Aura Minerals Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018

Dated as of November 14, 2018

AURA MINERALS INC.

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This management's discussion and analysis ("MD&A") should be read in conjunction with Aura Minerals Inc.'s (the "Company" or "Aura Minerals") unaudited condensed *c*onsolidated financial statements for the three and nine months ended September 30, 2018 and 2017 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") dated March 26, 2018 as well as other information relating to Aura Minerals as filed on the Company's profile on SEDAR at *www.sedar.com*. This MD&A has been prepared as at the date written on the cover page and provides information that management believes is relevant to assessing and understanding the financial condition of the Company and the results of operations and cash flows for the three and nine months ended September 30, 2018.

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

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

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

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

1. BACKGROUND AND CORE BUSINESS

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

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

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

- *The Ernesto/Pau-a-Pique Project ("EPP Project", "EPP")* – located in the southwest of Mato Grosso state, near Pontes e Lacerda in Brazil which consists of the following gold deposits: the Lavrinha open-pit ("Lavrinha"), the Ernesto 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. On October 16, 2018 the Company announced the first shipment of concentrate from Aranzazu.

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

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

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

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

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

2. THIRD QUARTER 2018 FINANCIAL AND OPERATING HIGHLIGHTS[1]

- Income of $837 or $0.02 per share for the three months ended September 30, 2018 (third quarter) compared to income of $4,594 or $0.14 per share for the third quarter of 2017. The decrease is primarily attributable to the unlawful occupation of a mining area at the San Andres mine in Honduras, and the suspension of activities (October 2017) of the Sao Francisco mine in Brazil. (See Section 4 Review of Mining Operations for further details).

	For the three months ended September 30, 2018	For the three months ended September 30, 2017	**For the nine months ended September 30, 2018**	For the nine months ended September 30, 2017
FINANCIAL DATA				
IFRS Measures				
Revenue	**$ 33,174**	$ 39,828	**$ 123,537**	$ 118,977
Cost of goods sold	**31,495**	31,882	**106,638**	96,671
Depreciation (included in cost of goods sold)	**3,828**	2,529	**11,954**	8,101
Gross Margin	**1,679**	7,946	**16,899**	22,306
Gross Margin (excluding depreciation)	**5,507**	10,475	**28,853**	30,407
Net income (loss)	**$ 837**	$ 4,594	**$ 6,787**	$ 3,813
Income (loss) per share - Basic and diluted	**$ 0.02**	$ 0.14	**$ 0.17**	$ 0.11
OPERATING DATA				
Ore processed (tonnes)	**1,952,807**	1,923,696	**5,963,009**	6,078,387
Gold produced (ounces)	**29,613**	34,189	**95,010**	103,375
Gold sold (ounces)	**28,448**	32,106	**99,031**	101,381

- Net sales revenue in the third quarter of 2018 decreased by 16.7% over the third quarter of 2017. Details are as follows:

	For the three months ended September 30, 2018	For the three months ended September 30, 2017	**For the nine months ended September 30, 2018**	For the nine months ended September 30, 2017
Ounces sold				
San Andres	**14,281**	15,311	**55,027**	62,415
Brazilian Mines	**14,167**	16,795	**44,004**	38,966
Total ounces sold	**28,448**	32,106	**99,031**	101,381
Gold sales revenues, *net of local sales taxes*	**$ 33,174**	$ 39,828	**$ 123,537**	$ 118,977
Average gold market price per oz (London PM Fix)	**$ 1,283**	$ 1,278	**$ 1,282**	$ 1,251
Realized average gold price per ounce[1]	**$ 1,166**	$ 1,241	**$ 1,247**	$ 1,174
Net realized average gold price per ounce[1]	**$ 1,238**	$ 1,290	**$ 1,285**	$ 1,221

- In the three and nine months ended in September 30, 2018 the gold production was 13.4% and 8.1% respectively lower than the same period of 2017. The lower production is due to the unlawful occupation of a mining area at the San Andres mine in Honduras resulting in lower recovery ore being mined and the suspension of activities (October 2017) of the Sao Francisco mine in Brazil.

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- Gold production and cash operating costs per ounce produced[1] for the nine and three months ended September 30, 2018 and 2017 were as follows:

Nine months ended	2018		2017	
	Oz Produced	Cash Operating Costs	Oz Produced	Cash Operating Costs
San Andres	**52,587**	**$ 937**	62,816	$ 841
Brazilian Mines	**42,423**	**$ 849**	40,559	$ 897
Total / Average	**95,010**	**$ 898**	103,375	$ 863

Three months ended	2018		2017	
	Oz Produced	Cash Operating Costs	Oz Produced	Cash Operating Costs
San Andres	**13,844**	**$ 1,062**	18,479	$ 1,003
Brazilian Mines	**15,769**	**$ 750**	15,711	$ 783
Total / Average	**29,613**	**$ 896**	34,190	$ 902

3. OUTLOOK AND STRATEGY

On October 16, 2018, the Company announced the first shipment of concentrate from Aranzazu. Aranzazu is currently in preproduction development and has not yet reached commercial production. Guidance for Aranzazu will be provided in due course.

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

	Ounces produced		Cash operating costs per ounce produce		Capital expenditures ($'000)	
Gold Mines	**Low**	**High**	**Low**	**High**	**Low**	**High**
San Andres	65,000	75,000	$ 900	$ 997	$ 6,000	$ 7,400
Brazilian Mines	55,000	70,000	781	934	4,200	6,500
Total	**120,000**	**145,000**	**845**	**967**	**10,200**	**13,900**

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-and-maintenance assets. The Company has taken considerable steps to following through on the Company's strategy including but not limited to: (i) obtaining in-country debt in the areas that we operate to reduce cost and gain efficiencies; (ii) focusing on continual improvement; and (iii) ensuring that each operating entity is self-funded and not reliant on any other entity (other than with respect to a start-up / pre-commercial production phase).

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

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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).

4. REVIEW OF MINING OPERATIONS

San Andres, Honduras

The table below sets out selected operating information for San Andres for the three and nine months ended September 30, 2018 and 2017:

	For the three months ended September 30, 2018	For the three months ended September 30, 2017	**For the nine months ended September 30, 2018**	For the nine months ended September 30, 2017
Ore mined (tonnes)	**1,568,704**	1,537,568	**4,940,813**	4,897,809
Waste mined (tonnes)	**1,141,487**	1,341,972	**3,353,007**	3,823,892
Total mined (tonnes)	**2,710,191**	2,879,540	**8,293,820**	8,721,701
Waste to ore ratio	**0.73**	0.87	**0.68**	0.78
Ore plant feed (tonnes)	**1,576,625**	1,529,448	**4,957,245**	4,944,789
Grade (g/tonne)	**0.39**	0.37	**0.43**	0.39
Recovery (%)	**69.8%**	101.9%	**77.2%**	100.6%
Production (ounces)	**13,844**	18,479	**52,587**	62,816
Sales (ounces)	**14,281**	15,311	**55,027**	62,415
Average cash cost per ounce of gold produced[1]	**$1,062**	$1,003	**$937**	$841

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

As disclosed in public filings, during certain periods of 2018, Minosa has incurred the illegal occupation of the mine by certain individuals that were making personal demands of the mine. On July 13, 2018 the Company updated its 2018 gold production guidance for the mine and on October 22,2018, the Company announced a suspension of operations at the mine and further decreased its 2018 gold production guidance. On October 30, 2018, the Company announced that it had peacefully resolved the situation and that operations at the mine would begin to resume. The Company has provided updated gold production guidance in this MD&A.

During this period of unlawful occupation, the Company was forced to mine areas outside of the then current mine plan. Although these areas would have eventually be mined, it added cost to the mining operations due to the sequence of mining. Because of this deviation from the mine plan, the total ore and waste mined was similar to the same quarter in 2017 however the recovery rate from that ore was substantially lower because of insufficient metallurgical data about the area. The Company undertook a number of initiatives to reduce the waste mined during these periods.

As at the date of this MD&A, no further individuals are unlawfully occupying the mine. The Company continues to work with local community leaders, Honduran law enforcement and the governmental authorities and is cautiously optimistic that all parties will abide by the terms negotiated and that operations at the San Andres mine will continue uninterrupted by further invasions.

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During the third quarter of 2018 compared to the same period of 2017, summarized results for San Andres are as follows:

- Total ore and waste mined was 6% lower.
- Even though the ore grade was 5% higher than the previous period, the deviation from the mine plan resulted in a 33% reduction of the recovery yield of the ore mined.
- Cash operating cost per ounce of gold produced increased by 6% due to the lower ounces produced and higher mining costs.

EPP Project:

The Lavrinha and Pau-a-Pique mines (discussed further below), have increased 43% and 46% in material moved in the three and nine months ended September 2018, in comparison to same period of 2017, respectively. With higher ore grades (5% increase in comparison to 2017) and better recovery rates, reaching 95.7% in the quarter, EPP obtained a 11% and 34% increase in production for three and nine months ended September 2018, in comparison to same period of 2017, which resulted in a 6% reduction in the average cash cost per ounce produced[1].

EPP Project: Lavrinha, Brazil

The table below sets out selected operating information for Lavrinha for the three and nine months ended September 30, 2018 and 2017.

	For the three months ended September 30, 2018	For the three months ended September 30, 2017	**For the nine months ended September 30, 2018**	For the nine months ended September 30, 2017
Ore mined (tonnes)	**320,082**	404,558	**949,508**	977,156
Waste mined (tonnes)	**2,555,819**	1,631,452	**7,159,380**	4,630,142
Total mined (tonnes)	**2,875,901**	2,036,010	**8,108,888**	5,607,298
Waste to ore ratio	**7.98**	4.03	**7.54**	4.74
Ore plant feed (tonnes)	**320,455**	316,374	**882,801**	743,899
Grade (g/tonne)	**1.16**	1.18	**1.14**	1.15
Recovery (%)	**95.8%**	94.0%	**94.2%**	93.4%
Production (ounces)	**11,436**	11,263	**30,424**	25,755
Sales (ounces)	**11,046**	11,060	**31,887**	23,456
Average cash cost per ounce of gold produced[1]	**$733**	$636	**$833**	$757

With the deepening of the pit, the total volume of material moved increased. At the mine, 960 thousand tonnes per month was moved by the third quarter of 2018, with a waste to ore ratio of 7.98, an increase of 41% and 98% in comparison to same period of 2017, respectively.

Comparing the third quarter of 2018 to 2017, the plant feed increased 1% with, production increasing 2% due to better recovery. Accumulated processed ore for the third quarter of 2018 increased by 19% in comparison to same period of 2017, with production increasing 18%.

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Due to a 41% increase in total material moved and a 2% decrease in ore grade for the third quarter, the average cash cost per ounce of gold produced[1] $ 733, 16% above the same period in 2017 ($632). For the first nine months of the year the average cash cost per ounce of gold produced[1] increased 11%, to $833, despite a 45% increase in total material moved.

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

The table below sets out selected operating information for Pau-a-Pique for the three and nine months ended September 30, 2018 and 2017.

	For the three months ended September 30, 2018	For the three months ended September 30, 2017	**For the nine months ended September 30, 2018**	For the nine months ended September 30, 2017
Ore mined (tonnes)	**55,283**	32,846	**148,612**	91,211
Waste mined (tonnes)	**25,931**	12,927	**78,583**	30,889
Total mined (tonnes)	**81,214**	45,773	**227,195**	122,100
Waste to ore ratio	**0.47**	0.39	**0.53**	0.34
Ore plant feed (tonnes)	**55,726**	31,985	**148,695**	87,030
Grade (g/tonne)	**2.53**	3.14	**2.68**	2.39
Recovery (%)	**95.4%**	94.0%	**93.5%**	93.5%
Production (ounces)	**4,333**	3,032	**11,999**	6,243
Sales (ounces)	**3,121**	4,146	**12,117**	6,582
Average cash cost per ounce of gold produced[1]	**$795**	$1,060	**$891**	$1,527

In the third quarter of 2018, the mine moved 55,283 tonnes of ore, an increase of 7% more than the previous quarter. Accumulated 2018 YTD totaled 148,734 tonnes of ore, an increase of 63% more than the same period of 2017. Including waste moved, the mine moved 86% more material than same period of 2017.

Plant feed reached 55,726 tonnes in third quarter of 2018, an increase of 74% in total ore and a decrease of 19% in ore grade, in comparison to same period of 2017, with production being 43% higher.

Total ore feed was 71% higher and ore grade was 12% higher within the first nine months of the year, in comparison with same period of 2017, reaching a production of 11,999 ounces or a 92% increase, at 2.39 g/t.

The 43% increase in production decreased the average cash cost per ounce produced[1] to $795 for third quarter and $891 for first nine months of the year, a 24% and 41% decrease in comparison to same period of 2017, respectively.

Aranzazu

On October 16, 2018, the Company announced the first shipment of concentrate from Aranzazu. Commercial production at Aranzazu is anticipated to be declared this year. The Company continues to further progress on the

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underground mine development and operational improvements to the plant. Construction of the new tailings disposal system (TD5) is expected to be completed this year.

On July 16, 2018, the Company announced the results of the NI 43-101 Feasibility Study for the restart of operations which study was subsequently filed on SEDAR.

On March 8, 2018, Aranzazu Holding entered into the Facility and Off-Take Agreement with IXM S.A. (formerly Louis Dreyfus). As at the date of this MD&A, $20,000 has been drawdown on the Facility. The Facility includes a 12-month grace period and 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.

5. RESULTS OF OPERATIONS

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

	For the three months ended September 30, 2018	For the three months ended September 30, 2017	**For the nine months ended September 30, 2018**	For the nine months ended September 30, 2017
Revenues:				
San Andres	**$ 16,396**	$ 18,486	**$ 68,096**	$ 73,465
Brazilian Mines	**16,778**	21,342	**55,441**	45,512
	$ 33,174	$ 39,828	**$ 123,537**	$ 118,977
Cost of Production:				
San Andres	**$ 15,789**	$ 14,422	**$ 54,427**	$ 51,708
Brazilian Mines	**11,878**	14,931	**40,257**	36,862
	$ 27,667	$ 29,353	**$ 94,684**	$ 88,570
Depletion and Amortization:				
San Andres	**$ 1,938**	$ 137	**$ 6,285**	$ 4,274
Brazilian Mines	**1,890**	2,392	**5,669**	3,827
	$ 3,828	$ 2,529	**$ 11,954**	$ 8,101
Gross Margin:				
San Andres	**$ (1,331)**	$ 3,927	**$ 7,384**	$ 17,483
Brazilian Mines	**3,010**	4,019	**9,515**	4,823
	$ 1,679	$ 7,946	**$ 16,899**	$ 22,306
Ounces sold :				
San Andres	**14,281**	15,311	**55,027**	62,415
Brazilian Mines	**14,167**	16,795	**44,004**	38,966
	28,448	32,106	**99,031**	101,381
Cash operating costs per ounce sold[1]				
San Andres	**$ 1,106**	$ 942	**$ 989**	$ 828
Brazilian Mines	**838**	889	**915**	946
	$ 973	$ 914	**$ 956**	$ 874
Depletion and amortization per ounce sold[1]				
San Andres	**$ 136**	$ 9	**$ 114**	$ 68
Brazilian Mines	**133**	142	**129**	98
	$ 135	$ 79	**$ 121**	$ 80
Cost of goods sold per ounce sold[1]				
San Andres	**$ 1,241**	$ 951	**$ 1,103**	$ 896
Brazilian Mines	**972**	1,031	**1,044**	1,044
	$ 1,107	$ 993	**$ 1,077**	$ 954

The decrease in revenue is a combination of reduced production of ounces sold in both San Andres and Brazilian mines of 11.4% as well as the reduction in net realized average gold price per ounce of 4% ($1,238 in 2018 vs $1,290 in 2017).

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Care-and-maintenance expenses

Care-and-maintenance expenses include:

	For the three months ended September 30, 2018	For the three months ended September 30, 2017	For the nine months ended September 30, 2018	For the nine months ended September 30, 2017
Aranzazu Mine	$ -	$ 665	$ 721	$ 1,778
Serrote project	-	-	421	626
Rio Novo projects	136	-	294	-
Brazilian projects	1,426	452	2,016	1,134
	$ 1,562	$ 1,117	$ 3,452	$ 3,538

The care-and-maintenance expense for other Brazilian projects, including Sao Francisco and Rio Alegre, and the Aranzazu Mine, mainly represents costs with respect to maintaining adequate provisions for security *(See Section 9, Transactions with Related Parties).*

General and administrative costs

For the three months ended September 30, 2018 and 2017, general and administrative costs include:

	For the three months ended September 30, 2018	For the three months ended September 30, 2017	For the nine months ended September 30, 2018	For the nine months ended September 30, 2017
Salaries, wages and benefits	$ 932	$ 804	$ 3,265	$ 2,755
Professional and consulting fees	821	817	3,571	3,672
Legal, Filing, listing and transfer agent fees	280	430	398	649
Insurance	198	66	590	246
Directors' fees	44	47	134	136
Occupancy cost	104	67	235	213
Travel expenses	139	118	298	253
Share-based payment expense	114	-	152	5
Depreciation and amortization	6	1	24	6
Other	517	1,080	895	1,300
	$ 3,155	$ 3,430	$ 9,562	$ 9,235

General and administrative costs include the following and comparing the third quarter of 2018 to 2017 primarily relate to the following items:

- Salaries, wages and benefits increased due to additional employees at Aranzazu
- Insurance fees increased due to additional coverage at Aranzazu and increased coverage at EPP
- Travel costs increased comparing the nine months 2017 to 2018 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).

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Finance Costs

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

	For the three months ended September 30, 2018	For the three months ended September 30, 2017	For the nine months ended September 30, 2018	For the nine months ended September 30, 2017
Accretion expense	**$ 189**	$ 465	**$ 576**	$ 917
Interest expense on debts (note 11)	**582**	344	**1,714**	1,020
Finance cost on post-employment benefit	**280**	-	**396**	280
Other interest and finance costs	**307**	398	**380**	787
	$ 1,358	$ 1,207	**$ 3,066**	$ 3,004

Other (losses) income

	For the three months ended September 30, 2018	For the three months ended September 30, 2017	For the nine months ended September 30, 2018	For the nine months ended September 30, 2017
Net loss on call options and fixed price contracts	**$ 3,115**	$ (803)	**$ 2,692**	$ (1,995)
Changes in fair value of gold loans (note 11(b))	**-**	-	**-**	(427)
Change in estimate of provision for mine closure and restoration	**-**	3,381	**-**	3,381
VAT and other taxes recoveries	**-**	5,805	**-**	5,805
Gain on disposal of assets	**277**	105	**1,019**	642
Foreign exchange (loss) gain	**1,258**	(4,165)	**(156)**	(3,696)
Other items	**(971)**	(113)	**(1,992)**	(7)
	$ 3,679	$ 4,210	**$ 1,563**	$ 3,703

6. SUMMARY OF QUARTERLY RESULTS

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

Fiscal quarter ended	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
Revenue	**$ 33,176**	**$ 45,338**	**$ 45,023**	$ 38,734	$ 39,828	$ 44,247	$ 34,902	$ 34,328
Working capital	**32,866**	**32,718**	**26,882**	29,109	11,970	5,332	9,110	6,459
Property, plant and equipment	**142,244**	**134,768**	**132,299**	80,700	102,689	100,673	102,203	102,758
Impairment recovery(1)	-	-	-	10,007	-	-	-	-
Gain on acquisition of EPP Project	-	-	**21,898**	-	-	-	-	19,886
(Loss) Income for the period	**837**	**(5,330)**	**11,280**	6,368	4,594	4,242	(5,023)	20,353
(Loss) Income per share								
Basic	**$ 0.02**	**$ (0.12)**	**$ 0.31**	$ 0.19	$ 0.14	$ 0.13	$ (0.15)	$ 0.62
Diluted	**$ 0.02**	**$ (0.12)**	**$ 0.31**	$ 0.19	$ 0.14	$ 0.13	$ (0.15)	$ 0.60

*[1] 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 4, Review of Mining Operations* and *Section 5, Results of Operations.*

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7. 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.

As at September 30, 2018, the financial resources available to the Company in meeting its financial obligations include its positive working capital as well as its other assets including as cash on hand. 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 Company decreased its cash from $37,625 from the beginning of the third quarter of 2018 to $29,732 at the end of the third quarter of 2018. Details are as follows:

	For the three months ended September 30, 2018	For the three months ended September 30, 2017	For the nine months ended September 30, 2018	For the nine months ended September 30, 2017
Net cash generated by (used in) operating activities	**$ 889**	$ 3,052	**$ 8,585**	$ 6,018
Net cash generated by (used in) investing activities	**(11,032)**	(3,912)	**7,975**	(7,415)
Net cash generated by (used in) financing activities	**2,250**	(4,484)	**1,383**	1,168
	$ (7,893)	$ (5,344)	**$ 17,943**	$ (229)

The decrease in cash position, $7,893 during the three months ended September 30, 2018, was made up of:

- Cash flow from operating activities of $889 made up of - net income of $863; items not affecting cash of $2,107 (see note 22(a) of the Financial Statements); changes in working capital of $(3,609) (see note 22(b) of the Financial Statements) and changes in other assets and liabilities $1,554.
- Cash used in investing activities of $(11,032) related to purchases of property, plant and equipment and $9,475 related to the ramp up of Aranzazu.
- Cash flow from financing activities of $2,250, mainly due to withdrawals from the IXM. Facility of $6,000 and repayment of short-term loans of $(2,949).

As of September 30, 2018, the Company has the following debt obligations:

Financial debt	Total	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Banco Occidente	**$ 1,194**	$ 1,033	$ 161	$ -	$ -
Banco Atlántida	**6,664**	1,400	5,264	-	-
Banco ABC Brasil S.A.	**1,664**	1,664	-	-	-
Yamana Loan	**2,778**	2,778	-	-	-
Northwestern	**1,483**	1,483	-	-	-
IXM S.A.	**20,000**	3,333	10,000	6,667	-
	$ 33,783	$ 11,691	$ 15,425	$ 6,667	$ -

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

On completion of the merger with Rio Novo, the Company assumed the obligations of the demand promissory notes issued by Rio Novo in favor of Northwestern Enterprises Ltd. ("Northwestern") which, as at March 31, 2018, totaled $3,576. On April 16, 2018, the Company entered into a payment schedule with Northwestern pursuant to which the Company agreed to repay the notes of $3,576. Pursuant to the agreement, quarterly repayment terms are as follows: (i) $1,430 on April 16, 2018 (paid); (ii) $729 on July 13, 2018 (paid); (iii) $743 on October 13, 2018 (paid) and

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(iv) $758 on January 13, 2019. The quarterly repayment terms are inclusive of 8% interest.

On March 28, 2018, the Company and the Company's subsidiary, Apoena, entered into an agreement with Yamana and SBMM, with respect to the repayment of the working capital facility provided to Apoena in connection with the acquisition of the EPP project. Pursuant to the agreement, the Company acknowledged debt of $9,638 with repayment terms as follows: (i) $5,000 on March 28, 2018 (paid); (ii) $1,000 on each of June 30, 2018 (paid) and September 30, 2018 (paid); (iii) $1,400 on December 31, 2018; and (iv) $1,461 on March 30, 2019.

8. CONTRACTUAL OBLIGATIONS

Except as set forth in this MD&A, for the three months ended September 30, 2018 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 December 18, 2017 the Company and Rio Novo entered into an agreement to combine and create a portfolio of mining properties with a long-term production life. On February 22, 2018, the Company and Rio Novo announced, in accordance with Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"), that the proposed merger (the "Merger") of the Company and Rio Novo was approved by their respective shareholders at Special Meetings of the respective shareholders. On March 2, 2018, the Company and Rio Novo announced the completion of the Merger under section 170 of the BVI Business Companies Act, 2004 under which the Company merged with Rio Novo and the separate corporate existence of Rio Novo ceased. Upon consummation of the Merger, all of the shares in Rio Novo were automatically converted into the relevant number of shares of the Company where holders of Rio Novo Shares received 0.053 of the Company's common share for every Rio Novo Share held (being an aggregate of 9,473,956 common shares of the Company). As part of the Merger, the Company also issued (i) 314,186 common shares to holders of Rio Novo deferred share units outstanding as of December 18, 2017 and (ii) options to acquire 154,230 Company common shares to holders of Rio Novo options (which were cancelled). The approval of the Merger was conducted in accordance with MI 61-101 because of Northwestern shareholdings in each of the Company and Rio Novo. Northwestern is beneficially owned, controlled or directed by Paulo Brito, the Company's Chairman of the Board.

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

On January 1, 2015, the Company entered into a consulting agreement for the provision of management services to the Company, including those of the President and Chief Executive Officer, with Acumen Capital, LLC ("Acumen"), a US based company which is controlled by Jim Bannantine, the Company's former President and Chief Executive Officer. The consulting agreement was terminated on January 15, 2017. For the three months ended September 30, 2018, the Company paid termination benefits to Acumen of $186 (2017: $156). As at September 30, 2018, the Company owed $207 (September 30, 2017: $694) to Acumen, mainly related to termination benefits.

10. PROPOSED TRANSACTION

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

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

11. 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.

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 effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of IFRS 15 on its consolidated financial statements.

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 currently evaluating the impact of IFRS 9 and IFRS 7 on its consolidated financial statements.

IFRS 2, Share-based Payment

In September 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

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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.

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 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. 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

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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 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.

13. CORPORATE GOVERNANCE

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

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

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

14. DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's management is responsible for designing and maintaining adequate internal controls over financial reporting ("ICFR"), under the supervision of the CEO 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

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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 December 31, 2017 and ongoing review and monitoring of these procedures, and as there were no changes in ICFR or DC&P in the three months ended September 30, 2018, 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.

15. NON-GAAP PERFORMANCE MEASURES

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

16. RISK FACTORS

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

17. DISCLOSURE OF SHARE DATA

As at September 30, 2018, the Company had the following outstanding: 43,372,336 common shares, 1,946,905 stock options, and 126,529 deferred share units. As at the date of this MD&A, the Company had the following outstanding: 43,377,336 common shares, 2,018,905 stock options, and 126,529 deferred share units.

18. CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

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

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Forward-looking statements in this MD&A are based upon, without limitation, the following estimates and assumptions: the presence of and continuity of metals at the Company's projects at modeled grades; gold and copper price volatility; the capacities of various machinery and equipment; the availability of

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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 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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