Minsur S.A. and Subsidiaries

Unaudited interim condensed consolidated financial statements as of December 31, 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. (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.

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

Minsur S.A. developed the B4 tailings dam project located at the San Rafael mine whose investment amounted to US$136,761,000 as of December 31, 2022. The project consisted of the construction of a new tailings dam for the San Rafael and B2 plants that will ensure the continuity of operations. The project had a completion date of March 2023, at which time US$111,841,000 was capitalized. Subsequently, another capitalization was recorded in June 2023 for the dam enlargement for US$16,000,000.

The tailings dam expansion is currently underway and will be an ongoing project, representing an investment of US$47,804,000 as of December 31, 2023.

(b.2) San Rafael Water Treatment System Project

Minsur S.A. is developing the Water Treatment System project located at the San Rafael mine, whose investment amounts to US$50,359,000 as of December 31, 2023 (US$17,490,000 as of December 31, 2022). The project consists of treating contact water from the operations in compliance with current legislation. The project is scheduled for completion in February 2024.

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

During the year 2023, the subsidiary Marcobre S.A.C. made investment expenditures of approximately US$190,884,000 mainly for the sulfide and oxide plant sustaining and upgrading activities. During the year 2022, investment expenditures of approximately US$213,345,000 were made mainly for the support and improvement of the ponds.

(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, production was progressively resumed at the San Rafael mining unit. By the second quarter of 2023, the company was operating under normal conditions.

As mentioned in note 16 b) cost of sales, indirect costs that were not absorbed in the production process as a result of the temporary stoppage of the San Rafael mining unit are presented.

(e) Consolidated financial statements –

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

	Equity interest			
	December 31, 2023		December 31, 2022	
	Direct %	Indirect %	Direct %	Indirect %
Subsidiaries in Chile:				
Minera Andes del Sur SPA	-	100.00	-	100.00
Subsidiaries in Brazil:				
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 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 therein, is located in the Commune of Santiago, Chile.

- Mineração Taboca S.A. -

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

- Mamoré Mineração e Metalurgia Ltda. -

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

- Minera Latinoamericana S.A.C. -

  Through this Subsidiary, the Company has investments in Mineração Taboca S.A. and its Subsidiary, as well as in Inversiones Cordillera del Sur SpA., Inversiones Cordillera Inmobiliaria SpA and Minera Andes del Sur S.p.A. The Company's legal domicile is Jirón Giovanni Batista Lorenzo Bernini 149, interior 501A, San Borja Lima, Peru.

- Cumbres Andinas S.A.C. -

  Currently, the activity of this subsidiary is limited to 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.

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

- Marcobre S.A.C. -
  The main activity of the subsidiary is the exploitation and commercialization of cathodes and copper concentrate in the Mina Justa operation, located in the Nazca province, Ica region.
  The Company's legal domicile is Jirón Giovanni Batista Lorenzo Bernini 149, interior 501A, San Borja Lima, Peru.

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

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

The interim condensed consolidated financial statements as of December 31, 2023 were approved for issuance by the Group's Management on March 01, 2024.

The consolidated financial statements as of December 31, 2022 and for the year then ended were approved by the General Shareholders' Meeting on March 29, 2023.

2. Basis of preparation and accounting policies

2.1. Basis of preparation -

The unaudited condensed interim consolidated financial statements of the Group have been prepared in accordance with IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB) and on a historical cost basis, except for financial investments at fair value through other comprehensive income (ORI) and derivative financial instruments which are recorded at fair value.

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

2.2. Change in accounting policies and disclosures –

Certain New standards and interpretations adopted by the Group.

The accounting policies adopted in the preparation of these interim unaudited condensed consolidated financial statements are consistent with the policies considered in the preparation of the Group's audited consolidated financial statements as of December 31, 2022, except for the new standards and interpretations that became effective as of January 1, 2023.

Certain standards and amendments have become effective for annual periods beginning on or after January 1, 2023; however, they have not had an impact on the consolidated financial statements and, therefore, have not been disclosed. The Group has not early adopted any standards, interpretations or amendments that have been issued and are not yet effective.

Amendments to IAS 1: "Classification of liabilities as current or non-current".

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 "Presentation of Separate Financial Statements" to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- What is meant by a right to defer settlement.
- That there must be a right to defer at the end of the reporting period.
- That the classification is not affected by the probability that an entity will exercise its right to defer.
- That only if a derivative embedded in a convertible liability is itself an equity instrument, the terms of a liability would not affect its classification.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and should be applied retrospectively.

These amendments have no impact on the Group's financial statements because its financial obligations are presented as current or non-current liabilities in accordance with the contractual terms and there is no situation where further accounting judgment is warranted for their presentation.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8 in which it introduces a definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. In addition, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. In addition, they clarify how entities use measurement techniques and inputs to develop accounting estimates. These amendments had no impact on the Group's consolidated financial statements.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period. Earlier application is permitted provided that this fact is disclosed.

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

Disclosure of accounting policies - Amendments to IAS 1 and IFRS Practice Statement 2 - "Making judgments about materiality".

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement No. 2 "Making Materiality Judgments", providing guidance and examples to assist entities in applying materiality judgments to accounting policy disclosures. The amendments are intended to help entities provide disclosures about accounting policies that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.
on accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after January 1, 2023 and early application is permitted. As the amendments to Practice Paper No. 2 provide non-mandatory guidance on the application of the definition of material to accounting policy disclosures, an effective date for these amendments is not required.

The Group already discloses the most relevant accounting policies in the annual notes to the financial statements and, if necessary, updates this content according to the new transactions that are being generated in the companies of the mining division.

Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12 related to assets and liabilities arising from a single transaction that result in the recognition of an asset and a liability simultaneously.
This amendment has not had any impact on the Group's financial statements because deferred assets and liabilities have been presented without considering exceptions, presenting the amounts in the corresponding caption.

3. Cash and cash equivalents

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

	As of December 31, 2023	As of December 31,2022
	US$(000)	US$(000)
Cash on hand and petty cash	9	43
Cash in transit (b)	21,688	-
Bank current accounts (c)	31,359	7,718
Time deposits (d)	292,575	222,311
Balance considered in the consolidated statements of cash flow	345,631	230,072

(b) Corresponds to a remittance in transit in the subsidiary Marcobre S.A.C., generated by the collection with the local customer Hartree Metal Perú S.A.C. whose amount has been withheld by Banco de Crédito del Perú since December 29, 2023, and whose collection has been paid on January 2, 2024.

(c) As of December 31, 2023, and 2022, the Group maintains its deposits in checking accounts in local and first level foreign banks, which are freely available and earn interest at market rates.

(d) Time deposits have original maturities of less than 90 days from their constitution and can be renewed at maturity. As of December 31, 2023, and 2022, these deposits accrued interest at market rates and were settled in January 2024 and 2023, respectively.

4. Trade and other receivables, net

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

	As of December 31, 2023	As of December 31,2022
	US$(000)	US$(000)
Trade:		
Invoices receivable (b)	289,833	425,774
Changes in the fair value	3,188	21,437
	293,021	447,211
Other receivables:		
Value added tax credit and other tax credits (c)	90,442	85,205
Tax claim recovery (d)	6,580	5,146
Judicial deposits	4,660	1,390
Advances to suppliers	3,735	3,047
Related parties, note 18(a)	2,464	2,670
Invoices receivable for the sale of other supplies and fixed assets	2,282	2,695
Restricted funds	131	805
Interest receivable	40	182
Others	2,880	514
	113,214	101,654
Total	406,235	548,865
By maturity:		
Current	338,340	505,830
Non Current	67,895	43,035
Total	406,235	548,865
By nature:		
Financial Asset	315,793	463,660
Non-Financial Asset	90,442	85,205
Total	406,235	548,865
Classification by its measurement:		
Trade accounts receivable (not subject to provisional prices)	101,659	142,443
Trade accounts receivable (measured at fair value subject to provisional pricing)	191,362	336,404
Sundry accounts receivable	113,214	70,018
Total	406,235	548,865

(b) As of December 31, 2023 and 2022, trade accounts receivable are non-interest bearing and have no specific collateral. In the process of estimating expected credit losses, management evaluates credit risk and individual credit limits. The assessment is performed at each reporting date using an estimation matrix to measure expected credit losses.

(c) At December 31, 2023 and 2022, this item mainly comprises the credit for the general sales tax (hereinafter "IGV") resulting from purchases of goods and services resulting from construction and development activities carried out by the subsidiaries in Peru (Cumbres del Sur S. A.C. and Marcobre S.A.C.) which will be offset against the IGV payable resulting from the operations of the subsidiary in Peru (Marcobre S.A.C.) and in Brazil (Mineração Taboca S.A.) for the general sales tax on production activities.

The subsidiary Cumbres del Sur S.A.C. has assessed the recoverability of the general sales tax credit balance at December 31, 2023 for US$11,910,000 (US$10,881,000 at December 31, 2022) and considers that it can be utilized.

(d) In the first quarter of 2023, the Group obtained income from the collection of 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 payment under protest to the tax administration in respect of the 2017 audit for an amount equivalent to US$6,418,00.

During 2022, the Group obtained tax refunds of US$9,226,000 through the Regime of Advance Recovery of the IGV (hereinafter ''RERA'') with the regime of Exploration Investment Contract (hereinafter ''CIE'') and US$6,713,000 through the Balance in Favor of the Exporter (hereinafter SFE).

5. Inventory, net

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

	As of December 31, 2023	As of December 31,2022
	US$(000)	US$(000)
Work in progress (b)	514,029	413,832
Materials and supplies	95,275	86,323
Finished products	49,965	30,867
Mineral extracted	4,777	7,450
Inventory in transit	3,965	7,812
	668,011	546,284
Allowance for obsolescence	(3,292)	(4,701)
Allowance for impairment	(4,815)	(729)
	659,904	540,854
By maturity:		
Current	216,657	205,343
Non Current	443,247	335,511
Total	659,904	540,854

(b) As of December 31, 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	Sale of the investment	Fair Value
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Rímac Seguros y Reaseguros (c)	21,070	(146)	746	-	21,670
Total	21,070	(146)	746	-	21,670

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 (c)	21,070	(5,414)	746	-	16,402
BBVA Spain (d)	14,845	(9,862)	503	(5,486)	-
Total	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:

	As of December 31, 2023	As of December 31,2022
	US$(000)	US$(000)
Openning balance	16,402	23,073
Settlement of Investments	-	(5,486)
Unrealized results	5,268	(1,185)
Ending balance	21,670	16,402
By maturity:		
Non-current portion	21,670	16,402
Total	21,670	16,402

(c) As of December 31, 2023 and 2022, the fair value of the investments in Rímac Seguros y Reaseguros has been determined based on their quotation on the Lima Stock Exchange.

(d) In March 2022, the Company sold all the shares it held in BBVA España for a total value of €4,799,000, equivalent to US$5,486,000. Also, the accumulated loss from the fair value restatement in other comprehensive income was reclassified to retained earnings for US$9,862,000.

(e) As of December 31, 2023, the Group received cash dividends from Rímac Seguros y Reaseguros for a total amount of US$1,041,000, equivalent to S/. 3,807,000, which were recognized in income for the year.

(f) As of December 31, 2023, the Group has received stock dividends for US$1,535,000 from its investments in Rimac which were credited to the consolidated statement of other comprehensive income (US$1,209,000 as of December 31, 2022).

7. Investments in associates

(a) This caption is made up as follows:

	Interest in equity		Equity value	
	As of December 31, 2023	As of December 31,2022	As of December 31, 2023	As of December 31,2022
	%	%	US$(000)	US$(000)
Inversiones Cordillera del Sur SpA.	73.85	73.85	164,845	170,178
Inversiones Cordillera Inmobiliaria SpA.	73.85	73.85	74,700	67,882
Futura Consorcio Inmobiliario S.A.	3.37	3.31	2,956	2,893
			242,501	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 they are operated 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 spin-off of the equity block by 25.5% generating a new company named in the minutes as Inversiones Cordillera Inmobiliaria SpA. The purpose of this associate is to invest in movable, tangible or intangible assets, shares of corporations or joint stock companies, rights in other companies, bonds, commercial paper and other marketable securities; to manage them, transfer them, exploit them and receive the fruits thereof; and, in general, to execute 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. This associate is located in the province of Santiago, Chile.

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

	For the specific quarter from October 1, to December 31		For periods of twelve months ended December 31,	
	2023 US$(000)	**2022** US$(000)	**2023** US$(000)	**2022** US$(000)
Inversiones Cordillera del Sur SpA	92	(5,739)	322	(8,518)
Inversiones Cordillera Inmobiliaria SpA.	9,574	5,795	9,497	6,253
Futura Consorcio Inmobiliario S.A.	(112)	(328)	(75)	(295)
Total	9,554	(272)	9,744	(2,560)

As of December 31, 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 in shown below:

	Balance as of January 1, 2023	Additions	Mine closure update	Depreciation	Disposals	Reclassification	Translating adjustment	Balance as of December 31, 2023
Cost	3,316,657	235,161	16,096	-	(6,549)	(2,781)	30,477	3,589,061
Depreciation	(1,128,475)		-	(253,736)	4,156	-	(12,673)	(1,390,728)
	2,188,182	**235,161**	**16,096**	**(253,736)**	**(2,393)**	**(2,781)**	**17,804**	**2,198,333**

	Balance as of January 1, 2022	Additions	Mine closure update	Depreciation	Disposals	Reclassification	Translating adjustment	Balance as of December 31, 2022
Cost	2,980,506	344,239	(7,993)	-	(12,984)	(263)	13,152	3,316,657
Depreciation	(915,937)	-	-	(215,620)	8,758	-	(5,676)	(1,128,475)
	2,064,569	**344,239**	**(7,993)**	**(215,620)**	**(4,226)**	**(263)**	**7,476**	**2,188,182**

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

	For the specific quarter from October 1, to December 31		For periods of twelve months ended December 31,	
	2023	2022	2023	2022
	US$(000)	US$(000)	US$(000)	US$(000)
Cost of sales	73,414	57,534	248,109	214,303
Unabsorbed costs	-	-	4,298	-
Administration expenses	254	331	914	955
Exploration and evaluation expenses	76	70	270	206
Selling expenses	9	9	35	32
Other expenses	28	28	110	124
	73,781	57,972	253,736	215,620

(c) As of December 31, 2023, the capitalization of the starter dam as part of the B4 tailings dam project for US$127,841,000 was completed.

(d) As of December 31, 2023, the Group maintains in progress works mainly the construction of the San Rafael water treatment system, the B4 tailings dam regrowth, water management and the leaching pad of the Pucamarca mining unit, equivalent to US$105,337,000. Likewise, the Marcobre operation and the sulfide plant and oxide plant projects are being sustained, mainly in the Marcobre subsidiary, equivalent to US$37,125,000. Likewise, there are production improvement projects and emergency adaptation of dams in Taboca for an equivalent of US$18,961,000.

(e) As of December 31, 2023, retirements correspond mainly to the sale of real estate and vehicles, as well as the retirement of an asset due to an accident. As of December 31, 2022, retirements correspond mainly to the sale and disposal of fixed assets in disuse as a result of the inventory carried out in 2022.

(f) As of December 31, 2023, machinery and equipment under finance leases are depreciated. As of December 31, 2022, the net cost of machinery and equipment under capital lease amounted to US$630,000.

(g) Impairment assessment 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 are indications of impairment or reversal of impairment. If such indications exist, a formal estimate of the recoverable amount for the recognition of an impairment or reversal of impairment is made.

As of December 31, 2023 and December 31, 2022, the Group concluded that there are no indications of impairment in 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 in shown below:

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

	Balance as of January 1, 2022	Additions	Amortization	Disposals	Reclassification	Translating adjustment	Balance as of December 31, 2022
Cost	800,208	63,777	-	(200)	263	3,673	867,721
Amortization	(98,343)	-	(99,129)	-	-	(964)	(198,436)
	701,865	**63,777**	**(99,129)**	**(200)**	**263**	**2,709**	**669,285**

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

	For the specific quarter from October 1, to December 31		For periods of twelve months ended December 31,	
	2023 US$(000)	2022 US$(000)	2023 US$(000)	2022 US$(000)
Cost of sales	23,209	22,186	77,006	75,392
Inventory	1,185	5,640	13,730	23,382
Exploration expenses and studies	77	117	286	320
Unabsorbed costs	1	-	96	-
Administration expenses	8	8	26	26
Work in progress	-	-	7	9
Other expenses	(2)	(1)	-	-
	24,478	**27,950**	**91,151**	**99,129**

(c) At December 31, 2023, disposals of US$ 250,000 correspond to the "Afortunada" concession in Tacna extinguished by management's decision and approved by the Board of Directors. At December 31, 2022, disposals of US$ 200,000 correspond to the Ayahuanca 478, 479, 480 and 481 mining concessions of the subsidiary Cumbres del Sur.

(d) At December 31, 2023 and December 31, 2022, the concessions and mining rights relate mainly to the concession of the subsidiaries Mineração Taboca and Marcobre.

10. Right of use assets, net

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

	Balance as of January 1, 2023 US$(000)	Additions US$(000)	Disponsals US$(000)	Translating adjustment US$(000)	Balance as of December 31, 2023 US$(000)
Cost	99,463	60,750	(2,923)	5,375	162,665
Depreciation	(61,556)	(24,141)	2,889	(3,459)	(86,267)
	37,907	**36,609**	**(34)**	**1,916**	**76,398**

	Balance as of January 1, 2022 US$(000)	Additions US$(000)	Disponsals US$(000)	Translating adjustment US$(000)	Balance as of December 31, 2022 US$(000)
Cost	76,546	22,957	(2,055)	2,015	99,463
Depreciation	(45,297)	(16,656)	1,794	(1,397)	(61,556)
	31,249	**6,301**	**(261)**	**618**	**37,907**

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

	For the specific quarter from October 1, to December 31		For periods of twelve months ended December 31,	
	2023	**2022**	**2023**	**2022**
	US$(000)	US$(000)	US$(000)	US$(000)
Cost of sales	6,736	3,990	22,489	15,975
Administration expenses	191	178	761	681
Unabsorbed costs	(1)	0	891	-
	6,926	4,168	24,141	16,656

(c) Certain lease agreements terminated early during the year, which are presented as derecognitions in the movement of assets for rights in use.

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

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

(f) The Company also leases certain minor equipment for a term of less than 12 months, therefore, the recognition exemption for short-term leases (less than 12 months) and for leases of low-value assets is applied. The expense for this type of lease amounted to US$11,397,000 for the 12-month period ended December 31, 2023 (US$13,176,000 at December 31, 2022) and was recognized in costs and expenses in the consolidated statement of income.

11. Borrowings

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

Entity	Guarantee	Interest rate	As of December 31, 2023	As of December 31, 2022
			US$(000)	US$(000)
Syndicated loan, net of structuring costs – Marcobre (c) and (d)	Without guarantees	Sofr 3 months + 1.75%	496,821	495,581
Corporate bonds 2031, net of issuance costs – Minsur (e)	Without guarantees	4.50%	488,585	487,412
Promissory note BBVA Perú- Marcobre(g)	Without guarantees	6.25%	100,000	-
Promissory note Banco Scotiabank Perú- Marcobre(j)	Without guarantees	5.80%	-	100,000
Bank Santander – Taboca (f)	With guarantees	SOFR + 2,80%	104,325	80,240
Bank of America – Taboca (f)	With guarantees	SOFR + 2,80%	34,932	34,558
Bank Itaú – Taboca (h)	With guarantees	7.34%	20,959	-
Bank do Brasil (h)	With guarantees	7.90%	14,971	-
Bank Bradesco (h)	With guarantees	7.42%	2,994	-
Bank ABC Brasil (h)	Without guarantees	7.35%	3,992	-
Bank Santander (h)	Without guarantees	7.76%	6,987	-
Promissory note Crédito del Perú Bank-BCP (k) - Marcobre	Without guarantees	2.40%	-	66,000
Promissory note Interbank – Minsur (l)	Without guarantees	4.13%	-	40,000
Citibank – Taboca (i)	Corporate Minsur	Libor 3 months + Spread	-	31,899
Finance leases (m)	Without guarantees	1.30%	-	684
			1,274,566	1,336,374
By maturity:				
Currrent			149,731	206,684
Non-current			1,124,835	1,129,690
			1,274,566	1,336,374

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

	As of December 31, 2023	As of December 31, 2022
	US$(000)	US$(000)
Opening balance	1,336,374	1,551,180
Obtaining a syndicated loan - Marcobre (c) and (d)	-	500,000
Obtaining promissory note - Marcobre (g) and (j)	100,000	266,000
Obtaining a loan Banco Santander -Taboca (f)	23,251	82,584
Amortized cost	2,413	18,688
Obtaining loans ACC - Taboca (h)	71,766	16,102
Syndicated loan payments - Marcobre (c) and (d)	-	(785,000)
Payment of promissory notes- Marcobre (j) and (k)	(166,000)	(166,000)
Payment of promissory notes-Minsur (l)	(40,000)	(55,000)
Payment of loans ACC - Taboca (h)	(21,886)	(47,095)
Payment of loans Citibank - Taboca (i)	(32,103)	(32,766)
Banco Santander loan payment - Taboca (f)	-	(7,803)
Payment of finance leases (m)	(684)	(1,644)
Translation	1,435	(2,872)
Total	**1,274,566**	**1,336,374**

(c) On August 15, 2018, the subsidiary Marcobre entered into a syndicated loan with a group of lenders comprised of: Export Development Canada; Export Finance and Insurance Corporation; KFW IPEX-Bank GMBH; The Export-Import Bank of Korea; Banco Bilbao Viscaya Argentaria, S.A. 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 Génerale; and Banco Bilbao Viscaya Argentaria, S.A, New York Branch, for which it obtained a line of credit of US$900,000,000. This loan was for the development and construction of the Mina Justa project with a variable interest rate of three-month Libor of 0.21% plus a spread of 1.57% at December 31, 2021. To obtain this loan, the Marcobre subsidiary had Minsur S.A. and Empresas Copec S.A. as guarantors. At December 31, 2021, the Marcobre subsidiary received the full amount of the loan for US$900,000,000 (US$792,000,000 at December 31, 2020).

During the loan period, which ended on June 17, 2022, it has complied with the financial restrictions of the signed agreement and has released the mortgages and pledges constituted by all its property, plant and equipment, and its intangibles, which formed the collateral for the syndicated loan signed, in addition to which it had to comply with the following points:

- The Marcobre subsidiary must notify the collateral agent of any revision of the Mine Plan. In addition, the Company may not, without the consent of the lenders, use project funds in excess of US$2,500,000 in any period to pay costs incurred in connection with mining concessions other than strategic mining concessions.

- The Marcobre subsidiary will notify the warrant agent prior to incurring capital expenditures during any fiscal year in excess of US$20,000,000 in excess of the total capital expenditures budgeted in the annual budget and operating plan in effect for such fiscal year.

On June 17, 2022, the subsidiary Marcobre 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 Sucursal de Panamá; Banco de China (Perú) S.A.; Citibank NA (New York Branch); Bank of China Limited Sucursal de Panamá; Banco de China (Perú) S.A.; Citibank NA (Panama Branch); Banco de China (Perú) S.A. ; Citibank NA (Puerto Rico Branch); Export Development Canada; JP Morgan Chase Bank, NA; Surcusal de Natixis in New York and Sumitomo Mitsui Banking Corporation, in the amount of US$500,000,000, which was intended to form 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 5. 348% at December 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 agreement is 5 years, with a grace period of 3 years.

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

- Net financial debt to EBITDA ratio, between 1 to 2.5 times, as of the last day of each quarter.
- Minimum shareholders' equity, 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 engage in any business other than a permitted business.

As at December 31, 2023, the Marcobre subsidiary has complied with the financial restrictions of the contracts entered into.

(d) On June 17, 2022, the Marcobre Subsidiary prepaid in full the syndicated loan for US$900,000,000 resulting in the recognition of structuring costs associated with such loan of US$15,874,000 in financial expenses, see note 29.

At December 31, 2023, Marcobre incurred debt structuring costs of US$5,140,000 related to the syndicated loan of US$500,000,000 (US$5,064,000 at December 31, 2022).

(e) On October 18, 2021, the General Shareholders' Meeting agreed 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 said financing were under par, obtaining US$488,140,000, which were destined to attend the repurchase of its debt instrument: "6.250% Senior Notes Due 2024", issued on January 31, 2014 for a nominal value of US$450,000,000 with maturity on February 7, 2024 at a coupon rate of 6.25 percent, as well as to cancel the financing of the syndicated loan obtained by the Company through a loan agreement entered into on June 24, 2021.

The bonds restrict the ability of the Company and its Subsidiaries to carry out certain transactions; however, these restrictions do not condition the Company to comply with financial ratios or maintain specific levels of liquidity.

(f) Corresponds to two loans of type "LOAN Santander 4131" obtained by the subsidiary Mineração Taboca S.A. during the year 2022, which have maturity date March 2026 and accrue an interest rate of SOFR+ 2.80%. The financings were made in order to settle the PPE installments with Citibank, the financing will coincide with the payments of the PPE installments.

(g) On December 22, 2023, the subsidiary Marcobre entered into a bank promissory note with BBVA Peru 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 6.25%.

On December 27, 2023, the subsidiary Marcobre entered into a bank promissory note with BBVA Peru for US$40,000,000, which will be paid in a single payment of interest and principal at maturity in December 2023 and accrues a fixed annual interest rate of 6.25%.

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

(i) Corresponds to loans of the "export prepayment - PPE" type obtained by the subsidiary Mineração Taboca S.A. during 2018, whose maturity dates were December 2023, the financings were made in order to reduce part of its short-term debts and improve cash flow in this subsidiary.

(j) On December 22, 2022, the subsidiary Marcobre entered into a bank promissory note with Scotiabank Peru S.A.A. for US$60,000,000, which was repayable in a single payment of interest and principal at maturity in December 2023 and accrued a fixed annual interest rate of 5.80%.

On June 30, 2022, the subsidiary Marcobre entered into a bank promissory note with Scotiabank Perú S.A.A.A. for US$40,000,000, which was repayable in a single payment of interest and principal at maturity in December 2023 and accrued a fixed annual interest rate of 5.80%.

(k) On April 27, 2021, the subsidiary Marcobre received from Banco de Crédito del Peru a bank promissory note for US$66,000,000 to finance its working capital, which will be paid in a single payment of interest and principal at maturity. The maturity date of the note was April 2022 and accrued a fixed annual interest rate of 1.13%. On April 27, 2022, the Company renewed the bank note with Banco de Crédito del Peru for US$66,000,000, which was repaid on April 27, 2023 and accrued a fixed annual interest rate of 2.40%.

(l) 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 in August 2022) was renewed until August 2023, which was cancelled early in July 2023.

(m) As of December 31, 2023, the Group has no leases financed with financial institutions. As of December 31, 2022, the company had leases with Banco de Crédito del Perú and Scotiabank del Perú at rates of 2.74% and 1.52% maturing in 2023.

(n) At December 31, 2023 and December 31, 2022, the Company has joint and several surety bonds for US$250,000,000 guaranteeing liabilities and derivative instruments of the subsidiary Mineração Taboca S.A. with the following financial institutions:

Counterpart	**Guarantee to:**	**US$(000)**	**Maturity**
Bank of America NA	Credits	35,000	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
Banck Santander España	Credits	105,000	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
Total		250,000	

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

13. 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 October 1, to December 31		**For periods of twelve months ended December 31,**	
	2023	**2022**	**2023**	**2022**
	US$(000)	**US$(000)**	**US$(000)**	**US$(000)**
Income tax				

Current	(72,523)	(80,657)	(237,868)	(246,673)
Deferred	26,662	23,502	19,605	(22,612)
	(45,861)	(57,155)	(218,263)	(269,285)
Mining royalties and special mining tax				
Current	(20,649)	(14,188)	(81,804)	(95,241)
Deferred	9,013	4,353	5,041	4,251
	(11,636)	(9,835)	(76,763)	(90,990)
	(57,497)	**(66,990)**	**(295,026)**	**(360,275)**

(b) At December 31, 2023, the Group has an income tax payable and receivable of US$4,259,000 and US$46,663,000, respectively. As of December 31, 2022, the Group has an income tax payable and receivable of US$4,364,000 and US$112,325,000, respectively.

(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. Supported by IAS 12 paragraphs 39 and 44.

For information purposes, temporary differences on investments in associates would generate a deferred income tax asset of US$4,956,000 at December 31, 2023 (US$2,792,000 at December 31, 2022), which has not been recognized in the Group's consolidated financial statements.

14. Equity

(a) Capital stock -

As of December 31, 2023 and 2022, the authorized, subscribed and paid-in capital, in accordance with the Company's bylaws and amendments thereto, is represented by 19,220,015 common shares, whose par value is S/100.00 each (equivalent to US$601,268,578 at the historical exchange rate).

Common shares have the right to one vote, except in the case provided for the election of the Board of Directors. The share confers on its holder the right to participate in the distribution of profits and in the resulting net worth in the event of liquidation, to intervene and vote at general or special meetings, as appropriate, to supervise the management of the business, as established by the Bylaws or by law, to be preferred for the subscription of shares in the event of an increase in capital stock, and placement of shares in proportion to the shares held, as well as in the subscription of debentures or other securities convertible or with the right to be converted into shares, and to withdraw from the company in the cases provided for by law and the Company's bylaws.

(b) Investment shares –

As of December 31, 2023, and 2022, this caption comprises 960,999,163 investment shares, whose par value is S/1 each, equivalent to US$300,634,289.

In accordance with applicable law, investment shares entitle their holders to participate in the distribution of dividends, make contributions to maintain their existing proportion in the investment shares account in the event of an increase in capital stock through new contributions, increase the investment shares account through capitalization of equity accounts, redeem their shares in any of the cases provided by law, and participate in the distribution of the balance of the net equity in the event of liquidation of the Company. The investment shares do not grant access to the Board of Directors or to the General Shareholders' Meetings. The Company's investment shares are listed on the Lima Stock Exchange (BVL).

The stock market price of these shares as of December 31, 2023 was S/3.980 per share (S/3.55 per share as of December 31, 2022).

(c) Declared and paid dividends –

Information on dividends declared and paid for the year 2023 and 2022:

	Date	Dividends declared and paid US$(000)	Dividends by common share US$(000)	Dividends per investment action US$(000)
Dividends 2023				
Shareholders' meeting	October 16, 2023	174,000	6.0354	0.0604
Dividends 2022				
Shareholders' meeting	June 15, 2022	64,000	2.2199	0.0222
Shareholders' meeting	September 13, 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 December 31, 2023 and December 31, 2022, there were no contributions from the non-controlling interest.

At the General Shareholders' Meeting of March 20, July 14 and November 22, 2023, of the subsidiary Cumbres Andinas, the payment of dividends was approved, paying US$38,000,000, US$36,000,000 and US$70,000,000, respectively, to Alxar Internacional SpA.

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

15. 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.

The income tax returns for the years 2021 to 2022 and the one to be filed for the year 2023 and general sales tax for the years 2019 to 2023 are pending review by the tax authorities. The tax authority is currently auditing the income tax for 2019. It is worth mentioning that in 2023 the audit of the 2017 and 2020 periods was completed.

In the third quarter of 2023, the Company made the payment under protest to the tax administration with respect to the audit of the 2017 period for an amount equivalent to US$ 6,418,000, see note 4 (d). Also, in December 2023 the Company has initiated the process of claiming these amounts.

With respect to the audit of the 2020 period, the Company was notified at the end of December 2023 with the securities issued by the administration for an amount equivalent to US$ 9,500,000.

16. Net sales

The composition of this caption is presented below:

	For the specific quarter from October 1, to December 31		For periods of twelve months ended December 31,	
	2023 US$(000)	2022 US$(000)	2023 US$(000)	2022 US$(000)
Copper concentrate	262,370	272,764	892,312	856,147
Tin and other minerals	259,130	247,891	850,027	975,399
Copper cathodes	76,390	87,171	336,613	241,714
Gold	27,242	30,155	103,363	112,886
Niobium and tantalum	17,663	26,240	84,619	88,833
	642,795	**664,221**	**2,266,934**	**2,274,979**

Concentration of tin sales - Peruvian market

In the year 2023 there is no significant concentration of sales. The three largest customers accounted for 33 percent of total sales (the three largest customers accounted for 35 percent of total sales at December 31, 2022). At December 31, 2023, 34 percent of accounts receivable were from these customers (39 percent at December 31, 2022).

Concentration of tin sales - Brazilian market

During 2023, the top three customers account for 79 percent of total sales (59 percent in 2022) in the Brazilian market. At December 31, 2023, 71 percent of accounts receivable are from these customers (46 percent at December 31, 2022).

Concentration of gold sales

In 2023, the Group sold gold to 2 customers (2 customers in 2022). At December 31, 2023, 100 percent of accounts receivable correspond to these customers (100 percent at December 31, 2022).

Concentration of sales of copper cathodes -

In 2023, the Group sold copper cathodes mainly to 4 customers. As of December 31, 2023, 14 percent of accounts receivable correspond to these customers.

In 2022, the Group sold copper cathodes mainly to 2 customers. As of December 31, 2022, 100 percent of accounts receivable correspond to these customers.

Concentration of copper concentrate sales
In 2023, the Group sold copper concentrate mainly to 3 customers. As of December 31, 2023, 58 percent of the accounts receivable correspond to these customers.

In 2022, the Group sold copper concentrate mainly to 4 customers. At December 31, 2022, 94 percent of accounts receivable are from these customers.

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

17. Cost of sales

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

	For the specific quarter from October 1, to December 31		For periods of twelve months ended December 31,	
	2023 US$(000)	2022 US$(000)	2023 US$(000)	2022 US$(000)
Opening balance of product in process inventory	454,212	329,155	382,874	202,550
Opening balance of finished product inventory	53,469	60,778	30,867	31,829
Services rendered by third parties	96,951	68,329	260,005	263,313
Consumption of raw material and miscellaneous supplies	86,702	87,651	332,016	287,100
Depreciation, note 8 (b) and 10 (b)	80,150	61,524	270,598	230,278
Wages and salaries	63,993	53,548	220,350	195,672
Amortization, note 9(b)	23,209	22,186	77,006	75,392
Purchase of mining services from AESA S.A.	22,923	20,861	53,455	57,013
Unabsorbed costs (b)	-	-	30,996	-
Electricity	11,602	12,748	43,587	44,008
Recovery (estimate) for obsolescence	803	2,161	658	2,083
Recovery of estimation due to devaluation of inventories	895	356	3,908	705
Out of inventory	(39)	63	-	108
Hedging derivative losses	(1,229)	9	(4,785)	(1,378)
Other manufacturing expenses	(10,906)	19,840	43,931	48,028
Capitalization Stripping cost	(38,884)	(8,905)	(110,570)	(62,105)
Final balance of work in process inventory	(466,668)	(382,874)	(466,668)	(382,874)
Final balance of finished product inventory	(49,965)	(30,867)	(49,965)	(30,867)
	327,218	**316,563**	**1,118,263**	**960,855**

(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:

	2023
Depreciation	5,190
Wages and salaries	7,737

Services rendered by third parties	11,833
Amortization,	95
Other manufacturing expenses	6,141
	30,996

18. Related parties' transactions

(a) Receivables and Payables -

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

	As of December 31, 2023	As of December 31,2022
	US$(000)	US$(000)
Classification by existing captions:		
Other receivables (current), note 4(a):		
Other related parties		
Compañía Minera Raura S.A.	2,079	2,094
Administración de Empresas S.A.	385	557
Clinica Internacional S.A.	-	19
	2,464	2,670
For paying commercial and various (current):		
Other related parties		
Administración de Empresas S.A.	8,478	7,658
Rímac S.A. Entidad prestadora de salud	1,275	153
Inversiones San Borja S.A.	125	220
Inversiones Nacionales de Turismo S.A.	15	27
Corporación Breca S.A.C.	47	38
Protección Personal S.A.C.	46	62
Centria Servicios Administrativos S.A.	89	18
Corporación Peruana de Productos Químicos S.A.	40	16
Clínica Internacional. S.A.	11	422
Rímac Seguros y Reaseguros	7	317
Brein Hub S.A.C.	-	1,733
Terpel Comercial del Peru S.R.L.	794	672
Compañía Minera Raura S.A.	-	1
	10,927	11,337
Financial obligations		
Other related parties		
Inversiones San Borja S.A.	2,014	2,846
Administración de Empresas S.A.	6,562	9,964
	8,576	12,810
	19,503	24,147
Classification by nature:		
Commercial	10,927	11,337
Financial Obligations	8,576	12,810
	19,503	24,147

There have been no guarantees provided or received for any related party receivables or payables. For the year ended December 31, 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 December 31, 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 October 1, to December 31		For periods of twelve months ended December 31,	
	2023	2022	2023	2022
	US$(000)	US$(000)	US$(000)	US$(000)
Perú				
Remuneration	6,606	7,116	33,836	38,235
Directors' allowance	135	132	538	530
	6,741	7,248	34,374	38,765
Brasil				
Fixed remuneration	365	322	1,330	1,279
Variable remuneration	79	141	1,349	1,657
	444	463	2,679	2,936
Total	7,185	7,711	37,053	41,701

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

19. 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	2022
	US$(000)	US$(000)
Property, plant and equipment	18,878	26,220

20. Contingencies

In July 2023 the Company made the payment under protest of the Determination Resolutions No. 012-003-0132219 and 012-003-0132221 to 013-003-013223232, as well as the Fine Resolution No. 012-002-0038605, product of the 2017 Income Tax (IR) audit; through which the deduction of interest linked to bonds was mainly disregarded. The Company initiated the challenging process against the referred resolutions with the presentation of the claim appeal in December 2023. The Company has recognized an account receivable from the Superintendencia de Administración Tributaria (SUNAT) for S/ 24,370,561 (equivalent to US$6,418,000). According to our tax advisors, the Company's position is based on solid arguments that would allow us to obtain a favorable result.

In December 2023 SUNAT notified the Company the Determination Resolutions Nos. 012-003-0136643 and 012-003-0136656 and Fine Resolution No. 012-002-0039508, as a result of the audit of the income tax returns for the year 2020; by means of which it mainly disallowed the deduction of interest related to bonds and deduction of depreciation related to fixed assets. The Company is currently evaluating whether the payment under protest of these amounts observed will be made for approximately S/.35,000,000 (equivalent to US$9,500,000). According to our tax advisors, the Company's position is based on solid arguments that would allow us to obtain a favorable result.

21. 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 (Perú) US$(000)	Gold (Perú) US$(000)	Not distributable (Perú) US$(000)	Total (Perú) US$(000)	Tin (Brasil) US$(000)	Cooper (Perú) US$(000)	Mining exploration (Perú and Chile) US$(000)	Adjustments and Eliminations US$(000)	Total Consolidated US$ (000)
As of December 31, 2023:									
Results:									
External customer revenue	678,462	103,363		781,825	256,184	1,228,925			2,266,934
Sales cost	(345,603)	(89,221)		(434,824)	(223,920)	(459,519)			(1,118,263)
Administration expenses	(60,087)	(15,512)		(75,599)	(16,795)	(18,076)	(1,100)	4,698	(106,872)
Selling expenses	(5,628)	(1,070)		(6,698)	(3,107)	(36,872)			(46,677)
Exploration expenses and studies	(20,304)	(5)		(20,309)	-	(33,983)	(706)		(54,998)
Others, net	(13,872)	(3,582)		(17,454)	(81)	(6,282)	(2,405)	(4,698)	(30,920)
Operating income	232,968	(6,027)		226,941	12,281	674,193	(4,211)	-	909,204
Profit before income tax			478,016	478,016	6,922	647,831	5,826	(272,556)	866,039
Income Tax			(82,713)	(82,713)	(3,758)	(208,555)			(295,026)
Net profit	-	-	395,303	395,303	3,164	439,276	5,826	(272,556)	571,013
Other revelations:				51%					
Additions to property, plant and equipment, right in use and intangible assets	100,173	8,899	1,534	110,606	106,664	207,066	-	-	424,336
Depreciation and amortization (included in costs and expenses)	73,465	40,138	1,693	115,296	36,266	133,751	33	-	285,346
Operating cash flow			229,609	229,609	21,665	676,854	(7,305)	-	920,823
Investment cash flow			111,042	111,042	(42,577)	(195,866)	(81)	(204,544)	(332,026)

	Tin and Gold (Peru)								
	Tin (Perú) US$(000)	Gold (Perú) US$(000)	Not distributable (Perú) US$(000)	Total (Perú) US$(000)	Tin (Brasil) US$(000)	Cooper (Perú) US$(000)	Mining exploration (Perú and Chile) US$(000)	Adjustments and Eliminations US$(000)	Total Consolidated US$ (000)
As of December 31, 2022:									
Results:									
External customer revenue	799,856	112,886	-	912,742	264,375	1,097,862			2,274,979
Sales cost	(339,800)	(96,012)	-	(435,812)	(189,055)	(335,988)			(960,855)
Administration expenses	(55,502)	(15,682)	-	(71,184)	(14,835)	(11,772)	(1,220)	1,768	(97,243)
Selling expenses	(9,559)	(1,312)	-	(10,871)	(4,726)	(29,626)	-	34	(45,189)
Exploration expenses and studies	(16,672)	(36)	-	(16,708)	-	(10,993)	(3,128)	550	(30,279)
Others, net	(17,694)	(5,000)		(22,694)	(2,660)	(5,204)	1,580	(2,352)	(31,330)
Operating income	360,629	(5,156)	-	355,473	53,099	704,279	(2,768)	-	1,110,083
Profit before income tax	-	-	623,433	623,433	53,916	649,784	(4,668)	(297,425)	1,025,040
Income Tax	-	-	(127,194)	(127,194)	(4,611)	(228,470)	-	-	(360,275)
Net profit			496,239	496,239	49,305	421,314	(4,668)	(297,425)	664,765
Other revelations:				54%					
Additions to property, plant and equipment, right in use and intangible assets	113,177	43,538	900	157,615	51,035	214,316	14	-	422,980
Depreciation and amortization (included in costs and expenses)	57,313	49,761	1,210	108,284	23,457	103,582	39	-	235,362
Operating cash flow			263,783	263,783	39,507	578,019	(11,480)		869,829
Investment cash flow			65,561	65,561	(46,494)	(218,334)	(61)	(192,941)	(392,269)

22. Financial instrument risk management, objectives and policies

22.1. 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 December 31, 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 December 31, 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 reals 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 December 31, 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)
December 31, 2023	10%	9,810
	-10%	(9,810)
December 31, 2022	10%	12,878
	-10%	(12,878)

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 December 31, 2023 and December 31, 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 December 31, 2023 and December, 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$/TM28,571 (average quotation of US$/TM28,202 for 2022) was considered, while for the negative scenario, an average quotation of US$/TM23,376 (average quotation of US$/TM23,074 for 2022) was considered.

Year	Increase / decrease in the market value of metals	Effect on profit (loss) before income tax

		US$(000)
December 31, 2023	10%	3,483
	-10%	(3,483)
December 31, 2022	10%	7,004
	-10%	(7,004)

At December 31, 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 December 31, 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$1,936 per ounce of gold was considered, while for the negative scenario an average price of US$1,598 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)
December 31, 2022	10%	283
	-10%	(283)

International copper prices have a material impact on the subsidiary's results of operations. Copper prices have historically fluctuated and are affected by numerous factors beyond its control. In this regard, the Marcobre subsidiary manages its price risk principally through the use of sales commitments within customer contracts and by entering into derivative contracts for the metals it trades.

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 December 31, 2023, an average quotation of US$/TM 8,679 (average quotation of US$/TM 9,641 for 2022) was considered, while for the negative scenario an average quotation of US$/TM 7,101 (average quotation of US$/TM 7,631 for 2022) was considered.

Year	**Increase/reduction in the price of listed minerals**	**Effect on profit before income tax**
		US$(000)
December 31, 2023	10 %	60,645
	10 %	(60,645)
December 31, 2022	10 %	58,776
	10 %	(58,776)

(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 December 31, 2023 and 2022 is represented by the sum of 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, the aging analysis of trade receivables as of December 31, 2023 with respect to December 31, 2022 has not been significantly delayed. 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.

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’ 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.

22.2. 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 December 31, 2023.

23. 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 options caps), was paid in full on June 17, 2022, therefore, hedge accounting ceased on that same date.

However, due to the fact that the Project Finance ended on June 30, 2022, the derivatives associated with the debt were settled with the same cutoff, thereby recognizing financial expenses of US$2,211,000 for the pending accrual of premiums paid for Cap N°1 and Cap N°2 options and financial income of US$3,151,000 for the early termination of derivatives for Swap and Cap N°1 and N°2, terminating the "Interest Rate Cap" and "Interest Rate Swap" contracts. On the other hand, since the payments for the new loan 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.

Below is a summary of the instruments subscribed as of 31.12.2023 and 31.12.2022:

Entity	Value Reference (maximum) US$(000)	Agreed rate %
Citibank N.A., New York		
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 December 2022 to June 2027	48,224	68,635

(b) On December 31, 2023 the Group through its subsidiary Marcobre has recognized an account payable for the fair value of derivative financial instruments in the amount of US$4,530,000 of which US$6,078,000 are current maturity and an account payable for US$1, 548,000 of non-current maturity (US$7,271,000 at December 31, 2022, of which US$6,666,000 is current maturity and US$604,000 is non-current maturity), the impact of which on the consolidated statement of other comprehensive income was as follows:

	Effect on other comprehensive income (expense)	
	2023 US$(000)	2022 US$(000)
Derivatives of interest rates -		
Interest rate swap	(2,741)	14,926
	(2,741)	14,926
(-) Deferred income tax	713	(3,881)
Net effect	(2,028)	11,045

The subsidiary Mineração Taboca S.A. maintains derivative financial instruments designated as cash flow hedges corresponding to interest rate swaps, Zero Cost Collar of exchange rate and metals and NDF (Non Deliverable Forward) of exchange rate and metals in order to hedge 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 December 31, 2023, the net fair value of these Zero Cost Collar and NDF amounts to US$4,191,000 (equivalent to R$20,327,000) (US$31,848,000 equivalent to R$168,301,000 at December 31, 2022) and Swap amounts to US$3,289,000 (equivalent to R$15,953,000) (US$3,182,000 equivalent to R$16,813,000 at December 31, 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.

At December 31, 2023, the Company approved a new hedging program for the periods (2024 - 2031) which includes 108,519 ounces of gold for that period.

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 December 31, 2023 and December 31, 2022:

	2023					
Metal	**Instrument**	**Expiration period**	**Covered volume** oz	**Agreed price** US$/oz	**Estimated price** US$/oz	**Fair value** US$(000)
Coverage program (2020-2024)						
Gold	**Zero Cost Collar**					
		Año 2024	32,000	1,450 – 1,775	2,111	(20,535)

Coverage program (2024-2031)

Gold	**Zero Cost Collar**	Año 2024	12,010	2,100 – 2,418	2,111	1,433
		Año 2025	38,301	2,100 – 2,349	2,225	5,059
		Año 2026	24,321	2,100 – 2,386	2,243	3,606
		Año 2027	11,376	2,100 – 2,426	2,263	1,727
		Año 2028	9,062	2,100 – 2,459	2,279	1,536
		Año 2029	7,649	2,100 – 2,480	2,290	1,424
		Año 2030	2,900	2,100 – 2,505	2,303	570
		Año 2031	2,900	2,100 – 2,505	2,303	582
						(4,598)

			2022			
Metal	**Instrument**	**Expiration period**	**Covered volume** Oz	**Agreed price** US$/oz	**Estimated price** US$/oz	**Fair value** US$(000)
Gold	**Zero Costo Collar**					
		Año 2023	52,941	1,450 – 1,746	1.849	(5,745)
		Año 2024	32,000	1,450 – 1,775	1.934	(4,475)
						(10,220)

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".

At December 31, 2023 and 2022, the Group recognized in the "Consolidated statement of other comprehensive income" a positive change in fair value of approximately US$6,463,000 and US$8,249,000, respectively, which is presented net of the income tax effect.

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

Instruments– Year 2023	**Nature**	**Current**	**Non- Current**	**Total**
		US$(000)	US$(000)	US$(000)
Interest rate hedges – Marcobre	Assets	6,078	-	6,078
Price hedge – Taboca	Assets	3,622	-	3,622
Exchange rate hedge – Taboca	Assets	569	-	569
Interest rate hedges – Taboca	Assets	2,797	492	3,289
Metal price hedges - Minsur	Assets	1,476	25,791	27,267
Total Assets		14,542	26,283	40,825
Metal price hedges - Minsur	Liability	18,931	12,934	31,865
Interest rate hedges – Marcobre	Liability	-	1,548	1,548
Total Liability		18,931	14,482	33,413

Instruments– Year 2022	**Nature**	**Current**	**Non- Current**	**Total**
		US$(000)	US$(000)	US$(000)
Interest rate hedges – Marcobre	Assets	6,666	604	7,270
Exchange rate hedge – Taboca	Assets	2,072	134	2,206
Price hedge – Taboca	Assets	32,016	3,643	35,659
Interest rate hedges – Taboca	Assets	1,535	1,574	3,109

Total Assets		42,289	5,955	48,244
Metal price hedges - Minsur	Liability	5,745	4,475	10,220
Interest rate hedges – Taboca	Liability	(74)	–	(74)
Price hedge – Taboca	Liability	3,738	674	4,412
Exchange rate hedge – Taboca	Liability	1,480	126	1,606
Total Liability		10,889	5,275	16,164

24. 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	2022	2023	2022
	US$(000)	US$(000)	US$(000)	US$(000)
Financial assets				
Cash and cash equivalents	345,631	230,072	345,631	230,072
Trade and other receivables, net	315,793	463,660	315,793	463,660
Derivative financial instruments	40,825	48,244	40,825	48,244
Financial assets at fair value through other comprehensive income	21,670	16,402	21,670	16,402
Total financial assets	732,919	758,378	732,919	758,378
Financial liabilities				

	Carrying book value		Fair value	
	2023	2022	2023	2022
	US$(000)	US$(000)	US$(000)	US$(000)
Financial obligations:				
Other financial obligations	785,981	848,962	789,426	852,744
Corporate bonds	488,585	487,412	445,105	440,075
Trade and other payables	290,835	308,289	300,341	366,770
Derivative financial instruments	33,413	16,164	33,413	16,164
Total financial liabilities	1,598,814	1,660,827	1,568,285	1,675,753

(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 December 31, 2023 there were no transfers between fair value hierarchies.

Quantitative disclosure of fair value of financial assets by hierarchy as of December 31, 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 December 31, 2023				
Assets measured at fair value:				
Financial assets at fair value through other comprehensive income	21,670	21,670	-	-
Derivative financial instrument	40,825	-	40,825	-
Trade receivables (subject to provisional pricing)	191,362	191,362	-	-
Liabilities recognized at fair value:				
Derivative financial instruments	33,413	-	33,413	-

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
	Total	

		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	US$(000)	US$(000)	US$(000)	US$(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	-

25. Subsequent events

In January 2024, the Group made the payment under protest of the resolution of determination and fine issued by SUNAT on the occasion of the 2020 Income Tax audit, for an amount equivalent to US$ 7,546,000, see note 20. Likewise, the Group is evaluating, together with its advisors, the initiation of the process of claiming the aforementioned resolution.

Except as indicated in the preceding paragraph, between January 1, 2024, and the date of issuance of the consolidated financial statements (February 29, 2024), no significant subsequent events of a financial-accounting nature have occurred that could affect the interpretation of these consolidated financial statements.