aura

360° MINING

Management's Discussion and Analysis

For the three and nine months ended September 30, 2019

Dated as of November 12, 2019

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

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The management's discussion and analysis ("MD&A") has been prepared as at the date written on the cover page and provides information that management believes is relevant to assessing and understanding the financial condition of the Company and the results of operations and cash flows for the three and nine months ended September 30, 2019.

Thus, this MD&A should be read in conjunction with Aura Minerals Inc.'s (the "Company" or "Aura Minerals") unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2019 and 2018 and related notes thereto (the "Financial Statements") which have been prepared in accordance with International Financial Reporting Standards and Interpretations (collectively, "IFRS"). In addition, this MD&A should be read in conjunction with both the annual audited consolidated financial statements for the year ended December 31, 2018, the related annual MD&A included in the 2018 Annual Financial Statements, and the most recent Annual Information Form ("AIF") as well as other information relating to Aura Minerals as filed on the Company's profile on SEDAR at www.sedar.com.

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

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

MD&A include:

- Cash operating costs per ounce produced;
- Cash operating costs per copper pound produced
- Cash operating costs per ounce sold;
- All-in Sustaining Costs per ounce sold;
- Realized average gold price per ounce sold, gross; and
- Realized average gold price per ounce sold, net of local taxes, hedging and gold loan repayments.

Reconciliations associated with the above performance measures can be found in Section 15: Non-GAAP Performance Measures.

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

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

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

1. BACKGROUND AND CORE BUSINESS

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

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

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

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

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

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

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- *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") – Is 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")* – Is located in Caldas State, Colombia.

2. FINANCIAL AND OPERATING HIGHLIGHTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019

	For the three months ended September 30, 2019	For the three months ended September 30, 2018	**For the nine months ended September 30, 2019**	For the nine months ended September 30, 2018
FINANCIAL DATA				
IFRS Measures				
Revenue	**$ 69,919**	$ 33,176	**$ 156,549**	$ 123,537
Cost of goods sold	**51,422**	31,495	**132,165**	106,638
Depreciation (included in cost of goods sold)	**5,529**	3,828	**15,947**	11,954
Gross Margin	**18,497**	1,681	**24,384**	16,899
Gross Margin (excluding depreciation)	**24,026**	5,509	**40,331**	28,853
Net income (loss)	**$ 3,799**	$ 837	**$ (4,838)**	$ 6,787
Income (loss) per share - Basic	**$ 0.87**	$ 0.25	**$ (1.11)**	$ 1.84
OPERATING DATA				
Gold ore processed (tonnes)	**2,063,593**	1,952,807	**5,199,066**	5,988,742
Gold produced (ounces)	**35,252**	29,613	**80,875**	95,010
Gold sold (ounces)	**34,561**	28,448	**80,832**	99,031
Copper ore processed (tonnes)	**223,364**	-	**584,341**	-
Copper concentrate produced (dry metric tonnes "DMT")	**12,119**	-	**27,554**	-

- Net revenues in the third quarter of 2019 increased $36,743 compared to the same period of 2018 as a result of revenues from copper concentrate produced by Aranzazu, increased production and revenues in San Andres, and increased production and revenues in Brazil. In the third quarter of 2019, the company reached its highest revenues reported by the company in the last five years.
- In the first nine months of 2019, net revenues achieved $ 156,549, an increase of $ 33,012 vs. the first nine months of 2018, despite challenging first and second quarters in Minosa.
- In February, Minosa decided to resume operation, which was gradually ramping up until reaching full production in the third quarter of 2019.
- The gross margin increased from $ 1,682 in the third quarter of 2018 to $ 18,497 in the third quarter of 2019, with positive results in all three operations.
- Net income reached $3,799 or $0.87 per share for the three months ended September 30, 2019 (third quarter) compared to an income of $837 or $0.25 per share for the third quarter of 2018.
- Gold produced in the third quarter of 2019 was 19% higher than the same period in 2018.
- Copper concentrate produced continues to increase, driven by the ramp-up of Aranzazu, which contributed to the revenue for the third quarter with $19,939.

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	For the three months ended September 30, 2019	For the three months ended September 30, 2018	For the nine months ended September 30, 2019	For the nine months ended September 30, 2018
Gold revenue	**49,980**	33,176	**109,117**	123,537
Copper concentrate revenue	**19,939**	-	**47,432**	-
Revenue	**69,919**	33,176	**156,549**	123,537
Ounces sold				
San Andres	**19,558**	14,281	**37,974**	55,027
Brazilian Mines	**15,003**	14,167	**42,858**	44,004
Total ounces sold	**34,561**	28,448	**80,832**	99,031
Gold sales revenues, net of local sales taxes	**$ 49,980**	$ 33,176	**$ 109,117**	$ 123,537
Average gold market price per oz (London PM Fix)	**$ 1,472**	$ 1,278	**$ 1,364**	$ 1,329
Realized average gold price per ounce sold, gross [1]	**$ 1,473**	$ 1,205	**$ 1,375**	$ 1,290
Realized average gold price per ounce sold, net of local sales taxes and hedging [1]	**$ 1,419**	$ 1,195	**$ 1,327**	$ 1,239

- Gold production and cash operating costs per ounce produced[1] for the three and nine months ended September 30, 2019 and 2018 were as follows:

Nine months ended, September 30, 2019	**2019**		**2018**	
	Oz Produced	**Cash Operating Costs**	Oz Produced	Cash Operating Costs
San Andres	**39,645**	**$ 1,001**	52,587	$ 937
Brazilian Mines	**41,229**	**$ 1,016**	42,423	$ 849
Total / Average	**80,875**	**$ 1,009**	95,010	$ 898

Three months ended, September 30, 2019	**2019**		**2018**	
	Oz Produced	**Cash Operating Costs**	Oz Produced	Cash Operating Costs
San Andres	**20,746**	**$ 844**	13,844	$ 1,062
Brazilian Mines	**14,506**	**$ 956**	15,769	$ 750
Total / Average	**35,252**	**$ 890**	29,613	$ 896

- Due to the restart of San Andres mine and the leaching cycle, the mine showed a higher than average cost in the first semester; however, it has reduced after reaching full production in the third quarter of 2019.
- Copper production and cash operating costs per ounce produced[1] for the three and nine months ended September 30, 2019, and 2018 were as follows:

Nine months ended, September 30, 2019	**2019**		**2018**	
	Copper Pounds Produced (k/Lb)	**Cash Costs per Payable pound of Copper**	Copper Pounds Produced (k/Lb)	Cash Costs per Payable pound of Copper
Aranzazu	**22,070**	**$ 2.03**	-	$ -
Total / Average	**22,070**	**$ 2.03**	-	$ -

Three months ended, September 30, 2019	**2019**		**2018**	
	Copper Pounds Produced (k/Lb)	**Cash Costs per Payable pound of Copper**	Copper Pounds Produced (k/Lb)	Cash Costs per Payable pound of Copper
Aranzazu	**9,741**	**$ 1.53**	-	$ -
Total / Average	**9,741**	**$ 1.53**	-	$ -

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3. OUTLOOK AND STRATEGY

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

	Ounces produced Oz		Cash operating costs per ounce produced[1]				Capital expenditures (in thousands)			
Gold Mines	**Low**	**High**		**Low**		**High**		**Low**		**High**
San Andres	55,000	65,000	$	900	$	1,000	$	4,000	$	6,000
Brazilian Mines	55,000	59,000		885		950		4,550		5,100
Total	**110,000**	**124,000**	**$**	**893**	**$**	**976**	**$**	**8,550**	**$**	**11,100**

	Copper production '000 lb		Gold Production Oz		Cash Operating costs USD/lb Cu Equivalent				Capital Expenditures (in thousands)			
Copper mine	**Low**	**High**	**Low**	**High**		**Low**		**High**		**Low**		**High**
Aranzazu	20,000	22,000	17,000	19,000	$	1.70	$	1.80	$	15,000	$	15,500

Strategy

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

Key Factors

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

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

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

Divestiture – Mineracao Vale Verde Ltda (MVV-Serrote)

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

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

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, 2019 and 2018:

	For the three months ended September 30, 2019	For the three months ended September 30, 2018	**For the nine months ended September 30, 2019**	For the nine months ended September 30, 2018
Ore mined (tonnes)	**1,656,375**	1,568,704	**3,999,817**	4,940,813
Waste mined (tonnes)	**1,022,641**	1,141,487	**2,894,566**	3,353,007
Total mined (tonnes)	**2,679,016**	2,710,191	**6,894,383**	8,293,820
Waste to ore ratio	**0.62**	0.73	**0.72**	0.68
Ore plant feed (tonnes)	**1,645,101**	1,576,625	**3,996,785**	4,957,245
Grade (g/tonne)	**0.53**	0.39	**0.49**	0.43
Recovery (%)	**74.0%**	69.8%	**62.4%**	77.2%
Production (ounces)	**20,746**	13,844	**39,645**	52,587
Sales (ounces)	**19,558**	14,281	**37,974**	55,027
Average cash cost per ounce of gold produced[1]	**$ 844**	$ 1,062	**$ 1,001**	$ 937

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

As disclosed in public filings, during certain periods of 2018, Minosa has incurred the illegal occupation of the mine by certain individuals that were making personal demands of the mine. On December 6, 2018, the Company announced a suspension of operations at the mine because of illegal invasions of its private property that hindered the works in the mining operation. This temporary suspension was formalized at the Ministry of Labor on December 10, 2018, and in INHGEOMIN (Honduran Institute of Geology and Mines) on December 14, 2018. On January 31, 2019, El Ministerio Publico of Santa Rosa de Copán through the Prosecutor of the case issued Criminal Requirements against 18 cases involved in crimes for damages to Minosa and dictated precautionary measures including not approaching the mining operation for the duration of the trial. Given the actions of local authorities seeking legal security for private investment, on February 8, 2019, Minosa decided to restart its operations progressively and issued an official statement to its collaborators, suppliers, authorities, and the general public. On November 6th, 2019, from the 18 cases, the court confirmed the crime of seven people against Minosa. The Ministerio Publico de Honduras will continue the public trial against these individuals. Additionally, of the 18 cases, the court also ruled a provisional dismissal for eight people leaving the remaining three cases under investigation.

Due to the long leaching cycle and the ramp-up plan, the first and second quarter results were lower compared to the same period of 2018. However, the third quarter shows improvements both compared to the previous quarter and compared to the third quarter of 2018.

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

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- Ore mined increased by 6% in the third quarter of 2019 compared with the third quarter of 2018 due to increasing in the mine fleet and access to new areas
- Minosa had less 10% waste movement in the third quarter of 2019 compared with the third quarter of 2018 due to material conversion from waste to mineral
- Waste to ore decreased in the third quarter of 2019 compared with the same period of 2018 due to material conversion from waste to mineral
- There was an increase in 4% in plant feed due to better performance of plant process and higher ore availability on Q3 2019, with better conditions for stacking
- Grades increased by 54% in the third quarter of 2019 vs. the third quarter of 2018 due to access to better areas for mining
- Recovery improved due to favorable ore lithology for the period. Previously ore is selected through lab test in order to verify recovery and selectivity
- Better production within the third quarter of 2019 as a result of the higher volume of stacking and better grades.
- Most relevant effect of cash cost reduction within the quarter (-23%) was better grades and higher recoveries in comparison to same period of 2018 (+34%), leading to a higher production (+50%) with lower total tonnes moved (-1%)

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

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

EPP Project:

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

The table below sets out selected operating information for the EPP mines for the three and nine months ended September 30, 2019, and 2018.

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

	For the three months ended September 30, 2019	For the three months ended September 30, 2018	For the nine months ended September 30, 2019	For the nine months ended September 30, 2018
Ore mined (tonnes)	**399,114**	375,366	**1,078,064**	1,098,121
Waste mined (tonnes)	**3,066,450**	2,581,749	**8,944,548**	7,237,962
Total mined (tonnes)	**3,465,564**	2,957,115	**10,022,612**	8,336,083
Waste to ore ratio	**7.68**	6.88	**8.30**	6.59
Ore plant feed (tonnes)	**418,492**	376,182	**1,202,281**	1,031,497
Grade (g/tonne)	**1.15**	1.36	**1.12**	1.36
Recovery (%)	**94.0%**	95.7%	**95.0%**	94.0%
Production (ounces)	**14,506**	15,769	**41,229**	42,423
Sales (ounces)	**15,003**	14,167	**42,858**	44,004
Average cash cost per ounce of gold produced[1]	**$ 956**	$ 750	**$ 1,016**	$ 849

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

- Increase in ore production in 6.3% due to the start-up of the Japonês mine
- Increase in waste in 19% due to Japonês mine start-up and strip ration increased due to the deepening of the Lavrinha Mine and the need for expansion to release ore in the bottom pit
- Strip ration increase from 6,86 to 7,68 due to the deepening of the mine
- Higher plant feed in 8.9% due to increased productivity from 188 tonnes per hour in 2018 to 203 t / h in the third quarter of 2019
- Lower plant grade due to lower mine grade in the open pit mines
- Decrease in gold production in 8.9% due to lower grade feed due to lower mine grade in open pit mines
- Increase in sales in 5.9% as result of inventory decrease during the quarter
- Higher average cash cost in 30.4% due to the higher strip ratio in the open pit mines and also as a result of the decrease in the ore grade produced

In 2019, Aura conducted a drilling exploration program in the EPP project with total of 5,000m following positive soil and stream sample anomalies from previous years to establish and an inferred resource. Initial drilling results were positive with multiple high-grade intercepts including 16.27 g/t gold over 7 meters. The drilling campaign will continue until the end of the year.

Near mine exploration in EPP continues throughout of 2019 and Aura completed 4,154m exploration drilling in Lavrinha, 2,390m in Japones and 8,296m in Nosde to expand and delineated current resources. The results have been successful for Open Pit mines and expected to increase LOM for Lavrinha, Japones and Nosde deposits.

Aura also conducted 4,500m exploration drilling in Pau Pique to expand resources down dip plunge. The initial results were positive and will follow up with deeper drilling along plunge of ore bodies to increase the Life of Mine for Pau Pique beyond 2020.

The company started drilling efforts in the Bananal area in early September 2019.

Aranzazu

On December 10, 2018, the Company declared commercial production at the Aranzazu mine. As a result, both revenue and operating costs for Aranzazu are recognized in the consolidated statements of loss and comprehensive loss. In addition, the mine development related to Aranzazu was reclassified to property, plant and equipment and depletion commences. Commercial production was achieved ahead of schedule and with less capital needs compared to the business plan. An excellent safety record has been attained during ramp-up period and throughout

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the completion of various infrastructure projects. The Company continues to further progress on the underground mine development and operational improvements to the plant in order to reach full production. Construction of the new tailings disposal facility (TD5) was completed on April 5, 2019.

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

	For the three months ended September 30, 2019	For the three months ended September 30, 2018	**For the nine months ended September 30, 2019**	For the nine months ended September 30, 2018
Ore mined (tonnes)	**207,015**		**554,287**	
Ore milled (tonnes)	**223,364**		**584,341**	
Copper grade (%)	**1.48%**		**1.34%**	
Gold grade (g/tonne)	**0.89**		**0.79**	
Silver grade (g/tonne)	**21.61**		**19.23**	
Cooper recovery	**87.6%**		**87.5%**	
Gold recovery	**76.9%**		**75.5%**	
Silver recovery	**60.2%**		**57.9%**	
Concentrate production:				
Cooper concentrate produced (DMT)	**12,119**		**27,554**	
Cooper contained in concentrate (%)	**23.9%**		**24.8%**	
Gold contained in concentrate (g/DMT)	**12.5**		**12.4**	
Silver contained in concentrate (g/DMT)	**237.9**		**232.2**	
Copper Pounds Produced (k/Lb)	**9,741**		**22,070**	
Average cash cost per payable pound of copper produced, net of gold and silver credits [1]	**$ 1.53**		**$ 2.03**	

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

- Mine operation continues in accordance to the ramp up plan with a 11% above previous quarter. Production focused on Glory Hole with better copper and gold grades. Production has achieved 2.4 t/d, up from 2.2 t/d in Q2 and 1.8 t/d in Q1
- Plant also increased 11% production from previous quarter, stabilizing maintenance plans and adding around 19,000 of oxide material with positive results
- Copper grade was 7% above previous quarter (1.39%) as consequence of a higher contribution from Glory Hole
- Gold grade 13% better than previous quarter (0.79 g/t) due to the Glory Hole contribution
- The company was able to maintain the planned Copper recovery at 88% despite processing also oxides, which reduced recoveries from potentially 89% to 88%
- Gold recovery increase in 3% compared with the previous quarter (75% vs 77%) due to improvements in the floatation circuit, despite processing also oxides which reduced recoveries from potentially 79% to 77%.

In 2019, Aura conducted an exploration data review, geological mapping and surface sampling at Aranzazu near mine district. An airborne magnetic survey was also undertaken by New-Sense Geophysics Ltd.

3D magnetic inversion indicated that the main mine area (Glory Hole Skarn) is significantly open downdip and a drilling program is expected to initiate in late November / early December to test such possibility. Geological mapping and sampling, along with geophysical data, are generating a significant amount of new early stage targets in the district, mainly at El Cobre and Cerro Conejos Zone, where significant high-grade veins and new skarns zones have been found.

Almas Project

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The Company has commenced a pre-feasibility study (the "Study"), which will incorporate a newly defined project execution strategy aiming at reducing capital expenditure requirements and optimizing project cash flows. During the second quarter of 2019, the Company engaged "Ausenco," an engineering contractor, to support the development of the pre-feasibility study and "SRK" to assist with mine scale studies. Aura is assessing the alternatives o reduce the capital expenditures and increase returns. The Company expects to generate a new mineral reserve estimate and a new production plan as part of the study during 2020.

Matupa

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

In 2019, exploration activities were focused on Alto Alegre Block, where significant soil anomalies for copper and gold were outlined and a significant high-grade vein was found (Valdemar), besides several other high-grade spot chip samples occurring in a broader area. Channel samples at Valdemar vein yielded values of 261g/t Au, 179.2 g/t Au, 195g/t Ag and 2.73% Cu. Drilling is expected to start in late November/19.

Tolda Fria

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

5. RESULTS OF OPERATIONS

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

	For the three months ended September 30, 2019	For the three months ended September 30, 2018	**For the nine months ended September 30, 2019**	For the nine months ended September 30, 2018
Revenues:				
San Andres	**$ 28,365**	$ 16,396	**$ 52,511**	$ 68,096
Brazilian Mines	**21,615**	16,780	**56,606**	55,441
Aranzazu	**19,939**	-	**47,432**	-
	$ 69,919	$ 33,176	**$ 156,549**	$ 123,537
Cost of Production:				
San Andres	**$ 16,495**	$ 15,789	**$ 38,016**	$ 54,427
Brazilian Mines	**15,268**	11,878	**39,741**	40,257
Aranzazu	**14,130**	-	**38,461**	-
	$ 45,893	$ 27,667	**$ 116,218**	$ 94,684
Depletion and Amortization:				
San Andres	**$ 1,945**	$ 1,938	**$ 5,027**	$ 6,285
Brazilian Mines	**1,755**	1,890	**5,946**	5,669
Aranzazu	**1,829**	-	**4,974**	-
	$ 5,529	$ 3,828	**$ 15,947**	$ 11,954
Gross Margin:				
San Andres	**$ 9,925**	$ (1,331)	**$ 9,468**	$ 7,384
Brazilian Mines	**4,592**	3,012	**10,919**	9,515
Aranzazu	**3,980**	-	**3,997**	-
	$ 18,497	$ 1,681	**$ 24,384**	$ 16,899

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

Revenues

Total sales revenue for the third quarter of 2019 increased by 111% compared to the same period in 2018. The increase was driven by a combination of Aranzazu copper concentrate revenue of $ 19,939, and increase of gold revenues In Q3 2019, the company reached its highest revenue level since the third quarter of 2014.

Gross margins

Gross margins for the third quarter of 2019 achieved $ 18,497, an increase of $16,816 compared to the same period in 2018. In the third quarter of 2019, all operations reported positive gross margins. The increase was driven by Minosa and Aranzazu moving forward on its ramp-up targeting to reach full production during the fourth quarter of 2019.

Care-and-maintenance expenses

	For the three months ended September 30, 2019	For the three months ended September 30, 2018	**For the nine months ended September 30, 2019**	For the nine months ended September 30, 2018
Aranzazu mine	**$ -**	$ -	**$ -**	$ 721
Serrote project	**-**	-	**-**	421
Rio Novo projects	**239**	136	**861**	294
Brazilian projects	**200**	1,426	**1,043**	2,016
	$ 439	$ 1,562	**$ 1,904**	$ 3,452

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

General and administrative costs

	For the three months ended September 30, 2019	For the three months ended September 30, 2018	**For the nine months ended September 30, 2019**	For the nine months ended September 30, 2018
Salaries, wages and benefits	**$ 1,293**	$ 1,241	**$ 4,151**	$ 3,496
Professional and consulting fees	**579**	487	**2,146**	2,925
Legal, Filing, listing and transfer agent fees	**74**	280	**283**	398
Insurance	**175**	198	**608**	590
Directors' fees	**36**	44	**113**	134
Occupancy cost	**33**	104	**132**	235
Merger and acquisition	**-**	334	**-**	646
Travel expenses	**105**	139	**437**	298
Share-based payment expense	**84**	114	**312**	152
Depreciation and amortization	**30**	6	**95**	24
Other	**286**	208	**633**	664
	$ 2,695	$ 3,155	**$ 8,910**	$ 9,562

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

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

Finance Costs

	For the three months ended September 30, 2019	For the three months ended September 30, 2018	**For the nine months ended September 30, 2019**	For the nine months ended September 30, 2018
Accretion expense	**$ 240**	$ 189	**$ 717**	$ 576
Interest expense on debts (note 14)	**692**	582	**2,154**	1,714
Finance cost on post-employment benefit	**116**	280	**404**	396
Other interest and finance costs	**560**	307	**588**	380
	$ 1,608	$ 1,358	**$ 3,863**	$ 3,066

The increase in interest expense on debts is mainly related to the new debts mostly related to Aranzazu restart (refer to Section 7, Liquidity and Capital Resources. For further information, refer to the Financial Statements Note 14).

Other (losses) income

	For the three months ended September 30, 2019	For the three months ended September 30, 2018	**For the nine months ended September 30, 2019**	For the nine months ended September 30, 2018
Net loss on call options and fixed price contracts	**$ (3,728)**	$ 2,110	**$ (5,133)**	$ 1,687
Gain on disposal of assets	**(3)**	277	**(107)**	1,019
Foreign exchange (loss) gain	**(1,572)**	1,258	**(2,722)**	(156)
Other items	**611**	34	**1,069**	(987)
	$ (4,692)	$ 3,679	**$ (6,893)**	$ 1,563

Other losses for the third quarter of 2019 are mainly related to realized losses with gold hedges as result of significant increase in gold prices in the third quarter of 2019 (Q3 $1,472 – Q2 $1,310)

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, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
Revenue	**$ 69,919**	$ 50,374	$ 36,256	$ 34,165	$ 33,176	$ 45,338	$ 45,023	$ 38,734
Working capital	**9,528**	(3,279)	6,179	18,374	32,866	32,718	26,882	29,109
Property, plant and equipment	**214,361**	215,059	214,441	205,197	142,244	134,768	132,299	80,700
Impairment recovery (1,2)	**-**		-	53,701	-	-	-	10,007
Gain on acquisition of Rio Novo Project	**-**		-	-	-	-	21,898	-
Gain on acquisition of EPP Project	**-**		-	-	-	-	-	-
(Loss) Income for the period	**3,799**	(3,913)	(4,723)	45,179	837	(5,330)	11,280	6,368
(Loss) Income per share								
Basic	**$ 0.87**	$ (0.90)	$ (1.08)	$ 10.42	$ 0.20	$ (1.20)	$ 3.10	$ 1.86
Diluted	**$ 0.87**	$ (0.90)	$ (1.08)	$ 10.26	$ 0.20	$ (1.20)	$ 3.10	$ 1.86

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

7. LIQUIDITY AND CAPITAL RESOURCES

During the three months ended September 30, 2019, cash increased from $15,012 at the beginning of the third quarter of 2019 period to $23,708 at the end of the third quarter of 2019.

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

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

Details are as follows:

	For the three months ended September 30, 2019	For the three months ended September 30, 2018	**For the nine months ended September 30, 2019**	For the nine months ended September 30, 2018
Net cash generated by (used in) operating activities	**$ 10,163**	$ 888	**$ 17,145**	$ 8,585
Net cash generated by (used in) investing activities	**(5,100)**	(11,032)	**(9,127)**	7,975
Net cash generated by (used in) financing activities	**3,633**	2,250	**5,183**	1,383
	$ 8,696	$ (7,894)	**$ 13,201**	$ 17,943

The increase in cash position of $13,201 during the nine months ended September 30, 2019, was made up of:

- Cash flow from operating activities of $17,145 result of: net loss of $(4,838), items not affecting cash of $27,717 (see note 27(a) of the Financial Statements), changes in working capital of $(3,571) (see note 27(b) of the Financial Statements), taxes paid of $(1,430), Foreign exchange loss of $(661) and changes in other assets and liabilities of $(72).
- Cash used in investing activities of $(9,127) result of: purchases of property, plant and equipment $(19,521), proceeds on sale of plat and equipment $246 and proceeds from short term investment of $10,148 of government and corporate bonds maturity.
- Cash flow generated in financing activities of $5,183 result of: proceeds received from debts $16,847, repayment of short term loans $(7,604), repayment of other liabilities of $(518), repayment of lease liabilities $(1,771), repayment of stock options exercise $(45),and interest paid on debt of $(1,726).

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

Financial debt	**Total**	**Less than 1 year**	**1 - 3 years**	**4 - 5 years**	**After 5 years**
Banco Occidente	**$ 2,397**	$ 1,885	$ 512	$ -	$ -
Banco Atlántida	**5,947**	1,235	3,482	1,230	-
Banco ABC Brasil S.A.	**6,811**	3,114	3,697	-	-
Banco Santander Brasil	**4,725**	4,725	-	-	-
Banco Votorantim	**3,602**	516	3,086	-	-
IXM S.A.	**16,790**	8,457	8,333	-	-
	$ 40,272	$ 19,932	$ 19,110	$ 1,230	$ -

For a detailed discussion of the above noted debts, please see Note 14 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.

Mineração Apoena S.A has accumulated federal tax credits related to PIS / COFINS taxes. Those credits represented an amount of $ 12,329 at the beginning of the third quarter of 2019 and $ 9,748 at the end of the quarter.

During the third quarter, the company recovered $ 1,992 in cash paid by the tax authorities. The company demands the payment of an additional $ 6,491 from the tax authority through various administrative/judicial proceedings and expected to recover additional credits between the fourth quarter of 2019 and the first semester of 2020.

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

8. CONTRACTUAL OBLIGATIONS

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

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

	Within 1 year	2 to 3 years	4 to 5 years	Over 5 years	Total
Trade and other payables	55,001	-	-	-	**55,001**
Short-term loans and gold loan repayment	19,932	19,110	1,230	-	**40,272**
Provision for mine closure and restoration	-	-	-	26,348	**26,348**
Other liabilities and Leases	3,585	2,802	-	-	**6,387**
	$ 78,518	**$ 21,912**	**$ 1,230**	**$ 26,348**	**$ 128,008**

9. RELATED PARTY TRANSACTIONS

On December 18, 2017 the Company and Rio Novo entered into an agreement to combine and create a portfolio of mining properties with a long-term production life. On February 22, 2018, the Company and Rio Novo announced, in accordance with Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"), that the proposed merger (the "Merger") of the Company and Rio Novo was approved by their respective shareholders at Special Meetings of the respective shareholders. On March 2, 2018, the Company and Rio Novo announced the completion of the Merger under section 170 of the BVI Business Companies Act, 2004 under which the Company merged with Rio Novo and the separate corporate existence of Rio Novo ceased. Upon consummation of the Merger, all of the shares in Rio Novo were automatically converted into the relevant number of shares of the Company where holders of Rio Novo Shares received 0.0053 of the Company's common share for every Rio Novo Share held (being an aggregate of 947,396 common shares of the Company). As part of the Merger, the Company also issued (i) 31,418 common shares to holders of Rio Novo deferred share units outstanding as of December 18, 2017 and (ii) options to acquire 10,700 Company common shares to holders of Rio Novo options (which were cancelled). The approval of the Merger was conducted in accordance with MI 61-101 because of Northwestern shareholdings in each of the Company and Rio Novo. Northwestern is beneficially owned, controlled or directed by Paulo Brito, the Company's Chairman of the Board.

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

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

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

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

	For the three months ended September 30, 2019	For the three months ended September 30, 2018	**For the nine months ended September 30, 2019**	For the nine months ended September 30, 2018
Salaries and short-term employee benefits	**$ 391**	$ 509	**$ 1,804**	$2,033
Termination benefits	**51**	-	**348**	-
	$ 442	$ 509	**$ 2,152**	$2,033

10. PROPOSED TRANSACTION

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

11. CHANGES IN ACCOUNTING POLICIES

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

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

12. CRITICAL ACCOUNTING ESTIMATES

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

Please refer to Note 4 of the September 30, 2019 Financial Statements for the critical accounting policies under which significant judgements, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the Company's consolidated statements of financial position reported in future periods.

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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. As of the date of this MD&A, the Board is comprised of five individuals, two of whom are not independent 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. Mr. Brito is not considered independent because of Northwestern. The Audit Committee is currently comprised of two directors who are independent of management.

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

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

14. DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

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.

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A. Reconciliation from revenue to EBITDA

	For the three months ended September 30, 2019	For the three months ended September 30, 2018	For the nine months ended September 30, 2019	For the nine months ended September 30, 2018
Revenue	$ 69,919	$ 33,176	$ 156,549	$ 123,537
Cost of goods sold	(51,422)	(31,495)	(132,165)	(106,638)
Care-and-maintenance expenses	(439)	(1,562)	(1,904)	(3,452)
General and administrative expenses	(2,695)	(3,155)	(8,910)	(9,562)
Exploration expenses	(852)	(1,190)	(2,960)	(3,455)
EBIT	14,511	(4,226)	10,610	430
Depreciation and amortization	5,559	3,834	16,042	11,978
EBITDA	20,070	(392)	26,652	12,408
Other items not included in EBITDA:				
Gain on disposal of assets	(3)	277	(107)	1,019
Other items in other gains (losses)	611	34	1,069	(987)
Depreciation and amortization	(5,559)	(3,834)	(16,042)	(11,978)
Net loss on call options and fixed price contracts	(3,728)	2,110	(5,133)	1,687
Finance costs	(1,608)	(1,358)	(3,863)	(3,066)
Foreign exchange gain (loss)	(1,572)	1,258	(2,722)	(156)
Gain on acquisition of Rio Novo Gols Inc	-	-	-	21,858
Currency translation adjustment reversal	-	(219)	-	(16,046)
Gain on Sale of Mineração Vale Verde Ltda (Serrote)	-	219	-	4,164
Income (loss) before taxes	8,211	(1,905)	(146)	8,903
Taxes	(4,412)	2,742	(4,692)	(2,116)
Net income (loss)	$ 3,799	$ 837	$ (4,838)	$ 6,787

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

	For the three months ended September 30, 2019	For the three months ended September 30, 2018	For the nine months ended September 30, 2019	For the nine months ended September 30, 2018
Cost of goods sold	$ 51,422	$ 31,495	$ 132,165	$ 106,638
Cost of production related to copper operation	(14,130)	-	(38,461)	-
Depreciation	(3,700)	(3,828)	(10,973)	(11,954)
Cost of production	33,592	27,667	82,731	94,684
Change in inventory	(686)	2,059	(504)	(3,297)
Other adjustments	(1,540)	(3,194)	(661)	(6,059)
Total operating cost of gold produced	$ 31,366	$ 26,532	$ 81,566	$ 85,328
Ounces of gold produced	35,252	29,613	80,875	95,010
Cash operating costs per ounce produced	$ 890	$ 896	$ 1,009	$ 898

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

	For the three months ended September 30, 2019	For the three months ended September 30, 2018	For the nine months ended September 30, 2019	For the nine months ended September 30, 2018
Cost of goods sold	$ 51,422	$ -	$ 132,165	$ -
Cost of production related to copper operation	(31,763)	-	(77,757)	-
Depreciation	(1,829)	-	(4,974)	-
Cost of production	17,830	-	49,434	-
Change in inventory	(1,450)	-	(1,581)	-
Other adjustments	(1,448)	-	(3,049)	-
Total operating cost of copper pounds produced	$ 14,932	$ -	$ 44,804	$ -
Contained copper pounds produced	9,741,000	-	22,070,000	-
Cash cost per pound of copper produced	$ 1.53	$ -	$ 2.03	$ -

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

	For the three months ended September 30, 2019	For the three months ended September 30, 2018	**For the nine months ended September 30, 2019**	For the nine months ended September 30, 2018
Gross gold revenue	**$ 50,922**	$ 34,268	**$ 111,159**	$ 127,723
Local gold sales taxes	**(942)**	(1,092)	**(2,042)**	(4,186)
Gold revenue, net of sales taxes	**49,980**	33,176	**109,117**	123,537
Realized gain (loss) from fixed price contracts	**(950)**	823	**(1,891)**	(828)
Gold revenue, net of local sales taxes and hedging	**$ 49,030**	$ 33,999	**$ 107,226**	$ 122,709
Ounces of gold sold	**34,561**	28,448	**80,832**	99,031
Realized average gold price per ounce sold, gross [1]	**$ 1,473**	$ 1,205	**$ 1,375**	$ 1,290
Realized average gold price per ounce sold, net of local sales taxes [1]	**1,446**	1,166	**1,350**	1,247
Realized average gold price per ounce sold, net of local sales taxes and hedging [1]	**$ 1,419**	$ 1,195	**$ 1,327**	$ 1,239

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, 2019, the Company had the following outstanding: 4,353,865 common shares, 169,278 stock options, and 11,404 deferred share units.

18. CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

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

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

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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 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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