

Mineros Reports First Quarter 2024 Financial and Operating Results

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(all dollar amounts - other than per share amounts - are expressed in thousands of US dollars unless otherwise stated)

MEDELLIN, May 9, 2024 - [Mineros S.A.](#) (TSX: MSA) (CB: MINEROS) ("Mineros" or the "Company") today reported its operating results for the three months ended March 31, 2024. For further information, please see the Company's unaudited condensed interim financial statements and management's discussion and analysis filed under its Mineros' profile on www.sedarplus.com.

Andrés Restrepo, President and Chief Executive Officer of Mineros, commented: "We had a strong first quarter from both a financial and an operating perspective. Our cash cost and all in sustaining costs were at the lower end of guidance for our operations. Our gold production from Company owned mines was largely as expected and we processed more artisanal gold in Nicaragua showing the tremendous flexibility of our operations to compensate for unanticipated downtime in our processing of our Hemco operations. We're pleased with our progress in 2024 and are maintaining our cost and production guidance for the remainder of the year."

On September 21, 2023, Mineros sold all of the outstanding share capital of Mineros' subsidiary, Minas Argentinas S.A. Mineros holds a 100% interest in the Gualcamayo Property in Argentina, to Eris LLC. Accordingly, the financial and operating results of the Company herein are presented for continuing operations comprising the Hemco Property and the Nechí Alluvial Property and the discontinued operations composed of the Gualcamayo Project. Certain results set out below have been restated to reflect the continuing operations of the Company by removing amounts pertaining to the discontinued operations from previous periods. These restatements are reflected in all first quarter 2023 results in order to more appropriately compare the results from the first quarter of 2024 with the first quarter of 2023.

FINANCIAL AND OPERATING HIGHLIGHTS FOR THE FIRST QUARTER OF 2024

- Revenue increased by 15%: revenue totaled \$114,148 during the first quarter of 2024, compared with \$98,869 in the first quarter of 2023, with sales of gold of \$106,962 at an average realized price per ounce of gold sold from continuing operations of \$2,067, during the first quarter of 2024 compared with sales of gold of \$94,960 at an average realized price per ounce of gold sold from continuing operations of \$1,876 in the first quarter of 2023. The increase in revenue in the first quarter of 2024 is mainly explained by a 10% increase in average realized price per ounce of gold sold from continuing operations, a 10% increase in ounces of gold sold from continuing operations and a 87% increase in sales of silver of \$2,606;
- Cost of sales increased by 19% to \$80,678 during the first quarter of 2024, compared with \$67,971 in the first quarter of 2023. This increase was primarily due to: (i) the higher price of gold increasing the costs related to artisanal mining to \$1,117; (ii) greater depreciation and amortization relating to our operations of \$1,117; and (iii) the 17% revaluation of the Colombian peso against the US dollar and higher prices across the Company's operations, thus creating increased maintenance and service costs of \$1,915, and service and labour costs of \$1,804 and \$2,751 respectively;
- Gross Profit from continuing operations increased by 8% to \$33,470 in the first quarter of 2024, compared with \$30,898 in the first quarter of 2023, mainly due to higher revenue as explained above;
- Profit for the period from continuing operations up 0.14%, to \$16,774 or \$0.06 per share during the first quarter of 2024 compared with \$16,751 or \$0.06 per share during the first quarter of 2023. The modest increase in profit is mainly explained by higher revenue and gross profit as explained above. Profit for the period was impacted by higher foreign exchange losses of \$2,157, higher administrative expenses of \$778 related to employee benefits and services, higher tax expense of \$1,236 and less other income of \$3,236;
- Adjusted EBITDA¹ up 8%: Adjusted EBITDA was \$40,654 during the first quarter of 2024 compared with \$37,754 in the first quarter of 2023, mainly explained by higher revenue as explained above;
- ROCE¹ was 32% as at March 31, 2024 compared with a ROCE of 26% as at March 31, 2023. The increase is mainly explained by 10% higher Adjusted EBITDA for the last 12 months, along with a 8% decrease in average capital employed, mainly explained by the sale of Gualcamayo and the disposal of its assets and liabilities;
- Net cash flows generated by operating activities up 305%, totaling \$10,105 in the first quarter of 2024, compared with \$2,980 in the first quarter of 2023, primarily explained the sale of Gualcamayo which resulted in lower payments to suppliers of \$13,897, and lower payments to employees and social security agencies of \$5,626, lower payments for premiums of \$1,438 partially offset with higher income tax payments of \$2,156 and lower receipts from sales for \$11,424;
- Net Debt² was \$(14,215) as at March 31, 2024, compared with \$12,612 as at March 31, 2023; explained by 25% higher cash and cash equivalents, along with 48% lower loans and other borrowings, reflecting strong cash position for the first quarter of 2024 and significant decrease in debt levels;

- Dividends Paid up 8%: Dividends paid during the first quarter of 2024 were \$5,239, compared with \$4,837 in the first quarter of 2023, explained by an 8% higher dividend approved at the General Shareholders' Meeting in March 2023;
- Cash Cost & AISC: Cash Cost per ounce of gold sold for continuing operations in the first quarter of 2024 was \$1,429, compared with Cash Cost per ounce of gold sold from continuing operations of \$1,055 and AISC per ounce of gold sold from continuing operations of \$1,252 for the first quarter of 2023. The 14% increase in Cash Cost per ounce of gold sold from continuing operations is mainly explained by the increase in cost of sales, due to higher gold prices and the effects of the COP:US\$ exchange rate, which was partially offset by the 2% increase in ounces of gold sold. The increase in AISC per ounce of gold sold from continuing operations is explained by the increase in cost of sales, along with a 20% increase in sustaining capital expenditures, partially offset by the 2% increase in ounces of gold sold; and
- Capital investments down 4% to \$14,363: during the first quarter of 2024 capital investments of \$14,363 were made in existing mines, and exploration & growth projects, compared with \$14,982 in the first quarter of 2023; the decrease is explained by the sale of Gualcamayo.

¹ Average realized price per ounce of gold sold from continuing operations, Adjusted EBITDA, Net Debt, Cash Cost per ounce of gold sold, and AISC per ounce of gold sold are non-IFRS financial measures, and Cash Cost per ounce of gold sold, AISC per ounce of gold sold and ROCE is a non-IFRS ratio, 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.

² Cash Cost, AISC, Adjusted EBITDA, net free cash flow, Net Debt 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 and ROCE 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.

	Three Months Ended March 31,		Change	
	2024	2023	\$	%
Financial				
Revenue	114,148	98,869	15,279	15 %
Cost of sales	(80,678)	(67,971)	(12,707)	19 %
Gross Profit	33,470	30,898	2,572	8 %
Profit for the period from continuing operations	16,774	16,751	23	0 %
Basic and diluted earnings per share from continuing operations (\$/share)	\$0.06	\$0.06	\$0	0 %
Loss for the period from discontinued operations	-	(1,347)	1,347	(100) %
Basic and diluted earnings per share from continuing and discontinued operations (\$/share)	\$0.056	\$0.051	\$0.005	9 %
Adjusted EBITDA ¹	40,654	37,754	2,900	8 %
Net cash flows generated by operating activities	10,105	2,498	7,607	305 %
Net free cash flow ¹	(1,897)	(10,232)	8,335	(81) %
ROCE ¹	32 %	26 %	6 %	22 %
Net Debt ¹	(14,215)	12,612	(26,827)	(213) %
Dividends paid	5,239	4,837	402	8 %
Operating				
Average realized price per ounce of gold sold from continuing operations (\$/oz) ¹	2,067	1,876	191	10 %
Total Gold Produced from continuing operations (oz)	51,741	50,609	1,132	2 %
Silver sold (oz) from continuing operations	242,649	131,523	111,126	84 %
Cash Cost per ounce of gold sold from continuing operations (\$/oz) ^{1 2}	\$1,202	\$1,055	\$147	14 %
AISC per ounce of gold sold from continuing operations (\$/oz) ^{1 2}	\$1,429	\$1,252	\$177	14 %

1. Adjusted EBITDA, Net free cash flow, Net Debt, Cash Cost per ounce of gold sold, AISC per ounce of gold sold and average realized price per ounce of gold sold, are non-IFRS financial measures, and ROCE is a non-IFRS ratio, 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.

2. In Q4 of 2023, the Company restated AISC and Cash Cost to capture cash outflows related to asset retirement obligations and environmental and rehabilitation costs.

Operational Highlights by Material Property

(All numbers in ounces unless otherwise noted)

	Three Months Ended March 31,		Change	
	2024	2023	Ounces	%
Nechí Alluvial Property (Colombia)	19,212	17,988	1,224	7 %
Hemco Property	8,182	10,221	(2,039)	(20) %
Artisanal Mining	24,347	22,400	1,947	9 %
Nicaragua	32,529	32,621	(92)	- %
Total Gold Produced from Continuing Operations	51,741	50,609	1,132	2 %
Gualcamayo Property (Argentina)	-	9,639	(9,639)	(100) %
Total Gold Produced from Discontinued Operations -	-	9,639	(9,639)	(100) %
Total Gold Produced	51,741	60,248	(8,507)	(14) %
Total Silver Produced	242,649	134,669	107,980	80 %

- Gold production increased by 2%: Excluding the results of the discontinued operations at the Gualcamayo Property (of in 2023), 51,741 ounces of gold were produced during the first quarter of 2024, compared with 50,609 ounces in the first quarter of 2023. The increase in production is mainly a result of 7% higher production at the Nechí Alluvial Property by higher volumes.
- Exploration and Evaluation Expenditures: for the three months ended March 31, 2024, the Company incurred \$2,228,000 of exploration and evaluation ("E&E") expenditures, an increase of 20% compared with the first quarter of 2023. The increase is mainly explained by higher exploration expenditures which were capitalized in the Hemco Property, related to the Ataco Project. The increase in exploration expenses is mainly due to higher regional exploration in the Hemco Property and subsequent disposal of the Ataco project mining rights in Colombia. The following table summarizes E&E expenditures for the current and comparative periods.

	Three Months Ended March 31,		Change	
	2024	2023	\$	%
E&E expenditures capitalized ^{1,3}	624	525	99	19 %
E&E expenditures expensed ²	1,604	1,338	266	20 %
Total	2,228	1,863	365	20 %

1. Capitalized E&E expenditures are reflected in E&E projects in the consolidated statements of financial position.
 2. Figures in the table reflect expenditures capitalized from continuing operations. E&E expenditures capitalized from discontinued operations as discussed in this MD&A are nil.
 3. Expensed E&E expenditures are reported in the consolidated statement of profit or loss for the respective period under "Exploration expenses".
- CORPORATE HIGHLIGHTS FOR THE THREE MARCH 31, 2024

Dividends declared

On March 26, 2024, the General Shareholders Assembly approved the distribution of the Company's profits by way of: (i) an annual ordinary dividend of \$0.075, in respect of each common share, payable quarterly, in four equal installments of \$0.01875, and (ii) an extraordinary dividend of \$0.025, in respect of each common share issued and outstanding, payable quarterly, in four equal installments of \$0.00625, representing a total distribution of \$0.10 per share per annum, or \$29,973,740 in total for the year, calculated based on the number of shares issued and outstanding as at March 31, 2024. This represents a payout increase of 42.8% compared with last year's dividend.

The Canadian record dates and Canadian/Colombian payment dates for the ordinary and extraordinary dividends are set out in the table directly below:

	Record Date	Payment Date	Amount per share	
			(\$)	(COP\$)
Ordinary Dividend	April 11, 2024	April 18, 2024	0.01875	74.1
	July 11, 2024	July 18, 2024	0.01875	74.1
	October 9, 2024	October 17, 2024	0.01875	74.1
	January 9, 2025	January 16, 2025	0.01875	74.1
Extraordinary Dividend	April 11, 2024	April 18, 2024	0.00625	24.7
	July 11, 2024	July 18, 2024	0.00625	24.7
	October 9, 2024	October 17, 2024	0.00625	24.7
	January 9, 2025	January 16, 2025	0.00625	24.7

Change in Board of directors

At the General Shareholders Assembly, six new members were appointed to the board of directors, being: Mr. Juan Esteban Mejía, Ms. Sofía Bianchi, Mr. Michael Gregory Doyle, Mr. Mauricio Toro, Mr. Daniel Fernando Henao Villamil and Mr. Marco Izquierdo, and three members were reelected, being: Mr. Eduardo Pacheco Cortés, Mr. Alberto Mejía Hernandez, and Ms. Lucía Taborda. All nine members of the board of directors shall hold office until they resign or until the next General Shareholders Assembly.

GROWTH AND EXPLORATION PROJECT UPDATES

The two key growth and exploration projects the Company is advancing are the Porvenir Project and the Luna Roja Deposit, both located at the Hemco Property.

Porvenir Project, Nicaragua: Mineros finished the 2023 drill campaign achieving approximately 100% of its original plan, totaling 11,088 metres of diamond drilling in 60 holes. The analysis of the metallurgical campaign is ongoing, and the Company expects to receive analytical results, metallurgical test outcomes and also complete the update of the geometallurgical model in the second half of 2024.

The infill drilling campaign is confirming Mineros' view that mineralization extends below the current resource estimate and that mineralization remains open at depth.

Luna Roja Deposit, Nicaragua: Mineros continues to work on an internal Mineral Resources update of the Luna Roja Deposit. In 2024, the Company plans to carry out geological mapping with a focus on geophysical anomalies and conduct internal metallurgical testing at the Hemco lab. No drilling activities are scheduled for the Luna Roja Deposit throughout the year.

OUTLOOK

The following section of this news release represents forward-looking information, and readers are cautioned that actual results may vary. We refer readers to the risks and assumptions contained in Section 14 - Cautionary Notes and Additional Information - Cautionary Statement on Forward-Looking Information in the Company's MD&A for the interim financial period ended March 31, 2024.

Gold production guidance

The following table presents the Company's gold production guidance for 2024 and actual production for the three months ended March 31, 2024. The production guidance includes production from the Company's Nechi Alluvial, and Hemco Properties and from artisanal mining.

	Actual (oz)	Guidance (oz)
	31 March 2024	2024
Colombia (Nechí Alluvial)	19,212	86,000 - 96,000
Nicaragua (Hemco)	8,182	33,000 - 35,000
Total Company Mines	27,394	118,500 - 131,000
Nicaragua (Artisanal)	24,347	90,000 - 98,000
Total gold production (ounces)	51,741	209,000 - 229,000

Given the operating results for the period ended March 31, 2024, the Company maintains its production guidance for 2024.

Cost outlook

The following table outlines the Company's Cash Cost per ounce of gold sold and AISC per ounce of gold sold for the three months ended March 31, 2024, and cost guidance 2024. The cost guidance includes the Company's two Material Properties and production from artisanal mining.

	Actual Cash Cost (\$/oz)	Cash Cost Guidance (\$/oz)	Actual AISC (\$/oz)	AISC Guidance (\$/oz)
Country (principal mine)	31 March 2024	2024	31 March 2024	2024
Colombia (Nechí Alluvial)	1,262	\$1,090 - \$1,190	1,389	\$1,280 - \$1,390
Nicaragua (Hemco)	1,273	\$1,240 - \$1,320	1,463	\$1,450 - \$1,520
Consolidated	1,202	\$1,180 - \$1,270	1,429	\$1,430 - \$1,530

Cash Costs per ounce of gold sold and AISC per ounce of gold sold outlooks were prepared assuming an average selling price of gold of \$1,980/oz and inflation of 10% in Colombia and 6% in Nicaragua. Cash Costs per ounce of gold sold have been trending at the lower end of the guidance; however, given the strength of the Colombian peso we are monitoring this metric closely. We maintain our guidance at this time.

CONFERENCE CALL AND WEBCAST DETAILS

The Company will host a conference call on Friday, May 10, 2024, at 8:00 am EST (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 all will be available at:

<https://app.webinar.net/yRqkbnmw260>

The 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.

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 and Nicaragua 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".

QUALIFIED PERSON

The scientific and technical information contained in this news release has been reviewed and approved by Luis Fernando Ferreira de Oliveira, MAusIMM CP (Geo), Mineral Resources and Reserves Manager for [Mineros S.A.](#), who is a qualified person within the meaning of NI 43-101.

FORWARD-LOOKING STATEMENTS

This news 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 2024; estimates for future mineral production and sales; the Company's expectations, strategies and plans for the Material Properties; the Company's planned exploration, development and production activities; statements regarding the projected exploration and development of the Company's projects; 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; estimates for future prices of gold and other minerals; expectations regarding the payment of dividends; 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 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 25, 2024 (as it may be updated or replaced from time to time), available on SEDAR+ at www.sedarplus.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 news 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 news 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.

In the fourth quarter of 2023, in order to accommodate the transactions that occurred during the period, the Company aligned its definitions of non-IFRS measures to more accurately reflect the economic reality of its operations. Management implemented certain changes including the removal of the non-IFRS financial measure Net Debt to Adjusted EBITDA ratio and included Net Debt instead. This change aligns the non-IFRS financial measures to those used by the business to evaluate the performance of the Company. AISC and Cash Cost have been restated to capture cash outflows related to asset retirement obligations and environmental and rehabilitation costs. No other changes to the determination of the remaining non-IFRS financial measures have been made.

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. Certain amounts under each set of results have been restated to reflect continuing operations of the Company (removal of amounts pertaining to discontinued operations in Gualcamayo). The first quarter of 2023 has been restated to this effect.

The following table provides a reconciliation of the Adjusted EBITDA for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,	
	2024	2023
Profit for the Period	16,774	15,404
Less: Interest income	(487)	(282)
Add: Interest expense	2,039	1,192
Add: Current tax ¹	10,007	11,563
Add/less: Deferred tax ¹	(953)	(2,978)
EBIT	27,380	24,899
Add: Depreciation and amortization	12,048	10,942
EBITDA	39,428	35,841
Less: Other income ²	(1,963)	(5,199)
Less: Finance income (excluding interest income)	(6)	(27)
Add: Finance expense (excluding interest expense)	48	840
Add: Other expenses ³	1,680	1,635
Add: Exploration expenses	1,604	1,338
Less: Foreign exchange differences	(177)	1,979
Add: Loss for the period from discontinued operations ⁴ -		1,347
Adjusted EBITDA	40,654	37,754

1. For additional information regarding taxes, see Note 14 of our unaudited condensed interim consolidated financial statements, for the three months ended March 31, 2024 and 2023

2. For additional information regarding other income, see Note 10 of unaudited condensed interim consolidated financial statements, unaudited condensed interim consolidated financial statements for the three months ended March 31, 2024 and 2023.

3. The reconciliation above does not include adjustments for (impairment) reversal of assets, because there would be a nil adjustment for the three months ended March 31, 2024 and 2023.

4. Composition of Adjusted EBITDA has been revised to include loss for the year from discontinued operations.

Cash Cost

The objective of Cash Cost is to provide stakeholders with a key indicator that reflects as closely 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, depreciation and amortization, environmental rehabilitation provisions and including cash used for retirement obligations and environmental and rehabilitation. This total is divided 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. Certain amounts under each set of results have been restated to reflect continuing operations of the Company (removal of amounts pertaining to discontinued operations in Gualcamayo). The first quarter of 2023 has been restated to this effect.

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 ended March 31, 2024, and 2023:

	Three Months Ended March 31,	
	2024	2023
Cost of sales	80,678	67,971
Less: Cost of sales of non-mining operations ¹	(195)	(107)
Less: Depreciation and amortization	(11,684)	(10,567)
Less: Sales of silver	(5,594)	(2,916)
Less: Environmental rehabilitation provision ²	(1,186)	(987)
Add: Use of environmental and rehabilitation liabilities	142	-
Add: Use of Retirement obligations	25	-
Cash Cost from continuing operations	62,186	53,394
Gold sold (oz) from continuing operations	51,741	50,609
Cash Cost per ounce of gold sold from continuing operations (\$/oz)	\$1,202	\$1,055
Cash Cost from discontinued operations	-	15,710
Gold sold (oz) from discontinued operations	-	10,084
Cash Cost per ounce of gold sold from discontinued operations (\$/oz)	\$0	\$1,558
Cash Cost	62,186	69,104
Gold sold (oz)	51,741	60,693
Cash Cost per ounce of gold sold (\$/oz)	\$1,202	\$1,139

1. Refers to cost of sales incurred in the Company's "Others" segment. See Note 7 of our unaudited condensed interim financial statements for the three months ended March 31, 2024 and 2023. The majority of this amount relates to the cost of sales of latex.

2. For additional information regarding environmental rehabilitation provision, please refer to Note 19 of the consolidated financial statements for the three months ended March 31, 2024 and 2023.

The following table provides a reconciliation of Cash Cost per ounce of gold sold on a by-product basis to cost of sales, before and after the change of definition of this metric, modified to capture cash outflows related to asset retirement obligation and environmental rehabilitation provisions, for the three months ended March 31, 2023:

Three Months
Ended March
31, 2023

Cash Cost per ounce of gold sold (\$/oz) - Previously reported 1,155

Adjustments (\$/oz)

Less: Environmental rehabilitation provision (16)

Add: Use of environmental and rehabilitation liabilities -

Add: Use of Retirement obligations -

Cash Cost per ounce of gold sold (\$/oz) - restated 1,139

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 cost of sales of non-mining operations and adding administrative expenses, 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 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. Certain amounts under each set of results have been restated to reflect continuing operations of the Company (removal of amounts pertaining to discontinued operations in Gualcamayo). The first quarter of 2023 has been restated to this effect.

The following table provides a reconciliation of AISC per ounce of gold sold to cost of sales for the three months ended March 31, 2024, and 2023:

	Three Months Ended March 31,	
	2024	2023
Cost of sales	80,678	67,971
Less: Cost of sales of non-mining operations ¹	(195)	(107)
Less: Depreciation and amortization	(11,684)	(10,567)
Less: Sales of silver	(5,594)	(2,916)
Less: Sales of electric energy	(1,435)	(961)
Less: Environmental rehabilitation provision ²	(1,186)	(987)
Add: Use of environmental and rehabilitation liabilities	142	-
Add: Use of Retirement obligations	25	-
Add: Administrative expenses	4,864	4,086
Less: Depreciation and amortization of administrative expenses ³	(364)	(375)
Add: Sustaining leases and leaseback ⁴	2,942	2,114
Add: Sustaining exploration ⁵	44	132
Add: Sustaining capital expenditures ⁶	5,705	4,972
AISC from continuing operations	73,942	63,362
Gold sold (oz) from continued operations	51,741	50,609
AISC per ounce of gold sold from continuing operations (\$/oz)	\$1,429	\$1,252
AISC from discontinued operations	-	21,268
Gold sold (oz) from discontinued operations	-	10,084
AISC per ounce of gold sold from discontinued operations (\$/oz)	\$0	\$2,109
AISC	73,942	84,630
Gold sold (oz)	51,741	60,693
AISC per ounce of gold sold (\$/oz)	\$1,429	\$1,394

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 cost of sales of latex.
2. For additional information regarding environmental rehabilitation provision, please refer to Note 19 of the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2024, and 2023.
3. Depreciation and amortization of administrative expenses is included in the administrative expenses line on the unaudited condensed interim consolidated financial statements and is mainly related to depreciation for corporate office spaces and local administrative buildings at the Hemco Property.
4. Represents most lease payments as reported on the unaudited condensed interim 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.
5. Sustaining exploration: Exploration expenses and exploration and evaluation projects as reported on the unaudited condensed interim 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.
6. 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 the following capital expenditures: significant lifts of AISC improvements of gold mining operations, non-sustaining capital expenditures and after the change of the period ended March 31, 2024, it refers to capital expenditures related to the Hemco Property, the Allovial Property, the sum of sustaining capital expenditures ended March 31, 2023. Sustaining capital expenditures is reported as the total of additions of property plant and equipment in the unaudited condensed interim financial statements.

Three Months
Ended March
31, 2023

AISC per ounce of gold sold (\$/oz) - Previously reported 1,411

Adjustments (\$/oz)

Less: Environmental rehabilitation provision (16)

Add: Use of environmental and rehabilitation liabilities -

Add: Use of Retirement obligations -

AISC per ounce of gold sold (\$/oz) restated 1,394

Net Free Cash Flow

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. As the Gualcamayo Property was sold in September 2023, amounts related to the metrics shown in the following

table have been calculated to reflect only the continuing operations of the Company. This restatement of net free cash flow is reflected in the first quarter of 2023 in order to more appropriately compare the results quarter over quarter.

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 ended March 31, 2024, and 2023:

	Three Months Ended March 31,	
	2024	2023
Net cash flows generated by operating activities	10,105	2,498
Non-discretionary items:		
Sustaining capital expenditures (excluding Gualcamayo)	(5,705)	(4,972)
Interest paid	(1,058)	(1,937)
Dividends paid	(5,239)	(4,837)
Net cash flows used in (generated from) discontinued operations 1 -		(984)
Net free cash flow	(1,897)	(10,232)

1. Composition of net free cash flow has been revised to exclude net cash flows used in (generated from) discontinued operations.
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. Certain amounts under each set of results have been restated to reflect continuing operations of the Company (removal of amounts pertaining to discontinued operations in Gualcamayo).

The first quarter of 2023 has been restated to this effect. The following table sets out the calculation of ROCE as at March 31, 2024, and 2023.

	As at March 31,	
	2024	2023
Adjusted EBITDA (last 12 months)	175,046	159,077
Less: Depreciation and amortization (last 12 months)	(46,205)	(43,969)
Adjusted EBIT (A)	128,841	115,108
Total assets at the beginning of the period	493,757	569,543
Less: Total current liabilities at the beginning of the period	(84,765)	(134,581)
Opening Capital Employed (B)	408,992	434,962
Total assets at the end of the period	500,585	576,771
Less: Current liabilities at the end of the period	(105,075)	(134,581)
Closing Capital employed (C)	395,510	442,190
Average Capital employed (D)= (B) + (C) /2	402,251	438,576
ROCE (A/D)	32 %	26 %

Net Debt

Net Debt is a non-IFRS financial measure that provides insight regarding 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 as at March 31, 2024 and 2023.

	As at March 31,	
	2024	2023
Loans and other borrowings	31,661	46,881
Less: Cash and cash equivalents	(45,876)	(34,269)
Net Debt	(14,215)	12,612

Average Realized Price

The Company uses "average realized price per ounce of gold sold" and "average realized price per ounce of silver sold", 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 ended March 31, 2024 and 2023:

	Three Months Ended March 31,	
	2024	2023
Sales of gold from continuing operations	106,962	94,960
Gold sold from continuing operations (oz)	51,741	50,609
Average realized price per ounce of gold sold from continuing operations (\$/oz)	2,067	1,876
Sales of gold from discontinued operations	-	19,239
Gold sold from discontinued operations (oz)	-	10,084
Average realized price per ounce of gold sold from discontinued operations (\$/oz)	-	1,908
Average realized price per ounce of gold sold (\$/oz)	2,067	1,882
Sales of silver from continuing operations	5,594	2,988
Silver sold from continuing operations (oz)	242,649	131,523
Average realized price per ounce of silver sold from continuing operations (\$/oz)	23	23
Sales of silver from discontinued operations	-	106
Silver sold from discontinued operations (oz)	-	4,937
Average realized price per ounce of silver sold from discontinued operations (\$/oz)	-	21
Average realized price per ounce of silver sold (\$/oz)	23	23

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