Aura Minerals Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2017

Dated as of March 26, 2018

AURA MINERALS INC. -

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2017

This management's discussion and analysis ("MD&A") should be read in conjunction with Aura Minerals Inc.'s (the "Company") audited condensed consolidated financial statements for the three and years ended December 31, 2017 and 2016 and related notes thereto (the "Financial Statements") which have been prepared in accordance with International Financial Reporting Standards and Interpretations (collectively, "IFRS"). In addition, this MD&A should be read in conjunction with the most recent Annual Information Form ("AIF") as well as other information relating to Aura Minerals as filed on the Company's profile on SEDAR at *www.sedar.com*. This MD&A has been prepared as at March 26, 2018 and provides information that management believes is relevant to assessing and understanding the financial condition of the Company and the results of operations and cash flows for the three and twelve months ended December 31, 2017.

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

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

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

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

1. BACKGROUND AND CORE BUSINESS

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

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

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

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

- *The Aranzazu Copper Mine ("Aranzazu")* – an open-pit and underground mine operation in the state of Zacatecas, Mexico which is currently on care-and-maintenance. On March 8, 2018, the Company announced that, after a competitive bid process, it entered into a $20 million loan facility and an off-take agreement with Louis Dreyfus Company Metals for the re-start of operations and copper concentrates to be produced from the Aranzazu mine.

- *The Sao Francisco Gold Mine ("Sao Francisco")* – an open-pit heap leach gold mine located in the southwest of the state of Mato Grosso, Brazil, approximately 560 km west of Cuiaba, the state capital. Mining at Sao Francisco was suspended in October 2016 however the Company is conducting an exploration program at Sao Francisco to determine if a re-start of the mine is feasible.

On March 22, 2018, the Company completed the sale of its wholly-owned subsidiary, Mineracao Vale Verde Ltda. ("MVV") which owns the Serrote da Laje Project ("Serrote"), a development-stage copper-gold-iron asset located in the central-southern part of the state of Alagoas, Brazil. Total consideration received by the Company for the sale of Serrote was $40 million ($30 million in cash and $10 million by way of a promissory note).

On March 2, 2018, the Company completed the merger of Rio Novo Gold Inc. This MD&A does not include the assets or liabilities acquired in the merger.

1. A cautionary note regarding non-GAAP measures is included in Section 16 of this MD&A

2. FOURTH QUARTER AND YEAR END 2017 FINANCIAL AND OPERATING HIGHLIGHTS[1]

	Three months ended December 31, 2017	Three months ended December 31, 2016	**Twelve months ended December 31, 2017**	Twelve months ended December 31, 2016
FINANCIAL DATA				
IFRS Measures				
Revenue	**$ 38,734**	$ 34,328	**$ 157,711***	$ 146,209
Cost of goods sold	**34,630**	30,211	**131,301**	115,196
Depreciation (included in cost of goods sold)	**5,870**	**3,233**	**13,971**	9,078
Gross Margin	**4,104**	4,117	**26,410**	31,013
Gross Margin (excluding depreciation)	**9,974**	7,350	**40,381**	40,091
Net income (loss)	**$ 6,368**	$ 20,353	**$ 10,181**	$ 19,020
Income (loss) per share - Basic	**$ 0.19**	$ 0.62	**$ 0.30**	$ 0.64
Income (loss) per share - Diluted	**$0.19**	$0.06	**$ 0.30**	$ 0.62
EBITDA	**12,667**	5,355	**29,138**	23,562
Non-IFRS Measures				
Realized average gold price per ounce[1]	**$ 1,282**	$ 1,204	**$ 1,221***	$ 1,206
Net realized average gold price per ounce[1]	**$ 1,026**	$ 927	**$ 941**	$ 912
Cash operating costs per ounce produced[1]	**$ 901**	$ 847	**$ 872**	$ 863
Cash operating costs per ounce sold[1]	**$ 952**	$ 946	**$ 892**	$ 875
All-in costs per ounce sold[1]	**$ 1,253**	$ 1,074	**$ 1,127**	$ 1,052
Total capital expenditures	**$ 1,391**	$ 1,365	**$ 8,807**	**$ 3,752**
OPERATING DATA				
Ore processed (tonnes)	**2,069,335**	2,097,879	**8,147,722**	9,381,679
Gold produced (ounces)	**32,793**	29,145	**136,168**	122,760
Gold sold (ounces)	**30,204**	28,509	**131,585**	121,283

*Revenue excludes $3,015 from PPQ pre-production however the ounces are included for the realized average gold price (refer to note 7 of the Financial Statements).

- Lavrinha and PPQ declared commercial production on January 1, 2017 and August 1, 2017, respectively.

- Income of $6,368 or $0.19 per share for the three months ended December 31, 2017 compared to income of $20,353 or $0.60 per share for three months ended December 31, 2016. Income of $20,353 during the three months ended December 31, 2016 includes $19,886 gain on acquisition of Ernesto/Pau-a-Pique.

- On December 1, 2017, the Company announced that it had entered into an agreement to sell MVV (the Serrote Project) for $40 million. As a result, the Company recorded a reversal of the impairment charge on Serrote in December 31, 2015. This reversal resulted in an increase of the property value by $9.6 million (mineral property value $4.1 million and land and building $5.5 million). After the impairment reversal the book value of the Serrote Project was $24.5 million and is reflected as an asset held for sale in the balance sheet as of December 31, 2017. On March 22, 2018, the Company completed the sale of MVV.

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- Net sales revenue in the fourth quarter of 2017 increased by 12.8% over the fourth quarter of 2016. Net sales revenue for the year ended December 31, 2017 increased by 7.9% in comparison to the year ended December 31, 2016. Details are as follows:

	Three months ended December 31, 2017	Three months ended December 31, 2016	**Twelve months ended December 31, 2017**	Twelve months ended December 31, 2016
Ounces sold				
San Andres	**17,926**	20,361	**80,341**	75,466
Brazilian Mines	**12,278**	8,148	**51,244**	45,817
Total ounces sold	**30,204**	28,509	**131,585**	121,283
Gold sales revenues, *net of local sales taxes*	**$ 38,734**	$ 34,328	**$ 157,711**	$ 146,209
Average gold market price per oz (London PM Fix)	**$ 1,277**	$ 1,335	**$ 1,258**	$ 1,259
Realized average gold price per ounce[1]	**$ 1,282**	$ 1,204	**$ 1,221**	$ 1,206
Net realized average gold price per ounce[1]	**$ 1,026**	$ 927	**$ 964**	$ 912

- The realized average gold price per oz[1] and the net realized average gold price per oz[1] for the three months ended December 31, 2017 and 2016 in the above table of $1,282 and $1,026 respectively compares to the average market prices (London PM Fix) of $1,277 per oz.

- Gold production for the fourth quarter of 2017 was 12.5% higher than the comparable period of 2016. Gold production and cash operating costs per ounce produced[1] for the three and twelve months ended December 31, 2017 and 2016 were as follows:

	Three months ended December 31, 2017		Three months ended December 31, 2016		**Twelve months ended December 31, 2017**		Twelve months ended December 31, 2016	
	Oz Produced	**Cash Operating Costs[1]**	Oz Produced	Cash Operating Costs[1]	**Oz Produced**	**Cash Operating Costs[1]**	Oz Produced	Cash Operating Costs[1]
San Andres	**19,454**	**$874**	21,921	$806	**82,269**	**$849**	78,327	$826
Brazilian Mines	**13,340**	**$939**	7,224	$973	**53,899**	**$908**	44,433	$929
Total / Average	**32,793**	**$901**	29,145	$847	**136,168**	**$872**	122,760	$863

- During the four quarter of 2017, cash operating costs per ounce produced[1] was 6.3% higher, comparable with the same period in 2016 due. The increase was primarily due to heavy rainfall at San Andres and lower cost of production from the Brazilian mines.

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3. OUTLOOK AND STRATEGY

The Company's gold production and cash cost per ounce[1] guidance for 2018 is detailed below:

	Ounces produced		Cash operating costs per ounce produced[1]		Capital expenditures ($'000)	
Gold Mines	**Low**	**High**	**Low**	**High**	**Low**	**High**
San Andres	75,000	90,000	$750	$960	10,000	15,000
EPP Project	55,000	70,000	$781	$934	4,200	6,500
Total	**130,000**	**160,000**	**$763**	**$949**	**14,200**	**21,500**

Aranzazu

The Company is completing a comprehensive technical study of the Aranzazu mine covering key areas of the project such as geology and resource estimates, mining plan and reserves, process engineering, metallurgy, OPEX and CAPEX as well as the associated financial modelling for a potential re-start.

The Company is now in the process of finalizing the report for a final determination of the project's restart as well as hiring experienced and highly qualified personnel for the necessary positions.

On March 8, 2018, the Company announced that, after a competitive bid process, it entered into a $20 million loan facility for the potential re-start of operations and copper concentrates to be produced from the Aranzazu mine. Pursuant to the Facility, the Company may draw-down the full amount of the Facility in three-tranches based on achieving certain milestones at Aranzazu.

At the time of this MD&A, no amounts have been drawdown on the Facility. The Facility includes a 12-month grace period is guaranteed by the Company and its interests in Aranzazu and the San Andres mine. The Off-Take Agreement covers 100% of the copper concentrates to be produced from Aranzazu.

Strategy

The Company's strategy is to generate value through a reduction of cash costs, a continuous performance improvement of our operating assets to gain efficiencies and unlocking value from projects and Care & Maintenance assets. Since assuming the President and Chief Executive Officer position in January 2017, Mr. Barbosa has taken considerable steps to following through on the Company's strategy including but not limited to: (i) obtaining in-country debt in the areas that we operate to reduce cost and gain efficiencies; (ii) focusing on continual improvement including adding a VP, People and Management Processes position; and (iii) ensuring that each operating entity is self-funded and not reliant on any other entity (other than with respect to a start-up / pre-commercial production phase).

Following a careful consideration of options with respect to Serrote, the Company completed the sale of Serrote on March 23, 2018. The sale allows the Company to further develop other projects such as those acquired with the merger of Rio Novo.

Following the completion of the merger with Rio Novo, the Company now has three additional gold projects Almas (Brazil), Matupa (Brazil) and Tolda Fria (Columbia). The Company continues to evaluate its options with respect to these projects however the Company does not anticipate incurring significant expenditures on these projects during 2018.

The Company is conducting exploration activities at Sao Francisco to evaluate a potential re-start of the mine.

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Key Factors

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

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

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

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4. REVIEW OF MINING OPERATIONS

San Andres, Honduras

The table below sets out selected operating information for San Andres for the three months and years ended December 31, 2017 and 2016:

	Three months ended December 31, 2017	Three months ended December 31, 2016	**Twelve months ended December 31, 2017**	Twelve months ended December 31, 2016
Ore mined (tonnes)	**1,795,520**	1,850,838	**6,693,329**	6,531,161
Waste mined (tonnes)	**1,159,631**	1,387,541	**4,983,524**	5,382,371
Total mined (tonnes)	**2,955,152**	3,238,379	**11,676,853**	11,913,532
Waste to ore ratio	**0.65**	0.75	**0.74**	0.82
Ore plant feed (tonnes)	**1,754,560**	1,839,920	**6,699,350**	6,459,139
Grade (g/tonne)	**0.40**	0.45	**0.39**	0.45
Recovery (%)	**86.3%**	83.0%	**96.8%**	83.3%
Production (ounces)	**19,454**	21,921	**82,269**	78,327
Sales (ounces)	**17,926**	20,361	**80,341**	75,466
Cash operating cost per ounce of gold produced[1]	**$ 874**	$ 806	**$ 849**	$ 826

- Total ore and waste mined during the fourth quarter of 2017, was 9% lower than during the same quarter of 2016. Ore mined was 3% lower compared with fourth quarter last year due to occasional short periods of low ore availability in the pits. This is attributed to a delay in entering a new area of the concession due to extended socialization with the local community. Waste mined was 16% lower compared with same quarter of 2016 due to the same reason.

- Gold production at San Andres in the fourth quarter of 2017, decreased by 11% over the same period of 2016 primarily due to ore grade from the mine which was 11% lower than the fourth quarter of 2016. Additionally, dilution of the leach solution caused by excess rainfall in the fourth quarter affected production. Cash operating cost per ounce of gold produced in the fourth quarter of 2017 increased by 8% over the comparable period in 2016 because of higher cost of water treatment, higher costs for pumping and lower production.

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EPP Project: Lavrinha, Brazil

The table below sets out selected operating information for Lavrinha for the three months and years ended December 31, 2017 and 2016:

	Three months ended December 31, 2017	Three months ended December 31, 2016	**Twelve months ended December 31, 2017**	Twelve months ended December 31, 2016
Ore mined (tonnes)	**257,511**	-	**1,234,667**	-
Waste mined (tonnes)	**2,086,247**	-	**6,716,389**	-
Total mined (tonnes)	**2,343,758**	-	**7,951,056**	-
Waste to ore ratio	**8.10**		**5.44**	
Ore plant feed (tonnes)	**274,580**	-	**1,018,479**	-
Grade (g/tonne)	**1.16**	-	**1.15**	
Recovery (%)	**93.3%**		**93.5%**	
Production (ounces)	**9,550**	-	**35,305**	-
Sales (ounces)	**11,828**	-	**35,283**	-
Average cash cost per ounce of gold produced[1]	**$ 832**		**$ 778**	

- On January 1, 2017, the Company declared commercial production at Lavrinha. As a result, both revenue and operating costs for Lavrinha are recognized in the condensed interim consolidated statements of loss and comprehensive loss. In addition, the mine development related to Lavrinha was reclassified to property, plant and equipment and depletion commences.
- During the four quarter of 2017, the Lavrinha mine produced 257,511 tons of ore.
- Total production for the fourth quarter of 2017 was 9,550 ounces of gold.

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EPP Project: Pau-a-Pique, Brazil

The table below sets out selected operating information for Pau-a-Pique for the three months and years ended December 31, 2017 and 2016. The information below includes pre-commercial production from the Pau a Pique Mine:

	Three months ended December 31, 2017	Three months ended December 31, 2016	**Twelve months ended December 31, 2017**	Twelve months ended December 31, 2016
Ore mined (tonnes)	**39,923**	-	**131,134**	-
Waste mined (tonnes)	**16,541**	-	**47,431**	-
Total mined (tonnes)	**56,465**	-	**178,565**	-
Waste to ore ratio	**0.41**		**0.36**	
Ore plant feed (tonnes)	**40,195**	-	**127,225**	-
Grade (g/tonne)	**3.00**	-	**2.58**	
Recovery (%)	**93.3%**		**93.4%**	
Production (ounces)	**3,612**	-	**9,855**	-
Sales (ounces)	**-**	-	**6,582**	-
Average cash cost per ounce of gold produced[1]	**$ 954**		**$ 1,317**	

- On August 1, 2017, the Company declared commercial production at the Pau-a-Pique mine. As a result, both revenue and operating costs for PPQ are recognized in the condensed interim consolidated statements of loss and comprehensive loss. In addition, the mine development related to PPQ was reclassified to property, plant and equipment and depletion commences.

- During the fourth quarter of 2017, total ore mined at the Pau-a-Pique mine was 32,846 tonnes and production was 3,032 ounces of gold.

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Sao Francisco, Brazil

The table below sets out selected operating information for Sao Francisco for the three months and years ended December 31, 2017 and 2016:

	Three months ended December 31, 2017	Three months ended December 31, 2016	**Twelve months ended December 31, 2017**	Twelve months ended December 31, 2016
Ore mined (tonnes)	**-**	123,059	**-**	1,967,530
Waste mined (tonnes)	**-**	-	**-**	202,164
Total mined (tonnes)	**-**	123,059	**-**	2,169,694
Waste to ore ratio				0.10
Ore plant feed (tonnes)	**-**	257,959	**302,669**	2,922,540
Grade (g/tonne)	**-**	0.15	**0.65**	0.49
Recovery (%)		**589.4%**	**138.8%**	**95.6%**
Production (ounces)	**178**	7,224	**8,739**	44,433
Sales (ounces)	**450**	8,148	**9,379**	45,817
Cash operating cost per ounce of gold produced[1]	**$ 6,385**	$ 973	**$ 971**	**$ 929**

- Mining at Sao Francisco was suspended in October 2016. The processing plant continued through the fourth quarter of 2016. As a result, total plant feed and ounces produced during this period of 2017 were lower than the comparable period in 2016. In 2016 and 2017 the Company initiated a fines recovery project which was subsequently terminated during the fourth quarter of 2017. As a result, the 2017 fourth quarter production was only from the remaining gold at the leaching piles.

- The Company is conducting exploration activities at Sao Francisco to evaluate a potential re-start of the mine.

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5. RESULTS OF OPERATIONS

Details of revenues, cost of goods sold, and gross margin are presented below for the three and twelve months end December 31, 2016 and 2017:

	For the three months ended December 31, 2017	For the three months ended December 31, 2016	**For the twelve months ended December 31, 2017**	For the twelve months ended December 31, 2016
Revenues:				
San Andres	**$ 23,424**	$ 24,328	**$ 96,889**	$ 89,467
Brazilian Mines	**15,310**	10,000	**60,822**	56,742
	38,734	34,328	**157,711**	146,209
Cost of Production:				
San Andres	**17,475**	15,939	**69,183**	61,875
Brazilian Mines	**11,285**	11,039	**48,147**	44,243
	28,760	26,978	**117,330**	106,118
Depletion and Amortization:				
San Andres	**4,112**	3,229	**8,386**	9,002
Brazilian Mines	**1,758**	4	**5,585**	76
	5,870	3,233	**13,971**	9,078
Gross Margin:				
San Andres	**1,837**	5,160	**19,320**	18,590
Brazilian Mines	**2,267**	(1,043)	**7,090**	12,423
	4,104	$ 4,117	**$ 26,410**	$ 31,013
Ounces sold:				
San Andres	**17,926**	20,361	**80,341**	75,466
Brazilian Mines	**12,278**	8,148	**51,244**	45,817
	30,204	28,509	**131,585**	121,283
Cash operating costs per ounce sold[1]				
San Andres	**$ 975**	$ 783	**$ 861**	$ 820
Brazilian Mines	**919**	1,355	**940**	966
	$ 952	$ 946	**$ 892**	$ 875
Depletion and amortization per ounce sold[1]				
San Andres	**$ 229**	$ 159	**$ 104**	$ 119
Brazilian Mines	**143**	0	**109**	2
	$ 194	$ 113	**$ 106**	$ 75
Cost of goods sold per ounce sold[1]				
San Andres	**$ 1,204**	$ 941	**$ 964**	$ 939
Brazilian Mines	**1,062**	1,355	**1,049**	967
	$ 1,147	$ 1,060	**$ 998**	$ 950

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Revenues

For the three months ended December 31, 2017, the Company recorded a net income of $6,368 compared to net income of $20,353 for the three months ended December 31, 2016.

For the twelve months ended December 31, 2017, the Company recorded a net income of $10,181 compared to net income of $19,020 for the three twelve months ended December 31, 2016. The differences in net income primarily relate to the gain on acquisition from EPP in 2016 and the impairment reversal of Serrote in 2017 as well as an increase in general and administrative costs (Refer to Section 2 Fourth Quarter and Year End 2017 Financial and Operating Highlights and General and administrative costs below).

Net sales revenue in the fourth quarter of 2017 increased by 12.8% over the fourth quarter of 2016.

Net sales revenue for the year ended December 31, 2017 increased by 7.9% in comparison to the year ended December 31, 2016.

Cost of Goods Sold

Total cost of goods sold from San Andres during the fourth quarter of 2017 increased 12.6% in comparison to the same period in 2016 due to lower production. During the fourth quarter of 2017, cash operating cost per ounce sold[1] was higher by 17.8% than the comparable period in 2016 due to a 19.2% decrease in the sales volume.

Total cost of production for the Brazilian Mines during the fourth quarter of 2017 increased by 31.2% due to beginning of the PPQ operations. Cash operating cost per ounce sold[1] was 4.7% lower due to an increase in sales volume.

Care-and-maintenance expenses

Care-and-maintenance expenses include:

	Three months ended December 31, 2017	Three months ended December 31, 2016	**Twelve months ended December 31, 2017**	Twelve months ended December 31, 2016
Aranzazu Mine	**$ 347**	$ 666	**$ 2,125**	$ 1,946
Brazilian projects	**1,183**	378	**2,943**	6,053
	$ 1,530	$ 1,044	**$ 5,068**	$ 7,999

Care-and-maintenance expenses primarily relate to maintaining provisions for security personnel and surveillance of the properties. The Brazilian projects include Serrote and Rio Alegre *(See Section 10, Transactions with Related Parties).*

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General and administrative costs

For the years ended December 31, 2017 and 2016, general and administrative costs include:

	2017	2016
Salaries, wages and benefits	**$ 3,501**	$ 2,962
Professional and consulting fees	**5,151**	2,129
Legal provision and settlements	**978**	585
Insurance	**314**	355
Directors' fees	**256**	325
Occupancy cost	**288**	279
Merger and acquisitions	**1,666**	-
Travel expenses	**336**	108
Other	**1,574**	1,142
	$ 14,064	$ 7,885

The increases in general and administrative costs from 2016 to 2017 primarily relate to the following items:

- Consultants at Aranzazu for the potential re-start of the mine and the ongoing technical work covering key areas of the project such as geology and resource estimates, mining plan and reserves, process engineering, metallurgy, OPEX and CAPEX as well as the associated financial modelling (*professional and consulting fees*)
- Consultants at EPP with respect to the continuous improvement project during the ramp-up phases (*professional and consulting fees*)
- Non-recurring expense related to termination benefit obligations to the Company’s former Chief Executive Officer (*professional consulting fees*)
- Increased fees associated with the merger of Rio Novo Gold Inc. including legal, financial, regulatory and compliance with MI 61-101 *Protection of Minority Security Holders in Special Transactions* (*mergers and acquisitions*)
- Increased fees associated with the sale of MVV (Serrote) including legal, financial and tax (*mergers and acquisitions*)
- Payout from a deferred share unit that was issued to a former Director of the Company in lieu of director fees (*directors’ fees*)
- Increased travel costs due to additional travelling of the Company’s officers and consultants to EPP and Aranzazu (all flights are booked in economy class subject to limited exceptions) (*travel expenses*)

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Finance Cost

The increase in interest expense on debts is related to the new debts (refer to Section 7, Liquidity and Capital Resources):

	2017	2016
Accretion expense	**$ 1,301**	$ 1,184
Interest expense on debts (note 13 in the Financial Statements)	**1,437**	652
Finance cost on post-employment benefit	**60**	451
Other interest and finance costs	**754**	434
	$ 3,552	$ 2,721

Other (losses) income

	For the three months ended December 31, 2017	For the three months ended December 31, 2016	**For the twelve months ended December 31, 2017**	For the twelve months ended December 31, 2016
Net loss on call options and fixed price contracts	**$ (684)**	$ 1,028	**$ (2,679)**	$ (5,137)
Changes in fair value of gold loans (note 9(b) in the Financial Statements)	**-**	864	**(427)**	(1.978)
Change in estimate of provision for mine closure and restoration	**(3,894)**	2,738	**(513)**	2.738
VAT and other taxes recoveries	**2,873**	-	**8,678**	
Gain on disposal of assets	**129**	(27)	**771**	1.509
Foreign exchange (loss) gain	**3,585**	49	**(111)**	(866)
Other items	**(1,930)**	(558)	**(1,937)**	778
	$ 79	$ 4,094	**$ 3,782**	$ (2,956)

During the three months ended December 31, 2017, other income increased mainly because a change in the estimate of the provision mine closure cost and restoration in Brazil plus VAT (value added taxes) recoveries in Honduras offset by foreign exchange losses.

1. A cautionary note regarding non-GAAP measures is included in Section 16 of this MD&A

6. SUMMARY OF QUARTERLY RESULTS

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

Fiscal quarter ended	**December 31, 2017**	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Revenue	**$ 38,734**	$ 39,828	$ 44,247	$ 34,902	$ 34,328	$ 40,016	$ 36,415	$ 35,450
Working capital	**29,109**	11,970	5,332	9,110	6,459	(1,442)	(4,169)	(1,094)
Property, plant and equipment	**80,700**	102,689	100,673	102,203	102,758	86,565	87,801	75,031
Impairment recovery*	10,007	-	-	-	-	-	-	-
Gain on acquisition of EPP Project	-	-	-	-	19,886	-	-	-
(Loss) Income for the period	**6,368**	4,594	4,242	(5,023)	20,353	734	(2,048)	(19)
(Loss) Income per share								
Basic	**$ 0.19**	$ 0.14	$ 0.13	$ (0.15)	$ 0.62	$ 0.10	$ (0.10)	$ (0.01)
Diluted	**$ 0.19**	$ 0.14	$ 0.13	$ (0.15)	$ 0.60	$ 0.10	$ (0.10)	$ (0.01)

*For the quarter ended December 31, 2017 impairment recovery recorded is related to the sale of MVV and the Serrote Project.

Refer to Section 7, Liquidity and Capital Resources, for changes in cash and cash equivalents. For further additional information on period to period variations, see *Section 3, Review of Mining Operations and Development Projects* and *Section 5, Results of Operations.*

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7. LIQUIDITY AND CAPITAL RESOURCES

During the twelve months ended December 31, 2017, cash increased from $10,713 at the beginning of the period to $11,789 at the end of the period. Details are as follows:

	2017	2016
Cash flow generated by operating activities	**$ 6,538**	$ 13,414
Cash flow used by investing activities	**(7,888)**	(3,752)
Cash flow generated by financing activities	**2,427**	(1,210)
(Decrease) increase in cash and cash equivalents	**$ 1,076**	$ 8,452

The increase in cash position, $1,076 during the twelve months ended December 31, 2017, was made up of:

- Cash flow from operating activities of $6,538:
  - made up of net profits of $10,181;
  - items not affecting cash of $6,818 (see note 25(a) of the Financial Statements) offset by
  - changes in working capital ($9,269) (see note 25(b) of the Financial Statements), taxes paid ($3,727), and changes in other assets and liabilities of $2,535 (see note 25(c) of the Financial Statements);
- Cash used in investing activities of ($7,888) related to purchases of property, plant and equipment; and
- Cash flow from financing activities of $2,427 arising from new debts, net of repayments during the year.

As of December 31, 2017, the Company has the following debt obligations:

Debt Obligations	**Payments ($) Due by Year**				
	Total	**< 1**	**1 – 3**	**4- 5**	**> 5**
Auramet International LLC	3,600	3,600	-	-	-
Banco de Occidente, S.A.	2,875	2,875	-	-	-
Banco Atlantida	7,000	700	6,300	-	-
Banco ABC Brasil S.A.	3,162	1,498	1,664	-	-
Yamana Gold Inc.	9,379	9,379	-	-	-
Total	**26,016**	**18,052**	**7,964**		

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 (see note 12 of the Financial Statements) owing within one year and for mine closure and restoration (see note 15 of the Financial Statements).

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8. CONTRACTUAL OBLIGATIONS

Except as set out in this MD&A, for the three months December 31, 2017 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.

9. TRANSACTIONS WITH RELATED PARTIES

On January 1, 2015, the Company entered into a consulting agreement for the provision of management services to the Company, including those of the President and Chief Executive Officer, with Acumen Capital, LLC ("Acumen"), a US based company which is controlled by Jim Bannantine, the Company's former President and Chief Executive Officer. The consulting agreement was terminated on January 15, 2017. For the twelve months ended December 30, 2017, the Company paid consulting fees and termination benefits to Acumen of $455 (2016: $1,027). As at December 30, 2017, the Company owed $579 (December 31, 2016: $64) to Acumen, mainly related to termination benefits.

In connection with Company's due diligence conducted on the EPP Project and subsequent acquisition of the project, the Company investigated an area known as Rio Alegre, which was not originally included in the EPP Project that was acquired from Yamana. It was the Company's intention to acquire the licenses of Rio Alegre due to the close proximity to the EPP's processing plant, subject to positive due diligence. The exploration licenses for Rio Alegre are held in the name of Mineração Tarauacá Indústria e Comércio S.A. ("Tarauacá"), a company controlled by Paulo Brito, the Company's non-executive Chairman and largest shareholder through his control and direction of Northwestern Enterprises Ltd. Following initial discussions with Tarauacá, and additional due diligence on Rio Alegre, the Company and Tarauacá entered into an agreement for the Company to acquire Rio Alegre at no cost to the Company. Tarauacá has applied to the National Department of Mineral Production for the assignment of the exploration license and the formal assignment is expected shortly. For the twelve months ended December 30, 2017, the Company spent $576 (2016: $nil) maintaining the property which was primarily related to security.

10. CHANGES IN ACCOUNTING POLICIES

Unless otherwise noted, the following revised standards and amendments are effective for annual periods beginning on or after January 1, 2017, with earlier application permitted. The Company reviewed the new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Company:

IFRS 16, Leases

On January 13, 2016, the IASB published a new Standard, IFRS 16, Leases ("IFRS 16"). The new standard brings most leases onto the balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company is currently evaluating the impact of IFRS 16 on its consolidated financial statements. The Company will complete its assessment in 2018.

IFRS 15, Revenue from Contracts and Customers

IFRS 15, Revenue from Contracts and Customers ("IFRS 15") was issued by the IASB on May 28, 2014, and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control based approach to recognize revenue which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is

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effective for annual periods beginning on or after January 1, 2018. The Company is assessing the impact of the standard on its consolidated financial statements and does not anticipate the Company's consolidated financial statements to be significantly affected by IFRS 15. The Company will complete its assessment by year-end.

IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosure

The final version of IFRS 9, Financial Instruments ("IFRS 9"), was issued by the IASB in July 2014 and will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially reformed approach to hedge accounting. The new single, principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit and loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however it is available for early adoption. In addition, the own credit risk changes can be early adopted in isolation without otherwise changing the accounting for the financial instruments.

IFRS 7 (Financial Instruments: Dislcosure) addresses the disclosure of financial assets and financial liabilities in the financial statements. IFRS 7 will be amended to require additional disclosures on transition from IAS 39 to IFRS 9, effective on adoption of IFRS 9.

The Company is assessing the impact of IFRS 7 and 9 on its consolidated financial statements and does not anticipate the Company's consolidated financial statements to be significantly affected by IFRS 7 and 9. The Company will complete its assessment by year-end.

IFRS 2, Share-based Payment

In June 2016, the IASB issued amendments to IFRS 2 Share-based Payment ("IFRS 2"), covering the measurement of cash-settled share-based payments, classification of share-based payments settled net of tax withholdings, and accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements, and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments apply for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the impact of IFRS 12 on its consolidated financial statements.

11. 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 Mineral Resources and Mineral 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.

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The information is regularly compiled by Qualified Persons and reported under NI-43-101. 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 cash generating unit ("CGU") is measured at the higher of fair value less cost of disposal ("FVLCD") or value in use ("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).

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 will be 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 tonne.

d) Deferral of stripping costs

In determining whether stripping costs incurred during the production phase of a mining property relate to mineral reserves and mineral resources that will be mined in a future period and therefore should be capitalized, the Company determines whether it is probable that the future economic benefit associated with the stripping activity will flow to the Company.

e) Provisions for mine closure and restoration

The amounts recorded for mine closure and restoration obligations are based on estimates prepared by fourth 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

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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.

12. 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 five individuals, four of whom are neither executive officers nor employees of the Company and three of whom are unrelated in that they are independent of management. Mr. Barbosa is currently not considered independent due to his role as President & CEO of the Company. The Audit Committee is currently comprised of three directors who are independent of management.

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

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

13. 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 and Vice President, Legal Affairs and Business Development, 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 and Vice President, Legal Affairs and Business Development, to provide reasonable assurance that material information related to the Company is made known to the Company's certifying officers.

Based on a review of the ICFR and DC&P as of January 1, 2017 and ongoing review and monitoring of these procedures, and as there were no changes in ICFR or DC&P in the year ended December 31, 2017 which have materially affected or are reasonably likely to materially affect ICFR or DC&P, management of the Company believes its internal controls and procedures are appropriately designed and effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner, and that material information relating to the Company is made known to them.

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14. NON-GAAP PERFORMANCE MEASURES

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

A. Reconciliation from revenue to EBITDA:

	Three months ended December 31, 2017	Three months ended December 31, 2016	**Twelve months ended December 31, 2017**	Twelve months ended December 31, 2016
Revenue	**$ 38,734**	$ 34,328	**$ 157,711**	$ 146,209
Cost of goods sold	**(34,630)**	(30,211)	**(131,301)**	(115,196)
Care-and-maintenance expenses	**(1,530)**	(1,044)	**(5,068)**	(7,999)
General and administrative expenses	**(4,829)**	(627)	**(14,064)**	(7,885)
Exploration expenses	**(955)**	(202)	**(1,782)**	(645)
Impairment reversal	**10,007**	-	**10,007**	-
EBIT	**6,797**	2,244	**15,167**	14,484
Depreciation and amortization	**5,870**	3,233	**13,971**	9,078
EBITDA	**12,667**	5,355	**29,138**	23,562
Non-cash and/or non-recurring				
Gain on disposal of assets	**129**	(27)	**771**	1,509
Other items in other (losses) gains	**(1,930)**	(558)	**(1,937)**	778
Depreciation and amortization	**(5,870)**	(3,233)	**(13,971)**	(9,078)
Net loss on call options and fixed price contracts	**(684)**	1,028	**(2,679)**	(5,137)
Change in estimate of provision for mine closure and restoration	**(3,894)**	2,738	**(513)**	2,738
VAT and other taxes recoveries	**2,873**	-	**8,678**	-
Finance costs	**(548)**	(608)	**(3,552)**	(2,721)
Changes in fair value of gold loans	**-**	864	**(427)**	(1,978)
Foreign exchange (loss) gain	**3,585**	49	**(111)**	(683)
Share-based compensation	**-**	-	**336**	(230)
Gain on acquisition of Ernesto/Pau-a-Pique	**-**	19,886	**-**	19,886
Write-down of inventory to net realizable value	**-**	(366)	**-**	(413)
(Loss) income before taxes	**6,328**	**25,494**	**15,733**	**28,510**
Taxes	**40**	(5,141)	**(5,552)**	(9,673)
Net income (loss)	$ 6,368	$ 20,353	$ 10,181	$ 19,020

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

	Three months ended December 31, 2017	Three months ended December 31, 2016	**Twelve months ended December 31, 2017**	Twelve months ended December 31, 2016
Cost of goods sold	**$ 34,630**	$ 30,211	**$ 131,301**	$ 115,196
Depreciation	**(5,870)**	(3,233)	**(13,971)**	(9,078)
Cost of production	**28,760**	26,978	**117,330**	106,118
Change in inventory	**1,460**	(600)	**(358)**	1,070
Other adjustments	**(688)**	(1,680)	**1,758**	(1,191)
Total operating cost of gold produced	**$ 29,532**	$ 24,698	**$ 118,730**	$ 105,997
Ounces of gold produced	**32,793**	29,145	**136,168**	122,760
Cash operating costs per ounce produced	**$ 901**	$ 847	**$ 872**	$ 863

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

	Three months ended December 31, 2017	Three months ended December 31, 2016	**Twelve months ended December 31, 2017**	Twelve months ended December 31, 2016
Revenue per consolidation	**$ 38,734**	$ 34,328	**$ 157,711**	$ 146,209
Local sales taxes	**2,132**	1,527	**5,344**	4,043
Processing fees	**(9,383)**	(7,998)	**(37,477)**	(33,490)
Realized loss from fixed price contracts	**(491)**	(1,198)	**(1,784)**	(2,952)
Realized loss from call options contracts	**-**	(238)	**-**	(3,188)
Net realized revenue	**$ 30,992**	$ 26,421	**$ 123,794**	$ 110,622
Ounces of gold sold	**30,204**	28,509	**131,585**	121,283
Realized average gold price per ounce sold [1]	**$ 1,282**	$ 1,204	**$ 1,199**	$ 1,206
Net realized average gold price per ounce sold (includes PPQ pre-commercial production) [1]	**$ 9,64**	$ 927	**$ 941**	$ 912

D. Reconciliation from the consolidated financial statements to cash operating costs per ounce sold and all-in costs per ounce sold:

	For the three months ended December 31, 2017	For the three months ended December 31, 2016	**For the twelve months ended December 31, 2017**	For the twelve months ended December 31, 2016
Cost of production	**$ 28,760**	$ 26,978	**$ 117,330**	$ 106,118
Care and maintenance	**1,530**	1,044	**5,068**	7,999
General & administration expenses	**4,829**	749	**14,064**	7,885
Capital expenditures	**1,391**	1,365	**8,806**	3,752
Accretion expense	**384**	293	**1,301**	1,184
Exploration expenses	**955**	202	**1,782**	645
Total all-in costs	**$ 37,849**	$ 30,631	**$ 148,351**	$ 127,583
Ounces of gold sold	**30,204**	28,509	**131,585**	121,283
Cash operating costs per ounce sold	**$ 952**	$ 946	**$ 892**	$ 875
All-in costs per ounce sold	**$ 1,253**	$ 1,074	**$ 1,127**	$ 1,052

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15. 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.

16. DISCLOSURE OF SHARE DATA

As at March 26, 2018, the Company had the following securities outstanding: 43,372,336 common shares, 553,300 stock options, 350,000 share purchase warrants, and 126,529 deferred share units.

17. CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

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

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

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

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or

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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.

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