



To find, mine and deliver the planet's most important and essential minerals that enable the world and humankind to create, innovate, and prosper

Management's Discussion and Analysis
For the three months and six months ended June 30, 2020

Dated as of August 5, 2020

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The management's discussion and analysis ("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 months and six months ended June 30, 2020.

Thus, this MD&A should be read in conjunction with Aura Minerals Inc.'s (the "Company" or "Aura") unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2020 and 2019 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 both the annual audited consolidated financial statements for the year ended December 31, 2019, the related annual MD&A included in the 2019 Annual Financial Statements, and 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.

Unless otherwise noted, references herein to "\$" are to thousands of United States dollars. References to "C\$" are to thousands of Canadian dollars. Tables and dollar figures in the body of the document are expressed in thousands of United States dollars, except where otherwise noted.

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

- Cash operating costs per gold equivalent ounce produced;
- Cash operating costs per copper pound produced;
- Realized average gold price per ounce sold, gross;
- Realized average gold price per ounce sold, net of local taxes;
- EBITDA;
- Adjusted EBITDA; and
- Net Debt

Reconciliations associated with the above performance measures can be found in Section 17: Non-GAAP Performance Measures.

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 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 shares of the Company are listed on the Toronto Stock Exchange under the symbol ORA and Brazilian Depositary Receipts ("BDRs"), each representing one share of the Company, under the symbol AURA32, on the B3 S.A. – Brasil, Bolsa Balcão ("B3"), a stock exchange located in São Paulo, Brazil. Aura is focused on responsible, sustainable growth and strives to operate at 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):

Producing assets:

- The San Andres Gold Mine ("San Andres", "Minosa") – 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", "Apoena") – 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 Japonês open pit mine and the near mine open-pit prospects of Nosde and Bananal.
- The Aranzazu Copper Mine ("Aranzazu") – an underground copper mine operation, also produces Gold as by-product, located within the Municipality of Concepcion del Oro in the State of Zacatecas, Mexico, near its northern border with the State of Coahuila. The Property is situated in a rugged mountainous area and is accessed either from the city of Zacatecas, located 250 km to the southwest, or from the city of Saltillo, located 112 km to the northeast in the State of Coahuila.

Pre-operational asset:

- The Gold Road Project ("Gold Road") – Gold Road is a narrow vein underground gold mine located in the historical Oatman mining district of northern Arizona, northeast of the California-Nevada-Arizona border and 40 kilometers southwest of Kingman, Arizona. Historical gold production from the Oatman district has been over two million ounces with the Gold Road mine contributing approximately 746,000 ounces. In May 2018, a Preliminary Economic Assessment of Gold Road determined an inferred mineral resource of 214,000 ounces of gold at an average grade of 6.85 g/t. The land position acquired includes other adjacent historically mined veins including Gold Ore, Tru-Vein and Big Jim.

Projects:

- The Almas Gold Project ("Almas") – a 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 Matupá Gold Project ("Matupá") – Consists of three deposits including X1 and Serrinha (Gold) and Garantã Ridge (base Metal). Matupá Project is located in northern part of the state of Mato Grosso, Brazil. X1 deposit was focus of exploration and drilling in the past and has established mineral resource and a 43-101 report. The other two deposits are in early stage of exploration. Matupá project's claims consist of multiple exploration targets including a Copper porphyry target.
- The São Francisco Gold Mine ("São Francisco") – Is 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. Currently in care and maintenance.
- The Tolda Fria Gold Project ("Tolda Fria") – Is located in Caldas State, Colombia, currently in care and maintenance.

2. SECOND QUARTER 2020 FINANCIAL AND OPERATING HIGHLIGHTS

The outbreak of the new Coronavirus (COVID-19), which was declared a pandemic (the "Pandemic") by the World Health Organization on March 11, 2020, impacted the operations of the Company in the second quarter of 2020.

The Company and its subsidiaries have prioritized the safety of its employees and the communities around it during the Pandemic and have put in place a series of actions and biosafety protocols 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 caused partial interruptions between March and May in our San Andres and Aranzazu operations. We provide a detailed discussion on COVID-19 in the next chapter of this MD&A.

Despite the impact of the Pandemic, gold equivalent production reduced by only 7% compared to previous quarter (we measure gold equivalent production in terms of gold equivalent ounces, or GEO, which is calculated by converting the production of silver and copper into gold using a ratio between the prices of these metals and gold. The prices used to calculate it at such proportions are based on the weighted average price of each of the metals obtained from sales at the Aranzazu Complex during the relevant period).

Although the Pandemic had short-term impacts to our operations, some macroeconomic effects arising from it may have a positive impact in the Company's financials in the short, medium and long terms. Some of these impacts, already discussed in the MD&A for the first quarter of 2020, continued during the second quarter of 2020, and are due to:

- Additional increase in gold prices of 7% in the second quarter of 2020 (from \$1,608.95/Oz to \$ 1,768.10/Oz. In the first six months of 2020, gold prices increased by 17%. Subsequent to June 30, gold prices continued to increase and, as of July 31, the price of gold was \$ 1,964.90/ Oz, and additional devaluation of 11% in relation to June 30.
- Copper prices fell due to a reduction in demand in the first quarter of 2020. However, this trend reversed during the second quarter of 2020, with the price of copper reaching \$ 2.74/lb on June 30, 2020 – an increase of 26% in the second quarter of 2020, erasing the losses incurred in the first quarter of the year. Copper prices also continue increasing and, as of July 31, Copper was traded at \$2.87/lb – an additional 5% price increase from June 30, 2020.
- The Brazilian Real fell by 5% (from R\$ 5.20 to R\$ 5.48 per US\$ 1.00) in the second quarter of 2020. In the first six months of 2020 only, the Brazilian Real devaluated 35% (from R\$ 4.04 to R\$ 5.48 per US\$ 1.00). As of the day before of this MD&A, the Brazilian Real was traded at 5.20 per USD, still accumulating a 29% devaluation in the year. While such abrupt devaluations have a negative short term impact on P&L associated with non cash items and short term currency hedges, it strengthens the competitive position of the Company over the short, medium and long terms, because of the reduction in costs incurred in local currency.
- The Mexican Peso has remained relatively stable in the second quarter of 2020, but has depreciated 22% in 2020, also strengthening the competitive position of the Company for Aranzazu.

Other positive impacts include price reduction of certain raw materials, such as diesel and certain chemicals and other components derived from oil and substantial reductions on interest rates in several countries, including jurisdictions in which the Company has operations, potentially reducing capital cost for projects development.

The second quarter of 2020 was also marked by a significant milestone to Aura: the launching an initial public offering in Brazil (the "Offering"), which was and was successfully settled on July 7th. The process to complete the Offering had commenced in the first quarter of 2020, which plans the Company previously suspended in light of the Pandemic before re-initiating it in the second quarter of 2020.

The second quarter of 2020 saw also additional advances in the “Ernesto Project” in the EPP mine. The project is consistently advancing according to the schedule. We expect Ernesto to declare commercial production in the fourth quarter of 2020.

On Gold Road, following the acquisition completed on March 27, 2020, the Company started exploration drilling and preparations for re-starting the underground mine. On June 23, 2020, Gold Road signed a one-year service agreement with Clark Construction Group, LLC for performing underground mining which began on June 26, 2020.

On Almas project, on April 30, 2020 Aura hired Ausenco Engineering Canada Inc. (“Ausenco”) for the final phase of an engineering and feasibility study to be able to initiate construction by early 2021. The feasibility study should be completed by November 2020.

In Matupá, Aura advanced on the geological understanding of the porphyry potential and advancing on the geological program for the targets Alto Alegre and Target 47.

Finally, 2020 will mark more advances in geological developments in our operations and projects, as discussed in more detail at Section 5 of this MD&A entitled “Review of Mining Operations and Exploration”.

2.1 COVID-19 Pandemic

As previously announced, the Company and its subsidiaries have prioritized the safety of its employees and the communities around which Aura operates during the Pandemic and have implemented protective measures and biosafety protocols during this period in addition to expanding Aura’s social work with local communities, including donations of food, medicine and medical supplies.

From an operational perspective, and also as previously announced, the Pandemic caused partial interruptions for most of the second quarter at two of our operating mines.

San Andres Mine in Honduras

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 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 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.

On May 26, 2020, Aura obtained authorization to fully resume operations at San Andrés.

Notwithstanding its operational challenges, Aura has continued to give back to the local community, having donated food to more than 1,000 families, medicine and medical supplies to 6 local health centers, biosafety equipment to 8 health control checkpoints and other donations of personal protective equipment to the national police force, local reporters and nursing homes, among others. Aura has also implemented a series of measures to ensure safe conditions for our employees and restricted high-risk individuals from entering the site, including the provision of health questionnaires, temperature scanning, mandatory quarantine for high-risk individuals and the use of our Aura Tracker software tracking system.

Aranzazu Mine in Mexico

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 first 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. On May 27, 2020, Aranzazu obtained authorization to fully resume 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 Aranzazu while maintaining 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.

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 and operational efficiency.

In addition to implementing all measures required by the governmental decree, the Company has also helped implement measures together with municipal authorities for Concepcion del Oro such as a screening checkpoint for all those entering the city and contracting the local workforce to produce additional face masks for ongoing essential activities (all the masks are for the municipality). In addition, Aura is assisting with other initiatives designed to support the community in this difficult time, including by providing canteens, transportation vehicles and health questionnaires, facilitating temperature scanning and the use of screening checkpoints, hiring additional medical personnel and supplying COVID-19 test kits. Finally, the Company is testing periodically all the employees including all the contractors in order to reduce any risk at the mine site.

Ernesto/Pau-a -Pique Mine in Brazil

Our Ernesto/Pau-a-Pique mine has been allowed to continue operations as governmental authorities have deemed mining as an essential industry.

Nevertheless, Aura has implemented a series of initiatives to reduce risks among its employees at the mine, which includes the implementation of Aura Tracker; reducing its workforce on site by 20% and allowing those not required to stay on site to work from home, increasing the number of buses transporting employees to allow for a 50% reduction in seats, acquiring thousands of COVID-19 test kits and mandating the use of masks on site at the mine. In addition, Aura extended its work with local communities and has donated masks and gloves to the state police force, personnel at the local detention center and other local institutions, in addition to purchasing thousands of masks from local projects which were also donated and distributed to families in need, among other initiatives.

Aura's Other Projects and Personnel

At this time, our exploration activities for the Almas and Matupá projects have not been materially disrupted as a result of the Pandemic, and Aura continues, at a reduced workforce, to conduct exploration work at these properties while complying with all applicable regulations and undertaking measures necessary to ensure a safe work environment for employees and contractors.

With respect to the Gold Road mine in the United States, Aura has implemented social distancing, a work from home policy for those able to perform their jobs outside the mine site, extensive cleaning services, wearing masks for all in-person meetings, prohibition of Fly-in-Fly-Out rosters and measures to restrict high-risk individuals from entering the site.

2.2 Operational Highlights

	For the three months ended June 30, 2020	For the three months ended June 30, 2019	For the six months ended June 30, 2020	For the six months ended June 30, 2019
OPERATING DATA				
Gold ore processed (tonnes)	824,978	1,949,555	2,357,989	3,135,473
Gold produced (ounces) ¹	21,789	25,558	47,757	45,623
Gold sold (ounces)	26,073	26,255	47,117	46,271
Copper ore processed (tonnes)	211,319	201,675	408,552	360,978
Copper concentrate produced (dry metric tonnes "DMT")	13,033	9,578	25,154	15,435
Total Production (Gold Equivalent Ounces)	36,537	41,327	76,273	71,573

(1) EPP Mines do not consider pre-commercial production and sale from Ernesto, São Francisco and Rio Alegre (2020), capitalized

The main factors resulting in the changes of operational highlights are detailed below:

- The interruption of operations due to the Pandemic, which had a negative impact on production. At San Andres, the interruption for 71 days has affected total production as well as total ore processed, with production falling by 1.1 million tons of ore (a decrease of 73%) and 3,578 oz of gold (a decrease of 29%) in comparison to the second quarter of 2019
- A reduction of total production measured in GEO also due to reduction of average copper prices in comparison to the second quarter of 2019, affecting conversion of copper produced by Aranzazu to gold equivalent.

Production and cash cost highlights

Gold equivalent production and cash operating costs per gold equivalent ounce produced¹ for the three and six months ended June 30, 2020, and 2019 were as follows:

Three months ended June 30,	2020		2019	
	Oz Produced - Gold Equivalent Ounces (GEO)	Cash costs per ounce of gold produced	Oz Produced - Gold Equivalent Ounces (GEO)	Cash costs per ounce of gold produced
San Andres	8,835	\$ 900	12,413	\$ 1,165
EPP Mines ¹	12,954	\$ 828	13,145	\$ 1,017
Aranzazu	14,748	\$ 860	15,769	\$ 812
Total / Average	36,537	858	41,327	983

(1) EPP Mines do not consider pre-commercial production and sale from Ernesto, São Francisco and Rio Alegre (2020), capitalized

Six months ended June 30,	2020		2019	
	Oz Produced - Gold Equivalent Ounces (GEO)	Cash costs per ounce of gold produced	Oz Produced - Gold Equivalent Ounces (GEO)	Cash costs per ounce of gold produced
San Andres	23,199	\$ 999	18,899	\$ 1,174
EPP Mines ¹	24,558	\$ 969	26,723	\$ 929
Aranzazu	28,516	\$ 952	25,950	\$ 895
Total / Average	76,273	972	71,573	981

(1) EPP Mines do not consider pre-commercial production and sale from Ernesto, São Francisco and Rio Alegre (2020), capitalized

As noted above, total production of GEO reduced 10% in comparison to same quarter of 2019 due to interruption in San Andres as a consequence of the Pandemic and reduction of copper Prices, affecting conversion of Copper production to GEO.

Cash operating costs per gold equivalent ounce produced decreased 15% in comparison to same period of 2019 and was mainly affected by:

- EPP mines: improved performance and efficiency, as discussed in further detail on Chapterin Section 5 entitled "Review of Mining Operations and Exploration" and devaluation of local currency were the main reasons behind the significant decrease in cash costs per gold equivalent produced¹
- Aranzazu: significant improvements since the second semester of 2019 with focus on cost reduction with several initiatives at the plant (optimization in raw materials consumption and improvement in maintenance) and mine (mainly reduction in waste being moved)
- San Andres: the operational interruption due to the Pandemic in the second quarter of 2020 has caused a significant cost reduction, the leaching cycle and the reduced total spending compensated lower production within the quarter.

2.3 Financial Highlights

	For the three months ended June 30, 2020	For the three months ended June 30, 2019	For the six months ended June 30, 2020	For the six months ended June 30, 2019
FINANCIAL DATA				
<i>IFRS Measures</i>				
Net revenue	\$ 60,834	\$ 50,374	\$ 109,460	\$ 86,630
Gross Margin	17,887	4,811	24,577	5,887
Income for the year/period	3,985	(3,914)	(13,679)	(8,637)
Shareholder Equity	\$ 181,224	\$ 195,620	\$ 181,224	\$ 195,620
Non IFRS Measures				
Adjusted EBITDA	\$ 18,982	\$ 4,212	\$ 24,796	\$ 6,582
Adjusted EBITDA Margin (Adjusted EBITDA/Revenues)	31%	8%	23%	8%
Adjusted EBITDA last twelve months	\$ 72,032	\$ 5,946		
Net Debt	\$ 44,745	\$ 19,962	\$ 44,745	\$ 19,962

Net Revenues

- Net revenues in the second quarter of 2020 increased \$10,460, a 21% growth compared to same period of 2019 as a result of:
 - increase of 27% in sales of EPP Mines in comparison to second quarter of 2019 due to increase in production and the dealyed bullion shipments in late March 2020 due to the Pandemic.
 - increase in gross realized average gold price per ounce sold, in comparison to second quarter of 2019.

Gross margin

- The 21% increase in net revenues in addition to 6% production costs decrease 6% for the second quarter of 2020 in comparison to same period of 2019, resulted in a 272% increase of Gross Margin as compared to the same period of 2019. The decrease in costs was mainly driven by:
 - reduced costs at San Andres due to the leaching cycle, and the decrease of 76% in tons moved of ore and waste, consequence of operational interruption caused by the Pandemic
 - reduced cash operating costs per gold equivalent ounce produced¹ in EPP due to efficiency gains and strong devaluation of the Brazilian Real during the period

Income for the period

The Company recorded income for the period of \$3,985 in the second quarter of 2020 compared to a loss of \$(3,914) in the same quarter of 2019. The increase of \$7,899 is mainly a result of higher operating Income, partially offset by other losses incurred, as demonstrated below:

- Higher operating Income in the amount of \$13,076 due to growth in net revenues and gross margins as consequence production, gold prices and operational efficiencies.
- Increase in other losses of \$4,748 mainly due to:
 - unrealized and realized losses of \$7,542 with metal and currency derivatives, due to the increase in gold and copper prices over the second quarter of 2020 and devaluation of the Brazilian Real against the US Dollar. Please see section 6 of this MD&A under "Other gains (losses)" for further details

Shareholder's Equity

As of June 30, 2020, shareholders' equity was \$181,224 compared to \$195,620 on December 31, 2019. The decrease of \$14,396 was mainly due to losses incurred in the period.

Additionally, the Company declared an extraordinary dividend of \$3,044 in December 2019, which was paid out in January 2020.

Adjusted EBITDA¹

Adjusted EBITDA¹ was \$18,982 in the second quarter of 2020, compared to \$4,212 recorded in the same period of 2019, as result of improved operating performance, higher gold prices and lower operating cost due to currency devaluations. In addition, delayed shipments from the first quarter of 2020 had a positive impact in the second quarter of 2020.

During the second quarter the adjusted EBITDA by project was the following:

- Aranzazu - \$3,595
- Ernesto and Pau-a-Pique (EPP) - \$11,325
- San Andres - \$5,929
- Gold Road - (\$310)
- Others (Corporate, Almas, Matupa, and Tolda Fria) - (\$1,557)

Net Debt¹

Net debt¹ in the second quarter of 2020 was \$44,745, compared to \$3,854 in the fourth quarter of 2019, an increase of \$40,891 in the year of 2020. The main reasons for the change in Net debt¹ are:

- The acquisition of Gold Road – the non-recourse Gold Road Debt is consolidated at a discounted value of \$25,205. Management expects production to start before the end of 2020 .
- The purchase of property, plant and equipment for \$21,504, some of which are non-recurring such as the development of Ernesto project, Gold Road and the construction of new leaching pad in Honduras,

- Realized losses of \$ 6,621 with gold and currency derivatives as result of significant increase of gold prices and strong devaluation of the Brazilian Real in period, as mentioned above.
- Taxes paid in the amount of \$ 3,184
- Payment of an extraordinary dividend of \$ 3,044.
- Foreign exchange impact of \$ 2,235 on cash and cash equivalents, mainly because of the strong devaluation of the Brazilian Real, impacting cash & cash equivalents denominated in Reais and reported in US Dollars.

The Adjusted EBITDA¹ was \$ 24,796 generated in the period.

Revenue components and highlights

	For the three months ended June 30, 2020	For the three months ended June 30, 2019	For the six months ended June 30, 2020	For the six months ended June 30, 2019
Gold revenue	\$ 44,355	\$ 34,189	\$ 77,198	\$ 60,237
Copper & Gold Concentrate Revenue	17,649	16,828	35,002	27,493
Gross Revenue	\$ 62,004	\$ 51,017	\$ 112,200	\$ 87,730
Ounces sold (GEO)				
San Andres	8,831	12,728	21,679	18,416
EPP Mines ¹	17,242	13,528	25,438	27,855
Aranzazu	14,442	15,524	28,614	25,946
Total ounces sold	40,515	41,780	75,732	72,217
Gold sales revenues, net of local sales taxes	\$ 43,185	\$ 33,546	\$ 74,458	\$ 59,137
Average gold market price per oz (London PM Fix)	\$ 1,705	\$ 1,310	\$ 1,644	\$ 1,307
Realized average gold price per ounce sold, gross	\$ 1,753	\$ 1,302	\$ 1,673	\$ 1,302

(1) EPP Mines do not consider pre-commercial production and sale from Ernesto, São Francisco and Rio Alegre (2020), capitalized

Additional events for the second quarter of 2020

Dividend Policy

The Company announced in June 2020 the approval of a new Dividend Policy. Under such Policy, the Company will pay declare dividends based on 20% of its annual Adjusted EBITDA less sustaining capital expenditures and exploration capital expenditures, payable as cash dividends to holders of its shares.

Dividends are expected to be declared and paid once a year starting in 2021, based on the preceding year results, with a record date on or shortly after announcement of the Company's annual financial results.

Initial Public Offering (IPO) in Brazil

On June 24, 2020, the Company announced that it was launching an initial primary and secondary public offering (the "Offering") in São Paulo, Brazil, resuming the process previously started but interrupted in March 2020 due to the Pandemic. The Offering was successfully settled on July 7 and Aura became the first gold mining Company listed in Brazil.

The total gross amount of the Offering was R\$ 790.1 million (US\$ 146.9 million), of which R\$271.4 (US\$ 50.5 million) were the gross proceeds received by the Company. The Primary Offering represented 331,033 of Brazilian depository receipts ("BDRs), each BDR representing one share, and the Secondary Offering represented 626,090 BDRs.

In addition the Offering described above, BDRs may be increased by up to 15%, corresponding to up to 143,568 BDRs, for the

purposes of the services of stabilization of the price of the BDRs in connection with the Offering. This process will be completed on August 6, 2020.

3. OUTLOOK AND KEY FACTORS

The Company expects its operations to resume to pre-Pandemic levels in the second half of 2020, in addition to some improvements as indicated below:

- **EPP should access higher grades:** the production from higher grade Ernesto during the fourth quarter of 2020 should result in higher production. Pre-stripping costs for Ernesto and NOSDE mine developments will push up capital expenditures, although the projects' economics and internal rate of return are promising for the following years.
- **San Andres should access higher grades and get better recoveries:** Access to areas with more favorable grades/recoveries should also take production to higher levels compared to those historically seen in favorable years in the second half. Capital expenditures will be higher than usual due to investments required to access certain areas and the development of a new leaching pad, which is expected, in its first phase, to guarantee at least another two years of operations.
- **Aranzazu expected to increase production by 30%:** We expect overall operational performance and production to be above the levels observed in the last three quarters, resulting in lower cash operating costs per gold equivalent ounce produced for 2020. The mine is on final phase to increase production capacity by 30%, which the Company expects to impact production by late 2020 and fully in 2021.
- **Gold Road expects to start production in the last quarter of 2020:** The Company has developed a 3-D model and a mine plan. The Company expects to start ramp-up of the mine in fourth quarter of 2020. Meanwhile, drilling campaigns continue in order to detail information on mineral resources, prepare mine plan to convert mineral resources to reserves for subsequent years, expand inferred mineral resources footprint on phase 2, and phase 3 of drilling campaigns. Also, underground development has started and ramping up as expected.
- **Almas to have new full feasibility study by the last quarter of 2020 and to start construction early 2021:** Ausenco should complete the engineering phase and the feasibility study during the fourth quarter of 2020 to allow the Company to initiate construction early next year and expected to start production in mid-2022 and to declare commercial production in later 2022.
- **Matupá:** We plan to continue exploration activities for the remainder of 2020 to increase the resource base and start the mine plan, engineering, and feasibility in the following year. In addition, there is evidence of a potential copper porphyry, and we are therefore investing in exploration to further investigate it.
- **São Francisco:** The mine had been in operation for over 10 year, and it is located 85 Km North of our current operation EPP. In 2016, the mine was placed in care and maintenance due to reduced investment in geology on previous years and as consequence the lack of new reserves for operational continuity. New analysis and initial geology studies will be carried in order to understand its potential for a restart.
- **Tolda Fria:** The project as of the date hereof has 947,000 Oz in inferred mineral resources based on last NI 43-101 compliant technical report published in 2011, with 12,370,000 Mt @ 2.38 g/t Au, Aura is starting to do surface geology of the much larger mining rights adjacent to the mine.

The Company's updated gold equivalent production, cash cost per gold equivalent produced and Capex guidance for 2020 are detailed below.

Production

The table below informs the Company's updated gold equivalent production guidance for 2020 (whole year and second semester only) by Business Unit:

	Gold equivalent ounces (GEO) produced - 2020 full year		Gold equivalent ounces (GEO) produced - 2020 second semester	
	Thousands of Ounces		Thousands of Ounces	
	Low	High	Low	High
San Andrés	63	69	40	46
EPP Mines	62	69	36	43
Aranzazu	62	68	34	39
Gold Road	9	10	8	10
Total	196	216	118	138

Notes:

- Gold equivalent ounces (GEO) produced includes ounces capitalized from certain EPP mines (Ernesto, Rio Alegre, São Francisco) and Gold Road projects, before commercial production is declared by each mine.
- The Company assumes Gold Road and the Ernesto mine in EPP will declare commercial production by the fourth quarter of 2020.
- For the conversion of copper and silver production in Aranzazu to gold for the second semester of 2020, the following metal price assumptions were made, according to projections released by market analysts before the date of this MD&A:
 - Gold: \$ 1,783 / Oz
 - Silver: \$ 18.52/ Oz
 - Copper: \$ 2.78 / lb

Cash costs per gold equivalent produced

The table below shows the Company's updated cash costs per gold equivalent produced guidance for 2020 (whole year and second semester only) by Business Unit:

	Cash costs per gold equivalent produced - 2020 full year		Cash costs per gold equivalent produced - 2020 second semester	
	Low	High	Low	High
	San Andrés	855	962	779
EPP Mines	735	825	586	733
Aranzazu	807	891	699	846
Gold Road	N/I	N/I	N/I	N/I
Total	800	893	691	844

Notes:

- Gold Road not included as Aura anticipates it will declare commercial production in December 2020 only
- Significant portion of the costs incurred in Brazil, Honduras and Mexico are denominated in local currencies – Brazilian Real (BRL), Honduran Lempira (HNL) and Mexican Pesos (MXN). The assumptions for the average exchange rates for the second semester of 2020 were:
 - BRL/USD: 5,36
 - HNL/USD: 24,70

- MXN/USD: 23,13

Capex:

Aura estimates total Capital Expenditures for 2020 to be between \$ 49 million and \$ 60 million. The main Capex items projected for the year are:

- Sustaining Capex: US\$ 23-28 million
- Mine and project development: US\$ 13-US\$ 16 million, including:
 - Ernesto and NOSDE mine developments in EPP mines
 - Gold Road start-up
 - Almas Project Feasibility Studies
- Exploration: US\$ 4 million - US\$ 6 million
- Other items: US\$ 9-11 million (mainly development of a new leaching pad area and the Esperanza Project in San Andres)

Significant portion of the Capital Expenditures are also denominated in local currencies.

4. SAFETY, ENVIROMENT & COMMUNITY

Safety

Aura's guidelines of using robust management systems and treat safety as a top priority, with direct senior leadership involvement in the safety committee are best described by the actions taken on the ground. We have a safety committee formed by the C-level, the general manager and safety manager of each site and corporate technical services.

EPP

During the second quarter of 2020, Apoena (EPP) conducted 7,977 man hours of safety training covering 751 direct and indirect employees. We developed and led 4 health campaigns (focused on high blood pressure, diabetes, tobacco use and dengue) in addition to efforts focused on preventing the spread of COVID-19. This includes the mandatory use of masks, practicing proper hygiene, social distancing and capping bus occupancy at 50% capacity on buses, among others. We have also carried out 1,033 safety inspections, 33 environmental inspections and 41 major risks inspections. Apoena have also completed 261 legal requirements, representing 2500 items covered by our SHEC program.

We have updated our golden rules protocol by adding Covid-19 requirements. We have completed daily, weekly and biweekly audits to our tailings dam satisfying all the requirements

Aranzazu

In the second quarter of 2020, Aranzazú mine recorded zero accidents with lost time, that is our challenge for this year (keep Zero personal accident). In the subject of Safety, Health and Environment training in Safety, we had 2307 hours, that was lower than 1º quarter due this new situation with Covid 19, which has changed our program of activities. We continue with our 2020 accident frequency rate at zero and it has been maintained for the past 10 months. We have been working with some campaigns like Hand

Care, Energy Blocking for all of our Aranzazú workers and all of our contractors.

San Andres

During the second quarter of 2020, San Andrés trained 676 people with 2,028 hours, including direct employees, permanent contractors and eventual service providers, in safety, critical task procedures, recycling of operating process procedures, alcohol and drug abuse and the prevention of COVID 19.

San Andrés has performed extensive maintenance work of more than 96 hours for production facility improvements, following 100% Critical Controls Management for high-risk tasks considered to be hazards, through planning meetings and critical risk analysis together with the SST department, as well as on-site support during the works. Inspections for condition improvements have also been carried out together with the Process Management and important corrective actions have been established. Compliance with biosecurity protocols implemented as response of the Pandemic, as well as the delivery of hygiene supplies for facilities, equipment and people, are kept under OHS supervision.

In the second quarter of 2020, no lost time accidents (LTI) were reported. San Andrés has maintained a strong administration over the controls of the service of its permanent suppliers and of restarted projects. There has been zero LTI up until June 2020 compared to 0.47 LTI in December 2019.

The San Andrés Occupational Health program closely monitors the Pandemic, applying rapid tests and PCR, plus medical follow-up in quarantine processes for re-entry of own personnel and service providers.

Aura's Geotechnical Compliance

Aura's operations have tailings dams at the operating units in Brazil and Mexico and a heap leach pad at the Honduras operation that follow safety and risk management standards. Dams and heap leach pad were designed by renowned engineering companies in the market, following the regulations in force in each country and the best mining practices. All dams have an operating manual that indicates the frequency of instrumentation reading, level controls, field inspections, etc. The data collected from the instruments and inspections are sent monthly to specialized consulting companies that evaluate the data and issue compliance reports that indicate safety conditions and recommendations when necessary. The implementation of a corporate management system to standardize the safety management of geotechnical structures, including tailings dams, leach pads and waste dumps, was initiated in 2019 and keep moving forward with the expectation of completion by the end of 2020. In addition, we started work on a closure plan for the dams in Mexico. We had the support of companies such as SRK, Wood, GHT, DAM and Geoconsultoria. All dams, waste dumps and heap leach pad that are currently in operation or in C&M are in satisfactory stability.

Community

As a result of the Pandemic, all programs and activities developed by our working groups in Brazil, Honduras, and Mexico during the first quarter of 2020 had the purpose of protecting our employees, their families and our host communities. At Aura, we have worked to implement the best safety practices to prevent the spread of COVID-19 among our employees, including by practicing social distancing and implementing protocols for hygiene. In addition, we have provided masks, gloves and sanitation supplies to assist the communities surrounding Apoena, Minosa and Aranzazu.

Apoena - United Nations' Sustainable Development Goal: Quality Education

In the second quarter of 2020, the Prevention is the Solution program was launched and implemented, which aims to prevent the spread of the new coronavirus in the vicinity of Apoena units and projects. During this period, the Apoena provided masks, quick test kits, totems for gel alcohol and waterproof aprons to the Municipal Health Departments and the Vale do Guaporé Hospital, in addition to donating around 100 tons of food to residents of four municipalities and carrying out raising awareness with the

support of local institutions. On May 1, 2020, Apoena completed 10 years of existence, being recognized in the region as the main generator of jobs and income, as well as a reference in the socio-environmental area. At the time, Apoena was honored by the Commercial and Business Association of Pontes e Lacerda (ACEPL).

Aranzazu

One of the main pillars for Aranzazu's management is the good relationship with the Concepción del Oro Community. For the remainder of 2020, many socio-economic actions are planned. For the second quarter we have updated studies and data gathering of the local socio-economic situation in Concepción del Oro

We continued with the delivery of 2,500 face masks to the population distributed by the municipal authority, assembled by people from the community. 5 nurses were hired to support the sanitary barriers, which are equipped with gloves, gowns, antibacterial gel, alcohol, glasses, water and food, among others. Personnel take temperatures and distribute face masks and prevention information. People who enter the town are continuously screened in this sense to prevent the risk of contagions to approximately 3,000 people daily. In addition, 250 pantries were delivered to seniors.

We are supporting the health sector with the donation of 10 clinical thermometers, 200 rapid tests for detection of COVID-19 and awnings for sun protection in the sanitary barriers of public health institutions.

San Andres

We have made a donation of medical supplies and biosafety gear to Hospital de Occidente, which is the largest health care center in the region and the only one authorized by the state to treat COVID-19. We also donated a fumigation tunnel to the entrance of the municipality of La Unión Copan, in addition to the provision of biosafety equipment and material for fumigation at the access control points to the municipality. These were initiatives proposed in the different meetings with local authorities.

Our main focus in the second quarter was to mitigate community concerns regarding the restart of our operations. Forums were developed to find the appropriate protocols and thus to mitigate risk to the municipality with different industries and municipal businesses, press conferences, creation of different management committees and local authority. Community service campaigns were carried out, informing the community about the risks and measures to be taken against COVID-19. We were also very active with communications of our actions and essential protocols for the restart of our operations. We held an informative meeting with all the journalists in the region, in that forum we were able to report on all our actions during the Pandemic, in addition to strengthening our relationship with local union.

Aura's Ethics Committee

In 2018, the Company implemented and rolled out to all business units an independent whistleblower channel managed by TMF Group (tmf-group.com), through which any stakeholder can call and make an anonymous report. Any claims are later forwarded to the Company's Ethics Committee, which is chaired by the CEO, which will review and discuss all claims and make appropriate recommendations where needed the General Manager, whenever he is not, in any form, related to the respective claim, situation in which committee is responsible to apply the proposed measures. As of the Q2 2020 the committee is functioning well.

5. REVIEW OF MINING OPERATIONS AND EXPLORATION

San Andres, Honduras

The San Andres Gold mine belongs to Minerales de Occidente (MINOSA), a wholly-owned subsidiary of Aura and located 360 km from Honduras' capital of Tegucigalpa in the western highlands of the country. Exploration and artisanal mining have been conducted in the area since the 1930s with modernization beginning in 1983. Aura acquired the property and infrastructure in

2009 and currently operates the open-pit, heap-leach complex.

Operating performance:

On March 16, 2020, the government of Honduras approved the suspension of work in the public and private sectors in response to the Pandemic, and accordingly Aura proceeded to operate with a minimal labor force in order to maintain tailings and continue to satisfy environmental requirements in connection with operations and other critical activities at the mine.

On May 26, 2020, Aura obtained authorization to fully resume operations at San Andrés.

The interruption had a material impact on our operational and financial performances for the second quarter and first half of 2020.

The table below sets out selected operating information for San Andres for the three and six months ended June 30, 2020 and 2019:

	For the three months ended June 30, 2020	For the three months ended June 30, 2019	For the six months ended June 30, 2020	For the six months ended June 30, 2019
Ore mined (tonnes)	413,321	1,508,248	1,522,678	2,343,442
Waste mined (tonnes)	223,875	1,201,400	1,193,919	1,871,925
Total mined (tonnes)	637,196	2,709,647	2,716,597	4,215,367
Waste to ore ratio	0.54	0.80	0.78	0.80
Ore plant feed (tonnes)	408,293	1,554,436	1,532,109	2,351,684
Grade (g/tonne)	0.47	0.46	0.44	0.46
Recovery (%)	143%	54%	107%	54%
Production (ounces)	8,835	12,413	23,199	18,899
Sales (ounces)	8,831	12,728	21,679	18,416
Average cash cost per ounce of gold produced	\$ 900	\$ 1,165	\$ 999	\$ 1,174

Results for San Andres during the second quarter of 2020 as compared to the same period of 2019 are as follow:

- Reduction in ore and waste mined, ore plant feed, production and sales were directly associated with the interruption due to the Pandemic
- Waster to ore ratio was affected due to lower ore mined as result of the interruption resulting from the Pandemic.
- Leaching pads were kept under watering throughout the period of interruption, so the carbon columns continued the absorption of gold contained in the solution inventory. This allowed the Company to obtain additional gold resulting in a recovery greater than 100%. All values that in the normal process were in recirculation have been retrieved.
- Cost optimization during the interruption period allowed the Company to reduce the cost per once during the quarter.
- High gold recovered due to the fact that leaching pads were kept under watering throughout the period of interruption, as mentioned above, associated with minimal costs and expenses in the period (care & maintenance activities) contributing to the lower cash cost per ounce produced

Other developments

During the first quarter of 2020 we started new leaching pad construction and stacking is expected to start from second quarter of 2021, with total capacity of 14 million tons that will be enough for 24 months of operation at full capacity.

Mine development in Esperanza Project at the so-called Cerro Cementerio area has reached 64% progress, with a total of 589 negotiations concluded with families and \$5.1 million paid in indemnities since the start of the project.

On February 10, the sixth collective agreement between Minerale de Occidente and San Andres employees' union, SITRAMINO, was signed for a term lasting three years.

Strategic developments and geology

At the end of the second semester of 2020, 4,266 meters have been drilled in 55 drill holes. Part of the program was focused on Infill drilling with the aim of replacing the depletion and increasing the certainty of the mineral in tonnage and grade. Drilling results show the continuity of the main structure in Fault A Zone with average grades of 0.40 to 0.60 gpt.

In the East Ledge and Banana Ridge areas, the results confirm the resource model grades which varies between 0.46 and 0.71 gpt. The Esperanza pushback infill drilling is also proving the continuity of the deposit

In parallel, exploration drilling continued in our concession area, with the objective of extending the current reserve pit and recategorize the inferred resources.

Due to the Pandemic, activities were suspended by the Government of Honduras between March and end of May, with activities restarting in the first days of June.

As result of the Pandemic, regional exploration in areas to the south of the current mine area has been rescheduled, having restarted in June 2020. In the following months we expect to conclude the surface mapping of the total area of interest planned for this year.

Ernesto and Pau-a-Pique (EPP):

Introduction

EPP is located in Mato Grosso, Brazil, approximately 450 km west of Cuiabá, the state capital and 12 km from the town of Pontes e Lacerda. The complex consists of a processing plant fed by satellites mines such as Lavrinha, Japonês, and the Pau-a-Pique underground deposit, all of which under full operation. Other significant assets, such as Ernesto and Nosde, are under development stage.

In January 2020 the Company started pre-stripping works at the high-grade Ernesto mine. The project continues to progress according to schedule and Aura therefore anticipates a substantial increase in production in the fourth quarter of 2020 when it expects to declare commercial production from such mine. In the first semester of 2021, the Company expects Ernesto to start a new pushback phase and, in the second semester of 2021, reach once again a high-grade area and keep it until the end of 2022.

In relation to NOSDE, the Company expects it to declare commercial production by early 2021.

In addition, the Company is evaluating the potential to restart the São Francisco mine.

Finally, EPP has additional promising deposits in 25km distance radius with the potential to become new mines, such as the Bananal North and Bananal South. The Company is currently conducting exploration efforts on these target areas.

Mine planning for all the deposits is integrated since most deposits 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. Having multiple deposits offer EPP natural hedging for grade variations in the other deposits.

Operating performance

Production in EPP in the three and six months end June for the different mine stages can be summarized below:

	For the three months ended June 30, 2020	For the three months ended June 30, 2019
"Mines in Operation" - Lavrinha, Japonês e Pau-a-Pique ¹	12,954	24,557
Mines not at the commercial stage" - Ernesto , NOSDE, São Francisco and Rio Alegre ²	771	1,271
Total Production (gold ounces)	13,725	25,828

(1) Sales and expenses reflected in Revenues and COGS

(2) Sales and expenses capitalized until commercial production is declared

The table below sets out selected operating information for the "Mines in Operation" in the EPP Mines consolidated for the three and six months ended June 30, 2020, and 2019.

	For the three months ended June 30, 2020	For the three months ended June 30, 2019	For the six months ended June 30, 2020	For the six months ended June 30, 2019
Ore mined (tonnes)	585,750	361,340	956,856	678,950
Waste mined (tonnes)	6,410,733	3,094,382	9,683,926	5,878,098
Total mined (tonnes)	6,996,484	3,455,722	10,640,782	6,557,048
Waste to ore ratio	10.94	8.56	10.12	8.66
Ore plant feed (tonnes)	416,685	395,119	825,880	783,789
Grade (g/tonne)	1.09	1.09	1.01	1.11
Recovery (%)	102.2%	95.3%	98.0%	95.4%
Production (ounces) ¹	12,954	13,145	24,558	26,723
Sales (ounces) ¹	17,242	13,528	25,438	27,855
Average cash cost per ounce of gold produced	\$ 828	\$ 1,017	\$ 969	\$ 929

(1) Do not consider pre-commercial production and sale from Ernesto, São Francisco and Rio Alegre (2020), capitalized

- Increase in ore mined due to the mine sequencing. Japonês and Lavrinha mines were prepared during the first quarter of 2020, leading the increase in ore production in the second quarter.
- Increase in total mined as result of both mine planning and improved operational efficiencies as result of initiatives implemented to increase equipment availability / reduce maintenance time.
- Decrease in ore feed to plant due to planned maintenance in the mill
- Reduction in recovery resulted from increase in ore volume from Japonês mine, due to the specific ore characteristic from such mine
- Cash operating costs per gold equivalent ounce produced¹ reduced, benefiting from increase in production, operational efficiency and the devaluation of Brazilian Real against the US Dollar, since most costs are incurred in local currency.

Strategic developments and geology

During the second quarter of 2020 in Apoena a total of 35 drill holes were drilled, totaling 4,039m. The extensions of Nosde and Lavrinha mines were tested. During the first semester a total of 63 drill holes, totaling 10,183m were drilled. The drilling in Lavrinha was concluded while Nosde drilling is still in progress and is expected to be concluded in the beginning of Q3. Updated models are expected in Q3 for Lavrinha and in Q4 for Nosde .

In Bananal target we concluded 21 drill holes in Q2, totaling 5,110m. During the first semester we drilled 24 drill holes, totaling 5,348m (18 drill holes in Bananal North – exploration drilling; and 6 drill holes in Bananal South - infill drilling in the area delineated during 2019). The exploration drilling in Bananal North was concluded while in Bananal South should be concluded up to October

2020. The gold bearing alteration in the drill holes seems promising and therefore the Company decided to accelerate the infill program.

Aranzazu

Introduction

Aranzazu is an underground copper mine 100% owned by Aura, located in Zacatecas, Mexico approximately 250 km from Monterrey. Documented evidence of mining in the area dates back almost 500 years. The current mine has been in operation since 1962, with Aura assuming ownership in 2010. In 2014 due to lower copper prices and poor mine and plant performance, Aura closed the mine. In 2017 after higher copper prices and new management approach, Aura decide to re-analyze the business. After a new investments and detailed analysis of the geology, metallurgy, geotechnical, plant among others detailed studies, Aura decided to build a detailed 5-year feasibility study. Report was published with promising results, then Aranzazu signed a 3 year off take agreement, obtained funding, involved a top hiring and consulting company, redesigned the governance, created new incentive program, built a new tailings dam and restarted the mine.

As a result, in December 2018 Aranzazu declared commercial production, ahead of schedule and under budget. Since the second semester in 2019, Aranzazu has frequently exceeded some KPIs compared to the full feasibility study, such as gold and copper recoveries, while still has room for higher production and better performance. In the first and second quarters of 2020, Aranzazu also exceeded the feasibility study in mine development.

As part of the original plan, management focused on having a detailed 5-year mine plan (LOM) to be able to restart and expand it once generating positive cash flows. Since early 2019, Aranzazu has invested in geological studies, consolidating its over 100 years of information with a new geophysical data and external consultant such as Richard Sillitoe and Lawrence D. Meinert, with results that have been promising, as discussed below.

Operational performance

On March 31, 2020, the Mexican government issued a decree requiring the suspension of all non-essential activities in the public and private sectors. On May 12, 2020, mining was deemed to be an essential activity by the Mexican authorities, and mining companies were authorized to request permission to fully resume their activities beginning on May 18, 2020. The decree of March 31, 2020 permitted companies to maintain critical activities which, if interrupted, could result in potentially irreversible damage that could impair their continuity. Consequently, the Company suspended all non-essential operations at Aranzazu and maintained only critical activities that were necessary to avoid security and/or environmental risks and the occurrence of potentially irreversible damages that could impair the continuity of its operations.

On May 27, 2020, Aranzazu obtained authorization to fully resume operations.

As anticipated by the Company, the Pandemic did not have a material impact on Aranzazu's operational performance in the second quarter, which the Company attributes to having accumulated inventory at the site and operational efficiency.

The table below sets out additional selected operating information for Aranzazu for the three months ended on June 30, 2020 and 2019:

	For the three months ended June 30, 2020	For the three months ended June 30, 2019	For the six months ended June 30, 2020	For the six months ended June 30, 2019
Ore mined (tonnes)	188,112	187,096	405,672	347,272
Ore processed (tonnes)	211,319	201,675	408,552	360,978
Copper grade (%)	1.46%	1.39%	1.45%	1.10%
Gold grade (g/tonne)	0.99	0.79	0.91	0.65
Silver grade (g/tonne)	22.39	19.98	22.56	15.68
Copper recovery	90.6%	88.0%	90.8%	77.2%
Gold recovery	75.5%	74.9%	75.9%	65.9%
Silver recovery	60.2%	57.9%	60.5%	49.9%
Concentrate production:				
Copper concentrate produced (DMT)	13,033	9,578	25,154	15,435
Copper contained in concentrate (%)	21.5%	25.5%	21.3%	15.6%
Gold contained in concentrate (g/DMT)	12.1	12.1	11.2	7.6
Silver contained in concentrate (g/DMT)	218.7	234.5	221.7	139.7
Copper pounds produced ('000 Lb)	6,045	5,251	11,713	8,632
Total production (Gold Equivalent Oz - GEO)	14,748	15,769	28,516	25,950
Cash costs (\$/GEO)	\$ 860	\$ 812	\$ 952	\$ 895
Total production (Copper Equivalent '000 Lb)	10,129	7,579	18,917	12,329
Cash Cost per Copper equivalent produced	\$ 1.25	\$ 1.92	\$ 1.44	\$ 2.03

¹ Recoveries based on a mixture of sulphide and oxide ores, not primary sulphide ores

- Ore mined was impacted by the Pandemic. The Company's expectation was to achieve similar levels similar to the first quarter of 2020, or approximately 220,000 tonnes.
- Due to restrictions in mining operations, the plant processed the inventory which had been previously accumulated.
- Better grades and recoveries were achieved in current quarter compared to the second quarter of 2019 mainly due to the focusing on Glory Hole (while in the second quarter of 2019 Aranzazu was processing ore from other mine areas) and improvements and stability achieved once the ramp-up was completed in 2019.
- Lower Copper contained in the concentrate in the second quarter of 2020 was due to the higher bismuth contained in the ore coming from the mine. Copper was decreased from the concentrate in order to reduce bismuth and minimize potential contractual penalties associated with it.
- Although copper in concentrate was low, Aranzazu kept same level of gold in the concentrate due significant higher gold grade in this quarter.
- Cash operating costs per gold equivalent ounce produced¹ were reduced in the quarter vs. previous quarter as work started at the end of last year with a focus on cost reduction with actions in plant (inputs consumed and maintenance improvement) and mine (mainly waste move reduction) connected with high copper pound production.

Strategic developments and geology

Aranzazu continues to advance studies to consolidate a pipeline of exploration opportunities, infill drilling program focused on the resources conversion as well as drilling to confirm open down dip in Glory Hole area. All those actions to ensure future growth.

A total of 4,118 meters of the Glory Hole infill drilling program to convert inferred mineral resources to measured and indicated mineral resources were concluded along first half of 2020. A deep exploration diamond drill hole is underway to the down dip extension of Glory Hole current inferred resources. The hole is with 404 meters and expected to reach the mineralization with

approximately 900-meter depth, which is expected at the beginning of third quarter.

The development of a new ramp into hanging wall areas of Glory Hole is also in progress, with the purpose to connect an old ramp and providing further exploration access to allow drilling in tighter spacing from underground.

A detailed geological mapping and sampling at district targets of El Cobre and Cerro Conejos are underway to support a better understanding of the mineralization and the definition of the new drilling program.

Gold Road

After successfully closing the acquisition of Gold Road in March 2020, Aura initiated a phased drilling campaign to further delineate and confirm current mineral resources and to expand the minable resource footprint of the property.

Gold Road has an mineral inferred resource of 978,000 tons @ 0.22 oz./t (6.83 g/t) containing 214,000 ounces of gold, which were reported by RPM in 2018 (NI 43-101 Technical Report, Preliminary Economic Assessment of the Gold Mine, Arizona, USA, RPM Global, May 2018). Aura has developed the property's first 3-D model of the ore body and a mine plan based on these inferred resources.

Phase 1 of the diamond drilling campaign includes approximately 12,900 feet (3,931.92 m) of drilling in 33 holes to be drilled from underground. The objectives of this phase of drilling are the development of a mine plan and delineation and upgrade of 50,000 ounces of gold from the inferred mineral resource to indicated mineral resource category. Aura announced results of the first four holes of the Phase 1 drilling campaign in its press release of July 14, 2020.

The results of first four drill holes confirmed projected grade from the inferred mineral resources in the current mine plan. They intersected wider intervals than estimated in the preliminary 3-D ore model. These holes delineate resource blocks up to 200 ft below the current mining level in this zone.

Phase 2 of the drilling campaign plan is to be drilled from underground and surface platforms and is scheduled to begin in July and end in October 2020. The total underground drilling for this phase is 7,750 ft in 8 holes. The purpose of the drilling is to confirm and extend positive results of phase 1 drilling in down plunge portions of the 3310 and 2900 zones. The surface drilling portion of phase 2 drilling totals 23,950 (8,000 m) ft of drilling in 10 holes that will test the continuity of the Sharpe stope below the 850 Level (current level of mining).

The objective of phase 2 of drilling campaign is to expand the inferred resource footprint, which will be required for longer term mine plans. Promising targets will be further delineated, and the resource class upgraded by follow-up drilling in 2021.

Matupá

Matupá's mineral rights comprise of about 28,000 hectares located within the prolific Alta Floresta gold province in the state of Mato Grosso, Brazil. The property was acquired through the merger with Rio Novo in 2018 and is composed of five mining and exploration permits. The project benefits from excellent infrastructure in the region such as good roads, power, water and qualified workforce.

With the existing 332 k Oz or M&I resources (X1 deposit) and high-grade new discoveries Matupá has the potential to become a gold mine operation and now Aura is advancing geotechnical and metallurgical studies of the deposit to convert it into reserves and to be able to start the mine and engineering phase subsequently.

In 2019, exploration activities were focused on Alto Alegre Block, with elevated soil anomalies for copper and gold were outlined and a high-grade vein was identified (Valdemar), besides several other high-grade surface chip samples occurring in a broader area.

Although Aura was not focusing on any copper porphyry potential during the merger with Rio Novo, during the last two years a strong Indication of a possible copper porphyry alteration has been identified. Historical exploration data review undertaken in 2018 noted a copper and molybdenum anomaly located 1.8 kilometers from the X1 deposit.

However additional studies and exploration activities are necessary to confirm such hypothesis and they will continue to be undertaken during the year.

São Francisco

São Francisco is an open-pit heap leach gold mine located near Aura's EPP Complex in the southwest of the state of Mato Grosso, Brazil, approximately 560 km west of Cuiaba, the state capital.

The São Francisco gold mine had been in operation for over 10 years and has been in care and maintenance since 2016.

The site has a production plant already installed and most of the permits ready to restart in case it succeeds proving additional Gold deposits during a new geological campaign. Synergies with the EPP Complex are expected in case of a restart once it is located 85 Km North of the EPP complex.

During previous cash-constrained years, minor near-mine exploration was done, and the reserves were depleted. Aura is evaluating alternatives to restart the Project. The geological district is promising, and Aura is looking for potential targets in the district.

Tolda Fria

The Tolda Fria Gold Project is 100% owned by Aura and was acquired through the Rio Novo merger in 2018. The project is located approximately 10 km southeast of the City of Manizales in the Department of Caldas, Colombia. This property contains coarse gold and high-grade mineralization and 14 km of underground development for exploration access that was used to complete a NI 43-101-compliant resource estimation.

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

6. RESULTS OF OPERATIONS

Details of net revenues, cost of production, depletion and amortization and gross margin are presented below:

	For the three months ended June 30, 2020		For the three months ended June 30, 2019		For the six months ended June 30, 2020		For the six months ended June 30, 2019	
Net Revenues:								
San Andres	\$	14,228	\$	16,305	\$	33,138	\$	24,146
EPP Mines		28,957		17,241		41,320		34,991
Aranzazu		17,649		16,828		35,002		27,493
	\$	60,834	\$	50,374	\$	109,460	\$	86,630
Cost of Production:								
San Andres	\$	8,104	\$	14,444	\$	22,026	\$	21,521
EPP Mines		16,176		13,478		26,134		24,473
Aranzazu		13,411		12,915		27,035		24,331
	\$	37,691	\$	40,837	\$	75,195	\$	70,325
Depletion and Amortization:								
San Andres	\$	898	\$	1,721	\$	2,343	\$	3,082
EPP Mines		1,958		1,387		2,989		4,191
Aranzazu		2,400		1,618		4,356		3,145
	\$	5,256	\$	4,726	\$	9,688	\$	10,418
Gross Margin:								
San Andres	\$	5,226	\$	140	\$	8,769	\$	(457)
EPP Mines		10,823		2,376		12,197		6,327
Aranzazu		1,838		2,295		3,611		17
	\$	17,887	\$	4,811	\$	24,577	\$	5,887

Net Revenues

Despite the partial interruption in San Andres and Aranzazu, net revenues for the three months ended June 30, 2020 increased \$10,460, a 21% growth compared to same period of 2019; this was a result of increased production and revenues in EPP of \$11,716.

Exploration expenses

	For the three months ended June 30, 2020		For the three months ended June 30, 2019		For the six months ended June 30, 2020		For the six months ended June 30, 2019	
San Andrés	\$	42	\$	51	\$	237	\$	109
EPP mines		826		869		1,433		1,784
Aranzazu		34		172		62		215
Gold Road		-		-		8		-
Total	\$	902	\$	1,092	\$	1,740	\$	2,108

The exploration expense for other EPP project and Aranzazu, mainly represents costs related to increased efforts to discover potential new mining areas. At Gold Road, which was acquired on March 27, 2020, exploration expenditures have been incurred to detail mine reserves and resources.

Care and maintenance expenses

	For the three months ended June 30, 2020		For the three months ended June 30, 2019		For the six months ended June 30, 2020		For the six months ended June 30, 2019	
Rio Novo projects	\$	107	\$	331	\$	273	\$	622
EPP Project		107		358		270		843
Gold Road		-		-		107		-
Total	\$	214	\$	689	\$	650	\$	1,465

The care and maintenance expense for other Brazilian projects and Rio Novo projects mainly represents costs with respect to maintaining adequate provisions for security, contracts, environmental licenses and adequate maintenance of the assets. The cost reduction in Brazilian projects is mainly related to cost reduction initiatives in Rio Alegre and São Francisco, and also related to the devaluation of the Brazilian Real against the US Dollar in the period.

General and administrative costs

	For the three months ended June 30, 2020	For the three months ended June 30, 2019	For the six months ended June 30, 2020	For the six months ended June 30, 2019
Salaries, wages and benefits	\$ 1,298	\$ 1,638	\$ 2,545	\$ 2,858
Professional and consulting fees	483	930	1,530	1,567
Legal, Filing, listing and transfer agent fees	(3)	167	786	209
Insurance	370	253	649	433
Directors' fees	60	38	92	77
Occupancy cost	45	52	97	99
Merger and acquisition	-	-	28	-
Travel expenses	27	146	172	332
Share-based payment expense	132	110	257	228
Depreciation and amortization	3	9	13	14
Lease depreciation expense	27	24	52	51
Other	633	210	923	347
Total	\$ 3,075	\$ 3,577	\$ 7,144	\$ 6,215

In Q1 2020 and Q2 2020, Aura incurred expenses related to the 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 \$1,086. However, these expenses were capitalized as an asset. For additional details, please see Note 9 of the Financial Statements.

Finance Costs

	For the three months ended June 30, 2020	For the three months ended June 30, 2019	For the six months ended June 30, 2020	For the six months ended June 30, 2019
Accretion expense	\$ 553	\$ 225	\$ 1,102	\$ 448
Lease interest expense (note 17(b))	18	(91)	39	29
Interest expense on debts (note 13)	1,739	773	2,596	1,462
Finance cost on post-employment benefit	213	288	376	288
Other interest and finance costs	(23)	13	109	28
Total	\$ 2,500	\$ 1,208	\$ 4,222	\$ 2,255

The increase in interest expense on debts is mostly related to the increase in the gross debt as the Company has withdrawn credit lines to fund the Ernesto Project in Brazil (see Section 8 - Liquidity and Capital Resources) and the addition of the Gold Road debt, which has an implicit cost of 16.5% p.a.. For further information, refer to Note 13 of the Financial Statements.

The increase in accretion expense is related to changes in assumptions during 2019 for related to the new right-of-use assets. For further information, refer to Note 17 of the Financial Statements.

Other (losses) income

	For the three months ended June 30, 2020	For the three months ended June 30, 2019	For the six months ended June 30, 2020	For the six months ended June 30, 2019
Net loss on call options and fixed price contracts - Gold	\$ (2,988)	\$ (2,125)	\$ (4,433)	\$ (2,162)
Net gain (loss) on call options - Copper	(1,679)	-	148	-
Net gain (loss) on foreign currency derivatives	(2,875)	282	(6,040)	757
Gain (loss) on FV Option of Pandion debt	1,400	-	1,400	-
Foreign exchange (loss) gain	(336)	(737)	(3,990)	(1,150)
Other items	(631)	219	(763)	354
Total	\$ (7,109)	\$ (2,361)	\$ (13,678)	\$ (2,201)

The net loss on call/put options and fixed price contracts for gold increased for the six months in 2020 due to the fact that gold market prices increased significantly in first six months 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 six months in 2020 due to the fact that there was a significant devaluation of the Brazilian Reais against the US Dollar.

The Company manages the volatility risk for metal prices and foreign exchange (Brazilian Real) with focus on partially protecting and short term cash flows (up to 6 months). For the hedging practice adopted, the Company uses derivative instruments, such as options (zero cost collars), futures and swaps.

As the liquidity increases, the Company is reducing the need for short-term protection. In the table below we provide additional details on the positions and results for gold, copper and currency derivatives for the second quarter of 2020 and the outstanding positions as of June 30, 2020:

	Prejuízo realizado 2T 2020 (US\$ 000)	Prejuízo não realizado 2T 2020 (US\$ 000)	Posição em aberto em 30 de junho de 2020	Preço de exercício médio de contratos em aberto em 30 de junho de 2020	Número de meses projetados cobertos em produção em 30 de junho de 2020*
Gold	\$ 2,427	\$ 561	16,422 Ozs	\$1,681/ OZ	1.5 months
Copper	(253)	1,932	4,690/ lbs	\$2.71/ lb	2.3 months
Currency (BRL / USD)	\$ 2,842	\$ 33	US\$ 13,250,000	R\$ 4.55 / USD	1.0 month

* Assumptions: (a) Gold: Considering Q1 2020 gold Production in San Andres and Q2 gold production in Aranzazu and EPP; (b) Copper: Considering Q2 Copper production in Aranzazu; (c) Considering Q2 Net Revenues from EPP

Copper was traded at 2.1759 / lb at the end of first quarter of 2020. As result, the Company recognized unrealized gains in the first quarter due to put options owned by the Company with strike price above that level. At the end of the second quarter of 2020, copper prices recovered significantly and ended the period traded at \$ 2.7388 / lb. As result, most of the unrealized gain of \$ 1,827 recorded at the end of the first quarter had to be reversed in the second quarter of the year and the Company recorded a derivative liability associated with the outstanding call options sold in the amount of \$268.

7. SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected unaudited interim consolidated financial information for each of the eight most recently completed quarters. As previously mentioned, broader Pandemic impact has led to certain shipping delays on our operations in Brazil and Honduras, affecting results for first quarter of 2020. Sales results to be reflected on second quarter of 2020.

<i>Fiscal quarter ended</i>	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2019
Net Revenue	\$ 60,834	\$ 48,626	\$ 69,653	\$ 69,919	\$ 50,374	\$ 36,255	\$ 34,165	\$ 33,176
Net current assets (liability)	7,409	19,233	22,820	9,528	(3,279)	6,179	18,374	32,866
Property, plant and equipment	244,225	243,402	212,496	214,361	215,059	214,441	205,197	142,244
Impairment recovery (1)	-	-	-	-	-	-	53,701	-
(Loss) Income for the period	\$ 3,985	\$ (17,664)	\$ 29,725	\$ 3,799	\$ (3,913)	\$ (4,723)	\$ 45,179	\$ 837
(Loss) Income per share								
Basic	\$ 0.92	\$ (4.06)	\$ 6.83	\$ 0.87	\$ (0.90)	\$ (1.08)	\$ 10.42	\$ 0.20
Diluted	\$ 0.92	\$ (4.02)	\$ 6.80	\$ 0.87	\$ (0.90)	\$ (1.08)	\$ 10.26	\$ 0.20

¹ For the quarter ended December 31, 2018, impairment reversal recorded is related to restart of Aranzazu.

8. LIQUIDITY AND CAPITAL RESOURCES

Management of the Company believes that our ongoing operations and associated cash flows will provide sufficient 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.

The changes in the Company's cash position during the first quarter of 2020 are detailed as follows:

	For the three months ended June 30, 2020	For the three months ended June 30, 2019	For the six months ended June 30, 2020	For the six months ended June 30, 2019
Net cash generated by (used in) operating activities	\$ 10,483	\$ 1,200	\$ 14,344	\$ 6,982
Net cash generated by (used in) investing activities	(10,791)	(1,344)	(21,306)	(4,027)
Net cash generated by (used in) financing activities	(2,896)	(3,689)	(3,283)	1,550
	\$ (3,204)	\$ (3,833)	\$ (10,245)	\$ 4,505

The decrease in overall cash position of \$10,245 during the six months ended June 30, 2020, was made up of:

- Positive cash flow from operating activities of \$14,344
- Cash used in investing activities of \$(21,306) made up of: purchases of property, plant and equipment, which included the following non-recurring projects:
 - o in EPP the mine development of Ernesto project \$(6,356)
 - o in San Andres:
 - the construction of a new leaching area \$ (1,430); and
 - mine development at the Esperanza area \$ (1,226); and
 - o the development of the Gold Road mine \$ (2,526).
- Cash flow from financing activities of \$(3,283) made up of a new loan of \$ 8,000, minus repayment of short term loans (\$5,117), interest paid on debts (\$1,705), repayment of other liabilities (\$696) principal payments of lease liabilities (\$614), Payments from exercise of stock options (\$107) and \$3,044 corresponding to dividends declared in December of 2019 and paid in January of 2020.

Financial debt	Total	Less than 1 year	1 - 3 years	4 - 5 years
Banco Occidente	\$ 1,500	\$ 1,500	-	-
Banco Atlántida	5,658	1,740	3,482	436
Banco ABC Brasil S.A.	6,809	5,459	1,350	-
Banco Santander Brasil	4,633	4,633	-	-
Banco Votorantim	3,629	1,566	2,063	-
FIFOMI Credit Facility	3,004	438	1,502	1,064
IXM S.A.	11,733	10,900	833	-
Pandion	26,211	5,426	17,737	3,048
Itau	8,146	1,746	6,400	-
Total	\$ 71,323	\$ 33,408	\$ 33,367	\$ 4,548

For a detailed discussion of the above noted debts, please see *Note 13* 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.

Currently management is working to replace short term credit with longer term finance credit lines.

9. CONTRACTUAL OBLIGATIONS

Except as set forth in this MD&A, for the quarter ended June 30, 2020 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 future liabilities and payables:

Financial instrument	Total	Less than 1 year	1 - 3 years	4 - 5 years	Over 5 years
Trade and other payable	\$ 57,177	\$ 57,177	-	-	-
Derivative financial liabilities	3,892	3,892	-	-	-
Short-term and Long-term debt	71,323	33,408	33,367	4,548	-
Provision for mine closure and restoration	31,746	-	3,436	2,845	25,465
Other liabilities and leases	1,710	1,249	461	-	-
Total	\$ 165,848	\$ 95,726	\$ 37,264	\$ 7,393	\$ 25,465

10. RELATED PARTY TRANSACTIONS

Irajá Royalty Payments

As part of the EPP transaction with Yamana Gold Inc. ("Yamana"), Mineração Aipoena S.A. ("Aipoena") entered into a royalty agreement (the "EPP Royalty Agreement"), dated June 21, 2016, with Serra da Borda Mineração e Metalurgia S.A. ("SBMM"), Yamana's wholly-controlled subsidiary. Commencing on and from June 21, 2016, Aipoena 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 Aipoena (the "Subject Metals") sold or deemed to have been sold by or for Aipoena. Effective as at such time as Aipoena 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 Aipoena.

On October 27, 2017, SBMM entered into an agreement (the "Royalty Swap Agreement") with Irajá Mineração 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 \$760 in first six months of 2020 and has a liability outstanding of \$159 at June 30, 2020.

Key Management Compensation

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, 2020 and 2019 are as follows:

	For the three months ended June 30, 2020	For the three months ended June 30, 2019	For the six months ended June 30, 2020	For the six months ended June 30, 2019
Salaries and short-term employee benefits	\$ 1,091	\$ 973	\$ 1,573	\$ 1,413
Share-based payments	123	112	246	216
Termination benefits	4	51	4	297
Total	\$ 1,218	\$ 1,136	\$ 1,823	\$ 1,926

11. 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.

12. CRITICAL ACCOUNTING ESTIMATES

The preparation of the 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.

The Company has identified the following 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.

a) Determination of ore reserves and reserves

The Company determines mineral resources and reserves under the principles incorporated in the Canadian Institute of Mining, Metallurgy and Petroleum standards for mineral reserves and resources, known as the CIM Standards. The information is regularly compiled by Qualified Persons and reported under National Instrument 43-101, Standards of Disclosure for Mineral Projects ("NI-43-101"). Mineral reserves and resources determined in this way are used in the calculation of depletion expense, assessment of impairment charges and the carrying values of assets, and for forecasting the timing of the payment of mine closure and restoration costs.

There are numerous uncertainties inherent in estimating mineral resources and reserves, and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and resources and may, ultimately, result in reserves and resources being restated.

b) Impairment of assets

In accordance with the Company's accounting policy, each asset or CGU is evaluated at each reporting date to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or CGU is measured at the higher of FVLCD or VIU.

The determination of FVLCD and VIU requires management to make estimates and assumptions about expected production and sales volumes, metals prices, reserves, operating costs, mine closure and restoration costs, future capital expenditures and appropriate discount rates for future cash flows. The estimates and assumptions are subject to risk and uncertainty, and as such there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reduced with the impact recorded in the consolidated statements of income (loss).

If, after the Company has previously recognized an impairment loss, circumstances indicate that the recoverable amount of the impaired assets is greater than the carrying amount, the Company reverses the impairment loss by the amount the revised fair value exceeds its carrying amount, to a maximum of the previous impairment loss. In no case shall the revised carrying amount exceed the original carrying amount, after depreciation or amortization, that would have been determined if no impairment loss had been recognized.

c) Valuation of work-in-process inventory

Leach pad inventory is comprised of ore that has been extracted from the mine and placed on the heap leach pad for further processing. Costs are added to leach pad inventory based on current mining costs and are removed from leach pad inventory as gold ounces are recovered in the plant, based on the average cost per recoverable ounce on the heap leach pad. The quantity of recoverable gold in process is an engineering estimate which is based on the expected grade and recovery of gold from the ore placed on the leach pad. The nature of the leaching process inherently limits the ability to precisely monitor inventory levels. However, the estimate of recoverable gold placed on the leach pad is reconciled to actual gold production and the engineering estimates are refined based on actual results over time. The ultimate recovery of gold from each heap leach pad will not be known until the leaching process is concluded.

Ore in stockpiles is comprised of ore extracted from the mine and available for further processing. Costs are added to ore in stockpiles at the current mining cost and are removed at the accumulated average cost per ton.

d) Provisions for mine closure and restoration

The amounts recorded for mine closure and restoration obligations are based on estimates prepared by third party environmental specialists, if available, in the jurisdictions in which the Company operates or by environmental specialists within the Company. These estimates are based on remediation activities that are required by environmental laws, the expected timing of cash flows, and the pre-tax risk-free interest rates on which the estimated cash flows have been discounted. These estimates also include an assumption on the rate at which the costs may inflate in future periods. Actual results could differ from these estimates. The estimates on which these fair values are calculated require extensive judgment about the nature, cost and timing of the work to be completed, and may change with future changes to costs, environmental laws and regulations and remediation practices.

e) Purchase price allocation

Business combinations require judgement and estimates to be made at the date of acquisition in relation to identifying the acquirer, determining assets and liability fair values. The estimate of reserves and resources is subject to assumptions relating to life of the mine and may change when new information becomes available.

Changes in reserves and resources as a result of factors such as production costs, recovery rates, grade or reserves or commodity prices could impact depreciation rates, asset carrying values and decommissioning provision. Changes in assumptions over long-term commodity prices, market demand and supply, and economic and regulatory climates could also impact the carrying value of assets.

The excess of the:

- Consideration transferred,
- Amount of any non-controlling interest in the acquired entity, and
- Acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

f) Income Taxes

Preparation of the consolidated financial statements requires an estimate of income taxes in each of the jurisdictions in which the Company operates. The process involves an estimate of the Company's current tax exposure and an assessment of temporary differences resulting from differing treatment of items, such as depletion and amortization, for tax and accounting purposes, and when they might reverse.

These differences result in deferred tax assets and liabilities that are included in the Company's consolidated statements of financial position. An assessment is also made to determine the likelihood that the Company's future tax assets will be recovered from future taxable income. To the extent that recovery is not considered likely, the related tax benefits are not recognized.

Judgment is required to continually assess changing tax interpretations, regulations and legislation, to ensure liabilities are complete and to ensure assets, net of valuation allowances, are realizable. The impact of different interpretations and applications could be material.

13. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments as of June 30, 2020 consist of cash and cash equivalents, receivables, derivative liabilities, short-term loans, and trade and other payables, presented at fair value. The Company's financial instruments are denominated in USD.

Gold Price Risk is associated primarily with the volatility that will occur in the precious metals commodity market. Such risk can be managed by hedging a portion of the Company's oxide gold production through fixed price contracts and put/call option contracts. During the six months ended June 30, 2020, the Company entered into zero-cost put/call collars intermediated by several financial institutions, in a total of 10,500 ounces with floor prices between \$1,440 and \$1,560 (average strike price of \$1,520) and ceiling prices between \$1,555 and \$1,680 (average strike price of \$1,639) per ounce of gold expiring between March 31, 2020 and October 31, 2020. As of June 30, 2020, there were 7,000 ounces with floor prices between \$1,440 and \$1,560 (average strike price of \$1,496) and ceiling prices between \$1,520 and \$1,680 (average strike price of \$1,618) per ounce of gold expiring between July 31, 2020 and October 31, 2020. As of June 30, 2020, the Company recorded a derivative liability on these outstanding options of \$1,052.

Copper Price Risk is associated primarily with the volatility that will occur in the base metals' commodity market. Such risk can be managed by hedging a portion of the Company's copper production through fixed price contracts and put/call option contracts. During the six months ended June 30, 2020, the Company entered into zero-cost put/call collars intermediated by several financial institutions, in a total of 8,126.94 pounds with floor prices between \$2.3002 and \$2.6000 (average strike price of \$2.3716) and ceiling prices between \$2.4294 and \$2.9787 (average strike price of \$2.6604) per pound of copper expiring between February 1, 2020 and October 31, 2020. As of June 30, 2020, there were 4,689.96 pounds with floor prices between \$2.3101 and \$2.600 (average strike price of \$2.3722) and ceiling prices between \$2.6517 and \$2.9978 (average strike price of \$2.7120) per ounce of gold expiring between July 1, 2020 and October 31, 2020. As of June 30, 2020, the Company recorded a derivative liability on these outstanding options of \$268.

Credit Risk is associated primarily with trade receivables and derivative contracts. As of June 30, 2020, the Company considers the credit risk with these financial contracts to be low.

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 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.

Foreign Currency Risk is generally associated with transactions denominated in non-USD currencies. The Company is exposed to financial gain or loss as a result of foreign exchange movements against the USD. The Company has operations located in Honduras, Brazil, Mexico and the United States. The Company holds sufficient amounts of its currency to meet its estimated expenditure requirements for these currencies. At June 30 2020, the Company had cash and cash equivalents of \$26,390, of which, \$22,606 were in United States dollars, \$374 in Canadian dollars, \$1,651 in Brazilian reais, \$1,698 in Honduran lempiras, \$58 in Mexican pesos, and \$2 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 \$378.

14. 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 six individuals, four of whom are not independent of the Company and two of whom are unrelated in that they are independent of management. Rodrigo Barbosa is currently not considered independent due to his role as President & CEO of the Company. Fabio Ribeiro is also considered not independent due to his work as Technology Consultant of the Company. Richmond Fenn is currently considered not independent due to his temporary role as Interim General Manager for Gold Road Mine. Mr. Brito is not considered independent because of his affiliation with Northwestern. The Audit Committee is currently comprised of two directors who are independent of management and one director who is not independent.

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. Additionally, any such copy of this MD&A shall be provided to anyone who may request it.

15. 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, CFO 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, CFO 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 June 30, 2020, the Company's CEO, CFO and Corporate Controller have certified that DC&P are effective and that, during the quarter end June 30, 2020, the Company did not make any material changes in the ICFR that materially affected or are reasonably likely to materially affect the Company's ICFR.

16. 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 sales taxes; cash operating cost per ounce of gold equivalent ounce produced; cash operating costs per copper pound produced; EBITDA; Adjusted EBITDA; and Net Debt, 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 income for the quarter to EBITDA and Adjusted EBITDA:

	For the three months ended June 30, 2020	For the three months ended June 30, 2019	For the six months ended June 30, 2020	For the six months ended June 30, 2019
Income (loss) for the year	\$ 3,985	\$ (3,914)	\$ (13,679)	\$ (8,637)
Income tax (expense) recovery	102	(202)	10,822	280
Finance costs	2,500	1,208	4,222	2,255
Other gains (losses)	7,109	2,361	13,678	2,201
Depreciation	5,286	4,759	9,753	10,483
EBITDA	18,982	4,212	24,796	6,582
Impairment reversal	-	-	-	-
Adjusted EBITDA	18,982	4,212	24,796	6,582

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

	For the three months ended June 30, 2020	For the three months ended June 30, 2019	For the six months ended June 30, 2020	For the six months ended June 30, 2019
Cost of goods sold	\$ 42,947	\$ 45,563	\$ 84,883	\$ 80,743
Depreciation	(5,256)	(4,726)	(9,688)	(10,418)
Cost of production	\$ 37,691	\$ 40,837	\$ 75,195	\$ 70,325
Change in inventory	(6,330)	522	(1,070)	(441)
Other adjustments	-	(734)	-	329
Total operating cost of production	\$ 31,361	\$ 40,625	\$ 74,125	\$ 70,213
Gold Equivalent Ounces produced ⁽¹⁾	36,537	41,327	76,273	71,573
Cash operating costs per gold equivalent ounce produced	\$ 858	\$ 983	\$ 972	\$ 981

(1) EPP Mines do not consider pre-commercial production and sale from Ernesto, São Francisco, and Rio Alegre (2020), capitalized.

C. Reconciliation from the consolidated financial statements to cash operating costs per copper equivalent pound produced:

	For the three months ended June 30, 2020	For the three months ended June 30, 2019	For the six months ended June 30, 2020	For the six months ended June 30, 2019
Cost of goods sold	\$ 42,947	\$ 45,563	\$ 84,883	\$ 80,743
Cost of production related to gold operation	(27,136)	(31,030)	(53,492)	(53,267)
Depreciation related to copper	(2,400)	(1,618)	(4,356)	(3,145)
Cost of production	\$ 13,411	\$ 12,915	\$ 27,035	\$ 24,331
Change in inventory	(728)	-	117	(1,000)
Total operating cost of copper pounds produced	\$ 12,683	\$ 12,915	\$ 27,152	\$ 23,331
Contained copper pounds produced	10,129,130	7,579,000	18,916,920	12,329,000
Cash cost per pound of copper produced	\$ 1.25	\$ 1.70	\$ 1.44	\$ 1.89

D. Reconciliation from the consolidated financial statements to realized average gold price per ounce sold, gross:

	For the three months ended June 30, 2020	For the three months ended June 30, 2019	For the six months ended June 30, 2020	For the six months ended June 30, 2019
Gross gold revenue	\$ 44,355	\$ 34,189	\$ 77,198	\$ 60,237
Local gold sales taxes	(1,170)	(643)	(2,740)	(1,100)
Gold revenue, net of sales taxes	\$ 43,185	\$ 33,546	\$ 74,458	\$ 59,137
Ounces of gold sold	25,302	26,255	46,153	46,271
<i>Realized average gold price per ounce sold, gross</i>	\$ 1,753	\$ 1,302	\$ 1,673	\$ 1,302
<i>Realized average gold price per ounce sold, net</i>	\$ 1,707	\$ 1,278	\$ 1,613	\$ 1,278

E. Net Debt:

	June 30, 2020	December 31 2019
Short Term Loans	\$ 33,408	\$ 22,104
Long-Term Loans	37,915	20,850
Less: Cash and Cash Equivalents	(26,390)	(38,870)
Less: Restricted cash	(188)	(230)
Net Debt	\$ 44,745	\$ 3,854

F. Adjusted EBITDA Margin (Adjusted EBITDA/Revenues):

	For the six months ended June 30, 2020	For the six months ended June 30, 2019	For the twelve months ended June 30, 2020	For the twelve months ended June 30, 2019
Net Revenue	\$ 109,460	\$ 86,630	\$ 249,032	\$ 153,970
Adjusted EBITDA	\$ 24,796	\$ 6,582	\$ 72,032	\$ 5,946
Adjusted EBITDA Margin (Adjusted EBITDA/Revenues)	23%	8%	29%	4%

G. Last Twelve Months (LTM) - Adjusted EBITDA:

	June 30, 2020
Q2-2020	\$ 18,982
Q1-2020	5,807
Q4-2019	27,173
Q3-2019	20,070
Last Twelve Months (LTM) - Adjusted EBITDA	\$ 72,032
	June 30, 2019
Q2-2019	\$ 4,213
Q1-2019	2,370
Q4-2018	(245)
Q3-2018	(392)
Last Twelve Months (LTM) - Adjusted EBITDA	\$ 5,946

17. 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.

18. DISCLOSURE OF SHARE DATA

As of June 30, 2020, the Company had the following outstanding: 4,353,602 common shares, 226,720 stock options, and 12,653 deferred share units.

19. CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A, and the documents incorporated by reference herein, 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 operating costs per gold equivalent ounce produced; cash operating costs per copper pound produced; 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; gold hedge programs; the duration or extent of the restrictions and suspensions imposed by governmental authorities as a result of the Pandemic, and the effect that any such restrictions or suspensions may have on our operations and our financial and operational results; the ability of the Company to successfully maintain operations at its producing assets, or to restart these operations efficiently or economically, or at all; the impact of the Pandemic on our workforce, suppliers and other essential resources and what effect those impacts, if they occur, would have on our business; and the ability of the Company to continue as a going concern. 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 operating costs per gold equivalent ounce produced; cash operating costs per copper pound produced; 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.

Known and unknown risks, uncertainties and other factors, many of which are beyond the Company’s ability to predict or control, including any changes to the conditions and limitations imposed by governmental authorities in response to the Pandemic and the duration of such conditions or limitations, 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.