**MARCH 16, 2021**

# Ero Copper reports record fourth quarter and full year 2020 financial results

*(all amounts in US dollars, unless otherwise noted)*

**Vancouver, British Columbia – Ero Copper Corp. (TSX: ERO)** ("Ero" or the "Company") today is pleased to announce its financial results for the three and twelve-months ended December 31, 2020. Management will host a conference call tomorrow, Wednesday, March 17, 2021, at 11:30 a.m. Eastern to discuss the results. Dial-in details for the call can be found near the end of this press release.

HIGHLIGHTS

- Copper production of 10,018 tonnes and 42,814 tonnes during the three and twelve-month periods ended December 31, 2020, respectively;
- Fourth quarter C1 cash costs(*) of $0.69 per pound of copper produced resulting in full year C1 cash costs(*) of $0.67 per pound of copper produced – a $0.27 year-on-year improvement in annual C1 cash costs;
- Generated $67.2 million and $207.1 million in Adjusted EBITDA(*) and $38.6 million and $162.8 million in cash flow from operations during the three and twelve-month periods ended December 31, 2020, respectively;
- Adjusted net income attributable to owners of the Company(*) of $37.4 million and $117.3 million ($0.40 and $1.27 per share on a diluted basis) during the three and twelve-month periods ended December 31, 2020, respectively;
- Record quarterly gold production from the Santo Antonio Vein at the NX Gold Mine of 10,789 ounces of gold at all-in sustaining costs(*) of $608 per ounce of gold produced during the fourth quarter resulting in full-year production of 36,830 ounces of gold at all-in sustaining costs(*) of $628 per ounce;
- Total cash and cash equivalents and available undrawn lines of credit at December 31, 2020 of $62.5 million and $11.6 million compared to $21.5 million and $30.0 million, respectively, at the end of 2019; and,
- Reiterate previously announced full-year production, operating cost and capital guidance for 2021.


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Additionally, subsequent to the year-end, as part of its ongoing corporate strategy, the Company amended its Credit Agreement with The Bank of Nova Scotia ("Scotiabank") and Bank of Montreal ("BMO"), to amend the existing US$75 million senior secured amortizing non-revolving credit facility and US$75 million senior secured revolving credit facility (collectively the "Prior Facilities") with a US$150 million senior secured revolving credit facility payable in a bullet at maturity, approximately four years from closing, on March 31, 2025 (the "Revolving Credit Facility"). The amendment further reduces the Company's cost of borrowing depending on the Company's consolidated leverage ratio, and eliminates principal payments previously due in 2022, 2023 and 2024 under the Prior Facilities. Additional detail is provided later in this press release.

Commenting on the Company's 2020 results, David Strang, CEO, stated, *"Our 2020 financial results reflect the strong operational performance and record-low operating costs we achieved during the year. Despite headwinds associated with the COVID-19 pandemic, 2020 was an outstanding year for the Company and we intend on carrying this operational momentum into 2021, aided thus far by a stronger copper price.*

*On our growth-initiatives, 2021 is poised to be another exciting year for the Company as we advance multiple projects including, among others, our regional exploration program at the MCSA Mining Complex, ongoing studies on the potential optimization of our 'turn-key' Boa Esperança Project and the progression of the first regional exploration program ever conducted at the NX Gold Mine. With the completion of the amendment to our credit agreement and strong balance sheet, we intend on using this year to continue to demonstrate the world-class exploration potential of the Curaçá Valley and our executable low capital-intensity development pipeline."*

*EBITDA, Adjusted EBITDA, Adjusted net income attributable to owners of the Company, Adjusted net income per share attributable to owners of the Company, C1 Cash Costs per pound of copper produced and All-in Sustaining Costs ("AISC") per ounce of gold produced are non-IFRS measures – see the Notes section of this press release for additional information.

OPERATIONS & EXPLORATION HIGHLIGHTS

- **Mining & Milling Operations** – *strong operating performance across the portfolio*
  - The MCSA Mining Complex processed 483,447 tonnes of ore grading 2.26% copper during the fourth quarter producing 10,018 tonnes of copper in concentrate after metallurgical recoveries of 91.7%.
    - Total of 2.3 million tonnes of ore processed grading 2.08% copper producing a record 42,814 tonnes of copper in concentrate after metallurgical recoveries that averaged 90.5% during the twelve-month period ended December 31, 2020.
  - The NX Gold Mine processed 45,574 tonnes grading 7.72 grams per tonne gold during the fourth quarter producing 10,789 ounces of gold and 6,763 ounces of silver as a by-product after record metallurgical recoveries of 95.4%.

  - Total of 162,642 tonnes of ore grading 7.72 grams per tonne gold, resulting in the production of 36,830 ounces of gold and 22,694 ounces of silver as by-product after metallurgical recoveries that averaged 91.3% during the twelve-month period ended December 31, 2020.

- **Exploration Activities** – *aggressive exploration program in 2021 starting off strong with 22 drill rigs currently operating at the MCSA Mining Complex and 9 at the NX Gold Mine*
  - MCSA Mining Complex
    - Thirteen drill rigs are currently operating on in- and near-mine targets within the Pilar and Vermelhos Districts, focused on upgrading the existing mineral resources and extending the known limits of mineralization, particularly beneath the main ore bodies of the Vermelhos Mine and within the Deepening Extension Zone of the Pilar Mine.
    - Five drill rigs are currently focused on regional exploration targets throughout the Curaçá Valley and an additional four drill rigs are systematically drilling the Southern Vermelhos Corridor.
  - NX Gold Mine
    - At the NX Gold Mine, five exploration drill rigs are currently operating on extensions of the Santo Antonio Vein. Four additional exploration drill rigs are advancing the first comprehensive regional exploration program in the property's history.
- **Corporate Highlights** – *robust balance sheet to execute on organic growth initiatives*
  - Successfully advanced several key capital programs in 2020 including completion of the Company's HIG Mill installation and ore-sorting pilot plant program at MCSA, as well as drilling and integration of the Deepening Extension Project into MCSA's recently announced life-of-mine plan update for 2020.
  - Subsequent to year-end, the Company amended the Prior Facilities with a new Revolving Credit Facility payable in a bullet at maturity, approximately four years from closing, on March 31, 2025 – further details are provided later in this press release.
  - The Company continues to have no material disruption to operations, supply chains or sales channels as a result of the COVID-19 pandemic. Since the onset of COVID-19 in early 2020, the Company has taken extraordinary measures to mitigate the possible impact of COVID-19 on its workforce and operations. The Company continues to closely monitor the COVID-19 pandemic and is engaged in active operational and financial contingency planning to prudently manage the potential impact of the pandemic on its operations.

# OPERATING AND FINANCIAL HIGHLIGHTS

| | 3 months ended Dec. 31, 2020 | 3 months ended Sept. 30, 2020 | 12 months ended Dec. 31, 2020 | 3 months ended Dec. 31, 2019 | 12 months ended Dec. 31, 2019 |
|---|---|---|---|---|---|
| **Operating Highlights (MCSA Operations)** | | | | | |
| Ore Processed (tonnes) | **483,447** | 553,148 | **2,271,625** | 589,065 | 2,424,592 |
| Grade (% Cu) | **2.26** | 2.18 | **2.08** | 2.16 | 1.93 |
| Cu Production (tonnes) | **10,018** | 10,961 | **42,814** | 11,526 | 42,318 |
| Cu Production (000 lbs) | **22,086** | 24,164 | **94,388** | 25,411 | 93,296 |
| Cu Sold in Concentrate (tonnes) | **10,265** | 11,530 | **42,813** | 11,595 | 42,759 |
| Cu Sold in Concentrate (000 lbs) | **22,629** | 25,420 | **94,387** | 25,562 | 94,267 |
| C1 Cash Cost of copper produced (per lb)(1) | **$0.69** | $0.63 | **$0.67** | $0.80 | $0.93 |
| **Gold (NX Gold Operations)** | | | | | |
| Au Production (oz) | **10,789** | 9,436 | **36,830** | 6,043 | 30,434 |
| C1 Cash Cost of gold produced (per ounce)(1) | **$405** | $421 | **$457** | $980 | $691 |
| AISC of gold produced (per ounce)(1) | **$608** | $579 | **$628** | $1,253 | $889 |
| **Financial Highlights ($millions, except per share amounts)** | | | | | |
| Revenues | **$91.2** | $94.3 | **$324.1** | $75.7 | $284.8 |
| Gross profit | **$58.3** | $59.6 | **$188.1** | $31.1 | $117.1 |
| EBITDA(1) | **$91.3** | $52.1 | **$116.2** | $34.3 | $141.4 |
| Adjusted EBITDA(1) | **$67.2** | $62.5 | **$207.1** | $31.2 | $134.1 |
| Cash flow from operations | **$38.6** | $44.4 | **$162.8** | $35.9 | $127.8 |
| Net income | **$66.3** | $31.4 | **$52.5** | $45.4 | $92.5 |
| Net income attributable to owners of the Company | **$65.8** | $31.1 | **$51.6** | $45.2 | $91.9 |
| Net income per share attributable to owners of the Company (Basic) | **$0.75** | $0.36 | **$0.60** | $0.53 | $1.08 |
| Net income per share attributable to owners of the Company (Diluted) | **$0.71** | $0.34 | **$0.56** | $0.49 | $1.01 |
| Adjusted net income attributable to owners of the Company(1) | **$37.4** | $36.7 | **$117.3** | $40.7 | $86.3 |
| Adjusted net income per share attributable to owners of the Company(1) (Basic) | **$0.43** | $0.42 | **$1.36** | $0.47 | $1.01 |
| Adjusted net income per share attributable to owners of the Company(1) (Diluted) | **$0.40** | $0.40 | **$1.27** | $0.44 | $0.94 |
| Cash and Cash Equivalents | **$62.5** | $54.3 | **$62.5** | $21.5 | $21.5 |
| Working Capital (Deficit)(1) | **$35.8** | ($9.4) | **$35.8** | ($4.9) | ($4.9) |
| Net Debt(1) | **$105.6** | $118.4 | **$105.6** | $136.4 | $136.4 |

**Footnotes**

(1) EBITDA, Adjusted EBITDA, Adjusted net income attributable to owners of the Company, Adjusted net income per share attributable to owners of the Company, Net Debt, Working Capital (Deficit), C1 cash cost of copper produced (per lb), C1 cash cost of gold produced (per ounce) and AISC of gold produced (per ounce) are non-IFRS measures – see the Notes section of this press release for a discussion on non-IFRS Measures

## ADJUSTED EBITDA & NET INCOME (LOSS) RECONCILIATION

| | | 2020 – Q4 |
|---|---|---|
| **Adjusted EBITDA** | **$** | **67,181** |
| Adjustments: | | |
| Unrealized foreign exchange gain on USD denominated debt in MCSA | | 7,713 |
| Unrealized foreign exchange gain on derivative contracts | | 27,659 |
| Realized foreign exchange loss on derivative contracts | | (7,816) |
| Share based compensation and other | | (2,963) |
| Incremental costs in response to COVID-19 pandemic | | (481) |
| EBITDA | $ | 91,293 |
| | | |
| **Adjusted net income attributable to owners of the Company** | **$** | **37,417** |
| Adjustments for non-cash items (attributable to owners of the Company): | | |
| Unrealized foreign exchange gain on USD denominated debt in MCSA | | 7,682 |
| Unrealized foreign exchange gain on derivative contracts | | 23,077 |
| Unrealized gain on interest rate derivative | | 640 |
| Share based compensation | | (2,549) |
| Incremental costs in response to COVID-19 pandemic | | (481) |
| Reported net income attributable to owners of the Company | $ | 65,786 |

## CREDIT FACILITIES AMENDMENT DETAILS

On March 16, 2021, the Company amended its Credit Agreement with Scotiabank and BMO to replace the Prior Facilities with a US$150 million senior secured revolving credit facility payable in a bullet at maturity, approximately four years from closing, on March 31, 2025. Benefits of the amendment include a reduction of up to 25 basis points in the Company's cost of borrowing, depending on the Company's consolidated leverage ratio.

The Revolving Credit Facility will bear interest on a sliding scale at a rate of LIBOR plus 2.25% to 4.25% based on the Company's consolidated leverage ratio at the time. Commitment fees for any undrawn portion of the Revolving Credit Facility will also be on a sliding scale between 0.56% to 1.06%.

The Revolving Credit Facility includes standard and customary terms and conditions with respect to fees, representations, warranties, and financial covenants that remain unchanged from prior amendments. Scotiabank is Joint Lead Arranger, Sole Bookrunner and Administrative Agent and BMO is Joint Lead Arranger and Syndication Agent.

A copy of the amendment to the Credit Agreement will be filed on SEDAR (www.sedar.com).

## 2021 PRODUCTION OUTLOOK

Copper production from the MCSA Mining Complex for 2021 is expected to come from ore mined from the Pilar and Vermelhos underground mines as well as the Surubim open pit mine, which is expected to restart operations later in 2021. Production from the Pilar Mine is expected to contribute a total of approximately 1.5 million tonnes grading 1.40% copper, production from the Vermelhos Mine is expected to contribute a total of approximately 0.8 million tonnes grading 2.40% copper and production from the Surubim Mine is expected to contribute a total of 0.2 million tonnes grading 0.60% copper as it is a partial year of operation. The blended mill head grade incorporating these sources is expected to be approximately 1.75% copper for the full year.

| **MCSA Mining Complex** | **2020 Guidance[(1)]** | **2020 Result** | **2021 Guidance[(2)]** |
|---|---|---|---|
| Tonnes Processed | 2,150,000 | 2,271,625 | 2,700,000 |
| Copper Grade (% Cu) | 2.15% | 2.08% | 1.75% |
| Copper Recovery (%) | 91.0% | 90.5% | 93.0% |
| **Cu Production (000 tonnes)** | **41.0 – 43.0** | **42.8** | **42.0 – 45.0** |

(1) 2020 production guidance for the MCSA Mining Complex as outlined in the Company's press release dated January 15, 2020.

(2) Guidance is based on certain estimates and assumptions, including but not limited to, mineral reserve estimates, grade and continuity of interpreted geological formations and metallurgical performance. Please refer to the Company's SEDAR filings, including the Annual Information Form for the year ended December 31, 2020 and dated March 16, 2021 (the "AIF"), for complete risk factors.

Gold production from NX Gold for 2021 is expected to come from ore mined from the Santo Antonio Vein. Mining operations during the year are expected to total approximately 167,000 tonnes of ore grading 7.20 grams per tonne gold.

| **NX Gold Mine** | **2020 Guidance[(1)]** | **2020 Result** | **2021 Guidance[(2)]** |
|---|---|---|---|
| Tonnes Processed | 165,000 | 162,642 | 167,000 |
| Gold Grade (gpt) | 7.70 | 7.72 | 7.20 |
| Gold Recovery (%) | 90.0% | 91.3% | 92.0% |
| **Au Production (000 ounces)** | **36.0 – 37.0** | **36.8** | **34.5 – 37.5** |
| **Ag Production (000 ounces)** | **n/a** | **22.7** | **n/a** |

(1) 2020 production guidance for the NX Gold Mine as outlined in the Company's press release dated November 5, 2020.

(2) Guidance is based on certain estimates and assumptions, including but not limited to, mineral reserve estimates, grade and continuity of interpreted geological formations and metallurgical performance. Please refer to the Company's SEDAR filings, including the AIF, for complete risk factors.

## 2021 CASH COST GUIDANCE

The Company's guidance for 2021 assumes a USD:BRL foreign exchange rate of 5.00, gold price of $1,750 per ounce and silver price of $20.00 per ounce.

| | 2020 Guidance(1) | 2020 Result | 2021 Guidance |
|---|---|---|---|
| **MCSA Mining Complex C1 Cash Cost Guidance (US$/lb)(2)** | **$0.70 – $0.85** | **$0.67** | **$0.75 – $0.85** |
| **NX Gold Mine C1 Cash Cost Guidance (US$/oz)(2)** | **$425 – $525** | **$457** | **$500 – $600** |
| **NX Gold Mine All-in Sustaining Cost (AISC) Guidance (US$/oz)(2)** | **n/a** | **$628** | **$875 – $975** |

(1) 2020 cash cost guidance represents revised guidance as outlined in the Company's press release dated May 7, 2020. Please refer to this press release for additional details.

(2) C1 Cash Costs and AISC are a non-IFRS measures – see the Notes section of this press release for additional information.

## 2021 CAPITAL EXPENDITURE GUIDANCE

The Company's capital expenditure guidance for 2021 assumes a USD:BRL foreign exchange rate of 5.00 and has been presented below in USD millions.

| **MCSA Operations** | **2020 Guidance(1)** | **2020 Result** | **2021 Guidance** |
|---|---|---|---|
| Pilar Mine and Caraíba Mill Complex (*excluding Deepening Extension Project*) | 45.0 – 55.0 | 54.5 | 45.0 - 50.0 |
| Deepening Extension Project | - | - | 12.5 – 15.0 |
| Vermelhos Mine & District(2) | 11.0 – 13.0 | 14.0 | 14.0 – 16.0 |
| Surubim Open Pit Mine | - | - | 10.0 – 12.0 |
| Boa Esperança Project | 0.2 – 0.2 | 0.2 | 1.0 – 1.5 |
| **Capital Expenditure Guidance** | **56.2 – 68.2** | **68.7** | **82.5 – 94.5** |
| **Curaçá Valley Exploration** | **25.0 – 30.0** | **31.9** | **30.0 – 35.0** |

| **NX Gold Mine** | **2020 Revised Guidance(1)** | **2020 Result** | **2021 Guidance** |
|---|---|---|---|
| Capital Expenditure Guidance | 9.0 – 11.0 | 13.0 | 13.0 – 15.0 |
| Exploration | 3.0 – 5.0 | 4.3 | 8.0 – 10.0 |
| **Total, NX Gold Mine** | **12.0 – 16.0** | **17.3** | **21.0 – 25.0** |

(1) 2020 capital cost guidance and revised guidance (NX Gold Mine) as outlined in the Company's press releases dated May 7, 2020 and November 5, 2020.

(2) Vermelhos District includes open pit mining infrastructure expenditures of approximately US$6.0 million in 2021.

CONFERENCE CALL DETAILS

The Company will hold a conference call on Wednesday, March 17, 2020 at 11:30 am Eastern time (8:30 am Pacific time) to discuss these results.

| | |
|---|---|
| Date: | Wednesday, March 17, 2021 |
| Time: | 11:30 am Eastern time (8:30 am Pacific time) |
| Dial in: | North America: 1-800-319-4610, International: +1-604-638-5340<br>*please dial in 5-10 minutes prior and ask to join the call* |
| Replay | North America: 1-800-319-6413, International: +1-604-638-9010 |
| Replay Passcode: | 5910 |

**NOTES**

**Non-IFRS measures**

Financial results of the Company are prepared in accordance with IFRS. The Company utilizes certain non-IFRS measures, including C1 cash cost of copper produced (per lb), C1 cash costs of gold produced (per ounce), AISC of gold produced (per ounce), EBITDA, Adjusted EBITDA, Adjusted net income attributable to owners of the Company, Adjusted net income per share, net debt and working capital, which are not measures recognized under IFRS. The Company believes that these measures, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

**C1 Cash Cost of copper produced (per lb.)**

C1 cash cost of copper produced (per lb) is the sum of production costs, net of capital expenditure development costs and by-product credits, divided by the copper pounds produced. C1 cash costs reported by the Company include treatment, refining charges, offsite costs, and certain tax credits relating to sales invoiced to the Company's Brazilian customer on sales.  By-product credits are calculated based on actual precious metal sales (net of treatment costs) during the period divided by the total pounds of copper produced during the period. C1 cash cost of copper produced per pound is a non-IFRS measure used by the Company to manage and evaluate operating performance of the Company's operating mining unit, and is widely reported in the mining industry as benchmarks for performance, but does not have a standardized meaning and is disclosed in addition to IFRS measures.

**C1 Cash Cost of gold produced (per ounce)**

C1 cash cost of gold produced (per ounce) is the sum of production costs, net of capital expenditure development costs and silver by-product credits, divided by the gold ounces produced. By-product credits are calculated based on actual precious metal sales during the period divided by the total ounces of gold produced during the period. C1 cash cost of gold produced per ounce is a non-IFRS measure used by the Company to manage and evaluate operating performance of the Company's operating mining unit and is widely reported in the mining industry as benchmarks for performance but does not have a standardized meaning and is disclosed in addition to IFRS measures.

**All-in Sustaining Cost of gold produced (per ounce)**

All-in sustaining cost of gold produced (per ounce) is the sum of production costs, site general and administrative costs, accretion of mine closure and rehabilitation provision, sustaining capital expenditures, sustaining leases, and royalties and production taxes, net of silver by-product credits, divided by the gold ounces produced. By-product credits are calculated based on actual precious metal sales during the period divided by the total ounces of gold produced during the period. All-in sustaining cost of gold produced per ounce is a non-IFRS measure used by the Company to manage and evaluate operating performance of the Company's operating mining unit and is widely reported in the mining industry as benchmarks for performance but does not have a standardized meaning and is disclosed in addition to IFRS measures.

**Earnings before interest, taxes, depreciation and amortization (EBITDA) and Adjusted EBITDA**

EBITDA represents earnings before interest expense, income taxes, depreciation, and amortization. Adjusted EBITDA includes further adjustments for non-recurring items and items not indicative to the future operating performance of the Company. The Company believes EBITDA and adjusted EBITDA are appropriate supplemental measures of debt service capacity and performance of its operations.

Adjusted EBITDA is calculated by removing the following income statement items:

- Recovery of valued added taxes
- Foreign exchange loss (gain)
- Loss on gold hedge contracts
- Share based compensation
- Incremental costs in response to COVID-19 pandemic
- Loss on debt settlement



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## Adjusted net income attributable to owners of the Company and Adjusted net income per share attributable to owners of the Company

The Company uses the financial measure "Adjusted net income attributable to owners of the Company" and "Adjusted net income per share attributable to owners of the Company" to supplement information in its consolidated financial statements. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors and analysts use this information to evaluate the Company's performance. The Company excludes non-cash and unusual items from net earnings to provide a measure which allows the Company and investors to evaluate the operating results of the underlying core operations.

During the period, the following non-cash or unusual adjustments to calculated adjusted net income (loss):

- Net recovery of value added taxes
- Share based compensation
- Unrealized foreign exchange loss (gain) on USD denominated debt in MCSA
- Unrealized loss (gain) on foreign exchange derivative contracts, net of tax
- Incremental costs in response to COVID-19 pandemic
- Unrealized loss (gain) on interest rate derivative contracts
- Loss on debt settlement
- Unrealized loss on gold hedge contracts

## Net Debt

Net debt is determined based on cash and cash equivalents, restricted cash and loans and borrowings as reported in the Company's consolidated financial statements. The Company uses net debt as a measure of the Company's ability to pay down its debt.

## Working capital

Working capital is determined based on current assets and current liabilities as reported in the Company's consolidated financial statements. The Company uses working capital as a measure of the Company's short-term financial health and operating efficiency.

## ABOUT ERO COPPER CORP

Ero Copper Corp, headquartered in Vancouver, B.C., is focused on copper production growth from the MCSA Mining Complex located in Bahia State, Brazil, with over 40 years of operating history in the region. The Company's primary asset is a 99.6% interest in the Brazilian copper mining company, MCSA, 100% owner of the MCSA Mining Complex, which is comprised of operations located in the Curaçá Valley, Bahia State, Brazil, wherein the Company currently mines copper ore from the Pilar and Vermelhos underground mines, and the Boa Esperança development project, an IOCG-type copper project located in Pará, Brazil. The Company also owns 97.6% of the NX


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Gold Mine, an operating gold and silver mine located in Mato Grosso, Brazil. Additional information on the Company and its operations, including technical reports on the MCSA Mining Complex, Boa Esperança and NX Gold properties, can be found on the Company's website (www.erocopper.com) and on SEDAR (www.sedar.com).



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**ERO COPPER CORP.**

Signed: *"David Strang"*

David Strang, CEO

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CAUTION REGARDING FORWARD LOOKING INFORMATION AND STATEMENTS This press release contains "forward-looking information" within the meaning of applicable Canadian securities laws. Forward-looking information includes statements that use forward-looking terminology such as "may", "could", "would", "will", "should", "intend", "target", "plan", "expect", "budget", "estimate", "forecast", "schedule", "anticipate", "believe", "continue", "potential", "view" or the negative or grammatical variation thereof or other variations thereof or comparable terminology. Such forward-looking information includes, without limitation, statements with respect to the Company's production guidance including the expected tonnes, grade and metallurgical recoveries of the Company's operations, planned capital and operating costs, the timing and advancement of ongoing projects including the expected restart of the Surubim open pit mine, the Deepening Extension Project, the Boa Esperança Project, and the amount and effectiveness of any proposed exploration program.

Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, as of the date of this Press Release including, without limitation, assumptions about: favourable equity and debt capital markets; the ability to raise any necessary additional capital on reasonable terms to advance the production, development and exploration of the Company's properties and assets; future prices of copper and other metal prices; the timing and results of exploration and drilling programs; the accuracy of any mineral reserve and mineral resource estimates; the geology of the MCSA Mining Complex, NX Gold Mine and the Boa Esperança Property being as described in the technical reports for these properties; production costs; the accuracy of budgeted exploration and development costs and expenditures; the price of other commodities such as fuel; future currency exchange rates and interest rates; operating conditions being favourable such that the Company is able to operate in a safe, efficient and effective manner; work force continues to remain healthy in the face of prevailing epidemics, pandemics or other health risks, political and regulatory stability; the receipt of governmental, regulatory and third party approvals, licenses and permits on favourable terms; obtaining required renewals for existing approvals, licenses and permits on favourable terms; requirements under applicable laws; sustained labour stability; stability in financial and capital goods markets; availability of equipment and critical supplies, spare parts and consumables; positive relations with local groups and the Company's ability to meet its obligations under its agreements with such groups; and satisfying the terms and conditions of the Company's current loan arrangements. While the Company considers these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual actions, events, conditions, results, performance or achievements to be materially different from those projected in the forward-looking information. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

Furthermore, such forward-looking information involves a variety of known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of the Company to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking information. Such risks include, without limitation the risk factors listed under the heading "Risk Factors" in the AIF.

Although the Company has attempted to identify important factors that could cause actual actions, events, conditions, results, performance or achievements to differ materially from those described in forward-looking information, there may be other factors that cause actions, events, conditions, results, performance or achievements to differ from those anticipated, estimated or intended.

The Company cautions that the foregoing lists of important assumptions and factors are not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking information contained herein. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information.

Forward-looking information contained herein is made as of the date of this press release and the Company disclaims any obligation to update or revise any forward-looking information, whether as a result of new information, future events or results or otherwise, except as and to the extent required by applicable securities laws.

Cautionary Notes Regarding Mineral Resource and Reserve Estimates In accordance with applicable Canadian securities regulatory requirements, all mineral reserve and mineral resource estimates of the Company disclosed or incorporated by reference in this press release have been prepared in accordance with NI 43-101 and are classified in accordance with the CIM Standards.

Mineral resources which are not mineral reserves do not have demonstrated economic viability. Pursuant to the CIM Standards, mineral resources have a higher degree of uncertainty than mineral reserves as to their existence as well as their economic and legal feasibility. Inferred mineral resources, when compared with Measured or Indicated mineral resources, have the least certainty as to their existence, and it cannot be assumed that all or any part of an Inferred mineral resource will be upgraded to an Indicated or Measured mineral resource as a result of continued exploration. Pursuant to NI 43-101, Inferred mineral resources may not form the basis of any economic analysis. Accordingly, readers are cautioned not to assume that all or any part of a mineral resource exists, will ever be converted into a mineral reserve, or is or will ever be economically or legally mineable or recovered.