

Mineros Reports Fourth Quarter of 2022 Financial and Operational Results, Announces 2023 Guidance and Provides Update on Gualcamayo Property

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MEDELLIN, Feb. 20, 2023 - [Mineros S.A.](#) (TSX: MSA) (CB: MINEROS) ("Mineros" or the "Company") today reported its financial and operational results for the three months and year ended December 31, 2022. For further information, please see the Company's condensed consolidated financial statements and management's discussion and analysis filed under Mineros' SEDAR profile on [www.sedar.com](#).

Andrés Restrepo, President and CEO of Mineros, commented, "I am pleased to report that the Company has had another strong quarter with respect to operational results, exceeding the higher end of the production guidance range. In the fourth quarter of 2022, Mineros produced 72,568 ounces of gold, an 11% increase from the same quarter in 2021. Along with increased production, the Company has seen reductions in both the all-in sustaining cost per ounce of gold sold and the cash cost per ounce of gold sold compared to the same period in 2021. Net profit for the year was mainly lower as a result of the \$36,542 impairment of the Gualcamayo Property."

FINANCIAL AND OPERATING HIGHLIGHTS FOR THE FOURTH QUARTER 2022

Gold Production

- 72,568 ounces of gold produced.
- An 11% increase in gold production compared to the same period in 2021 (Q4/21: 65,133 ounces of gold produced).

Cash Cost¹ and All-in Sustaining Cost ("AISC")¹

- Cash Cost per ounce of gold sold¹ of US\$1,073 (Q4/21: US\$1,227), representing a 13% decrease relative to the same period in 2021.
- AISC per ounce of gold sold¹ of US\$1,359 (Q4/21: US\$1,463), representing a 7% decrease in the AISC per ounce of gold sold relative to the same period in 2021.

¹ Cash Cost, AISC, Adjusted EBITDA, net free cash flow and average price realized per ounce of gold sold are non-IFRS financial measures, and Cash Cost per ounce of gold sold, AISC per ounce of gold sold, ROCE and Net Debt to Adjusted EBITDA ratio are non-IFRS ratios, with no standardized meaning under IFRS, and therefore they may not be comparable to similar measures presented by other issuers. For further information and detailed reconciliations of non-IFRS financial measures to the most directly comparable IFRS measures, see Non-IFRS and Other Financial Measures in this news release.

Dividend Payment

- \$4,862 in dividends paid.
- An increase of 21% in dividends paid compared to the same period in 2021 (Q4/21: \$4,014).

Revenue

- Revenue of \$131,192.
- An increase of 7% compared to the same period in 2021 (Q4/21: \$122,218).

Profitability

- Gross profit increased by 44% to \$38,294 compared to the same period in 2021 (Q4/21: \$26,612).
- Net profit for the period down 281% to \$(19,994) (US\$(0.07)/share) compared to the same period in 2021 (Q4/21: \$11,060 (US\$0.04/share)), explained by the impairment of the Gualcamayo Property (\$36,542).

Net Debt to Adjusted EBITDA ratio²

- Net Debt to Adjusted EBITDA ratio² of (0.02)x as at December 31, 2022.
- The Company has continued to have a low Net Debt to Adjusted EBITDA ratio, even with a 70% increase compared to (0.05)x as at December 31, 2021.

² Cash Cost, AISC, Adjusted EBITDA, net free cash flow and average price realized per ounce of gold sold are non-IFRS financial measures, and Cash Cost per ounce of gold sold, AISC per ounce of gold sold, ROCE and Net Debt to Adjusted EBITDA ratio are non-IFRS ratios, with no standardized meaning under IFRS, and therefore they may not be comparable to similar measures presented by other issuers. For further information and detailed reconciliations of non-IFRS financial measures to the most directly comparable IFRS measures, see Non-IFRS and Other Financial Measures in this news release.

FINANCIAL AND OPERATING HIGHLIGHTS FOR THE YEAR ENDED DECEMBER 31, 2022

Gold Production

- 287,152 ounces of gold produced.
- A 10% increase in gold production compared to the same period in 2021 (FY/21: 261,767 ounces of gold produced).
- Production was 2,152 ounces of gold above the upper limit of 2022 guidance.

Cash Cost and AISC

- Cash Cost per ounce of gold sold of \$1,124 (FY/21: \$1,178), representing a 5% decrease in the Cash Cost per ounce of gold sold relative to 2021.
- AISC per ounce of gold sold of \$1,365 (FY/21: \$1,492), representing a 9% decrease in the AISC per ounce of gold sold relative to 2021.
- Cash Cost and AISC per ounce of gold were within the range of 2022 cost guidance.

Dividend Payment

- \$22,990 in dividends paid.
- An increase of 30% in dividends paid compared to 2021 (FY/21: \$17,670).

Revenue

- Revenue of \$529,001.
- An increase of 7% compared to 2021 (FY/21: \$496,247).

Financial and Operating Highlights.

(All numbers in \$000's unless otherwise noted)

	Three Months Ended December 31,		Change		Year ended December 31,		Change	
	2022	2021	\$	%	2022	2021	\$	%
Financial								
Revenue	131,192	122,218	8,974	7 %	529,001	496,247	32,754	7 %
Gross Profit	38,294	26,612	11,682	44 %	141,100	124,963	16,137	13 %
Net Profit For The Year	(19,994)	11,060	(31,054)	(281) %	4,487	43,387	(38,900)	(90 %)
Basic and diluted earnings per share	\$(0.07)	\$0.04	\$(0.10)	(281) %	\$0.01	\$0.16	\$(0.15)	(91 %)
Adjusted EBITDA ⁽¹⁾	45,987	35,449	10,538	30 %	176,969	154,703	22,266	14 %
Net cash flows generated by operating activities	36,602	19,643	16,959	86 %	82,607	87,340	(4,733)	(5 %)
Net free cash flow ⁽¹⁾	20,006	8,332	11,674	140 %	22,213	17,046	5,167	30 %
ROCE ⁽¹⁾	26 %	24 %	2 %	9 %	26 %	24 %	3 %	11 %
Net Debt to Adjusted EBITDA ratio ⁽¹⁾	(0.02)x	(0.05)x	0.04x	(70 %)	(0.02)x	(0.05)x	0.04x	(70 %)
Dividends paid	(4,862)	(4,014)	848	21 %	(22,990)	(17,670)	5,320	30 %
Operating								
Average realized price per ounce of gold sold (\$/oz)	1,780	1,802	(22)	(1 %)	1,802	1,803	(1)	0 %
Total Gold Produced (oz)	72,568	65,133	7,435	11 %	287,152	261,767	25,385	10 %
Gold sold (oz)	72,257	64,969	7,288	11 %	287,686	265,806	21,880	8 %
Silver sold (oz)	93,528	108,959	(15,431)	(14 %)	379,392	400,562	(21,170)	(5 %)
Cash Cost per ounce of gold sold (\$/oz) ¹	\$1,073	\$1,227	\$(154)	(13 %)	\$1,124	\$1,178	\$(54)	(5 %)
AISC per ounce of gold sold (\$/oz) ¹	\$1,359	\$1,463	\$(104)	(7 %)	\$1,365	\$1,492	\$(127)	(9 %)

1. Average realized price per ounce of gold sold, Adjusted EBITDA, and net free cash flow are Non-IFRS financial measures, and ROCE and Net Debt to Adjusted EBITDA ratio are Non-IFRS ratios, with no standardized meaning under IFRS, and therefore may not be comparable to similar measures presented by other issuers. For further information and detailed reconciliations to the most directly comparable IFRS measures, see Non-IFRS And Other Financial Measures in this press release.

Operational Highlights by Material Property.

(All numbers in ounces unless otherwise noted)

	Three Months Ended December 31,		Change		Year ended December 31,		Change	
	2022	2021	ounces	%	2022	2021	ounces	%
Nechí Alluvial Property (Colombia)	24,986	15,524	9,462	61 %	92,385	73,129	19,256	26 %
Hemco Property	9,828	5,885	3,943	67 %	40,677	30,917	9,760	32 %
Artisanal Mining	23,783	26,316	(2,533)	(10 %)	91,843	96,234	(4,391)	(5 %)
Nicaragua	33,611	32,201	1,410	4 %	132,520	127,151	5,369	4 %
Gualcamayo Property (Argentina)	13,971	17,408	(3,437)	(20) %	62,247	61,487	760	1 %
Total Gold Produced (oz)	72,568	65,133	7,435	11 %	287,152	261,767	25,385	10 %
Total Silver Produced (oz)	93,528	108,959	(15,431)	(14 %)	379,392	400,562	(21,170)	(5) %

Annual production of 92,385 ounces of gold from the Nechí Alluvial Property in Colombia was slightly above 2022 guidance and 26% above 2021 production. The increase in production in 2022 relative to the previous year is a result of higher operational efficiencies, the receipt of environmental permits that were delayed in 2021, and additional gold production from our artisanal mining formalization program.

In Nicaragua, total combined annual production of 132,520 ounces of gold also exceeded our 2022 guidance and was 4% higher than 2021 annual production. Gold production from the Panama and Pioneer mines increased significantly after the resolution of supply chain constraints during 2021.

Annual production of 62,247 ounces of gold from the Gualcamayo Property in Argentina was near the midpoint of guidance and 1% higher than in 2021.

CORPORATE HIGHLIGHTS FOR THE YEAR ENDED DECEMBER 31, 2022

Impairment of asset at the Gualcamayo Property

The Company recorded an impairment charge on non-current assets of \$36,542 (2021: \$13,586) in respect of the Gualcamayo Mine. The Company performed a review for indicators of impairment at each of the cash generating units ("CGUs") and evaluated key assumptions such as significant reviews to the mining plan including current estimates of recoverable mineral reserves and resources, recent operating results, future expected production based on the reserves and appropriate discount rates, which led to an indicator for impairment of the Gualcamayo Mine. This impairment charge does not affect the cash position of the Company.

Luna Roja Deposit initial Mineral Resource estimate

On July 7, 2022, the Company announced an initial Mineral Resource estimate for the Luna Roja Deposit, which included 1.164 million tonnes of Indicated Mineral Resources averaging 2.46 grams of gold per tonne ("g/t Au"), for approximately 92,000 ounces of gold and 0.504 million tonnes of Inferred Mineral Resources averaging 2.31 g/t Au, for approximately 37,000 ounces of gold. The initial Mineral Resource estimate

assumes both open pit and underground mining and extends from surface to a depth of 200 metres. See the Company's July 7, 2022 press release entitled, "Mineros Announces Initial Mineral Resource Estimate for the Luna Roja Deposit, Nicaragua".

Overturning of Floating Beneficiation Plant at Nechí Alluvial Property

On May 28, 2022, a storm with unusually heavy rains and strong winds hit the area where the Nechí Alluvial Property is located and overturned the Llanuras Plant, a floating beneficiation plant connected to the Llanuras suction dredge. Immediately following the accident, the Company's emergency protocols were activated, which included a rescue operation followed by a coordinated search and subsequent recovery operation. Investigations into this incident by the relevant Colombian authorities are mostly in their final stage but the Company has not yet received the final results of these investigations. Investigations by independent investigators hired by the Company have concluded without any material findings and the Company has made some incremental adjustments to continue enhancing security at its operations.

Notwithstanding that the Company was not able to recover or repair the Llanuras Plant and an impairment was recognized for \$4,822 as of December 31, 2022, the Company has been able to adjust its production plan to compensate for the lost production resulting from the incident.

Appointment of Vice President, Nicaragua

On July 11, 2022, Mineros announced the appointment of Mr. Luis Villa as Vice President, Nicaragua, effective as of October 1, 2022. Mr. Villa has been with the Company and its subsidiaries for 16 years, most recently in the position of Manager of Projects and Supply Chain for Mineros Alluvial S.A.S. BIC. Mr. Villa succeeds Mr. Carlos Mario Gomez, who retired effective September 30, 2022, following 14 years of service with the Company.

Appointment of Vice President, Business Development and Strategy

On August 26, 2022, Mineros announced the appointment of Ms. Ana María Ríos as Vice President, Business Development and Strategy, effective as of October 1, 2022. Ms. Ríos has 17 years of professional experience, of which the last 14 have been at Mineros, most recently as Corporate Finance Manager, where she played a strategic role in Mineros' listing on the Toronto Stock Exchange and initial public offering in Canada and in the concurrent public offering in Colombia in November 2021. Ms. Ríos succeeded Eduardo Flores Zelaya.

Workforce reduction in Argentina

On September 9, 2022, Mineros announced that over the next six months, the Company would start downsizing its operations at its Gualcamayo Property, reducing its workforce in Argentina by up to 30%, as a result of the natural depletion of the deposit. The Company incurred costs of \$3.0 million in connection with the workforce reduction, which did not impact its ability to meet its previously-disclosed 2022 production and cost guidance for the Gualcamayo Property.

OFAC Sanctions Imposed on General Directorate of Mines of Nicaragua

On October 24, 2022, the United States Department of the Treasury's Office of Foreign Assets Controls ("OFAC") imposed economic sanctions on General Directorate of Mines of Nicaragua ("DGM"), a subordinate office within the Nicaraguan Ministry of Energy and Mines, pursuant to Executive Order ("EO") 13851 of the U.S. President. As such, all properties and interests in property of the DGM are now blocked, and all transactions by U.S. persons or transiting the U.S. that involves blocked property are prohibited. All property or interest in property of any entity that is owned, directly or indirectly, 50% or more by the DGM are also blocked. Concurrently, the U.S. President also issued EO 14088 (together with EO 13851, the "Nicaragua Sanctions Measures"), which authorizes the U.S. government to promptly apply further sanctions to various sectors of the Nicaraguan economy such as the gold sector. As of the date of this press release, OFAC has designated the state-run gold mining company Empressa Nicaraguense de Minas (ENIMINAS), the Nicaraguan National Police Force, the DGM and various officials of the Government of Nicaragua under

the Nicaragua Sanctions Measures.

The Company remains committed to complying with applicable legal and regulatory requirements, including sanctions, and is evaluating the actual and potential impacts of the U.S. sanctions on its current and planned business and operations in coordination with its advisors. As at the date of this press release, U.S. sanctions measures adopted on October 24, 2022 have not resulted in any material impacts on its operations in Nicaragua, and the Company is continuing to evaluate their potential impact on its commercial relationships.

Election Not To Exercise Second Option at La Pepa Project

On October 25, 2022, the Company determined not to exercise its second option under the agreement executed on December 14, 2018, and effective as of July 2, 2019, between the Company, [Yamana Gold Inc.](#), and their respective affiliates to earn an additional 31% interest in the La Pepa Project. As a result, the Company holds a 20% interest in the La Pepa Project and has ceased to be the operator of the project. Plans for further exploration of the La Pepa Project moving forward remain subject to discussion and have not been finalized at this time.

GROWTH AND EXPLORATION PROJECT UPDATES

The Company's exploration and growth is focused on the replacement and expansion of Mineral Resources and Mineral Reserves by completing further work at or near our operating mines, at our growth projects and at early-stage exploration targets on our under-explored property interests. We are achieving our goals through systematic exploration programs, which include surface mapping and sampling, geochemical data collection surveys, geophysical surveys and drilling.

A core component of the business strategy of the Company is to explore new targets and develop existing deposits at or near the operating mines or on third party properties that have been optioned by Mineros, with the objective of increasing Mineral Resources and Mineral Reserves and advancing promising deposits towards development.

Three key growth and exploration projects the Company is advancing are:

- a. The Porvenir Project at the Hemco Property in Nicaragua;
- b. The Luna Roja Deposit, forming part of the Hemco Property in Nicaragua; and
- c. The Deep Carbonates Project at the Gualcamayo Property in Argentina.

Through two strategic alliance agreements, the Company is collaborating with Royal Road to actively explore (i) in Nicaragua, subject to an alliance agreement between Hemco Nicaragua S.A., a direct subsidiary of Mineros and Royal Road (the "Royal Road Nicaragua Alliance Agreement"), and (ii) in Colombia, subject to an alliance agreement between the Company, Royal Road, and its Colombian affiliate (the "Royal Road Colombia Alliance Agreement") and Royal Road's GNM Exploration Target.

As at December 31, 2022, exploration activities under the Royal Road Colombia Alliance Agreement were temporarily suspended.

Porvenir Project, Nicaragua: Ongoing studies are being completed to assess processing and mining scenarios for the Porvenir Project. The Company will complete its pre-feasibility study in the first quarter of 2023. A 6,000 metre diamond drilling campaign is planned for 2023 with the objective of providing material for metallurgical test work.

Luna Roja Deposit, Nicaragua: During 2022, Mineros completed 96% of the planned drilling campaign, totaling 2,883 metres of diamond drilling in 20 holes. For 2023, the Company has planned a 5,000 metre diamond drill campaign, where 2,500 metres will be focused on expanding the main deposit and 2,500

metres will be directed to evaluate unexplored areas near the deposit.

Deep Carbonates Project, Argentina: During 2022, the Company concluded 92% of the original drilling plan, as a consequence of general difficulties with deep drilling, totaling 4,908 metres of diamond drilling in 10 holes (111 metres of diamond drilling in 1 hole in the fourth quarter of 2022). This drilling program was focused on expanding the current Mineral Resources at the Rodado deposit. The Company is expecting to update the current DCP Mineral Resources as at December 31, 2022, but is not planning additional drilling at DCP for 2023.

2023 GUIDANCE

The Company announces 2023 production guidance of 264,000 - 292,000 ounces of gold, an increase of between 0% and 3% from 2022 production as set out in the following table.

2023 Production and Cost Guidance

		Actual	Guidance			
		2022	2022	2023	Change	
Colombia (Nechí Alluvial Property)						
Gold production	oz	92,385	82,000 - 92,000	84,000 - 94,000	2,000 - 2,000	2% - 3%
Cash Cost per ounce of gold sold	\$/oz	944	910 - 1,010	1,010 - 1,110	100 - 100	10% - 11%
AISC per ounce of gold sold	\$/oz	1,059	1,100 - 1,200	1,170 - 1,280	70 - 80	6% - 7%
Nicaragua (Hemco Property & Artisanal)						
Hemco Property production	oz	40,677	34,000 - 37,000	35,000 - 37,800	800 - 1,000	2% - 3%
Artisanal production	oz	91,843	87,000 - 90,000	90,000 - 97,200	3,000 - 7,200	3% - 8%
Total gold production	oz	132,520	121,000 - 128,000	125,000 - 135,000	4,000 - 7,000	3% - 5%
Cash Cost per ounce of gold sold	\$/oz	1,161	1,080 - 1,180	1,170 - 1,250	70 - 90	6% - 8%
AISC per ounce of gold sold	\$/oz	1,323	1,210 - 1,310	1,350 - 1,430	120 - 140	9% - 12%
Argentina (Gualcamayo Property)						
Gold production	oz	62,247	59,000 - 66,000	55,000 - 63,000	(3,000 - 4,000)	(5% - 7%)
Cash Cost per ounce of gold sold	\$/oz	1,444	1,450 - 1,550	1,530 - 1,630	80 - 80	5% - 6%
AISC per ounce of gold sold	\$/oz	1,843	1,890 - 1,990	1,840 - 1,940	50 - 50	2% - 3%
Consolidated						
Gold production	oz	287,152	262,000 - 285,000	264,000 - 292,000	2,000 - 7,000	1% - 3%
Cash Cost per ounce of gold sold	\$/oz	1,124	1,090 - 1,180	1,160 - 1,250	70 - 70	6% - 6%
AISC per ounce of gold sold	\$/oz	1,365	1,350 - 1,450	1,400 - 1,490	50 - 50	3% - 4%

Annual gold production for 2023 at the Nechí Alluvial Property in Colombia is expected to increase to 84,000

to 94,000 ounces, an increase of 2% - 3% from 2022 production guidance. At the Nechí Alluvial Property in Colombia, the Company anticipates Cash Cost per ounce of gold sold to increase by 10% - 11% in 2023 and AISC per ounce of gold sold to increase between 6% - 7%, in 2023 as compared with 2022 guidance.

At the Hemco Property in Nicaragua, the Company anticipates annual production in 2023 of 125,000 to 135,000 ounces of gold, including 90,000 - 97,200 ounces of gold from artisanal production, which is slightly above its 2022 production. Our relationship with the artisanal mining community has grown strong throughout the years bringing consistency to mineral purchasing and predictability in our guidance. The Company anticipates Cash Cost per ounce of gold sold to increase by 6% - 8%, and AISC per ounce of gold sold to increase by 9% - 12% in 2023, as compared to 2022 guidance.

Annual gold production guidance of 55,000 to 63,000 ounces for 2023 at the Gualcamayo Property in Argentina is lower to 2022 production, which reflects the existing oxide gold mine approaching its end of life. The Company anticipates Cash Cost per ounce of gold sold to increase by 5% - 6% and AISC per ounce of gold sold to increase by 2% - 3%, in 2023 as compared with 2022 guidance. Such increases are attributable to expected lower gold recovery.

UPDATE ON GUALCAMAYO PROPERTY

While the Company continues to review strategic options for the Gualcamayo Mine, consistent with the life of mine plan disclosed in the current technical report in respect of the Gualcamayo Property and the impairment recorded as of December 31, 2022, the Company has determined to wind-down its open pit and underground oxide gold mining operations at the Gualcamayo Mine during 2023. The Company is in the process of finalizing the schedule for the wind-down but currently anticipates that operations, primarily processing of ore located in heap leach piles will continue to produce gold after the cessation of active mining activities, with production expected to end sometime in 2025. Notwithstanding the winding down of activities and in addition to the continuing production, the Company continues to analyze mining and processing scenarios for its sulphide gold Deep Carbonates Project and is expecting to make an announcement in this regard during 2023. The Company is also continuing to evaluate prospective greenfield exploration targets at the Gualcamayo Property. Much of the infrastructure that currently services the Gualcamayo Mine is expected to be amenable to adaptation and reuse for any future mining operation.

CONFERENCE CALL AND WEBCAST DETAILS

The Company will host a conference call on Tuesday, February 21, 2023, at 8:00 am ET (8:00 am COT) to discuss the results. The conference call will be in Spanish with simultaneous translation in English.

A live webcast of the conference call will be available at:
<https://app.webinar.net/yjGgrk021JY>

Live webcast requires previous registration, and interested parties are advised to access the webcast approximately ten minutes prior to the start of the call. The webcast will be archived on the Company's website at www.mineros.com.co for approximately 30 days following the call.

Participants may also dial in (charges may apply):

US:	+1 720-527-5937
Colombia	+57 601-485-0334
Pin for English:	6918884#
Pin for Spanish:	10178681#

The list of all local and international dial in numbers can be found at the end of this document or at

<https://fccdl.in/i/webcastatmedios>.

ABOUT MINEROS S.A.

Mineros is a gold mining company headquartered in Medellin, Colombia. The Company has a diversified asset base, with mines in Colombia, Nicaragua and Argentina and a pipeline of development and exploration projects throughout the region.

The board of directors and management of Mineros have extensive experience in mining, corporate development, finance and sustainability. Mineros has a long track record of maximizing shareholder value and delivering solid annual dividends. For almost 50 years, Mineros has operated with a focus on safety and sustainability at all its operations.

Mineros' common shares are listed on the Toronto Stock Exchange under the symbol "MSA", and on the Colombia Stock Exchange under the symbol "MINEROS".

The Company has been granted an exemption from the individual voting and majority voting requirements applicable to listed issuers under Toronto Stock Exchange policies, on grounds that compliance with such requirements would constitute a breach of Colombian laws and regulations which require the directors to be elected on the basis of a slate of nominees proposed for election pursuant to an electoral quotient system. For further information, please see the Company's most recent annual information form filed on SEDAR at www.sedar.com.

QUALIFIED PERSON

The scientific and technical information contained in this news release has been reviewed and approved by Jorge Aceituno, a Registered Member of the Chilean Mining Commission and the Planning Manager, Resources and Reserves for Mineros and a qualified person within the meaning of National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

FORWARD-LOOKING STATEMENTS

This press release contains "forward looking information" within the meaning of applicable Canadian securities laws. Forward looking information includes statements that use forward looking terminology such as "may", "could", "would", "will", "should", "intend", "target", "plan", "expect", "budget", "estimate", "forecast", "schedule", "anticipate", "believe", "continue", "potential", "view" or the negative or grammatical variation thereof or other variations thereof or comparable terminology. Such forward looking information includes, without limitation, statements with respect to the Company's outlook for 2023; timing, completion and results of a pre-feasibility study on the Porvenir Project; Mineral Reserve and Mineral Resource estimates; estimates for future mineral production and sales; the Company's expectations, strategies and plans for the Material Properties; plans in respect of the wind-down its open pit and underground oxide gold mining operations at the Gualcamayo Property; the Company's planned exploration, development and production activities; statements regarding the projected exploration and development of the Company's projects, including the Porvenir Project, the Luna Roja Deposit and the Deep Carbonates Project; adding or upgrading Mineral Resources and developing new mineral deposits; estimates of future capital and operating costs; the costs and timing of future exploration and development; the timing, receipt and maintenance of necessary approvals, licenses and permits from applicable governments, regulators or third parties; estimates for future prices of gold and other minerals; the impact of the COVID-19 pandemic on the Company's business; future financial or operating performance and condition of the Company and its business, operations and properties, including expectations regarding liquidity, capital structure, competitive position and payment of dividends; expectations regarding future currency exchange rates; and any other statement that may predict, forecast, indicate or imply future plans, intentions, levels of activity, results, performance or achievements.

Forward looking information is based upon estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, as of the date of this news release including, without limitation, assumptions about; favourable equity and debt capital markets; the ability to raise any necessary additional capital on reasonable terms to advance the production,

development and exploration of the Company's properties and assets; future prices of gold and other metal prices; the timing and results of exploration and drilling programs, and technical and economic studies; the accuracy of any Mineral Reserve and Mineral Resource estimates; the geology of the Material Properties being as described in the applicable technical reports; production costs; the accuracy of budgeted exploration and development costs and expenditures; the orderly wind-down its open pit and underground oxide gold mining operations at the Gualcamayo Property; the price of other commodities such as fuel; future currency exchange rates and interest rates; operating conditions being favourable such that the Company is able to operate in a safe, efficient and effective manner; political and regulatory stability; the receipt of governmental, regulatory and third party approvals, licenses and permits on favourable terms; obtaining required renewals for existing approvals, licenses and permits on favourable terms; requirements under applicable laws; sustained labour stability; stability in financial and capital goods markets; inflation rates; availability of labour and equipment; positive relations with local groups, including artisanal mining cooperatives in Nicaragua, and the Company's ability to meet its obligations under its agreements with such groups; and satisfying the terms and conditions of the Company's current loan arrangements. While the Company considers these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual actions, events, conditions, results, performance or achievements to be materially different from those projected in the forward looking information. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

For further information of these and other risk factors, please see the "Risk Factors" section of the Company's annual information form dated March 31, 2022 (as it may be updated or replaced from time to time), available on SEDAR at www.sedar.com.

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

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

NON-IFRS AND OTHER FINANCIAL MEASURES

The Company has included certain Non-IFRS financial measures and Non-IFRS ratios in this press release. Management believes that Non-IFRS financial measures and Non-IFRS ratios, when supplementing measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. Non-IFRS financial measures and Non-IFRS ratios do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. For a discussion of the use of Non-IFRS financial measures and reconciliations thereof to the most directly comparable IFRS measures, see below.

EBIT, EBITDA and Adjusted EBITDA

The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use the earnings before interest and tax ("EBIT"), earnings before interest, tax, depreciation and amortization ("EBITDA"), and adjusted earnings before interest, tax, depreciation and amortization ("Adjusted EBITDA"), which excludes certain non-operating income and expenses, such as financial income or expenses, hedging operations, exploration expenses, impairment of assets, foreign currency exchange differences, and other expenses (principally, donations, corporate projects and taxes incurred). The Company believes that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results because it is consistent with the indicators management uses internally to measure the Company's performance, and is an indicator of the performance of the

Company's mining operations.

The following table provides a reconciliation of the Adjusted EBITDA for the three months and years ended December 31, 2022 and 2021:

	Three Months Ended December 31,		Year ended December 31,	
	2022	2021	2022	2021
Profit for the Period	(19,994)	11,060	4,487	43,387
Less: Interest income	(1,618)	(445)	(2,186)	(1,392)
Add: Interest expense	1,964	1,346	5,799	4,950
Add: Current tax ¹	8,480	4,843	37,409	28,355
Add/less: Deferred tax ¹	(3,636)	327	3,422	5,385
EBIT	(14,804)	17,131	48,931	80,685
Add: Depreciation and amortization	13,524	13,502	57,280	49,108
EBITDA	(1,280)	30,633	106,211	129,793
Less: Other income	(1,030)	(465)	(2,030)	(2,506)
Less: Share of results investments in associates	2	(5,287)	2	(5,287)
Less: Finance income (excluding interest income)	(5,511)	(31)	(5,642)	(172)
Add: Finance expense (excluding interest expense)	1,085	1,110	5,320	4,238
Add: Other expenses 2	5,902	7,875	15,178	19,128
Add: Exploration expenses 3	10,320	4,984	20,358	12,535
Add: (Impairment) reversal of Assets	36,573	(1,901)	41,364	(1,901)
Less: Foreign exchange differences	(74)	(1,469)	(3,792)	(1,125)
Adjusted EBITDA	45,987	35,449	176,969	154,703

1. For additional information regarding taxes, see Note 21 of the audited consolidated financial statements, for the years ended December 31, 2022 and 2021.
2. For additional information regarding other expenses, see Note 12 of the audited consolidated financial statements for the years ended December 31, 2022 and 2021.
3. For additional information regarding exploration expenses, see Note 13 of the audited consolidated financial statements for the years ended December 31, 2022 and 2021.

Cash Cost

The objective of Cash Cost is to provide stakeholders with a key indicator that reflects as close as possible the direct cost of producing and selling an ounce of gold.

The Company reports Cash Cost per ounce of gold sold which is calculated by deducting revenue from silver sales and depreciation and amortization from Cost of sales, and dividing the difference by the number of gold ounces sold. Production Cash Cost includes mining, milling, mine site security, royalties, and mine site administration costs, and excludes non-cash operating expenses. Cash Cost per ounce of gold sold is a Non-IFRS financial measure used to monitor the performance of our gold mining operations and their ability to generate profit, and is consistent with the guidance methodology set out by the World Gold Council.

The following table provides a reconciliation of Cash Cost per ounce of gold sold on a by-product basis to cost of sales for the three months and years months ended December 31, 2022 and 2021:

	Three Months Ended December 31,		Year ended December 31,	
	2022	2021	2022	2021
Cost of sales	92,898	95,606	387,901	371,284
Less: Cost of sales of non-mining operations ¹	(125)	(141)	(603)	(563)
Less: Depreciation and amortization	(13,142)	(13,221)	(55,809)	(47,729)
Less: Sales of silver	(2,080)	(2,528)	(8,260)	(9,875)
Cash Cost	77,551	79,716	323,229	313,117
Gold sold (oz)	72,257	64,969	287,686	265,806
Cash Cost per ounce of gold sold (\$/oz)	1,073	1,227	1,124	1,178

1. Refers to cost of sales incurred in the Company's "Others" segment. See Note 6 to the Company's audited consolidated financial statements for year ended months ended December 31, 2022 and 2021. The majority of this amount relates to the cost of sales of latex.

All-in Sustaining Costs

The objective of AISC is to provide stakeholders with a key indicator that reflects as close as possible the full cost of producing and selling an ounce of gold. AISC per ounce of gold sold is a Non-IFRS ratio that is intended to provide investors with transparency regarding the total costs of producing one ounce of gold in the relevant period.

The Company reports AISC per ounce of gold sold on a by-product basis. The methodology for calculating AISC per ounce of gold sold is set out below and is consistent with the guidance methodology set out by the World Gold Council. The World Gold Council definition of AISC seeks to extend the definition of total Cash Cost by deducting administrative expenses, cost of sales of non-mining operations, sustaining exploration, sustaining leases and leaseback, and sustaining capital expenditures. Non-sustaining costs are primarily those related to new operations and major projects at existing operations that are expected to materially benefit the current operation. The determination of classification of sustaining versus non-sustaining requires judgment by management. AISC excludes current and deferred income tax payments, finance expenses and other expenses. Consequently, these measures are not representative of all of the Company's cash expenditures. In addition, the calculation of AISC does not include depreciation and amortization cost or expense as it does not reflect the impact of expenditures incurred in prior periods. Therefore, it is not indicative of the Company's overall profitability. Other companies may quantify these measures differently because of different underlying principles and policies applied. Differences may also occur due to different definitions of sustaining versus non-sustaining.

The following table provides a reconciliation of AISC per ounce of gold sold to cost of sales for the three months and years ended December 31, 2022 and 2021:

	Three Months Ended December 31,		Year ended December 31,	
	2022	2021	2022	2021
Cost of sales	92,898	95,606	387,901	371,284
Less: Cost of sales of non-mining operations ¹	(125)	(141)	(603)	(563)
Less: Depreciation and amortization	(13,142)	(13,221)	(55,809)	(47,729)
Less: Sales of silver	(2,080)	(2,528)	(8,260)	(9,875)
Less: Sales of electric energy	(1,099)	(1,134)	(3,895)	(4,495)
Add: Administrative expenses	5,831	4,665	21,411	19,368
Less: Depreciation and amortization of administrative expenses ²	(382)	(281)	(1,471)	(1,379)
Add: Sustaining leases and leaseback ³	3,299	3,612	11,290	12,260
Add: Sustaining exploration ⁴	2,917	2,286	9,913	9,495
Add: Sustaining capital expenditures ⁵	10,102	6,173	32,171	48,309
AISC	98,219	95,037	392,648	396,675
Gold sold (oz)	72,257	64,969	287,686	265,806
All-in sustaining costs per ounce of gold sold (\$/oz)	\$1,359	\$1,463	\$1,365	\$1,492

1. Cost of sales of non-mining operations is the cost of sales excluding cost incurred by non-mining operations and the majority of this cost comprises of the cost of sales of latex.
2. Depreciation and amortization of administrative expenses is included in the administrative expenses line on the audited consolidated financial statements, and is mainly related to depreciation for corporate office spaces and local administrative buildings at the Gualcamayo Property and Hemco Property.
3. Represents most lease payments as reported on the audited consolidated financial statements of cash flows and is made up of the principal component of such cash payments, less non-sustaining lease payments. Lease payments for new development projects and capacity projects are classified as non-sustaining.
4. Sustaining exploration: Exploration expenses and exploration and evaluation projects as reported on the audited consolidated financial statements, less non-sustaining exploration. Explorations are classified as either sustaining or non-sustaining based on a determination of the type and location of the exploration expenditure. Exploration expenditures within the footprint of operating mines are considered costs required to sustain current operations and so are included in sustaining costs. Exploration expenditures focused on new ore bodies near existing mines (i.e. brownfield), new exploration projects (i.e. greenfield) or for other generative exploration activity not linked to existing mining operations are classified as non-sustaining.
5. Sustaining capital expenditures: Represents the capital expenditures at existing operations including, periodic capitalized stripping and underground mine development costs, ongoing replacement of mine equipment and overhaul of existing equipment, and is calculated as total additions to property, plant and equipment (as reported on the consolidated statements of cash flows), less non-sustaining capital. Non-sustaining capital represents capital expenditures for major projects, including projects at existing operations that are expected to materially benefit the operation and provide a level of growth, as well as enhancement capital for significant infrastructure improvements at existing operations. Non-sustaining capital expenditures during the three months and year ended December 31, 2022 are primarily related to major projects at Hemco Property, Nechí Alluvial Property and Gualcamayo Property. The sum of sustaining capital expenditures and non-sustaining capital expenditures is reported as the total of additions of property plant and equipment in the audited consolidated financial statements. The sum of sustaining capital expenditures and non-sustaining capital expenditures is reported as the total of additions of property, plant and equipment
Non in the cash flow statement in the audited consolidated financial statements.

The Company uses the financial measure "net free cash flow", which is a Non-IFRS financial measure, to supplement information regarding cash flows generated by operating activities. The Company believes that in addition to IFRS financial measures, certain investors and analysts use this information to evaluate the Company's performance with respect to its operating cash flow capacity to meet recurring outflows of cash.

Net free cash flow is calculated as cash flows generated by operating activities less non-discretionary sustaining capital expenditures and interest and dividends paid related to the relevant period.

The following table sets out the calculation of the Company's net free cash flow to net cash flows generated by operating activities for the three months and years ended December 31, 2022 and 2021:

	Three Months Ended December 31,		Year ended December 31,	
	2022	2021	2022	2021
Net cash flows generated by operating activities	36,602	19,643	82,607	87,340
Non-discretionary items:				
Sustaining capital expenditures	(10,102)	(6,173)	(32,171)	(48,309)
Interest paid	(1,632)	(1,124)	(5,233)	(4,315)
Dividends paid	(4,862)	(4,014)	(22,990)	(17,670)
Net free cash flow	20,006	8,332	22,213	17,046

Return on Capital Employed

The Company uses ROCE as a measure of long-term operating performance to measure how effectively management utilizes the capital it has provided. This Non-IFRS ratio is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The calculation of ROCE, expressed as a percentage, is Adjusted EBIT (calculated in the manner set out in the table below) divided by the average of the opening and closing capital employed for the 12 months preceding the period end. Capital employed for a period is calculated as total assets at the beginning of that period less total current liabilities. The following sets out the calculation of ROCE as at December 31, 2022 and 2021.

	December 31,	
	2022	2021
Adjusted EBITDA (Last 12 months)	176,969	154,703
Less: Depreciation and amortization (Last 12 months)	(57,280)	(49,108)
Adjusted EBIT (A)	119,689.00	105,595.00
Total Assets at the beginning of the Period	580,046	542,235
Less: Total current liabilities at the beginning of the Period	(110,601)	(128,813)
Opening Capital Employed (B)	469,445	413,422
Total Assets at the end of the Period	569,543	580,046
Less: Current Liabilities at the end of the Period	(134,581)	(110,601)
Closing Capital employed (C)	434,962	469,445
Average Capital employed (D)= (B) + (C) /2	452,204	441,434
ROCE (A/D)	26 %	24 %

Net Debt to Adjusted EBITDA Ratio

Net Debt to Adjusted EBITDA ratio is a Non-IFRS ratio that provides the liquidity position of the Company. The calculation of net debt shown below is calculated as nominal undiscounted debt including leases, less cash and cash equivalents. The following sets out the calculation of Net Debt to Adjusted EBITDA ratio as at December 31, 2022 and 2021.

	December 31,	
	2022	2021
Loans and other borrowings	47,020	55,110
Less: Cash and cash equivalents	(49,791)	(63,130)
Net Debt	(2,771)	(8,020)
Adjusted EBITDA (Last 12 months)	176,969	154,703
Net Debt to Adjusted EBITDA ratio	(0.02)x	(0.05)x

Average Realized Price

The Company uses "average realized price per ounce of gold" and "average realized price per ounce of

silver", which are Non-IFRS financial measures. Average realized metal price represents the revenue from the sale of the underlying metal as per the statement of operations, adjusted to reflect the effect of trading at holding level (parent Company) on the sales of gold purchased from subsidiaries. Average realized prices are calculated as the revenue related to gold and silver sales divided by the number of ounces of metal sold. The following table sets out the reconciliation of average realized metal prices to sales of gold and sales of silver for the three months and years ended December 31, 2022 and 2021:

	Three Months Ended December 31,		Year ended December 31,	
	2022	2021	2022	2021
Sales of gold	128,602	117,053	518,457	479,363
Gold sold (oz)	72,257	64,969	287,686	265,806
Average realized price per ounce of gold sold (\$/oz)	1.780	1.802	1.802	1.803
Sales of silver	2,080	2,528	8,260	9,875
Silver sold (oz)	93,528	108,959	379,392	400,562
Average realized price per ounce of silver sold (\$/oz)	22	23	22	25

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