



Aura Minerals Inc.

AURA MINERALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009

Dated as of November 11, 2009

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

TABLE OF CONTENTS

1.	BACKGROUND AND CORE BUSINESS	3
2.	THIRD QUARTER HIGHLIGHTS.....	3
3.	CORPORATE DEVELOPMENTS.....	4
4.	OPERATIONS REVIEW	5
5.	DEVELOPMENT AND EXPLORATION REVIEW	6
6.	OUTLOOK	9
7.	RESULTS OF OPERATIONS.....	9
8.	SUMMARY OF QUARTERLY RESULTS.....	16
9.	LIQUIDITY AND CAPITAL RESOURCES.....	17
10.	CONTRACTUAL OBLIGATIONS.....	18
11.	OFF-BALANCE SHEET ARRANGEMENTS.....	19
12.	TRANSACTIONS WITH RELATED PARTIES.....	20
13.	CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION	20
14.	CRITICAL ACCOUNTING ESTIMATES	22
15.	FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS.....	24
16.	CORPORATE GOVERNANCE	25
17.	DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING	25
18.	INTERNATIONAL FINANCIAL REPORTING STANDARDS.....	26
19.	NON-GAAP PERFORMANCE MEASURES	26
20.	RISK FACTORS	27
21.	DISCLOSURE OF SHARE DATA AS AT NOVEMBER 11, 2009.....	29
22.	FORWARD-LOOKING STATEMENTS.....	31
23.	ADDITIONAL INFORMATION	31

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

This management's discussion and analysis ("MD&A") should be read in conjunction with Aura Minerals Inc.'s (the "Company" or "Aura Minerals") unaudited interim consolidated financial statements for the three and nine months ended September 30, 2009 and related notes thereto (the "Financial Statements") which have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). In addition, this MD&A should be read in conjunction with the 2008 audited annual consolidated financial statements, the related management discussion and analysis and the 2008 Annual Information Form ("AIF") dated March 23, 2009 as well as other information relating to Aura Minerals as filed on SEDAR at www.sedar.com. All figures are in Canadian dollars unless otherwise noted.

This MD&A has been prepared as at November 11, 2009 and provides information that management believes is relevant to assessing and understanding the financial condition of the Company and the results of operations and cash flows for the three and nine months ended September 30, 2009.

The Audit Committee of the Board of Directors of the Company (the "Board"), consisting of three independent directors, has reviewed this MD&A pursuant to its charter and the Board has approved the disclosure contained herein. A copy of this MD&A will be provided to anyone who requests it.

1. BACKGROUND AND CORE BUSINESS

Aura Minerals is an emerging gold producer with a portfolio of assets in Honduras, Mexico and Brazil. The Company's portfolio includes the producing San Andres gold mine in Honduras (the "San Andres Mine"), the Aranzazu copper-gold-silver mine in Zacatecas, Mexico (the "Aranzazu Project"), and the feasibility-stage Serrote de Laje copper-gold-iron ore deposit (the "Serrote Deposit") at its wholly-owned Arapiraca project (the "Arapiraca Project") in the State of Alagoas, Brazil. In addition, Aura Minerals has agreed to acquire two additional producing gold mines, the Sao Francisco and Sao Vicente mines in Brazil (the "Sao Francisco Mine" and "Sao Vicente Mine", respectively). This acquisition is expected to close in the first quarter of 2010. The Company also has extensive exploration land holdings in Brazil, including iron ore and nickel targets in the Carajas region, State of Para.

The Company is listed on the Toronto Stock Exchange under the symbol ORA.

Aura Minerals has an objective of building a robust mid-tier gold production company through responsible, sustainable growth. This objective will be achieved through:

- Operating to the highest environmental and safety standards and in a socially responsible manner;
- Maximizing returns on the Company's projects through cost management and operational efficiencies;
- Advancing projects through development and partnerships; and
- Acquiring and developing quality reserves in the Americas.

2. THIRD QUARTER HIGHLIGHTS

- Signed definitive agreements to purchase the San Andres Mine, Sao Francisco Mine, and Sao Vicente Mine;
- Closed the acquisition of the San Andres Mine in Honduras, effective August 25, 2009;
- Gold production totalled 6,925 ounces for the period from August 26 to September 30, 2009;
- Gold sales totalled 7,175 ounces for the same period;
- On site cash costs¹ of US\$534 per ounce of gold produced during the period;
- Completed an equity financing on July 15, 2009 for gross proceeds of \$125,125,000;
- Current cash and cash equivalents as of September 30, 2009, of \$46.8 million with an additional \$60.9 million in restricted cash reserved for the acquisition of the Sao Francisco Mine and the Sao Vicente Mine, expected to occur in the first quarter of 2010;
- Completed a new resource for the Aranzazu copper-gold-silver mine in Mexico;
- Continued to advance the engineering and mine development at the Aranzazu Project toward a planned restart of operations in the second quarter of 2010;
- Appointed a new Chief Operating Officer, Mr. Britt Reid, and two additional board members, Messrs. John Ivany and Tom Ogryzlo;
- Received the installation licence ("LI") for the Serrote Deposit, which allows the Serrote Deposit to proceed to the construction stage; and

¹ A cautionary note regarding non-GAAP measures is included in Section 19 of this MD&A.

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

- Issued a preliminary economic assessment study (the "PEA Study") for the Serrote Deposit, showing robust economics.

3. CORPORATE DEVELOPMENTS

Changes to Management and the Board

Mr. Britt Reid joined the Company on November 2, 2009 as Chief Operating Officer. Mr. Reid brings over 30 years of operational experience, several of which were as Vice President Mining Operations for Aur Resources Inc. in Chile. The Company has also strengthened the Board with the addition of Messrs. John Ivany and Tom Ogryzlo.

Share Consolidation

Effective July 23, 2009, the Company consolidated 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 references to common share and per common share information included in this MD&A and in the Financial Statements are set out on a post-Consolidation basis.

Private Placement Financing

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. The aggregate gross proceeds of \$125,125,000 were deposited in escrow and were released to the Company, net of expenses of \$6,619,000, upon closing of the San Andres Mine acquisition.

As a result of the Consolidation, each Subscription Receipt converted into 0.20 of one common shares of the Company (each an "Underlying Share"). As of August 25, 2009, each Subscription Receipt has been deemed exchanged, without payment of any additional consideration. The Company received a receipt for the final prospectus dated August 13, 2009 qualifying the distribution of the Underlying Shares issued upon the exchange of the Subscription Receipts.

Gold Mine Acquisitions

- On July 17, 2009, the Company entered into definitive agreements to acquire the producing San Andres Mine in Honduras and the producing Sao Francisco Mine and Sao Vicente Mine in Brazil;
- On August 25, 2009, the Company and its wholly-owned subsidiary acquired a 100% interest in the San Andres Mine. The transaction is further discussed herein under the heading "*Results of Operations – Capital Expenditures*".
- The proposed acquisition of the Sao Francisco Mine and the Sao Vicente Mine is proceeding on schedule, with the application to transfer the mineral concessions now in process. The proposed acquisition will be completed when all appropriate regulatory consents and approvals are received, which is expected in the first quarter of 2010. The consideration payable for the Sao Francisco Mine and Sao Vicente Mine is comprised of:
 - (a) US\$56,866,000 in cash, subject to a working capital adjustment at closing;
 - (b) 13,859,533 common shares of the Company;
 - (c) a promissory note in the principal amount of US\$44,200,000 bearing interest at the prevailing six month LIBOR plus 3%, US\$15,000,000 of which would be payable 18 months after closing and the balance

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

payable on the third anniversary of closing, provided that the Company can repay the note at any time prior to the third anniversary of closing without penalty; and

- (d) a deferred purchase price consideration amount of US\$25,250,000 payable as to 50% of all net free cash flow from the Sao Francisco Mine and the Sao Vicente Mine 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 in certain circumstances).

In connection with this proposed acquisition, the Company has placed US\$56,866,000 (\$60,884,000) in escrow to cover the cash component of the purchase consideration.

4. OPERATIONS REVIEW

San Andres Mine

The San Andres Mine is an open-pit heap leach gold mine, which is located in the highlands of western Honduras, in the municipality of La Union, Department of Copan about 150 kilometres southwest of the city of San Pedro Sula. The mine has been in production since 1983 and has well developed infrastructure.

Since acquiring the San Andres Mine on August 25, 2009, the Company's focus has been as follows:

- ongoing operational improvements with a focus on leaching operations to increase overall recovery and reduce on-site cash costs; and
- completion of an expansion project, which consists of a new primary crusher-conveyor system. The new system will significantly reduce haulage distances, which will reduce cash costs and provide an opportunity to increase throughput. The system is expected to be fully operational in the first quarter of 2010.

Third quarter 2009 gold production and sales from the San Andres Mine totalled 6,925 and 7,175 ounces, respectively, for the period from August 26, 2009 to September 30, 2009. Total average realized price on gold sales was US\$964 per ounce sold, and cash costs¹ for the period were US\$944 per ounce of gold sold. Cash costs¹ per ounce sold include the impact of purchase accounting adjustments made to acquisition date inventory of US\$498 per ounce. Total cash costs¹ per ounce of gold produced during the period were US\$534 per ounce.

¹ A cautionary note regarding non-GAAP measures is included in Section 19 of this MD&A.

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

The table below sets out selected operating information for the San Andres Mine:

	For the period from August 26 to September 30, 2009
Operating Information	
Ore mined (tonnes)	417,244
Gold	
Grade (g/t)	0.709
Recovery rate (%)	72.8%
Production (ounces)	6,925
Sales (ounces)	7,175
Average cash cost of gold produced (US\$/ounce)	\$534
Average cash cost of gold sold (US\$/ounce) ^{1, 2}	\$944

¹ A cautionary note regarding non-GAAP measures is included in Section 19 of this MD&A.

² This figure includes the fair value impact from the purchase price allocation of US\$498 per ounce sold.

5. DEVELOPMENT AND EXPLORATION REVIEW

Aranzazu Project

The Company acquired a 100% interest in all of the mining concessions, plant, surface and water rights and other assets relating to the Aranzazu Project on June 5, 2008. The Aranzazu Project consists of approximately 10,445 hectares of land centred on the Arroyos Azules underground mine, an 1,800 tonnes per day ("tpd") mill and all equipment. The operation produces a copper-gold-silver concentrate via flotation.

To preserve cash resources in light of weakening metal prices in the second half of 2008, all mining activities at the Aranzazu Project were temporarily suspended on December 10, 2008 and all capital projects, including underground development work, were deferred. Mine planning and mill upgrades targeting initial throughput of 2,600 tpd have commenced for a planned restart of mining operations in the second quarter of 2010. In addition, confirmatory metallurgical testwork is underway for the continued optimization of copper and gold recovery. Total capital expenditures associated with the restart of the Aranzazu Project are estimated to be US\$20 million. The capital expenditure includes new ramp development, stope development, mine infrastructure including additional mine ventilation and some additional mine equipment. Also included are the upgrades to the process plant to expand the capacity to 2,600 tpd, with further upgrades planned to increase throughput to 3,000 tpd.

The Company also completed 12,200 metres of close-spaced core drilling at the high-grade resources within the Calcocita, Arroyos Azules and BW zones for conversion of resources into proven and probable reserves as part of the planned restart of operations. As part of this program, results from 17 holes were released during the quarter. Based on results to date, an additional 14,000 metres of drilling has been approved for additional resource definition on several mineralized zones east of the Arroyos Azules zone. An underground diamond drill rig is also being mobilized to site in December 2009 and will be used for stope definition work in the near-term mine planning areas of the BW, Mexicana and Arroyos Azules zones.

On November 2, 2009, the Company issued updated resource estimates using 0.5% and 0.8% copper cut-offs and based on all drilling completed to September 2009. The cut-offs are based on copper values only.

The 0.5% cut-off was the same cut-off used in the technical report dated July 15, 2008, and entitled "NI 43-101 Technical Report and Audit of the Preliminary Resource Estimate on the Aranzazu Project, Zacatecas State,

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

Mexico" prepared by William J. Lewis, B.Sc., P.Geo. of Micon International Limited. However, no gold or silver assays were available for that resource estimate.

Aranzazu Resource Estimate – 0.5% Cu only cut-off

Resource Category	Tonnes (000)	Cu %	Au g/t	Ag g/t
Measured	2,960	1.04	0.47	9.99
Indicated	21,121	1.01	0.39	8.96
Measured and Indicated	24,082	1.01	0.40	9.09
Inferred	8,674	0.82	0.18	4.39

Aranzazu Resource Estimate – 0.8% Cu only cut-off

Resource Category	Tonnes (000)	Cu %	Au g/t	Ag g/t
Measured	1,740	1.33	0.63	12.93
Indicated	11,107	1.34	0.48	11.70
Measured and Indicated	12,848	1.34	0.50	11.87
Inferred	3,217	1.17	0.28	6.44

In regards to the foregoing resource estimate, only 51% of the holes comprising the resource estimate were assayed for gold, only 63% of the holes comprising the resource estimate were assayed for silver and where no gold or silver assays existed, a zero value was applied. Therefore, with additional drilling and assaying for gold and silver, the grades will likely improve and better reflect the gold and silver recoveries to the concentrate during operations.

This resource estimate, based on the 0.8% Cu cut-off, will now be used for reserve definition and detailed mine design at the Arroyos Azules and BW Zones for the ongoing development and the planned mine re-start.

However, with the wide mineralization, favourable ground conditions and the fact that the Aranzazu Project has a large and expanding resource base open on strike at both ends and at depth, the Company plans to complete a review for additional mine and plant expansion. The expansion would be based on a low cost bulk mining scenario such as sub-level caving, similar to that used at several other operations. If suited to such a bulk mining high tonnage operation, the Company plans to proceed to the next stages of such development during 2010. Work would include extensive drilling, geotechnical and engineering design.

Aura Minerals Inc.

Management's Discussion and Analysis
For the three and nine months ended September 30, 2009

Arapiraca Project

The Arapiraca Project is located in the central-southern part of the State of Alagoas approximately 15 kilometres northwest of the city of Arapiraca and currently consists of 99 exploration licences totalling 177,454 hectares, one application for an exploration licence of 8 hectares and one application for a mining concession of 390 hectares.

In August 2009, the Company announced that it had been granted the LI issued by the Alagoas State Environmental Agency for the Serrote Deposit. The LI allows the Serrote Deposit to proceed to the construction stage.

In connection with the Serrote Deposit, the Company announced results from the PEA Study dated September 30, 2009, and entitled "Preliminary Economic Assessment, Serrote da Laje Deposit of the Arapiraca Copper-Gold-Iron Ore Project, State of Alagoas, Brazil" prepared for Aura Minerals by Gordon Zurowski, P.Eng. of PEG Mining Consultants Inc. in conjunction with Ronald G. Simpson, P.Geo. of GeoSim Services Inc. and Brian Kennedy, P.Eng. The PEA Study supports an open pit and concentrator processing 41,000 tpd of ore feed producing a copper-gold concentrate and an iron rich (67% Fe) magnetite concentrate. Highlights of the PEA Study include the following:

- The Serrote Deposit contains 157.4 million tonnes of mineable sulphide material in the Measured and Indicated categories (64.8 million tonnes in the Measured and 92.6 million tonnes in the Indicated category), with an additional 12.2 million tonnes in the Inferred category, which only represents approximately 7% of the total tonnes;
- Average annual copper production is expected to be 137 million pounds with the average in the first three years totalling approximately 155 million pounds;
- Average annual magnetite production is expected to be approximately 1.3 million tonnes of concentrate;
- The average life of mine cash cost for copper is estimated at US\$0.82 per pound including by-product credits for iron and gold sales;
- The expected after tax net present value is US\$325 million at a 10% discount rate and the after-tax internal rate of return is 25.4%; and
- The expected payback period is 2.8 years. Commodity prices assumed for the financial analysis are US\$2.00 per pound of copper, US\$800 per ounce of gold, and US\$0.85 per dry metric tonne unit of iron ore fines.

Based on the positive results of the PEA Study, the Company plans to advance the Serrote Deposit through to the feasibility study level by the third quarter of 2010. Drilling has commenced to acquire dedicated representative metallurgical samples to follow up on the recently completed testwork at SGS Lakefield in Ontario, Canada. This work will be aimed at further improving copper recovery and concentrate grades and optimizing the process flowsheet. Drilling is also underway to convert Inferred resources to the Measured and Indicated categories. The Company is also completing follow-up drilling at the Caboclo target as this could provide additional near-surface higher-grade copper and gold ore, which could be fed to the concentrator in the early years of operation thereby further enhancing project economics.

Other Exploration Properties

The Company's other exploration projects in Brazil include the Cumaru project, the Inaja Greenstone Belt (the "Inaja Project") and the North Carajas Belt claims, which together total approximately 200,588 hectares in the State of Para (collectively, the "Para Properties"). Based on the change of focus of the Company from exploration to mine development and production and in light of the early exploration stage of the Para Properties, the Company granted an option to Vale S.A. (formerly, Companhia Vale do Rio Doce) to earn up to a 70% interest in the Inaja Project and is reviewing options to realize value from the other Para Properties. Such options may include joint venture agreements or outright sale. While the Company is considering its options on these properties, areas of low potential may be dropped by the Company to reduce holding costs. No exploration is planned on the Para Properties during the remainder of 2009.

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

6. OUTLOOK

In the third quarter of 2009, global growth and economic conditions continued to improve over the second quarter with most countries starting to emerge from the severe economic recession. The signs of recovery in the stock markets have supported higher base metal prices during the quarter, including copper which increased from US\$1.32 per pound at the start of 2009 to US\$2.81 per pound at September 30, 2009. Similarly, gold and silver prices have increased from their levels earlier this year to US\$996 per ounce and US\$16.45 per ounce, respectively, at the end of September 2009. Average gold and silver prices during the third quarter were US\$960 per ounce and US\$14.69 per ounce, respectively. Key factors influencing the price of gold, which has reached record levels, include currency rate fluctuations and the relative weakness of the U.S. dollar, the supply of gold, interest rates and inflation expectations. As a result of the variability of these factors, forecasts for metal prices, particularly for copper, are varied. However, in light of the recent strengthening of the markets and economic conditions in general, the Company believes that the long term environment and prospects for its business remain favourable.

Since acquiring the San Andres Mine, the Company's focus has been the completion of the new primary crusher-conveyor system and implementing a number of operational improvements which are on-going to optimize gold recovery and reduce cash costs. Although the commissioning of the new system is not expected until the first quarter of 2010, the Company expects to produce in excess of 18,000 ounces of gold from the San Andres Mine in the fourth quarter of 2009, at cash costs of below US\$500 per ounce produced. Operations have already been positively impacted by the improvements initiated by the Company, with gold production in October reaching 6,983 ounces.

Production guidance for 2010 will be provided in early 2010 and will be influenced by the final transfer date of the Sao Francisco Mine and Sao Vicente Mine. With the acquisition of the San Andres Mine completed and the proposed acquisition of the producing Sao Francisco Mine and Sao Vicente Mine expected to close in the first quarter of 2010, the Company will have transformed into a mid-tier gold producer with expected annualized production of greater than 220,000 ounces of gold. The cash flow from these operations and that from the restart of the Aranzazu Project is expected to fund all planned capital expenditures and currently planned and ongoing drill programs. The level of future cash flows generated from the sale of gold from these mines and from the sale of copper concentrate at the Aranzazu Project will depend on the demand for gold and copper, metal pricing, exchange rates, taxes, and a number of other factors often outside of the Company's control, as well as the level of production achieved, the production costs which result from such levels of production and capital expenditure programs required to achieve such levels of production.

7. RESULTS OF OPERATIONS

Comparing the three months ended September 30, 2009 to the three months ended September 30, 2008

Sales and Cost of Goods Sold

Revenue from the sale 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 with cost of sales. Revenues from sale of metals in concentrate are recorded in the statement of income net of treatment and refining costs paid to counterparties under the terms of the off-take arrangements and are recognized based on quoted market prices in periods subsequent to the date of sale. In accordance with industry practice, the estimated revenue is recorded based on forward metal prices for the expected date of final settlement. As a result, revenues for concentrate sales include estimated prices for sales in the period, adjusted at period-end based on expected copper prices for final settlement, as well as pricing adjustments for sales that occurred in previous quarters, based on actual prices received. These adjustments also reflect changes in quantities arising from final weight and assay calculations.

The Company's sole source of revenue for the three months ended September 30, 2009 is the sale of gold from the San Andres Mine following its acquisition on August 25, 2009. From August 26 to September 30, 2009, the Company sold 7,175 gold ounces at an average realized price of \$1,046 (US\$964) per gold ounce. Details of sales, cost of goods sold and mine operating earnings are presented below:

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

<i>(In thousands)</i>	\$Cdn	\$US
Financial information		
Sales	7,502	6,914
Cost of goods sold ¹	7,401	6,821
Mine operating earnings	101	93

1 This figure includes the fair value impact from the purchase price allocation of \$3,879,000.

Due to the suspension of operations at the Aranzazu Project, the Company did not record any sales of copper concentrate or related cost of goods sold for the three months ended September 30, 2009.

Copper concentrate shipments for the three months ended September 30, 2008 totalled 1,188 dry metric tonnes ("DMT"). These shipments include 607,700 pounds payable of copper, 164 ounces of gold and 7,644 ounces of silver. As a result of declining copper prices late in the quarter, pricing on these shipments was adjusted to US\$6,325 per tonne (or US\$2.88 per pound), being the average forward copper price for the expected dates of final settlements. Revenue related to copper concentrate shipments during the quarter ended September 30, 2008 is as follows:

<i>(In thousands, except per tonne amounts)</i>	\$ Cdn	\$ US
Copper revenue, net of treatment and refining charges	\$ 1,525	\$ 1,471
Gold by-product revenue	141	136
Silver by-product revenue	98	95
Negative price adjustment related to shipments in prior quarter	(124)	(120)
Total sales	\$ 1,640	\$ 1,582
Average net sales price per tonne of concentrate recorded	\$ 1,381	\$ 1,332
Average foreign exchange rate (US \$1 = Cdn \$)	1.0369	

Cost of goods sold for the period from August 26 to September 30, 2009 relates to the San Andres Mine, and totalled \$7,401,000, or approximately \$1,031 per ounce sold. Cost of goods sold for the period includes the cost of production of \$7,312,000 or \$1,019 per ounce, which includes the impact of the fair value adjustment to the acquisition date inventory which was subsequently sold. Of the \$5,497,000 added to gold inventory at August 25, 2009 to adjust such inventories to fair value, \$3,879,000 or \$540 per ounce was allocated to gold ounces sold during the period, and \$1,618,000 is attributed to the gold ounces remaining in inventory at September 30, 2009. Total non-cash accretion charges for the period totalled \$52,000 or \$7 per ounce. The net smelter return royalty ("NSR") of \$37,000, or \$5 per ounce, relates to a 0.5% underlying royalty associated with the gold sold from the San Andres Mine to a maximum of US\$1,500,000. As of September 30, 2009, US\$1,182,000 of this royalty had been incurred. No depletion or amortization was attributed to gold ounces sold during the period as the ounces were all purchased inventory on the acquisition date.

Costs of goods sold for the three months ended September 30, 2008 relates to the Aranzazu Project includes such costs and expenses associated with underground mining, including explosives and hauling, crushing, processing, concentrate transportation costs from the project to the port at Manzanillo, Mexico, and general services and other costs as well as proportionate allocations of overhead. For the quarter ended September 30, 2008, costs of production totalled \$1,933,000 or approximately \$1,627 per tonne of copper concentrate. The NSR royalty of \$9,000 in 2008 represents an underlying royalty on copper production from the Aranzazu Project, 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.

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

Other Income (Expenses) and Net Loss

Other expense items for the three months ended September 30, 2009 include stock-based compensation of \$1,411,000, exploration expenditures of \$2,970,000, a foreign exchange loss of \$1,152,000, a realized loss on derivatives of \$1,998,000, cost of operations in care and maintenance of \$434,000, and other general and administrative expenses of \$1,903,000, offset by interest income of \$166,000.

Other expense items for the three months ended September 30, 2008 include stock-based compensation of \$2,702,000, exploration expenditures of \$8,994,000, a foreign exchange loss of \$591,000, and other general and administrative expenses of \$1,499,000, offset by interest income of \$413,000.

The stock-based compensation expense relates to the vesting in the period of previously granted options and of new options granted during the three months ended September 30, 2009 and 2008. For the three months ended September 30, 2008, the stock-based compensation also includes \$559,000 of amortization of the fair value of the common shares (the "Signing Shares") issued to the President and CEO during the first quarter of 2008, as described in note 12(e) of the Financial Statements.

For the three months ended September 30, 2009, cost of operations in care and maintenance total \$434,000 and relate to the Aranzazu Project. These costs consist of salaries and wages, professional fees, and general maintenance and administration costs. In the comparative 2008 quarter, all costs associated with the Aranzazu Project were included as cost of goods sold.

Included in other general and administrative expenses for the three months ended September 30, 2009 of \$1,903,000 are: salaries and benefits of \$824,000, which reflect amounts related to corporate office staff; professional fees of \$82,000 which consist of legal, consulting and quarterly review fees; interest expense of \$98,000 which is primarily interest on the San Andres Mine promissory notes, and amortization and accretion of \$197,000. Amortization and accretion relate to the Company's corporate and Brazil locations, as well as the Aranzazu Project while under care and maintenance. Depletion is calculated on a unit of production basis, and as such, results for the three months ended September 30, 2009 do not include any depletion on the mineral property at the Aranzazu Project and amortization for the Aranzazu Project only covers those pieces of equipment currently in use at the site. The remaining other general and administrative expenses of \$702,000 include: investor relations and corporate development costs; ongoing travel to the Company's projects in Brazil, Mexico and Honduras; occupancy costs; filing, listing and transfer agent costs; directors' fees and expenses; and shareholder communications costs. These reflect normal course expenditures for a public company involved in mineral exploration, development and operations outside of Canada.

Included in other general and administrative expenses for the three months ended September 30, 2008 of \$1,499,000 are: salaries and benefits of \$726,000 reflecting amounts related to corporate office staff; professional fees of \$153,000 consisting of legal, consulting and quarterly review related fees, and amortization and accretion of \$140,000. The remaining general and administrative expenses of \$480,000 reflect costs related to operating the Company's corporate offices in Vancouver.

For the three months ended September 30, 2009, the Company incurred \$2,970,000 in exploration costs, including expenditures of \$1,742,000 related to the Arapiraca Project comprised of: consulting costs of \$364,000 primarily related to the PEA Study; drilling costs of \$268,000; geological and assay related costs of \$70,000; salaries and benefits of \$526,000; and other costs of \$514,000. A further \$1,208,000 in exploration expenditures was incurred on the Aranzazu Project during the period, primarily related to the Company's ongoing drilling program, and \$20,000 was incurred on other properties.

For the three months ended September 30, 2008, the Company incurred \$8,993,000 in exploration expenditures, of which \$7,894,000 related to the Arapiraca Project. The largest single expense item for the Arapiraca Project was drilling costs of \$3,396,000. Exploration expenditures on the Company's other projects totalled \$1,099,000, of which \$668,000 was incurred on the Inaja Project.

Interest income generated on invested funds amounted to \$166,000 for the three months ended September 30, 2009. The Company holds its cash and cash equivalents in interest bearing chequing accounts and bankers' acceptance notes ("BAs"), all with maturities of three months or less. Interest income for the three months ended

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

September 30, 2008 amounted to \$413,000 as a result of a higher average cash balance and higher interest rates during that period.

The foreign exchange loss of \$1,152,000 recorded during the three months ended September 30, 2009 includes an \$859,000 unrealized loss on the Company's restricted cash balance which is held in US dollars. The remaining loss reflects the holding of Honduran lempiras, Brazilian reais and Mexican pesos, and the fluctuation of those currencies against the Canadian dollar during the period. The foreign exchange loss compares to a foreign exchange loss of \$591,000 for the three months ended September 30, 2008.

The realized loss on derivatives of \$1,998,000 for the three months ended September 30, 2009 relates to the use of a collar by the Company to hedge against adverse currency movements following the commitment entered into during the quarter to deliver US\$90,000,000 related to the San Andres Mine acquisition and the proposed Sao Francisco Mine and Sao Vicente Mine acquisitions. As further described in "*Financial Instruments and Other Instruments*", the realized loss on derivatives represents the difference between the ceiling price on the collar and the spot exchange rate on the closing date. As the Company is not applying hedge accounting to this transaction, the amount is reflected in the statement of operations and comprehensive loss instead of as part of the purchase price of the mine acquisitions.

For the three months ended September 30, 2009, the Company recorded a future income tax recovery of \$3,595,000, reflecting the reversal of a portion of the future income tax liability related to the fair value adjustment on inventory that was set up on acquisition of the San Andres Mine and the impact of foreign currency fluctuations on the future income tax liabilities. For the three months ended September 30, 2009, the Company also recorded a current income tax expense of \$694,000 relating to income tax payable on earnings at the San Andres Mine. For the three months ended September 30, 2008, the Company recorded a future income tax recovery of \$145,000, reflecting the reversal of a portion of the future income tax liability set up on acquisition of the Aranzazu Project, and no current tax expense.

Comparing the nine months ended September 30, 2009 to the nine months ended September 30, 2008

Sales and Cost of Goods Sold

The Company's revenues for the nine months ended September 30, 2009 includes the sale of gold from the San Andres Mine following its acquisition on August 25, 2009 which amounted to \$7,502,000, as summarized in "*Results of Operations - Comparing the three months ended September 30, 2009 to the three months ended September 30, 2008*", and the final shipment of 41 DMT of copper concentrate from the Aranzazu Project sold in January 2009 after operations at the project were suspended. The sale of copper concentrate is summarized below:

<i>(In thousands, except per tonne amounts)</i>	\$ Cdn	\$ US
Copper revenue, net of treatment and refining charges	\$ 31	\$ 25
Gold by-product revenue	5	4
Silver by-product revenue	5	4
Total sales	\$ 41	\$ 33
Average net sales price per tonne of concentrate recorded	\$ 995	\$ 800
Average foreign exchange rate (US \$1 = Cdn \$)	1.2443	

The Company's sales for the nine months ended September 30, 2008 include copper concentrate shipments from the Aranzazu Project following the date of acquisition on June 5, 2008 to the end of the period. Sales during this period consisted of 1,409 DMT of copper concentrate and are presented below:

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

<i>(In thousands, except per tonne amounts)</i>		\$ Cdn		\$ US
Copper revenue, net of treatment and refining charges	\$	1,812	\$	1,755
Gold by-product revenue		165		160
Silver by-product revenue		121		118
Total sales	\$	2,098	\$	2,033

Average price per tonne of concentrate realised, before price adjustments	\$	1,489	\$	1,443
Average foreign exchange rate (US \$1 = Cdn \$) for the quarter		1.0322		

Cost of goods sold for the nine months ended September 30, 2009 relate to gold sales for the San Andres Mine for the period from August 26 to September 30, 2009, as discussed under "Results of Operations - Comparing the three months ended September 30, 2009 to the three months ended September 30, 2008", and the Company's final shipment of copper concentrate from the Aranzazu Project. Total costs associated with the final copper concentrate shipment were \$25,000.

For the nine months ended to September 30, 2008, costs of goods sold relate solely to the production costs of concentrate produced, as well as salaries and wages for personnel, professional fees and other maintenance and general administrative costs at the Aranzazu Project. Such costs were \$2,345,000 for the period. Non-cash depletion, amortization and accretion for the period to September 30, 2008 were \$759,000.

Other Income (Expenses) and Net Loss

Other expense items for the nine months ended September 30, 2009 include stock-based compensation of \$4,243,000, exploration expenditures of \$7,968,000, an impairment charge to resource properties of \$8,744,000, cost of operations in care and maintenance of \$1,420,000, a foreign exchange loss of \$668,000, a realized loss on derivatives of \$1,998,000, and other general and administrative expenses of \$4,856,000, offset by interest income of \$298,000. Other expense items for the nine months ended September 30, 2008 include stock-based compensation of \$12,943,000, exploration expenditures of \$20,385,000, a foreign exchange gain of \$64,000, and other general and administrative expenses of \$6,351,000, offset by interest income of \$1,788,000.

The stock-based compensation expense relates to the vesting in the period of previously granted options and of new options granted during the nine months ended September 30, 2009 and 2008. Included in stock-based compensation for the nine months ended September 30, 2009 is \$1,150,000 (2008 - \$781,000), relating to the amortization of the fair value of the 700,000 Signing Shares which were held in escrow during the first and second quarters of 2009. The Signing Shares were released from escrow in the second quarter of 2009, when certain conditions were 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 reversed out of contributed surplus and credited to capital stock.

Cost of operations in care and maintenance relates to the costs associated with the Aranzazu Project while operations are suspended, and totalled \$1,420,000 for the nine months ended September 30, 2009. These costs consisted of salaries and wages, professional fees, and general maintenance and administration costs.

Included in other general and administrative expenses for the nine months ended September 30, 2009 of \$4,856,000 are: salaries and benefits of \$2,208,000, which reflect amounts related to corporate office staff; professional fees of \$222,000 which consist of legal, consulting and quarterly review fees; interest expense of \$98,000; and amortization and accretion of \$610,000. The remaining other general and administrative expenses of \$1,718,000 include: investor relations and corporate development costs; costs associated with ongoing travel to the Company's projects in Honduras, Brazil and Mexico; occupancy costs; filing, listing and transfer agent costs; directors' fees and expenses; and shareholder communications costs. These reflect normal course expenditures for a public company involved in mineral exploration, development and operations outside of Canada.

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

Included in other general and administrative expenses for the nine months ended September 30, 2008 of \$6,351,000 are: salaries and benefits of \$3,519,000; professional fees of \$577,000; and amortization and accretion of \$365,000. Included in salaries and benefits for this period is an amount of \$1,614,000 paid as compensation to the President and CEO for income tax payable on account of receipt of the Signing Shares as described above. The remaining general and administrative expenses of \$1,890,000 reflect costs related to operating the Company's corporate offices in Vancouver.

For the nine months ended September 30, 2009, the Company incurred \$7,968,000 in exploration costs, representing the exploration and development work conducted on the Company's mining and resource properties. Of these expenditures, \$4,597,000 related to the Arapiraca Project, including consulting costs of \$1,206,000 which primarily related to the PEA Study. Arapiraca Project costs also included \$475,000 in drilling costs, \$248,000 in geological and assay costs, salaries and benefits of \$1,362,000 and other costs of \$1,306,000. The Company also incurred \$730,000 on the Inaja Project and \$307,000 on other projects. A further \$2,334,000 in exploration expenditures were incurred on the Aranzazu Project during the period, of which \$1,423,000 related to drilling costs.

For the nine months ended September 30, 2008, the Company incurred \$20,385,000 in exploration expenditures, of which \$16,339,000 related to the Arapiraca Project. The largest single expense item for the Arapiraca Project was drilling costs of \$7,464,000. Exploration expenditures on the Company's other projects totalled \$4,046,000, of which \$2,464,000 was incurred on the Inaja Project.

Interest income generated on invested funds amounted to \$298,000 for the nine months ended September 30, 2009. Interest income for the nine months ended September 30, 2008 amounted to \$1,788,000 as a result of a higher average cash balance and higher interest rates during that period.

The foreign exchange loss of \$668,000 recorded during the nine months ended September 30, 2009, includes an \$859,000 unrealized loss on the Company's restricted cash balance which is held in US dollars. Offsetting these losses was a net gain of \$191,000 reflecting the holding of Honduran lempiras, Brazilian reais and Mexican pesos, and the fluctuation of those currencies against the Canadian dollar during the nine-month period. This compares to a foreign exchange gain of \$64,000 for the nine months ended September 30, 2008.

The realized loss on derivatives of \$1,998,000 for the nine months ended September 30, 2009 relates to the use of a collar by the Company to hedge against adverse currency movements following the commitment to deliver US\$90,000,000 as part of the San Andres Mine acquisition and the proposed Sao Francisco Mine and Sao Vicente Mine acquisitions. See *"Results of Operations – Comparing the three months ended September 30, 2009 to the three months ended September 30, 2008"* and *"Financial Instruments and Other Instruments"*.

For the nine months ended September 30, 2009, the Company recorded a future income tax recovery of \$6,668,000, which includes a recovery of \$2,973,000 on the resource property impairment charge for the period, the reversal of a portion of the future income tax liability related to the fair value adjustment on inventory that was set up on acquisition of the San Andres Mine, and the impact of foreign currency fluctuations on the future income tax liabilities. For the three months ended September 30, 2009, the Company also recorded a current income tax expense of \$694,000 relating to income tax payable on earnings at the San Andres Mine. For the nine months ended September 30, 2008 the Company recorded a future income tax recovery of \$212,000, reflecting a reversal of a portion of the future income tax liability set up on acquisition of the Aranzazu Project, and no current tax expense.

Capital Expenditures

During the three and nine months ended September 30, 2009, total additions to property, plant and equipment were \$88,674,000 and \$88,718,000, respectively. Of these amounts, \$88,340,000 relates to the fair value of the property, plant and equipment and mineral property acquired as part of the San Andres Mine acquisition. Of the remaining \$378,000 in additions for the nine months ended September 30, 2009, \$241,000 relates to capital projects in process and equipment at the Aranzazu Project, and the remaining amount relates to the Company's head office and Brazil office locations.

During the three and nine months ended September 30, 2008, the Company expended \$2,392,000 and \$106,125,000, respectively, on the purchase of property, plant and equipment. Of the amount for the nine month period ended September 30, 2008, \$99,275,000 related to the purchase of property, plant and equipment as part of

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

the Aranzazu Project acquisition. Further additions to the plant and equipment of the Aranzazu Project totalled \$5,699,000 for the nine months ended September 30, 2008 and consist of additional mining equipment, vehicles, and process plant equipment and upgrades. The remaining additions to property, plant and equipment relate to purchases of equipment, vehicles, furniture and fixtures, computer equipment and software for the Company's head office and Brazil office locations.

As mentioned in "*Corporate Developments – Gold Mine Acquisitions*", pursuant to a share purchase agreement dated July 17, 2009, the Company and its wholly-owned subsidiary, San Andres (B.V.I.) Inc. ("SAB"), a British Virgin Islands business company, agreed to acquire all of the issued and outstanding shares of RNC (Honduras) Limited ("RNC") and San Andres (Belize) Limited ("San Andres Belize"). RNC and San Andres Belize together own 100% of the issued and outstanding shares of Minerales de Occidente S.A. de C.V. ("Minosa"), which holds a 100% interest in the San Andres Mine. The transaction closed on August 25, 2009 for total consideration of \$89,013,000, which included:

- 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 average of the Company's share price on June 10, 2009, being the first business day following the announcement of the San Andres Mine acquisition was announced, and the two days before and after June 10, 2009;
- 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 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; and
- iv) \$773,000 in transaction costs.

Consideration also includes deferred purchase price consideration payable of US\$14,750,000, payable as to 50% of all net free cash flow from the San Andres Mine from and after August 25, 2009 that exceeds the cumulative net free cash flow of US\$79,000,000. No amount has been recorded in the purchase price for this contingent consideration.

The transaction has been accounted for as a business combination, effective August 25, 2009, with Aura Minerals as the acquirer of RNC and San Andres Belize and the preliminary purchase price allocation to the fair values of the identifiable assets and liabilities, which may be revised by the Company as additional information becomes available, is as follows:

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

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
	114,028

Liabilities assumed

Accounts payable and accrued liabilities	\$ (6,804)
Other long term liabilities	(3,368)
Asset retirement obligation	(6,087)
Future income tax liability ¹	(8,756)
	(25,015)

Net assets acquired **\$ 89,013**

¹ Future income taxes relate to the net assets, which have a tax basis of \$62,744,000.

8. SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected unaudited interim consolidated financial information for the Company for each of the eight most recently completed quarters.

For the Quarters Ended:	Sept 30, 2009 (unaudited)	Jun 30, 2009 (unaudited)	Mar 31, 2009 (unaudited)	Dec 31, 2008 (unaudited)	Sept 30, 2008 (unaudited) (restated)	Jun 30, 2008 (unaudited) (restated)	Mar 31, 2008 (unaudited) (restated)	Dec 31, 2007 (unaudited) (restated)
(In thousands of Canadian dollars, except per share information)								
Sales Revenue	7,502	Nil	41	1,182	1,641	458	Nil	Nil
Working Capital	61,865	36,431	39,905	40,620	58,301	76,942	90,115	96,047
Property, plant and equipment	203,245	115,534	115,744	115,767	105,721	103,974	1,018	711
Resource Properties ⁽¹⁾	14,407	14,407	14,407	26,927	31,872	26,402	26,402	26,402
Net Loss ⁽²⁾	6,700	5,216	11,592	16,974	14,112	12,637	11,886	27,127
Net Loss per Share (basic and diluted) ⁽³⁾	\$ 0.05	\$ 0.04	\$ 0.10	\$ 0.14	\$ 0.12	\$ 0.12	\$ 0.11	\$ 0.32

⁽¹⁾ Net of impairment charges of \$8,744,000, \$5,065,000 and \$30,304,000 taken in the quarters ended March 31, 2009, December 31, 2008 and December 31, 2007, respectively. Balance of resource properties as at March 31, 2009 is also net of the Inaja Project option payment received of \$3,775,000.

⁽²⁾ For the quarter ended March 31, 2009, net of an impairment charge of \$8,744,000 and a related future income tax recovery of \$2,973,000. For the quarter ended December 31, 2007, net of an impairment charge of \$30,304,000 and a related future tax recovery of \$10,303,000. For the quarter ended December 31, 2008, net of an impairment charge of \$5,065,000 and a future income tax recovery of \$1,722,000.

⁽³⁾ Net loss per share on a diluted basis is the same as net loss per share on an undiluted basis, as all factors, which were considered in the calculation, are anti-dilutive. Net loss per share is stated after taking into effect the Consolidation, as described under the heading "Corporate Developments – Share Consolidation".

Quarterly results for the quarters ended June 30, 2008, September 30, 2008, December 31, 2008 and March 31, 2009 reflect revenues and operating expenses of the Aranzazu Project, acquired on June 5, 2008. Prior quarters'

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

results include no revenues as the Company had no producing mines. Results for the quarter ended September 30, 2009 include revenues and operating expenses of the San Andres Mine, acquired on August 25, 2009. The Aranzazu Project was placed in care and maintenance in mid-December 2008 due to the prevailing market conditions and commodity price environment.

All results shown in the above table for the quarter ended September 30, 2008 and for prior quarters are restated to reflect the change in accounting policy regarding the expensing of previously deferred exploration costs. For further explanation of period to period variations, see *"Operations Review"*, *"Development and Exploration Review"* and *"Results of Operations"*.

9. LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents used in operating activities during the three and nine months ended September 30, 2009 were \$6,206,000 and \$14,315,000, respectively. Cash and cash equivalents used in investing activities during the three and nine months ended September 30, 2009 were \$101,427,000 and \$97,807,000, respectively. Cash used in investing activities for the three and nine months ended September 30, 2009 includes \$38,299,000 used for the acquisition of the San Andres Mine, \$61,745,000 which was transferred to restricted cash and represents the funds held in escrow to cover the cash component of the Sao Francisco Mine and the Sao Vicente Mine acquisitions, and \$876,000 representing transaction costs incurred to date related to these acquisitions. Cash used in investing activities for the nine months ended September 30, 2009 also includes \$3,775,000 received from Vale S.A. in relation to the Inaja Project option agreement. Excluding assets purchased in connection with the acquisition of the San Andres Mine, property, plant and equipment acquired for cash for the three and nine months ended September 30, 2009 totalled \$417,000 and \$572,000, respectively.

Cash and cash equivalents generated from financing activities during the three and nine months ended September 30, 2009 were \$119,079,000, of which \$118,723,000 was the net proceeds from the Offering, adjusted for amounts remaining in accounts payable at the end of the period. Cash generated from financing activities also includes \$356,000 from the exercise of options during the three and nine months ended September 30, 2009. As a result, the increase in cash and cash equivalents during the three and nine months ended September 30, 2009 was \$11,446,000 and \$6,957,000, respectively. These amounts were offset by the effect of exchange rates on cash and cash equivalents of \$6,000 for the three and nine months ended September 30, 2009, resulting in a total change in cash and cash equivalents of \$11,452,000 and \$6,963,000, respectively.

As at September 30, 2009, the Company had cash and cash equivalents of \$46,794,000, restricted cash of \$60,884,000 and working capital of \$61,865,000. Cash and cash equivalents at September 30, 2009 include BAs issued by a Canadian chartered bank and interest-bearing cash deposit accounts held with a Canadian chartered bank, all with maturities of three months or less. The Company believes that it is not exposed to significant credit risk on these financial instruments.

Included in cash and cash equivalents at September 30, 2009 are \$666,000 denominated in United States dollars, \$3,778,000 denominated in Brazilian reais, \$1,159,000 denominated in Honduran lempiras and \$798,000 denominated in Mexican pesos which are subject to foreign currency rate fluctuations. The restricted cash amount of \$60,884,000 is denominated in United States dollars. In conducting its operations, the Company makes payments as appropriate from time to time in each of the above currencies and all proceeds of gold and concentrate sales are received in United States dollars. Accordingly, depending upon the planned spending levels on its Brazilian properties, and depending upon the timing of expenditures and receipts at its San Andres Mine and Aranzazu Project operations, the Company will be subject to foreign currency rate fluctuations between these currencies and the Canadian dollar.

The Company has implemented a rigorous planning and budgeting process to help determine the funding requirements to support the Company's current operations and expansion and development plans. The Company's objective is to ensure that there are sufficient committed financial resources to meet its short-term requirements for a minimum of twelve months.

In view of the commodity price environment in late-2008, the Company commenced a review of all work programs and expenditures, including 2009 mine plans and capital and operating budgets with a view to preserving cash

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

resources during the forecast economic downturn. As a result, the Company temporarily suspended all mining activities at the Aranzazu Project in mid-December 2008, and deferred all capital projects, including underground development work. In light of the improved economic situation and commodity prices since the second quarter of 2009, the Company has re-commenced drilling programs at the Aranzazu Project. Concurrent with this drilling, mine planning, testing, and plant upgrades continue towards a planned re-start of operations at 2,600 tpd in mid-2010. The total capital expenditures associated with the restart of the Aranzazu Project are estimated to be US\$20 million, as described under the heading "*Development and Exploration Review – Aranzazu Project*". Of this amount, approximately US\$4.5 million is expected to be incurred in the fourth quarter of 2009. Other fourth quarter expenditures include approximately US\$5.3 million for the ongoing installation of the new crusher-conveyor system at the San Andres Mine.

As described under the heading "*Development and Exploration Review – Arapiraca Project*", based on the positive results of the PEA Study, the Company plans to advance the Serrote Deposit through to the feasibility study level by the third quarter of 2010. Additional drilling is underway at the Serrote Deposit to convert Inferred resources to the Measured and Indicated categories and follow-up drilling at the Caboclo target is also being completed. The expenditures associated with these activities in Brazil are estimated to be US\$6 million and are expected to be incurred over the next twelve months.

The above expenditures will be funded by cash flows generated from current operations at the San Andres Mine, from anticipated cash flows upon the restart of the Aranzazu Project in mid-2010 and from the Company's current cash and cash equivalents.

The Company has a number of new financial commitments as a result of the acquisition of the San Andres Mine, most notably the repayment of interest and principal on the promissory notes payable and deferred purchase price consideration payable. See "*Contractual Obligations*". The Company anticipates that these obligations will be paid out of cash flows generated from operations. Additionally, the cash component of the purchase consideration related to the proposed acquisition of the Sao Francisco Mine and Sao Vicente Mine will be funded by the US\$56,866,000 held in escrow.

The profitability of the Company's operations is highly correlated to the market prices of precious and base metals, as is the ability of the Company to develop its other properties. If metal prices were to decline for a prolonged period below the cost of production of the Company's mines, it may not be feasible to continue operations. In addition to commodity price risk, the Company is exposed to liquidity risks in the event its cash positions decline or become inaccessible, for any reason, or additional financing is required and is unavailable. Any of these factors may impact the ability of the Company to obtain further equity or debt financing in the future, or if obtained, on terms favourable to the Company. Although there have been numerous indications of economic recovery during 2009, increased levels of volatility and market turmoil could adversely impact the Company's results of operations and planned growth. These events could have a significant impact on the Company and are discussed further in "*Risk Factors – Current Global Financial Conditions*".

10. CONTRACTUAL OBLIGATIONS

For the nine months ended September 30, 2009 and as of November 11, 2009, and except as described under "*Corporate Developments - Private Placement Financing and Gold Mine Acquisitions*", the Company has not entered into any contractual obligations that are outside of the ordinary course of business.

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

In addition to commitments otherwise reported in this MD&A, the Company's contractual obligations included the following as at September 30, 2009:

<i>(In thousands of Canadian dollars)</i>	Total	2009	2010-2011	2012-2013	After 2013
Promissory notes payable	\$ 27,623	\$ Nil	\$ 10,707	\$ 16,916	\$ Nil
Operating leases (premises and other)	683	47	409	227	Nil
Capital lease obligations	36	3	27	6	Nil
Reclamation obligations	10,359	Nil	Nil	Nil	10,359
Total contractual obligations	\$ 38,701	\$ 50	\$ 11,143	\$ 17,149	\$ 10,359

The above table includes the Company's estimated obligation to reclaim the San Andres Mine and the Aranzazu Project properties following completion of mining activities at those sites. The Company has engaged specialist environmental consultants familiar with its projects to provide estimates of the costs necessary to comply with existing reclamation standards in Mexico and Honduras and to estimate the Company's asset retirement obligations at each location. Based on the external consultants' conclusions, the undiscounted amounts of the estimated obligations for restoration and closure of the San Andres Mine and the Aranzazu Project, adjusted by an estimated annual inflation and by a market risk premium at each location are approximately \$10,359,000. While Canadian GAAP requires the Company to recognize the fair value for the asset retirement obligation using a credit adjusted risk-free discount rate, the amount reflected in the above table represents the undiscounted amounts estimated at the time of payment. Ongoing reclamation costs incurred as part of normal mining operations are expensed as incurred.

As described under the heading "*Results of Operations – Capital Expenditures*", included as part of the total consideration for the San Andres Mine is deferred purchase price consideration payable in the amount of US\$14,750,000. This deferred purchase price consideration payable is not included in the above table. Also, as described under the heading "*Corporate Developments – Gold Mine Acquisitions*", upon completion of the Sao Francisco Mine and the Sao Vicente Mine acquisition, deferred purchase price consideration in the amount of US\$25,250,000 will be payable. Subject to completion and closing of the acquisition of the Sao Francisco Mine and Sao Vicente Mine, to the extent that the net free cash flow threshold for the San Andres Mine has been reached before the cumulative net free cash flow threshold for Sao Francisco Mine and Sao Vicente Mine, 50% of all net free cash flow from the San Andres Mine shall continue to be payable, up to and until the deferred purchase price consideration related to the Sao Francisco Mine and Sao Vicente Mine has been paid in full, and vice versa.

In connection with the purchase of the Sao Francisco Mine and Sao Vicente Mine, the parties have agreed that during the period from the date of the asset purchase agreement, being July 17, 2009, to the closing of the acquisition, the cumulative net free cash flow generated from the Sao Francisco Mine and the Sao Vicente Mine will be attributable back to the vendor. However, the cash consideration payable and the principal amount of the promissory note as described under the heading "*Corporate Developments – Gold Mine Acquisitions*" shall be subject to a reduction, on a *pro rata* basis, at the closing of the acquisition in an amount equal to the cumulative net free cash flow generated from the operation of the Sao Francisco Mine and the Sao Vicente Mine 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 in respect of the Sao Francisco Mine and Sao Vicente Mine.

Certain senior officers and employees of the Company have change of control provisions in their consulting and employment agreements which provide for payments ranging from one to three times their then current annual salary upon the occurrence of such event and subject to certain conditions.

11. OFF-BALANCE SHEET ARRANGEMENTS

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

The Company does not have any off-balance sheet arrangements.

12. TRANSACTIONS WITH RELATED PARTIES

During the three and nine months ended September 30, 2009 and September 30, 2008, the Company was not party to any transactions with related parties as defined by the CICA Handbook, other than the transactions with Yamana Gold Inc. ("Yamana"), as described under the heading "*Corporate Developments – Gold Mine Acquisitions*". The Company and Yamana currently have one common director, but had two common directors at the date of the San Andres Mine acquisition, both of whom recused themselves from participating in the decisions and voting matters with respect to the transactions. Subsequent to the close of the Sao Francisco Mine and the Sao Vicente Mine acquisitions, Yamana will hold approximately 12% of the outstanding common shares of the Company.

13. CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Updated accounting policies

As a result of the acquisition of the San Andres Mine, the Company updated its accounting policies for foreign currency translation, revenue recognition and inventory to include the operations of the San Andres 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.

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.

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

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.

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 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 period ended September 30, 2008 was increased by \$19,196,000 and \$7,088,000, respectively, as a result of the retroactive application of the change in accounting policy.

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 retrospective application. The adoption of this EIC did not have a significant effect on the Company's unaudited interim consolidated financial statements.

Mining Exploration Costs

In March 2009, the CICA issued EIC-174, "Mining Exploration Costs." The EIC provides guidance on accounting for capitalization and impairment of exploration costs. This standard is effective for our fiscal year beginning January 1, 2009. The adoption of this EIC did not have an effect on the Company's unaudited interim consolidated financial statements.

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

The Company will be required to adopt the following newly issued accounting standards and policies:

Business Combinations and Related Sections

In January 2009, the CICA issued Section 1582 "Business Combinations" to replace Section 1581. Prospective application of the standard is effective January 1, 2011, with early adoption permitted. This new standard effectively harmonizes the business combinations standard under Canadian GAAP with International Financial Reporting Standards ("IFRS"). The new standard revises guidance on the determination of the carrying amount of the assets acquired and liabilities assumed, goodwill and accounting for non-controlling interests at the time of a business combination.

The CICA concurrently issued Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-Controlling Interests," which replace Section 1600 "Consolidated Financial Statements." Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. These standards are effective January 1, 2011, unless they are early adopted at the same time as Section 1582 "Business Combinations."

14. CRITICAL ACCOUNTING ESTIMATES

The preparation of the Financial Statements requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities as well as the reported revenues and expenses during the reporting period. Based on historical experience, current conditions and expert advice, management makes assumptions that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for judgments about the carrying value of assets and liabilities and reported amounts for revenues and expenses. The Company's accounting policies relating to work-in-process inventory valuation, depreciation and depletion of mineral property, plant and equipment and site reclamation and closure accruals are critical accounting policies that are subject to estimates and assumptions regarding reserves, recoveries, future metal prices and future mining activities. All estimates used are subject to periodic review and are adjusted as appropriate. Life of mine plans are prepared each year, so all estimates relating to mining activities, reserves, recoveries and gold prices are re-assessed annually, or more frequently as determined by management. Different assumptions would result in different estimates, and actual results may differ from results based on these estimates. These estimates and assumptions are also affected by management's application of accounting policies. Critical accounting estimates are those that affect the unaudited interim consolidated financial statements materially and involve a significant level of judgment by management.

The Company's accounting policies are described in note 2 to the Company's annual audited consolidated financial statements for the year ended December 31, 2008. Management's critical accounting estimates are applied in the accounting for inventories, asset retirement obligations, allocation of the purchase price for the San Andres Mine and the Aranzazu Acquisition, the impairment of long-lived assets, the determination of the fair value of warrants and stock-based compensation and accounting for income taxes.

Inventories

Product inventory, in-process inventory and ore stockpiles are valued at the lower of average production costs or net realizable value.

The Company records the cost of mining ore stacked on its leach pads and in process at its mines as in-process inventory, and values in-process inventory at the lower of cost or estimated net realizable value. These costs are included in cost of sales on the basis of ounces of gold recovered. The assumptions used in the valuation of in-process inventories include estimates of metal contained in the ore stacked on leach pads, assumptions of the amount of metal stacked that is expected to be recovered from the leach pads, the amount of metal in circuit at its process plants, and an assumption of the metal price expected to be realized when the metal is recovered. If these

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

estimates or assumptions prove to be inaccurate, the Company could be required to write down the recorded value of its in-process inventories, which would reduce the Company's earnings and working capital.

Asset Retirement Obligations

The amounts recorded for asset retirement obligations are based on estimates prepared by third party environmental specialists in the jurisdictions in which the Company operates. These estimates are based on remediation activities that are required by environmental laws, the expected timing of cash flows, and the credit-adjusted risk-free interest rate on which the estimated cash flows have been discounted. These estimates also include an assumption on the rate at which costs may inflate in future periods. Actual results could differ from these estimates. The estimates on which these fair values are calculated require extensive judgment about the nature, cost and timing of the work to be completed, and may change with future changes to costs, environmental laws, and regulations and remediation practices.

Allocation of the purchase price of the Aranzazu Acquisition and the San Andres Mine Acquisition

Canadian GAAP requires the Company to record the identifiable assets and liabilities acquired as part of a business combination at their fair values. In the Financial Statements, the Company has recorded the final allocation of the purchase price of the Aranzazu Project, but has only completed a preliminary allocation of the purchase price of the San Andres Mine. The determination of these fair values requires extensive judgment, and is prepared based on information available at the reporting date. The Company makes these determinations with the assistance of independent third party valuers, who provide fair values by property class as well as for the mineral interests and intangible assets. The fair values for the San Andres Mine acquisition may be revised by the Company as additional information becomes available.

Impairment of long-lived assets

Management of the Company reviews and evaluates the carrying value of each mineral property for impairment when events or changes in circumstances indicate that the carrying amounts of the related asset may not be recoverable. If the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the asset, an impairment loss is measured and assets are written down to fair value which is normally the discounted value of future cash flows. Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses whether carrying value can be recovered by considering alternative methods of determining fair value. When it is determined that a mineral property is impaired, it is written down to its estimated fair value in accordance with the CICA Handbook Section 3063 "Impairment of Long-Lived Assets".

Management tested the Aranzazu Project at December 31, 2008 based on third party consensus forecasts of metal prices and exchange rates, on current resources, ore grades and mine plans, on expected throughput capacities and processing yields, on operating and capital cost estimates, expected reclamation costs, and on applicable tax rates in Mexico. It was determined that the potential future cash flows from the Aranzazu Project on an undiscounted basis were in excess of its carrying amount, and that no impairment was required as of December 31, 2008. There have been no adverse changes in circumstances or events during the nine months ended September 30, 2009 that would indicate any need for the Company to update this evaluation. With the exception of the Cumaru (Gradaus) claims which were abandoned and written-off during the three months ended March 31, 2009, management reviewed the status of the Company's other projects and expects that their carrying values are recoverable.

Management's estimates of mineral prices, mineral resources, and operating, capital and reclamation costs are subject to certain risks and uncertainties that may affect the recoverability of deferred mineral property costs. Although management has made its best estimate of these factors, it is possible that material changes could occur which may adversely affect management's estimate of the net cash flows expected to be generated from its properties.

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

Stock-based compensation and warrants

Management is required to make significant estimates about future volatility and the period in which stock options and warrants will be exercised. The selection of the volatility factor, and the estimate of the period in which a stock option or a warrant will be exercised will have a significant impact on the cost recognized for stock-based compensation or share issue costs, respectively. The estimates concerning volatility are based on various factors, including reference to historical volatility and a review of volatilities used by peer companies. The Company does not solely depend on its past share price history as an indicator of volatility due to the limited period that the Company's common shares have been publicly traded. This estimate is not necessarily an accurate indicator of volatility which will be experienced in the future. Management assumes that stock options and warrants will remain unexercised until immediately prior to their expiry date, which may not be the case.

Future income tax assets and liabilities

The determination of the Company's tax expense for the year and its future tax liabilities and assets involves significant estimation and judgment by management involving a number of assumptions. In determining these amounts, management interprets tax legislation in a variety of jurisdictions and makes estimates of the expected timing of the reversal of future tax assets and liabilities. Management also makes estimates of the future earnings which affect the extent to which potential future tax benefits may be used. The Company is subject to assessments by various taxation authorities which may interpret tax legislation differently. These differences may affect the final amount or the timing of the payment of taxes. The Company provides for such differences where known based on management's best estimate of the probable outcome of these matters.

15. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial instruments that potentially subject the Company to interest rate and credit risk consist of cash and cash equivalents, accounts receivable, restricted cash and promissory notes payable. In order to manage credit risk, the Company deposits cash and cash equivalents with high credit quality financial institutions or in government-issued T-Bills.

In connection with the acquisition of the San Andres Mine, the Company's capital structure is now comprised of promissory notes payable as well as equity attributable to common shareholders. The interest rate on the promissory notes payable is fixed at the six-month LIBOR plus 3%. The Company is therefore subject to fluctuations in LIBOR. The Company has not entered into any agreements to hedge against unfavourable changes in interest rates, but may choose to actively manage its exposure to interest rate risk in the future. Other than requirements to maintain and prudently operate its business and pay interest and principal as per the terms of the promissory notes, the Company has no material externally imposed debt requirements.

As at September 30, 2009, the Company's credit risk is primarily related to the recovery of value added taxes as there were no trade receivables from gold sales or from the sale of copper concentrate. Of the \$3,356,000 in value added taxes receivable at September 30, 2009, \$3,096,000 is due in Honduras, \$170,000 is due in Mexico and \$90,000 is due in Canada.

The sale of gold is at spot prices in world markets. Also, as cash receipts following the gold sales are usually at same-day value, the Company does not consider credit risk associated with gold sales to be a significant risk. Further, the Company maintains separate and sufficient insurance and requires the transporters of its gold dore and the refiners to carry sufficient insurance to prevent loss during transportation or the refining process.

The Company is subject to credit risk related to trade receivable from the sale of metal in concentrate as its sale of concentrate to date has generally been made to a single customer. The Company believes that, when operations at the Aranzazu Project resume, its credit risk exposure on sales of concentrate will be limited as the Company sells its product to a large, international purchaser with high credit rating whose historical level of default is minimal.

As the Company's primary operating activities are in Honduras, Mexico and Brazil, foreign exchange risk exposures arise from transactions denominated in foreign currencies. Financial instruments that impact the Company's net loss or other comprehensive loss due to currency fluctuations include: cash and cash equivalents, accounts receivable, restricted cash, accounts payable and accrued liabilities and promissory notes payable denominated in

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

US dollars, Honduran lempiras, Brazilian reais or Mexican pesos. The Company's net revenues from its Honduran and Mexican operations are exposed to foreign exchange risk as commodity sales, treatment charges and royalties are substantially denominated in US dollars, whereas the majority of all other operating expenses are in Honduran lempiras and Mexican pesos, respectively. As at September 30, 2009, the Company had not entered into any financial instruments to hedge currency risks, such as foreign exchange forward sales contracts or the use of puts and calls. It is the Company's intent, particularly in light of the proposed acquisition of the operating mines in Brazil, to establish hedging facilities with financial institutions, such that it will be able to enter into financial instruments to hedge against the risk of an increase in the value of the Brazilian real against the U.S. dollar.

Upon signing the share and asset purchase agreements for the acquisitions of the San Andres Mine and the Sao Francisco Mine and Sao Vicente Mine on July 17, 2009, the Company established a temporary foreign exchange facility with a Canadian chartered bank to guard against a strengthening of the U.S. dollar against the Canadian dollar. With the funds from the Offering held in escrow, and due to the high volatility in the U.S./Canadian dollar exchange rate during the period, the Company entered into a costless collar to limit its foreign exchange exposure on the requirement to deliver (a) to the vendor US\$33,134,000, being the cash consideration related to the San Andres Mine, and (b) to the escrow agent, US\$56,866,000, being the funds to be placed in escrow pending the close of the Sao Francisco Mine and Sao Vicente Mine acquisitions. This financial instrument limited the downside cost of the US dollar purchase to \$101,700,000 and well as the upside cost of the US dollar purchase to \$99,720,000. Upon release of the funds from escrow on the closing date of the San Andres Mine acquisition, the Company purchased US\$90,000,000 for \$99,720,000, being the ceiling price on the collar. As the Company is not applying hedge accounting to this transaction, the difference between the hedge exchange rate and the spot exchange rate on the closing date is shown in the statement of operations and comprehensive loss as a realized loss on derivatives.

The Company is subject to price risk from fluctuations in market prices of gold, copper and other metals. In addition, in respect of metals in concentrate, there is a time lag between the time of initial payment on shipment and final settlement pricing, and changes in the price of gold, copper and other metals during this period impact the Company's revenues and working capital position. During the period and as at September 30, 2009, the Company had not entered into any derivative contracts for the sale of any future concentrate or metal production.

16. CORPORATE GOVERNANCE

The Company's Board and its committees substantially follow the recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders.

Effective September 8, 2009, a director resigned from the Board and Mr. John Ivany was appointed as a director. Additionally, Mr. Tom Ogryzlo was appointed as a director on November 2, 2009. Accordingly, the current Board is comprised of six individuals, five of whom are neither executive officers nor employees of the Company and are unrelated in that they are independent of management. The Audit Committee is currently comprised of three directors who are independent of management.

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

17. DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"). Any system of ICFR, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. There have been no changes in ICFR during the quarter ended September 30, 2009 that have materially affected, or are reasonably likely to materially affect, ICFR.

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

In preparing their certifications of interim filings, as required under *National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), the Company's certifying officers have limited the scope of their design of DC&P and ICFR to exclude controls, policies and procedures of the San Andres Mine. Management considers this acquisition material to the Company's overall results of operations, financial position and cash flows and believes that the internal controls and procedures at the San Andres Mine have a material effect on overall ICFR. Management's review of the internal controls and procedures at the San Andres Mine is ongoing. The San Andres Mine operations comprise 99% of the Company's consolidated revenues of \$7,543,000 and 32% of the total consolidated assets of \$352,914,000 as at September 30, 2009.

18. INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company will be required to adopt International Financial Reporting Standards ("IFRS") for its interim and annual consolidated financial statements beginning on January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. Management has drafted a transition plan to IFRS and, based on the work performed to date, has identified several potential impacts to the Company's consolidated financial statements as a result of adopting IFRS, with the major differences being:

- i. The overall presentation of the consolidated financial statements will change significantly, as the Company complies with increased disclosure requirements under IFRS and differing presentations of the balance sheet and statements of loss and cash flows.
- ii. Currently, IFRS rules surrounding mineral property costs and exploration costs are undergoing changes by the standard setters, and the results of changes to IFRS 6 "*Resource Properties*" could have a significant impact to the Company on transition.
- iii. The adoption of IFRS 21 "*Foreign Currency Transactions*" could result in significant changes to the Company's consolidation procedures. In addition, the identification of functional currencies for each of the Company's subsidiaries could result in changes to foreign currency translation procedures as well as the Company's reporting currency.
- iv. The Company will be required to re-calculate certain estimates under IFRS, including asset retirement obligations, stock-based compensation expense for outstanding options at the transition date, and impairment analyses on the Company's long-lived assets. These re-calculations could result in opening balance sheet adjustments at the transition date, and could affect the various balance sheet accounts as well as opening retained earnings under IFRS.

Management is also in the process of assessing the impact of IFRS adoption on the Company's internal controls over financial reporting, disclosure controls, information systems, financial reporting expertise and other business activities, such as foreign currency and hedging activities. The technical implementation team is currently focusing their efforts on the higher impact areas and has continued with ongoing training sessions provided by external advisors. Currently, there are no matters that would be influenced by Canadian GAAP measures, such as debt covenants, capital requirements and compensation arrangements that would be impacted by the transition to IFRS.

19. NON-GAAP PERFORMANCE MEASURES

The Company has included in this document certain non-GAAP performance measures, including the total cash costs of gold per ounce and of copper per pound. These non-GAAP measures do not have any standardized meaning within Canadian GAAP and therefore may not be comparable to similar measures presented by other companies. Cash costs are presented as they represent an industry standard method of comparing certain costs on a per unit basis, and the Company believes that this information is useful to management and certain investors in evaluating the Company's performance. The data presented 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 Canadian GAAP.

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

Total cash costs include on-site mining, processing and, administration costs, off-site refining and royalty charges, reduced by silver by-product credits, but exclude amortization, reclamation, and exploration costs, as well as capital expenditures. Total cash costs are divided by ounces to arrive at per ounce cash costs.

The following table provides a reconciliation of total cash cost per ounce sold to the Financial Statements:

	For the period from August 26 to September 30, 2009	
<i>(In thousands of dollars except for ounces of gold and total cash cost per ounce)</i>	\$Cdn	\$US
Cost of goods sold per financial statements	\$ 7,401	\$ 6,821
Non-cash adjustments	(52)	(48)
Total cash cost	7,349	6,773
Gold ounces sold	7,175	7,175
Total cash cost per ounce of gold sold ¹	\$ 1,024	\$ 944

¹ This figure includes the fair value impact from the purchase price allocation of \$540 (US\$498) per ounce sold.

20. RISK FACTORS

The operations of the Company are speculative due to the high-risk nature of its business which is the acquisition, financing, exploration, development and operation of mineral properties. The risk factors set forth below and in the Company's annual AIF dated March 23, 2009, a copy of which is filed on SEDAR at www.sedar.com, could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Current Global Financial Conditions

Current global financial conditions have been subject to increased volatility. Numerous financial institutions have declared bankruptcy and others have received capital bail-outs or other relief from government authorities. Access to financing has been negatively impacted by both sub-prime mortgages in the United States and elsewhere and the liquidity crisis resulting from the asset-backed commercial paper market. As a result of these global conditions, the Company is subject to increased counterparty risk and liquidity risk. The Company is exposed to various counterparty risks including, but not limited to: (i) financial institutions that hold the Company's cash; and (ii) the Company's insurance providers. The Company has not entered into forward sales agreements for gold and copper at this time, but may enter into such contracts in the future. As a result, the Company may become exposed to credit related losses in the event of non-performance by counterparties to these financial instruments. In the event that a counterparty fails to complete its obligations, the Company would bear the risk of loss of the amount expected to be received under these financial instruments in the event of the default or bankruptcy of a counterparty.

The Company is also exposed to liquidity risk in the event its cash positions decline or become inaccessible for any reason, or additional financing is required to advance its projects or growth strategy and appropriate financing is unavailable, or demand for gold or copper falls (see "*Liquidity and Capital Resources*"). Any of these factors may impact the ability of the Company to obtain further equity based funding, loans and other credit facilities in the future and, if obtained, on terms favourable to the Company. Although there have been numerous indications of economic recovery during 2009, if these increased levels of volatility and market turmoil were to continue, the Company's results of operations and planned growth could be adversely impacted.

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

Foreign Operations Risks

Political and related legal and economic uncertainty may exist in the other countries where the Company operates, or may operate in the future. The Company's mineral exploration and mining activities may be adversely affected by political instability and changes to government regulation relating to the mining industry.

Presently, all of the Company's mineral properties are located in Honduras, Brazil and Mexico. While the Company believes that Honduras, Brazil and Mexico provide a favourable environment for mining companies to operate in, there can be no assurance that changes in the government or laws of Honduras, Brazil or Mexico or changes in the regulatory environment for mining companies generally or for non-domiciled companies in Honduras, Brazil or Mexico will not be made that would adversely affect the Company. The current political situation in Honduras has had no impact on the Company's operations at the San Andres Mine; however, it is also possible that future social unrest in Honduras may adversely affect operations. It is also possible that future social unrest in Brazil or Mexico may adversely affect the Company's other operations.

Government Regulations, Consents and Approvals

Exploration and development activities and mining operations are subject to laws and regulations governing health and work safety, employment standards, environmental matters, mine development, prospecting, mineral production, exports, taxes, labour standards, reclamation obligations and other matters. It is possible that future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of permits and agreements applicable to the Company or its properties which could have a material adverse impact on the Company's operations and exploration program and future development projects. Where required, obtaining necessary permits and licences can be a complex, time consuming process and there can be no assurance that required permits will be obtainable on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from proceeding with the development of an exploration project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities, which could have an adverse effect on the business, financial condition or results of operation of the Company.

The acquisition of the Sao Francisco Mine and Sao Vicente Mine is conditional upon, among other things, obtaining all government or regulatory approvals, consents and clearances necessary or deemed advisable by counsel including, without limitation, those under applicable border laws and antitrust or other similar laws. The timing of receipt of such approvals, consents or clearances could take a minimum of four months to obtain. A substantial delay in obtaining satisfactory approvals or the imposition of unfavourable terms or conditions in the approvals could prevent the Company from completing the acquisition of these mines.

Risks Inherent in Acquisitions

The Company may actively pursue the acquisition of exploration, development and production assets consistent with its acquisition and growth strategy. From time to time, the Company may also acquire securities of or other interests in companies with respect to which it may enter into acquisitions or other transactions. Acquisition transactions involve inherent risks, including but not limited to:

- accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates;
- ability to achieve identified and anticipated operating and financial synergies;
- unanticipated costs;
- diversion of management attention from existing business;

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

- potential loss of the Company's key employees or key employees of any business acquired;
- unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition; and
- decline in the value of acquired properties, companies or securities.

Any one or more of these factors or other risks could cause the Company not to realize the anticipated benefits of an acquisition of properties or companies, and could have a material adverse effect on the Company's financial condition.

Acquisition Identification and Integration Risks

While the Company may seek acquisition opportunities consistent with its growth strategy, there is no assurance that the Company will be able to identify projects or companies that are suitable or that are available for sale at reasonable prices or that it will be able to consummate any acquisition, or integrate any acquired business into its operations successfully. Acquisitions may involve a number of special risks, circumstances or legal liabilities. These and other risks related to acquiring and operating acquired properties and companies could have a material adverse effect on the Company's results of operations and financial condition.

To acquire properties and companies, the Company may be required to use available cash, incur debt, issue additional common shares or other securities, or a combination of any one or more of these. This could affect the Company's future flexibility and ability to raise capital, to operate, explore and develop its properties and could dilute existing shareholders and decrease the trading price of the common shares. There is no assurance that when evaluating a possible acquisition, the Company will correctly identify and manage the risks and costs inherent in the business to be acquired.

21. DISCLOSURE OF SHARE DATA AS AT NOVEMBER 11, 2009

- (a) shares authorized: an unlimited number of common shares without par value
- (b) shares issued and outstanding: 172,995,911 common shares

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

(c) stock options outstanding as at November 11, 2009:

Number	Exercise Price	Date of Expiry
31,420	\$2.50	March 30, 2010
390,000	\$2.50	July 25, 2011
30,000	\$3.15	March 30, 2010
90,000	\$3.75	March 30, 2010
1,540,000	\$3.77	March 30, 2012
400,000	\$5.90	May 17, 2012
500,000	\$7.10	June 26, 2012
50,000	\$6.90	July 13, 2012
808,000	\$7.85	July 19, 2012
30,000	\$5.90	August 23, 2012
30,000	\$6.60	September 25, 2012
80,460	\$5.80	December 6, 2012
940,000	\$4.95	January 28, 2013
310,000	\$4.95	January 29, 2013
140,000	\$5.30	February 8, 2013
300,000	\$7.50	April 1, 2013
200,000	\$7.50	April 21, 2013
420,000	\$7.50	May 13, 2013
52,500	\$8.40	June 30, 2013
184,500	\$5.35	August 14, 2013
50,000	\$1.45	October 29, 2013
60,000	\$0.80	November 12, 2013
3,283,331	\$0.78	December 30, 2013
20,000	\$1.15	January 12, 2014
1,110,000	\$3.16	September 11, 2014
20,000	\$3.26	October 19, 2014
800,000	\$3.23	November 2, 2014
11,870,211		

(d) warrants outstanding as at November 11, 2009:

Expiry date	Number outstanding	Exercise price
November 29, 2009	444,450	\$ 7.43
January 15, 2011	2,274,997	2.75
	2,719,447	\$ 3.51

(e) Upon closing of the proposed acquisition of the Sao Francisco Mine and Sao Vicente Mine, the Company is required to issue 13,859,533 common shares as partial consideration (see "Corporate Developments – Gold Mine Acquisitions").

Aura Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2009

22. FORWARD-LOOKING STATEMENTS

Except for statements of historical fact relating to the Company, certain statements contained herein constitute forward-looking statements. Forward-looking statements include, but are not limited to, statements with respect to the future price of copper, gold, silver, nickel and iron ore, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to the integration of acquisitions; risks related to international operations; actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of copper, gold, silver, nickel and iron ore; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the AIF dated March 23, 2009 under the heading "*Item 4.3 - Risk Factors*". 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 statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

23. ADDITIONAL INFORMATION

Additional information relating to the Company including, the Company's AIF, is available for viewing on SEDAR at www.sedar.com and the Company's website at www.auraminerals.com.