



Consolidated Financial Statements

For the years ended December 31, 2022 and 2021



Independent auditor's report

To the Shareholders of Aura Minerals Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Aura Minerals Inc. and its subsidiaries (together, the Company) as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of income for the years ended December 31, 2022 and 2021;
- the consolidated statements of comprehensive income (loss) for the years ended December 31, 2022 and 2021;
- the consolidated statements of cash flows for the years ended December 31, 2022 and 2021;
- the consolidated statements of financial position as at December 31, 2022 and 2021;
- the consolidated statements of changes in equity for the years ended December 31, 2022 and 2021; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of impairment indicators of property, plant and equipment (PP&E)</p> <p><i>Refer to note 4 - Significant accounting estimates and judgements to the consolidated financial statements.</i></p> <p>As at December 31, 2022, the net book value of PP&E amounted to US\$378million.</p> <p>Management assesses at each reporting date whether there are indicators of impairment of the Company's PP&E.</p> <p>Management applies significant judgment in order to assess whether an impairment indicator has occurred. Internal and external factors evaluated for indicators of impairment include: (i) whether the carrying amount of net assets of the Company exceeded its market capitalization; (ii) changes in estimated quantities of mineral resources and the Company's ability to convert resources to reserves; (iii) a significant deterioration in expected future metal prices; (iv) changes in expected future production costs and capital expenditures; and (v) changes in interest rates .If any such indicator exists, a formal estimate of the recoverable amount is performed.</p> <p>We considered this a key audit matter due to (i) the significance of the PP&E in the consolidated financial statements and (ii) the level of subjectivity required in applying audit procedures to assess the internal and external factors considered by management in its assessment of impairment indicators, which required significant management judgment.</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <ul style="list-style-type: none"> • Evaluated the reasonableness of management's assessment of impairment indicators, which included the following: <ul style="list-style-type: none"> – Assessed the completeness of external or internal factors that could be considered indicators of impairment on the Company's PP&E, including considerations of evidence obtained in other areas of the audit. – Assessed the reasonableness of factors such as: <ul style="list-style-type: none"> ○ changes in estimated quantities of mineral resources and the Company's ability to convert resources to reserves and changes in expected future production costs and capital expenditures by comparing them to current and past performance of the Company and evidence obtained in other areas of the audit; and ○ significant deterioration in expected future metal prices and changes in interest rates by considering external market data. – Recalculated the Company's market capitalization and compared it to the carrying amount of the net assets as at December 31, 2022.



Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



The engagement partner on the audit resulting in this independent auditor's report is Mariano Ortego.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
February 27, 2022

Aura Minerals Inc.

Consolidated Statements of Income

For the years ended December 31, 2022 and 2021

Expressed in thousands of United States dollars, except share and per share amounts

	Note	2022	2021
Net revenue	19	392,699	424,006
Cost of goods sold	20	(267,006)	(235,669)
Gross Margin		125,693	188,337
General and administrative expenses	21	(22,507)	(20,324)
Care-and-maintenance expenses	22	(2,491)	(1,207)
Exploration expenses	23	(12,464)	(7,809)
ARO Change in estimate for properties in care and maintenance		-	(3,078)
Operating income		88,231	155,919
Finance income/(expense)	24	(7,397)	(8,189)
Other income (losses)	25	1,157	169
Income before income taxes		81,991	147,899
Current income tax expense	14	(26,832)	(32,440)
Deferred income tax expense (recovery)	14	1,088	(22,796)
Income taxes		(25,744)	(55,236)
Profit from continued operation		56,247	92,663
Profit (loss) from discontinued operation	5	10,249	(49,160)
Income for the year		66,496	43,503
Weighted average numbers of common shares outstanding			
Basic	33	72,398,811	72,244,618
Diluted	33	72,646,599	72,464,375
Income per share			
Basic	33	0.92	0.60
Diluted	33	0.92	0.60

The accompanying notes form an integral part of these consolidated financial statements.

Aura Minerals Inc.

Consolidated Statements of Comprehensive Income (Loss)

For the years ended December 31, 2022 and 2021

Expressed in thousands of United States dollars

	2022	2021
Income for the year	66,496	43,503
Other comprehensive income:		
Items that may be reclassified to profit or loss		
Change in the fair value of cash flow hedge, net of tax	(995)	3,853
(Gain)/loss on foreign exchange translation of subsidiaries	2,298	(2,200)
<i>Items that will not be reclassified to profit or loss</i>		
Actuarial loss on post-employment benefit, net of tax	(800)	(2,189)
Other comprehensive income (loss), net of tax	503	(536)
Total comprehensive income	66,999	42,967

The accompanying notes form an integral part of these consolidated financial statements.

Aura Minerals Inc.

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

Expressed in thousands of United States dollars

For the year ended December 31,	Note	2022	2021
Cash flows from operating activities			
Profit from continued operation		56,247	92,663
Profit (loss) from discontinued operations (a)	5	10,249	(49,160)
Items not affecting cash	26(a)	70,415	150,302
Changes in working capital	26(b)	2,891	(34,145)
Taxes paid		(41,273)	(25,235)
Other assets and liabilities	26(c)	(2,166)	(3,234)
Net cash generated by operating activities		96,363	131,191
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(103,365)	(79,467)
Short Term investment		221	-
Proceeds on sale of plant and equipment		-	1,303
Acquisition of investment in joint venture	6	(54,353)	-
Net cash used in investing activities		(157,497)	(78,164)
Cash flows from financing activities			
Proceeds received from debts	26(e)	125,389	116,509
Payment of dividends	18	(20,249)	(85,632)
Derivative settlement		4,079	-
Repurchase program	18	(9,335)	-
Proceeds and (payments) from exercise of stock options		(34)	1,566
Repayment of short term loans	26(e)	(52,787)	(33,280)
Repayment of other liabilities	17(a)	(1,635)	(625)
Principal payments of lease liabilities	17(b)	(7,785)	(3,577)
Interest paid on debts	26(e)	(15,768)	(3,590)
Net cash generated (used) by financing activities		21,875	(8,629)
(Decrease) Increase in cash and cash equivalents		(39,259)	44,398
Effect of foreign exchange gain (loss) on cash equivalents		5,670	(686)
Cash and cash equivalents, beginning of the year		161,490	117,778
Cash and cash equivalents, end of the year		127,901	161,490

(a) For cash flows of discontinued operations see note 5

The accompanying notes form an integral part of these consolidated financial statements.

Aura Minerals Inc.

Consolidated Statements of Financial Position

As of December 31, 2022 and 2021

Expressed in thousands of United States dollars

	Note	2022	2021
ASSETS			
Current			
Cash and cash equivalents		127,901	161,490
Restricted cash		600	944
Value added taxes and other receivables	7	54,509	42,404
Inventory	8	42,968	56,554
Derivative Financial Instruments	27	8,119	-
Other current assets	9	13,526	11,060
Total current		247,623	272,452
Non-current			
Other long-term assets	10	15,696	13,337
Property, plant and equipment	11	378,532	285,835
Deferred income tax assets	14	31,104	20,856
Investment in joint venture	6	54,353	-
Total non-current		479,685	320,028
Total assets		727,308	592,480
LIABILITIES			
Current			
Trade and other payables	12	71,308	68,545
Current portion of debts	13	73,215	58,169
Current income tax liabilities	14	3,632	17,733
Current portion of other liabilities	17	12,978	2,151
Total current		161,133	146,599
Non-current			
Debts	13	140,827	99,862
Derivative Financial Instruments	27	-	2,779
Deferred income tax liabilities	14	26,508	17,110
Provision for mine closure and restoration	15	48,262	41,456
Other provisions	16	13,539	11,923
Other liabilities	17	26,912	477
Total non-current		256,048	173,607
SHAREHOLDERS' EQUITY			
	18		
Share capital		611,975	621,115
Contributed surplus		55,286	55,044
Accumulated other comprehensive income		1,881	383
Hedge Reserves		2,858	3,853
Deficit		(361,873)	(408,120)
Total equity		310,127	272,275
Total liabilities and equity		727,308	592,480

Approved on behalf of the Board of Directors:

"Stephen Keith"

Stephen Keith, Director

"Rodrigo Barbosa"

Rodrigo Barbosa, President & CEO

The accompanying notes form an integral part of these consolidated financial statements.

Aura Minerals Inc.

Consolidated Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

Expressed in thousands of United States dollars, except share amounts

	Number of Common Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Hedge Reserves	Deficit	Total Equity
At December 31, 2021	72,627,529	621,115	55,044	383	3,853	(408,120)	272,275
Exercise of options	239,931	195	(229)	-	-	-	(34)
Shared based compensation	-	-	471	-	-	-	471
Repurchase Program (note 18 (e))	(920,485)	(9,335)	-	-	-	-	(9,335)
Income for the year	-	-	-	-	-	66,496	66,496
Dividends (note 29)	-	-	-	-	-	(20,249)	(20,249)
Change in fair value of cash flow hedge, net of tax	-	-	-	-	(955)	-	(955)
(Gain)/loss on foreign exchange translation of subsidiaries	-	-	-	2,298	-	-	2,298
Actuarial loss on severance liability, net of tax	-	-	-	(800)	-	-	(800)
At December 31, 2022	71,946,975	611,975	55,286	1,881	2,858	(361,873)	310,127

	Number of Common Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Hedge Reserves	Deficit	Total Equity
At December 31, 2020	70,742,460	618,063	55,870	4,772	-	(365,991)	312,714
Exercise of options	1,885,069	3,052	(1,486)	-	-	-	1,566
Stock options issued	-	-	660	-	-	-	660
Income for the year	-	-	-	-	-	43,503	43,503
Dividends declared	-	-	-	-	-	(85,632)	(85,632)
Change in fair value of cash flow hedge, net of tax	-	-	-	-	3,853	-	3,853
Gain on translation of subsidiaries	-	-	-	(2,200)	-	-	(2,200)
Actuarial loss on severance liability, net of tax	-	-	-	(2,189)	-	-	(2,189)
At December 31, 2021	72,627,529	621,115	55,044	383	3,853	(408,120)	272,275

The accompanying notes form an integral part of these consolidated financial statements.

Aura Minerals Inc.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

Expressed in thousands of United States dollars, except where otherwise noted.

1 NATURE OF OPERATIONS

Aura Minerals Inc. (“Aura Minerals”, “Aura”, or the “Company”) is a mid-tier gold and copper production company focused on the operation and development of gold and base metal projects in the Americas.

Aura Minerals is a public company listed on the Toronto Stock Exchange (Symbol: ORA) and on the São Paulo Stock Exchange – B3 (Symbol: AURA33). Aura is incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands). Aura’s registered office is located at Craigmuir Chambers, PO Box 71, Road Town, Tortola VG1110, British Virgin Islands. Aura maintains a head office at 255 Giralda Ave, Suite 6W102, Coral Gables, FL, 33134, United States of America.

Aura’s controlling party is Northwestern Enterprises Ltd (“Northwestern”), a company beneficially owned by the Chairman of the board of directors of Aura (the “Board”).

In December 2021, the Company approved a normal course issuer bid (“NCIB”) and a buyback program for its Brazilian Depositary Receipts (“BDRs” listed in the Brazilian Stock Exchange (“B3”). The limit for purchases under the NCIB and the BDR Buyback Program was a combined aggregate limit, representing, altogether, 2,677,611 Common Shares, or 10% of the public float (within the meaning of the rules of the TSX). The NCIB expired in December 2022, refer to Note 17 for further detail on the transactions which occurred during the year of 2022.

These consolidated financial statements (the “financial statements”) were approved by the Board of Directors on February 27, 2023.

2 BASIS OF PREPARATION AND PRESENTATION

The consolidated financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The Consolidated Financial Statements have been prepared on a going concern basis using historical cost except for those assets and liabilities that are measured at fair value at the end of each reporting period as explained in Note 3 - Summary of Significant Accounting Policies. Additionally, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Aura Minerals Inc.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

Expressed in thousands of United States dollars, except where otherwise noted.

The functional currency of Aura and majority of its subsidiaries is the United States Dollar ("US Dollar") except for a non material service company in Mexico which have a functional currency of Mexican Pesos ("MXN Pesos") and certain non material Brazilian subsidiaries in Brazilian Reais ("BRL Reais"). All values in the consolidated financial statements are rounded to the nearest thousand.

As of December 31, 2022, as a result of management continuous evaluation of the consolidated financial statements disclosures some minor reclassifications to the year ended December 31, 2021 comparative figures have been made in order to grant a better understanding of the financial statements. The main reclassification is related to the result of foreign exchange (gain) loss that has been reclassified from "Other income (losses)" to "Finance income/(expense)".

The Company also identified Almas project as a new operating segment in 2022 and for comparative purposes is presenting in Note 30, the classification of Almas Project as a new segment for the year ended December 31, 2021. As of December 31, 2022, Almas Project represents 20% of the Company's total assets and its operations are reviewed regularly by management to evaluate its advance in construction in order to carry out new investments.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These accounting policies have been consistently applied to all periods presented unless otherwise stated.

(a) Basis of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries over which it has control. All intercompany balances, transactions, income, expenses, profits and losses, including unrealized gains and losses have been eliminated on consolidation. The Company consolidates subsidiaries where we have the ability to exercise control.

Control of a subsidiary is defined to exist when the Company is exposed to variable returns from the involvement with the subsidiary and has the ability to affect those returns through the power over the subsidiary. Specifically, the Company controls a subsidiary if, and only if, all of the following is present: 1) power over the subsidiary (i.e., existing rights that give the Company the current ability to direct the relevant activities of the subsidiary); 2) exposure, or rights, to variable returns from the involvement with the subsidiary; 3) and the ability to use the power over the subsidiary to affect its returns. For non-wholly owned, controlled subsidiaries, the net assets attributable to outside equity shareholders are presented as "non-controlling interests". Additionally, any profit or loss for the period that is attributable to non-controlling interests is calculated based on the ownership of the minority shareholders in the subsidiary.

Aura Minerals Inc.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

Expressed in thousands of United States dollars, except where otherwise noted.

The Company's principal subsidiaries with the corresponding mining operations and projects are:

- Minerales de Occidente, S.A. (Honduras) ("Minosa")
 - The San Andres open-pit gold mine in Honduras (the "San Andres Mine")
- Mineracao Apoena Limitada (Brazil) ("Apoena" or "EPP")
 - The Ernesto open-pit mine (the "Ernesto mine")
 - Pau-a-Pique underground mine (the "Pau-a-Pique mine")
 - The Sao Francisco open-pit gold mine in Brazil (the "Sao Francisco Mine")
 - The Japonês open-pit gold mine in Brazil (the "Japonês Mine")
 - The Lavrinha open-pit gold mine in Brazil (the "Lavrinha Mine")
 - The Nosde open-pit gold mine in Brazil (the "Nosde Mine")
 -
- Aranzazu Holding S.A. de C.V. (Mexico) ("Aranzazu")
 - The Aranzazu underground mine in Mexico (the "Aranzazu Mine"), which produces a copper-gold-silver concentrate
- Aura Almas Mineração S.A. ("Almas")
 - The Almas Gold Project under construction ("Almas"). Gold project located in the state of Tocantins, Brazil
- Rio Novo Projects
 - The Matupa Gold Project ("Matupa"). Gold project located in the state of Mato Grosso, Brazil
 - The Tolda Fria Gold Project ("Tolda Fria"). Located in Caldas State, Colombia

Although the Company only has 49% of the voting rights in Apoena, the Company has determined that it has the full beneficial ownership over the entity as the Company is exposed to variable returns from its involvement with the entity and has the ability to affect those returns through its power to control the activities of the entity. Accordingly, Apoena is fully consolidated in these consolidated financial statements.

(b) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Company has a joint venture in an entity acquired during the current year (see Note 6 for further details). Interests in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated statement of financial position.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

Aura Minerals Inc.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

Expressed in thousands of United States dollars, except where otherwise noted.

Where the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Company and its joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the Company policy.

(c) Segment reporting

An operating segment is a component of an entity (i) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), (ii) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and (iii) for which discrete financial information is available. The Company's operating segments are identified as: The San Andres Mine, the EPP Mines, the Aranzazu Mine, the Almas Project; Matupá and Tolda Fría Projects, and Corporate.

(d) Foreign currency translation

Functional and presentation currency

Items included in the accounts of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These consolidated financial statements are presented in United States dollars, which is also the functional currency of the subsidiaries with mine operations and corporate.

Transactions and balances

Foreign currency transactions are translated into the relevant functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of income.

Translation of subsidiary results into the presentation currency

Aura Minerals Inc.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

Expressed in thousands of United States dollars, except where otherwise noted.

The results and financial position of all the Company's subsidiaries with functional currencies different from the presentation currency (none of which has the currency of a hyperinflationary economy), mainly service subsidiaries and other non-operating entities, are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;
- Income and expenses for each statement of income are translated at average exchange rates, unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions; and
- All resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are recognized in other comprehensive income. When a foreign operation is sold, such exchange differences are recognized in the statement of income (loss) as part of the gain or loss on sale of investments.

(e) Revenue recognition

The Company applies the following five-step approach in recognizing revenue from contracts with customers:

- Identify the enforceable contract with the customer
- Identify the separate performance obligations in the contract from transferring the distinct good or service
- Determine the transaction price for consideration of transferring the good or service
- Allocate the transaction price to the separate performance obligations identified
- Recognize revenue when each separate performance obligation is satisfied

The Company's gold sales are recognized at the date that title passes to the buyer, which is generally when gold is settled from the refinery. However, title could pass at any stage during the refining process for certain of the Company's gold sales. Gold revenues are shown net of local taxes calculated on gross revenues. The Company's copper and gold concentrate sales are recognized at the time of delivery based on forward prices for the expected date of final settlement. The final sale prices are determined by quoted market prices in a period subsequent to the date of sale.

(f) Taxation

Tax expense comprises both current and deferred tax expense for the period. Tax expense is recognized in the consolidated statements of income (loss), except to the extent that it relates to items recognized in other comprehensive income (loss) or directly in equity.

Aura Minerals Inc.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

Expressed in thousands of United States dollars, except where otherwise noted.

Current income tax expense is the tax expected to be payable on the taxable income for the year calculated using rates (and laws) that have been enacted or substantively enacted at the consolidated statements of financial position date in the countries where the Company operates. It includes adjustments for tax expected to be payable or recoverable in respect of previous periods. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Income tax expense includes the cost of special mining taxes payable to governments that are calculated based on a percentage of adjusted taxable profit whereby taxable profit represents net income adjusted for certain items defined in the applicable legislation.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the consolidated statements of financial position date and are expected to apply when the related deferred income tax liability is settled. Deferred income tax assets are recognized only to the extent that it is probable that they will be realized in the future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority.

(g) Leases arrangements

Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is amortized over the shorter of the asset's useful life or the lease term on a straight-line basis. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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The lease payments are discounted using the interest rate implicit in the arrangement. If that rate cannot be determined, the company's incremental borrowing rate is used, being the rate that the company would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

(h) Impairment and reversal of impairment of long-lived assets

Assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of assets is the greater of their fair value less costs of disposal ("FVLCD") and value in use ("VIU").

FVLCD is based on an estimate of the amount that the Company may obtain in a sale transaction on an arm's length basis. FVLCD for mineral properties is generally determined as the present value of estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal, and discounted by an appropriate post-tax discount rate to arrive at a net present value. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. VIU is determined by applying assumptions specific to the Company's continued use and does not take into account future development discounted by an appropriate pre-tax discount rate. As such, these assumptions differ from those used in calculating FVLCD.

The Company's cash generating units ("CGUs") are the lowest level of identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the CGU to which the asset belongs.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the CGU's recoverable amount since the last impairment loss was recognized. This reversal is recognized in the consolidated statements of income and is limited to the carrying value that would have been determined, net of any depreciation where applicable, had no impairment charge been recognized in prior years. When an impairment reversal is undertaken, the recoverable amount is assessed by reference to the higher of VIU and FVLCD. We have determined that the FVLCD is greater than the VIU amounts and therefore used as recoverable amount for impairment testing purposes.

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(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) Inventory

Finished product inventory and work-in-process inventory, which includes leach pad and ore stockpile inventory, are valued at the lower of average cost and net realizable value. Finished product inventory consists of finished gold products and metals in concentrate. Work-in-process inventory represents inventory in-circuit at the Company's process plants and leach pads. Stockpile inventory represents ore stacked on leach pads and in stockpiles. The cost of work-in-process and finished product inventories includes mining costs, direct labor, operating materials and supplies, applicable haulage and transportation charges, and an applicable portion of operating overhead, including amortization and depletion. Net realizable value is the expected selling price for the finished product less the estimated costs to get the product into salable form and to the selling location.

Parts and supplies inventory consist of consumables and is valued at weighted average cost after provision for slow moving and obsolete items.

For inventory which has been written down to net realizable value, if subsequent assessments conclude that the circumstances causing the write down no longer exist or when there is clear evidence of an increase in net realizable value due to a change in economic circumstances, the write down is reversed appropriately.

(k) Discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated statement of income.

(l) Property, plant and equipment

Property, plant and equipment items are initially recognized at cost at the time of construction, purchase, or acquisition, and are subsequently measured at cost less accumulated amortization and impairment. Cost includes all costs required to bring the item into its intended use by the Company.

Costs incurred for major overhauls of existing equipment are capitalized as plant and equipment and are subject to amortization once they are commissioned. The costs of routine maintenance and repairs are expensed as incurred.

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Assets under construction are capitalized until the asset is available for its intended use. The cost of the asset under construction comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use. Assets under construction amounts are presented as a separate asset within Property, Plant and Equipment. Assets under construction are not amortized and the amortization commences once the asset is complete and available for use.

Amortization and depletion

Plant and equipment is amortized using the straight line or units of production methods over the life of the mine, or over the remaining useful life of the asset, if shorter. Land is not amortized. The following amortization rates are used by the Company:

Major class of assets	Amortization Method	Depreciation Rate
Vehicles	Straight-Line	3-5 years
Machinery and Equipment	Straight-Line/UOP	2-10 years
Mobile mining equipment	Straight-Line/UOP	4-8 years
Furniture and Fixtures	Straight-Line	4-10 years
Building	Straight-Line/UOP	4-10 years
Plant	Straight-Line/UOP	4-10 years

Residual values and useful lives are reviewed on an annual basis and adjusted, if necessary, on a prospective basis.

Once a mining operation has achieved commercial production, capitalized mineral property expenditures are UOP whereby the denominator is the proven and probable mineral reserves and a portion of measured and indicated mineral resources that are reasonably expected to be converted into proven and probable mineral reserves.

Mining interests

Mining interests represent capitalized expenditures related to the development of mining properties, expenditures arising from property acquisitions and related plant and equipment. Upon disposal or abandonment, the carrying amounts of mining interests are derecognized and any associated gains or losses are recognized in the consolidated statement of income.

Exploration and Evaluation

Exploration expenditures are the costs incurred in the initial search for mineral deposits with economic potential or in the process of obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with prospecting, sampling, mapping, drilling and other work involved in searching for ore.

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Evaluation expenditures are the costs incurred to establish the technical and commercial viability of developing mineral deposits identified through exploration activities or by acquisition.

Exploration and evaluation expenditures are expensed as incurred unless management determines that probable future economic benefits will be generated as a result of the expenditures. Once the technical feasibility and commercial viability of a project has been demonstrated with a prefeasibility study, the Company accounts for future expenditures incurred in the development of that project in accordance with the policy for Mineral Properties.

Commercial Production stage

A mine that is under construction is determined to enter the commercial production stage when the project is in the location and condition necessary for it to be capable of operating in the manner intended by management. We use the following factors to assess whether these criteria have been met: (1) the level of capital expenditures compared to construction cost estimates; (2) the completion of a reasonable period of testing of mine plant and equipment; (3) the ability to produce minerals in saleable form (within specifications); and (4) the ability to sustain ongoing production of minerals.

When a mine construction project moves into the commercial production stage, the capitalization of certain mine construction costs ceases and costs are either capitalized to inventory or expensed, except for capitalizable costs related to property, plant and equipment additions or improvements, open pit stripping activities that provide a future benefit, underground mine development or expenditures that meet the criteria for capitalization in accordance with IAS 16 Property, Plant and Equipment. The Company recognizes the proceeds from the sale of minerals sold during the development phase of their mines and the cost of producing it in the consolidated statement of income.

Mineral properties

Mineral properties generally consist of the following: the fair value attributable to mineral reserves and resources acquired in a business combination or asset acquisition; capitalized exploration and evaluation costs; underground mine development costs; open pit mine development costs; and capitalized interest.

Mineral properties acquired through business combinations are recognized at fair value on the acquisition date. The fair value is an estimate of the proven and probable mineral reserves, mineral resources, and exploration potential attributable to the property. The estimated fair value attributable to the mineral reserves and the portion of mineral resources considered to be probable of economic extraction at the time of the acquisition is amortized on a units of production ("UOP") basis whereby the denominator is the proven and probable reserves and the portion of mineral resources considered to be probable of economic extraction. The estimated fair value attributable to mineral resources that are not considered to be probable of economic extraction at the time of the acquisition is not subject to amortization until the resources become probable of economic extraction in the future.

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At the Company's underground mining operations, development costs are incurred to build new shafts, drifts, and ramps that will enable the Company to physically access ore underground. The time over which we will continue to incur these costs depends on the mine life. These underground development costs are capitalized as incurred. Capitalized underground development costs are amortized on a UOP basis, whereby the denominator is the estimated ounces/pounds of gold/copper in proven and probable reserves and the portion of resources considered probable of economic extraction based on the current life of mine ("LOM") plan that benefit from the development and are considered probable of economic extraction.

At the Company's open pit mining operations, it is necessary to remove overburden and other waste materials to access ore bodies from which minerals can be extracted economically. The process of mining overburden and waste materials is referred to as "stripping". Stripping costs which are incurred to provide initial access to the ore body (referred to as pre-production stripping) are capitalized as open pit mine development costs. Stripping costs incurred during the production stage of a pit are accounted for as costs of the inventory produced during the relevant period. Such costs are capitalized to the extent that these costs relate to anticipated future benefits and represent a betterment. Waste removal which relates to current production activities and does not give rise to a future benefit is accounted for as a production cost in the period in which it is incurred and is included in the cost of inventory.

Capitalized open pit mine development costs are amortized on a UOP basis whereby the denominator is the estimated ounces/pounds of gold/copper in proven and probable reserves and the portion of resources considered probable of economic extraction based on the current LOM plan that benefit from the development and are considered probable of economic extraction.

(m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to become ready for its intended use) are capitalized as part of the cost of the asset. Capitalization of borrowing costs begins when costs are incurred, and activities are undertaken to prepare the asset for its intended use and ceases when the asset is substantially complete or commissioned for use. Once the identified asset is substantially complete, the attributable borrowing costs are amortized over the useful life of the related asset. All other borrowing costs are expensed in the period they occur.

(n) Royalties

Certain of the Company properties are subject to royalty arrangements based on mineral production at the properties. The primary type of royalty is a net smelter return (NSR) royalty. Under this type of royalty the Company pays the holder an amount calculated as the royalty percentage multiplied by the value of gold production at market gold prices (otherwise known as Gross Proceeds) less third-party smelting, refining, brokerage and transportation costs. Royalty expense is recorded on completion of the production or sales process in cost of sales.

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(0) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial Assets

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through OCI, or fair value through profit or loss.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient for contracts that have a maturity of one year or less, are measured at the transaction price.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognized as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognized in the consolidated statement of income when the asset is derecognized, modified or impaired.

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The Company's financial assets at amortized cost include:

- Cash and cash equivalents;
- trade receivables, and
- other receivables.

Trade and other receivables are amounts due from customers and others in the normal course of business. If collection is expected in one year or less, they are classified as current assets; if not, they are presented as noncurrent assets and discounted, accordingly. Additionally, trade and other receivables are valued, per IFRS 9, at amortized cost.

Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognized at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. The Company notes that such receivables arise when ore that has been produced has been shipped to the buyer in accordance to the applicable agreement. The Company does not recognize any receivables related to ore that is estimated or has not yet been produced.

Financial assets at fair value through profit or loss include financial assets held for trading (e.g., derivative instruments), financial assets designated upon initial recognition at fair value through profit or loss (e.g., debt or equity instruments), or financial assets mandatory required to be measured at fair value (i.e., where they fail the SPPI test). The Company does not have financial assets classified as held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Rather, the Company's financial assets at fair value through profit or loss include:

- Derivatives financial instruments, and
- other long-term assets

The SPPI test for financial assets is applicable to the Company's trade receivables (subject to provisional pricing). These receivables relate to sales contracts where the selling price is determined after delivery to the customer, based on the market price at the relevant quoted price stipulated in the contract. This exposure to the commodity price causes such trade receivables to fail the SPPI test. As a result, these receivables are measured at fair value through profit or loss from the date of recognition of the corresponding sale, with subsequent movements being recognized in "fair value gains/losses on provisionally priced trade receivables" in the consolidated statement of income and other comprehensive income.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in profit or loss.

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The Company does not have any financial assets at fair value through OCI (debt instruments) or any financial assets designated at fair value through OCI (equity instruments).

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

For impairment of the financial assets, the Company, in the case for trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Company applies the simplified approach in calculating expected credit losses (ECLs), as permitted by IFRS 9. Therefore, the Company does not track changes in credit risk, but instead, recognizes a loss allowance based on the financial asset's lifetime ECL at each reporting date. For any other financial assets carried at amortized cost (which are due in more than 12 months), the ECL is based on the 12-month ECL. The 12-month ECL is the proportion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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ii. Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include:

- trade and other payables
- Debts
- Derivative financial instruments and,
- Other liabilities

Trade payables represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are de-recognized when the obligation specified in the agreement is discharged, canceled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

iii. Derivative financial instruments and hedging activities

Derivatives are recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method for recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument in cases where hedge accounting is adopted. If this is the case, the method depends on the nature of the item/object that is being hedged. The Company adopts hedge accounting and designates certain derivatives as:

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- hedging the fair value of recognized assets or liabilities or a firm commitment (fair value hedge);
- hedge of a specific risk associated with a recognized asset or liability or a highly probable forecasted transaction (cash flow hedge); or
- hedge of a net investment in a foreign operation (net investment hedge).

In the present financial statements, the Company has adopted hedge accounting for cash flow hedge, with the other types of hedge accounting not existing.

The fair values of the various derivative instruments used for hedging purposes are disclosed in Note 26(a). The changes in the hedging amounts classified in the "Other comprehensive income" account in equity are shown in Note 17(d).

(a) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in equity within "Other comprehensive income". The gain or loss relating to the ineffective portion is recognized immediately in the Statements of Income (Loss) as "Other losses".

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss as follows:

- Gains or losses related to the effective portion of interest rate swaps hedging variable rate borrowings are recognized in the income statement as interest expense at the same time as interest expense on the hedged borrowings.

iv. **Hedge ineffectiveness**

Hedge ineffectiveness is determined at the inception of the hedging relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and the hedging instrument.

Therefore, the Company performs a qualitative effectiveness assessment. If there are changes in circumstances that affect the terms of the hedged item such that the essential terms no longer exactly match the essential terms of the hedging instrument, the Company will use the hypothetical derivative method to assess effectiveness.

The Company enters into interest rate swaps with critical terms that are similar to the hedged item, such as reference rate, reset dates, payment dates, maturities and reference value.

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The ineffectiveness of the interest rate swap hedge may occur due to:

- the credit value/debit value adjustment on interest rate swaps that is not matched by the loan; and
- differences in the essential terms between the interest rate swaps and the loans.

(p) Provisions

Provisions are recognized when the Company or its subsidiaries has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are recognized in the consolidated financial statements, if estimable and probable, and are disclosed in notes to the financial information unless their occurrence is remote.

Contingent assets are not recognized in the consolidated financial statements, unless the inflow of the economic benefit is virtually certain, but are disclosed in the notes if their recovery is probable.

(q) Mine closure and restoration

Provisions for mine closure and restoration are made in respect of the estimated future costs of closure and restoration and for environmental rehabilitation costs (which include such costs as dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) in the accounting period when the related environmental disturbance occurs. The provision is discounted using a pre-tax rate and the accretion is included in finance costs. At the time of establishing the provision, the net present value of the obligation is capitalized as part of the cost of mineral properties. The provision is reviewed on an annual basis for changes in cost estimates, discount rates, inflation and operating lives. The net present value of changes in cost estimates of the mine closure and restoration obligations are capitalized to mineral properties.

Restoration activities will occur primarily upon closure of a mine but can occur from time to time throughout the life of the mine. As restoration projects are undertaken, their costs are charged against the provision as the costs are incurred.

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(r) Long-term employee benefits

Certain long-term employee benefits are specifically payable when employment is terminated. The expected costs of these benefits are accrued in the period of employment. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive loss in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

(s) Share-based payments

The fair value of the employee services received in exchange for the grant of stock options or other share-based payments plans is recognized as an expense over the vesting period. The total amount to be expensed over the vesting period is determined by calculating the fair value of the options or other share-based payment plans at the date of grant. The Company uses the Black-Scholes option pricing model to calculate the fair value of options granted.

The total amount to be expensed is determined with reference to the fair value of the options granted:

- Including any market performance conditions; and
- Excluding the impact of any service and non-market performance vesting conditions, such as profitability, sales growth targets, and remaining an employee of the entity over a specific time period.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. This estimate is revised at each statement of financial position date and the difference is charged or credited to the consolidated statements of income (loss) with the corresponding adjustment to equity.

When the options are duly exercised, the Company issues common shares from treasury. The fair value and any proceeds received, net of any directly attributable transaction costs, are credited to equity.

(t) Share capital

Common shares issued by the Company are classified as equity. Incremental costs directly attributable to the issuance of common from treasury shares are recognized in equity, net of tax, as a deduction from the share proceeds.

(u) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares.

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- By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(v) New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for December 31, 2022 reporting periods and have not been early adopted by the Company. These standards, amendments to accounting standards and interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(w) New standards and interpretations adopted by the company

Certain new accounting standards, amendments to accounting standards and interpretations have been published and adopted for the year ended in December 31, 2022 by the Company. These standards, amendments to accounting standards and interpretations did not have a material impact on the entity in the current reporting period.

4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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 policy under which significant judgments, estimates and assumptions are made and where actual results could differ from these estimates under different assumptions and conditions and could materially affect the Company's financial results or statements of financial position reported in future periods.

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Determination of Life of Mine (LOM) Plans and ore reserves and resources

Estimates of the quantities of ore reserves and resources form the basis for our LOM plans, which are used for a number of important business and accounting purposes, including: the calculation of depletion expense; the capitalization of production phase stripping costs, for forecasting the timing of the payment of mine closure and restoration costs and for the assessment of impairment charges and the carrying values of assets. In certain cases, these LOM plans have made assumptions about our ability to obtain the necessary permits required to complete the planned activities.

The Company determines mineral resources and reserves under the principles incorporated in the Canadian Institute of Mining, Metallurgy and Petroleum standards for mineral reserves and resources, known as the CIM Standards. The information is regularly compiled by Qualified Persons and reported under National Instrument 43-101, Standards of Disclosure for Mineral Projects (“NI-43-101”).

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.

Impairment of assets

In accordance with the Company’s accounting policy, at each reporting date management assesses whether there are any indicators of impairment of the Company’s PP&E. Internal and external factors evaluated for indicators of impairment include: (i) whether the carrying amount of net assets of the Company exceeded its market capitalization; (ii) changes in estimated quantities of mineral reserves and resources and the Company’s ability to convert resources to reserves, (iii) a significant deterioration in expected future metal prices; (iv) changes in expected future production costs and capital expenditures; and (v) changes in interest rates. The identification of impairment indicators requires significant judgement.

If any such indicator exists, a formal estimate of recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or CGU is measured at the higher of FVLCD or VIU.

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

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

Valuation of work-in-process inventory

The measurement of inventory including the determination of its net realizable value, especially as it relates to ore in stockpiles, involves the use of estimates. Net realizable value is determined with reference to relevant market prices less applicable variable selling expenses. Estimation is also required in determining the tonnage, recoverable gold and copper contained therein, and in determining the remaining costs of completion to bring inventory into its saleable form. Judgment also exists in determining whether to recognize a provision for obsolescence on mine operating supplies, and estimates are required to determine salvage or scrap value of supplies.

Estimates of recoverable gold or copper on the leach pads are calculated from the quantities of ore placed on the leach pads (measured tones added to the leach pads), the grade of ore placed on the leach pads (based on assay data) and a recovery percentage (based on ore type).

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.

Recoverability of deferred tax assets

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

These differences result in deferred tax assets and liabilities that are included in the Company's consolidated statements of financial position. An assessment is also made to determine the likelihood that the Company's future tax assets will be recovered from future taxable income.

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Judgment is required to continually assess changes in tax interpretations, regulations and legislation, and make estimates about future taxable profits, to ensure deferred tax assets are recoverable.

Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in active markets is determined using valuation techniques. The Company uses its judgment in selecting various methods and making assumptions that are based primarily on market conditions existing at the balance sheet date. The Company has used mark-to-market analysis to calculate the fair value of various financial assets at fair value through other comprehensive income, which are not traded in active markets.

5 DISCONTINUED OPERATION

During the year ended on December 31, 2021, the Company decided to transition Gold Road into care and maintenance and the Board of Directors of Gold Road started to evaluate together with the Gold Road's lender, alternatives to dispose of the assets of Gold Road.

On February 28, PPG, Aura Technical Services ("ATS"), Z79 and Gold Road executed a settlement and wind-down agreement with Pandion (PPG) in which all the parties committed to explore the options available and create the conditions to transfer the shares of Z79 (shareholder of Gold Road Mine) to PPG. On May 20, 2022, Aura completed all the conditions set in the agreement and transferred the control over management and decisions of Gold Road's operations to PPG. As a result of the loss of control, the Company reports the financial statements of Gold Road as a discontinued operation for the year ended December 31, 2022. Comparative figures were also reclassified and presented as discontinued operations.

The transfer of the shares was completed on 26 July 2022.:

The financial performance and cash flow information of Gold Road for the years ended December 31, 2022 and 2021 is summarized below:

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	December 31, 2022	December 31, 2021
Net revenue	-	20,553
Cost of goods sold	-	(25,877)
Gross margin	-	(5,324)
General and administrative expenses	-	(2,432)
Care-and-maintenance expenses	(2,502)	(1,933)
Exploration expenses	-	(1,977)
Impairment	-	(21,201)
Operating income	(2,502)	(32,867)
Finance costs	(2)	(6,831)
Other gain (losses)	2,623	(9,462)
Income/ (Loss) before income taxes	119	(49,160)
Gain on loss of control of subsidiary	10,130	-
(Loss)/profit from discontinued operation	10,249	(49,160)
Income (loss) per share	0.14	(0.68)

	2022	2021
Net cash inflow from operating activities	(3,343)	18,049
Net cash (outflow) from investing activities	-	(9,236)
Net cash (outflow) from financing activities	3,362	(10,095)
Net increase (decrease) in cash generated by the subsidiary	19	(1,282)

As a result of the loss of control, the Company de-recognized the carrying amounts of the Gold Road's assets and liabilities for \$16,810 and \$26,940, respectively, and recognized the shares retained in the subsidiary at the value assigned in the contract share purchase agreement signed with PPG of \$1. As a result the Company recognized a gain of \$10.1 million in the consolidated statement of income.

6 ACQUISITION OF INVESTMENT IN JOINT VENTURE - BIG RIVER GOLD LIMITED

On April of 2022, Aura Minerals Inc entered into a binding Scheme Implementation Deed ("Scheme") with Big River Gold Limited ("Big River"), pursuant to which a subsidiary of Aura ("Borborema LLC") to acquire 100% of the issued and outstanding ordinary shares in the capital of Big River Gold Limited ("Big River"). Pursuant to the Scheme, holders of Big River Shares, other than Dundee Resources Limited ("Dundee"), would receive A\$0.36 (in Australian dollars) in cash for each Big River share held. Dundee will receive shares on Borborema LLC in lieu of the cash consideration in order to indirectly maintain a 20% equity interest in Big River

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On September 21, 2022, the Company concluded the acquisition of Big River.

On closing of the transaction, Big River assets consisted primarily of mineral properties. As Big River did not have processes capable of generating outputs, Big River did not meet the definition of a business in accordance with IFRS 3 - Business Combinations, and as a result the transaction has been accounted for as an asset acquisition. The value of consideration paid after allocation to the other net assets acquired, was allocated to Big River's mineral properties based on their relative fair values at the acquisition date. The cash consideration transferred for the acquisition was \$51,568 and, in addition to that, the Company capitalized \$2,395 in expenses related to the acquisition of the investment.

The Company performed the assessment of control based on the requirements of IFRS 10 and 11 and concluded that the shareholder agreement requires unanimous consent of the parties to make decisions about the relevant activities of the company and therefore the investment should be accounted as a joint arrangement. The Company has assessed the nature of its joint arrangement and determined it to be a joint venture, as the relevant activities that significantly affect the investee's returns required a supermajority of 90%.

The interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses and movements in other comprehensive income.

The table below summarizes the financial information of the joint venture and the date of acquisition. The information disclosed reflects the amounts presented in the financial statements of Borborema LLC and not Aura's share of those amounts. Amounts have been amended to reflect fair value adjustments and modifications for differences in accounting policies:

Assets acquired	Cash and cash equivalents	10,426
	Trade and other receivables	216
	Other assets	296
	Mineral Properties	58,221
	Property, plant and equipment	114
Liabilities assumed	Trade and other payables	369
	Other liabilities	1,450
Net assets		<u>67,454</u>
Aura share in %		<u>80%</u>
Aura share in US\$000		<u>53,963</u>

For the year ended December 31, 2022, the company calculated an equity pickup of \$365. The table below summarizes the financial information of the joint venture as of December 31, 2022:

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Assets	US\$	Liabilities	US\$
Cash	9,757	Payable and provisions	1,016
Other current assets	232	Other current liabilities	47
Total Current Assets	9,989	Total Current Liabilities	1,064
PP&E	59,305	Provisions	641
Other non-current assets	187	Total Non-Current Liabilities	641
Total Non-Current Assets	59,492	Equity	67,777
Total Assets	69,481	Total Liabilities + equity	69,481

Income Statement	US\$
General and administrative expenses	(469)
Operating loss	(469)
Other gains	12
Loss for the year	(457)

7 VALUE ADDED TAXES AND OTHER RECEIVABLES

	2022	2021
Value added taxes receivable	39,817	36,025
Trade receivables	8,366	8,885
Other receivables	11,878	4,478
Provision for bad debts - trade receivables	-	(95)
Total trade and other receivables	60,061	49,293
Current	54,509	42,404
Non-current (note 10)	5,552	6,889

Value added tax receivables are expected to be recovered, taking into consideration the different alternatives available to the company, including: (1) Reimbursement from government authorities and/or (2) Used as credit for income tax payments. The company and their tax advisors are constantly reviewing the options available to ensure the recoverability of these balances.

The Company has paid on behalf of certain key management personnel, certain withholding taxes associated with the exercise of stock options. Such withholding taxes are included as other receivables and are expected to be repaid in less than 12 months (see Note 30).

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8 INVENTORY

	2022	2021
Finished product	4,107	7,550
Work-in-process	15,610	23,360
Parts and supplies	24,514	26,422
Provision for inventory obsolescence	(1,263)	(778)
Total inventory	42,968	56,554

For the year ended December 31, 2022, the company recognized in the consolidated statement of income \$485 related to inventory obsolescence provision at Aranzazu Mine.

9 OTHER CURRENT ASSETS

	2022	2021
Advances to vendors	7,215	5,107
Prepaid expenses	5,837	4,806
Deposits	474	1,147
Total other current assets	13,526	11,060

Advance to vendors is mostly related to advances made to Almas suppliers due to the progress of the construction.

Prepaid expenses are prepayments made for general working capital needs such as advances to suppliers and general prepayment of general and administrative expenses.

10 OTHER LONG-TERM ASSETS

	2022	2021
Non-current portion of value added taxes receivables (note 6)	5,552	6,889
Other long-term assets, receivables and deposits	10,144	6,448
Total other long term asset	15,696	13,337

On December 1, 2017, the Company 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 promissory 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. The determination of the probability of payment and the timing of payment, significantly impact the fair value of the promissory note.

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The significant assumptions used in the determination of the fair value includes the probability of MVV to complete the different milestones to put Serrote in commercial production, including getting the required financing and completing the mine and plant construction; and the discount rate. Considering the developments known by management related to the Serrote Project as of December 31, 2022 the Company re-assessed its calculation and updated the estimated fair value of the promissory note in \$8.5 million. (\$4.79 million as of December 31, 2021). If the probabilities of the different scenarios had been 10% more negative than management's estimates, the estimated fair value of the promissory note would have been \$0.75 million lower.

11 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment movements for the year ended December 31, 2022 and for the year ended December 31, 2021 are as follows:

	Mineral properties	Land and buildings	Furniture, fixtures and equipment	Plant and machinery	Right of use assets	Assets under construction	Total
Net book value at December 31, 2021	190,344	47,431	7,417	23,611	688	16,344	285,835
Additions	89,908	7,304	3,387	6,704	45,067	3,136	155,506
Reclassifications	693	1,717	3,150	(91)	-	(5,469)	-
Depletion and amortization	(25,550)	(10,873)	(662)	(7,474)	(808)	-	(45,367)
Disposals	-	(67)	-	(1,171)	(505)	-	(1,743)
Discontinued operations	(12,537)	(1,845)	-	(1,312)	(5)	-	(15,699)
Net book value at December 31, 2022	242,858	43,667	13,292	20,267	44,437	14,011	378,532
Consisting of:							
Cost	446,190	113,941	26,837	136,245	48,833	14,011	786,057
Accumulated depletion and amortization	(203,332)	(70,274)	(13,545)	(115,978)	(4,396)	-	(407,525)
Net book value at December 31, 2022	242,858	43,667	13,292	20,267	44,437	14,011	378,532

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	Mineral properties	Land and buildings	Furniture, fixtures and equipment	Plant and machinery	Right of use assets	Assets under construction	Total
Net book value at December 31, 2020	178,642	45,118	7,015	19,256	3,985	17,143	271,159
Additions	44,765	7,750	955	4,845	1,913	16,993	77,221
Disposals	-	(55)	-	-239	(2,188)	-	(2,482)
Reclassifications	11,574	1,462	2	5,986	(1,232)	(17,792)	-
Depletion and amortization	(23,436)	(6,844)	(555)	(6,237)	(1,790)	-	(38,862)
Impairment	(21,201)	-	-	-	-	-	(21,201)
Net book value at December 31, 2021	190,344	47,431	7,417	23,611	688	16,344	285,835
Consisting of:							
Cost	392,291	107,532	20,309	133,636	4,381	16,344	674,493
Accumulated depletion and amortization	(180,746)	(60,101)	(12,892)	(110,025)	(3,693)	-	(367,457)
Impairment	(21,201)	-	-	-	-	-	(21,201)
Net book value at December 31, 2021	190,344	47,431	7,417	23,611	688	16,344	285,835

For the year ended December 31, 2022 and 2021, the total amount of \$1,248 was capitalized as part of the construction cost at Almas project.

The right of use assets corresponds to the lease liability obligations disclosed in Note 17(b) below. The additions of \$44,086 included the new lease agreement for machinery use in operational mine activity in Apoena.

12 TRADE AND OTHER PAYABLES

	2022	2021
Trade accounts payable	46,863	39,632
Other payables	13,163	12,117
Accrued liabilities	11,282	11,624
Deferred revenue (a)	-	5,172
Total accounts payable	71,308	68,545

The increase in trade and accounts payables refers to improvement in days payables outstanding in all business units.

(a) In February 2021, Trafigura México, S.A. de C.V agreed to make an advance payment of \$6 million to Aranzazu Holdings Ltda, which was recorded as deferred revenue in connection with the Purchase-Sale agreement entered between the parties in November 2020. The advance was settled by Aranzazu during the first quarter of 2022.

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13 DEBTS

The list of debt held by the Company, on a consolidated basis, as of December 31, 2022 and 2021 are as follows:

Financial debt	Maturity Date	Interest Rate	Outstanding 12/31/2022	Outstanding 12/31/2021
Bank Occidente				
Q2 2021 Promissory Note ("Fourth Promissory Note")	June 2022	6.25%	-	2,539
Q2 2022 Promissory Note ("Fifth Promissory Note")	May 2026	6.25%	8,702	-
Q3 2022 Promissory Note ("Sixth Promissory Note")	August 2026	6.25%	9,259	-
Bank Atlántida				
Q2 2017 Loan Agreement ("First Loan")	July 2023	7.30%	1,306	3,047
Q1 2021 Loan Agreement ("Second Loan")	January 2022	7.25%	-	167
Q1 2021 Loan Agreement ("Third Loan")	February 2022	7.00%	-	250
Q2 2021 Loan Agreement ("Fourth Loan")	April 2022	7.00%	-	417
Q4 2021 Loan Agreement ("Fifth Loan")	November 2023	7.00%	1,440	2,177
Q1 2022 Loan Agreement ("Sixth Loan")	March 2023	6.00%	500	-
Q2 2022 Loan Agreement ("Seventh Loan")	March 2023	6.50%	10,000	-
Bank ABC Brasil S.A.				
Q2 2019 Loan Agreement ("Second Loan")	August 2023	6.40%	-	3,182
Q2 2019 Loan Agreement ("Third Loan")	August 2023	6.40%	-	2,094
Q1 2021 Loan Agreement ("Fourth Loan")	February 2024	5.75%	-	9,834
Q4 2022 Loan Agreement ("Fifth Loan")	January 2026	5.38%	17,301	-
Bank Santander				
Q2 2022 Loan Agreement ("First Loan")	January 2025	SOFR + 4.0%	20,161	-
Q2 2022 Loan Agreement ("Second Loan")	December 2024	SOFR + 4.0%	10,000	-
Bank Santander Brasil				
Q1 2019 Loan Agreement ("First Loan")	October 2023	5.29%	2,951	4,322
Q4 2020 Loan Agreement ("Second Loan")	December 2023	4.95%	1,686	3,386
Bank Votorantim				
Q1 2021 Loan Agreement ("Second Loan")	March 2022	3.01%	-	4,926
Q2 2019 Loan Agreement ("First Loan")	September 2022	6.50%	-	1,574
Bank Itau				
Q1 2020 Loan Agreement ("First Loan")	March 2023	7.00%	1,600	4,888
Q1 2021 Loan Agreement ("Second Loan")	March 2024	4.65%	7,500	12,024
Bank Safra				
Q4 2021 Loan Agreement ("First Loan")	December 2022	2.67%	-	2,001
Q1 2022 Loan Agreement ("Second Loan")	March 2024	3.70%	10,283	-
Other banks				
FIFOMI Credit Facility	November 2024	TIIIE + 4.00% N/A - effective of	-	2,470
Pandion	March 2023	15.75%	-	25,000
Bradesco S.A.	February 2025	4.99%	9,627	-
BTG Pactual	June 2025	6.73%	20,000	-
Debentures payable				
Debentures	July 2026	CDI + 4.35%	81,726	73,733
Total			214,042	158,031
Current			73,215	58,169
Non-Current			140,827	99,862

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For the year ended December 31, 2022, the Company has incurred interest expense on debt of \$6,413 (\$5,738 for the year ended December 31, 2021) (Note 24). For the year ended December 31, 2022, the total amount of \$ 1,248 was capitalized as part of the construction cost at Almas project (Note 11).

Financial Covenants

Mineração Apoena S.A. ("Apoena") - subsidiary of the Company

- Bank BTG Pactual.: Principal of US\$ 20 million entered in June 2022

The agreement has financial covenants where Net Debt should be lower than 2.75x over the last 12 months EBITDA. The covenant is measured on a quarterly basis at Aura Mineral Inc.

Aranzazu Holdings SA de CV ("Aranzazu") - subsidiary of the Company

- Bank Santander México S.A.: Principal of US\$ 25 million entered in June 2022

The agreement has financial covenants where: Net Debt should be lower than 2.0x over the last 12 months EBITDA; and last 12 months EBITDA overpaid interest should be over or equal 5.0x. The covenant is measured on a quarterly basis at the subsidiary.

Mineração Apoena S.A. ("EPP") - subsidiary of the Company

- Bank Itaú Unibanco S.A.: Principal of US\$ 12 million entered in March 2020

The agreement has a financial covenant where Net Debt should be lower than 1.5x over the last 12 months EBITDA. The covenant is measured at the subsidiary.

Aura Almas Mineração S.A. ("Almas") - subsidiary of the Company

- Debentures: Principal of R\$ 400 million (approximately US\$ 78 million) entered on July 2021

The debentures were issued for the purposes of developing the mine. Along with the debenture, there is a corresponding interest rate and currency swap hedge in US\$ at 5.84% flat rate per year (Note 26a) and a corporate guarantee from Aura Minerals, Inc.

The agreement also includes a financial covenant where the Company' s last 12 months EBITDA should be equal or higher than 1/2.75 times the net debt to be measured on quarterly basis. The covenant is measured based on Aura Minerals consolidated financial statements.

For the year ended December 31, 2022, the Company and its subsidiaries are in compliance with all the financial covenants stated above.

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Gold Road – Pandion debt

On February 28, 2022 the Company executed a settlement and wind-down agreement with Pandion in order to explore alternatives for the transfer of the shares from Z79. As the loss of control happened on May 20, the financial information from Gold Road was reported on December 31, 2022 on this financial statement as discontinued operations. For further information, refer to Note 5.

14 INCOME TAXES

a) Income tax (recovery) expenses

Income tax expenses included in the consolidated statements of income for the year ended December 31, 2022 and 2021 are as follows:

	2022	2021
Current income tax expense	(26,832)	(32,440)
Deferred income tax (recovery)/expense	1,088	(22,796)
Total income/deferred taxes expense	(25,744)	(55,236)

During the year ended December 31, 2022 the company recorded lower taxable income mostly driven by Minosa that decreased its income before tax by 77% when compared to the same period in 2021, that was partially offset by EPP Mines and Aranzazu due to higher revenue, already expected for this period.

b) Deferred income tax assets and liabilities

Deferred tax liabilities on the consolidated statements of financial position consist of:

Net deferred income tax assets (liabilities) are classified as follows:	2022	2021
Deferred income tax assets	31,104	20,856
Deferred income tax liabilities	(26,508)	(17,110)
Total deferred taxes, net	4,596	3,746

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The movement in the net deferred income tax asset (liability) account was as follows:

Balance, December 31, 2020	26,643
Recovered from (charged to) the statement of income	(22,796)
Recorded through other comprehensive income	(86)
Exchange differences	(15)
Balance, December 31, 2021	3,746
Recovered from (charged to) the statement of income	1,088
Recorded through other comprehensive income	(894)
Exchange differences	656
Balance, December 31, 2022	4,596

15 PROVISION FOR MINE CLOSURE AND RESTORATION

	2022	2021
Balance, beginning of year	41,456	39,445
Accretion expense (note 24)	4,332	2,482
Change in estimate	2,608	(3,549)
Discontinued operations	(134)	-
Change in estimate for properties in care and maintenance	-	3,078
Balance, end of year	48,262	41,456

Provision for mine closure and restoration is related to the closure costs and environmental restoration associated with mining operations. The provisions have been recorded at their net present values, using long term discount rates based upon the country treasury bill rates of 13.75%, 8.94%, and 14.64% (8.00%, 5.67% and 8.49% in 2021) for, Brazil, Mexico, and Honduras, respectively. The provisions have been re-measured at each reporting date, with the accretion expense being recorded as a finance cost.

The change in estimate during the year ended December 31, 2022 was primarily due to the increase from inflation.

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Notes to the Consolidated Financial Statements

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16 OTHER PROVISIONS

	Long-term employee benefits	Provision for judicial contingencies	Total
At December 31, 2020	8,831	707	9,538
Periodic service and finance cost (Note 24)	640	-	640
Change in provision for the year	604	(123)	481
Actuarial changes	1,812	-	1,812
Settlement during the year	(548)	-	(548)
At December 31, 2021	11,339	584	11,923
Periodic service and finance cost (Note 24)	536	-	536
Change in provision for the year	622	(60)	562
Actuarial changes	800	-	800
Settlement during the year	(282)	-	(282)
At December 31, 2022	13,015	524	13,539

Long-term employee benefits liability exists as a result of a legal requirement in Honduras pursuant to which the Company is obligated to pay a severance payment based on the years of service provided by an employee without regard to the cause of termination.

The main assumptions used on the long term employee benefit calculation for the years ended December 31, 2022 is as follows:

	2022	2021
Discount Rates	4.70%	5.45%
Salary Increase rate (administrative)	7.50%	7.50%
Salary Increase rate (operation)	7.50%	8.00%
Long Term Inflation	5.00%	5.00%

17 OTHER LIABILITIES

	2022	2021
NSR royalty (note 17 (a))	638	1,518
Lease payment obligation (note 17 (b))	39,252	1,110
Total other liabilities	39,890	2,628
Current	12,978	2,151
Non-current	26,912	477

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a) NSR Royalty

The movements of the NSR Royalty is as follows:

	2022	2021
Balance, beginning of year	1,518	625
Royalty payments	(1,635)	(625)
Increase in NSR obligations	1,152	1,518
Discontinued operations	(397)	-
Balance, end of year	638	1,518

b) Lease Payment Obligation

The movements of the lease liability obligation is as follows:

	2022	2021
Balance, beginning of year	1,110	2,943
Additions to lease obligation	45,191	2,722
Accretion expense (Note 24)	879	191
Lease payments	(7,785)	(3,577)
Disposals	-	(1,169)
Discontinued operations	(143)	-
Balance, end of year	39,252	1,110
Current	12,340	633
Non-current	26,912	477

The weighted average discount rate applied to the new lease liabilities within the year ended December 31, 2022 and 2021 was 13.75% and 7%, respectively.

Lease liabilities are reflected within the current and long-term liabilities in the consolidated statements of financial position. The finance cost or amortization of the discount on the lease liabilities are charged to the consolidated statements of income and comprehensive income using the effective interest method.

Aura Minerals Inc.

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18 SHARE CAPITAL

a) Authorized

The Company has authorized an unlimited number of common shares.

b) Stock options

A continuity of the Company's stock options issued and outstanding are as follows:

	Number of options	Weighted average price C\$
Balance, December 31st, 2020	3,450,300	1.80
Granted	815,679	13.89
Exercised	(1,964,565)	1.53
Forfeited	(302,398)	0.94
Balance, December 31, 2021	1,999,016	6.78
Granted	42,500	8.28
Exercised	(327,857)	1.57
Forfeited	(13,500)	15.33
Balance, December 31, 2022	1,700,159	7.75

As of December 31, 2022, the Company had 1,700,159 options issued and outstanding as follows:

Exercise price C\$	Options outstanding	Options Exercisable	Remaining contractual life (years)	Expiry dates
1.57	11,895	11,895	3.76	October 5, 2026
1.57	83,005	-	4.76	October 2, 2027
1.57	650,580	-	4.76	October 2, 2027
1.57	83,000	-	4.76	October 2, 2027
15.33	13,500	-	7.79	October 12, 2030
15.33	36,000	-	6.18	March 3, 2029
13.75	707,679	235,893	8.18	March 4, 2031
14.09	36,000	-	6.15	February 22, 2029
14.88	36,000	-	6.27	April 5, 2029
8.70	22,500	-	7.37	May 12, 2030
7.80	20,000	-	7.92	December 1, 2030
	1,700,159	247,788		

Aura Minerals Inc.

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c) Share-based payment expense

Share-based payment expense is measured at fair value and recognized over the vesting period from the date of grant. For the year ended December 31, 2022 and 2021, share-based payment expense recognized in general and administrative expenses (note 21) was \$471 and \$660 respectively.

During the years ended December 31, 2022 and 2021, the Company has granted 42,500 and 815,679 new stock options, respectively.

d) Hedge Accounting

During the year ended December 31, 2021, the Company, through Aura Almas, entered into an interest rate and currency swap to establish cash flow hedge reserve. The cash flow hedge reserve is used to recognize the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges, as described in Note 13.

e) Repurchase of shares

In December 2021, the Company approved a normal course issuer bid (“NCIB”) and a buyback program for its Brazilian Depositary Receipts (“BDRs” listed in the Brazilian Stock Exchange (“B3”). The limit for purchases under the NCIB and the BDR Buyback Program was a combined aggregate limit, representing, altogether, 2,677,611 Common Shares, or 10% of the public float (within the meaning of the rules of the TSX). The NCIB program expired in December, 2022.

For the year ended December 31, 2022 the Company has repurchased 1,116,918 common shares of its Brazilian Depositary Receipts and 412,416 under the NCIB (total of 1,529,334), for the total amounts of 5,551 and 3,784, respectively, for a total of 9,335 recorded directly on share capital. Until December 31, 2022, the Company has cancelled 777,266 shares from the total repurchased.

19 NET REVENUE

	2022	2021
Gold	236,836	281,283
Copper & Gold concentrate	163,808	150,960
Other	(7,945)	(8,237)
Total	392,699	424,006

Aura Minerals Inc.

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Revenues for the San Andres mine and EPP mines relate to the sale of refined gold and for the Aranzazu mine relates to the sale of copper concentrate. The company's revenues are concentrated in 3 clients and management continuously monitors the relationship with them.

20 COST OF GOODS SOLD BY NATURE

	2022	2021
Direct mine and mill costs	(158,229)	(86,968)
Direct mine and mill costs - Contractors	(44,407)	(90,863)
Direct mine and mill costs - Salaries	(19,002)	(23,914)
Depletion and amortization	(45,368)	(33,924)
Total	(267,006)	(235,669)

21 GENERAL AND ADMINISTRATIVE EXPENSES

	2022	2021
Salaries, wages, benefits and bonus	(8,745)	(7,314)
Severance	(261)	(524)
Professional and consulting fees	(5,350)	(5,086)
Legal, Filing, listing and transfer agent fees	(982)	(899)
Insurance	(1,001)	(1,820)
Directors' fees	(32)	(11)
Travel expenses	(833)	(490)
Share-based payment expense (Note 18c)	(471)	(660)
Depreciation and amortization	(84)	(41)
Lease depreciation expense	(96)	(96)
Other	(4,652)	(3,383)
Total	(22,507)	(20,324)

Salaries, wages and benefits categories for the year ended December 31, 2022 include employee compensation such as salaries and benefits. The increase in the total amount of salaries, wages, benefits and bonus refers to the increase of the Corporate team, directly related to the long-term strategy of the group to increase its operations.

The increase in professional and consulting fees are due to non-recurring expenses related to ESG (Environmental, social, and corporate governance), marketing and others.

"Other" includes general expenses, such as energy, software and licenses and membership and subscriptions expenses.

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22 CARE AND MAINTENANCE EXPENSES

	2022	2021
Matupa and Tolda Fria	(166)	(343)
Almas	(587)	-
EPP Projects	(1,738)	(864)
Total	(2,491)	(1,207)

23 EXPLORATION EXPENSES

	2022	2021
San Andres mine	(180)	(1,155)
Matupa and Tolda Fria	(3,335)	-
Almas	(1,199)	-
EPP projects	(1,599)	(5,768)
Aranzazu mine	(6,151)	(886)
Total	(12,464)	(7,809)

24 FINANCE INCOME/(EXPENSE)

	2022	2021
Accretion expense (note 15)	(4,332)	(2,482)
Lease interest expense (note 17(b))	(879)	(60)
Interest expense on debts (note 13)	(6,413)	(5,738)
Finance cost on post-employment benefit (Note 16)	(536)	(640)
Other interest and finance costs	(361)	(635)
Gain on derivative transactions	922	1,483
Interest Income	1,235	1,532
Foreign Exchange	2,967	(1,649)
Total	(7,397)	(8,189)

For the year ended December 31, 2022 the exchange rate between US\$ and Brazilian Reais presented appreciation when compared to the same period of 2021 that generated a gain of \$5.3 million at Almas project related to the portion of cash & cash equivalents held in Brazilian Reais. At EPP projects, there was a \$1.0 million foreign exchange loss due to the net effect on outstanding balances from accounts payable/receivable and cash invested in Brazilian Reais and at Aranzazu, there was a \$1.2 million foreign exchange loss due to the net effect on outstanding balances from accounts payable/receivable.

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Notes to the Consolidated Financial Statements

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25 OTHER INCOME (LOSSES)

	2022	2021
Net gain on call options and fixed price contracts – Gold	-	328
Net loss on call options – Copper	-	(601)
Gain on FV change of MVV Promissory note receivable (Note 10)	3,707	2,110
Other items	(2,550)	(1,668)
Total	1,157	169

26 CASH FLOW INFORMATION

a) Items not affecting cash

For the year ended December 31,	2022	2021
Deferred and current income tax expense	25,744	57,264
Gain on discontinued operations (Note 5)	(10,249)	-
Depletion and amortization (note 10)	45,367	37,795
Accretion expense (note 24)	4,332	2,673
(Gain)/Loss on Derivatives	-	3,085
Lease Interest Expense (Note 24)	879	-
Periodic service, past service and finance costs on post-employment benefit	1,158	1,244
Share-based payment expense (note 20)	471	660
Change in estimate of provision for mine closure and restoration (note 14)	14	3,078
Foreign exchange (gain) loss (note 24)	(2,967)	1,649
(Gain)/Loss on FV change of Serrote Promissory Note (Note 25)	(3,707)	(2,110)
Loss on disposal of assets	1,743	1,179
Unrealized gain on call option and fixed price contracts	-	(156)
Interest expense on debt (Note 24)	6,413	5,767
items not affecting cash from discontinued operations	-	36,169
Other non-cash items	1,217	2,005
Total	70,415	150,302

b) Changes in working capital

For the year ended December 31,	2022	2021
Decrease (increase) in trade and other receivables	(10,661)	(14,745)
Decrease (Increase) in inventory	13,481	(8,947)
(decrease) Increase in trade and other payables	71	(10,453)
Total	2,891	(34,145)

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c) Supplementary cash flow information

For the year ended December 31,	2022	2021
<i>Changes in other assets and liabilities consists of:</i>		
Decrease in long term asset	1,348	(1,024)
(Increase) decrease in other current assets	(3,232)	(2,397)
Other items	(282)	187
Total	(2,166)	(3,234)

d) Non-cash investing and financing activities consist of:

For the year ended December 31,	2022	2021
Non-cash addition to property, plant and equipment	(2,594)	(1,636)
Total	(2,594)	(1,636)

e) Debt reconciliation

	Loans	Derivatives
Balance as at January 1st, 2021	70,426	-
<i>Changes from Financing cash flows:</i>		
Loan Repayments	(33,280)	-
Loan Proceeds	118,185	-
Interest paid on debts	(3,590)	-
	151,741	-
<i>Other Changes:</i>		
Interest Expenses on Debts	10,237	-
Interest Expenses on Debentures	2,230	-
Debt Costs on Debentures	(1,676)	-
Derivative result	-	2,779
FX Adjustments	(4,501)	-
Balance as of December 31, 2021	158,031	2,779
<i>Changes from Financing cash flows:</i>		
Loan Repayments	(60,504)	-
Loan Proceeds	125,199	-
Interest paid on debts	(7,473)	-
Interest paid on Debentures	(9,747)	-
Derivative settlement	-	4,079
<i>Other Changes:</i>		
Interest Expenses on Debts	47,475	4,079
Interest Expenses on Debentures	15,721	-
Derivative result	13,070	-
Derivative result	-	(8,060)
FX Adjustments	4,745	(4,881)
Derivative settlement (withholding taxes)	-	1,072
MTM Adjustment	-	(2,629)
Balance as of December 31, 2022	239,042	(7,640)
Discontinued operations	(25,000)	-
Balance as of December 31, 2022 (continued operations)	214,042	(7,640)

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27 FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT

a) Financial Instruments

In accordance with IFRS 9, the Company records the fair value of their derivative fixed price contracts and put/call options instruments at the end of the reporting period as an asset (“in-the-money”) or liability (“out-of-the-money”). The fair value is calculated as the difference between a market-based price and the contracted price. At the end of the reporting period, a corresponding gain or loss is recorded in the Consolidated Statements of Income as Other (Gain) Loss.

For the fixed price contracts and put/call options on the gold derivatives, these derivatives are significantly driven by the market price of gold. As noted below section b, these derivatives are considered as Level 2 investments.

The group has the following derivative financial instruments in the following line items in the balance sheet:

Derivatives Contracts	Commodity/ index	Current/Non-Current	(Asset)/Liability at 12/31/2022	(Asset)/Liability at 12/31/2021
Swaps				
Aura Almas	CDI	Non-current	(7,640)	2,779
Brazilian Mines	CDI	Current	(479)	
Total			(8,119)	2,779

During the year ended December 31, 2022, the Company has entered in zero cost put/call collars, in a total of 100,200 ounces, most of the volume in connection with the risk management program for the Almas Project. The zero-cost put/calls collars have floor prices between \$1,558 and \$1,700 (average: \$ 1,626) and ceiling prices between \$1,915 and \$ 2,896 (average: \$ 2,350) per ounce of gold expiring between August 2022 and July 2025.

For EPP Mines, Mineração Aipoena entered in zero cost put/call collars, in a total of 10,400 ounces with floor price of \$1,400 and ceiling price of \$2,100 per ounce of gold expiring between March 2023 and December 2025. For the year ended December 31, 2022, both the Company and Mineração Aipoena have recorded no realized gain or loss associated with Gold zero cost put/call collars.

The fair value of financial instruments that are not traded in active markets is determined using valuation techniques. The Company uses its judgment in selecting various methods and making assumptions that are based primarily on market conditions existing at the balance sheet date. The Company has used mark-to-market analysis to calculate the fair value of various financial assets at fair value through other comprehensive income, which are not traded in active markets.

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The carrying amount of financial assets at fair value through other comprehensive income be \$105 lower or \$95 higher if the discount rate used in the discounted cash flow analysis were to differ by 10% from management's estimates.

b) Fair value of financial instruments

In accordance with IFRS 9, the Company measures certain of its financial assets and liabilities at fair value on a recurring basis and these are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value:

- 1) Level 1, which are inputs that are unadjusted quoted prices in active markets for identical assets or liabilities;
- 2) Level 2, which are inputs other than Level 1 quotes prices that are observable, either directly or indirectly, for the asset or liability; and,
- 3) Level 3, which are inputs for the asset or liability that are not based on observable market data.

The Company measures certain of its financial assets and liabilities at fair value on a recurring basis and these are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Additionally, the Company classifies derivative assets and liabilities in Level 2 of the fair value hierarchy as they are valued using pricing models which require a variety of inputs such as expected gold price.

The fair value of the Company's financial assets and liabilities measured at fair value on a recurring basis at December 31, 2022 and 2021 are summarized in the following table:

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	Level	Financial instrument classification	December 31, 2022		December 31, 2021	
			Carrying value	Fair value	Carrying value	Fair value
Assets						
Cash and cash equivalents	N/A	Amortized Cost	127,901	127,901	161,490	161,490
Other receivable	N/A	Amortized Cost	11,878	11,878	4,478	4,478
Derivative financial instruments	2	Fair Value	8,119	8,119	-	-
Promissory Note Mineração Vale Verde (MVV)	3	Fair Value	8,497	8,497	4,790	4,790
Other assets (less MVV Promissory note)	N/A	Amortized Cost	1,647	1,647	1,658	1,658
Total			158,042	158,042	172,416	172,416
Financial Liabilities						
At fair value through profit and loss						
Derivative liabilities	2	Fair Value	-	-	2,779	2,779
Total			-	-	2,779	2,779
Other financial liabilities						
Accounts payable and accrued liabilities	N/A	Amortized Cost	71,308	71,308	68,546	68,546
Short-term loans	N/A	Amortized Cost	73,215	73,215	58,169	57,278
Long-term loans	N/A	Amortized Cost	140,827	140,827	99,862	100,069
Other liability	N/A	Amortized Cost	638	638	1,518	1,518
Total			285,988	285,988	230,874	230,190

28 FINANCIAL RISK MANAGEMENT

a) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk through a rigorous planning and budgeting process, which is reviewed and updated on a regular basis, to help determine the funding requirements to support the Company's current operations and expansion and development plans and by managing its capital structure as described in *Note 30* below.

Aura's objective is to ensure that there are sufficient committed financial resources to meet its short-term business requirements for a minimum of twelve months. In the normal course of business, Aura enters into contracts that give rise to commitments for future payments as disclosed in the following table:

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	Within 1 year	2 to 3 years	4 to 5 years	Over 5 years	Total
Trade and other payables	71,308	-	-	-	71,308
Short-term & Long-term debt	73,214	112,002	28,826	-	214,042
Provision for mine closure and restoration	2,403	1,986	10,540	33,333	48,262
Other liabilities and Leases	12,978	26,912	-	-	39,890
	159,903	140,900	39,366	33,333	373,502

As of December 31, 2022, Aura has cash and cash equivalents of 127,907 and working capital of 71,755 (assets, excluding restricted cash, less current liabilities)

b) Currency risk

Aura's operations are located in Honduras, Brazil and Mexico, therefore, foreign exchange risk exposures arise from transactions denominated in foreign currencies. Although Aura's sales are denominated in United States dollars, certain operating expenses of Aura are denominated in foreign currencies, primarily the Honduran lempira, Brazilian real, Mexican peso, Canadian dollar and Colombian peso.

Financial instruments that impact Aura's net losses or other comprehensive losses due to currency fluctuations include cash and cash equivalents, accounts receivable, other long-term assets, accounts payable and accrued liabilities, short term loans and other provisions denominated in foreign currency.

At December 31, 2022 and 2021, the Company had cash and cash equivalents of \$127,901 and \$161,490, respectively, of which, \$82,492 (\$99,709 in 2021) were in United States dollars, \$78 (\$61 in 2021) in Canadian dollars, \$41,399 (\$60,666 in 2021) in Brazilian reais, \$3,819 (\$885 in 2021) in Honduran lempiras, \$95 (\$167 in 2021) in Mexican pesos and \$18 (\$1 in 2021) in Colombian Pesos. An increase or decrease of 10% in the United States dollar exchange rate to the currencies listed above could have increased or decreased the Company's income for the year by \$4,541.

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29 CAPITAL MANAGEMENT

Aura's objectives in managing capital are to ensure sufficient liquidity is maintained in order to properly develop and operate its current projects and pursue strategic growth initiatives, to ensure that externally imposed capital requirements related to any debt obligations are complied with, and to provide returns for shareholders and benefits to other stakeholders. In assessing the capital structure of the Company, management includes in its assessment the components of shareholders' equity and long-term debt. The Company manages its capital structure considering changes in economic conditions, the risk characteristics of the underlying assets, and the Company's liquidity requirements. To maintain or adjust the capital structure, the Company may be required to issue common shares or debt, repay existing debt, acquire or dispose of assets, or adjust amounts of certain investments.

In order to facilitate management of capital, the Company prepares annual budgets which are updated periodically if changes in the Company's business are considered to be significant. The Board reviews and approves all operating and capital budgets as well as the entering into of any material debt obligations, and any material transactions out of the ordinary course of business, including dispositions, acquisitions and other investments or divestitures. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares to reduce debt.

On March 15, 2021, Aura's Board of Directors approved a payment of dividends of US\$ 0.83 per common share for a total dividend and payments of \$60 million, which was paid out on April 6, 2021.

On December 1, 2022, Aura's Board of Directors approved an additional distribution and payment of dividends of US\$ 0.35 per common share, as an anticipation of the expected dividends to be paid in the second quarter of 2022. The total dividends distribution of \$25.4 million was paid out on December 15, 2022.

On June 13, 2021, Aura's Board of Directors approved a distribution and payment of dividends of US\$ 0.14 per common share, as an anticipation of the expected dividends to be paid in the second quarter of 2022. The total dividends distribution of \$10.2 million was paid out on June 28, 2021.

On December 6, 2022, Aura's Board of Directors approved the distribution and payment of dividends of US\$ 0.14 per common share. The total dividends distribution of \$10.1 million was paid out on December 21, 2022.

In June and in December of 2022, the Company declared and paid an additional \$10.2 and \$10.0 million in dividends, respectively.

Dividends were approved and paid in line with the Company's dividend's policy.

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Notes to the Consolidated Financial Statements

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30 RELATED PARTY TRANSACTIONS

Key Management Compensation

Total compensation paid to key management personnel (including based salaries, bonuses and other benefits), remuneration of directors and other members of key executive management personnel for the year ended December 31, 2022 and 2021 were \$4,397 and \$5,506 respectively.

Director's fees

Management had issued 189,795 deferred stock units (DSUs) to certain directors and former directors of the Company in 2016. The DSUs are recognized at the market value of the company shares based on the provisions of the agreements.

Iraja Royalty Payments

As part of the EPP transaction with Yamana Gold Inc. ("Yamana"), Mineracao Apoena S.A. ("Apoena") entered into a royalty agreement (the "EPP Royalty Agreement"), dated June 21, 2016, with Serra da Borda Mineracao e Metalurgia S.A. ("SBMM"), Yamana's wholly-controlled subsidiary. Commencing on and from June 21, 2016, Apoena would pay to SBMM a royalty (the "Royalty") that is equal to 2.0% of Net Smelter Returns on all gold mined or benefited from Apoena (the "Subject Metals") sold or deemed to have been sold by or for Apoena. Effective as at such time as Apoena has paid the Royalty on up to 1,000,000 troy ounces of the Subject Metals, the Royalty shall without the requirement for any further act or formality, reduce to 1.0% of Net Smelter Returns on all Subject Metals sold or deemed to have been sold by or for Apoena.

On October 27, 2017, SBMM entered into an agreement (the "Royalty Swap Agreement") with Iraja Mineracao Ltda, a company beneficially owned or controlled by Paulo de Brito, third-party company, for the swap of the EPP Royalty with the RDM Royalty (as defined in the Royalty Swap Agreement) with no change to the terms of the royalty calculation. Aura has incurred expenses of the related royalties of \$1,532 in the year ended December 31, 2022.

Royalty Agreement for Aura Almas and Matupá

The Company, through its wholly owned subsidiaries Almas and Matupá, maintains a royalty agreement with Mineração Santa Elina Ind. e Com. S.A., whereby the subsidiary will pay 1.2% of the Net Smelter Returns on all gold mined or sold, from the moment that is declared commercial production. The subsidiary is currently in care and maintenance.

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Dividends payable to Northwestern

Northwestern, a company beneficially owned by the Chairman of the Board, is the majority shareholder of Aura with approximately 53.3% ownership as of December 31, 2022.

On March 15, 2021, Aura's Board of Directors approved a payment of dividends of US\$ 0.83 per common share for a total dividend payment of \$60 million, with a record date as of March 26th, 2021. The dividend payable amount owed to Northwestern is approximately \$30.6 million. The dividends were paid out on April 6th, 2021.

On December 1, 2021, Aura's Board of Directors approved an additional distribution and payment of dividends of US\$ 0.35 per common share, as an anticipation of the expected dividends to be paid in the second quarter of 2022 which totaled a dividend distribution of \$25.4 million. The dividend payable amount owed to Northwestern is \$12.9 millions and was paid out on December 15, 2021. In June and in December of 2022 the Company paid the additional \$10.2 and \$10.0 million, respectively, of which the amount owed to Northwestern was about \$5.2 and \$5.0 million, respectively.

Employee withholding taxes payable to Company

In March 2021, certain key executives of the Company exercised their stock options in return for shares of the Company. Although the executives received shares of the Company instead of a cash payment at the time of the exercise, the Company, following local tax regulation, had the obligation to immediately retain withholding taxes calculated on the expected gain at the time of the exercise, in favor of the local tax authorities. The Board of Directors of the Company authorized such employees to reimburse the Company of such withholding taxes in a maximum period of 18 months with bearing an interest rate of equal or higher of the Applicable Federal Rates ("AFR") of the month when the withholding tax was retained. Such outstanding balance is guaranteed by shares of the Company owned by such executives in a proportion of 150% of the outstanding balance, and the Company has the right to demand additional shares as collateral in case of reduction of the market price of the shares. Additionally, the receivable becomes immediately due by the employees in case of employment termination. The agreement was amended and the due date was postponed for additional 12 months. As of December 31, 2022, the total outstanding balance to be received by the Company is \$3.3 million.

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31 SEGMENTED INFORMATION

The reportable operating segments have been identified as the San Andres Mine, EPP Mines, the Aranzazu Mine, Corporate, Almas, Matupá and Tolda Fria. The Company manages its business, including the allocation of resources and assessment of performance, on a project-by-project basis, except where the Company's projects are substantially connected and share resources and administrative functions. The segments presented reflect the way in which the Company's management reviews its business performance. Operating segments are reported in a manner consistent with the internal reporting provided to executive management who act as the chief operating decision makers. Executive management is responsible for allocating resources and assessing performance of the operating segments.

For the years ended December 31, 2022 and 2021, segmented information is as follows:

For the year ended December 31, 2022

For the year ended December 30, 2022	San Andres Mine	EPP Mines	Aranzazu Mine	Corporate	Matupa & Tolda Fria Projects ⁽¹⁾	Almas	Total
Net revenue	108,628	120,263	163,808	-	-	-	392,699
Cost of goods sold	(77,541)	(65,717)	(78,380)	-	-	-	(221,638)
Depletion and amortization	(6,000)	(17,157)	(22,211)	-	-	-	(45,368)
Gross margin	25,087	37,389	63,217	-	-	-	125,693
General and administrative expenses	(4,634)	(2,061)	(1,567)	(13,413)	(95)	(737)	(22,507)
Care-and-maintenance expenses	-	(1,738)	-	-	(166)	(587)	(2,491)
Exploration expenses	(180)	(1,599)	(6,151)	-	(3,335)	(1,199)	(12,464)
Operating income/(loss)	20,273	31,991	55,499	(13,413)	(3,596)	(2,523)	88,231
Finance income/(loss)	(4,415)	(5,318)	(2,787)	(312)	1	5,434	(7,397)
Other items	(540)	(556)	(997)	3,583	(31)	(302)	1,157
Income (loss) before income taxes	15,318	26,117	51,715	(10,142)	(3,626)	2,609	81,991
Current income tax (expense)	(5,869)	(3,010)	(14,073)	(3,880)	-	-	(26,832)
Deferred income tax (expense)	8,593	(6,226)	6,967	-	37	(8,283)	1,088
Income taxes	2,724	(9,236)	(7,106)	(3,880)	37	(8,283)	(25,744)
Income (loss) for the year for continued operation	18,042	16,881	44,609	(14,022)	(3,589)	(5,674)	56,247
Property, plant and equipment	60,424	81,566	113,784	3,459	16,537	102,762	378,532
Total assets	115,271	198,856	156,717	40,332	15,471	146,308	672,955
Capital expenditures	11,435	14,390	25,440	3,077	948	47,787	103,077

⁽¹⁾ Almas, Matupá and Tolda Fria Projects are not operating projects and are not generating revenues. Corporate handles the maintenance of the asset as it is under care and maintenance.

Aura Minerals Inc.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

Expressed in thousands of United States dollars, except where otherwise noted.

For the year ended December 31, 2021	San Andres Mine	EPP Mines	Aranzazu Mine	Corporate	Matupa & Tolda Fria Projects	Almas	Total
Net revenue	155,209	117,837	150,960	-	-	-	424,006
Cost of goods sold	(71,462)	(59,884)	(70,405)	6	-	-	(201,745)
Depletion and amortization	(7,490)	(11,319)	(15,115)	-	-	-	(33,924)
Gross margin	76,257	46,634	65,440	6	-	-	188,337
General and administrative expenses	(1,566)	(3,658)	(4,032)	(11,032)	(4)	(32)	(20,324)
Care-and-maintenance expenses	-	(864)	-	-	(34)	(309)	(1,207)
Exploration expenses	(1,155)	(5,768)	(886)	-	-	-	(7,809)
ARO Change in estimate for properties in care and maintenance	-	(3,078)	-	-	-	-	(3,078)
Operating income/(loss)	73,536	33,266	60,522	(11,026)	(38)	(341)	155,919
Finance income/(loss)	(2,516)	(2,499)	(2,361)	(35)	-	(2,310)	(9,721)
Other items	256	506	(1,494)	2,560	(13)	(114)	1,701
Income (loss) before income taxes	71,276	31,273	56,667	(8,501)	(51)	(2,765)	147,899
Current income tax (expense)	(21,573)	(4,628)	(5,799)	-	-	(440)	(32,440)
Deferred income tax (expense)	(3,741)	(4,100)	(15,094)	-	-	139	(22,796)
Income taxes	(25,314)	(8,728)	(20,893)	-	-	(301)	(55,236)
Income (loss) for the year for continued operation	45,962	22,545	35,774	(8,501)	(51)	(3,066)	92,663
Property, plant and equipment	52,713	41,108	110,276	456	6,384	57,456	268,393
Total assets (2)	97,739	127,763	164,368	47,570	13,680	123,116	574,236
Capital expenditures	15,206	14,787	30,051	-	907	8,164	69,115

(1) Almas, Matupá and Tolda Fria Projects are not operating projects and are not generating revenues. Corporate handles the maintenance of the asset as it is under care and maintenance.

(2) Does not include Gold Road related assets that were classified as discontinued operations. Please refer to Note 5 for further details.

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Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

Expressed in thousands of United States dollars, except where otherwise noted.

32 COMMITMENTS AND CONTINGENCIES

a) Operating leases commitments

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

	2022	2021
Within one year	843	171
Two to four years	819	8
Total	1,662	179

b) Contingencies

Certain conditions may exist as of the date of these financial statements which may result in a loss to the Company in the future when certain events occur or fail to occur. The Company assesses at each reporting date its loss contingencies related to ongoing legal proceedings by evaluating the likelihood of such proceedings, as well as the amounts claimed or expected to be claimed. Included in other provisions as of December 31, 2022, is a provision of \$524 (2021: \$584) for loss contingencies related to ongoing legal claims.

33 INCOME (LOSS) PER SHARE

Basic income per share is calculated by dividing the income attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted income per share is calculated using the “if-converted method” in assessing the dilution impact of convertible instruments until maturity. The if-converted method assumes that all convertible instruments until maturity have been converted in determining fully diluted profit per share if they are in-the-money, except where such conversion would be anti-dilutive. In the event of a share consolidation or share division, the calculation of basic and diluted income (loss) per share is adjusted retrospectively for all periods presented.

The following table summarizes activity for the year ended December 31:

	2022	2021
Income for the year	66,495	43,503
Weighted average number of shares outstanding - basic	72,398,811	72,244,618
Weighted average number of shares outstanding - diluted	72,646,599	72,464,375
Total net income per share - basic	0.96	0.60
Total net income per share - diluted	0.96	0.60

For income per share from discontinued operations see note 5.

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Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

Expressed in thousands of United States dollars, except where otherwise noted.

34 SUBSEQUENT EVENTS

The Company has evaluated subsequent events through the filing date of consolidated financial statements and determined that there have been no events that have occurred that would require adjustments to our disclosures in the consolidated financial statements.