

aura 

360° MINING

Finance

AUGUST 2020 | AURA DAY



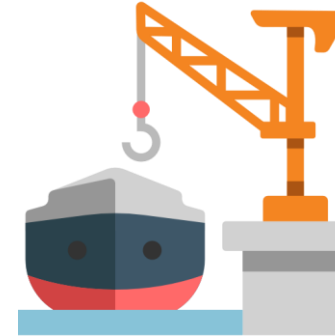
# Gold and Iron Ore Logistics Are Quite Different

## First Mile

### Iron Ore



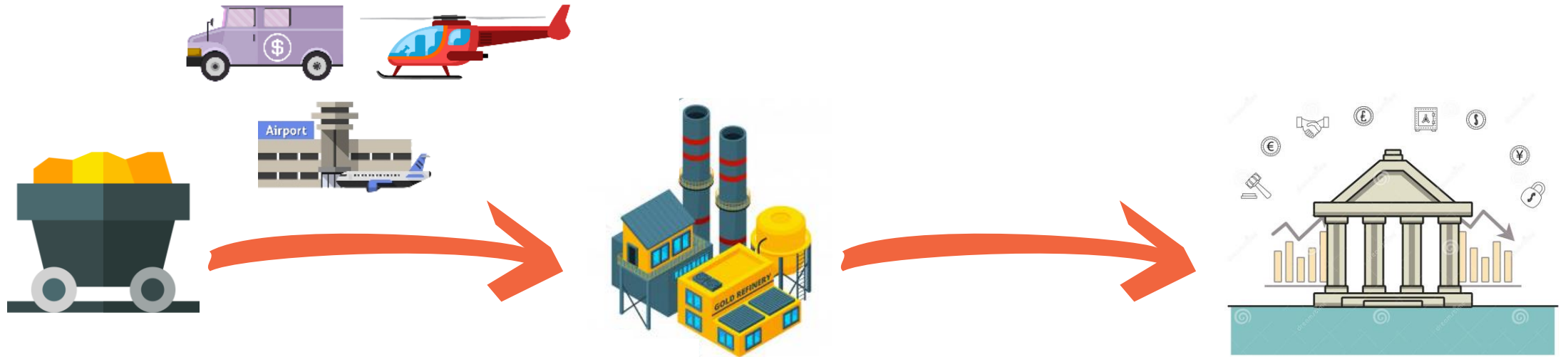
## Freight



- Iron ore logistics consists in the transportation of **high volumes of low value material**, on a per weight basis
- Logistics is a key component of iron mining companies and are **critical for their margins and efficiency**

- Gold logistics consists in the transportation of **low volumes of high value material**, on a per weight basis
- Transportation of gold is more focused on safety as its **costs are relatively immaterial** for gold mining companies

# Negotiation occurs directly between Aura and Brokers after each shipment and are based on current market prices



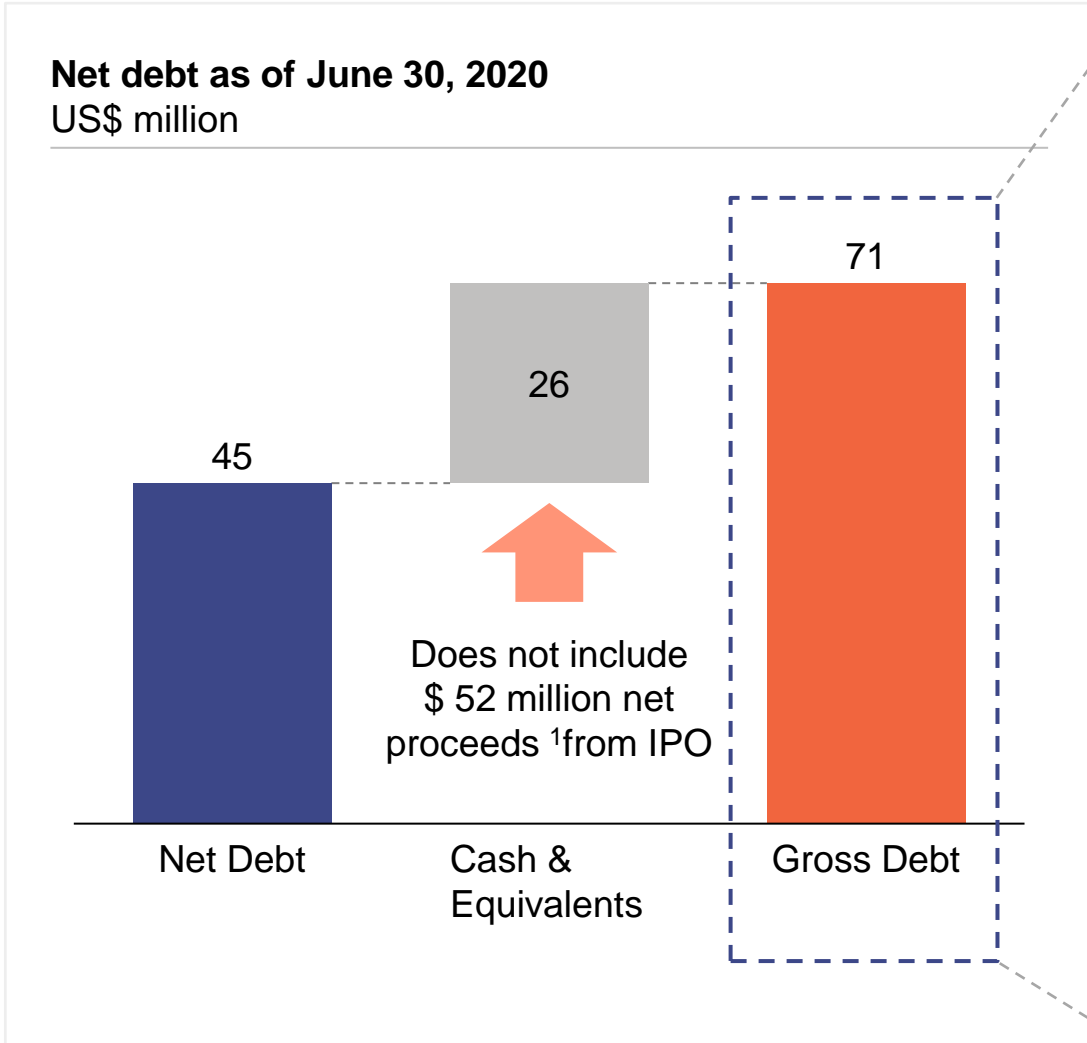
Ships bullion to refineries  
(USA, Canada, Switzerland)

Provides refining  
services at a cost

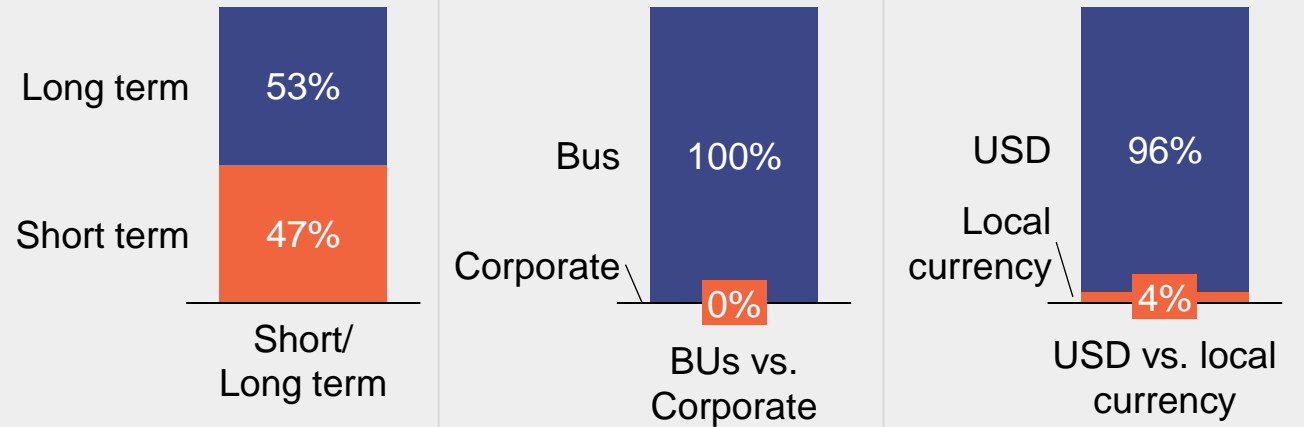
Delivers 99.99% gold  
directly to trader/Banks

Direct negotiation based  
on live market prices

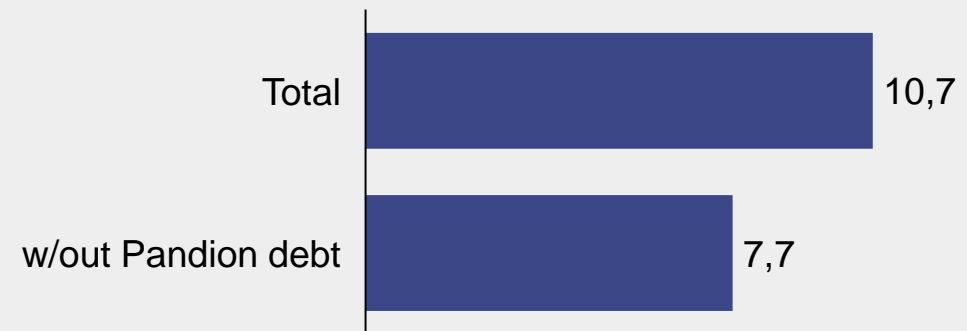
# Debt profile



## Gross debt profile



## Annual cost



1. Net from underwriter's commission and depositary agent fees

# Our hedging strategy is to bring visibility to short term cash flows (< 3 months average) and provide protection for project ramp-up phases

## Aura's Hedging Strategy<sup>1</sup>








- Short term cash flow protection against volatility in metal prices and currency
- Zero cost collar and fixed price contracts
- New contracts not to exceed 6 months; average not to exceeding 3/4 month
  - Increase in liquidity and stronger Balance Sheet reduces the need to get short term protection
- Useful tools to protect cash flows for new projects during ramp-up phase

## Outstanding positions as of June 30 2020

	Outstanding balance <sup>1</sup>	Months production <sup>2</sup>
<b>Gold</b>	16,422 Ozs	1.5
<b>Copper</b>	4,690 lbs	2.3
<b>Currency R\$/US\$</b>	\$ 13.2 million	1.0

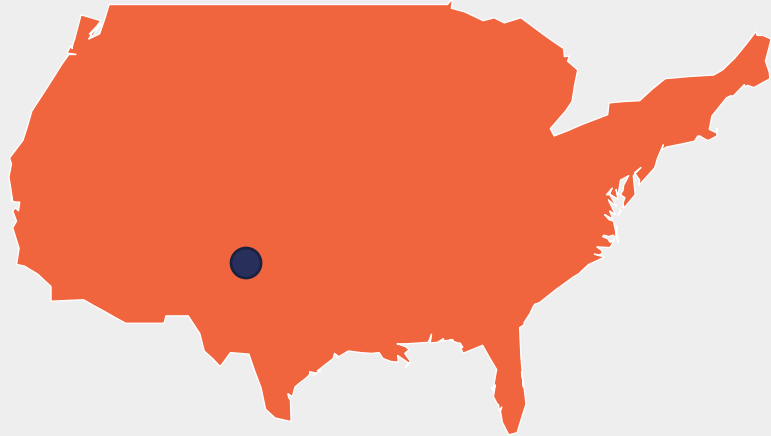
1. It might change site to site according to specific agreements with financial institutions

# Private and public royalties vary according to asset and geography

Asset	Stage	Private royalties	Public royalties
EPP 	▪ Operating	2.0-2.75%	1.5%
San Andres 	▪ Operating	0% <sup>1</sup>	5%
Aranzazu 	▪ Operating	1%	0.5%
Gold Road 	▪ Pre-Commercial	2%	–
Almas 	▪ Pre-Construction	1.95-2.5%	1.5%
Matupá 	▪ Pre-Operational	1.95-3.70%	1.5%
São Francisco 	▪ C&M	0.75%	1.5%

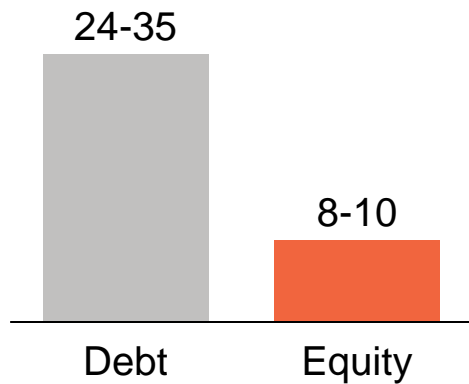
1. Streaming agreement to be finished in the third quarter of 2020

# Capital allocation: example of Gold Road

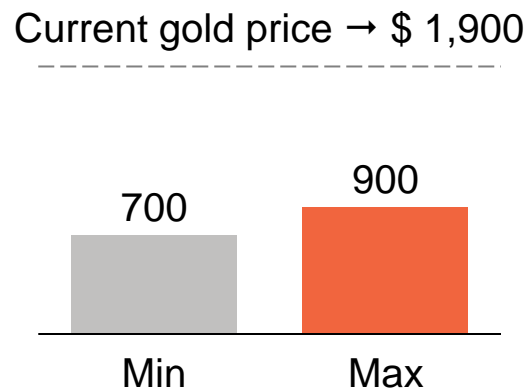


- Acquisition closed in March 2020
- Purchase price: \$ 1.00
- Non recourse debt as part of the deal
  - US\$ 35 million, option to prepay for \$ 24 million by March 2021
- Exploration works under development

**Initial investment**  
US\$ million



**Estimated cash cost**  
US\$ per Oz



**Commercial production expected by  
December 2020**