

Mineros Reports Third Quarter 2022 Financial and Operational Results

(all amounts expressed in U.S. dollars unless otherwise stated)

Medellin, Colombia – November 14, 2022 – Mineros S.A. (TSX:MSA, MINEROS:CB) (“**Mineros**” or the “**Company**”) today reported its financial and operational results for the three and nine months ended September 30, 2022. For further information please see the Company’s condensed interim consolidated financial statements and management’s discussion and analysis filed under Mineros’ profile on www.sedar.com.

Andrés Restrepo, President and CEO of Mineros, commented, “The Company has had another strong quarter with respect to operational and financial results and remains on-track to achieve its annual guidance. Yet, net profits were affected by an impairment of assets related to the beneficiation plant that overturned on May 28 and severance provisions in Argentina. In the third quarter of 2022, Mineros produced 74,513 ounces of gold, a 17% 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. The Company has a long track record and continues paying a strong quarterly dividend with a very attractive yield.”

FINANCIAL AND OPERATING HIGHLIGHTS FOR THE THIRD QUARTER 2022

Gold Production

- 74,513 ounces of gold produced.
- A 17% increase in gold production compared to the same period in 2021 (Q3/21: 63,758 ounces of gold produced).
- A steady increase in gold production over the last five quarters.

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

- Cash Cost per ounce of gold sold¹ of \$1,120 (Q3/21: \$1,235), representing a 9% decrease 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.

- AISC per ounce of gold sold¹ of \$1,338 (Q3/21: \$1,476), representing a 9% decrease in the AISC per ounce of gold sold relative to the same period in 2021.

Dividend Payment

- \$5.7 million in dividends paid.
- An increase of 40% in dividends paid compared to the same period in 2021 (Q3/21: \$4.0 million).

Revenue

- Revenue of \$135.9 million.
- An increase of 13% compared to the same period in 2021 (Q3/21: \$120.2 million).

Profitability

- Net profit for the period down 68% to \$2.6 million (\$0.01/share) compared to the same period in 2021 (Q3/21: \$8.1 million (\$0.03/share)).
- Gross profit up 27% to \$32.4 million compared to the same period in 2021 (Q3/21: \$25.4 million).

Net Debt to Adjusted EBIDTA ratio²

- Net Debt to Adjusted EBIDTA ratio² of 0.10x as at September 30, 2022.
- The Company has continued to have a low Net Debt to Adjusted EBITDA ratio, with a 53% decrease compared to 0.22x as at September 30, 2021, following repayment of project acquisition loans.

FINANCIAL AND OPERATING HIGHLIGHTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

Gold Production

- 214,584 ounces of gold produced.
- A 9% increase in gold production compared to the same period in 2021 (nine months ended September 30/21: 196,634 ounces of gold produced).

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.

- On-track to achieve 2022 production guidance.

Cash Cost and AISC

- Cash Cost per ounce of gold sold of \$1,140 (nine months ended September 30/21: \$1,162), representing a 2% decrease in the Cash Cost per ounce of gold sold relative to the same period in 2021.
- AISC per ounce of gold sold of \$1,367 (nine months ended September 30/21: \$1,502), representing a 9% decrease in the AISC per ounce of gold sold relative to the same period in 2021.
- On-track to achieve 2022 cost guidance.

Dividend Payment

- \$18.1 million in dividends paid.
- An increase of 33% in dividends paid compared to the same period in 2021 (nine months ended September 30/21: \$13.7 million).

Revenue

- Revenue of \$397.8 million.
- An increase of 6% compared to the same period of 2021 (nine months ended September 30/21: \$374.0 million).

Table 1. Financial and Operating Highlights.

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

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2022	2021	\$	%	2022	2021	\$	%
Financial								
Revenues	135,873	120,188	15,685	13%	397,809	374,029	23,780	6%
Cost of sales	(103,511)	(94,769)	(8,742)	9%	(295,003)	(275,678)	(19,325)	7%
Gross profit	32,362	25,419	6,943	27%	102,806	98,351	4,455	5%
Net Profit for the period	2,610	8,150	(5,540)	(68%)	24,481	32,327	(7,846)	(24%)
Basic and diluted earnings per share (\$)	0.01	0.03	(0.02)	(67%)	0.08	0.12	(0.04)	(33%)
Adjusted EBITDA ⁽¹⁾	43,126	32,359	10,767	33%	130,983	119,254	11,729	10%
Net cash flows generated by operating activities	22,849	35,066	(12,217)	(35%)	46,005	67,697	(21,692)	(32%)
Net Free Cash Flows ⁽¹⁾	7,752	23,727	(15,975)	(67%)	2,207	8,714	(6,507)	(75%)
ROCE ⁽¹⁾	23%	27%	(4%)	(13%)	23%	27%	(4%)	(13%)
Net Debt / Adjusted EBITDA ⁽¹⁾	0.10X	0.22X	(0.11X)	(53%)	0.10X	0.22X	(0.11X)	(53%)
Dividends Paid	5,655	4,035	1,620	40%	18,128	13,656	4,472	33%
Operating								
Average Realized Gold Price (oz)	1,722	1,778	(56)	(3%)	1,810	1,804	6	0%
Gold Produced (oz)	74,513	63,758	10,755	17%	214,584	196,634	17,950	9%
Gold Sold (oz)	77,745	65,319	12,426	19%	215,429	200,837	14,592	7%
Silver Sold (oz)	90,862	115,057	(24,195)	(21%)	285,863	291,603	(5,740)	(2%)
Cash Cost per ounce of gold sold (USD/oz)	1,120	1,235	(115)	(9%)	1,140	1,162	(22)	(2%)
AISC per ounce of gold sold (USD/oz)	1,338	1,476	(138)	(9%)	1,367	1,502	(135)	(9%)

⁽¹⁾ The definition and reconciliation of these non-IFRS financial measures and ratios is included in the section on Non-IFRS and Other Financial Measures in this news release.

Table 2. Operational Highlights by Material Property.

(All numbers in ounces unless otherwise noted)

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2022	2021	ounces	%	2022	2021	ounces	%
Nechí Alluvial Property (Colombia)	24,720	17,085	7,635	45%	67,399	57,605	9,794	17%
Hemco Property	10,918	9,949	969	10%	30,849	25,032	5,817	23%
Artisanal Mining	21,292	22,579	(1,287)	(6%)	68,060	69,918	(1,858)	(3%)
Nicaragua	32,210	32,528	(318)	(1%)	98,909	94,950	3,959	4%
Gualcamayo Property (Argentina)	17,583	14,145	3,438	24%	48,276	44,079	4,197	10%
Total Gold Produced (oz)	74,513	63,758	10,755	17%	214,584	196,634	17,950	9%
Total Silver Produced (oz)	90,862	115,057	(24,195)	(21%)	285,863	291,603	(5,740)	(2%)

CORPORATE HIGHLIGHTS FOR THE THIRD QUARTER 2022

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 Nechi 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 actions. These operations are now complete and accident investigations by both the relevant Colombian authorities and independent investigators hired by the Company are underway.

After a thorough review, as of September 30, 2022, management had not found a way to recover, repair or perform any type of rescue or maneuver to refloat the Llanuras Plant, resulting in the recognition by the Company of a \$4.8 million impairment of asset. Mineros has filed a claim with its insurers in respect of the damage to the Llanuras Plant. The Company has adjusted its production plan to compensate for the loss of the Llanuras Plant, and accordingly does not expect any negative impact on its ability to meet its 2022 production or cost guidance for the Nechí Alluvial Property.

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 seventeen years of professional experience, of which the last fourteen 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 (the "Canadian IPO") and in the concurrent public offering in Colombia in November 2021 (the "Concurrent Colombian Public Offering"). Ms. Ríos succeeds Eduardo Flores Zelaya.

Workforce reduction in Argentina

On September 9, 2022, Mineros announced that over the next six months, it will downsize 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 expects to incur costs of between \$3.0 million and \$5.0 million in connection with the workforce reduction, but does not expect such costs to impact its ability to meet its previously-disclosed 2022 production and cost guidance for the Gualcamayo Property. As of September 30, 2022, a severance provision in the amount of \$3.0 million was reported in connection with the downsizing of operations at the Gualcamayo Property.

Subsequent Events

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, OFAC issued General License No. 4, authorizing transactions ordinarily incident and necessary to wind down any transaction involving the DGM through November 23, 2022.

Also on October 24, 2022, 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. Although EO 14088 specifically mentions the gold sector, as at the date of this document, no entity or person, other than the DGM and one official of the Government of Nicaragua, has been designated by OFAC 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 document, 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. (“Yamana”), and their respective affiliates (the “La Pepa Option Agreement”) 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 PROJECT UPDATES

Porvenir Project, Nicaragua: Ongoing studies are being completed to assess processing and mining scenarios for the Porvenir Project. The Company is on track to complete a pre-feasibility study in the fourth quarter of 2022.

Luna Roja Deposit, Nicaragua: Mineral Resources for the Luna Roja Deposit are planned to be updated as at December 31, 2022. The 3,000-metre diamond drill campaign started in October and is planned to be completed by December 2022.

Gualcamayo Property Expansion, Argentina: In the third quarter of 2022 a total of 19,856 metres in 111 holes were drilled, 2,856 metres over the original drilling plan. The Company decided to cover broader areas of production with the same drilling budget by drilling more meters of Reverse Circulation, re-balancing its original drilling plan. The drilling campaign is progressing despite laboratory delays as a result of recent increased global demand for assay services.

Mineros reviewed its original greenfield exploration program on account of limited availability of drilling equipment in Argentina and there is no further drilling planned in this area in 2022.

Deep Carbonates Project, Argentina: Mineros reviewed its original 7,750 meter drilling plan as a consequence of general difficulties with deep drilling and limited availability of drilling equipment in the region. The Company plans to complete a total of 5,300 meters of diamond drilling focused on expanding the current mineral resources at the Rodado deposit. Metallurgical test work to support advancement of the Deep Carbonates Project is underway. The Company is still evaluating the test work to make a determination as to whether it will move forward with a preliminary economic assessment ("PEA") in respect of the Deep Carbonates Project.

La Pepa Project, Chile: The Company is focused on developing and expanding the Cavanca deposit and greenfield exploration is focused on new discoveries on the property with different styles of mineralization related to veins around the main Cavanca deposit.

CONFERENCE CALL AND WEBCAST DETAILS

The Company will host a conference call on Wednesday November 16, 2022, at 9:00 am ET (8:00 am COT) to discuss the results. The conference call will be in Spanish with simultaneous translation in English.

Participant conference call dial in:

Canada Toll Free:	1 (866) 455-3403
US Toll Free:	1 (888) 374-5140
Pin for English:	79518832#
Pin for Spanish:	30314745#

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

A live webcast of the conference call will be available at:

<https://onlinexperiences.com/Launch/QReg/ShowUUID=40919513-9F98-4281-8900-5868250DB119&LangLocaleID=1034>

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 Medellín, 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".

For further information, please contact:

Patricia Ospina
Investor Relations Manager
+1 (647) 496-3011
Investor.relations@mineros.com.co
(+57) 42665757
relacion.inversionistas@mineros.com.co

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* ("NI 43-101").

FORWARD-LOOKING STATEMENTS

This news release contains “forward-looking information” within the meaning of applicable 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 2022; timing, completion and results of a pre-feasibility study on the Porvenir Project; timing for the completion of a PEA on the La Pepa Project; mineral reserve and mineral resource estimates; the Company’s planned exploration, development and production activities; statements regarding the projected exploration and development of the Company’s growth projects, including the Porvenir Project, Deep Carbonates Project, and the La Pepa Project; timing, completion and results of mineral resource estimates and mining studies; estimates of future capital and operating costs; future financial or operating performance and condition of the Company and its business, operations and properties; 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; 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 Company’s material properties being as described in the applicable NI 43-101 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; availability of 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. Although the Company has attempted to identify important factors that could cause actual actions, events, conditions, results, performance or achievements to differ materially from those described in forward-looking information, there may be other factors that cause actions, events, conditions, results, performance or achievements to differ from those anticipated, estimated or intended. 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, 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 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 document. 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 EBIT, EBITDA, Adjusted EBITDA to net profit for the period for the three and nine months ended September 30, 2022 and 2021:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net Profit for the Period	2,610	8,150	24,481	32,327
Less: Interest income	(50)	(235)	(568)	(946)
Add: Interest expense	1,511	1,156	3,835	3,604
Add: Current tax ⁽¹⁾	8,640	6,812	28,929	23,512
Add/less: Deferred tax ⁽¹⁾	3,702	(1,116)	7,058	5,058
EBIT	16,413	14,767	63,735	63,555
Add: Depreciation and amortization	14,931	11,606	43,757	35,606
EBITDA	31,344	26,373	107,492	99,161
Less: Other income	(298)	(382)	(1,000)	(2,041)
Less: Finance income (excluding interest income)	(37)	(30)	(131)	(142)
Add: Finance expense (excluding interest expense)	1,496	1,036	4,235	3,128
Add: Other expenses ⁽²⁾	5,123	2,272	9,276	11,253
Add: Exploration expenses	3,742	5,033	10,038	7,551
Add: Impairment of asset ⁽³⁾	4,791	-	4,791	-
Less: Foreign exchange differences	(3,035)	(1,943)	(3,718)	344
Adjusted EBITDA	43,126	32,359	130,983	119,254

1. For additional information regarding taxes, see Note 15 of our unaudited condensed interim consolidated financial statements.

2. For additional information regarding other expenses, see Note 10 of our unaudited condensed interim consolidated financial statements.

3. For additional information regarding impairment of assets, see Note 6 of our unaudited condensed interim consolidated financial statements.

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 costs 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 exclude 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 and nine months ended September 30, 2022 and 2021:

	Three Months Ended September 30, 2022		Nine Months Ended September 30, 2021	
	2022	2021	2022	2021
Cost of sales	103,511	94,769	295,003	275,678
Less: Cost of sales of non-mining operations ⁽¹⁾	(134)	(145)	(478)	(422)
Less: Depreciation and amortization	(14,574)	(11,242)	(42,667)	(34,508)
Less: Sales of silver	(1,722)	(2,724)	(6,180)	(7,347)
Cash Cost	87,081	80,658	245,678	233,401
Gold sold (oz)	77,745	65,319	215,429	200,837
Cash Cost per ounce of gold sold (\$/oz)	1,120	1,235	1,140	1,162

1. Refers to cost of sales incurred in the Company's "Others" segment. See Note 7 to the Company's condensed interim consolidated statements for three and nine months ended September 30, 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, 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 and nine months ended September 30, 2022 and 2021:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Cost of sales	103,511	94,769	295,003	275,678
Less: Cost of sales of non-mining operations ⁽¹⁾	(134)	(145)	(478)	(422)
Less: Depreciation and amortization	(14,574)	(11,242)	(42,667)	(34,508)
Less: Sales of silver	(1,722)	(2,724)	(6,180)	(7,347)
Less: Sales of electric energy	(994)	(1,246)	(2,796)	(3,361)
Add: Administrative expenses	4,167	4,666	15,580	14,703
Less: Depreciation and amortization of administrative expenses ⁽²⁾	(357)	(364)	(1,090)	(1,098)
Add: Sustaining leases and leaseback ⁽³⁾	3,444	3,000	7,991	8,648
Add: Sustaining exploration ⁽⁴⁾	2,692	3,384	6,996	7,209
Add: Sustaining capital expenditures ⁽⁵⁾	8,011	6,309	22,069	42,136
AISC	104,044	96,407	294,428	301,638
Gold sold (oz)	77,745	65,319	215,429	200,837
All-in sustaining costs per ounce of gold sold (\$/oz)	1,338	1,476	1,367	1,502

1. Cost of sale 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. Depreciation and amortization of administrative expenses is included in the administrative expenses line on the interim condensed consolidated financial statements, and is mainly related to depreciation for corporate office spaces and local administrative buildings in Gualcamayo and HEMCO.
3. Represents most lease payments as reported on the condensed interim consolidated 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 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.
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 interim condensed 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 and nine months ended September 30, 2022, primarily related to major projects at the Hemco Property, Nechi 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 condensed interim consolidated financial statements.

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.

The following table provides a reconciliation of the Company’s net free cash flow to net cash flows generated by operating activities for the three and nine months ended September 30, 2022 and 2021:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net cash flows generated by operating activities	22,849	35,066	46,005	67,697
<i>Non-discretionary items:</i>				
Sustaining capital expenditures	(8,011)	(6,309)	(22,069)	(42,136)
Interest paid	(1,431)	(995)	(3,601)	(3,191)
Dividends paid	(5,655)	(4,035)	(18,128)	(13,656)
Net free cash flow	7,752	23,727	2,207	8,714

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 September 30, 2022 and 2021:

	As at September 30,	
	2022	2021
Adjusted EBITDA (Last 12 months)	166,432	159,464
Less: Depreciation and amortization (Last 12 months)	(57,259)	(47,010)
Adjusted EBIT (A)	109,173	112,454
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	608,108	565,107
Less: Current Liabilities at the end of the Period	(138,731)	(138,041)
Closing Capital employed (C)	469,377	427,066
Average Capital employed (D)= (B) + (C) /2	469,411	420,244
ROCE (A/D)	23%	27%

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 September 30, 2022 and 2021:

	As at September 30,	
	2022	2021
Loans and other borrowings	49,407	86,288
Less: Cash and cash equivalents	(32,417)	(51,776)
Net Debt	16,990	34,512
Adjusted EBITDA (Last 12 months)	166,432	159,464
Net Debt to Adjusted EBITDA ratio	0.10x	0.22x

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 tables sets out the reconciliation of average realized metal prices to sales of gold and sales of silver for the three and nine months ended September 30, 2022 and 2021:

	Three Months Ended September 30, Nine Months Ended September 30,			
	2022	2021	2022	2021
Sales of gold	133,890	116,135	389,855	362,310
Gold sold (oz)	77,745	65,319	215,429	200,837
Average realized price per ounce of gold sold (\$/oz)	1,722	1,778	1,810	1,804
Sales of silver	1,722	2,724	6,180	7,347
Silver sold (oz)	90,862	115,057	285,863	291,603
Average realized price per ounce of silver sold (\$/oz)	19	24	22	25

Participant conference call dial in

Pin for English: 79518832#
Pin for Spanish: 30314745#

Australia Toll-Free: 8004440879
Australia Toll: +61283115350
Brazil Toll-Free: 8007610711
Brazil Toll: +551140403733
Canada Toll-Free: 8664553403
Canada Toll: 6474848332 PIN: 99878428#
Chile Toll-Free: 12300205906
China Toll-Free: 108001202400
China Toll: 4008210576
Colombia Toll-Free: 018005190788
Colombia Toll: +57 6014850348
France Toll-Free: 805102712
France Toll: +33172256760
Germany Toll-Free: 8001897777
Germany Toll: +496922221158
Hong Kong Toll-Free: 800933752
India Toll-Free: 18002667181
Japan Toll-Free: 6633812339
Japan Toll: +81345789384
Malaysia Toll-Free: 1800189583
Mexico Toll-Free: 18667791760
Mexico Toll: +525567225258
Netherlands Toll: +31207139245
Romania Toll: +40316300531
Singapore Toll-Free: 8001205193
Spain Toll-Free: 800300874
Spain Toll: +34914149964
Sweden Toll-Free: 200896845
Sweden Toll: +46850596402
Taiwan Toll-Free: 801136018
Thailand Toll-Free: 001800120666601
United Kingdom Toll-Free: 8082389813
United Kingdom Toll: +442031004191
United States Toll-Free: 8663745140
United States Toll: 4044000571