



Aura Minerals Inc.

Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2009

*(Unaudited)*

# Aura Minerals Inc.

## Interim Consolidated Balance Sheets

As at September 30, 2009 and December 31, 2008

Expressed in thousands of Canadian dollars  
(Unaudited)

	September 30, 2009	December 31, 2008
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents (note 6)	\$ 46,794	\$ 39,831
Accounts receivable (note 7)	3,466	3,249
Inventory (note 8)	16,078	1,326
Prepaid expenses and other current assets	6,016	314
	<b>72,354</b>	<b>44,720</b>
<b>Other assets</b>	<b>1,002</b>	<b>–</b>
Deferred transaction costs (note 17(a))	1,022	–
Restricted cash (note 17(a))	60,884	–
Property, plant and equipment (note 9)	203,245	115,767
Resource properties (note 10)	14,407	26,927
	<b>\$ 352,914</b>	<b>\$ 187,414</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 10,232	\$ 4,100
Current portion of future income tax liability	257	–
	<b>10,489</b>	<b>4,100</b>
Promissory notes payable (note 4)	27,623	–
Future income tax liabilities	30,161	28,300
Asset retirement obligations (note 11)	7,577	1,533
Other long-term liabilities	3,111	–
	<b>78,961</b>	<b>33,933</b>
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock (note 12(b))	355,166	216,947
Contributed surplus (note 12(b))	37,072	30,843
Accumulated other comprehensive loss	(468)	–
Deficit	(117,817)	(94,309)
	<b>273,953</b>	<b>153,481</b>
	<b>\$ 352,914</b>	<b>\$ 187,414</b>

Nature of operations (note 1)

Commitments (notes 4, 10 and 17)

Subsequent events (note 18)

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

Approved on behalf of the Board of Directors:

*“Elizabeth Martin”*

*“Patrick Downey”*

Elizabeth Martin, Director

Patrick Downey, Director

# Aura Minerals Inc.

## Interim Consolidated Statements of Operations and Comprehensive Loss

For the three and nine months ended September 30, 2009 and 2008

Expressed in thousands of Canadian dollars, except per share data  
(Unaudited)

	For the three months ended September 30, 2009	For the three months ended September 30, 2008	For the nine months ended September 30, 2009	For the nine months ended September 30, 2008
		As restated (note 3(b))		As restated (note 3(b))
<b>Sales</b>	\$ 7,502	\$ 1,640	\$ 7,543	\$ 2,098
<b>Cost of goods sold</b>				
Cost of production	7,312	1,933	7,337	2,345
Depletion, amortization and accretion	52	582	52	759
Net smelter return royalty	37	9	37	14
	<b>7,401</b>	<b>2,524</b>	<b>7,426</b>	<b>3,118</b>
<b>Mine operating earnings (loss)</b>	<b>101</b>	<b>(884)</b>	<b>117</b>	<b>(1,020)</b>
<b>Other expenses</b>				
Stock-based compensation (note 12(h))	1,411	2,702	4,243	12,943
Cost of operations in care and maintenance (note 1)	434	–	1,420	–
Salaries and benefits	824	726	2,208	3,519
Exploration expense (note 13)	2,970	8,994	7,968	20,385
General and administrative	702	480	1,718	1,890
Professional fees	82	153	222	577
Amortization and accretion	197	140	610	365
<b>Operating loss</b>	<b>6,519</b>	<b>14,079</b>	<b>18,272</b>	<b>40,699</b>
Interest expense	98	–	98	–
Interest income	(166)	(413)	(298)	(1,788)
Realized loss on derivatives	1,998	–	1,998	–
Foreign exchange loss (gain)	1,152	591	668	(64)
Impairment charge - resource properties (note 10(c))	–	–	8,744	–
<b>Loss before income taxes</b>	<b>9,601</b>	<b>14,257</b>	<b>29,482</b>	<b>38,847</b>
<b>Current income tax expense</b>	<b>694</b>	<b>–</b>	<b>694</b>	<b>–</b>
<b>Future income tax recovery</b>	<b>(3,595)</b>	<b>(145)</b>	<b>(6,668)</b>	<b>(212)</b>
<b>Net loss for the period</b>	<b>\$ 6,700</b>	<b>\$ 14,112</b>	<b>\$ 23,508</b>	<b>\$ 38,635</b>
<b>Other comprehensive loss</b>				
Net loss on translation of foreign operations	468	–	468	–
<b>Comprehensive loss for the period</b>	<b>\$ 7,168</b>	<b>\$ 14,112</b>	<b>\$ 23,976</b>	<b>\$ 38,635</b>
<b>Per share information:</b>				
Weighted average number of common shares outstanding (note 1)	140,342,209	117,875,414	125,743,315	111,013,675
Basic and diluted net loss per share	\$ 0.05	\$ 0.12	\$ 0.19	\$ 0.35

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

# Aura Minerals Inc.

## Interim Consolidated Statements of Deficit

For the three and nine months ended September 30, 2009 and 2008

Expressed in thousands of Canadian dollars

(Unaudited)

	For the three months ended September 30, 2009	For the three months ended September 30, 2008	For the nine months ended September 30, 2009	For the nine months ended September 30, 2008
		As restated (note 3(b))		As restated (note 3(b))
<b>Deficit, beginning of the period, as previously reported</b>	<b>\$ 111,117</b>	\$ 44,027	<b>\$ 94,309</b>	\$ 31,612
Adjustment resulting from change in accounting policy (note 3(b))	–	19,196	–	7,088
<b>Deficit, beginning of the period, as restated</b>	<b>111,117</b>	63,223	<b>94,309</b>	38,700
Loss for the period	<b>6,700</b>	14,112	<b>23,508</b>	38,635
<b>Deficit, end of period</b>	<b>\$ 117,817</b>	\$ 77,335	<b>\$ 117,817</b>	\$ 77,335

## Interim Consolidated Statements of Accumulated Other Comprehensive Loss

For the three and nine months ended September 30, 2009 and 2008

Expressed in thousands of Canadian dollars

(Unaudited)

	For the three months ended September 30, 2009	For the three months ended September 30, 2008	For the nine months ended September 30, 2009	For the nine months ended September 30, 2008
<b>Accumulated other comprehensive loss</b>				
Balance, beginning of the period	\$ –	\$ –	\$ –	\$ –
Net loss on translation of foreign operations	<b>468</b>	–	<b>468</b>	–
<b>Balance, end of the period</b>	<b>\$ 468</b>	\$ –	<b>\$ 468</b>	\$ –

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

# Aura Minerals Inc.

## Interim Consolidated Statements of Cash Flows

For the three and nine months ended September 30, 2009 and 2008

Expressed in thousands of Canadian dollars

(Unaudited)

	For the three months ended September 30, 2009	For the three months ended September 30, 2008	For the nine months ended September 30, 2009	For the nine months ended September 30, 2008
		As restated (note 3(b))		As restated (note 3(b))
<b>Operating activities</b>				
Net loss for the period	\$ (6,700)	\$ (14,112)	\$ (23,508)	\$ (38,635)
Items not affecting cash (note 14(a))	(1,685)	3,277	7,311	13,854
Changes in non-cash working capital (note 14(b))	2,179	(1,646)	1,882	(1,156)
	<b>(6,206)</b>	<b>(12,482)</b>	<b>(14,315)</b>	<b>(25,937)</b>
<b>Investing activities</b>				
Resource property acquisition	–	(5,470)	–	(5,175)
Deferred transaction costs	(876)	–	(876)	–
Transfer of funds to restricted cash	(61,745)	–	(61,745)	–
Proceeds from property option payment (note 10(b))	–	–	3,775	–
Reclamation expenditures	(90)	–	(90)	–
Sale of short-term investments	–	–	–	44,655
Purchase of property, plant and equipment	(417)	(5,297)	(572)	(6,755)
Acquisition of the San Andres Gold Mine (note 4)	(38,299)	–	(38,299)	–
Acquisition of the Aranzazu Project (note 5)	–	(1,352)	–	(59,752)
	<b>(101,427)</b>	<b>(12,119)</b>	<b>(97,807)</b>	<b>(27,027)</b>
<b>Financing activities</b>				
Proceeds received from private placements (note 12(c), (d))	118,723	(103)	118,723	56,819
Proceeds on exercise of options	356	20	356	312
Proceeds on exercise of warrants	–	114	–	850
	<b>119,079</b>	<b>31</b>	<b>119,079</b>	<b>57,981</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>11,446</b>	<b>(24,570)</b>	<b>6,957</b>	<b>5,017</b>
Effect of exchange rate changes on cash and cash equivalents	6	–	6	–
<b>Cash and cash equivalents, beginning of period</b>	<b>35,342</b>	<b>81,338</b>	<b>39,831</b>	<b>51,751</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 46,794</b>	<b>\$ 56,768</b>	<b>\$ 46,794</b>	<b>\$ 56,768</b>

### Supplementary cash flow information (note 14(c))

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

# Aura Minerals Inc.

## Notes to the Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2009

*Expressed in Canadian dollars, except where otherwise noted. Tables are expressed in thousands of Canadian dollars.  
(Unaudited)*

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### 1 NATURE OF OPERATIONS

Aura Minerals Inc. (“Aura Minerals” or the “Company”) is a Canadian resource company focused on the acquisition, exploration, development and operation of mining properties in the Americas.

On August 25, 2009, the Company completed the acquisition of the shares of San Andrés (Belize) Limited (“SAB”) and RNC (Honduras) Limited (“RNC”) (collectively, the “San Andrés Acquisition”) (note 4). RNC and SAB together own 100% of the shares of Minerales de Occidente S.A. de C.V. (“Minosa”), which owns and operates the San Andrés gold mine in Honduras. The Company consolidated the results of operations of the San Andrés gold mine commencing on the date of acquisition, August 25, 2009.

On July 23, 2009, the Company effected the consolidation of all of its issued and outstanding common shares on the basis of one new common share for five previously issued and outstanding common shares (the “Consolidation”). All share and per share amounts in these unaudited interim consolidated financial statements have been adjusted retroactively to effect this change.

In June 2008, the Company completed the acquisition of Newington Corporation, S.L. (“Newington”), which, through its subsidiary Aranzazu Holding, S.A. de C.V. (“Aranzazu Holding”), holds a 100% interest in all of the mining concessions, plant, surface and water rights and other assets relating to the Aranzazu Project in Zacatecas, Mexico (the “Aranzazu Acquisition”) (note 5). The underground operations produce copper-gold-silver concentrates via flotation. The Company consolidated the results of operations of the Aranzazu Project commencing on the date of acquisition, June 5, 2008. The Aranzazu Project was placed in care and maintenance in the fourth quarter of 2008. The Company continues to advance the engineering and mine development at the Aranzazu Project toward a planned restart of operations in the second quarter of 2010.

In July 2007, the Company completed the acquisition (the “Arapiraca Acquisition”) of Clearwater Holdings Fund LLC (“Clearwater”), which, through its subsidiary Mineração Vale Verde Ltda. (“MVV”), holds the rights to the Arapiraca copper, gold and iron ore project (the “Arapiraca Project”) in Brazil.

The Company is in the business of exploring for and mining minerals which by its nature involves a high degree of risk. There can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of the mineral properties and the Company’s continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, and the ability of the Company to obtain financing or, alternatively, upon the Company’s ability to dispose of its interests on an advantageous basis. All of the Company’s mineral properties are located outside of Canada and are subject to the risks normally associated with foreign investment, including increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and political uncertainty.

# Aura Minerals Inc.

## Notes to the Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2009

Expressed in Canadian dollars, except where otherwise noted. Tables are expressed in thousands of Canadian dollars.  
(Unaudited)

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### 2 BASIS OF PRESENTATION AND USE OF ESTIMATES

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") for interim financial information and they follow the same accounting policies and methods of application as the audited annual consolidated financial statements of the Company for the year ended December 31, 2008, except as described in note 3. These unaudited interim consolidated financial statements do not include all the information and note disclosure required by Canadian GAAP for annual financial statements and therefore should be read in conjunction with the most recent audited annual consolidated financial statements.

These unaudited interim consolidated financial statements include the accounts of the Company and its direct and indirect wholly-owned subsidiaries. Significant intercompany balances and transactions have been eliminated on consolidation.

In the opinion of management, all adjustments necessary to present fairly the financial position at September 30, 2009 and the results of operations and cash flows for all periods presented have been made. The interim results are not necessarily indicative of results for a full year.

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements and related notes. Significant areas requiring the use of estimates in the preparation of these interim consolidated financial statements include, among other things, the determination of impairment of long-lived assets, the valuation of inventories, the recording of asset retirement obligations, the recording of revenues, the determination of useful lives of property, plant and equipment, the allocation of purchase consideration for acquired assets to the fair values of the identifiable assets and liabilities, the determination of the fair value of stock-based compensation and other equity transactions, and the determination of the valuation allowance with respect to future income tax assets. Actual results could differ from these estimates.

### 3 CHANGES IN ACCOUNTING POLICY AND ADOPTION OF NEW ACCOUNTING STANDARDS

#### a) Updated accounting policies

As a result of the recent San Andrés Acquisition (note 4), the Company updated its accounting policies for foreign currency translation, revenue recognition and inventory to include the operations of the San Andrés gold mine. There was no impact to the Company's previously reported financial information as a result of these changes. The updated accounting policies are as follows:

#### ***Reporting currency and foreign currency translation***

These unaudited interim consolidated financial statements are measured and expressed in Canadian dollars. Integrated foreign operations are translated using the temporal method, whereby monetary assets and liabilities are translated at the rates of exchange prevailing at the balance sheet dates and non-monetary items are translated at historical exchange rates. Revenue and expense items are translated at the average rates of exchange during the period, and any resulting foreign exchange gains and losses are included in earnings.

# Aura Minerals Inc.

## Notes to the Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2009

Expressed in Canadian dollars, except where otherwise noted. Tables are expressed in thousands of Canadian dollars.  
(Unaudited)

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### 3 CHANGES IN ACCOUNTING POLICY AND ADOPTION OF NEW ACCOUNTING STANDARDS *(continued)*

#### a) Updated accounting policies *(continued)*

##### *Reporting currency and foreign currency translation (continued)*

Self-sustaining foreign operations are translated at the rates of exchange at the balance sheet date, and revenues, expenses and cash flows are translated at the average exchange rates for the period. Differences arising from these foreign currency translations are recorded in other comprehensive loss.

##### *Revenue recognition*

Revenue from the sales of gold and metals in concentrate is recognized in the financial statements when title to the product transfers and the rights and obligations of ownership pass to the customer. Incidental revenues from the sale of silver by-products as part of the Company's gold sales are classified within cost of sales.

Revenue from the sale of metals in concentrate is recorded in the statement of income net of treatment and refining costs paid to counterparties under terms of the off-take arrangements. The majority of the Company's sales of concentrates are sold under pricing arrangements where the final prices are determined by quoted market prices in a period subsequent to the date of sale. As a result, the estimated revenue is recorded based on forward metal prices for the expected date of final settlement, resulting in the existence of an embedded derivative in the accounts receivable. This embedded derivative is recorded at fair value, with changes in fair value recorded as adjustments to revenue as they occur. These adjustments also reflect changes in quantities arising from final weight and assay calculations.

##### *Inventory*

Product inventory, in-process inventory and ore stockpiles are valued at the lower of average production cost and net realizable value. Product inventory consists of finished gold products and metals in concentrate. In-process inventory represents ore in stockpiles, ore on leach pads, and inventory in-circuit at the Company's process plants.

Production costs include mining costs, direct labour, operating materials and supplies, applicable haulage and transportation charges, and an applicable portion of operating overhead, including amortization and depletion. Net realizable value is the expected difference between the selling price for the finished product less the costs to get the product into saleable form and to the selling location. Supplies inventory consists of consumable parts and supplies and is valued at the lower of average cost and replacement value. Cost represents the delivered price of the item.

#### b) Changes in accounting policy

##### *Exploration and development expenditures*

During the fourth quarter of 2008, the Company changed its accounting policy for exploration costs, choosing to expense exploration costs as they are incurred. This policy was adopted effective January 1, 2008 and was applied retroactively.

As a result of this change in accounting policy, the Company has restated its results for the three and nine months ended September 30, 2008 from those previously reported. For the three months ended September 30, 2008 the Company has increased stock-based compensation expense by \$196,000, amortization expense by \$103,000, and

# Aura Minerals Inc.

## Notes to the Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2009

Expressed in Canadian dollars, except where otherwise noted. Tables are expressed in thousands of Canadian dollars.  
(Unaudited)

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### 3 CHANGES IN ACCOUNTING POLICY AND ADOPTION OF NEW ACCOUNTING STANDARDS *(continued)*

#### b) Changes in accounting policies *(continued)*

##### *Exploration and development expenditures (continued)*

exploration expenses by \$8,994,000. As a result of these changes, net loss increased by \$9,293,000 and loss per share increased by \$0.08. Cash flows used in operating activities increased by \$8,994,000 and cash flows used in investing activities decreased by the same amount. For the nine months ended September 30, 2008 the Company has increased stock-based compensation expense by \$721,000, amortization expense by \$295,000, and exploration expenses by \$20,385,000. As a result of these changes, net loss increased by \$21,401,000 and loss per share increased by \$0.19. Cash flows used in operating activities increased by \$20,385,000 and cash flows used in investing activities decreased by the same amount. In addition, opening deficit for the three and nine month periods was increased by \$19,196,000 and \$7,088,000, respectively, as a result of the retroactive application of the change in accounting policy.

#### c) Adoption of new accounting standards

##### *Goodwill and intangible assets*

On January 1, 2009, the Company was required to adopt CICA Section 3064, Goodwill and Intangible Assets. This new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and other intangible assets. The adoption of this standard did not have any impact on the Company's unaudited interim consolidated financial statements.

##### *Credit risk and fair value of financial assets and liabilities*

In January 2009, the CICA issued EIC-173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities." The EIC provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments. This standard is effective for the Company's fiscal year beginning January 1, 2009 with retroactive application. The application of this EIC did not have a significant effect on the Company's unaudited interim consolidated financial statements.

### 4 ACQUISITION OF THE SAN ANDRÉS GOLD MINE

On July 17, 2009, the Company entered into a share purchase agreement to acquire, all the outstanding common shares of RNC and SAB (the "Share Purchase Agreement"), which, through Minosa hold a 100% interest in the San Andrés gold mine in Honduras. Closing of the San Andrés Acquisition occurred on August 25, 2009. Consideration paid pursuant to the Share Purchase Agreement consists of:

- (i) Cash of US\$35,884,000 (\$38,963,000), including US\$2,750,000 (\$2,986,000) in respect of a working capital adjustment at closing;
- (ii) \$21,263,000 by the issuance of 8,084,728 common shares of Aura Minerals, valued at the five day average of the Company's closing share price on June 10, 2009, being the first business day following the announcement of the San Andrés Acquisition, and the two days before and after June 10, 2009; and

# Aura Minerals Inc.

## Notes to the Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2009

Expressed in Canadian dollars, except where otherwise noted. Tables are expressed in thousands of Canadian dollars.  
(Unaudited)

### 4 ACQUISITION OF THE SAN ANDRÉS GOLD MINE (continued)

- (iii) US\$25,800,000 (\$28,014,000) in the form of two promissory notes which bear interest at six-month LIBOR plus 3%. Repayment terms include US\$10,000,000 payable on February 25, 2011, with the balance due and payable on August 25, 2012. The promissory notes can be repaid at any time without penalty and security is provided by a pledge of the shares of Aura Minerals' subsidiaries which own the shares of Minosa and by a guarantee of Aura Minerals.

In addition, the Share Purchase Agreement includes deferred purchase price consideration payable of US\$14,750,000. The deferred consideration is payable as to 50% of all net free cash flow from the San Andrés gold mine from and after August 25, 2009 that exceeds the cumulative net free cash flow of US\$79,000,000. Subject to completion and closing of the acquisition of the São Francisco and São Vicente gold mines (collectively, the "Brazilian Mines") (note 17(a)), to the extent that the net free cash flow threshold for the San Andrés gold mine has been reached before the cumulative net free cash flow threshold for the Brazilian Mines, 50% of all net free cash flow from the San Andrés gold mine shall continue to be payable, up to and until the deferred purchase price consideration related to the Brazilian Mines has been paid in full. No amount has been recorded in the purchase price for this contingent consideration.

The transaction has been accounted for as a business combination, with Aura Minerals as the acquirer of RNC and SAB. The preliminary purchase price is subject to change and is summarized as follows:

Total cash consideration paid <sup>1</sup>	\$	38,963
Promissory notes <sup>1</sup>		28,014
Value of 8,084,728 common shares issued		21,263
Consulting, legal and due diligence costs		773
	\$	<b>89,013</b>

<sup>1</sup> Amounts denominated in U.S. dollars have been translated to Canadian dollars at the rate on August 25, 2009.

# Aura Minerals Inc.

## Notes to the Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2009

Expressed in Canadian dollars, except where otherwise noted. Tables are expressed in thousands of Canadian dollars.  
(Unaudited)

### 4 ACQUISITION OF THE SAN ANDRÉS GOLD MINE (continued)

The allocation of the purchase consideration to the fair values of the identifiable assets and liabilities is preliminary and may be revised by the Company as additional information becomes available. The preliminary allocation of the purchase price is as follows:

#### Assets acquired

Cash and cash equivalents	\$	1,437
Accounts receivable, prepaid expenses and other assets		3,694
Inventory		19,543
Other non-current assets		1,014
Property, plant and equipment		29,215
Mineral property		59,125
		<u>114,028</u>

#### Liabilities assumed

Accounts payable and accrued liabilities	\$	(6,804)
Other long term liabilities		(3,368)
Asset retirement obligation		(6,087)
Future income tax liability <sup>2</sup>		(8,756)
		<u>(25,015)</u>

<b>Net assets acquired</b>	<b>\$</b>	<b>89,013</b>
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<sup>2</sup> Future income taxes relate to the net assets, which have a tax basis of \$62,744,000.

### 5 ACQUISITION OF THE ARANZAZU PROJECT

Pursuant to the definitive acquisition agreement dated June 3, 2008 among the Company, Clapham Luxembourg Holding S.à.r.L. ("Clapham") and its wholly-owned subsidiary, Newington, the Company acquired, effective June 5, 2008, 100% of the shares of Newington for a purchase price of US\$57,500,000 in cash and US\$12,500,000 by the issuance of 1,859,024 common shares of the Company.

As part of the Aranzazu Acquisition, and pursuant to an agreement dated May 7, 2008, as amended July 29, 2008, the Company paid \$5,000,000 by the issuance of 737,797 common shares of the Company to Zacoro Metals Corp. ("Zacoro Metals") as a finder's fee for introducing Aura Minerals to Clapham.

The acquisition of the Aranzazu Project has been accounted for as a business combination with the results of the Aranzazu Project operations consolidated in the Company's financial statements effective from June 5, 2008. As reported at September 30, 2008, the total purchase price for the Aranzazu Project was \$77,486,000 and included the cash consideration and transaction costs of \$59,752,000 and 2,596,821 common shares issued with a value of \$17,734,000.

# Aura Minerals Inc.

## Notes to the Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2009

Expressed in Canadian dollars, except where otherwise noted. Tables are expressed in thousands of Canadian dollars.  
(Unaudited)

### 5 ACQUISITION OF THE ARANZAZU PROJECT (continued)

The final purchase price of \$77,486,000 has been determined as follows:

Cash consideration paid	\$	57,523
Value of shares issued to Clapham		12,734
Value of shares issued to Zacoro Metals for finder's fee		5,000
Consulting and legal costs		1,397
Due diligence and closing costs		832
	\$	<b>77,486</b>

The final allocation of the purchase consideration to the fair values of the identifiable assets and liabilities is as follows:

<b>Assets acquired</b>		
Inventory	\$	784
Plant and equipment <sup>1</sup>		13,064
Mineral property <sup>1</sup>		93,024
	\$	<b>106,872</b>
<b>Liabilities assumed</b>		
Asset retirement obligation	\$	(1,283)
Future income tax liability <sup>1</sup>		(28,103)
		<b>(29,386)</b>
<b>Net assets acquired</b>	<b>\$</b>	<b>77,486</b>

(1) Future income taxes relate primarily to the amounts allocated to mineral property and equipment, which have a tax basis of \$5,223,000.

### 6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of:

	September 30, 2009	December 31, 2008
Cash and interest-bearing deposits	\$ 39,794	\$ 27,726
Bankers' acceptances	7,000	6,998
Other short-term investments	–	5,107
	\$ 46,794	\$ 39,831

# Aura Minerals Inc.

## Notes to the Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2009

Expressed in Canadian dollars, except where otherwise noted. Tables are expressed in thousands of Canadian dollars.  
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### 7 ACCOUNTS RECEIVABLE

Accounts receivable consists of:

	September 30, 2009	December 31, 2008
Trade accounts receivable	\$ -	\$ 230
Value added taxes receivable	3,356	2,985
Other receivables	110	34
	\$ 3,466	\$ 3,249

### 8 INVENTORY

Inventory consists of:

	September 30, 2009	December 31, 2008
Product inventory	\$ 4,290	\$ 27
Heap leach ore	1,421	-
Metal in circuit and gold in process	753	-
Parts and supplies	9,614	1,299
	\$ 16,078	\$ 1,326

# Aura Minerals Inc.

## Notes to the Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2009

Expressed in Canadian dollars, except where otherwise noted. Tables are expressed in thousands of Canadian dollars.  
(Unaudited)

### 9 PROPERTY, PLANT AND EQUIPMENT

As at September 30, 2009, property, plant and equipment was comprised of the following:

	Cost	Accumulated Amortization	Net book value
Land	\$ 637	\$ (35)	\$ 602
Vehicles	789	(192)	597
Machinery and equipment	4,175	(175)	4,000
Mobile mining equipment	5,965	(447)	5,518
Furniture and fixtures	371	(65)	306
Computer equipment and software	1,628	(529)	1,099
Leasehold improvements	458	(137)	321
Buildings	4,347	(223)	4,124
Plant and crushing	11,377	(487)	10,890
Projects in process	23,766	–	23,766
Mineral property	152,908	(886)	152,022
	<b>\$ 206,421</b>	<b>\$ (3,176)</b>	<b>\$ 203,245</b>

As at December 31, 2008, property, plant and equipment was comprised of the following:

	Cost	Accumulated Amortization	Net book value
Vehicles	\$ 745	\$ (144)	\$ 601
Machinery and equipment	2,460	(163)	2,297
Mobile mining equipment	5,105	(444)	4,661
Furniture and fixtures	311	(36)	275
Computer equipment and software	1,036	(196)	840
Leasehold improvements	435	(60)	375
Buildings	2,246	(61)	2,185
Plant	8,051	(313)	7,738
Projects in process	3,552	–	3,552
Mineral property	93,762	(519)	93,243
	<b>\$ 117,703</b>	<b>\$ (1,936)</b>	<b>\$ 115,767</b>

# Aura Minerals Inc.

## Notes to the Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2009

Expressed in Canadian dollars, except where otherwise noted. Tables are expressed in thousands of Canadian dollars.

(Unaudited)

### 10 RESOURCE PROPERTIES

A continuity of acquisition costs and exploration expenditures during the year ended December 31, 2008 and to September 30, 2009 is as follows:

	Arapiraca Project	Para Properties		Total
		Inaja Project	Other Projects	
<b>Acquisition Costs</b>				
Balance, December 31, 2007	\$ -	\$ 10,453	\$ 15,949	\$ 26,402
Additions during the year ended December 31, 2008:				
Acquisition costs - land	5,590	-	-	5,590
Impairment charge - mineral properties	-	(5,065)	-	(5,065)
Balance, December 31, 2008	\$ 5,590	\$ 5,387	\$ 15,949	\$ 26,927
Additions during the nine months ended September 30, 2009:				
Proceeds from property option payment (note 10(b))	-	(3,775)	-	(3,775)
Impairment charge - mineral properties (note 10(c))	-	-	(8,744)	(8,744)
<b>Balance, September 30, 2009</b>	<b>\$ 5,590</b>	<b>\$ 1,612</b>	<b>\$ 7,205</b>	<b>\$ 14,407</b>
<b>Accumulated Exploration Costs</b>				
Balance, December 31, 2007	\$ 5,447	\$ 1,635	\$ 1,136	\$ 8,218
Exploration costs during the year ended December 31, 2008	21,367	3,010	1,612	25,989
Balance, December 31, 2008	26,814	4,645	2,748	34,207
Exploration costs during the nine months ended				
September 30, 2009 (note 13)	4,597	730	307	5,634
<b>Balance, September 30, 2009</b>	<b>31,411</b>	<b>5,375</b>	<b>3,055</b>	<b>39,841</b>

# Aura Minerals Inc.

## Notes to the Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2009

Expressed in Canadian dollars, except where otherwise noted. Tables are expressed in thousands of Canadian dollars.  
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### 10 RESOURCE PROPERTIES *(continued)*

#### a) Arapiraca Project, Brazil

The Arapiraca properties are subject to Net Smelter Return Royalty (“NSR”) payments on future production to the original owner of 0.75% on copper, 1.0% on gold and 4.0% on all other mineral production.

#### b) Inajá Project, Brazil

In prior years the Company acquired, through various option payments, a 100% interest in certain mineral claims, known as the AGS, JN, EM, and the Forquilha and Carapato pits located in the State of Pará, Brazil. In total, the Company issued 430,000 shares with a value of \$802,500 and made cash payments of US\$1,640,000 to acquire these claims. In addition, the Company acquired the Fonseca property, consisting of 10 claims for a payment of US\$10,000. On the AGS Property, the optionors have retained a 2.0% to 3.0% sliding scale NSR, based on the price of gold, which royalty may be purchased for US\$1,000,000 for each 1%, payable as calculated on the commencement of production. On the Forquilha Pit, the optionors have retained a 1.5% NSR, which may each be purchased for US\$1,500,000.

On March 13, 2009, the Company entered into an option agreement with Vale S.A. (“Vale”), formerly Companhia Vale do Rio Doce, (the “Option Agreement”), wherein Vale has been granted an option to earn a 51% interest in the Inajá Project by making a cash payment of US\$3,000,000 and then expending US\$6,000,000 in exploration work within four years from the execution of the Option Agreement. Vale may then earn an additional 19% by funding and delivering a bankable feasibility study within 36 months of electing to earn such additional interest. Once a joint venture is formed, should either party’s interest in the Inajá Project be diluted below 10%, its interest will be converted into a 2% NSR. The payment of US\$3,000,000 (\$3,775,000) was received on March 25, 2009, and has been applied as a reduction of the carrying value of the Inajá Project.

#### c) Other projects

##### *Cumaru (Gradaús) Project, Brazil*

During the first quarter of 2009, the Company elected to terminate its option agreement on the Cumaru (Gradaús) Project in the State of Pará, Brazil. In connection with the termination of the option agreement, the Company recognized an impairment charge of \$8,744,000.

##### *Cumaru Project, Brazil*

In prior years, the Company acquired, a 100% interest in the Cumaru Project in the state of Pará, Brazil. In total the Company issued 1,400,000 shares valued at \$6,080,000 and incurred US\$1,000,000 in exploration expenditures to acquire the interest in this project.

A previous land owner has retained a 1.5% NSR on the property that may be purchased by Aura Minerals for US\$1,250,000.

# Aura Minerals Inc.

## Notes to the Interim Consolidated Financial Statements

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Expressed in Canadian dollars, except where otherwise noted. Tables are expressed in thousands of Canadian dollars.  
(Unaudited)

### 10 RESOURCE PROPERTIES (continued)

#### c) Other projects (continued)

##### *North Carajás and other projects, Brazil*

Pursuant to an agreement dated January 1, 2006, the Company was assigned a 100% interest in certain mineral claims in the State of Pará, Brazil, in consideration for a 2% NSR from any future production on these properties.

### 11 ASSET RETIREMENT OBLIGATIONS

The Company's asset retirement obligations relate to the restoration and closure of the Company's mining properties. The asset retirement obligations have been recorded as a liability at fair value, assuming a credit adjusted risk-free discount rate of between 5.0% and 6.8% and an inflation factor of between 0% and 3.5%. The amount of the liability is subject to re-measurement during each reporting period. The total undiscounted amounts of the estimated obligations are approximately \$10,359,000 and are expected to be incurred over a 14 year period. All of the assumptions used are subject to change.

The following table summarizes the movements in the asset retirement obligation activities:

	September 30, 2009	December 31, 2008
<b>Balance, beginning of period</b>	\$ 1,533	\$ –
Asset retirement obligations recorded on acquisition (notes 4 and 5)	6,087	1,283
Add: Accretion of liability component of asset retirement obligations	123	54
Add: Increase in liability due to change in estimate	–	196
Less: Expenses incurred	(90)	–
Effect of foreign exchange on asset retirement obligations	(76)	–
<b>Balance, end of period</b>	<b>\$ 7,577</b>	<b>\$ 1,533</b>

# Aura Minerals Inc.

## Notes to the Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2009

Expressed in Canadian dollars, except where otherwise noted. Tables are expressed in thousands of Canadian dollars.  
(Unaudited)

### 12 CAPITAL STOCK

- a) Authorized – Unlimited number of common shares
- b) Issued and outstanding number of common shares

	Number of common shares	Capital stock	Contributed surplus
<b>Balance, December 31, 2007</b>	<b>106,014,311</b>	<b>141,692</b>	<b>14,910</b>
Private placement (note 12(d))	8,889,000	60,001	–
Shares issued as consideration for Aranzazu Acquisition (note 5)	1,859,024	12,734	–
Shares issued as finders fee (note 5)	737,797	5,000	–
Exercise of options for cash	142,954	312	–
Issuance of shares on property option payment	60,000	309	–
Exercise of brokers warrants for cash	200,100	850	–
Exercise of brokers warrants - fair value	–	949	(949)
Contingently returnable shares related to executive incentive (note 12(e))	–	–	862
Stock based compensation - options vested	–	–	14,303
Warrants issued as a financing fee (note 12(d))	–	–	1,717
Share issue costs	–	(4,900)	–
<b>Balance, December 31, 2008</b>	<b>117,903,186</b>	<b>\$ 216,947</b>	<b>\$ 30,843</b>
Issuance of shares on property option payment	80,000	80	–
Shares issued as consideration for San Andrés Acquisition (note 4)	8,084,728	21,263	–
Private placement (note 12(c))	45,499,997	125,125	–
Stock based compensation - options vested	–	–	3,093
Contingently returnable shares related to executive incentive (note 12(e))	–	–	1,150
Exercise of options for cash	440,000	356	–
Exercise of options - fair value	–	310	(310)
Release of contingently returnable shares from escrow (note 12(e))	700,000	2,345	(2,345)
Warrants issued as a financing fee (note 12(c))	–	–	4,641
Share issue costs	–	(11,260)	–
<b>Balance, September 30, 2009</b>	<b>172,707,911</b>	<b>\$ 355,166</b>	<b>\$ 37,072</b>

The number of common shares has been adjusted to reflect the Consolidation, as described in note 1.

# Aura Minerals Inc.

## Notes to the Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2009

*Expressed in Canadian dollars, except where otherwise noted. Tables are expressed in thousands of Canadian dollars.  
(Unaudited)*

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### 12 CAPITAL STOCK *(continued)*

#### c) July 2009 Private placement

On July 15, 2009, the Company closed the private placement offering (the "Offering") of 227,500,000 subscription receipts (the "Subscription Receipts"), at a price of \$0.55 per Subscription Receipt for aggregate gross proceeds to the Company of \$125,125,000. The gross proceeds from the sale of the Subscription Receipts were placed in escrow on closing of the Offering. Upon the Company having satisfied certain escrow release conditions, the net proceeds of \$118,507,000 were released to the Company immediately prior to the closing of the San Andrés Acquisition. Upon satisfaction of the escrow release conditions, and as a result of the Consolidation which was effected on July 23, 2009, each Subscription Receipt automatically converted into 0.20 common shares of the Company, resulting in a total issuance of 45,499,997 common shares. In connection with the Offering, the Company has incurred share issuance costs of \$6,619,000 to September 30, 2009 and has issued to the underwriters 2,274,997 brokers' warrants, with each warrant entitling the holder to purchase one common share at an exercise price of \$2.75 per share until January 15, 2011. The value of \$4,641,000 has been attributed to the 2,274,997 brokers' warrants pursuant to the Black-Scholes pricing model and has been included in share issue costs. The value of the brokers' warrants was calculated using the following assumptions: no dividends are to be paid; volatility of 154%, a risk free interest rate of 1.33%, and an expected life of 1.3 years.

#### d) May 2008 Private placement

On May 29, 2008, the Company closed the private placement offering of subscription receipts, which were converted to 8,889,000 common shares of the Company when the conditions of the release from escrow were satisfied for aggregate gross proceeds to the Company of \$60,000,750. The Company received the net proceeds of \$56,818,000 from the offering on June 9, 2008. In connection with the offering, the Company incurred share issuance costs of \$3,183,000 and issued to the agents 444,450 agents' warrants, with each warrant entitling the holder to purchase one common share at an exercise price of \$7.425 per share until November 29, 2009. The value of \$1,717,000 has been attributed to the 444,450 agents' warrants pursuant to the Black-Scholes pricing model and has been included in share issue costs. The value of the agents' warrants was calculated using the following assumptions: no dividends are to be paid; volatility of 81%, a risk free interest rate of 3.05%, and an expected life of 1.5 years.

#### e) Shares held in escrow

Pursuant to an employment agreement dated April 3, 2007 and amended January 28, 2008, the Company agreed to issue 700,000 common shares (the "Signing Shares") and pay an amount of \$1,614,000 to the President and CEO subsequent to completion of the Arapiraca Acquisition. The Signing Shares were issued on January 28, 2008 and were held in escrow. During the first and second quarters of 2009, all 700,000 shares were released from escrow as a result of one of the escrow release conditions having been met, being the issuance of technical reports prepared in accordance with NI 43-101 which established that the Arapiraca Project had mineral resources in excess of 210 million tonnes. At the time of the release, the fair value of these shares in the amount of \$2,345,000 was recorded to capital stock.

# Aura Minerals Inc.

## Notes to the Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2009

Expressed in Canadian dollars, except where otherwise noted. Tables are expressed in thousands of Canadian dollars.  
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### 12 CAPITAL STOCK (continued)

#### e) Shares held in escrow (continued)

In accordance with applicable accounting standards, the Signing Shares were being accounted for as contingently returnable shares which were not considered outstanding and not included in the computation of basic loss per share until they were released from escrow. The fair value of the Signing Shares of \$2,345,000 was determined to be based on the market value of the Company's common shares at the time of the initial employment agreement. The expense associated with the escrowed shares was recognized on a straight line basis over a five year period as part of stock based compensation until they were released from escrow, at which time the unamortized balance was recognized in the period of such release. For the three and nine months ended September 30, 2009, the expense recognized for the Signing Shares was \$nil and \$1,150,000, respectively. For the three and nine months ended September 30, 2008, the expense recognized for the Signing Shares was \$559,000 and \$781,000, respectively.

#### f) Warrants

The following table summarizes activity related to the Company's issued warrants during the year ended December 31, 2008 and to September 30, 2009:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2007	958,600	\$ 4.25
Broker warrants issued	444,450	7.43
Exercised	(200,100)	4.25
Expired	(758,500)	4.25
Balance, December 31, 2008	444,450	\$ 7.43
Broker warrants issued	2,274,997	2.75
<b>Balance, September 30, 2009</b>	<b>2,719,447</b>	<b>\$ 3.51</b>

As at September 30, 2009, the following warrants are outstanding:

Expiry date	Grant date fair value	Number outstanding	Exercise price
November 29, 2009	\$ 1,717	444,450	\$ 7.43
January 15, 2011	4,641	2,274,997	2.75
	<b>\$ 6,358</b>	<b>2,719,447</b>	<b>\$ 3.51</b>

# Aura Minerals Inc.

## Notes to the Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2009

Expressed in Canadian dollars, except where otherwise noted. Tables are expressed in thousands of Canadian dollars.  
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### 12 CAPITAL STOCK (continued)

#### g) Stock options

On July 13, 2007 Aura Minerals adopted the 2007 Stock Option and Share Compensation Plan (the "Plan"). Under this rolling plan, options to purchase common shares have been granted to directors, employees, and consultants at exercise prices not less than the volume weighted average trading price for the five trading days immediately preceding the respective grant date and may be exercised within five years from that date, subject to any vesting provisions determined by the Board of Directors. Under the Plan, the Board of Directors may grant options for the purchase of up to an aggregate of 10% of the total number of issued and outstanding common shares of the Company as of the grant date.

A continuity of issued and outstanding stock options is as follows:

	Number of options	Weighted Average exercise price
Balance, December 31, 2007	4,386,000	\$ 5.15
Granted	6,950,331	3.00
Exercised	(160,580)	2.70
Forfeited	(232,940)	7.65
Balance, December 31, 2008	10,942,811	\$ 3.80
Granted	1,205,000	3.03
Exercised	(440,000)	0.81
Forfeited	(319,600)	6.62
<b>Balance, September 30, 2009</b>	<b>11,388,211</b>	<b>\$ 3.74</b>

As at September 30, 2009, the following stock options were outstanding and exercisable:

Options outstanding			Options exercisable
Exercise price	Number outstanding	Remaining contractual life (years)	Number exercisable
\$0.78 to \$1.15	3,623,331	4.2	2,854,161
\$1.45	100,000	1.0	37,500
\$2.50 to \$3.75	2,859,420	0.9	1,757,045
\$3.85 to \$5.45	1,934,500	2.1	1,825,500
\$5.80 to \$8.40	2,870,960	2.1	2,802,960
<b>Average/Total \$</b>	<b>3.74</b>	<b>3.3</b>	<b>9,277,166</b>

# Aura Minerals Inc.

## Notes to the Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2009

Expressed in Canadian dollars, except where otherwise noted. Tables are expressed in thousands of Canadian dollars.  
(Unaudited)

### 12 CAPITAL STOCK (continued)

#### h) Stock-based compensation

Stock-based compensation expense is measured at fair value and recognized over the vesting period from the date of grant. Stock-based compensation recognized during the three and nine months ended September 30, 2009 was \$1,411,000 and \$4,243,000, respectively. Of this amount, \$nil and \$1,150,000 relates to the amortization of the fair value of the Signing Shares for the three and nine months ended September 30, 2009, respectively, as described in note 12(e). The fair value of stock options granted during the quarter was estimated using the Black-Scholes option pricing model with the following assumptions:

	For the three months ended September 30, 2009	For the three months ended September 30, 2008
<b>Expected volatility</b>	<b>121%</b>	82 - 83%
<b>Risk-free interest rate</b>	<b>2.33%</b>	2.98 - 3.33%
<b>Expected life (years)</b>	<b>5</b>	5
<b>Expected dividend yield</b>	<b>0%</b>	0%

Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimated, and therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

### 13 EXPLORATION EXPENSES

For the nine months ended September 30, 2009, exploration expenses were comprised of the following:

	Arapiraca Project	Para Properties		Total
		Inaja Project	Other Projects	
Exploration expenses incurred in the nine months ended September 30, 2009				
Property option payments	\$ -	\$ 294	\$ 63	\$ 357
Consulting	1,206	277	68	1,551
Drilling	475	-	-	475
Field Administration	-	99	30	129
Field supplies	103	24	4	131
Geological & assays	248	2	-	250
Land maintenance	234	59	58	351
Other	769	96	20	885
Salaries, wages & benefits	1,362	68	59	1,489
Travel	200	20	5	225
Less amounts recovered	-	(209)	-	(209)
<b>Subtotal</b>	<b>\$ 4,597</b>	<b>\$ 730</b>	<b>\$ 307</b>	<b>\$ 5,634</b>
Exploration expenses incurred in the period on Aranzazu mineral property				2,334
<b>Total exploration expenses to September 30, 2009</b>				<b>\$ 7,968</b>

# Aura Minerals Inc.

## Notes to the Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2009

Expressed in Canadian dollars, except where otherwise noted. Tables are expressed in thousands of Canadian dollars.  
(Unaudited)

### 13 EXPLORATION EXPENSES (continued)

For the nine months ended September 30, 2008, exploration expenses were comprised of the following:

	Arapiraca Project	Para Properties		Total
		Inaja Project	Other Projects	
Exploration expenses incurred in the nine months ended September 30, 2008				
Property option payments	\$ -	\$ 820	\$ 345	\$ 1,165
Consulting	3,607	271	205	4,083
Drilling	7,464	-	-	7,464
Exploration support	17	-	-	17
Field Administration	-	338	385	723
Field supplies	372	66	47	485
Geological & assays	1,444	184	117	1,745
Land maintenance	213	117	71	401
Other	1,280	352	166	1,798
Salaries, wages & benefits	1,371	277	202	1,850
Travel	571	39	44	654
<b>Subtotal</b>	<b>\$ 16,339</b>	<b>\$ 2,464</b>	<b>\$ 1,582</b>	<b>\$ 20,385</b>
Exploration expenses incurred in the period on Aranzazu mineral property				-
<b>Total exploration expenses to September 30, 2008</b>				<b>\$ 20,385</b>

### 14 CASH FLOW INFORMATION

#### a) Items not affecting cash:

	For the three months ended September 30, 2009	For the three months ended September 30, 2008	For the nine months ended September 30, 2009	For the nine months ended September 30, 2008
		As restated (note 3(b))		As restated (note 3(b))
Depletion, amortization and accretion	\$ 249	\$ 720	\$ 662	\$ 1,124
Future income tax recovery	(3,595)	(145)	(6,668)	(212)
Impairment charge - resource properties	-	-	8,744	-
Unrealized foreign exchange loss	468	-	468	-
Change in severance accrual	(218)	-	(218)	-
Issuance of shares for property option payments	-	-	80	-
Stock-based compensation	1,411	2,702	4,243	12,943
	<b>\$ (1,685)</b>	<b>\$ 3,277</b>	<b>\$ 7,311</b>	<b>\$ 13,854</b>

# Aura Minerals Inc.

## Notes to the Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2009

Expressed in Canadian dollars, except where otherwise noted. Tables are expressed in thousands of Canadian dollars.  
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### 14 CASH FLOW INFORMATION (continued)

#### b) Changes in non-cash working capital:

	For the three months ended September 30, 2009	For the three months ended September 30, 2008	For the nine months ended September 30, 2009	For the nine months ended September 30, 2008
		As restated (note 3(b))		As restated (note 3(b))
Accounts receivable	\$ (2,563)	\$ (827)	\$ (209)	\$ (1,957)
Inventory	5,142	(576)	5,160	(614)
Prepaid expenses and other current assets	(2,088)	72	(2,159)	(192)
Accounts payable and accrued liabilities	1,688	(315)	(910)	1,607
	<b>\$ 2,179</b>	<b>\$ (1,646)</b>	<b>\$ 1,882</b>	<b>\$ (1,156)</b>

#### c) Supplemental cash flow information:

	For the three months ended September 30, 2009	For the three months ended September 30, 2008	For the nine months ended September 30, 2009	For the nine months ended September 30, 2008
<b>Non-cash activities consist of:</b>				
Fair value of signing shares released from escrow	\$ -	\$ -	\$ 2,345	\$ -
Change on accounts payable as a result of investing activities	(362)	50	(362)	50
Amortization included in inventory	(540)	-	(540)	-
Fair value of broker warrants issued as a finance fee	4,641	-	4,641	1,717
Fair value of exercise of broker warrants	-	128	-	949
Fair value of exercise of stock options	310	-	310	-
Common shares issued as consideration for acquisitions	21,263	-	21,263	17,734
<b>Interest paid</b>	<b>\$ 98</b>	<b>\$ -</b>	<b>\$ 98</b>	<b>\$ -</b>
<b>Taxes paid</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3</b>	<b>\$ 62</b>

### 15 RELATED PARTY TRANSACTIONS

As disclosed in notes 1, 4 and 17, the Company has acquired the San Andrés gold mine and has entered into an agreement to acquire the Brazilian Mines from Yamana Gold Inc. ("Yamana"). Yamana and the Company currently have one director in common, but as of the date of the transaction had two directors in common, both of whom recused themselves from participating in the decisions and voting matters with respect to the transaction.

# Aura Minerals Inc.

## Notes to the Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2009

Expressed in Canadian dollars, except where otherwise noted. Tables are expressed in thousands of Canadian dollars.  
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### 16 SEGMENTED INFORMATION

The Company has one operating segment, which is the exploration, development and mining of resource and mineral properties. The Company's assets are located in Canada, Honduras, Mexico and Brazil. The Company's total revenues for the nine months ended September 30, 2009 were \$7,543,000, of which \$7,502,000 was generated in Honduras and \$41,000 was generated in Mexico. The Company's total cost of goods sold for the nine months ended September 30, 2009 were \$7,426,000, of which \$7,401,000 was generated in Honduras and \$25,000 was generated in Mexico.

The following is a summary of assets and liabilities by geographic location as at September 30, 2009 and December 31, 2008:

<b>As at September 30, 2009</b>	<b>Canada</b>	<b>Honduras</b>	<b>Mexico</b>	<b>Brazil</b>	<b>Total</b>
Cash and cash equivalents	\$ 40,502	\$ 1,715	\$ 799	\$ 3,778	\$ 46,794
Receivables and prepaid expenses	276	8,783	268	155	9,482
Inventory	-	14,849	1,229	-	16,078
Other assets	1,002	-	-	-	1,002
Deferred transaction costs	1,022	-	-	-	1,022
Restricted cash	60,884	-	-	-	60,884
Property, plant and equipment	564	87,551	114,133	997	203,245
Resource properties	-	-	-	14,407	14,407
	<b>104,250</b>	<b>112,898</b>	<b>116,429</b>	<b>19,337</b>	<b>352,914</b>
Accounts payable and accrued liabilities	(921)	(8,218)	(556)	(537)	(10,232)
Promissory notes payable	(27,623)	-	-	-	(27,623)
Future income tax liabilities	-	(7,685)	(22,272)	(461)	(30,418)
Asset retirement obligations	-	(6,013)	(1,564)	-	(7,577)
Other long-term liabilities	-	(3,111)	-	-	(3,111)
	<b>\$ 75,706</b>	<b>\$ 87,871</b>	<b>\$ 92,037</b>	<b>\$ 18,339</b>	<b>\$ 273,953</b>

<b>As at December 31, 2008</b>	<b>Canada</b>	<b>Honduras</b>	<b>Mexico</b>	<b>Brazil</b>	<b>Total</b>
Cash and cash equivalents	\$ 39,213	\$ -	\$ 63	\$ 555	\$ 39,831
Receivables and prepaid expenses	184	-	3,317	62	3,563
Inventory	-	-	1,326	-	1,326
Property, plant and equipment	362	-	114,247	1,158	115,767
Resource properties	-	-	-	26,927	26,927
	<b>39,759</b>	<b>-</b>	<b>118,953</b>	<b>28,702</b>	<b>187,414</b>
Accounts payable and accrued liabilities	(1,149)	-	(2,159)	(792)	(4,100)
Future income tax liabilities	-	-	(24,923)	(3,377)	(28,300)
Asset retirement obligations	-	-	(1,533)	-	(1,533)
	<b>\$ 38,610</b>	<b>\$ -</b>	<b>\$ 90,338</b>	<b>\$ 24,533</b>	<b>\$ 153,481</b>

# Aura Minerals Inc.

## Notes to the Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2009

Expressed in Canadian dollars, except where otherwise noted. Tables are expressed in thousands of Canadian dollars.  
(Unaudited)

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### 17 COMMITMENTS

#### a) Acquisition of the São Francisco and São Vicente Mines

On July 17, 2009, the Company entered into an asset purchase agreement (the "Asset Purchase Agreement") to acquire all the assets and liabilities of the Brazilian Mines. Closing of the acquisition is expected in the first quarter of 2010, following receipt of certain consents from Brazilian regulatory agencies.

Consideration to be paid to the vendor pursuant to the Asset Purchase Agreement includes cash of US\$56,866,000 (\$60,884,000), subject to a working capital adjustment, \$36,451,000 by the issuance of 13,859,533 common shares of Aura Minerals, and US\$44,200,000 (\$47,323,000) in the form of a promissory note. The promissory note bears interest at six-month LIBOR plus 3%, and repayment terms include US\$15,000,000 payable eighteen months after the closing date of the Brazilian Mines acquisition, with the balance due and payable on the third anniversary of the closing date of the Brazilian Mines acquisition. The promissory note can be repaid at any time without penalty and security will be provided by a pledge of the shares of Aura Minerals' Brazilian subsidiary acquiring the Brazilian Mines and by a guarantee of Aura Minerals.

In addition, the Brazilian Mines acquisition includes deferred purchase price consideration payable to the vendor of US\$25,250,000. The deferred purchase price consideration is payable as to 50% of all net free cash flow from the Brazilian Mines from and after the closing date of the acquisition that exceeds the cumulative net free cash flow of US\$135,000,000, subject to adjustment as described below.

The parties have agreed that during the period from the date of the Asset Purchase Agreement to the closing of the Brazilian Mines acquisition, the cumulative net free cash flow generated from the Brazilian Mines will be attributable back to the vendor. However, the cash consideration payable and the principal amount of the promissory note shall be subject to a reduction, on a *pro rata* basis, at the closing of the Brazilian Mines acquisition in an amount equal to the cumulative net free cash flow generated from the operation of the Brazilian Mines during this interim period (the "Net Free Cash Flow Adjustment"). If the Net Free Cash Flow Adjustment exceeds US\$10,000,000, such excess shall be added to the amount of the deferred purchase price consideration related to the Brazilian Mines.

Further, to the extent that the net free cash flow threshold for the Brazilian Mines has been reached before the net free cash flow threshold for the San Andrés gold mine, 50% of all net free cash flow from the Brazilian Mines shall continue to be payable, up to and until the deferred purchase price consideration related to the San Andrés gold mine has been paid in full (see note 4).

As part of the Asset Purchase Agreement, the Company has placed US\$56,866,000 (\$60,884,000) in escrow to cover the cash component of the purchase consideration.

# Aura Minerals Inc.

## Notes to the Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2009

Expressed in Canadian dollars, except where otherwise noted. Tables are expressed in thousands of Canadian dollars.  
(Unaudited)

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### 17 COMMITMENTS (continued)

#### b) Operating commitments

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

2009	\$	47
2010		200
2011		209
2012		210
2013		17
	\$	<b>683</b>

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#### c) Royalties

- (i) Copper production from the Aranzazu Project is subject to an underlying 1% NSR when during any calendar month the monthly average copper price as quoted by the London Metals Exchange equals or exceeds US\$2.00 per pound.
- (ii) Gold sales from the San Andrés gold mine are subject to an NSR of 0.5% to a maximum of US\$1,500,000. As of September 30, 2009, US\$1,182,000 of this royalty has been incurred.

### 18 SUBSEQUENT EVENTS

#### a) Exercise of options

Subsequent to September 30, 2009, 288,000 stock options were exercised for gross proceeds of \$279,000.

#### b) Options granted

Subsequent to September 30, 2009, 820,000 stock options were granted to new employees and a new director.