JAGUAR MINING INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Jaguar Mining Inc.

Opinion

We have audited the consolidated financial statements of Jaguar Mining Inc. (the Entity), which comprise:

- the consolidated statements of financial position as at December 31, 2022 and December 31, 2021
- the consolidated statements of operations and comprehensive income for the years then ended
- the consolidated statements of changes in shareholders' equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2022, and December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Standards as issued by the Internal Accounting Standards Board (IFRS Standards).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditor's Responsibilities for the Audit of the Financial Statements"** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Comparative Information

We draw attention to Note 27 to the consolidated financial statements ("Note 27"), which indicates that the comparative information presented as at and for the year ended December 31, 2021, has been restated.

Note 27 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Evaluation of the carrying value of property, plant, and equipment

Description of the matter

We draw attention to Notes 3(c)(vii) and 8(d) to the financial statements. The carrying amount of the Entity's non-current assets, are reviewed at each reporting date to determine whether there is any indication of impairment or impairment reversal. If any such indicator exists, the Entity performs an impairment (reversal) test.

The impairment reversal test at the Turmalina cash generating unit resulted in an impairment reversal of $10,661. The impairment test at the Caete cash generating unit resulted in no impairment charges.

The Entity's estimate of the recoverable amount for each cash generating unit is determined using the fair value less cost to sell approach which uses discounted cash flow models to determine the recoverable amount. The significant assumptions used in determining the recoverable amount were: future gold prices, mineral reserve and resource estimates including the portion of mineral resources deemed to hold a probable likelihood of recovery, discount rates, foreign exchange rates and costs used to determine the future cash flows.

Why the matter is a key audit matter

We identified the evaluation of the carrying value of property, plant, and equipment as a key audit matter. This matter represented an area of significant risk of material misstatement as minor changes to certain significant assumptions had a significant effect on the estimated recoverable amount of the cash generating units. As a result, significant auditor judgment was required in evaluating the results of our audit procedures. Further, professionals with specialized skills and knowledge were required to evaluate certain significant assumptions.

How the matter was addressed in the audit

The following are the primary procedures we performed to address this key audit matter.

We compared the future costs in the discounted cash flow model to the latest technical reports and to certain actual historical costs incurred.

We evaluated the Company's estimate of mineral reserves and resources by analyzing changes from the prior year.

We evaluated the Company's estimate of the mineral resources estimates deemed to hold a probable likelihood of recovery by comparing to historical mineral resources and reserves.

We assessed the competence, capabilities and objectivity of the Entity's personnel who prepared the reserve and resource estimates including the industry and regulatory standards they applied.

We involved valuation professionals with specialized skills and knowledge who assisted in evaluating the appropriateness of the Entity's:

- Gold prices and foreign exchange rate assumptions by comparing to estimates that were independently developed using publicly available third-party sources
- Discount rate assumption by comparing to estimates that were independently developed using publicly available third-party sources and data for comparable entities.

Other Information

Management is responsible for the other information. Other information comprises the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

The engagement partner on the audit resulting in this auditor's report is Daniel Gordon Ricica.

Chartered Professional Accountants, Licensed Public Accountants

March 30, 2023

Toronto, Canada

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in thousands of US dollars)

			December 31, 2022		December 31, 2021
					Restated Note 27
ASSETS					
Current assets					
Cash and cash equivalents		**$**	**25,208**	$	40,373
Restricted cash	*Note 4*		**618**		501
Inventory	*Note 5*		**16,239**		14,546
Recoverable taxes	*Note 6*		**8,545**		5,143
Other accounts receivable	*Note 7*		**343**		92
Prepaid expenses and advances			**3,615**		2,176
Total current assets			**54,568**		62,831
Non-current assets					
Property, plant and equipment	*Note 8, 27*		**197,302**		162,794
Mineral exploration projects	*Note 9, 27*		**28,501**		23,386
Recoverable taxes	*Note 6*		**2,245**		5,278
Other accounts receivable	*Note 7*		**5,000**		5,000
Restricted cash	*Note 4*		**517**		586
Total assets		**$**	**288,133**	$	259,875
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	*Note 10*	**$**	**19,782**	$	15,660
Notes payable	*Note 11*		**3,040**		3,027
Lease liabilities	*Note 12*		**2,414**		1,431
Current tax liability	*Note 13*		**1,881**		-
Other taxes payable			**1,056**		935
Reclamation provisions	*Note 14*		**3,156**		6,847
Legal and other provisions	*Note 15*		**3,751**		2,941
Total current liabilities			**35,080**		30,841
Non-current liabilities					
Lease liabilities	*Note 12*		**1,550**		2,434
Other taxes payable			**9,293**		9,890
Reclamation provision	*Note 14*		**21,148**		11,182
Legal and other provisions	*Note 15*		**4,041**		4,234
Total liabilities		**$**	**71,112**	$	58,581
SHAREHOLDERS' EQUITY					
Common shares	*Note 16*	**$**	**566,716**	$	566,860
Stock options	*Note 16*		**1,460**		1,268
Deferred share units	*Note 16*		**2,715**		1,887
Contributed surplus			**23,760**		23,528
Deficit			**(377,630)**		(392,249)
Total shareholders' equity		**$**	**217,021**	$	201,294
Total liabilities and shareholders' equity		**$**	**288,133**	$	259,875

Subsequent events *Note 16, 26*

On behalf of the Board:

(signed) "Jeffrey Kennedy" *(signed) "Vernon Baker"*

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

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

For the years ended December 31, 2022 and 2021

(Expressed in thousands of US dollars, except per share amounts and number of shares)

		Year Ended December 31, 2022	2021 Restated Note 27
Revenue		**$ 142,500**	$ 151,467
Operating costs	*Note 18*	**84,229**	70,337
Depreciation		**20,175**	21,092
Gross profit		**38,096**	60,038
Exploration and evaluation costs		**6,037**	5,129
Care and maintenance costs (Paciência and Roça Grande mines)		**609**	1,013
Stock-based compensation	*Note 16(b)(c)*	**1,163**	1,044
General and administrative expenses		**6,925**	5,703
Amortization		**77**	67
Legal, recoverable tax and other provisions expenses		**1,188**	1,358
Impairment (reversals) charges	*Note 8(d), 27*	**(10,661)**	10,135
Other operating expenses		**1,472**	797
Operating income		**31,286**	34,792
Foreign exchange loss (gain)		**1,008**	(1,698)
Finance costs		**2,581**	776
Other non-operating expenses	*Note 19*	**831**	3,720
Income before income taxes		**26,866**	31,994
Income tax expense	*Note 13*	**5,426**	7,939
Net income		**$ 21,440**	$ 24,055
Earnings per share	*Note 17*		
Earnings per share			
Basic		**$ 0.30**	$ 0.33
Diluted		**$ 0.29**	$ 0.33
Weighted average shares outstanding			
Basic		**72,461,530**	72,396,926
Diluted		**73,499,932**	73,424,805

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2022 and 2021

(Expressed in thousands of US dollars)

		Year Ended December 31, 2022	2021 *Restated Note 27*
OPERATING ACTIVITIES			
Net income for the period	*Note 27*	**$ 21,440**	$ 24,055
Adjustments and non-cash items			
Depreciation and amortization		**20,252**	21,159
Accretion interest expense		**2,090**	419
Interest expense		**513**	249
Impairment (reversals) charges	*Note 8(d), 27*	**(10,661)**	10,135
Unrealized foreign exchange loss (gain)		**3,433**	(1,423)
Current income tax expense	*Note 13*	**5,426**	7,939
Legal and other provisions expense		**1,153**	896
Other operating activities expenses	*Note 20*	**1,549**	4,882
Changes in operating assets and liabilities	*Note 21*	**(1,210)**	(12,724)
Cash provided by operating activities before income taxes		**43,985**	55,587
Income taxes paid		**(3,220)**	(10,551)
Net cash provided by operating activities		**40,765**	45,036
INVESTING ACTIVITIES			
Investment in mineral exploration projects	*Note 9*	**(4,662)**	(1,385)
Purchase of property, plant and equipment		**(39,502)**	(32,845)
Proceeds from dispositions of royalty interests	*Note 7*	**-**	6,950
Proceeds from dispositions of property, plant and equipment		**443**	280
Net cash (used in) investing activities		**(43,721)**	(27,000)
FINANCING ACTIVITIES			
Cash received upon issuance of debt	*Note 24(f)*	**6,000**	7,336
Cash received upon issuance of shares via stock options exercised	*Note 16(b)*	**20**	410
Restricted cash margin deposits paid		**-**	289
Repayment of debt	*Note 24(f)*	**(8,621)**	(10,217)
Cash paid for purchase and cancellation of shares	*Note 16(a)*	**(75)**	-
Interest paid		**(287)**	(199)
Cash dividends paid		**(6,821)**	(13,915)
Net cash (used in) financing activities		**(9,784)**	(16,296)
Effect of exchange rate changes on cash and cash equivalents		**(2,425)**	(275)
Net increase in cash and cash equivalents		**(15,165)**	1,465
Cash and cash equivalents at the beginning of the period		**40,373**	38,908
Cash and cash equivalents at the end of the period		**$ 25,208**	$ 40,373

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

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended December 31, 2022 and 2021

(Expressed in thousands of US dollars)

		Common Shares		Stock Options		Deferred Share Units		Contributed Surplus	Deficit	Total Equity
		Shares	Amount	Options	Amount	Units	Amount			
Balance as at January 1, 2021		$ 72,118,620	$ 565,734	1,075,876	$ 1,374	534,048	$ 1,453	$ 23,528	$ (402,389)	$ 189,700
Stock options granted		-	-	58,056	244	-	-	-	-	244
Stock options exercised		140,325	760	(158,098)	(350)	-	-	-	-	410
Stock options forfeited		-	-	(36)	-	-	-	-	-	-
Deferred share units granted		-	-	-	-	146,362	800	-	-	800
Deferred share units redeemed		185,925	366	-	-	(185,925)	(366)	-	-	-
Dividends		-	-	-	-	-	-	-	(13,915)	(13,915)
Net income	*Restated Note 27*	-	-	-	-	-	-	-	24,055	24,055
Balance as at December 31, 2021	*Restated Note 27*	72,444,870	$ 566,860	975,798	$ 1,268	494,485	$ 1,887	$ 23,528	$ (392,249)	$ 201,294
Balance as at January 1, 2022	*Restated Note 27*	72,444,870	$ 566,860	975,798	$ 1,268	494,485	$ 1,887	$ 23,528	$ (392,249)	$ 211,429
Shares purchased and cancelled in normal course issuer bid		(31,700)	(248)	-	-	-	-	173	-	(75)
Stock options granted and outstanding		-	-	71,656	267	-	-	-	-	267
Stock options exercised		12,083	36	(12,083)	(16)	-	-	-	-	20
Stock options forfeited and expired		-	-	(23,289)	(59)	-	-	59	-	-
Deferred share units granted and outstanding		-	-	-	-	264,527	896	-	-	896
Deferred share units redeemed		27,674	68	-	-	(27,674)	(68)	-	-	-
Dividends		-	-	-	-	-	-	-	(6,821)	(6,821)
Net income		-	-	-	-	-	-	-	21,440	21,440
Balance as at December 31, 2022		**72,452,927**	**$ 566,716**	**1,012,082**	**$ 1,460**	**731,338**	**$ 2,715**	**$ 23,760**	**$ (377,630)**	**$ 217,021**

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

1. Nature of business

Jaguar Mining Inc. (the "Company" or "Jaguar") is a corporation continued under the *Business Corporations Act* (Ontario) engaged in the acquisition, exploration, development, and operation of gold producing properties in Brazil. The address of the Company's registered and principal executive office is 100 King Street West, Suite 5600, Toronto, Ontario, Canada, M5X 1C9.

These consolidated financial statements of the Company as at for the years ended December 31, 2022 and 2021, include the accounts of the Company and its wholly-owned subsidiary Mineração Serras do Oeste Ltda. ("MSOL"). MSOL is the operating subsidiary for the Turmalina complex comprising the Turmalina mine and the Caeté complex comprising the Pilar mine. All significant intercompany accounts and transactions have been eliminated on consolidation.

2. Basis of preparation

a) Statement of compliance

The Company's consolidated financial statements have been prepared in accordance with IFRS, effective as at December 31, 2022. IFRS comprises of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Company's significant accounting policies are described in Note 3 of these consolidated financial statements for the year ended December 31, 2022.

These consolidated financial statements were authorized for issuance by the Board of Directors on March 30, 2023.

3. Significant accounting policies and estimates

a) Basis of measurement

These consolidated financial statements have been prepared on a going concern and historical cost basis.

The consolidated financial statements include the accounts of Jaguar Mining Inc. and its subsidiary. All intercompany balances, transactions, income and expenses, and profits or losses have been eliminated on consolidation. The Company consolidates its subsidiary where it has the ability to exercise control.

b) Functional and presentation currency

The functional currency of the Company and its subsidiary is the currency of the primary economic environment in which the entities operate, which the Company has determined is the U.S. dollar. Determination of functional currency requires certain judgements to determine the primary economic environment.

In line with the Company's functional currency, these consolidated financial statements are presented in U.S. dollars.

c) Existing accounting policies

(i) Basis of consolidation

Subsidiaries are entities controlled by the Company. The financial statements of the Company's sole subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Cash and cash equivalents

The Company considers deposits in banks, certificates of deposit and short-term investments with remaining maturities of three months or less at the time of acquisition to be cash and cash equivalents. Cash held on deposit as security is classified as restricted cash.

(iii) Inventory

Gold in process, unrefined gold doré and ore in stockpiles are stated at the lower of the weighted average total production cost or net realizable value. Production costs include direct labour, employee benefits, direct material and other direct product costs including depreciation and amortization. Net realizable value represents estimated selling price in the ordinary course of business, less any further costs expected to be incurred to completion.

Raw materials and mine operating supplies are stated at the lower of weighted average cost, and net realizable value.

(iv) Mineral exploration projects

Exploration and evaluation costs incurred on sites without an existing mine and on areas outside the boundary of a known mineral resource are expensed as incurred.

The exploration and evaluation costs capitalized to Mineral exploration projects are those incurred to advance exploration projects with an established mineral resource. These expenditures are made to establish and expand upon a given project´s technical and commercial feasibility which will underpin the Company's decision to develop said project into a mine or not. The capitalized costs include: direct costs of acquiring resource property interests, sample collection, drilling costs, geophysical survey expenses, assay expenses, and technical and administrative overheads directly attributable to the exploration activities.

Mineral exploration projects are carried at cost, less any impairment losses recognized. If the Company determines a given project is technically feasible and commercially viable and approves the mine development of said project, the capital asset associated with the project is reclassified from Mineral exploration projects to Mining properties in Property, plant and equipment. If no economically viable ore body is discovered, previously capitalized mineral exploration project costs are expensed in the period that the project is determined to be uneconomical or abandoned.

(v) Property, plant and equipment ("PP&E")

Plant, vehicles and equipment

At acquisition, the Company records plant, vehicles and equipment at cost, including all expenditures incurred to prepare an asset for its intended use. These expenditures consist of: the purchase price, and installation costs including architectural, design and engineering fees, legal fees, survey costs, site preparation costs, freight charges, transportation insurance costs, duties, testing and preparation charges. The Company capitalizes costs that meet the asset recognition criteria. Costs incurred that do not extend the productive capacity or useful economic life of an asset are accounted for as a cost of the inventory produced in the period.

Plant, vehicles and equipment are depreciated over their expected useful life, which commences when the assets are considered available for use. Once plant, vehicles and equipment are considered available for use they are measured at cost less accumulated depreciation and applicable impairment losses. Depreciation on equipment utilized in the development of assets, including underground mine development, is recapitalized as development costs attributable to the related asset.

Leasing arrangements

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to the statement of operations and comprehensive income on a straight-line basis over the lease term.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company then assesses (i) whether the contract involves the use of an identified asset, (ii) whether it has the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and (iii) if it has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the consideration in the contract is allocated to each lease component proportionally on the basis of their relative standalone prices.

As a lessee, the Company recognizes a right-of-use asset, which is included in property, plant and equipment, and a right-of-use lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Construction-in-progress

Assets under construction at operating mines are capitalized as construction-in-progress (“CIP”). The cost of CIP comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use. Construction-in-progress amounts related to development projects are included in the carrying amount of the development project.

Construction-in-progress amounts incurred at operating mines are presented as a separate asset within PP&E. Construction-in-progress also includes deposits on long lead items. Construction-in-progress is not depreciated. Depreciation commences once the asset is complete and available for use.

Depreciation and amortization

Depreciation and amortization methods and rates for significant categories of non-current assets are as follows:

Processing plants	- over plant life, straight-line basis
Vehicles	- 5 years, straight-line basis
Equipment	- 5-10 years, straight-line basis
Leasehold improvements	- over term of lease, straight-line basis
Mining properties	- unit-of-production method [1]

[1] Amortization of mining properties, pre-production and development costs are calculated and recorded on the unit-of-production basis over the mine's estimated recoverable proven and probable mineral reserves and measured and indicated resources, as disclosed in Note 3(d).

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Depreciation or amortization is adjusted prospectively if there is a change in useful lives, reserve base or residual values.

(vi) Underground mine development costs

At the Company's underground mines, development costs are incurred to build new drifts and ramps that enable the Company to physically access ore underground. The time over which the Company will continue to incur these costs depends on the mine life. These underground development costs are capitalized as incurred.

Capitalized underground development costs incurred to enable access to specific ore blocks or areas of the underground mine, and which only provide an economic benefit over the period of mining that ore block or area, are amortized on a units of production basis, whereby the denominator includes the measured, indicated and inferred mineral resource estimates considered probable for economic extraction.

(vii) Impairment and impairment reversals

The carrying amounts of the Company's non-current assets, including property, plant and equipment and exploration and evaluation assets, are reviewed at each reporting date to determine whether there is any indication of impairment or reversal thereto. If any such indicator exists, the Company performs an impairment test to compare the recoverable amount to the carrying amount. The recoverable amount is the greater of its value-in-use and its fair value less cost of disposal.

The Company's estimate of the recoverable amounts is determined using the fair value less cost to sell approach which uses discounted cash flow models to determine the recoverable amount.

Fair value less cost of disposal is the amount obtainable from the sale of an asset or cash generating unit ("CGU") in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Costs of disposal are incremental costs directly attributable to the disposal of an asset or CGU, excluding finance costs and income tax expense.

The Turmalina, Caeté, and Paciência projects are each CGUs which include property, plant and equipment, mineral rights, deferred exploration costs, and asset retirement obligations net of amortization. The CGUs also include mineral exploration project assets relating to properties not in production. A CGU is generally an individual operating mine or development project.

An impairment loss is recognized when the carrying value of an asset held for use exceeds its estimated recoverable amount. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit on a pro-rata basis. Impairment losses are recognized in operating expenses. Impairment losses are recorded in the reporting period in which determination of impairment is made by management.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(viii) Income taxes

Income tax expense comprises current and deferred income taxes. Income tax expense is recognized in the consolidated statements of operations and comprehensive income except to the extent that it relates to items recognized directly in equity.

Current income taxes

Current income taxes are the expected taxes payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to taxes payable in respect of previous years.

Deferred income taxes

The Company accounts for deferred income taxes under the asset and liability method. Under this method of tax allocation, deferred income and mining tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax bases (temporary differences).

Deferred income taxes are measured using the tax rates that are expected to be in effect when the temporary differences are likely to reverse, based on the laws that have been enacted or substantively enacted by the reporting date. The effect on deferred income tax assets and liabilities of a change in tax rates is included in earnings in the period in which the change is substantively enacted. The amount of deferred income tax assets recognized is limited to the amount that is probable to be realized.

(ix) Reclamation provisions

Mining, extraction and processing activities normally give rise to obligations for environmental rehabilitation or reclamation. Reclamation work can include facility decommissioning and dismantling; removal or treatment of waste materials; site and land rehabilitation, including compliance with and monitoring of environmental regulations; security and other site-related costs required to perform the rehabilitation work; and operation of equipment designed to reduce or eliminate environmental effects. The extent of work required and the associated costs are dependent on the requirements of relevant authorities and our environmental policies. The timing of work is dependent upon factors such as the life and nature of the asset, the operating license conditions, the environment in which the mine operates, among others.

Reclamation provisions are normally recognized at the time that an environmental disturbance occurs or a constructive obligation is determined. When a reclamation provision is initially recognized, the corresponding cost is capitalized as an asset to PP&E and is depreciated over the expected economic life of the operation to which it relates.

Included in the provisions are cost estimates which (i) aim to encompass all closure and reclamation activity expected to occur in connection with the state of disturbances existent as at the reporting date and to be conducted progressively over the life of the operation, at the time of closure and post-closure, (ii) are made based on the cost of external contractors performing the work or the cost of performing the work internally depending on management's intention, and (iii) are measured at the expected value of future cash flows discounted to their present value using a pre-tax discount rate projected based on Brazilian real risk-free treasury bond rates with a maturity approximating the timing in which the reclamation activities are planned to occur. The unwinding of the discount, referred to as accretion expense, is included in finance costs and results in an increase in the amount of the provision.

Excluded from the reclamation provisions are routine operating costs that may impact the ultimate closure and reclamation activities, such as waste material handling conducted as an integral part of a mining or production process.

Reclamation provisions are adjusted each reporting period in consideration of the changes in the extent of disturbance made, estimates and assumptions. Adjustments to reclamation provisions for operating sites are accounted for as a change in the corresponding cost of the related assets, including the related mineral property, except where a reduction in the provision is greater than the remaining net book value of the related assets, in which case the value is reduced to nil and the remaining adjustment is recognized in the consolidated statements of operations and comprehensive income. Adjustments to reclamation provisions for closed sites or sites on care and maintenance are recognized immediately in the consolidated statements of operations and comprehensive income.

Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognized as an expense and liability when the event that gives rise to an obligation occurs and reliable estimates of the required reclamation costs can be made.

(x) Legal and other provisions

Provisions are recorded when a legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation estimated at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation and is measured using the present value of cash flows estimated to settle the present obligation.

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. In assessing loss contingencies related to legal proceedings that are pending against us or un-asserted claims that may result in such proceedings, the Company with assistance from its legal counsel evaluate the perceived merits of any legal proceedings or un-asserted claims as well as the perceived merits of the amount of relief sought or expected to be sought. If the assessment of a contingency suggests that a loss is probable, and the amount can be reliably estimated, then a loss is recorded. When a contingent loss is not probable but is reasonably possible, or is probable but the amount of loss cannot be reliably estimated, and then details of the contingent loss are disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the Company discloses the nature of the guarantee. Legal fees incurred in connection with pending legal proceedings are expensed as incurred. Contingent gains are only recognized when the inflow of economic benefits is virtually certain.

(xi) Foreign currency translation

The U.S. dollar is considered to be the functional currency of the Company and of its subsidiary. Monetary assets and liabilities of the Company's operations denominated in foreign currency are translated into U.S. dollars at the rate of exchange in effect at the balance sheet date, and non-monetary assets and liabilities are translated at the historical rate of exchange. Transactions in foreign currencies are translated at the actual rates of exchange. Foreign currency gains and losses are recognized in the consolidated statements of operations and comprehensive income.

(xii) Stock-based compensation

The Company has stock-based compensation plans, which are described in Note 16(b) and (c). The Company accounts for all equity-settled stock-based payments based on the fair value of the award on grant date.

Under the fair value based method, compensation cost attributable to options granted is measured at fair value at the grant date and amortized over the vesting period. The amount recognized as an expense is adjusted to reflect any changes in the Company's estimate of the shares that will eventually vest and the effect of any non-market vesting conditions.

Share-based payment arrangements in which the Company receives goods or services as consideration are measured at the fair value of the good or service received, unless that fair value cannot be estimated reliably.

(xiii) Revenue recognition

Revenue is generated from the sale of refined gold. The Company considers each shipment to be a separate performance obligation and recognizes revenue at the point when the customer obtains control of the product. Control is transferred when title has passed to the customer, the customer has assumed the significant risks and rewards of ownership of the asset and the Company has the present right to payment for the delivery of its gold products.

(xiv) Earnings per share

Basic earnings per share is computed by dividing the net income available to common shareholders by the weighted average number of common shares outstanding during the period. The dilutive effect of outstanding options and their equivalents are reflected in diluted earnings per share by the application of the treasury method. The computation of diluted earnings per share assumes conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share.

(xv) Financial instruments - recognition and measurement

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as fair value through profit and loss ("FVTPL"), directly attributable transaction costs. Measurement of financial assets in subsequent periods depends on whether the financial asset has been classified as amortized cost, FVTPL or fair value through other comprehensive income ("FVTOCI"). Measurement of financial liabilities subsequent to initial recognition depends on whether they are classified as amortized cost or FVTPL. Financial assets and financial liabilities classified as amortized cost are measured subsequent to initial recognition using the effective interest method.

On initial recognition, financial assets are classified as: amortized cost, FVTPL, or FVTOCI. Such classification is determined according to the assets' contractual cash flow characteristics and the business models under which they are held.

A financial asset is measured at amortized cost if meets the following criteria: (i) it is not designated as FVTPL, (ii) it is held with the objective of collecting contractual cash flows, and (iii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVTPL financial instruments are carried at fair value with changes in fair value charged or credited to earnings in the period in which they arise.

Loss allowances for 'expected credit losses' are recognized on financial assets measured at amortized cost, and on contract assets measured at FVOCI.

Financial liabilities are initially measured at cost or amortized cost, net of transaction costs and any embedded derivatives that are not closely related to the financial liability, depending upon the nature of the instrument with any resulting premium or discount from the face value being amortized to earnings using the effective interest method.

The following is a summary of the financial instruments outstanding and classifications as at December 31, 2022:

Cash and cash equivalents	- Amortized cost
Restricted cash	- Amortized cost
Other accounts receivable	- Amortized cost
Accounts payable and accrued liabilities	- Amortized cost
Notes payable	- Amortized cost
Other provisions	- Amortized cost

The Company periodically operates with derivative financial instruments, principally forward sales contracts and commodity option contracts to manage commodity price exposure on gold sales, and forward foreign exchange contracts to manage exposure to changes in foreign exchange rates. Derivative financial instruments are used for risk management purposes and not for generating trading profits. Derivative instruments are recorded at fair value. Changes in the fair values of derivative instruments are recognized in interest income/expense in the consolidated statements of operations and comprehensive income.

Unrealized gains and losses on forward sales contracts are a result of the difference between the forward spot price of the gold and the forward sales contract price. Unrealized gains and losses on forward foreign exchange contracts are primarily a result of the difference between the forward currency contract price and the spot price of the Brazilian reais (R$).

d) Critical accounting estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Certain accounting estimates depend on subjective or complex judgments about matters that may be uncertain, and changes in said estimates could materially impact these consolidated financial statements. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The judgments that management has applied in the application of accounting policies and related estimates that have the most significant effect on the amounts recognized in these consolidated financial statements are discussed below:

(i) Mineral reserve and resource estimates

A mine reserve estimate is an estimate of the amount of product that can be economically and legally extracted from the Company's mining properties. In order to calculate reserve estimates, assumptions are required about a range of geological, technical and economic factors, including: quantities, grades, production techniques, recovery rates, production costs, transportation costs, commodity demand, commodity prices and exchange rates. The Company estimates its ore reserves and mineral resources based on information compiled by qualified persons as defined in accordance with the Canadian Securities Administrators' National Instrument 43-101 Standards of Disclosure for Mineral Projects requirements.

Estimates of mineral reserves and mineral resources may change as estimates and assumptions change and as additional geological data is generated during the course of operations. Changes in mineral reserve estimates or measured and indicated and inferred mineral resources estimates may affect depreciation rates and carrying values of the Company's inventory, property, plant and equipment, mineral exploration projects, reclamation provisions and deferred income taxes.

(ii) Units of production depreciation

The Company's mining properties and mineral exploration projects are depreciated on a unit-of-production basis and calculates the depreciation rate for each project by dividing its volume extracted by the estimated amount of recoverable mineral resources. The estimated amount of recoverable mineral resources (a) includes proven and probable mineral reserves as well as measured and indicated resources, (b) reflects management's best estimate of the useful life of the projects, and (c) is updated periodically in consideration of the results of complementary technical work performed. Periodic updates are treated as changes in accounting estimates and are accounted for on a prospective basis. It is impracticable to assess the impact of the change in estimate in future periods.

(iii) Reclamation provision

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and, over time, becoming more restrictive which impacts the cost of retiring assets at the end of their useful lives.

Significant judgments and estimates are involved in forming expectations of future activities and the amount and timing of the associated cash flows. Those expectations are formed based on existing environmental and regulatory requirements or, if more stringent, the Company's environmental policies which give rise to a constructive obligation. The principal factors that can cause expected cash flows to change are: the construction of new processing facilities; changes in the quantities of material in reserves and resources with a corresponding change in the life of mine plan; changing ore characteristics that impact required environmental protection measures and related costs; changes in water quality that impact the extent of water treatment required; changes in discount rates; changes in foreign exchange rates and changes in laws and regulations governing the protection of the environment.

The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are future changes to environmental laws and regulations that could increase the extent of reclamation and remediation work required to be performed by the Company.

(iv) Identification of impairment charges and impairment reversals

At each reporting date, the Company applies significant judgment in assessing (a) whether events or circumstances ("impairment indicators") indicate the recoverable amount may be greater than or less than the carrying amount and (b) whether or not there has been an impairment or reversal thereto of the capitalized mineral exploration projects and property, plant and equipment.

For non-producing properties, the recoverable amount is based on fair value less cost to sell where fair value is determined based on market values, for companies with similar projects. For producing mining properties, the recoverable amount is determined based on the expected future cash flows to be generated from the asset.

Significant assumptions include life of mine future projection profiles, future gold prices, mineral reserves and resources estimates, discount rates, income taxes, foreign exchange rates and capital expenditures. Assumptions underlying the fair value estimates are subject to risks and uncertainties.

If the Company determines there has been an impairment because its prior estimates of discounted future cash flows have proven to be inaccurate, due to reductions in the price of gold, increases in the costs of production, reductions in the amount of reserves and resources expected to be recovered or otherwise, the Company would be required to write-down the recorded value of its mineral explorations projects, or property, plant and equipment, which would reduce the Company's earnings and net assets.

An impairment provision is reversed if there has been a change in the estimates used to determine the recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

e) Accounting standards issued but not yet effective

The following are new pronouncements approved by the IASB. These new standards are not yet effective and have not been applied in preparing these financial statements, however, they may impact future periods:

- IAS 12 'Income Taxes' – On May 7, 2021, IASB issued amendments to IAS 12 which require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

  The Company assessed the impacts of the amendments to the IAS 12 Income Taxes standard and concluded such will not give rise to any material changes to the Company's consolidated financial statements.

- IAS 1 'Presentation of Financial Statements' – On February 12, 2021, IASB issued amendments to IAS 1 which include (i) requiring companies to disclose their material accounting policies rather than their significant accounting policies, (ii) clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed, and (iii) clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

  The Company assessed the impacts of the amendments to IAS 1 Presentation of Financial Statements and concluded such will not give rise to any material changes to the Company's consolidated financial statements.

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- IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' – On February 12, 2021, IASB issued amendments to IAS 8 which clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

  The Company assessed the impacts of the amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and concluded such will not give rise to any material changes to the Company's consolidated financial statements.

4. Restricted cash

	December 31, 2022	December 31, 2021
Restricted cash - current portion		
Escrow judicial deposits[(a)]	**$ 618**	$ 501
	618	501
Restricted cash - non-current portion		
Escrow judicial deposits[(a)]	**517**	586
	517	586
Total restricted cash	**$ 1,135**	$ 1,087

(a) Escrow judicial deposits paid in relation to the Company's ongoing labour, civil and tax litigations (Note 15).

5. Inventory

Inventory is comprised of the following:

	December 31, 2022	December 31, 2021
Raw material and mine operating supplies	**$ 10,207**	$ 10,244
Ore in stockpiles	**1,179**	741
Gold in process	**1,455**	1,623
Unrefined gold doré	**3,398**	1,938
Total inventory	**$ 16,239**	$ 14,546

The inventory amount recognized in direct mining and processing costs for the year ended December 31, 2022 was $80.1 million ($66.0 million during the year ended December 31, 2021). During the year ended December 31, 2022, there were no inventory write downs to net realizable value ($nil during the year ended December 31, 2021).

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

6. Recoverable taxes

	December 31, 2021	Additions/ reversals	Sales of credits	Applied to taxes payable	Foreign exchange	December 31, 2022
Value added taxes and other[a]	$ 6,178	$ 7,110	$ -	$ (7,589)	$ 662	**$ 6,361**
Provision for VAT and other[b]	(789)	94	-	-	(81)	**(776)**
Net VAT and other taxes	$ 5,389	$ 7,204	$ -	$ (7,589)	$ 581	**$ 5,585**
ICMS[c]	$ 7,210	$ 3,510	$ (3,449)	$ (129)	$ 352	**$ 7,494**
Provision for ICMS	(2,178)	106	-	-	(217)	**(2,289)**
Net ICMS	$ 5,032	$ 3,616	$ (3,449)	$ (129)	$ 135	**$ 5,205**
Total recoverable taxes	**$ 10,421**	**$ 10,820**	**$ (3,449)**	**$ (7,718)**	**$ 716**	**$ 10,790**
Less: current portion	5,143					**8,545**
Non-current portion	$ 5,278					**$ 2,245**

a) The Company is required to pay certain federal value added taxes in Brazil that are based on purchases of consumables and property, plant and equipment. These taxes are recoverable from the Brazilian tax authorities through various methods, including via cash refund or as a credit against payroll, supplier withholding taxes, or other taxes payable.

During the year ended December 31, 2022, the Company received a court judgment with respect to its litigation over Brazil Federal VAT input tax credit claims from past years. According to the judgment received, the Company was awarded a total tax refund receivable of approximately R$29.3 million ($5.6 million), including R$17.3 million ($3.3 million) in principal and R$12.0 million ($2.3 million) in interest. The Company recognized R$12.0 million ($2.3 million) interest income to Other non-operating expenses for the year ended December 31, 2022. Of this total amount receivable, R$9.8 million ($1.9 million) was received in 2022, and as at December 31, 2022, the Company had a receivable outstanding in the amount of R$19.5 million ($3.7 million) in its statement of financial position.

In the year ended December 31, 2022, the Company applied (i) R$27.6 million ($5.3 million) in federal value added taxes and other tax credits to pay INSS tax obligations and (ii) R$11.8 million ($2.3 million) to pay goods and service withholding tax obligations.

b) The Company has recorded a provision against its recoverable VAT and other taxes in Brazil to reduce the net carrying amount of value added taxes and other taxes to their estimated recoverable value. As at December 31, 2022, the Company applied a provision valued at 12.2% of the Federal VAT and other tax credits receivable (December 31, 2021 – 12.8% of its VAT and other tax assets).

c) *ICMS – Imposto sobre circulação de mercadorias e prestação de serviços* is a type of value added tax which can either be sold to other companies, usually at a weighted average discount rate of 20% - 35%, be used to satisfy ICMS tax settlement installments due, or be used to purchase specified machinery and equipment, as subject to approval by government authority. The ICMS credits can only be realized in the state where they were generated; in the case of Jaguar, in the State of Minas Gerais, Brazil.

As at December 31, 2022, the Company applied a provision valued at 30.5% of its ICMS tax assets, which was based on the Company's historical discount rates required to sell ICMS tax credits to third party buyers (December 31, 2021 – 30.2%).

In the year ended December 31, 2022, the Company started the period with R$6.3 million (approximately $1.1 million) in ICMS export and deferred tax credits authorized and available for sale. The Company received approval from the state tax authority to sell an additional R$14.7 million (approximately $3.1 million), and the

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Company sold R$15.8 million (approximately $3.4 million) in credits. As at December 31, 2022, the Company held R$5.2 million (approximately $1.0 million) in ICMS export and deferred tax credits authorized for sale but not yet sold (December 31, 2021 – R$6.3 million, approximately $1.1 million).

7. Other accounts receivable

	December 31, 2022	December 31, 2021
Due from Oz Minerals Ltd. - CentroGold Project sale	5,000	5,000
Other accounts receivable	343	92
Total other accounts receivable	$ 5,343	$ 5,092
Less: current portion	343	92
Non-current portion	$ 5,000	$ 5,000

The Company completed the sale of its 100% ownership in the CentroGold Project to Oz Minerals Ltd. in July 2019 and completed the sale of a net smelter return royalty interest on the CentroGold Project to Metalla Royalty & Streaming Ltd. (“Metalla”) in March 2021.

In the year ended December 31, 2021, the Company recognized a $1.7 million loss on sale of the CentroGold royalty interest to Other non-operating expenses (Note 19). In the year ended December 31, 2022, the Company did not recognize any income for the aforementioned transactions.

As at December 31, 2022, Oz Minerals continues to hold a first right of refusal to acquire the Company’s Paciência Processing Plant, and the Company is entitled to receive the following remaining elements of consideration:
(i) $5 million due from Oz Minerals Ltd. in 10 equal instalments starting in the month in which Oz Minerals receives “clear title and access” to the project;
(ii) $7.0 million in Metalla common shares to be issued to Jaguar if and when the following three events have occurred: all CentroGold project licenses are granted, the injunction is lifted or extinguished with no pending appeals, and all required community relocations are completed; and
(iii) $4.0 million in cash due from Metalla if and when the CentroGold Project achieves commercial production.

The $5.0 million balance receivable per item (i) above is recognized and classified as non-current in the statement of financial position as at December 31, 2022, whereas the Company expects to start collecting the balance in 2024 but is uncertain as to when the government will grant “clear title and access” to Oz Minerals Ltd. Items (ii) and (iii) above remain unfulfilled with no income recognized to-date.

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

8. Property, plant and equipment ("PP&E")

		Plant	Vehicles	Equipment[1]	Leasehold[2]	CIP[3]	Mining properties	Total
Cost								
Balance as at January 1, 2022		$ 17,525	$ 5,666	$ 205,596	$ 5,601	$ 8,754	$ 515,536	$ 758,678
Additions		66	-	3,243	2,619	5,412	34,688	46,028
Disposals		-	-	(5,007)	(59)	(171)	(11)	(5,248)
Transfers within PP&E		1,523	19	1,365	-	(2,907)	-	-
Balance as at December 31, 2022		**$ 19,114**	**$ 5,685**	**$ 205,197**	**$ 8,161**	**$ 11,088**	**$ 550,213**	**$ 799,458**
Accumulated depreciation and impairment								
Balance as at January 1, 2022	*Restated Note 27*	$ 15,735	$ 1,884	$ 181,941	$ 4,692	$ -	$ 391,632	$ 595,884
Depreciation for the period		1,547	278	4,635	1,669	-	12,526	20,655
Impairment charges (reversals)		(456)	(68)	(1,481)	(63)	-	(8,140)	(10,208)
Disposals		-	-	(4,164)	-	-	(11)	(4,175)
Balance as at December 31, 2022		**$ 16,826**	**$ 2,094**	**$ 180,931**	**$ 6,298**	**$ -**	**$ 396,007**	**$ 602,156**
Carrying amount								
As at December 31, 2022		**$ 2,288**	**$ 3,591**	**$ 24,266**	**$ 1,863**	**$ 11,088**	**$ 154,206**	**$ 197,302**
Cost								
Balance as at January 1, 2021		$ 13,587	$ 4,989	$ 200,087	$ 4,418	$ 9,223	$ 479,976	$ 712,280
Additions		118	661	2,161	1,183	8,044	35,560	47,727
Disposals		-	(21)	(2)	-	(1,306)	-	(1,329)
Transfers within PP&E		3,820	37	3,350	-	(7,207)	-	-
Balance as at December 31, 2021		$ 17,525	$ 5,666	$ 205,596	$ 5,601	$ 8,754	$ 515,536	$ 758,678
Accumulated depreciation and impairment								
Balance as at January 1, 2021		$ 13,428	$ 1,663	$ 174,150	$ 3,397	$ -	$ 372,001	$ 564,639
Depreciation for the period		1,873	177	6,385	1,235	-	11,894	21,564
Impairment charges (reversals)	*Restated Note 27*	434	65	1,408	60	-	7,737	9,704
Disposals		-	(21)	(2)	-	-	-	(23)
Balance as at December 31, 2021	*Restated Note 27*	$ 15,735	$ 1,884	$ 181,941	$ 4,692	$ -	$ 391,632	$ 595,884
Carrying amount								
As at December 31, 2021	*Restated Note 27*	$ 1,790	$ 3,782	$ 23,655	$ 909	$ 8,754	$ 123,904	$ 162,794

[1] As at December 31, 2022, the Company had equipment under right-of-use leases at a cost and net book value of $16.7 million and $8.7 million, respectively (December 31, 2021 - $14.1 million and $8.7 million, respectively).

[2] Refers to corporate office leasehold improvements and leased vehicles in Brazil.

[3] Refers to construction in progress.

As at December 31, 2022, mining properties include the following properties which are in production, under development, or in care and maintenance:

a) Turmalina Project

The Turmalina project terms include a royalty payable by the Company to an unrelated third party. The royalty due is calculated across two components each calendar year: (i) 5% of net revenue up to $10.0 million and (ii) 3% of the net revenue amount which exceeds $10.0 million. Pursuant to an agreement made with the Turmalina mining right royalty beneficiaries in March 2020 and subsequently amended, Turmalina´s royalty charge was temporarily reduced to 2.5% of net revenue for the period until December 31, 2023.

b) Paciência Project - Santa Isabel, Marzagão, Rio de Peixe Oxide, Chame, and Bahú mines

The Company's Santa Isabel, Morro do Adão, Bahu, and Marzagão properties are subject to a sliding scale net smelter royalty ("NSR") due to the previous owner on gold and other precious metals produced from the properties, ranging from 1.5% to 4.5% of gross revenue based on precious metal prices at the time of production.

If the Company discovers, on a concession basis, in excess of 750,000 ounces of gold over the measured and indicated resources used in the agreement, AngloGold has the right to buy-in up to 70% of that concession for a predetermined price. If this were to occur, the Company would retain a 30% interest and would receive the same sliding scale NSR payment from AngloGold as the one mentioned above.

As at December 31, 2022 the carrying amount for the Paciência project is $nil, due to past impairment charges (December 31, 2021 - $nil) as the project is currently in care and maintenance.

c) Caeté Project - Roça Grande and Pilar mines

The Company´s Pilar mine property is subject to a royalty of 0.5% of revenue due to the landowners of the property.

d) Impairment charges (reversal)

The Turmalina, Caeté, and Paciência projects are each CGUs which include property, plant and equipment, mineral rights, deferred exploration costs, and asset retirement obligations net of amortization. The CGUs also include mineral exploration project assets relating to properties not in production. A CGU is generally an individual operating mine or development project.

As at December 31, 2022 and December 31, 2021, the Company assessed each CGU for indicators of potential impairment or potential reversal to impairment. In the event such indicators were identified, the Company proceeded to compare the CGU's carrying value to the recoverable amount determined. The recoverable amount was determined to be the fair value less costs to dispose ("FVLCD") and the Company's estimate of the FVLCD is classified as Level 3 in the fair value hierarchy based on the inputs used in the valuation technique.

The significant assumptions used in determining the recoverable amount of the project were life of mine (LOM) future production profiles, future gold prices, proven and probable reserves and estimated amount of resources, discount rates, foreign exchange rates, and capital expenditures. LOM plans are typically developed annually and are based on management's current best estimates of optimized mine and processing plans, future operating expenditures and capital costs, and income taxes. The Company bases its future gold price estimate with reference to forward prices and industry analyst consensus.

As at December 31, 2022 and December 31, 2021, the following were the indicators for potential impairment or potential reversal to impairment identified:

Turmalina CGU

As at December 31, 2022, the Company identified replenished mineral resource and reserve estimates and an improved gold price outlook as indicators for potential impairment reversal at the Turmalina CGU.

The Company compared the Turmalina CGU's carrying value to its recoverable amount. The Company used the following key assumptions in determining the recoverable amount: gold prices, foreign exchange rates, quantities of recoverable reserves and resources and future mineral production, discount rate and costs used to determine the future cash flows.

The life-of-mine gold price per ounce estimates used to calculate recoverable amounts as at December 31, 2022 were $1,788 for 2023, $1,700 for 2024 through 2032. The foreign exchange rates used were based on Brazil Central Bank projections as at December 31, 2022 and ranged between R$5.20/USD and R$5.00/USD. Quantities of recoverable reserves and resources and future mineral production were included in projected cash flows based on mineral reserve and resources estimates including all proven and probable reserves and the portion of inferred and indicated resources deemed to hold a probable likelihood of recovery, as undertaken by qualified persons. A post-tax discount rate of 9.7% was used to calculate the present value of the estimated future cash flows from the operation. The assessment indicated that the discounted cash flows exceeded its carrying value of the Turmalina project as at December 31, 2022, and consequently an impairment reversal of $10.7 million was recorded. The impairment reversal for the year ended December 31, 2022 was allocated as follows: $10.2 million to property, plant and equipment and $0.5 million to mineral exploration projects.

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

As at December 31, 2021, the Company recorded a $10.1 million impairment charge (Note 27) with $9.7 million allocated to property, plant and equipment and $0.4 million to mineral exploration projects. The life-of-mine gold price per ounce estimates used to calculate recoverable amounts as at December 31, 2021 were $1,740 for 2022, $1,700 for 2023, and $1,625 from 2024 to 2026, and $1,600 for 2027 through 2031. The foreign exchange rates used were based on Brazil Central Bank projections as at December 31, 2021 and ranged between R$5.40/USD and R$4.82/USD. Quantities of recoverable reserves and resources and future mineral production were included in projected cash flows based on mineral reserve and resources estimates including all proven and probable reserves and the portion of inferred and indicated resources deemed to hold a probable likelihood of recovery, as undertaken by qualified persons. A post-tax discount rate of 7.4% was used to calculate the present value of the estimated future cash flows from the operation.

Caeté CGU

As at December 31, 2022, the Company identified the following indicators for potential changes to impairment at the Caete CGU: (i) operating results less favorable than those forecasted offset by (ii) replenished mineral resource and reserve estimates and (iii) an improved gold price outlook.

The Company compared the Caete CGU's carrying value to its recoverable amount. The Company used the following key assumptions in determining the recoverable amount: gold prices, foreign exchange rates, quantities of recoverable reserves and resources and future mineral production, discount rate and costs used to determine future cash flows.

The life-of-mine gold price per ounce estimates used to calculate recoverable amounts as at December 31, 2022 were $1,788 for 2023 and $1,700 for 2024 through 2029. The foreign exchange rates used were based on Brazil Central Bank projections as at December 31, 2022 and ranged between R$5.20/USD and R$5.00/USD. Quantities of recoverable reserves and resources and future mineral production were included in projected cash flows based on mineral reserve and resources estimates including all proven and probable reserves and the portion of inferred and indicated resources deemed to hold a probable likelihood of recovery, as undertaken by qualified persons. A post-tax discount rate of 9.7% was used to calculate the present value of the estimated future cash flows from the operation.

Based on the results of its assessment as at December 31, 2022, the Company concluded no impairment charges were considered necessary (December 31, 2021 – no impairment indicators were identified and no impairment charges were considered necessary).

9. Mineral exploration projects

		Turmalina	Caeté	Pedra Branca	Total
Balance as at January 1, 2022	*Restated Note 27*	$ 3,907	$ 19,479	$ -	$ 23,386
Additions		4,662	-	-	4,662
Disposals		-	-	-	-
Impairment reversals (charges)[1]		453	-	-	453
Balance as at December 31, 2022		**$ 9,022**	**$ 19,479**	**$ -**	**$ 28,501**
Balance as at January 1, 2021		$ 3,395	$ 19,037	$ 405	$ 22,837
Additions		943	442	-	1,385
Disposals		-	-	(405)	(405)
Impairment reversals (charges)[1]	*Restated Note 27*	(431)	-	-	(431)
Balance as at December 31, 2021	*Restated Note 27*	$ 3,907	$ 19,479	$ -	$ 23,386

[1] Impairment charges and reversals recorded to Mineral exploration projects as disclosed in Note 8.

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

a) Turmalina

The Turmalina mineral exploration project includes the Satinoco property (Ore Body D), Faina and Pontal, adjacent to the Turmalina plant and mine, not currently in commercial production. These properties are subject to the Turmalina net smelter royalty described in Note 8.

b) Caeté

The Caeté mineral exploration project includes the following exploration properties: Pilar-sulphide, Catita-sulphide, Camará, Roça Grande, Serra Paraíso–sulphide, and Trindade.

The Company's Catita and Camará properties are subject to a sliding scale net smelter royalty ("NSR") due to the previous owner on gold and other precious metals produced, ranging from 1.5% to 4.5% of gross revenue, based on precious metal prices at the time of production.

10. Accounts payable and accrued liabilities

	December 31, 2022	December 31, 2021
Accounts payable	**$ 14,219**	$ 10,389
Accrued payroll	**5,530**	5,269
Other	**33**	2
Total accounts payable and accrued liabilities	**$ 19,782**	$ 15,660

11. Notes payable

	December 31, 2022	December 31, 2021
Notes payable - current portion		
Bank indebtedness [(a)]	**$ 3,040**	$ 3,027
	3,040	3,027
Total notes payable	**$ 3,040**	$ 3,027

(a) Bank indebtedness

As at December 31, 2022, bank indebtedness included $3.0 million in unsecured promissory notes, holding maturities from March 2023 through June 2023 and bearing interest rates ranging from 5.2% to 6.6% per annum. As at December 31, 2021, bank indebtedness included $3.0 million in unsecured promissory notes, holding maturities through June 2022 and bearing interest rates at 3.9% per annum.

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

12. Right-of-use assets and lease liabilities

a) Right-of-use assets

The Company's significant lease arrangements include contracts for leasing mining equipment. As at December 31, 2022, $8.7 million of right-of-use assets are recorded as property, plant and equipment (Note 8).

	2022	2021
Right-of-use assets, net book value at January 1	**$ 8,675**	**$ 6,690**
Additions	**2,619**	**4,042**
Amortization	**(2,608)**	**(2,057)**
Right-of-use assets, net book value at December 31	**$ 8,686**	**$ 8,675**

b) Lease liabilities

The Company has acquired certain equipment through the assumption of lease obligations. These obligations are secured by promissory notes. When measuring the value of the lease liabilities, the Company discounted lease payments using its 5.3% weighted average incremental borrowing rate at December 31, 2022 (December 31, 2021 – 5.65%). The following table outlines the total minimum loan payments due for lease obligations over their remaining terms as at December 31, 2022 and December 31, 2021:

	December 31, 2022	December 31, 2021
Less than 1 year	**$ 2,612**	$ 1,578
1 - 3 years	**1,679**	2,584
3 - 5 years	**8**	137
Total minimum loan payments	**4,299**	4,299
Less: Future finance charges	**(335)**	(434)
Present value of minimum loan payments	**$ 3,964**	$ 3,865
Less: current portion	**2,414**	1,431
Non-current portion	**$ 1,550**	$ 2,434

For the year ended December 31, 2022, the Company recognized $219,000 in accretion expense and $27,000 in foreign exchange losses on its lease liabilities ($131,000 in accretion expense and $49,000 in foreign exchange gains, for the year ended December 31, 2021). The Company presented $2.6 million in lease liability debt repayments in its statement of cash flows, as further detailed in Note 24(f) ($2.9 million in lease repayments for the year ended December 31, 2021).

13. Income taxes

a) Income tax expense

The following table shows the components of current and deferred tax expense:

	December 31, 2022	December 31, 2021
Current income tax expense	**$ 5,426**	$ 7,939
Deferred income tax expense	**-**	-
Total income tax expense	**$ 5,426**	$ 7,939

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

b) Tax rate reconciliation

The provision for income taxes differs from that which would be expected by applying the combined Canadian federal and provincial statutory income tax rate to income (loss) before income taxes. A reconciliation of the difference is as follows:

	December 31, 2022	December 31, 2021
		Restated Note 27
Income before income taxes	**$ 26,866**	$ 31,994
Combined Canadian federal and provincial income tax rate	**26.50%**	26.50%
Expected income tax expense	**$ 7,119**	$ 8,478
Increase (decrease) in tax expense resulting from:		
Foreign exchange on deferred taxes	**(3,728)**	5,747
Change in benefit of non-capital losses not recognized	**(1,773)**	(4,719)
Change in benefit of other temporary differences not recognized	**2,779**	(4,616)
Difference in foreign tax rate and Canadian tax rate	**1,855**	2,564
Non-deductible (taxable) expense	**(826)**	485
Income tax expense	**$ 5,426**	$ 7,939

c) Deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2022	December 31, 2021
		Restated Note 27
Deductible temporary differences	**$ 46,719**	$ 37,525
Tax losses	**157,160**	164,271

In addition to the deductible temporary differences disclosed above, there is $393.1 million (2021 - $415.1 million) of deductible temporary differences associated with investment in subsidiaries for which deferred tax assets have not been recognized.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits.

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

d) Tax losses

As at December 31, 2022, the Company's Canadian non-capital losses, that can be applied against future taxable profit amount to $44.9 million (December 31, 2021 - $49.6 million), and will expire as follows:

Expiry year		December 31, 2022
2034	$	5,451
2035		6,461
2036		5,366
2037		6,797
2038		8,935
2039		5,758
2040		3,336
2041		2,773
Total	$	44,877

The Company has Canadian capital losses of $16.6 million (December 31, 2021 - $18.7 million) which can be carried forward indefinitely. These losses can only be applied against capital gains.

The Company has Brazilian non-capital losses of $124.3 million (equivalent to R$648.4 million) which can be carried forward indefinitely, however only 30% of the taxable income in one year can be applied against the loss carry-forward balance (December 31, 2021 – $122.4 million (equivalent to R$683.0 million).

e) Recognized deferred tax assets and liabilities

The following table summarizes the types of recognized deferred tax assets and liabilities:

		December 31, 2022		December 31, 2021
				Restated Note 27
Deferred tax assets				
Non-capital losses	$	9,235	$	8,624
Financing fees		50		96
Total deferred tax assets	$	9,285	$	8,720
Deferred tax liabilities				
Unrealized foreign exchange gain	$	(1,726)	$	(1,288)
Inventory		(1,028)		(1,212)
Mineral properties		(6,531)		(6,219)
Property, plant and equipment		-		(1)
Total deferred tax liabilities	$	(9,285)	$	(8,720)
Deferred tax liabilities - net	$	-	$	-

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

14. Reclamation provisions

	December 31, 2021	Additions (reversals)	Accretion	Payments	Foreign exchange	December 31, 2022
Reclamation provision	$ 18,029	$ 6,684	$ 1,936	$ (3,588)	$ 1,243	**$ 24,304**
Less: current portion	6,847					**3,156**
Non-current portion	$ 11,182					**$ 21,148**

	December 31, 2020	Additions (reversals)	Accretion	Payments	Foreign exchange	December 31, 2021
Reclamation provision	$ 12,162	$ 11,140	$ 288	$ (4,714)	$ (847)	**$ 18,029**
Less: current portion	623					**6,847**
Non-current portion	$ 11,539					**$ 11,182**

The reclamation provisions relate to the cost to decommission the operating facilities and reclaim land that has been disturbed as a result of mining activity.

In the year ended December 31, 2022, as a result of legislative changes, the Company recorded a change in estimate to include $6.7 million (approximately R$34.9 million) in additional cost estimates in its reclamation provision, with the counterpart recorded as follows: (i) $3.9 million (approximately R$20.3 million) capitalized to Property, plant and equipment mining properties in its consolidated statement of financial position for additional cost estimates at operating sites and (ii) $2.8 million (approximately R$14.6 million) expensed to Other non-operating expenses in its consolidated statement of operations and comprehensive income for additional cost estimates at sites on care and maintenance.

In the year ended December 31, 2021, as a result of legislative changes, the Company recorded a change in estimate to include $11.7 million (equivalent to R$66.5 million) in additional cost estimates in its reclamation provision, increasing its Property, plant and equipment mining properties asset by the same amount.

The Company expects to spend approximately $38.3 million (amount not discounted) on reclamation activities between 2023 and 2033 (December 31, 2021 – $22.6 million between 2023 and 2029). The Company's reclamation provision at December 31, 2022 was calculated as the present value of the expected future cash flows estimated using inflation rates ranging from 5.5% to 3.5% (2021 – 5.1% to 3.2%) and discount rates ranging from 12.2% to 10.0% (2021 – 10.7% to 8.7%).

15. Legal and other provisions

Various legal, environmental, tax and regulatory matters are outstanding from time to time due to the nature of the Company's operations. For its matters outstanding, management, in conjunction with its internal and external legal counsel, assesses the estimated value at risk and the Company's probability of loss. A provision is recorded for cases in which the Company has determined the probability of loss as more likely than not and the amount can be reasonably estimated. In the event that management's estimate of the future resolution of these matters changes, the Company will recognize the effects of the changes in its consolidated financial statements on the date such changes occur.

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As at December 31, 2022, the Company has recognized a provision of $7.8 million (December 31, 2021 – $7.2 million), representing management's best estimate of expenditures required to settle present obligations, as noted in the table below. The ultimate outcome or actual cost of settlement may vary materially from management estimates due to the inherent uncertainty regarding the outcome of the resolution of these matters.

	December 31, 2021	Additions	Reversals/ Transfers	Payments	Foreign exchange	December 31, 2022
Labour litigation	$ 5,615	$ 1,837	$ (911)	$ (1,054)	$ 379	**$ 5,866**
Civil litigation	1,173	595	(94)	-	119	**1,793**
Tax litigation	87	29	(96)	-	28	**48**
Other provisions	300	20	(227)	-	(8)	**85**
Total legal and other provisions	$ 7,175	$ 2,481	$ (1,328)	$ (1,054)	$ 518	**$ 7,792**
Less: current portion	2,941					**3,751**
Non-current portion	$ 4,234					**$ 4,041**

	December 31, 2020	Additions	Reversals	Payments	Foreign exchange	December 31, 2021
Labour litigation	$ 6,652	$ 1,745	$ (1,164)	$ (1,177)	$ (441)	**$ 5,615**
Civil litigation	981	256	(13)	-	(51)	**1,173**
Tax litigation	51	50	-	-	(14)	**87**
Other provisions	300	22	-	-	(22)	**300**
	$ 7,984	$ 2,073	$ (1,177)	$ (1,177)	$ (528)	**$ 7,175**
Less: current portion	2,827					**2,941**
Non-current portion	$ 5,157					**$ 4,234**

16. Capital stock

a) Common shares

The Company is authorized to issue an unlimited number of common shares. All issued shares are fully paid and have no par value. Changes in common shares for the years ended December 31, 2022 and 2021 are as follows:

		Number of shares	Amount
Balance as at December 31, 2021		72,444,870	$ 566,860
Shares purchased and cancelled in normal course issuer bid[1]		(31,700)	(248)
Shares issued upon exercise of stock options	Note 16(b)	12,083	36
Shares issued upon redemption of deferred share units	Note 16(c)	27,674	68
Balance as at December 31, 2022		**72,452,927**	**$ 566,716**
Balance as at December 31, 2020		72,118,620	$ 565,734
Shares issued upon exercise of stock options	Note 16(b)	140,325	760
Shares issued upon redemption of deferred share units	Note 16(c)	185,925	366
Balance as at December 31, 2021		**72,444,870**	**$ 566,860**

1) On June 10, 2022, the Toronto Stock Exchange ("TSX") accepted Jaguar's notice to make a normal course issuer bid (the "Bid") to purchase for cancellation up to 3,623,640 common shares in the capital of the Company ("Common Shares") in total, being 5% of the issued and outstanding Common Shares as at the date of Jaguar's notice to the TSX. According to the terms of the Bid, the Company's daily purchases are subject to a daily limit, the Company reserves the right to not purchase shares and may elect to suspend or discontinue the Bid at any time. The Bid commenced on June 15, 2022 and will terminate on June 14, 2023, or such earlier time as the bid is completed or terminated at the option of Jaguar.

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During the year ended December 31, 2022, the Company purchased and cancelled 31,700 shares in exchange for $75,000 in cash (nil shares for $nil, for the year ended December 31, 2021). As at December 31, 2022, 3,591,940 shares remained available and subject to purchase for cancelation under the Bid (December 31, 2021: Nil).

The total amount paid to purchase the shares is allocated to Common shares and Contributed surplus in the Company's consolidated financial statements. The amount allocated to Common shares is based on the average cost carrying amount per common share and amounts paid above or below the average cost carrying amount are allocated to Contributed surplus.

b) Stock options

The Stock Option Plan ("SOP") provides for the issuance of options to employees, directors, or officers of the Company, its subsidiary, or any of its affiliates, consultants, and management employees.

The aggregate number of shares available at all times for issuance under the SOP shall not exceed 10% of the total issued and outstanding common shares of the Company (calculated on a non-diluted basis). Any option, which has been exercised, cancelled or forfeited, will again be available for grant under the SOP. The Board of Directors has the power to determine terms of any options and units granted under the Company's incentive plans, including setting exercise prices, vesting terms and expiry dates.

The following table shows the movement of stock options for the years ended December 31, 2022 and 2021:

	Number of options		Weighted average exercise price (C$)
Balance as at December 31, 2021	975,798	$	2.91
Options granted[1]	71,656		4.33
Options exercised[2]	(12,083)		2.24
Options expired[5]	(23,289)		13.50
Balance as at December 31, 2022	**1,012,082**	**$**	**2.77**
Balance as at December 31, 2020	1,075,876	$	2.84
Options granted[3]	58,056		8.25
Options exercised[4]	(158,098)		4.43
Options expired[5]	(36)		7.40
Balance as at December 31, 2021	**975,798**	**$**	**2.91**

1) In the year ended December 31, 2022, the Company granted 71,656 stock options to executives of the Company at a weighted average exercise price of C$4.33 and expiry occurring eight years from the grant date.

2) In the year ended December 31, 2022, officers and directors of the Company exercised a total 12,083 options with a weighted average exercise price of C$2.24. The exercises were paid for with $20,000 in cash proceeds to the Company, and as a result of the options exercised, the Company issued 12,083 common shares. The weighted average share price at the date of exercise of stock options during the year ended December 31, 2022 was C$3.44.

3) In the year ended December 31, 2021, the Company granted 58,056 stock options to executives of the Company at a weighted average exercise price of C$8.25 and expiry occurring eight years from the grant date.

4) In the year ended December 31, 2021, officers and directors of the Company exercised a total 158,098 options with exercise prices ranging between C$1.00 and C$7.60. The exercises were paid for with $410,000 in cash proceeds to the Company and $85,000 via a cashless exercise using 17,773 fully vested stock options. As a result

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of the options exercised, the Company issued 140,325 common shares. The weighted average share price at the date of exercise of stock options during the year ended December 31, 2021 was C$9.04.

5) Relates to cancellations of the options upon expiry.

The following table sets out the details of the valuation of stock option grants for the year ended December 31, 2022 and 2021, measured using the Black-Scholes option pricing formula:

Grant date	Weighted average exercise price (C$)	Number of options	Risk-fee interest rate	Expected Life (number of years)	Volatility Factor	Weighted average grant date fair value per option (C$)
January 25 ,2022[1]	4.33	71,656	1.20%	4.00	79%	2.51
January 19 ,2021[2]	8.25	58,056	0.14%	4.00	83%	4.93

[1] 67,562 options vest on a quarterly basis, in twelve equal instalments, starting on April 1, 2022 and are exercisable upon vesting.
4,094 options vest if and when the 20 day VWAP of the Company's shares is C$5.20 per share and are also exercisable upon vesting.

[2] 54,770 options vest on a quarterly basis, in twelve equal instalments, starting on April 1, 2021 and are exercisable upon vesting.
3,286 options vest if and when the 20 day VWAP of the Company's shares is C$10.00 per share and are also exercisable upon vesting.

The expected volatility was estimated using the Company's historical data from the date of grant and for a period corresponding to the expected life of the options.

The table below shows the outstanding stock options as at December 31, 2022 and 2021:

		Outstanding		Vested	
December 31,	Exercise price (C$)	Number of options	Weighted average remaining contractual life	Number of options	Weighted average remaining contractual life
2022	**$8.70**	**8,500**	**5.64**	**8,500**	**5.64**
2022	**$8.25**	**58,056**	**6.06**	**31,949**	**6.06**
2022	**$4.33**	**71,656**	**7.06**	**20,986**	**7.06**
2022	**$3.70**	**15,000**	**3.07**	**15,000**	**3.07**
2022	**$3.30**	**20,000**	**2.73**	**20,000**	**2.73**
2022	**$2.50**	**158,664**	**5.08**	**144,082**	**5.08**
2022	**$2.20**	**600,000**	**4.60**	**600,000**	**4.60**
2022	**$2.10**	**4,374**	**3.67**	**4,374**	**3.67**
2022	**$1.90**	**22,500**	**4.76**	**22,500**	**4.76**
2022	**$1.00**	**53,332**	**4.42**	**53,332**	**4.42**
2021	$13.50	23,290	0.36	23,290	0.36
2021	$8.70	8,500	6.64	8,500	6.64
2021	$8.25	58,056	7.06	13,693	7.06
2021	$3.70	15,000	4.07	15,000	4.07
2021	$3.30	20,000	0.72	20,000	0.72
2021	$2.50	168,664	6.08	95,753	6.08
2021	$2.20	600,000	5.60	525,000	5.60
2021	$2.10	4,374	4.67	4,374	4.67
2021	$1.90	22,500	5.76	22,500	5.76
2021	$1.00	55,414	5.42	44,999	5.42

The following table is a summary of stock options outstanding during the years ended December 31, 2022 and 2021, the fair values and the weighted average assumptions used in the Black-Scholes option pricing formula:

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

	Number of options	Exercise Price (C$)	Dividend yield	Risk-free interest rate	Forfeiture rate	Expected life (years)	Volatility factor	Fair value (US$)
Stock options 2022	**1,012,082**	**$ 2.77**	**-**	**1.00%**	**0%**	**7.04**	**82%**	**$ 1.33**
Stock options 2021	975,798	$ 2.91	-	1.00%	0%	7.19	83%	$ 1.32

The expected volatility was estimated using the Company's historical data from the date of grant and for a period corresponding to the expected life of the options. For the year ended December 31, 2022, the Company recognized $267,000 in stock based compensation expense for stock options in the consolidated statements of operations and comprehensive income (2021 – $244,000).

Subsequent to December 31, 2022, the Company granted 28,329 performance-vesting stock options to executives of the Company. The options are exercisable at a price of C$2.85 and expire on January 28, 2031. The options are exercisable upon vesting and vest if and when the 15 day volume weighted average price (VWAP) of the Company's shares reaches C$4.31, which represents a closing share price 50% greater than the share price as at the January 28, 2023 date of the grant.

c) Deferred share units – "DSUs"

The deferred share unit plan ("DSU Plan") provides awards to employees, directors, or officers of the Company. DSU means a right to receive, on a deferred basis, previously unissued shares in accordance with the terms of the DSU Plan. DSUs granted to officers, executives, and employees are redeemable upon vesting. DSUs granted to directors are redeemable upon retirement and up to three to twelve months following retirement. Vested DSUs shall be redeemed in whole or in part for shares issued from treasury or, subject to the approval of the Company, cash. The Company accounts for these awards as equity awards. The maximum number of shares reserved for issuance under the DSU Plan, at any time, shall be 3,623,269.

The following table shows the movement of DSUs for the year ended December 31, 2022 and 2021:

	Number of units	Weighted average grant date fair value (US$)
Balance as at December 31, 2021	494,485	$ 3.90
Units granted[1]	264,527	3.31
Units redeemed[2]	(27,674)	2.44
Balance as at December 31, 2022	**731,338**	**$ 3.74**
Balance as at December 31, 2020	534,048	$ 2.63
Units granted[3]	146,362	6.08
Units redeemed[4]	(185,925)	1.97
Balance as at December 31, 2021	**494,485**	**$ 3.90**

1) On January 25, 2022, the Company granted a total of 230,141 DSUs to directors and executives of the Company, holding a total grant date fair value of $780,000, measured at US$3.39/share, as follows:

i. 21,106 time-vested DSUs to executives of the Company, that vest on a quarterly basis, in twelve equal instalments, starting on April 1, 2022.
ii. 21,106 performance-vested DSUs to executives of the Company, that shall vest if the Company's stock price reaches C$5.20 measured on a 20-day VWAP basis, and is maintained at that level for at least 20 consecutive trading days.

iii. 93,965 immediately-vested DSUs were granted to the Company's non-executive directors, all of which vested immediately.
iv. 93,964 time-vested DSUs to non-executive directors, that shall vest on the earlier of the date of the 2022 Annual General Meeting or June 30, 2022.

As a result of dividends paid to shareholders during the year ended December 31, 2022, the Company granted a total of 34,386 DSUs to officers and directors of the Company, holding a total grant date fair value of $96,000 measured at a weighted average US$2.79/share.

2) In the year ended December 31, 2022, officers and directors redeemed a total of 27,674 DSUs. The DSU redemptions were settled via issuance of 27,674 common shares, and the corresponding grant date fair value of $68,000 was reclassified within Shareholders' equity accounts from DSUs to Common shares.

3) On January 19, 2021 the Company granted a total of 124,650 DSUs to directors and executives of the Company, holding a total grant date fair value of $794,000, measured at US$6.37/share, as follows:

i. 18,252 time-vested DSUs to executives of the Company, that vest on a quarterly basis, in twelve equal instalments, starting on April 1, 2021.
ii. 18,252 performance-vested DSUs to executives of the Company, that shall vest if the Company's stock price reaches C$10.00 measured on a 20-day VWAP basis, and is maintained at that level for at least 20 consecutive trading days.
iii. 44,073 immediately-vested DSUs were granted to the Company's non-executive directors, all of which vested immediately.
iv. 44,073 time-vested DSUs to non-executive directors, vested on the earlier of the date of the 2021 Annual General Meeting or June 30, 2021.

As a result of dividends paid to shareholders during the year ended December 31, 2021, the Company granted a total of 21,712 DSUs to officers and directors of the Company, holding a total grant date fair value of $96,000 measured at a weighted average US$4.43/share.

4) In the year ended December 31, 2021, officers and directors redeemed a total of 185,925 DSUs. The DSU redemptions were settled via issuance of 185,925 common shares, and the corresponding grant date fair value of $366,000 was reclassified within Shareholders' equity accounts from DSUs to Common shares.

For the year ended December 31, 2022, the Company recognized $896,000 in stock-based compensation expense for DSUs in the consolidated statements of operations and comprehensive income (2021 – $800,000).

Subsequent to December 31, 2022, the Company granted a total of 309,772 DSUs to directors and executives of the Company as follows:

i. 12,195 performance-vested DSUs to executives of the Company, that shall vest if the 15-day volume weighed average price (VWAP) for Jaguar's common shares reaches C$4.31, which represents a closing share price 50% greater than the share price as at the January 27, 2023 date of the grant.
ii. 148,785 time-vested DSUs to non-executive directors, that shall vest on the earlier of the date of the 2023 Annual General Meeting or June 30, 2023.
iii. 148,792 immediately-vested DSUs were granted to the Company's non-executive directors, all of which vested immediately upon resolution approval on January 27, 2023.

17. Basic and diluted earnings per share

Dollar amounts and share amounts in thousands, except per share amounts.

	Year Ended December 31, 2022	2021
		Restated Note 27
Numerator		
Net income for the purpose of basic and diluted income per share	**$ 21,440**	$ 24,055
Denominator		
Weighted average number of common shares outstanding - basic	**72,461,530**	72,396,926
Stock Options	**307,064**	515,148
Deferred share units	**731,338**	512,731
Weighted average number of common shares outstanding - diluted	**73,499,932**	73,424,805
Basic income per share	**$ 0.30**	$ 0.33
Diluted income per share	**$ 0.29**	$ 0.33

The determination of the weighted average number of common shares outstanding for the calculation of diluted earnings per share does not include the following effect of options and deferred shares units which were anti-dilutive to earnings per share in the period:

	Year Ended December 31, 2022	2021
Stock options	**705,018**	460,650
Anti-dilutive instruments	**705,018**	460,650

18. Operating costs

		Year Ended December 31, 2022	2021
Direct mining and processing costs	*Note 5*	**$ 80,061**	$ 66,034
Royalty expense and CFEM taxes[1]		**4,143**	4,565
Other costs (recoveries)		**25**	(262)
Operating costs		**$ 84,229**	$ 70,337

[1] CFEM - Compensação Financeira pela Exploração Mineral taxes are Brazil mining royalty fees levied by the Federal government as financial compensation for mineral exploitation.

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

19. Other non-operating expenses

	Year Ended December 31, 2022	2021
Interest income[(a)]	**$ (2,758)**	$ (117)
Loss on disposition of property, plant and equipment	**586**	1,400
Write-offs on disposals of ICMS and other recoverable taxes	**-**	632
Loss on disposition of royalty interests[(b)]	**-**	1,686
Changes in reclamation provisions for sites on care and maintenance[(c)]	**2,765**	302
Other non-operating expenses (recoveries)	**238**	(183)
Total other non-operating expenses	**$ 831**	$ 3,720

a) Includes $2.3 million (R$12.0 million) in interest income recognized in the year ended December 31, 2022 on the tax refund awarded to the Company as further described in Note 6.

b) Refers to the loss on sale of the CentroGold Project royalty interest to Metalla as described in Note 7.

c) Refers to changes in reclamation provisions for sites on care and maintenance as described in Note 14.

20. Cash flow – other operating activities

		Year Ended December 31, 2022	2021
Stock-based compensation		**$ 1,163**	$ 1,044
Non-cash other operating expense		**-**	249
Loss on disposition of property, plant and equipment		**586**	1,400
Loss on disposition of royalty interests	*Note 7*	**-**	1,686
Additions (recoveries) to provision against recoverability of VAT and other taxes	*Note 6*	**(200)**	503
Other operating activities expense		**$ 1,549**	$ 4,882

21. Cash flow – changes in operating assets and liabilities

		Year Ended December 31, 2022	2021
Restricted cash		**$ (48)**	$ 305
Inventory		**(1,289)**	(1,800)
Recoverable taxes		**547**	(2,651)
Other accounts receivable		**(251)**	(31)
Prepaid expenses and other assets		**(1,439)**	736
Accounts payable and accrued liabilities		**6,755**	(2,191)
Other taxes payable		**(843)**	(1,201)
Reclamation provisions	*Note 14*	**(3,588)**	(4,714)
Legal and other provisions	*Note 15*	**(1,054)**	(1,177)
Changes in operating assets and liabilties		**$ (1,210)**	$ (12,724)

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

22. Financial liabilities and other commitments

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the remaining undiscounted contractual maturities of the Company's financial liabilities and other commitments:

As at December 31, 2022	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Financial Liabilities					
Accounts payable and accrued liabilities	$ 19,782	$ -	$ -	$ -	**$ 19,782**
Other Taxes Payable[(a)]					
ICMS Settlement Due	255	25	-	-	**280**
INSS	587	723	-	-	**1,310**
IRPJ & CSLL Settlement Due	213	363	13	-	**589**
Notes payable					
Principal					
Bank indebtedness[(b)]	3,040	-	-	-	**3,040**
Interest	64	20	-	-	**84**
Lease liabilities	2,612	1,679	8	-	**4,299**
Reclamation provisions[(c)]	3,539	10,055	5,521	19,194	**38,309**
Current tax liability	1,881	-	-	-	**1,881**
Total financial liabilities	$ 31,973	$ 12,865	$ 5,542	$ 19,194	**$ 69,574**
Other Commitments					
Suppliers' agreements[(d)]	197	-	-	-	**197**
Insurance agreements[(e)]	463	-	-	-	**463**
Total other commitments	$ 660	$ -	$ -	$ -	**$ 660**
Total	**$ 32,633**	**$ 12,865**	**$ 5,542**	**$ 19,194**	**$ 70,234**

[(a)] Financial liabilities within Other taxes payable include state value-add taxes payable (*ICMS – Imposto sobre circulação de mercadorias e prestação de serviços*), payroll taxes payable (*INSS - Instituto Nacional do Seguro Social*), and federal income taxes payable (*iRPJ - Imposto de renda pessoa jurídica and CSLL - Contribuição social*).

[(b)] Bank indebtedness represents the principal on Brazilian short-term bank loans which are renewed in 180 day periods.

[(c)] Reclamation provisions - amounts presented in the table represent the undiscounted uninflated future payments for the expected cost of reclamation.

[(d)] Purchase obligations for supplies and consumables - includes commitments related to new purchase obligations to secure a supply of cyanide, reagents, mill balls and other spares. The Company has the contractual right to cancel the mine operation contracts with 30 days advance notice. The amount included in the commitments table represents the contractual amount due within 30 days.

[(e)] Insurance premium commitments in accordance with the Company's liability and property insurance policies.

23. Capital disclosures

The Company manages its capital structure in order to support the acquisition, exploration and development of mineral properties, and to maximize return to stakeholders through a flexible capital structure which optimizes the costs of capital and the debt and equity balance. The Company sets the amount of capital in proportion to risk by managing the capital structure and making adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. To adjust or maintain its capital structure, the Company may adjust the amount of long-term debt, enter into new credit facilities, issue new equity, or enter into new customer advance arrangements.

As at December 31, 2022, the Company's capital structure is comprised of $3.0 million in notes payable (Note 11) and $217.0 million in shareholders' equity (December 31, 2021: $3.0 million in notes payable and $201.3 million in shareholders' equity as restated in Note 27). As at December 31, 2022, the Company is not subject to externally imposed capital requirements.

24. Financial risk management and financial instruments

The Company's activities expose it to a variety of financial instrument risks, including but not limited to: credit risk, liquidity risk, currency risk, interest rate risk, and price risk.

a) Credit risk

Credit risk associated with financial assets arises from cash held with banks, derivative financial instruments with positive fair values, recoverable taxes refundable from tax authorities, credit exposure to customers and counterparties to sales agreements. The credit risk is limited to the carrying amount on the statement of financial position.

The Company is exposed to credit-related losses in the event of non-performance by counterparties to derivative financial instruments, recoverable tax claims, and sales agreements, but does not expect any counterparties to fail to meet their obligations. The Company's cash and cash equivalents are held through large financial institutions in Brazil, Canada, and the United States of America. The Company manages its credit risk by entering into transactions with high-credit quality counterparties, limiting the amount of exposure to each counterparty where possible, and monitoring the financial condition of the counterparties.

b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing this risk is to ensure sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage.

To manage its liquidity risk, the Company undergoes an in-depth budgeting process each year which is supplemented by a continuous detailed cash forecasting process. Future financing requirements, if any, will depend on a number of factors that are difficult to predict and are often beyond the control of the Company. The main factors are the realized price of gold received for gold produced from the Company's operating mines and the operating and capital costs of those mines. The Company's financial liabilities and other commitments are listed in Note 22.

c) Derivative financial instruments

The Company assesses its financial instruments and non-financial contracts on a regular basis to determine the existence of any embedded derivatives which would be required to be accounted for separately at fair value and to ensure that any embedded derivatives are accounted for in accordance with the Company's policy. On an ongoing basis, the Company evaluates its price risk and currency risk and, when envisioned to be beneficial, engages in derivative financial instruments to manage these risks, including gold forward contracts, gold price collar contracts, gold call option contracts, and foreign exchange call and put option contracts. As at December 31, 2022, the Company did not have any derivative positions outstanding (December 31, 2021 – nil positions outstanding).

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

1) Price risk

The Company is exposed to price risk with respect to gold prices on gold sales. The Company evaluates price risk and, when envisioned to be beneficial, may enter into hedge contracts to manage this risk and to secure future sales terms with customers. The Company does not use hedge accounting for these instruments and gain and losses are recorded in earnings as fair value changes occur as a component of revenue. In the year ended December 31, 2022, the Company did not enter into any price hedge contracts (nil price derivative contracts in the year ended December 31, 2021).

2) Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. Financial instruments that impact the Company's net earnings due to currency fluctuations include: Brazilian reais and Canadian dollar denominated cash and cash equivalents, recoverable taxes, accounts payable and accrued liabilities, income taxes payable, reclamation and other provisions, deferred compensation liabilities, Euro denominated lease obligations.

i. Assets and liabilities with foreign exchange exposure

The exposure of the Company's financial assets and liabilities (and certain other assets and liabilities) to currency risk is as follows, as at December 31, 2022:

	Denominated in Brazilian reais	Denominated in Canadian dollars	Denominated in European euros
Financial assets			
Cash and cash equivalents	$ 2,572	$ 136	$ -
Recoverable taxes	10,744	46	-
Other accounts receivable	343	-	-
Prepaid expenses and advances	2,403	439	-
Restricted cash	1,135	-	-
Total financial assets	$ 17,197	$ 621	$ -
Financial liabilities			
Accounts payable and accrued liabilities	$ 18,691	$ 19	$ -
Lease liabilities	3,288	-	676
Current tax liability	1,881	-	-
Reclamation provision	24,304	-	-
Legal and other provisions	7,792	-	-
Total financial liabilities	55,956	19	676
Net financial assets/(liabilities)	$ (38,759)	$ 602	$ (676)

The table below summarizes a sensitivity analysis for significant unsettled currency risk exposure with respect to the Company's financial instruments (and certain other assets and liabilities) as at December 31, 2022 and 2021 with all other variables held constant. It shows how income before taxes would have been affected by changes in the relevant risk variables that were reasonably possible at that date.

Exchange Rates	Change for Sensitivity Analysis	Gain/(loss) of change to 2022 Foreign Exchange	Gain/(loss) of change to 2021 Foreign Exchange
USD per Brazilian real	10% increase	**$ 3,524**	**$ 2,805**
USD per Brazilian real	10% decrease	**(3,524)**	**(2,805)**
USD per Canadian dollar	10% increase	**(55)**	**(11)**
USD per Canadian dollar	10% decrease	**55**	**11**
USD per European euro	10% increase	**(61)**	**86**
USD per European euro	10% decrease	**61**	**(86)**

ii. Foreign exchange call and put options

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. Financial instruments that impact the Company's net earnings due to currency fluctuations include: Brazilian reais and Canadian dollar denominated cash and cash equivalents, recoverable taxes, accounts payable and accrued liabilities, income taxes payable, reclamation and other provisions and Euro denominated capital lease obligations. The Company may, at its discretion, use forward or derivative contracts to manage its exposure to foreign currencies. In the year ended December 31, 2022, the Company did not enter into any foreign exchange forward or derivative contracts (nil foreign exchange derivative contracts in the year ended December 31, 2021).

d) Interest rate risk

The Company is potentially exposed to interest rate risk on its outstanding borrowings and short-term investments. The Company managed its risk by entering into agreements with fixed interest rates on all of its debt with interest rates ranging from 3.9% to 6.6% per annum.

e) Financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In assessing the fair value of a particular contract, the market participant would consider the credit risk of the counterparty to the contract. Consequently, when it is appropriate to do so, the Company adjusts its valuation models to incorporate a measure of credit risk. The fair value of the following financial assets and liabilities approximate their carrying amount due to the limited term of these instruments:

a. Cash and cash equivalents
b. Restricted cash
c. Other accounts receivable
d. Accounts payable and accrued liabilities
e. Other provisions

Fair value estimation:

The Company categorizes each of its fair value measurements in accordance with a fair value hierarchy. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value.

a. Level 1 – quoted prices (unadjusted) of identical instruments in active markets that the reporting entity has the ability to access at the measurement date.

b. Level 2 – inputs are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

c. Level 3 – one or more significant inputs used in a valuation technique that are unobservable for the instruments.

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

The fair value of the Company's financial assets and liabilities approximate their carrying values at December 31, 2022 and 2021.

f) Changes in liabilities arising from financing activities

		Changes from financing cash flows			Other changes				
	Balance as at December 31, 2021	Proceeds from debt issuance	Debt repayments	Interest paid	Interest expense	Lease liability additions	Foreign exchange (gain) loss	Other non-cash changes	**Balance as at December 31, 2022**
Notes payable	$ 3,027	$ 6,000	$ (6,000)	$ (118)	$ 131	$ -	$ -	$ -	**$ 3,040**
Lease liabilities	3,865	-	(2,621)	(80)	-	2,619	27	154	**3,964**
	$ 6,892	$ 6,000	$ (8,621)	$ (198)	$ 131	$ 2,619	$ 27	$ 154	**$ 7,004**

		Changes from financing cash flows			Other changes				
	Balance as at January 1, 2021	Proceeds from debt issuance	Debt repayments	Interest paid	Interest expense	Lease liability additions	Foreign exchange (gain) loss	Other non-cash changes	**Balance as at December 31, 2021**
Notes payable	$ 3,058	$ 7,336	$ (7,312)	$ (176)	$ 135	$ -	$ (14)	$ -	**$ 3,027**
Lease liabilities	2,723	-	$ (2,905)	-		3,965	$ (49)	131	**3,865**
	$ 5,781	$ 7,336	$ (10,217)	$ (176)	$ 135	$ 3,965	$ (63)	$ 131	**$ 6,892**

25. Related party transactions

a) Transactions with directors and key management

The Company transacts with key individuals from management and with its directors who have authority and responsibility to plan, direct and control the activities of the Company. The nature of these dealings were in the form of payments for services rendered in their capacity as director (director fees, including share-based payments) and as employees of the Company (salaries, benefits, and share-based payments).

Key management personnel are defined as the executive officers of the Company including the President and Chief Executive Officer, Chief Financial Officer, Vice President of Operations, Vice President of Exploration, and Vice President of New Projects.

During the years ended December 31, 2022 and 2021, remuneration to directors and key management personnel were as follows:

	Year Ended December 31,	
	2022	2021
Fees earned and other compensation[1]	**$ 1,526**	$ 1,508
Share based compensation	**1,163**	1,044
Total compensation of directors and key management	**$ 2,689**	$ 2,552

(1) Fees earned and other compensation includes fees paid to the non-executive chairman and the non-executive directors during the financial year.

b) Other related party transactions

The Company incurred legal fees from Azevedo Sette Advogados ("ASA"), a law firm where Luis Miraglia, a director of Jaguar is a partner. Fees paid to ASA are recorded at the exchange amount, representing the amount agreed to by the parties and included in general and administrative expenses in the consolidated statements of operations and comprehensive income. Legal fees paid to ASA were $18,000 for the year ended December 31, 2022 ($34,000 for the year ended December 31, 2021).

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

26. Subsequent events

Subsequent to December 31, 2022, the Company collected an additional R$12.2 million ($2.3 million) in federal VAT tax refunds from the court judgment disclosed in Note 6.

27. Restatement – Impairment to Property, plant and equipment and Mineral exploration projects

During the year ended December 31, 2022, the Company identified an error in the calculation of the Turmalina CGU carrying amount used in its December 31, 2021 impairment assessment which resulted in an improper conclusion to forego the recognition of an impairment charge in the year ended December 31, 2021. Using the accurate carrying amount, the Turmalina CGU's recoverable value computed based on the assumptions disclosed in Note 8 was $10.1 million less than its carrying amount as at December 31, 2021, which, in accordance with the Company's accounting policies, required a $10.1 million impairment charge to be recorded. As a result of the impairment charge for the year ended December 31, 2021, the Condensed Interim Consolidated Statements of Financial Position as at March 31 2022, June 30, 2022 and September 30, 2022 also required restatement.

The Company has restated the comparative figures to correct the impact of this error, and the correcting adjustments as at December 31, 2021, March 31 2022, June 30, 2022 and September 30, 2022 are summarized below. An opening balance sheet for January 1, 2021 was not presented as there was no impact.

a) Consolidated statements of financial position

		December 31, 2021				December 31, 2021
		As previously reported		*Adjustments*		*Restated*
ASSETS						
Non-current assets						
Property, plant and equipment		172,498		(9,704)		162,794
Mineral exploration projects		23,817		(431)		23,386
Total assets	$	270,010		(10,135)	$	259,875
LIABILITIES AND SHAREHOLDERS' EQUITY						
SHAREHOLDERS' EQUITY						
Deficit		(382,114)		(10,135)		(392,249)
Total shareholders' equity	$	211,429	$	(10,135)	$	201,294
Total liabilities and shareholders' equity	$	270,010	$	(10,135)	$	259,875

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

		March 31, 2022				March 31, 2022
		As previously reported		*Adjustments*		*Restated*
ASSETS						
Non-current assets						
Property, plant and equipment		174,922		(9,704)		165,218
Mineral exploration projects		24,986		(431)		24,555
Total assets	$	271,455		(10,135)	$	261,320
LIABILITIES AND SHAREHOLDERS' EQUITY						
SHAREHOLDERS' EQUITY						
Deficit		(390,467)		(10,135)		(400,602)
Total shareholders' equity	$	203,598	$	(10,135)	$	193,463
Total liabilities and shareholders' equity	$	271,455	$	(10,135)	$	261,320

		June 30, 2022				June 30, 2022
		As previously reported		*Adjustments*		*Restated*
ASSETS						
Non-current assets						
Property, plant and equipment		178,586		(9,704)		168,882
Mineral exploration projects		26,651		(431)		26,220
Total assets	$	273,331		(10,135)	$	263,196
LIABILITIES AND SHAREHOLDERS' EQUITY						
SHAREHOLDERS' EQUITY						
Deficit		(383,249)		(10,135)		(393,384)
Total shareholders' equity	$	211,264	$	(10,135)	$	201,129
Total liabilities and shareholders' equity	$	273,331	$	(10,135)	$	263,196

		September 30, 2022				September 30, 2022
		As previously reported		*Adjustments*		*Restated*
ASSETS						
Non-current assets						
Property, plant and equipment		185,144		(9,704)		175,440
Mineral exploration projects		27,607		(431)		27,176
Total assets	$	276,780		(10,135)	$	266,645
LIABILITIES AND SHAREHOLDERS' EQUITY						
SHAREHOLDERS' EQUITY						
Deficit		(379,015)		(10,135)		(389,150)
Total shareholders' equity	$	215,559	$	(10,135)	$	205,424
Total liabilities and shareholders' equity	$	276,780	$	(10,135)	$	266,645

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

b) Consolidated statement of operations and comprehensive income

	Year Ended December 31,		
	2021	2021	2021
	As previously reported	*Adjustment*	*Restated*
Impairment charge	-	10,135	10,135
Operating income	44,927	(10,135)	34,792
Income before income taxes	42,129	(10,135)	31,994
Net income	$ 34,190	$ (10,135)	$ 24,055
Basic	$ 0.47	$ (0.14)	$ 0.33
Diluted	$ 0.47	$ (0.14)	$ 0.33

c) Consolidated statement of cash flows

There was no impact to the consolidated statement of cash flows as a result of this restatement of impairment charges, other than (i) a $10.1 million decrease in net income offset by (ii) a $10.1 million increase in impairment charges, both changes of which reside in the operating activities section and, therefore, resulted in no change to the net cash provided by operating activities.

d) Consolidated statement of changes in shareholders' equity

There was no impact to the consolidated statement of changes in shareholders' equity as a result of this restatement of impairment charges, other than the $10.1 million decrease in net income for the year ended December 31, 2021, and the resulting $10.1 million increase in deficit as at December 31, 2021, March 31, 2022, June 30, 2022, and September 30, 2022, as presented in Note 27(a) and Note 27(b) above.