

## Activité du 1<sup>er</sup> trimestre 2020

### Press Release - May 4

**Auclata Mining Group (Euronext Growth - FR0013410370 - ALAMG)** reports the 1st quarter 2020 activity indicators for its operations in French Guyana, Morocco and Peru.

The situation of uncertainty in which the world has found itself since March in the face of the COVID-19 pandemic has led to a decrease in global demand, and consequently a reduction in the consumption of raw materials. Prices of base and precious metals have fallen sharply. The mining industry, like all other industrial activities, has been impacted by these macroeconomic effects.

Base metals such as zinc, copper and lead, which are used by industry, have been among the most affected:

Price in USD per Ton	December 31, 2019	March 31, 2020	Change %
Zinc	2.292	1.868	-18,5%
Copper	6.156	4.797	-22,1%
Lead	1.923	1.712	-10,9%

*Change in base metal prices between December 31, 2019 and March 31, 2020<sup>1</sup>*

The same is true for silver that shows the biggest drop. Gold, on the other hand, has appreciated in relation to its year-end 2019 price, playing its role of safe haven:

Price in USD per ounce	December 31, 2019	March 31, 2020	Change %
Silver	18,06	13,96	-22,7%
Gold	1.522	1.588	4,3%

*Change in precious metal prices between December 31, 2019 and March 31, 2020<sup>1</sup>*

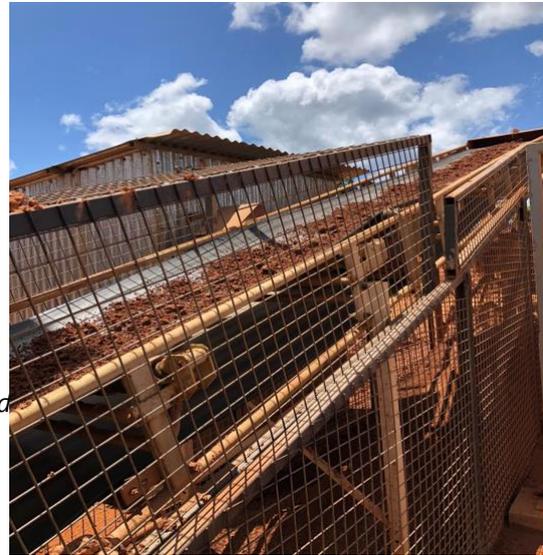
The macroeconomic impact of the COVID-19 pandemic on all industrial activity, including the mining industry, was therefore particularly significant in the first quarter of 2020, with immediate and direct effects. The measures taken by governments since March 2020 to contain the epidemic have indeed led to suspensions of activity, but have also had indirect consequences such as those related to significant fluctuations in metal prices.

This situation has led a large number of players in the mining sector to be more cautious about their investments, with a trend towards optimizing production volumes in order to compensate for falling prices and a reduction in exploration activities..

<sup>1</sup> London Market Exchange <https://www.lme.com>

## French Guyana

During the first quarter of 2020, "hot commissioning" activities on the new Dieu Merci<sup>2</sup> unit continued, allowing the ramp-up of production. On the eve of the installation of the containment, the first gold bar was produced, transported and sold in Cayenne.<sup>3</sup>



In the first quarter of 2020:

- 9,255 tons of ore were extracted from the cuttings of Dieu Merci (+62% compared to forecasts) ;
- The average grade of the ore used for hot commissioning was 2.24 g/ton (+61% compared to forecasts) ;
- 5,055 tons of ore were processed by the leach plant (-12% compared to forecast) ;
- The average recovery rate is 82% (in line with expectations) ;
- 3 hectares have been restored.



*Production of the first gold bar*

Since mid-March, as a result of the COVID-19 pandemic, AMG has been forced to suspend its mining operations and to resort to the exceptional partial activity mechanism put in place by the French government for a period of time that will be adapted according to health developments and government measures<sup>2</sup>.

AMG Guyana has set up a strict control and cost reduction plan that will be reinforced during the 2020 financial year in order to achieve a significant amount of savings, in addition to the reductions in expenses resulting from the implementation of the partial activity and the suspension of operations.

Exploration activity, an essential prerequisite for the development of the mining assets, should start up again gradually from the beginning of May, with a mapping, geochemistry and then IP and ground Mag geophysics campaign.

With regard to restoration and in line with its commitment, AMG continued, during the first quarter, to set up the nursery for 30,000 plants on the site of Dieu Merci.



## Peru

In Peru, as the government considered the mining sector to be strategic, AMG was able to continue its operations, albeit at a reduced pace. The team organized itself by putting in place the health measures required by the Peruvian authorities in order to continue its activity.

Although Peruvian activity in early 2020 continued to build on the momentum of 2019, in line with budget forecasts, the decline in metal prices will nevertheless penalize the economic results of the 2020 fiscal year.

In the first quarter of 2020 :

- 27,758 tons of ore were extracted from the El Santo mine (-8% compared to forecasts). The average grades of ore extracted were as follows:
  - Gold (Au): 0.17 g/ton (+87% compared to forecasts)
  - Silver (Ag): 2.01 g/ton (-20% compared to forecast)
  - Lead (Pb): 4.35% (+9% compared to forecasts)
  - Zinc (Zn): 6.56% (+1% compared to forecasts)
- 28,720 ton were processed by the Ana María plant (in line with forecasts). The lower the humidity, the better the quality of the concentrates.:
  - Zinc concentrate: 10.07% (+1% compared to forecast)
  - Lead concentrate: 8.66% (-13% compared to forecast)
- Production of metal from concentrates:

- Gold (Au) : 3 kg (+200% compared to forecast)
- Argent (Ag) : 48,000 oz (-17% compared to forecast)
- Plomb (Pb) : 1,190 tons (+8% compared to forecast)
- Zinc (Zn) : 1,704 tons (-1% compared to forecast)



*Concentrate production and loading*

Following the example of French Guyana, the Peruvian teams have set up a strict control and cost reduction plan that will be reinforced during the 2020 financial year in order to achieve significant savings.



*Plan sanitaire COVID-19*

## **Morocco**

In a controlled environment, mine activity continues at a reduced rate. Numerous actions have been undertaken to avoid contamination at the mining activity level and protective measures have been put in place to protect employees, personnel and agents of Compagnie Minière de Touissit (CMT). A commission appointed by the public authorities regularly monitors CMT's implementation of the recommendations of the Moroccan Ministry of Health.

A press release dedicated to CMT and its results will be published shortly.

## **Strategy**

The economic situation is now linked to the evolution of the global health situation. AMG estimates that the rebound and return to the prices seen before the pandemic is not expected before the 4th quarter of 2020.

Like the mining sector as a whole, AMG's operations are affected by the COVID-19 pandemic. The Peruvian and Moroccan operations have continued with the necessary health precautions. Only operations in French Guiana had to be suspended.

Several experts, including those at the "Bank of America"<sup>2</sup>, believe that the price of gold should continue to rise and could even reach USD 3,000 (+50%) in the next 18 months. In light of this global analysis, AMG's teams have now decided to focus their production strategy on gold.

To do this, the reopening of the Dieu Merci plant is essential. It depends, however, on the health crisis and the success of the measures taken by the French government to contain it. The management team is working on a plan to restart the plant in order to be able to restart gold production as quickly as possible, once health conditions in French Guyana allow.

In Peru, exploration activity will focus on the economic evaluation of polymetallic extraction zones with interesting gold potential, such as the Suyckutambo mine, in a context of rising yellow metal prices. If this economic analysis proves conclusive, AMG could benefit from the upward trend in the price of gold in both French Guyana and Peru.

### **Auplata in a nutshell**

Auplata Mining Group (AMG), incorporated in July 2004 and listed on the Paris Stock Exchange (Euronext Growth) since December 2006, is a polymetallic mining exploration and mining group. AMG is present in French Guiana and, through its subsidiaries, in Peru, Morocco (listed on the Casablanca Stock Exchange) and Ivory Coast. AMG pursues a dynamic, sustainable and innovative industrial and financial strategy for the development of high-potential precious and base metal deposits with the involvement of local stakeholders. The objective of the company is to produce the metals of tomorrow needed for the energy transition in a clean and responsible way, while trying to provide France with a national source of strategic metals.

ISIN: FR0013410370- ALAMG; ICB: 1777 - Gold Mining.

For more information about Auplata Mining Group: [www.auplatamininggroup.com](http://www.auplatamininggroup.com)

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