Minsur S.A. and Subsidiaries

Consolidated interim financial statements as of March 31, 2025 (unaudited) and December 31, 2024 (audited)

1. Corporate information

(a) Identification-

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

(b) Business activity-

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

Through its subsidiary Minera Latinoamericana S.A.C., the Company has investments in Inversiones Cordillera del Sur II SpA (holding of shares of a group mainly dedicated to the production and selling of cement in Chile), in Inversiones Cordillera Inmobiliaria SpA (a Chilean company dedicated to the investment in personal property), and in Minera Andes del Sur SpA. (a Chilean company engaged in mining exploration activities). As explained in note 3.1(e), investments in Inversiones Cordillera del Sur II SpA and Inversiones Cordillera Inmobiliaria SpA are accounted for as an investment in associates.

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

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 resources evaluation stager mineral and closure of its environmental liabilities at the Regina Mining Unit.

As of March 31, 2025 and December 31, 2024, the Group is developing the following projects:

(b.1) Tailing's Dam Project in San Rafael B4

The project consists of the construction of a new tailings dam for the San Rafael and B2 plants that will ensure the continuity of operations. As of the end of March 31, 2025, the project has a remaining balance to be capitalized of US$27,320,000 (US$25,900,000 as of December 31, 2024).

(b.2) San Germán ventilation system project

Currently, the San Germán ventilation system project is being developed, construction for the new mining exploitation area. As of the end of March 31, 2025, the project maintains a remaining balance to be capitalized of US$7,127,000 (US$5,683,000 as of December 31, 2024).

(b.3) Sustainability project and sulfide and oxide plant improvement project

During 2025, the subsidiary Marcobre made investment disbursements of approximately US$18,832,000, mainly for the maintenance and improvement activities of the sulfide and oxide plant. During 2024, the subsidiary Marcobre made investment disbursements of approximately US$96,030,000 mainly for sustainment activities.

(c) Closing of the agreement for the purchase and sale of shares of Mineração Taboca S.A. signed between the Subsidiary Minera Latinoamericana S.A.C. and CNMC Trade Company Limited.

On November 25, 2024, a Share Purchase Agreement, subject to condition, was entered into between the subsidiary Minera Latinoamericana S.A.C. (hereinafter "Minlat"), as the selling shareholder of all the shares of its subsidiary Mineração Taboca S.A. (Taboca), to the company CNMC Trade Company Limited (CNMC), as buyer.

On March 31, 2025, in reference to the purchase and sale agreement, the closing memorandum was signed, a document in which the agreement of compliance with the conditions agreed upon by the buyer and seller is expressed. On this same date, the Subsidiary received the payment for the sale of the shares for a total of US$166,272,000, with which the shares were transferred to the buyer, conditioning the delivery of the share book and the administration of the subsidiary Taboca to the total lifting of guarantees maintained by the Company.

As a result of the transaction, a discontinued loss of approximately US$130,269,000 was recognized.

(d) Consolidated Interim Financial Statements –

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

	Participation in the issued capital			
	March 31, 2025		December 31, 2024	
	Direct %	Indirect %	Direct %	Indirect %
Subsidiaries in Chile:				
Minera Andes del Sur SPA	-	100.00	-	100.00
Subsidiaries in Brazil (Discontinued operation)				
Mineração Taboca S.A.	-	-	-	100.00
Mamoré Mineração e Metalurgia Ltda.	-	-	-	100.00
Subsidiaries in Peru:				
Minera Latinoamericana S.A.C.	99.99	-	99.99	-
Cumbres Andinas S.A.C.	60.00	-	60.00	-
Cumbres del Sur S.A.C.	99.98	-	99.98	-
Marcobre S.A.C.	-	60.00	-	60.00

The following is a brief summary of the activities of the companies that are included in the consolidated interim financial statements:

Continued operations

- 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, it is located in the Commune of Santiago, Chile.

- Minera Latinoamericana S.A.C. -

  Through this subsidiary, investments are maintained in Mineração Taboca S.A. and Subsidiaria (discontinued operation), as well as in Inversiones Cordillera do Sur SpA., Inversiones Cordillera Inmobiliaria Spa. and in Minera Andes del Sur SpA.

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

- Cumbres Andinas S.A.C. -

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

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

- Marcobre S.A.C. -

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

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

- Cumbres del Sur S.A.C. -

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

Discontinuous operations (Note 1c)

- Mineração Taboca S.A. -

  It is a mining company that operates 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 is obtained from 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.

(e) Approval of the Consolidated Interim Financial Statements -

The interim consolidated financial statements as of March 31, 2025 were authorized for issuance by the Company's Management on May 14, 2025. The financial statements as of December 31, 2024 were approved by the General Meeting of Shareholders on March 26, 2025.

2. Preparation Basis and Accounting Policies

2.1. Basis of preparation -

The consolidated interim financial statements of the Group have been prepared and presented in accordance with the International Financial Reporting Standards (hereinafter "IFRS"), issued by the International Accounting Standards Board (hereinafter "IASB"), in force as of March 31, 2025 and December 31, 2024.

The consolidated interim financial statements have been prepared on a historical cost basis with the exception of trade receivables, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and derivative financial instruments which are presented at fair value.

The accompanying consolidated interim financial statements are presented in United States Dollars (US$), and all values have been rounded to the nearest thousand, except when otherwise indicated. The preparation of the consolidated interim financial statements requires the Group's Management to use significant accounting judgments, estimates and assumptions, which are detailed in note 3.

These consolidated interim financial statements provide comparative information with respect to the prior period. The Group has prepared its consolidated interim financial statements under the going concern assumption.

2.2. Basis of Consolidation -

The Consolidated Interim Financial Statements comprise the interim financial statements of the Company and its Subsidiaries as of the date of the Consolidated Interim Statement of Financial Position.

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

- Power over the entity receiving the investment (i.e., there are rights that grant it the present capacity to direct the relevant activities of the investment).
- Exposure or rights to variable returns from their participation in the entity receiving the investment.
- Ability to use its power over the entity receiving the investment to affect its returns.

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

- Power over the entity receiving the investment (i.e., there are rights that give it the present capacity to direct the relevant activities of the investment).
- Exposure or rights to variable returns from their participation in the entity receiving the investment.
- The ability to use its power over the recipient of the investment to affect its returns.

The Group reviews whether or not it has control over an entity when facts and circumstances indicate that there have been changes in one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Where the Group's interest is less than 100 percent, the interest attributable to non-controlling shareholders is reflected in the non-controlling interests.

The consolidated interim statement of income and each component of other comprehensive income are attributed to the equity holders of the parent and non-controlling interest, even if this results in non-controlling interest with a negative balance. When necessary, adjustments are made to the financial interim separate statements of the subsidiaries to bring their accounting policies into line with the Group's accounting policies. All assets and liabilities, equity, income, expenses and cash flows related to transactions between the parties to the Group are totally eliminated in the consolidation.

A change in the participation of a subsidiary without loss of control is accounted for as an equity transaction.

If the Group loses control over a subsidiary, assets (including goodwill), liabilities, non-controlling interest and other related equity components are derecognized while any resulting gains or losses are recognized in the interim consolidated income statement. Any remaining investment is recognized at fair value.

2.3. Changes in accounting policies and disclosures -

New standards and interpretations adopted by the Group

Certain rules and amendments have come into effect for annual periods beginning on or after January 1, 2025; however, they have not had an impact on the consolidated interim financial statements and, therefore, have not been disclosed. The Group has not adopted in advance any rule, interpretation or modification that has been issued, and that is not yet effective.

Lack of interchangeability – Amendments to IAS 21

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

The amendments came into effect as of January 1, 2025. This modification had no impact on the Group's interim financial statements due to the fact that the transaction currencies are interchangeable.

2.4. Accounting policy summary -

The following describes the accounting policies used by the Group for the preparation of the consolidated interim financial statements as of March 31, 2025, which are consistent with those followed in the preparation of the annual consolidated financial statements for the year ended December 31, 2024:

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

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

For purposes of presentation in the consolidated interim statement of cash flows, cash and cash equivalents include cash, time deposits and highly liquid investments, whose original maturity is three months or less.

Those time deposits and investments whose original maturity is more than three months will be presented under the heading "Other financial assets" of the consolidated interim statement of financial position.

(b) Financial instruments: Initial recognition and subsequent measurement (Note 36) –
A financial instrument is any arrangement that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets (Note 7) -
Initial recognition and measurement
Financial assets are classified, in initial recognition, as measured subsequently at amortized cost, fair value through other comprehensive income, and fair value through profit or loss. All of the Group's financial assets are initially recognised at fair value.

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

In order for a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it must give rise to cash flows that are "only principal and interest payments" on the outstanding principal amount. This assessment is done at the instrument level.

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

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

Subsequent measurement -
The Group classifies its financial assets into the following four categories:
- Financial assets measured at amortized cost (debt instruments) –
- Financial assets measured at fair value through changes in other comprehensive income (debt instruments) –
- Financial assets designated at fair value through other comprehensive income (equity instruments) –
- Financial assets measured at fair value through profit or loss -

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

These assets are measured after amortized cost using the effective interest rate method and are subject to impairment assessment. Gains or losses are recognized in the consolidated interim statement of income when the asset is derecognized, modified or impaired.

In this category, it generally applies to the item "Other accounts receivable".

Financial assets measured at fair value through changes in other comprehensive income (debt instruments) -
A financial asset is measured at fair value with changes in other comprehensive income if they are held in a business model whose objective is to collect contractual flows and sell the financial assets.

Interest income calculated under the effective interest rate method, gains and losses on foreign currency translation and impairment are recognized in the consolidated interim statement of income. Changes in fair value are recognized in the interim consolidated statement of other comprehensive income. At the time of derecognition, the gains and losses accumulated in the consolidated interim statement of other comprehensive income are reclassified to the consolidated interim statement of income.

The Group does not hold this type of financial asset as of March 31, 2025 and December 31, 2024.
Financial assets designated at fair value through other comprehensive income (equity instruments) (See note 9) -
In initial recognition, the Group may elect to irrevocably classify its equity investments as equity instruments designated at fair value through changes in other comprehensive income when it meets the definition of an equity instrument in accordance with IAS 32 "Financial Instruments: Presentation" and is not held for trading. This classification is determined individually by each instrument.

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

The Group does not have this type of financial asset as of March 31, 2025. As of December 31, 2024, the fair value of these assets is disclosed in note 9.

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

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

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

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

Derecognition of financial assets –

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

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

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

Impairment of financial assets –

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

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

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

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

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

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

Initial recognition and measurement –

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

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

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

Subsequent measurement -

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

The amortized cost is calculated by considering any discount or premiums on the acquisition and the commissions or costs that are an integral part of the effective interest rate. Amortization under with the effective interest rate method is recognized as "Financial costs" in the consolidated interim statement of income.

Derecognition of financial liabilities -

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

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

(iii) Offsetting of financial instruments –

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

(iv) Fair value (Note 37)–

The Group measures its financial instruments, such as embedded derivatives, derivative financial instruments, its financial assets through changes in other comprehensive income and financial assets at fair value through profit or loss as of the date of the consolidated statement of financial position, the effect of which will be reflected in the consolidated statement of profit or loss. The fair values of financial instruments measured by their amortized cost are disclosed in note 37.

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

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

- Level 1 – Quoted (unadjusted) prices in active markets, for identical assets or liabilities.
- Level 2 – Valuation techniques by which the lowest level of information that is significant for the measurement at fair value is directly or indirectly observable.
- Level 3 – Valuation techniques whereby the lowest level of information that is significant for the measurement at fair value is not observable.

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

(v) Derivative financial instruments and hedge accounting (Note 35) –

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

For hedging accounting purposes, hedges are classified as:

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

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

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

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

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

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

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

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

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

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

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

Transactions and balances
Transactions in foreign currency (any currency other than the functional currency) are initially recorded by the Group's entities at the exchange rates in force on the dates of the transactions published by the Superintendence of Banking, Insurance and AFP.

Monetary assets and liabilities denominated in foreign currency are transferred to the functional currency using the exchange rate in effect on the reporting date.

Gains or losses on exchange resulting from the settlement or transfer of monetary assets and liabilities are recognized in the consolidated interim statement of income. Non-cash items, recorded in terms of historical costs, are transferred using the exchange rates in effect on the original dates of the transactions.

Re-statement of interim financial statements of subsidiaries to U.S. dollars –
The interim financial statements of some subsidiaries are expressed in their functional currency (Chilean pesos in the case of Minera Andes del Sur SpA), so they are subsequently translated into U.S. dollars. For the latter, all assets and liabilities are carried forward at the closing of sales exchange rate in effect at the end of each financial year, and all equity accounts are carried forward using the exchange rates of the transaction dates.

Income and expense items are transferred using an average sales exchange rate, in cases where the average exchange rate is not close to the exchange rate of the transaction date, the exchange rate of the transaction date is used. The translation differences generated are recognized in other comprehensive income of the consolidated interim statement of other comprehensive income.

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

(d) Inventories (Note 8) –
Finished and in-process products are valued at the lowest cost or net value of realization. The costs incurred to bring inventories to their current location and condition are accounted for as follows:

Materials and supplies –
- Purchase cost using the weighted average method.

Finished products, products in process and mineral pitch –
- The cost of direct supplies and materials, services received from third parties, direct labor, and a percentage of indirect expenses, excluding financing costs and exchange differences.

Stock receivable –

- Purchase cost.

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

The net realizable value of the in-process and finished products is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to effect the sale.

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

(e) Assets Classified as Held for Sale -

The Group measures its held-for-sale assets at the lowest value between carrying amount and fair value less costs to sell.

The Group classifies its assets as held for sale if their carrying amount will be recovered through the sale and not through continued use. The sale must be highly likely, and the asset must be available for immediate sale.

The Company's Management assesses the sales commitment that must be completed within one year of classification.

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

(f) Investments in associates (Note 11) –

An associate is an entity in which the Group has a significant influence. Significant influence is the power to participate in, but with, control over the associate's financial and operational policy decisions.

Investments in associates are recorded using the equity method.

The carrying amount of the investment is adjusted to recognize changes in the Group's interest in the associate's net assets since the acquisition date. Goodwill related to an associate is included in the carrying amount of the investment, and is not amortized or individually subjected to impairment tests.

The consolidated interim income statement reflects the Group's share of the associates' results of operations.

Where there has been a change recognized directly in the associate's equity, the Group recognizes the share in this change and records it, where applicable, in the consolidated interim statement of changes in equity. Unrealized gains and losses resulting from common transactions are eliminated in proportion to the interest held in the associate.

The Group's share of the associates' profits or losses is presented separately in the consolidated interim income statement and represents the associates' profit or loss after tax.

The associates' interim financial statements are prepared on the same reporting date as the Group. Where necessary, adjustments are made to align the accounting policies of the associated companies with those of the Group.

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

On each reporting date, the Group determines whether there is objective evidence that the investment in the associate has lost value. If applicable, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment in the associate and its carrying amount, and recognises the loss in the consolidated interim statement of income.

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

(g) Property, plant and equipment (Note 12) –

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

The initial cost of an asset comprises its purchase price or construction cost, any directly attributable costs for the asset to be ready for use, the initial estimate of the mining unit closure obligation, and financing costs related to eligible assets. The value of a financial lease contract is also included in this item.

When significant parts of property, plant and equipment need to be replaced, the Group recognizes such parts as individual assets with specific useful lives and depreciates them separately. Also, when a major inspection is carried out, its cost is recognized in the carrying value of the plant and equipment as a replacement if the recognition criteria are met. All other routine maintenance and repair costs are recognized in the interim consolidated statement of income as incurred.

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

Depreciation –

Production Unit Method

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

Straight Line Method

The depreciation of assets with an economic life less than the useful life of the mining unit, or that are related to administrative tasks, is calculated following the straight-line method based on the estimated useful life of the asset. The estimated useful lives are as follows:

	Years
Buildings and facilities of the San Rafael mining unit	5 years
Pisco Smelting Plant Buildings and Facilities	Between 4 and 29
Buildings and facilities of the Taboca mining unit (discontinued unit)	Between 1 and 50
Buildings and facilities of the Mina Justa mining unit	Between 5 and 20
Machinery and Equipment	Between 1 and 32
Furniture, appliances, computer, communication and security equipment	Between 2 and 10
Transport units	Between 3 and 10

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

Disposals -

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

(h) Leases (Note 14 and 18) -

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

- The contract involves the use of an identified asset, which may be explicitly or implicitly specified, and must be physically distinct or represent substantially the totality of the capacity of a physically distinct asset. If the supplier has a substantive right to replace the asset throughout the entire period of use, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset during the entire period of use; and
- The Group has the right to direct the use of the identified asset throughout the entire period in use. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In particular cases, where all decisions about how and for what purpose the asset is used are predetermined, the Group is entitled to direct the use of the asset if:

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

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

Right-of-Use Asset -

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

The right-of-use asset depreciates linearly over the shorter period between the lease term and the useful life of the underlying asset, as follows:

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

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

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

Lease Liabilities -
Lease liabilities are initially measured at the present value of lease payments that are outstanding at the start date, discounted using the interest rate implied in the lease or in case the rate cannot be easily determined, the incremental debt rate is applied.

Lease payments include: fixed or variable payments that depend on an index or rate. Where leases include termination or extension options that the Management believes with reasonable certainty to exercise, the cost of the option is included in lease payments.

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

Exemptions to recognition -
The Group does not recognize right-of-use assets and lease liabilities for short-term leases of machinery and equipment that have a lease term of 12 months or less and leases of low-value assets, including computer equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the term of the lease. See note 14.

(i) Clearing Removal Costs (Stripping Costs) -
As part of its mining operations, the Group incurs clearing costs (stripping costs) during the development and production stages. The stripping costs incurred in the development stage of a mine, before the production stage begins (development clearing), are capitalized and their accounting treatment is as explained in the following point (development costs (j)).

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

- Future economic benefits are likely to emerge;
- Components in the reservoir can be identified whose access will be improved; and
- The costs associated with enhanced access can be reliably measured.

To identify mining phases or components in a site, the Group works closely with operations personnel to analyze mine plans. Generally, a deposit has several components. Mine plans, and therefore the identification of each of the phases, can vary between mines for a variety of reasons.

The cost of production clearing is initially measured at cost, which arises from an accumulation of costs directly incurred during the execution of the clearing activity. The stripping costs incurred by the Group are mainly related to the production of inventories and better access to the ore that will be exploited in the future.
The cost of production clearing is subsequently depreciated using the production units method taking into account the life of the component identified in the deposit that is more accessible as a result of the clearing activity. This cost is presented at cost less accumulated depreciation and impairment loss, if any.

(j) Mining concessions, stripping costs and intangible assets (fn. 13) -
Mining concessions, stripping costs and intangible assets acquired separately are initially recognized at cost.

Mining Concessions -
The mining concessions represent the ownership of the exploration and exploitation right that the Group has over the mining properties containing the reserves and resources of acquired minerals. Mining concessions are presented at cost and amortized following the production unit method, using proven and probable reserves as a basis. In the event that the Group abandons such concessions, the associated costs are penalized in the consolidated interim statement of income.

At the end of each year, the Group assesses for each mining unit whether there is any indication that the value of its mining concessions has deteriorated. If such an indication exists, the Management makes an estimate of the recoverable amount of the asset.

Mining concessions are presented under the heading "Mining concessions, stripping costs and intangible assets, net" in the consolidated interim statement of financial position.

Exploration and Evaluation Costs -
Exploration and appraisal costs include the activities of searching for mineral resources, determining the technical feasibility, and evaluating the commercial viability of an identified resource. These costs are charged to expenses as they are incurred until the moment in which the technical and commercial viability of the identified resource is moderately determined (pre-feasibility study). From the beginning of the stage of defining the high-precision technical and commercial feasibility (feasibility study), the costs incurred are capitalized. Exploration activities include:

- Search and analysis of historical exploration information.
- Increase in exploratory information through geological studies.
- Drilling and exploration sampling.
- Determination and evaluation of resource volumes and grades.
- Topographic transport and infrastructure requirements.
- Conducting financial and market studies.

Development costs (Note 27) –

When it is determined that a mining property may be economically viable; that is, when the existence of proven and probable reserves is determined, the costs incurred to develop such property, including the additional costs to delineate the body of the ore and remove the impurities it contains, are capitalized as development costs under the heading "Mining concessions, stripping costs and intangible assets, net". The capitalization of development costs begins from the beginning of the stage of defining the high-precision technical, economic, financial and commercial feasibility (feasibility study). These costs are amortized following the production unit method using proven and probable reserves as a basis.

Development activities include:

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

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

Licences-

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

Land usufruct -

Corresponds to payments for the right to use land adjacent to the Group's mining units, necessary for their operation and which are recorded at cost. These costs are amortized using the straight-line method depending on the term of the agreements (between 2 and 10 years).

(k) Impairment of non-financial assets (Note 15) -

At each reporting period-end date, the Group assesses whether there is any indication that an asset (or cash-generating unit – CGU) may be impaired in value. If such an indication exists, or where an annual impairment test is required for an asset, the Management estimates the recoverable amount of that asset. The recoverable amount of an asset is the greater of the fair value less costs of sale, either of an asset or a cash-generating unit, and its value in use, and is determined for an individual asset, unless the asset does not generate cash flows that are substantially independent of the other assets or groups of assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and its value is reduced to its recoverable amount.

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

Impairment losses on continuing operations, including impairment on inventories, are recognized in the interim consolidated income statement in those expense categories that correspond to the impaired asset function.

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

(l) Provisions (Note 19) -

General-

A provision is recognized when the Group has a present obligation (legal or implied) as a result of a past event, it is likely that an outflow of economic resources is required for its settlement and a reliable estimate of the amount of the obligation can be made. If the effect of the value of money over time is material, provisions are discounted using a pre-tax rate that reflects, where appropriate, the specific risks of the liability. When discounted, the increase in provision over time is recognized as a financial cost in the consolidated interim statement of income.

Provision for environmental remediation -

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

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

The periodic adjustment of the discount will be recognised in profit or loss, as part of the financial expenses. Changes arising from the revision of initial estimates of remediation liabilities are recognized as an increase or decrease in the carrying amount of the obligation and the related asset when they occur.

Provision for closure of mining units (Note 19b) -

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

Changes in the fair value of the obligation or in the useful life of the related assets, arising from the revision of the initial estimates, are recognized as an increase or decrease in the carrying amount of the obligation and the related asset. Any reduction in a provision for the closure of mining units, and therefore any reduction in the related asset, may not exceed the carrying amount of such asset. If it does, any excess over the carrying amount is immediately carried to the consolidated interim statement of income.

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

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

Environmental obligations (Note 19c) -
Environmental outlays that are related to current or future revenues are recorded as an expense or capitalized, as appropriate. Disbursements that relate to an existing condition caused by past operations and do not contribute to current or future income are recognized as an expense when incurred.

Environmental cost liabilities are recorded when remediation is likely and the associated costs can be reliably estimated. Generally, the recognition of these provisions coincides with the commitment to a formal action plan or, if earlier, with the decommissioning or closure of inactive units.

The amount recognized is the best estimate of the required disbursement. Where the liability is not settled for several years, the amount recognised is the present value of the estimated future disbursements.

(m) Employee benefits (Note 19e) -
Remuneration, gratuities, compensation for time of service, performance bonuses and vacations to workers are calculated in accordance with IAS 19, "Employee Benefits" and are calculated in accordance with Peruvian legal regulations in force on the basis of the accrual principle.

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

(n) Revenue recognition (Note 23) -
Revenue from contracts with customers is recognized when control of goods or services are transferred to the customer for an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services.

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

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

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

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

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

Income from the sale of concentrates is recognized net of "trade deductions." Commercial deductions correspond to adjustments in the price for treatment and refining expenses, and which may include certain penalties that, in accordance with each applicable contract, are deducted from the international price of the fine metal, and that will be incurred after the sale of the applicable contract. The Management finds that the deductions are part of the transaction price. Normal credit terms are 0 to 60 days from delivery.

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

As part of the logistics initiatives to serve tin customers, the sales process with "stock abroad" was implemented, maintaining a circulating inventory in two customs warehouses in Europe and the United States, making temporary exports from Peru and executing the sale from this warehouse once control was transferred to end customers.

Variable Consideration -
If the consideration of the contract includes a variable amount, the Management estimates the consideration amount in which it is expected to receive in exchange for transferring the goods to the customer. The variable consideration is estimated at the beginning of the contract and is restricted until it is highly probable that there will be no significant reversal in the amount of the recognized accumulated revenues, when the uncertainty associated with the variable consideration is subsequently resolved.

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

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

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

For interim pricing arrangements, any future changes that occur over the trading period are included in provisional price trade receivables and are therefore within the scope of IFRS 9 and not within the scope of IFRS

15. Given the exposure to commodity prices, these trade receivables with interim prices will not pass the cash flow characteristics test within IFRS 9 and must be measured at fair value with changes in profit or loss from initial recognition to the settlement date. Subsequent changes in fair value are recognized in the consolidated income statements for each period and are presented separately from revenue from contracts with the customer as part of "fair value gains/losses on trade receivables at interim prices". Changes in fair value during and through the end of the QP are estimated by reference to updated forward market prices for tin and copper cathodes, as well as to take into account other relevant fair value considerations set out in IFRS 13, including interest rate and credit risk adjustments.

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

As for the measurement of gold sales (Doré bars), they also provide for an interim payment based on their payable content and the price of the quoted metals. These sales are also subject to being settled in the future based on the international quotations of the payable contents, therefore, contracts with customers for the sale of this metal generate implicit derivatives and at the end of the year they are adjusted for changes in international quotations to reflect their fair value. Final adjustments resulting from final settlements are recognized in the year when the Company and the client confirm the payable content and set the price for such content.

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

Revenue from fulfillment service –

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

Service Revenue -

Income from the provision of services to related parties is recognized as income when the services have actually been provided.

Interest income (Note 29) -

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

Asset Sale –

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

Dividends (Note 6) –

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

(o) Financing costs (Note 29) –

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

(p) Taxes (Note 20)–

Current Income Tax -

Current income tax assets and liabilities are measured by amounts expected to be recovered or paid from or to the taxing authority. The tax rates and tax regulations used to compute these amounts are those in force at the end of the reporting period, corresponding to the countries in which the Group operates and generates taxable profits.

Current income tax, which relates to items that are recognized directly in equity, is also recognized in equity and not in the consolidated interim statement of income. Management periodically evaluates positions taken on tax returns with respect to situations in which applicable tax rules are subject to interpretation, and makes provisions where appropriate.

Deferred Income Taxes -

Deferred income tax is recognized using the liability method on the temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of the reporting period.

Deferred income tax liabilities are recognized for all taxable temporary differences, except for taxable temporary differences related to investments in associates, where the timing of their reversal can be controlled, and it is likely that they will not be reversed in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, and for future offsetting of unused tax credits and carry-forward tax losses, to the extent that future available taxable earnings against which such deductible temporary differences can be offset are likely, and/or such tax credits and carry-forward tax losses can be used. Significant management judgment is required to determine the amount of deferred assets that may be recognized based on the likely date of recovery and the level of future taxable income, as well as future tax planning strategies.

The carrying amount of deferred income tax assets is reviewed at each closing date of the reporting period and is reduced to the extent that sufficient future taxable gain is no longer likely to allow those deferred income tax assets to be used in whole or in part. Unrecognized deferred income tax assets are revalued at each reporting period closing date and recognized to the extent that it becomes probable that future taxable earnings would allow such previously unrecognized deferred income tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates expected to be applicable in the year in which the asset is realized or the liability is written off, based on the tax rates and tax rules that were approved at the end of the reporting period. or whose approval procedure is close to completion by that date.

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

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

Mining Royalties and Special Mining Tax in Peru -
Mining royalties and the mining excise tax are accounted for in accordance with IAS 12 "Income Tax", as they have the characteristics of an income tax because their calculation basis is income net of expenses after adjusting for temporary differences, rather than being calculated based on the quantity produced or a percentage of revenue. The legal rules and fees used to calculate the amounts payable are those in force as of the date of the consolidated interim statement of financial position. See note 20d.

Accordingly, payments made by the Group to the Government for mining royalties and mining excise duty are within the scope of IAS 12 and are therefore treated as if they were income tax. Both the mining royalty and the special mining tax generate deferred assets or liabilities, which must be measured using the average rates that are expected to be applied to operating profits in the quarters in which the Group expects the temporary differences to be reversed.

Sales Tax -
Income from ordinary activities, expenses and assets are recognized excluding the amount of any sales tax (value added tax), except:

(i) When sales tax incurred on an acquisition of assets or the provision of services is not recoverable from the taxing authority, in which case such tax is recognized as part of the cost of acquiring the asset or as part of the expense, as applicable;
(ii) Accounts receivable and payable that are already expressed including the amount of sales tax.
(iii) The net amount of sales tax expected to be recovered from, or payable to the taxing authority, is presented as an account receivable or an account payable in the consolidated interim statement of financial position, as applicable.

(q) Basic and diluted earnings per share (Note 30) –
Basic and diluted earnings per share are calculated by dividing earnings per common and investment share by the weighted average of common and investment shares outstanding during the period.

As of March 31, 2025 and December 31, 2024, the Group does not have financial instruments with dilutive effect, so the weighted average of common and investment shares is the same for the years presented.

(r) Current and non-current classification –
The Group presents its assets and liabilities in the consolidated interim statement of financial position, classified as current and non-current. An asset is classified as current when the entity:

- You expect to realize the asset or intend to sell or consume it in your normal cycle of operation.
- It holds the asset primarily for trading purposes.
- Expects to realize the asset within twelve months of the reporting period; or
- The asset is cash or cash equivalent, unless it is restricted and cannot be exchanged or used to settle a liability, for a minimum period of twelve months following the reporting period.

All other assets are classified as non-current.

A liability is classified as current when the entity:

- It expects to settle the liability in its normal operating cycle.
- It holds liabilities primarily for trading purposes.
- The liability must be settled within twelve months of the reporting period; or
- It does not have an unconditional right to defer the cancellation of the liability for at least twelve months following the reporting period at the closing date.

All other liabilities are classified as non-current.

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

(s) Discontinued operations (Note 1 (c)) –

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

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

2.5 Restatement to the consolidated interim income statement as of March 31, 2024 –

For comparative purposes, the following changes were made to the consolidated interim financial statements reported as of March 31, 2024:

(i) In accordance with IFRS 5, the items in the income statement of the subsidiary Minera Taboca (discontinued operation), presented as of March 31, 2024 as continuing operations, are reclassified as net gain (loss) from discontinued operations attributable to the parent company. This restatement applies to all interim financial statements for comparative purposes.

(ii) In the subsidiary Marcobre, the reclassification of gains from instruments originally included in the financial income item to the financial costs item has been carried out. This allows the result of the derivative instrument to be displayed together with the hedged item, corresponding to bank interest

(iii) Due to the fact that the interim financial statements presented as of March 31, 2024 have been prepared under the guidelines of IAS 1 "Presentation of Financial Statements", the comparative financial information for the first quarter of 2024 has been restated, which was prepared on the basis of IAS 34 "Interim Financial Reporting", a standard that establishes the calculation of the intermediate income tax using a best estimate of the average rate weighted annually. This modification only applies to the interim financial statements, having no impact on the audited financial statements as of December 31, 2024.

Below is the reconciliation between the balances reported as of March 31, 2024, with the restated balances:

	Balance as of 31.03.2024	Reclassifications Discontinued operations Note 1(c)	Reclassification of gains on Marcobre's derivative financial instruments	Adjustment in profit or loss for the year by application of IAS 34	Balance as of 31.03.2024 Restated
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Net sales	495,716	(55,544)	-	-	440,172
Cost of Sales	(262,548)	52,692	-	-	(209,856)
Gross profit	233,168	(2,852)	-	-	230,316
Operating expenses:					
Administration Expenses	(19,902)	3,892	-	-	(16,010)
Selling expenses	(11,435)	916	-	-	(10,519)
Exploration and study expenses	(13,807)	-	-	-	(13,807)
Reversal of impairment loss	-	-	-	-	-
Other Operating Income	6,547	(2,163)	-	-	4,384
Other operating expenses	(9,911)	823	-	-	(9,088)
Total operating expenses	(48,508)	3,468	-	-	(45,040)
Operating Profit	184,660	616	-	-	185,276
Other (expenses) income:					
Financial income	7,273	(132)	(2,367)	-	4,774
Financial costs	(23,573)	4,275	2,367	-	(16,931)
(Loss) gain on investment in associate, net	(2,449)	-	-	-	(2,449)
Dividend income	-	-	-	-	-
Exchange difference	(6,888)	4,824	-	-	(2,064)
Total other expenses, net	(25,637)	8,967	-	-	(16,670)
Profit before income tax	159,023	9,583	-	-	168,606
Income tax expense	(61,787)	(1,965)	-	2,794	(60,958)
Net income from continuing operations	97,236	7,618	-	2,794	107,648
Net income from discontinued operations	-	(7,618)	-	-	(7,618)
Net Income	97,236	-	-	2,794	100,030

3. Significant judgments, estimates and assumptions –

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

The significant accounting judgments, estimates and assumptions of the consolidated financial statement presented are consistent with those indicated in the preparation of the annual consolidated financial statement for the year ended December 31, 2024.

These include:

Judgments:

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

Estimates and assumptions:

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

3.1. Judgments –

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

(a) Contingencies–

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The evaluation of the existence and potential amounts of the Group's contingencies inherently involves the exercise of meaningful judgment by Management and the use of estimates on the results of future events.

(b) Start date of development stage –

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

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

The Group has recognized a deferred income tax asset related to the provision for the closure of mining units, including the part related to mine closure disbursements that were made after mine closure; which the Management estimates will be applied in full to the future taxable income that will be generated from the operations of the unit.

(d) Clearing Removal Costs (Stripping costs) –

The Group incurs waste removal costs (stripping costs) during the production phases of its open-pit mines at the Pucamarca mining unit and the Mina Justa mining unit. During the production phase, clearing costs (production stripping costs) can be related to the production of inventories in that period and/or the creation of improved access and operational flexibility in relation to the mining of ore that is expected to be extracted in the future. The former are included as part of the inventory production costs, while the latter are capitalized as a separate asset for clearing, when certain criteria are met.

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

The Group's Management considers that due to the short term of the operation of the open pit of the Pucamarca mining unit (maximum 5 years) and that according to the operational planning of the mining unit the mineral/waste ratio is very similar in the years of operation of the mining units, the stripping costs incurred in each year of operation are directly related to the ore produced in that same year. As a result, all costs of moving waste material are charged directly to the cost of production for the year in which the waste material was moved.

On the other hand, due to the long term of the operation of the open pit of the Mina Justa mining unit (maximum15 years) and that according to the operational planning of the mining unit, the costs of stripping incurred in each year of operation are directly related to future accesses of mineralized bodies. As a result, all costs of moving waste material are being recorded as part of the intangible asset and the portion attributable to extracted ore is presented as part of non-current inventory.

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

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

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

(f) Revenue Recognition –

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

(g) Recognition of deferred income tax liability related to the temporary difference in the account payable to KLS Limited – note 16 (c).

The Group has recognized a deferred income tax liability related to the temporary difference in the account payable to KLS Limited, a former minority shareholder of the subsidiary Marcobre S.A.C., which Management estimates will be reversed in its entirety in the following years until the payment of the deferred income tax liability.

(h) Measurement of assets held for sale

The Group values its assets classified as held for sale as the lesser of their carrying amount and fair value less costs to sell. In the event that the sale is anticipated to occur after one year, the Group shall measure the costs of sale at their present value. Any increase in the present value of these costs, due to the passage of time, will be recorded in the income statement as a financial cost. As of March 31, 2025, the Group recognized in its consolidated interim financial statements the sale transaction of its subsidiary Taboca, classified as available for sale as of December 31, 2024.

3.2. Estimates and assumptions –

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

(a) Determination of mineral reserves –

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

The process of estimating the quantities of mineral reserves is complex and requires subjective decision-making when evaluating all the geological, geophysical, engineering and economic information that is available. Revisions to mineral reserve estimates may occur due to, but are not limited to, revisions to geological data or assumptions, changes in assumed prices, costs of production, and results of exploration activities. Changes in mineral reserve estimates could primarily affect the carrying value of mining concessions, development costs, property, plant and equipment; charges to profit or loss corresponding to depreciation and amortization; and the carrying amount of the provision for the closure of mining units.

(b) Unit of production method (UOP) –

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

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

(c) Recovery of deferred tax assets –

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

(d) Provision for closure of mining units –

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

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

The net realizable value test is performed on an annual basis, and represents the estimated future sales value, less the estimated costs to complete production and those costs necessary to complete the sale.

(f) Impairment on non-financial assets –

The Group assesses, at the end of each year, whether there is any indication that the value of its non-financial assets has deteriorated. If such an indication exists, the Management estimates the recoverable amount of the asset, which is the greater of its fair value less costs of sale and its value in use. The evaluation requires the use of estimates and assumptions, such as long-term mineral prices, discount rates, operating costs, among others. These estimates and assumptions are subject to risks and uncertainties.

Fair value for mining assets is generally determined by the present value of future cash flows arising from the continued use of the asset, which includes some estimates, such as the cost of future expansion plans, using assumptions that a third party might take into consideration. Future cash flows are discounted to their present value using a discount rate that reflects the market's current assessment of the value of money over time, as well as the specific risks of the asset or cash-generating unit under evaluation. The Group has determined the operations of each unit as a separate cash-generating unit.

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

The leach ore deposits contain the material extracted from the pit and have a 60-day irrigation cycle, which are monitored through a stacking control at the cell level, this solution percolates and is collected through pipes to be accumulated in the Rich Solution Pond (Posa PLS hereinafter, for "Pregnant Leaching Solution"). The volume of solution in the PLS pool is obtained by using a graduated ruler drawn on the geomembrane of the PLS pool.

The rich solution of the PLS pool is pumped to two circuits of adsorption tanks. The first circuit consists of five cascade adsorption tanks which were previously loaded with coal, which has the property of adsorbing gold. The second circuit consists of six pressurized adsorption tanks that are also fueled with coal. Each of the aforementioned tanks is balanced for each column, in which the flow that enters, the grade that enters and the grade that leaves through samplers is taken, multiplied by the volume and the accumulated ounces are obtained, the difference being what remains in the columns with the coal. Each circuit has flowmeters with up-to-date maintenance according to the program of the Integrated Management System, the control of these quantities is monitored through daily operational reports.

Subsequently, the process ceases to be continuous to move on to a desorption process, monitoring the gold that is deposited in the electrolytic cells, in this phase the Company manages a recovery rate of 98.38 percent, the remaining gold remains in the coal which is recirculated to the process through chemical and thermal regeneration leaving it ready to return to the circuit.

Recovery processes and rates are constantly monitored, and estimated recovery rates are adjusted periodically as additional information becomes available and considering technological changes.

(h) Obsolescence of materials and supplies –

The estimate for obsolescence of materials and supplies is determined based on an analysis carried out annually by the Group's Management, which considers obsolete and slow-moving items, and is uploaded to the consolidated interim statement of income in the year in which the need for such estimate is determined.

(i) Recovery of the value added tax –

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

On an annual basis, the Group's Management evaluates the viability of the development of the project carried out by the subsidiary Cumbres del Sur S.A.C. and that the possibility of recovery of this tax credit is considered probable. Otherwise, a devaluation will be recorded.

(j) Climate Issues —

This assessment includes a wide range of potential impacts on the group due to both physical and transition risks. While the Group believes that its business model and products will remain viable after the transition to a low-carbon economy, climate-related issues increase uncertainty in the estimates and assumptions underpinning several items in the interim financial statements.

Although climate-related risks do not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation.

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

- Useful life of property, plant and equipment.
  When reviewing the expected residual and useful values of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.
- Impairment on non-financial assets.
  Value-in-use may be affected in a number of different ways by particular transition risk, such as climate-related legislation and regulations and changes in demand, for the Group's products, although the Group has concluded that they do not have any climate-related issues.
- Provision for Mine Closure
  The impact of climate-related legislation and regulations is considered in estimating the timing and future costs for the closure of the Group's mining units.

4. Standards issued, but not yet effective

The following is a description of those relevant standards and interpretations applicable to the Group, which have been published, but were not yet in force as of the date of issuance of these consolidated interim financial statements of the Group. The Group intends to adopt these standards and interpretations, as appropriate, when they come into force.

Classification and measurement of financial instruments – Amendments to IFRS 7 and IFRS 9

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

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

Power Purchase Power Purchase Agreements - Amendments to IFRS 7 and IFRS 9

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

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

Annual Improvements to IFRS Accounting Standards – Volume 11

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

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

IFRS 18 Presentation and Disclosure in the Financial Statements

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

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

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

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

5. Foreign currency transactions

As of March 31, 2025 and December 31, 2024, the Group had the following assets and liabilities in soles presented for their equivalent in U.S. dollars. As of March 31, 2025, the free market weighted average exchange rates for transactions in soles were US$0.2732 for purchase and US$0.2720 for sale (US$0.2661 for purchase and US$0.2653 for sale as of December 31, 2024):

	As of March 31, 2025 US$(000)	As of December 31, 2024 US$(000)
Assets		
Cash and cash equivalents	56,921	11,011
Trade and other receivables, net (includes non-current portion)	36,869	78,430
Income tax prepayments	209	407
	93,999	89,848
Liabilities		
Trade and other accounts payable and employee benefits (including non-current portion)	(171,149)	(224,217)
Income tax payable	(59,751)	(74,587)
	(230,900)	(298,804)
Passive, Net Position	(136,901)	(208,956)

As of March 31, 2025 and December 31, 2024, the Group does not hold any financial instruments that cover the foreign exchange risk of its foreign currency operations.

The net foreign exchange difference loss on foreign currency assets and liabilities was US$2,642,000 during the first quarter of 2025 (net foreign exchange loss of US$2,064,000 during the first quarter of 2024).

6. Cash and cash equivalents

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

	As of March 31, 2025	As of December 31, 2024
	US$(000)	US$(000)
Cash on hand and petty cash	12	9
Bank current accounts (b)	212,071	51,015
Time deposits (c)	284,845	179,780
Total	496,928	230,804

(b) As of March 31, 2025 and December 31, 2024, the Group holds its deposits in current accounts in top-tier local and foreign banks, which are freely available and generate interest at market rates.

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

7. Trade and other accounts receivable, net

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

	As of March 31, 2025	As of December 31, 2024
	US$(000)	US$(000)
Commercial (b):		
Invoices receivable	430,783	375,689
Changes in fair value	15,775	(11,667)
	446,558	364,022
Different:		
Value Added Tax Credit and Other Tax Credits (c)	18,738	21,111
Claims to the Tax Administration (d)	14,402	14,009
Restricted funds (f)	139	11,118
Invoices receivable for the sale of inputs and fixed assets	2,764	2,723
Advances to suppliers	624	594
Related parties, note 31(a)	1,726	1,802
Loans Granted (e)	287	282
Interest Receivable	148	8
Other	1,815	1,573
	40,643	53,220
Total	487,201	417,242
By maturity:		
Current	459,679	390,572
Non-current	27,522	26,670
Total	487,201	417,242

	As of March 31, 2025	As of December 31, 2024
	US$(000)	US$(000)
Classification by nature:		
Financial assets	454,061	382,122
Non-financial assets	33,140	35,120
Total	487,201	417,242
Classification by measurement:		
Trade receivables (not subject to provisional prices)	95,536	199,826
Trade receivables (fair value measures subject to provisional prices)	351,022	164,196
Other accounts receivable (measured at amortized cost)	40,643	53,220
Total	487,201	417,242

(b) As of March 31, 2025 and December 31, 2024, trade receivables do not bear interest and do not have specific collateral. In the expected credit loss estimation process, management assesses individual credit risk and credit limits. The assessment is made on the date of each report using an estimation matrix to measure expected credit losses.

(c) As of March 31, 2025 and December 31, 2024, , this item mainly includes the credit for the value added tax (hereinafter "IGV") resulting from the purchases of goods and services resulting from the operation, exploration, construction and development activities carried out by the Group, which will be offset with the IGV payable as a result of future sales to domestic customers or through compensation with other taxes to be paid, under the modality of the application of the Balance in Favor Matter of the Benefit.

The subsidiary Cumbres del Sur S.A.C. has evaluated the recoverability of the balance the credit for value added as of March 31, 2025 for US$13,044,000 (US$12,571,000 as of December 31, 2024), and considers that it can be used.

(d) The balance of claims to the tax administration is mainly composed of

(i) Payment under protest to the tax administration during 2024, with respect to the audit of the 2020 period in the amount of S/28,269,000 (equivalent to US$7,724,000, see note 33 (a)).

(ii) Payment under protest to the tax administration during 2023, with respect to the audit of the 2017 period in the amount of S/24,371,000 (equivalent to US$6,658,000, see note 33 (a).

(e) As of March 31, 2025 and December 31, 2024, corresponds to the delivery of money as a mutual agreement from the subsidiary Cumbres del Sur to Compañía Minera Metals & Materials Standard for a total of S/1,051,000 equivalent to US$287,000 (equivalent to US$282,000 as of December 31, 2024). This contract does not generate interest and has a maturity of less than 1 year.

(f) As mentioned in Note 1(c), proceeds of the transaction of sale of all the shares in Mineração Taboca S.A. to CNMC Trade Company Limited, on November 26, 2024, the buyer made an escrow deposit of US$10,000,000 in an account in Minlat's name at Banco Santander S.A. Sucursal Perú to be released upon closing of the transaction. As of March 31, 2025, said guarantee was released and offset against the closing sale price of the Taboca Subsidiary, proceeding with the reclassification of the fund subject to the restriction to the cash and cash equivalents item.

8. Inventories, net

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

	As of March 31, 2025 US$(000)	As of December 31, 2024 US$(000)
Products in process (b)	736,449	693,186
Materials and supplies	79,112	50,311
Finished Products	45,157	38,962
Mineral on the field	4,092	5,009
Materials and supplies to be received	1,255	26,783
	866,065	814,251
Allowance for obsolescence (c)	(1,037)	(1,037)
	865,028	813,214
By maturity:		
Current	172,054	175,669
Non-current	692,974	637,545
Total	865,028	813,214

(b) As of March 31, 2025 and December 31, 2024, the products in process are made up as follows:

	As of March 31, 2025 US$(000)	As of December 31, 2024 US$(000)
Products in the tin process – Minsur		
Gravimetric Tin Concentrate	7,020	14,814
Dross the scum (segregated material)	6,452	6,486
Metal in process	2,537	3,499
Bag house powders	2,103	2,657
Tin concentrate floating	265	2,260
Metal MH Iron	111	133
Other	4,766	4,829
	23,254	34,678

	As of March 31, 2025 US$(000)	As of December 31, 2024 US$(000)
Products in the Gold Process – Minsur		
Adsorption tanks	3,133	1,865
Leach PAD – Cell Reinforcement	5,564	6,255
Ore broken in loading	3,017	4,428
Golden bars	6,174	6,644
Others	321	12
	18,209	19,204
Copper Concentrate Process Products – Marcobre		
Stock sulfide mine	208,991	194,318
Crushing – Sulphides	896	881
	209,887	195,199
Copper Cathode Process Products – Marcobre		
Stock mine oxides	484,901	443,900
Crushing Oxides	198	205
	485,099	444,105
Products in process operating units	736,449	693,186

The products in process (tin, gold, mined material, concentrate and copper cathodes) have the following characteristics:

Operational Units:

i. *Tin–*

Operations in Peru:

The raw tin produced in the smelter contains impurities such as iron, copper, arsenic, antimony, lead, bismuth, and indium. These impurities are removed sequentially, through a pyrometallurgical process, in cast iron pots of 50 tons capacity, taking advantage of their different physicochemical properties until refined tin with 99.94 percent purity and a maximum of 0.02 percent lead is obtained, which is then molded into ingots and other presentations.

ii. *Gold–*

It corresponds to the ore found in the leach deposits, which contain the ore that has been extracted from the pit and that is available to follow the following gold recovery processes. In leachate ore deposits, recovery is carried out through exposure to the sodium cyanide solution that dissolves the gold and whose solution is sent to the extraction process plant.

Ore stock –

It corresponds to the material extracted in oxides and sulfides as part of the mining activities in the open pit of the commercial operation of Mina Justa, which is used as a raw material to produce copper concentrate and copper cathodes.

iii. Copper Concentrate –

It corresponds to the thick pulp obtained from the flotation stage in the concentration production process, in which a mixture of copper sulfides, copper oxides, iron and a series of salts of other metals is found. Their proportion varies according to the mineralogy of the mine.

iv. Copper cathodes –

It corresponds to deposited, high-purity copper plates that are obtained from the solvent extraction / electrowinning process. These plates are also called high-purity electrolytic copper cathodes and have a concentration of 99.999%.

(c) The allowance for obsolescence of materials and supplies had the following movement as of March 31, 2025 and December 31, 2024:

	As of March 31, 2025	As of December 31, 2024
	US$(000)	US$(000)
Opening Balance	1,037	3,292
Operating		
Obsolescence provision	-	180
Obsolescence Reversal	-	(425)
Discontinued		
Reclassification to Asset Held for Sale	-	(2,010)
Ending balance	1,037	1,037

(d) The estimate for devaluation of finished products and products in process had the following movement as of March 31, 2025 and December 31, 2024:

	As of March 31, 2025	As of December 31, 2024
	US$(000)	US$(000)
Opening Balance	-	4,815
Reclassification to Asset Held for Sale	-	(4,815)
Ending balance	-	-

In the opinion of the Group's Management, the balance of the impairment and obsolescence estimate is sufficient to adequately cover the risks of this item as of the date of the consolidated interim statement of financial position.

9. Financial assets with changes in other comprehensive income

(a) The following is the movement of the investment:

	As of March 31, 2025				
	Cost	Unrealized results	Stock performance	Settlement of the investment	Fair Value
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Rímac Seguros y Reaseguros (c)	21,070	29,699	746	(51,515)	-
Total	21,070	29,699	746	(51,515)	-

	As of December 31, 2024				
	Cost	Unrealized results	Stock performance	Settlement of the investment	Fair Value
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Rímac Seguros y Reaseguros	21,070	4,129	746	-	25,945
Total	21,070	4,129	746	-	25,945

(b) The change in financial assets measured at fair value through other comprehensive income is as follows:

	As of March 31, 2025	As of December 31, 2024
	US$(000)	US$(000)
Opening Balance	25,945	21,670
Unrealized result, note 21(h)	25,570	4,275
Investment settlement (c)	(51,515)	-
Ending balance	-	25,945

	As of March 31, 2025	As of December 31, 2024
	US$(000)	US$(000)
By maturity:		
Current portion	-	-
Non-current portion	-	25,945
Total	-	25,945

(c) On March 20, 2025, through an over-the-counter operation, the share purchase agreement between the Company and the company Breca Banca was signed, in said agreement the transfer of all the shares of Rimac Seguros y Reaseguros S.A. that the Company held amounting to 102,633,441 shares at a price of S/1.82 per share, was contemplated. as a result of this sale transaction, the company received a total of S/186,793,000 (equivalent to US$51,515,000).

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

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

(f) During 2024, the Company has received equity dividends of US$1,444,000 from its investments in Rimac, which were paid to the consolidated interim statement of other comprehensive income.

10. Prepaid expenses

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

	As of March 31, 2025	As of December 31, 2024
	US$(000)	US$(000)
Prepaid insurance	4,189	3,534
Other prepaid expenses	3	-
Ending balance	4,192	3,534

(b) The classification by expiration is presented below:

	As of March 31, 2025	As of December 31, 2024
	US$(000)	US$(000)
By maturity:		
Current portion	4,192	3,534
Non-current portion	-	-
Total	4,192	3,534

11. Investments in associates

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

	Participation in Equity		Equity value	
	As of March 31, 2025	As of December 31, 2024	As of March 31, 2025	As of December 31, 2024
	%	%	US$(000)	US$(000)
Inversiones Cordillera del Sur II SpA (c)	73.85	73.85	143,340	136,021
Inversiones Cordillera Inmobiliaria SpA (c)	73.85	73.85	78,279	75,694
Futura Consorcio Inmobiliario S.A. (c)	3.37	3.37	3,039	2,961
			224,658	214,676

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.

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

	For the cumulative period from January 1 to March 31	
	2025 US$(000)	2024 US$(000)
Inversiones Cordillera del Sur II SpA (c)	2,805	(2,362)
Inversiones Cordillera Inmobiliaria SpA (c)	96	(100)
Futura Consorcio Inmobiliario S.A. (c)	9	13
Ending balance	2,910	(2,449)

(c) The following is the movement and relevant information of investments in associates:

Inversiones Cordillera del Sur II SpA –

The main purpose of this association (see 3.1 (c) is to hold investments in Melón S.A. and subsidiaries. The corporate purpose of Melón S.A. is the production, marketing and supply of cement, ready-mix concrete, mortar and pre-dosed aggregates to distributors of construction materials, construction companies related to the real estate, civil works and mining sectors and concrete companies in Chile. It is located in the province of Santiago, Chile.

Below is the movement of investment in Inversiones Cordillera del Sur II SpA.:

	As of March 31, 2025 US$(000)	As of December 31, 2024 US$(000)
Opening Balance	136,021	164,845
More:		
Net profit (loss) share	2,805	(10,192)
Loss translation	4,511	(18,599)
Unrealized results	3	(33)
Ending balance	143,340	136,021

Inversiones Cordillera Inmobiliaria SpA –

In the second quarter of 2022, the subsidiary Minera Latinoamericana S.A.C and Breca Cementos S.A.C. as shareholders of Inversiones Cordillera del Sur II SpA, approved the spin-off of the equity block by 25.5%, generating a new company named in minutes as Inversiones Cordillera Inmobiliaria SpA. The purpose of this association is to make investments in movable, tangible or intangible property, shares of corporations or joint-stock companies, rights in other companies, bonds, bills of exchange and other transferable securities; administer, transfer, exploit and receive their fruits; and, in general, to execute all kinds of acts and enter into all contracts that are necessary for the fulfillment of the purpose of the company or the development of its line of business. It is an associate located in the province of Santiago, Chile.

Below is the movement of investment in Inversiones Cordillera Inmobiliaria SpA:

	As of March 31, 2025	As of December 31, 2024
	US$(000)	US$(000)
Opening Balance	75,694	74,700
More:		
Share in net profit	96	10,182
Translation los	2,489	(9,188)
Ending balance	78,279	75,694

Futura Consorcio Inmobiliario S.A. –

The corporate purpose of this associate domiciled at Avenida Las Begonias N°415, 7th floor, San Isidro, Lima, includes the real estate business that it mainly provides to its related companies.

Below is the movement of the investment in Futura Consorcio Inmobiliario S.A.:

	As of March 31, 2025	As of December 31, 2024
	US$(000)	US$(000)
Opening Balance	2,961	2,956
More (minus):		
Net profit share	9	168
Translation (Loss) profit	69	(45)
Dividends received	-	(118)
Ending balance	3,039	2,961

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

(a) The composition and movement of the item as of March 31, 2025 and December 31, 2024 is presented below:

	As of January 1, 2025	Additions	Disposals (d)	Reclassifications (e)	Transfers	Assets held for sale	Translation adjustment	As of March 31, 2025
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Cost								
Land	16,534	-	-	-	-	-	-	16,534
Buildings and facilities	1,946,388	-	-	-	4,477	-	-	1,950,865
Machinery and Equipment	1,106,806	1,992	-	-	8,922	-	-	1,117,720
Furniture, appliances, computer, communication and security equipment	43,332	-	-	-	474	-	-	43,806
Transport units	6,419	-	(65)	-	53	-	-	6,407
Works in progress (c)	84,894	16,828	(7)	-	(13,926)	-	-	87,789
Mine Closure costs	122,094	859	-	-	-	-	-	122,953
	3,326,467	19,679	(72)	-	-	-	-	3,346,074
Accumulated depreciation								
Buildings and facilities	778,852	40,686	-	-	-	-	-	819,538
Machinery and Equipment	583,210	22,674	-	-	-	-	-	605,884
Furniture, appliances, computer, communication and security equipment	20,440	1,093	-	-	-	-	-	21,533
Transport units	4,962	173	(55)	-	-	-	-	5,080
Mine Closure costs	79,430	1,284	-	-	-	-	-	80,714
	1,466,894	65,910	(55)	-	-	-	-	1,532,749
Impairment of Property, Plant and Equipment (g)	-	-	-	-	-	-	-	-
Net Cost	1,859,573							1,813,325

	As of January 1, 2024	Additions	Disposals (d)	Reclassifications (e)	Transfers	Assets held for sale	Translation adjustment	As of December 31, 2024
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Cost								
Land	17,389	-	-	-	54	(713)	(196)	16,534
Buildings and facilities	1,950,482	137	(2,491)	(20,784)	168,873	(117,715)	(32,114)	1,946,388
Machinery and Equipment	1,214,988	27,767	(12,076)	-	54,375	(139,875)	(38,373)	1,106,806
Furniture, appliances, computer, communication and security equipment	47,881	23	(117)	-	2,101	(5,180)	(1,376)	43,332
Transport units	17,699	148	(1,444)	-	538	(8,176)	(2,346)	6,419
Works in progress (c)	202,022	154,410	(3)	-	(225,955)	(36,984)	(8,596)	84,894
Mine Closure costs	138,600	12,945	(21,197)	-	-	(4,740)	(3,514)	122,094
	3,589,061	195,430	(37,328)	(20,784)	(14)	(313,383)	(86,515)	3,326,467
Accumulated depreciation								
Buildings and facilities	675,945	157,525	(302)	-	-	(43,124)	(11,192)	778,852
Machinery and Equipment	602,917	107,694	(9,687)	-	-	(93,379)	(24,335)	583,210
Furniture, appliances, computer, communication and security equipment	20,626	5,032	(117)	-	-	(4,058)	(1,043)	20,440
Transport units	10,881	2,110	(1,308)	-	-	(5,300)	(1,421)	4,962
Mine Closure costs	80,359	5,040	-	-	-	(4,741)	(1,228)	79,430
	1,390,728	277,401	(11,414)	-	-	(150,602)	(39,219)	1,466,894
Impairment of Property, Plant and Equipment (g)	-	-	-	-	-	-	-	-
Net Cost	2,198,333							1,859,573

(b) The depreciation expense has been distributed in the consolidated interim statement of income as follows:

	For the cumulative period from January 1 to March 31	
	2025	2024
	US$(000)	US$(000)
Cost of Sales, Note 24(a)	65,674	58,053
Administration expenses, note 25	119	132
Other expenses, footnote 28	14	27
Exploration and study expenses, footnote 27	85	75
Selling expenses, note 26	18	9
	65,910	58,296

(c) As of March 31, 2025 and December 31, 2024, the balance of the works in progress item mainly includes the following items:

	As of March 31, 2025	As of December 31, 2024
	US$(000)	US$(000)
Tailings dam B4 Construction – Minsur, see note 1(b.3)	27,320	25,909
Sustaining Project in Operation – Marcobre	7,073	7,355
Sulfide Plant Projects – Marcobre	11,673	8,126
Oxide Plant Projects – Marcobre	4,876	2,666
San Germán Ventilation System - Minsur	7,127	5,683
Engineering and construction management of the Mina Justa project	5,945	4,420
Leach pad (new sweep line) – Minsur	4,939	1,841
Other	18,836	28,894
	87,789	84,894

(d) As of March 31, 2025, the disposals correspond mainly to the sale of transport units (vans).

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

(e) Insurance Compensation for Bateas -

In 2021, the subsidiary Marcobre S.A. capitalized the leach pads of the oxide plant in its Mina Justa unit, however, due to some incidents in its proper operation, a series of improvements were made to these assets with the aim of reducing the impact on the normal operation of the plant.

During 2024, this situation was reported to Rímac Seguros y Reaseguros, determining an indemnity of US$60,000,000. Of this amount, US$20,784,000 was considered as consequential damage, thus registering a decrease in the Property, plant and equipment item. The remaining amount of US$39,216,000 was considered as loss of earnings, and was recognized in the income statement under the heading "Other, net".

(f) As of March 31, 2025 and December 31, 2024, there are no machinery and equipment under financial lease.

(g) Impairment Assessment and Impairment Reversal of Mining Units –
In accordance with the Group's policies and procedures, each asset or cash-generating unit (CGU) is evaluated annually at the end of the period, to determine if there are indications of impairment or reversal of impairment. If such indications exist, a formal estimate of the recoverable amount is made for the recognition of impairment or a reversal of impairment, see analysis in note 15.

13. Mining concessions, stripping costs and intangible assets, net

(a) Below is the composition and movement of the item as of March 31, 2025 and December 31, 2024:

	As of January 1, 2025	Additions	Reclassifications	Transfers	Translation Adjustments	Assets held for sale	As of March 31, 2025
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Cost:							
Defined service life:							
Mining concessions and rights (d)	332,426	-	-	-	-	-	332,426
Mine development Cost (c)	350,309	2,000	-	-	-	-	352,309
Connection and easement right	5,163	-	-	-	-	-	5,163
Stripping cost	269,782	8,474	-	-	-	-	278,256
Land usufruct	6,448	1,246	-	-	-	-	7,694
Remediation asset	1,198	-	-	-	-	-	1,198
Licences	11,013	1,619	-	-	-	-	12,632
Intangible in progress	25	97	-	-	-	-	122
	976,364	13,436	-	-	-	-	989,800
Accumulated depreciation:							
Mining concessions and rights (d)	130,630	12,970	-	-	-	-	143,600
Mine development Cost	102,396	5,709	-	-	-	-	108,105
Connection and easement right	4,514	55	-	-	-	-	4,569
Stripping cost	180,177	26,167	-	-	-	-	206,344
Land usufruct	4,056	111	-	-	-	-	4,167
Remediation asset	1,198	-	-	-	-	-	1,198
Licences	6,369	474	-	-	-	-	6,843
	429,340	45,486	-	-	-	-	474,826
Net Cost	547,024						514,974

	As of January 1, 2024	Additions	Reclassifications	Transfers	Translation Adjustments	Assets held for sale	As of December 31, 2024
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Cost:							
Defined service life:							
Mining concessions and rights (d)	406,746	1,662	5	-	(16,358)	(59,629)	332,426
Development Cost (c)	344,850	5,459	-	-	-	-	350,309
Right of connection and easement	4,114	1,049	-	-	-	-	5,163
Stripping cost	213,381	56,401	-	-			269,782
Land usufruct	5,576	872	-	-	-	-	6,448
Remediation asset	1,198	-	-	-	-	-	1,198
Licences	9,694	1,390	1,126	-	(257)	(940)	11,013
Intangible in progress	1,130	12	(1,117)	-			25
	986,689	66,845	14	-	(16,615)	(60,569)	976,364
Accumulated depreciation:							
Mining concessions and rights (d)	109,346	45,755	-	-	(5,138)	(19,333)	130,630
Development Cost	81,946	20,450	-	-	-	-	102,396
Right of connection and easement	3,728	786	-	-	-	-	4,514
Stripping cost	85,721	94,456	-	-	-		180,177
Land usufruct	3,927	129	-	-	-	-	4,056
Remediation asset	1,198	-	-	-	-	-	1,198
Licences	5,585	1,894	-	-	(230)	(880)	6,369
	291,451	163,470	-	-	(5,368)	(20,213)	429,340
Net Cost	695,238						547,024

(b) The depreciation expense has been distributed in the consolidated interim statement of income as follows:

	For the cumulative period from January 1 to March 31	
	2025	2024
	US$(000)	US$(000)
Cost of Sales, Note 24(a)	37,843	30,680
Stock	7,564	3,575
Exploration and study expenses, note 27	78	72
Administration expenses, note 25	1	1
	45,486	34,328

14. **Right-of-use assets, net**

(a) The composition and movement of the item as of March 31, 2025 and December 31, 2024 is presented below:

	As of January 1, 2025	Additions	Adjustment and/or reclassifications	Translation adjustment	Assets held for sale	As of March 31, 2025
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Cost						
Land and buildings	17,903	15	-	-	-	17,918
Machinery and equipment	34,492	-	-	-	-	34,492
Transport units	11,317	831	-	-	-	12,148
	63,712	846	-	-	-	64,558
Accumulated depreciation						
Land and buildings	9,777	323	-	-	-	10,100
Machinery and equipment	29,329	1,328	-	-	-	30,657
Transport units	7,712	597	-	-	-	8,309
	46,818	2,248	-	-	-	49,066
Net Cost	16,894					15,492

	As of January 1, 2024	Additions	Adjustment and/or reclassifications	Translation adjustment	Assets held for sale	As of December 31, 2024
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Cost						
Land and buildings	18,234	1,907	(14)	(376)	(1,848)	17,903
Machinery and equipment	134,438	10,567	-	(23,099)	(87,414)	34,492
Transport units	9,993	1,324	-			11,317
	162,665	13,798	(14)	(23,475)	(89,262)	63,712
Accumulated depreciation						
Land and buildings	14,530	2,004	-	(1,412)	(5,345)	9,777
Machinery and equipment	66,658	19,559	-	(11,176)	(45,712)	29,329
Transport units	5,079	2,633				7,712
	86,267	24,196	-	(12,588)	(51,057)	46,818
Net Cost	76,398					16,894

(b) The depreciation expense has been distributed in the consolidated interim statement of income as follows:

	For the cumulative period from January 1 to March 31	
	2025	**2024**
	US$(000)	US$(000)
Cost of Sales, Note 24(a)	2,062	2,417
Administration expenses, note 25	186	190
	2,248	2,607

(c) Lease obligations do not require certain financial ratios to be met. Generally, the Group maintains restrictions on allocating and subletting leased assets.

(d) The Group also leases certain minor equipment for a term of less than 12 months, therefore, the recognition exemption applies for short-term leases (less than 12 months) and for leases of low-value assets. Lease expense amounted to US$1,493,000 for the 3-month period ended March 31, 2025 (US$1,595,000 for the 3-month period ended March 31, 2024) and was recognized under the heading of costs and expenses in the consolidated income statement.

15. Assessment of impairment of long-lived assets

According to the policies and procedures of the Group, each asset or cash-generating unit (CGU) is evaluated annually at the end of the period, to determine if there is evidence of impairment or reversal of impairment; except, when evaluating intangible assets with indefinite useful life, such as goodwill recorded as part of business acquisitions. If there are such impairment indicators, a formal estimate of recoverable amount is made.

In assessing whether impairment or reversal of impairment is required, the carrying amount of the asset or CGU is compared to its recoverable amount. The recoverable amount is the higher of (i) the fair value of the CGU less costs of disposal (VRMCD) and (ii) its value in use (VU). Given the nature of the Group's activities, information on the fair value of an asset is generally difficult to obtain unless negotiations with potential purchasers or similar transactions have taken place. Consequently, the recoverable amount for each CGU is estimated based on discounted future cash flows that are expected to be generated by the continued use of the CGU using metal market prices and other exchange assumptions, estimated amounts of recoverable ore, production levels, operating costs and capital requirements. and eventual asset dispositions based on the latest life of mine plans (LOMs). These cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks of the CGU.

Estimates of amounts of recoverable minerals, production levels, operating costs, and capital requirements are obtained from the planning process, including life-of-mine (LOM) plans, annual budgets, and specific studies on each CGU.

As of March 31, 2025 and December 31, 2024, the Group concluded that there are no indications of impairment or reversal of impairment at its units in San Rafael (tin), Pucamarca (gold mine), Taboca (tin) classified as a discontinued operation and therefore did not make a quantitative estimate of the amount recoverable by those cash-generating units.

Impairment assessment of the Mina Justa mining unit owned by Cumbres Andinas S.A.C.

During the year 2024, the Group identified that there were indicators that the impairment loss on long-lived assets recognized in previous years for the Mina Justa mining unit may have decreased as a result of significant changes with a favorable impact on the economic environment and market where it operates, so it carried out the evaluation of the recoverable value of said mining unit. As a result of the evaluation of the generation capacity of the future cash flow generation capacity of the mining unit, the Management of the Group considered that it was not appropriate to recognize a reversal of the impairment loss for this cash-generating unit (CGU) taking into account the sensitivity of the asset's recoverable value to external factors such as prices and discount rates. As of December 31, 2024, the book value of this CGU determined by the Group amounts to US$2,480 million.

The impairment test of long-lived assets is complex and highly critical due to the estimation necessary to determine the recoverable value of each cash-generating unit. In particular, it is sensitive mainly to assumptions of production volumes, useful mine life and mine plans, assumptions of metal prices, discount rates and the specific risks of the CGU, including estimated amounts of recoverable minerals.

- *Key assumptions*

  The calculation of recoverable value for the Mina Justa mining unit is sensitive to the following assumptions:

- Production volumes –

  Copper production volumes are based on the resource study prepared by the Group's internal specialists and reviewed by independent specialists. Production volumes depend on a number of variables, such as: recoverable quantities; the production plan; the cost of developing the infrastructure necessary to extract the reserves; production costs; the contractual duration of the mining rights; and the sale price of the minerals that are extracted.

  The production plans used were consistent with the reserves and resources approved as part of the Group's process for estimating proven and probable reserves and resources. These estimates take into account the estimated production plan for the following years. According to these resources, the unit of the subsidiary Marcobre S.A.C. has a production horizon of 11 years as of December 31, 2024.

  Management considers that the useful life considered in its projection is consistent with the remaining economic life of the cash-generating unit.

- Discount rates –

  Future cash flows were adjusted according to the specific risk assigned to the related assets and have been discounted at an after-tax rate of approximately 7.3 percent as of December 31, 2024. This discount rate is determined based on the Group's weighted average cost of capital (WACC), after tax with appropriate adjustments to reflect the specific risks of the CGU. The WACC takes into account both debt and equity. The cost of capital is derived from the expected return on investment by the Group's shareholders. The cost of debt is based on the Group's interest-bearing loans. Beta factors are evaluated annually based on publicly available market data.

- Quotes–

  The Group has used estimates of future metal prices obtained from international investment banks and firms specializing in metals market analysis (mainly copper). These prices are reviewed at least annually. The estimated average price of copper is around US$4.6 per pound.

Sensitivity analysis –

In determining the value in use of the Mina Justa CGU, Management has estimated an after-tax discount rate of approximately 7.3% as well as an estimate of future copper prices of around US$4.6 per pound determining a recoverable value of US$2,578 million, so price changes of +/-5% would cause the recoverable value to fluctuate between US$2,582 and US$2,573 million.

16. Commercial and Other accounts Payable and Employee Benefits

(a) Below is the composition of the item:

	As of March 31, 2025 US$(000)	As of December 31, 2024 US$(000)
Commercial (b):		
Third party	172,682	193,631
Related, note 31(a)	10,306	9,959
	182,988	203,590
Different:		
Taxes and contributions payable	62,307	66,857
Accounts payable for acquisition of non-controlling interest (c)	9,170	9,053
Interest payable	9,519	3,956
Advances received (e)	-	10,000
Accounts payable to peasant communities	415	415
Other	10,259	3,093
	91,670	93,374
Total	**274,658**	**296,964**
By maturity:		
Current	269,843	292,235
Non-current	4,815	4,729
Total	**274,658**	**296,964**

Below, we present the composition of the Employee Benefits item:

	As of March 31, 2025 US$(000)	As of December 31, 2024 US$(000)
Employee benefits (d):		
Worker's participation sharing payable	26,085	93,520
Remuneration payable	51,336	38,524
Total	77,421	132,044
By maturity:		
Current	69,842	125,536
Non-current	7,579	6,508
Total	**77,421**	**132,044**

(b) Trade payables are mainly originated by the acquisition of materials, supplies, spare parts and services provided by third parties for the Group, and correspond mainly to invoices payable to suppliers. These do not accrue interest and are normally paid within 30 to 60 days.

Other accounts payable do not generate interest and their average repayment term is between 1 and 3 months.

(c) Non-controlling interest buyout –

On September 23, 2016, through its subsidiary Cumbres Andinas S.A., the Group acquired the non-controlling interest of the subsidiary Marcobre, which represented 30 percent of its share capital and belonged to KLS Limited, thus obtaining control of 100 percent of the shares of the subsidiary Marcobre. which generated an outstanding balance payable of US$25,000,000 to be paid in five annual installments in the amount of US$5,000,000 each, whichever occurs earlier between: (a) 10 business days after the start of commercial production of the Mina Justa project, or (b) September 30, 2023. According to the contractual terms, commercial production shall be achieved when the production and processing rate of the oxide and sulfide plant independently exceeds seventy percent of the nominal capacity at an average rate for forty-five consecutive days. The Group met this threshold in November 2022, for which it made the payment of the first installment of US$5,000,000 to KLS Limited in that month and complied with the second and third payments as scheduled in November 2023 and 2024, respectively. In November of this year, the fourth payment will be made as scheduled in the amount of US$5,000,000.

During the first quarter of 2025, as a result of the update of the account payable for the acquisition of non-controlling interest, the Group recognized a financial expense in the amount of US$161,000 for the 3-month period ended March 31, 2025 (US$234,000 for the 3-month period ended March 31, 2024).

(d) Employee Benefits

Worker Participation Payable -

Under Peruvian law, the Group determines the employee share of profits by applying the rate of 8 per cent on the same net taxable base used to calculate taxes. The distribution is determined at 50 percent on the number of days each worker worked during the previous year and 50 percent on the proportional levels of annual remuneration. In relation to Brazilian and Chilean legislation, they are not subject to the workers' participation tax.

Remunerations payable-

As of March 31, 2025, this item corresponds mainly to the performance bonus to workers for US$19,998,000 that were paid in April 2025 (US$15,705,000 as of December 31, 2024), and the rest to remuneration and social benefits to workers to be paid and other minors.

(e) This amount corresponds to the advance received by the buyer, which was retained as a sales advance until the closing of the sale transaction of the Taboca discontinued operation.

17. Financial obligations

(a) Below is the composition of the item:

Entity	Guarantee	Interest rate	As of March 31, 2025 US$(000)	As of December 31, 2024 US$(000)
Operating units				
Syndicated loan, net of structuring costs – Marcobre (c) and (d)	Without guarantees	SOFR 3 months+1.75%	498,413	498,101
Corporate bonds 2031, net of issuance costs – Minsur (e)	Without guarantees	4.50%	490,131	489,818
Banco de Crédito del Perú Promissory Note - Marcobre(f)	Without guarantees	4.83%	100,000	100,000
			1,088,544	1,087,919
By maturity:				
Current portion			298,979	299,025
Non-current portion			789,565	788,894
			1,088,544	1,087,919

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

	As of March 31, 2025 US$(000)	As of December 31, 2024 US$(000)
Opening Balance	1,087,919	1,274,566
Operating units:		
Obtaining a promissory note - Marcobre (f)	-	100,000
Amortized cost	625	2,513
Payment of promissory notes - Marcobre	-	(100,000)
Reclassification to discontinued operations:		(189,160)
Ending balance	1,088,544	1,087,919

(c) On June 17, 2022, the Marcobre Subsidiary signed a loan agreement with Banco Bilbao Vizcaya, S.A. (New York Branch); Banco de Crédito e Inversiones S.A.; Banco Sadabell, S.A. (Miami Branch); Bank of China Limited Panama Branch; Banco de China (Peru) S.A.; Citibank NA (Puerto Rico Branch); Export Development Canada; JP Morgan Chase Bank, NA; Surcusal of Natixis in New York and Sumitomo Mitsui Banking Corporation, for an amount of US$500,000,000, which aimed to be part of the funds for the total payment of the balance of the debt acquired in 2018, with a variable interest rate SOFR 3 months of 4.299% as of March 31, 2025, plus a) an average fixed margin of 1.75% per year and b) an additional margin of 2.00% upon the occurrence of any event of default. The term of the contract is 5 years, with a grace period of 3 years.

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

- Net financial debt to EBITDA ratio, between 1 and 2.5 times, on the last day of each quarter.
- Minimum net worth, according to International Financial Reporting Standards, of at least US$500,000,000 on the last day of each quarter.
- The Marcobre subsidiary will not engage in any other business that is not a permitted business.

As of March 31, 2025 and December 31, 2024, the subsidiary Marcobre has complied with the financial restrictions of the contracts signed.

(d) As of March 31, 2025, the Marcobre Subsidiary has a balance of restructuring costs totaling US$1,587,000 (US$1,899,000 as of December 31, 2024) related to obtaining the syndicated loan of US$500,000,000, which is being amortized according to the effective interest rate method.

(e) The General Shareholders' Meeting held on October 18, 2021, agreed that the Company will issue debt instruments ("the Bonds") in the international securities 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 under par, obtaining US$488,140,000, which were destined to meet the repurchase of its debt instrument: "6.250% Senior Notes Due 2024", issued on January 31, 2014 for a nominal value of US$450,000,000 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 conduct certain transactions; however, these restrictions do not condition the Company to comply with financial ratios or maintain specific levels of liquidity.

(f) On December 20, 2024, the subsidiary Marcobre signed a bank promissory note with Banco de Crédito del Perú for US$100,000,000, which will be repaid in a single payment of interest and principal at maturity in December 2025 and accrues a fixed annual interest rate of 4.83%.

(g) As of March 31, 2025 and December 31, 2024, the non-current portion of the Group's financial obligations, without deducting structuring costs, will be paid as follows:

	As of March 31, 2025		
	Interests US$(000)	**Main** US$(000)	**Total** US$(000)
2026	31,902	200,000	231,902
2027 on forwards	113,523	600,000	713,523
Total	145,425	800,000	945,425

	As of December 31, 2024		
	Interests US$(000)	**Main** US$(000)	**Total** US$(000)
2026	34,154	200,000	234,154
2027 on forwards	114,695	600,000	714,695
Total	148,849	800,000	948,849

18. Lease liabilities

(a) As of March 31, 2025 and December 31, 2024, the obligations for lease contracts are made up as follows:

	As of March 31, 2025 **US$(000)**	**As of December 31, 2024** **US$(000)**
Lease liabilities (third parties)	13,937	13,985
Lease liabilities (related, note 31(a))	2,646	3,963
Total	16,583	17,948
By maturity:		
Current portion	5,400	6,815
Non-current portion	11,183	11,133
Total	16,583	17,948

The lease liability is generated by the use of different assets necessary for the Group's operation, as detailed in note 14.

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

(b) Below, we present the movement of the lease liability:

	As of March 31, 2025 **US$(000)**	**As of December 31, 2024** **US$(000)**
Opening Balance	17,948	78,850
Additions	846	13,798
Financial interests	237	3,418
Payments	(2,350)	(23,729)
Interest payment	(236)	(3,418)
Translation	134	(11,388)
Discontinued operation	-	(39,570)
Other	4	(13)
Ending balance	16,583	17,948

19. Provisions

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

	Provision for mine closure	Provision for Environmental Remediation	Provision for contingencies	Total
	(b)	(c)	(d)	
	US$(000)	US$(000)	US$(000)	US$(000)
As of January 1, 2024	163,153	12,393	6,874	182,420
Additions	(8,251)	(37)	694	(7,594)
Reclassification	(868)	868	-	-
Translation	(6,574)	(1,746)	(1,130)	(9,450)
Accretion	6,153	(757)	94	5,490
Payments and advances	(3,427)	(1,549)	(56)	(5,032)
Reclassification to Asset Held for Sale	(13,477)	(5,806)	(3,941)	(23,224)
Reversals	(5,476)	(487)	(1,646)	(7,609)
As of December 31, 2024	131,233	2,879	889	135,001
Additions	859	12	69	940
Accretion	1,826	26	-	1,852
Payments and advances	(347)	(268)	(216)	(831)
Reversals	-	-	(12)	(12)
As of March 31, 2025	133,571	2,649	730	136,950
By maturity:				
Current portion	298	387	889	1,574
Non-current portion	130,935	2,492	-	133,427
As of December 31, 2024	131,233	2,879	889	135,001
By maturity:				
Current portion	303	225	730	1,258
Non-current portion	133,268	2,424	-	135,692
As of March 31, 2025	133,571	2,649	730	136,950

(b) The provision for mine closure is composed as follows:

	Pitinga and Pirapora Units	San Rafael, Pucamarca and Pisco Unit	Marcobre	Total
	US$(000)	US$(000)	US$(000)	US$(000)
As of January 1, 2024	47,593	88,106	27,454	163,153
				-
Additions	(21,198)	(6,364)	19,311	(8,251)
Reclassification	(868)			(868)
Translation	(6,574)	-	-	(6,574)
Accretion	-	4,505	1,648	6,153
Reclassification to Asset Held for Sale	-	(3,427)	-	(3,427)
Payments and advances	(13,477)			(13,477)
Reversals	(5,476)	-	-	(5,476)
As of December 31, 2024	-	82,820	48,413	131,233
Additions	-	699	160	859
Accretion	-	1,104	722	1,826
Payments and advances	-	(347)	-	(347)
As of March 31, 2025	-	84,276	49,295	133,571
By maturity:				
Current portion	-	298	-	298
Non-current portion	-	82,522	48,413	130,935
As of December 31, 2024	-	82,820	48,413	131,233
By maturity:				
Current portion	-	303	-	303
Non-current portion	-	83,973	49,295	133,268
As of March 31, 2025	-	84,276	49,295	133,571

The provision for closure of mining units represents the present value of the closure costs expected to be incurred between 2025 and 2060, in compliance with government regulations, see note 32(a) and (b). The estimate of the costs of closing mining units is based on studies prepared by independent advisors, which comply with current environmental regulations. The provision for the closure of mining units corresponds mainly to activities that must be carried out for the restoration of mining units and areas affected by exploitation activities. The main works to be carried out correspond to earthworks, revegetation work and dismantling of the plants. Closing budgets are reviewed regularly to take into account any significant changes in the studies conducted. However, the costs of closing mining units will depend on market prices and the closure work required that will reflect future economic conditions. Likewise, the time at which the disbursements will be made depends on the useful life of the mine, which will depend on the future prices of the metals.

During 2024, the Subsidiary Marcobre S.A.C. updated the Mine Closure Plan of the Mina Justa Mining Unit, which was approved by the General Directorate of Mining Environmental Affairs (DGAAM) of the Ministry of Energy and Mines (MINEM) through Directorial Resolution No. 0295-2024-MINEM/DGAAM. It should be noted that this update of the Mine Closure Plan does not grant additional permits, does not modify the useful life of the mining unit, nor does it validate environmental non-compliance.

Based on present value, the provision for mine closures in 2025 and 2024 amounts to US$49,295,000 and US$48,413,000.

As of March 31, 2025 and December 31, 2024, the main assumptions considered in the calculation of the present value of mine closure costs expected to be incurred in the future are as follows:

Year 2025	**San Rafael, Pucamarca and Pisco Unit**	**Mine Joust**
Discount rate	4.04% to 6.13%	1.49% and 6.13%
Years covered by mine closure	29	11

Year 2024	**San Rafael, Pucamarca and Pisco Unit**	**Mine Joust**	**Pitinga and Pirapora Units (Discontinued)**
Annual Risk-free rate	4.77% to 6.72%	2.00% and 6.42%	11.88%
Years covered by mine closure	30	12	26

(c) The provision for environmental remediation is composed as follows:

	Pitinga and Pirapora Units	Regina Unit	Marcobre	Total
	US$(000) (i)	US$(000) (ii)	US$(000) (iii)	US$(000)
As of January 1, 2024	9,055	2,614	724	12,393
Additions	-	(76)	39	(37)
Reclassification	868	-	-	868
Translation	(1,746)	-	-	(1,746)
Accretion	(853)	133	(37)	(757)
Payments and advances	(1,031)	(518)	-	(1,549)
Reclassification of asset held for sale	(5,806)	-	-	(5,806)
Reversals	(487)	-	-	(487)
As of December 31, 2024	-	2,153	726	2,879
Additions	-	12	-	12
Accretion	-	26	-	26
Payments and advances	-	(247)	(21)	(268)
As of March 31, 2025	-	1,944	705	2,649
By maturity:				
Current portion	-	387	-	387
Non-current portion	-	1,766	726	2,492
As of December 31, 2024	-	2,153	726	2,879
By maturity:				
Current portion	-	225	-	225
Non-current portion	-	1,719	705	2,424
As of March 31, 2025	-	1,944	705	2,649

(i) It includes environmental restoration activities for the operations of the Pitinga mine in Brazil carried out in previous years. With the support of external specialists, Mineração Taboca S.A., a discontinued operation, has updated the environmental remediation provision of the Pitinga and Pirapora units as of December 31, 2024.

(ii) It mainly includes activities carried out by the subsidiary Cumbres del Sur S.A.C. in the Regina Unit, located in the Puno region, such as: environmental restoration activities, water treatment, construction of concrete channels, and closure of quarries.

(ii) This obligation is related to the restoration activities of the area under exploration by the Mina Justa unit, which is operated by the subsidiary Marcobre and includes activities such as earthmoving, revegetation work and the dismantling of all facilities.

(d) Provision for contingencies -

(d.1) This provision is composed as follows:

Peru Subsidiaries –

It corresponds mainly to environmental contingencies that come from processes filed by the Environmental Assessment and Enforcement Agency (OEFA), the National Water Authority (ANA) and the Supervisory Agency for Investment in Energy and Mining (OSINERGMIN) for US$ 265,000 (US$ 417,000 as of December 31, 2024), see note 30(b) and labor contingencies for US$ 457,000 (US$ 466,000 as of December 31, 2024). See note 30(c).

Brazil Subsidiary – Discontinued Operation

As of December 31, 2024, it corresponds to claims for compensation from former workers for US$1,069,000, civil and environmental contingencies for US$468,000, and Banco Santos' claim for US$1,950,000. The provision made with Banco Santos corresponds to a legal dispute arising from controversies in the balances of credit and investment operations that the subsidiary held in said Bank, after the Central Bank of Brazil intervened in 2004.

(d.2) As of March 31, 2025 and December 31, 2024, the Group recognized new contingencies of US$69,000 and US$694,000, respectively, qualified as probable, which arise from labor processes and regulatory administrative processes, which were recognized as other operating expenses in the consolidated interim statement of income.

20. Deferred income tax assets and liabilities, net

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

	As of January 1, 2024 US$(000)	Effect on the consolidated income statement US$(000)	Translation US$(000)	Discontinued operations	Effect of other comprehensive income on the consolidated interim statement US$(000)	As of December 31, 2024 US$(000)	Effect on the consolidated interim income statement US$(000)	Effect of other comprehensive income on the consolidated interim statement Note 1 (f) US$(000)	As of March 31, 2025 US$(000)
Deferred Income Tax Asset									
Difference in accounting and tax basis of property, plant and equipment	60,766	13,357	-	-	-	74,123	3,979	-	78,102
Provision for closure of mining units	33,698	4,935	-	-	-	38,633	647	-	39,280
Tax loss	9,174	(3,949)	-	(5,224)	-	1	(1)	-	-
Exploration and evaluation costs	-	-	-	-	-	-	-	-	-
Mining Royalty and Special Mining Tax	5,643	4,313	-	-	-	9,956	(2,502)	-	7,454
Tax benefits for the acquisition of Mineração Taboca S.A.	6,553	(3,565)	1,196	(4,183)	-	1	(1)	-	-
Lease liabilities	7,734	(2,045)	-	(355)	-	5,334	(387)	-	4,947
Financial assets at fair value through changes in other comprehensive income	1,937	-	-	-	(835)	1,102	-	(1,102)	-
Pre-operational costs for tax purposes	16,231	943	-	-	-	17,174	2,444	-	19,618
Other	11,004	1,781	-	-	-	12,785	3,250	-	16,035
	152,740	15,770	1,196	(9,762)	(835)	159,109	7,429	(835)	165,436
Deferred income tax liability									
Difference in the accounting and tax base of mining concessions	(174,085)	21,799	-	13,701	-	(138,585)	6,955	-	(131,630)
Exchange Difference in Non-Cash Items	(36,217)	(4,973)	-	2,716	-	(38,474)	16,081	-	(22,393)
Development costs	(30,746)	2,505	-	-	-	(28,241)	(2,577)	-	(30,818)
Difference in accounting and tax basis of property, plant and equipment	(19,313)	6,903	-	691	-	(11,719)	2,214	-	(9,505)
Derivative financial instruments	(1,808)	-	-	(1,796)	2,481	(1,123)	-	618	(505)
Assets due to closure of mining units	(9,905)	(2,010)	-	-	-	(11,915)	104	-	(11,811)
Right-of-use assets	(6,745)	1,860	-	-	-	(4,885)	393	-	(4,492)
Difference in accounting and tax basis of inventories	(31,912)	(25,634)	-	-	-	(57,546)	(6,773)	-	(64,319)
Other	(2,056)	1,159		205	-	(692)	(4,338)	-	(5,030)
	(312,787)	1,609	-	15,517	2,481	(293,180)	12,059	618	(280,503)
(Liability) deferred income tax asset, net	(160,047)	17,379	1,196	5,755	1,646	(134,071)	19,488	(484)	(115,067)
Mining Royalty (RM) and Special Mining Tax (IEM):									
Deferred Assets									
Exploration expenses	1,198	230	-	-	-	1,428	(147)		1,281
Difference in accounting and tax basis of property, plant and equipment	6,082	9,919	-	-	-	16,001	2,346	-	18,347
Changes in the fair value of trade receivables							(1,223)		(1,223)
	7,280	10,149	-	-	-	17,429	976	-	18,405
Deferred Liabilities									
Exchange Difference in Non-Cash Items	(8,867)	(1,626)	-	-	-	(10,493)	1,090	-	(9,403)
Differences in the accounting and tax basis of inventories	(532)	(57)	-	-	-	(589)	(49)	-	(638)
Changes in the fair value of trade receivables	-	-	-	-	-	-	-	-	-
Implicit Derivative	(249)	1,102	-	-	-	853	(853)	-	-
	(9,648)	(581)	-	-	-	(10,229)	188	-	(10,041)
Asset deferred by MR and EMI, net	(2,368)	9,568	-	-	-	7,200	1,164	-	8,364
Total deferred income tax assets, net	(162,415)	26,947	1,196	5,755	1,646	(126,871)	20,652	(484)	(106,703)

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

	As of March 31, 2025 US$(000)	As of December 31, 2024 US$(000)
Deferred Income Tax Asset	132,362	123,777
Deferred income tax liability	(239,065)	(250,648)
	(106,703)	(126,871)

(b) Below is the reconciliation between income tax expense and profit before income tax multiplied by the legal rate for the first three months of 2025 and 2024:

	For the cumulative period from January 1 to March 31	
	2025 US$(000)	**2024** US$(000)
Earnings before tax on continuing operations	305,181	168,606
Profit before income tax	305,181	168,606
Theoretical income tax	(84,009)	(46,222)
Blink Effect (c)	14,609	(127)
Effect of permanent differences, net	(3,126)	(3,972)
Effect of mining royalties	7,136	3,819
Participation in Associates' Results	786	(661)
Tax losses in subsidiaries	(82)	(243)
Other minors	(7,250)	(699)
Income tax expense	(71,936)	(48,105)
Mining Royalties and Special Mining Tax	(24,701)	(12,853)
Total	(96,637)	(60,958)

Income tax directly recognized in other comprehensive income as of March 31, 2025 is an expense of US$484,000 (as of December 31, 2024 an income of US$1,646,000).

(c) This effect arises from maintaining the U.S. dollar as a functional currency for accounting purposes and soles for tax purposes. As of March 31, 2025, the variation in the exchange rate was from S/3,770 to S/3,677 (S/3,713 to S/3,770 during 2024), causing the aforementioned effect, which has no effect on the Group's cash flow.

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

	For the cumulative period from January 1 to March 31	
	2025	**2024**
	US$(000)	US$(000)
Continued operations		
Income tax		
Current	(91,427)	(47,925)
Deferred	19,491	(182)
	(71,936)	(48,107)
Mining royalties and special mining tax		
Current	(25,862)	(13,991)
Deferred	1,161	1,140
	(24,701)	(12,851)
Total Continuing Operations	(96,637)	(60,958)

(e) As of March 31, 2025, the Group maintains a balance in favor and payable of income tax of US$209,000 and US$59,751,000, respectively. As of December 31, 2024, the Group maintains a balance in favor and payable in income tax of US$407,000 and US$74,589,000, respectively.

(f) Deferred tax on investments in associates -

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

For information purposes, the temporary differences in investments in associates would generate a deferred income tax asset amounting to US$10,018,797 as of March 31, 2025, which has not been recognized in the Group's consolidated interim financial statements.

21. Equity

(a) Capital Stock–

As of March 31, 2025 and December 31, 2024, the authorized, subscribed, paid-in capital, in accordance with the Company's bylaws and its amendments, 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, according to the form established by the Bylaws or by the Law, to be preferred for the subscription of shares in the event of a share capital increase, and placement of shares in proportion to the shares they hold as well as in the subscription of debentures or other convertible securities or with the right to be converted into shares, and to separate from the company in the cases provided for by the Law and the Company's Bylaws.

(b) Investment shares -

As of March 31, 2025 and December 31, 2024, this item comprises 960,999,163 investment shares, whose nominal value is S/1 each, equivalent to US$300,634,289.

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

The stock market price of these shares as of March 31, 2025 was S/4.30 per share (S/4.74 per share as of December 31, 2024).

(c) Other Capital Reserves:

The category includes:

Legal reserve -

According to the General Companies Law, a minimum of 10 percent of the distributable profit of each fiscal year, deducting income tax, is required to be transferred to a legal reserve until it is equal to 20 percent of the share capital. The legal reserve can offset losses or it can be capitalized, in both cases there being an obligation to replenish it. As of March 31, 2025 and December 31, 2024, the balance amounts to US$120,915,000.

Optional Reserve -

As of March 31, 2025 and December 31, 2024, the balance amounts to US$424,000 and no new optional reserves have been generated.

Reinvested earnings -

As of March 31, 2025 and December 31, 2024, the balance amounts to US$39,985,000 and reinvested profits have not been capitalized.

Other reserves -

As of March 31, 2025 and December 31, 2024, it corresponds to the gain resulting from the sale of 40 percent of its shares in the subsidiary Cumbres Andinas S.A. for US$39,389,000, recognition of dividends pending payment from previous years for US$551,000, offset by obligations assumed in relation to the share transfer agreement called "Purchase Agreement" between Minsur and Alxar Internacional SpA for US$10,490,000 and US$9,850,000 for the transaction with the previous shareholders of the subsidiary Marcobre.

As of December 31, 2024, it additionally includes tax credits resulting from the acquisition of the subsidiary Mineração Taboca S.A. for US$22,986,000, which was reclassified to the accumulated result as of March 31, 2025, as a result of the recognition of the sale of this subsidiary.

(d) Declared cash dividends and paid –

During the first quarter of 2025, no dividends were declared or paid. Below is the information on dividends declared and paid in 2024:

Dividends 2024	Date	Dividends declared and paid	Dividends for Joint Action	Dividends for Investment stock
Annual mandatory meeting of shareholders	March 25, 2024	30,000	1.0406	0.0104
Annual mandatory meeting of shareholders	August 16, 2024	210,000	7.2841	0.0728
Annual mandatory meeting of shareholders	November 11, 2024	237,000	8.2206	0.0822
Total		**477,000**	**16.5453**	**0.1655**

(e) Other equity reserves –

Cumulative result by translation -

It corresponds mainly to the exchange difference resulting from the translation of the interim financial statements of foreign subsidiaries and associates to the Group's presentation currency.

During the first quarter of 2025, the resulting exchange difference generated a net gain of US$7,195,000 linked to associates' continuing operations results. These translational results are included in the statement of other comprehensive income.

During the first quarter of 2024, the resulting exchange difference generated a net loss of US$21,894,000 linked to the associates' continuing operations results. These translational results are included in the statement of other comprehensive income.

Unrealized results –

During the first quarter of 2025, the participation in other comprehensive income of subsidiaries and associates generated a net profit of US$3,000; financial instruments derived from flow hedges generated a loss of US$26,934,000; and investments in equity instruments at fair value generated a loss of US$5,230,000. This net loss is included in the statement of other comprehensive income.

During the first quarter of 2024, the participation in other comprehensive income of subsidiaries and associates generated a net loss of US$12,000; financial instruments derived from flow hedges generated a loss of US$13,921,000; and investments in equity instruments at fair value generated a gain of US$2,534,000. This net loss is included in the statement of other comprehensive income.

(f) Non-controlling interests -

As of March 31, 2025 and December 31, 2024, corresponds to the participation held by the partner Alxar Internacional SpA in the equity of the Cumbres Andinas Subsidiary.

As of March 31, 2025 and December 31, 2024, no contributions of the non-controlling interest were made. At the General Shareholders' Meeting held on March 26, August 23, December 13, 2024 of the subsidiary Cumbres Andinas, the payment of dividends was approved, paying US$20,000,000, US$52,000,000, 74,400,000, to Alxar Internacional SpA, respectively.

22. Tax situation

(a) The Company is subject to the Peruvian tax regime. As of March 31, 2025 and December 31, 2024, the income tax rate is 29.5 percent on taxable profit, after deducting the participation of workers, which is calculated at a rate of 8 percent on taxable profit.

(b) In July 2018, Law No. 30823 was published, by which Congress delegated to the Executive Branch the power to legislate on various issues, including tax and financial matters. In this regard, the main tax regulations issued are the following:

(i) The rules that regulate the obligation of legal persons and/or legal entities to report the identification of their final beneficiaries were established (Legislative Decree No. 1372). These rules are applicable to legal entities domiciled in the country, in accordance with the provisions of Article 7 of the Income Tax Law, and to legal entities incorporated in the country. The obligation extends to non-domiciled legal entities and legal entities incorporated abroad, as long as: a) they have a branch, agency or other permanent establishment in the country; b) the natural or legal person that manages the autonomous patrimony or the investment funds from abroad, or the natural or legal person that has the capacity of protector or administrator, is domiciled in the country; (c) any of the parties to a consortium is domiciled in the country. This obligation will be fulfilled by submitting to the Tax Authority an informative Affidavit, which must contain the information of the final beneficiary and be submitted, in accordance with the regulatory standards and within the deadlines established by Resolution of the Superintendence of the SUNAT.

(ii) The Tax Code was amended in the application of the general anti-avoidance rule (Rule XVI of the Preliminary Title of the Tax Code (Legislative Decree No. 1422). As part of this modification, a new case of joint and several liability is foreseen, when the tax debtor is subject to the application of the measures provided for in Rule XVI in the event of cases of avoidance of tax rules are detected; in such a case, joint and several liability shall be attributed to the legal representatives provided that they have collaborated with the design or approval or execution of acts or situations or economic relationships provided for as elusive in Rule XVI. In the case of companies that have a Board of Directors, it is the responsibility of this corporate body to define the tax strategy of the entity and must decide on the approval or not of acts. economic situations or relationships to be carried out within the framework of tax planning, this power being non-delegable.

Likewise, it has been established that the application of Rule XVI, with regard to the recharacterization of cases of tax avoidance, will occur in the final audit procedures in which acts, facts or situations occurring since July 19, 2012 are reviewed.

(c) In accordance with the provisions of Article 87 of the Tax Code and after having complied with the provisions of Supreme Decree No. 151-2002-EF, the Company maintains its accounting records in soles.

(d) For the purpose of determining income tax, the transfer prices of transactions with related companies and with companies resident in territories with low or no taxation, must be supported with documentation and information on the valuation methods used and the criteria considered for their determination. Based on the analysis of the Company's operations, Management and its legal advisors are of the opinion that, as a result of the application of these rules, no contingencies of material importance to the Company will arise as of March 31, 2025 and December 31, 2024.

On January 1, 2017, Legislative Decree 1312 came into force, which modified Article 32 A of the Income Tax Law, a legal device that regulates transfer pricing. Likewise, on November 17 of the same year, the regulatory norm Supreme Decree 333-2017 EF was published and in January 2018 Superintendence Resolution No. 014-2018/SUNAT was published, a norm that regulates the presentation of the informative return for local reporting.

(e) Tax Situation

Minsur S.A.

The tax authorities have the power to review and, if applicable, correct the Income Tax calculated by the Company in the four years following the year of the filing of the tax return. The income tax returns for the years 2021 to 2024 and the General Sales Tax for the years 2021 to 2025 are pending review by the tax authorities. At the end of 2024, SUNAT has completed the audit of the 2019 period, in which the Company has filed at the end of January 2025 the appeal to claim these values, which would amount to approximately S/23,615,000, our advisors consider that the probabilities of success are favorable for Minsur. Likewise, in 2023, the audit of the 2017 and 2020 periods was completed.

During the period of 2024, through Resolution of the Intendancy No 4070140001457 the Superintendence of Tax Administration (SUNAT) declared the appeal unfounded. In this regard, the Company has filed the corresponding appeal in February 2025.

Additionally, in the first quarter of 2024, the Company made the payment under protest to the tax administration regarding the audit of the 2020 period in the amount of S/28,269,000, note 7(c). Likewise, in October 2024, the claim process began.

Due to the possible interpretations that the tax authorities may give to the legal regulations in force, it is not possible to determine to date whether or not the revisions that are carried out will result in liabilities for the Company, so any higher tax or surcharge that may result from eventual tax revisions would be applied to the results of the year in which it is determined. However, in the opinion of the Company's Management and its legal advisors, any eventual additional tax assessment would not be material for the consolidated interim financial statements as of March 31, 2025 and December 31, 2024.

Marcobre S.A.C

The tax authorities have the power to review and, if applicable, correct the income tax calculated by the subsidiary in the four years following the year of filing the tax return. The Income Tax affidavits for the years 2020 to date and General Sales

Tax for the periods 2019 to date are pending review by the tax authorities. The tax authority is currently auditing the income tax for the 2021 period.

Due to the possible interpretations that the tax authorities may give to the legal regulations in force, it is not possible to determine to date whether or not the revisions carried out will result in liabilities for the Company, so any higher tax or surcharge that may arise from eventual tax revisions would be applied to the results of the year in which it is determined. However, in the opinion of the Company's Management and its legal advisors, any eventual additional tax assessment would not be material for the interim financial statements as of March 31, 2025.

Peru Subsidiaries -

The tax authorities have the power to review and, if applicable, correct the income tax calculated in the four years following the year of the filing of the tax return. The Income Tax affidavits of the subsidiaries in Peru for the years 2020 to 2024 and general sales tax for the periods 2020 to 2024 are pending review by the tax authorities.

As of March 31, 2025 and December 31, 2024, the deferred assets not recognized for the carry-forward tax loss of the Peruvian subsidiaries are as follows:

	As of March 31, 2025 US$(000)	As of December 31, 2024 US$(000)
Cumbres Andinas S.A.C.	648	782
Minera Latinoamericana S.A.C.	-	51
Cumbres del Sur S.A.C.	1,759	1,833

As of March 31, 2025, this deferred income tax asset generated by the carry-forward tax loss of US$2,407,000 (US$2,666,000 as of December 31, 2024), has not been recognized because Management considers that there is no certainty of the recovery of such losses.

Chile Subsidiaries –

Minera Andes del Sur Spa and Subsidiary is subject to the Chilean tax regime. As of March 31, 2025 and December 31, 2024, the income tax rate is 27 percent on taxable profit. Cash dividends in favour of non-domiciled shareholders are not taxed. The periods open to tax review by the Chilean tax administration include the years 2017 to 2021.

As of March 31, 2025 and December 31, 2024, the deferred assets not recognized for the carry-forward tax loss of the Chilean subsidiaries are as follows:

	As of March 31, 2025 US$(000)	As of December 31, 2024 US$(000)
Minera Andes del Sur Spa	1,079	967

As of March 31, 2025 and December 31, 2024, this deferred income tax asset generated by the carry-forward tax loss of US$ 1,079,000 and US$ 967,000, respectively, from the Chilean subsidiaries, has not been recognized because Management considers that there is still no certainty of the recovery of such losses.

It should be noted that tax losses do not expire in accordance with Chilean laws and that if they are applied they must be readjusted by the percentage of variation of the existing Consumer Price Index (CPI).

(f) Legal stability agreement –

On December 9, 2016, the subsidiary Marcobre signed a Legal Stability Agreement with the Private Investment Promotion Agency – PROINVERSION, through which it undertakes to issue shares in favor of Cumbres Andinas S.A.C. for US$135,300,000 within a period of no more than two years that will be used to expand the productive capacity of the subsidiary Marcobre and by which, The latter obtains the stabilization of the income tax regime and the hiring regimes of workers, in force on the date of signing the agreement. This agreement is valid for 10 years from the date of its signing. As of March 31, 2025 and December 31, 2024, the subsidiary Marcobre has an income tax rate of 26 percent.

In addition, the subsidiary Marcobre had a legal stability agreement with the Private Investment Promotion Agency (PROINVERSIÓN), through which it undertook to make capital contributions to the Subsidiary for an investment amount amounting to US$1,100,000,000. On October 17, 2019, the subsidiary Marcobre signed the addendum amending the Legal Stability Agreement, reducing the commitment of the capital contribution to the subsidiary Marcobre S.A.C. to US$563,000,000, which was credited on September 15, 2020.

Articles 19 and 23 of Supreme Decree No. 162-92-EF guarantee investment recipients the stability of the tax regime related to Income Tax in force at the time the contract is signed. In this sense, while the Agreement is in force, (i) the Income Tax that corresponds to them will not be modified, being applied in the same terms and with the same rates, deductions and scale established at the time of signing the agreement; and (ii) that in the event that the Income Tax is modified during the term of the Stability Agreement, such modifications will not affect the Marcobre Subsidiary.

23. Revenue from contracts with customers

(a) Below is the composition of the item:

	For the cumulative period from January 1 to March 31	
	US$(000)	US$(000)
Tin and other minerals	262,010	166,550
Copper concentrate	250,989	173,612
Gold	31,246	30,583
Copper cathodes	81,427	69,427
	625,672	440,172

Tin Sales Concentration –

During the first quarter of 2025, there is no significant concentration of sales. The top three customers accounted for 29 percent of total sales (the top three customers accounted for 33 percent of total sales during the first quarter of 2024).

As of March 31, 2025, 39 percent of accounts receivable are held by these customers (38 percent as of December 31, 2024).

Gold Sales Concentration –

During the first quarter of 2025, the Company sold gold to 2 customers (2 customers in 2024), 100 percent of the accounts receivable correspond to these customers (100 percent during the first quarter of 2024).

Copper cathode sales concentration -

As of March 31, 2025, copper cathodes were sold primarily to three customers, representing 8 percent of cathode receivables (6 percent as of December 31, 2024).

Concentration of copper concentrate sales -

As of March 31, 2025, copper concentrate was sold primarily to three customers, representing 61 percent of concentrate receivables (64 percent as of December 31, 2024).

Performance obligations and revenue recognition policies. -

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

(b) The reconciliation of sales of contracts with customers with the amounts disclosed in the consolidated interim income statement is detailed below:

	For the cumulative period from January 1 to March 31	
	US$(000)	US$(000)
Contracts with clients	602,186	437,543
Settlement adjustment of the current period	1,014	1,325
Implicit derivative from minerals sales	27,443	3,529
Hedging operations	(4,971)	(2,225)
Net sales	625,672	440,172

24. Cost of Sales

(a) Below, we present the composition of the item:

	For the cumulative period from January 1 to March 31	
	US$(000)	**US$(000)**
Initial inventory of in-process products and ore in the field, note 8(a)	134,739	104,343
Beginning inventory of by products in process, note 8 (a)	563,455	392,336
Initial Inventory of Finished Goods, Note 8(a)	38,962	33,590
Consumption of raw materials and inputs	67,436	65,671
Services provided by third parties	46,463	46,534
Depreciation, notes 12(b) and 14(b)	67,736	60,470
Direct Labor	43,911	36,457
Amortization, note 13(b)	37,843	30,680
Other depreciation for long-term inventories	7,564	3,576
Purchase of mining contract service from Administración de Empresas S.A.C., note 31(b)	10,816	14,198
Electrical energy	11,283	12,024
Insurance	1,611	1,617
Clearing capitalization	(8,474)	(21,536)
Other manufacturing costs	10,910	7,786
Final inventory of products in process and ore in the field, note	(128,968)	(126,737)
Ending inventory by products in process,	(611,573)	(421,963)
Final inventory of finished goods	(45,157)	(29,190)
	248,557	209,856

25. Administration expenses

Below, we present the composition of the item:

	For the cumulative period from January 1 to March 31	
	2025	2024
	US$(000)	US$(000)
Personnel expenses	16,462	12,296
Services provided by third parties	2,271	2,716
Diverse charges	965	675
Depreciation, notes 12(b) and 14(b)	305	322
Amortization, note 13(b)	1	1
	20,004	16,010

26. Selling expenses

Below, we present the composition of the item:

	For the cumulative period from January 1 to March 31	
	2025	2024
	US$(000)	US$(000)
Services provided by third parties	10,370	9,368
Diverse charges	1,013	749
Personnel expenses	500	372
Sales commissions	65	21
Amortization, note 13(b)	18	9
	11,966	10,519

27. Exploration and evaluation expenses

Below, we present the composition of the item:

	For the cumulative period from January 1 to March 31	
	2025	2024
	US$(000)	US$(000)
Services provided by third parties	14,640	8,670
Purchase of mining contract service from Administración de Empresas S.A.C., note 31(b)	3,015	2,122
Personnel expenses	3,104	2,295
Diverse charges	151	138
Supplies	466	435
Amortization, note 13(b)	78	72
Depreciation, note 12(b)	85	75
	21,539	13,807

28. Other, net

Below, we present the composition of the item:

	For the cumulative period from January 1 to March 31	
	2025	2024
	US$(000)	US$(000)
Other Operating Income		
Income from the sale of supplies	2,590	3,145
Income from the sale of property, plant and equipment	20	99
Income from advisory services	377	430
Rental of real estate and equipment	346	254
Recovery of provision for contingencies	12	424
Other minors	88	32
	3,433	4,384
Other operating expenses		
Net cost of supplies sold	(2,509)	(3,164)
Contributions to public entities for environmental regulation	(1,961)	(1,380)
Mining Retirement Fund	(870)	(408)
Net cost of disposal of property, plant and equipment	(136)	(249)
Donations Awarded	(940)	(2,140)
Professional fees for tax legal advice	(920)	(519)
Provisions for contingencies	(69)	(360)
Supply Physical Inventory Adjustment	(55)	(50)
Depreciation, note 12(b)	(14)	(27)
Other minors	(1,344)	(791)
	(8,818)	(9,088)
	(5,385)	(4,704)

29. Revenue and financial costs

Below, we present the composition of the item:

	For the cumulative quarter from January 1 to March 31	
	2025	**2024**
	US$(000)	US$(000)
Financial income:		
Interest for term deposits	3,440	4,732
Other	11	7
	3,451	4,739
Discount Update and Others		
Discount update of provisions for mine closure, environmental remediation	21	35
	21	35
Total	3,472	4,774
Financial costs:		
Interest on loans from financial institutions	(9,066)	(10,633)
Interest of corporate bond	(5,840)	(5,874)
Interest rate derivative instruments	1,089	2,368
Syndicated loan structuring costs, Marcobre	(314)	(318)
Amortization of corporate bond issuance costs	(313)	(300)
Lease interests	(236)	(295)
Other	(1)	(2)
	(14,681)	(15,054)
Discount Update and Others		
Discount update of provisions for mine closure, environmental remediation and others, see notes 19(b) and (c)	(1,873)	(1,549)
Non-Controlling Interest Account Payable Discount Update, see Note 16(c)	(226)	(328)
Total	(16,780)	(16,931)

30. Basic and diluted earnings per share

Basic earnings per share is calculated by dividing net income for the period by the weighted average number of shares outstanding during the year.

The calculation of earnings per share is presented below:

	For the cumulative period from January 1 to March 31	
	2025	**2024**
	US$	US$
Numerator-		
Net income attributable to the shareholders of the Parent Company	29,075,000	75,808,000
Net income attributable to shareholders of the Parent Company - Continued	159,344,000	83,426,000
Net income attributable to shareholders of the Parent Company - Discontinued	(130,269,000)	(7,618,000)
	Number of shares	**Number of shares**
Denominator-		
Common Stock, note 21(a)	19,220,015	19,220,015
Investment Shares, note 21(b)	960,999,163	960,999,163
Earnings per share		
Basic and diluted – US$ per common share	1.008	2.629
Basic and diluted – US$ per investment share	0.010	0.026
Earnings Per Share - Continuing Operations		
Basic and diluted – US$ per common share	5.527	2.894
Basic and diluted – US$ per investment share	0.111	0.058
Earnings Per Share - Discontinued Operations		
Basic and diluted – US$ per common share	(4.519)	(0.264)
Basic and diluted – US$ per investment share	(0.090)	(0.005)

Basic and diluted earnings per share are the same since there are no dilutive effects on earnings.

31. Related parties transactions

(a) Accounts receivable, payable and lease liabilities -

The balances of accounts receivable and payable with related entities for the years ended March 31, 2025 and December 31, 2024 are as follows:

	As of March 31, 2025 US$(000)	As of December 31, 2024 US$(000)
Classification by existing categories		
Other receivables (current), note 7(a):		
Other Related Parties		
Compañía Minera Raura S.A.	1,415	1,315
Administración de Empresas S.A.	311	487
	1,726	1,802
Trade payable (current), note 16(a):		
Other Related Parties		
Administración de Empresas S.A.	8,269	8,992
Rímac Insurance & Reinsurance	1,138	-
Rímac S.A. Health Provider Entity	623	590
Inversiones San Borja S.A.	175	210
Personal Protection S.A.C.	51	48
Centria Servicios Administrativos S.A.	30	59
Inversiones Nacionales de Turismo S.A.	9	5
International Clinic. S.A.	5	5
Compañía Minera Raura S.A.	3	-
Corporación Peruana de Productos Químicos S.A.	3	4
Corporación Breca S.A.C.	-	46
	10,306	9,959
Lease liabilities		
Other Related Entities, note 18(a)		
Administración de Empresas S.A.	1,472	2,512
Inversiones San Borja S.A.	1,174	1,451
	2,646	3,963
	12,952	13,922
Classification by nature:		
Commercials, note 16(a)	10,306	9,959
Lease liability, note 18(a)	2,646	3,963
	12,952	13,922

There have been no guarantees provided or received for the accounts receivable or payable with related entities. For the year ended March 31, 2025 and December 31, 2024, the Group has not recorded any impairment on accounts receivable related to amounts owed by related entities. This assessment is carried out each year by examining the financial condition of the related party and the market in which the related party operates.

The balances payable to related entities are of current maturity, do not accrue interest and do not have specific guarantees.

(b) Main transactions –

The main transactions with related parties that occurred during the first quarter of 2025 and 2024 were as follows:

	For the cumulative period from January 1 to March 31	
	2025	**2024**
	US$(000)	US$(000)
Other related entities		
Breca Banca S.A.C. - Rimac Shares Sale	51,515	-
Breca Minería S.A. - Distribution of dividends	-	20,631
Administración de Empresas S.A.C. - Mining Contracting Services, notes 24(a), 27 and 28	13,831	16,320
Rímac Insurance and Reinsurance - Insurance Coverage Service	3,671	3,185
Rimac S.A. Health Provider Entity	1,122	1,092
Administración de Empresas S.A.A. - Sale of supplies and rentals	763	838
Compañía Minera Raura S.A. – Advisory Service	378	431

Related party transactions are conducted under market conditions equivalent to those applied to transactions between independent parties.

(c) Remunerations-

The remuneration of the Group's key personnel for the quarters of 2025 and 2024 has been recognized as an expense in the consolidated interim statement of income and is presented below:

	For the cumulative period from January 1 to March 31	
	2025	**2024**
	US$(000)	US$(000)
Operating:		
Peru		
Salaries	12,365	12,309
Board remuneration	135	135
	12,500	12,444

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

32. Commitments

(a) Environmental Impact Assessment (EIA) -

According to Supreme Decree 016-93-EM, in force since 1993, all Peruvian mining companies in the Group must submit their EIA to the Ministry of Energy and Mines of their jurisdiction. Environmental impact studies are prepared by environmental consultants registered with the MEM. These studies contain in detail all the environmental controls that the mining entities will implement during the life of the mining units. All the Group's mining units have an EIA approved by the MEM to carry out their activities.

(b) Mine Closure Act -

In Peru, on October 14, 2004, Law No. 28090 entered into force, the purpose of which is to regulate the obligations and procedures that must be complied with by the owners of mining activities for the preparation, presentation and implementation of the Mine Closure Plan and the constitution of the corresponding environmental guarantees. Subsequently, Supreme Decree No. 033-2005-EM was promulgated, the Regulations for the Closure of Mines, which entered into force on August 15, 2005.

On August 18, 2021, Law No. 31347 was published, amending Law No. 28090, Law Regulating the Closure of Mines. This modification, among other aspects, indicates that the owner of the mining activity, whether this is a natural person, directors and/or majority shareholders of the legal entity under whose management the abandonment of the mining unit occurs and with respect to whom their responsibility is determined in the action or omission that generates said abandonment or the non-compliance with the respective approved mine closure plan, that causes real damage to the environment, assume joint and several liability for the administrative and civil sanctions arising from non-compliance or abandonment, being disqualified for five (5) years from acquiring new mining rights or authorizations for the development, directly or indirectly, of mining activities. The disqualification is imposed and registered by the Ministry of Energy and Mines – MINEM and communicated to the OEFA. INGEMMET, GORE and OSINERGMIN, for all purposes.

Minsur S.A.

As of March 31, 2025, the provision for mine closure of the San Rafael, Pucamarca and Pisco Units amounts to US$84,276,000 (US$82,820,000 as of December 31, 2024). See movement of this provision in note 17(a).

As of March 31, 2025, the Company has letters of guarantee with local financial entities for a total of US$119,352,000 (US$116,269,000 as of December 31, 2024) mainly related to the compliance with the financial budget of the mine closure plan of the Company's mining units.

Cumbres del Sur S.A.C.

During 2022, the work related to the closure of the mine of the Marta mining unit was completed in compliance with government regulations. The file is currently being prepared to ratify the request for the certificate of closure that is addressed to the authority. The liabilities for the closure of the mining unit corresponded mainly to activities carried out for the restoration of the areas used by the mining activities (generated by the previous assignees of the mining concession). The main works carried out corresponded to the dismantling of all the facilities, recovery and rehabilitation of the areas that were occupied or committed to the components included in the closure plan of Mina Marta.

As of March 31, 2025 and December 31, 2024, the Company has letters of guarantee with local financial entities for US$ 6,780,421 related to the fulfillment of the financial budget of the mine closure plan of the Marta Mining Unit.

Marcobre S.A.C.

The subsidiary presented a Mine Closure Plan for the Mina Justa mining unit, which was initially approved with Directorial Resolution No. 118-2012-MEM-AAM, updated by Directorial Resolution No. 328-2015-MEM/DGAAM and modified by Directorial Resolution No. 089-2019-MEM-DGAAM; and subsequently the Second Update of the Mine Closure Plan of the Mina Justa Mining Unit was approved by the General Directorate of Mining Environmental Affairs (DGAAM) of the Ministry of Energy and Mines (MINEM) through Directorial Resolution No. 0295-2024-MINEM/DGAAM. It should be noted that this update of the Mine Closure Plan does not grant additional permits, does not modify the useful life of the mining unit, nor does it validate environmental non-compliance.

As of March 31, 2025 and December 31, 2024, the mine closure provision for the Mina Justa unit amounts to US$49,295,000 and US$48,413,000, respectively. See movement of this provision in note 19(b).

As of March 31, 2025, the subsidiary Marcobre has letters of guarantee with local financial entities for a total of US$22,971,000 (US$19,541,000 as of December 31, 2024) related to the compliance with the financial budget of the mine closure plan of the mining units.

Environmental liabilities –

Marcobre S.A.C.

The Company submitted to the General Directorate of Mining Environmental Affairs a closure plan for its exploration activities, which was approved by Directorial Resolution No. 325-2013/MEM/AAM on September 3, 2013. In relation to this closing plan, as of March 31, 2025 and December 31, 2024, the Company maintains an environmental restoration liability amounting to US$705,000 and US$726,000, respectively. See note 19(c).

Cumbres del Sur S.A.C.

As of March 31, 2025, the future value of the provision for environmental remediation is US$2,472,000, which has been discounted using risk-free annual rates for the provision of the Regina mining unit based on its term of validity, which fluctuate between 3.94 and 5.30 percent, resulting in an updated liability at present value of US$1,944,000 (US$2,153,000 as of December 31, 2024). The Company considers that this liability is sufficient to comply with the current environmental protection laws approved by the Ministry of Energy and Mines.

(c) Community Support Agreements –

Cumbres del Sur S.A.C.

The subsidiary Cumbres del Sur assumed the commitment to the Peasant Community of Tinyacclla, originally signed on November 28, 2008), to carry out social and/or sustainable development works during the period in which it carries out its exploration and exploitation activities on the Community's lands, based on the following budget:

(i) From the first to the fifth year: US$19,000 per year.
(ii) From the sixth to the tenth year: US$23,000 per year.
(iii) From the eleventh to the fifteenth year: US$29,000 per year.
(iv) From the sixteenth to the twentieth year: US$36,000 per year.
(v) From the twenty-first to the twenty-fifth year: US$45,000 per year.

(d) Capital expenditure commitment –

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

	2025 US$(000)	**2024** US$(000)
Property, Plant & Equipment	41,818	26,416

(e) Guarantee–

As of March 31, 2025, the financings, derivative instruments and liabilities of the discontinued operation of Mineração Taboca S.A. are guaranteed by Minsur S.A. for a total of US$30,000,000.

33. Contingencies

Peru Subsidiaries –

Minsur S.A.

(a) In December 2024, SUNAT notified the Company of Determination Resolutions Nos. 012-003-0143419, 012-003-0143420, 012-003-0143421 and 012-003-01432, as well as Fine Resolutions No. 012-002-0040827, 012-002-0040828 and 012-002-0040829 as a result of the audit of the IR returns for the 2019 fiscal year; through which the deduction of interest linked to bonds was mainly ignored. At the end of January 2025, the Company filed an appeal to claim these securities, which would amount to approximately S/23,615,000. As indicated by 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 of 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 IR returns for the 2020 fiscal year; through which the deduction of interest linked to bonds and the deduction of depreciation linked to fixed assets were mainly ignored. In January 2024, the amounts for S/28,269,000 were paid under protest, for this amount the Company has recognized an account receivable. In October 2024, the appeal corresponding to these values was filed. As indicated by our tax advisors, the Company's position is based on solid arguments that would allow us to obtain a favorable result.

In July 2023, the Company made the payment under protest of Determination Resolutions No. 012-003-0132219 and 012-003-0132221 to 013-003-0132232, as well as Fine Resolution No. 012-002-0038605, as a result of the Income Tax (IR) audit for the 2017 fiscal year; through which the deduction of interest linked to bonds was mainly ignored. The Company initiated the challenge process against the aforementioned resolutions with the filing of the complaint appeal in December 2023. In August 2024, the appeal filed was declared unfounded, so the Company has resorted to the next instance with the filing of the appeal in February 2025. It is worth mentioning that the Company has recognized an account receivable to the Superintendence of Tax Administration (SUNAT) for S/24,371,000. As indicated by our tax advisors, the Company's position is based on solid arguments that would allow us to obtain a favorable result.

In 2012 and 2013, the Tax Administration notified the Company of Determination Resolutions Nos. 012-003-0028966 and 012-003-0039077, as a result of the audit of the Income Tax returns for the years 2007 and 2008, respectively; through which it mainly ignored the deduction of mining royalties linked to inventory in stock, pro-rata of common expenses inherent to the income, and storage and dispatch service that are not expenses of the year. The Company initiated the corresponding challenge proceedings against the aforementioned determination resolutions. In July 2022, the Company was notified of the Tax Court Resolution (RTF) No. 04482-3-2022 linked to the appeals filed by the Income Tax of 2007 and 2008. Through the aforementioned RTF, the Tax Court revokes the appealed SUNAT Intendance Resolutions, related to various expenses and processes the requests for refund for improper or excess payments, receiving in December 2022 the refund by SUNAT of the IR unduly paid for S/3,622,282 and interest for S/13,353,139 (equivalent to US$3,507,000); as well as the refund of the fines paid for S/2,622,446. It should be noted that in October 2022 SUNAT filed a Contentious Administrative Lawsuit against the aforementioned RTF, as indicated by the Company's tax advisors, the Company's position is based on reasonable arguments that would allow it to obtain a favorable result.

During 2021, the Tax Administration notified the Company of Intendance Resolution No. 015-014-0016088 which declared unfounded the Claim Appeal filed against Determination Resolution No. 012-003-0014415, due to limitations made by this entity in the determination of the Income Tax corresponding to the year 2005, being that said Intendance Resolution was appealed by the Company. The Company has cancelled all resolutions issued by the Tax Administration in this process. By means of RTF 01426-4-2022, the appeal filed against the aforementioned Intendancy Resolution was declared unfounded, so the Company filed a contentious-administrative lawsuit against said RTF. Finally, on November 8, 2024, the process in the judiciary was concluded and the appeal was declared unfounded, although it is true that the result is unfavorable for the company, it does not imply the recognition of contingent liabilities since the contested amounts were canceled at the time and affected results at the time of their disbursement.

During 2020, the Tax Administration notified the Company of Intendance Resolution No. 0150140015743 which declared null and void Determination Resolution No. 012-003-0109743 and Fine Resolution No. 012-002-0033547, as well as confirmed the Determination Resolutions of Nos. 012-003-0109730 to 012-003-0109742, due to various limitations made by this entity in the determination of the Income Tax corresponding to the year 2014, being that said Resolution of the Intendance was appealed by the Company to the extent that it confirmed the Resolution of Determination Nos. 012-003-0109730 to 012-003-0109742, issued by the Additional Rate of 4.1% of the 2014 Income Tax. The Company has cancelled all resolutions issued by the Tax Administration in this process. Likewise, in August 2023, RTF No. 05761-4-2023 was notified, in which the largest number of objections were confirmed, so in November 2023 it was filed with a Contentious Administrative Lawsuit with the RTF cited above. In the opinion of the Company and its legal advisors, the Company will obtain a favorable outcome.

During 2021, a Contentious Administrative Lawsuit was filed against the Tax Court Resolution No. 07028-1-2021, which declared unfounded the appeal filed against the Intendance Resolution No. 0150140015336, related to the Income Tax for the year 2011, through which the deduction of losses resulting from the settlement of hedging derivative financial instruments entered into by the Company for the determination of the net income of third category. On January 15, 2025, by Cassation Judgment No. 19398-2024, it was ordered (i) to declare MINSUR's cassation appeal partially founded; and, (ii) to act in the lower court and revoke the appealed judgment; and, amending it, declaring the main claim of the claim founded in part, ordering the Tax Court to issue a new pronouncement and inadmissible the claim with respect to the first and second ancillary claims. It is important to specify that the procedure would not represent a contingency for

MINSUR; it would only have the purpose of requesting the recognition of a greater balance in favor of the Income Tax (S/ 5,494,044). In the opinion of the Company and its legal advisors, the Company will obtain a favorable outcome.

(b) Administrative sanctioning processes -

As of March 31, 2025, the Company has received several notifications from the Environmental Assessment and Enforcement Agency (OEFA), the National Water Authority (ANA) and the Supervisory Agency for Investment in Energy and Mining (OSINERGMIN), respectively. These notifications refer to infringements due to non-compliance with procedures for the protection and conservation of the environment and the standards for mining safety and hygiene. As of March 31, 2025, the administrative fines derived from these processes imposed by OSINERGMIN, ANA and OEFA amount to a total of 124 Tax Units – UIT, equivalent to US$181,000 (as of December 31, 2024 it amounted to 148 Tax Units – UIT, equivalent to US$211,000). In relation to these notifications, the Company has presented its defenses on the observations made, pending that OSINERGMIN, ANA and OEFA issue their pronouncements regarding the appeals presented.

Management and its legal advisors have analyzed these processes and have estimated these contingencies as probable, presented under the heading "Provisions" of the consolidated interim statement of financial position.

(c) Labor processes -

The Group has a number of employment claims, mainly for compensation for damages for occupational diseases. In this regard, Management and its external legal advisors have followed up on the various processes that affect the Company. As a result of this analysis as of March 31, 2025 and December 31, 2024, the Company maintains provisions for labor contingencies, which are considered sufficient to cover the risks that affect the business in this regard. As of March 31, 2025, these provisions amount to approximately US$452,000 (US$457,000 as of December 31, 2024) and are presented under the heading "Provisions" of the consolidated interim statement of financial position (note 17(d)).

In addition, as of March 31, 2025, the Company faces other labor claims amounting to US$1,658,000 (US$1,617,000 as of December 31, 2024), in the opinion of Management and in the opinion of its legal advisors they consider it possible that such legal actions will succeed, so the Company did not record any provision for these labor claims of qualified as possible as of March 31, 2025 and December 31, 2024.

As of March 31, 2025 and December 31, 2024, in the opinion of the Company and in the opinion of its legal advisors, the Company does not have resolutions related to environmental contingencies that may qualify as of a possible nature.

34. Segment information

Management has determined the Group's operating segments on the basis of the reports it uses for decision-making. Management considers business units based on their products, activities, and geographic location:

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

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

See note 23 of the consolidated interim financial statements for more information about the main customers.

All non-current assets are located in Peru and Chile.

Management monitors pre-tax profit (loss) for each business unit separately for the purpose of making decisions on resource allocation and financial performance evaluation. A segment's financial performance is evaluated on the basis of profit (loss) before income tax and is measured consistently with profit (loss) before income tax in the consolidated income statements.

	Tin, Gold & Copper Cathodes (Peru)								
	Tin (Peru) US$(000)	Gold (Peru) US$(000)	Non-distributable (Peru) US$(000)	Total (Peru) US$(000)	Copper (Peru) US$(000)	Mineral exploration and development (Peru and Chile) US$(000)	Adjustments and deletions Note 1 (f) US$(000)	Consolidated total US$(000)	
First quarter 2025									
Results:									
External customer entry	262,010	31,246	-	293,256	332,416	-	-	625,672	
Cost of Sales	(93,883)	(18,934)	-	(112,817)	(135,740)	-	-	(248,557)	
Administration Fees	(15,614)	(3,149)	-	(18,763)	(3,539)	(108)	2,406	(20,004)	
Selling expenses	(2,146)	(227)	-	(2,373)	(9,593)	-	-	(11,966)	
Exploration and study expenses	(13,634)	-	-	(13,634)	(7,687)	(218)	-	(21,539)	
Other, net	(897)	(16)	-	(913)	(1,818)	(248)	(2,406)	(5,385)	
Operating Profit	135,836	8,920	-	144,756	174,040	(575)	-	318,221	
Profit before income tax	-	-	82,521	82,521	166,191	2,632	53,837	305,181	
Income tax	-	-	(53,446)	(53,446)	(43,191)	-	-	(96,637)	
Net income from continuing operations	135,836	8,920	29,075	29,075	123,000	2,632	53,837	208,544	
Net income from discontinued operations	-	-	-	-	-	-	-	(130,269)	
Net Income	-	-	-	-	-	-	-	78,275	
Assets:									
Cash and cash equivalents	-	-	208,846	208,846	120,246	167,836	-	496,928	
Inventories, net	77,545	23,601	1,348	102,494	69,495	65	-	172,054	
Current assets	-	-	483,126	483,126	491,262	168,410	(7,716)	1,135,082	
Property, plant and equipment, intangible assets and right-of-use assets, net	467,186	62,403	15,114	544,703	1,791,652	7,436	-	2,343,791	
Total assets	-	-	2,696,600	2,696,600	2,975,888	410,605	(1,526,704)	4,556,389	
Liabilities:									
Financial obligations	-	-	490,131	490,131	598,413	-	-	1,088,544	
Current liabilities	-	-	228,397	228,397	505,358	9,666	(9,622)	733,799	
Total liabilities	-	-	861,451	861,451	1,108,991	11,755	(11,402)	1,970,795	
Other revelations for the first quarter of 2025:									
Property, plant and equipment additions, right-of-use assets, and intangible assets	7,963	4,488	1,846	14,297	19,664	-	-	33,961	
Depreciation and amortization (included in costs and expenses)	23,263	8,281	401	31,945	42,192	8	-	74,145	
Operational flows	-	-	59,435	59,435	53,295	(1,291)	-	111,439	
Investment flows	-	-	37,946	37,946	(38,706)	166,272	2,070	167,582	-

	Tin, Gold & Copper Cathodes (Peru)							
	Tin (Peru) US$(000)	Gold (Peru) US$(000)	Non-distributable (Peru) US$(000)	Total (Peru) US$(000)	Copper (Peru) US$(000)	Mineral exploration and development (Peru and Chile) US$(000)	Adjustments and deletions US$(000)	Consolidated total US$(000)
For the first quarter 2024								
Results:								
External customer entry	166,550	30,583	-	197,133	243,039	-	-	440,172
Cost of Sales	(73,399)	(21,353)	-	(94,752)	(115,104)	-	-	(209,856)
Administration Fees	(11,081)	(3,136)	-	(14,217)	(2,619)	(292)	1,118	(16,010)
Selling expenses	(1,130)	(196)	-	(1,326)	(9,193)	-	-	(10,519)
Exploration and study expenses	(6,602)	-	-	(6,602)	(7,117)	(88)	-	(13,807)
Other, net	(1,929)	(266)	-	(2,195)	(1,009)	(382)	(1,118)	(4,704)
Operating Profit	72,409	5,632	-	78,041	107,997	(762)	-	185,276
Profit before income tax	-	-	98,220	98,220	99,100	(3,286)	(25,428)	168,606
Income tax	-	-	(22,412)	(22,412)	(38,546)	-	-	(60,958)
Net income from continuing operations	72,409	5,632	75,808	75,808	60,554	(3,286)	(25,428)	107,648
Discontinuous operations	-	-	-	-	-	-	-	(7,618)
Net Income	-	-	-	-	-	-	-	100,030
As of December 31, 2024								
Assets:								
Cash and cash equivalents	-	-	113,532	113,532	116,489	783	-	230,804
Inventories, net	81,604	24,378	-	105,982	69,671	16	-	175,669
Current assets	-	-	381,692	381,692	417,802	11,498	413,344	1,224,336
Property, plant and equipment, intangible assets and right-of-use assets, net	480,518	64,850	16,993	562,361	1,853,686	7,444	-	2,423,491
Total assets	-	-	2,499,941	2,499,941	2,910,338	361,218	(1,093,753)	4,677,744
Liabilities:								
Financial obligations	-	-	489,818	489,818	598,101	-	-	1,087,919
Current liabilities	-	-	257,677	257,677	550,950	17,194	293,658	1,119,479
Total liabilities	-	-	874,204	874,204	1,155,376	1,164,682	19,325	291,912
Other revelations for the first quarter of 2024:								
Property, plant and equipment additions, right-of-use assets, and intangible assets	16,913	3,335	213	20,461	28,014	1	-	48,476
Depreciation and amortization (included in costs and expenses)	19,284	6,763	426	26,473	36,189	7	-	62,669
Operational flows	-	-	19,325	19,325	48,197	(1,333)	-	66,189
Investment flows	-	-	(20,142)	(20,142)	(27,209)	64	-	(47,287)

Geographic information

The following table presents the net sales of tin, gold, copper cathodes, and other minerals by geographic region:

	For the cumulative period from January 1 to March 31	
	2025	**2024**
	US$(000)	US$(000)
Tin and other minerals		
America	111,212	61,724
Europe	55,574	37,824
Asia	84,010	66,264
Peru	1,036	1,151
Gold		
Canada and the United States	36,217	32,808
Copper concentrate		
Peru	76,694	77,732
Asia	94,219	39,088
Europe	62,786	52,863
America	-	-
Copper Cathode		
Peru	67,145	42,372
Asia	-	12,710
America	10,393	14,332
Europe	3,914	-
	603,200	438,868
Loss on hedging derivatives	(4,971)	(2,225)
Implicit Derivative	27,443	3,529
	625,672	440,172

35. Financial Risk Management Objectives and Policies

35.1. Financial Risk Factors

The Group's main financial liabilities, other than derivatives, include financial obligations, trade accounts payable and Others. The main purpose of the financial obligations is to finance the Group's operations. The Group has cash and time deposits, trade receivables and other accounts receivable arising directly from its operations. The Group also has financial assets at fair value with changes in other comprehensive income.

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

(i) Market risks -

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

The sensitivity analyses included in the following sections relate to the financial position as of March 31, 2025 and December 31, 2024.

These sensitivity analyses were prepared on the assumption that the amount of debt, the ratio of fixed and floating interest and the proportion of financial instruments in foreign currency, are all constant as of March 31, 2025 and December 31, 2024.

Foreign exchange risk -

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

Management assumes the exchange risk with the proceeds of operations; that is, it does not carry out relevant hedging transactions with derivative financial instruments to hedge its foreign exchange risk with the exception of a significant portion of its operating costs expressed in Brazilian reais in its subsidiary Taboca, classified as a discontinued operation.

The following table shows the sensitivity in the Group's results for the first quarter of 2025 and 2024 if the sol had been revalued/devalued by 10 percent against the U.S. dollar:

Year	**Potential Increase/Decrease**	**Effect on profit before income tax** US$(000)
As of March 31, 2025	10%	12,446
	-10%	(12,446)
As of March 31, 2024	10%	8,323
	-10%	(8,323)

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 March 31, 2025 and December 31, 2024, the Group's corporate bonds have a fixed effective interest rate, with the exception of the subsidiaries Marcobre and Mineração Taboca, which entered into variable-rate loan agreements to mitigate the risk of interest rate variation, in this regard, the Group has subscribed to derivative financial instruments, see note 36, consequently, Management has assessed that it is not relevant to carry out a sensitivity analysis to future changes in interest rates.

Price risk –

Investments-

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

As of March 31, 2025 and December 31, 2024, the Group does not maintain balances under the heading financial assets at fair value through profit or loss.

Risks in mineral price changes –

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

The Group has a price risk through its contracts for the sale of tin at provisional quotations, subject to a future price in a given month, based primarily on the average monthly 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 up to the date of the final quote.

The Group has entered into derivative contracts that qualify as cash flow hedges, with the intention of hedging the risk resulting from the fall in gold and tin prices, respectively. These derivative contracts were recognized as assets or liabilities in the consolidated interim statement of financial position, and are presented at fair value. To the extent that these hedges were effective in offsetting future cash flows from the sale of related production, changes in fair value were deferred in an equity account. The deferred amounts were reclassified to sales when the corresponding production was sold. As a result of these operations, the Group maintains receivables and payable positions, which are detailed in note 36(d).

The table below summarizes the impact on earnings before income tax due to changes in the price of tin. This analysis is based on the assumption that the price of tin at the end of the year has increased or decreased by 10 percent, while the rest of the variables remain constant. For the positive scenario for the first quarter of 2025, an average price of US$/MT40,957 (US$TM31,123 for the first quarter of 2024) was considered; while for the negative scenario, an average price of US$33,510 was considered (average price of US$/MT23,896 for the first quarter of 2024).

Year	**Increase/decrease in the price of listed minerals**	**Effect on profit before income tax** US$(000)
As of March 31, 2025	10%	9,291
	-10%	(9,291)
As of March 31, 2024	10%	3,917
	-10%	(3,917)

The international price of copper has a material impact on the subsidiary's results of operations. Copper prices have fluctuated historically and are affected by numerous factors beyond their control. In this sense, the subsidiary Marcobre manages its price risk mainly through the use of sales commitments within contracts with customers.

The subsidiary has a price risk through its contracts for the sale of copper concentrate at provisional quotations, subject to a future price in a given month, based mainly on the average monthly 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 up to the date of the final quote.

The table below summarizes the impact on earnings before income tax due to changes in the copper price of the subsidiary Marcobre. This analysis is based on the assumption that the price of copper has increased or decreased by 10 percent, while the rest of the variables remain constant. For the positive scenario of 2025, an average price of US$/MT 10,390 (US$/MT 9,267 in 2024) was considered; while for the negative scenario, an average price of US$/MT 8,501 (US$/MT 7,582 in 2024) was considered.

Year	Increase/decrease in the price of listed minerals	Effect on profit before income tax US$(000)
As of March 31, 2025	10 %	31,779
	-10 %	(31,779)
As of March 31, 2024	10 %	47,566
	-10 %	(47,566)

(ii) Credit risk -

The Group's financial assets potentially exposed to concentrations of credit risk consist mainly of deposits in banks and trade receivables. With respect to deposits in banks, the Group reduces the likelihood of significant concentrations of credit risk by holding its deposits in first-class financial institutions and limiting the amount of credit risk exposure in any of the financial institutions.

With respect to trade receivables, there are no significant concentrations. The Group has established policies to ensure that the sale of its production is made to customers with adequate credit history. The maximum exposure to credit risk for the components of the consolidated interim financial statements as of March 31, 2025 and December 31, 2024 is represented by the sum of cash and cash equivalents, trade receivables and others.

Financial instruments and bank deposits –

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

Trade Receivables –

The credit risk of customers is managed by Management, subject to duly established policies, procedures and controls. Outstanding balances of trade receivables are periodically reviewed and classified according to the credit risk profile with credit limits to ensure their recovery. The Group's sales of tin and gold are made to foreign customers located mainly in Europe and the Americas, respectively, and because it does not have a significant concentration of sales (see note 23), exposure to credit risk is limited.

On the other hand, according to Management's assessment of the analysis of the age of trade receivables as of March 31, 2025 as of December 31, 2024, it has not suffered significant delays. The Group's Management will continue to closely evaluate the impact of health emergencies on the international economy and the impact on the customer portfolio and its lending behavior.

Other Accounts Receivable –

Other accounts receivable other than the Value Added Tax Credit 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 accounts that show impairment to determine the required provision for uncollectibility.

(iii) Liquidity risk –

Prudent liquidity risk management involves maintaining sufficient cash and cash equivalents, the availability of financing through an adequate number of committed funding sources, and the ability to close market positions. In this regard, the Group does not have significant liquidity risks as historically the cash flows from its operations have allowed it to hold 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 account the future prices of the products it markets and the costs necessary for their production and sale.

The following table shows the maturities of the financial liabilities of the consolidated interim statement of financial position as of March 31, 2025 and December 31, 2025:

	In sight US$(000)	Due in less than 1 year US$(000)	Expiring 1 to 5 years US$(000)	Over 5 years old US$(000)	Total US$(000)
As of March 31, 2025					
Financial obligations:					
Financial loans	-	300,000	300,000	-	600,000
Bonds principal	-	-	-	500,000	500,000
Trade and Other Accounts Payable	-	210,573	1,778	-	212,351
Future bond interest	-	22,500	90,000	45,000	157,500
Future interest on promissory notes	-	4,816	-	-	4,816
Liabilities for financial derivatives	-	28,726	43,973	5,124	77,823
Interest financial obligations	-	18,347	10,425	-	28,772
Leases	-	5,400	7,321	3,862	16,583
Interest on future leases	-	1,098	2,168	1,663	4,929
Total	-	591,460	455,665	555,649	1,602,774
As of December 31, 2024					
Financial obligations:					
Financial loans	-	200,000	300,000	-	500,000
Bonds principal	-	-	-	500,000	500,000
Trade and Other Accounts Payable	-	205,108	9,517	176	214,801
Future bond interest	-	22,500	90,000	45,000	157,500
Promissory notes payable	-	100,000	-	-	100,000
Future interest on promissory notes	-	4,816	-	-	4,816
Liabilities for financial derivatives	-	17,179	31,011	4,294	52,484
Interest financial obligations	-	20,580	13,849	-	34,429
Leases	-	6,815	7,124	4,009	17,948
Interest on future leases	-	1,657	1,696	1,803	5,156
Total	-	578,655	453,197	555,282	1,587,134

Changes in Financing Liabilities -

The following is the reconciliation of the movements in the financial obligations and financing activities of the consolidated interim statement of cash flows:

	January 1, 2025	Cash flows	Additions	Accrual of financial costs	Translation	Amortized Cost Application	Other	March 31, 2025
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Corporate bonds	489,818	-	-	-	-	313		490,131
Bank loans	498,101	-	-		-	314	(2)	498,413
Promissory note	100,000	-	-	-	-	-		100,000
Leases	17,948	(2,350)	846	-	138	-	1	16,583
Financial costs	3,956	(7,294)	-	13,817	-	-	(960)	9,519
Total liabilities of financing activities	1,109,823	(9,644)	846	13,817	138	627	(961)	1,114,646

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

35.2. Capital risk management

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

The Group's policy is to finance all its projects with a conservative combination of equity and debt. To this end, it makes adjustments to address changes in 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, with the remaining balance covered by external financing. There have been no changes to objectives, policies, or procedures during the year ended March 31, 2025 and December 31, 2024.

36. Derivative financial instruments

(a) Given that interest payments on loans obtained by the subsidiary Marcobre, note 17(c), are subject to variations originating at variable interest rates, the Group decided to opt for a strategy of hedging 100% of the financial risk associated with the liability. Therefore, 100% of the Group's cash flows 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 $500,000,000, which covers 100% of the loan of the subsidiary Marcobre.

Below is the summary of the instruments signed as of March 31, 2025 and December 31, 2024:

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

		Hedged Starting Value	
		As of March 31, 2025	**As of December 31, 2024**
		US$(000)	US$(000)
Cash Flow Hedging -			
Interest Rate Swap	From December 2022 to June 2027	34,808	43,832
Total		34,808	43,832

The fair value of derivative financial instruments and their breakdown as of March 31, 2025 and December 31, 2024 is as follows:

Counterpart	**Reference amount(b)** US$(000)	**Expiration**	**Receives variable to:**	**Fixed pay to:**	**Fair value at 31 March 2025** US$(000)
Citibank N.A., New York	500,000	Jun-27	TERM SOFR 3M	5.207%	1,942

By maturity:	
Current Portion – Assets	2,020
Non-current portion - Liabilities	(78)
	1,942

Counterpart	**Reference amount(b)** US$(000)	**Expiration**	**Receives variable to:**	**Fixed pay to:**	**Fair value at 31 December 2024** US$(000)
Citibank N.A., New York	500,000	Jun-27	TERM SOFR 3M	5.207%	4,320

By maturity:	
Current Portion – Assets	3,015
Non-Current Portion – Assets	1,305
	4,320

(b) On March 31, 2025 and 2024, the Marcobre Subsidiary has recognized the following effects on other comprehensive income:

	Effect of other comprehensive income on the consolidated interim statement Income (expense)	
	2025 US$(000)	**2024** US$(000)
Interest rate derivatives –		
Interest Rate Swap	(2,377)	5,122
	(2,377)	5,122
(-) Deferred Income Tax	618	(1,332)
Net effect	(1,759)	3,790

(c) Hedging by Gold Price –

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

As of 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. It was completed in 2024 with an additional coverage of 15,098 ounces of gold for that period.

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

The breakdown of unliquidated transactions that are part of the hedging derivative instrument liability as of March 31, 2025 and December 31, 2024 is as follows:

As of March 31, 2025

Metal	Instrument	Expiration period	Volume Covered	Agreed price	Estimated price	Fair value
			Oz	US$/oz	US$/oz	US$(000)
Coverage Program (2024-2031)						
Gold	Zero Cost Necklace					
		Year 2025	34,677	2100 - 2349	3,155	(23,251)
		Year 2026	33,230	2100 - 2386	3,294	(24,096)
		Year 2027	12,152	2100 - 2426	3,399	(9,524)
		Year 2028	9,618	2100 - 2459	3,500	(8,113)
		Year 2029	7,649	2100 - 2480	3,581	(6,953)
		Year 2030	2,900	2100 - 2505	3,612	(2,810)
		Year 2031	2,900	2100 - 2505	3,635	(2,999)
						(77,746)

As of December 31, 2024

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

The effective portion of the changes in the fair value of derivative financial instruments that qualify as hedging are recognized as assets or liabilities, having as a counterpart the "Consolidated Interim Statement of Other Comprehensive Income".

During the first quarter of 2025, the Company recognized in the "Consolidated Interim Statement of Other Comprehensive Income" a negative change in fair value of approximately US$25,758,000 (Negative change of US$16,194,000 during the first quarter of 2024)

(d) The classification according to its maturity on March 31, 2025 and December 31, 2024 is presented below:

Instruments – As of March 31, 2025	**Nature**	**Current** US$(000)	**Non-current** US$(000)	**Total** US$(000)
Interest Rate Hedging – Marcobre	Asset	2,020	-	2,020
Total Assets		3,014	1,304	4,318
Metal price hedges – Minsur		17,179	35,305	52,484
Interest Rate Hedging – Marcobre	Liability	-	77	77
Total Liabilities		28,726	49,097	77,823

Instruments – As of December 31, 2024	**Nature**	**Current** US$(000)	**Non-current** US$(000)	**Total** US$(000)
Interest Rate Hedging – Marcobre	Asset	3,014	1,304	4,318
Total Assets		3,014	1,304	4,318
Metal price hedges – Minsur	Liability	17,179	35,305	52,484
Total Liabilities		17,179	35,305	52,484

37. Financial assets and liabilities

(a) Financial assets: Financial assets include cash and cash equivalents and other receivables. All of the Group's financial assets are classified in the category of accounts receivable. Accounts receivable are held until maturity. Book value may be affected by changes in counterparty credit risk.

Financial liabilities: All of the Group's financial liabilities, except the derivative implicit from the sale of tin, include trade and other accounts payable and Senior Notes that are classified as Financial Obligations and are accounted for at amortized cost.

(b) Fair value –

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

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

Financial instruments whose fair value is similar to carrying amount –

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

Fixed and variable rate financial instruments –
The fair value of financial assets and liabilities held at fixed and variable rates at amortized cost is determined by comparing the market interest rates at the time of their initial recognition with the current market rates related to similar financial instruments. The estimated fair value of interest-bearing deposits is determined by discounted cash flows using market interest rates in the prevailing currency with similar maturities and credit risks.

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

	Book value		Fair value	
	As of March 31, 2025 US$(000)	**As of December 31, 2024** US$(000)	**As of March 31, 2025** US$(000)	**As of December 31, 2024** US$(000)
Financial assets				
Trade and other accounts receivable, net	496,928	230,804	496,928	230,804
Cash and cash equivalents	454,061	382,122	454,061	382,122
Financial assets with changes in other comprehensive income	2,020	4,318	2,020	4,318
Derivative financial instruments	-	25,945	-	25,945
Total financial assets	953,009	643,189	953,009	643,189

	Book value		Fair value	
	As of March 31, 2025 US$(000)	**As of December 31, 2024** US$(000)	**As of March 31, 2025** US$(000)	**As of December 31, 2024** US$(000)
Financial liabilities				
Financial obligations:				
Other financial obligations	598,413	598,101	603,230	598,101
Corporate bonds	490,131	489,818	469,825	449,660
Trade and Other Accounts Payable	212,351	214,801	212,628	214,801
Derivative financial instruments	77,823	52,484	77,823	52,484
Total financial liabilities	1,378,718	1,355,204	1,363,506	1,315,046

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

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

Management assesses that the fair value of cash and time deposits, other receivables and other current liabilities are close to their carrying amount due to the short-term maturities of such instruments.

As of March 31, 2025 and December 31, 2024, there were no transfers between the fair value hierarchies.

Quantitative disclosure of the fair value of financial assets by hierarchy as of March 31, 2025–

		Measurement at fair value using		
	Total US$(000)	**Prices quoted on active markets (Level 1)** US$(000)	**Significant observable data (Level 2)** US$(000)	**Significant unobservable data (Level 3)** US$(000)
As of March 31, 2025				
Assets recognised at fair value:				
Derivative financial instruments	2,020		2,020	-
Trade receivables (subject to interim prices)	351,022	351,022	-	-
Liabilities recognised at fair value:				
Derivative financial instruments	77,823	-	77,823	-

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

		Measurement at fair value using		
	Total US$(000)	**Prices quoted on active markets (Level 1)** US$(000)	**Significant observable data (Level 2)** US$(000)	**Significant unobservable data (Level 3)** US$(000)
As of December 31, 2024				
Assets recognised at fair value:				
Financial assets at fair value through comprehensive income	25,945	25,945	-	-
Derivative financial instruments	4,318	-	4,318	-
Trade receivables (subject to interim prices)	164,196	164,196	-	-
Liabilities recognised at fair value:				
Derivative financial instruments	52,484	-	52,484	-

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

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

- The fair value of financial assets at fair value through comprehensive income is based on the prevailing price published by the Lima Stock Exchange of Rimac Seguros shares for the number of shares held at the close of December 31, 2024. As of December 31, 2025, these assets were sold.
- The fair value of the listed corporate bonds is based on the outstanding market value of the notes as of March 31, 2025 and December 31, 2024.
- The fair values of the derivative financial instruments were determined using valuation techniques based on market data. The valuation techniques applied include valuation models of "zero-cost collars" widely recognized and

recommended by the specialized literature, and using calculations of the present value. These models take into account various factors, including future price curves (metals) and forward interest rate curves.

38. Subsequent events

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