



Aura Minerals Inc.

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VIA EMAIL (hudlet@business-humanrights.org)

May 16, 2016

Karen Hudlet
Mexico, Central America & the Caribbean Researcher & Representative
Business & Human Rights Resource Centre

Dear Ms. Hudlet,

Re: Inquiry Regarding Aura Minerals Inc. (the “Company” and “Aura Minerals”)

We understand that the Business & Human Rights Resource Centre intends to publish a Weekly Update newsletter on May 18, 2016 and include a link to the following three publications that negatively portray the Company: (i) “*Stéphane Dion urged to protect Honduran villagers from Canadian mining company Aura Minerals accused of exposing Azacualpa residents to cyanide leaching through gold mine*”, Mike Blanchfield, The Canadian Press, 20 April 2016; (ii) “*Community Fears Toronto-based Aura Minerals Preparing to Illegally Remove Cemetery in Honduras with Military Support*”, Karen Spring, Honduras Solidarity Network, MiningWatch Canada, 12 February 2016; and (iii) “*Empresa Minera envía grupo de choque para atacar a pobladores de Azacualpa*”, ACI-Participa, Red Nacional de Defensoras de Derechos Humanos de Honduras, 5 May 2015 (collectively, the “Articles”). Thank you for allowing us the opportunity to respond.

Aura Minerals recognizes the risk any company operating in a complex environment such as Honduras, might undergo, and we welcome the scrutiny, given our core values reside in ensuring we minimize impact and benefit our surrounding communities in the regions where we operate. **We note however that the implications about the Company in the Articles are factually inaccurate.**

About the Company’s Human Rights Principles and Community Relations

Human Rights

The Company is committed to fair employment practices; all individuals are treated with dignity and respect. The Company does not tolerate any type of discrimination or harassment at any level and expects that all relationships among persons in the workplace will be professional and free of bias and harassment.

The Company’s commitment to human rights is exemplified by the Company’s Corporate Responsibility Principles, and is embedded in our Code of Business Conduct and Ethics and Human Resources Principles. We ensure induction and follow-up training is provided, which includes priority human rights topics such as the definition and prevention of discrimination and harassment, awareness of forced or underage labour, dispute resolution (including access to our Whistleblower Policy and employee grievance mechanisms) and the right to free association, and each of our sites has a Union representing their collective interests.

Community Relations

Strong community relations are paramount and this is why we invest heavily in building lasting relationships with those impacted by our operations. We recognize that communities are not homogenous, and not all members of a community will support mining, however we strive to ensure we focus on creating benefit for the most vulnerable, looking beyond the life of our mine to build sustainable futures for all, consistently engaging in dialogue with all parties, regardless of their stance on mining. Additionally, while we take all claims against us with the utmost seriousness, when claims are made by three individuals with criminal records who have evidenced attempts at bribery and corruption and whose claims, upon investigation, have no basis in reality, we do not engage, for to do so would be to go against Canadian (*Corruption of Foreign Public Officials Act*) and Honduran law and our core values.

Instead, we take our lead from the commitments of the Canadian government to such international norms as the UN Guiding Principles on Business and Human Rights or the OECD Guidelines for Multinational Enterprises and ensure that health and safety, human rights, and environmental protection are key priorities. Canada maintains strong social, human rights and environmental standards for its companies, whether operating at home or abroad.

We recognize that different contexts require tailored responses to how we ensure responsible mining, and so we respect local organizations and ensure we go house to house, getting to know each of our neighbours before we make decisions that might affect them, whether positively or adversely. This is why, in 2015, in the absence of an updated government census, the Company worked with independent community specialists to develop an extensive social baseline of surrounding communities to truly understand their immediate and strategic needs. This meant visiting hundreds of households and thousands of hours of engagement resulting in a strong sustainable development planning proposal that is currently being discussed via a multi-stakeholder roundtable. This “*mesa de dialogo*” or roundtable is facilitated by the National Human Rights Commission with participants from national, regional and local government, communities, Aura Minerals, and civil society.

Response to Specific Accusations

We address some of the specific claims in the Articles below. While we acknowledge that Mr. Blanchfield provided the Company an opportunity to respond to his article we note that his email to the Company’s general email was sent the same day the article was published and unfortunately the Company did not have an opportunity to respond. No opportunity was given to the Company to respond to the article by MiningWatch Canada nor the article by ACI-Participa, Red Nacional de Defensoras de Derechos Humanos de Honduras.

Relocation of the Cemetery.

The accusations and implications in the Articles about “Aura Mineral’s subsidiary MINOSA has not complied with even the basic standards for cemetery relocation, including receiving legal permission from the next of kin, presenting a relocation strategy that is fair and acceptable to the local communities, adequate monetary compensation, and community consultation” is factually inaccurate. This defamatory accusation has no basis and no evidence whatsoever to support the statement is provided.

Sometimes, a company’s responsibility goes beyond its traditional operations. Following a review by the Honduras Ministry of Health, a cemetery located within the mining concession was considered in such bad disrepair that it represented serious health and safety risk to community. Given its geographic location, the

Ministry of Health ordered Aura Minerals to relocate this cemetery.

As for any community, a cemetery holds tremendous spiritual, religious and cultural importance. This is such a high priority and serious matter, that Aura Minerals has dedicated large investments in time and resources to researching best international practices in cemetery relocation, engaging internationally renowned forensic experts and establishing a team of the most nationally competent experts to design the process for relocation.

Aura Minerals has also engaged third party community engagement specialists to visit each and every family in all impacted communities to identify their next of kin, explain the process and seek authorization.

Aura Minerals has not, and will not touch the cemetery until community (next of kin) authorizations are received, and the entire process is approved and accompanied by the Ministry of Health and the National Human Rights Commission.

Aura Mineral's goal is to take this tremendous challenge and turn it into an opportunity for the communities surrounding the San Andres mine. Many families will no longer have to walk two hours to visit the graves of their loved ones as new cemeteries have been built in the communities, designed based on the needs and expectations of each community. Additionally, each family is receiving compensation for this relocation, which will represent important opportunities for enhancing their livelihoods.

Aura Minerals is leveraging this opportunity to build capacity of local people to manage their household incomes, build new businesses and create lasting impacts beyond the life of the mine. Aura Minerals strives to make this process an example for other companies.

Cyanide

The accusations and implications in the Articles about cyanide and the Company “affecting the health of villagers by exposing them to cyanide leaching and from its open-pit gold mine” is factually inaccurate. This defamatory accusation has no basis and no evidence whatsoever to support the statement is provided.

The Company, with the assistance of on-site environmental managers, health and safety technicians and environmental consultants, continues to develop and implement environmental education programs for the Company's employees and host communities. The Company has implemented an integrated management system at all its operations based on OHSAS 1800, ISO 14000 norms and the International Cyanide Management Code (the “Cyanide Code”) administered by the International Cyanide Management Institute (“ICMI”). On September 16, 2010 Aura Minerals became a signatory of the Cyanide Code with each of the San Andres (2016) and Sao Francisco (2015) Mines successfully completing the recertification.

In order to complete the certification process, ICMI received and accepted a Detailed Audit Findings Report prepared by an independent professional third-party auditor who evaluated the San Andres Mine against the ICMI's Verification Protocol and found it in full compliance with the Cyanide Code's Principles and Standards of Practices. The Summary Audit Report and Auditor Credentials Form are available on the Signatory Companies Page of the ICMI web site: <http://cyanidecode.org/signatory-company/aura-minerals>. The operation is required to be re-audited every three years to evaluate continuing compliance with the Cyanide Code.

The Cyanide Code is a voluntary industry program for companies involved in the production of gold using cyanide and companies producing and transporting this cyanide. It was developed under the aegis of the

United Nations Environment Programme by a multi-stakeholder Steering Committee. The Cyanide Code is intended to complement an operation's existing obligation to comply with the applicable laws and regulations of the political jurisdictions in which the operation is located.

ICMI has been established to administer the Cyanide Code, promote its adoption, evaluate its implementation, and manage the certification process. A detailed list of the operations covered by signatory companies' applications, along with the full text of the Cyanide Code and its implementing and administrative documents, are available at www.cyanidecode.org

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In parts of April to May, 2016, the Company made the decision to suspend operations at San Andres as a result of approximately 20 individuals (including the same three individuals noted above under the heading "Community Relations") unlawfully entering the mine site and forcefully disrupting normal operations. The Company believes that the views of the unauthorized individuals did not, nor do they, represent those of the majority of the communities surrounding the San Andres mine. As a result of the forceful disruption and subsequent suspension of operations, the permanent employment of approximately 1,000 direct and indirect local employees and contractors was suspended until a back-to-work agreement was reached. The back-to-work agreement was brokered with the participation of various levels of the Honduran Government and also entails the formation of a representative committee consisting of individuals from the community, the Company and government to facilitate dialogue and mediation.

Aura Minerals takes claims against it, such as those of civil society organizations, very seriously. The Company also takes great care to ensure that in addition to identifying impacts it might cause or contribute to, that it minimizes its impacts directly linked to any state-related activities. Aura Minerals is in regular contact with the Canadian delegation in Honduras, representatives of the Canadian government in Ottawa, Canada's CSR Counsellor and major Honduran government stakeholders including public security forces (which the Company has connected to the National Human Rights Commission to ensure adequate training and understanding of rights based approaches to security provision). When an issue arises, as it has with a small group of individuals (3 members of a local community of 5,000), regardless of how small the claim, the Company makes every attempt to seek collaborative resolution through third-party facilitated dialogue.

Aura Minerals welcomes dialogue with important Canadian and Honduran civil society actors to ensure full transparency and mutual understanding of actual events. We recognize the value of diverse perspectives and seek collaboration and dialogue to build the best possible co-existence with the communities in the regions where we operate.

Yours Truly,

Aura Minerals Inc.

"Ryan Goodman" (signed)

Name: Ryan Goodman
Title: VP Legal Affairs & Business Development