Minsur S.A. and Subsidiaries

Interim condensed consolidated financial statements as of December 31, 2024 (unaudited), and December 31, 2023 (audited)

Notes to interim condensed consolidated financial statements

As of December 31, 2024 (unaudited), and December 31, 2023 (audited)

1. Corporate information

(a) Identification-

Minsur S.A. (hereinafter "the Company") was incorporated in Peru in October 1977. The activities of the Company are regulated by the Peruvian General Mining Law. The Company is a subsidiary of Breca Minería S.A.C., a company domiciled in Peru, which owns 99.99 percent of the Company's common shares and 6.31 percent of its investment shares. The Company's registered address is Jirón Giovanni Batista Lorenzo Bernini 149, interior 501A, San Borja Lima, Peru.

(b) Business activity-

Themain activity of the Company is the production and sellingg of metallic tin that it is obtained from the mineral exploited in the San Rafael mine, located in the region of Puno region, and the production and selling of gold that is obtained of Pucamarca mine, located in the region Tacna.

Through its subsidiary Minera Latinoamericana S.A.C., the Company has investments in Inversiones Cordillera del Sur II SpA (holding of shares of a group mainly dedicated to the production and selling of cement in Chile), in Inversiones Cordillera Inmobiliaria SpA (a Chilean company dedicated to the investment in personal property), in Minera Andes del Sur SpA. (a Chilean company engaged in mining exploration activities) and in the discontinued mining unit Mineração Taboca S.A. and Subsidiary (operating a tin mine and smelter located in Brazil).

As explained in note 3.1(e), the investments in Inversiones Cordillera del Sur II SpA and Inversiones Cordillera Inmobiliaria SpA are accounted for as investment in associates.

Through the subsidiary Minera Latinoamericana S.A.C, the Company holds shares in the discontinued mining unit Mineração Taboca S.A. and Subsidiary, an open-pit mining company in Presidente Figueiredo – Amazonas, Brazil called Pitinga, with a processing capacity of 7 million metric tons of ore per year.Which operates with an alloy smelting plant with a production capacity of 4,000 tons per year and a tin foundry in Pirapora, with a production capacity of 7,000tons of grade AAA tin (99.97% grade), whichthat is registered under the name "Mamoré" on the LME (London Metal Exchange).

In addition, through its subsidiary Cumbres Andinas S.A.C., the Company hold shares in Marcobre S.A.C., mining company dedicated to is the extraction, production and commercialization of copper concentrates and cathodes. Marcobre S.A.C. operates an open pit mine with a processing capacity of 6 million metric tons per year for sulfides and 12 million metric tons per year for oxides, which is located in the province of Nazca, Ica region. The estimated investment of the Mina Justa project amounted of US$1.8 billion and is expected to have an average annual production for the Life Of the Mine (LOM) of 171,515 wet tons copper concentrated and 33,279 tons of copper cathode.

Likewise, through its subsidiary Cumbres del Sur S.A.C., the Company carries out mining rights exploration and exploitation activities and in general, any of the activities directly or indirectly included in the mining activity, mainly concentrated in the Marta Mining Unit, which is in the exploration and resource evaluation stager mineral and closure of its environmental liabilities at the Regina mining Unit.

As of December 31, 2024 and 2023, the Group is developing the following projects:

(b.1) B4 tailings dam project at San Rafael

The project consisted of the construction of a new tailings dam for the San Rafael and B2 plants to ensure continuity of operations. The project had capitalizations due to dam heightening during 2024, capitalizing US$28,888,000 in March and US$35,119,000 in November, maintaining a net balance of US$25,909,000 at December 31, 2024.

(b.2) San Rafael Water Treatment System Project

Minsur S.A. completed the Water Treatment System project located at the San Rafael mine, whose capitalized investment was US$54,541,000; as of December 31, 2023, work in progress had US$50,359,000. The project consists of treating contact water from operations in compliance with current legislation.

(b.3) Sulfide and oxide plant sustaining and upgrading project.

During the year 2024, the subsidiary Marcobre made investment expenditures of approximately US$96,030,000 mainly for sustaining activities. During the year 2023, the subsidiary Marcobre made capital expenditures of approximately US$190,884,000, mainly for support activities and sulfide and oxide plant upgrades.

(c) Temporary stoppage and restart of operations at San Rafael Mining Unit

In mid-January 2023, the Peruvian government declared a State of Emergency in certain regions of the country for a period of 30 days, in order to contain the mobilizations, road blockades and social conflicts that occurred in these regions and that originated sensitive events, added in some cases to the regular impediment of trade and the continuity of productive activities in the area, one of the most affected regions being the Puno Region.

In line with the regional mourning decreed as a result of these events and in order to safeguard the integrity of employees and its facilities, the Company decided to temporarily stop operations at the San Rafael Mining Unit as of January 12, 2023.

During March 2023, in line with the decrease in social conflicts in Puno, production was progressively resumed at the San Rafael mining unit. By the second quarter of 2023 the company was operating under normal conditions.

In line with note 22 b) cost of sales, indirect costs that were not absorbed in the production process as a result of the temporary stoppage of the San Rafael mining unit are presented.

(d) Consolidated Financial Statements –

The consolidated financial statements include the financial statements of the Company and its subsidiaries (together, the Group):

	Equity interest			
	December 31, 2024		December 31, 2023	
	Direct %	Indirect %	Direct %	Indirect %
Subsidiaries in Chile:				
Minera Andes del Sur SPA	-	100.00	-	100.00
Subsidiaries in Brazil (Discontinued operation)				
Mineração Taboca S.A.	-	100.00	-	100.00
Mamoré Mineração e Metalurgia Ltda.	-	100.00	-	100.00
Subsidiaries in Peru:				
Minera Latinoamericana S.A.C.	99.99	-	99.99	-
Cumbres Andinas S.A.C.	60.00	-	60.00	-
Cumbres del Sur S.A.C.	99.98	-	99.98	-
Marcobre S.A.C.	-	60.00	-	60.00

A brief summary of the business activities of the entities included in the consolidated financial statements is presented below:

- Minera Andes del Sur SPA. -

  The corporate purpose of this subsidiary is the exploration and exploitation of mining properties that are acquired or obtained and that facilitate or allow the exploitation of the mineral substances contained them, located in the Commune of Santiago, Chile.

- Mineração Taboca S.A. -

  It is a mining company that operates the Pitinga mine, located in the northeastern region in the Amazonas state, in the municipality of Presidenta Figueiredo in the Federative Republic of Brazil. This mine obtains substantial tin concentrate. Mineração Taboca S.A. also operates the Pirapora smelter located at Estrada dos Romeiros, 49 – Guarapiranga, Pirapora do Bom Jesus, São Paulo.

- Mamoré Mineração e Metalurgia Ltda. -

  The corporate purpose of this subsidiary is to lease the Pirapora smelting plant in Sao Paulo, Brazil to Mineração Taboca for its operation.

- Minera Latinoamericana S.A.C. -

  Through this Subsidiary, the Company has investments in Mineração Taboca S.A. and its Subsidiary, as well as in Inversiones Cordillera del Sur SpA., Inversiones Cordillera Inmobiliaria Spa. and Minera Andes del Sur SpA.

  The Company's registered office is Jirón Giovanni Batista Lorenzo Bernini 149, interior 501A, San Borja Lima, Peru

- Cumbres Andinas S.A.C. -

  Currently, the activity of this subsidiary is limited to the holding of 100 percent of shares of the mining company Marcobre S.A.C., mining company whose main activity is the exploration of mining rights, the production and commercialization of copper cathodes from the Mina Justa project.

  The Company's registered office is Jirón Giovanni Batista Lorenzo Bernini 149, interior 501A, San Borja Lima, Peru

- Marcobre S.A.C. -

  The main activity of the subsidiary is the exploitation and commercialization of cathodes and copper concentrate in the Mina Justa operation, located in the Nazca province, Ica region.

  The Company's registered office is Jirón Giovanni Batista Lorenzo Bernini 149, interior 501A, San Borja Lima, Peru

- Cumbres del Sur S.A.C. -

  The subsidiary carries out activities of exploration and exploitation of mining rights and, in general, any other activities directly or indirectly included in the mining activity, mainly concentrated in the Marta mining unit, which is in the stage of exploration and evaluation of mineral resources and closure of its environmental liabilities at the Regina mining unit.

  The Company's registered office is Jirón Giovanni Batista Lorenzo Bernini 149, interior 501A, San Borja Lima, Peru.

(e) Approval of the interim condensed consolidated financial statements -

The interim condensed consolidated financial statements as of December 31, 2024 were approved for issuance by the Group's management on March 3, 2025.

(f) Agreement for the purchase and sale of shares of Mineração Taboca S.A. entered between Minera Latinoamericana S.A.C. and CNMC Trade Company Limited.

On November 25, 2024, a Share Purchase and Sale Agreement, subject to condition, was executed between our subsidiary Minera Latinoamericana S.A.C. (Minlat), as seller of all the shares of its subsidiary Mineração Taboca S.A. (Taboca) in favor of CNMC Trade Company Limited (CNMC), as purchaser.

The purchase and sale agreement includes joint and several corporate guarantees usual for mergers and acquisitions transactions and which have been assumed by the principal in favor of Minlat, which will be released by CNMC at the closing of the transaction.

In management's opinion, the sale plan is expected to be completed within 120 days from the signing of the Purchase and Sale Agreement. The Subsidiary has considered that the balance of its investment in Minera Taboca be reclassified as assets and liabilities held for sale, in accordance with the requirements of IFRS 5 “Non-current assets held for sale and discontinued operations”. In consequence, the effects recorded in the results of Taboca will be reclassified as net gain (loss) from discontinued operations attributable to the parent company for the comparative years 2024 and 2023.

The following are the main asset and liability items of the financial statements as of December 31, 2024 of Mineração Taboca S.A. approved by Management.

	2024 US$(000)
Assets	
Current asset	123,169
Non-current asset	297,167
Total Assets	420,336
Liabilities	
Current liabilities	140,138
Non-current liabilities	162,388
Total Liabilities	302,526
Net assets directly associated with the disposal group	117,810

During 2024 and 2023, Taboca recorded a net profit and loss for the year of US$5,684,000 and US$3,164,000.

	2024 US$(000)	**2023** US$(000)
Net sales	288,476	256,184
Cost of sales	(230,756)	(223,920)
Gross Profit	57,720	32,264
Operating expenses	(8,373)	(19,983)
Operating Profit	49,347	12,281
Financial income	418	2,636
Financial costs	(15,296)	(18,131)
Exchange difference, net	(33,067)	10,136
Profit before income tax	1,402	6,922
Income tax	(7,086)	(3,758)
Net loss (gain)	(5,684)	3,164

The Statement of Comprehensive Income of discontinued operations is also presented:

	2024 US$(000)	2023 US$(000)
Net income from discontinued operations	(5,684)	3,164
Other comprehensive income:		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences	(32,920)	10,373
Unrealized gains and losses on investments and hedging derivative financial instruments	(6,506)	(32,312)
Income tax	2,426	7,695
Other comprehensive income (loss) for the year from discontinued operations	(37,000)	(14,244)
Total other comprehensive income (loss) for the year, net of income taxes	(42,684)	(11,080)
Attributable to:		
Parent shareholders	(42,684)	(11,080)
	(42,684)	(11,080)

In addition, the net cash flows generated by discontinued operations are presented below:

	2024 US$(000)
Operating activities	43,259
Investment activities	(20,205)
Financing activities	(19,601)
Increase in cash and cash equivalents for the year	3,453
Difference of change in cash	(142)
Cash balance and cash equivalents at the beginning of the year	1,278
Cash and cash equivalents from discontinued operation	4,589

As of December 31, 2024, the Group's management estimated the recoverable amount of the net assets directly associated with the disposal group to be higher than it carrying value.

As of December 31, 2023, Management has determined to reclassify the land as an asset held for sale, reflecting the Subsidiary's intention to sell the land.

2. Preparation Basis and Other Accounting Policies

2.1. Basics of preparation –

The unaudited condensed interim consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS"), and on the basis of IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB); effective as of December 31, 2024 and 2023.

The condensed interim consolidated financial statements have been prepared on a historical cost basis except for trade accounts receivable, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and derivative financial instruments which are presented at fair value.

The condensed interim consolidated financial statements are presented in U.S. dollars (US$), and all amounts have been rounded to the nearest thousand, except where otherwise indicated.

The condensed interim consolidated financial statements provide comparative information for prior periods; however, they do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's audited consolidated financial statements as of December 31, 2024.

The Group has prepared its interim condensed consolidated financial statements on a going concerning basis. In making its going concern assessment, management has taken into consideration matters that could cause a business interruption. Management has considered all available forward-looking information obtained after the reporting date up to the date of approval and issuance of the condensed interim consolidated financial statements.

2.2. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its Subsidiaries as of the date of the consolidated statement of financial position.

Control is presumed to exist when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over that investment. Specifically, the Group controls an investee if, and only if, the Group has all the following:

- Power over the entity receiving the investment (that is, there are rights that grant it the present capacity to direct the relevant activities of the investment).
- Exposure or rights to variable returns from its involvement with the investee.
- Ability to use its power over the investee to affect its returns.

Usually, there is a presumption that most of the voting rights result in control of the entity. To support this presumption and when the Group has less than a majority of the voting or similar rights in the Group considers all relevant facts and circumstances in assessing whether it has power over the entity, including:

- The existence of a contractual agreement between the investor and the other holders of the voting rights of the investee.
- Rights arising from other contractual arrangements.
- The investor's voting rights, potential voting rights or a combination of these rights.

The Company reviews whether it has control over an entity when facts and circumstances indicate that changes in one or more of the three elements of control have occurred. Consolidation of a subsidiary begins when the Company obtains control of the subsidiary and ceases when the Company ceases to have control over that subsidiary. The assets, liabilities, revenues and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company obtains control until the date the Company ceases to have control over that subsidiary. When the Company's ownership interest is less than 100 percent, the interest attributable to non-controlling shareholders is reflected in non-controlling interests.

The consolidated statement of income and each component of other comprehensive income are attributed to the controlling and non-controlling owners, even if this results in non-controlling interests with a negative balance. When necessary, adjustments are made to the separate financial statements of subsidiaries to align their accounting policies

with those of the Group. All assets and liabilities, equity, income, expenses and cash flows related to transactions between parts of the Group are fully eliminated on consolidation.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, the related assets (including goodwill), liabilities, non-controlling interest and other components of equity are derecognized, while any resulting gain or loss is recognized in the consolidated statement of income. Any remaining investment is recognized at fair value.

2.3. Changes in accounting policies and disclosures -

New rules and interpretations adopted by the Group

Certain standards and amendments have become effective for annual periods beginning on or after January 1, 2024; however, they have not had an impact on the condensed interim consolidated financial statements. The Group has not early adopted any standards, interpretations or amendments that have been issued and are not yet effective.

Classification of liabilities as "Current" or "Non-Current" and non-current liabilities associated with covenants - amendments to IAS 1.

In October 2022, the IASB issued amendments that clarify that covenants that an entity is required to comply with on or before the reporting date will affect the classification of a liability as current or non-current.

The amendments indicated in the standard do not require an entity to separately present non-current liabilities for which the entity's right to defer settlement is subject to the fulfillment of future obligations within twelve months. That is, the 2022 amendments require entities to disclose information about the terms of those obligations and related liabilities in the notes, which should include information about the nature of the future obligations and when performance is applicable, as well as the carrying amount of the related liabilities.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and should be applied retrospectively.

The Group considers that this amendment does not have an impact on the consolidated financial statements because its financial obligations are presented as current or non-current liabilities in accordance with the contractual terms and there is no situation where further accounting judgment is warranted for their presentation.

Lease liability on a sale and leaseback - Amendments to IFRS 16

In September 2022, the IASB issued an amendment to IFRS 16 related to the recognition of a lease liability on a sale and leaseback. The amendment specifies the requirements that a seller-lessee should use to quantify the lease liability arising on sale and leaseback with the objective that the seller-lessee does not recognize any gain or loss related to the right of use it retains.

The amendment is intended to improve the requirements for recording sale and leaseback under IFRS 16. The amendment applies retrospectively to annual periods beginning on or after January 1, 2024, although earlier application is permitted.

This amendment had no impact on the Group's financial statements.

Vendor financing arrangements: new disclosure requirements

In May 2023, the IASB published amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. With the amendments the IASB has introduced new disclosure requirements in the IFRS Standards to improve the transparency and therefore the usefulness of the information provided by entities about vendor financing arrangements.

The Group considers that it did not have an impact on the consolidated financial statements because it does not handle vendor financing arrangements.

International Financial Reporting Standards for Sustainability and Climate Disclosures

On June 26, 2023, the International Sustainability Standards Board officially published its first IFRS Sustainability standards, ushering in a new era in international corporate reporting.

Both IFRS S1 and IFRS S2 are effective for annual periods beginning on or after January 1, 2024.

There is a "weather-first" transition option, which allows an entity to provide only weather-related information in its first year of application of IFRS S1 and IFRS S2.

Although these new standards are effective as of January 1, 2024 at the international level, at the country level, the Peruvian local market regulators are evaluating the applicability and effectiveness of these new IFRS. However, the Group has been making efforts in planning to obtain ample and timely information, with the objective of presenting to the users of the Financial Statements the necessary information in accordance with the established standards.

These amendments have no impact on the Group's consolidated financial statements.

2.4. Accounting policy summary

The following describes the accounting policies used by the Group for the preparation of the consolidated financial statements as of December 31, 2024, which are consistent with those followed in the preparation of the annual consolidated financial statements for the year ended December 31, 2023:

(a) Cash and cash equivalents (Note 6) -

The item "Cash and cash equivalents" presented in the consolidated statement of cash flows includes all balances in cash, bank checking accounts and time deposits, with a maturity of less than or equal to three months from the date of acquisition.

For presentation purposes in the consolidated statement of cash flows, cash and cash equivalents include cash, term deposits, and highly liquid investments, with an original maturity of three months or less.

Time deposits and investments with an original maturity of more than three months will be presented under the heading "Other financial assets" of the consolidated statement of financial position.

(b) Financial Instruments: Initial recognition and subsequent measurement (Note 33) –

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets (note 7) -

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income, and fair value through profit or loss. All of the Group's financial assets are initially recognized at fair value.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at fair value plus, in the case of a financial asset that is not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it must result in cash flows that are " solely payments of principal and interest (SPPI)" on the amount of principal outstanding. This assessment is is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for financial asset management refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from the collection of contractual cash flows, the sale of financial assets, or both.

The Group's financial assets include cash and cash equivalents, trade and other accounts receivables and financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

Subsequent Measurement -

The Group classifies its financial assets into the following four categories:

- Financial assets measured at amortized cost (debt instruments) –
- Financial assets measured at fair value through changes in other comprehensive income (debt instruments) –
- Financial assets designated at fair value through changes in other comprehensive income (equity instruments) –
- Financial assets measured at fair value through profit or loss -

Financial assets measured at amortized cost (debt instruments) -

A financial asset is measured at amortized cost if the following two conditions are met: (i) the financial asset is maintained within a business model whose objective is to maintain the financial assets to obtain the contractual cash flows; and (ii) the contractual terms of the financial asset give rise, on specific dates, to cash flows that are only payments of the principal and interest on the amount of outstanding principal.

These assets are subsequently measured at amortized cost using the effective interest rate method and are subject to impairment assessment. Gains or losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

This category, generally applied to the caption "Other accounts receivables".

Financial assets measured at fair value through changes in other comprehensive income (debt instruments) -

A financial asset is measured at fair value with changes in other comprehensive income if they are held in a business model whose objective is achieved is collecting contractual cash flows and selling financial assets.

Interest income calculated under the effective interest rate method, foreign currency translation gains and losses, and impairment are recognized in the consolidated statement of profit or loss. Changes in fair value are recognized in the other consolidated statement of other comprehensive income. At the time of derecognition, the gains and losses accrued in the consolidated statement of other comprehensive income are reclassified to the consolidated statement of profits or loss.
The Group does not have this type of financial asset as of December 31, 2024 and 2023.

Financial assets designated at fair value through changes in other comprehensive income (equity instruments) (See note 9) -

Upon initial recognition, the Group can elect to classify irrevocably its investments in equity as equity instruments designated at fair value through other comprehensive income when they meet the definition of an equity instrument in accordance with IAS 32 "Financial Instruments: Presentation" and is not held for negotiation. This classification is determined individually by each instrument.

Profits and losses from changes in the fair value of these instruments are recognized in the consolidated statement of other comprehensive income and are never reclassified in the consolidated statement of profit or loss. Cash dividends are recognized as income to the consolidated income statement unless the dividend clearly represents a recovery of part of the cost of the investment.

The Group holds certain equity investments as financial assets at fair value through changes in other comprehensive income.

Value financial assets at fair value through profit or loss -

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated since their initial recognition at fair value through profit or loss. Financial assets are classified as held for sale if they are acquired for the purpose of selling or repurchasing in the short term. Financial assets whose cash flows are not only payments of principal and interest are classified and measured at fair value through profit or loss, regardless of their business model. Notwithstanding the criteria set out above for debt instruments to be designated at amortized cost or fair value through changes in other comprehensive income, debt instruments may be designated at fair value through profits or losses on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are presented in the consolidated statement of financial position with its net fair value changes recognized in the consolidated statement of profit or loss.

This category includes trade receivables. See note 7 for more information on trade receivable.

Embedded derivatives in a hybrid contract that contains a financial asset as host are not accounted for separately. The host financial asset (account trade receivable) as well as the embedded derivative are recorded as a financial asset at fair value through profit or loss.

Derecognition of financial assets –

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from such asset have ended, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay to a third party all of the cash flows received under a transfer agreement; and: (a) the Group has substantially transferred all of its risks and rewards of the asset or, (b) the Group has not substantially transferred or withheld substantially all of the risks and benefits of the asset, but has transferred control of the asset.

When the Group transfers its rights to receive cash flows from an asset or signs a transfer agreement, it assesses the extent to which it has retained the risks and rewards of the ownership. When it has not transferred or retained substantially all of the risks and benefits of the asset, nor has it transferred control of the asset, the asset is recognized to the extent that the Group continues to be involved with the asset. In this case, the Group also recognizes the associated liabilities. The transferred assets and the related liability will be measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets –

The Group recognizes an allowance for expected credit losses (ECS) for all debt instruments that are not held at fair value through profit or loss. Provisions for expected credit losses are based on the difference between the contractual cash flows under the contract and all cash flows expected to be received by the Group, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group evaluate the expected credit losses associated with its debt instruments recorded at amortized cost and at fair value through other comprehensive income, considering prospective information.

Trade account receivable are measured at fair value through profit or loss and therefore an impairment assessment is not required for them.

In order to estimate expected losses on loans granted to related parties, the Group applies the general approach that implies estimating expected losses of 12 months or over the entire term of the instrument, depending on whether there is a significant increase in credit risk (except in cases which the Group considers that it is a loan with low credit risk and it is always expected losses of 12 months.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition in estimating expected credit losses, the Group considers reasonable and sustainable information that is relevant and available without cost or undue effort.

(ii) Financial liabilities (Notes 17 and 16) –

Initial recognition and measurement –

Financial liabilities are classified, at the time of initial recognition, as financial liabilities at fair value through profit or loss, loans and accounts payable, or as derivatives designated as hedging instruments in effective hedge, as appropriate.

All financial liabilities are initially recognized at fair value and, in the case of loans and accounts payable accounted for at amortized cost, net of transaction costs directly attributable to the acquisition of the financial liability.

The Group's financial liabilities include trade accounts payables, other accounts payables and financial obligations.

Subsequent measurement -

Liabilities classified at amortized cost are measured using the effective interest rate method. Profits and losses are recognized in the consolidated income statement when liabilities are derecognized as well as through the amortization process according to the effective interest rate method.

The amortized cost is calculated considering any discount or premiums on the acquisition and the commissions or costs that are an integral part of the effective interest rate. Amortization under with the effective interest rate method is recognized as a financial cost in the consolidated statement of profit or loss.

Derecognition of financial liabilities -

A financial liability is derecognized when the obligation specified in the corresponding contract has been paid, cancelled or expired.

When an existing financial liability is replaced by another liability from the same lender under substantially different conditions, or if the conditions of an existing liability are substantially modified, such a swap or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference between the respective amounts in books is recognized in the consolidated statement of profit or loss.

(iii) Offsetting of financial instruments –

Financial assets and financial liabilities are offset in such a way that the net amount is reported in the consolidated statement of financial position only if there is a currently enforceable legal right to offset the recognized amounts, and there is an intention to settle on a net, amount, or to realize the assets and settle the liabilities simultaneously.

(iv) Fair value (Note 34)–

The Group measures its financial instruments, such as embedded derivatives, derivative financial instruments, its financial assets through changes in other comprehensive income and financial assets at fair value through profit or loss at the date of the consolidated statement of financial position, the effect of which will be reflected in the consolidated income statement. The fair values of financial instruments measured by their amortized cost are disclosed in note 34.

The Group uses valuation techniques that are appropriate according to the circumstances which count with sufficient available data to measure the fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities that are recorded at fair value or for which fair values are disclosed in the consolidated financial statements are classified within the fair value hierarchy, as described as follow:

- Level 1 – Quoted (unadjusted) market prices in active markets, for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the basis of their nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(v) Derivative financial instruments and hedge accounting (Note 34) –
The Group uses derivative financial instruments, cash flow hedging instruments to cover its principal market risks. These derivative financial instruments are initially recognized at their fair values on the date of the derivative contract is concluded and subsequently measured again at their fair value. Derivatives are accounted for as financial assets when their fair value is positive and as financial liabilities when their fair value is negative.

For hedge accounting purposes, hedges are classified as:

- Fair value hedges, when they cover exposure to changes in the fair value of recognized assets or liabilities, or unrecognized firm commitments.
- Cash flow hedges, when they cover exposure to variations in cash flows attributed to either a particular risk associated with a recognized asset or liability or to a highly probable planned transaction, or the exchange rate risk in a commitment firm not recognized;
- Coverage of a net investment in a business abroad.

At the beginning of a hedging relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting, the objective of risk management and the strategy to carry out the hedge.

The documentation includes the identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged, and how the entity assesses the effectiveness of changes in the fair value of the hedging instrument to compensate for exposure to changes in the fair value of the items hedged or in the cash flows attributable to the hedged risk. The Group expects such hedges to be highly effective in compensating for changes in fair value or cash flows and they are evaluated on an ongoing basis to determine if they have actually been highly effective throughout the financial reporting periods for which they were appointed.

A hedging relationship is treated as hedge accounting if it meets all of the following effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument.

- The effect of credit risk does not dominate the changes in value that result from the economic relationship.
- The coverage ratio of the hedging ratio is the same as the result of the amount of the hedged item that the Group actually covers and the amount of the hedging instrument that the Group actually uses to cover the amount of the hedged item.

Hedges that meet all the criteria for hedge accounting are recorded as cash flow hedges:

Cash Flow Hedges -
The effective portion of the gain or loss of the hedging instrument is directly recognized in other comprehensive income in the reserve for cash flow hedges, while the ineffective portion is immediately recognized in the consolidated statement of profits or loss.

The Group designated certain derivative contracts as hedging instruments. Any gain or loss arising from changes in the fair value of the derivatives was taken directly to profit or loss, except for the effective portion of the cash flow hedges, which was recognized in other comprehensive income and subsequently reclassified to profit or loss for the year when the covered good affects results.

For any cash flow hedge, the amount accumulated in other comprehensive income is transferred to profit or loss for the year as a reclassification adjustment in the same period or periods during which the cash flows covered affect results.

In the event that the cash flow hedge is discontinued, the amount accumulated in other comprehensive income must remain in other comprehensive accumulate results if the covered cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the cash flows are covered, any amount that remains in other comprehensive accumulated results must be recorded considerating the nature of the underlying transaction.

(c) Foreign currency transactions (Note 5) –
The consolidated financial statements are presented in U.S. dollars, which is also the Group’s functional and presentation currency. For each entity, the Group determines the functional currency and the items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions and balances
Transactions in foreign currencies (different currency other than the functional currency) are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition published by the Superintendency of Bank, Insurance and A.F.P.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Gains or losses from exchange differences resulting from the liquidation or translation of monetary assets and liabilities are recognized in the consolidated income statement. Non-monetary items that are measured at, historical cost in a foreign currency, are translated using the exchange rates at the dates of the transactions.

Translation of financial statements of foreign subsidiaries into U.S. dollars –

The financial statements of the foreign subsidiaries are stated in the functional currency (Chilean pesos for Minera Andes del Sur SpA, Brazilian reals for Mineração Taboca S.A. and subsidiary), and are then translated into U.S. dollars. For these purposes, all assets and liabilities are translated at the exchange rate for sales prevailing at the reporting date, and all equity accounts are translated using exchange rates prevailing at the date of the transactions.
Income and expense items are translated using an average exchange rate for sales, in the cases when the average exchange rate does not approximate the exchange rate of the transaction date, the exchange rate of the transaction date is used. The translation differences generated are recognized in other comprehensive income in the consolidated statement of other comprehensive income.

Result by translation of associates –
In the determination of the equity method of some associates whose functional currency is different from the functional currency of the Group (Inversiones Cordillera del Sur II SpA, Inversiones Cordillera Inmobiliaria SpA, which prepares its financial statements in Chilean pesos, and Futura Consorcio Inmobiliario S.A., which prepares its financial statements in soles), a translation difference is calculated, which is the result of the translation of the balances at each closing date. The differences generated are shown in other comprehensive income of the consolidated statements of other comprehensive income.

(d) Inventories (Note 8) –
The finished products and work in progress are valued at the lower of cost and net realizable value. Cost incurred to bring inventories to its present location and conditions are recorded as follows:

Materials & Supplies –
- Purchase cost using the weighted average method.

Finished goods, work in progress and mineral pitch –
- Cost of direct materials and supplies, services provided by third parties, direct labor, and a proportion of indirect expenses, excluding borrowing costs and exchange currency differences.

Inventory in transit –
- Purchase cost.

The current portion of inventories is determined based on the quantities that will be processed within the next twelve months. Inventories that will not be processed in the next twelve months are classified as non-current.

The net realizable value of work in progress and finished products is the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated costs necessary to make the sale.

The estimate (reversal) for loss in the net realized value or for obsolescence of supplies is calculated based on a specific analysis carried out annually by the Management and is charged (credited) to profit or loss in the year in which the need is determined of the estimate (reversal).

(e) Assets classified as held for sale -
The Company measures its assets held for sale at the lower of carrying amount and fair value less costs to sell.

The Company classifies its assets as held for sale if their carrying amount will be recovered through sale rather than through continuing use. The sale must be highly probable and the asset must be available for immediate sale.

The Company's management evaluates the sale commitment to be completed within one year of classification.

- If the Company plans to sell a subsidiary, all assets and liabilities of that subsidiary are classified as held for sale, regardless of whether a non-controlling interest is retained.
- If the Company plans to sell an investment in an associate or joint venture, the portion of the investment subject to disposal is classified as held for sale and the use of the equity method is discontinued for that portion. The retained interest continues to be recognized using the equity method.

(f) Investments in associates (Note 10) –

An associate is an entity over which the Group has a significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but without exercising control over those policies.

Investments in associates are recorded using the equity method.

The carrying amount of the investment is adjusted to recognize changes in the Group's share of the net assets of the associates since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The consolidated statement profit or loss reflects the Group's share of the results of the associates' operations.

When there has been a chance recognized directly in the equity of the associate, the Group recognizes the participation in this change and accounts for, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses on common transactions are eliminated in proportion to the interest held in the associate.

The Group's participation in the profits or losses of the associates are presented separately in the consolidated statement of profits or loss and represents the profit or loss after tax of associates.

The financial statements of the associates are prepared on the same date as the Group's report. When necessary, adjustments are made to align the accounting policies of associated are consistent with those used of the Group for similar transactions and events.

After the application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on investments in associates.

On each reporting date, the Group determines whether there is objective evidence that the investment in the associates is impaired. If applicable, the Group calculates the amount of impairment as the difference between the fair value of the investment in the associate and its carrying value, and recognizes the loss in the consolidated statement of profit or loss.

In the event of a significant loss of control or influence over the associate, the Group measures and recognizes any investment accumulated at fair value. Any difference between the carrying amount of the associate at the time of the loss of control or significant influence, the fair value of the investment held and the proceeds from the sale are recognized in the consolidated income statement.

(g) Property, plant and equipment (Note 11) –

Property, plant and equipment are stated at cost, net of depreciation and accumulated impairment losses, if any.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to the asset being ready to be used, the initial estimate of the obligation for closure of mining units, and borrowing costs related to the eligible assets. The capitalized value of a finance lease is also included in this item.

When significant parts of property, plant and equipment are required to be replaced, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in consolidated statement of profit or loss as incurred.

The present value of the expected cost for the decommissioning of an asset after the end of its period of use is included in the estimated cost, to the extent that the requirements for the recognition criteria for a provision are met.

Depreciation –

Units of production method

The depreciation of assets directly related to mine operations is calculated using the production unit method, which is based on the proven and probable reserves of each mining unit.

Straight line method

Depreciation of assets whose useful life is shorter than the life of the mine unit, or that these are related to administrative tasks, is calculated using the straight-line method based on the useful life of the assets. The estimated useful life of such assets is presented as follows:

	Años
Buildings and facilities of the San Rafael mining unit	5 years
Buildings and facilities related to smelting plant Pisco	Between 4 y 29
Buildings and facilities of the Taboca mining unit (discontinued unit)	Between 1 y 50
Buildings and facilities of the Mina Justa unit	Between 5 y 20
Machinery and equipment	Between 1 y 32
Furniture, fixtures, computer, communication and security equipment	Between 2 y 10
Transportation units	Between 3 y 10

The assets’ residual values, useful lives, and methods of depreciation property, plant, and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Disposals -

An item of property, plant and equipment is derecognized at the time of disposal or when no economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss in the year in which the asset is derecognized.

(h) Leases (Note 13 and 16) -

At the start of a contract, the Group evaluates whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract transfers the right to control the use of an identified asset for a period of time in exchange for consideration. To evaluate whether a contract transfers the right to control the use of an identified asset, the Group evaluate whether:

- The contract implies the use of an identified asset, which can be specified or implicitly, and must be physically different or represent substantially the entire capacity of a physically different asset. If the supplier has a substantive right to substitute the asset throughout the entire period of use, then the asset is not identified;
- The Group has the right to obtain substantially all the economic benefits of using the asset during the period of use; and
- The Group has the right to direct the use of the identified asset throughout the entire period in use. The Group has this right when most relevant rights related to take decisions about modifying the use and the purpose of the asset are available. In rare cases, in which all decisions about how and for what purpose the asset is used are predetermined, the Group has the right to direct the use of the asset if:

    - The Group has the right to operate the asset; or
    - The Group has designed the asset in a way that predetermines the form and for what purpose it will be used.

In its role as lessee, the Group recognizes ab asset right-of-use asset and a lease liability on the date when the lease begins.

Right-of-use asset -
The right-of-use asset is measured initially at its cost, which comprises the initial amount of the lease liability adjusted by any lease payment made on or before the start date, in addition to the initial direct costs incurred and an estimate of the costs of decommissioning the underlying asset the underlying asset or to restore the site on which it is located, less any incentives received for the lease.

The right-of-use asset is straight lined depreciated over the shorter term between the lease term and the useful life of the underlying asset, as detailed:

	Years
Land and buildings	Between 3 and 30
Machinery and other equipment	Between 2 and 7
Transport Units	Between 2 and 5

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the execution of a purchase option, depreciation is calculated using the estimated useful life of the asset.

In addition, the right-of-use asset is subject to impairment assessment, if there are indications of this.

Lease liability -
The lease liability is initially measured at the present value of the lease payments that are pending payment at the start date, discounted using the interest rate implicit in the lease or if the rate cannot be easily determined, applying the incremental debt rate.

Lease payments include: fixed or variable payments that depend on an index or rate. When the leases include termination or extension options that the Group considers reasonably certain to exercise them, the cost of the option is included in the lease payments.

The subsequent measurement of the liability is made when there is a change in future lease payments resulting from a change in an index or rate, if there is a change in the estimate of the amount that is expected to be paid for a residual value guarantee, or if the Group changes its evaluation of whether it will exercise a call option. Extension or termination, recognizing an adjustment in the carrying value of the right-of-use asset, or in profit or loss if the right-of-use asset does not maintain balance account.

Exceptions to recognition -

The Group does not recognize assets for right-of-uses and lease liabilities for short-term leases of machinery and equipment that have a lease term of 12 months or less and leases of low-value assets, including computer equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the term of the lease.

(i) Clearing Removal Costs (Clearing Costs) -

As part of its mining operations, the Group incurs waste removal costs (stripping costs) during the development phase and production. Stripping costs incurred in the development phase of a mine, before the production phase begins (development stripping), are capitalized and their accounting treatment is as explained in next caption (development costs (j)).

The costs incurred during the production phase (stripping costs) are realized to obtain two benefits: the production of inventories or better access to mineral that will be exploited in the future. When the benefits are realized to the production of inventories, they are recorded as part of the cost of production of those inventories. When the benefits obtained give access to the mineral to be exploited in the future and the operation is open pit, then these costs are recognized as non-current assets (stripping costs) if the three following criteria are met:

- Future economic benefits are probable to emerge;
- The component of the ore body for which access will be improved can be accurately identified; and
- The costs associated with the improved access can be reliably measured.

To identify the mining phases or components of the ore body, the Group works closely with the mining operations personnel for each mining operation to analyze its mine plans. Generally, a reservoir has several components. Mine plans, and therefore the identification of each of the phases, can vary between mines for a various reasons.

The production stripping cost is initially measured at cost, which arises from an accumulation of costs directly incurred during the execution of the stripping activity. Mainly stripping costs incurred by the Group are related to the production of inventories and improved access to the ore to be mined in the future.

The stripping cost is subsequently depreciated using the units of production method considerating into account the life of the identified component in the ore body that is most accessible as a result of the stripping activity. This cost is presented at cost less accumulated depreciation and impairment loss, if any.

(j) Intangible assets (Note 12) -

Intangible assets acquired separately are initially recognized at cost.

Mining concessions -

The mining concessions represent the Group's ownership of the exploration and exploitation rights over the mining properties that contain the acquired mineral reserves and resources. Those mining concessions are presented at cost and amortized using the production unit method, based on proved and probable reserves. In case the Group abandons these concessions, the associated costs are penalized in the consolidated statement of profit or loss.

At the end of each year, the Group assesses at each unit mine whether there is an indication that the value of its mining concessions may be impaired. If any indication exits, the Group estimates the asset's recoverable amount.
Mining concessions are presented within the caption "Intangible's assets, net" in the consolidated statement of financial position.

Exploration and evaluation expenditure -
Exploration and evaluation costs include the activities of exploration of mineral resource activities, the determination of viability technical, and the assessment of the commercial viability of an identified resource. These costs are charged to expenses according to be incurred until such time as the technical and commercial viability of the identified resource is determined (pre-feasibility study). From the beginning of the stage of definition of technical and commercial feasibility of high precision (feasibility study), the costs incurred are capitalized. Exploration activities include:

- Researching and analyzing historical exploration data.
- Increase of gathering information through geophysical studies.
- Exploratory drilling and sampling.
- Determining and examining the volume and grade the resource.
- Surveying transportation and infrastructure requirements.
- Conducting market and finance studies.

Development costs –
When it is determined that a mineral property can be economically viable, that is; i.e., when determining the existence of proven and probable reserves, the costs incurred to develop such property, including additional costs to delineate the ore body and remove any impurities it contains, are capitalized as development costs in the item "Intangible assets, net". The capitalization of the development costs starts from the beginning of the stage of definition of the technical, economic, financial and commercial feasibility of high precision (feasibility study). These costs are amortized using the units of production method based on proven and probable reserves.

Development activities include:

- Engineering and metallurgical studies.
- Perforations and other costs necessary to delineate a body of ore.
- Removal of the initial clearing related to a mineral body.
- Administrative expenses directly related to the development of the mining project.
- Personnel expenses related to projects in the development stage.
- Technical, financial and commercial feasibility studies.

The development costs necessary to maintain production are charged to the cost of production as incurred.

Licences-

Software licenses are presented at cost and includes all disbursements directly related to the acquisition or use of the specific software. These costs are amortized based on their estimated useful life of 4 years.

Usufruct of lands -

It corresponds to payments for the right to use certain lands near to the Group's mining units, needed for its operation and are recorded at cost. These costs are amortized using the straight-line method over the life of the agreements (between 2 and 10 years).

(k) Impairment of non-financial assets -

The Group assesses at each reporting date, whether there is an indication that an asset (or cash-generating unit – CGU) may be impaired in value. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the assets recoverable amount. The recoverable amount is the higher of an asset the fair value less costs to sell, whether of an asset or a cash-generating unit, and its value in use, and is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and its value is reduced to its recoverable amount.

When assessing the value in use of an asset, estimated cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the asset's specific risks. Recent market transactions, if any, are taken into account for the determination of fair value less costs of sale. If not such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment of inventories, are recognized in the consolidated statement of profit or loss in those expense categories consistent with the function of the impaired asset.

For assets in general, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exits, the Group estimates the recoverable amount of the asset or cash-generating unit. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the recoverable amount of the asset since the last time an impairment loss on that asset was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor does it exceed the carrying amount that would have been determined, net of accumulated depreciation, had no impairment loss been recognized for the asset in prior years. Such a reversal is recognized in the consolidated statement of profit or loss with exception of impairment loss related to the goodwill.

(l) Provisions (Note 17) -

General-

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic of economic resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific the liability. When discounting is used, the increase in the provision due to the passage time is recognized as finance cost in the consolidated statement of profit or loss.

Environmental Remediation Provision -

The Group records the present value of the estimated costs of the legal and implied obligations necessary to restore the areas affected by exploration activities in the period in which such obligation is incurred. The nature of these restoration activities includes the dismantling of operation, restoration, recovery and revegetation facilities in the affected areas.

The obligation generally arises when the asset is installed or when the environment is altered by the Group's operations. When the liability is initially recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the corresponding mining assets to the extent incurred as a result of exploration activities. Over time, the liability is increased by the change in present value based on discount rates that reflect the current market assessment and the specific risks of the obligation.

The periodic update of the discount will be recognized in profit or loss for the year as part of the financial expenditures. Changes arising from the revision of initial estimates of remediation liabilities are recognized as an increase or decrease in the carrying amount of the obligation and related assets when they occur.

Provision for closure of mining units -

At the time of initial registration, the provision for closure of mining units is measured at fair value against a higher carrying amount of long-lived assets (development and ownership costs, plant and equipment). Then, the provision is increased in each period to reflect the interest cost considered in the initial estimation of the fair value estimate and, in addition, the capitalized cost is depreciated and/or amortized based on the useful life of the related asset. In settling the obligation, the Group records in the current results any resulting profit or loss.

The changes in the fair value of the obligations or in the useful life of the related assets resulting from the revision of the initial estimates are recognized as an increase or decrease in the carrying amount of the obligation and related assets. Any reduction in a provision for closure of mining units, and therefore any reduction in the related asset, may not exceed the carrying amount of such asset. If it does, any excess over the book value is immediately taken to the consolidated statement of profit or loss.

If the change in the estimate results in an increase in the provision and, therefore, an increase in the carrying amount of the asset, the Group shall consider whether this is an indication of impairment of the asset as a whole and shall perform and impairment testing in accordance with IAS 36 "Impairment of Assets".

In the case of mines in the process of closure and therefore not operating, changes in estimated costs are recognized immediately in the consolidated statement of profit or loss.

Environmental obligations -

Environmental expenditures related with current or future revenues are recorded as expense or capitalized, as appropriate. Expenditures that relate to an existing condition caused by past operations and do not contribute to current or future revenues are recognized as an expense when incurred.

Liabilities for environmental costs are reconized when remediation is probable and the associated costs can be reliably estimated. Generally, the recognition of these provisions coincides with the commitment to a formal plan of action or, if earlier, which the decommissioning or closure of inactive units.
The amount recognized is the best estimate of the expenditure required. Where the liability will not be settled for several years, the amount recognized is the present value of the future expenditures estimated.

(m) Employee Benefits -

Remuneration, gratuities, compensation for time served, performance bonuses and vacations to workers are calculated in accordance with IAS 19, "Employee Benefits" and are calculated in accordance with current Peruvian legal regulations on the basis of the accrual basis.

Employee Participations -

The Group recognizes employee participation in accordance with IAS 19 "Employee Benefits". Employee participation is calculated in accordance with current Peruvian legal regulations (Legislative Decree No. 892), and the employee participation rate is 8% of the net taxable base for the current year.

(n) Revenue recognition (Note 21) -

Revenue from contracts with customers is recognized when control of goods or services are transferred to the customer for an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services.

The Group has concluded that it is the principal in its revenue contracts because it generally controls the goods before transferring them to the customer.

Revenue is recognized to the extent that a performance obligation is satisfied through the transfer of the goods and services committed to the customer. An asset is transferred when the customer obtains control of that asset.

The revenue will be recognized based on the price of the transaction price that is assigned to that performance obligation, to which the Group expects to be entitled to transfer the goods and services committed to the customer, excluding the amounts collected on behalf of third parties.

The consideration that is committed in a contract may include fixed amounts, variable amounts, or both.

Income from the sale of metals –

Sales of tin, gold, copper cathodes and others are performance obligations that are satisfied at a certain time and are recorded when control of the goods is transferred to the buyer, which happens at the time of delivery of goods according to the contractual conditions.

Income from the sale of concentrates and metals is recognized net of "business deductions." Commercial deductions correspond to adjustments in the price for processing and refining expenses, and which may include certain penalties that, in accordance with each applicable contract, are deducted from the international price of the fine metal, and which will be incurred after the sale of the applicable contract. The Panel finds that the deductions are part of the transaction price. Normal credit terms are 0-2 days from delivery.

The Group considers when there are other commitments in the contract that should be separate performance obligations, to which a portion of the transaction price needs to be distributed. The Group finds that the only performance obligation is the delivery of the goods. When determining the sale price of the sale of copper concentrates and cathodes metals, the Group considers the variable effect of the consideration, and the existence of significant financing components.

As part of the logistics initiatives to serve tin customers, the sales process with "stock abroad" was implemented, maintaining a circulating inventory in two customs warehouses in Europe and the United States,

making temporary exports from Peru and executing the sale from this warehouse once control was transferred to the end customers.

Variable consideration -

If the consideration of the contract includes a variable amount, the Group estimates the amount of consideration in which it is expected to receive in exchange for transferring the goods to the customer. Variable consideration is estimated at the beginning of the contract and is restricted until it is highly probable that no significant reversal will occur, in the amount of acumulative revenue recognized, when the uncertainty associated with the variable consideration is subsequently resolved.

The Group's sales of tin and copper cathodes at provisional prices include a profit or loss to be received at the end of the quotation period (QP) stipulated in the contract. These are called interim price arrangements and are such that the sales price of the tin and copper concentrate is based on the spot prices in effect on a specified future date after shipment to the customer. Adjustments to the sale price occur based on movements in quoted market prices up to the end of the QP. The period between the provisional settlement and the end of the contribution period generally between 0 to 4 months.

The Group's sales of tin and copper cathodes are subject to slight variations in quantities that may occur while such goods are in transit to their final destination. These variations are due to changes in moisture, weight and ore grades and are recognized directly as part of the "Sales of goods" item at the time the Group reaches an agreement with the customer in relation to the final amounts sold.

Sales of tin, and copper cathodes at provisional prices include a profit (loss) that will be received at the end of the listing period, which is considered as a variable consideration. Changes in the price during the listing period are recognized under the heading "Net Sales".

For interim pricing arrangements, any future changes that occur over the listing period are included in provisionally priced trade receivables and are therefore within the scope of IFRS 9 and not within the scope of IFRS 15. Given the exposure to commodity prices, these provisionally priced trade receivables will not pass the cash flow characteristics test under IFRS 9 and should be measured at fair value through profit or loss from initial recognition to settlement date. Subsequent changes in fair value are recognized in the income statement for each period and are presented separately from revenue from customer contracts as part of "fair value gains/losses on provisionally priced trade receivables." Changes in fair value during, and up to the end of the QP, are estimated by reference to updated forward market prices for tin and copper cathodes, as well as to consider other relevant fair value considerations set forth in IFRS 13, including interest rate and credit risk adjustments.

The fair value of accounts receivable recognized as part of sales is presented in note 7(a).

Regarding the measurement of gold sales (doré bars), they also provide for a provisional payment based on their payable content and the price of quoted metals. These sales are also subject to being settled in the future based on the international prices of payable content, therefore, the contracts with clients for the sale of this metal generate implicit derivatives and at the end of the year they are adjusted for changes in the international quotes to reflect their fair value. Final adjustments resulting from final settlements are recognized in the year when the Company and the customer confirm the payable content and set the price for such content.

As for the measurement of gold sales (tolling), a model that began to be sold as of July 2023, they are not subject to a final price adjustment, therefore, contracts with customers for the sale of this metal do not generate implicit derivatives.

Revenue from logistics management service–
The revenue from this service derives mainly from the sales of tin and copper cathodes under incoterm CIF and CFR ("Cost, Insurance and Freight" and "Cost and Freight" respectively) resulting from the intermediation activities in logistics management (freight and insurance) in favor of its customers, which occurred after the transfer of control of the main asset. The performance obligation is satisfied at a certain time and is recorded when the Group makes the arrangements with the third party so that it carries out the insurance of the and shipment to the destination requested by the customer.

Service revenues -
Income from the provision of services to related parties is recognized as revenue when they have actually been rendered.

Interest income -
For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the carrying amount of the financial asset or liability. Financial income is presented separately in the consolidated statement of profit or loss.

Sale of assets –
Income and cost from the sale of assets such as the sale of property, plant and equipment, intangible assets, investments in subsidiaries and associates are recognized as part of income and operating expenses in the consolidated statement of profit or loss.

Dividends –
Third-party dividend income is recognized when the Group's right to receive the payment is established, which is generally the case when shareholders approve the dividend.

(o) Financing costs (Note 27) –
The financing costs directly attributable to the acquisition, construction, or production of a qualified asset are capitalized as part of the cost of an asset. A qualified asset is one that requires a period of time greater than 12 months to be ready for its expected use and represents an investment of more than US$5,000,000. All other financing costs are recognized in the consolidated income statement for the period in which they are incurred. Financing costs include interest and other costs that the Group when obtaining financing.

(p) Taxes (Note 18)–
Current income tax -
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax regulations used to compute the amount are those in force at the end of the reporting period, corresponding to the countries where the Group operates and generates taxable income.

Current income tax relating to items that are recognized directly in equity is also recognized in equity and not in the consolidated income statement. Management periodically evaluates the positions taken in the tax returns

with respect to situations in which applicable tax regulations are subject to interpretation, and establishes provisions where appropriate.

Deferred income taxes -

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred income tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in associates, when the timing of the reversal of the temporary differences can be controlled, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses and, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Significant management judgment to determine the amount of the deferred tax asset that can be recognized based on the probable date of recovery and level of future taxable incomes and future planning strategies are required.

The carrying amount of deferred income tax assets is reviewed at each closing date of the reporting date and reduced to the extent that it is no longer probable that enough taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are re-assessed at each closing date of the reporting date and are recognized to the extent that it has become probable that future taxable profits will allow such previously unrecognized deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates expected to apply in the year when the asset is realized or the liability is settle, based on tax rates and tax rules that were approved at the end of the reporting period. or whose approval procedure is nearing completion by that date.

Deferred income tax related to items other than profit or loss is recognized in correlation to the respective underlying transaction, either in other comprehensive income or directly in equity.

Deferred income tax assets and liabilities are offset if there is a legally enforceable right to setoff current income tax assets and liabilities, and if the deferred income taxes relate to the same taxable entity and the same taxation authority.

Mining Royalties and Special Mining Tax in Peru -

Mining royalties and the excise mining tax are accounted for under IAS 12 "Income Tax", as they have the characteristics of an income tax because their basis of calculation is income net of expenses after adjustments for time differences, rather than being calculated based on the amount produced or a percentage of income. The legal rules and rates used to calculate the amounts payable are those in effect at the date of the consolidated statement of financial position. See note 20d.

Consequently, payments made by the Group to Government by way of special mining royalties and excise duty on mining under the scope of IAS 12 and, therefore, is treated as if they were income tax. Both the mining royalty and the special mining tax generate deferred assets or liabilities, which must be measured using the average rates that are expected to apply to operating profitin the period in which the Group expects will reverse the temporary differences.

Sales tax -

Revenues from ordinary activities, expenses and assets are recognized net of the amount of any sales tax (added value tax), except:

(q) When the sales tax incurred on a purchase of assets or a supply of services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable;

(ii) Accounts receivable and payable that are already expressed including the amount of sales tax.

The net amount of sales tax expected to be recovered from, or payable to the taxing authority, is presented as an account receivable or an account payable in the consolidated statement of financial position, as applicable.

(r) Basic and diluted earnings per share –

Basic and diluted earnings per share are calculated by dividing earnings per common and investing share by the weighted average of common and investment shares outstanding during the period.

As of December 31, 2024 and 2023, the Group does not have financial instruments with a dilutive effect, so the weighted average of common and investment shares is the same for the years presented.

(s) Current and non-current classification –

The Group presents assets and liabilities in the consolidated statement of financial position, classified in current and non-current. An asset is classified as current when the entity:

- Expects to dispose the asset or intend to sell or consume it, in its normal operating cycle.
- Holds the asset primarily for the purpose of trading.
- Expects to realize the asset within twelve months after the reporting period; or
- The asset is cash or cash equivalent, unless it is restricted and from being exchanged or used to settle a liability, for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when the entity:

- Expects to settle the liability in its normal operating cycle.
- Holds the liability primarily for the purpose of trading.
- The liability is due to settled within twelve months after the reporting period; or
- Does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period at the closing date.

All other liabilities are classified as non-current.

Deferred income tax assets and liabilities are classified as non-current assets and liabilities in all cases.

(t) Discontinued operations (Note 1 (f))

Discontinued operations are excluded from the results of continuing operations and are presented in a single amount of gain or loss net of tax from discontinued operations in the consolidated statement of income.

All other notes to the consolidated financial statements include amounts from continuing operations, unless otherwise indicated.

2.5. Reclassification to the Financial Statements as of December 31, 2023 –

During 2024, the Company reclassified the provision for employee benefits from "Provisions" to "Trade and other accounts payable" as of December 31, 2024, for a fair presentation. The comparative figures as of December 31, 2023 have been reclassified for consistency in comparability. This modification had no impact on the income statement for the prior period.

	Balance according to report as of 31.12.2023	**Reclassifications**	**Balance as of 31.12.2023 reclassified**
	US$(000)	US$(000)	US$(000)
Current liabilities			
Trade and other accounts payable	416,550	29,186	445,736
Provisions	45,296	(29,186)	16,110
Non-current liabilities			
Trade and other accounts payable	22,580	6,667	29,247
Provisions	172,977	(6,667)	166,310

Consolidated statement of income

In addition, the following reclassifications have been made in the consolidated statement of income:

(i) Reclassifications for discontinued operations due to the Mineração Taboca S.A. share purchase and sale agreement signed between Minera Latinoamericana S.A.C. and CNMC Trade Company Limited, see Note 1(f).

(ii) In the subsidiary Marcobre, the gain on instruments originally included in the financial income caption has been reclassified to the financial costs caption. This allows the result of the derivative instrument to be displayed together with the hedged item, corresponding to bank interest.

(iii) In Minsur, the reclassification of administrative expenses to exploration and study expenses has been made. During 2024 the Company identified study expenses related to the Nazareth project presented in the income statement as administrative expenses, which for better presentation are being reclassified as exploration and study expenses.

	From 01.01.2023 to 31.12.2023 (Reported)	**Reclassifications Discontinued operations note 1(f) – (i)**	**Reclassification of gains on derivative financial instruments of Marcobre (ii)**	**Reclassification of Nazaret project expenses at Minsur (iii)**	**As of 31.12.2023 reclassified**
	US$(000)	**US$(000)**	**US$(000)**	**US$(000)**	**US$(000)**
Net sales	2,266,934	(256,184)	-	-	2,010,750
Cost of sales	(1,118,263)	223,920	-	-	(894,343)
Gross Profit	1,148,671	(32,264)	-	-	1,116,407
Operating expenses:					
Adminisrative expenses	(106,872)	16,795	-	8,452	(81,625)
Selling expenses	(46,677)	3,107	-	-	(43,570)
Other income	30,520	(10,928)	-	-	19,592
Other expenses	(116,438)	11,009	-	(8,452)	(113,881)
Total operating expenses	(239,467)	19,983	-	-	(219,484)
Operating Profit	909,204	(12,281)	-	-	896,923
Other (expense) income:					
Financial income	28,489	(2,636)	(7,998)	-	17,855
Financial costs	(91,256)	18,131	7,998	-	(65,127)
(Loss) gain on investment in associated companies, net	9,744	-	-	-	9,744
Exchange difference, net	9,858	(10,136)	-	-	(278)
Total other expenses, net	(43,165)	5,359	-	-	(37,806)

Profit before income tax	866,039	(6,922)	-	-	859,117
Income tax	(295,026)	3,758	-	-	(291,268)
Net income from continuing operations	571,013	(3,164)	-	-	567,849

	From 01.10.2023 ot 31.12.2023 (Reported)	Reclassifications Discontinued operations note 1(f)	Reclassification of gains on derivative financial instruments of Marcobre	Reclassificatio n of Nazaret project expenses at Minsur	From 01.10.2023 to 31.12.2023 (Reclassified)
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Net sales	642,795	(66,298)	-	-	576,497
Cost of sales	(327,218)	64,794	-	-	(262,424)
Gross Profit	315,577	(1,504)	-	-	314,073
Operating expenses:					
Adminisrative expenses	(35,804)	4,657	-	5,713	(25,434)
Selling expenses	(12,412)	671	-	-	(11,741)
Other income	8,747	(3,003)	-	-	5,744
Other expenses	(44,099)	2,193	-	(5,713)	(47,619)
Total operating expenses	(83,568)	4,518	-	-	(79,050)
Operating Profit	232,009	3,014	-	-	235,023
Other (expense) income:					
Financial income	8,663	(758)	(2,477)	-	5,428
Financial costs	(24,010)	4,888	2,477	-	(16,645)
(Loss) gain on investment in associated companies, net	9,554	-	-	-	9,554
Exchange difference, net	8,809	(5,039)	-	-	3,770
Total other expenses, net	3,016	(909)	-	-	2,107
Profit before income tax	235,025	2,105	-	-	237,130
Income tax	(57,497)	2,402	-	-	(55,095)
Net income from continuing operations	177,528	4,507	-	-	182,035

Consolidated Interim Statements of Comprehensive Income:

(i) Reclassifications for discontinued operations given the Mineração Taboca S.A. Share Purchase and Sale Agreement entered between Minera Latinoamericana S.A.C. and CNMC Trade Company Limited, see Note 1(f).

	Balance according to report as of 31.12.2023	Reclassifications Discontinued Operations - Minera Taboca	Balance according to report as of 31.12.2023
	Reported US$(000)		Reclassified US$(000)
Net income	571,013	-	571,013
Other comprehensive income:			
Gains (Losses) on Investments in Equity Instruments at Fair Value, net of Taxes	4,167		4,167
Gain (Loss) on Cash Flow Hedges, net of Taxes	(20,183)	24,617	4,434
Exchange differences on translation	2,195	(10,373)	(8,178)
Equity in other comprehensive income of associates using the equity method, net of taxes	(24)		(24)
Other comprehensive income for the year from continuing operations	(13,845)	14,244	399
Other comprehensive income for the year discontinued operations		(14,244)	(14,244)
Total other comprehensive income (loss) for the year, net of income taxes	557,168	-	557,168

	From01.10.2023 to 31.12.2023 (Reported)	Reclassifications Discontinued Operations - Minera Taboca	From 01.10.2023 to 31.12.2023 (Reclassified)
	US$(000)		US$(000)
Net income	177,528	-	177,528
Other comprehensive income:			
Gains (Losses) on Investments in Equity Instruments at Fair Value, net of Taxes	2,619		2,619
Gain (Loss) on Cash Flow Hedges, net of Taxes	(13,900)	10,710	(3,190)
Exchange differences on translation	(2,873)	(4,196)	(7,069)
Equity in other comprehensive income of associates using the equity method, net of taxes	(18)		(18)
Other comprehensive income for the year from continuing operations	(14,172)	6,514	(7,658)
Other comprehensive income for the year discontinued operations	-	(6,514)	(6,514)
Total other comprehensive income (loss) for the year, net of income taxes	163,356	-	163,356

3. Significant judgments, estimates, and assumptions –

The Group has identified a series of areas where significant judgments, estimates and assumptions are required. The estimates and accounting assumptions are continually evaluated and are based on Management's experience and other factors, including the expectations of future events that are believed to be reasonable under the current circumstances. Uncertainty about these estimates and accounting assumptions could cause results in future periods that require significant adjustments to the carrying amounts of the affected assets and/or liabilities. More information about each of these areas and the impact on the financial statements and the accounting policies of the Group for the application of judgments, estimates and significant accounting assumptions that have been used is presented below, as well as in the notes to the respective consolidated financial statements.

The judgments, estimates and significant accounting assumptions of the consolidated financial statement presented are consistent with those indicated in the preparation of the annual consolidated financial statement for the year ended December 31, 2022.
These include:

Judgments:

- Contingencies (note 3.1 (a))
- Start date of the development stage (note 3.1 (b))
- Recovery of deferred income tax asset related to the provision for mine closure (note 3.1 (c))
- Stripping costs (clearing costs) (note 3.1 (d))
- Recognition of the investment in Inversiones Cordillera del Sur II SpA and Inversiones Cordillera Inmobiliaria SpA (note 3.1 (c))
- Revenue recognition (note 3.1 (f))
- Recognition of deferred income tax liability related to the temporary difference in the account payable to KLS Limited (note 3.1 (g))

Estimates and assumptions:

- Determination of mineral reserves (note 3.2 (a))
- Unit of production method (UOP) (note 3.2 (b))
- Recovery of deferred tax assets (note 3.2 (c)
- Provision for closure of mining units (note 3.2 (d))
- Determination of the net realization value of inventories (note 3.2 (c)
- Impairment of non-financial assets (note 3.2 (f))
- Determination of the cost of products in-process products (note 3.2 (g))
- Obsolescence of materials and supplies (note 3.2 (h))
- Recovery of the value added tax (note 3.2 (i))

3.1. Judgments–

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(a) Contingencies–

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. Assessing the existence and potential amount of the Group's contingencies inherently involves the exercise of significant judgment by management and the use of estimates about the outcome of future events.

(b) Start date of development stage –

The Group continuously assess the status of each of the exploration projects in its mining units in order to determine the effective date on which the development stage will begin. One of the most relevant criteria that is used by the management to evaluate the start date of the development stage is when the Group determines that the property can be economically developed through a feasibility study where the technical, economic, financial and commercial feasibility of high precision is defined.

(c) Recovery of the deferred income tax asset related to the provision for closing the mining unit –

The Group has recognized a deferred income tax asset related to the provision for the closure of mining units, including the part related to mine closure disbursements that will be made after the closure of these; which

Management estimates will be applied in its entirety to the future taxable income that will be generated from the unit's operations.

(d) Clearing removal costs (stripping costs) –

The Group incurs in waste removal costs (stripping cost) during the production phases of its open pit mines in the Pucamarca mining unit and the Mina Justa mining unit. During the production phase, the costs of stripping (costs of clearing production) can be related to the production of inventories in that period and/or the development of better access and operational flexibility in relation to the mining of ore that is expected to extract in the future. The first are included as part of the production costs of inventories, while the second are capitalized as a separate asset by stripping, when certain criteria are met.

Once the cost of stripping has been identified, it is necessary to identify the different components of the ore bodies in order to accumulate the costs for each component and amortize them based on their respective useful lives. An identifiable component is a specific volume of the deposit that is made more accessible by the stripping activity. An in-depth evaluation is needed to identify and define these components, as well as to determine the expected volumes (e.g., tons) of stripping to be exploited and ore extracted in each of these components.

The Group's Management considers that due to the short term of the operation of the open it of Pucamarca mining unit (maximum 5 years) and according to the operational planning of the mining unit the mineral waste ratio is very similar in the years of operation of the mining units, the costs of stripping incurred in each year of operation are directly related to the mineral produced in the same year. As a consequence, all movement costs of sterile material are charged directly to the production cost of the year in which the movement of the sterile material took place.

On the other hand, due to the long term of the operation of the open it of the Mina Justa mining unit (maximum 15 years) and that, according to the operational planning of the mining unit, the costs of stripping incurred in each year of operation are related to directly with future accesses of mineralized bodies. Therefore, all waste material movement costs are being recorded as part of intangible assets and the portion attributable to extracted ore is presented as part of non-current inventory.

(e) Recognition of investment in Inversiones Cordillera del Sur II SpA and Inversiones Cordillera Inmobiliaria SpA and Subsidiary –

On January 29, 2015, the subsidiary Minera Latinoamericana S.A.C. subscribed with its related party Inversiones Breca S.A., (hereinafter "Breca") a shareholder agreement by wich it was agreed that Breca (minority shareholder of Inversiones Cordillera del Sur I Ltda., hereinafter "Cordillera") would direct all relevant activities of Cordillera since 2015. In accordance with IFRS 10 "Consolidated financial statements", when a loss of control of a subsidiary ocurrs, the parent company ceases to consolidate the financial information as of the date on which the loss of control occurs, and records the investment in that entity as an associate. However, IFRS do not contemplate the accounting treatment in transactions between entities under common control. In this sense, the Management decided not to consolidate the investment in Inversiones Cordillera del Sur II SpA and Inversiones Cordillera Inmobiliaria SpA.

In the second quarter of 2022, the subsidiary Minera Latinoamericana S.A.C and Breca Cementos S.A.C. – as shareholders of Inversiones Cordillera del Sur II SpA – approved the split of the equity block in 25.5%, generating a new company named in the minutes as Inversiones Cordillera Inmobiliaria SpA, therefore, Inversiones Cordillera del Sur II SpA is an associate with 74.5%. In this sense, and according to Management's decision, this new associate created under spin-off, will not consolidate its investment.

(f) Revenue recognition –

The Group is mainly engaged in the comercialization of tin, gold, copper concentrates and copper cathodes, for which it is responsible for providing freight and shipping services. Revenue from contracts with costumers is recognized when the control of the assets is transferred to the customer for an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has concluded that it is the principal in its contracts because it maintains control over the freight and shipping services, having the ability to direct the service provider to provide the specified services on behalf of the Group.

(g) Recognition of deferred income tax liability related to the temporary difference of the account payable to KLS Limited - .

The Group has recognized a deferred income tax liability related to the temporary difference of the account payable to KLS Limited, former minority shareholder of the subsidiary Marcobre, which management estimates will be fully reversed in the following years until it is paid.

(h) Measurement of assets held for sale

The Group measures its assets classified as held for sale at the lower of their carrying amount and fair value less costs to sell.

If it is anticipated that the sale will occur after one year, the Company should measure the costs to sell at present value. Any increase in the present value of these costs, due to the passage of time, will be recorded in the income statement as a finance cost. As of December 31, 2024, the Company expects to complete the sale transaction of its Taboca subsidiary in less than one year.

3.2. Estimates and assumptions –

The following describes key future related assumptions and other key sources of uncertainty estimates as of the date of the consolidated financial statements and, which carry a high risk of significant adjustments to the carrying amounts of assets and liabilities during the next period. The Group has based its estimates and accounting assumptions based on the parameters available at the moment of the preparation of these consolidated financial statements. However, the circumstances and assumptions about future events may change due to changes in the market and new circumstances that may arise beyond the control of the Group. The changes are reflected in the assumptions at the time of occurrence.

(a) Determination of Mineral Reserves –

The Group calculate its mineral reserves through the use of methods generally applied by the mining industry, and in accordance with international guidelines on the subject. All calculated reserves represent estimated quantities of proven and probable ore that, under current conditions, can be economically and legally processed.

The process of estimating the amount of mineral reserves is complex and requires making subjective decisions when evaluating all the geologic, geophysical, engineering and economic information that is available. Revisions to reserve and mineral estimates could be due to, among other things, revisions of the geologic data or assumptions, changes in assumed prices, production costs, and the results of exploration activities. The changes in mineral reserve estimates could affect mainly the carrying value of mining concessions, development costs, property, plant and equipment; the charge to results corresponding to depreciation and amortization; and the carrying amount of the provision for closure of mining units.

(b) Units of production depreciation (UOP) –

Those mineral reserves that are economically recoverable are taken into consideration for the determination of depreciation and/or amortization of mine specific assets.

This results in a depreciation and/or amortization charge proportional to the depletion of the mine's remaining useful life. Each of the useful lives is assessed on an annual basis based on the inherent physical limitations of the particular asset, and new evaluations of the economically recoverable mineral reserves. These calculations require the use of estimates and assumptions, including the amount of economically recoverable mineral reserves. Changes in these estimates are accounted for prospectively.

(c) Recovery of deferred tax assets –

Judgment is required to determine whether deferred tax assets should be recognized in the consolidated statement of financial position. Deferred tax assets, including those generated by unused tax losses, require Management to evaluate the probability that the Group generates sufficient taxable profits in future periods to use the recognized deferred tax assets. Assumptions about the generation of future taxable profit depend on Management's estimates of future cash flows. These estimates of future taxable profit are based on projections of operating cash flows and judgments about the application of current tax laws. To the extent that the future cash flows and taxable income differ significantly from the estimates, the Group's ability to realize the net deferred tax assets recorded at the reporting date could be affected.

(d) Provision for closure of mining units –

The Group determines a provision for the closure of its mining units on each reporting date using a discounted future cash flow model. For the purposes of determining the amount of this provision, it is necessary to make significant estimates and assumptions, as there are numerous factors that will affect the final amount of this obligation. These factors include estimates of the scope and costs of closing activities, technological changes, regulatory changes, cost increases above inflation, as well as changes in discount rates and the time frames in which it is expected that such costs be incurred. These uncertainties could result in future actual expenditure differing from the amounts currently recorded in the books. The amount of the provision as of the reporting date represents Management's best estimate of the present value of future costs for the closure of the mining units.

(e) Determination of the net realizable value of inventories –

Net realizable value test are performed on an annual basis, and represent the estimated future sales value, minus the estimated costs to complete production and those costs necessary to carry out the sale.

(f) Impairment of non-financial assets –

At the end of each year, the Group assesses whether there is any indication that the value of its non-financial assets has deteriorated. If there is such an indication, the Group makes an estimate of the recoverable amount of the asset, which is the greater of its fair value less costs of sale and its value in use. The assessments require the use of estimates and assumptions, such as long-term commodity prices, discount rates, operating costs, among others. These estimates and assumptions are subject to risk and uncertainty.

Value of mining assets is generally calculated by the present value of future cash flows arising from the continued use of the asset, which include some estimates, such as the cost of future expansion plans, using assumptions that a third party might consider. The future cash flows are discounted to their present value using a discount rate that reflects current market assessment of the value of money over time, as well as specific risks of the asset or cash-generating unit under evaluation. The Group determined the units operations of each unit as independent cash-generating unit.

(g) Determination of the Cost of products in process gold –

The leaching ore deposits contain the material extracted from the pit and have a 60-day termination cycle, which are monitored through a stacking control at the cell level, this solution is percolated and collected through pipes

to be accumulated in the Pregnant Leaching Solution Pool (PLS Pool). The volume of solution in the PLS pool is obtained by using a graduated rule drawn on the geomembrane of the PLS Pit.

The rich solution of the PLS well is pumped to two circuits of adsorption tanks. The first circuit consists of five cascading cascading adsorption tanks in cascade cicuit which were previously charged with carbon, which has the property of absorbing the gold. The second circuit consists of six pressurized absorption tanks that are also with carbon. To each of mentioned tanks balance is made for each column which takes the flow that enter , the grade that enters and the grade that comes out through samplers, is multiplied by the volume and accumulated ounces are obtained, the difference being what remains in the columns with the carbon. Each circuit has flow meters with daily maintenance according to the Integrated Management System program, the control of these quantities is monitored through daily operational reports.

Afterwards, the process stops being continuous to go through a process of desorption, monitoring the gold that is deposited in electrolytic cells, in this phase the Company manages a recovery ratio of 98.38 percent, the remaining gold remains in the carbon which is recirculated to the process through chemical and thermal regeneration, leaving it ready to return to the circuit.

The processes and the recovery ratio are constantly monitored, and the estimated recovery ratio is adjusted periodically as additional information becomes available and considering technological changes.

(h) Obsolescence of materials and supplies –

The allowance for obsolescence of materials and supplies is determined based on an analysis carried out annually by the Group Management, which considers the obsolete and slow-moving items, and is charged to the consolidated statement of profit or loss in the year in which it is determined the need for such allowance.

(h) Recovery of the value added tax –

The Group's management considers that the non-current general sales tax credit will be applied by offsetting it against the general sales tax payable that will be generated by the future sales to be made by its subsidiary Cumbres del Sur S.A.C. In the case of the subsidiary Marcobre, if there is a remaining balance of tax credit for general sales tax, a refund or offset will be requested under the exporter's credit system based on export sales or if sales are generated in the local market. To date, the subsidiary is carrying out development activities; therefore, this credit will be recovered in the short term through the Advance VAT Recovery Regime and the balance in the long term once it starts its production operations.

On an annual basis, the Group's Management evaluates the feasibility of the development of the project carried out by the subsidiary Cumbres del Sur S.A.C. and that the possibility of recovering this tax credit is considered probable. If this is not the case, a write-down will be recorded.

(j) Climate Issues –

This assessment includes a wide range of potential impacts on the group due to both physical and transition risks. While the Group considers that its business model and products will remain viable after the transition to a low-carbon economy, climate-related issues increase uncertainty in the estimates and assumptions underpinning various items in the financial statements.
Although climate-related risks may not currently have a significant impact on the measurement, the Group is closely following relevant changes and developments, such as new climate-related legislation.

The elements and considerations that are most directly affected by climate-related issues are:

- Useful life of properties, plants, and equipment.
  In reviewing the expected residual and useful life values of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.

- Impairment of non-financial assets.
  Value in use may be affected in a number of different ways by particular transition risk, such as climate-related legislation and regulations and changes in demand, for the Group's products, although the Group has concluded that they do not have any climate-related issues.

- Provision for Mine Closure
  The impact of climate-related legislation and regulations is considered in estimating the timing and future costs for the closure of the Group's mining units.

4. Standards issued but not yet effective

The following describes the relevant standards and interpretations applicable to the Group, which have been issued, but which were not yet effective, up to the date of issuance of these consolidated financial statements of the Group. The Group intends to adopt these standards and interpretations, as appropriate, when they become effective.

Classification and Measurement of Financial Instruments - Amendments to IFRS 7 and IFRS 9

In July 2024, the International Accounting Standards Board (IASB) published amendments to IFRS Accounting Standards, which include amendments to IFRS 7 and IFRS 9, with the objective of improving transparency and consistency in the presentation of financial instruments. IFRS 7 now requires entities to provide information about debtor-specific contingent events, limiting this requirement to financial instruments with characteristics linked to environmental, social and governance (ESG) factors. In addition, quantitative disclosures are required about the range of possible changes in contractual cash flows that could arise from these events. IFRS 9 clarifies the classification and measurement of financial assets with ESG characteristics, as well as the derecognition of financial assets and liabilities. These improvements will be effective for reporting periods beginning on or after January 1, 2026, allowing early application with appropriate disclosure.

The Group is currently working to identify all the impacts that these amendments will have on the primary financial statements and notes to the financial statements.

Power purchase agreements - Modifications to IFRS 7 and IFRS 9

The amendments to IFRS 7 and IFRS 9 seek to improve the representation of PPA contracts (power purchase agreements) in financial statements. These changes were published by the International Accounting Standards Board (IASB) to help companies better report on the financial effects of nature-dependent electricity contracts. The main changes include clarifying the application of "own use" requirements, allowing hedge accounting if these contracts are used as hedging instruments, and adding new disclosure requirements so that investors understand the effect of these contracts on a company's financial performance and cash flows. IASB Chairman Andreas Barckow said these amendments reflect the IASB's commitment to ensuring that accounting standards remain relevant and responsive to changing market needs. These modifications must be applied to periods beginning on or after January 1, 2026, although early application is permitted.

The Group is currently working to identify all the impacts that these amendments will have on the primary financial statements and the notes to the financial statements.

Annual improvements to IFRS accounting standards – Volume 11

In July 2024, the International Accounting Standards Board (IASB) published "Annual Improvements to IFRS Accounting Standards – Volume 11", which includes minor, non-urgent amendments to five Standards. These modifications seek to improve the coherence and understanding of the IFRS Standards. In particular, IFRS 1 is adjusted to align hedge accounting with IFRS 9, while IFRS 7 updates paragraph B38 and adjusts paragraph IG14 to improve the differences between fair value and transaction price. IFRS 9 clarifies the derecognition of lease liabilities and eliminates inconsistencies in paragraph 5.1.3. In addition, IFRS 10 amends paragraph B74 to use less conclusive language on the determination of a 'de facto agent', and IAS 7 replaces the term “cost method” with “at cost” in paragraph 37. These improvements will be effective for reporting periods beginning on or after January 1, 2026, although early application is permitted and must be disclosed.

The Group is currently working to identify all the impacts that these amendments will have on the primary financial statements and the notes to the financial statements.

Lack of interchangeability – Modifications to IAS 21

In August 2023, the IASB issued amendments to IAS 21 Effects of Changes in Foreign Currency Exchange Rates to clarify when entities should assess whether a currency is interchangeable with another currency and when it is not, and how an entity determines the exchange rate to be applied when a currency is not interchangeable. Additionally, the amendments require information that allows users of their financial statements to evaluate how the lack of interchangeability of a currency affects, or is expected to affect, their financial performance, financial position and cash flows.

The amendments will be effective for annual periods beginning on or after January 1, 2025. Early application is permitted as long as this fact is disclosed. When applying the modifications, entities will not be able to re-state comparative information.

The amendments are not expected to have a material impact on the Group's financial statements.

IFRS 18 Presentation and Disclosure in the Financial Statements

In April 2024, the International Accounting Standards Board (IASB) issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the income statement, including specified totals and subtotals. In addition, entities are required to classify all income and expenses within the income statement into one of five categories: operating, investment, financing, income taxes, and discontinued operations, with the first three being new. It also requires disclosure of management-defined performance measures, subtotals of revenues and expenses, and includes new requirements for the aggregation and disaggregation of financial information based on the identified "roles" of the primary financial statements (PFS) and notes. In addition, limited-scope amendments have been made to IAS 7 Statement of Cash Flows, including changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing optionality around the classification of dividend and interest cash flows. In addition, there are consequential amendments to a number of other regulations. IFRS 18, and amendments to other standards, will be effective for reporting periods beginning on or after January 1, 2027, but is allowed to be applied early and must be disclosed. IFRS 18 will be applied retrospectively.

The Group is currently working to identify all impacts that the amendments will have on the primary financial statements and notes to the financial statements.

IFRS 19 Non-Publicly Held Subsidiaries: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to choose to apply their reduced disclosure requirements while still applying the recognition, measurement and reporting requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, may not have public liability, and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, that comply with accounting standards.

IFRS 19 shall be effective for reporting periods beginning on or after January 1, 2027, with advance application permitted. Since the Group's equity instruments are publicly traded, it is not eligible to apply IFRS 19.

5. Foreign Currency Transactions

As of December 31, 2024 and 2023, the Group had assets and liabilities in soles, Brazilian reais and euros. Below is a breakdown of these assets and liabilities presented by their equivalent in U.S. dollars:

	2024	2023
	US$(000)	US$(000)
Assets		
Cash and cash equivalents	11,011	23,981
Trade and other receivables, net (including non-current portion)	78,430	65,058
Income tax prepayments	407	214
	89,848	89,253
Liabilities		
Trade and other payables (including non-current portion)	(224,217)	(178,182)
Income tax liabilities	(74,587)	(46,663)
	(298,804)	(224,845)
Net liabilities position, net	(208,956)	(135,592)

As of December 31, 2024 and 2023, the Group had no financial instruments to hedge its foreign currency risk.

Net exchange gain on foreign currency assets and liabilities was approximately US$122,000 in 2024 (net loss of US$278,000 in 2023), which is presented under the net exchange difference in the consolidated statement of income from continuing operations.

In relation to Mineração Taboca S.A. and Subsidiary, the exchange difference loss during 2024 represented US$33,066,000 (net gain of US$10,136,000 during 2023), which is presented as discontinued operation, see note 1(f).

6. Cash and cash equivalents

(a) The composition of this caption is presented below:

	As of December 31, 2024	As of December 31,2023
	US$(000)	US$(000)
Cash on hand and petty cash	9	9
Cash in transit (b)	-	21,688
Bank current accounts (c)	51,015	31,359
Time deposits (d)	179,780	292,575
Balance considered in the consolidated statements of cash flow	230,804	345,631

(b) It corresponds to a remittance in transit in the subsidiary Marcobre S.A.C., generated by the collection with the local customer Hartree Metal Perú S.A.C. whose amount has been withheld by the Banco de Crédito del Perú since December 2 9, 2023 and whose collection has been paid on January 2, 2024.

(c) As of December 31, 2024 and December 31, 2023, the Group maintains its deposits in current accounts in local and foreign banks, are freely available and generate interest at market rates.

(d) Time deposits have original maturities of less than 90 days from their constitution and can be renewed at maturity. As of December 31, 2024 and December 31, 2023, these deposits accrued interest calculated at market rates, and were settled in January 2025 and January 2024, respectively.

7. Trade and other receivables, net

(a) The composition of this caption is presented below:

	As of December 31, 2024	As of December 31,2023
	US$(000)	US$(000)
Trade (b):		
Invoices receivable	375,689	289,833
Changes in the fair value	(11,667)	3,188
	364,022	293,021
Other receivables:		
Value added tax credit and other tax credits (c)	21,111	90,442
Tax claim recovery (d)	14,009	6,580
Judicial deposits	-	4,660
Related parties, note 28(a)	1,802	2,464
Restricted funds (f)	11,118	131
Invoices receivable for the sale of other supplies and fixed assets	2,723	2,282
Advances to suppliers	594	3,735
Loans granted (e)	282	-
Interest receivable	8	40
Others	1,573	2,880
	53,220	113,214
Total	417,242	406,235
By nature:		
Financial Asset	390,572	338,340
Non-Financial Asset	26,670	67,895
Total	417,242	406,235
By nature:		
Financial Asset	382,122	309,213
Non-Financial Asset	35,120	90,442
Total	417,242	406,235
Classification by its measurement:		
Trade accounts receivable (not subject to provisional prices)	199,826	101,659
Trade accounts receivable (measured at fair value subject to provisional pricing)	164,196	191,362
Sundry accounts receivable	53,220	113,214
Total	417,242	406,235

(b) As of December 31, 2024 and December 31, 2023, trade receivables do not earn interest and have no specific collateral. In the process of estimating expected credit losses, management assesses credit risk and individual credit limits. The assessment is performed on the date of each report using an estimation matrix to measure expected credit losses.

(c) As of December 31, 2024 and December 31, 2023, this item mainly comprises the credit for the general sales tax (hereinafter "IGV") resulting from the purchases of goods and services resulting from the construction and development activities carried out by the subsidiaries in Peru (Cumbres del Sur S.A.C. and Marcobre S.A.C.) which will be setoff with the IGV payable as a result of the operations of the subsidiary in Peru (Marcobre S.A.C.) and in Brazil (Mineração Taboca S.A.) for the general sales tax on production activities submitted as of December 31,2023.

The subsidiary Cumbres del Sur S.A.C. has assessed the recoverability of the balance of value added tax credit as of December 31, 2024 for US$12,571,000 (US$11,910,000 as of December 31, 2023) and considers that it can be used.

(d) During 2024, the Group made the payment under protest to the tax administration regarding the audit for the 2020 period in the amount of S/28,269,000 (equivalent to US$7,524,000, see note 30 (a).

During 2023, the Group made the payment under protest to the tax administration regarding the audit of the 2017 period in the amount of S/24,371,000 (equivalent to US$6,485,000, see note 30 (a).

(e) As of December 31, 2024, corresponds to the delivery of money as a mutual agreement from the subsidiary Cumbres del Sur to Compañía Minera Metals & Materials Standard for a total of S/1,051,000 (equivalent to US$282,000). This contract does not generate interest and has a maturity of less than 1 year.

(f) As mentioned in Note 1(f), product of the sale transaction of all shares in Mineração Taboca S.A. to CNMC Trade Company Limited, on November 26, 2024, the purchase made a security deposit of US$10,000,000 in an account in the name of Minlat at Banco Santander S.A. Peru Branch, which will be retained until the closing of the transaction. As of December 31, 2024, this advance is presented in the miscellaneous accounts receivable item as a fund subject to restrictions from the purchase and sale contract with CNMC.

8. Inventory, net

(a) The composition of this caption is presented below:

	As of December 31, 2024	As of December 31,2023
	US$(000)	US$(000)
Work in progress (b)	693,186	514,029
Materials and supplies	50,311	95,275
Finished products	38,962	49,965
Mineral extracted	5,009	4,777
Inventory in transit	26,783	3,965
	814,251	668,011
Allowance for obsolescence	(1,037)	(3,292)
Impairment los of inventories	-	(4,815)
	813,214	659,904
By maturity:		
Current	175,669	216,657
Non-current	637,545	443,247
Total	813,214	659,904

(b) As of December 31, 2024 and December 31, 2023, it mainly includes the mined material extracted as part of the mining activities in the open pit of the commercial operation of Mina Justa, which will be used as raw material for our production.

9. Financial assets at fair value through in other comprehensive income

(a) Below is the movement of the investment:

	2024			
	Cost	Unrealized results	Share performance	Fair Value
	US$(000)	US$(000)	US$(000)	US$(000)
Rímac Seguros y Reaseguros (c)	21,070	4,129	746	25,945
Total	21,070	4,129	746	25,945

	2023			
	Cost	Unrealized results	Share´s performance	Fair Value
	US$(000)	US$(000)	US$(000)	US$(000)
Rímac Seguros y Reaseguros (c)	21,070	(146)	746	21,670
Total	21,070	(146)	746	21,670

(b) The movement of financial assets measured at fair value through change in other comprehensive income is presented below:

	As of December 31, 2024	As of December 31,2023
	US$(000)	US$(000)
Openning balance	21,670	16,402
Unrealized results	4,275	5,268
Ending balance	25,945	21,670
By maturity:		
Non-current portion	25,945	21,670
Total	25,945	21,670

(c) As of December 31, 2024 and December 31, 2023, the fair value of the investments in Rímac Seguros y Reaseguros has been determined based on its listing on the Lima Stock Exchange.

(d) During 2024, the Company received cash dividends from Rímac Seguros y Reaseguros for a total value of US$1,760,000, equivalent to S/6,565,000 (US$1,041,000, equivalent to S/3,807,000 as of December 31, 2023), which were recognized in the results of the year.

(e) During 2024, the Company has received stock dividends of US$1,444,000 from its investments in Rimac which were paid to the interim separate statement of other comprehensive income (US$1,535,000 as of December 31, 2023).

10. Investments in associates

(a) Below is the composition of the caption:

	Participation in Equity		Equity value	
	As of December 31, 2024	As of December 31,2023	As of December 31, 2024	As of December 31,2023
	%	%	US$(000)	US$(000)
Inversiones Cordillera del Sur SpA.	73.85	73.85	136,021	164,845
Inversiones Cordillera Inmobiliaria SpA.	73.85	73.85	75,694	74,700
Futura Consorcio Inmobiliario S.A.	3.37	3.37	2,961	2,956
			214,676	242,501

The Group has recognized its investments in Futura Consorcio Inmobiliario S.A., Inversiones Cordillera del Sur II SpA and Inversiones Cordillera Inmobiliaria SpA as investments in associates, considering that are managed by the same economic group.

(c) The net share of the profits of its associated companies is as follows:

	For the specific quarter from October 1, to December 31		For periods of twelve months ended December 31,	
	2024	2023	2024	2023
	US$(000)	US$(000)	US$(000)	US$(000)
Inversiones Cordillera del Sur SpA.	(1,991)	92	(10,192)	322
Inversiones Cordillera Inmobiliaria SpA.	10,355	9,574	10,182	9,497
Futura Consorcio Inmobiliario S.A.	125	(112)	168	(75)
Total	8,489	9,554	158	9,744

As of December 31, 2024 and December 31, 2023, the Group concluded that there is no indication of impairment for its investments in associates, therefore, it did not make a formal estimate of the recoverable amount.

11. Property, Plant & Equipment, Net

(a) Below is the composition and movement of the item as of December 31, 2024 and 2023:

	Balance as of January 1, 2024	Additions	Mine closure update	Depreciation	Disposals	Adjustments (c)	Transfers	Assets held for sale Note 1 (f)	Translating adjustment	Balance as of December 31, 2024
Cost	3,589,061	182,485	12,945	-	(37,328)	(20,784)	(14)	(313,383)	(86,515)	3,326,467
Depreciation	(1,390,728)	-	-	(277,401)	11,414	-	-	150,602	39,219	(1,466,894)
	2,198,333	**182,485**	**12,945**	**(277,401)**	**(25,914)**	**(20,784)**	**(14)**	**(162,781)**	**(47,296)**	**1,859,573**

	Balance as of January 1, 2023	Additions	Mine closure update	Depreciation	Disposals	Adjustments	Transfers	Assets held for sale Note 1 (f)	Translating adjustment	Balance as of December 31, 2023
Cost	3,316,657	235,161	16,096	-	(6,553)	-	(2,784)	-	30,484	3,589,061
Depreciation	(1,128,475)	-	-	(253,736)	4,156	-	-	-	(12,673)	(1,390,728)
	2,188,182	**235,161**	**16,096**	**(253,736)**	**(2,397)**	**-**	**(2,784)**	**-**	**17,811**	**2,198,333**

(b) Depreciation expense has been distributed in the consolidated income statement as follows:

	For the specific quarter from October 1, to December 31		For periods of twelve months ended December 31,	
	2024	2023	2024	2023
	US$(000)	US$(000)	US$(000)	US$(000)
Cost of sales, note 22	66,978	66,906	254,497	225,664
Administration expenses, note 23	121	138	516	539
Exploration and evaluation expenses, note 25	88	76	335	270
Selling expenses, note 24	18	9	64	34
Unabsorbed costs, note 22	-	-	-	4,298
Work in progress	26	-	26	-
Other expenses, note 26	24	(712)	106	110
Discontinued operations	4,905	6,624	21,857	22,821
	72,160	73,041	277,401	253,736

(c) Insurance indemnity for Troughs

In 2021 the subsidiary Marcobre S.A. capitalized the leaching pans of the oxide plant at its Mina Justa unit, however, due to some incidents in their correct operation, a series of improvements were made to these assets in order to reduce the impact on the normal operation of the plant.

This situation was reported to Rimac Seguros y Reaseguros, which determined an indemnity of US$60,000,000. Of this amount, US$20,784,000 was considered as consequential damages, thus recording a decrease in Property, plant and equipment. The remaining amount of US$39,216,000 was considered as loss of profits, and was recognized in the statement of income under "Other, net", see note 26.

(d) As of December 31, 2024, disposals correspond mainly to the sale of mining equipment such as Simba, loaders (scoop), truck and machinery and equipment for replacement of components.

As of December 31, 2023, disposals correspond mainly to the sale of real estate and vehicles, as well as the disposal of an asset due to an accident, machinery and equipment due to replacement of components.

(e) As of December 31, 2024 and December 31, 2023, there is no machinery and equipment under finance leases.

(f) Impairment assessment and impairment reversal of mining units –

In accordance with the Group's policies and procedures, each asset or cash-generating unit (CGU) is evaluated annually at the end of the period, to determine if there are impairment indicators or impairment reversal. If there are such indicators, a formal estimate of the recoverable amount is made recoverable for the recognition of an impairment or a reversal of impairment.

12. Intangible assets, net

(a) The composition and movement of this caption is shown below:

	Balance as of January 1, 2024	Additions	Amortization	Disposals	Reclassification	Assets held for sale Note 1 (f)	Translating adjustment	Balance as of December 31, 2024
Cost	986,689	66,845	-	-	14	(60,569)	(16,615)	976,364
Amortization	(291,451)	-	(163,470)	-	-	20,213	5,368	(429,340)
	695,238	**66,845**	**(163,470)**	**-**	**14**	**(40,356)**	**(11,247)**	**547,024**

	Balance as of January 1, 2023	Additions	Amortization	Disposals	Reclassification	Assets held for sale Note 1 (f)	Translating adjustment	Balance as of December 31, 2023
Cost	867,721	112,329	-	(250)	561	-	6,328	986,689
Amortization	(198,436)	-	(91,151)	-	-	-	(1,864)	(291,451)
	669,285	**112,329**	**(91,151)**	**(250)**	**561**	**-**	**4,464**	**695,238**

(b) The amortization expense has been distributed in the consolidated statement of profit or loss as follows:

	For the specific quarter from October 1, to December 31		For periods of twelve months ended December 31,	
	2024	2023	2024	2023
	US$(000)	US$(000)	US$(000)	US$(000)
Cost of sales, note 22	46,193	22,742	137,718	75,242
Inventory	8,488	1,185	23,710	13,730
Discontinued operations	424	467	1,684	1,764
Exploration expenses and studies, note 25	89	77	333	286
Unabsorbed costs, note 22	-	-	-	96

Administration expenses, note 23	8	8	10	26
Work in progress	(4)	7	-	7
Other expenses	14	(1)	15	
	55,212	24,485	163,470	91,151

(c) At December 31, 2024 and 2023, the concessions and mining rights relate mainly to the concession of the subsidiaries Mineração Taboca and Marcobre.

(d) At December 31, 2023, the write-offs of US$ 250,000 correspond to the "Afortunada" concession in Tacna extinguished by management's decision and approved by the Board of Directors.

13. Right-of-use assets, net

(a) The composition and movement of this caption is shown below:

	Balance as of January 1, 2024	Additions	Additions	Disponsals	Reclassification	Assets held for sale Note 1 (f)	Translating adjustment	Balance as of December 31, 2024
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Costo	162,665	13,798	-	-	(14)	(89,262)	(23,475)	63,712
Depreciación	(86,267)	-	(24,196)	-	-	51,057	12,588	(46,818)
	76,398	**13,798**	**(24,196)**	**-**	**(14)**	**(38,205)**	**(10,887)**	**16,894**

	Balance as of January 1, 2023	Additions	Additions	Disponsals	Reclassification	Assets held for sale Note 1 (f)	Translating adjustment	Balance as of December 31, 2020
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Costo	99,463	60,750	-	(2,923)	-	-	5,375	162,665
Depreciación	(61,556)	-	(24,141)	2,889	-	-	(3,459)	(86,267)
	37,907	**60,750**	**(24,141)**	**(34)**	**-**	**-**	**1,916**	**76,398**

(b) Depreciation expense has been distributed in the consolidated income statement as follows:

	For the specific quarter from October 1, to December 31		For periods of twelve months ended December 31,	
	2024	**2023**	**2024**	**2023**
	US$(000)	US$(000)	US$(000)	US$(000)
Cost of sales, note 22	2,397	3,150	9,868	10,805
Administration expenses, note 23	187	191	754	761
Discontinued operations	3,278	3,585	13,574	11,684
Unabsorbed costs	-	-	-	891
	5,862	6,926	24,196	24,141

(c) Certain lease agreements terminated early during 2024 and 2023, which are presented as derecognized in the movement in rights-in-use assets.

(d) In March 2023, the subsidiary Taboca entered into a contract for the lease of equipment for the Pitinga operation for US$54,731,000 (equivalent to R$265,482,000).

(e) Lease obligations do not require compliance with certain financial ratios. Generally, the Group maintains restrictions to assign and sublease the leased assets.

(f) The Company also leases certain minor equipment for a term of less than 12 months, therefore, the recognition exemption for short-term leases (less than 12 months) and for leases of low-value assets is applied. The expense for this type of lease amounted to US$5,673,000 for the 12-month period ended December 31, 2024 (US$11,397,000 at December 31, 2023) and was recognized in costs and expenses in the consolidated statement of income.

14. Trade and other accounts payables

(a) Below is the composition of the caption:

	As of December 31, 2024	As of December 31,2023
	US$(000)	US$(000)
Trade payables (b):		
Third parties	193,631	243,576
Related, parties, note 28	9,959	10,927
	203,590	254,503
Other accounts payable (b):		
Other taxes and contributions payable	66,857	39,497
Advances received (f)	10,000	-
Interest payable	3,956	19,013
Accounts payable for acquisition of non-controlling interest (c)	9,053	12,891
Client prepayment	-	9,259
Accounts payable to rural communities	415	450
Other	3,093	3,977
	93,374	85,087
Employee benefits (d) and (e):		
Workers' contributions payable	93,520	76,223
Salaries and allowances payable	38,524	59,170
	132,044	135,393
Total	429,008	474,983
By maturity:		
Current portion	417,771	445,736
Non-current portion	11,237	29,247
Total	429,008	474,983
By nature:		
Financial liabilities	214,801	300,094
Non-financial liabilities	214,207	174,889
Total	429,008	474,983

(b) Trade accounts payables are mainly arising from the acquisition of materials, supplies, spare parts and services provided by third parties for the Group and mainly correspond to invoices payable to suppliers. These are interest-free and are normally settled on 30 to 60 days.

Other accounts payable do not earn interest and have an average due date 3 months.

(c) Purchase of non controlling interest –
On September 23, 2016, through its subsidiary Cumbres Andinas S.A.C., the Group acquired the non-controlling interest of the subsidiary Marcobre S.A.C., which represented 30 percent of its share capital and belonged to KLS Limited, thus obtaining control of 100 percent of the shares of the subsidiary Marcobre. which generated an outstanding balance

payable of US$25,000,000 to be paid in five annual installments for an amount of US$5,000,000 each, whichever occurs first: (a) 10 business days after the start of commercial production of the Mina Justa project, or (b) September 30, 2023. According to the contractual terms, commercial production will be achieved when the production and processing rate of the oxide and sulfide plant independently exceeds seventy percent of the nominal capacity at an average rate for forty-five consecutive days. The Group met this threshold in November 2022, for which it made the payment of the first instalment of US$5,000,000 to KLS Limited in that month and making the second and third payment on schedule in November 2023 and 2024, respectively.

During 2024, as a result of the update of the account payable for the acquisition of a non-controlling interest, the Group recognized a financial expense in the amount of US$1,303,000 (US$1,392,000 during 2023).

(d) Workers' profit sharing payable –
In accordance with Peruvian legislation, the Company determines the worker's profits share by applying the 8 percent rate on the same net tax base used to calculate income taxes. The distribution is determined by 50 per cent on the number of days that each worker worked during the previous year and 50 porcent on the proportional levels of annual remuneration. In relation to Brazilian and Chilean legislation, they are not subject to the employee participation tax.

(e) As of December 31, 2024, this item corresponds mainly to a performance bonus to workers for US$16,812,000 to be paid in the first quarter of 2025 (US$22,006,000 as of December 31, 2023), and the rest to workers' compensation and social benefits payable and other minor items.

(f) As mentioned in Note 1(f) and note 7 (f), this amount corresponds to the advance received by the buyer which will be retained until the closing of the transaction.

15. Borrowings

(a) Below is the composition of the caption:

Entity	Guarantee	Interest rate	As of December 31, 2024	As of December 31,2023
			US$(000)	US$(000)
Operational units				
Syndicated loan, net of structuring costs – Marcobre (c) and (d)	Without guarantees	Sofr 3 meses + 1.75%	498,101	496,821
Corporate bonds 2031, net of issuance costs – Minsur (e)	Without guarantees	4.50%	489,818	488,585
BBVA Promissory Note - Marcobre(h)	Without guarantees	6.25%	-	100,000
Promissory note Banco de Crédito del Perú - Marcobre(i)	Without guarantees	4.83%	100,000	
Discontinued operations				
Bank Santander – Taboca (l)	With guarantees	SOFR + 2,80%	-	104,325
Bank of America – Taboca (l)	With guarantees	SOFR + 2,80%	-	34,932
Bank Itaú – Taboca (m)	With guarantees	7.34%	-	20,959
Bank do Brazil - Taboca(m)	With guarantees	7.9%	-	14,971
Bank ABC Brasil -Taboca(m)	Without guarantees	7.35%	-	3,992
Bank Bradesco – Taboca (m)	Without guarantees	7.42%	-	2,994
Bank Santander – Taboca (m)	Without guarantees	7.76%	-	6,987
			1,087,919	1,274,566
By maturity:				
Currrent			299,025	149,731
Non-current			788,894	1,124,835
			1,087,919	1,274,566

(b) Below is a movement of financial obligations:

	As of December 31, 2024	As of December 31,2023
	US$(000)	US$(000)
Opening balance	1,274,566	1,336,374
Operational units		
Amortized cost	2,513	2,413
Payment of promissory notes- Marcobre (f) and (g)	(100,000)	(166,000)
Obtaining promissory note - Marcobre (h) and (i)	100,000	100,000
Payment of promissory notes-Minsur (j)	-	(40,000)
Payment of finance leases (k)	-	(684)
Discontinued operations		
Obtaining a loan Banco Santander -Taboca (l)	-	23,251
Obtaining loans ACC - Taboca (m)	25,281	71,766
Payment of loans ACC - Taboca (m)	(50,000)	(21,886)
Payment of loans Citibank - Taboca (n)	-	(32,103)
Translation	(4,231)	1,435
Reclassification to liabilities held for sale	(160,210)	-
Total	1,087,919	1,274,566

(c) On June 17, 2022, the subsidiary Marcobre S.A.C. signed a loan agreement with Banco Bilbao Vizcaya SA (New York Branch); Banco de Crédito e Inversiones S.A.; Banco Sadabell, S.A. (Miami Branch); Bank of China Limited Panama Branch; Bank de China (Peru) S.A.; Citibank NA (Puerto Rico Branch); Export Development Canada; JP Morgan Chase Bank, NA; Surcusal of Natixis in New York and Sumitomo Mitsui Banking Corporation, for an amount of US$500,000,000, which aimed to be part of the funds for the total payment of the balance of the debt acquired in 2018, with a variable interest rate Tern SOFR 3 Months of 4.328% as of December 31, 2024, plus a) an average fixed margin of 1.75% per annum and b) an additional margin of 2.00% upon the occurrence of any event of default. The term of the contract is 5 years, with a grace period of 3 years.

The Marcobre subsidiary has to comply with the following financial and non-financial reasons:

- Ratio of net financial debt over EBITDA, between 1 to 2.5 times, on the last day of each quarter.
- Minimum net worth, in accordance with International Financial Reporting Standards, of US$500,000,000 as of the last day of each quarter.
- The Marcobre subsidiary will not participate in any other business that is not a permitted business.

As of December 31, 2024, the subsidiary Marcobre S.A.C. has complied with the financial restrictions of the subscribed contract.

(d) As of December 31, 2023, the subsidiary Marcobre incurred debt structuring costs in the amount of US$5,104,000 related to obtaining the syndicated loan of US$500,000,000, which are being amortized according to the effective interest rate method.

(e) The General Shareholders' meeting held on October 18, 2021, agreed that the Company would issue debt instruments ("the Bonds") in the international stock market in the amount of US$500,000,000 at an interest rate of 4.5 percent per annum, with a maturity date of October 28, 2031. The amounts obtained from such financing were below par, obtaining US$488,140,000, which were used to meet the repurchase of its debt instrument: "6.250% Senior Notes Due 2024", issued on January 31, 2014 for a nominal value of US$450,000,000 maturing on February 7, 2024 at a coupon rate of 6.25 percent, as well as cancel the financing of the syndicated loan obtained by the Company through a loan agreement entered into on June 24, 2021.

The bonds restrict the ability of the Company and its Subsidiaries to enter into certain transactions; however, these restrictions do not condition the Company on meeting financial ratios or maintain specific levels of liquidity.

(f) In April 2023, the subsidiary Marcobre cancelled a bank promissory note with Banco de Crédito del Perú for US$66,000,000, which was paid in a single payment of interest and principal at maturity and accrued at a fixed annual interest rate of 2.4%.

(g) In December 2023, the subsidiary Marcobre cancelled two bank promissory notes with Scotiabank Perú S.A.A. for US$60,000,000 and US$40,000,000 which were cancelled in a single payment of interest and principal at maturity and accrued at a fixed annual interest rate of 5.8%.

(h) On December 22 and 27, 2023, the subsidiary Marcobre entered into a bank promissory note with BBVA Peru for US$40,000,000 and US$60,000,000, which were repayable in a single payment of interest and principal at maturity in December 2024 and accrued at a fixed annual interest rate of 6.25%.

(i) On December 20, 2024, the subsidiary Marcobre entered into a bank promissory note with Banco de Credito del Peru for US$100,000,000, which is payable in a single payment of interest and principal at maturity in December 2025 and accrues a fixed annual interest rate of 4.83%.

(j) At December 31, 2024, the Company has no bank notes payable. In July 2023 the promissory note for US$40,000,000 to Interbank was paid.

(k) At December 31, 2024, the Company has no leases financed with financial institutions. In 2023, the Company's leases with Banco de Credito del Peru and Scotiabank del Peru expired at rates of 2.74% and 1.52%.

(l) It corresponds to two "LOAN Santander 4131" loans obtained by the subsidiary Mineração Taboca S.A. during 2022, which have a maturity date of March 2026. The financings were made with the objective of settling the PPE installments with Citibank, the financing will coincide with the payments of the PPE installments.

(m) They correspond to loans of the type “advance on exchange contracts -ACC”, obtained by the subsidiary Mineração Taboca S.A. to finance its working capital. These loans are contracted in connection with its export operations, which in turn constitute the guarantees of the amounts financed.

(n) It corresponds to "prepaid export – PPE" loans obtained by the subsidiary Mineração Taboca S.A. during 2018, whose maturity dates were December 2023, the financing was made with the aim of reducing part of its short-term debts and improving cash flow in this subsidiary.

(o) As of December 31, 2024 and December 31, 2023, the Company maintains joint and several bonds for US$273,000,000 that guarantee liabilities and derivative instruments of the subsidiary Mineração Taboca S.A. with the following financial institutions:

Counterpart	Guarantee to:	US$(000)	Maturity
Bank of America NA	Credits	35,000	January 2026
Bank of Brazil	Credits	20,000	No expiry
Banco Itaú	Credits	10,000	No expiry
Banco Santander Brasil	Credits	10,000	No expiry
Banco Santander Spain	Credits	105,000	March 2026
Bradesco	Credits	5,000	No expiry

Merryl Lynch International	Derivative instruments	15,000	No expiry
JP Morgan Chase Bank NA	Derivative instruments	10,000	No expiry
Banco Itaú	Derivative instruments	10,000	No expiry
Macquarie Bank	Derivative instruments	30,000	No expiry
Avla Seguros	Bail bond	23,000	March 2029
Total		273,000	

16. Lease liabilities

(a) As of December 31, 2024 and 2023, the obligations for lease contracts are as follows:

	As of December 31, 2024 US$(000)	As of December 31, 2023 US$(000)
Lease liabilities (third parties)	13,985	70,274
Lease liabilities (related, note 28(a))	3,963	8,576
Total	17,948	78,850
By maturity:		
Current portion	6,815	24,100
Non-current Portion	11,133	54,750
Total	17,948	78,850

The lease liability is generated using different assets necessary for the Group's operations, as detailed in note 13.

Lease contracts have original maturities of up to 30 years, on which implicit annual interest rates have been determined to fluctuate between 2% and 9%.

(b) Below is the movement of the leability is as follow:

	As of December 31, 2024 US$(000)	As of December 31, 2023 US$(000)
Opening balance	78,850	39,316
Additions	13,798	60,750
Financial interests	3,418	3,808
Payments	(23,729)	(23,291)
Interest payment	(3,418)	(3,808)
Translation	(11,388)	2,176
Discontinued operations	(39,570)	-
Others	(13)	(101)
Ending balance	17,948	78,850

17. Provisions

(a) Below is the composition of the item:

	Provision for mine closure (b) US$(000)	Provision for environmental remediation (c) US$(000)	Provision for contingencies (d) US$(000)	Total US$(000)
As of January 1, 2023, reclassified, note 2.5	141,183	13,878	4,321	159,382
Additions	16,096	503	1,301	17,900
Reclassification	1,210	(1,210)	2,190	2,190
Translation	3,317	855	335	4,507
Discount rate update	5,784	914	(154)	6,544
Payments and advances	(4,437)	(2,547)	(570)	(7,554)
Reversals	-	-	(549)	(549)
As of December 31, 2023, reclassified , note 2.5	163,153	12,393	6,874	182,420
Additions	(8,251)	(37)	694	(7,594)
Reclassification	(868)	868	-	-
Translation	(6,574)	(1,746)	(1,130)	(9,450)
Discount rate update	6,153	(757)	94	5,490
Payments and advances	(3,427)	(1,549)	(56)	(5,032)
Reclassification to liability held for sale, Note 1 (f)	(13,477)	(5,806)	(3,941)	(23,224)
Reversals	(5,476)	(487)	(1,646)	(7,609)
As of December 31, 2024	131,233	2,879	889	135,001
By maturity:				
Current portion	14,249	520	1,341	16,110
Non-current portion	148,904	11,873	5,533	166,310
As of December 31, 2023	163,153	12,393	6,874	182,420
By maturity:				
Current portion	298	387	889	1,574
Non-current portion	130,935	2,492	-	133,427
As of December 31, 2024	131,233	2,879	889	135,001

(b) The provision for closure of mining units represents the present value of the closing costs expected to be incurred between 2024 and 2060, in compliance with government regulations). The estimate of the costs of closing mining units is based on studies prepared by independent advisors, which comply with current environmental regulations. The provision for the closure of mining units corresponds mainly to activities that must be carried out for the restoration of mining units and

areas affected by mining activities. The main works to be done correspond to earthworks, revegetation and dismantling of the plants. Closing budgets are reviewed regularly to take into account any significant changes in the studies performed. However, the costs of closing mining units will depend on market prices and the required closing works that will reflect future economic conditions. Likewise, the timing of disbursements will depend on the life of the mine, which will depend on future metal prices.

At December 31, 2024, the Subsidiary Mineração Taboca S.A., classified as a discontinued operation, carried out the technical and financial update Pitinga Mine Closure Plan based on ANM Resolution No. 68, dated April 30, 2021, and Taboca's corporate standard, such update is based on the operational actions within the framework of the sustainability commitments of the mining division, and which includes guidelines for progressive closure, maximizing the potential of the areas and minimizing negative environmental impacts.

Therefore, based on present value, the provision for mine closure in 2024 and 2023 amounts to US$13,477,000 (equivalent to R$83,303,553) and US$47,593,000 (equivalent to R$230,852,000 at December 31, 2023).

As of December 31, 2024, the Subsidiary Marcobre S.A.C. updated the Mine Closure Plan of the Mina Justa Mining Unit, which was approved by the General Directorate of Mining Environmental Affairs (DGAAM) of the Ministry of Energy and Mines (MINEM) through Directorial Resolution N°0295-2024-MINEM/DGAAM. It should be noted that this Mine Closure Plan update does not grant additional permits, does not modify the useful life of the mining unit, nor does it validate environmental non-compliance.

Therefore, based on present value, the provision for mine closure in 2024 and 2023 amounts to US$48,413,000 and US$27,454,000.

(c) Includes environmental remediation activities for the Pitinga mine operations in Brazil performed in previous years. With the support of external specialists Mineração Taboca S.A., a discontinued operation, has updated the environmental remediation provision for the Pitinga and Pirapora units as of December 31, 2024 and 2023.

Subsidiary Cumbres del Sur S.A.C. in the Regina Unit, located in the Puno region, such as: environmental restoration activities, water treatment, construction of concrete channels, and quarry closure.

Related to Mina Justa, which is operated by the subsidiary Marcobre and includes activities such as earthmoving, revegetation works and the dismantling of all facilities.

(d) Provision for Contingencies

This provision is composed as follows:

Peruvian subsidiaries -

Corresponds to environmental contingencies arising from lawsuits filed by the Environmental Evaluation and Control Agency (OEFA), the National Water Authority (ANA) and the Supervisory Agency for Investment in Energy and Mining (OSINERGMIN) for US$417,000 (US$440,000 at December 31, 2023) and labor contingencies for US$466,000 (US$891,000 at December 31, 2023).

Subsidiary in Brazil - Discontinued operation

Corresponds to claims for indemnification of former employees for US$1,069,000 (US$1,863,000 at December 31, 2023), civil and environmental contingencies for US$468,000 (US$1,184,000 at December 31, 2023), claim from

Banco Santos for US$1,950,000 (US$2,486,000 at December 31, 2023). The provision made with Banco Santos corresponds to a legal dispute originated by controversies in the balances of credit operations and investments that the subsidiary maintained with said Bank, after the Central Bank of Brazil intervened in 2004.

During the years 2024 and 2023, the Group recognized new contingencies for US$694,000 and US$683,000, respectively, classified as probable, which arise from labor and regulatory administrative processes, these were recognized as other operating expenses in the consolidated statement of income.

18. Deferred income tax assets and liabilities, net

(a) The composition and movement of deferred income tax according to the items that originated it is presented below:

	As of January 1, 2023	Effect on the consolidated income statement	Translation	Effect of other comprehensive income on the consolidated statement, note 1(f)	Balances as of December 31, 2023	Effect on the consolidated income statement	Translation	Effect of other comprehensive income on the consolidated statement, note 1(f)	Credit (charge) to discontinued operation (note 1(f))	Balances as of December 31, 2024
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Deferred income tax asset										
Difference in accounting and tax basis of property, plant and equipment	49,209	11,557	-	-	60,766	13,357	-		-	74,123
Provision for closure of mining units	31,439	2,259	-	-	33,698	4,935			-	38,633
Pre-operational costs for tax purposes	8,957	7,274	-	-	16,231	943			-	17,174
Mining royalty and special mining tax	6,081	(438)	-	-	5,643	4,313			-	9,956
Lease liabilities	9,144	(1,410)		-	7,734	(2,045)		-	(355)	5,334
Financial assets at fair value through changes in other comprehensive income	3,038	-	-	(1,101)	1,937	-		(835)	-	1,102
Tax loss	8,428	746	-	-	9,174	(3,949)			(5,224)	1
Tax benefits for acquisition of Mineração Taboca S.A.	6,853	211	(511)	-	6,553	(3,565)	1,196	-	(4,183)	1
Exploration & evaluation costs	11,214	(11,214)	-	-	-	-			-	-
Other	6,325	4,679	-	-	11,004	1,781			-	12,785
	140,688	13,664	(511)	(1,101)	152,740	15,770	1,196	(835)	(9,762)	159,109
Deferred income tax liability										
Difference in the accounting and tax base of mining concessions	(157,511)	(16,574)	-	-	(174,085)	21,799	-	-	13,701	(138,585)
Difference in accounting and tax basis of inventories	(20,171)	(11,741)	-	-	(31,912)	(25,634)	-	-	-	(57,546)
Difference in exchange for non-cash items	(54,403)	18,186	-	-	(36,217)	(4,973)		-	2,716	(38,474)
Development costs	(33,822)	3,076	-	-	(30,746)	2,505		-	-	(28,241)
Assets due to closure of mining units	(10,116)	211	-	-	(9,905)	(2,010)		-	-	(11,915)

Difference in accounting and tax basis of property, plant and equipment	(27,907)	8,594	-	-	(19,313)	6,903		-	691	(11,719)
Assets by right-of-use	(8,266)	1,521	-	-	(6,745)	1,860	-	-	-	(4,885)
Derivative financial instruments	(10,217)	-	1	8,408	(1,808)	-		2,481	(1,796)	(1,123)
Other	(4,723)	2,667	-	-	(2,056)	1,159		-	205	(692)
	(327,136)	5,940	1	8,408	(312,787)	1,609	-	2,481	15,517	(293,180)
(Liability) deferred income tax asset, net	(186,448)	19,604	(510)	7,307	(160,047)	17,379	1,196	1,646	5,755	(134,071)
Mining Royalty (RM) and Special Mining Tax (IEM):										
Deferred assets										
Exploration expenses	4,813	(3,615)	-	-	1,198	230	-	-	-	1,428
Difference in accounting and tax basis of property, plant and equipment	3,309	2,773			6,082	9,919	-	-	-	16,001
	8,122	(842)	-	-	7,280	10,149	-	-	-	17,429
Deferred liabilities										
Difference in exchange for non-cash items	(13,893)	5,026	-	-	(8,867)	(1,626)			-	(10,493)
Differences in the accounting and tax basis of inventories	(270)	(262)	-	-	(532)	(57)			-	(589)
Changes in the fair value of trade receivables	-	-	-	-	-	-			-	-
Implicit derivative	(1,368)	1,120	(1)	-	(249)	1,102			-	853
	(15,531)	5,884	(1)	-	(9,648)	(581)	-	-	-	(10,229)
Deferred assets for RM and IEM,net	(7,409)	5,042	(1)	-	(2,368)	9,568	-	-	-	7,200
Total assets for deferred income tax, net	(193,857)	24,646	(511)	7,307	(162,415)	26,947	1,196	1,646	5,755	(126,871)

(b) These amounts are presented in the consolidated statement of financial position in accordance with the presentation in the financial statements of each Group company, as shown below:

	As of December 31, 2024 US$(000)	As of December 31, 2023 US$(000)
Deferred income tax asset	123,777	114,357
Deferred income tax liability	(250,648)	(276,772)
	(126,871)	(162,415)

(c) Below is the reconciliation between the income tax expense and the profit before income tax multiplied by the legal rate for the years 2024 and 2023:

	For the specific quarter from October 1, to December 31		For periods of twelve months ended December 31,	
	2024	2023	2024	2023
	US$(000)	US$(000)	US$(000)	US$(000)
Income before income taxes from continuing operations	336,081	237,130	982,916	859,117
Profit/(Loss) from discontinued operations before taxes	(7,669)	(2,105)	1,402	6,922
Profit before income tax	328,412	235,025	984,318	866,039
Theoretical income tax	(85,716)	(64,175)	(271,982)	(233,522)
Translationl effect (c)	(8,357)	(6,980)	(7,535)	3,622
Effect of permanent differences, net	1,532	3,191	(8,258)	(4,985)
Effect of mining royalties	9,902	5,558	25,882	21,951
Share results of associates	(769)	3,742	1,690	3,687
Tax losses in subsidiaries	(1,495)	(543)	(3,008)	(1,172)
Effect of tax treatment on assets	4,122	71	-	70
Income tax from previous years	(3,117)	(2,085)	(3,117)	(2,085)
Rate update	15,586	9,062	(5,034)	(4,656)
Other minors	(15,731)	5,713	(16,266)	(1,173)
Income tax expense	(84,043)	(46,446)	(287,628)	(218,263)
Mining royalties and special mining tax	(34,597)	(11,051)	(84,114)	(76,763)
Total income tax	(118,640)	(57,497)	(371,742)	(295,026)
Income tax attributable to continuing operations	(110,955)	(55,095)	(364,656)	(291,268)
Income tax attributable to discontinued operation	(7,685)	(2,402)	(7,086)	(3,758)
	(118,640)	(57,497)	(371,742)	(295,026)

The income tax directly recognized in other comprehensive income during 2024 is income of US$1,646,000 (as of December 31, 2023 income of US$7,307,000), see Consolidated Statements of Comprehensive Income and note 1 (f).

(d) This effect arises from maintaining the U.S. dollar as the functional currency for accounting purposes and soles for tax purposes. During the year 2024, the exchange rate variation was from S/3,713 to S/3,770 (S/3,820 to S/3,713 during the year 2023) originating the aforementioned effect, which has no effect on the Group's cash flow.

(e) The income tax expense shown in the consolidated statement of income is composed as follows:

	As of December 31, 2024	As of December 31, 2023
	US$(000)	US$(000)
Continued operations		
Income tax		
Current	(297,847)	(238,052)
Deferred	17,305	23,547
	(280,542)	(214,505)
Mining royalties and special mining tax		
Current	(93,683)	(81,804)
Deferred	9,569	5,041
	(84,114)	(76,763)
Total continuing operations	(364,656)	(291,268)
Discontinued operation - Current income tax	(7,159)	184
Discontinued operation - Deferred income tax	73	(3,942)
	(371,742)	(295,026)

(f) As of December 31, 2024, the Group maintains a balance in favor and payable for income tax of US$407,000 and US$74,589,000, respectively. As of December 31, 2023, the Group maintains a balance in favor and payable for income tax of US$4,259,000 and US$46,663,000, respectively.

(g) Deferred income tax on investments in associates

The Group does not record the deferred income tax asset related to investments in its associates: Inversiones Cordillera del Sur II SpA, Inversiones Cordillera Inmobiliaria SpA and Futura Consorcio Inmobiliario S.A. because: (i) Inversiones Breca S.A. and Subsidiaries jointly own the control of these companies which operate as part of the economic group and (ii) the Group has the intention and capacity to maintain these investments in the long term. In this regard, Management considers that the temporary difference will be reversed through dividends to be received in the future, which according to current tax regulations are not subject to income tax. There is no legal or contractual obligation for management to be forced to sell its investments in associates. Supported by IAS 12, paragraphs 39 and 44. See note 2.4 (p).

For information purposes, temporary differences on investments in associates would generate a deferred income tax asset of US$3,814,000 at December 31, 2024 (US$4,956,000 at December 31, 2023), which has not been recognized in the Group's consolidated financial statements.

19. Equity

(a) Capital stock –

As of December 31, 2024 and December 31, 2023, the authorized, subscribed, paid-up capital, in accordance with the Company's bylaws and their amendments, is represented by 19,220,015 common shares, with a par value of S/100.00 each (equivalent to US$601,268,578 at historical exchange rates).

Common shares have the right to one vote, except in the case provided for the election of the Board of Directors. The share confers on its holder the right to participate in the distribution of profits and in the resulting net equity in the event of liquidation, to intervene and vote in general or special meetings, as appropriate, to supervise the management of the business, in the manner established by the articles of statute or by law, to be preferred for the subscription of shares in the event of an increase in share capital, and placement of shares in proportion to the shares they hold, as well as in the subscription of debentures or other convertible securities or with the right to be converted into shares, and to separate from the company in the cases provided for by the law and company statute

(b) Investment shares -

As of December 31, 2024 and December 31, 2023, this item comprises 960,999,163 investment shares, with a par value of S/1 each, equivalent to US$300,634,289.

According to the current legislation, the investment shares give their holders the right to participate in the dividend distribution, to make contributions in order to maintain their existing proportion in the investment share account in the case of an increase in the share capital due to new contributions, to increase the investment share account by capitalization of equity accounts, redemption of shares in any of the cases provided for by law, and participate in the distribution of the balance of the net worth in the case of liquidation of the Company. Investment shares do not confer access to the Board of Directors or General Shareholders' Meetings. The Company's investment shares are listed on the Lima Stock Exchange (BVL).

The stock price of these shares as of December 31, 2024 was S/4.74 per share (S/3.98 per share as of December 31, 2023).

(c) Declared cash dividends and paid –

Below is information on the dividends declared and paid for the year 2024 and 2023:

	Date	Dividends declared US$(000)	Dividends per common share	Dividends per investment share
Dividends 2024				
Mandatory Annual Shareholders' Meeting	March 25, 2024	30,000	1.0406	0.0104
Mandatory Annual Shareholders' Meeting	August 16, 2024	210,000	7.2841	0.0728
Mandatory Annual Shareholders' Meeting	November 11, 2024	237,000	8.2206	0.0822
		477,000	16.5453	0.1655

Below is information on the dividends declared and paid for the year 2023:

	Date	Dividends declared and paid US$(000)	Dividends per common share	Dividends per investment share
Dividends 2023				
Mandatory Annual Shareholders' Meeting	October 16, 2023	174,000	6.0354	0.0604

20. Tax situation

Minsur S.A.

The tax authorities have the authority to review and, if applicable, correct the income tax calculated by the Company in the four years following the year in which the tax return is filed. The income tax returns for the years 2021 to 2023 and the one to be filed

for the year 2024 and the General Sales Tax for the years 2020 to 2024 are pending review by the tax authorities. At the end of the year 2024 SUNAT has completed the audit of the period 2019, in which the Company has filed at the end of January 2025 the appeal of claim of these values, which would amount to approximately S/23,615,000, our advisors believe that the chances of success are favorable for Minsur. Likewise, in 2023 the audit of the 2017 and 2020 periods was completed.

In the third quarter of 2023 the Company made the payment under protest to the tax administration in respect of the 2017 audit in the amount of S/24,371,000 (equivalent to US$6,485,000) (see note 7 (d)). Also, in the month of December 2023 the Company started with the process of claiming the values. It is worth mentioning that in August 2024 the Superintendence of Tax Administration (SUNAT) declared the appeal unfounded by means of Resolution No. 4070140001457; in this regard, the Company will file the corresponding appeal within the legal term.

Additionally, in the first quarter of 2024, the Company made the payment under protest to the tax administration with respect to the tax audit for the period 2020 in the amount of S/28,269,000 (equivalent to US$7,522,000) note 7d. Also, in October 2024, the claim process has been initiated.

Due to the possible interpretations that the tax authorities may give to the legal regulations in force, it is not possible to determine at this date whether or not the reviews will result in liabilities for the Company; therefore, any higher tax or surcharge that may result from possible tax reviews would be applied to the results of the year in which it is determined. However, in the opinion of the Company's management and its legal advisors, any additional tax assessment would not be material to the consolidated financial statements as of December 31, 2024 and 2023.

Marcobre S.A.C.

The tax authorities have the authority to review and, if applicable, correct the income tax calculated by the subsidiary in the four years following the year in which the tax return was filed. The income tax returns for the years 2020 to date and the General Sales Tax for the periods 2019 to date are pending review by the tax authorities. The tax authority is currently auditing the income tax for the period 2021.

Due to the possible interpretations that the tax authorities may give to the legal regulations in force, it is not possible to determine at this date whether or not the reviews carried out will result in liabilities for the Company; therefore, any higher tax or surcharge that may arise from possible tax reviews would be applied to the results of the year in which it is determined. However, in the opinion of the Company's management and its legal advisors, any additional tax assessment would not be material to the financial statements as of December 31, 2024.

Brazilian Subsidiary - Discontinued Operation

Mineração Taboca S.A. and subsidiary is subject to the Brazilian tax regime. As of December 31, 2024 and 2023, the income tax rate is 34 percent on taxable income. Cash dividends in favor of non-domiciled shareholders are not taxed. The periods open to tax review by the Brazilian tax administration comprise the years 2017 to 2024.

Tax loss carryforwards do not expire under Brazilian law, but their offset will be limited to 30 percent of the taxable income of each future period. As of December 31, 2024 and 2023, the unrecognized deferred asset for tax loss carryforwards amounts to US$84,735,000 (equivalent to R$523,778,000) and US$93,243,000 (equivalent to R$495,484,000), respectively; the subsidiary Mineração Taboca S.A. has only recognized the portion it considers recoverable of the deferred income tax asset generated by the tax loss carryforward which amounts to US$12,985,000.

21. Income from ordinary activities

(a) Composition of this caption is presented below:

	For the specific quarter from October 1, to December 31		For periods of twelve months ended December 31,	
	2024 US$(000)	2023 US$(000)	2024 US$(000)	2023 US$(000)
Tin and other minerals	283,952	210,495	922,098	678,462
Copper concentrate	313,951	262,370	829,330	892,312
Copper cathodes	79,801	76,390	302,761	336,613
Gold	27,651	27,242	116,214	103,363
	705,355	576,497	2,170,403	2,010,750

Concentration of tin sales - Peruvian market

In 2024 there is no significant concentration of sales. The three largest customers accounted for 33 percent of total sales (the three largest customers accounted for 33 percent of total sales at December 31, 2023).

At December 31, 2024, 38 percent of accounts receivable correspond to these customers (34 percent at December 31, 2023).

Concentration of gold sales

In 2024, the Company sold gold to 2 clients (2 clients in 2023), 100 percent of the accounts receivable correspond to these clients (100 percent as of December 31, 2023).

Concentration of copper cathode sales

In 2024, the Company sold copper cathodes primarily to three customers which at December 31, 2024 represented 6 percent of the cathodes receivable.

In 2023, the Company sold copper cathodes primarily to four customers which at December 31, 2023 represented 14 percent of the cathode receivables.

Concentration of copper concentrate sales

In 2024, the Company sold copper concentrate primarily to three customers which at December 31, 2024 represented 64 percent of concentrate receivables.

In 2023, the Company sold copper concentrate primarily to three customers which at December 31, 2023 represented 58 percent of the copper concentrate receivable.

Performance obligations and revenue recognition policies. -

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control, which occurs when it has delivered the goods, in accordance with the contractual terms.

b) The reconciliation of sales of contracts with customers to the amounts disclosed in the consolidate statement of income is detailed below:

	For the specific quarter from October 1, to December 31		For periods of twelve months ended December 31,	
	2024 US$(000)	2023 US$(000)	2024 US$(000)	2023 US$(000)
Contracts with customers	737,845	575,165	2,201,926	2,008,453
Hedging operations	(7,825)	(3,165)	(20,508)	(10,905)
Embedded derivative on sale of concentrates	(18,375)	11,782	(14,746)	(15,351)
Adjustment of current period settlements	(6,290)	(7,285)	3,731	28,553
	705,355	576,497	2,170,403	2,010,750

22. Cost of sales

(a) Composition of the caption is presented below:

	For the specific quarter from October 1, to December 31		For periods of twelve months ended December 31,	
	2024	2023	2024	2023
	US$(000)	US$(000)	US$(000)	US$(000)
Opening balance of product in process inventory	641,218	477,824	496,678	398,662
Opening balance of finished product inventory	48,911	42,755	33,590	25,036
Services rendered by third parties	86,216	80,096	203,917	192,022
Consumption of raw material and miscellaneous supplies	64,481	69,791	268,888	278,765
Depreciation, note 11 (b) and 13 (b)	69,375	70,056	264,365	236,469
Wages and salaries	53,778	47,492	166,803	159,699
Amortization, note 12(b)	46,193	22,744	137,718	75,243
Other depreciation for long-term inventories	8,489	1,190	23,711	13,730
Purchase of mining services from AESA S.A.	14,234	22,923	57,746	53,455
Unabsorbed costs (b)	-	-	-	30,996
Energy	11,326	10,935	46,269	40,969
Recovery (estimate) for obsolescence	(425)	802	(425)	802
Recovery of estimation due to devaluation of inventories	-	234	-	-
Other manufacturing expenses	(16,264)	(15,266)	35,784	29,333
Capitalization Stripping cost	(478)	(38,884)	(56,401)	(110,570)
Final balance of work in process inventory	(698,195)	(496,678)	(698,195)	(496,678)
Final balance of finished product inventory	(38,962)	(33,590)	(38,962)	(33,590)
	289,897	262,424	941,486	894,343

(b) In line with what is mentioned in note 1(d), these costs correspond to indirect costs that were not absorbed in the production process as a result of the temporary stoppage of the San Rafael mining unit. The composition of the item is as follows:

	For periods of twelve months ended December 31, 2023
	US$(000)
Services provided by third parties	11,833
Depreciation	5,285
Personnel expenses	7,737
Diverse charges	6,141
	30,996

23. Administrative costs

(a) Below is the composition of the item:

	For the specific quarter from October 1, to December 31		For periods of twelve months ended December 31,	
	2024	2023	2024	2023
	US$(000)	US$(000)	US$(000)	US$(000)
Personnel expenses	15,371	15,190	58,208	53,190
Services provided by third parties	4,963	3,231	9,416	8,207
Advice and consulting	4,720	5,987	11,007	16,156
Diverse charges	603	692	2,883	2,748
Depreciation, notes 11(b) and 13(b)	310	343	1,270	1,300
Amortization	6	(9)	10	24
	25,973	25,434	82,794	81,625

24. Selling expenses

(a) Below is the composition of the item:

	For the specific quarter from October 1, to December 31		For periods of twelve months ended December 31,	
	US$(000)	US$(000)	US$(000)	US$(000)
Services provided by third parties	11,391	10,649	40,498	39,035
Diverse charges	510	609	2,766	2,758
Personnel expenses	558	425	1,814	1,589
Sales commissions	41	49	163	154
Depreciation, note 11(b)	19	9	64	34
	12,519	11,741	45,305	43,570

25. Exploration and evaluation expense

(a) Below is the composition of the item:

	For the specific quarter from October 1, to December 31		For periods of twelve months ended December 31,	
	2024	2023	2024	2023
	US$(000)	US$(000)	US$(000)	US$(000)
Services provided by third parties	18,065	25,507	63,941	53,059
Personnel expenses	2,315	1,415	9,640	6,232
Diverse charges	486	157	3,655	2,124
Supplies	624	630	1,863	1,479
Amortization, note 12(b)	89	77	333	286
Depreciation, note 11(b)	87	76	335	270
	21,666	27,862	79,767	63,450

26. Others, net

(a) Below is the composition of the item:

	For the specific quarter from October 1, to December 31		For periods of twelve months ended December 31,	
	2024	2023	2024	2023
	US$(000)	US$(000)	US$(000)	US$(000)
Other operating income				
Income from sale of supplies	2,647	3,789	11,267	12,172
Compensation for loss of profits, note 12 (c)	-	-	39,216	-
Compensation for damaged equipment	-	-	990	-
Income from sale of property, plant and equipment	23	165	145	2,847
Income for advisory services	403	452	1,626	1,635
Rental of real estate and equipment	463	433	1,542	1,288
Provision for mine closure and environmental liabilities	81	20	81	20
Recovery of provisions	224	468	1,089	549
Income from claim reimbursements	-	8	-	51
Income from tax work	60	-	60	-
Other minor	2,451	409	2,635	1,030
	6,352	5,744	58,651	19,592

Other operating expenses				
Net cost of supplies sold	(2,701)	(3,954)	(11,315)	(12,119)
Contributions to public entities of environmental regulation	301	722	(4,262)	(5,402)
Contributions to public entities of environmental regulation	(3,577)	(3,289)	(5,404)	(4,387)
Net cost of disposal of property, plant and equipment	(1,259)	(450)	(2,236)	(2,504)
Donations granted	(4,468)	(3,155)	(11,597)	(8,218)
Professional fees for tax legal advice	(1,786)	(3,614)	(3,522)	(7,011)
Provision for obsolescence,	(180)	-	(180)	-
Provisions for contingencies,	(208)	(566)	(694)	(683)
Environmental passive provision	-	(29)	-	(29)
Expenses for works due to taxes	(60)	-	(60)	-
Adjustment of physical inventory of supplies	(88)	(106)	(338)	(249)
Depreciation, note 11 and 12(b)	(25)	(29)	(106)	(110)
Amortization, note 13(b)	(15)	-	(15)	-
Administrative tax penalties	2	1	-	-
Contracted mining services with Administración de Empresas S.A.C.	(267)	(471)	(1,196)	(1,176)
Other minor	(5,471)	(4,817)	(8,590)	(8,543)
	(19,802)	(19,757)	(49,515)	(50,431)
	(13,450)	(14,013)	9,136	(30,839)

27. Finance income and costs

Below is the composition of the item:

	For the specific quarter from October 1, to December 31		For periods of twelve months ended December 31,	
	2024	2023	2024	2023
	US$(000)	US$(000)	US$(000)	US$(000)
Finance income and costs				
Interest for term deposits	5,058	5,426	19,311	16,778
Interest paid by the Tax Administration	-	-	20	-
	5,058	5,426	19,331	16,778
Discount Update and Others:				
Other	(35)	2	22	36
	(35)	2	22	36
Dividends received	-	-	1,760	1,041
Total	5,023	5,428	21,113	17,855
Finance Costs:				
Interest on loans from financial institutions	(10,038)	(10,939)	(42,928)	(40,222)

Interest of corporate bond	(4,837)	(4,265)	(21,894)	(20,201)
Syndicated loan structuring costs, Marcobre - see note 15(c and d)	(323)	(321)	(1,280)	(1,280)
Interest rate derivative instruments	1,466	2,476	8,560	7,998
Lease interests	(274)	(440)	(1,126)	(1,464)
Amortization of corporate bond issuance costs	(392)	(302)	(1,233)	(1,173)
Assumed taxes related to corporate bond coupons	(1,123)	(1,123)	(1,123)	(1,123)
Other	(48)	(310)	(64)	(312)
	(15,569)	(15,224)	(61,088)	(57,777)
Discount Update and Others:				
Discount update of provisions for mine closure, environmental remediation and others	(1,722)	(1,314)	(6,249)	(5,944)
Account payable discount update of non-controlling interest,	(303)	(104)	(1,303)	(1,392)
Other	(7)	(3)	(24)	(14)
	(17,601)	(16,645)	(68,664)	(65,127)

28. Related parties transactions

(a) Accounts Receivable, Payable and Lease Liabilities -

The balances of accounts receivable and payable with related entities as of December 31, 2024 and December 31, 2023 are as follows:

	As of December 31, 2024	As of December 31,2023
	US$(000)	US$(000)
Classification by existing captions:		
Other receivables (current), note 7(a):		
Other related parties		
Compañía Minera Raura S.A.	1,315	2,079
Administración de Empresas S.A.	487	385
	1,802	2,464
For paying commercial and various (current):		
Other related parties		
Administración de Empresas S.A.	8,992	8,478
Rímac S.A. Entidad prestadora de salud	590	1,275
Inversiones San Borja S.A.	210	125
Corporación Breca S.A.C.	46	47
Protección Personal S.A.C.	48	46
Rímac Seguros y Reaseguros	-	7
Corporación Peruana de Productos Químicos S.A.	4	40
Centria Servicios Administrativos S.A.	59	89
Inversiones Nacionales de Turismo S.A.	5	15
Clínica Internacional. S.A.	5	11
Terpel Comercial del Peru S.R.L.	-	794
	9,959	10,927
Financial obligations		
Other related parties		
Inversiones San Borja S.A.	1,451	2,014
Administración de Empresas S.A.	2,512	6,562
	3,963	8,576
	13,922	19,503

Classification by nature:		
Commercial	9,959	10,927
Financial Obligations	3,963	8,576
	12,914	19,503

There have been no guarantees provided or received on accounts receivable or payable with related entities. For the year ended December 31, 2024 and December 31 2023, the Group has not recorded any impairment of accounts receivable related to amounts owed by related entities. This assessment is carried out each financial year though examining the financial situation of the related party and the market in which the related party operates.

Balances payable to related entities are current due and do not accrue interest and have no specific guarantees.

(b) Remunerations-

The remuneration of the Group's key personnel for the years ended December 31, 2024 and December 31, 2023 has been recognized as an expense in the consolidated income statement and is presented below:

	For the specific quarter from October 1, to December 31		For periods of twelve months ended December 31,	
	2024 US$(000)	2023 US$(000)	2024 US$(000)	2023 US$(000)
Operational				
Perú				
Remuneration	7,765	6,606	35,218	33,836
Directors' allowance	135	135	540	538
	7,900	6,741	35,758	34,374
Discontinued operation				
Brazil				
Fixed remuneration	177	365	1,057	1,330
Variable remuneration	(24)	79	715	1,349
	153	444	1,772	2,679
Total	8,053	7,185	37,530	37,053

The Group does not compensate Management with post-employment benefits, termination of contract, or share-based payments.

29. Commitments

(a) Commitment of capital expenditures –

The capital expense that will be paid and recognized in the future related to the Mina Justa mining unit, agreed on the date of the consolidated statement of financial position is as follows:

	2024 US$(000)	2023 US$(000)
Property, plant and equipment	19,536	18,878

30. Contingencies

Subsidiaries in Peru -

Minsur S.A.

(a) In December 2024 SUNAT notified the Company the Determination Resolutions Nos. 012-0030143419, 012-003-0143420, 012-003-0143421 and 012-003-0143432 and Fine Resolutions No. 012-002-0040827, 012-002-0040828

and 012-002-0040829 as a result of the audit of the income tax returns for the year 2019; through which the deduction of interest related to bonds was mainly disregarded.
The company has filed at the end of January 2025 an appeal for claiming these amounts, which would amount to approximately S/23,615,000. Our advisors consider that the probabilities of success are favorable for Minsur.

In December 2023 SUNAT notified the Company of the Determination Resolutions Nos. 012-003-0136643 and 012-003-0136656 and Fine Resolution No. 012-002-0039508, as a result of the audit of the income tax returns for the year 2020; through which the deduction of interest related to bonds and deduction of depreciation related to fixed assets were mainly disregarded. In January 2024, securities for S/28,268,695 were paid under protest, for this amount the Company has recognized an account receivable. In October 2024 a claim for these amounts has been filed. According to the Company's tax advisors, it is based on solid arguments that would allow obtaining a favorable result, and consequently the recovery of the amounts paid under protest.

In July 2023 the Company made the payment under protest of the Determination Resolutions No. 012-003-0132219 and 012-003-0132221 to 013-003-013223232, as well as the Fine Resolution No. 012-002-0038605, product of the 2017 Income Tax audit; through which the deduction of interest linked to bonds was mainly disregarded. The Company initiated the appeals process against the resolutions with the filing of the appeal in December 2023. In August 2024 the appeal was declared unfounded and the Company will go to the next instance with the filing of the appeal. The Company has recognized an account receivable from the Superintendencia de Administración Tributaria (SUNAT) for S/24,370,561. According to the Company's tax advisors, this is supported by solid arguments that would allow a favorable result to be obtained, and consequently the recovery of the amounts paid under protest.

In the years 2012 and 2013, the Tax Administration notified the Company of Determination Resolutions Nos. 012-003-0028966 and 012-003-0039077, product of the audit of the Income Tax returns for the years 2007 and 2008, respectively; through which it mainly ignored the deduction of mining royalties linked to inventory in stock, pro-rata of common expenses inherent to the rent, and storage and dispatch services that are not expenses for the year. The Company initiated the corresponding challenge proceedings against the determination resolutions. In July 2022, the Company was notified of the Tax Court Resolution (RTF) No. 04482-3-2022 related to the appeals filed for the 2007 and 2008 Income Tax. By means of the aforementioned RTF, the Tax Court revokes the appealed SUNAT's Resolutions related to various expenses and processes the refund requests for the undue or excess payments, receiving in December 2022 the refund from SUNAT of the unduly paid income tax for S/3,622,282 and interest for S/13,353,139 (equivalent to US$3,507,000); as well as the refund of the fines paid for S/2,622,446. It should be noted that in October 2022 SUNAT filed a Contentious Administrative Lawsuit against the aforementioned RTF, according to the Company's tax advisors, the Company's position is based on reasonable arguments that would allow it to obtain a favorable result.
During 2021, the Tax Administration notified the Company of Imtendancy Resolution No. 015-014-0016088 which declared unfounded the claim filed against Determination Resolution No. 012-003-0014415, due to annotations made by this entity in the determination of the Income Tax corresponding to the fiscal year 2005, being that said Intendancy Resolution was appealed by the Company. The Company has cancelled all resolutions issued by the Tax Administration in this process. By RTF 01426-4-2022, the appeal against the Intendancy Resolution was declared unfounded, so the Company filed a contentious-administrative lawsuit against said RTF. Finally, on November 8, 2024, the judicial process was concluded and the appeal was declared unfounded; although the result is unfavorable for the company, it does not imply the recognition of contingent liabilities since the amounts challenged were paid in due time and affected results at the time of disbursement.

During 2020, the Tax Administration notified the Company of the Intendance Resolution No. 0150140015743 which declared null the Determination Resolution No. 012-003-0109743 and Fine Resolution No. 012-002-0033547, and confirmed Determination Resolutions Nos. 012-003-0109730 to 012-003-0109742, by various assessments made by the

tax authority in the determination of the Income Tax corresponding to the 2014 fiscal year, whereas, said Intendance Resolution was appealed by the Company to the extent that it confirmed Determination Resolutions Nos. 012-003-0109730 to 012-003-0109742, issued for the Additional Rate of 4.1% of the 2014 Income Tax. The Company has cancelled all resolutions issued by the Administration tax in this process. Likewise, in August 2023, RTF No. 05761-4-2023 was notified, in which the largest number of objections were confirmed, so in November 2023 it was filed with a Contentious Administrative Lawsuit with the RTF. In the opinion of the Company and its legal advisors, the Company will obtain a favorable outcome.

During 2021, a Contentious Administrative Lawsuit was filed against Tax Court Resolution No. 07028-1-2021, which declared unfounded the appeal followed against Intendancy Resolution No. 0150140015336, related to Income Tax for the year 2011, through which the deduction of losses resulting from the settlement of derivative financial hedging instruments entered into by the Company for the determination of third category net income. The case is currently assigned to the Fifth Transitory Constitutional and Social Chamber of the Supreme Court. The Company has cancelled all resolutions issued by the Tax Administration in this process. In the opinion of the Company and its legal advisors, the Company will obtain a favorable outcome.

(b) Administrative sanctioning processes

During 2024 and in previous years, the Company has received several notifications from the Environmental Evaluation and Oversight Agency (OEFA), the National Water Authority (ANA) and the Supervisory Agency for Investment in Energy and Mining (OSINERGMIN), respectively. These notifications refer to violations of environmental protection and conservation procedures and mining safety and hygiene regulations. As of December 31, 2024, the administrative fines resulting from these proceedings imposed by OSINERGMIN, ANA and OEFA amount to a total of 148 Tax Units - UIT, equivalent to US$211,000 (as of December 31, 2023 it amounted to 317 Tax Units - UIT, equivalent to US$440,000). In relation to these notifications, the Company has presented its comments on the observations made, pending that OSINERGMIN, ANA and OEFA issue their pronouncements on the appeals filed.

Management and its legal advisors have analyzed these processes and have estimated these contingencies as probable, presented in the caption “Provisions” of the consolidated statement of financial position, see note 19(a).

(c) Labor processes -

The Company has several labor lawsuits, mainly for compensation for damages due to professional illness. In this sense, the Management and its external legal advisors have followed up on the various processes that affect the Company. As a result of this analysis, as of December 31, 2024 and 2023, the Company maintains provisions for labor contingencies, which are estimated to be sufficient to cover the risks that affect the business for this concep. As of December 31, 2024, these provisions amount to approximately US$457,000 (US$691,000 as of December 31, 2023) and are presented under the heading "Provisions" in the separate statement of financial position (note 19(d)).

Likewise, as of December 31, 2024, the Company faces other labor lawsuits amounting to US$1,617,000 (US$2,927,000 as of December 31, 2023), in the opinion of Management and in the opinion of its legal advisors, they consider it possible that such legal actions will prosper, so the Company did not register any provision for these labor lawsuits classified as possible as of December 31, 2024 and 2023.

As of December 31, 2024 and 2023, in our opinion and in the opinion of our legal advisors, the Company does not have any resolutions related to environmental contingencies that could qualify as being of a possible nature.

Brazilian Subsidiary - Discontinued Operation

Mineração Taboca S.A. and subsidiary maintain labor, tax and other contingencies that have been classified as possible. The main possible contingencies are detailed below:

(a) Legal Lawsuit with Banco Santos -

Mamoré, the subsidiary of Mineração Taboca S.A., is involved in five lawsuits initiated by Banco Santos, Fund Basa de Investimento Financiero and Mellon Aroveredo Fundo de Investimento Multimercado Previdenceario (Mellon Aroveredo) in relation to an alleged non-payment of credit agreements originally signed with Banco Santos during the years 2005 to 2007. These five claims include three lawsuits in which it is jointly involved with Mamoré, the former parent company Paranapanema. All of these claims, in the opinion of the Group's legal advisors and management's, have a risk of loss qualified as possible and amount to approximately R$153,928,000 equivalent to approximately US$27,834,000 (R$119,116,000 equivalent to US$24,556,000 as of December 31, 2023). In addition, as of December 31, 2024, the subsidiary Mineração Taboca S.A. maintains a provision for contingencies classified as probable for US$2,260,000 (US$2,486,000 as of December 31, 2023) in relation to the demand of Banco Santos, see note 19(d.1).

(b) Civil, Labor and tax proceedings -

Mineração Taboca S.A. and its subsidiaries have civil, labor and tax processes that involve risk of loss of possible nature based on the assessment of its legal advisors for which no provision has been made, in the amount of R$32,348,000, R$4,977,000 and R$204,051,000, respectively, equivalent to approximately US$5,233,000 US$805,000 and US$33,011,000 as of December 31, 2024 (R$36,515,000, R$5,812,000 and R$176,607,000, respectively, equivalent to approximately US$7,528,000, US$1,198,000 and US$36,409,000 as of December 31, 2023).

In 2010, the Indian National Foundation and the Associação dos Povos Indigenas Tenharim Igarapé Petro (as assistant) against Paranapanema filed a lawsuit against our subsidiary Taboca. It is alleged that the cause of action harmed the indigenous population related to mining activities in the 1970s and 1980s, which allegedly ceased without adequate recovery of the area. This lawsuit refers to events prior to the purchase of Taboca by Minsur. Therefore, as a consequence of the notices exchanged, from the beginning, Paranapanema accepted the burden of acting on behalf of both defendants in the case.

Consequently, a ruling was issued in the first instance to award both companies jointly responsible for drafting and executing a technical plan to remedy the indicated area from the perspective of the indigenous population, under penalty of daily fines. No compensation payment is due, although the plaintiffs still dispute this. Currently, the award is limited to the agreed measures (to do), which are not liquid. Both parties filed motions for clarification that are pending decision. The terms for filing appeals have not yet started. Experience shows that there will be appeals and a final discussion on: (i) whether or not liability will apply; (ii) the extent of liability; and (iii) which and how to implement time-consuming remediation measures. It is more likely that a final decision will not be known after many years (in some cases up to 5-10 years).

In parallel, as (a) the events that occurred in the 1970s and 1980s prior to Minsur's acquisition of Taboca, as well as (b) Paranapanema agreed to defend both companies in the lawsuit, there are very good grounds for understanding that Paranapanema should have the full burden of assuming the costs and executing the technical study and its implementation. If Paranapanema does not act accordingly, Taboca will be entitled to exercise a right of appeal. Considering the uncertainty and complexity of this contingency, this cannot be quantified and recognized as of the date of this report.

Also, at December 31, 2024, Mineração Taboca S.A. and its subsidiaries as a discontinued operation face other labor lawsuits amounting to US$1,002,000 (US$1,301,000 at December 31, 2023), in the opinion of management and its legal advisors, these are considered to be of a contingency degree possible that such legal actions will be successful, therefore no provision was recorded for these possible category labor lawsuits at December 31, 2024 and 2023.

31. Segment information

Management has determined the operating segments of the Group based on the reports used for decision-making. Management considers business units based on their products, activities, and geographical location:

- Production and sale of tin produced in Peru.
- Production and sale of tin produced in Brazil.
- Production and sale of gold produced in Peru.
- Production and sale of copper produced in Peru.
- Other mineral exploration and development activities in Peru and Chile.

No other operation segments have been added to be part of the operation segments described above.

All activities are not located in Peru and Chile.

	Tin,gold & copper cathodes (Peru)							
	Tin	Gold	Other non-allocable	Total	Copper	Mining exploration and development	Adjustments and eliminations	Consolidated total Continuous operations
	(Peru)	(Peru)	(Peru)	(Peru)	(Peru)	(Peru and Chile)		
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Year 2024								
Results:								
Net sales from third parties	922,098	116,214	-	1,038,312	1,132,091			2,170,403
Cost of sales	(372,381)	(80,300)	-	(452,681)	(488,805)			(941,486)
Administrative expenses	(57,462)	(12,391)	-	(69,853)	(17,806)	(5,264)	10,129	(82,794)
Selling expenses	(6,395)	(845)	-	(7,240)	(38,065)			(45,305)
Exploration and evaluation expenses	(44,787)		-	(44,787)	(32,829)	(2,151)		(79,767)
Other, net	(10,899)	(1,969)	-	(12,868)	34,567	(2,434)	(10,129)	9,136
Operating income	430,174	20,709	-	450,883	589,153	(9,849)	-	1,030,187
Profit before income tax			640,166	640,166	560,612	(10,175)	(207,687)	982,916
Income tax			(176,620)	(176,620)	(188,036)	-		(364,656)
Net income from continuing operations	430,174	20,709	463,546	463,546	372,576	(10,175)	(207,687)	618,260
Discontinuous operations								(5,684)
Net Income								612,576
Other revelations:								
Additions of property, plant and equipment, right-of-use assets and intangible assets	80,180	16,318	2,954	99,452	146,694	48	29,865	276,059
Depreciation and amortization (included in costs and expenses)	93,373	28,233	1,774	123,380	154,345	32	37,114	314,871
Operating activities	-	-	362,626	362,626	445,205	(6,710)	43,258	844,379
Investing activities	-	-	85,015	85,015	(101,017)	(30,119)	(169,272)	(215,393)

	Tin,gold & copper cathodes (Peru)							
	Tin	Gold	Other non-allocable	Total	Copper	Mining exploration and development	Adjustments and eliminations	Consolidated total Continuous operations
	(Peru)	(Peru)	(Peru)	(Peru)	(Peru)	(Peru and Chile)		
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Year 2023								
Results:								
Net sales from third parties	678,462	103,363	-	781,825	1,228,925			2,010,750
Cost of sales	(345,603)	(89,221)	-	(434,824)	(459,519)			(894,343)
Administrative expenses	(51,635)	(15,512)	-	(67,147)	(18,076)	(1,100)	4,698	(81,625)
Selling expenses	(5,628)	(1,070)	-	(6,698)	(36,872)			(43,570)

Exploration and evaluation expenses	(28,756)	(5)	-	(28,761)	(33,983)	(706)		(63,450)
Other, net	(13,872)	(3,582)	-	(17,454)	(6,282)	(2,405)	(4,698)	(30,839)
Operating income	232,968	(6,027)	-	226,941	674,193	(4,211)	-	896,923
Profit before income tax			478,016	478,016	647,831	5,826	(272,556)	859,117
Income tax			(82,713)	(82,713)	(208,555)	-		(291,268)
Net income from continuing operations	232,968	(6,027)	395,303	395,303	439,276	5,826	(272,556)	567,849
Discontinuous operations - note 1(f)								3,164
Net Income								571,013

	Tin,gold & copper cathodes (Peru)								
	Tin	**Gold**	**Other non-allocable**	**Total**	**Tin**	**Copper**	**Mining exploration and development**	**Adjustments and eliminations**	**Total consolidated**
	(Peru)	**(Peru)**	**(Peru)**	**(Peru)**	**(Brazil)**	**(Peru)**	**(Peru and Chile)**		
	US$(000)	**US$(000)**	**US$(000)**	**US$(000)**	**US$(000)**	**US$(000)**	**US$(000)**	**US$(000)**	**US$(000)**
Other revelations:									
Additions of property, plant and equipment, right-of-use assets and intangible assets	100,173	8,899	1,534	110,606	106,664	207,066			424,336
Depreciation and amortization (included in costs and expenses)	73,465	40,138	1,693	115,296	36,266	133,751	33		285,346
Operating activities	-	-	229,609	229,609	21,665	676,854	(7,305)		920,823
Investing activities	-	-	111,042	111,042	(42,577)	(195,866)	(81)	(204,544)	(332,026)

32. Financial risk management, objectives and policies

32.1. Financial risk factors

The Group's main financial liabilities, other than derivatives, comprise financial liabilities, trade payables and other payables. The main purpose of the financial liabilities is to finance the Group's operations. The Group has cash and term deposits, trade receivables and other receivables that derive directly from its operations. The Group also has financial assets at fair value through changes in other comprehensive income.

Due to the nature of its activities, the Group is exposed to market, credit, liquidity, and capital management risks, which are managed by senior management through a process of continuous identification, measurement and monitoring, subject to limits of risk and other controls. This risk management process is critical for the Group's continued profitability and each person within the Group is responsible for risk exposures related to their responsibilities. The independent risk control process does not include business risks such as changes in the environment, technology and industry, which are monitored through the strategic planning process of the Group's.

(i) Market risks -

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices involve three types of risk: exchange rate risk, interest rate risk, and price risk. Financial instruments affected by market risk include bank deposits and time deposits, accounts receivable and payable in foreign currencies other than the U.S. dollar, derivative financial instruments, and borrowings.

The sensitivity analyses included in the following sections relate to the financial situation as of December 31, 2024 and 2023.

These sensitivity analyses have been prepared on the assumption that the amount of debt, the ratio of fixed and floating interest, and the proportion of financial instruments in foreign currency are all constants to December 31, 2024 and 2023.

Foreign exchange risk -

The Group operates internationally and its exposure to foreign exchange risk results from transactions that are agreed in currencies other than its functional currencies. The Group's transactions are mainly settled in U.S. dollars, Brazilian reales and soles. Although to a lesser extent, the Group also has operations in other currencies such as Chilean pesos. As a result, the Group is exposed to the foreign changes in exchange risk fluctuation.

Management assumes the risk of change with the product of operations; that is, it does not perform hedging operations with derivative financial instruments to cover its foreign exchange risk except for, a significant portion of its operating costs expressed in Brazilian reales at its subsidiary Taboca, classified as a discontinued operation.

The following table shows the sensitivity in the results of the Group with continued and discontinued operations in the years 2024 and 2023 if the Brazilian soles and reals had been revalued/devalued 10 percent with respect to the US dollar:

Year	Revaluation / devaluation in the exchange rate	Effect on profit before income tax US$(000)
December 31, 2024	10%	18,996
	-10%	(18,996)

December 31, 2023	10%	12,327
	-10%	(12,327)

Interest rate risk –

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

As of December 31, 2024 and 2023 the Group's corporate bonds have a fixed effective interest rate, except for the subsidiaries Marcobre and Mineração Taboca, which have entered into floating interest rate loan agreements to mitigate the risk of interest rate variation, in this regard, the Group has entered into derivative financial instruments, see note 33, consequently, management has assessed that it is not relevant to perform a sensitivity analysis to future changes in interest rates.

Price risk –

Investments-

The Group is not exposed to the risk of fluctuation in the prices of its investments maintained and classified in its consolidated statement of financial position at fair value through profit or loss. Management diversifies its investment portfolio in order to reduce its exposure to price risk. The diversification of the portfolio is carried out in accordance with limits established by management.

As of December 31, 2024 and December 31, 2023, the Group does not maintain balances under the heading of financial assets at fair value through profit or loss.

Risks in mineral price fluctuations –

The international price of tin has a material impact on the Group's results of operations. Tin and gold prices have fluctuated historically and are affected by numerous factors beyond the Group's control. The Group manages its price risk mainly through the use of sales commitments within contracts with customers and underwriting derivative contracts for the metals it markets.

The Group has a price risk through its tin sales contracts at provisional quotations, subject to a future price in a given month, based mainly on the monthly average quote published on the LME. To the extent that the final quotes are higher or lower than those initially provisionally recorded, the increase or decrease in income is recorded on each date of the financial report until the date of the final settlement.

The Company and the subsidiary Mineração Taboca S.A. have entered into derivative contracts that qualify as cash flow hedges, with the intention of hedging the risk resulting from the fall in gold and tin prices, respectively. These derivative contracts were recorded as assets or liabilities in the consolidated statement of financial position, and are presented at fair value. To the extent that these hedges were effective to offset future cash flows from the sale of the related production, the changes in fair value were deferred in an equity account. The deferred amounts were reclassified to sales when the related production was sold. As a result of these operations, the Group maintains positions receivable and payable, which are detailed in note 33(b).

The table below summarizes the impact on income before income taxes of changes in the Company's tin price (excluding the subsidiary Mineração Taboca S.A. which has derivative financial instruments to hedge a relevant portion of this risk). This analysis assumes that the tin price has increased or decreased by 10 percent, while all other variables are held constant. For the positive 2024 scenario an average quotation of US$/TM32,560 (average quotation of US$/TM28,571 for the year 2023) was considered; while for the negative scenario an average quotation of US$/TM26,640 (average quotation of US$/TM23,376 for the year 2023) was considered.

Year	Increase/decrease in the market value of metals	Effect on profit (loss) before income tax US$(000)
December 31, 2024	10%	3,917
	-10%	(3,917)
December 31, 2023	10%	3,483
	-10%	(3,483)

International copper prices have a material impact on the subsidiary's results of operations. Copper prices have historically fluctuated and are affected by numerous factors beyond its control. In that regard, the Marcobre subsidiary manages its price risk primarily through the use of sales commitments within customer contracts.

The subsidiary has price risk through its contracts for the sale of copper concentrate at provisional prices, subject to a forward price in a given month, based principally on the average monthly price published on the LME. To the extent that the final quotations are higher or lower than those initially recorded on a provisional basis, the increase or decrease in revenue is recorded at each financial reporting date until the date of the final quotation.

The table below summarizes the impact on income before income taxes of changes in the copper price of the Marcobre subsidiary. This analysis is based on the assumption that the copper price has increased or decreased by 10 percent, with all other variables held constant. For the 2024 positive scenario an average quotation of US$/MT 10,050 (US$/MT 8,679 in 2023) was considered; while for the negative scenario an average quotation of US$/MT 8,223 (US$/MT 7,101 in 2023) was considered.

Year	Increase/decrease in the price of listed minerals	Effect on profit before income tax US$(000)
December 31, 2024	10 %	34,099
	-10 %	(34,099)
December 31, 2023	10 %	60,645
	-10 %	(60,645)

(ii) Credit risk -

The Group's financial assets potentially exposed to credit risk concentrations are mainly banked deposits and trade receivables. With respect to deposits in banks, the Group reduces the probability of significant concentrations of credit risk because its deposits are held in first-class financial institutions and limits the amount of exposure to credit risk in any of the financial institutions.

With respect to trade receivables, there are no significant concentrations. The Group has established policies to ensure that the sale of its production is made to clients with adequate credit history. The maximum exposure to credit risk by the components of the consolidated financial statements as of December 31, 2024 and December 31, 2023 is represented by the sum of cash and cash equivalents, trade and other receivables.

Financial instruments and bank deposits –

The credit risk of the balance in banks is managed by the Administration and Finance Department in accordance with the Group's policies. Counterparty credit limits are reviewed by Management and the Board of Directors. Limits are set to minimize the concentration of risk and therefore mitigate financial losses from potential default of the counterparty.

Trade accounts receivable –

The client credit risk is managed by management, subject to duly established policies, procedures, and controls. Outstanding balances of trade receivables are periodically reviewed and classified according to the credit risk profile with credit limits to ensure recovery. The Group's sales of tin and gold are made to foreign customers located mainly in Europe and the Americas, respectively, and because there is no significant concentration of sales (see note 21), if has limited, credit risk is limited exposition.

On the other hand, according to Management's assessment based on, the aging analysis of trade accounts receivables as of December 31, 2024 compared to December 31, 2023 has not suffered significant delays. The Group's management will continue to closely evaluate the impact of health emergencies on the international economy and the impact on the client portfolio and its credit behavior.

Others accounts receivable –

Others accounts receivable other than the tax credit for value added tax and other tax credits correspond to outstanding balances receivable for items that are not related to the Group's main operating activities. The Group's management continuously monitors the credit risk of these items and periodically evaluates those debts that show impairment to determine the provision required for collectability.

(iii) Liquidity risk –

The prudent management of liquidity risk involves maintaining sufficient cash and cash equivalents, the availability of financing through an adequate number of committed sources of financing, and the ability to close market positions. In this sense, the Group does not have significant liquidity risks since historically as the cash flows of its operations have allowed it to maintain sufficient cash to meet its obligations.

The Group permanently monitors liquidity reserves based on the analysis of its working capital (liquidity ratio) and projections of its cash flows that, take into consideration the future prices of the products it commercializes and the costs necessary for its production and sale.

The following table shows the maturities of the financial liabilities of the Consolidated Statements of Financial Position as of December 31, 2024 and 2023:

	On view	**Due to expire in less than 1 year**	**To expire from 1 to 5 years**	**Older than 5 years**	**Total**
	US$(000)	**US$(000)**	**US$(000)**	**US$(000)**	**US$(000)**
As of December 31, 2024					
Financial obligations:					
Financial loans	-	200,000	300,000	-	500,000
Bonds principal	-	-	-	500,000	500,000
Trade and other payables	-	205,108	9,517	176	214,801
Bonds interest	-	22,500	90,000	45,000	157,500
Promissory notes payable	-	100,000	-	-	100,000
Future Note Interest	-	4,816	-	-	4,816
Financial derivative liability	-	17,179	31,011	4,294	52,484
Interest, on financial obligations	-	20,580	13,849	-	34,429
Leases	-	6,815	7,124	4,009	17,948
Interest on future leases	-	1,657	1,696	1,803	5,156
Total	-	578,655	453,197	555,282	1,587,134

As of December 31, 2023					
Financial obligations:					
Financial loans	-	48,510	635,369	-	683,879
Bonds principal	-	-	-	500,000	500,000
Trade and other payables	-	229,952	8,614	222	238,788
Bonds interest	-	22,500	112,500	45,000	180,000
Promissory notes payable	-	100,000	0	-	100,000
Financial derivative liability	-	18,932	14,482	-	33,414
Interest, on financial obligations	-	24,995	47,726	-	72,721
Leases	-	23,250	48,144	4,682	76,076
Interest on future leases	-	2,605	2,828	2,147	7,580
	-	470,744	869,663	552,051	1,892,458

Changes in liabilities from financing activities

The following is a reconciliation of the changes in financial liabilities and financing activities in the consolidated statement of cash flows:

	January 1, 2024	Cash flows	Additions	Accrual of financial costs	Translation	Application of amortized cost note 15(b)	Discontinued operations Note 15(b) and Note 16 (b)	December 31, 2024
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Corporate bonds	488,585	-	-	-	-	1,233		489,818
Financial loans	685,981	(50,000)	25,281		(4,231)	1,280	(160,210)	498,101
Promissory notes payable	100,000	(100,000)	100,000					100,000
Leases	78,850	(23,729)	13,798		(11,401)		(39,570)	17,948
Financial costs	19,013	(70,183)		55,126				3,956
Total liabilities of financing activities	1,372,429	(243,912)	139,079	55,126	(15,632)	2,513	(199,780)	1,109,823

	January 1, 2023	Cash flows	Additions	Accrual of financial costs	Translation	Application of amortized cost note 15(b)	December 31, 2023
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Corporate bonds	487,412					1,173	488,585
Financial loans	642,278	(53,989)	95,017		1,435	1,240	685,981
Promissory notes payable	206,000	(206,000)	100,000		-		100,000
Leases	39,317	(23,291)	60,750		2,074		78,850
Financial costs	16,159	(67,175)	-	70,029	-		19,013
Other financial obligations – Leasing	684	(684)	-				-
Total liabilities of financing activities	1,391,850	(351,139)	255,767	70,029	3,509	2,413	1,372,429

33. Financial derivative instruments

(a) Since interest payments on loans obtained by the subsidiary Marcobre, note 15(c), are subject to variations originated at variable interest rates, the Group decided to opt for a strategy of hedging 100% of the financial risk associated with the liability. Therefore, 100% of the Group's cash flows, which qualify as highly probable transactions, are prospectively hedged under an interest rate swap. This "Interest Rate Swap" contract was entered into for a maximum amount of $500,000,000, which hedges 100% of the loan of the subsidiary Marcobre.

Below is a summary of the instruments subscribed as of December 31,2024 and 2023:

Entity	Value reference (maximum) US$(000)	Agreed rate %
Citibank N.A., New York		
Interest Rate Swap	500,000	3.457%

		Starting value covered	
		2024 US$(000)	2023 US$(000)
Hedging Cash Flows -			
Interest Rate Swap	From December 2022 to June 2027	43,832	48,224
Total		43,832	48,224

Below, the fair value of the derivative financial instruments and their detail as of December 31, 2024 and 2023 is as follows:

Counterparty	Reference amount (b) US$(000)	Maturity	Receive variable a:	Fixed pay to:	Fair value 2024 US$(000)
Citibank N.A., New York	500,000	Jun-27	TERM SOFR 3M	5.207%	4,320
Classification by expiration:					
Current portion – Active					3,014
Non-current portion – Active					1,304
					4,318

Counterparty	Reference amount (b) US$(000)	Maturity	Receive variable a:	Fixed pay to:	Fair value 2023 US$(000)
Citibank N.A., New York	500,000	Jun-27	TERM SOFR 3M	5.207%	4,530
Classification by expiration:					
Current portion – Active					6,078
Non-current portion – Active					(1,548)
					4,530

(b) As of December 31, 2024 the Group has recognized a receivable for the fair value of derivative financial instruments in the amount of US$4,320,000 of which US$3,015,000 is current maturity and US$1,305, 000 of non-current maturity (the Group has recognized an account receivable for the fair value of derivative financial instruments in the amount of US$4,530,000 of which US$6,078,000 of current maturity and an account payable for US$1,548,000 of non-current maturity as of 2023), whose impact on other comprehensive income was as follows:

	Effect on other comprehensive income on the consolidated statement Income (expense)	
	2024 US$(000)	**2023** US$(000)
Derivatives of interest rates –		
Interest rate swap	(211)	(2,741)
	(211)	(2,741)
(-) Deferred income tax	55	713
Net effect	(156)	(2,028)

The subsidiary Mineração Taboca S.A., classified as a discontinued operation in assets and liabilities, maintains derivative financial instruments designated as cash flow hedges corresponding to interest rate swaps, Zero Cost Collar of exchange rate and metals and NDF (Non Deliverable Forward) of exchange rate and metals with the objective of hedging and managing the risks inherent to the variation of foreign currency (dollar in the case of Mineração Taboca S.A.), tin prices and variable interest rate. To the extent that these hedges were effective to offset future cash flows from the sale of the related production, the changes in fair value were deferred in an equity account. The deferred amounts were reclassified to sales when the related production was sold. At December 31, 2024, the net fair value of these Zero Cost Collar and NDF amounts to US$4,595,000 (equivalent to R$28,403,000) (US$4,191,000 equivalent to R$20,327,000 at December 31, 2023) and Swap amounts to US$719,000 (equivalent to R$4,442,000) (US$3,289,000 equivalent to R$15,953,000 at December 31, 2023).

(c) Gold price coverage –

The Company signed contracts that include derivative financial instruments with the objective of reducing the risk on cash flows attributable to the fluctuation of the gold price, from January 2020 to December 2024.

At December 31, 2023, the Company approved a new hedging program for the periods (2024 - 2031) which includes 108,519 ounces of gold for that period and at February 29, 2024, 15,186 ounces of gold were added.

The Company has designated these derivatives as cash flow hedges since it has determined that there is an appropriate economic relationship between the hedging instruments and the hedged items, which are highly probable.

The composition of the unsettled transactions that form part of the hedging derivative liability at December 31, 2024 and December 31, 2023 is presented below:

Metal	Instrument	Expiration period	Covered Volumen oz	Agreed price US$/oz	Estimated price US$/oz	Fair value US$(000)
			Year 2024			
Coverage program (2020-2024)						
Gold	**Zero Cost Collar**					
		Year 2024	2,667	1450 - 1775	2,644	(2,318)
Coverage programme (2024-2031)						
		Year 2024	1,001	2100 - 2418	2,644	(226)
		Year 2025	41,143	2100 - 2349	2,693	(14,635)
		Year 2026	33,230	2100 - 2386	2,827	(14,390)
		Year 2027	12,152	2100 - 2426	2,922	(6,137)
		Year 2028	9,618	2100 - 2459	3,027	(5,544)
		Year 2029	7,649	2100 - 2480	3,102	(4,940)
		Year 2030	2,900	2100 - 2505	3,133	(2,053)
		Year 2031	2,900	2100 - 2505	3,156	(2,241)
						(52,484)

Metal	Instrument	Expiration period	Covered Volumen oz	Agreed price US$/oz	Estimated price US$/oz	Fair value US$(000)
			Year 2023			
Coverage program (2020-2024)						
Gold	**Zero Cost Collar**					
		Year 2024	32,000	1,450 – 1,775	2,111	(20,535)
Coverage programme (2024-2031)						
		Year 2024	12,010	2,100 – 2,418	2,111	1,433
		Year 2025	38,301	2,100 – 2,349	2,225	5,059
		Year 2026	24,321	2,100 – 2,386	2,243	3,606
		Year 2027	11,376	2,100 – 2,426	2,263	1,727
		Year 2028	9,062	2,100 – 2,459	2,279	1,536
		Year 2029	7,649	2,100 – 2,480	2,290	1,424
		Year 2030	2,900	2,100 – 2,505	2,303	570
		Year 2031	2,900	2,100 – 2,505	2,303	582
						(4,598)

The effective portion of the variations in the fair value of derivative financial instruments that qualify as hedging are recognized as assets or liabilities, with net equity as their counterpart the "Consolidated statement of other comprehensive income".

As of December 31, 2024 and 2023, the Group recognized in the “Consolidated statement of other comprehensive income” a negative and positive change in fair value of approximately US$46,632,000 and US$6,462,000, respectively, which is presented net of the income tax effect.

(d) Below is the classification according to its expiration as of December 31, 2024 and December 31, 2023:

Instruments – As of December 31, 2024	Nature	Current US$(000)	Non-current US$(000)	Total US$(000)
Interest rate hedge – Marcobre	Active	3,014	1,304	4,318
Total Assets		3,014	1,304	4,318

Metal price hedge – Minsur	Passive	17,179	35,305	52,484
Total Liabilities		17,179	35,305	52,484

Instruments–As of December 31, 2023	**Nature**	**Current** US$(000)	**Non-current** US$(000)	**Total** US$(000)
Interest rate hedge – Marcobre	Active	6,078	-	6,078
Metal Price Hedging - Minsur	Active	1,476	25,791	27,267
Operation discontinued:				
Precio hedge -Taboca	Active	3,622	-	3,622
Exchange rate hedge-Taboca	Active	569	-	569
Interest rate hedge - Taboca	Active	2,797	492	3,289
Total Assets		14,542	26,283	40,825
Interest rate – Marcobre	Passive	-	1,548	1,548
Metal price hedge – Minsur	Passive	18,931	12,934	31,865
Total Liabilities		18,931	14,482	33,413

34. Financial assets and liabilities

(a) Financial assets: Financial assets include cash and cash equivalents and sundry accounts receivable. All of the Group's financial assets are classified in the accounts receivable category. Accounts receivable are held to maturity. The carrying value may be affected by changes in the credit risk of counterparties.

Financial liabilities: All of the Group's financial liabilities, except for the embedded derivative on the sale of tin, include trade and other payables and Senior Notes which are classified as Financial liabilities and carried at amortized cost.

(b) Fair value –

The fair value is defined as the amount for which an asset or a settled liability could be exchanged between parties aware and willing to do so in a current transaction, under the assumption that the entity is a going concern.

The following methods and assumptions were used to estimate fair values:

Financial instruments whose fair value is similar to the carrying book value –

For financial assets and liabilities that are liquid or have short-term maturities (less than three months), such as cash and cash equivalents, trade and other receivables, net, trade and other payables and other current liabilities are considers, the carrying value is similar to fair value.

Fixed and variable rate financial instruments –

The fair value of financial assets and liabilities that are subject to fixed and variable rates at amortized cost is determined by comparing market interest rates at the time of initial recognition with current market rates related to similar financial instruments. The fair value of deposits that yield interest are is determined by discounted cash flows using market interest rates in the prevalent currency, and similar maturities and credit risks.

Based on the above, a comparison is made below between the carrying amounts and the fair values of the Group's financial instruments presented in the consolidated statement of financial position. The table does not include fair values of non-financial assets and liabilities:

	Book Value		Fair value	
	2024	2023	2024	2023
	US$(000)	US$(000)	US$(000)	US$(000)
Financial assets				
Cash and cash equivalents	230,804	345,631	230,804	345,631
Trade and other receivables, net	382,122	309,213	382,122	309,213
Derivative financial instruments	4,318	40,825	4,318	40,825
Financial assets at fair value though other comprehensive income	25,945	21,670	25,945	21,670
Total financial assets	643,189	717,339	643,189	717,339

	Book Value		Fair value	
	2024	2023	2024	2023
	US$(000)	US$(000)	US$(000)	US$(000)
Financial liabilities				
Financial obligations:				
Other financial obligations	598,101	785,981	598,101	789,426
Corporate bonds	489,818	488,585	449,660	445,105
Trade and other payables	214,801	290,835	214,801	291,456
Derivative financial instruments	52,484	33,413	52,484	33,413
Total financial liabilities	1,355,204	1,598,814	1,315,046	1,559,400

(c) Fair value measurement -

All financial instruments for which fair value is recognized or disclosed are categorized within the fair value hierarchy, based on the lowest level information that is significant to the fair value measurement as a whole. The fair value hierarchies are as described in note 2.3 (iv).

For assets and liabilities that are recognized at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-categorization (based on the lowest-level information that is significant to the fair value measurement as a whole) at the end of each reporting period of the consolidated financial statements.

Management evaluates that the fair value of cash and time deposits, miscellaneous accounts receivable and other current liabilities approximates their carrying value due to the short-term maturities of such instruments.

During the year ended December 31, 2024 there were no transfers between fair value hierarchies.

Measurement disclosure of the fair value of financial assets by hierarchy as of December 31, 2024 –

	Total US$(000)	Measurement at fair value using: Quoted prices in active markets (Level 1) US$(000)	Significant observable inputs Data (Level 2) US$(000)	Significant unobservable inputs (Level 3) US$(000)
As of December 31, 2024				
Assets measured at fair value:				
Financial assets at fair value through other comprehensive income	25,945	25,945	-	-
Derivative financial instruments	4,318	-	4,318	-
Trade receivables (subject to provisional pricing)	164,196	164,196	-	-
Discontinued operation - Derivative financial instruments	6,489	-	6,489	-
Liabilities recognized at fair value:				
Derivative financial instruments	52,484	-	52,484	-
Discontinued operation - Derivative financial instruments	10,365	-	10,365	-

During the year ended December 31, 2023 there were no transfers between fair value hierarchies.

The following table presents the fair value measurement hierarchy of assets at December 31, 2023 –

	Total US$(000)	Measurement at fair value using: Quoted prices in active markets (Level 1) US$(000)	Significant observable inputs Data (Level 2) US$(000)	Significant unobservable inputs (Level 3) US$(000)
As of December 31, 2023				
Assets measured at fair value:				
Financial assets at fair value through other comprehensive income	21,670	21,670	-	-
Derivative financial instruments	40,825	-	40,825	-
Trade receivables (subject to provisional pricing)	191,362	191,362	-	-
Liabilities recognized at fair value:				
Derivative financial instruments	33,413	-	33,413	-

The following methods and assumptions were used to estimate fair values:

- The fair value of financial assets at fair value through comprehensive income is based on the current price published by the Lima Stock Exchange of Rimac Seguros shares for the amount of shares held at the close of December 31, 2024 and 2023.
- The fair value of the listed corporate bonds is based on the current market value of the notes at December 31, 2024 and 2023.
- The fair values of derivative financial instruments were determined using valuation techniques based on market data. The valuation techniques applied include valuation models of “zero-cost collars” widely recognized and recommended by specialized literature, and using present value calculations. These models take into account various factors, including forward price curves (metals) and forward interest rate curves.

35. Subsequent events

Between January 1, 2025 and the date of issuance of the consolidated financial statements (March 3, 2025), no subsequent significant financial-accounting events have occurred that could affect the interpretation of these consolidated financial statements.