

Release time IMMEDIATE
Date 1 August 2024

AIX: CORE, MOEX: POLY

Solidcore Resources plc

Q2 2024 production results

Solidcore Resources plc (“Solidcore” or the “Company”) reports production results for the second quarter ended June 30, 2024.

“In Q2, we demonstrated solid production results as well as managed to unwind a significant portion of our concentrate inventory, which resulted in strong cash flow generation and higher net cash position”, said Vitaly Nesis, Group CEO of Solidcore Resources plc.

HIGHLIGHTS

- No fatal accidents among the Company’s employees and contractors occurred in H1 2024 as well as no lost time injuries were recorded.
- Gold equivalent (“GE”) production grew by 37% year-on-year (y-o-y) to 135 Koz in Q2 and by 18% to 252 Koz in H1 on the back of higher concentrate shipment volumes to China and production from toll-treated concentrate at Kyzyl.
- GE sales for the quarter jumped by 118% y-o-y and 52% q-o-q to 176 Koz, thanks to the substantial progress in unwinding of Kyzyl concentrate stockpile, previously accumulated due to logistical challenges. H1 sales were up by 42% to 292 Koz supported by Q2 dynamics.
- Revenue for the reporting quarter and six months increased by 157% and 79% y-o-y to US\$ 409 and US\$ 704 million respectively driven by higher gold prices, healthy production results and inventory release.
- Net Cash position as of the end of Q2 stood at approximately US\$ 357 million versus net cash of US\$ 155 as of the end of Q1. The increase was driven by significant cash inflow from sale of inventory as well as free cash flow from ongoing operations.
- The Company reiterates its full-year guidance for production and costs: production of 475 GE Koz, TCC in the range of US\$ 900-1,000/oz and AISC in the range of US\$ 1,250-1,350. However, the management is observing the following detrimental factors in H2 2024: stronger than budgeted year-to-date KZT/USD rate, inflationary pressure, shortage of railcars and congestions of the eastbound railroads.
- Full-year CAPEX is expected to be approximately US\$ 60 million above the original guidance of US\$ 225 million due to prepayments for the green energy projects (solar power plant at Kyzyl, and solar and gas power plants at Varvara).

PRODUCTION RESULTS

	3 months ended Jun 30,		% change ¹	6 months ended Jun 30,		% change ¹
	2024	2023		2024	2023	
Waste mined ² , Mt	31.3	29.6	+6%	64.4	60.3	+7%
Ore mined (open pit), Mt	1.3	1.4	-6%	2.5	2.7	-8%
Ore processed, Mt	1.6	1.6	-1%	3.1	3.1	+1%
Average GE grade processed, g/t	3.0	2.9	+5%	3.0	2.9	+3%
Production, GE Koz ³	135	98	+37%	252	213	+18%
Kyzyl	93	56	+66%	169	128	+32%
Varvara	42	42	-0%	83	86	-3%
Sales, GE Koz	176	81	+118%	292	206	+42%
Kyzyl	133	37	+258%	207	113	+84%
Varvara	43	44	-1%	85	93	-9%
Revenue, US\$m ^{4, 5}	409	159	+157%	704	393	+79%
Net cash/(debt), US\$m ⁶	357	155	+130%	357	(174)	-305%
Safety						
LTIFR ⁷	0	0	NA	0	0	NA
Fatalities	0	0	NA	0	0	NA

Notes:

(1) % changes can be different from zero even when absolute numbers are unchanged because of rounding. Likewise, % changes can be equal to zero when absolute numbers differ due to the same reason. This note applies to all tables in this release.

(2) Kyzyl waste mined reporting approach has been amended starting from Q2 2024 to include specification of volume weight coefficients used to convert cubes into tons by mines and periods.

(3) Based on 80:1 Au/Ag conversion ratio and excluding base metals. Discrepancies in calculations are due to rounding.

(4) Calculated based on the unaudited consolidated management accounts.

(5) Revenue includes re-sale of third party metal. Sales are shown net of re-sale of third party metal.

(6) Non-IFRS measure based on unaudited consolidated management accounts. Comparative information is presented for 31 March 2024 (for the three months period) and 31 December 2023 (for the six months period) for Kazakhstan operations only.

(7) LTIFR = lost time injury frequency rate per 200,000 hours worked. Company employees only are taken into account.

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FORWARD-LOOKING STATEMENTS

This release may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements speak only as at the date of this release. These forward-looking statements can be identified by the use of forward-looking terminology, including the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or "should" or similar expressions or, in each case their negative or other variations or by discussion of strategies, plans, objectives, goals, future events or intentions. These forward-looking statements all include matters that are not historical facts. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the company's control that could cause the actual results, performance or achievements of the company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the company's present and future business

strategies and the environment in which the company will operate in the future. Forward-looking statements are not guarantees of future performance. There are many factors that could cause the company's actual results, performance or achievements to differ materially from those expressed in such forward-looking statements. The company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

KYZYL

	3 months ended Jun 30,		% change	6 months ended Jun 30,		% change
	2024	2023		2024	2023	
<u>MINING</u>						
Waste mined ¹ , Mt	20.3	18.8	+8%	42.4	38.7	+9%
Ore mined (open pit), Kt	603	647	-7%	1,185	1,165	+2%
<u>PROCESSING</u>						
Ore processed, Kt	607	633	-4%	1,212	1,193	+2%
Gold grade, g/t	5.3	4.9	+8%	5.3	5.1	+5%
Gold recovery	89.2%	89.0%	+0%	88.7%	88.8%	-0%
Concentrate produced, Kt	30.9	31.5	-2%	61.6	61.5	+0%
Concentrate gold grade, g/t	93.3	88.5	+5%	92.9	87.6	+6%
Gold in concentrate, Koz ²	93	90	+3%	184	173	+6%
Concentrate shipped, Kt	19	10	+92%	31	18	+70%
Payable gold shipped, Koz	34	18	+91%	58	34	+70%
<u>Toll-processing at third-party POX</u>						
Concentrate processed, Kt	18	13	+32%	35	28	+25%
Gold grade, g/t	115.6	108.9	+6%	116.1	117.5	-1%
Gold recovery	92.5%	91.9%	+1%	92.9%	92.8%	+0%
Dore produced, Koz	59	38	+53%	111	94	+18%
<u>TOTAL PRODUCTION</u>						
Gold, Koz	93	56	+66%	169	128	+32%

Note:

(1) Kyzyl waste mined reporting approach was amended to include specification of volume weight coefficients used to convert cubes into tons by mines and periods. Previous periods were restated accordingly.

(2) For information only; not considered as gold produced and therefore not reflected in the table representing total production. It will be included in total production upon shipment to off-taker or dore production under the tolling contract at third-party POX.

Q2 gold production at Kyzyl grew by 66% y-o-y to 93 Koz due to higher volumes of concentrate shipments to off-takers, higher grade and toll-processing volumes at third party POX. Quarterly results contributed to a 32% increase in H1 production.

The Company's efforts to unwind the previously accumulated concentrate stockpiles resulted in a 30% (approximately 20 Koz) reduction in inventory year to date.

VARVARA

	3 months ended Jun 30,		% change	6 months ended Jun 30,		% change
	2024	2023		2024	2023	
MINING						
Waste mined, Mt	11.0	10.9	+1%	22.0	21.5	+2%
Ore mined (open pit), Kt	709	742	-4%	1,299	1,524	-15%
PROCESSING						
Leaching						
Ore processed, Kt	774	777	-0%	1,539	1,546	-0%
Gold grade, g/t	1.4	1.4	+0%	1.4	1.4	-4%
Gold recovery ¹	91.8%	89.0%	+3%	89.7%	89.0%	+1%
Gold production (in dore), Koz	31	32	-2%	62	66	-6%
Flotation						
Ore processed, Kt	196	187	+5%	395	376	+5%
Gold grade, g/t	2.4	2.3	+7%	2.4	2.2	+6%
Recovery ¹	88.7%	88.2%	+1%	89.0%	86.6%	+3%
Gold in concentrate, Koz	10	10	+5%	20	19	+6%
TOTAL PRODUCTION						
Gold, Koz	42	42	-0%	83	86	-3%

Note:

(1) Technological recovery, includes gold and copper within work-in-progress inventory. Does not include toll-treated ore.

In Q2, production at Varvara was stable y-o-y at 42 Koz, A marginal y-o-y decline in H1 was driven by a planned moderate decrease in Komar ore grade at the leaching circuit.

ERTIS POX

The autoclave construction at COEK production site in Belgium was completed. Delivery preparation is in process. At the future construction site engineering survey is in progress to develop documentation for technological and infrastructure facilities. Draft and working design projects for temporary on-site buildings have been developed. The formal Board decision on the project and feasibility study results announcement are expected in December 2024.