

# GRAN COLOMBIA GOLD CORP.

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED SEPTEMBER 30, 2021 NOVEMBER 11, 2021

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The following discussion and analysis of the results of operations and financial condition ("MD&A") for Gran Colombia Gold Corp. (the "Company" or "Gran Colombia") should be read in conjunction with the unaudited condensed consolidated financial statements and related notes thereto for the three and nine months ended September 30, 2021 (the "Interim Financial Statements") and the annual audited financial statements and annual MD&A for the year ended December 31, 2020, which are available on the Company's web site at [www.grancolombiagold.com](http://www.grancolombiagold.com) and on [www.sedar.com](http://www.sedar.com). Readers are encouraged to read the Cautionary Note Regarding Forward Looking Information included on page 42 of this MD&A and the Company's Annual Information Form dated as of March 31, 2021, also available on the Company's website and SEDAR. The financial information in this MD&A is derived from the Interim Financial Statements prepared in accordance with International Financial Reporting Standards ("IFRS") for interim financial statements in International Accounting Standard – Interim Financial Reporting ("IAS 34"). Reference should also be made to pages 29-33 for information about non-IFRS measures referred to in this MD&A. **All figures contained herein are expressed in United States dollars ("USD"), except for production, share data or as otherwise stated.**

### Third Quarter and Nine Months 2021 Highlights

- Gran Colombia is continuing to implement its **strategy to grow through diversification** while returning value to its shareholders through its monthly dividend program.
- On June 4, 2021, Gran Colombia acquired all of the shares of Gold X Mining Corp ("Gold X") it did not already own and then closed a \$300 million offering on August 9, 2021 of 6.875% Senior Unsecured Notes due 2026 (the "Senior Notes") to fund the development of the Toroparu Project in Guyana, to prepay the remaining \$18.0 million balance of its Gold Notes in September and for general corporate purposes. The Company is nearing completion of an updated mineral resource estimate and preliminary economic assessment ("PEA") for the Toroparu Project incorporating the high-grade results from the 2020-2021 drilling program undertaken by Gold X and expects to announce the results in December.
- Gran Colombia's **gold production** from its Segovia Operations totaled 49,848 ounces in the third quarter of 2021 compared with 51,555 ounces in the third quarter of 2020. Total gold production from Segovia for the first nine months of 2021 amounted to 151,104 ounces compared with 146,278 ounces in the first nine months last year. In October 2021, Segovia's gold production was 19,456 ounces bringing the Company's trailing 12-months total gold production from its Segovia Operations at the end of October 2021 to 203,739 ounces, up 4% over 2020. The Company remains on track with its annual production guidance and has narrowed the range to between 203,000 to 210,000 ounces of gold from Segovia in 2021. Including Marmato production up to February 4, 2021, consolidated gold production for the first nine months of 2021 was 153,532 ounces compared with 162,929 ounces in the first nine months last year.
- Gran Colombia is adding revenue diversification at its Segovia Operations through a new polymetallic recovery plant that will recover commercial quantities of zinc and lead as well as gold and silver into concentrate from its tailings. The Company completed construction of the plant in the third quarter of

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(1) Refer to "Non-IFRS" Measures on pages 29-33.

2021 and the plant is currently in the commissioning process with first concentrate production expected in the fourth quarter of this year.

- Consolidated **revenue** amounted to \$90.7 million and \$289.0 million in the third quarter and first nine months of 2021, respectively, compared with \$113.1 million and \$291.2 million in the third quarter and first nine months, respectively, of 2020. Spot gold prices in the third quarter of 2021 were lower than the same quarter a year ago, decreasing the Company's realized gold price <sup>(1)</sup> by 5% to an average of \$1,784 per ounce sold in the third quarter of 2021 compared with an average of \$1,875 per ounce sold in the third quarter last year. Revenue in the third quarter and first nine months of 2020 also included \$13.3 million and \$30.2 million, respectively, from the Marmato mining operations.
- At the Segovia Operations, **total cash costs** <sup>(1)</sup> averaged \$845 per ounce in the third quarter of 2021, compared with \$722 per ounce in the third quarter of 2020, bringing the average for the first nine months of 2021 to \$812 per ounce compared with \$659 per ounce in the first nine months last year. During the third quarter of 2020, the Company increased the payment rates for material sourced from its contract miner and the small-scale miners in its Segovia title which had not changed since 2017. Segovia's total cash cost per ounce sold in the third quarter of 2021 reflected an increased proportion of its material coming from these higher grade, higher cost sources in response to the scheduled maintenance shutdown at the plant in July. Including the Marmato mining operations, consolidated total cash costs were \$825 per ounce in the first nine months of 2021 compared with \$725 per ounce in the first nine months last year.
- **All-in sustaining costs ("AISC")** <sup>(1)</sup> **per ounce sold** for the Segovia Operations were \$1,218 and \$1,145 in the third quarter and first nine months, respectively, of 2021 compared with \$1,031 and \$939 in the third quarter and first nine months, respectively, of 2020. The year-over-year increase in Segovia's AISC in 2021 reflects (i) the increased total cash costs as described above and (ii) an increase in exploration and mine geology, mine development and other sustaining capital expenditures. Sustaining capital expenditures at Segovia amounted to \$30.9 million in the first nine months of 2021, up from \$22.2 million in the first nine months last year which reflected a slowdown in activity in 2020 during the COVID-19 national quarantine in Colombia that delayed many of the Company's initiatives until later in 2020. Including Marmato, consolidated AISC in the first nine months of 2021 was \$1,122 per ounce compared with \$1,014 per ounce in the first nine months last year.
- **Adjusted EBITDA** <sup>(1)</sup> amounted to \$39.9 million for the third quarter of 2021 compared with \$56.7 million in the third quarter last year. This brings the total adjusted EBITDA for the first nine months of 2021 to \$134.3 million compared with \$144.7 million in the first nine months of 2020. Adjusted EBITDA in the third quarter and first nine months of 2020 included \$2.4 million and \$4.6 million, respectively, from the Marmato mining operations.
- **Net cash provided by operating activities** in the third quarter of 2021 was \$26.7 million compared with \$68.0 million in the third quarter last year. For the first nine months of 2021, net cash provided by operating activities amounted to \$53.1 million compared with \$106.9 million in the first nine months last year reflecting the increase in income tax payments in 2021, changes in non-cash working capital items, including the impact from the delay in receiving 2021's VAT refund claims, and the reduction in adjusted EBITDA from the Segovia Operations in the current year resulting from the increase in production costs and social programs expenses.

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(1) Refer to "Non-IFRS" Measures on pages 29-33.

- **Free Cash Flow** <sup>(1)</sup> in the third quarter of 2021 was \$12.1 million compared with \$53.7 million in the third quarter of 2020 bringing the total Free Cash Flow for the first nine months of 2021 to \$11.6 million compared with \$67.8 million in the first nine months of 2020. In addition to an increased level of sustaining capital expenditures in the current year, non-sustaining capital expenditures in the first nine months of 2021 included \$6.8 million at its Segovia Operations associated with the Maria Dama plant expansion, construction of the new polymetallic plant and the brownfield exploration program and \$2.4 million to advance the PEA and pre-construction activities at its Toroparu Project.
- The Company's **balance sheet** benefitted from the Senior Notes financing, raising its cash position to \$329.6 million and working capital to \$331.5 million at the end of September 2021. S&P Global Ratings and Fitch Ratings have each issued B+ ratings for the Company's Senior Notes issued in August 2021.
- The Company returned a total of \$11.2 million to shareholders in the first nine months of 2021 with payment of its **monthly dividends** totaling \$8.0 million and the repurchase of 702,000 shares for cancellation at a cost of \$3.2 million. The Company renewed its NCIB in October 2021.
- The Company reported **net income** of \$25.3 million (\$0.26 per share) in the third quarter of 2021 compared with \$18.0 million (\$0.39 per share) in the third quarter of 2020 reflecting an improvement in other income (expense) items and lower income tax expense which more than offset the impact of lower income from operations in the third quarter of 2021. For the first nine months of 2021, net income amounted to \$173.4 million (\$2.32 per share) compared with \$23.7 million (\$0.53 per share) in the first nine months last year. Although net income in the first nine months of 2021 reflected the impact of lower income from operations this year, it benefitted from other income items including the \$56.9 million gain on loss of control of Aris, the \$52.1 million gain on financial instruments (compared with a \$21.3 million loss on financial instruments in the first nine months last year) and the \$8.9 million gain on sale of the Zancudo Project. Net income in the first nine months of 2021 included Aris Transaction costs of \$9.8 million while net income in the first nine months of 2020 included Bluenose RTO Transaction costs of \$16.7 million.
- **Adjusted net income** <sup>(1)</sup> for the third quarter of 2021 was \$14.4 million (\$0.15 per share) compared with \$29.5 million (\$0.47 per share) in the third quarter last year. For the first nine months of 2021, adjusted net income totaled \$59.9 million (\$0.78 per share) compared with \$68.2 million (\$1.14 per share) in the first nine months last year. The year-over-year decrease in adjusted net income in the third quarter and first nine months of 2021 largely reflects the impact of the factors noted above regarding revenue and total cash costs per ounce on adjusted EBITDA, partially offset by a decrease in income tax expense.
- The Company added a 27% equity interest in Denarius Silver Corp. ("Denarius") to its portfolio in the first nine months of 2021, giving it exposure to the **Lomero-Poyatos** polymetallic deposit located in Spain, in close proximity to the Matsa JV project in the Iberian Pyrite Belt, and to the Guia Antigua and Zancudo Projects in Colombia. Denarius, fully funded to carry out its current exploration campaigns, commenced drilling at its Guia Antigua Project in mid-2021 and in October, commenced a 23,500 meters drilling campaign at its Lomero Project designed to validate some selected historical holes drilled within the existing mine and then conduct a 50x50 meters in-fill drilling program in the lower levels of the same mine.
- Gran Colombia remains committed to the health and safety of its employees, and through COMFAMA Colombia, was the first mining company in Antioquia to secure **COVID-19 vaccines** to immunize its

(1) Refer to "Non-IFRS" Measures on pages 29-33.

employees and their families in the third quarter of 2021. Published in June 2021, the Company's inaugural sustainability report reflects a focused effort on measuring and disclosing its Environmental, Social and Governance ("ESG") priorities and performance moving forward.

### Selected Financial Information

	Third Quarter		Nine Months	
	2021	2020	2021	2020
<b>Operating data</b>				
Gold produced (ounces)	49,848	58,454	153,532	162,929
Gold sold (ounces)	50,171	59,633	158,326	168,412
Average realized gold price (\$/oz sold) <sup>(1)</sup>	\$ 1,784	\$ 1,875	\$ 1,798	\$ 1,712
Total cash costs (\$/oz sold) <sup>(1)</sup>	845	796	825	725
AISC (\$/oz sold) <sup>(1)</sup>	1,218	1,122	1,160	1,014
<b>Financial data (\$000's, except per share amounts)</b>				
Revenue	\$ 90,716	\$ 113,138	\$ 288,988	\$ 291,248
Adjusted EBITDA <sup>(1)</sup>	39,937	56,688	134,255	144,688
Net income (loss)	25,258	18,027	173,362	23,704
Per share - basic	0.26	0.39	2.32	0.53
Per share - diluted	0.20	0.17	1.54	0.52
Adjusted net income <sup>(1)</sup>	14,354	29,503	69,858	68,239
Per share - basic	0.15	0.47	0.78	1.14
Per share - diluted	0.13	0.40	0.68	0.96
Net cash provided by operating activities	26,738	68,024	53,141	106,884
Free cash flow <sup>(1)</sup>	12,132	53,677	11,645	67,751
			September 30, 2021	December 31, 2020
<b>Balance sheet (\$000's):</b>				
Cash and cash equivalents			\$ 329,567	\$ 122,508
Gold bullion <sup>(2)</sup>			1,743	-
Senior Notes due 2026 – principal amount outstanding <sup>(3)</sup>			300,000	-
Gold Notes, including current portion – principal amount outstanding <sup>(4)</sup>			-	35,525
Convertible Debentures – principal amount outstanding <sup>(5)</sup>			CA18,000	CA\$20,000

(1) Refer to "Non-IFRS Measures" on pages 29-33.

(2) Commencing the third quarter of 2021, the Company is maintaining a portion of its liquidity in gold bullion. As at September 30, 2021, the Company had 1,000 ounces in its gold bullion account.

(3) The Senior Notes were issued in August 2021 and are recorded in the Interim Financial Statements at amortized cost. At September 30, 2021, the carrying amount of the Senior Notes outstanding, including accrued interest of \$2.9 million, was \$289.4 million.

(4) The Gold Notes were recorded in the Interim Financial Statements at fair value and were fully redeemed in September 2021. At September 30, 2021 and December 31, 2020, the carrying amounts of the Gold Notes outstanding were \$Nil and \$38.5 million, respectively.

(5) The Convertible Debentures are recorded in the Interim Financial Statements at fair value. At September 30, 2021 and December 31, 2020, the carrying amounts of the Convertible Debentures outstanding were \$18.3 million and \$28.4 million, respectively.

### Description of Business

The Company is incorporated under the laws of the Province of British Columbia and is a Canadian-based mid-tier gold producer with its primary focus in Colombia where it is currently the largest underground gold and silver producer with several mines in operation at its high-grade Segovia Operations. In Guyana, the Company is advancing the Toroparu Project, one of the largest undeveloped gold projects in Latin America. The head office of the Company is located at 401 Bay Street, Suite 2400, PO Box 15, Toronto, Ontario, M5H 2Y4 and its registered office is located at 1166 Alberni Street, Suite 1604, Vancouver, British Columbia, V6E 3Z3. The Company also has an office in Medellin, Colombia. As of the date of this MD&A, the Company owns approximately 44% of Aris, a Canadian mining company currently advancing a major expansion and modernization of its underground mining operations at its Marmato Mining Assets in Colombia. The Company also owns an approximately 27% equity interest in Denarius (TSX-V: DSLV) (Spain – Lomero-Poyatos; Colombia – Guia Antigua and Zancudo) and an approximately 26% equity interest in Western Atlas

Resources Inc. (“Western Atlas”) (TSX-V: WA) (Nunavut – Meadowbank).

### Aris Transaction

On December 3, 2020, Aris completed a non-brokered private placement (the “Aris Transaction”) of 37,777,778 subscription receipts (“Aris Subscription Receipts”) at a price of CA\$2.25 per Aris Subscription Receipt for aggregate gross proceeds of CA\$85.0 million (equivalent to US\$66.8 million at the December 31, 2020 exchange rate). The proceeds of the Aris Transaction were placed in escrow pending certain release conditions. Gran Colombia acquired 7,555,556 Aris Subscription Receipts for a total of CA\$17.0 million (approximately \$13.2 million). Each Aris Subscription Receipt entitled the holder to receive one common share of Aris and one Aris Listed Warrant having the same terms and conditions as the Aris Listed Warrants issued pursuant to the Aris Special Warrants in July 2020.

On February 4, 2021, the escrow release conditions for the Aris Transaction were satisfied and the Aris Transaction closed, with Aris issuing 37,777,778 common shares and 37,777,778 Aris Listed Warrants to the holders. On closing of the Aris Transaction, the executive officers and a majority of the Board of Directors of Aris changed pursuant to mutual agreement between Gran Colombia and a new investor group. Change of control compensation to the previous management of Aris amounted to \$9.8 million was expensed in the first quarter of 2021. In addition, Gran Colombia’s equity interest in Aris decreased from 53.5% to 44.3%. Gran Colombia recorded a gain on loss of control in the amount of \$56.9 million in the first quarter of 2021. In addition, commencing February 4, 2021, Gran Colombia ceased consolidating Aris in its financial statements and began equity accounting for its investment in Aris.

As a condition to the Aris Transaction, Gran Colombia entered into an investor agreement with Aris, which, subject to certain ownership thresholds, provides Gran Colombia with the right to nominate two directors to the Board of Aris and to maintain its equity interest in Aris in the event that Aris issues securities in connection with an equity financing or non-cash transaction. The investor agreement also requires that for a period of two years following closing of the Aris Transaction, Gran Colombia will have certain voting obligations related to its equity interest in Aris and is precluded from selling its common shares or warrants of Aris to a third party without prior consent from Aris.

### Gold X Acquisition

On March 14, 2021, the Company entered into a definitive arrangement agreement with Gold X, a Canadian junior mining company which owned the Toroparu Project in the western Guyana gold district, to acquire all of the issued and outstanding common shares of Gold X it did not already own. The acquisition was completed by way of a statutory plan of arrangement, with the former shareholders of Gold X receiving 0.6948 of a Gran Colombia common share for each Gold X share held (the “Exchange Ratio”). The transaction closed on June 4, 2021 and the Company issued 36,772,294 Gran Colombia common shares valued at \$155.9 million to the former shareholders of Gold X. Additionally, the Company honoured a total of 9,395,215 outstanding common share purchase warrants of Gold X held by third parties (“Gold X Warrants”). The Gold X Warrants, which entitle the holders to receive 0.6948 of a Gran Colombia common share when exercised, were valued at \$10.3 million at the acquisition date using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 0.55%, expected stock price volatility between 58.83% and 68.66%, expected life between 1.36 years and 3.24 years and expected dividend yield of 3.5%. Including the carrying value of the Company’s existing ownership of common shares, the fair value of the Gold X Warrants and acquisition costs, the total value of the consideration paid to acquire 100% of Gold X

amounted to \$184.6 million.

Based on management's analysis and judgment, the acquisition does not meet the IFRS definition of a business combination as the primary asset, the Toroparu Project, is an exploration stage property and has not identified economically recoverable ore reserves. Consequently, the transaction has been accounted for as an asset acquisition. Acquisition costs incurred by the Company related to this transaction have been capitalized as part of the consideration amount.

#### *Wheaton Precious Metals Purchase Agreement ("PMPA")*

In addition to the net proceeds of the Senior Notes Offering (refer to page 7), the Company has \$138.0 million of future funding available to it for the development of the Toroparu Project through a PMPA ("stream") obligation assumed in connection with the Gold X acquisition. Under the terms of the PMPA, Wheaton Precious Metals (Caymans) Ltd. ("Wheaton") will purchase 10% of the gold and 50% of the silver production at Toroparu in exchange of upfront cash payments totalling \$153.5 million, of which Gold X had received \$15.5 million in cash prior to the acquisition by the Company. In addition, Wheaton will make ongoing payments to the Company once Toroparu is in operation as follows:

- Gold - the lesser of the market price and \$400 per payable ounce of gold delivered to Wheaton over the life of the Toroparu Project, subject to a 1% annual increase starting after the third year of production.
- Silver - the lesser of the market price and \$3.90 per payable ounce of silver delivered to Wheaton over the life of the Toroparu Project, subject to a 1% annual increase starting after the fourth year of production.

As the PMPA involves the delivery of gold and silver at a fixed price, as described above, the Company recorded deferred revenue of \$84.0 million at the acquisition date which represents the net present value of the estimated future cash flows attributable to expected future gold and silver deliveries to Wheaton.

Receipt of the remaining \$138 million of deposits is subject to Wheaton's election to proceed and is expected to be received in installments during construction of the Toroparu Project once all necessary mining licenses have been obtained and conditions pertaining to final feasibility, the availability of project capital finance, the granting of security to Wheaton and other customary conditions are satisfied. If the feasibility study has not been delivered by December 31, 2021, or Wheaton elects not to proceed after receiving the feasibility study, Wheaton may elect (a) not to pay the balance of the deposit and to reduce the gold stream percentage from 10% to 0.909% and the silver stream percentage from 50% to nil, or (b) not to proceed with the streaming transaction and to convert the portion of the deposit already paid less \$2 million into debt of the Company that will become due and payable in whole or in part upon the occurrence of certain events including, but not limited to, a "change of control" of the Company or the Company obtaining certain levels of debt or equity financing. If Wheaton elects to reduce the streams, the Company may return the amount of the deposit already advanced less \$2 million to Wheaton and terminate the agreement. In the event the Company does not deliver sufficient gold and silver to repay the total balance of the deposit, the Company will be required to pay any remaining balance in cash.

The Company has obtained the required project capital finance through completion of the Senior Notes and is nearing completion of an updated PEA for the Toroparu Project, incorporating the high-grade results from the 2020-2021 drilling program undertaken by Gold X, which it expects to deliver to Wheaton prior to December 31, 2021. Security was granted to Wheaton by Gold X as required and the Company expects to

meet the other conditions related to mining licenses in order to receive the remaining advance deposits under the PMPA to fund the development of the Toroparu Project.

### Senior Unsecured Notes due 2026

On August 9, 2021, the Company issued \$300 million of Senior Notes. After transaction costs, the net proceeds amounted to approximately \$286.2 million. Interest on the Senior Notes is payable semi-annually in arrears on February 9<sup>th</sup> and August 9<sup>th</sup> of each year and will mature on August 9, 2026. On September 9, 2021, the Company used approximately \$18.8 million of the net proceeds to fund the early redemption of the remaining balance of the Gold Notes. The remaining net proceeds of approximately \$267.4 million will be used by the Company to fund the development of the Toroparu Project and for general corporate purposes. The Company's subsidiaries which directly own the Segovia Operations and the Toroparu Project (the "Note Guarantors") have provided unsecured guarantees (the "Subsidiary Guarantees") for the Senior Notes.

### Outlook

Gran Colombia is continuing to implement its strategy of growth through diversification. Through the end of October 2021, the Company has produced 170,560 ounces of gold at its Segovia Operations. Segovia's trailing 12-months total gold production is 203,739 ounces and the Company has narrowed its guidance for this year to a range between 203,000 and 210,000 ounces. In February 2021, the Company paid \$7.0 million to acquire the third-party company engaged in the construction of the new polymetallic recovery plant at Segovia to add revenue diversification through the recovery of commercial quantities of zinc and lead as well as gold and silver into concentrate from its tailings. Construction was completed in the third quarter and the plant is in the commissioning process, adding a new source of cash flow from Segovia's mining operations and improving the environmental impact of the Segovia Operations by eliminating these minerals from the tailings going into the El Chocho storage facility. The expansion of processing capacity from 1,500 tpd to 2,000 tpd at the Maria Dama plant is making good progress and is now expected to be completed in the first quarter of 2022 after experiencing some pandemic-related delays in receiving steel deliveries. The Company's 60,000 meters drilling program at Segovia is yielding continued high-grade intercepts at its four operating mines and encouraging results from its brownfield program.

Gran Colombia's acquisition of the approximately 85% equity interest in Gold X it did not already own on June 4, 2021 and the completion of the \$300 million Senior Notes offering on August 9, 2021 have set the stage for the Company's growth through diversification with a second cornerstone asset in an attractive jurisdiction. The Toroparu Project represents one of the largest undeveloped gold projects in Latin America and the Company has extensively studied it over the last three years since first acquiring an equity interest in Gold X. The two-phase diamond drill program undertaken by Gold X in 2020-2021 comprised a total of 20,750 meters in 114 drill holes and has confirmed a 4-kilometer strike length of high-grade structurally controlled gold mineralization at Toroparu. In addition, the program identified a repeated pattern of intersections of NW-SE and E-W oriented sub-vertical structures containing high-grade zones extending over mineable widths up to 100 m vertically that support the Company's belief that a high-grade resource amenable to underground mining methods lies at the core of this very large, disseminated gold deposit. The Company is working with SRK and Nordmin to prepare an updated mineral resource estimate and PEA incorporating the high-grade results from this latest drilling program and expects to announce the results of these updates before the end of this year. Funded by the approximately \$4.6 million of cash (after transaction costs) in Gold X's treasury at the date of the Gold X acquisition, the Company is carrying out pre-

construction activities including engineering studies, permitting, drilling, upgrades to the camp, road and port and designing its local ESG program.

### Issued and Outstanding Securities

As at November 11, 2021, the Company had the following securities issued and outstanding:

Securities	TSX Symbol	Number	Shares Issuable	Exercise price per share	Expiry or maturity date
Common shares	GCM	98,485,775			
Stock options		2,522,332 <sup>(1)</sup>	2,522,332	CA\$2.55 to CA\$6.88	2022 to 2026
Warrants	GCM.WT.B	10,392,155	10,392,155	CA\$2.21	April 30, 2024
	Unlisted	3,260,870	3,260,870	CA\$5.40	November 5, 2023
	Unlisted	7,142,857	7,142,857	CA\$6.50	February 6, 2023
Gold X Warrants	Unlisted	2,046,500	1,421,908 <sup>(2)</sup>	CA\$5.76 <sup>(2)</sup>	October 12, 2022
	Unlisted	154,590	107,409 <sup>(2)</sup>	CA\$5.76 <sup>(2)</sup>	January 23, 2023
	Unlisted	2,728,000	1,895,414 <sup>(2)</sup>	CA\$4.61 <sup>(2)</sup>	July 20, 2023
	Unlisted	1,190,750	827,333 <sup>(2)</sup>	CA\$1.90 <sup>(2)</sup>	June 12, 2024
	Unlisted	3,219,125	2,236,648 <sup>(2)</sup>	CA\$4.03 <sup>(2)</sup>	August 27, 2024
Convertible Debentures	Unlisted	CA\$18,000,000	3,789,473	CA\$4.75	April 5, 2024
Senior Notes	N/A	\$300,000,000	N/A	N/A	August 9, 2026

(1) Includes 924,000 stock options at an exercise price of CA\$6.04 per share which do not vest until April 1, 2022.

(2) Shares issuable and exercise price per share have been adjusted to reflect the Exchange Ratio of 0.6948 Gran Colombia share for each Gold X Warrant.

### *Normal Course Issuer Bid ("NCIB") for the Company's Common Shares*

The Company has had NCIBs in place during each of the last two years pursuant to which it has purchased its common shares in the open market for cancellation. In the first nine months of 2021, the Company purchased a total of 702,000 shares at an average price of CA\$5.69 per share with the total cost amounting to approximately \$3.2 million. In the first nine months of 2020, the Company had purchased a total of 406,000 common shares at an average price of CA\$5.38 per share with the total cost amounting to approximately \$1.8 million.

Effective October 20, 2021, the Company renewed its NCIB for its common shares for another 12-month term that will end on October 19, 2022, or such earlier date on which the maximum purchases under the NCIB have been completed. The NCIB allows the Company to purchase for cancellation up to a total of 9,570,540 common shares of the Company over the next term. Purchases of common shares under the NCIB will be made through the facilities of the TSX or other alternative Canadian trading systems at the market price of the shares at the time of acquisition. Daily purchases will be limited to 86,301 shares, other than block purchase exceptions. All common shares purchased under the NCIB will be cancelled.

### *Early Redemption of CA\$2 Million of Convertible Debentures in April 2021*

On April 5, 2021, the Company redeemed CA\$2.0 million aggregate principal amount of the Convertible Debentures. The holders elected to use their option to have the redemption amount settled with shares rather than receive cash. As such, the Company issued a total of 421,050 common shares to holders of the Convertible Debentures.

### Early Redemption of \$10 Million of Gold Notes in May 2021

On May 10, 2021, the Company completed an early optional redemption of \$10.0 million aggregate principal amount of Gold Notes. The redemption price was equal to 104.13% of the aggregate principal amount of the Gold Notes redeemed plus accrued interest.

### Early Redemption of Remaining \$18 Million of Gold Notes on September 9, 2021

On September 9, 2021, the Company completed an early redemption of the remaining \$18.0 million aggregate principal amount of Gold Notes at which time the Gold Notes were delisted from the TSX. The redemption price was equal to 104.13% of the aggregate principal amount of the Gold Notes redeemed plus accrued interest.

### Reserves and Resources

The following table summarizes the Mineral Resource estimate for the Segovia Operations as of December 31, 2020:

Project	Deposit	Type	Measured			Indicated			Measured & Indicated			Inferred		
			Tonnes (kt)	Grade (g/t)	Au Metal (koz)	Tonnes (kt)	Grade (g/t)	Au Metal (koz)	Tonnes (kt)	Grade (g/t)	Au Metal (koz)	Tonnes (kt)	Grade (g/t)	Au Metal (koz)
Segovia	Providencia	LTR	218	18.5	130	237	14.9	114	455	16.6	243	171	9.9	55
		Pillars	109	22.3	78	99	10.2	32	208	16.5	110	384	19.8	245
	Sandra K	LTR				413	10.0	132	413	10.0	132	384	9.9	122
		Pillars				156	11.1	56	156	11.1	56	17	27.5	15
	El Silencio	LTR				1,277	9.8	404	1,277	9.8	404	1,279	9.0	371
		Pillars				1,326	10.6	454	1,326	10.6	454	395	11.4	145
	Verticales	LTR									771	7.1	176	
Carla	Carla	LTR				132	6.0	25	132	6.0	25	260	9.7	81
<b>December 31, 2020 (1)</b>			<b>327</b>	<b>19.8</b>	<b>208</b>	<b>3,639</b>	<b>10.4</b>	<b>1,217</b>	<b>3,967</b>	<b>11.2</b>	<b>1,425</b>	<b>3,661</b>	<b>10.3</b>	<b>1,209</b>

- (1) The Mineral Resources are reported at an in situ cut-off grade of 2.9 g/t Au over a 1.0 m mining width, which has been derived using a gold price of US\$1,700 per ounce and suitable benchmarked technical and economic parameters for the existing underground mining (mining = US\$85.0/t, processing = US\$24.0/t, G&A = US\$24.0/t, Royalties = US\$11.1/t) and conventional gold mineralized material processing (90.5%). Each of the mining areas have been sub-divided into Pillar areas ("Pillars"), which represent the areas within the current mining development, and long-term resources ("LTR"), which lie along strike or down dip of the current mining development. Mineral Resources are reported inclusive of the Mineral Reserve. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. All composites have been capped where appropriate.

The following table shows a breakdown of the Mineral Reserves as of December 31, 2020:

Area	Category	Tonnes (kt)	Grade (g/t)	Au Metal (koz)
Providencia	Proven	187	13.9	83
Providencia	Probable	176	10.4	59
Sandra K	Probable	273	9.1	79
El Silencio	Probable	1,472	8.3	394
Carla	Probable	88	6.3	18
<b>December 31, 2020 (1)</b>		<b>Total</b>	<b>2,196</b>	<b>633</b>

- (1) Mineral reserves are reported using a gold cutoff grade ranging from 3.11 to 3.86 g/t depending on mining area and mining method. The cutoff grade calculations assume a \$1,600/oz Au price, 90.5% metallurgical recovery, \$6/oz smelting and refining charges, \$24/t G&A, \$24/t processing cost, and projected LOM mining costs ranging from \$85/t to \$110/t. The reserves are valid as of December 31, 2020. Mining dilution is applied to a minimum mining height and estimated overbreak (values differ by area/mining method) using a zero grade. Reserves are inclusive of Mineral Resources. All figures are rounded to reflect the relative accuracy of the estimates. Totals may not sum due to rounding. Mineral Reserves have been stated on the basis of a mine design, mine plan, and economic model. There are potential survey unknowns in some of the mining areas and lower extractions have been used to account for these unknowns. The Mineral Reserves were estimated by Fernando Rodrigues, BS Mining, MBA, MMSAQP #01405, MAusIMM #304726 of SRK, a Qualified Person.

## Results of Operations and Overall Performance

### Gold production

(Ounces)	Third Quarter		Nine Months	
	2021	2020	2021	2020
Segovia Operations				
Company mines <sup>(1)</sup>				
El Silencio	18,440	18,323	58,355	51,776
Providencia	17,342	23,152	54,650	67,537
Sandra K	5,456	4,051	14,332	12,056
Carla	235	-	415	-
Total Company mines	41,473	45,526	127,752	131,369
Other small-scale mines <sup>(2)</sup>	8,375	6,029	23,352	14,909
Total Segovia Operations	49,848	51,555	151,104	146,278
Marmato Operations <sup>(3)</sup>	-	6,899	2,428	16,651
Total	49,848	58,454	153,532	162,929

(1) Includes Company-operated and contractor-operated areas within the mines. Production from the mines is included in the Company's Mineral Reserve and Resource estimates.

(2) Comprises other small-scale mining operations within the Company's mining title that are operated by miners under contract to deliver the ore mined to the Company's Maria Dama plant for processing. Production from these sources is not included in the Company's Mineral Reserve and Resource estimates.

(3) Nine months 2021 includes only the gold production from Marmato up to February 4, 2021, the date of loss of control of Aris Gold.

The Segovia Operations processed an average of 1,487 tpd at the Maria Dama plant in the third quarter of 2021 with an average head grade of 12.6 g/t resulting in production of 49,848 ounces of gold compared with 1,283 tpd at an average head grade of 15.1 g/t and 51,555 ounces of gold in the third quarter last year. The Company also produced 52,382 ounces of silver at Segovia in the third quarter of 2021, up from 47,560 ounces of silver in the third quarter last year. In July 2021, the Maria Dama plant was shut down for a scheduled four-day maintenance program and, as such, processing was reduced to an average of only 1,270 tpd for the month. To maintain gold production levels, the Company processed a greater proportion of higher grade, higher cost material from the contract miner and the other small-scale miners than the typical blend in a month which had an impact on the Company's total cash cost per ounce for the third quarter of 2021. Lower grade material sourced from the lower cost Company-operated mining areas within its mines was added to the stockpile in July and is being drawn down and processed over the balance of the year.

For the first nine months of 2021, the Segovia Operations processed an average of 1,513 tpd with an average head grade of 12.7 g/t compared with 1,259 tpd at an average head grade of 14.7 g/t in the first nine months last year. For the first nine months of 2021, Segovia's gold and silver production totalled 151,104 ounces and 164,270 ounces, respectively, up from 146,278 ounces of gold and 134,820 ounces of silver in the first nine months of 2020.

In October 2021, the Maria Dama plant processed an average of 1,576 tpd for the month at an average head grade of 13.8 g/t. Production amounted to 19,456 ounces of gold and 21,953 ounces of silver. This brings the Company's trailing 12-months' total gold production at the end of October 2021 to 203,739 ounces, up 4% over 2020. With a total of 170,560 ounces of gold produced during the first 10 months of 2021, the Company has narrowed its annual production guidance for 2021, originally projected to be between 200,000 and 220,000 ounces, to a range of 203,000 to 210,000 ounces of gold.

Quarterly production data for the Company's Segovia Operations for the trailing eight quarters is as follows:

	2021			2020				2019
	3 <sup>rd</sup> Qtr	2 <sup>nd</sup> Qtr	1 <sup>st</sup> Qtr	4 <sup>th</sup> Qtr	3 <sup>rd</sup> Qtr	2 <sup>nd</sup> Qtr	1 <sup>st</sup> Qtr	4 <sup>th</sup> Qtr
<b>Company mines <sup>(1)</sup></b>								
Tonnes milled	110,229	117,901	108,015	100,306	92,689	86,810	95,614	99,815
Head grade (g/t)	13.03	13.22	13.21	14.56	16.98	15.77	16.71	18.39
Gold produced (ozs) <sup>(2)</sup>	41,473	45,036	41,243	42,176	45,526	39,553	46,290	53,385
<b>Other small-scale mines <sup>(3)</sup></b>								
Tonnes milled	26,567	26,008	24,274	23,211	25,364	23,385	21,219	23,921
Head grade (g/t)	10.89	9.52	11.13	11.77	8.21	7.13	6.60	6.92
Gold produced (ozs)	8,375	7,162	7,815	7,908	6,029	4,824	4,056	4,795
<b>Total</b>								
Tonnes milled	136,796	143,909	132,289	123,517	118,053	110,195	116,833	123,736
Tonnes per day (tpd)	1,487	1,581	1,470	1,343	1,283	1,211	1,284	1,345
Head grade (g/t)	12.61	12.55	12.83	14.04	15.10	13.94	14.87	16.17
Mill recovery	89.9%	89.9%	89.9%	89.8%	90.0%	89.9%	90.1%	90.4%
Gold produced (ozs) <sup>(2)</sup>	49,848	52,198	49,058	50,084	51,555	44,377	50,346	58,180
Silver produced (ozs)	52,382	54,573	57,315	51,302	47,560	41,342	45,918	50,398

- (1) Comprises the El Silencio, Providencia, Sandra K and Carla mines. Includes Company-operated and contractor-operated areas within the mines. Production from these mines is included in the Company's Mineral Reserve and Mineral Resource estimates.
- (2) Gold production may include additional ounces recovered from the mill circuit during the period and refinery adjustments. Tonnes milled, head grade and mill recovery statistics do not include any data related to these additional gold ounces produced or refinery adjustments.
- (3) Comprises other small-scale mining operations within the Company's mining title that are operated by miners under contract to deliver the ore mined to the Company's Maria Dama plant for processing. Production from these sources is not included in the Company's Mineral Reserve and Mineral Resource estimates.

## Revenues

(\$'000's except ounce and \$/oz data)	Third Quarter		Nine Months	
	2021	2020	2021	2020
<b>Gold</b>				
Ounces sold	50,171	59,633	158,326	168,412
Average realized price (\$/oz)	1,784	1,875	1,798	1,712
<b>Silver</b>				
Ounces sold	51,979	57,917	173,988	162,478
Average realized price (\$/oz)	23	23	25	18
<b>Revenues</b>				
Gold	\$ 89,509	\$ 111,826	\$ 284,707	\$ 288,286
Silver	1,207	1,312	4,281	2,962
	\$ 90,716	\$ 113,138	\$ 288,988	\$ 291,248

Consolidated revenue in 2021 does not include any revenue from the Marmato Mining Assets subsequent to February 4, 2021 as a result of the loss of control of Aris Gold as explained on page 5. Consolidated revenue in the third quarter and first nine months of 2020 included \$13.3 million and \$30.2 million in the third quarter and first nine months of 2020, respectively, from the Marmato Mining Assets.

Excluding Marmato's revenue (refer to the reconciliations on pages 30 and 31), Segovia's revenue of \$90.7 million in the third quarter of 2021 was down 9% from the third quarter of 2020 as a result of a decrease in spot gold prices which reduced realized gold prices by 5% and lower gold production which decreased the volume of gold sold by 5%. These drivers were offset partially by a \$0.1 million increase in Segovia's silver

revenue in the third quarter of 2021 compared with the third quarter last year. For the first nine months of 2021, Segovia's revenue increased by 9% to \$283.9 million compared with the first nine months last year, reflecting a 5% increase in average realized gold prices, a 3% increase in the volume of gold sold and a \$1.7 million increase in silver revenues.

### Cost of sales

	Third Quarter		Nine Months	
	2021	2020	2021	2020
Production costs	\$ 40,628	\$ 43,711	\$ 125,300	\$ 113,164
Production taxes	2,977	5,050	9,610	11,882
Depreciation, depletion and amortization ("DD&A")	7,761	6,494	23,375	18,410
<b>Total cost of sales</b>	<b>\$ 51,366</b>	<b>\$ 55,255</b>	<b>\$ 158,285</b>	<b>\$ 143,456</b>
<b>Total cash costs per ounce <sup>(1)</sup></b>				
Production costs	\$ 810	\$ 733	\$ 791	\$ 672
Production taxes	59	85	61	71
By-product credits (silver)	(24)	(22)	(27)	(18)
	<b>\$ 845</b>	<b>\$ 796</b>	<b>\$ 825</b>	<b>\$ 725</b>

(1) See "Non-IFRS Measures" on pages 29-33.

The total cash costs per ounce sold over the trailing eight quarters were as follows:

	2021			2020				2019
	3 <sup>rd</sup> Qtr	2 <sup>nd</sup> Qtr	1 <sup>st</sup> Qtr	4 <sup>th</sup> Qtr	3 <sup>rd</sup> Qtr	2 <sup>nd</sup> Qtr	1 <sup>st</sup> Qtr	4 <sup>th</sup> Qtr
Segovia Operations	\$ 845	\$ 767	\$ 825	\$ 830	\$ 722	\$ 654	\$ 604	\$ 637
Marmato Operations <sup>(1)</sup>	-	-	1,595	1,421	1,353	1,366	1,215	1,063
<b>Company average</b>	<b>\$ 845</b>	<b>\$ 767</b>	<b>\$ 862</b>	<b>\$ 904</b>	<b>\$ 796</b>	<b>\$ 713</b>	<b>\$ 667</b>	<b>\$ 685</b>

(1) The methodology used to calculate total cash cost per ounce sold reflects the Company's approach and differs in certain aspects with Aris Gold's approach. In addition, the first quarter 2021 data represents operating results only for the period from January 1 to February 4, 2021, the date of loss of control of Aris Gold. Thereafter, the Company is using equity accounting for its investment in Aris Gold.

Similar to revenue, consolidated cost of sales did not include any costs from the Marmato Mining Assets in the third quarter of 2021 due to the loss of control of Aris in early 2021. Consolidated cost of sales included \$9.9 million in the third quarter of 2020 related to the Marmato Mining Assets. Excluding Marmato's cost of sales, Segovia's cost of sales increased to \$51.4 million in the third quarter of 2021 compared with \$45.3 million in the third quarter of 2020. The increased level of cost of sales in the third quarter of 2021 compared with the third quarter last year reflects (i) an increase in Segovia's total cash costs per ounce sold to \$845 in the third quarter of 2021 compared with \$722 in the third quarter last year and (ii) an increase in the DD&A rate to an average of \$155 per ounce sold in the third quarter of 2021 from \$118 per ounce sold in the third quarter of 2020 resulting from the impact on DD&A rates of Segovia's capital expenditures over the last 12 months, offset partially by (iii) a 5% reduction in the volume of gold sold. The increase in Segovia's total cash cost per ounce sold in the third quarter of 2021 reflects the impact of the increase in the proportion of the higher grade, higher cost material sourced from the contract miner and the other small-scale miners than the typical blend in July to maintain the monthly production level in light of the scheduled four-day maintenance

shutdown at the Maria Dama plant. The contract miner and small-scale miner payment rates were increased during the third quarter of 2020 in response to the increase in spot gold prices since the previous payment rates were established in 2017.

For the first nine months of 2021, cost of sales of \$158.3 million (including \$5.4 million related to the Marmato Mining Assets up to February 4, 2021) had increased from \$143.5 million (including \$23.7 million related to the Marmato Mining Assets) principally reflecting (i) the new contract miner and small-scale miner payments rates (as noted above) which increased Segovia's total cash cost per ounce sold to \$812 in the first nine months of 2021 compared with \$659 in the first nine months last year, (ii) an increase in Segovia's DD&A rate to an average of \$149 per ounce sold in the first nine months of 2021 from \$116 per ounce sold in the first nine months of 2020 resulting from the impact on DD&A rates of Segovia's ongoing capital expenditure program, and (iii) a 3% increase in the volume of Segovia's gold sold in the first nine months of 2021 compared with the same period last year.

### Social programs and contributions

(\$000's)	Third Quarter		Nine Months	
	2021	2020	2021	2020
Segovia Operations				
Social contributions	\$ 2,199	\$ 2,667	\$ 6,926	\$ 6,999
Farm operations	1,118	-	1,118	-
	3,317	2,667	8,044	6,999
Marmato Operations	-	98	29	483
	\$ 3,317	\$ 2,765	\$ 8,073	\$ 7,482

At the Segovia Operations, the Company makes social contributions to a trust account to fund a variety social programs based on its ESG initiatives in the communities of Segovia and Remedios with the amount of the quarterly contributions determined by a formula based on Segovia's gold production and tied to the spot price of gold.

In 2020, the Company invested \$3.0 million to acquire an agricultural operation within its Segovia mining title that forms an integral part of the Company's ESG initiatives to create sustainable sources of food and employment within the local community. In the third quarter and first nine months of 2021, the social programs and contributions expense includes \$1.1 million related to financial support the Company has been providing to assist the farm operations to expand its programs focused on pigs, cocoa and a garden nursery project supporting reforestation initiatives in the area. It is expected the Company will be providing further financial support through the end of 2022 while the various projects mature to the point they become self sustaining.

### Other items

(\$000's)	Third Quarter		Nine Months	
	2021	2020	2021	2020
G&A expenses	\$ 3,887	\$ 4,938	\$ 11,816	\$ 14,076
Share-based compensation expense	777	702	698	5,466
Finance costs	5,796	11,680	12,174	20,883
Aris and Bluenose RTO Transactions costs	-	-	9,817	16,700
Gain (loss) on financial instruments	7,743	(2,364)	52,067	(21,260)
Gain on sales of assets and securities	-	-	8,913	3,099
Income tax expense	12,057	17,509	40,301	43,317

**G&A expenses** in the third quarter and first nine months of 2021 were lower than the same periods last year reflecting the change to equity accounting for the Company's investment in Aris starting in February 2021. In the third quarter and first nine months of 2020, G&A expenses included \$1.1 million and \$2.3 million, respectively, related to Aris.

**Share-based compensation expense** represents the fair value of the long-term incentive program ("LTIP") compensation granted to directors, executives and managers of the Company and, up until February 4, 2021, Aris. The LTIP comprises stock options and performance share units ("PSUs") for executive officers and managers and deferred share units ("DSUs") for non-executive directors. Share-based compensation expense, including changes in fair value, is summarized as follows:

(\$000's)	Third Quarter		Nine Months	
	2021	2020	2021	2020
Company LTIP				
Stock options	\$ 310	\$ -	\$ 621	\$ 688
DSUs and PSUs	467	1,122	(363)	922
Aris LTIP				
Stock options	-	579	311	2,710
DSUs	-	298	129	444
Share-based compensation expense	\$ 777	\$ 1,999	\$ 698	\$ 4,764

Share-based compensation expense in the third quarter of 2021 includes \$0.3 million associated with stock options granted by the Company on April 1, 2021 to executive officers and management which have a one-year vesting period. The previous annual stock option grants by the Company typically vested immediately. The net recovery of share-based compensation expense related to DSUs and PSUs in the first nine months of 2021 reflects the impact of the decrease in the Company's share price in 2021 on the fair values of its DSUs and PSUs included in accounts payable and accrued liabilities at September 30, 2021.

**Finance costs** in the current and prior year periods are summarized as follows:

(\$000's)	Third Quarter		Nine Months	
	2021	2020	2021	2020
Interest expense (recovery)				
Gold Notes	\$ 296	\$ 812	\$ 1,508	\$ 3,038
Convertible Debentures	284	302	894	884
Senior Notes	2,938	-	2,938	-
Aris Gold Notes	-	-	519	-
Other	28	(251)	85	(193)
Gold Premiums on Gold Notes	800	1,282	3,332	3,727
Applicable Premium on early redemption of Gold Notes	744	-	1,157	1,977
Non-cash accretion of Senior Notes	335	-	335	-
Non-cash accretion of lease and other financial obligations	371	496	1,257	1,451
Subtotal before the following	5,796	2,641	12,025	10,884
Transaction fees and expenses				
Private placement completed by the Company	-	-	-	560
Financings completed by Aris	-	9,039	149	9,439
	\$ 5,796	\$ 11,680	\$ 12,174	\$ 20,883

Finance costs include recurring items related to debt service and financial obligations, such as interest expense, gold premiums and non-cash accretion, in addition to fees and expenses associated with financing transactions. Finance costs in the third quarter of 2021 amounted to \$5.8 million, including \$2.9 million of interest expense and \$0.3 million of accretion related to the Senior Notes issued in August and a \$0.7 million Applicable Premium on the early redemption of the remaining Gold Notes in September. Finance costs in the third quarter of 2020 amounted to \$11.7 million and included \$9.0 million of transaction fees and expenses related to financings completed by Aris. Finance costs for the first nine months of 2021 amounted to \$12.2 million, including interest expense, Gold Premiums and Applicable Premiums related to the Gold Notes totaling \$6.0 million that will not be recurring in the future in light of the full redemption of the Gold Notes in September. Conversely, finance costs are expected to increase in the future as a result of the increased level of debt associated with the Senior Notes issued in August.

In the first nine months of 2021, Aris incurred a total of \$9.8 million of Aris Transaction costs related to the change of control payments due to the previous management, of which \$8.8 million was paid at closing in February 2021. In the first nine months of 2020, the Company recorded a charge in the amount of \$16.7 million in connection with the Bluenose RTO Transaction.

The Company has a number of financial instruments for which changes in fair value from quarter to quarter, largely driven by market volatility affecting share prices used as inputs in the valuation of warrants, are recognized at fair value through profit and loss. In the third quarter of 2021, the Company recorded a **gain on financial instruments** of \$7.7 million bringing the gain on financial instruments for the first nine months of 2021 to \$52.1 million. In the third quarter of 2020, the Company recorded a loss on financial instruments of \$2.4 million bringing the loss on financial instruments for the first nine months of 2020 to \$21.3 million. The major components of the gain on financial instruments include:

- A total fair value gain on derivative financial liabilities of \$9.6 million in the third quarter of 2021 bringing the total gain for the first nine months of 2021 to \$57.2 million. The decrease in the Company's share price in the third quarter and first nine months of 2021 was the key driver behind the fair value gains on the Company's Convertible Debentures, Listed Warrants and Unlisted Warrants. Conversely, the impact of an increase in the Company's share price through the first nine months of 2020 on the fair values of the Company's Convertible Debentures, Listed Warrants and Unlisted Warrants together with a \$10.9 million loss on the fair value of the Aris Special Warrants contributed to a loss on derivative financial liabilities of \$25.2 million in the first nine months of 2020.
- A total fair value loss of \$1.9 million in the third quarter of 2021 related to its derivative financial assets including a total of \$2.8 million related to the Aris Warrants and the Aris Gold Notes, partially offset by a \$0.8 million fair value gain on the Denarius Warrants. This brought the loss for the first nine months of 2021 on derivative financial assets to \$5.1 million. In the third quarter and first nine months of 2020, the Company had recorded a fair value loss of \$3.0 million and a fair value gain of \$4.0 million, respectively, on its derivative financial assets.

In the first nine months of 2021, the Company recorded an \$8.9 million gain on sale of its Zancudo Project in a spin out transaction to Denarius as described on page 22. In the first nine months of 2020, the Company recorded a \$3.1 million gain on sale of securities, net of transaction costs, related to shares of Guyana Goldfields it had acquired in the open market in connection with an aborted takeover bid.

The Company recorded **income tax expense** in the third quarter and first nine months of 2021 of \$12.1 million and \$40.3 million, respectively, compared with \$17.5 million and \$43.3 million in the third quarter and first nine months of 2020, respectively. The effective income tax rate on the Company's reported pre-tax

income or loss will ordinarily vary from the expected income tax expense based on the 26.5% combined statutory tax rate in Canada as a result of differences in tax rates in Colombia (which decreased from 32% in 2020 to 31% in 2021) and other foreign jurisdictions, non-taxable gains (such as the gain on loss of control in Aris), non-deductible expenses (such as the Aris and Bluenose RTO Transaction costs), losses incurred in jurisdictions outside Colombia for which deferred tax assets are not recognized and other less individually significant items. In September 2021, Colombia passed and enacted Law 2155 in a tax reform which increases the corporate income tax rate to 35% effective 2022 and going forward. The previously enacted tax reform expected the corporate income tax rate would decline to 30% starting in 2022. Income tax expense in the third quarter and first nine months included \$1.2 million to reflect the impact of the increase in the future income tax rate in Colombia on the Company's deferred income tax liability.

#### *Income from operations, net income and adjusted net income*

Income from operations in the third quarter of 2021 was \$31.4 million compared with \$49.5 million in the third quarter last year largely due to a \$14.3 million decrease in Segovia's adjusted EBITDA (see page 30) resulting from lower realized gold prices and gold sales volume and an increase in Segovia's total cash cost per ounce compared with the third quarter last year. Income from operations in the first nine months of 2021 amounted to \$110.1 million compared with \$120.8 million in the first nine months of 2020 principally due to a \$6.1 million decrease in Segovia's adjusted EBITDA (see page 31) in the first nine months of 2021 compared with the same period in 2020 resulting from the increase in Segovia's total cash cost per ounce and increase social programs expenses that were partially offset by higher realized gold prices and an increase in gold sales volume compared with the first nine months of 2020. Income from operations in the third quarter and first nine months of 2020 also included \$2.4 million and \$4.6 million, respectively, of adjusted EBITDA from the Marmato Mining Assets.

The Company reported **net income** of \$25.3 million (\$0.26 per share) in the third quarter of 2021 compared with \$18.0 million (\$0.39 per share) in the third quarter of 2020, reflecting an improvement in other income (expense) items and lower income tax expense which more than offset the impact of lower income from operations in the third quarter of 2021. For the first nine months of 2021, net income amounted to \$173.4 million (\$2.32 per share) compared with \$23.7 million (\$0.53 per share) in the first nine months last year. Net income in the first nine months of 2021 reflected the decrease in income from operations as noted above and benefitted from the \$56.9 million gain on loss of control of Aris, the \$52.1 million gain on financial instruments (compared with a \$21. million loss on financial instruments in the first nine months last year) and the \$8.9 million gain on sale of the Zancudo Project. Net income in the first nine months of 2021 included Aris Transaction costs of \$9.8 million while net income in the first nine months of 2020 included Bluenose RTO Transaction costs of \$16.7 million.

The Company computes **adjusted net income** reflecting the after-tax adjustments to exclude the gain on loss of control of Aris, RTO and other transactions costs, the gain/loss on financial instruments, the gain on sale of assets, debt financing costs, foreign exchange gains/losses and income/losses from equity accounting in associates, all as set out in the reconciliation of this non-IFRS measure on page 33 of this MD&A. Adjusted net income for the third quarter of 2021 was \$14.4 million (\$0.15 per share) compared with \$29.5 million (\$0.47 per share) in the third quarter last year. For the first nine months of 2021, adjusted net income was \$59.9 million (\$0.78 per share) compared with \$68.2 million (\$1.13 per share) in the first nine months last year. The year-over-year decrease in adjusted net income in the third quarter and first nine months of 2021 largely reflects the factors noted above regarding income from operations, partially offset by a reduction in income tax expense.

## Summary of Quarterly Results

\$000's except ounce, per ounce and per share data	2021 <sup>(4)</sup>			2020				2019
	3 <sup>rd</sup> Qtr	2 <sup>nd</sup> Qtr	1 <sup>st</sup> Qtr	4 <sup>th</sup> Qtr	3 <sup>rd</sup> Qtr	2 <sup>nd</sup> Qtr	1 <sup>st</sup> Qtr	4 <sup>th</sup> Qtr
<b>Operating data:</b>								
Gold produced (ounces)	49,848	52,198	51,486	57,265	58,454	48,228	56,247	65,237
Gold sold (ounces)	50,171	52,838	55,317	52,478	59,633	45,078	63,701	59,169
Average realized gold price (1)	\$ 1,784	\$ 1,797	\$ 1,812	\$ 1,875	\$ 1,875	\$ 1,696	\$ 1,570	\$ 1,480
Silver sold (ounces)	51,858	55,109	66,900	54,943	57,917	43,281	61,280	55,957
Average realized silver price (1)	\$ 23	\$ 25	\$ 25	\$ 23	\$ 23	\$ 15	\$ 16	\$ 16
Total cash costs (1, 2)	845	767	862	904	796	713	667	685
All-in sustaining costs (1, 2)	1,218	1,101	1,164	1,382	1,122	1,045	890	1,003
<b>Financial data:</b>								
Revenue								
Gold	\$ 89,509	\$ 94,957	\$ 100,241	\$ 98,396	\$ 111,826	\$ 76,465	\$ 99,995	\$ 87,545
Silver	1,207	1,396	1,678	1,277	1,312	669	981	918
Total	90,716	96,353	101,919	99,673	113,138	77,134	100,976	88,463
Cost of sales	51,366	49,893	57,026	55,265	55,255	37,942	50,259	49,486
G&A	3,887	3,835	4,094	4,731	4,938	4,248	4,890	4,339
Impairment charge (3)	-	-	-	-	-	-	-	175,989
Share-based compensation	777	393	(472)	2,345	702	1,999	2,765	362
Social programs and contributions	3,317	2,596	2,160	3,155	2,765	2,515	2,202	2,096
Income (loss) from operations	31,369	39,636	39,111	34,177	49,478	30,430	40,860	(143,809)
Finance costs, net of income	(5,423)	(2,542)	(3,229)	(9,192)	(11,368)	(2,379)	(5,848)	(3,155)
Aris/Bluenose RTO Transactions costs	-	-	(9,817)	-	-	-	(16,700)	(273)
Gain on loss of control of Aris (4)	-	-	56,886	-	-	-	-	-
Gain (loss) on financial instruments	7,743	1,476	42,848	(51,609)	(2,364)	(35,403)	16,507	(9,425)
Gain on sale of assets/securities	-	-	8,913	-	-	3,099	-	-
Foreign exchange	1,560	462	188	(4,690)	(410)	(2,648)	5,784	(1,143)
Equity-accounted gain (loss) (4)	2,066	4,580	(2,164)	2,338	200	(1,497)	(720)	(1,671)
Income (loss) before taxes	37,315	43,612	132,736	(28,976)	35,536	(8,398)	39,883	(159,476)
Income tax (expense) recovery	(12,057)	(13,813)	(14,431)	(22,299)	(17,509)	(10,180)	(15,628)	10,627
Net income (loss)	25,258	29,799	118,305	(51,275)	18,027	(18,578)	24,255	(148,849)
Per share								
Basic	0.26	0.41	2.02	(0.59)	0.39	(0.27)	0.42	(2.65)
Diluted	0.20	0.28	1.28	(0.59)	0.17	(0.27)	0.42	(2.65)
Adjusted EBITDA (2)	39,937	47,995	46,323	43,076	56,688	37,563	50,437	40,607
Adjusted net income (2)	14,354	23,556	21,948	7,703	29,503	17,504	21,232	17,113
Adjusted per share (2)								
Basic	0.15	0.33	0.36	0.15	0.47	0.29	0.37	0.33
Diluted	0.13	0.28	0.31	0.13	0.40	0.25	0.32	0.27
Net cash provided by operating activities	26,738	12,786	13,617	29,494	68,024	6,992	31,868	34,635
Free Cash Flow (2)	12,132	(2,984)	2,497	5,828	53,677	(3,814)	17,888	21,953

(1) Per ounce sold.

(2) Refer to "Non-IFRS Measures" on pages 29-33.

(3) The Company recorded an impairment charge in the fourth quarter of 2019 related to Zona Alta at its Marmato Project.

(4) As a result of the Aris Transaction in the first quarter of 2021, the Company's equity interest in Aris decreased from 53.5% to 44.3% on February 4, 2021, at which time the Company recognized a \$56.9 million gain on loss of control of Aris and commenced equity accounting for its investment in Aris. Prior to February 4, 2021, Aris was consolidated in the Company's operating and financial data.

## Liquidity and Capital Resources

The Company has continued to strengthen its financial position in 2021, operating normally despite the ongoing COVID-19 situation and focusing on the core elements of its strategy to grow through diversification while returning value to shareholders through its monthly dividend program. Following the Gold X acquisition completed on June 4, 2021, the Company strengthened its liquidity to develop the Toroparu Project through the \$300 million Senior Notes offering closed on August 9, 2021. A portion of the net proceeds of the Senior Notes were used to prepay the remaining \$18.0 million principal amount of Gold Notes outstanding on September 9, 2021 and the remaining \$267.4 million of net proceeds will be used to fund the development of the Toroparu Project and for general corporate purposes. Combined with the expected future advance deposits amounting to \$138 million under the Wheaton PMPA that came with the Gold X acquisition, the Company believes it has more than sufficient liquidity to fund the development of the Toroparu Project. The Company's balance sheet was also simplified on February 4, 2021 with the de-consolidation of Aris as a result of the loss of control in the Aris Transaction and is more reflective of the Company's financial position as the long-term debt and precious metals stream facilities in Aris are non-recourse to the Company.

Free Cash Flow for the first nine months of 2021 (refer to computation on page 33) was \$11.6 million compared with \$67.8 million in the first nine months of 2020. Excluding the impact of Aris, the Company's "adjusted Free Cash Flow" in the first nine months of 2021 was \$23.9 million compared with \$75.1 million in the first nine months last year. The year-over-year decrease in the Company's adjusted Free Cash Flow in the first nine months of 2021 reflected a \$39.0 million decrease in operating cash flow as a result of increased income tax payments in Colombia, lower adjusted EBITDA and the Colombian tax authority's change to the timing for remittance of VAT refund claims that is shifting these cash inflows to the first half of 2022. It should be noted that while the change in timing to receive the VAT refund claims does impact Free Cash Flow and the Company's cash position in the second half of 2021 compared to prior years, it has no impact on the Company's working capital and the VAT refund claims are expected to be received by the Company ahead of the deadlines for corporate income tax instalments due in the first half of 2022. The year-over-year decrease in the Company's adjusted Free Cash Flow in the first nine months of 2021 also reflected a \$9.8 million increase in capital expenditures at its Segovia Operations, including spending related to the expansion of the Maria Dama plant to 2,000 tpd, the new polymetallic plant and its ongoing exploration programs at its mines and the regional brownfield targets, and \$2.4 million of capital expenditures at its newly acquired Toroparu Project.

The Company used its cash position, \$4.6 million of net cash after transaction costs received in the Gold X acquisition, \$0.5 million of proceeds from the exercises of stock options and warrants and adjusted Free Cash Flow in the first nine months of 2021 to (a) fund the \$7.0 million acquisition of the third-party company constructing the polymetallic recovery plant in its Segovia mining title, (b) fund its purchase of Denarius Subscription Receipts at a cost of \$7.9 million, (c) fund its payments related to the Gold Notes, Convertible Debentures and leases which amounted to a total of \$21.2 million, (d) continue to fund its ongoing monthly dividends amounting to a total of \$8.0 million, (e) to repurchase 702,000 common shares for cancellation under its NCIB at a cost of approximately \$3.2 million, and (f) retain \$1.8 million of its liquidity in gold bullion rather than cash.

At September 30, 2021, the Company's cash position stood at \$329.6 million and the Company held \$1.7 million in gold bullion. With the Gold Notes fully redeemed, the Company's long-term debt at September 30, 2021 consisted of the \$300.0 million principal amount (carrying value of \$286.4 million) of the Senior Notes and the CA\$18.0 million principal amount (carrying value of \$18.3 million) of Convertible Debentures.

The Company's consolidated working capital benefitted from the Senior Notes financing completed in the third quarter of 2021, increasing to \$331.5 million at September 30, 2021 from \$150.3 million at the end of 2020 (which included approximately \$94.5 million related to Aris). Key components of the Company's consolidated working capital at September 30, 2021 include:

- *Cash and cash equivalents* - \$329.6 million, up from \$122.5 million at the end of 2020 (which included \$33.0 million in Aris). The largest catalyst for the increase in the Company's cash position in 2021 was the completion of the Senior Notes financing in August. The September 30, 2021 cash position includes \$267.4 million of the net proceeds from the Senior Notes financing, after redeeming the remaining Gold Notes, that will be used to fund the Toroparu Project and for general corporate purposes.
- *Cash in escrow* - \$Nil compared with \$144.4 million at the end of 2020. \$2.3 million of the balance at the end of 2020 represented the Company's subscription in the Guia Antigua Private Placement (see page 22) that closed on February 19, 2021 and was exchanged for common shares of Denarius. The remaining \$142.1 million balance at the end of 2020 represented escrowed financing proceeds in Aris, most of which was released to Aris in early February 2021.
- *Gold bullion* - \$1.7 million based on the September 30, 2021 London P.M. Fix compared with \$Nil at the end of 2020. In light of the Company's belief in the long-term value of gold, its primary product, it has elected to retain a portion of its liquidity in gold bullion and expects to continue to add to its gold bullion position over time. At the end of September 2021, the Company had 1,000 ounces of gold on deposit.
- *Gold Trust Account* - \$Nil compared with \$4.4 million associated with 2,310 ounces on deposit at the end of 2020. With the full redemption of the remaining Gold Notes in September 2021, the Company is no longer required to set aside physical gold in the Gold Trust Account.
- *Accounts receivable* – \$22.3 million, down from \$24.2 million at the end of 2020 (which included \$2.2 million in Aris). The Company experienced delays in late 2020 and early 2021 in the processing of its VAT refund claims as a result of the impact of the COVID-19 situation on government operations in Colombia. In the second quarter of 2021, the Company received its VAT refund claims related to 2020. However, VAT refund claims related to 2021, which amount to a total of \$18.8 million at the end of September 2021, remain outstanding. The Company understands that the Colombian tax authority has changed the frequency of processing payments and the 2021 VAT refund claims are now expected to be received in advance of the deadlines for corporate income tax instalments in the first half of 2022. This change does not have an impact on working capital but does shift cash inflows related to collection of VAT refund claims into next year.
- *Inventories* - \$18.3 million, down from \$30.4 million at the end of 2020 (which included \$8.2 million in Aris). At the Segovia Operations, inventory decreased by approximately \$3.9 million, of which approximately \$5.2 million was attributable to a decrease in mineral inventories which had built up at the end of 2020 due to the holiday shutdown at the refinery and were subsequently shipped in early 2021, offset by a \$1.3 million increase in materials and supplies inventory in the first nine months of 2021.
- *Accounts payable and accrued liabilities* - \$28.6 million, down from \$48.5 million at the end of 2020 (which included \$13.0 million in Aris), reflecting a reduction due payments to suppliers and foreign exchange revaluation in the first nine months of 2021 and a reduction in the fair value of DSU and PSU obligations due to the decrease in the Company's share price at the end of September 2021 compared

with the end of 2020, offset partially by a \$2.9 million increase for the accrual of interest on the Senior Notes that will be paid in February 2022.

- *Subscription Receipts payable* - \$Nil compared with \$74.1 million at the end of 2020. The balance at the end of 2020 represents the fair value of the Aris Subscription receipts that were subsequently exchanged for Aris common shares and Aris Listed Warrants on February 4, 2021 (see page 5).
- *Income tax payable* – \$7.8 million, down from \$38.0 million at the end of 2020 (which included \$1.2 million in Aris). The change in the first nine months of 2021 principally reflects an increase of \$41.1 million for the current provision for income taxes recorded against earnings for the first nine months, primarily associated with the Company's Colombian mining operations, net of \$67.4 million of income taxes paid in Colombia in the first nine months related to the balance owing from 2020 and prepayments for 2021 and the balance of the decrease primarily due to the impact of foreign exchange revaluation.
- *Current portion of long-term debt* - \$2.9 million, representing accrued interest on the Senior Notes and down from \$12.4 million at the end of 2020 (which included \$1.3 million in Aris) reflecting the full redemption of the remaining balance of the Gold Notes in September 2021. The Convertible Debentures and Senior Notes mature in 2024 and 2026, respectively, and the carrying values of the principal amounts of these debt instruments are classified entirely in non-current long-term debt.
- *Current portion of lease obligations* - \$1.7 million, down from \$2.0 million at the end of 2020, represents lease payments to be made over the next 12 months.
- *Current portion of provisions* - \$0.8 million, down from \$1.2 million at the end of 2020. The balance at September 30, 2021 includes \$0.6 million for the next 12 monthly payments to fund the ongoing health plan obligations at the Segovia Operations and \$0.2 million of expected rehabilitation costs and environmental fees to be paid over the next 12 months related to the closure of tailings storage facilities at the Segovia Operations.
- *Amounts payable for acquisitions of mining interests* - \$1.9 million related to Zona Alta at the Marmato Project, down from \$2.3 million from the end of 2020 reflecting a \$0.1 million decrease due to foreign exchange revaluation and \$0.2 million of payments.

The Company is maintaining its vigorous health and safety protocols at its operations and offices in Colombia and Guyana. In addition, employees at its Toronto office continue to work remotely. To the extent possible, the Company expects that its mines will continue to operate during the ongoing COVID-19 situation in Colombia. The Company is continuing to monitor the situation and at this point in time, is continuing to take remedial action under its business continuity program as required. The Company's cash balances are sufficient to meet its debt service and other financial obligations over the next year. In the event more stringent COVID-19 restrictions are reinstated in Colombia or other circumstances disrupt the Company's operations for a prolonged period, the Company may have to take actions to reduce discretionary spending in order to preserve liquidity and fund the planned development of the Toroparu Project.

### **Operating activities**

Net cash provided by operating activities in the first nine months of 2021 amounted to \$53.1 million and included \$10.1 million used in operating activities by Aris prior to the loss of control on February 4, 2021. In

the first nine months of 2020, net cash provided by operating activities was \$106.9 million, including \$4.7 million provided by operating activities in Aris. The \$39.0 million year-over-year decrease in operating cash flow, excluding the impact of Aris, can largely be attributed to (a) an increase in income taxes paid in the first nine months of 2021 to \$67.4 million from \$45.7 million in the first nine months of 2020, (b) changes in non-cash working capital items, including the impact from the delay in receiving 2021's VAT refund claims, and (c) the reduction in adjusted EBITDA from the Segovia Operations in the current year resulting from the increase in production costs and social programs expenses.

### **Investing activities**

Net cash used in investing activities in the first nine months of 2021 of \$205.1 million, up from \$46.3 million in the first nine months of 2020, comprised the following:

- A \$151.4 million reduction in cash as a result of the loss of control of Aris on February 4, 2021 (refer to Aris Transaction on page 5). This cash balance included funds released from escrow in conjunction with the Marmato mining title extension and closing of the Aris Transaction as outlined under *Financing Activities* on page 24.
- Additions to mining interests, plant and equipment of \$41.5 million in the first nine months of 2021 compared with \$39.1 million in the first nine months of 2020 as set out in the table below;
- \$7.0 million used to acquire the polymetallic recovery plant under construction in the Company's Segovia mining title;
- \$7.9 million spent to subscribe for subscription receipts in Denarius (as described on page 23);
- \$6.7 million of cash in Gold X at the closing of the Gold X acquisition, of which the Company used \$2.1 million to fund costs associated with the transaction; and,
- A \$1.8 million increase in gold bullion related to the 1,000 ounces held by the Company as part of its liquidity.

Additions to mining interests, plant and equipment in the consolidated statements of cash flow can be broken down as follows:

	Third Quarter		Nine Months	
	2021	2020	2021	2020
Sustaining capital and E&E costs				
Segovia	\$ 10,979	\$ 9,200	\$ 30,868	\$ 22,172
Marmato	-	1,967	689	3,498
<b>Total sustaining capital and E&amp;E costs</b>	<b>10,979</b>	<b>11,167</b>	<b>31,557</b>	<b>25,670</b>
Non-sustaining capital and E&E costs:				
Segovia exploration	509	81	1,569	216
Expansion of Segovia processing and material handling facilities and polymetallic plant	2,737	-	5,215	-
Segovia ESG initiative	-	-	-	3,000
Toroparu Project	2,203	-	2,353	-
Medellin office leasehold improvements	-	-	131	-
Marmato expansion and Jubby Projects	-	3,958	1,464	9,520
Change in accounts payable and accrued liabilities related to capital expenditures	(1,876)	(957)	(1,032)	451
Change in amounts payable for acquisitions of mining interests	54	98	239	276
<b>Additions to mining interests, plant and equipment</b>	<b>\$ 14,606</b>	<b>\$ 14,347</b>	<b>\$ 41,496</b>	<b>\$ 39,133</b>

Sustaining capital expenditures of \$30.9 million at the Segovia Operations in the first nine months of 2021 included (i) \$10.2 million for drilling under the Company's ongoing exploration and mine geology campaigns at its four operating mines, (ii) \$10.9 million for ongoing mine development, (iii) \$6.2 million for the Company's four mines including additional underground equipment, mine geology and infrastructure improvements, (iv) \$1.2 million for costs related to the ongoing construction activities at the El Chocho tailings storage facility, (v) \$0.7 million for hydrological studies within the Segovia mining area and (vi) \$1.7 million associated with upgrades at the Maria Dama plant and the Segovia site facilities.

Non-sustaining capital expenditures at the Segovia Operations in the first nine months of 2021 included (i) \$1.6 million for the brownfield exploration program, primarily focused on the Vera, Marmajito and Cristales veins, (ii) \$4.0 million related projects to expand the capacity of the Maria Dama processing plant to 2,000 tpd and to add additional crushing and blending facilities, (iii) \$1.2 million related to the completion of construction of the new polymetallic recovery plant acquired earlier in 2021 that is currently in the commissioning stage, and (iii) \$0.1 million for leasehold improvement construction at the Company's new management office in Medellin.

The Company has incurred a total of \$2.4 million of non-sustaining capital expenditures in the first nine months of 2021 in connection with its investment in the Toroparu Project in Guyana. Since acquiring this E&E asset on June 4, 2021 through the Gold X acquisition (page 5), the Company has been focused on the preparation of an updated mineral resource estimate and PEA that incorporates the new information related to high-grade drill results from a program carried out by Gold X in 2020 and early 2021. Working with SRK and Nordmin to optimize the preliminary mine design for the project, the Company expects that the results of the PEA will be available to be announced before the end of the year. At this time, the Company is also engaged in various pre-construction activities, including hiring of the project team and key contractors, preparation of the camp facilities, revamping of the local airstrip to enhance logistics and access to the site, design and civil works related to the camp, road and water management, electrical network design, permitting, design of its initial ESG initiatives and various studies associated with environmental matters at the project site. Following completion of the PEA, the Company will immediately advance the studies for the project to prepare a preliminary feasibility study ("PFS") to be finalized in the first half of 2022, at which point construction of the project is expected to commence.

#### *Letter of Intent with Renergetica Colombia S.A.S to invest in a solar project in Colombia*

In 2020, the Company entered into a letter of intent with Renergetica Colombia S.A.S. ("Renergetica"), a subsidiary of Renergetica S.p.A., to acquire through its Segovia Operations, a solar project in the Tolima Region, Colombia (the "Suarez Project"). The Suarez Project will connect to the Colombian National Electric System and is expected to become operational mid-2022. The capital cost of the Suarez Project, expected to total approximately \$8.3 million, may be financed by up to 70% and will benefit from special tax incentives in Colombia on investments in renewable energy. The Company is currently in the process of obtaining permits and finalizing financing related to the project and expects construction will commence in the first half of 2022.

#### *Spin out of Zancudo Project to Denarius and Denarius Private Placements*

On February 19, 2021, ESV Resources Ltd. ("ESV"), a company listed on the TSXV, completed an RTO transaction through the concurrent closing of the following three transactions:

- The amalgamation of ESV with 1255269 B.C. Ltd. (the "Guia Antigua Vendor") pursuant to a November

2020 Amalgamation Agreement. The Guia Antigua Vendor owned the rights for exploration, mining and processing operations and the commercialization of mineral products from the Guia Antigua Project located within the Company's Segovia mining title. Pursuant to the Amalgamation Agreement, in exchange for all of the outstanding shares of the Guia Antigua Vendor, ESV issued 15,000,000 common shares to the former shareholders of the Guia Antigua Vendor and paid a financial advisory fee to a third party equal to 300,000 common shares;

- The closing of the Guia Antigua Private Placement immediately prior to closing of the Amalgamation Agreement pursuant to which the Guia Antigua Subscription Receipts automatically converted into the equivalent number of common shares of the Guia Antigua Vendor for no additional consideration. These common shares were immediately exchanged in the RTO transaction for common shares of ESV on a one-for-one basis. In November 2020, the Guia Antigua Vendor had completed the Guia Antigua Private Placement for gross proceeds of approximately CA\$8.4 million by issuing 18,675,053 Guia Antigua Subscription Receipts at a price of CA\$0.45 per Guia Antigua Subscription Receipt. The Company had subscribed for 6,666,666 Guia Antigua Subscription Receipts amounting to CA\$3.0 million (equivalent to \$2.3 million); and
- The acquisition by ESV, pursuant to a November 2020 Share Purchase Agreement, of all of the issued and outstanding shares of GCG Titiribi, a wholly-owned indirect subsidiary of the Company and owner of the Zancudo Project, in exchange for 27,000,000 common shares of ESV.

On closing of its RTO transaction, ESV changed its name to Denarius. On March 8, 2021, Denarius commenced trading on the TSXV under the symbol "DSL.V".

The 33,666,666 common shares of Denarius issued to the Company in the foregoing transactions represented approximately 36.2% of the issued and outstanding shares of Denarius at the closing of the RTO transaction and are subject to a voluntary pooling arrangement from which 75% of the shares have been released and the balance will be released on December 28, 2021.

The above transactions resulted in the Company having significant influence over Denarius as of February 19, 2021. As such, the Company will equity account for its investment in Denarius after February 19, 2021. In March 2021, the Company acquired 22,222,223 units of Denarius ("Denarius Subscription Receipts") by participating in a private placement at a price of CA\$0.45 per unit for a total cash consideration of CA\$10.0 million (equivalent to \$7.9 million). Each Denarius Subscription Receipt comprised one common share and one share purchase warrant entitling the holder to purchase one additional share at CA\$0.80 until March 17, 2026. On closing of the private placement on April 29, 2021, the Denarius Subscription Receipts were exchanged for common shares and warrants of Denarius and the Company's equity interest in Denarius decreased to 27.3% resulting on a gain on dilution of \$2.0 million.

The Company recorded a loss of \$5.6 million in the first nine months of 2021 related to its share of Denarius' loss in the period.

### ***Financing activities***

In the first nine months of 2021, net cash provided by financing activities was \$366.5 million compared with \$2.2 million in the first nine months of 2020, including:

### *Financing activities of the Company*

- On August 9, 2021, the Company completed the \$300 million Senior Notes financing (page 7) raising net proceeds to \$286.2 million to fund the construction of the Toroparu Project, redemption of the remaining balance of Gold Notes and for general corporate purposes;
- The Company completed three scheduled quarterly Amortizing Payments of its Gold Notes totaling approximately \$10.8 million, including approximately \$3.3 million of Gold Premiums, in the first nine of 2021 compared with three scheduled quarterly Amortizing Payments totaling \$14.9 million, including approximately \$3.7 million of Gold Premium in the first nine months of 2020;
- In the first nine months of 2021, the Company used \$10.4 million of its cash position to fund a partial early redemption of \$10.0 million aggregate principal amount of the Gold Notes in May, including the Applicable Premium of approximately \$0.4 million, and then in September, the Company used approximately \$18.8 million of the net proceeds of the Senior Notes financing to redeem the remaining \$18.0 million aggregate principal amount of the Gold Notes outstanding and the Applicable Premium of approximately \$0.8 million;
- In the first nine months of 2020, the Company generated net proceeds of \$29.5 million through a private placement of shares and warrants, of which it used \$21.1 million of the net proceeds to fund a partial early redemption of \$19.1 million aggregate principal amount of the Gold Notes and the Applicable Premium of approximately \$2.0 million;
- The Company paid \$1.7 million of lease obligations, up from \$1.4 million in the first nine months of 2020;
- The Company paid interest totaling \$2.4 million, principally related to its Gold Notes and Convertible Debentures, down from \$4.0 million in the first nine months of 2020 due to the reduction in its debt;
- The Company received approximately \$0.5 million from exercises of stock options and warrants in the first nine months of 2021 compared with \$2.6 million in the first nine months of 2020;
- The Company used approximately \$3.2 million to repurchase 702,000 common shares under its NCIB for cancellation in the first nine months of 2021 compared with \$1.8 million to repurchase 406,000 common shares for cancellation in the first nine months of 2020;
- The Company paid monthly dividend payments totaling \$8.0 million in the first nine months of 2021 pursuant to its dividend policy implemented in 2020; and
- The Company used \$1.8 million in the first nine months of 2020 to acquire approximately 1.3 million additional common shares of Aris in the open market.

### *Financing activities of Aris (prior to the loss of control in February 2021)*

- In the first nine months of 2021, in conjunction with the receipt of the Marmato mining title extension and the closing of the Aris Transaction in early 2021, a total of \$131.3 million of net proceeds from the Aris Gold Notes and the Aris Subscription Receipts were released from escrow; and
- In the first nine months of 2020, Aris' financing activities included the release of \$4.7 million of funds held in escrow on closing of the Bluenose RTO, the transfer by the Company of \$10.0 million of cash to cash in escrow in connection with the Aris financings, and a total of \$1.0 million of share issue and financing costs associated with the Aris financings were incurred.

### **Financial Instruments**

The fair values of cash and cash equivalents, cash in trust, accounts receivable and accounts payable and accrued liabilities (including amounts payable for acquisitions of mining interests), approximate their carrying values due to the short term to maturity of these financial instruments. The Gold X Mining warrants, Aris Gold

Notes, Aris Listed and RTO Warrants, Denarius Subscription Receipts, DSU and PSU liabilities, Convertible Debentures, Listed Warrants and Unlisted Warrants are all carried at fair value through profit and loss ("FVTPL"). The Senior Notes are carried at amortised cost.

### **Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

### **Accounting Policy Changes**

There were no accounting policy changes during the three months ended September 30, 2021.

The Company adopted a new accounting policy in respect of its holdings of gold bullion, which is a commodity measured at the lower of average cost and net realizable value determined by reference to published price quotations, with unrealized (up to the original cost amount) and realized gains and losses recorded in other income.

The Company has also elected an accounting policy choice not to remeasure the carrying value of previously held investments in associates on acquisition of additional interests.

In connection with the Gold X acquisition, the Company has adopted the following new accounting policy with respect to deferred revenue and the Company elected to recognize its initial investment in Gold X using the cost accumulation approach as part of the consideration paid.

#### *Deferred revenue*

The Company is party to a PMPA with Wheaton as described on page 6. Under IFRS 15, the contract liability assumed is recognized as a deferred revenue as the PMPA will be settled by delivering gold and silver ounces to Wheaton rather than cash or financial assets.

The deferred revenue will be recognized as revenue in the statement of operations as the gold and silver ounces are delivered to Wheaton relative to the expected total amount of gold and silver ounces to be delivered over the term of the agreement. To the extent that the life of mine of its Toroparu Project changes or other key inputs are changed, these changes are recognized prospectively as a cumulative amount in the deferred revenue in the year that the change occurs.

### **Critical Accounting Estimates**

The preparation of the consolidated financial statements requires management to make significant estimates and assumptions in determining carrying values. Estimates are continuously evaluated and are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ significantly from the amounts included in the consolidated financial statements. The critical estimates applied in the preparation of the Company's Interim Financial Statements are consistent with those applied and disclosed in Note 4 to the audited consolidated financial statements for the year ended December 31, 2020. As a result of the recent Gold X acquisition, the Company has also included deferred revenue as a critical accounting estimate.

### *Valuation of long-lived assets*

The carrying amounts of property, plant and equipment and E&E assets are assessed for any impairment triggers such as events or changes in circumstances which indicate that the carrying value may not be recoverable. If there are indicators of impairment, an exercise is undertaken to determine whether the carrying values are in excess of their recoverable amount.

The Company considers both internal and external sources of information in assessing whether there are any indications that long-lived assets are impaired. External sources of information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of its long-lived assets. Internal sources of information the Company considers include the manner in which property, plant and equipment are being used or are expected to be used, and in respect of E&E assets, the right to explore in the specific area has or will expire in the future and is not expected to be renewed, substantive E&E expenditures are neither budgeted or planned, exploration has not led to the discovery of commercially viable quantities of mineral resources or sufficient data exists that although development of a specific area is likely to proceed, the carrying amount of the E&E assets is unlikely to be recovered.

### *Provision for decommissioning*

The Company assesses its provision for decommissioning when new material information becomes available. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing, and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation and remediation obligations requires management to make estimates of the future costs the Company will incur to complete the decommissioning work required to comply with existing laws and regulations at each mining operation. Actual costs incurred may differ from those amounts estimated. Future changes to environmental laws and regulations could also change the extent of reclamation and remediation work required to be performed by the Company. Changes in future costs could materially impact the amounts charged to operations for such obligations and to mineral properties. The provision represents management's best estimate of the present value of the future decommissioning obligation. Actual future expenditures may differ from the amounts currently provided.

### *Fair values of financial assets and liabilities*

As noted under "Financial Instruments" on page 24, the Company has several financial assets and liabilities recorded at FVTPL. Fair values of many of these financial assets liabilities, as described in more detail in the Financial Statements, have been determined based on a valuation methodology that captures all of the features in a set of partial differential equations that are then solved numerically to arrive at the value of these financial instruments. The fair value estimates are based on numerous assumptions including, but not limited to, commodity prices, time value, volatility factors, risk-free rates and credit spreads. The fair value estimates may differ from actual fair values and these differences may be significant and could have a material impact on the Company's financial position and results of operations. The fair value of the listed warrants of the Company and Aris are determined using quoted prices in an active market.

## Deferred Revenue

Judgment was required in determining the accounting for the PMPA with Wheaton included in the Gold X acquisition which has been reported as deferred revenue.

Upfront cash deposits received for streaming arrangements are accounted for as contract liabilities (deferred revenue) in accordance with IFRS 15. These contracts are not financial instruments because they will be satisfied through the delivery of non-financial items (i.e. delivery of gold and silver ounces), rather than cash or financial assets. Under the PMPA, the Company is required to satisfy the performance obligations in reference to the Toroparu Project's production and revenue will be recognised over the duration of the PMPA as the Company satisfies its obligation to deliver gold and silver.

The fair value of \$84.0 million allocated to the PMPA in the Gold X acquisition has been recorded on the statement of financial position as deferred revenue. The additional \$138.0 million of upfront deposits will also be recorded as deferred revenue as received. On commencement of commercial operations, the deferred revenue will be recognized as revenue in profit or loss proportionally based on the metal ounces delivered in relation to the expected total metal ounces to be delivered over the life of the Toroparu Project.

Each period management estimates the cumulative amount of the deferred revenue obligation that has been satisfied and, therefore, recognized as revenue. Any changes in the estimates are accounted for prospectively as a cumulative catch-up in the year that the estimates above changed.

Key inputs into the estimate of the amount of deferred revenue that should be recognized are as follows:

Valuation Inputs	Description
<b>Financing Rate</b>	IFRS 15 requires the Company to recognise a notional financing charge due to the significant time delay between receiving the upfront streaming payment and satisfying the related performance obligations.
<b>Long-term commodities price curves</b>	Estimates of the long-term commodities prices are estimated in order to calculate the expected revenue value per ounce to be recognized from deferred revenue for each delivery to Wheaton.
<b>Life of Mine Production</b>	Life of mine production is estimated giving consideration to IFRS 15 requirements constraining estimates of variable consideration and therefore is based on the approved life of mine for the Toroparu Project and the portion of resources anticipated to be converted to reserves and mined.
<b>Timing of construction milestones</b>	The expected timing for when the Company will achieve the construction milestone requirements for the additional funding from Wheaton have been estimated based on the prefeasibility study.

## Recent Accounting Pronouncements

### *Accounting Standards Not Yet Adopted*

#### *IAS 16, Property, Plant and Equipment*

The IASB issued an amendment to IAS 16, Property, Plant and Equipment to prohibit the deducting from property, plant and equipment amounts received from selling items produced while preparing an asset for its intended use. Instead, sales proceeds and its related costs must be recognized in profit or loss. The amendment will require companies to distinguish between costs associated with producing and selling items before the item of property, plant and equipment is available for use and costs associated with making the

item of property, plant and equipment available for its intended use. The amendment is effective for annual periods beginning on or after January 1, 2022, with earlier application permitted. The extent of the impact of adoption of this standard has not yet been determined.

#### *IFRS 3 – Business Combinations*

The IASB has issued an amendment to IFRS 3 Business Combinations adding an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. This exception specifies that for some assets and liabilities, an entity applying IFRS 3 should instead refer to IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The amendment is effective for annual periods beginning on or after January 1, 2022, with early adoption permitted. The extent of the impact of adoption of this standard has not yet been determined.

#### *IFRS 9 – Financial Instruments*

The IASB has issued an amendment to IFRS 9 Financial Instruments clarifying which fees to include in the test in assessing whether to derecognize a financial liability. Only those fees paid or received between the borrower and the lender, including fees paid or received by either the entity or the lender on the other's behalf are included.

The amendment is effective for annual periods beginning on or after January 1, 2022 with early adoption permitted. The extent of the impact of adoption of this standard has not yet been determined.

#### *IAS 1 – Presentation of Financial Statements*

The IASB has issued an amendment to IAS 1 Presentation of Financial Statements providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to management's intentions or expectations of exercising the right to defer settlement of the liability. Management would classify debt as non-current only when the Company complies with all the conditions at the reporting date. The amendments further clarify that settlement of a liability refers to the transfer of cash, equity instruments, other assets or services to the counterparty.

The amendments are effective for annual periods beginning on or after January 1, 2023 and are to be applied retrospectively, with early adoption permitted. The extent of the impact of adoption of this standard has not yet been determined.

### **Disclosure Controls and Procedures and Internal Controls Over Financial Reporting**

Management of the Company, under the supervision of the Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining adequate disclosure controls and procedures and internal control over financial reporting as defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.

There have been no changes in the Company's internal controls over financial reporting during the three months ended September 30, 2021 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

### Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, believes that any disclosure controls and procedures and internal controls over financial reporting, no matter how well designed and operated, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

### Non-IFRS Measures

The Company has included non-IFRS measures in this MD&A such as Free Cash Flow, average realized gold price per ounce sold, total cash costs (by-product) per ounce sold, AISC per ounce sold, EBITDA, adjusted EBITDA and adjusted net income. These non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to other issuers. In the gold mining industry, this is a common performance measure but does not have any standardized meaning. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's underlying performance of its core operations and its ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Non-IFRS measures referred to in this MD&A are defined as follows:

- **“Average realized gold price per ounce sold”** is calculated by dividing gold revenue by the number of ounces sold.
- **“Total cash costs per ounce sold”** on a by-product basis is calculated by deducting revenues from silver sales from production cash costs and production taxes and dividing the sum by the number of gold ounces sold. Production cash costs include mining, milling, mine site security and mine site administration costs.
- **“AISC per ounce sold”** includes total cash costs (as defined above) and adds the sum of G&A, social contributions related to current operations, sustaining capital and certain exploration and evaluation (“E&E”) costs, sustaining lease payments, provision for environmental fees, if applicable, and rehabilitation costs paid, all divided by the number of ounces sold. As this measure seeks to reflect the full cost of gold production from current operations, capital and E&E costs related to expansion or growth projects are not included in the calculation of AISC per ounce. Additionally, certain other cash expenditures, including income and other tax payments, financing costs and debt repayments, are not included in AISC per ounce.
- **“Adjusted EBITDA”** represents earnings before interest (including non-cash accretion of financial obligations and lease obligations), income taxes and depreciation, depletion and amortization (“EBITDA”), adjusted to exclude impairment charges and reversals, gains or losses on asset dispositions, share-based compensation, gains/losses on financial instruments, gains or losses from equity accounting in investees and foreign exchange gains/losses.
- **“Adjusted net income or loss”** excludes gains/losses and other costs incurred for acquisitions and

disposals of mining interests, impairment charges and reversals, debt financing costs, unrealized and non-cash gains/losses on financial instruments, foreign exchange gains/losses and gains or losses from equity accounting in associates as well as other significant non-cash, non-recurring items.

- “**Free Cash Flow**” is a common performance measure in the gold mining industry with no standardized meaning. The Company calculates free cash flow by deducting additions to mining interests from net cash provided by operating activities. The Company discloses free cash flow as it believes the measure assists investors and analysts in evaluating the Company’s ability to generate cash flow after exploration, development and capital expenditures to service its debt obligations, pay dividends, make investments and build the cash resources of the Company.

The following tables reconcile the Company’s **average realized gold price, total cash costs and AISC per ounce sold** as disclosed in this MD&A to the Interim Financial Statements:

(\$000’s except ounces and per ounce data)	Third Quarter 2021			Third Quarter 2020		
	Segovia Operations	Marmato Operations <sup>(1)</sup>	Total	Segovia Operations	Marmato Operations <sup>(1)</sup>	Total
Gold sales (ounces)	50,171	-	50,171	52,670	6,963	59,633
<b>Revenue</b>						
Gold	\$ 89,509	\$ -	\$ 89,509	\$ 98,731	\$ 13,095	\$ 111,826
Silver	1,207	-	1,207	1,101	211	1,312
	\$ 90,716	\$ -	\$ 90,716	\$ 99,832	\$ 13,306	\$ 113,138
Average realized gold price per ounce sold	\$ 1,784	\$ -	\$ 1,784	\$ 1,875	\$ 1,881	\$ 1,875
<b>Total cash costs</b>						
Production costs	\$ 40,628	\$ -	\$ 40,628	\$ 35,373	\$ 8,338	\$ 43,711
Production taxes	2,977	-	2,977	3,755	1,295	5,050
Silver revenues	(1,207)	-	(1,207)	(1,101)	(211)	(1,312)
Total cash costs on a by-product basis	\$ 42,398	\$ -	\$ 42,398	\$ 38,027	\$ 9,422	\$ 47,449
Total cash costs per ounce sold	\$ 845	\$ -	\$ 845	\$ 722	\$ 1,353	\$ 796
<b>AISC</b>						
Total cash costs on a by-product basis	\$ 42,398	\$ -	\$ 42,398	\$ 38,027	\$ 9,422	\$ 47,449
G&A, excluding DD&A	3,857	-	3,857	3,795	1,129	4,924
Social programs and contributions	3,317	-	3,317	2,667	98	2,765
Sustaining capital and E&E costs	10,979	-	10,979	9,200	1,967	11,167
Payment of rehabilitation obligations	-	-	-	3	-	3
Sustaining lease payments	579	-	579	594	17	611
<b>Total</b>	\$ 61,130	\$ -	\$ 61,130	\$ 54,286	\$ 12,633	\$ 66,919
AISC per ounce sold	\$ 1,218	\$ -	\$ 1,218	\$ 1,031	\$ 1,814	\$ 1,122
Adjusted EBITDA <sup>(2)</sup>	\$ 39,937	\$ -	\$ 39,937	\$ 54,242	\$ 2,446	\$ 56,688

(\$000's except ounces and per ounce data)	Nine Months 2021			Nine Months 2020		
	Segovia Operations	Marmato Operations <sup>(1)</sup>	Total	Segovia Operations	Marmato Operations <sup>(1)</sup>	Total
Gold sales (ounces)	155,646	2,680	158,326	151,171	17,241	168,412
<b>Revenue</b>						
Gold	\$ 279,704	\$ 5,003	\$ 284,707	\$ 258,493	\$ 29,793	\$ 288,286
Silver	4,185	96	4,281	2,515	447	2,962
	\$ 283,889	\$ 5,099	\$ 288,988	\$ 261,008	\$ 30,240	\$ 291,248
Average realized gold price per ounce sold	\$ 1,797	\$ 1,867	\$ 1,798	\$ 1,710	\$ 1,728	\$ 1,712
<b>Total cash costs</b>						
Production costs	\$ 121,330	\$ 3,970	\$ 125,300	\$ 93,030	\$ 20,134	\$ 113,164
Production taxes	9,210	400	9,610	9,093	2,789	11,882
Silver revenues	(4,185)	(96)	(4,281)	(2,515)	(447)	(2,962)
Total cash costs on a by-product basis	\$ 126,355	\$ 4,274	\$ 130,629	\$ 99,608	\$ 22,476	\$ 122,084
Total cash costs per ounce sold	\$ 812	\$ 1,595	\$ 825	\$ 659	\$ 1,304	\$ 725
<b>AISC</b>						
Total cash costs on a by-product basis	\$ 126,355	\$ 4,274	\$ 130,629	\$ 99,608	\$ 22,476	\$ 122,084
G&A, excluding DD&A	11,314	436	11,750	11,752	2,280	14,032
Social programs and contributions	8,044	29	8,073	6,999	483	7,482
Sustaining capital and E&E costs	30,868	689	31,557	22,172	3,498	25,670
Payment of rehabilitation obligations	-	-	-	54	-	54
Sustaining lease payments	1,671	28	1,699	1,366	52	1,418
<b>Total</b>	\$ 178,252	\$ 5,456	\$ 183,708	\$ 141,951	\$ 28,789	\$ 170,740
AISC per ounce sold	\$ 1,145	\$ 2,036	\$ 1,160	\$ 939	\$ 1,670	\$ 1,014
Adjusted EBITDA <sup>(2)</sup>	\$ 133,991	\$ 264	\$ 134,255	\$ 140,134	\$ 4,554	\$ 144,688

- (1) The methodology used to calculate total cash cost per oz and AISC per oz for the Marmato Operations reflects the Company's approach and differs in certain aspects with Aris' approach. The Marmato Operations data in the first nine months of 2021 represents operating results only for the period from January 1 to February 4, 2021, the date of loss of control of Aris. Thereafter, the Company is using equity accounting for its investment in Aris.
- (2) Adjusted EBITDA is calculated as total revenue less the sum of production costs, production taxes, G&A (excluding DD&A) and social programs and contributions, all as shown in each of the tables above. Refer also to the reconciliation of Adjusted EBITDA in the following table.

The following table provides a reconciliation of **adjusted EBITDA** to the Interim Financial Statements:

	Third Quarter		Nine Months	
	2021	2020	2021	2020
<b>Net income</b>	<b>\$ 25,258</b>	<b>\$ 18,027</b>	<b>\$ 173,362</b>	<b>\$ 23,704</b>
Income tax expense	12,057	17,509	40,301	43,317
Finance costs, net of finance income	5,423	11,368	11,194	19,595
Depreciation and amortization	7,791	6,508	23,441	18,454
<b>EBITDA</b>	<b>50,529</b>	<b>53,412</b>	<b>248,298</b>	<b>105,070</b>
Share-based compensation expense	777	702	698	5,466
Aris and Bluenose RTO Transactions costs	-	-	9,817	16,700
(Gain) loss on financial instruments	(7,743)	2,364	(52,067)	21,260
Gain on loss of control of Aris	-	-	(56,886)	-
Gain on sale of assets	-	-	(8,913)	-
Gain on sale of securities	-	-	-	(3,099)
(Gain) loss from equity accounting in associates	(2,066)	(200)	(4,482)	2,017
Foreign exchange (gain) loss	(1,560)	410	(2,210)	(2,726)
<b>Adjusted EBITDA</b>	<b>\$ 39,937</b>	<b>\$ 56,688</b>	<b>\$ 134,255</b>	<b>\$ 144,688</b>

The following table provides details of the primary components of **adjusted EBITDA**:

	Third Quarter		Nine Months	
	2021	2020	2021	2020
Revenue	\$ 90,716	\$ 113,138	\$ 288,988	\$ 291,248
Cost of sales, excluding DD&A	(43,605)	(48,761)	(134,910)	(125,046)
G&A, excluding DD&A	(3,857)	(4,924)	(11,750)	(14,032)
Social programs and contributions	(3,317)	(2,765)	(8,073)	(7,482)
<b>Adjusted EBITDA</b>	<b>\$ 39,937</b>	<b>\$ 56,688</b>	<b>\$ 134,255</b>	<b>\$ 144,688</b>

The following table provides a reconciliation of **adjusted net income** to the Interim Financial Statements:

	Third Quarter		Nine Months	
	2021	2020	2021	2020
<b>Net income</b>	<b>\$ 25,258</b>	<b>\$ 18,027</b>	<b>\$ 173,362</b>	<b>\$ 23,704</b>
Aris and Bluenose RTO Transactions costs	-	-	9,817	16,700
(Gain) loss on financial instruments	(7,743)	2,364	(52,067)	21,260
Gain on loss of control of Aris	-	-	(56,886)	-
Gain on sale of assets	-	-	(8,913)	-
Gain on sale of securities	-	-	-	(3,099)
Accretion of discount on Senior Notes	335	-	335	-
Debt financing costs	-	9,039	149	9,999
Foreign exchange loss (gain)	(1,560)	410	(2,210)	(2,726)
(Gain) loss from equity accounting in associates	(2,066)	(200)	(4,482)	2,017
Income tax effect on adjustments	130	(137)	753	384
<b>Adjusted net income</b>	<b>\$ 14,354</b>	<b>\$ 29,503</b>	<b>\$ 59,858</b>	<b>\$ 68,239</b>

The following table provides a reconciliation of **adjusted basic and adjusted diluted earnings per share**:

	Third Quarter		Nine Months	
	2021	2020	2021	2020
<b>Adjusted net income</b>	<b>\$ 14,354</b>	<b>\$ 29,503</b>	<b>\$ 59,858</b>	<b>\$ 68,239</b>
Adjusted non-controlling interest	-	(186)	525	612
<b>Adjusted net income attributable to shareholders</b>	<b>14,354</b>	<b>29,317</b>	<b>60,383</b>	<b>68,851</b>
Add: Interest expense on Convertible Debentures, net of tax	284	302	894	884
<b>Adjusted net income for fully diluted computation</b>	<b>\$ 14,638</b>	<b>\$ 29,619</b>	<b>\$ 61,277</b>	<b>\$ 69,735</b>
<b>Weighted average number of shares (000's)</b>				
Basic	98,486	61,901	77,557	60,378
Add: Impact of stock options and warrants	7,072	8,837	8,480	7,879
Add: Impact of conversions of Convertible Debentures	3,789	4,211	3,789	4,211
Fully diluted	109,347	74,949	89,826	72,468
<b>Adjusted earnings per share</b>				
<b>Basic</b>	<b>\$ 0.15</b>	<b>\$ 0.47</b>	<b>\$ 0.78</b>	<b>\$ 1.14</b>
<b>Diluted</b>	<b>0.13</b>	<b>0.40</b>	<b>0.68</b>	<b>0.96</b>

The following table provides a reconciliation of **Free Cash Flow** to the Interim Financial Statements:

	Third Quarter		Nine Months	
	2021	2020	2021	2020
<b>Net cash provided by operating activities</b>	<b>\$ 26,738</b>	<b>\$ 68,024</b>	<b>\$ 53,141</b>	<b>\$ 106,884</b>
Additions to mining interests	(14,606)	(14,347)	(41,496)	(39,133)
<b>Free Cash Flow</b>	<b>\$ 12,132</b>	<b>\$ 53,677</b>	<b>\$ 11,645</b>	<b>\$ 67,751</b>

## Risks and Uncertainties

Exploration, development and mining of precious metals involve numerous inherent risks as a result of the economic conditions in the various areas of operation. As such, the Company is subject to several financial, operational and political risks that could have a significant impact on its profitability and levels of operating cash flows. Although the Company assesses and minimizes these risks by applying high operating standards, including careful management and planning of its facilities, hiring qualified personnel and developing their skills through training and development programs, these risks cannot be eliminated.

Such risks include:

- Liquidity risks;
- Metal price volatility;
- Future production rates;
- Financing risks;
- Indebtedness of the Company;
- Servicing indebtedness;
- Indebtedness – restrictive covenants;
- Current global markets and economic conditions;
- Availability and cost of supplies;
- Exploration, development and operations;
- Risks with title to mineral properties;
- Changes in environmental laws;
- Mining risks and insurance risks;
- Additional indebtedness;
- Price risk;
- Currency risk;
- Regulatory approvals;
- Environmental permits;
- Changes in legislation;
- Corruption;
- Labour matters and employee relations;
- Economic and political factors:
  - Colombia:
    - Emerging market country; economic and political developments; exchange controls; decline in economic growth; seizure or expropriation of assets; protection of mining rights; local legal and regulatory systems; Colombia – less developed country; sanctions by the United States government; and guerilla and other criminal activity;
  - Venezuela;
- Use of and reliance on experts outside Canada;
- Integration risks;
- Governmental regulation and permitting;
- Decommissioning liabilities;
- Shortage of experienced personnel and equipment;
- Potential conflicts of interest;
- Possible volatility of stock price;
- Repatriation of earnings;
- Enforcement of civil liabilities;
- Forward-looking information may prove inaccurate;
- Infrastructure;
- Joint ventures;
- Competition;

- Dividends;
- Service of process and enforcement of judgments outside Canada;
- COVID-19 Virus; and
- Other risks.

If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently aware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the prices of the Company's securities could decline and investors may lose all or part of their investment.

Readers are encouraged to read and consider the risk factors listed above, which are more specifically described in the Company's Annual Information Form dated as of March 31, 2021 which is available at [www.sedar.com](http://www.sedar.com). Such risk factors could materially affect the future operating results of the Company and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

As a result of the acquisition of Gold X on June 4, 2021, as described on page 5, the Company now has operations in Guyana which are subject to similar risks as Colombia as described in the Company's Annual Information Form dated as of March 31, 2021.

In addition, there are certain risk factors associated with the offering of Senior Notes completed on August 9, 2021, as described on page 7, and the corresponding Subsidiary Guarantees. These risks include:

*The Company may not be able to generate sufficient cash to service all of its indebtedness, including the Senior Notes, and may be forced to take other actions to satisfy its obligations under its indebtedness, which may not be successful.*

The Company's ability to make scheduled payments on or to refinance its indebtedness and fund planned expenditures depends on its financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond its control. The Company may not be able to maintain a level of cash flows from operating activities or assure that future borrowings will be available to it under its credit facilities in an amount sufficient to enable it to pay the principal, premium, if any, and interest on its indebtedness, including the Senior Notes, or to fund its other liquidity needs.

If the Company's cash flows and capital resources are insufficient to fund its debt service obligations, the Company may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance its indebtedness, including the Senior Notes. The Company's ability to restructure or refinance its indebtedness will depend on the condition of the capital markets and its financial condition at such time. Any refinancing of its indebtedness could be at higher interest rates and may require it to comply with more onerous covenants, which could further restrict its business operations. The terms of existing or future debt instruments may restrict the Company from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on the Company's outstanding indebtedness on a timely basis would likely result in a reduction of its credit rating, which could harm its ability to incur additional indebtedness. In the absence of such operating results and resources, the

Company could face substantial liquidity problems and might be required to dispose of material assets or operations to meet its debt service and other obligations. However, in certain circumstances, the indenture governing the Senior Notes (the "Senior Notes Indenture") will restrict the Company's ability to dispose of assets and use the proceeds from the disposition. The Company may not be able to consummate those dispositions or to obtain the proceeds that it could realize from them and these proceeds may not be adequate to meet any debt service obligations then due. These alternative measures may not be successful and may not permit the Company to meet its scheduled debt service obligations. The failure to generate sufficient cash flow or to achieve any of these alternatives could significantly adversely affect the value of the Senior Notes and the Company's ability to pay the amounts due under the notes.

*The Company may incur substantially more indebtedness, including secured indebtedness, which may exacerbate the risks relating to its ability to make payment on the Senior Notes.*

As of September 30, 2021, our total consolidated indebtedness (long-term debt and leases, including current portion) was \$318.2 million in principal amount, of which \$4.0 million (related to leases) was secured indebtedness. The Company may incur substantial additional indebtedness in the future, including secured indebtedness. Although the Senior Notes Indenture contains restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the indebtedness incurred in compliance with these restrictions could be substantial. The Company and its subsidiaries may not be able to generate the significant amount of cash needed to pay interest and principal amounts on all of its debt, including the Senior Notes, all existing indebtedness and any future indebtedness, which could result in its inability to fulfill its obligations under the notes.

*The Senior Notes and the Subsidiary Guarantees will be unsecured. Therefore, the Company's secured creditors would have a prior claim, ahead of the holders of the Senior Notes, on the Company's assets and the related Note Guarantors' assets to the extent such assets secure such debt.*

The Senior Notes and the Subsidiary Guarantees will be the Company's and the Note Guarantors' general unsecured senior obligations and will rank equal in right of payment to the Company's and the Note Guarantors' other existing and future unsecured senior debt. The Senior Notes will not be secured by any of the Company's or the Note Guarantors' assets. Any future claims of secured creditors will be prior to any claim of the holders of the Senior Notes to the extent of the value of the collateral securing such secured indebtedness. Under the Panamanian civil code, previously issued senior unsecured indebtedness could be treated as senior to any subsequently issued senior unsecured indebtedness.

In addition, the obligations of certain of the Company's subsidiaries under the PMPA with Wheaton are secured by a general pledge of the assets of certain of the Company's subsidiaries which directly own the Toroparu Project.

As a result, upon any distribution to the Company's creditors in a bankruptcy, liquidation or reorganization or similar proceeding relating to the Company or its property, the holders of its secured debt and that of the Note Guarantors will be entitled to be paid in full to the extent of the value of their interest in the Company's assets securing that secured debt before any payment may be made with respect to the Senior Notes. In addition, if the Company fails to meet its payment or other obligations under any secured debt, the holders of that secured debt would be entitled to foreclose on or otherwise enforce against its assets securing that secured debt and liquidate those assets to the exclusion of the holders of the Senior Notes, even if an event of default existed under the Senior Notes Indenture at such time.

Finally, under the Panamanian civil code, the Senior Notes may be subordinated to any the senior unsecured indebtedness of the Segovia Operations that is outstanding on the date the Senior Notes are issued.

*The Senior Notes are structurally subordinated to the obligations of our non-guarantor subsidiaries.*

Gran Colombia is a holding company and it conducts its operations through its subsidiaries. As a result of its holding company structure, the Senior Notes are structurally subordinated to all existing and future debt, trade payables and other liabilities of its non-guarantor subsidiaries. As of September 30, 2021, the Company's non-guarantor subsidiaries had no debt and represented less than 2% of its consolidated assets. The Senior Notes Indenture governing the Senior Notes will allow the Company's non-guarantor subsidiaries to incur indebtedness subject to certain limitations. In addition, the obligations of the Company's subsidiary Goldheart Investment Holdings Ltd. ("Goldheart") to deliver gold and silver and, in certain circumstances, repay certain amounts advanced to it as a supplier under a PMPA with Wheaton are guaranteed by the Company's subsidiaries (Gold X and ETK, Inc.). The Company's right to receive any assets of any of its non-guarantor subsidiaries upon their liquidation or reorganization, and therefore the right of noteholders to participate in those assets, will be subject to the prior claims of that non-guarantor subsidiary's creditors, including trade creditors. As a result, all indebtedness and other liabilities, including trade payables, of the Company's non-guarantor subsidiaries, whether secured or unsecured, must be satisfied before any of the assets of such subsidiaries would be available for distribution, upon liquidation or otherwise, to the Company in order for it to meet its obligations with respect to the Senior Notes. To the extent that the Company may be a creditor with recognized claims against any non-guarantor subsidiary, its claims would still be subject to the prior claims of such subsidiary's creditors to the extent that they are secured or senior to those held by the Company. Subject to restrictions contained in financing arrangements, its non-guarantor subsidiaries may incur additional indebtedness and other liabilities, all of which would rank structurally senior to the Senior Notes.

*If the Company defaults on its obligations to pay its other indebtedness, it may not be able to make payments on the Senior Notes.*

The Company may incur additional indebtedness subject to certain limitations. Any default under the agreements governing such additional indebtedness that is not waived by the required lenders, and the remedies sought by the holders of such indebtedness, could prevent the Company from paying principal, premium, if any, and interest on the Senior Notes. In addition, if the Company is unable to generate sufficient cash flow or is otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on its indebtedness, or if it otherwise fails to comply with the various covenants in the instruments governing its indebtedness, the Company could be in default under the terms of the agreements governing this indebtedness. In this event, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest; the lenders could elect to terminate their commitments, cease making further loans and institute foreclosure or other enforcement proceedings against our assets; and the Company could be forced into bankruptcy, liquidation or other insolvency proceedings. If the Company's operating performance declines, it may need to obtain waivers from the required lenders to avoid being in default. If it breaches these covenants and seeks a waiver from the required lenders, the Company may not be able to obtain it. If this occurs, the Company would be in default under its indebtedness, the lenders could exercise their rights, as described above, and it could be forced into bankruptcy, liquidation or other insolvency proceedings.

*The Company may not have the ability to raise the funds necessary to finance a Change of Control offer if required by the Senior Notes Indenture.*

If the Company undergoes a Change of Control, as defined in Senior Notes Indenture, it may need to refinance its debt. Under the Senior Notes Indenture, if a Change of Control Triggering Event (as defined in the Senior Notes Indenture) occurs, the Company must offer to buy back the Senior Notes for a price equal to 101% of the principal amount of the Senior Notes, plus any accrued and unpaid interest. The Company may not have sufficient funds available to it to make any required repurchases of the Senior Notes upon a Change of Control Triggering Event. If the Company fails to repurchase the Senior Notes in those circumstances, it will be in default under the Senior Notes Indenture, which may, in turn, trigger cross default provisions in the Company's other debt instruments.

*It may not be possible to determine when a Change of Control giving rise to the right of holders to have the Senior Notes repurchased has occurred following a sale of "substantially all" of the Company's assets.*

The definition of Change of Control in the Senior Notes Indenture includes a phrase relating to the sale of "all or substantially all" of the Company's assets. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "substantially all" of the Company's assets. As a result, it may be unclear as to whether a Change of Control has occurred and whether the Company is required to make an offer to repurchase the Senior Notes. The belief by holders of the that an unrecognized Change of Control has occurred could lead to a dispute with the Company and a determination that a Change of Control payment that had not been anticipated by the Company be made.

*Applicable bankruptcy and insolvency laws may impair the trustee's ability to enforce remedies under the Senior Notes Indenture or the Senior Notes themselves.*

The Company is a company existing under the laws of the Province of British Columbia, Canada and substantially all of its assets are located outside Canada and the United States, principally in Colombia and Guyana. Holders' rights under the Senior Notes may be subject to the insolvency and administrative laws of Canada or the respective jurisdictions of the Note Guarantors and the Company's other subsidiaries, and enforcement against or foreclosure on assets would likely be subject to the laws of Colombia, where the majority of the assets reside. There can be no assurance that holders of the Senior Notes will be able to effectively enforce their rights in such bankruptcy, insolvency, reorganization or similar proceedings.

The rights of the trustee who represents noteholders to enforce noteholder rights and remedies could be significantly impaired or delayed by the restructuring provisions of applicable Canadian federal bankruptcy, insolvency and other restructuring legislation if the benefit of such legislation is sought. For example, both the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") and the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") contain provisions enabling an insolvent person to obtain a stay of proceedings against its creditors and to file a proposal or plan, as applicable, to be voted on by the various classes of its affected creditors. A restructuring or plan proposal, if accepted by the requisite majorities of each affected class of creditors, and if approved by the relevant Canadian court, would be binding on all creditors within each affected class, including those creditors that did not vote to accept the proposal. Moreover, the CCAA, and in certain circumstances, the BIA, permit the insolvent debtor to retain possession and administration of its property, subject to court oversight, even though it may be in default under the applicable debt instrument,

during the period that the stay against proceedings remains in place. In addition, it may be possible in certain circumstances to restructure certain debt obligations under the corporate governing statute applicable to the debtor.

The powers of the court under the BIA, and particularly under the CCAA, have been interpreted and exercised broadly so as to protect a restructuring entity from actions taken by creditors and other parties. Accordingly, the Company cannot predict whether payments under the Senior Notes would be made during any proceedings in bankruptcy, insolvency or other restructuring, whether or when the trustee could exercise its rights under the Senior Notes Indenture or whether and to what extent holders of Senior Notes would be compensated for any delays in payment, if any, of principal, interest and costs, including the fees and disbursements of the trustee.

If the Note Guarantors become subject to insolvency proceedings under the CCAA or the BIA, the incurrence of the Subsidiary Guarantees may be subject to review as a fraudulent preference or transfer. If in such a case a court were to find that, at the time such Senior Notes Guarantor incurred their respective Subsidiary Guarantee, such Senior Notes Guarantor: either (a) incurred the guarantee of the Senior Notes with the intent of hindering, delaying or defrauding current or future creditors, or (b) received less than reasonably equivalent value or fair consideration for incurring the Subsidiary Guarantee, or (c) was insolvent or was rendered insolvent by reason of such incurrence, or (d) was engaged, or about to engage, in a business or transaction for which its remaining assets constituted unreasonably small capital to carry on its business, or (e) intended to incur, or believed that it would incur, debts and obligations beyond its ability to pay as such debts and obligations matured (as all of the foregoing terms are defined or interpreted under the relevant statutes), then such court could void such Subsidiary Guarantee or take other actions detrimental to holders, including requiring holders to return payments they have received with respect to such Subsidiary Guarantee. The invalidation of the Subsidiary Guarantee where some or all of the factors listed in (a) – (d) above are present could also be possible outside of insolvency proceedings by the Note Guarantors.

The insolvency laws of Colombia, particularly with regards to the priority of creditors (secured or unsecured), the ability to obtain post-petition interest and the duration of insolvency proceedings, may be less favorable to holders' interests than the bankruptcy laws of their respective jurisdiction. Although Colombian branches are subject to the insolvency proceedings established under Colombian Law 1116 of 2006, it is unclear whether, in the event of an insolvency proceeding of their parent company, they will also be subject to the insolvency regulations applicable to its parent company. In response to the COVID-19 pandemic, the Colombian government issued a decree that established mechanisms to protect companies and their employees and, when applicable, facilitate the reallocation of resources from the debtor to other uses through the liquidation process. These measures are temporary, as they will only be available for two years from their entry into force and will only apply to companies affected by the COVID-19 pandemic.

The ability of holders to enforce their rights under the Senior Notes may be limited if they become subject to the insolvency proceedings under applicable Colombian law, which establishes the events under which a Colombian branch, its creditors or the authorities may request admission of the Colombian branch to insolvency proceedings in order to reach an agreement with its creditors (*acuerdo de reorganización empresarial*) in order to restructure its operations, management and debts. In addition, among other situations, if a debtor breaches an insolvency agreement, or if an insolvency agreement is not reached, the Colombian branch will be judicially liquidated. Furthermore, Colombian insolvency regulations provide that contractual provisions that directly or indirectly prevent or create obstacles to the commencement and execution of reorganization proceedings in Colombia, including early termination of agreements or

acceleration of contractual obligations upon the initiation of a reorganization proceeding, are unenforceable in Colombia. Any attempt by creditors to enforce such provisions may result in the rights of such creditors being subordinated to the payment of all external liabilities of the debtor.

Claims by holders under the Senior Notes are subordinated to certain statutory preferences, which include claims for salaries, wages, social security, administrative expenses arising after the commencement of the insolvency proceeding (*gastos de administración*) taxes and court fees and expenses. Further, any transaction entered into by the insolvent party may be revoked within a period of 18 months if (i) there are not enough assets to cover the outstanding indebtedness on the insolvency estate; or (ii) the transaction was entered into with intent to defraud the creditors of the insolvent debtor.

In addition, the bankruptcy, insolvency, administrative and other laws of the respective jurisdictions of the Note Guarantors may be materially different from, or in conflict with, those of the holders' jurisdictions, and may contemplate: (i) the suspension of all measures of enforcement subject to limited exceptions, (ii) the payment of creditors in accordance with their ranking upon the realization of the guarantor's assets, and (iii) rules on fraudulent conveyance.

Judgments rendered in local currency may not result in the intended award amount in U.S. dollars.

*The Senior Notes Indenture imposes significant operating and financial restrictions, which may prevent the Company from capitalizing on business opportunities or otherwise engaging in activities that may be in its long-term best interests.*

The Senior Notes Indenture imposes significant operating and financial restrictions on the Company. These restrictions may limit the Company's ability and the ability of its restricted subsidiaries, among other things, to incur additional indebtedness, make investments, sell assets, incur liens, enter into agreements restricting its restricted subsidiaries' ability to pay dividends, enter into transactions with affiliates, and consolidate, merge or sell substantially all of the Company's assets. These restrictions could limit the Company's ability to seize attractive growth opportunities for its businesses or otherwise engage in activities that may be in its long-term best interests that are currently unforeseeable, particularly if the Company is unable to incur financing or make investments to take advantage of these opportunities.

Further, the Company's failure to comply with these covenants could result in an event of default that, if not cured or waived, could result in the acceleration of substantially all of its funded debt. The Company may not have sufficient working capital to satisfy its debt obligations in the event of an acceleration of all or a significant portion of its outstanding indebtedness.

*The Company cannot assure holders that the credit ratings for the Senior Notes will not be lowered, suspended or withdrawn by the rating agencies, including the rating agency's assessments of the Company's financial strength or the sovereign risks of the countries it operates in.*

The ratings of the Senior Notes may change in the future and the Company is under no obligation to maintain such ratings. Such ratings are limited in scope, and do not address all material risks relating to an investment in the Senior Notes, but rather reflect only the views of the rating agencies at the time the ratings are issued. An explanation of the significance of such ratings may be obtained from the rating agencies. There is no assurance that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in the judgment of

such rating agencies, circumstances so warrant. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market price and marketability of the Senior Notes, and could also result in higher financing costs and the reduction of access to capital markets, suppliers or derivatives counterparties, impacting the assessment of the Company's financial strength as well as the assessment of the sovereign risks of the countries it operates or invests in.

*Senior Notes holders' ability to enforce civil liabilities under U.S. securities laws may be limited.*

The Senior Notes and the Senior Notes Indenture are governed by New York law. Some of the Company's directors and officers reside outside the United States, and all or a significant portion of the assets of such persons may be, and substantially all the Company's assets are, located outside the United States. As a result, it may not be possible for holders to effect service of process within the United States upon such persons or to enforce judgments obtained against such persons outside the United States in U.S. courts or outside the United States. It is not clear whether a foreign court would accept jurisdiction and impose civil liability upon such persons if proceedings were commenced in a foreign jurisdiction predicated solely upon U.S. federal securities laws.

*An increase in market interest rates could result in a decrease in the value of the Senior Notes.*

In general, as market interest rates rise, notes bearing interest at a fixed rate generally decline in value because the premium, if any, over market interest rates will decline. Consequently, if market interest rates increase, the market value of Senior Notes may decline. The Company cannot predict the future level of market interest rates.

*The Senior Notes constitute a new issue of securities for which there is no existing market, and an active trading market for the Senior Notes may not develop.*

The Senior Notes constitute a new issue of securities and although the Senior Notes are listed on the Singapore Exchange, the Company cannot assure holders that in the future a market for the Senior Notes will develop or that holders will be able to sell any Senior Notes that they have purchased or that any such Senior Notes may be sold for any particular price. If an active trading market were to develop, the Senior Notes could trade at prices that may be higher or lower than the initial offering price depending on many factors, including prevailing interest rates, the Company's results of operations and financial condition, political and economic developments in and affecting the countries in which it operates, risks associated with other issuers of similar securities and the market for similar securities. If an active trading market for the Senior Notes does not develop or is interrupted, the market price and liquidity of the Senior Notes may be materially and adversely affected. As a result, the Company cannot assure holders as to the liquidity of any trading market for the Senior Notes and holders may be required to bear the financial risk of their investment in the Senior Notes until maturity.

*The Subsidiary Guarantees may not be enforceable.*

The Subsidiary Guarantees provide a basis for a direct claim against the Note Guarantors; however, it is possible that the Subsidiary Guarantees may not be enforceable under the laws of the jurisdictions of the domicile of the Note Guarantors.

If a Note Guarantor becomes subject to an insolvency proceeding in its home jurisdiction or if such Note Guarantor was insolvent on or before the time of providing the Subsidiary Guarantee (within a prescribed period of time ranging from 30 days to six years before filing for insolvency proceedings depending on the jurisdiction), such guarantee may not be enforceable.

In addition, under the jurisdictions of all Note Guarantors, the Senior Notes and the Senior Notes Indenture may be subordinated to certain statutory preferences. In the event of liquidation, such statutory preferences, including claims for salaries, wages, secured obligations, social security, taxes, court fees and expenses related thereto, will have preference over any other claims, including claims by any holder in respect of the Senior Notes.

Furthermore, creditors of the Note Guarantors may hold negotiable instruments or other instruments governed by local law that grant rights to attach the assets of the Note Guarantors at the inception of judicial proceedings in the relevant jurisdiction, which attachment is likely to result in priorities benefiting those creditors when compared to the rights of holders of Senior Notes.

### **Cautionary Note Regarding Forward Looking Statements**

Certain statements in this MD&A constitute forward-looking information. Often, but not always, forward-looking statements use words or phrases such as: "expects", "does not expect" or "is expected", "anticipates" or "does not anticipate", "plans" or "planned", "estimates" or "estimated", "projects" or "projected", "forecasts" or "forecasted", "believes", "intends", "likely", "possible", "probable", "scheduled", "positioned", "goal", "objective" or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Such forward-looking statements, including but not limited to statements with respect to anticipated business plans or strategies, gold production, total cash costs, AISC and All-in costs per ounce sold, capital expenditures and quarterly amortizing payments of the Gold Notes, involve known and unknown risks, uncertainties and other factors which may cause the actual actions, events and results to be materially different from estimated actions, events or results expressed or implied by such forward-looking statements. The Company believes the expectations reflected in these forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Factors that could cause actual results to differ materially from those anticipated in these forward-looking statements are described under the caption "*Risk Factors*" in the Company's Annual Information Form dated as of March 31, 2021, which is available for review on SEDAR at [www.sedar.com](http://www.sedar.com). Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws.