

**Minsur S.A. and Subsidiaries**

Unaudited interim condensed consolidated financial statements as of September 30, 2023, and  
December 31, 2022 (audited)

## Minsur S.A. and Subsidiaries

### Notes to interim condensed consolidated financial statements

As of September 30, 2023, and December 31, 2022 (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. 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 it is obtained from the mineral exploited in the San Rafael Mine, located in the region of Puno, and the production and selling of gold that is obtained of 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 II SpA (holding of shares of a group mainly dedicated to the production and selling of cement in Chile) in Minera Andes del Sur S.P.A. and Subsidiary (a Chilean company engaged in mining exploration activities), and in Inversiones Cordillera Inmobiliaria SpA (a Chilean company dedicated to investment in personal property). As explained in note 3.1(e), the investments in Inversiones Cordillera del Sur II SpA and Inversiones Cordillera Inmobiliaria SpA are accounted as an investment in associates.

Through the subsidiary Minera Latinoamericana S.A.C., the Company holds shares in Minera 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 7,000 tons of grade AAA tin (99.97% grade), which 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, and began 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, region of Ica. The estimated investment of the Mina Justa project amount of US\$1.8 billion and is expected to have an average annual production for the Life of the Mine "LOM" of 169,091 wet tons of copper concentrated and 39,852 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 stage. minerals and closure of its environmental liabilities at the Regina mining Unit.

(c) Covid-19 -

The Covid-19 outbreak was first reported in late 2019 in Wuhan, China. Since then, the virus has spread throughout the world. On March 11, 2020, the World Health Organization (WHO) declared the Covid-19 outbreak a pandemic. Through 2022, the Covid-19 pandemic is showing considerable signs of relief, as many countries have lifted travel bans, ended lockdowns, and limited quarantine measures.

On March 15, 2020 and by Supreme Decree No. 044-2020, the Peruvian Government declared a state of emergency at the national level and mandatory social isolation. In accordance with the provisions of the Peruvian Government, the Group's operations gradually restarted its productive activities during the first weeks of May 2020, beginning with the implementation of new security protocols and then mobilizing personnel and resuming their normal production levels during the period third quarter of 2020, levels that have been maintained throughout 2021 and 2022.

On October 27, 2022 and through Supreme Decree No. 130-2022, the Peruvian Government declared the end of the state of emergency due to Covid-19 throughout the Peruvian territory, eliminating all coronavirus restrictions and promoting vaccination against Covid-19.

Subsidiaries in Brazil

At the beginning of April 2020, 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 World Health Organization and the Ministry of Health, deciding to suspend activities in the Pitinga and Pirapora units. The subsidiary Mineração Taboca S.A. resumed its production levels during the third quarter of 2020, levels which has been maintained throughout 2021 and 2022.

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 on its consolidated financial statements 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. Also, on May 5, 2023, the WHO lifted the international emergency for the COVID-19 pandemic, which had been declared since January 30, 2020, due to the significant reduction in severe cases and deaths globally. As a result, the state of Health Emergency in Peru was concluded by Supreme Decree N° 003-2023-SA.

(d) 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, in line with the reduction of social conflicts in Puno, the Group was able to resume production progressively at the San Rafael mining unit which, at the date of issuance of this document, is operating under normal conditions.

(e) Consolidated financial statements –

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

	Equity interest			
	September 30, 2023		December 31, 2022	
	Direct %	Indirect %	Direct %	Indirect %
<b>Subsidiaries in Chile:</b>				
Minera Andes del Sur SPA	-	100.00	-	100.00
<b>Subsidiaries in Brazil:</b>				
Mineração Taboca S.A.	-	100.00	-	100.00
Mamoré Mineração e Metalurgia Ltda.	-	100.00	-	100.00
<b>Subsidiaries in Perú:</b>				
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.
- **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 resources 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 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 S.p.A.
- **Cumbres Andinas S.A.C. -**  
Currently, the activity of this subsidiary is limited to holding 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.

- 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.
- 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.

- (f) Approval of the interim condensed consolidated financial statements. -  
The unaudited interim condensed consolidated financial statements as of September 30, 2023 were approved for issuance by the Group's Management on November 14, 2023.

## **2. Basis of preparation and accounting policies**

### **2.1. Basis of preparation -**

The interim condensed financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (hereinafter "IASB") in force as of September 30, 2023.

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

The interim condensed consolidated financial statements are presented in United States Dollars (US\$) and all values have been rounded to the nearest thousands, except when 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, 2022.

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.

### **2.2. Change in accounting policies and disclosure -**

Certain standards and amendments are effective for annual periods beginning on or after January 1, 2023. The Group has not early adopted any standard, interpretation or amendment issued and not yet effective.

#### *Definition of Accounting Estimates - Amendments to IAS 8*

The amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting.

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

*Disclosure of accounting policies - Amendments to IAS 1 and the IFRS 2 Practice Statement*

The amendments to IAS 1 and IFRS Practice Statement 2, Making judgments about materiality provide guidance and examples to assist entities in applying materiality judgments to accounting policy disclosures. The amendments are intended to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their "significant" accounting policy information with a requirement to disclose their "material" accounting policies and by adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. This amendment had no impact on the Group's interim consolidated financial statements but is expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

*Deferred Taxes Related to Assets and Liabilities Arising from a One-Time Transaction - Amendments to IAS 12*

The amendments to IAS 12 Income Taxes reduce the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and passive decommissioning. This amendment had no impact on the Group's interim consolidated financial statements.

**3. Cash and cash equivalents**

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

	As of September 30, 2023	As of December 31, 2022
	US\$(000)	US\$(000)
Cash on hand and petty cash	12	43
Bank current accounts (b)	24,492	7,718
Time deposits (c)	402,867	222,048
Certificates of bank deposits (d)	519	263
Balance considered in the consolidated statements of cash flow	427,890	230,072
Time deposits with original maturities greater than 90 days (e)	2,000	-
Total	429,890	230,072

- (b) As of September 30, 2023 and December 31, 2022, the Group maintains its cash demand deposits in local and foreign banks of first level and are freely available and generate interest at market rates.
- (c) Time deposits have original maturities of less than 90 days and can be renewed at maturity. As of September 30, 2023 and December 31, 2022, these deposits earned interest at market interest rates, and were settled in October 2023 and January 2023, respectively.
- (d) As of September 30, 2023 they correspond to bank deposit certificates-CDB's maintained by Mineração Taboca S.A. for R\$2,600,000 (equivalent to US\$519,000) that accrue interest at a rate of 30 percent CDI and have an original maturity of less than 90 days, (R\$1,388,000, equivalent to US\$263,000, as of December 31, 2022 that accrue interest at a rate of 30 percent CDI).
- (e) Time deposits with original maturities greater than 90 days from their constitution are presented under the caption "Other financial assets" in the consolidated statement of financial position.

**4. Trade and other receivables, net**

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

	As of September 30, 2023	As of December 31, 2022
	US\$(000)	US\$(000)
<b>Trade:</b>		
Invoices receivable (b)	263,716	425,774
Changes in the fair value (c)	(9,362)	21,437
	<u>254,354</u>	<u>447,211</u>
<b>Other receivables:</b>		
Value added tax credit and other tax credits (d)	71,795	85,205
Tax claim recovery (e)	6,430	5,146
Restricted funds	3,648	805
Related parties, note 17(a)	3,631	2,670
Advances to suppliers	2,604	3,047
Invoices receivable for the sale of other supplies and fixed assets	2,140	2,695
Judicial deposits (f)	4,067	1,390
Interest receivable	261	182
Loans to employees	54	30
Others	809	484
	<u>95,439</u>	<u>101,654</u>
<b>Total</b>	<u>349,793</u>	<u>548,865</u>
<b>By maturity:</b>		
Current	286,620	505,830
Non Current	63,173	43,035
<b>Total</b>	<u>349,793</u>	<u>548,865</u>
<b>By nature:</b>		
Financial Asset	277,998	463,660
Non-Financial Asset	71,795	85,205
<b>Total</b>	<u>349,793</u>	<u>548,865</u>
<b>Classification by its measurement:</b>		
Trade accounts receivable (not subject to provisional prices)	138,352	142,443
Trade accounts receivable (measured at fair value subject to provisional pricing)	114,329	336,404
Sundry accounts receivable	97,112	70,018
<b>Total</b>	<u>349,793</u>	<u>548,865</u>

(b) As of September 30, 2023 and December 31, 2022, trade accounts receivable does not bear interest and do not have specific guarantees. In the estimation process of expected credit losses, Management evaluates 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) The decrease corresponds to a lower account receivable arising from agreements entered into in commercial contracts for the sale of tin in line with fluctuations in the price of the metal.

(d) As of September 30, 2023 and December 31, 2022, this caption mainly corresponds to the credit for the value added tax (hereinafter "VAT") that results from purchases of goods and services resulting from the activities of construction and development carried out by the subsidiaries in Peru and Brazil (Cumbres del Sur S.A.C. and Marcobre S.A.C.) that will be offset with the VAT payable product of operations of the Subsidiary in Perú (Marcobre S.A.C.) and by the value added tax of the production activities of the subsidiary in Brazil (Mineração Taboca S.A.).

The subsidiary Cumbres del Sur S.A.C. has evaluated the recoverability of the general sales tax credit balance as of September 30, 2023 for US\$11,448,000 (US\$10,881,000 as of December 31, 2022) and considers that it will be used.

- (e) In the first quarter of 2023, the Group collected US\$5,146,000 (equivalent to S/15,598,000) related to the 2007 and 2008 income tax processes.

In the third quarter of 2023 the Group made the payment of the securities issued by the tax administration in respect of the 2017 audit for an amount equivalent to US\$ 6,430,000, see note 14.

During 2022, the Group obtained a refund of US\$9,226,000 (US\$69,745,000 during 2021) through "Régimen Especial de Recuperación Anticipada" of IGV (hereinafter 'RERA') with the Exploration Investment Contract regime (hereinafter "CIE" and US\$6,713,000 through the Balance in Favor of the Exporter (hereinafter SFE).

- (f) As of September 30, 2023 and December 31, 2022, this item comprises judicial deposits held by the subsidiary Mineração Taboca S.A. corresponding to processes that were settled through the financing of debts to the Brazilian tax administration (REFIS) and where the review initiated in 2014 by the Secretariat of the Federal Revenue of Brazil and by the Attorney General's Office of the National Treasury of Brazil is being developed, to require the release and consequent lifting of the deposited amounts.

## 5. Inventory, net

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

	As of September 30, 2023	As of December 31, 2022
	US\$(000)	US\$(000)
Work in progress (b)	501,049	413,832
Materials and supplies	97,587	86,323
Finished products	53,469	30,867
Inventory in transit	3,750	7,812
Mineral extracted	4,109	7,450
	659,964	546,284
Allowance for obsolescence	(4,007)	(4,701)
Allowance for impairment	(2,440)	(729)
	653,517	540,854
<b>By maturity:</b>		
Current	231,738	205,343
Non Current	421,779	335,511
<b>Total</b>	653,517	540,854

- (b) As of September 30, 2023 and December 31, 2022, corresponds to the mined material extracted as part of the mining activities in the open pit of the Mina Justa commercial operation, which is used as raw material for our production.

**6. Financial assets at fair value through other comprehensive income**

(a) The available-for-sale financial investments include the following:

2023					
	Cost	Unrealized results	Share performance	Fair Value	
	US\$(000)	US\$(000)	US\$(000)	US\$(000)	
Rímac Seguros y Reaseguros	21,070	(3,217)	746	18,599	
<b>Total</b>	21,070	(3,217)	746	18,599	
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	(5,414)	746	-	16,402
BBVA Spain	14,845	(9,862)	503	(5,486)	-
<b>Total</b>	35,915	(15,276)	1,249	(5,486)	16,402

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

	<b>As of September 30, 2023</b>	<b>As of December 31, 2022</b>
	US\$(000)	US\$(000)
<b>Opening balance</b>	16,402	23,073
Settlement of Investments (d)	-	(5,486)
Unrealized results	2,197	(1,185)
<b>Ending balance</b>	<b>18,599</b>	<b>16,402</b>
<b>By maturity:</b>		
Non-current portion	18,599	16,402
<b>Total</b>	<b>18,599</b>	<b>16,402</b>

- (c) As of September 30, 2023, and December 31, 2022, the fair value of the investments in Rimac Seguros y Reaseguros has been determined based on its listing on the Lima Stock Exchange.
- (d) In March 2022, the Company sold all the shares it held in BBVA Spain for a total value of €4,799,000, equivalent to US\$5,487,000. Likewise, the accumulated loss due to the update to fair value in other comprehensive income was reclassified to the retained earnings caption for US\$9,862,000.
- (e) As of September 30, 2023, the Group received cash dividends from Rimac of US\$1,040,000, equivalent to S/. 3,807,000, which were credited to income for the period.
- (f) As of September 30, 2023, the Group has not received any stock dividends. As of December 31, 2022, the Group has received stock dividends of US\$1,209,000 from its investments in Rimac which were credited to the consolidated statement of other comprehensive income.

## 7. Investments in associates

(a) This caption is made up as follows:

	Interest in equity		Equity value	
	As of September 30, 2023	As of December 31, 2022	As of September 30, 2023	As of December 31, 2022
	%	%	US\$(000)	US\$(000)
Inversiones Cordillera del Sur SpA.	73.85	73.85	169,540	170,178
Inversiones Cordillera Inmobiliaria SpA.	73.85	73.85	67,469	67,882
Futura Consorcio Inmobiliario S.A.	3.31	3.31	3,026	2,893
			240,035	240,953

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.

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 25.5% spin-off of the equity block, generating a new company named in the minutes as Inversiones Cordillera del Sur Inmobiliaria SpA. The purpose of the associate is to make investments in movable, tangible or intangible property, shares of corporations or joint-stock companies, rights in other companies, bonds, commercial paper and other securities; administer them, transfer them, exploit them and perceive their fruits; and, in general, carry out all kinds of acts and enter into all contracts that are necessary for the fulfillment of the company's purpose or the development of its line of business.

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

	For the specific quarter from July 1, to September 30		For periods of nine months ended September 30,	
	2023	2022	2023	2022
	US\$(000)	US\$(000)	US\$(000)	US\$(000)
Inversiones Cordillera del Sur SpA	(302)	(7,125)	230	(2,779)
Inversiones Cordillera Inmobiliaria SpA.	(85)	152	(77)	458
Futura Consorcio Inmobiliario S.A.	15	15	37	33
<b>Total</b>	<b>(372)</b>	<b>(6,958)</b>	<b>190</b>	<b>(2,288)</b>

As of September 30, 2023 and December 31, 2022, 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.

## 8. Property, plant and equipment, net

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

	Balance as of January 1, 2023	Additions	Mine closure update	Depreciation	Disposals	Reclassification	Translating adjustment	Balance as of September 30, 2023
Cost	3,316,657	149,542	7,987	-	(3,601)	(312)	17,415	3,487,688
Depreciation	(1,128,475)	-	-	(179,955)	1,682	-	(7,205)	(1,313,953)
	<b>2,188,182</b>	<b>149,542</b>	<b>7,987</b>	<b>(179,955)</b>	<b>(1,919)</b>	<b>(312)</b>	<b>10,210</b>	<b>2,173,735</b>

	Balance as of January 1, 2022	Additions	Mine closure update	Depreciation	Disposals	Reclassification	Translating adjustment	Balance as of September 30, 2022
Cost	2,980,506	220,737	(9,232)	-	(3,059)	(1,106)	9,289	3,197,135
Depreciation	(915,937)	-	-	(157,648)	2,019	-	(4,028)	(1,075,594)
	<b>2,064,569</b>	<b>220,737</b>	<b>(9,232)</b>	<b>(157,648)</b>	<b>(1,040)</b>	<b>(1,106)</b>	<b>5,261</b>	<b>2,121,541</b>

- (b) The depreciation expense has been distributed in the consolidated statements of profit or loss as follows:

	For the specific quarter from July 1, to September 30		For periods of nine months ended September 30,	
	2023 US\$(000)	2022 US\$(000)	2023 US\$(000)	2022 US\$(000)
Cost of sales	70,191	54,913	174,695	156,769
Unabsorbed costs	-	-	4,298	-
Administration expenses	207	269	660	624
Exploration and evaluation expenses	73	48	194	136
Selling expenses	9	7	26	23
Other expenses	30	35	82	96
	<b>70,510</b>	<b>55,272</b>	<b>179,955</b>	<b>157,648</b>

- (c) As of September 30, 2023, the capitalization of the starter dam as part of the B4 tailings dam project was made for US\$ 128,168,000.
- (d) As of September 30, 2023, the Group maintains in progress works, mainly the construction of the San Rafael water treatment system, the enlargement of the B4 tailings dam, water management, purchase of equipment and leaching pad of the Pucamarca mining unit, equivalent to US\$58,585,000. There is also the reinforcement of the oxide plant pans, the expansion of the desalination plant, and the purchase of trucks, among others related to the Marcobre subsidiary, equivalent to US\$59,875,000.
- Also, the acquisition of trucks to increase the fleet, water treatment station, hydroelectric and effluent plant and plant expansion - phase 3 at Mineração Taboca.
- (e) As of September 30, 2023, disposals correspond to the sale of real estate, sale of vehicles and disposal of equipment due to an accident. As of September 30, 2022, disposals correspond to works in progress of projects not yet executed.
- (f) As of September 30, 2023, the net cost of machinery and equipment under capital leases amounted to US\$113,000 (US\$630,000,000 as of December 31, 2022).
- (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 whether there is any indication of impairment or reversal of impairment. If such indications exist, a formal estimate of the recoverable amount is made for the recognition of an impairment or reversal of impairment.

As of September 30, 2023, the Group concluded that there is no indication of impairment and therefore did not make a formal estimate of the recoverable amount.

## 9. Intangible assets, net

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

	Balance as of January 1, 2023	Additions	Amortization	Disposals	Reclassification	Translating adjustment	Balance as of September 30, 2023
Cost	867,721	72,001	-	(250)	312	3,810	943,594
Amortization	(198,436)	-	(66,666)	-	-	(1,089)	(266,191)
	<b>669,285</b>	<b>72,001</b>	<b>(66,666)</b>	<b>(250)</b>	<b>312</b>	<b>2,721</b>	<b>677,403</b>

	Balance as of January 1, 2022	Additions	Amortization	Disposals	Reclassification	Translating adjustment	Balance as of September 30, 2022
Cost	800,208	54,569	-	(200)	1,106	2,684	858,367
Amortization	(98,343)	-	(71,170)	-	-	(642)	(170,155)
	<b>701,865</b>	<b>54,569</b>	<b>(71,170)</b>	<b>(200)</b>	<b>1,106</b>	<b>2,042</b>	<b>688,212</b>

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

	For the specific quarter from July 1, to September 30		For periods of nine months ended September 30,	
	2023 US\$(000)	2022 US\$(000)	2023 US\$(000)	2022 US\$(000)
Cost of sales	16,901	21,564	53,797	53,206
Mine development	2,310	4,660	12,545	17,742
Exploration expenses and studies	64	61	209	203
Unabsorbed costs	-	-	95	-
Administration expenses	6	6	18	18
Other expenses	(1)	-	2	-
	<b>19,280</b>	<b>26,292</b>	<b>66,666</b>	<b>71,170</b>

(c) At September 30, 2023, disposals of US\$ 250,000 correspond to the "Afortunada" concession in Tacna extinguished by management decision and approved by the Board of Directors.

At September 30, 2022, disposals of US\$ 200,000 correspond to the Ayahuanca 478, 479, 480 and 481 mining concessions of the subsidiary Cumbres del Sur.

(d) As of September 30, 2023 and December 31, 2022, the mining concessions and rights are mainly related to the subsidiaries Mineração Taboca and Marcobre.

## 10. Borrowings

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

Entity	Guarantee	Interest rate	As of September 30, 2023	As of December 31,2022
			US\$(000)	US\$(000)
Syndicated loan, net of structuring costs - Marcobre (c) and (d)		Sofr 3 meses +		
	With guarantees	1.75%	496,499	495,581
Corporate bonds 2031, net of issuance costs - Minsur (e)	Without guarantees	4.50%	488,284	487,412
Promissory note Banco Scotiabank Perú- Marcobre(g)	Without guarantees	5.80%	100,000	100,000
Bank Santander - Taboca (j)	With guarantees	SOFR + 2,80%	104,344	80,240
Promissory note Bank of Credit of Peru - Marcobre (f)	Without guarantees	2.40%	-	66,000
Interbank Bank Promissory Note - Minsur (i)	Without guarantees	4.13%	-	40,000
Bank of America - Taboca (j)	With guarantees	2.47%	34,953	34,558
Citibank - Taboca (h)	Corporate Minsur	Libor 3 meses + Spread	8,066	31,899
Bank Itaú - Taboca (k)	With guarantees	7.30%	2,996	-
Bank Santander - Taboca (k)	Without guarantees	7.76%	6,991	-
Bank Bradesco - Taboca (k)	Without guarantees	7.42%	4,993	-
Bank do Brazil (k)	With guarantees	7.90%	6,991	-
Finance leases (l)	Without guarantees	1.30% - 2.74%	14	684
			<u>1,254,131</u>	<u>1,336,374</u>
<b>By maturity:</b>				
Current			129,883	206,684
Non-current			<u>1,124,248</u>	<u>1,129,690</u>
			<u>1,254,131</u>	<u>1,336,374</u>

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

	As of September 30, 2023	As of December 31,2022
	US\$(000)	US\$(000)
<b>Opening balance</b>	1,336,374	1,551,180
Obtaining a syndicated loan - Marcobre (c) and (d)	-	500,000
Obtaining promissory note - Marcobre (f) and (g)	-	266,000
Obtaining loans ACC - Taboca (k)	19,390	16,102
Obtaining a loan Banco Santander -Taboca (j)	14,540	82,584
Amortized cost	918	18,688
Payment of promissory notes- Marcobre (f) and (g)	-	(166,000)
Payment of promissory notes- Marcobre (f)	(66,000)	-
Payment of promissory notes-Minsur (i)	(40,000)	(55,000)
Syndicated loan payments - Marcobre (c) and (d)	-	(785,000)
Banco Santander loan payment (j)	-	(7,803)
Payment of loans ACC - Taboca (k)	(3,026)	(47,095)
Payment of loans Citibank - Taboca (h)	(13,965)	(32,766)
Corporate bond issuance costs 2031 (e)	872	-
Payment of finance leases (l)	(670)	(1,644)
Translation	5,698	(2,872)
<b>Total</b>	<u>1,254,131</u>	<u>1,336,374</u>

- (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 Perú; 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 Générale; and Banco Bilbao Viscaya Argentaria, S.A., New York Branch, for which it obtained a credit line of US\$900,000,000. This loan was used for the development and build the Mina Justa project with a three-month variable interest Libor rate of 0.13% plus a spread of 1.57% on December 31, 2021. To obtain this loan, the Company counted with Minsur S.A. and Empresas Copec S.A. as guarantors. As of December 31, 2021, the subsidiary Marcobre has received the integrity of the loan for US\$900,000,000 (US\$792,000,000 as of December 31, 2020). During the month of December 2021, has made an amortization of the principal for US\$115,000,000, and during the month of June 2022, the entire balance of the debt was prepaid for \$784,995,000; terminating the syndicated loan (Mina Justa Project Finance) complying with the financial restrictions of said contract up to that date.

On June 17, 2022, the Marcobre subsidiary signed a loan agreement with Banco Bilbao Vizcaya SA (New York Branch); Banco de Crédito e Inversiones S.A.; Banco Sadabell, SA (Miami Branch); Bank of China Limited Panama Branch; Bank of China (Peru) S.A.; Citibank NA (Branch in Puerto Rico); export development canada; JP Morgan Chase Bank, NA; Natixis branch in New York and Corporación Bancaria Sumitomo Mitsui, for an amount of US\$500,000,000, which had the objective of forming 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 4.89% as of March 31, 2023, 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 3-year grace period.

During the term of the current loan, the Marcobre subsidiary must 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 September 30, 2023, the subsidiary Marcobre has complied with the financial restrictions of the subscribed contract.

- (d) On June 17, 2022, the Marcobre Subsidiary prepaid the entire syndicated loan for US\$900,000,000, causing the structuring costs associated with said loan to be recognized for US\$15,874,000 under financial expenses.

On June 17, 2022, the Marcobre Subsidiary obtained a new syndicated loan for US\$500,000,000 for which it incurred debt structuring costs of US\$5,104,000 at September 30, 2023 (US\$5,064,000 at December 31, 2022). These are accrued based on the loan interest calculated based on the CME TERM SOFR curve, US\$637,000 has been recognized for the first half of 2023 (US\$644,711 as of December 31, 2022).

- (e) The General Shareholders' Meeting held on October 18, 2021, agreed that the Company issue debt instruments ("the Bonds") in the international stock market for 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 said 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 face 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 contract loan agreement held on June 24, 2021.

On June 24, 2021, the Company entered into a syndicated loan with Bank of America N.A. and Banco Santander S.A. for US\$300,000,000, of which on July 5, 2021, it allocated US\$263,777,000 for the first prepayment of its debt instrument: "6.250% Senior Notes Due 2024"; Likewise, for prepayment premium and expenses associated with the transaction, the Company has recognized in the financial costs item of the consolidated income statement the amount of US\$23,160,000.

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, 2021, the Marcobre Subsidiary has received US\$66,000,000 from Banco de Crédito del Peru through a bank promissory note to finance its working capital, this note matured in April 2022 and accrued interest at a fixed annual interest rate of 1.13%.

On April 27, 2022, the Marcobre Subsidiary renewed the promissory note for US\$66,000,000 payable on April 27, 2023, which accrued interest at a fixed annual rate of 2.40%, recognizing US\$1,606,000 in finance costs in the consolidated statement of income.

- (g) On June 30, 2022, the Marcobre Subsidiary has entered into a bank promissory note with Banco Scotiabank Perú S.A.A. for US\$40,000,000 which will be paid in a single payment of interest and principal at maturity. The promissory note with original maturity in December 2022, was renewed for a period of 12 and accrues a fixed annual interest rate of 5.3%.

On December 22, 2022, the subsidiary Marcobre entered into a bank promissory note with Scotiabank Perú S.A.A. for US\$60,000,000, which is payable in a single payment of interest and principal at maturity in December 2023 and accrues a fixed annual interest rate of 5.3%.

- (h) Corresponds to "prepaid export - PPE" loans obtained by the subsidiary Minera Taboca during 2018, whose maturity dates is December 2023, the financing was carried out with the objective of reducing part of its short-term debts and improving cash flow in the subsidiary. According to the reform of the benchmark interest rate, the modification of the interest rate from Libor to SOFR has completed the transition and is now effective for the end of September, the end date for the publication of the Libor rate.
- (i) In May 2021, the Company received US\$40,000,000 through a bank promissory note to finance its working capital, which will be paid in a single payment of interest and principal at maturity. The financing date of the Banco Interbank promissory note (US\$40,000,000) which had an original maturity date of August 2022 was renewed until August 2023, which was cancelled early in July 2023.
- (j) Corresponds to two type loans "LOAN Santander 4131" obtained by the subsidiary Mineração Taboca S.A. during the year 2022, whose maturity dates are in March 2026 and accrue an interest rate of SOFR+ 2.80%. The financing was made with the objective of settling the PPE fees with Citibank, the financing will coincide with the payments of the PPE fees.
- (k) They correspond to loans of the type "advance of exchange contracts -ACC", obtained by the subsidiary Mineração Taboca S.A to finance their working capital. Said loans are contracted in relation to their export operations, which also constitute the guarantees of the financed amounts.

- (l) As of June 30, 2023 and December 31, 2022, the Group maintains financial leases with Banco de Crédito del Perú for the purchase of machinery at a weighted average rate of 2.74% (2.74% and 1.52% as of December 31, 2022 with Banco de Crédito del Perú and Scotiabank del Perú), with maturities in 2023.
- (m) As of September 30, 2023, the Group maintains joint guarantee by US\$260,385,000 to guarantee liabilities and derivative instruments of its subsidiary Mineração Taboca S.A with the following financial institutions:

Counterpart	Guarantee to:	US\$(000)	Maturity
Citibank	Credits	10,385	December 2023
Bank of America NA	Credits	35,000	February 2026
Bank do Brazil	Credits	20,000	Without caducity
Bank Itaú	Credits	10,000	Without caducity
Bank Santander Brazil	Credits	10,000	Without caducity
Bank Santander Spain	Credits	105,000	March 2026
Bradesco	Credits	5,000	Without caducity
Merryl Lynch International	Derivative instruments	15,000	Without caducity
JP Morgan Chase Bank NA	Derivative instruments	10,000	Without caducity
Bank Itaú	Derivative instruments	10,000	Without caducity
Macquarie Bank	Derivative instruments	30,000	Without caducity
<b>Total</b>		<b>260,385</b>	

## 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 third quarter of 2023 is explained by the updating of the mine closure provision in our mining units in accordance with current accounting standards.

## 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 the specific quarter from July 1, to September 30		For periods of nine months ended September 30,	
	2023 US\$(000)	2022 US\$(000)	2023 US\$(000)	2022 US\$(000)
<b>Income tax</b>				
Current	(42,158)	(22,405)	(165,345)	(166,016)
Deferred	(16,903)	(29,293)	(7,057)	(46,114)
	<u>(59,061)</u>	<u>(51,698)</u>	<u>(172,402)</u>	<u>(212,130)</u>
<b>Mining royalties and special mining tax</b>				
Current	(19,653)	(14,833)	(61,155)	(81,053)
Deferred	(5,114)	(9,252)	(3,972)	(102)
	<u>(24,767)</u>	<u>(24,085)</u>	<u>(65,127)</u>	<u>(81,155)</u>
	<u>(83,828)</u>	<u>(75,783)</u>	<u>(237,529)</u>	<u>(293,285)</u>

- (b) As of September 30, 2023, the Group has a receivable and income tax payable of US\$4,878,000 and US\$35,254,000, respectively. As of December 31, 2022, the Group had receivable and income tax payable of US\$4,364,000 and US\$112,325,000.

- (c) 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 y Futura Consorcio Inmobiliario S.A.C. due to: (i) Inversiones Breca S.A. 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.

For informational purposes, the temporary differences of investments in associates would generate a deferred income tax asset amounting to US\$3,285,000 as of September 30, 2023 (US\$2,792,000 as of December 31, 2022), which has not been recognized in the accounts. consolidated financial statements of the Group.

### 13. Equity

- (a) Declared and paid dividends -

Information on dividends declared and paid for the year 2022:

	Date	Dividends declared and paid US\$(000)	Dividends by common share US\$(000)	Dividends per Investment action US\$(000)
<b>Dividends 2022</b>				
Shareholders' meeting	June 15, 2022	64,000	2.2199	0.0222
	September 13,			
Shareholders' meeting	2022	210,000	7.2841	0.0728

- (b) Legal reserve -

The Peruvian General Corporation Law requires that a minimum of 10 percent of the distributable earnings for each period, after deducting the income tax, needs to be transferred to a legal reserve until such is equal to 20 percent of the capital. This legal reserve can offset losses or can be capitalized, in both cases there is an obligation to replenish it.

As of December 31, 2022, the Group capitalized dividends past due for lack of collection of more than 3 years in accordance with the General Corporations Law for an amount of US\$117,000. For the year 2023, the Group has not increased its legal reserve because it reached the limit mentioned above.

- (c) Non-controlling interest contributions -

As of September 30, 2023 and December 31, 2022, there were no contributions from the non-controlling interest.

At the General Shareholders' Meeting held on March 20 and xxxxx of xxxx of 2023 of the subsidiary Cumbres Andinas, the Company approved the payment of dividends, paying US\$38,000,000 and US\$36,000,000, respectively, to Alxar Internacional SpA.

At the General Shareholders' Meeting held on July 18, 2022 of the subsidiary Cumbres Andinas, the return of non-controlling interest contributions was approved, paying US\$70,400,000 to Alxar Internacional SpA.

**14. Tax situation**

Years open to tax review:

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. Income Tax returns for the years 2018 to 2022 and General Sales Tax for the years 2018 to 2022 are pending review by the tax authorities. In addition, at the end of the third quarter we are under review by the tax authorities of the income tax return for the year 2020.

Additionally, in the third quarter of 2023 the Company made the payment of the values issued by the tax administration with respect to the 2017 audit for an amount equivalent to US\$ 6,430,000 (see note 4). In addition, the Company is evaluating, together with its advisors, to initiate the process of claiming such amounts.

**15. Net sales**

The composition of this caption is presented below:

	For the specific quarter from July 1, to September 30		For periods of nine months ended September 30,	
	2023 US\$(000)	2022 US\$(000)	2023 US\$(000)	2022 US\$(000)
Copper concentrate	169,829	148,162	629,942	583,383
Tin and other minerals	248,790	212,281	590,897	727,508
Copper cathodes	97,397	53,228	260,223	154,543
Gold	26,806	27,567	76,121	82,731
Niobium and tantalum	22,387	19,666	66,956	62,593
	<u>565,209</u>	<u>460,904</u>	<u>1,624,139</u>	<u>1,610,758</u>

Tin sales concentration - Peruvian market -

As of September 30, 2023 there is no significant concentration of sales. The three largest customers accounted for 32 percent of total sales (the three largest customers accounted for 39 percent of total sales at September 30, 2022). At September 30, 2023, 51 percent of accounts receivable are from these customers (42 percent at September 30, 2022).

Tin Sales Concentration - Brazilian Market -

At September 30, 2023, the top three customers represent 33 percent of total sales (62 percent at September 30, 2022) and 47 percent of accounts receivable correspond to these customers (55 percent at September 30, 2022).

Concentration of gold sales

As of September 30, 2023 and 2022, the Company sold gold to 2 customers and 100 percent of the accounts receivable correspond to one of them.

Concentration of sales of niobium and tantalum -

At September 30, 2023, the top three customers account for 65 percent of total sales (64 percent at September 30, 2022) and 84 percent of accounts receivable are from these customers (53 percent at September 30, 2022).

Concentration of sales of copper cathodes -

At September 30, 2023, the top three customers represent 51 percent of total sales (68 percent at September 30, 2022).

Concentration of sales of copper concentrate -

At September 30, 2023, the top three customers represent 56 percent of total sales (54 percent at September 30, 2022) and 59 percent of accounts receivable are from these customers (52 percent at September 30, 2022).

## 16. Cost of sales

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

	For the specific quarter from July 1, to September 30		For periods of nine months ended September 30,	
	2023 US\$(000)	2022 US\$(000)	2023 US\$(000)	2022 US\$(000)
Opening balance of product in process inventory	430,477	291,577	382,874	202,550
Opening balance of finished product inventory	57,877	64,741	30,868	31,829
Services rendered by third parties	57,523	69,337	163,054	194,984
Consumption of raw material and miscellaneous supplies	87,622	73,789	245,314	199,449
Depreciation	79,210	61,324	190,448	168,754
Wages and salaries	58,743	48,819	156,357	142,124
Amortization, note 9(b)	16,901	21,564	53,797	53,206
Purchase of mining services from AESA S.A.	16,120	12,585	30,532	36,152
Unabsorbed costs (b)	-	-	30,996	-
Electricity	11,797	10,349	31,985	31,260
Recovery (estimate) for obsolescence	(20)	(14)	(145)	(78)
Recovery of estimation due to devaluation of inventories	3,504	392	3,013	349
Out of inventory	47	-	39	45
Hedging derivative losses	(1,527)	(57)	(3,556)	(1,387)
Other manufacturing expenses	14,879	3,061	53,322	26,403
Capitalization Stripping cost	(34,002)	(19,477)	(71,686)	(53,200)
Translation	(1,399)	743	1,514	1,785
Final balance of work in process inventory	(454,212)	(329,155)	(454,212)	(329,155)
Final balance of finished product inventory	(53,469)	(60,778)	(53,469)	(60,778)
	<u>290,071</u>	<u>248,800</u>	<u>791,045</u>	<u>644,292</u>

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

	For periods of six months ended September 30,	
	2023	2022
Depreciation	5,190	-
Wages and salaries	7,737	-
Services rendered by third parties	11,833	-
Amortization, note 9(b)	95	-
Other manufacturing expenses	6,141	-
	<u>30,996</u>	<u>-</u>

## 17. Related parties' transactions

(a) Receivables and Payables -

The balances of the receivable and payable with related parties as of September 30, 2023 and December 31, 2022 follow:

	As of September 30, 2023	As of December 31, 2022
	US\$(000)	US\$(000)
<b>Classification by existing captions:</b>		
<b>Other receivables (current), note 4(a):</b>		
<b>Other related parties</b>		
Compañía Minera Raura S.A.	2,608	2,094
Administración de Empresas S.A.	1,023	557
Clinica Internacional S.A.	-	19
	<u>3,631</u>	<u>2,670</u>
<b>For paying commercial and various (current):</b>		
<b>Other related parties</b>		
Administración de Empresas S.A.	6,674	7,658
Rímac S.A. Entidad prestadora de salud	714	153
Rímac Seguros y Reaseguros	233	317
Inversiones San Borja S.A.	138	220
Inversiones Nacionales de Turismo S.A.	58	27
Corporación Breca S.A.C.	44	38
Protección Personal S.A.C.	44	62
Centría Servicios Administrativos S.A.	12	18
Corporación Peruana de Productos Químicos S.A.	5	16
Clínica Internacional. S.A.	3	422
Brein Hub S.A.C.	-	1,733
Terpel Comercial del Peru S.R.L.	-	672
Compañía Minera Raura S.A.	-	1
	<u>7,925</u>	<u>11,337</u>
<b>Financial obligations</b>		
<b>Other related parties</b>		
Inversiones San Borja S.A.	2,286	2,846
Administración de Empresas S.A.	<u>7,549</u>	<u>9,964</u>
	<u>9,835</u>	<u>12,810</u>
	<u>17,760</u>	<u>24,147</u>
<b>Classification by nature:</b>		
Commercial	7,925	11,337
Financial Obligations	<u>9,835</u>	<u>12,810</u>
	<u>17,760</u>	<u>24,147</u>

There have been no guarantees provided or received for any related party receivables or payables. For the year ended September 30, 2023 and December 31, 2022, the Group has not recorded any impairment of receivables related to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Balances payable to related companies are current maturities, interest free and have no specific guarantees.

(b) **Remunerations -**

The compensation received by key personnel of the Group for the years ended September 30, 2023 and December 31, 2022 has been recognized as an expense in the consolidated statement of profit or loss and there are as follows:

	For the specific quarter from July 1, to September 30		For periods of nine months ended September 30,	
	2023 US\$(000)	2022 US\$(000)	2023 US\$(000)	2022 US\$(000)
<b>Perú</b>				
Remuneration	3,668	3,944	27,230	31,119
Directors' allowance	135	133	403	398
	<u>3,803</u>	<u>4,077</u>	<u>27,633</u>	<u>31,517</u>
<b>Brasil</b>				
Fixed remuneration	292	313	965	957
Variable remuneration	-	141	1,270	1,516
	<u>292</u>	<u>454</u>	<u>2,235</u>	<u>2,473</u>
<b>Total</b>	<u>4,095</u>	<u>4,531</u>	<u>29,868</u>	<u>33,990</u>

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

#### 18. 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:

	2023 US\$(000)	2022 US\$(000)
Property, plant and equipment	<u>33,701</u>	<u>26,220</u>

#### 19. Contingencies

As of September 30, 2023, the Group has not presented significant changes in contingencies with respect to what was reported in the 2022 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 sale of tin extracted from Peru.
- Production and sale of tin extracted from Brazil.
- Production and sale of gold extracted from Peru.
- Production and sale of copper produced in 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 located 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.

Segment performance is evaluated based on profit (loss) before income tax and is measured consistently with income (loss) in the consolidated statements of profit or loss.

	Tin and Gold (Peru)								
	Tin	Gold	Not distributable	Total	Tin	Cooper	Mining exploration	Adjustments and Eliminations	Total Consolidated
	(Perú)	(Perú)	(Perú)	(Perú)	(Brasil)	(Perú)	(Perú and Chile)		
	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$ (000)
As of September 30, 2023:									
Results:									
External customer revenue	467,967	76,121		544,088	189,887	890,164			1,624,139
Sales cost	(242,041)	(65,566)		(307,607)	(159,126)	(324,312)			(791,045)
Administration expenses	(38,195)	(10,346)		(48,541)	(12,138)	(12,800)	(507)	2,918	(71,068)
Selling expenses	(4,339)	(807)		(5,146)	(2,436)	(26,683)			(34,265)
Exploration expenses and studies	(11,914)	(5)		(11,919)		(20,525)	(407)		(32,851)
Others, net	(6,680)	(1,810)		(8,490)	(890)	(4,175)	(1,242)	(2,918)	(17,715)
Operating income	164,798	(2,413)		162,385	15,297	501,669	(2,156)	-	677,195
Profit before income tax			336,585	336,585	9,027	480,505	(2,026)	(193,077)	631,014
Income Tax			(68,053)	(68,053)	(1,355)	(168,121)			(237,529)
Net profit	-	-	268,532	268,532	7,672	312,384	(2,026)	(193,077)	393,485
Other revelations:									
				49%					
Additions to property, plant and equipment, right in use and intangible assets	49,428	2,695	8,430	60,553	84,767	133,562	-	-	278,882
Depreciation and amortization (included in costs and expenses)	51,932	29,147	1,253	82,332	25,592	92,826	24	-	200,774
Operating cash flow				113,932	27,988	489,043	(5,256)		625,707
Investment cash flow				53,577	(31,067)	(124,483)	(2,099)	(104,388)	(208,460)
Tin and Gold (Peru)									
	Tin	Gold	Not distributable	Total	Tin	Cooper	Mining exploration	Adjustments and Eliminations	Total Consolidated
	(Perú)	(Perú)	(Perú)	(Perú)	(Brasil)	(Perú)	(Perú and Chile)		
	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$ (000)
As of September 30, 2022:									
Results:									
External customer revenue	593,674	82,731	-	676,405	196,427	737,926	-	-	1,610,758
Sales cost	(229,980)	(72,013)	-	(301,993)	(127,859)	(214,440)	-		(644,292)
Administration expenses	(37,145)	(11,632)	-	(48,777)	(10,394)	(7,854)	(953)	1,581	(66,397)
Selling expenses	(7,211)	(1,006)	-	(8,217)	(3,396)	(19,439)	-	-	(31,052)
Exploration expenses and studies	(12,112)	(8)	-	(12,120)	-	(6,932)	(1,621)	-	(20,673)
Others, net	(7,741)	(2,424)		(10,165)	(674)	(3,861)	2,197	(1,581)	(14,084)
Operating income	299,485	(4,352)	-	295,133	54,104	485,400	(377)	-	834,260
Profit before income tax	-	-	464,879	464,879	53,555	431,296	(2,780)	(199,916)	747,034
Income Tax	-	-	(119,977)	(119,977)	(14,129)	(159,179)	-	-	(293,285)
Net profit			344,902	344,902	39,426	272,117	(2,780)	(199,916)	453,749
Other revelations:									
				51%					
Additions to property, plant and equipment, right in use and intangible assets	78,805	19,988	495	99,288	32,388	166,129	14	-	297,819
Depreciation and amortization (included in costs and expenses)	42,434	37,000	1,122	80,556	17,161	70,901	30	-	168,648
Operating cash flow				167,230	64,811	493,584	(9,334)		716,291
Investment cash flow				(90,892)	(54,567)	(157,352)	(43)	12,020	(290,834)

## 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 sensitivity analyzes included in the following sections relate to the financial situation as of September 30, 2023 and December 31, 2022.

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 to September 30, 2023 and December 31, 2022.

#### *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 real 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 risk of change with the product of operations; that is, it does not perform hedging operations with derivative financial instruments to cover its exchange risk except for a significant portion of its operating costs expressed in Brazilian reais in its subsidiary Taboca.

The following table shows the sensitivity to a reasonably possible change in U.S. dollar exchange rates, considering that all other variables will remain constant. The impact on the Group's income before income taxes as of September 30, 2023 and 2022 is due to changes in the fair value of monetary assets and liabilities:

Year	Revaluation/ devaluation in the exchange rate	Effect on profit before income tax US\$(000)
September 30, 2023	10%	5,619
	-10%	(5,619)
September 30, 2022	10%	7,941
	-10%	(7,941)

**Interest rate risk –**

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

As of September 30, 2023 and September 30, 2022, the corporate bonds of the Group have a fixed effective interest rate, with exception of the subsidiaries Mineração Taboca and Marcobre subscribed variable rate loans to mitigate the risk of variation of the interest rate, in this respect the Group has subscribed derivative financial instruments, consequently, the Management has evaluated that it is not relevant to carry out an analysis of sensitivity to futures 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 and loss and financial assets through other comprehensive income. The 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 the limits established by Management.

As of September 30, 2023 and December 31, 2022, the Group does not hold balances in financial assets at fair value through profit or loss.

**Changes risk in mineral prices –**

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 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 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 earnings before income tax for changes in the tin price (excluding the subsidiary Mineração Taboca S.A. that it has derivative financial instruments to cover a relevant portion of this risk). This analysis is based on the presumption that the price of tin has increased or decreased by 10 percent, while the rest of the variables remain constant. For the positive 2023 scenario, an average quotation of US\$/TM26,508 (average quotation of US\$/TM23,741 for the third quarter of 2022) was considered, while for the negative scenario, an average quotation of US\$/TM21,688 (average quotation of US\$/TM19,424 for the third quarter of 2022) was considered.

Year	Increase / decrease in the market value of metals	Effect on profit (loss) before income tax US\$(000)
<b>September 30, 2023</b>	10%	3,824
	-10%	(3,824)
<b>September 30, 2022</b>	10%	5,574
	-10%	(5,574)

At September 30, 2023, the Group sells gold at market price on the date of shipment and therefore is not subject to provisional quotations, nor does it have any exposure to price risk associated therewith.

As of September 30, 2022, the Group sold gold at provisional price quotations, therefore, the table below summarizes the impact on income before income tax of changes in the price per ounce of gold. Table below summarizes the impact on income before income tax of changes in the price per ounce of gold. This analysis assumes that the year-end gold price has increased or decreased by 10 percent, with all other variables held constant. For the 2022 positive scenario an average price of US\$1,950 per ounce of gold was considered, while for the negative scenario an average price of US\$1,595 per ounce of gold was considered.

Year	Increase / decrease in the price of market value of metals	Effect on profit (loss) before income tax US\$(000)
<b>September 30, 2022</b>	10%	724
	-10%	(724)

With the beginning of the commercial operation of the subsidiary Marcobre and considering that the international price of copper has a material impact on the result of the operations of the subsidiary. Copper prices have historically fluctuated and are affected by numerous factors beyond your control. In this sense, the subsidiary Marcobre manages its price risk mainly through the use of sales commitments within the contracts with clients and the subscription of derivative contracts of the metals that it commercializes.

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

The table below summarizes the impact on profit before income tax due to changes in the copper price of the Marcobre subsidiary. This analysis assumes that the price of copper has increased or decreased by 10 percent, while the rest of the variables remain constant. For the positive scenario as of September 30, 2023, an average quotation of US\$/TM 9,399 (average quotation of US\$/TM 9,326 as of September 30, 2022) was considered, while for the negative scenario an average quotation of US\$/TM 7,690 (average quotation of US\$/TM 7,631 as of September 30, 2022) was considered.

Year	Increase/reduction in the price of listed minerals	Effect on profit before income tax US\$(000)
<b>September 30, 2023</b>	10 %	49,302
	10 %	(49,302)
<b>September 30, 2022</b>	10 %	56,010
	10 %	(56,010)

(ii) Credit risk -

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

With regard 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 an adequate credit history. The maximum exposure to credit risk of the consolidated statement of financial position as of September 30, 2023 and December 31, 2022 is given by the balance of the captions cash and cash equivalents, trade and other receivables.

Financial instruments and bank deposits -

The credit risk in bank balances is managed by the Chief Financial Officer in accordance with Group policies. The counterparty credit limits are reviewed by Management and the Board. The limits are established to minimize the risk concentration and therefore mitigate financial losses from potential default of the counterparty.

Trade accounts receivable -

The credit risk of the clients is managed by the Management, subject to duly established policies, procedures and controls. The outstanding balances of accounts receivable are periodically reviewed and classified according to the credit risk profile with credit limits to ensure their recovery. The Group's tin and gold sales are made to foreign customers located mainly in Europe and the United States, respectively. And due that does not present significant sales concentration if has limited credit risk exposition.

On the other hand, according to Management's assessment based on the aging analysis, of trade accounts receivable as of September 30, 2023 compared to September 30, 2022 no significant delays were identified. 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 -

Accounts receivable other than the tax credit for value added tax and other tax credits correspond to outstanding balances 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 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.

21.2. Capital risk management -

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

The policy of the Group consists of financing all its projects with a conservative mix of own cash resources and debt. With this objective, the Group adjust face changes in the economic market conditions and the requirements of financial conditions (covenants). To maintain or adjust the capital structure, the Company may adjust the payment of dividends to shareholders, return capital to its shareholders or issue new shares or channel resources to subsidiaries in Peru, Chile and Brazil, the additional needs are covered by bank loans. In order to achieve this, the Group periodically capitalizes its earnings and if necessary, adjusts the amount of the dividends payable to its shareholders. There were no changes in the Group's objectives, policies and procedures during the year ended September 30, 2023.

## 22. Financial derivative instruments

- (a) Since interest payments for loans obtained by the subsidiary Marcobre during the year 2018 was 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 "Cap interest rate" and "Interest rate swap" contracts were subscribed for a maximum amount of US\$720,000,000, which covered 80% of the subsidiary Marcobre's loan.

The loan related to these hedging instruments (swaps and cap options) was paid in full on June 17, 2022, therefore, hedge accounting ceased on that same date.

Consequently, these derivative financial instruments associated with said debt were settled on June 28, 2022, recognizing financial expenses for US\$2,211,000 due to the decrease in the premiums paid for the Cap No. 1 and Cap No. 2 options pending vesting and a financial income of US\$3,151,000 for the early cancellation of derivatives by Swap and Cap No. 1 and No. 2.

On the other hand, since the payments for the new loan obtained during June 2022 are subject to fluctuations originating from the variable interest rate, the Group decided to opt for a 100% hedging strategy for the financial risk associated with the liability. Therefore, 100% of the Group's cash flows are prospectively hedged, which qualify as highly probable transactions, under an "Interest Rate Swap" scheme. This "Interest Rate Swap" contract was signed for a maximum amount of US\$500,000,000, which covers 100% of the Marcobre subsidiary loan.

Below is a summary of the instruments subscribed as of 30.09.2023 and 31.12.2022:

Entity	Value Reference (maximum) US\$(000)	Agreed rate %
<b>Citibank N.A., New York</b>		
Interest Rate Swap	500,000	3.457%

A summary of the value of the hedged items is as follows

		Hedged value	
		2023 US\$(000)	2022 US\$(000)
Cash flow hedge -			
Interest rate swap	From June 2022 to June 2027	52,257	68,635

- (e) At September 30, 2023, the Group through its subsidiary Marcobre has recognized a current receivable for the fair value of derivative financial instruments in the amount of US\$9,205,000 and a non-current receivable of US\$5,816,000 (at December 31, 2022 recognized a receivable for the fair value of derivative financial instruments in the amount of US\$7,271,000 of which US\$6,666,000 is current maturity and US\$604,000 is non-current maturity), whose impact on the consolidated statement of other comprehensive income was as follows:

	Effect on other comprehensive income (expense)	
	2023 US\$(000)	2022 US\$(000)
<b>Derivatives of interest rates -</b>		
Interest rate swap	7,750	(1,833)
Intrinsic value of premium Caps	-	1,696
	<u>7,750</u>	<u>(137)</u>
(-) Deferred income tax	(2,015)	36
Net effect	<u>5,735</u>	<u>(101)</u>

In addition, on December 31, 2022, as a result of the early settlement of the syndicated loan of US\$900,000,000, Caps N° 1 and N° 2 options were settled and therefore an amount of US\$2,211,000 was reclassified from other comprehensive income to income for the year under financial expenses.

The subsidiary Mineração Taboca S.A. maintains derivative financial instruments designated as cash flow hedges, corresponding to exchange rate swaps, Zero Cost Collar of exchange rate and metals, and NDF (Non-Deliverable Forward) exchange rate and metals with the objective of cover and managing the risks inherent in the variation of foreign currency (dollar in the case of Mineração Taboca S.A.) tin prices and variable interest rate. As of September 30, 2023, the net fair value of these Zero Cost Collar and NDF amounts to US\$19,785,851 (equivalent to R\$100,221,271) (US\$58,501,002 equivalent to R\$299,565,112 as of September 30, 2022) and Swap amounts to US\$3,538,930 (equivalent to R\$17,925,742) (US\$3,115,746 equivalent to R\$15,954,752 as of September 30, 2022).

(d) 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.

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 September 30, 2023 and December 31, 2022:

Year 2023						
Metal	Instrument	Expiration period	Covered volume Oz	Agreed price US\$/oz	Estimated price US\$/oz	Fair value US\$(000)
Gold	Zero Cost Collar	Year 2023	17,647	1,450 - 1,737	1,939	(3,209)
		Year 2024	32,000	1,450 - 1,775	2,024	(5,468)
						<u>(8,677)</u>

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 2023	52,941	1,450 – 1,746	1,849	(5,745)
		Year 2024	32,000	1,450 – 1,775	1,934	(4,475)
						<u>(10,220)</u>

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 September 30, 2023 and September 30, 2022, the Group recognized in the “Consolidated statement of other comprehensive income” a negative change in fair value of approximately US\$1,888,000 and US\$8,928,000, respectively, which is presented net of the effect on income tax.

- (e) The following is the classification according to its expiration as of September 30, 2023 and December 31, 2022:

Instruments– Year 2023	Nature	Current US\$(000)	Non- Current US\$(000)	Total US\$(000)
Interest rate hedges – Marcobre	Asset	9,205	5,816	15,021
Exchange rate hedge – Taboca	Asset	1,585	-	1,585
Price hedge – Taboca	Asset	14,137	-	14,137
Interest rate hedges – Taboca	Asset	3,192	1,709	4,901
<b>Total assets</b>		<u>28,119</u>	<u>7,525</u>	<u>35,644</u>
Metal price hedges - Minsur	Liability	6,706	1,971	8,677
<b>Total liability</b>		<u>6,706</u>	<u>1,971</u>	<u>8,677</u>
Instruments– Year 2022	Nature	Current US\$(000)	Non- Current US\$(000)	Total US\$(000)
Interest rate hedges – Marcobre	Asset	6,666	604	7,270
Price hedge – Taboca	Asset	32,016	3,643	35,659
Exchange rate hedge – Taboca	Asset	2,072	134	2,206
Interest rate hedges – Taboca	Asset	1,535	1,574	3,109
<b>Total assets</b>		<u>42,289</u>	<u>5,955</u>	<u>48,244</u>
Interest rate - Marcobre	Liability			
Metal price hedges - Minsur	Liability	5,745	4,475	10,220
Interest rate hedges - Taboca	Liability	74	-	74
Metal price hedges - Taboca	Liability	3,738	674	4,412
Exchange rate hedges - Taboca	Liability	1,480	126	1,606
<b>Total liability</b>		<u>10,889</u>	<u>5,275</u>	<u>16,164</u>

## 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 similar 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 similar to 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	
	2023 US\$(000)	2022 US\$(000)	2023 US\$(000)	2022 US\$(000)
<b>Financial assets</b>				
Cash and cash equivalents	427,890	230,072	427,890	230,072
Trade and other receivables, net	277,998	463,660	277,998	463,660
Derivative financial instruments	35,644	48,244	35,644	48,244
Financial assets at fair value through other comprehensive income	18,599		18,599	
		16,402		16,402
<b>Total financial assets</b>	<b>760,131</b>	<b>758,378</b>	<b>760,131</b>	<b>758,378</b>
<b>Financial liabilities</b>				
Financial obligations:				
Other financial obligations	765,847	848,962	767,259	852,744
Corporate bonds	488,284	487,412	429,665	440,075
Trade and other payables	247,842	308,289	256,748	366,770
Derivative financial instruments	8,677	16,164	8,677	16,164
<b>Total financial liabilities</b>	<b>1,510,650</b>	<b>1,660,827</b>	<b>1,462,349</b>	<b>1,675,753</b>

(b) 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.

During the year ended September 30, 2023 there were no transfers between fair value hierarchies.

Quantitative disclosure of fair value of financial assets by hierarchy as of September 30, 2023

		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 September 30, 2023				
Assets measured at fair value:				
Financial assets at fair value through other				
comprehensive income	18,599	18,599	-	-
Derivative financial instrument	35,644	-	35,644	-
Trade receivables (subject to provisional				
pricing)	114,329	114,329	-	-
Liabilities recognized at fair value:				
Derivative financial instruments	8,677	-	8,677	-

During the year ended December 31, 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, 2022 –

	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, 2022				
Assets measured at fair value:				
Financial assets at fair value through other				
comprehensive income	16,402	16,402	-	-
Derivative financial instrument	48,244	-	48,244	-
Trade receivables (subject to provisional				
pricing)	336,404	336,404	-	-
Liabilities recognized at fair value:				
Derivative financial instruments	16,164	-	16,164	-

## 24. Subsequent events

On October 16, 2023, at a meeting of the Company's Board of Directors, it was agreed to distribute a dividend out of retained earnings to common and investment shareholders in the amount of US\$ 174,000,000, which will be delivered on November 24, 2023.

Except as indicated in the preceding paragraph, between October 1, 2023 and the date of issuance of the condensed interim consolidated financial statements, no significant subsequent events of a financial-accounting nature have occurred that could affect the interpretation of these consolidated financial statements.