

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

Exercise price C$	Options outstanding	Options Exercisable	Remaining contractual life (years)	Expiry dates
19.81	1,325	1,325	1.00	March 21, 2021
14.15	5,565	5,565	1.00	March 21, 2021
24.53	2,120	2,120	1.00	March 21, 2021
23.50	130,118	-	6.25	June 12, 2026
23.50	71,272	-	6.58	October 5, 2026
30.00	2,400	-	7.75	January 23, 2028
20.30	19,750	19,750	6.41	August 26, 2026
	232,550	28,760		

c) Share-based payment expense

Share-based payment expense is measured at fair value and recognized over the vesting period from the date of grant. For the three months ended March 31, 2020 share-based payment expense recognized in general and administrative expense was $125 (2019: $118).

There were 2,400 stock options granted during the three months ended March 31, 2020 (2019: There were no stock options granted during the three months ended March 31, 2019).

19 NET REVENUE

For the three months ended March 31,	**2020**	2019
Gold Revenue	**$ 33,301**	$ 26,595
Copper & Gold Concentrate Revenue	**17,353**	10,665
Other	**(2,028)**	(1,004)
	$ 48,626	$ 36,256

20 COST OF GOODS SOLD BY NATURE

For the three months ended March 31,	**2020**	2019
Direct mine and mill costs	**$ 16,493**	$ 13,984
Direct mine and mill costs - Contractors	**15,990**	12,183
Direct mine and mill costs - Salaries	**5,021**	3,321
Depletion and amortization	**4,432**	5,692
	$ 41,936	$ 35,180

The direct mine and mill costs include employee benefits for three months ended March 31, 2020, and 2019.

21 GENERAL AND ADMINISTRATIVE EXPENSES

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

For the three months ended March 31,	2020	2019
Salaries, wages and benefits	$ 1,247	$ 1,220
Professional and consulting fees	1,047	637
Legal, Filing, listing and transfer agent fees	789	42
Insurance	279	180
Directors' fees	32	39
Occupancy cost	52	47
Merger and acquisition	28	-
Travel expenses	145	186
Share-based payment expense	125	118
Depreciation and amortization	3	5
Lease depreciation expense	25	27
Other	297	137
	$ 4,069	$ 2,638

In Q1 2020, the Company incurred expenses related to an initial public offering in Brazil. These expenses are reflected mainly in Professional and consulting fees and Legal, Filing, listing, and transfer agent fees categories in General and Administrative expenses for the amount of $1,031.

22 CARE AND MAINTENANCE EXPENSES

For the three months ended March 31,	2020	2019
Rio Novo projects	$ 166	$ 291
Brazilian projects	163	485
Gold Road	107	-
	$ 436	$ 776

23 EXPLORATION EXPENSES

For the three months ended March 31,	2020	2019
San Andres mine	$ 195	$ 58
Brazilian projects	607	915
Aranzazu mine	28	43
Gold Road	8	-
	$ 838	$ 1,016

24 FINANCE COSTS

For the three months ended March 31,	2020	2019
Accretion expense	$ 549	$ 223
Lease interest expense (note 17(b))	21	120
Interest expense on debts (note 13)	857	689
Finance cost on post-employment benefit	163	-
Other interest and finance costs	132	15
	$ 1,722	$ 1,047

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

25 OTHER GAINS (LOSSES)

For the three months ended March 31,	2020	2019
Net loss on call options and fixed price contracts - Gold	$ (1,445)	$ (37)
Net gain on call options - Copper	1,827	-
Net gain (loss) on foreign currency derivatives	(3,165)	475
Foreign exchange (loss) gain	(3,654)	(413)
Other items	(132)	135
	$ (6,569)	$ 160

The net loss on call/put options and fixed price contracts for gold increased for the three months in 2020 due to the fact that gold market prices increased in first quarter of 2020. Thus, the Company incurred realized and unrealized losses with derivatives (zero cost collars and forwards).

The net gain (loss) on foreign currency derivatives and the foreign exchange gain (loss) increased during the three months in 2020 due to the fact that there was a significant devaluation of the Brazilian Reais against the US Dollar.

26 CASH FLOW INFORMATION

a) Items not affecting cash

For the three months ended March 31,	2020	2019
Deferred and current income tax (recovery) expense	$ 9,170	$ 89
Depletion and amortization (note 12)	4,435	5,724
Accretion expense	574	343
Periodic service, past service and finance costs on post-employment benefit	314	76
Share-based payment expense (note 19(d))	125	118
Foreign exchange loss	3,654	434
Unrealized (gain) loss on call option and fixed price contracts	969	(813)
Interest expense on debt	857	-
Other non-cash items	400	693
	$ 20,498	$ 6,664

b) Changes in working capital

For the three months ended March 31,	2020	2019
Decrease (increase) in trade and other receivables	$ 3,280	$ (476)
Increase in inventory	(6,935)	(380)
Increase in trade and other payables	3,592	5,854
	$ (63)	$ 4,998

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

c) Supplementary cash flow information

For the three months ended March 31,		**2020**		2019
Changes in other assets and liabilities consists of:				
Decrease (increase) in long term asset	**$**	**7,453**	$	(1,910)
(Increase) decrease in prepaid expenses		**(5,116)**		1,113
Other items		**(227)**		(314)
	$	**2,110**	$	(1,111)

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

For the three months ended March 31,		**2020**	2019
Non-cash addition to property, plant and equipment	11	**$ 471**	$ –
Dividends declared payable		**$ –**	$ –

e) Debt reconciliation

		Terms Loans		**Working Capital Facility Payable**		**Total**
Balance as at January 1, 2019	**$**	**29,167**	**$**	**1,434**	**$**	**30,601**
Changes from Financing cash flows:						
Repayment of short terms loans		(771)		(1,462)		(2,233)
Repayment of Rio Novo Promissory Note		(758)		-		(758)
Repayment of Banco Atlantida		(365)		-		(365)
Repayment of Banco ABC Brasil 1st Loan		(1,165)		-		(1,165)
Repayment of IXM S.A. (formerly Louis Dreyfus) Loan		(4,167)		-		(4,167)
Proceeds received from Santander Brasil		4,500		-		4,500
Proceeds received from Banco ABC Brasil		6,745		-		6,745
Proceeds received from FIFOMI		3,596		-		3,596
Proceeds received from Votorantim		3,602		-		3,602
Proceeds received from Banco Occidente 3rd Note		2,000		-		2,000
Interest paid on debts		(2,364)		-		(2,364)
		40,020		**(28)**		**39,992**
Other Changes:						
Interest Expenses on Debts		2,934		28		2,962
Balance as at December 31, 2019		**42,954**		**-**		**42,954**
Changes from Financing cash flows:						
Repayment of Banco Occidente		(660)		-		(660)
Repayment of Banco Atlantida		(290)		-		(290)
Repayment of IXM S.A. (formerly Louis Dreyfus) Loan		(2,500)		-		(2,500)
Debt assumed from Acquisition of Gold Road		25,205		-		25,205
Proceeds received from Banco Itau		8,000		-		8,000
Interest paid on debts		(1,154)		-		(1,154)
		71,555		**-**		**71,555**
Other Changes:						
Interest Expenses on Debts		857		-		857
FX Devaluation of MXN Pesos - FIFOMI		(735)		-		(735)
Balance as at March 31, 2020	**$**	**71,677**	$	-	**$**	**71,677**

27 FINANCIAL INSTRUMENTS

In accordance with IFRS 9, the Company records the fair value of the fixed price contracts instruments and put/call options instruments at the end of the reporting period as an asset (in the money) or liability (out of the money). The fair value is calculated as the difference between a market-based price and the contracted price. At the end of the reporting period, a corresponding gain or loss is recorded in the Consolidated Statements of Income as Other (Gain) Loss.

For the fixed price contracts and put/call options on the gold derivatives, these derivatives are significantly driven by the market price of gold. As noted in section (h) below, these derivatives are considered as Level 2 investments.

a) Fixed price contracts

During the three months ended March 31, 2020, the Company entered into fixed price contracts to hedge 10,000 ounces of gold expiring between April 8, 2020 and June 16, 2020 at an average price of $1,572.88 per ounce of gold. For three months ended March 31, 2020, the Company has recorded a realized gain of $nil.

At March 31, 2020, the Company had 10,000 ounces of outstanding fixed price contracts at an average price of $1,572.88 per ounce of gold expiring between April 8, 2020 and June 16, 2020. For the three months ended March 31, 2020, the Company recorded a derivative liability on these outstanding fixed price contracts of $360.

During the three months ended March 31, 2019, the Company entered into fixed price contracts to hedge 6,000 ounces of gold expiring between January 31, 2019 and December 31, 2019 at an average price of $1,302 per ounce of gold. For three months ended March 31, 2019, the Company has recorded a realized gain of $930.

At March 31, 2019, the Company had 5,184 ounces of outstanding fixed price contracts at an average price of $1,293 per ounce of gold. For the three months ended March 31, 2019, the Company recorded a derivative liability on these outstanding fixed price contracts of $13.

b) Put/Call option contracts

i) Gold

Corporate

During the three months ended March 31, 2020, the Company entered into zero-cost put/call collars intermediated by several financial institutions, in a total of 8,500 ounces with floor prices between $1,500 and $1,560 and ceiling prices between $1,632 and $1,680 per ounce of gold expiring between March 31, 2020 and August 31, 2020. As at March 31, 2020, there were 17,500 ounces with floor prices between $1,400 and $1,560 and ceiling prices between $1,515 and $1,680 per ounce of gold expiring between April 30, 2020 and August 31, 2020. As of March 31, 2020, the Company recorded a derivative liability on these outstanding options of $537.

During the quarter ended March 31, 2019, the Company has entered zero-cost put/call collars intermediated by several financial institutions in a total of 34,500 ounces with floor prices between $1,260 and $1,290 and ceiling prices between $1,338 and $1,420 per ounce of gold expiring between March 29, 2019 and September 30, 2019. As at March 31, 2019, there were 30,000 ounces with floor prices between $1,260 and $1,290 and ceiling prices between $1,338 and $1,420 per ounce of gold expiring between April 25, 2019 and September 30, 2019.

Aranzazu

During the three months ended March 31, 2020, the Company entered into zero-cost put/call collars intermediated by several financial institutions, in a total of 3,850 ounces with floor prices between $1,460 and $1,000 and ceiling prices between $1,720 and $1,891 per ounce of gold expiring between March 31, 2020 and October 31, 2020. As at March 31, 2020, there were 5,170 ounces with floor prices between $1,430 and $1,500 and ceiling prices between $1,560 and $1,891 per ounce of gold expiring between April 30, 2020 and October 31, 2020. As of March 31, 2020, the Company recorded a derivative liability on these outstanding options of $88.

During the quarter ended March 31, 2019, Aranzazu had no zero-cost put/call collars.

ii) Copper

Aranzazu

During the three months ended March 31, 2020, the Company entered into zero-cost put/call collars intermediated by several financial institutions, in a total of 2,502.5 metric tons with floor prices between $5,071 and $5,732 and ceiling prices between $5,356 and $6,567 per ounce of gold expiring between March 31, 2020 and October 31, 2020. As at March 31, 2020, there were 3,205.56 metric tons with floor prices between $5,071 and $5,732 and ceiling prices between $5,356 and $6,609 per ounce of gold expiring between April 30, 2020 and October 31, 2020. As of March 31, 2020, the Company recorded a derivative asset on these outstanding options of $1,850.

During the quarter ended March 31, 2019, Aranzazu had no zero-cost put/call collars.

iii) BRL currency derivatives

Corporate

As at March 31, 2020, the there were zero-cost put/call collars intermediated by several financial institutions, in a total of $12.5 million with a floor between $R 4.02 and $R 5.15 and a ceiling between $R 4.08 and $R 5.3325 expiring between April 8, 2020 and November 12, 2020. As of March 31, 2020, the Company recorded a derivative liability on these outstanding options of $2,058.

As at March 31, 2019, the Company recorded a derivative liability on these outstanding fixed price contracts of $79.

c) Credit risk

Credit risk is the risk that a third party might fail to discharge its obligations under the terms of a financial contract. The Company's credit risk is limited to trade receivables, derivative contracts, and the short-term investments in bonds in the ordinary course of business. As at March 31, 2020, the Company considers the credit risk with these financial contracts to be low.

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

d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk through a rigorous planning and budgeting process, which is reviewed and updated on a regular basis, to help determine the funding requirements to support the Company's current operations and expansion and development plans and by managing its capital structure as described in *Note 29* below.

The Company's objective is to ensure that there are sufficient committed financial resources to meet its short-term business requirements for a minimum of twelve months. In the normal course of business, the Company enters into contracts that give rise to commitments for future payments as disclosed in the following table:

	Within 1 year	2 to 3 years	4 to 5 years	Over 5 years	Total	Total
Trade and other payables	59,680	-	-	-	**59,680**	
Derivative financial liabilities	1,196	-	-	-	**1,196**	
Short-term & Long-term debt	25,157	39,523	6,997	-	**71,677**	
Provision for mine closure and restoration	-	3,436	2,845	24,913	**31,194**	
Other liabilities and Leases	1,700	564	-	-	**2,264**	
	$ 87,733	**$ 43,523**	**$ 9,842**	**$ 24,913**	**$ 166,011**	

As at March 31, 2020, the Company has cash and cash equivalents of $29,698 and a working capital of $19,306 (current assets less current liabilities). Management continues to closely monitor the developments in the COVID-19 pandemic, including the potential impact on the Company's operations and liquidity.

e) Currency risk

The Company's operations are located in Honduras, Brazil, Mexico, and the United States; therefore, foreign exchange risk exposures arise from transactions denominated in foreign currencies. Although the Company's sales are denominated in United States dollars, certain operating expenses of the Company are denominated in foreign currencies, primarily the Honduran lempira, Brazilian real, Mexican peso, and Canadian dollar.

Financial instruments that impact the Company's net losses or other comprehensive losses due to currency fluctuations include cash and cash equivalents, accounts receivable, other long-term assets, accounts payable and accrued liabilities, short term loans and other provisions denominated in foreign currencies.

At March 31 2020, the Company had cash and cash equivalents of $29,698, of which, $26,057 were in United States dollars, $42 in Canadian dollars, $2,635 in Brazilian reais, $896 in Honduran lempiras, $50 in Mexican pesos, and $18 in Colombian pesos. An increase or decrease of 10% in the United States dollar exchange rate to the currencies listed above could have increased or decreased the Company's income for the year by $364.

f) Interest rate risk

Interest rate risk is generally associated with variable rate financial instruments and available market interest rates at the time financial instruments are acquired. The Company is exposed to interest rate risk on its cash, cash equivalents as it holds a portion of cash and cash equivalents and restricted cash in bank accounts that earn variable interest rates. Some of the borrowings in Mexico have a variable interest rate based on one-month LIBOR plus 7.00% or TIEE plus 4.2%. The Company monitors its exposure to interest rates and has not entered into any derivative contracts to manage this risk.

For the three months ended March 31, 2020, an increase in interest rates of 100 basis points (1 percent) would have increased consolidated loss and comprehensive loss for the period by $343. A decrease in interest rates of 100 basis points (1 percent) would have decreased the consolidated loss and comprehensive loss for the period by $343.

For the three months ended March 31, 2020, an increase in interest rates of 100 basis points (1 percent) for the Mexican borrowing with one-month LIBOR plus 7% would have increased consolidated loss and comprehensive loss for the period by $147. A decrease in interest rates of 100 basis points (1 percent) would have decreased the consolidated loss and comprehensive loss for the period by $147.

For the three months ended March 31, 2020, an increase in interest rates of 100 basis points (1 percent) for the Mexican borrowing with Mexican TIEE + 4.2% would have increased consolidated loss and comprehensive loss for the year by $32. A decrease in interest rates of 100 basis points (1 percent) would have decreased the consolidated loss and comprehensive loss for the year by $32.

g) Commodity price risk

The Company is subject to price risk from fluctuations in market prices of gold, copper and other metals. Gold, copper and other metal prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control.

The profitability of the Company's operations is highly correlated to the market prices of these metals, as is the ability of the Company to develop its other properties.

A 10% change in the average commodity price for gold for the year, with all other variables held constant, would result in an impact on the Company’s first quarter 2020 consolidated net income and comprehensive income of $3,113. A 10% change in the average commodity price for copper concentrate (which is mainly impacted for the Copper and Gold prices) for the year, with all other variables held constant, would result in an impact on the Company’s first quarter 2020 consolidated net income and comprehensive income of $1,735.

h) Fair value of financial instruments

The fair value of the Company’s financial assets and liabilities measured at fair value on a recurring basis at March 31, 2020 and December 31, 2019 are summarized in the following table:

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

	Level	Financial instrument Classification	March 31, 2020		December 31, 2019	
			Carrying value	**Fair value**	Carrying value	Fair value
Assets						
Cash and cash equivalents	N/A	Amortized Cost	**$ 29,698**	**$ 29,698**	$ 38,870	$ 38,870
Other receivable	N/A	Amortized Cost	**463**	**463**	541	541
Fair value of debt option - Pandion	2	Fair Value	**5,045**	**5,045**	-	-
			35,206	**35,206**	39,411	39,411
Financial Liabilities						
At fair value through profit and loss						
Derivative liabilities	2	Fair Value	**1,196**	**1,196**	227	227
Other financial liabilities						
Accounts payable and accrued liabilities	N/A	Amortized Cost	**59,680**	**59,680**	56,992	56,992
Short-term loans	N/A	Amortized Cost	**25,157**	**25,157**	22,104	22,104
Long-term loans	N/A	Amortized Cost	**46,520**	**46,520**	20,850	20,850
			$ 132,553	**$ 132,553**	$ 100,173	$ 100,173

The Company measures certain of its financial assets and liabilities at fair value on a recurring basis and these are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority. The three levels of the fair value hierarchy are: Level 1, which are inputs that are unadjusted quoted prices in active markets for identical assets or liabilities; Level 2, which are inputs other than Level 1 quoted prices that are observable for the asset or liability, either directly or indirectly; and Level 3, which are inputs for the asset or liability that are not based on observable market data.

The Company classifies derivative assets and liabilities in Level 2 of the fair value hierarchy as they are valued using pricing models which require a variety of inputs such as expected gold price.

28 CAPITAL MANAGEMENT

The Company's objectives in managing capital are to ensure sufficient liquidity is maintained in order to properly develop and operate its current projects and pursue strategic growth initiatives, to ensure that externally imposed capital requirements related to any debt obligations are complied with, and to provide returns for shareholders and benefits to other stakeholders. In assessing the capital structure of the Company, management includes in its assessment the components of shareholders' equity and long-term debt. The Company manages its capital structure considering changes in economic conditions, the risk characteristics of the underlying assets, and the Company's liquidity requirements. To maintain or adjust the capital structure, the Company may be required to issue common shares or debt, re-pay existing debt, acquire or dispose of assets, or adjust amounts of certain investments.

In order to facilitate management of capital, the Company prepares annual budgets which are updated periodically if changes in the Company's business are considered to be significant. The Board reviews and approves all operating and capital budgets as well as the entering into of any material debt obligations, and any material transactions out of the ordinary course of business, including dispositions, acquisitions and other investments or divestitures. Prior to 2019, the Company had not paid dividends. At the end of 2019, the Company declared dividends on December 31, 2019.

In January 2020, the Company paid out dividends for an amount of $3,044.

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

29 RELATED PARTY TRANSACTIONS

Key Management Compensation

Total compensation paid to key management personnel, remuneration of directors and other members of key executive management personnel for the year ended March 31, 2020 and 2019 are as follows:

For the three months ended March 31,		**2020**	2019
Salaries and short-term employee benefits	**$**	**454**	$440
Share-based payments		**123**	104
Termination benefits		**-**	246
	$	**577**	$790

Iraja Royalty Payments

As part of the EPP transaction with Yamana Gold Inc. ("Yamana"), Mineracao Apoena S.A. ("Apoena") entered into a royalty agreement (the "EPP Royalty Agreement"), dated June 21, 2016, with Serra da Borda Mineracao e Metalurgia S.A. ("SBMM"), Yamana's wholly-controlled subsidiary. Commencing on and from June 21, 2016, Apoena will pay to SBMM a royalty (the "Royalty") that is equal to 2.0% of Net Smelter Returns on all gold mined or beneficiated from Apoena (the "Subject Metals") sold or deemed to have been sold by or for Apoena. Effective as at such time as Apoena has paid the Royalty on up to 1,000,000 troy ounces of the Subject Metals, the Royalty shall without the requirement for any further act or formality, reduce to 1.0% of Net Smelter Returns on all Subject Metals sold or deemed to have been sold by or for Apoena.

On October 27, 2017, SBMM entered into an agreement (the "Royalty Swap Agreement") with Iraja Mineracao Ltda, a company beneficially owned or controlled by Paulo de Brito, third-party company, for the swap of the EPP Royalty with the RDM Royalty (as defined in the Royalty Swap Agreement) with no change to the terms of the royalty calculation. The Company has incurred expenses of the related royalties of $286 in the first three months of the 2020 year and has a liability outstanding of $90 at March 31, 2020.

Promissory Note for Rio Novo

On completion of the Merger with Rio Novo, the Company assumed the obligations of the demand promissory notes issued by Rio Novo in favor of Northwestern (see Note 14 above).

Royalty Agreement for Rio Novo

The Company, through its wholly owned subsidiary Rio Novo, maintains a royalty agreement with Mineração Santa Elina Ind. e Com. S.A., whereby the subsidiary will pay 1.2% of the Net Smelter Returns on all gold mined or sold, from the moment that is declared commercial production. The subsidiary is currently in care and maintenance.

30 SEGMENTED INFORMATION

The reportable operating segments have been identified as the San Andres Mine, the Brazilian Mines, the Aranzazu Mine, Corporate, Rio Novo Projects, and Gold Road. The Company manages its business, including the allocation of resources and assessment of performance, on a project-by-project basis, except where the Company's projects are substantially connected and share resources and administrative functions. The segments presented reflect the way in which the Company's management reviews its business performance. Operating segments are reported in a manner consistent with the internal reporting provided to executive management who act as the chief operating decisionmakers. Executive management is responsible for allocating resources and assessing performance of the operating segments.

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

For the three months ended March 31, 2020 and 2019, segmented information is as follows:

For the three months ended March 31, 2020	**San Andres Mine**	**Brazilian Mines**	**Aranzazu Mine**	**Corporate**	**Rio Novo Projects(1)**	**Gold Road**	**Total**
Sales to external customers	$ 18,910	$ 12,363	$ 17,353	$ -	$ -	$ -	$ 48,626
Cost of production	13,922	9,958	13,624	-	-	-	37,504
Depletion and amortization	1,445	1,031	1,956	-	-	-	4,432
Gross margin	3,543	1,374	1,773	-	-	-	6,690
General and administrative expenses	(225)	(950)	(488)	(2,344)	(7)	(55)	(4,069)
Care-and-maintenance expenses	-	(163)	-	-	(166)	(107)	(436)
Exploration expenses	(195)	(607)	(28)	-	-	(8)	(838)
Operating income/(loss)	3,123	(346)	1,257	(2,344)	(173)	(170)	1,347
Finance costs	(653)	(479)	(586)	(3)	(1)	-	(1,722)
Net loss on call options and fixed price contracts - Gold	-	-	(117)	(1,328)	-	-	(1,445)
Net gain on call options - Copper	-	-	1,827	-	-	-	1,827
Net gain (loss) on foreign currency derivatives	-	(1,045)	-	(2,120)	-	-	(3,165)
Foreign exchange (loss) gain	29	(3,696)	365	(463)	111	-	(3,654)
Other expenses	84	219	(453)	18	-	-	(132)
Income (loss) before income taxes	$ 2,583	$ (5,347)	$ 2,293	$ (6,240)	$ (63)	$ (170)	$ (6,944)
Income tax (expense)	$ (1,065)	$ -	$ (86)	$ (1)	$ -	$ -	$ (1,152)
Income tax (expense) recovery	(271)	-	(6,511)	-	(2,786)	-	(9,568)
Income (loss) for the year	$ 1,247	$ (5,347)	$ (4,304)	$ (6,241)	$ (2,849)	$ (170)	$ (17,664)
Property, plant and equipment	$ 42,312	$ 29,408	$ 91,981	$ 144	$ 53,493	$ 21,194	$ 238,532
Total assets	$ 72,652	$ 67,252	$ 119,149	$ 24,542	$ 53,561	$ 30,473	$ 367,629
Capital expenditures	$ 3,225	$ 3,580	$ 2,973	$ -	$ 318	$ 612	$ 10,708

(1) The Rio Novo Projects is not an operating project and is not generating revenues. Corporate handles the maintenance of the asset as it is under care and maintenance.

For the three months ended March 31, 2019	San Andres Mine	Brazilian Mines	Aranzazu Mine	Corporate	Rio Novo Projects(1)	Total
Sales to external customers	$ 7,841	$ 17,750	$ 10,665	$ -	$ -	$ 36,256
Cost of production	7,077	10,995	11,416	-	-	29,488
Depletion and amortization	1,361	2,804	1,527	-	-	5,692
Gross margin	(597)	3,951	(2,278)	-	-	1,076
General and administrative expenses	(124)	(483)	(539)	(1,492)	-	(2,638)
Care-and-maintenance expenses	-	(485)	-	-	(291)	(776)
Exploration expenses	(58)	(915)	(43)	-	-	(1,016)
Operating income/(loss)	(779)	2,068	(2,860)	(1,492)	(291)	(3,354)
Finance costs	(250)	(294)	(497)	(6)	-	(1,047)
Net loss on call options and fixed price contracts - Gold	(267)	(663)	-	893	-	(37)
Net gain on call options - Copper	-	-	-	-	-	-
Net gain (loss) on foreign currency derivatives	-	65	-	410	-	475
Foreign exchange (loss) gain	(210)	(203)	(82)	126	(44)	(413)
Other expenses	15	23	14	83	-	135
Income (loss) before income taxes	$ (1,491)	$ 996	$ (3,425)	$ 14	$ (335)	$ (4,241)
Income tax (expense)	$ (681)	$ (356)	$ -	$ (5)	$ -	$ (1,042)
Income tax (expense) recovery	372	-	201	-	(13)	560
Income (loss) for the year	$ (1,800)	$ 640	$ (3,224)	$ 9	$ (348)	$ (4,723)
Property, plant and equipment	$ 42,298	$ 34,616	$ 84,944	$ 142	$ 52,441	$ 214,441
Total assets	$ 66,352	$ 78,824	$ 99,629	$ 17,286	$ 52,545	$ 314,636
Capital expenditures	$ 330	$ 2,165	$ 5,715	$ -	$ 277	$ 8,487

(1) The Rio Novo Projects is not an operating project and is not generating revenues. Corporate handles the maintenance of the asset as it is under care and maintenance.

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

Revenues for the San Andres Mine and the Brazilian mines relate to the sale of refined gold. Revenue for the Aranzazu mine relates to the sale of gold and copper concentrate. Company's revenues are concentrated in a reduced number of customers and management continuously monitors the relationship with their clients.

31 COMMITMENTS AND CONTINGENCIES

a) Operating commitments

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

	March 31, 2020	December 31, 2019
Within one year	**$ 413**	$ 501
Two to Four Years	**116**	208
	$ 529	$ 709

b) Contingencies

Certain conditions may exist as of the date of these financial statements which may result in a loss to the Company in the future when certain events occur or fail to occur. The Company assesses at each reporting date its loss contingencies related to ongoing legal proceedings by evaluating the likelihood of such proceedings, as well as the amounts claimed or expected to be claimed.

Included in other provisions as of March 31, 2020 is a provision of $742 (2019: $328) for loss contingencies related to ongoing legal claims.

32 LOSS PER SHARE

Basic earnings per share is calculated by dividing the income attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated using the "if-converted method" in assessing the dilution impact of convertible instruments until maturity. The if-converted method assumes that all convertible instruments until maturity have been converted in determining fully diluted profit per share if they are in-the-money, except where such conversion would be anti-dilutive. At the end of March 31, 2020, the Company had a total of 28,760 stock options and 12,653 deferred stock units ("DSUs") that were in-the-money; however, due to the fact that the Company had losses in the year, the effects of these convertible instruments would result in an anti-dilutive effect. Thus, these items were not considered in the diluted loss per share calculation.

The following table summarizes activity for the three months ended March 31:

	2020	2019
Loss for the year	**$ (17,664)**	$ (4,723)
Weighted average number of shares outstanding - basic & diluted	**4,353,865**	4,350,280
Total net loss per share - basic & diluted	**$ (4.06)**	$ (1.09)

33 SUBSEQUENT EVENTS

On March 16, 2020, the Honduran government approved by decree the suspension of work in the public and private sectors, with private companies such as Aura having to operate with a minimal workforce for general maintenance no greater than 50 people. Mining operations at the San Andres subsidiary were interrupted. Aura has reduced its workforce to the minimum to continue to satisfy environmental requirements in connection with operations and other critical activities at the mine. On a few occasions, the Honduran government issued new orders which extended its previously-issued decree until May 24, 2020. Such interruption is expected to have a material impact on the Company's financials.

On March 31, 2020, the Mexican government issued a decree requiring the suspension of all non-essential activities in the private and public sectors until April 30, 2020, which was then extended until May 30, 2020. Nevertheless, on May 12, 2020, mining was included as an essential activity by the Mexican authorities, and mining companies were allowed to request authorization to resume operations from May 18, 2020 fully. The Company is now in the process to assess the start of the operations.

The March 31 decree allowed businesses to maintain critical activities which, if interrupted, could result in potentially irreversible damage that would prevent their further continuation. Accordingly, the Company suspended all non-essential operations at the Aranzazu subsidiary while maintaining critical activities that were required in order to avoid safety and/or environmental risks from materializing and potentially irreversible damage occurring that could prevent our operations from continuing.

Despite these operational restrictions, there has not been a material impact on the mine's operational or financial performance to date due to accumulated inventory at the site.

The Company and its subsidiaries have put a series of actions and biosafety protocols in place during this period, besides expanding its social work with all the communities where it operates, including donations of food, medicine, and medical supplies. From an operational perspective, the Pandemic has impacted our operations to varying degrees.