Minsur S.A. and Subsidiaries

Unaudited interim condensed consolidated financial statements as of June 30, 2022 and 2021 and for the three months periods then ended.

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. domiciled in Peru, which holds 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, Office 501A, San Borja, Lima, Peru.

(b) Business activity -

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

Through its subsidiary Minera Latinoamericana S.A.C., the Company has investments in Mineração Taboca S.A. and subsidiary (which operate the tin mine and a smelting plant located in Brazil), in Inversiones Cordillera del Sur Ltda. and subsidiaries (holding of shares of a group mainly dedicated to the production and selling of cement in Chile), in Inversiones Cordillera Inmobiliaria SpA (a Chilean real estate investment company) and in Minera Andes del Sur SPA and subsidiary (a Chilean company engaged in mining activities). The investment in Inversiones Cordillera del Sur Ltda. and Inversiones Cordillera Inmobiliaria SpA are accounted for as an investment in an associates.

In addition, through its subsidiary Cumbres Andinas S.A.C., the Company holds shares in Marcobre S.A.C., a mining company that is dedicated to the extraction, production and marketing of copper concentrates and cathodes, and which has started commercial operations on August 1, 2021. 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 for the Mina Justa project amounted to US$1.8 billion and it is estimated to have an average annual production for the life of mine (LOM) of 169,800 wet tons of copper concentrate and 43,000 tons of copper cathodes.

Likewise, through its subsidiary Cumbres del Sur SAC, 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 evaluation of stage minerals and closure of its environmental liabilities at the Regina Mining Unit.

As of June 30, 2022 and December 31, 2021, the Group is developing the following projects:

(b.1) Mina Justa Project

Copper project developed through its subsidiary Marcobre, located in the province of Nazca, Ica region. During 2022, the Company has not made any contributions through its subsidiary Cumbres Andinas S.A.C.. In 2021, US$61,500,000 was contributed through its subsidiary Cumbres Andinas S.A.C., which were mainly for the execution and construction phase of the project, which has guarantees as detailed in note 10(c). The project commenced commercial production on August 1, 2021.

(b.2) Tailings dam Project B4 in San Rafael

Minsur S.A. is developing the tailings dam project B4 located at the San Rafael mine, whose investment amounts to US$102,182,000 as of June 30, 2022. The project consists of the construction of a new tailings dam for the San Rafael and B2 plants that will ensure the continuity of operations. The project is scheduled for completion in the third quarter of 2022.

(c) Covid-19 -

Covid-19, an infectious disease caused by a new coronavirus, was declared a global pandemic by the World Health Organization on March 11, 2020 and new variants have been identified during 2021 and so far in 2022. Measures to decrease the spread of Covid-19 have had a significant impact on the global economy.

On March 15, 2020 and through Supreme Decree N°044-2020, the Peruvian Government declared a state of emergency at the national level, closing all businesses considered non-essential (the exceptions were the production and marketing of food, pharmaceutical products, financial services, and health). As a result of these provisions imposed by the Peruvian Government, the Company temporarily halted its production activities at the Pucamarca, San Rafael, B2 and Pisco Refinery and Smelter Mining Units until the beginning of May 2020, where only critical activities were carried out, maintenance, and those necessary to guarantee the safety and health of the personnel and those related to caring for the environment.

In accordance with the provisions of the Peruvian Government, the Group's operations gradually restarted their productive activities during the first weeks of May, beginning with the implementation of new security protocols and then mobilizing the personnel and resuming their normal production levels during the third quarter period of 2020, levels that have been maintained up to the date of publication of this report.

During February 2021, the Government started a vaccination program throughout the Peruvian territory to mitigate the risk of a higher rate of contagion, transmission of the virus and impact on the Peruvian economy. In addition, on January 21, 2022, the Government decided to extend the state of sanitary emergency at the national level for 180 calendar days from March 2, 2022 to August 29, 2022 in order to continue with prevention, control and health care actions for the protection of the population throughout the country.

Subsidiaries in Brazil

At the beginning of April, aware of its social role, the Group took measures to protect and safeguard the health of its employees, in accordance with the recommendations of the WHO and the Ministry of Health, deciding to suspend activities in the Pitinga and Pirapora units.

After the implementation of new health and safety protocols, which ensure the well-being of employees, the Group decided to progressively resume its operations at the beginning of May 2020 of its mining units in Brazil.

Consequently, due to the temporary lockdown and progressive restart of operations, the Group obtained a lower production of treated tons of tin, generating indirect fixed costs not absorbed in the production process, however, the subsidiary Mineração Taboca S.A. resumed its production levels during the third quarter of 2020, which has been maintained up to the date of publication of this report.

Since the beginning of Covid-19, the Group has taken several measures to preserve the health of its employees and to prevent contagion in the administrative and operational areas of the subsidiaries, such as remote work, rigorous cleaning of work environments, distribution of personal protective equipment, testing of suspected cases and measurement of body temperature.

The Group's management has been continuously monitoring the potential short, medium and long term implications of Covid-19 in its interim condensed consolidated financial statements based on the extension of the State of National Emergency established by the Peruvian and Brazilian Government, and considers that these measures will not have an impact on the continuity and development of the operations of the Company and its subsidiaries because the mining activity is within the group of permitted economic activities.

(d) Consolidated financial statements –

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

	Equity interest			
	June 30, 2022		December 31, 2021	
	Direct %	Indirect %	Direct %	Indirect %
Subsidiaries in Chile:				
Minera Andes del Sur SPA	-	100.00	-	100.00
Subsidiaries in Brasil:				
Mineração Taboca S.A.	-	100.00	-	100.00
Mamoré Mineração e Metalurgia Ltda.	-	100.00	-	100.00
Subsidiaries in Perú:				
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 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.

- Mineração Taboca S.A. -

  This mining entity is engaged in the exploitation of the Pitinga mine, located in the northeast region in the Amazonas state, in the Federative Republic of Brazil. This mine has mainly resourced of tin, as well as other minerals. Mineração Taboca S.A. also operates the Pirapora smelter located in Sao Paulo.

- Mamoré Mineração e Metalurgia Ltda. -

  This subsidiary is engaged in the operation of the smelting plant of Pirapora, in Sao Paulo, Brazil.

- 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 Ltda., Inversiones Cordillera Inmobiliaria Lta and in Minera Andes del Sur S.P.A.

- Cumbres Andinas S.A.C. -

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

- Cumbres del Sur S.A.C. -

  The purpose of this subsidiary is the exploration and exploration 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 exploration and evaluation stage of mineral resources and closure of its environmental liabilities at the Regina mining unit.

- Marcobre S.A.C. -

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

(f) Approval of the interim condensed consolidated financial statements. -

The unaudited interim condensed consolidated financial statements as of June 30, 2022 were approved for issuance by the Group's Management on August 15, 2022.

2. Basis of preparation and other significant accounting policies

2.1. Basis of preparation and presentation -

The interim condensed financial statements of the Group have been prepared and presented in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board ("IASB"), effective as of June 30, 2022.

The interim condensed consolidated financial statements have been prepared based on historical cost, except for trade accounts receivable, financial assets at fair value with changes in other comprehensive income and financial instruments derivatives which are presented at fair value.

The interim condensed consolidated financial statements are presented in United States dollars (US$), and all figures have been rounded to thousands, except where otherwise indicated.

The interim condensed consolidated financial statements provide comparative information for prior periods, however, 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 31,2021.

The Group has prepared its interim condensed consolidated financial statements under the going concern assumption. In order to carry out its evaluation of a going concern, Management has taken into consideration the matters that may cause an interruption of its operations. Management has considered all future available information that it has obtained after the reporting date up to the date of approval and issuance of the accompanying interim condensed consolidated financial statements.

The following matters have been addressed when preparing these interim condensed consolidated financial statements, assuming the going concern assumption:

- The Group has maintained its commercial activities and the pace of its operations.
- The Group has sufficient cash and credit lines available to withstand adverse effects on current and future operations.
- The Group has the support of the main shareholders, who have the capacity and financial solvency to be able to finance the required working capital.
- It does not expect Covid-19 to significantly affect the value of its assets, nor does it anticipate material impairment or change in accounting judgments that affect the measurement of the Group's assets and liabilities.

2.2. Accounting policy and disclosures changes

Certain standards and amendments are effective for annual periods beginning on or after January 1, 2022. The Group has not early adopted any standards, interpretations or amendments issued that are not yet effective.

Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37
An onerous contract is a contract under which the unavoidable costs (i.e. costs that the Company cannot avoid because it has the contract) of performing the obligations under the contract exceed the economic benefits expected to be received under the contract. The amendments specify that in assessing whether a contract is onerous or loss-making, an entity should include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., direct labor and material costs) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to perform the contract, as well as contract management and supervision costs). General and administrative costs are not directly related to a contract and are excluded unless they are explicitly allocable to the counterparty under the contract. This modification has not had a significant impact on the Group.

Property, Plant and Equipment: Collection before Intended Use - Amendments to IAS 16
The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment any proceeds from the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from the sale of those items and the costs of producing those items in profit or loss for the period.

This amendment has not had any impact on the Group.

IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities
The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or amended financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by the borrower or the lender on behalf of the other.

This amendment has not had a significant impact on the Group.

For comparative purposes, as a result of the evaluation of the income tax calculation methodology in accordance with IAS 34, and of the evaluation of the value of the investment in subsidiaries and associates, the impacts on the condensed consolidated interim statement of income for the first half and second quarter of 2021 are detailed below. Additionally, the presentation as cost of sales and administrative expenses in respect of the effects of settlements of hedging derivative financial instruments was identified as a reclassification based on the updates and/or improvements in its accounting policies in the Taboca subsidiary, in order to achieve a better presentation for users of the comparative condensed interim consolidated financial statements.

Consolidated Income Statement from January to June 2021:

	30.06.2021	**Evaluation of income tax calculation methodology**	**Reestimation of the associated investment Cordillera del Sur**	**Reclasification Hedge Taboca**	**30.06.2021**
	Reported				**Restated**
	US$(000)	**US$(000)**	**US$(000)**	**US$(000)**	**US$(000)**
Net sales	476,236				476,236
Cost of sales	(230,458)			(3,608)	(234,066)
Gross margin	245,778				242,170
Administrative expenses	(29,810)			(401)	(30,211)
Selling expenses	(5,477)				(5,477)
Exploration expenses	(7,872)				(7,872)
Other operating expenses	(19,985)				(19,985)
Other operating income	22,186				22,186
Total operating expenses	(40,958)				(41,359)
Operating income	204,820				200,811
Other income (expenses)					
Finance income	2,998				2,998
Finance costs	(25,677)			4,009	(21,668)
Gain (loss) from investments in associates, net	7,075		773		7,848
Dividends received	781				781
Exchange difference, net	(4,042)				(4,042)
Total other income (expenses)	(18,865)				(14,083)
Profit before income tax	185,955				186,728
Income tax expense	(42,504)	(11,329)		-	(53,833)
Profit or loss for the period	143,451	(11,329)	773	-	132,895

Consolidated Income Statement from April to June 2021:

	From 01.04.2021 to 30.06.2021	Evaluation of income tax calculation methodology	Reestimation of the associated investment Cordillera del Sur	Reclasification Hedge Taboca	From 01.04.2021 to 30.06.2021
	Reported				Reestated
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Net sales	227,495				227,495
Cost of sales	(106,176)			206	(105,970)
Gross margin	121,319				121,525
	-				-
Administrative expenses	(15,481)			23	(15,458)
Selling expenses	(3,409)				(3,409)
Exploration expenses	(5,016)				(5,016)
Other operating expenses	(8,181)				(8,181)
Other operating income	5,589				5,589
Total operating expenses	(26,498)				(26,475)
	-				-
Operating income	94,821				95,050
	-				-
Other income (expenses)	-				-
Finance income	462				462
Finance costs	(10,872)			(229)	(11,101)
Gain (loss) from investments in associates, net	2,166		773		2,939
Dividends received	781				781
Exchange difference, net	10,545				10,545
Total other income (expenses)	3,082				3,626
	-				-
Profit before income tax	97,903				98,676
Income tax expense	(30,760)	(11,329)			(42,089)
	-				-
Profit or loss for the period	67,143	(11,329)	773		56,587

Interim consolidated statements of comprehensive income from January to June 2021:

	30.06.2021 Reported US$(000)	Evaluation of income tax calculation methodology US$(000)	Reestimation of the associated investment Cordillera del Sur US$(000)	30.06.2021 Restated US$(000)
Net (loss) profit	143,451	(11,329)	773	132,895
				-
Other comprehensive income:				-
Profits (Losses) of Investments in Equity Instruments at Fair Value, net of Taxes	(2,677)	-	-	(2,677)
Net Change in Cash Flow Hedges	(582)	-	-	(582)
Exchange difference on traslation of foreing operations	(2,622)	-	(4,769)	(7,391)
Participation in other comprehensive income of associates using the equity method, net of taxes	67	(29)	-	38
Net comprehensive income	(5,814)	(29)	(4,769)	(10,612)
				-
Total comprehensive income	137,637	(11,358)	(3,996)	122,283
				-
Attributable to:				-
Equity holders of the parents	137,741	(10,995)	(3,996)	122,750
Non-controlling interests	(104)	(363)	-	(467)
Total comprehensive income	137,637	(11,358)	(3,996)	122,283

Interim consolidated statements of comprehensive income from April to June 2021:

	From 01.04.2021 to 30.06.2021 Reportaded US$(000)	Evaluation of income tax calculation methodology US$(000)	Reestimation of the associated investment Cordillera del Sur US$(000)	From 01.04.2021 to 30.06.2021 Restated US$(000)
Net (loss) profit	67,143	(11,329)	773	56,587
	-			-
Other comprehensive income:	-			-
Profits (Losses) of Investments in Equity Instruments at Fair Value, net of Taxes	(4,230)	-	-	(4,230)
Net Change in Cash Flow Hedges	(14,918)	-	-	(14,918)
Exchange difference on traslation of foreing operations	2,101	-	(4,769)	(2,668)
Participation in other comprehensive income of associates using the equity method, net of taxes	42	(29)	-	13
Net comprehensive income	(17,005)	(29)	(4,769)	(21,803)
	-			-
Total comprehensive income	50,138	(11,358)	(3,996)	34,784
	-			-
Attributable to:	-			-
Equity holders of the parents	50,458	(10,995)	(3,996)	35,467
Non-controlling interests	(320)	(363)		(683)
Total comprehensive income	50,138	(11,358)	(3,996)	34,784

Consolidated statement of cash flows:

- Presentation as an investing activity the collection of interest and yields.
- Presentation as a financing activity the payment of interest and yields.

	30.06.2021 Reported US$(000)	Reclassifications US$(000)	30.06.2021 Reclassified US$(000)
Operating activities			
Collection from customers	478,516	-	478,516
Interest and yield collection	1,352	(1,352)	-
Payments to suppliers	(271,576)	-	(271,576)
Payroll and social benefit payments	(88,705)	-	(88,705)
Collection of general sales tax refunds, taxes and penalties	(52,598)	-	(52,598)
Interest and yield payments	(17,633)	17,633	-
Other Cash Receipts Related to Operating Activities	20,342	-	20,342
Net cash flows (used in) provided by operating activities	69,698	16,281	85,979
Investing activities			
Payments for opening time deposits with original maturity over 90 days	(60,681)	-	(60,681)
Collection for the settlement of time deposits over 90 days	80,576	-	80,576
Interest and yield collection		1,352	1,352
Dividends received	1,012		1,012
Collections for sale of property, plant and equipment	9,990	-	9,990
Payments for purchase of property, plant and equipment	(175,817)	-	(175,817)
Payments for purchase of intangible assets	(35,981)	-	(35,981)
Net cash flows used in investing activities	(180,901)	1,352	(179,549)
Financing activities			
Obtaining bank loans	305,110	-	305,110
Payment of financial obligations	(54,437)	-	(54,437)
Lease payments	(6,464)	-	(6,464)
Non-controlling interest contributions	41,000	-	41,000
Dividends payment	(250,000)	-	(250,000)
Interest and yield payments		(17,633)	(17,633)
Other charges related to the activity	(3,075)	-	(3,075)
Net cash flows provided by financing activities	32,134	(17,633)	14,501
Net (decrease) increase in cash and cash equivalents	(79,069)	-	(79,069)
Net exchange difference	(583)	-	(583)
Cash and cash equivalents as of January 1	257,410	-	257,410
		-	
Cash and cash equivalents as of June 30, 2021	177,758	-	177,758

3. Cash and cash equivalents and Other financial assets

(a) The composition of the item is presented below:

	30.06.2022 US$(000)	31.12.2021 US$(000)
Bank current accounts (b)	424,233	406,802
Time deposits (c)	48,100	62,215
Overnight deposits (d)	46,946	0
Certificates of bank deposits (e)	1,674	323
Cash on hand and petty cash	15	13
Balance considered in the consolidated statements of cash flow	520,968	469,353
Time deposits with original maturities greather than 90 days	1,200	-
Total	522,168	469,353

(b) As of June 30, 2022, and December 31, 2021, the Group maintains its deposits in current accounts in top-tier local and foreign banks, they are freely available and bear interest at market rates.

(c) Time deposits have original maturities of less than 90 days from their constitution and can be renewed at maturity. As of June 30, 2022, and December 31, 2021, these deposits earned interest calculated with market rates, and were settled in July 2022 and January 2022, respectively.

(d) Overnight deposits are deposits in a foreign bank, bearing interest at effective market rates.

(e) As of June 30, 2022, they correspond to bank deposit certificates (hereinafter "CDI") held by Mineração Taboca S.A. for R$8,692,000 (equivalent to US$1,673,000) that accrue interest at a 20 percent CDI rate and have original maturities of less than 90 days (R$1,801,000 equivalent to US$323,000 as of December 31, 2021 that accrued interest at a rate of 20 percent CDI).

4. Trade and other receivables, net

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

	30.06.2022 US$(000)	31.12.2021 US$(000)
Trade (b):		
Invoices receivable	295,824	381,168
Changes in the fair value	(42,324)	4,754
	253,500	385,922
Other receivables:		
Value added tax credit and other tax credits (c)	49,338	72,428
Restricted funds	32,055	9,438
Related parties, note 17(a)	4,490	2,954
Advances to suppliers	2,044	585
Invoices receivable for the sale of other supplies and fixed assets	3,324	2,875
Judicial deposits (d)	1,370	1,244
Interest receivable	7	0
Loans to employees	18	112
Special Regime for the Early Recovery of the General Sales Tax	-	8,116
Others	1,651	1,062
	94,297	98,814
Total	347,797	484,736
By maturity:		
Current	310,068	451,065
Non Current	37,729	33,671
Total	347,797	484,736

By nature:		
Financial Asset	298,459	412,308
Non-Financial Asset	49,338	72,428
Total	347,797	484,736
Classification by its measurement:		
Trade accounts receivable (not subject to provisional prices)	93,438	154,784
Trade accounts receivable (measured at fair value subject to provisional pricing)	160,062	231,138
Others accounts receivable	94,297	98,814
Total	347,797	484,736

(b) As of June 30, 2022, and December 31, 2021, trade accounts receivable does not bear interest and do not have specific guarantees. In the estimation process for expected credit losses, Management evaluates the credit risk and individual credit limits. The evaluation is performed at each reporting date using an estimation matrix to measure the expected credit losses.

(c) As of June 30, 2022, and December 31, 2021, this caption mainly comprises the credit for the valued added tax (hereinafter "VAT") that results from the purchases of goods and services resulting from the activities of constructions and development carried out by the subsidiaries in Peru (Cumbres del Sur S.A.C. and Marcobre S.A.C.) and Brazil (Mineração Taboca S.A.) which is being offset by the VAT payable on the operations of the subsidiaries in Peru (Marcobre S.A.C) and by the value added tax of the production activities of the subsidiary in Brazil (Mineração Taboca SA).

As of June 30, 2022, the subsidiary Cumbres del Sur S.A.C. has evaluated the recoverability of the balance of the general sales tax credit of US$10,143,000 (equivalent to S/37,480,000) and considers that it can be used.

(d) As of June 30, 2022, and December 31, 2021, it corresponds to the judicial deposits held by the subsidiary Mineração Taboca S.A. corresponding to processes when liquidated through the financing of debts to the tax administration of Brazil (REFIS) and when its expects the development of the review initiated in 2014 by the Federal Revenue Secretariat of Brazil and the Attorney General's Office and the National Treasury of Brazil, to request the release and consequent lifting of the amounts deposited. During the year 2022, the release of US$305,000 was made (US$285,050 during the year 2021).

5. Inventory, net

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

	30.06.2022 US$(000)	31.12.2021 US$(000)
Mined material – Marcobre (b)	244,255	163,030
Materials and supplies	75,333	58,297
Work in progress	71,689	49,993
Finished products	64,741	31,829
Inventory in transit	9,024	6,648
Mineral extracted	3,742	4,553
	468,784	314,350
Allowance for obsolescence	(2,592)	(2,516)
Allowance for impairment	-	(39)
	466,192	311,795
By maturity:		
Current	221,937	148,765
Non Current	244,255	163,030
Total	466,192	311,795

(b) As of As of June 30, 2022, and December 31, 2021, corresponds to the commercial mined material extracted as part of the stripping activities in the open pit of Mina Justa commercial operation. The subsidiary Marcobre is processing this material as of August 1, 2021, the date it started commercial operations.

6. Financial assets at fair value through other comprehensive income

(a) The composition of the item is presented below:

	As of June 30, 2022				
	Cost	Unrealized results	Share performance	Sale of the investment	Fair Value
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Rímac Seguros y Reaseguros	21,070	(3,649)	746	-	18,167
BBVA Spain (*)	14,845	(9,861)	503	(5,487)	-
Total	35,915	(13,510)	1,249	(5,487)	18,167

	As of December 31,2021				
	Cost	Unrealized results	Share performance	Sale of the investment	Fair Value
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Rímac Seguros y Reaseguros	21,070	(3,942)	746	-	17,874
BBVA Spain (*)	14,845	(10,149)	503	-	5,199
Total	35,915	(14,091)	1,249	-	23,073

(*) Investments in BBVA Spain were considered as part of non-current assets.

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

	30.06.2022 US$(000)	31.12.2021 US$(000)
Openning balance	23,073	26,685
Settlement of BBVA Spain shares	(5,487)	-
Unrealized results	581	(3,612)
Ending balance	18,167	23,073
By maturity:		
Current portion	18,167	17,874
Non-current portion	-	5,199
Total	18,167	23,073

(c) As of June, 30, 2022, and December 31, 2021, the fair value of the investments in Rímac Seguros y Reaseguros has been determined based on their listing on the Lima Stock Exchange.

(d) As of June, 30, 2022, the Group the Group has not received any cash dividends. As of December 31, 2021, the Group received cash dividends from BBVA of Spain and Rimac of US$851,000, which were credited to income for the period.

(e) As of June 30, 2022, the Group has not received any stock dividends. As of December 31, 2021, the Group has received stock dividends of US$2,106,000 from its investments in Rimac which were credited to the consolidated statement of other comprehensive income.

(f) In March 2022, the Group sold all of its shares in BBVA Spain for a total amount of €4,792,000, equivalent to US$5,265,000. As a result of this transaction, the accumulated loss from the fair value restatement presented in other comprehensive income was reclassified to retained earnings for a total amount of US$9,861,000.

7. Investments in associates

(a) This caption is made up as follows:

	Interest in equity		Equity value	
	As of June 30, 2022	As of December 31,2021	As of June 30, 2022	As of December 31,2021
	%	%	US$(000)	US$(000)
Inversiones Cordillera del Sur Ltda.	73.85	73.85	189,301	239,311
Inversiones Cordillera Inmobiliaria Ltda. (b)	73.85	-	63,876	-
Futura Consorcio Inmobiliario S.A.	3.31	3.31	3,406	3,141
			256,583	242,452

(b) 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 Ltda. - approved the spin-off of the equity generating a new company named Inversiones Cordillera Inmobiliaria Ltda.

(c) The net participation in the profits (losses) of its associated companies is as follows:

	For periods of three months ended June 30,		For periods of six months ended June 30,	
	2022	2021	2022	2021
	US$(000)	US$(000)	US$(000)	US$(000)
Inversiones Cordillera del Sur Lta.	3,157	2,924	4,346	7,824
Inversiones Cordillera Inmobiliaria Lta. (b)	306	-	306	-
Futura Consorcio Inmobiliario S.A.	12	15	18	24
Saldo final	3,475	2,939	4,670	7,848

(d) As of June 30, 2022, and December 31, 2021, the Group concluded that there are no impairment indicators for its investments in associates, therefore, it did not make a formal estimate of the recoverable amount.

8. **Property, plant and equipment, net**

(a) The composition and movement of this caption of the first half of 2022 and 2021 were as follow:

	Balance as of January 1, 2022	Additions (c)	Mine closure update (d)	Depreciation	Disposals (e)	Reclassification	Translating adjustment	Balance as of June 30, 2022
Cost	2,980,506	144,752	(3,353)	-	(11,323)	(159)	18,723	3,129,146
Depreciation	(915,937)		-	(102,376)	120	-	(7,966)	(1,026,159)
	2,064,569	**144,752**	**(3,353)**	**(102,376)**	**(11,203)**	**(159)**	**10,757**	**2,102,987**

	Balance as of January 1, 2021	Additions (c)	Mine closure update (d)	Depreciation	Disposals (e)	Reclassification	Translating adjustment	Balance as of June 30, 2021
Cost	2,695,270	141,370	(23,913)	-	(70)	(40)	12,118	2,824,735
Depreciation	(769,961)	-	-	(58,595)	43	-	(4,957)	(833,470)
Impairment loss of Property, plant and equipment	(37,116)	-	-	-	-	-	(1,459)	(38,575)
	1,888,193	**141,370**	**(23,913)**	**(58,595)**	**(27)**	**(40)**	**5,702**	**1,952,690**

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

	For periods of three months ended June 30,		For periods of six months ended June 30,	
	2022	2021	2022	2021
	US$(000)	US$(000)	US$(000)	US$(000)
Cost of sales, note 16	56,524	21,996	101,856	43,986
Administration expenses	181	165	355	341
Exploration and evaluation expenses	68	28	88	55
Selling expenses	9	2	16	5
Other expenses	29	29	61	58
Development cost and work in progress	-	6,975	-	14,150
	56,811	29,195	102,376	58,595

(c) As of June 30, 2022 and December 31, 2021, corresponds to work in progress mainly include the construction of the leaching PAD at the Pucamarca mining unit, the construction of the B4 tailings dam at the San Rafael mining unit, the reinforcement of pans at the Mina Justa oxide plant, and improvements to the tailings dams at Pitinga and the furnace hygiene system at Pirapora.

(d) As of June 30, 2022 the mine closure restatement has decreased mainly due to the increase in interest rates on the Mina Justa mine closure restatement, which has been offset by an increase in the Pucamarca mine closure budget.

(e) As of June 30, 2022 and December 31, 2021, corresponds mainly to the retirement by product of different components of machinery and equipment due to replacement of components and retirement due to regularization of assets of the Group.

(f) As of June 30, 2022, corresponds to the net cost of machinery and equipment under finance leases which amount to US$852,000 (US$1,972,000 as of December 31, 2021).

(g) Impairment evaluation and reversal of impairment 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 or reversal of impairment. If there are such indicators of impairment, a formal estimate of the recoverable amount is made for the recognition of an impairment or reversal of impairment.

As of June 30, 2022, the Group concluded that there is no indication of impairment in any of its mining units, therefore it did not make a formal estimate of the recoverable amount.

9. Intangible assets, net

(a) The composition and movement of this caption as of June 30, 2022, and June 30, 2021 are presented below:

	Balance as of January 1, 2022	Additions	Amortization	Disposals (d)	Reclassification	Translating adjustment	Balance as of June 30, 2022
Cost	800,208	34,260	-	-	159	4,848	839,475
Amortization	(98,343)	-	(44,878)	(200)	-	(1,252)	(144,673)
	701,865	**34,260**	**(44,878)**	**(200)**	**-**	**3,596**	**694,802**

	Balance as of January 1, 2021	Additions	Amortization	Disposals (d)	Reclassification	Translating adjustment	Balance as of June 30, 2021
Cost	732,910	52,181	-	(614)	40	2,404	786,921
Amortization	(57,257)	-	(4,293)	-	-	(684)	(62,234)
	675,653	**52,181**	**(4,293)**	**(614)**	**40**	**1,720**	**724,687**

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

	For periods of three months ended June 30,		For periods of six months ended June 30,	
	2022	**2021**	**2022**	**2021**
	US$(000)	US$(000)	US$(000)	US$(000)
Cost of sales, note 17	17,565	1,697	31,642	3,333
Mine development	7,061	671	13,082	700
Exploration expenses and studies	71	104	142	193
Administration expenses	6	6	12	11
Other expenses	(1)	56	-	56
	24,702	2,534	44,878	4,293

(c) As of June 30, 2022, and December 31, 2021, development cost additions mainly comprise costs incurred in the generation of ore accesses in the corresponding mining phases at Mina Justa.

(d) As of June 30, 2022 and December 31, 2021, the concessions and mining rights are mainly related to the concession of the subsidiaries Mineração Taboca and Marcobre.

10. Borrowings

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

Entity	Guarantee	Interest rate	30.06.2022 US$(000)	31.12.2021 US$(000)
Syndicated loan, net of structuring costs – Marcobre (c) y (d)	With guarantees	Sofr 3 months + 1.75%	495,036	-
Corporate bonds 2031, net of issuance costs – Minsur (e)	Without guarantees	4.50%	486,842	486,293
Banco de Crédito del Perú - BCP – Marcobre (f)	Without guarantees	2.4% - 3.45%	126,000	66,000
Citibank – Taboca (g)	Corporate Minsur	Libor 3 months + Spread	48,878	64,740
Bank Scotiabank Perú (f) - Marcobre	Without guarantees	3.45%	40,000	-
Bank Interbank (h)	Without guarantees	0.63%-1.45%	40,000	40,000
Bank of América – Taboca (i)	Without guarantees	2.47%	35,300	35,067
Bank Santander (j)	Without guarantees	2.20% - 2.35%	12,103	12,023
Bank Itaú – Taboca (j)	Without guarantees	2.15% - 2.30%	8,069	10,119
Bank Santander - Taboca (k)	With guarantees	Libor 3 months + 4.5%	7,194	7,280
Bank overdraft (l)	Without guarantees	N.A.	5,367	-
Bank BBVA (h)	Without guarantees	1.45%	-	30,000
Banco de Crédito del Perú -BCP (h)	Without guarantees	0.65%	-	25,000
Bank do Brasil (j)	With guarantees	1.98%	-	9,318
Syndicated loan, net of structuring costs – Marcobre (c) y (d)	With guarantees	Libor 3 months+ 1.65%	-	763,012
Finance leases	Without guarantees	1.53% - 2.91%	1,334	2,328
	Without guarantees		1,306,123	1,551,180
By maturity:				
Current			232,564	414,799
Non-current			1,073,559	1,136,381
			1,306,123	1,551,180

(b) The following is the movement of financial obligations:

	30.06.2022 US$(000)	31.12.2021 US$(000)
Opening balance	1,551,180	1,360,792
Bank overdraft	5,367	-
Corporate bond issue 2031 - Minsur (e)	-	500,000
Obtaining a syndicated loan - Minsur	-	300,000
Obtaining a syndicated loan - Marcobre (c) y (d)	500,000	108,000
Obtaining promissory note - Marcobre (f)	166,000	66,000
Obtaining loans ACC - Taboca (j)	13,744	48,059
Obtaining loan Santander bank - Taboca (k)	7,948	-
Obtaining promissory note - Minsur (h)	-	95,000
Obtaining a loan Bank of America - Taboca (i)	-	35,067
Obtaining financial leases - Minsur (m)	-	2,255
Accrual amortized cost - Minsur	549	5,313
Project Finance structuring cost accrual - Marcobre	17,024	4,116
Prepayment of corporate bonds 2024 - Minsur (e)	-	(450,000)
Payment of syndicated loan - Minsur (c)	-	(300,000)
Syndicated loan payments - Marcobre (c)	(785,000)	(115,000)
Payment of promissory note – Marcobre (f)	(66,000)	-
Payment of promissory note – Minsur (h)	(55,000)	-
Payment of loans ACC - Taboca (j)	(24,932)	(61,955)
Payment of loans Citibank - Taboca (g)	(16,500)	(32,260)
Payment of loans Bank Santander - Taboca (j)	(7,948)	-
Corporate bond issuance costs 2031 (e)	-	(13,899)

Payment of finance leases	(994)	(1,430)
Translation	685	1,122
Ending balance	1,306,123	1,551,180

(c) On August 15, 2018 the subsidiary Marcobre subscribed a syndicated loan with a group of lenders composed by Export Development Canada; Export Finance and Insurance Corporation; KFW IPEX-Bank GMBH; The Export-Import Bank of Korea; Banco Bilbao Viscaya Argentaria, S.A .; Hong Kong, Banco de Crédito del Peru; BBVA Banco Continental; Credit Agricole Corporate and Investment Bank; ING Bank (a Branch of ING-DIBA AG); ING Capital LLC; Natixis London Branch; Natixis New York Branch, Société Génerale; and Banco Bilbao Viscaya Argentaria, S.A., New York Branch, for which it obtained a credit line of US$900,000,000; this loan has been used for the development and construction of Mina Justa with a variable interest rate of Libor for three months of 1.01% as of June 30, 2022 plus an average fixed margin of 1.57% (0.22% plus an average fixed margin of 1.57% as of December 31, 2021). To obtain this loan, the subsidiary Marcobre counted as guarantors with Minsur S.A. and Empresas Copec S.A. During the month of December 2021, a principal repayment of US$115,000,000 was made, and during the month of June 2022, the entire debt balance of $784,995,000 was prepaid, terminating the syndicated loan (Mina Justa Project Finance).

Therefore, as of June 30, 2022, the subsidiary Marcobre has complied with the financial restrictions of the signed contract and has released the mortgages and pledges constituted by all its property, plant and equipment, and its intangible assets, which were the collateral of the syndicated loan signed.

On June 17, 2022, the Marcobre subsidiary entered into a syndicated loan with a group of lenders comprised of: BBVA Securities Inc, Citibank N.A (Puerto Rico Branch), Natixis New York Branch, Sumitomo Mitsui Banking Corporation, Export Development Canada, Banco de Credito de Inversiones S.A, Bank of China Limited Panama Branch, Bank Of China (Peru) S.A, JPMORGAN CHASE BANK N.A and Banco de Sabadell S.A; whereby a committed line of US$ 500,000,000 was obtained, which was executed in a single disbursement on June 28, 2022. The funds were fully allocated to the prepayment of the syndicated loan dated August 15, 2018. A three-month CME TERM SOFR interest rate plus a fixed margin of 1.75% was obtained on this loan. Obtaining the loan did not involve the issuance of corporate guarantees (Minsur S.A and Empresas Copec S.A), nor the constitution of pledges or mortgages.

(d) At June 30, 2022, the subsidiary Marcobre incurred debt structuring costs of US$41,615,000 (US$41,581,000 at December 31, 2021) related to obtaining the US$900,000,000 credit facility.

Since on June 17, 2022 the Company paid in full the syndicated loan signed with a group of various lenders for US$900,000,000, this resulted in the recognition of the structuring costs associated with this loan for $15,874,000 in financial expenses.

On June 17, 2022, the subsidiary Marcobre obtained a new syndicated loan of US$500,000,000 for which it incurred debt structuring costs of US$4,972,000, recognizing at June 30, 2022 a debt structuring cost based on the syndicated loan interest calculated based on the CME TERM SOFR curve of US$6,806,000.

(e) The General Shareholders' Meeting The General Shareholders' Meeting held on October 18, 2021, resolved that the Company issue debt instruments ("the Notes") in the international securities market in the amount of US$500,000,000 at an interest rate of 4.5 percent per annum, maturing on October 28, 2031. The amounts obtained from such financing were under par, obtaining US$488,140,000,000, which were destined to attend the repurchase of its debt instrument: "6.250% Senior Notes Due 2024", as well as to cancel the financing of the syndicated loan obtained by the Company through a loan agreement executed on June 24, 2021.

Corporate bonds restrict the ability of the Group to perform certain transactions; however, these restrictions do not condition the

Group to comply with financial ratios or maintain specific levels of liquidity.

(f) On April 27, 2022, the Company renewed with Banco de Credito del Peru US$66,000,000 by means of a bank promissory note to finance its working capital, which will be paid in a single payment of interest and principal at maturity. The note matures in April 2023 and accrues a fixed annual interest rate of 2.40%. Additionally, on June 27 and June 30, 2022, the Company has received from Banco de Credito del Peru and Scotiabank Peru S.A.A. $60,000,000 and $40,000,000, respectively, to finance its working capital. Both promissory notes are payable in a single payment of interest and principal and have a maturity date of December 2022, and accrue a fixed annual interest rate of 3.45%.

(g) Corresponds to "prepaid export - PPE" loans obtained by the subsidiary Minera Taboca during 2018, whose maturity dates will be in December 2023, the financing was carried out with the objective of reducing part of its debts short-term and improve cash flow in this subsidiary.

(h) In May 2021, the Company has received US$95,000,000 in bank promissory notes to finance its working capital, which will be paid in a single payment of interest and principal at maturity. The financing date of the promissory note from Banco Interbank (US$40,000,000) will be August 2022, while the promissory notes provided by Banco Continental and Banco de Credito del Peru for a total of US$55,000,000 matured and were cancelled in May 2022.

(i) Corresponds to loans of type “LOAN-4131 – Bank of America” obtained by the subsidiary Mineração Taboca S.A. in the first quarter of 2021, maturity dates are in January 2026, the financing was carried out with the objective of reducing part of its debts short-term and improve cash flow in this subsidiary.

(j) They correspond to loans of the type "advance of exchange contracts -ACC", obtained by the subsidiary Minera Taboca to finance their working capital and contracted in relation to their export operations, which also constitute the guarantees of the financed amounts.

(k) Corresponds to a loan of the "export prepayment - PPE" type obtained by the subsidiary Mineração Taboca S.A. during 2020, with maturity dates November 2024 and November 2025, the financing was obtained in order to reduce part of its short-term debts and improve cash flow in this subsidiary.

(l) At June 30, 2022, the Company generated an overdraft with Banco de Credito del Peru which was cancelled on July 1, 2022.

(m) At June 30, 2022 and December 31, 2021, the Company has finance leases with Banco de Crédito del Perú and Scotiabank del Perú for the purchase of machinery at a weighted average rate of 1.53% and 2.91%, respectively, maturing between 2022 and 2023.

(n) As of June 30, 2022, the Group maintains joint and several surety bonds for US$201,461,000 that guarantee the financing and other operations of its subsidiary Mineração Taboca S.A. with the following financial institutions:

Counterpart	Endorses:	US$(000)	Maturity
Citibank	Credits	48,461	December 2023
Bank of America NA	Credits	35,000	February 2026
Bank do Brasil	Credits	20,000	No expiration
Bank Itaú	Credits	10,000	No expiration
Bank Santander Brasil	Credits	10,000	No expiration
Bank Santander España	Credits	8,000	March 2026
Bradesco	Credits	5,000	No expiration
Merryl Lynch International	Derivative instruments	15,000	No expiration
JP Morgan Chase Bank NA	Derivative instruments	10,000	No expiration
Bank Itaú	Derivative instruments	10,000	No expiration
Macquarie Bank	Derivative instruments	30,000	No expiration
		201,461	

11. Provisions

The composition of this item is related to provisions for mine closure, environmental remediation, contingencies, performance bonuses and other provisions. The main variation during the second quarter of 2022 is explained by the updating of the mine closure provision in accordance with current accounting standards, also, because of the increase in discount rates, a lower liability was generated from its mine closures.

12. Income tax

(a) The Group calculates income tax for the period using the expected effective rate that would be applicable to annual results, the main components of income tax expense shown in the Interim consolidated income statements is composed as follows.

	For periods of three months ended June 30,		For periods of six months ended June 30,	
	2022	2021	2022	2021
	US$(000)	US$(000)	US$(000)	US$(000)
Income tax				
Current	(58,175)	(26,119)	(143,611)	(56,546)
Deferred	9,069	(3,916)	(16,821)	19,426
	(49,106)	(30,035)	(160,432)	(37,120)
Mining royalties and special mining tax				
Current	(20,377)	(8,754)	(66,220)	(13,817)
Deferred	601	(3,300)	9,150	(2,896)
	(19,776)	(12,054)	(57,070)	(16,713)
	(68,882)	(42,089)	(217,502)	(53,833)

(b) As of June 30, 2022, the Group has an income tax payable and receivable of US$14,981,000 and US$38,494,000, respectively. As of December 31, 2021, the Group had an income tax payable and receivable of US$15,728,000 and US$76,625,000, respectively.

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 Ltda., Inversiones Cordillera Inmobiliaria Ltda., and Futura Consorcio Inmobiliario S.A.C. due to: (i) Inversiones Breca and subsidiaries have joint control of those companies, which operate as part of the economic group and, (ii) the Group has the intent and the ability to hold these investments in the long-term. Consequently, Management believes that the temporary difference will be reversed through dividends to be received in the future, which according to current tax rules are not subject to income tax. There is no legal or contractual obligation for the Group's Management to be forced to sell its investment in associates.

13. Equity

a) Non-controlling interest contributions

As of June 30, 2022, has not received contributions from non-controlling interest, however, as of June 30, 2021, the Group received contributions of US$41,000,000 as part of the financing of the Mina Justa project.

b) Declared and paid dividends

Below is information on dividends declared and paid for the years 2021 and 2022:

	Date	Dividends declared and paid	Dividends by common share	Dividends per investment share
		US$(000)	US$(000)	US$(000)
Dividends 2022				
Shareholder's meeting	June 15, 2022	64,000	2.2199	0.0222

	Date	Dividends declared and paid	Dividends by common share	Dividends per investment share
		US$(000)	US$(000)	US$(000)
Dividends 2021				
Shareholder's meeting	May 17, 2021	250,000	8.6715	0.08672
Shareholder's meeting	November 17, 2021	250,000	8.6715	0.08672

14. Tax situation

As of June 30, 2022, there are no significant changes in the Group's tax position, except for the years open for review.

Years open for review

The tax authorities have the power to review, and if applicable, correct the Income Tax calculated by the Company in the four years following the year of filing the tax return.

Income Tax returns for the years 2018 to 2021 and General Sales Tax for the years 2018 to 2021 are pending review by the tax authorities. The tax authority is currently auditing the Company's 2017 income tax returns.

15. Net sales

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

	For periods of three months ended June 30,		For periods of six months ended June 30,	
	2022	2021	2022	2021
	US$(000)	US$(000)	US$(000)	US$(000)
Tin and other minerals	247,105	178,144	524,746	382,196
Copper concentrate	152,252	-	435,221	-
Copper cathodes	52,274	-	101,315	-
Gold	25,293	31,351	55,164	57,816
Niobium and tantalum	16,466	18,000	33,408	36,224
	493,390	227,495	1,149,854	476,236

(b) Tin Sales Concentration - Peruvian Market -

As of June 30, 2022, there is no significant concentration of sales. The three main customers accounted for 41 percent of total sales (the three main customers accounted for 42 percent of total sales at June 30, 2021). As of June 30, 2022, 50 percent of accounts receivable correspond to these customers (44 percent as of June 30, 2021).

(c) Tin Sales Concentration - Brazilian Market –
As of June 31, 2022, the top three customers represent 64 percent of total sales (50 percent as of June 30, 2021) and 31 percent of accounts receivable correspond to these customers (34 percent as of June 30, 2021).

(d) Gold sales concentration -
As of June 30, 2022, the Company sold gold to 2 customer (4 customers as of June 30, 2021) and 100 percent of accounts receivable correspond to these customers (100 percent as of June 30, 2021).

(e) Concentration of sales of niobium and tantalum –
As of June 30, 2022, the top three customers represent 71 percent of total sales (58 percent as of June 30, 2021) and 57 percent of accounts receivable correspond to these customers (64 percent as of June 30, 2021).

(f) Concentration of copper cathode sales –
As of June 30, 2022, the top three customers represent 75 percent of total sales and 48 percent of accounts receivable correspond to these customers

(g) Concentration of copper concentrate sales -
As of June 30, 2022, the three main customers represent 37 percent of total sales. As of June 30, 2022, 71 percent of accounts receivable correspond to these customers.

16. Cost of sales

(a) The composition of this caption is made up as follows:

	For periods of three months ended June 30,		For periods of six months ended June 30,	
	2022 US$(000)	2021 US$(000)	2022 US$(000)	2021 US$(000)
Opening balance of product in process inventory	253,497	41,349	202,550	44,820
Opening balance of finished product inventory	41,272	21,064	31,829	23,673
Services rendered by third parties	69,659	36,283	125,647	66,004
Wages and salaries	42,764	29,323	93,305	55,502
Depreciation	59,426	24,662	107,430	49,198
Consumption of raw material and miscellaneous supplies	68,552	24,166	125,660	45,439
Purchase of mining services from AESA S.A.	13,563	9,911	23,567	18,395
Other manufacturing expenses	16,417	4,244	23,342	8,403
Electricity	10,342	3,673	20,911	7,393
Amortization	17,565	1,697	31,642	3,333
Translation	(2,173)	2,097	1,042	591
Out of inventory	6	2	45	11
Recovery of estimation due to devaluation of inventories	(18)	-	(43)	-
Recovery (estimate) for obsolescence	(48)	(6)	(64)	(15)
Hedging derivative losses	(1,160)	(206)	(1,330)	3,608

Capitalization Stripping cost	(19,273)	-	(33,723)	-
Final balance of work in process inventory, note	(291,577)	(60,324)	(291,577)	(60,324)
Final balance of finished product inventory, note	(64,741)	(31,965)	(64,741)	(31,965)
	214,073	105,970	395,492	234,066

17. Related parties' transactions

(a) Accounts receivable, payable and lease liability -

The balances of the receivable and payable with related parties as of June 30, 2022, and December 31, 2021 are as follow:

	30.06.2022 US$(000)	31.12.2021 US$(000)
Classification by existing captions:		
Other receivables (current), note 4(a):		
Other related parties		
Compañía Minera Raura S.A.	1,854	2,248
Administración de Empresas S.A.	2,620	693
Clinica Internacional S.A.	16	13
	4,490	2,954
For paying commercial and various (current):		
Other related parties		
Administración de Empresas S.A.	10,764	4,895
Clínica Internacional. S.A.	312	666
Terpel Comercial del Peru S.R.L.	201	243
Inversiones San Borja S.A.	121	241
Protección Personal S.A.C.	42	57
Corporación Breca S.A.C.	28	4
Centria Servicios Administrativos S.A.	28	14
Inversiones Nacionales de Turismo S.A.	25	3
Corporación Peruana de Productos Químicos S.A.	18	59
Rímac Seguros y Reaseguros	1	117
Compañía Minera Raura S.A.	(2)	226
Rímac S.A. Entidad prestadora de salud	(84)	7
Tecnológica de Alimentos	-	275
Brein Hub S.A.C.	-	664
	11,454	7,471
Financial obligations		
Other related parties		
Inversiones San Borja S.A.	3,267	718
Administración de Empresas S.A.	2,806	3,712
	6,073	4,430
	17,527	11,901
Classification by nature:		
Commercial, note 11(b)	11,454	7,471
Financial Obligations, note 11(e)	6,073	4,430
	17,527	11,901

There have been no guarantees provided or received from accounts receivable or payable with related parties. As of June 30, 2022, and December 31, 2021, the Group has not recorded any impairment of accounts receivable related to amounts owed by related parties. This evaluation is carried out each year by examining the financial situation of the related party and the market in which the related party operates.

Balances payable to related companies are current due, do not accrue interest and do not have specific guarantees.

(b) Remunerations -

The compensation received by key personnel of the Group as of June 30, 2022 and June 30, 2021 has been recognized as an expense in the consolidated condensed interim financial statement of profit or loss and there are as follows:

	For periods of three months ended June 30,		For periods of six months ended June 30,	
	2022	2021	2022	2021
	US$(000)	US$(000)	US$(000)	US$(000)
Perú				
Remuneration	7,058	20,667	27,175	26,903
Director's allowance	133	132	265	265
	7,191	20,799	27,440	27,168
Brasil				
Fixed remuneration	275	201	644	581
Variable remuneration	-	118	1,375	1,017
	275	319	2,019	1,598
Total	7,466	21,118	29,459	28,766

18. Commitments

a) Commitment of capital expenditures:

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

	As of June 30, 2022	As of December 31, 2021
	US$(000)	US$(000)
Property, plant and equipment	72,938	43,916

19. Contingencies

As of June 30, 2022, the Group has not presented significant changes in contingencies with respect to what was reported in the 2021 audited report.

20. 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 marketing of tin extracted from Peru.
- Production and marketing of tin extracted from Brazil.
- Production and marketing of gold extracted from Peru.
- Production and marketing of copper extracted from Peru.
- Other mining exploration and development activities in Peru and Chile.

No operating segments have been aggregated to form the above reportable operating segments. All the non-current assets are in Perú, Brazil and Chile. Management monitors the profit (loss) before tax for each business units separately for the purpose of making decisions about resource allocation and performance assessment. The financial performance of a segment is evaluated based on income (loss) before income taxes and is measured consistently with income (loss) before income taxes in the consolidated statements of income.

	Tin and Gold (Perú)								
	Tin	Gold	Not distributable	Total	Tin	Cooper	Mining exploration	Adjustments and Eliminations	Total Consolidated
	(Perú) US$(000)	(Perú) US$(000)	(Perú) US$(000)	(Perú) US$(000)	(Brasil) US$(000)	(Perú) US$(000)	(Perú and Chile) US$(000)	US$(000)	US$ (000)
As of June 30, 2022									
Results:									
Entry of external customers	412,045	55,164	-	467,209	146,109	536,536	-	-	1,149,854
Sales cost	(131,078)	(44,173)	-	(175,251)	(84,823)	(135,418)	-		(395,492)
Administration expenses	(24,860)	(8,378)	-	(33,238)	(6,304)	(4,746)	(680)	818	(44,150)
Selling expenses	(4,705)	(706)	-	(5,411)	(2,290)	(11,849)	-	-	(19,550)
Exploration expenses and studies	(8,134)	(6)	-	(8,140)	-	(4,153)	(848)	-	(13,141)
Others, net	(4,178)	(1,407)	-	(5,585)	(1,302)	(2,541)	1,448	(818)	(8,798)
Operating income	239,090	494	-	239,584	51,390	377,829	(80)	-	668,723
Profit before income tax	-	-	396,375	396,375	57,792	332,791	4,555	(179,066)	612,447
Income tax	-	-	(88,904)	(88,904)	(15,472)	(113,236)	110	-	(217,502)
Net profit			307,471	307,471	42,320	219,555	4,665	(179,066)	394,945
Other disclosures:									
Additions to property, plant and equipment, right-of-use assets and intangible assets	44,897	10,668	-	55,565	31,723	98,357	-	-	185,645
Depreciation and amortization (included in costs and expenses)	27,361	24,069	545	51,975	10,896	42,254	19	-	105,144
Operating cash flow				100,677	62,882	367,793	(7,593)		523,759
Investment cash flows				(58,369)	(29,877)	(94,111)	(1,222)	11,959	(171,620)

	Tin and Gold (Perú)								
	Tin	Gold	Not distributable	Total	Tin	Cooper	Mining exploration	Adjustments and Eliminations	Total Consolidated
	(Perú)	(Perú)	(Perú)	(Perú)	(Brasil)	(Perú)	(Perú and Chile)		(Restated)
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$ (000)
As of June 30, 2021									
Results:									
Entry of external customers	312,527	57,816	-	370,343	105,893	-	-	-	476,236
Sales cost	(119,704)	(37,524)	-	(157,228)	(76,838)	-	-	-	(234,066)
Administration expenses	(17,459)	(5,473)	-	(22,932)	(5,478)	(1,856)	(420)	475	(30,211)
Selling expenses	(2,430)	(212)	-	(2,642)	(1,095)	(1,740)	-	-	(5,477)
Exploration expenses and studies	(5,503)	(54)	-	(5,557)	-	(1,682)	(633)	-	(7,872)
Others, net	399	125	-	524	(268)	1,873	547	(475)	2,201
Operating income	167,830	14,678	-	182,508	22,214	(3,405)	(506)	-	200,811
Profit before income tax	-	-	185,366	185,366	21,796	(9,096)	5,981	(17,319)	186,728
Income tax	-	-	(49,975)	(49,975)	(6,714)	3,763	(907)	-	(53,833)
Net profit			135,391	135,391	15,082	(5,333)	5,074	(17,319)	132,895
Other disclosures:									
Additions to property, plant and equipment, right-of-use assets and intangible assets	29,369	20,409	57	49,835	8,423	129,799	-	-	188,057
Depreciation and amortization (included in costs and expenses)	27,789	15,499	551	43,839	9,621	-	21	-	53,481
Operating cash flow				117,987	23,935	(54,114)	(1,829)		85,979
Investment cash flows				(82,184)	(11,245)	(153,821)	(102,499)	170,200	(179,549)

21. Financial instrument risk management, objectives, and policies

21.1 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's main financial assets include cash and term deposits and trade and other receivables that derive directly from its operations. The Group also holds financial assets at fair value through 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 continued profitability of the Group 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.

(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: the risk of exchange rate, the interest rate risk and price risk. Financial instruments affected by market risk include bank deposits and time deposits, receivables and payables in currencies other than US dollar, financial asset at fair value, financial derivative instruments and borrowings.

The relevant sensitivity analyzes included in the following sections relate to the consolidated financial situation as of June 30, 2022 and June 30, 2021.

This sensitivity analyzes have been prepared on the basis that the amount of debt, the ratio of fixed-to-floating interest rates and the proportion of financial instruments in foreign currencies are all constants as of June 30, 2022 and June 30, 2021.

Foreign currency risk –

The Group operates internationally and its exposure to exchange risk results from its operations carried out in currencies other than its functional currency. The transactions of the Group are mainly settled in U.S. dollars, Brazilian reals 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 exchange risk fluctuation.

Management assumes the foreign exchange risk with the proceeds from operations, it means, it does not engage in significant hedging transactions with derivative financial instruments to hedge its foreign exchange risk except for a significant portion of its operating costs denominated in Brazilian reais in its subsidiary Taboca.

The following table shows the sensitivity in the results of the Group on June 30, 2022 and June 30, 2021 if the Brazilian reals and Peruvian soles had revalued/devalued 10 percent with respect to US dollar.

Year	Potential increase/decrease	Effect on profit before income tax US$(000)
June 30, 2022	10%	7,135
	-10%	(7,135)

June 30, 2021	10%	13,687
	-10%	(13,687)

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 June 30, 2022 and June 30, 2021 the Company's corporate bonds have a fixed effective interest rate, except for the subsidiaries Mineração Taboca and Marcobre, which have entered into loan agreements at variable interest rates to mitigate the risk of interest rate variation, in this regard, the Group has entered into derivative financial instruments, 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 fluctuations in the prices of its investments held and classified in its consolidated statement of financial position as at fair value through profit or loss. Management diversifies its investment portfolio in order to reduce its exposure to price risk. The portfolio is diversified in accordance with limits established by management.

As of June 30, 2022 and December 31, 2021, the Group has no balances in financial assets at fair value through profit or loss.

Risks in mineral price fluctuations–

Investments

The international tin price has a significant impact on the results of operations of the Group. These tin and gold prices historically have fluctuated and are influenced by factors beyond the control. The Group manages its price risk primarily through the use of sales commitments under customer contracts and underwriting derivative contracts for the metals it markets.

The Group has price risk from its sales contracts established at provisional prices, subject to a future price in a given month, based mainly on the average monthly price in the LME. To the extent that the final price is higher or lower initially provisionally recorded, the increase or decrease in income is recorded at each date of the financial report until the date of the final settlement.

The Company and the subsidiary Mineração Taboca S.A. entered into derivative contracts that qualify as cash flow hedges, with the intention of covering the risk resulting from the fall in prices of tin and gold. These derivative contracts were recorded as assets or liabilities in the 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 related production, changes in fair value were deferred in an equity account. Deferred amounts were reclassified to sales when the corresponding production was sold. As a result of these operations, the Group maintains positions receivable and payable).

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 this risk). This analysis is based on the assumption that the tin price has increased or decreased by 10 percent, with all other variables held constant. For the positive scenario of 2022, an average quotation of US$/MT 39,759 (average price of US$/MT 36,079 for the second quarter of 2021) was considered; while for the negative scenario, an average quotation of US$/MT 32,530 (average price of US$/MT 29,519 for the second quarter of 2021) was considered.

Year	Potential increase/decrease	Effect on profit before income tax US$(000)
June 30, 2022	10%	5,840
	-10%	(5,840)
June 30, 2021	10%	3,732
	-10%	(3,732)

During 2022, the Group sold gold dore bars in some cases at a provisional price. The table below summarizes the impact on profit before income tax from changes in the price per ounce of gold and silver contained in the gold dore bar. This analysis assumes that the price of the ounces contained in gold dore bars have increased or decreased by 10 percent at the end of the year, while the rest of the variables remain constant. For the positive scenario for the first half of 2022 an average price of US$2,074 per ounce of gold was considered (average price of US$1,948 per ounce of gold for the first half of 2021); while for the negative scenario an average price of US$1,697 per ounce of gold was considered (average price of US$1,594 for the first half of 2021).

Year	Potential increase/decrease	Effect on profit before income tax US$(000)
June 30, 2022	10 %	5,361
	-10 %	(5,361)
June 30, 2021	10%	3,314
	-10%	(3,314)

The subsidiary Marcobre has a 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 quotation 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 earnings 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, while all other variables remain constant. For the positive scenario as of June 30, 2022, an average quotation of US$/MT 10,000 was considered, while for the negative scenario an average quotation of US$/MT 8,182 was considered.

Year	Potential increase/decrease	Effect on profit before income tax US$(000)
June 30, 2022	10 %	73,498
	-10 %	(73,498)

(ii) Credit risk-

The Group's financial assets potentially exposed to concentrations of credit risk consist primarily of deposits with banks and trade accounts receivable. With respect to deposits with banks, the Group reduces the likelihood of significant concentrations of credit risk because it maintains its deposits in first-class financial institutions and limits the amount of credit risk exposure in any one financial institution.

There are no significant concentrations of trade accounts receivable. The Group has established policies to ensure that the sale of its production is made to customers with adequate credit history. The maximum exposure to credit risk for the components of the consolidated financial statements as of June 30, 2022 and June 30, 2022 is represented by the sum of cash and cash equivalents, trade and other receivables.

Financial instruments and bank deposits –
The credit risk of the bank balance is managed by the Administration and Finance Management in accordance with the Group's policies. Counterparty credit limits are reviewed by Management and the Board of Directors. The limits are established to minimize the concentration of risk and therefore mitigate financial losses from potential counterparty defaults.

Trade accounts receivable –
Customer credit risk is handled by Management, subject to duly established policies, procedures and controls. Outstanding trade receivables are periodically reviewed and classified according to the credit risk profile with credit limits to ensure their recovery. The Group's sales of tin and gold are made to foreign customers located mainly in Europe and the Americas, respectively, and since there is no significant concentration of sales, exposure to credit risk is limited.

On the other hand, according to management's assessment, the aging analysis of trade receivables as of June 30, 2022 with respect to June 30, 2021 has not suffered significant delays. The Group's management will continue to closely evaluate the impact of the health emergencies in the international economy and the impact on the customer portfolio and its credit behavior.

Other accounts receivable–
Other receivables different from the tax credit for general sales tax and other tax credits correspond to balances pending collection for items that are not related to the Group's main operating activities. Group management continuously monitors the credit risk of these items and periodically evaluates those accounts that show evidence of impairment to determine the required allowance for doubtful accounts.

(iii) Liquidity risk –
Prudent liquidity risk management involves maintaining sufficient cash and cash equivalents, the availability of financing through an appropriate number of committed financing sources and the ability to close market positions. In this regard, the Group does not have significant liquidity risks since historically the cash flows from its operations have allowed it to maintain sufficient cash to meet its obligations.

The Group continuously monitors its liquidity reserves based on an analysis of its working capital (liquidity ratio) and cash flow projections that take into consideration the future prices of the products it sells and the costs required for their production and sale.

21.2 Capital risk management

The Group's objectives in managing capital are to safeguard its ability to continue as a going concern in order to generate returns to its shareholders, benefits to other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

The Group's policy is to finance all its projects with a conservative combination of equity and debt. With this objective in mind, it makes adjustments to meet changes in economic market conditions and financial covenants. To maintain or adjust the capital structure, the Group may adjust the payment of dividends to shareholders, return capital to shareholders or issue new shares or channel resources to subsidiaries in Peru, Chile and Brazil, with the remaining balance covered by external financing. There have been no changes in objectives, policies or procedures as of June 30, 2022.

22. Financial derivative instruments

(a) As of December 31, 2021, since interest payments for loans obtained by the subsidiary Marcobre during the year 2018 are subject to variations due to being indexed at a variable interest rate, the Group decided to take a hedging strategy called bottom layer hedge or layered hedging strategy, by which it prospectively covers the Group's cash flows, which qualify as highly probable forecast transactions, with three different tranches (with swaps and caps options) distributed as follows:

- Tranche 1: From December 31, 2018 to June 30, 2021, it covers 50% with a swap and 20% with the cap N° 1.
- Tranche 2: Between June 30, 2021 and June 30, 2023, cover 35% with a swap and 45% with the cap N° 1.
- Tranche 3: After June 2023 until December 31, 2025 covers 80% with the cap N° 2.

(b) These “interest rate Cap” and “interest rate swap” contracts were signed for a maximum amount of US$ 720,000,000, thereby hedging 80% of the loan from the subsidiary Marcobre.

However, given that the Mina Justa Project Finance ended on June 30, 2022, the derivatives associated with the debt were settled on June 28, 2022, recognizing financial expenses of $2,211,000 for the pending accrual of premiums paid for Cap N°1 and Cap N°2 options and financial income of $3,348,000 for the early cancellation of derivatives for Swap and Cap N°1 and N°2, terminating the "Cap interest rate" and "Interest Rate Swap" contracts.

On the other hand, since the loan payments obtained during June 2022 are subject to variations originated by 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" scheme. 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.

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

		Hedged value	
		2022	**2021**
		US$(000)	US$(000)
Cash flow hedges -			
Interest Rate Swap	Since June 2022 until June 2027	56,251	-

(c) As of June 30, 2022, the Group through its subsidiary Marcobre has recognized an account payable for the fair value of derivative financial instruments in the amount of US$12,822,000 of which US$2,544,000 is current maturity and US$10, 279,000 of non-current maturities (US$17,287,000 at December 31, 2021, of which US$10,347,000 are current maturities and US$7,041,000 are non-current maturities) whose impact on the consolidated statement of other comprehensive income was as follows:

	Effect on other comprehensive income (expense)	
	2022	2021
	US$(000)	US$(000)
Derivatives of interest rates -		
Interest rate swap	6,863	(6,259)
Intrinsic Value of Premium Caps	(1,696)	(328)
Other effects		(270)
	5,167	(6,857)
(-) Impuesto a las ganancias diferido	(1,343)	1,783
Net effect	3,823	(5,074)

In addition, as a result of the early settlement of the syndicated loan of US$ 900,000.00, Caps N°1 and N°2 of other comprehensive income were settled with an effect on income under the financial expenses caption.

The subsidiary Mineração Taboca S.A. maintains derivative financial instruments designated as cash flow hedges corresponding to interest rate swaps, Zero Cost Collar exchange rate and metal swaps in order to protect and manage the risks inherent to the variation of foreign currency (dollar in the case of Mineração Taboca S.A.), tin prices and variable interest rate. At June 30, 2022, the net fair value of these Zero Cost Collar and NDF amounts to US$1,610,882 (equivalent to R$ 8,151,162) (US$1,827,887 equivalent to R$ 9,097,957 at June 30, 2021) and Interest Rate Swap amounts to US$ 556,453 (equivalent to R$ 2,815,687) (US$ 2,394,483 equivalent to R$ 11,918,081 at June 30, 2021).

As of June 30, 2022 and June 30, 2021, the subsidiary Taboca recognized in the "Consolidated statement of other comprehensive income" a positive change in fair value of approximately US$ 80,661,000 and a negative change of US$-25,444,000 respectively, which is presented net of the effect on income tax.

(d) Gold price hedge –

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.

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

Below is the composition of the transactions to be settled that are part of the liability for an instrument derived from coverage as of June 30, 2022, and December 31, 2021:

Year 2022

Metal	Instrument	Expiration period	Covered volume oz	Agreed price US$/oz	Estimated price US$/oz	Fair value US$(000)
Gold	**Zero Cost Collar**					
		Year 2022	32,515	1,450 – 1,700	1,813	(4,836)
		Year 2023	52,941	1,450 – 1,746	1,815	(8,660)
		Year 2024	32,000	1,450 – 1,775	1,912	(5,287)
						(18,783)

Year 2021

Gold	Instrument	Expiration period	Covered volume oz	Agreed price US$/oz	Estimated price US$/oz	Fair value US$(000)
Oro	**Zero Cost Collar**					
		Year 2022	55,740	1,450 – 1,700	1,918	(7,242)
		Year 2023	52,941	1,450 – 1,746	1,935	(7,155)
		Year 2024	32,000	1,450 – 1,775	1,953	(4,200)
						(18,597)

The effective portion of changes in the fair value of derivative financial instruments that qualify as hedges are recognized as assets or liabilities, with a balancing entry in the "Consolidated statement of other comprehensive income". As of June 30, 2022 and June 30, 2021, the Company recognized in the "Consolidated statement of other comprehensive income" a negative change in fair value of approximately US$99,000 and a positive change of US$19,788,000, respectively, which is presented net of the effect on income tax.

The following is the classification according to maturity as of June 30, 2022 and December 31, 2021:

Instruments – June 30, 2022	**Nature**	**Current** US$(000)	**Non-current** US$(000)	**Total** US$(000)
Exchange rate hedges – Taboca	Asset	1,270	986	2,256
Metal price hedges – Taboca	Asset	14,867	18,721	33,588
Interest rate hedges - Taboca	Asset	175	182	357
Total Assets		16,312	19,889	36,201
Metal price hedges – Minsur	Liability	8,941	9,842	18,783
Interest rate – Marcobre	Liability	2,544	10,279	12,823
Interest rate hedges - Taboca	Liability	373	526	899
Metal price hedges – Taboca	Liability	1,750	23	1,773
Exchange rate hedges – Taboca	Liability	533	5,232	5,765
Total Liabilities		14,141	25,902	40,043

Instruments – December 31, 2021	**Nature**	**Current** US$(000)	**Non-current** US$(000)	**Total** US$(000)
Interest rate hedges – Marcobre	Asset	-	650	650
Price and exchange rate hedges - Taboca	Asset	-	1,925	1,925
Total Assets		-	2,575	2,575

Metal price hedges – Minsur	Liability	7,242	11,355	18,597
Interest rate – Marcobre	Liability	4,954	1,006	5,960
Interest rate hedges – Taboca	Liability	1,630	346	1,976
Metal price hedges – Taboca	Liability	48,780	7,475	56,255
Exchange rate hedges – Taboca	Liability	4,767	1,169	5,936
Total Liabilities		67,373	21,351	88,724

23. Financial asset and financial liabilities

(a) Financial liabilities –

All financial liabilities of the Group, excepting the embedded derivative from tin sales, include trade and other payables and Senior Notes which are classified as loans and borrowings and are carried at amortized cost.

(b) Fair values -

The fair value of the financial instruments is defined by the at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, under the assumption that the entity is a going concern.

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

Financial instruments whose fair value is like to the carrying book value -

For financial assets and liabilities that are liquid or have short maturities (less than three months), as cash and cash equivalents, trade and other receivables, net trade and other accounts payable and other current liabilities are considers that the carrying value is like fair value.

Financial instruments at fixed and variable rate -

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

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

	Carrying book value		Fair value	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	US$(000)	US$(000)	US$(000)	US$(000)
Financial assets				
Cash and cash equivalents	520,968	469,353	520,968	469,353
Trade and other receivables, net	298,459	412,308	298,459	412,308
Derivative financial instruments	36,201	2,575	36,201	2,575
Financial assets at fair value through other comprehensive income	18,167	23,073	18,167	23,073
Total financial assets	873,795	907,309	873,795	907,309
Financial liabilities				
Financial obligations:				
Corporate bonds	486,842	486,293	427,650	513,380
Other financial obligations	819,281	1,064,887	820,003	1,064,887
Trade and other payables	301,721	254,844	301,721	257,184
Derivative financial instruments	40,043	88,724	40,043	88,724
Total financial liabilities	1,647,887	1,894,748	1,589,417	1,924,175

(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 input that is significant to the fair value measurement as a whole.

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-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each Consolidated Financial Statements.

As of June 30, 2022 there were no transfers between fair value hierarchies.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities as of June 30, 2022.

		Measurement at fair value using		
	Total US$(000)	Quoted prices in active markets (Level 1) US$(000)	Significant observable inputs (Level 2) US$(000)	Significant unobservable inputs (Level 3) US$(000)
As of June 30, 2022				
Assets measured at fair value:				
Financial assets at fair value through other comprehensive income	18,167	18,167	-	-
Derivative financial instrument	36,201	-	36,201	-
Trade accounts receivable (subject to provisional pricing)	160,062	160,062	-	
Liabilities recognized at fair value:				
Derivative financial instruments	40,043	-	40,043	-

As of June 30, 2022, there have been no transfers between levels of fair value.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as of December 31, 2021.

	Total US$(000)	Measurement at fair value using: Quoted prices in active markets (Level 1) US$(000)	Significant observable inputs (Level 2) US$(000)	Significant unobservable inputs (Level 3) US$(000)
As of December 31, 2021				
Assets measured at fair value:				
Financial assets at fair value through other comprehensive income	23,073	23,073	-	-
Derivative financial instrument	2,575	-	2,575	-
Trade accounts receivable (subject to provisional pricing)	231,138	231,138	-	-
Liabilities recognized at fair value:				
Derivative financial instruments	88,724	-	88,724	-

24. Subsequent events

On June 15, 2022, at a meeting of the Company's Board of Directors, the Company approved the distribution of dividends in the amount of US$64,000,000 among holders of common shares (US$42,666,667) and holders of investment shares (US$21,333,333), see note 13, this obligation at the closing of these condensed interim financial statements as of June 30, 2022, is an account payable, which have been cancelled on July 20, 2022.