

Compañía de Minas Buenaventura S.A.A. and Subsidiaries

Unaudited interim condensed consolidated financial statements as of March 31, 2023 and 2022 and for the three-month periods then ended

Compañía de Minas Buenaventura S.A.A. and Subsidiaries

Interim condensed consolidated statements of financial position

As of March 31, 2023 (unaudited) and December 31, 2022 (audited)

	Notes	2023 US\$(000)	2022 US\$(000)
Assets			
Current assets			
Cash and cash equivalents	3	173,493	253,918
Trade and other receivables	4(a)	256,428	221,899
Inventories	5(a)	88,264	88,345
Income tax credit		26,516	28,046
Prepaid expenses		22,641	19,333
Hedge derivative financial instruments	16	-	8,839
		<u>567,342</u>	<u>620,380</u>
Non-current assets			
Trade and other receivables	4(a)	685,964	673,627
Investments in associates and joint venture	6(a)	1,530,978	1,520,977
Property, plant, equipment and development cost	7(a)	1,546,863	1,535,195
Deferred income tax asset		118,521	106,170
Prepaid expenses		22,812	23,033
Other non-financial assets		23,670	23,845
		<u>3,928,808</u>	<u>3,882,847</u>
Total assets		<u>4,496,150</u>	<u>4,503,227</u>
Liabilities and equity			
Current liabilities			
Trade and other payables	8	199,771	247,989
Provisions		93,350	94,171
Income tax payable		2,853	2,366
Financial obligations	9(a)	34,698	35,071
		<u>330,672</u>	<u>379,597</u>
Non-current liabilities			
Trade and other payables	8	4,401	3,553
Provisions		204,570	204,347
Financial obligations	9(a)	695,564	703,463
Contingent consideration liability	19	17,710	16,905
Deferred income tax liabilities		32,152	32,421
		<u>954,397</u>	<u>960,689</u>
Total liabilities		<u>1,285,069</u>	<u>1,340,286</u>
Equity			
Capital stock	11	750,497	750,497
Investment shares		791	791
Additional paid-in capital		218,450	218,450
Legal reserve		163,372	163,270
Other reserves		31,897	31,897
Other reserves of equity		(1,491)	2,184
Retained earnings		<u>1,887,623</u>	<u>1,841,761</u>
Shareholders' equity attributable to owners of the parent		3,051,139	3,008,850
Non-controlling interest	12(a)	159,942	154,091
Total equity		<u>3,211,081</u>	<u>3,162,941</u>
Total liabilities and equity		<u>4,496,150</u>	<u>4,503,227</u>

Compañía de Minas Buenaventura S.A.A. and Subsidiaries

Interim consolidated statements of profit or loss (unaudited)

For the three-month periods ended March 31, 2023 and 2022

	Notes	2023 US\$(000)	2022 US\$(000) (restructured, see note 2.3)
Continuing operations			
Operating income			
Sales of goods	13	182,123	227,855
Sales of services		3,375	3,683
Royalty income	15(a)	-	1,381
Total operating income		<u>185,498</u>	<u>232,919</u>
Cost of sales			
Cost of sales of goods, excluding depreciation and amortization	14	(99,171)	(107,418)
Unabsorbed cost due to production stoppage	1(b)	(5,001)	(6,079)
Cost of sales of services, excluding depreciation and amortization		(977)	(550)
Depreciation and amortization		(31,438)	(45,721)
Exploration in operating units		(12,533)	(14,017)
Mining royalties		(4,220)	(4,409)
Total cost of sales		<u>(153,340)</u>	<u>(178,194)</u>
Gross profit		<u>32,158</u>	<u>54,725</u>
Operating income (expenses)			
Administrative expenses		(18,090)	(18,494)
Selling expenses		(3,428)	(4,592)
Exploration in non-operating areas		(1,815)	(2,044)
Reversal of contingencies		7,038	746
Other, net		(3,298)	1,891
Total operating income (expenses)		<u>(19,593)</u>	<u>(22,493)</u>
Operating profit		<u>12,565</u>	<u>32,232</u>
Share in the results of associates and joint venture	6(b)	59,363	75,420
Foreign currency exchange difference		9,407	47,810
Finance income		1,824	9,573
Finance costs		(13,884)	(16,571)
Profit before income tax		<u>69,275</u>	<u>148,464</u>
Current income tax	17(a)	(7,066)	(22,330)
Deferred income tax	17(a)	10,021	8,536
		2,955	(13,794)
Profit from continuing operations		<u>72,230</u>	<u>134,670</u>
Profit from discontinued operations	1(e)	582	479,997
Net profit		<u>72,812</u>	<u>614,667</u>
Profit attributable to:			
Owners of the parent		64,404	604,524
Non-controlling interest	12(a)	8,408	10,143
		<u>72,812</u>	<u>614,667</u>
Basic and diluted profit per share, stated in U.S. dollars			
Attributable to owners of parent		0.25	2.38
Attributable to owners of the parent for continuing operations		0.25	0.49
Attributable to owners of the parent for discontinued operations		-	1.89

Compañía de Minas Buenaventura S.A.A. and Subsidiaries

Interim consolidated statements of other comprehensive income (unaudited)

For the three-month periods ended March 31, 2023 and 2022

	2023 US\$(000)	2022 US\$(000) (restructured, see note 2.3)
Net profit	<u>72,812</u>	<u>614,667</u>
Other comprehensive income (loss) for the period:		
Other comprehensive income (loss) to be reclassified to profit or loss, net of income tax		
Net change in unrealized gain (loss) on copper and zinc prices hedge, net of income tax, note 16(a)	(6,232)	(7,889)
Net change in unrealized gain (loss) on interest rate hedge, net of income tax	<u>-</u>	<u>454</u>
	<u>(6,232)</u>	<u>(7,435)</u>
Total comprehensive income	<u>66,580</u>	<u>607,232</u>
Profit (loss) attributable to:		
Owners of the parent	60,729	600,335
Non-controlling interest	<u>5,851</u>	<u>6,897</u>
	<u>66,580</u>	<u>607,232</u>

Compañía de Minas Buenaventura S.A.A. and Subsidiaries

Interim condensed consolidated statements of changes in shareholders' equity (unaudited)

For the three-month periods ended March 31, 2023 and 2022

Attributable to equity holders of the parent

	Capital stock and investment shares					Other reserves of equity					Sub total US\$(000)	Non-controlling interest US\$(000)	Total equity US\$(000)
	Number of shares Outstanding	Common Shares US\$(000)	Investment shares US\$(000)	Additional paid-in capital US\$(000)	Legal reserve US\$(000)	Other reserves US\$(000)	Share of other comprehensive income of associates and joint venture accounted for using equity method US\$(000)	Cash flow hedges US\$(000)	Retained earnings US\$(000)				
As of January 1, 2022	253,715,190	750,497	791	218,450	163,270	269	(4,023)	(454)	1,239,526	2,368,326	170,205	2,538,531	
Net profit	-	-	-	-	-	-	-	-	604,524	604,524	10,143	614,667	
Other comprehensive income (loss)	-	-	-	-	-	-	(4,643)	454	-	(4,189)	(3,246)	(7,435)	
Total other comprehensive income (loss)	-	-	-	-	-	-	(4,643)	454	604,524	600,335	6,897	607,232	
Dividends declared and not paid, note 11(c)	-	-	-	-	-	-	-	-	(18,542)	(18,542)	(1,105)	(19,647)	
Dividends declared and paid, note 11(c)	-	-	-	-	-	-	-	-	-	-	(1,075)	(1,075)	
Effect of changes in share in subsidiaries, note 1(e)	-	-	-	-	-	31,628	-	-	18,240	49,868	(18,240)	31,628	
Other changes in equity	-	-	-	-	-	-	-	-	(168)	(168)	-	(168)	
As of March 31, 2022, restructured note 2.3	<u>253,715,190</u>	<u>750,497</u>	<u>791</u>	<u>218,450</u>	<u>163,270</u>	<u>31,897</u>	<u>(8,666)</u>	<u>-</u>	<u>1,843,580</u>	<u>2,999,819</u>	<u>156,682</u>	<u>3,156,501</u>	
As of January 1, 2023	253,715,190	750,497	791	218,450	163,270	31,897	2,184	-	1,841,761	3,008,850	154,091	3,162,941	
Net profit	-	-	-	-	-	-	-	-	64,404	64,404	8,408	72,812	
Other comprehensive loss	-	-	-	-	-	-	(3,675)	-	-	(3,675)	(2,557)	(6,232)	
Total other comprehensive income (loss)	-	-	-	-	-	-	(3,675)	-	64,404	60,729	5,851	66,580	
Dividends declared and not paid, note 11(c)	-	-	-	-	-	-	-	-	(18,542)	(18,542)	-	(18,542)	
Expired dividends	-	-	-	-	102	-	-	-	-	102	-	102	
As of March 31, 2023	<u>253,715,190</u>	<u>750,497</u>	<u>791</u>	<u>218,450</u>	<u>163,372</u>	<u>31,897</u>	<u>(1,491)</u>	<u>-</u>	<u>1,887,623</u>	<u>3,051,139</u>	<u>159,942</u>	<u>3,211,081</u>	

Compañía de Minas Buenaventura S.A.A. and Subsidiaries

Interim condensed consolidated statements of cash flows (unaudited)

For the three-month periods ended March 31, 2023 and 2022

	Notes	2023 US\$(000)	2022 US\$(000)
Cash flows of operating activities			
Proceeds from sales of goods and services		183,472	235,299
Recovery from value added tax		8,361	8,027
Interest received		1,471	263
Dividends received from associates	15(a)	401	-
Dividends received from investments		150	-
Royalty received		-	5,643
Payments to suppliers and third parties, and others net		(165,528)	(188,893)
Payments to employees		(32,092)	(33,579)
Interest paid		(17,507)	(20,052)
Short-term and low value lease payments		(8,459)	(7,594)
Income tax and royalties paid to the Peruvian State		(4,494)	(57,497)
Payment of royalties		(3,038)	(2,934)
		<u>(37,263)</u>	<u>(61,317)</u>
Net cash flows used in operating activities			
Cash flows of investing activities			
Payments for acquisition of property, plant and equipment	7(a)	(36,185)	(19,863)
Payments for acquisition of other assets		(248)	(94)
Proceeds from sale of property, plant and equipment		2,139	42
Collection for sale of participation in Yanacocha	1(e)	-	300,000
Collection for purchase of La Zanja shares	1(e)	-	45,000
		<u>(34,294)</u>	<u>325,085</u>
Net cash flows from (used in) investing activities			
Cash flows of financing activities			
Payments of financial obligations	9(d)	(7,759)	(280,396)
Lease payments	9(d)	(1,122)	(1,010)
Decrease of bank accounts in trust	4(a)	13	7
Increase of restricted time deposits		-	29,117
Payments of bank loans		-	(50,000)
Dividends paid to non-controlling interest	11(c)	-	(1,075)
		<u>(8,868)</u>	<u>(303,357)</u>
Net cash flows used in financing activities			
Decrease in cash and cash equivalents		(80,425)	(39,589)
Cash and cash equivalents at beginning of the period	3	<u>253,918</u>	<u>376,999</u>
Cash and cash equivalents at the end of the period	3	<u>173,493</u>	<u>337,410</u>
Financing and investing activities not affecting cash flows:			
Changes in estimates of mine closures plans		6,461	5,476

Compañía de Minas Buenaventura S.A.A. and Subsidiaries

Notes to the interim condensed consolidated financial statements (unaudited)

For the three-month periods ended March 31, 2023 and 2022

1. Identification and business activity

(a) Identification -

Compañía de Minas Buenaventura S.A.A. (hereafter “Buenaventura”, or “the Company”) is a publicly traded corporation incorporated in 1953 in Lima city. The Company stocks are traded on the Lima and New York Stock Exchanges through American Depositary Receipts (ADRs), which represent the Company’s shares deposited in the Bank of New York. The Company’s legal domicile is at Las Begonias Street N°415, San Isidro, Lima, Peru. The Company is the ultimate controlling party.

(b) Business activity -

The Company and its subsidiaries (hereinafter “the Group”), directly or associated with third parties, are principally engaged in the exploration, mining, concentration, smelting and marketing of polymetallic ores and metals.

As of March 31, 2023, the Group operates directly three operating mining units (Orcopampa, Julcani and Tambomayo), one mining unit with temporarily suspended operation (Uchucchacua), two discontinued mining units (Poracota and Shila-Paula) and one mining unit under development stage (San Gabriel). In addition, the Group has a controlling interest in Sociedad Minera El Brocal S.A.A. (hereinafter “El Brocal”), which operates the Colquijirca mining unit; Minera La Zanja S.R.L. (hereinafter “La Zanja”), which operates La Zanja mining unit; El Molle Verde S.A.C. (hereinafter “Molle Verde”) which operates Trapiche, a mining unit at the development stage; and other entities dedicated to energy generation and transmission services and other activities. All these activities are carried out in Peru. In addition, the Group has a non-significant subsidiary in Mexico related to exploration activities.

The legal domicile of the subsidiaries and associates is the same as that of the Company, except for:

- Contacto Corredores de Seguros S.A. whose legal domicile is located at Avenida Del Pinar 180 Offices 902 – 903 Urb. Chacarilla, Surco, Lima, Peru.
- Sociedad Minera Cerro Verde S.A.A. whose legal domicile is located at Calle Jacinto Ibáñez 315, Urb. Parque Industrial, Cercado de Arequipa, Arequipa.
- Tinka Resources Ltd. whose legal domicile is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7 Canada.

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

Temporary suspension of production at the Uchucchacua mining unit -

The Uchucchacua mining unit has presented operational problems that were aggravated by the COVID-19 pandemic (delays in the preparation and exploration of the mine), which forced the Company to reduce the production estimates announced. For this reason, Buenaventura has requested on October 15, 2021 to the Ministry of Energy and Mines, the temporary suspension of activities at its Uchucchacua mine, specifically those related to mining exploitation and benefit.

During the temporary suspension of production, measures were being implemented that will aim to achieve greater operational efficiency, focused on the new strategy focused on exploration activities, re-engineering or redesign of the mine, and on the development of the Yumpag project. Additionally, during the period of temporary suspension of production, the Company will focus on improving the relationship with local communities and will continue with the work related to environmental commitments, such as monitoring, water treatment, waste collection, progressive mine closure, among others. The Company's Management evaluated and concluded that there is no impairment of the assets of the Uchucchacua mining unit as a result of the analysis of the recoverable amount based on its value in use, this because the stoppage has not significantly affected the value in use.

As a result, the industrial activities in the subsidiary Procesadora Industrial Río Seco S.A. (which receives raw materials from the Uchucchacua mining unit) are suspended until the restart of Uchucchacua's operations schedule to the second half of 2023.

(c) Approval of interim condensed consolidated financial statements -

The interim condensed consolidated financial statements as of March 31, 2023 were approved and authorized for issue by the Board of Directors on April 27, 2023 and subsequent events have been considered through that date.

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

- (d) The consolidated financial statements include the financial statements of the following companies:

	Country of incorporation and business	Ownership as of			
		March 31, 2023		December 31, 2022	
		Direct	Indirect	Direct	Indirect
		%	%	%	%
Mining activities:					
Compañía de Minas Buenaventura S.A.A. (*)	Peru	100.00	-	100.00	-
Compañía Minera Condesa S.A.	Peru	100.00	-	100.00	-
Compañía Minera Colquirrumi S.A.	Peru	100.00	-	100.00	-
Sociedad Minera El Brocal S.A.A. (**)	Peru	3.19	58.24	3.19	58.24
Inversiones Colquijirca S.A. (**)	Peru	89.76	10.24	89.76	10.24
S.M.R.L. Chaupiloma Dos de Cajamarca	Peru	33.00	67.00	33.00	67.00
Minera La Zanja S.R.L.	Peru	100.00	-	100.00	-
Minera Julcani S.A. de C.V.	Mexico	99.80	0.20	99.80	0.20
El Molle Verde S.A.C.	Peru	99.98	0.02	99.98	0.02
Apu Coropuna S.R.L.	Peru	70.00	-	70.00	-
Cerro Hablador S.A.C.	Peru	99.00	1.00	99.00	1.00
Minera Azola S.A.C.	Peru	99.00	1.00	99.00	1.00
Energy generation and transmission services:					
Consorcio Energético de Huancavelica S.A.	Peru	100.00	-	100.00	-
Empresa de Generación Huanza S.A.	Peru	-	100.00	-	100.00
Insurance brokerage:					
Contacto Corredores de Seguros S.A.	Peru	99.98	0.02	99.98	0.02
Industrial activities:					
Procesadora Industrial Río Seco S.A.	Peru	100.00	-	100.00	-

(*) As of March 31, 2023 and December 31, 2022 includes three operating mining units in Peru (Orcopampa, Julcani and Tambomayo), one temporarily suspend operation (Uchucchacua), two discontinued mining units (Poracota and Shila-Paula), and one mining unit under development stage (San Gabriel).

(**) As of March 31, 2023 and December 31, 2022, the participation of the Company in the voting rights of El Brocal is 61.43 percent. Inversiones Colquijirca S.A. (hereafter "Colquijirca"), a Group's subsidiary (100.00 percent as of March 31, 2023 and as of December 31, 2022), has an interest in El Brocal's capital stock, through which the Company holds an indirect participation in El Brocal of 58.24 percent as of March 31, 2023 and December 31, 2022.

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

(e) Discontinued operations

As of March 31, 2023 and 2022, the mining units with discontinued operations were Poracota and Shila-Paula. Information of income, expenses and results of discontinued mining units are presented below:

	2023	2022
	US\$(000)	US\$(000)
Operating income (expenses)		
Reversal of contingents	1,461	344
Administrative expenses	(115)	(84)
Gain for sale of Yanacocha investment	-	300,000
Reversal of liability included s classified as held for sale of Yanacocha	-	265,590
Reversal of unrealized result of Yanacocha	-	356
Other, net	(726)	(13)
Total operating income	<u>620</u>	<u>566,193</u>
Operating profit	620	566,193
Financial costs	(38)	(30)
Exchange difference net	-	(5)
Profit before income tax	582	566,158
Current income tax	-	(44,747)
Deferred income tax	-	(41,414)
	<u>-</u>	<u>(86,161)</u>
Profit from continuing operations	<u>582</u>	<u>479,997</u>

In addition, during the three-month periods ended March 31, 2023 and 2022, there were no net cash flows generated by the discontinued mining units.

On February 7, 2022, Buenaventura entered into definitive agreements with Newmont Corporation (hereinafter "Newmont") to sell all of the shares it owned in Yanacocha for a consideration collected in full in February 2022 of US\$300,000,000, as well as contingent payments linked to the production of the Sulphides Project that Yanacocha plans to develop and future increases in mineral prices, payments that can amount to up to US\$100,000,000. Additionally, the subsidiary Chaupiloma transferred all its mining concessions to Yanacocha, maintaining as consideration for this transfer a royalty equal to the one it currently receives from Yanacocha, as well as two additional royalties on concessions that may house future projects. Similarly, Newmont transferred in favor of Buenaventura its shares in the subsidiary La Zanja, in exchange for a royalty on the future production of said mining unit. On the other hand, Newmont paid US\$45,000,000 (US\$31,628,000 net of tax income) to Buenaventura in order to cover part of the future costs of the La Zanja closure plan.

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

2. Basis for preparation, consolidation and changes in accounting policies

2.1. Basis of preparation and presentation -

The unaudited interim condensed consolidated financial statements have been prepared and presented in accordance with IAS 34 - "Interim Financial Reporting" and using the same accounting policies applied in preparing the annual financial statements, except for the income tax expense that is recognized, according to IAS 34, for each interim period based on the best estimate of the weighted average annual income effective tax rate expected for the full financial year.

The unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis, from the accounting records of the Group, except for financial the derivative financial instruments and financial assets and liabilities that have been measured at fair value through profit or loss and discontinued operations that have been valued at the lower of (i) their carrying amount and (ii) its fair value less cost to sell.

The unaudited interim condensed consolidated financial statements are stated in U.S. dollars and all values have been rounded to the nearest thousands, except when otherwise indicated.

The unaudited interim condensed consolidated financial statements provide comparative information for prior periods, however, do not include all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's audited consolidated financial statements as of December 31, 2022.

2.2. New standards and interpretations adopted by the Group -

The accounting policies used by the Group for the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements as of December 31, 2022, except for the adoption of the new standards effective from January 1, 2023. The Group has not early adopted any standard, interpretation or modification issued and not yet effective.

Certain standards and amendments apply from January 1, 2023; however, they do not impact the unaudited interim condensed consolidated financial statements of the Group as of March 31, 2023 and, therefore, they have not been disclosed.

Definition of Accounting Estimates - Amendments to IAS 8 -

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify how entities should use measurement techniques and inputs to develop accounting estimates. The amendment has no impact in the interim condensed consolidated financial statements.

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 - the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality. In making decisions about accounting policy disclosures. The amendment has no impact in the interim condensed consolidated financial statements, but expected to affect the Company's annual accounting policy disclosures.

Deferred tax related to assets and liabilities arising from a single transaction –

The amendments to IAS 12 Income Taxes reduce the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal and deductible temporary taxes. Differences such as leases and decommissioning liabilities. The amendments had no impact on the interim condensed consolidated financial statements.

2.3. Restated of comparative information -

In application of the provisions of IAS 8, the Group retroactively restructured the financial statements as of March 31, 2022, as mentioned in note 1(e), during the first quarter of 2022, Buenaventura received a consideration from Newmont for US\$45,000,000 which was initially recognized as income in the interim condensed consolidated statement of income. During the third quarter of 2022, Buenaventura reassessed the accounting treatment of the transaction, and concluded that the changes in the interest in the subsidiary La Zanja did not give rise to a loss of control and its effects should be recognized directly as an equity item.

The impact on the income statement is detailed below:

	For the three-month periods ended March 31, 2022		
	Original US\$(000)	Adjustments US\$(000)	Restated US\$(000)
Other, net	46,891	(45,000)	1,891
Total operating income (expenses)	22,507	(45,000)	(22,493)
Operating income (loss)	77,232	(45,000)	32,232
Profit (loss) before income tax	193,464	(45,000)	148,464
Deferred income tax	(4,836)	13,372	8,536
Profit (loss) from continuing operations	166,298	(31,628)	134,670
Profit net per basic share and diluted - US\$ dollars	2.50		2.38

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

3. Cash and cash equivalents

This caption is made up as follow:

	As of March 31, 2023 US\$(000)	As of December 31, 2022 US\$(000)
Cash on hand	141	134
Balances with banks (i)	51,272	43,633
Short-term deposits (ii)	<u>122,080</u>	<u>210,151</u>
	<u>173,493</u>	<u>253,918</u>

(i) Banks accounts are freely available and earn interest at floating rates based on market rates.

(ii) As of March 31, 2023 and December 31, 2022, time deposits were kept in prime financial institutions, which generated interest at annual market rates and have original current maturities, according to the immediate cash needs of the Group.

4. Trade and other receivables

(a) This caption is made up as follows:

	As of March 31, 2023 US\$(000)	As of December 31, 2022 US\$(000)
Trade receivables		
Domestic clients	132,790	127,750
Foreign clients	31,244	40,229
Related entities, note 15(b)	<u>283</u>	<u>367</u>
	164,317	168,346
Allowance for expected credit losses (b)	<u>(22,276)</u>	<u>(22,276)</u>
	<u>142,041</u>	<u>146,070</u>
Other receivables		
Tax claims (c)	639,840	631,478
Value added tax credit	56,308	52,589
Related entities, note 15(b)	50,734	2,842
Other receivables to third parties	28,557	30,175
Advances to suppliers	13,775	14,392
Tax deposits (e)	3,836	8,296
Refund applications of value added tax (d)	2,375	3,330
Interest receivables	2,133	2,305
Due from for sales of properties and concessions	1,993	2,119
Hedge derivative financial instruments, note 16	1,976	2,506
Public Works Tax Deduction	1,214	1,196
Restricted bank accounts	1,079	1,092
Loans to third parties	370	365
Loans to personal	200	629
Other receivables	<u>85</u>	<u>248</u>
	804,475	753,562
Allowance for expected credit losses (b)	<u>(4,124)</u>	<u>(4,106)</u>
	<u>800,351</u>	<u>749,456</u>
Total trade and other receivables	<u>942,392</u>	<u>895,526</u>

Notes to the interim condensed consolidated financial statements
(unaudited) (continued)

	As of March 31, 2023	As of December 31, 2022
	US\$(000)	US\$(000)
Classification by maturity:		
Current portion	256,428	221,899
Non-current portion	685,964	673,627
Total trade and other receivables	<u>942,392</u>	<u>895,526</u>
Classification by nature:		
Financial receivables	882,495	838,411
Non-financial receivables	59,897	57,115
Total trade and other receivables	<u>942,392</u>	<u>895,526</u>
Classification by measurement:		
Trade receivables (not subject to provisional prices)	23,176	16,503
Trade receivables (subject to provisional prices)	118,865	129,567
Other accounts receivables	800,351	749,456
Total trade and other receivables	<u>942,392</u>	<u>895,526</u>

- (b) In the opinion of the Group's Management, the balance of the allowance for expected credit losses is sufficient to cover adequately the risks of failure to date of the interim condensed consolidated statement of financial position.

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

- (c) Corresponds to seizures and forced payments of tax debts that are in litigation and that, in the opinion of Management and its legal advisors, a favorable result should be obtained in the judicial and administrative processes that have been initiated, see note 7(c) of the audited annual consolidated financial statements:

Concept	Disbursement Date	As of March 31, 2023 US\$(000)	As of December 31, 2022 US\$(000)
<i>Buenaventura -</i>			
Payment of tax debt in relation to fiscal year 2007 - 2008	July 2021	420,361	414,841
Payment of tax debt in relation to fiscal year 2010	July 2021	94,915	93,669
Payment of tax debt in relation to fiscal year 2009	July 2021	51,463	50,787
SUNAT seizure for payment on account from January to December 2009; January and February 2010	December 2019	32,002	31,581
Forced payment of part of the tax liability debt for fiscal year 2007	November and December 2020	19,176	18,925
SUNAT seizure for payment on account on Income Tax 2007-2008-2009	January 2021	5,102	5,035
Payment of tax debt in relation to fiscal year 2017	December 2022	2,454	2,422
Payment of the tax liability debt imputed by SUNAT in the IGV inspection process January-December 2014 to benefit from the gradual nature of the fine	November 2020	1,262	1,246
Inminsur's tax liability debt (absorbed by Buenaventura), by the inspection process for the years 1996-1997 and claimed in court	May 2017	798	787
Claim payment to OSINERGMIN for the year 2015	December 2022	629	621
Claim payment to OSINERGMIN for the year 2014	August 2021	621	612
Forced payment of part of the tax debt for fiscal year 2010	December 2022	479	474
		629,262	621,000
<i>El Brocal -</i>			
Forced payment of part of the tax debt for fiscal year 2014	January 2021	1,295	1,278
Payment of the fine for the benefit of reducing the fine for fiscal year 2015	January 2020	266	262
		1,561	1,540
<i>Río Seco -</i>			
Forced payment of part of the VAT tax liability for 2012	July to September 2019	3,230	3,238
Forced payment of part of the tax debt for fiscal year 2020	November 2022	630	609
		3,860	3,847

Notes to the interim condensed consolidated financial statements
(unaudited) (continued)

Concept	Disbursement Date	As of March 31, 2023 US\$(000)	As of December 31, 2022 US\$(000)
Huanza - Payment of tax debt in relation to fiscal year 2017	December 2022	1,621	1,600
La Zanja - SUNAT seizure for income tax for fiscal year 2016	October 2022	2,384	2,353
Forced payment of part of the tax debt for fiscal year 2013 - 2015	April 2021	814	804
		3,198	3,157
Chaupiloma - SUNAT seizure for income tax for fiscal year 2011	September 2021	338	334
		639,840	631,478

- (d) Corresponds mainly to current period refunds applications that are pending as of March 31, 2023.
- (e) Corresponds to deposits held in the Peruvian State bank, which only can be used to offset that the Group have the Tax Authorities.

5. Inventories

- (a) This caption is made up as follows:

	As of March 31, 2023 US\$(000)	As of December 31, 2022 US\$(000)
Finished goods	465	1,267
Products in process	32,685	27,212
Spare parts and supplies	92,346	89,708
	125,496	118,187
Provision for impairment of value of inventory (b)	(37,232)	(29,842)
	88,264	88,345

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

- (b) In the opinion of Group's Management, the provision for impairment of value of inventories adequately covers this risk as of the date of the interim condensed consolidated statements of financial position. The provision for impairment of value of inventory had the following movement:

	2023 US\$(000)	2022 US\$(000)
As of January 1,	29,842	30,774
<i>Continuing operations:</i>		
Finished and in progress goods, note 14 -		
Provision for impairment	7,781	5,536
Reversal for impairment	(391)	(5,883)
	<u>7,390</u>	<u>(347)</u>
As of March 31,	<u>37,232</u>	<u>30,427</u>

6. Investments in associates and joint venture

- (a) This caption is made up as follows:

	<u>Share in equity</u>		As of March 31,	As of December 31,
	2023	2022	2023	2022
	%	%	US\$(000)	US\$(000)
Investments in associates				
Sociedad Minera Cerro Verde S.A.A.	19.58	19.58	1,425,919	1,408,260
Compañía Minera Coimolache S.A.	40.10	40.10	91,180	98,388
Tinka Resources Ltd.	19.32	19.32	10,278	10,678
			<u>1,527,377</u>	<u>1,517,326</u>
Joint venture			2,436	2,486
Financial investments			1,165	1,165
			<u>1,530,978</u>	<u>1,520,977</u>

- (b) The table below presents the net share in profit (loss) of associates and joint venture:

	2023 US\$(000)	2022 US\$(000)
Associates		
Sociedad Minera Cerro Verde S.A.A.	66,620	74,381
Compañía Minera Coimolache S.A.	(6,807)	1,024
Tinka Resources Ltd.	(400)	-
	<u>59,413</u>	<u>75,405</u>
Joint venture	(50)	15
	<u>59,363</u>	<u>75,420</u>

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

(c) Changes in this caption are as follows:

	2023 US\$(000)	2022 US\$(000)
As of January 1,	1,520,977	1,422,295
Net share in profit of associates and joint venture (b)	59,363	75,420
Dividends received and not collected, note 15(a)	(48,961)	(29,377)
Dividends received and collected, note 15(a)	(401)	-
Translation adjustments and other minor	-	(168)
As of March 31,	<u>1,530,978</u>	<u>1,468,170</u>

7. Property, plant, equipment and development costs

(a) This caption is made up as follow:

	Cost US\$(000)	Accumulated depreciation / amortization US\$(000)	Provision for impairment of long-lived assets US\$(000)	Net cost US\$(000)
As of January 1, 2023	3,958,613	(2,416,873)	(6,545)	1,535,195
Additions	47,166	(35,498)	-	11,668
Disposals	(15)	15	-	-
Sales	(352)	352	-	-
As of March 31, 2023	<u>4,005,412</u>	<u>(2,452,004)</u>	<u>(6,545)</u>	<u>1,546,863</u>
As of January 1, 2022	3,851,044	(2,286,755)	(26,419)	1,537,870
Additions	25,339	(53,756)	-	(28,417)
Disposals	(50)	50	-	-
Sales	(151)	151	-	-
As of March 31, 2022	<u>3,876,182</u>	<u>(2,340,310)</u>	<u>(26,419)</u>	<u>1,509,453</u>

(b) The net right of use assets maintained by the Group correspond to the following:

	As of March 31, 2023 US\$(000)	As of December 31, 2022 US\$(000)
Buildings	10,142	10,484
Transportation units	1,111	1,380
Machinery and equipment	596	896
	<u>11,849</u>	<u>12,760</u>

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

(c) Below is distribution of the depreciation expenses of the period:

	As of March 31, 2023 US\$(000)	As of March 31, 2022 US\$(000)
Cost of sales of goods	29,493	48,213
Cost of sales of services	2,035	2,033
Unabsorbed cost due to production stoppage	3,099	2,731
Administrative expenses	495	469
Property, plant, equipment and development cost	317	248
Exploration in non-operating areas	26	25
Selling expenses	23	23
Discontinued operations	1	3
Other, net	9	11
	<u>35,498</u>	<u>53,756</u>

8. Trade and other payables

This caption is made up as follows:

	As of March 31, 2023 US\$(000)	As of December 31, 2022 US\$(000)
Trade payables		
Domestic suppliers	132,104	181,071
Related entities, note 15(b)	195	163
	<u>132,299</u>	<u>181,234</u>
Other payables		
Remuneration and similar benefits payable	29,856	35,996
Dividends payable, note 11(c)	19,048	639
Taxes payable	10,591	8,910
Interest payable	7,023	14,911
Royalties payable to the Peruvian State	2,396	1,895
Related entities, note 15(b)	10	20
Exploration expenses payable	-	4,053
Other liabilities	2,949	3,884
	<u>71,873</u>	<u>70,308</u>
Total trade and other payables	<u>204,172</u>	<u>251,542</u>
Classification by maturity:		
Current portion	199,771	247,989
Non-current portion	4,401	3,553
Total trade and other payables	<u>204,172</u>	<u>251,542</u>
Classification by nature:		
Financial payables	191,185	240,737
Non-financial payables	12,987	10,805
Total trade and other payables	<u>204,172</u>	<u>251,542</u>

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

9. Financial obligations

(a) This caption is made up as follow:

	As of March 31, 2023 US\$(000)	As of December 31, 2022 US\$(000)
Compañía de Minas Buenaventura S.A.A.		
Bonds -		
Senior Notes at 5.50% due 2026	542,409	541,980
Sociedad Minera El Brocal S.A.A. (b)		
Banco de Crédito del Perú – Financial obligation	90,938	96,976
Empresa de Generación Huanza S.A.		
Banco de Crédito del Perú – Finance lease	84,938	86,625
Lease liabilities -		
Finance lease (c)	<u>11,977</u>	<u>12,953</u>
Total financial obligations	<u>730,262</u>	<u>738,534</u>
Classification by maturity:		
Current portion	34,698	35,071
Non-current portion	<u>695,564</u>	<u>703,463</u>
Total financial obligations	<u>730,262</u>	<u>738,534</u>

(b) As of the first quarter of 2023, El Brocal and Banco de Crédito del Perú agreed through an addendum to modify the Compensatory Interest Rate for Tranche B, replacing the three-month “LIBOR” rate with the three month “SOFR” rate. Additionally, the "Spread" is modified from 2.39 percent to 2.65 percent. This modification of the Compensatory Interest Rate has not generated a significant impact on financial interests

The compliance with the financial ratios is monitored by El Brocal' s management. According to the lease contract mentioned above, El Brocal is required to maintain the following financial ratios as defined in the agreement:

- (i) Debt service coverage ratio: Higher than 1.3.
- (ii) Leverage Ratio: Less than 1.0 times.
- (iii) Indebtedness ratio: Less than 2.25 times.

The financial obligation is collateralized by a security agreement in respect of assets; certain contractual rights, flows and account balances, a real estate mortgage; and a mortgage on certain mining concessions.

As of March 31, 2023 and December 31, 2022, El Brocal complies with the coverage and indebtedness ratios.

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

(c) Lease liabilities related to the right of use asset are as follows:

	2023 US\$(000)	2022 US\$(000)
Buildings	8,392	8,814
Transportation units	2,292	2,719
Machinery and equipment	1,295	1,420
	<u>11,979</u>	<u>12,953</u>
Classification by maturity:		
Current portion	3,409	3,639
Non-current portion	8,570	9,314
	<u>11,979</u>	<u>12,953</u>

Lease payments are presented in the consolidated statements of cash flows in “Lease payments” caption as part of the financing activities. Interest’s expense related to the lease liabilities for the three-month periods ended March 31, 2023 and 2022 is presented in the “Financial costs” caption.

(e) Below is presented the movement of the item for the three-month periods ended March 31, 2023 and 2022:

	2023 US\$(000)	2022 US\$(000)
Beginning balance as of January 1,	738,534	1,057,975
<i>Bonds -</i>		
Amortization of bond issuance costs	429	500
<i>Financial obligations -</i>		
Payments	(7,759)	(280,396)
Amortization of debt issuance costs in results	33	2,741
Reversal of debt restructuring costs by prepayment	-	(8,855)
Effect of amortized cost	-	186
<i>Lease obligations -</i>		
Additions	137	-
Accretion expense	10	32
Payments	(1,122)	(1,010)
Final balance as of March 31,	<u>730,262</u>	<u>771,173</u>

10. Commitments and contingencies

Included in note 31 of annual consolidated financial statements is a disclosure of the material contingencies outstanding as of December 31, 2022. As of March 31, 2023, there was not significant changes in contingent liabilities or contingent assets since the last annual reporting date.

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

11. Equity

(a) Capital stock -

The Group's share capital is stated in soles and consisted of common shares with voting rights, with a nominal amount of S/10.00 per share. The table below presents the composition of the capital stock as of March 31, 2023 and December 31, 2022:

	Number of shares	Capital stock S/(000)	Capital stock US\$(000)
Common shares	274,889,924	2,748,899	813,162
Treasury shares	<u>(21,174,734)</u>	<u>(211,747)</u>	<u>(62,665)</u>
	<u>253,715,190</u>	<u>2,537,152</u>	<u>750,497</u>

(b) Investment shares -

Investment shares have a nominal value of S/10.00 per share. Holders of investment shares are neither entitled to exercise voting rights nor to participate in shareholders' meetings; however, they confer upon the holders thereof the right to participate in the dividend's distribution. The table below presents the composition of the investment shares as of March 31, 2023 and December 31, 2022:

	Number of shares	Capital stock S/(000)	Capital stock US\$(000)
Investment shares	744,640	7,447	2,161
Treasury investment shares	<u>(472,963)</u>	<u>(4,730)</u>	<u>(1,370)</u>
	<u>271,677</u>	<u>2,717</u>	<u>791</u>

(c) Dividends

By means of Mandatory Annual Shareholders' Meeting held on March 31, 2023, a distribution of dividends was approved for US\$0.073 per share, equivalent to US\$20,121,323 (US\$18,542,000 net of treasury shares). Dividends are pending payment as of March 31, 2023 and the delivery date is May 4, 2023.

By means of Mandatory Annual Shareholders' Meeting held on March 31, 2022, a distribution of dividends was approved for US\$0.073 per share, equivalent to US\$20,121,323 (US\$18,542,000 net of treasury shares).

During the three period ended March 31, 2023 dividends corresponding to non-controlling shareholders were not declared. Dividends declared corresponding to non-controlling interest were US\$2,180,000 for the three-month period ended March 31, 2022.

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

(d) Basic and diluted profit per share -

Profit per share is calculated by dividing net profit for the three-month periods ended March 31, 2023 and 2022 by the weighted average number of shares outstanding during that period. The calculation of profit per share is presented below:

	2023	2022
Gain for the period (numerator) - US\$	64,404,000	604,524,000
Total common and investment shares (denominator)	<u>253,986,867</u>	<u>253,986,867</u>
Gain net per basic share and diluted - US\$	<u>0.25</u>	<u>2.38</u>

12. Subsidiaries with material non-controlling interest

(a) Financial information of the main subsidiaries that have material non-controlling interest are provided below:

	Country of incorporation and operation	As of March 31, 2023 %	As of December 31, 2022 %
Equity interest held by non-controlling interests:			
Sociedad Minera El Brocal S.A.A.	Peru	38.57	38.57
S.M.R.L. Chaupiloma Dos de Cajamarca	Peru	40.00	30.00
		As of March 31, 2023 US\$(000)	As of December 31, 2022 US\$(000)
Accumulated balances of material non-controlling interest:			
Sociedad Minera El Brocal S.A.A.		160,028	154,175
Apu Coropuna S.R.L.		(86)	(84)
		<u>159,942</u>	<u>154,091</u>
		As of March 31, 2023 US\$(000)	As of December 31, 2022 US\$(000)
Profit (loss) allocated to material non-controlling interest:			
Sociedad Minera El Brocal S.A.A.		8,409	9,545
Apu Coropuna S.R.L.		(1)	9
S.M.R.L. Chaupiloma Dos de Cajamarca		-	1,105
Minera La Zanja S.R.L.		-	(516)
		<u>8,408</u>	<u>10,143</u>

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

- (b) The summarized financial information of these subsidiaries, before inter-company eliminations, is presented below:

Statements of financial position as of March 31, 2023 and December 31, 2022:

	As of March 31, 2023		As of December 31, 2022	
	Sociedad Minera El Brocal S.A.A. US\$(000)	Apu Coropuna S.R.L. US\$(000)	Sociedad Minera El Brocal S.A.A. US\$(000)	Apu Coropuna S.R.L. US\$(000)
Current assets	178,823	448	197,691	471
Non-current assets	471,610	2	470,539	-
Current liabilities	(141,873)	-	(167,718)	(11)
Non-current liabilities	(117,008)	(740)	(123,280)	(740)
Equity	391,552	(290)	377,232	(280)
Attributable to:				
Shareholders of the Group	231,524	(204)	223,057	(196)
Non-controlling interests	160,028	(86)	154,175	(84)
	391,552	(290)	377,232	(280)

Statements of profit or loss for the three-month periods ended March 31, 2023 and 2022:

	Sociedad Minera El Brocal S.A.A.	Apu Coropuna S.R.L.		
	US\$(000)	US\$(000)		
2023 -				
Revenues	96,955	-		
Net profit (loss)	20,515	(8)		
Attributable to non-controlling interests	8,384	(1)		
			S.M.R.L. Chaupiloma Dos de Cajamarca	Apu Coropuna S.R.L.
	Sociedad Minera El Brocal S.A.A.	Minera La Zanja S.R.L.	US\$(000)	US\$(000)
	US\$(000)	US\$(000)	US\$(000)	US\$(000)
2022 -				
Revenues	122,088	12,267	1,381	-
Net profit (loss)	23,236	(3,867)	2,764	29
Attributable to non-controlling interests	9,229	(1,824)	1,105	9

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

Statements of cash flow for the three-month periods ended March 31, 2023 and 2022:

	Sociedad Minera El Brocal S.A.A. US\$(000)	Apu Coropuna S.R.L. US\$(000)
2023 -		
Operating activities	13,018	(21)
Investing activities	(13,648)	-
Financing activities	(6,313)	-
	<u>(6,943)</u>	<u>(21)</u>
2022 -		
Operating activities	16,534	(3)
Investing activities	(8,101)	-
Financing activities	(5,600)	-
	<u>2,833</u>	<u>(3)</u>

13. Sales of goods

The table below presents the detail of sales of goods to customers:

	2023 US\$(000)	2022 US\$(000)
Sales by metal -		
Copper	105,558	96,609
Gold	68,012	76,150
Silver	29,516	45,504
Zinc	2,619	41,786
Lead	2,931	10,845
Manganese sulfate	-	360
Antimony	-	17
	<u>208,636</u>	<u>271,271</u>
Commercial deduction	(40,469)	(50,883)
	168,167	220,388
Adjustments to prior period liquidations	10,079	6,116
Hedge operations, note 16	6,056	(4,057)
Fair value of accounts receivables	(2,179)	5,408
Sale of goods	<u>182,123</u>	<u>227,855</u>

For the three-month period ended March 31, 2023, the three customers with sales of more than 10 percent of total sales represented 74 percent from the total sales of the Group (the three customers with sales represented 75 percent for the three-month period ended March 31, 2022).

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

14. Cost of sales of goods and services, without considering depreciation and amortization

The cost of sales of goods is made up as follows:

	2023 US\$(000)	2022 US\$(000)
Beginning balance of finished goods and products in process, net of depreciation and amortization	21,835	29,983
Cost of production		
Services provided by third parties	33,164	41,357
Consumption of materials and supplies	19,787	23,080
Direct labor	18,020	20,470
Short-term and low-value lease	6,330	6,183
Electricity and water	4,497	4,137
Insurance	3,846	4,036
Maintenance and repair	3,506	3,607
Transport	2,625	2,808
Other cost of production	1,647	2,583
Provision (reversal) for impairment of finished goods and product in progress, note 5(b)	7,390	(347)
Total cost of production of the period	100,812	107,914
Final balance of products in process and finished goods, net of depreciation and amortization	(23,476)	(30,479)
Cost of sales of goods, without considering depreciation and amortization	99,171	107,418

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

15. Related entities transactions

(a) Main transactions made by the Group with its related parties:

	2023 US\$(000)	2022 US\$(000)
Associates -		
Dividends received and collected from:		
Compañía Minera Coimolache S.A.	401	-
Dividends received and not collected from:		
Sociedad Minera Cerro Verde S.A.A., note 15(b)	48,961	29,377
Revenue from:		
Energy	718	913
Supplies	65	52
Royalties	-	1,381
Services rendered to:		
Administrative and Management services	172	200
Operation and maintenance services related to energy transmission	79	84
Services of energy transmission	-	213
Purchases from:		
Supplies	27	16
Joint Venture -		
Interest received from:		
Transportadora Callao S.A.	19	23
Non-controlling shareholders -		
Dividends paid to:		
Newmont Peru Limited - Sucursal del Perú	-	1,075
Dividends not paid to:		
Newmont Peru Limited - Sucursal del Perú	-	1,105

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

- (b) As a result of the transactions indicated and other minors, the Group had the following accounts receivable and payable from/to related parties:

	As of March 31, 2023	As of December 31, 2022
	US\$(000)	US\$(000)
Trade receivables, note 4(a)		
Compañía Minera Coimolache S.A.	283	55
Minera Yanacocha S.R.L.	-	312
	<u>283</u>	<u>367</u>
Other receivables, note 4(a)		
Sociedad Minera Cerro Verde S.A.A., note 15(a)	48,961	-
Transportadora Callao S.A.	1,632	1,612
Compañía Minera Coimolache S.A.	141	1,025
Ferrocarril Central Andino S.A.	-	150
Banco Pichincha	-	55
	<u>50,734</u>	<u>2,842</u>
	<u>51,017</u>	<u>3,209</u>
Trade payables, note 8		
Compañía Minera Coimolache S.A.	<u>195</u>	<u>163</u>
Other payables, note 8		
Others	<u>10</u>	<u>20</u>
	<u>205</u>	<u>183</u>

The trade and other receivables from related entities corresponds mainly to disbursements made to these entities in order to finance their operating activities, which generate interest at fixed market rates.

For the three-month periods ended March 31, 2023 and 2022, there is no allowance for expected credit losses related to related parties accounts.

- (c) The account receivable from Consorcio Transportadora Callao S.A. corresponds to the disbursements made between 2011 and 2013 by the subsidiary El Brocal in order to participate in the joint venture.
- (d) Key officers -
As of March 31, 2023 and December 31, 2022, loans to employees, directors and key personnel amounts to US\$2,000 and US\$1,000, respectively, are paid monthly and earn interest at market rates.

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

There are no loans to the Group's directors and key personnel guaranteed with Buenaventura or any of its Subsidiaries' shares.

The Group's key executives' compensation (including the related income taxes assumed by the Group) are presented below:

	As of March 31, 2023 US\$(000)	As of December 31, 2022 US\$(000)
Accounts payable:		
Bonus to officers	15,817	14,861
Salaries	1,310	933
Directors' compensations	<u>1,076</u>	<u>3,455</u>
	<u>18,203</u>	<u>19,249</u>
	As of March 31, 2023 US\$(000)	As of December 31, 2022 US\$(000)
Disbursements:		
Salaries	3,439	10,230
Directors' compensations	<u>3,834</u>	<u>2,956</u>
	<u>7,273</u>	<u>13,186</u>
Expenses:		
Salaries	4,750	11,163
Directors' compensations	<u>1,076</u>	<u>3,455</u>
	<u>5,826</u>	<u>14,618</u>

16. Hedge derivative financial instruments –

Copper and Zinc prices hedge –

The volatility of copper prices has caused El Brocal's management to enter into forward contracts. These contracts are intended to reduce the volatility of the cash flows attributable to the fluctuations in the copper and zinc price in accordance with existing copper concentrate sales commitments, which are related to 50% of the annual production of copper and 25% of the production of two years of zinc, according to the risk strategy approved by the Board of Directors.

For the three-month periods ended March 31, 2023 and 2022, the effect of hedge derivative financial instruments in profit or loss was a gain of US\$6,056,000 and a loss of US\$4,057,000, respectively (and it is show in the "Sales of goods" caption, note 13).

As of March 31, 2023, El Brocal maintained the account receivable of US\$1,976,000 for closed position which have been collected in the first days of April (as of December 31, 2022 the account receivable of US\$2,506,000), note 4(a).

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

As of March 31, 2023, El Brocal no maintained hedging derivative financial instruments to be closed.

As of December 31, 2022, the table below presents the composition of open transactions designated as hedging derivative financial instruments:

Quotation period	Concentrate	Metric tons	Quotations		Fair value US\$(000)
			Fixed US\$/DMT(*)	Futures US\$/DMT(*)	
January 2023	Copper	2,000	10,185	8,344	4,332
February 2023	Copper	1,500	10,109	8,350	1,867
March 2023	Copper	1,500	10,153	8,353	2,640
		<u>5,000</u>			<u>8,839</u>

(*) DMT= Dry metric ton.

Changes in "Hedge derivative financial instruments" is included in "unrealized gain (loss) on hedge derivate financial instruments of copper and zinc prices hedge" in the consolidated statements of other comprehensive income. For the three-month periods ended March 31, 2023 and 2022, the Group obtained an unrealized loss of US\$8,839,000 and US\$11,173,000, respectively, which are included in the caption "Loss from copper and zinc price hedges" of the interim condensed statement of comprehensive income (unrealized loss of US\$6,232,000 and US\$7,889,000 net of income taxes, respectively).

17. Income taxes

(a) The following is the composition of the provision for income taxes shown in the consolidated statement of income for the three-month periods ended March 31, 2023 and 2022:

	2023 US\$(000)	2022 US\$(000) (restructured, see note 2.3)
Income tax		
Current	(5,852)	(20,545)
Deferred	10,021	8,587
	<u>4,169</u>	<u>(11,958)</u>
Mining Royalties and Special Mining Tax		
Current	(1,214)	(1,785)
Deferred	-	(51)
	<u>(1,214)</u>	<u>(1,836)</u>
Total income tax	<u>2,955</u>	<u>(13,794)</u>

(b) During the three-month period ended March 31, 2023 and 2022, the effective income tax rates were 4% and 2%, respectively.

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

The variation for the three-month periods ended March 31, 2023 and 2022 due to the following: i) changes in projections of results before taxes from one period to another; and ii) projections of the projected exchange rate as of December 31, 2023 and 2022.

18. Disclosure of information on segments

Management has determined its operating segments based on reports that the Group's Chief Operating Decision Maker (CODM) uses for making decisions. The Group is organized into business units based on its products and services, activities and geographic locations. The broad categories of the Group's business units are:

- Production and sale of minerals.
- Exploration and development activities.
- Energy generation and transmission services.
- Insurance brokerage.
- Rental of mining concessions.
- Holding of investment in shares.
- Industrial activities.

The CODM monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the Group's consolidated financial statements. In addition, the Group's financing and income taxes are managed at the corporate level and are not allocated to the operating segments.

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

	Equity accounted investees																Total operating segments	Adjustments and eliminations	Total
	Colquijirca (Operation)	Uchucchacua (Temporary suspension)	Tambomayo (Operation)	La Zanja (Operation)	Julcani (Operation)	Oropampa (Operation)	Exploration and development mining projects	Energy generation and transmission	Insurance brokerage	Rental of mining concessions	Holding of investment in shares	Industrial (Temporary suspension)	Corporate	Sociedad Minera Cerro Verde S.A.A	Compañía Minera Coimolache S.A.	Tinka Resources Ltd.			
	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)
As of March 31, 2023																			
Profit or loss:																			
Continuing operations																			
Operating income																			
Sales of goods	96,955	1,698	28,275	5,670	8,773	39,698	-	-	-	-	6,477	-	1,188,720	13,770	-	-	1,390,036	(1,207,913)	182,123
Sales of services	-	-	-	-	-	-	-	10,678	2,434	-	105	-	-	-	-	-	13,217	(9,842)	3,375
Royalty income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating income	96,955	1,698	28,275	5,670	8,773	39,698	-	10,678	2,434	-	105	6,477	-	1,188,720	13,770	-	1,403,253	(1,217,755)	185,498
Cost of sales																			
Cost of sales of goods, excluding depreciation and amortization	(52,026)	-	(16,949)	(9,149)	(7,029)	(17,718)	-	-	-	-	(5,937)	-	(611,659)	(22,388)	-	-	(742,855)	643,684	(99,171)
Unabsorbed cost due to production stoppage	-	(5,644)	-	-	-	-	-	-	-	-	-	(700)	-	-	-	-	(6,344)	1,343	(5,001)
Cost of sales of services, excluding depreciation and amortization	-	-	-	-	-	-	-	(5,307)	-	-	-	-	-	-	-	-	(5,307)	4,330	(977)
Depreciation and amortization	(8,501)	(1,590)	(12,359)	(1,001)	(1,358)	(3,005)	-	(2,257)	-	-	(1,521)	-	-	(7,863)	-	-	(39,455)	8,017	(31,438)
Exploration in operating units	(2,142)	(6,518)	(601)	(196)	(1,418)	(1,658)	-	-	-	-	-	-	-	(3,514)	-	-	(16,047)	3,514	(12,533)
Mining royalties	(365)	(15)	(270)	(72)	(83)	(3,416)	-	-	-	-	-	-	-	(136)	-	-	(4,357)	137	(4,220)
Total costs of sales	(63,034)	(13,767)	(30,179)	(10,418)	(9,888)	(25,797)	-	(7,564)	-	-	(8,158)	-	(611,659)	(33,901)	-	-	(814,365)	661,025	(153,340)
Gross profit (loss)	33,921	(12,069)	(1,904)	(4,748)	(1,115)	13,901	-	3,114	2,434	-	105	(1,681)	-	577,061	(20,131)	-	588,888	(556,730)	32,158
Operating income (expenses)																			
Administrative expenses	(2,384)	(204)	(3,473)	(595)	(1,087)	(4,874)	(409)	(723)	(3,064)	(25)	(146)	(108)	(1,250)	-	(1,025)	-	(19,367)	1,277	(18,090)
Selling expenses	(1,802)	(653)	(512)	(27)	(63)	(165)	-	(172)	-	-	-	(34)	-	(38,322)	(123)	-	(41,873)	38,445	(3,428)
Exploration in non-operating areas	(333)	-	-	(499)	-	-	(115)	-	-	-	-	-	(893)	-	-	-	(1,840)	25	(1,815)
Reversal (provision) of contingencies	1,855	539	(474)	(39)	1,351	32	(90)	77	-	-	-	-	1,866	-	(18)	-	5,099	1,939	7,038
Other, net	(545)	(569)	(4)	(129)	(202)	(538)	12	(433)	-	1,410	(59)	(2)	96	(5,202)	155	-	(6,010)	2,712	(3,298)
Total operating income (expenses)	(3,209)	(887)	(4,463)	(1,289)	(1)	(5,545)	(602)	(1,251)	(3,064)	1,385	(205)	(144)	(181)	(43,524)	(1,011)	-	(63,991)	44,398	(19,593)
Operating profit (loss)	30,712	(12,956)	(6,367)	(6,037)	(1,116)	8,356	(602)	1,863	(630)	1,385	(100)	(1,825)	(181)	533,537	(21,142)	-	524,897	(512,332)	12,565
Share in the results of associates and joint venture	(49)	-	-	-	-	-	-	963	-	-	12,083	-	67,262	-	-	-	80,259	(20,896)	59,363
Foreign currency exchange difference	26	91	53	(87)	29	13	177	24	6	5	710	165	8,195	11,056	316	-	20,779	(11,372)	9,407
Finance income	227	2	1	224	-	-	3	294	-	15	74	55	957	7,124	1,553	-	10,529	(8,705)	1,824
Finance costs	(1,977)	(290)	(195)	(740)	(224)	(448)	(126)	(1,062)	(8)	-	-	(3)	(8,811)	(26,880)	(1,256)	-	(42,020)	28,136	(13,884)
Profit (loss) before income tax	28,939	(13,153)	(6,508)	(6,640)	(1,311)	7,921	(548)	2,082	(632)	1,405	12,767	(1,608)	67,422	524,837	(20,529)	-	594,444	(525,169)	69,275
Current income tax	(5,827)	(3)	(54)	-	(18)	(76)	-	(606)	-	(482)	-	-	-	(207,080)	-	-	(214,146)	207,080	(7,066)
Deferred income tax	(2,597)	-	-	39	-	-	-	249	95	-	-	2,144	10,066	10,683	3,782	-	24,461	(14,440)	10,021
	(8,424)	(3)	(54)	39	(18)	(76)	-	(357)	95	(482)	-	2,144	10,066	(196,397)	3,782	-	(189,685)	192,640	2,955
Profit (loss) from continuing operations	20,515	(13,156)	(6,562)	(6,601)	(1,329)	7,845	(548)	1,725	(537)	923	12,767	536	77,488	328,440	(16,747)	-	404,759	(332,529)	72,230
Profit from discontinued operations, net of taxes																			582
Net profit for the period																			72,812
Total assets as of March 31, 2023	650,433	134,939	185,457	63,601	40,846	58,094	515,879	376,233	11,883	4,218	241,006	71,149	3,071,687	8,289,682	343,133	58,564	14,116,804	(9,620,654)	4,496,150
Total liabilities as of March 31, 2023	258,881	45,915	26,958	71,819	35,312	51,223	18,464	128,369	4,091	129	158	4,368	661,263	1,561,226	112,683	405	2,981,264	(1,696,195)	1,285,069
Investments in associates and joint venture as of March 31, 2023	-	-	-	-	-	-	-	122,612	-	-	222,252	-	2,127,938	-	-	-	2,472,802	(941,824)	1,530,978
Acquisitions of property, plant and equipment as of March 31, 2023	13,648	9,064	4	39	16	353	12,957	41	-	-	-	4	59	-	-	-	36,185	-	36,185

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

														Equity accounted investees			Total operating segments	Adjustments and eliminations	Total	
	Colquijirca (Operation)	Uchucchacua (Temporary suspension)	Tambomayo (Operation)	La Zanja (Operation)	Julcani (Operation)	Orcopampa (Operation)	Exploration and development mining	Energy generation and transmission	Insurance brokerage	Rental of mining concessions	Holding of investment in shares	Industrial (Temporary suspension)	Corporate	Sociedad Minera Cerro Verde S.A.A	Compañía Minera Coimolache S.A.	Tinka Resources Ltd.				
	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	
As of March 31, 2022																				
Profit or loss:																				
Continuing operations																				
Operating income																				
Sales of goods	122,088	70	41,192	12,267	15,409	37,429	-	-	-	-	11,667	-	1,216,596	40,174	-	1,496,892	(1,269,037)	227,855		
Sales of services	-	-	-	-	-	-	-	12,843	2,197	-	-	-	-	-	-	15,147	(11,464)	3,683		
Royalty income	-	-	-	-	-	-	-	-	-	1,381	-	-	-	-	-	1,381	-	1,381		
Total operating income	122,088	70	41,192	12,267	15,409	37,429	-	12,843	2,197	1,381	107	11,667	-	1,216,596	40,174	-	1,513,420	(1,280,501)	232,919	
Cost of sales																				
Cost of sales of goods, excluding depreciation and amortization	(59,598)	-	(19,110)	(11,482)	(7,688)	(14,563)	-	-	-	-	-	(13,440)	-	(618,130)	(25,043)	-	(769,054)	661,636	(107,418)	
Unabsorbed cost due to production stoppage	-	(7,047)	-	-	-	-	-	-	-	-	-	(292)	-	-	-	-	(7,339)	1,260	(6,079)	
Cost of sales of services, excluding depreciation and amortization	-	-	-	-	-	-	-	(4,811)	-	-	-	-	-	-	-	-	-	(4,811)	4,261	(550)
Depreciation and amortization	(19,804)	(2,328)	(16,016)	(1,151)	(1,268)	(2,167)	-	(2,255)	-	-	-	(886)	-	-	(10,591)	-	(56,466)	10,745	(45,721)	
Exploration in operating units	(3,965)	(2,852)	(2,326)	(719)	(1,469)	(2,686)	-	-	-	-	-	-	-	-	(2,124)	-	(16,141)	2,124	(14,017)	
Mining royalties	(532)	-	(363)	(115)	(135)	(3,264)	-	-	-	-	-	-	-	-	(375)	-	(4,784)	375	(4,409)	
Total costs of sales	(83,899)	(12,227)	(37,815)	(13,467)	(10,560)	(22,680)	-	(7,066)	-	-	-	(14,618)	-	(618,130)	(38,133)	-	(858,595)	680,401	(178,194)	
Gross profit (loss)	38,189	(12,157)	3,377	(1,200)	4,849	14,749	-	5,777	2,197	1,381	107	(2,951)	-	598,466	2,041	-	654,825	(600,100)	54,725	
Operating income (expenses)																				
Administrative expenses	(1,950)	(32)	(4,062)	(684)	(1,509)	(3,698)	(178)	(625)	(2,782)	(49)	(144)	(219)	(2,596)	-	(905)	-	(19,433)	939	(18,494)	
Selling expenses	(2,296)	(445)	(1,401)	(34)	(157)	(154)	-	(178)	-	-	-	(60)	-	-	(256)	-	(4,981)	389	(4,592)	
Exploration in non-operating areas	(522)	-	-	(627)	-	-	(86)	-	-	-	-	-	(817)	-	-	-	(2,052)	8	(2,044)	
Reversal (provision) of contingencies	282	49	(85)	126	16	(33)	(5)	198	-	-	-	-	122	-	94	-	764	(18)	746	
Other, net	(41)	(147)	(311)	108	(211)	(111)	1	(647)	-	2,520	(2,523)	23	1,610	-	372	-	643	1,248	1,891	
Total operating income (expenses)	(4,527)	(575)	(5,859)	(1,111)	(1,861)	(3,996)	(268)	(1,252)	(2,782)	2,471	(2,667)	(256)	(1,681)	-	(695)	-	(25,059)	2,566	(22,493)	
Operating profit (loss)	33,662	(12,732)	(2,482)	(2,311)	2,988	10,753	(268)	4,525	(585)	3,852	(2,560)	(3,207)	(1,681)	598,466	1,346	-	629,766	(597,534)	32,232	
Share in the results of associates and joint venture	14	-	-	-	-	-	-	2,707	-	-	14,728	-	89,795	-	-	-	107,244	(31,824)	75,420	
Foreign currency exchange difference	482	(453)	(90)	247	(10)	(92)	(17)	(76)	(86)	(29)	955	1,548	44,504	13,255	3	-	60,141	(12,331)	47,810	
Finance income	42	-	-	136	-	-	-	21	-	1	221	8	9,168	-	101	-	9,698	(125)	9,573	
Finance costs	(1,465)	(97)	(68)	(323)	(90)	(129)	(71)	(1,083)	(12)	(1)	(27)	(18)	(13,197)	(3,330)	(531)	-	(20,442)	3,871	(16,571)	
Profit (loss) before income tax	32,735	(13,282)	(2,640)	(2,251)	2,888	10,532	(356)	6,094	(683)	3,823	13,317	(1,669)	128,589	608,391	919	-	786,407	(637,943)	148,464	
Current income tax	(8,156)	-	(131)	-	(48)	(118)	-	(1,351)	-	(1,059)	1,208	-	(11,194)	(9,550)	(125)	-	(30,524)	8,194	(22,330)	
Deferred income tax	(1,343)	-	-	(1,616)	-	-	-	513	261	-	(107)	542	10,287	(219,034)	1,224	-	(209,273)	217,809	8,536	
	(9,499)	-	(131)	(1,616)	(48)	(118)	-	(838)	261	(1,059)	1,101	542	(907)	(228,584)	1,099	-	(239,797)	226,003	(13,794)	
Profit (loss) from continuing operations	23,236	(13,282)	(2,771)	(3,867)	2,840	10,414	(356)	5,256	(422)	2,764	14,418	(1,127)	127,682	379,807	2,018	-	546,610	(411,940)	134,670	
Profit from discontinued operations, net of taxes																				
Net profit for the period																				
Total assets as of December 31, 2022	668,230	127,479	197,550	79,038	34,131	62,083	496,198	377,679	14,436	3,306	231,820	74,266	3,047,322	7,993,863	365,585	63,461	13,836,447	(9,333,220)	4,503,227	
Total liabilities as of December 31, 2022	290,998	55,792	29,654	80,655	31,388	52,429	21,844	131,540	6,107	139	226	7,981	655,598	1,342,436	117,388	473	2,824,648	(1,484,362)	1,340,286	
Investments in associates and joint venture as of December 31, 2022	2,486	-	-	-	-	-	-	121,650	-	-	213,682	-	2,099,568	-	-	-	2,437,386	(916,409)	1,520,977	
Acquisitions of property, plant and equipment as of March 31, 2022	(8,115)	4,907	845	(34)	16	619	2,819	9	-	-	3	-	1,180	-	(4,484)	-	(2,235)	22,098	19,863	

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Colquijirca (Operation) US\$(000)	Uchucchacua (Temporary suspension) US\$(000)	Tambomayo (Operation) US\$(000)	La Zanja (Operation) US\$(000)	Julcani (Operation) US\$(000)	Orcopampa (Operation) US\$(000)	Energy generation and transmission US\$(000)	Insurance brokerage US\$(000)	Rental of mining concessions US\$(000)	Holding of investment in shares US\$(000)	Industrial (Temporary suspension) US\$(000)	Total operating segments US\$(000)	Adjustments and eliminations US\$(000)	Total US\$(000)
Revenues by type of customers:														
For the three-month periods ended as of March 31, 2023														
Sales by customers -														
External	96,955	1,698	28,275	247	8,773	39,698	-	-	-	-	6,477	182,123	-	182,123
Inter-segment	-	-	-	5,423	-	-	-	-	-	-	-	5,423	(5,423)	-
	<u>96,955</u>	<u>1,698</u>	<u>28,275</u>	<u>5,670</u>	<u>8,773</u>	<u>39,698</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,477</u>	<u>187,546</u>	<u>(5,423)</u>	<u>182,123</u>
Services -														
External	-	-	-	-	-	-	941	2,434	-	-	-	3,375	-	3,375
Inter-segment	-	-	-	-	-	-	9,737	-	-	105	-	9,842	(9,842)	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,678</u>	<u>2,434</u>	<u>-</u>	<u>105</u>	<u>-</u>	<u>13,217</u>	<u>(9,842)</u>	<u>3,375</u>
Royalties -														
External	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<u>96,955</u>	<u>1,698</u>	<u>28,275</u>	<u>5,670</u>	<u>8,773</u>	<u>39,698</u>	<u>10,678</u>	<u>2,434</u>	<u>-</u>	<u>105</u>	<u>6,477</u>	<u>200,763</u>	<u>(15,265)</u>	<u>185,498</u>
For the three-month periods ended as of March 31, 2022														
Sales by customers -														
External	122,088	70	41,192	-	15,409	37,429	-	-	-	-	11,667	227,855	-	227,855
Inter-segment	-	-	-	12,267	-	-	-	-	-	-	-	12,267	(12,267)	-
	<u>122,088</u>	<u>70</u>	<u>41,192</u>	<u>12,267</u>	<u>15,409</u>	<u>37,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,667</u>	<u>240,122</u>	<u>(12,267)</u>	<u>227,855</u>
Services -														
External	-	-	-	-	-	-	1,486	2,197	-	-	-	3,683	-	3,683
Inter-segment	-	-	-	-	-	-	11,357	-	-	107	-	11,464	(11,464)	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,843</u>	<u>2,197</u>	<u>-</u>	<u>107</u>	<u>-</u>	<u>15,147</u>	<u>(11,464)</u>	<u>3,683</u>
Royalties -														
External	-	-	-	-	-	-	-	-	1,381	-	-	1,381	-	1,381
	<u>122,088</u>	<u>70</u>	<u>41,192</u>	<u>12,267</u>	<u>15,409</u>	<u>37,429</u>	<u>12,843</u>	<u>2,197</u>	<u>1,381</u>	<u>107</u>	<u>11,667</u>	<u>256,650</u>	<u>(23,731)</u>	<u>232,919</u>

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

Reconciliation of segment profit (loss)

The reconciliation of segment profit (loss) to the consolidated profit (loss) from continued operations for the three-month periods ended March 31, 2023 and 2022 follows:

	2023 US\$(000)	2022 US\$(000)
Segments profit	404,759	578,238
Elimination of profit of equity accounted investees, not consolidated (owned by third parties)	(311,693)	(381,825)
Elimination of intercompany sales	(15,263)	(23,731)
Elimination of cost of sales and operating expenses intercompany	15,292	26,009
Elimination of share in the results of subsidiaries and associates	(20,896)	(31,824)
Others	31	(569)
Consolidated profit from continued operations	<u>72,230</u>	<u>166,298</u>

Reconciliation of segment assets

The reconciliation of segment assets to the consolidated assets follows:

	As of March 31, 2023 US\$(000)	As of December 31, 2022 US\$(000)
Segments assets	14,116,804	13,836,447
Elimination of assets of equity accounted investees, not consolidated (owned by third parties)	(8,691,379)	(8,422,909)
Elimination of the subsidiaries and associates of the Parent company	(944,261)	(920,601)
Elimination of intercompany receivables	(6,665)	(16,921)
Others	21,651	27,211
Consolidated assets	<u>4,496,150</u>	<u>4,503,227</u>

Reconciliation of segment liabilities

The reconciliation of segment liabilities to the consolidated liabilities follows:

	As of March 31, 2023 US\$(000)	As of December 31, 2022 US\$(000)
Segments liabilities	2,981,264	2,824,648
Elimination of liabilities of equity accounted investees, not consolidated	(1,674,314)	(1,460,297)
Elimination of intercompany payables	(21,881)	(24,140)
Others	-	75
Consolidated liabilities	<u>1,285,069</u>	<u>1,340,286</u>

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

19. Fair value measurement

This note provides an update on the judgements and estimates made by the Group in determining the fair values of the financial instruments since the last annual financial report.

- (a) Fair value disclosure of assets and liabilities according to its hierarchy -

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

	Carrying value US\$(000)	Fair value measurement using:		
		Quoted prices in active markets (Level 1)	Observable inputs (Level 2)	Unobservable inputs (Level 3)
		US\$(000)	US\$(000)	US\$(000)
As of March 31, 2023 –				
Assets and liabilities measured at fair value:				
Fair value of account receivable (subject to provisional pricing)	118,865	–	118,865	–
Contingent consideration liability	17,711	–	–	17,711
Fair value of liabilities at amortized cost:				
Financial obligations	656,904	–	656,904	–
As of December 31, 2022 –				
Assets and liabilities measured at fair value:				
Fair value of account receivable (subject to provisional pricing)	129,567	–	129,567	–
Contingent consideration liability	16,905	–	–	16,905
Hedge instruments liability (asset)	8,839	–	8,839	–
Fair value of liabilities at amortized cost:				
Financial obligations	672,110	–	672,110	–

- (b) Financial instruments whose fair value is similar to their book value –

For financial assets and liabilities such as cash and cash equivalents, trade and other receivables, trade and other payables that are liquid or have short-term maturities (less than three months), it is estimated that their book value is similar to their fair value. The derivatives are also recorded at the fair value so that differences do not need to be reported.

The fair value of account receivable is determined using valuation techniques with information directly observable in the market (future metal quotations).

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

(c) Financial instruments at fixed and variable rates –

The fair value of financial assets and liabilities at fixed and variable rates at amortized cost is determined by comparing the market interest rates at the time of their initial recognition to the current market rates with regard to similar financial instruments. The estimated fair value of deposits that accrue interest is determined by means of cash flows discounted using the prevailing market interest rates in the currency with similar maturities and credit risks.

Based on the foregoing, there are no important existing difference between the value in books and the fair value of the assets and financial liabilities as of March 31, 2023 and December 31, 2022.

There were no transfers between Level 1 and Level 2 for the three-month periods ended March 31, 2023 and 2022.

(d) *Fair value measurements using significant unobservable inputs (level 3) –*

The following table summarizes the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Description	Fair value as of March 31, 2023	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Contingent consideration liability with Minera Gold Fields Peru S.A.	17,711	Rate before tax	12.91%	A change in the discount rate by 10% higher/lower, the fair value would increase/decrease in US\$3.1 million.
		Expected revenues annual average (US\$000)	210,947	If expected sales change by 10% higher/lower, the fair value would increase/decrease in US\$3.7 million.

20. Events after the reporting period

No significant events were identified, that have occurred between the reporting period and the issuance date of the consolidated financial statements approved by the Board of Directors on April 27, 2023, that must be disclosed.

In accordance with International Financial Reporting Standards - IFRS, the accompanying financial statements were prepared based on the conditions existing as of March 31, 2023 and considering those events that occurred after that date that provided evidence of conditions that existed at the end of the reporting period up to their issuance date.