Translation of a report and consolidated financial statements originally issued in Spanish - See Note 38 to the consolidated financial statements

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

Consolidated Financial Statements for the years ended December 31, 2023, 2022 and 2021 and Report of Independent Accounting Firm

Building a better working world

Translation of a report and consolidated financial statements originally issued in Spanish - See Note 38 to the consolidated financial statements

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

Consolidated Financial Statements for the years ended December 31, 2023, 2022 and 2021, and Report of Independent Accounting Firm

Content

Tanaka, Valdivia & Asociados
Sociedad Civil de R. L

Translation of a report originally issued in Spanish –
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Report of Independent Accounting Firm

To the Board of Directors and Shareholders of Compañía de Minas Buenaventura S.A.A.

Opinion

We have audited the consolidated financial statements of Compañía de Minas Buenaventura S.A.A. and subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2023, and the consolidated statement of profit or loss, the consolidated statement of other comprehensive income (loss), the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standard Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) approved for its application in Peru by the Board of Deans of Peruvian Public Accounting Associations. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Peru, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report of Independent Accounting Firm (continue)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

	Impairment of Property, plant, equipment and development cost
Description of the Matter	As of December 31, 2023, the net book value of the Group's property, plant, equipment and development costs was US$1,600.29 million. Related disclosures are included in Note 2.4(m) and Note 11(b) to the consolidated financial statements. The Group reviews and evaluates its property, plant, equipment and development costs for impairment, on each reporting date, or when events or changes in circumstances indicate that the related book values, at the Cash Generating Unit (CGU) Level, may not be recoverable. When the Group determines the existence of indicators of significant impairment, Management performs an evaluation to determine if there is impairment. There is impairment when the book value of an asset or CGU exceeds its recoverable amount, the recoverable amount being the higher of fair value less costs to sell and value in use. On the other hand, 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 or CGU since the last impairment loss was recognized. The Group has estimated the value in use at the level of each CGU with indicators to test the impairment of its property, plant, equipment and development costs. During

Report of Independent Accounting Firm (continue)

Impairment of Property, plant, equipment and development cost

2023, the Group has not recorded impairment on the book value of its properties, plant, equipment and development costs.

The audit carried out on the impairment assessment of the Group's property, plant, equipment and development costs was complex and involved judgment due to the importance of this estimate in determining the value in use of each CGU. In particular, estimates of value in use were sensitive to significant assumptions such as production volumes, mine life, market price of metals, residual value of assets and discount rates reflecting current market assessments of the time value of money, and the specific risks associated with each CGU, including estimated amounts of recoverable minerals and residual value.

The Group involved independent consultants and appraisers to validate the estimated amount of recoverable mineral reserves and the residual value of long-lived assets that were used as part of the impairment analyses, respectively.

How We Addressed the Matter in Our Audit

We obtained an understanding of the design of the controls executed by the Management of the Group on the evaluation process of impairment of property, plant, equipment and development costs, including the process to identify and evaluate possible indicators of impairment and reversal; as well as an understanding of the review carried out by the Group of the significant assumptions, the projected financial information and the methodology used to develop said estimates.

To test the estimated value in use of the Group's CGUs with impairment indicators, we carried out audit procedures that included, among others, evaluating estimation methodology and testing the significant assumptions discussed above, as well as the underlying data used by the Group in its analysis.

Impairment of Property, plant, equipment and development cost

We evaluate projected financial information of CGUs with impairment indicators by comparing commodity prices with available market information and internal business plans. We also assess future production levels used in impairment analyses, which are based on life-of-mine plans, against historical estimates and actual results. Additionally, we evaluate the Group's estimated quantities of recoverable minerals by comparing them with the historical operating performance of each CGU.

We involved our valuation specialists to help us compare commodity price assumptions with market data and analyst forecasts. Additionally, our valuation specialists reviewed the discount rates used, comparing them to current industry and economic trends, and evaluated the specific risk premiums applied.

Likewise, we involved independent appraisers to assist us in reviewing the estimated residual value of long-lived assets for those CGUs with impairment indicatores in which a significant variation in this assumption could result in the recognition of an impairment provision.

We also perform a sensitivity analysis on significant assumptions to assess any changes in the recoverable value of the CGUs that might result from changes in these assumptions.

We assess the competence and objectivity of the independent consultants, as well as the competence of the Group's.

In addition, we assess the disclosure of this matter in Note 2.4(m) and Note 11(b) to the consolidated financial statements.

Impairment of Property, plant, equipment and development cost

Uncertain tax positions

Description of the Matter

As disclosed in the Notes 7(c) and Note 31(d) to the consolidated financial statements, the Group has identified certain contingencies related to income tax associated with the fiscal years 2007 to 2010, 2013 and 2014, 2017 and 2018. In these years, the tax authorities pertinent parties have challenged the tax treatment applied by the Group under the Peruvian income tax law. As of December 31, 2023, the Group has recognized assets for tax claim for payments made under protest to the tax authority for an amount of $526.5 million, as a result of payments made to the tax authorities as part of the tax claim process in Peru, but for which the Group is disputing the validity of the assessment made by the tax authorities. As of December 31, 2023, the Group's Management concluded that the probabilities of recovering a portion of the payments made under protest to the Tax Administration related to fiscal years 2009 and 2010 were less than 50%, for which it was recognized with effect on the results of the year a Liability due to a claim to the Tax Administration for US$113.2 million.

Uncertainty in a tax position may arise when there is uncertainty as to the applicability of income tax law, or the applicability of tax law to a particular transaction, or both. The Group uses significant judgment to determine, based on technical merits, whether its tax position is more likely to be upheld in determining the recoverable amount of the payments made under protest related to income tax.

The audit of the estimate of uncertain tax positions and recoverability related to assets for claims to SUNAT for payments made under protest, before the uncertain tax treatment is resolved, requires a high degree of auditor judgment and a significant audit effort due to the complexity and judgment used by the Group in the determination, based on interpretations of the income tax legislation and legal provisions in Peru.

Report of Independent Accounting Firm (continue)

	Impairment of Property, plant, equipment and development cost
How We Addressed the Matter in Our Audit	We obtained an understanding of the design of the controls by the Group's Management on the accounting process for the determination of income tax, including uncertain tax positions and tax contingencies, for this we obtained an understanding of the review carried out by the administration on the technical merits of uncertain tax positions, disputed tax assessments, and determination and approval of the recoverable amount of assets for claims to SUNAT for payments made under protest Our audit procedures included, among others, the evaluation of the assumptions used by the Group to develop its uncertain tax positions based on the Peruvian income tax laws, the review of the amounts recognized as assets and liabilities, including the inspection and analysis of these matters by internal lawyers. and external to the Group. In addition, we involve our tax professionals to assess the technical merits of the Group's tax position and to assess the application of relevant tax law and accounting guidance when assessing the recognition and recoverability of assets for claims to SUNAT for payments made under protest. In addition, we evaluate the disclosure of this matter in Notes 7(c) and 31(d) to the consolidated financial statements.

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Report of Independent Accounting Firm (continue)

Other information included in The Group's 2023 Annual Report

Other information consists of the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read and consider the Annual Report for December 31, 2022, if we conclude that it contains a material misstatement, we will communicate the identified matter to those charged with governance of the Group.

Responsibilities of management for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Report of Independent Accounting Firm (continue)

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Report of Independent Accounting Firm (continue)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Translation of a report originally issued in Spanish –
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Report of Independent Accounting Firm (continue)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lima, Peru
February 29, 2024

Signed by:

Tanaka, Valdivia & Asociados

Elizabeth Fontenla
C.P.C. Register N° 25063

Translation of consolidated financial statements originally issued in Spanish - See Note 38 to the consolidated financial statements

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

Consolidated statements of financial position

As of December 31, 2023 and 2022

	Notes	2023 US$(000)	2022 US$(000)
Assets			
Current assets			
Cash and cash equivalents	6(a) and 2.4(c)	219,790	253,918
Trade and other receivables	7(a) and 2.4(b)(i)	240,319	221,899
Inventories	8(a) and 2.4(d)	76,527	88,345
Income tax credit	30(f) and 2.4(s)	15,150	28,046
Prepaid expenses	9(a) and 2.4(g)	25,976	19,333
Hedge derivative financial instruments	34(a) y 2.4(u)	-	8,839
		577,762	620,380
Non-current assets			
Trade and other receivables	7(a) and 2.4(b)(i)	612,880	673,627
Investments in associates and joint venture	10(a) and 2.4(f)	1,527,123	1,520,977
Property, plant, equipment and development cost	11(a) and 2.4(e)(h)(i)(j)	1,600,295	1,535,195
Deferred income tax asset	30(b) and 2.4(s)	131,863	106,170
Prepaid expenses	9(a) and 2.4(g)	22,148	23,033
Assets for current income taxes	30(f) and 2.4(s)	1,909	-
Other non-financial assets	12(a) and 2.4(w)	59,819	23,845
		3,956,037	3,882,847
Total assets		4,533,799	4,503,227
Liabilities and equity			
Current liabilities			
Trade and other payables	14(a) and 2.4(b)(ii)	293,621	247,989
Financial obligations	16(a) and 2.4(b)(ii)	34,219	35,071
Provisions	15(a) and 2.4(n)	107,491	94,171
Income tax payable	30(f) and 2.4(s)	6,274	2,366
		441,605	379,597
Non-current liabilities			
Trade and other payables	14(a) and 2.4(b)(ii)	5,385	3,553
Financial obligations	16(a) and 2.4(b)(ii)	672,361	703,463
Provisions	15(a) and 2.4(n)	193,209	204,347
Contingent consideration liability	29(c) and 2.4(g)	21,614	16,905
Deferred income tax liabilities	30(b) and 2.4(s)	30,414	32,421
		922,983	960,689
Total liabilities		1,364,588	1,340,286
Equity	17 and 2.4(o)		
Capital stock		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		(96)	2,184
Retained earnings		1,841,549	1,841,761
Shareholders' equity attributable to owners of the		3,006,460	3,008,850
Non-controlling interest	18(a) and 2.4(e)	162,751	154,091
Total equity		3,169,211	3,162,941
Total liabilities and equity		4,533,799	4,503,227

Translation of consolidated financial statements originally issued in Spanish - See Note 38 to the consolidated financial statements

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

Consolidated statements of profit or loss

For the years ended December 31, 2023, 2022 and 2021

	Notes	2023 US$(000)	2022 US$(000)	2021 US$(000)
Continuing operations				
Operating income				
Sales of goods	20(b) and 2.4(p)	810,961	801,199	863,470
Sales of services	20(b) and 2.4(p)	12,884	22,222	21,052
Royalty income	20(b) and 2.4(p)	–	1,381	15,928
Total operating income		823,845	824,802	900,450
Cost of sales				
Cost of sales of goods, excluding depreciation and amortization	21(a) and 2.4(x)	(457,354)	(461,942)	(529,731)
Unabsorbed cost due to production stoppage	22 and 2.4(x)	(19,893)	(23,058)	(25,509)
Cost of sales of services, excluding depreciation and amortization	21(b) and 2.4(x)	(6,243)	(3,163)	(1,269)
Depreciation and amortization	2.4(h)(w)	(181,039)	(176,781)	(187,211)
Exploration in operating units	23 and 2.4(k)	(49,229)	(80,796)	(56,412)
Mining royalties	24 and 2.4(s)	(18,839)	(17,733)	(12,974)
Total cost of sales		(732,597)	(763,473)	(813,106)
Gross profit		91,248	61,329	87,344
Operating income (expenses)				
Administrative expenses	25 and 2.4(x)	(69,183)	(67,728)	(67,585)
Selling expenses	26 and 2.4(x)	(19,392)	(20,222)	(20,827)
Exploration in non-operating areas	27 and 2.4(k)	(13,452)	(14,252)	(11,270)
Reversal (provision) of contingencies and others	15(a) and 2.3(aa)	6,927	(2,935)	(2,687)
Impairment recovery (loss) of long-lived assets	11(b) and 2.4(m)	-	19,874	(14,910)
Write – off of stripping activity asset	2.4(l)		-	(6,763)
Other, net	28(a) and 2.4(x)	24,973	(15,085)	(29,260)
Total operating income (expenses)		(70,127)	(100,348)	(153,302)
Operating Profit (loss)		21,121	(39,019)	(65,958)
Share in the results of associates and joint venture	10(b) and 2.4(f)	152,225	176,270	240,450
Foreign currency exchange difference	5 and 2.4(a)	19,375	26,871	(18,686)
Finance income	29(a) and 2.4(p)	9,057	14,443	5,952
Finance costs	29(a) and 2.4(u)(p)	(119,254)	(54,136)	(60,629)
Profit before income tax		82,524	124,429	101,129
Current income tax	30(c) and 2.4(s)	(69,306)	(15,633)	(20,375)
Deferred income tax	30(c) and 2.4(s)	26,312	15,592	44,046
Total income tax		(42,994)	(41)	23,671
Profit from continuing operations		39,530	124,388	124,800
Discontinued operations				
(Loss) profit from discontinued operations	1(e) and 2.4(v)	(6,848)	478,547	(387,604)
Profit (loss)		32,682	602,935	(262,804)
Profit (loss) attributable to:				
Owners of the parent		19,855	602,550	(264,075)
Non-controlling interest	18(a) and 2.4(e)	12,827	385	1,271
Net Profit (loss)		32,682	602,935	(262,804)
Basic and diluted profit (loss) per share, stated in U.S. dollars				
Attributable to owners of parent	17(e) and 2.4(z)	0.08	2.372	(1.040)
Attributable to owners of the parent for continuing operations	17(e) and 2.4(z)	0.11	0.49	0.49
Attributable to owners of the parent for discontinued operations	17(e) and 2.4(z)	(0.03)	1.88	(1.53)

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

Consolidated statements of comprehensive income (loss)

For the years ended December 31, 2023, 2022 and 2021

	2023	2022	2021
	US$(000)	US$(000)	US$(000)
Net Profit (loss)	32,682	602,935	(262,804)
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 34(a)	(6,232)	10,696	6,678
Net change in unrealized gain (loss) on interest rate hedge, net of income tax, note 34(b)	-	454	1,403
Share of other comprehensive income of associates accounted for using equity method, net of income tax, note 10(d)	3	(101)	(335)
Total other comprehensive income (loss) that will be reclassified to profit or loss, net of income tax	(6,229)	11,049	7,746
Total comprehensive income (loss), net of income tax	26,453	613,984	(255,058)
Comprehensive income (loss) attributable to:			
Owners of the parent	16,186	609,211	(259,026)
Non-controlling interest	10,267	4,773	3,968
	26,453	613,984	(255,058)

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

Consolidated statements of changes in equity

For the years ended December 31, 2023, 2022 and 2021

	Shareholders' equity attributable to owners of the parent											
	Capital stock, net of treasury shares						Other reserves of equity					
	Number of shares outstanding	Common shares	Investment shares	Additional paid-in capital	Legal reserve	Other reserves	Share in ORI of associates integral de	Cash flow hedge instruments	Retained earnings	Total	Non-controlling interest	Total equity
		US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
As of January 1, 2021	253,715,190	750,497	791	218,450	163,194	269	(7,668)	(1,858)	1,503,785	2,627,460	172,397	2,799,857
Net profit (loss)	–	–	–	–	–	–	–	-	(264,075)	(264,075)	1,271	(262,804)
Other comprehensive income	–	–	–	–	–	–	3,645	1,404	–	5,049	2,697	7,746
Total comprehensive income (loss)	–	–	–	–	–	–	3,645	1,404	(264,075)	(259,026)	3,968	(255,058)
Dividends declared and paid, note 17(d)	–	–	–	–	–	–	–	–	–	–	(6,160)	(6,160)
Other changes in equity	–	–	–	–	–	–	–	–	(184)	(184)	–	(184)
Expired dividends, note 17(c)	–	–	–	–	76	–	–	–	–	76	–	76
As of December 31, 2021	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	–	–	–	–	–	–	-	-	602,550	602,550	385	602,935
Other comprehensive loss	–	–	–	–	–	–	6,207	454	-	6,661	4,388	11,049
Total comprehensive income (loss)	–	–	–	–	–	–	6,207	454	602,550	609,211	4,773	613,984
Dividends declared and paid, note 17(d)	-	-	-	-	-	-	-	-	(18,542)	(18,542)	(2,647)	(21,189)
Effect of changes in share in subsidiaries, note 1(d)	-	-	-	-	-	31,628	-	-	18,240	49,868	(18,240)	31,628
Other changes in equity	-	-	-	-	-	-	-	-	(13)	(13)	-	(13)
As of December 31, 2022	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	–	–	–	–	–	-	-	-	19,855	19,855	12,827	32,682
Other comprehensive loss	–	–	–	–	–	-	(3,669)	-	-	(3,669)	(2,560)	(6,229)
Total comprehensive income (loss)	–	–	–	–	–	-	(3,669)	-	19,855	16,186	10,267	26,453
Dividends declared and paid, note 17(d)	-	-	-	-	-	-	-	-	(18,542)	(18,542)	(1,607)	(20,149)
Expired dividends, note 17(c)	-	-	-	-	102	-	-	-	-	102	-	102
Other changes in equity	-	-	-	-	-	-	1,389	-	(1,525)	(136)	-	(136)
As of December 31, 2023	253,715,190	750,497	791	218,450	163,372	31,897	(96)	-	1,841,549	3,006,460	162,751	3,169,211

Translation of consolidated financial statements originally issued in Spanish - See Note 38 to the consolidated financial statements

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

Consolidated statements of cash flows

For the years ended December 31, 2023, 2022 and 2021

	Notes	2023 US$(000)	2022 US$(000)	2021 US$(000)
Cash flows of operating activities				
Proceeds from sales of goods and services		782,421	809,668	945,631
Dividends received from associates	32(a)	147,286	79,140	148,411
Recovery of taxes		48,417	32,793	28,191
Royalty received		5,123	2,915	207
Interest received		150	-	3,350
Dividends received from other investments	32(c)	-	5,183	17,074
Proceeds from insurance claim	28(b)		-	2,358
Payments to suppliers and third parties, and other net		(484,868)	(580,468)	(608,689)
Payments to and for employees		(136,612)	(123,903)	(125,773)
Income tax and royalties paid to Peruvian State		(30,049)	(82,637)	(34,157)
Short-term and low value lease payments		(42,264)	(41,352)	(35,985)
Interest paid		(39,590)	(41,132)	(14,504)
Payments of royalties to third parties	24	(12,832)	(11,053)	(6,970)
Payments for tax litigation	7(c)	(10,115)	(7,488)	(552,639)
Net cash flows from (used in) operating activities		227,067	41,666	(233,495)
Cash flows of investing activities				
Proceeds from sale of investments in subsidiaries	1(d)	27,003	-	3,640
Proceeds from sale of property, plant and equipment		9,689	13,116	739
Proceeds from sale of investments	28(a)	245	1,577	-
Collection for sale of participation in Yanacocha	1(e)	-	300,000	-
Collection for purchase of La Zanja shares	1(d)	-	45,000	-
Payments for acquisition of property, plant and equipment		(238,669)	(151,973)	(90,309)
Payments for acquisition of other assets	12(a)	(3,804)	(290)	(357)
Acquisition of investment in associate	10(d)	-	(1,677)	-
Net cash flows from (used in) investing activities		(205,536)	205,753	(86,287)
Cash flows of financing activities				
Proceeds from bank loans	13	49,000	-	50,000
Decrease (increase) of restricted time deposits	7(d)	-	29,117	(29,242)
Senior notes bonds issued, net of issuance costs	16(b)	-	-	539,300
Payments of financial obligations	16(g)	(31,034)	(323,057)	(21,585)
Payments of bank loans	13	(49,000)	(50,000)	(65,793)
Dividends paid to controlling interest	17(d)	(18,542)	(18,542)	-
Lease payments	16(g)	(4,475)	(4,638)	(5,205)
Dividends paid to non-controlling interest	17(d)	(1,642)	(2,647)	(6,160)
Decrease (increase) of bank accounts in trust	7(h)	34	(733)	17
Net clash flows from (used in) financing activities		(55,659)	(370,500)	461,332
Increase (decrease) in cash and cash equivalents for the year, net		(34,128)	(123,081)	141,550
Cash and cash equivalents at beginning of year	6	253,918	376,999	235,449
Cash and cash equivalents at year-end	6	219,790	253,918	376,999
Financing and investing activities not affecting cash flows:				
Leases additions	16(g)	1,150	11,712	2,972
Due from for sales of properties and concessions	7(a)	2,744	2,119	7,481
Changes in estimates of mine closure plans	15(b)	11,879	(21,869)	(3,272)
Unrealized income (loss) in investments	10(d)	3	(101)	(335)

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

Notes to the consolidated financial statements

For the years 2023, 2022 and 2021

1. Identification and business activity

(a) Identification -

Compañía de Minas Buenaventura S.A.A. (hereafter "the Company" or "Buenaventura") is a publicly traded corporation incorporated in Peru in 1953. The Company stock is 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") are principally engaged in the exploration, mining, concentration, smelting and marketing of polymetallic ores and metals.

The Company operates directly four operating mining units in Peru (Orcopampa, Julcani, Uchucchacua and Tambomayo), two discontinued mining units (Poracota and Shila-Paula), and one mining unit under development stage (San Gabriel). In addition, the Company has a controlling interest in (i) Sociedad Minera El Brocal S.A.A. (hereinafter "El Brocal"), which operates the Colquijirca mining unit; (ii) Minera La Zanja S.R.L. (hereinafter "La Zanja"), which operates La Zanja mining unit; (iii) El Molle Verde S.A.C. (hereinafter "Molle Verde") which operates Trapiche, a mining unit at the development stage; and (iv) other entities dedicated to energy generation and transmission services, and other activities. All these activities are carried out in Peru.

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.

Restart of activities at the Uchucchacua mining unit -

Due to operational problems that were aggravated by the COVID-19 pandemic (delays in mine preparation and exploration), on October 15, 2021 the Company requested from the Ministry of Energy and Mines, the temporary suspension of activities in the Uchucchacua unit, specifically those related to mining exploitation and benefit.

As a result of said stoppage, the industrial activities in the subsidiary Procesadora Industrial Río Seco S.A. (which receives raw materials from the Uchucchacua mining unit) were suspended until operations resume in Uchucchacua.

On August 28, 2023, the Company presented the Mining Plan Update to the Ministry of Energy and Mines, thus completing the procedures required for the restart of the activities of the Uchucchacua mining unit, as of September 1 of this year.

As of September 1, 2023 the maintenance and start-up work of the plant was promoted. Likewise, starting in the second half of September, mineral processing began at the Uchucchacua concentrator plant with the objective of achieving a stable production between 2,600 tons and 2,800 tons per day, which will be maintained for the following years. The resumption of activities at the Uchucchacua concentrator plant will allow metallurgical tests to begin on up to 124,600 tons of ore from the pilot pit of the Yumpag project.

Approval of the environmental impact study of the Yumpag project -
The Detailed Environmental Impact Study of the Yumpag Project (EIA) was approved in September 2023. After that, the Company began the required procedures before the Ministry of Energy and Mines to obtain the necessary authorizations to begin Yumpag exploitation.

Temporary partial suspension of exploitation activities in the North Mining Pit of the Colquijirca mining unit of the subsidiary El Brocal -
On October 3, 2023, El Brocal submitted to the Ministry of Energy and Mines a communication suspending for a period of three years the exploitation activities in the North Mining Pit of the Colquijirca mining unit of the El Brocal. This event is due to the delay that occurred in the processing and approval of the Modification of the Environmental Impact Study to 25,000 DMT, motivated by events such as the declaration of the pandemic by the WHO and the subsequent Declaration of Emergency in Peru during 2020, as well as existing regulatory changes in 2022, related to the processing of environmental studies.

Exploitation operations in the Marcapunta underground mine will continue to be carried out on a regular basis, while in the North Pitwill be carried out only exploration activities, transfer of ore accumulated in the North Pit to the concentration plant, water management and care and maintenance activities.

Finally, it is relevant to point out that El Brocal is implementing a plan to increase the production rate in the underground mine, which will allow it to achieve a production of ten thousand metric tons per day this year, with the objective of reaching twelve thousand metric tons daily. Likewise, El Brocal will maintain the policy of generating efficiencies in operational activities so as not to lose competitiveness during the period of suspension of North Pit.

In regard of the assessment of impairment indicators of long-lived assets, in accordance with International Accounting Standard 36, Impairment of Assets, this matter was considered as an impairment indicador by El Brocal, as a result of the assessment, it was concluded that there is no need to record an impairment loss provision of long-lived assets of El Brocal, see note 11(b).

Reconfiguration of phases of the North Pit -
From January to April 2023, diamond drilling work was carried out with the purpose of obtaining updated geotechnical information to comply with the final stage of the stabilization plan related to the crumple of phase 12 that occurred in March 2022. This plan involved the mining phases 12C, 13C, and 15 which are tied to stabilization. As a result of these drillings, it was possible to improve the operational criteria to reconfigure these phases allowing a better operational treatment during 2023.

In this way, some of the phases determined as December 2022 have been reconfigured in their distribution without altering the total volume of reserves nor waste of the pit, but their production progress. On the other hand, as a result of this update of geotechnical information, the production of reconfigured phases 13B and 15 completed their production in September 2023, hence the deferred stripping cost asset related to those phases was fully amortized on that date.

The financial statements as of December 31, 2023 include this effect, which was applied prospectively starting in the third quarter of this year.

Mineral stock write-off resulting from the landslide of North Pit phase 12 –
On March 19, 2022, a landslide occurred in phase 12 of the North open pit of the Colquijirca mining unit. As a result of the event, operations in said phase were stopped, initiating the execution of planning and execution of rehabilitation activities. In response, the Company's Management decided to process the short- and long-term mineral inventory prioritizing economically viable mineral. However, the metallurgical tests carried out by the operations area concluded that the said mineral did not have economic value due to the detected high oxidation rates.

As explained above, in November 2022, the Company's Management decided to write-off the mineral stock for a total of 483,563 TMS equivalent to US$16,402,000 (net effect for the year of US$14,898,000 after deducting the provision for devaluation of inventories equivalent to US$1,504,000).

(c) Approval of consolidated financial statements -
The consolidated financial statements as of December 31, 2023 were approved and authorized for issue by the Board of Directors on February 29, 2024 and subsequent events have been considered through that date. The financial consolidated financial statements will be presented for their approval at the Shareholders General Meeting. The shareholders have the authority to approve and/or modify the consolidated financial statements.

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

	Country of incorporation and business	Ownership as of December 31,			
		2023		2022	
		Direct	Indirect	Direct	Indirect
		%	%	%	%
Mining activities:					
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 (ii)	Peru	3.19	58.24	3.19	58.24
Inversiones Colquijirca S.A. (ii)	Peru	89.76	10.24	89.76	10.24
S.M.R.L. Chaupiloma Dos de Cajamarca (iii)	Peru	33.00	67.00	33.00	67.00
Minera La Zanja S.R.L. (iv)	Peru	100.00	-	100.00	-
Minera Julcani S.A. de C.V.	Mexico	-	-	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
Minera Julcani S.A. de C.V.(vi)	Mexico	-	-	99.80	0.20
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. (v)	Peru	-	-	99.98	0.02
Industrial activities:					
Procesadora Industrial Río Seco S.A.	Peru	100.00	-	100.00	-

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

(ii) As of December 31, 2023 and 2022, the participation of the Company in the voting rights of El Brocal is 61.43%. Inversiones Colquijirca S.A. (hereafter “Colquijirca”), a Group’s subsidiary (100% owned by the Company as of December 31, 2023 and 2022), holds a 58.24% interest in El Brocal´s capital stock, as of December 31, 2023 and 2022.

(iii) Until March 30, 2022, Buenaventura held a direct and indirect ownership of 60%, and the remaining 40% was held by Newmont Corporation (hereinafter “Newmont”). On April 1, 2023, the subsidiary S.M.R.L. Chaupiloma Dos de Cajamarca (herinafter “Chaupiloma”) carried out a demerger of 40% of their equity in favor of Newmont Perú Royalty S.R.L. corresponding to the percentage of shares of Newmont in Chaupiloma in favor of Buenaventura. As a result, the direct and indirect ownership of Buenaventura in that subsidiary increased from 60% to 100%. This transaction was accounted as a transaction between owners. Moreover, the subsidiary Chaupiloma transferred all its mining concessions to Minera Yanacocha S.R.L. (hereinafter “Yanacocha”), receiving as consideration an amount similar to a percentage of the production sold to Yanacocha, as well as the production of future concessions. During 2023 and 222, the Group has recognised revenues for the transfer of property mining rights for US$9,843,000 and US$8,455,000; respectively, see note 28(a).

(iv) On Febnruary 7, 2022, Buenaventura subscribed the definite agreements with Newmont for the sale of its total participation in Yanacocha. As part of this transaction, Newmont transferred to Buenaventura its shares of 46.94% in La Zanja, receiving a consideration determined over the future production of the said mining unit. On the other hand, Newmont paid US$45,000,000 to Buenaventura with the purpose of covering part of the mine closure future costs of La Zanja, which are presented in the caption “Other capital reserves” in the consolidated statements of changes in equity for an amount of US$31,628,000 (US$45,000,000 net of taxes). This transaction was accounted as a transaction between owners. Furthermore, the profit of non-controlling interest amounting to US$18,240,000 was reclassified in the caption “Accumulated earnings” in the consolidated statements of changes in equity.

(v) On November 2, 2023, Buenaventura and Howden HoldCo Perú S.A.C subscribed a contract for the sale of shares of Contacto Corredores de Seguros S.A. for a starting price of an amount of US$33.7 million, the 80% of the starting price of US$27 million was paid in cash, and the outstanding amount of US$6.7 million will be paid at the third year. According to the contract, the final price should be determined over Contacto’s financial statements of 2023 after 90 calendar days following the contract’s closure date, and the outstanding amount pending of payment of 20% should be updated at the third year. Likewise, within the following 60 calendar days, Howden will prepare and deliver the final price notification to Buenaventura. Within the 30 calendar days after receiving the price notification, Buenaventura would require information to Howden to assess the final price. Finally, within the 45 calendar days following Howden’s response, Buenaventura will assess the final price notification. See more details in note 7(f).

(vi) On December 18, 2023, Buenaventura sold the shares held in Minera Julcani S.A. de C.V. (México), for an amount of US$0.039 million, which was fully collected. The net cost of the disposal due to the sale of this investment was US$0.069 million, see note 28.

(e) Discontinued operations (Note 1) -

During 2022, the Group sold its investment in Minera Yanacocha S.R.L (hereinafter "Yanacocha") classified as discontinued during 2021, under IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”. 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.

As of December 31, 2023, 2022 and 2021, the mining units with discontinued operations were Poracota and Shila-Paula (during the years 2021 in addition included the results of the operations of Yanacocha) are presented below:

	2023	2022	2021
	US$(000)	US$(000)	US$(000)
Operating income (expenses), net			
Changes in provision for closure of mining units, note 15(b)	(6.,991)	(660)	(3,021)
Administrative expenses	(649)	(683)	(335)
Reversal (provision) of contingencies	(103)	(113)	(2,136)
Gain for sale of Yanacocha investment	-	300,000	-
Reversal of liability classified as held for sale of Yanacocha	-	265,590	-
Reversal of unrealized result of Yanacocha	-	356	-
Depreciation and amortization, note 11(f)	-	(9)	(14)
Discontinued operation of Yanacocha	-	-	(422,394)
Changes in environmental liabilities provision	-	-	(1,014)
Others, net	1,121	288	(79)
Total operating income (expenses), net	(6,622)	564,769	(428,993)
Operating profit (loss)	(6,622)	564,769	(428,993)
Finance costs, note 15(b)	(229)	(59)	(25)
Net gain (loss) from currency exchange difference	3	(2)	-
Profit (loss) before income tax	(6,848)	564,708	(429,018)
Current income tax	-	(44,747)	-
Deferred income tax	-	(41,414)	41,414
	-	(86,161)	41,414
Profit (loss) from discontinued operations	(6,848)	478,547	(387,604)

No net cash flows were generated by the mining units maintained with discontinued operations during 2023, 2022 and 2021.

(f) *Temporary operation stoppage of mining units related to social coflicts* –
Beginning in late 2022, intensified tensions, protests, and social turmoil occurred after the country's political leadership change. The protests continued during early and throughout 2023, there was a limited impact in the Company's operations. The Company continues to monitor the scenario with priority in safety and protection. The prolonged disruption of logistics and supply chain could impact future operations.

(g) *Temporary suspension of operations of Julcani mining unit* –
On February 5, 2023, people from outside the influence area of Julcani broke into the mining facilities and forced its officials to, among other requirements, stop operations. In order to ensure the workers' safety. All personnel were relocated, and operations were suspended until safety was guaranteed. Both the surrounding area communities and the different unions publicly expressed their rejection of the vandalism acts carried out in the mining unit, followed by their formal request to the Company to restart operations of Julcani mining unit. On February 16, 2023, operations were restarted.

2. Basis for preparation, consolidation and accounting policies

2.1. Basis of preparation -
The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on a historical cost basis, based on the records of the Company, except for the derivative financial instruments and financial assets and liabilities that have been measured at fair value 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 consolidated financial statements are presented in U.S. dollars and all values are rounded to the nearest thousands, except when otherwise indicated.

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

The preparation of consolidated financial statements requires that management use judgments, estimates and assumptions, as detailed in note 3.

These consolidated financial statements provide comparative information in respect of prior periods.

2.2. Basis of consolidation -
The consolidated financial statements comprise the financial statements of the Company and its subsidiaries to the date of the consolidated statements of financial position. Subsidiaries are entities controlled by the Group.

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 investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. When the Group has less than a majority of the voting, or similar, rights of an investee, it considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group’s voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to 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, revenue 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.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies. All intra-group assets and liabilities, equity, revenue, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction between owners or the parent (there is no gain or loss).

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

2.3. Changes in accounting policies and disclosures -

Certain standards and amendments became effective in 2023; however, they did not have a material impact on the consolidated financial statements of the Group and therefore, have not been disclosed. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2.4. Summary of significant accounting policies -

(a) Foreign currencies (Note 5) -

The Group´s consolidated financial statements are presented in U.S. dollars, which is also the parent company's functional currency and the Group's presentation currency. For each entity, the Group determines the functional currency and the items included in the financial statements of each entity are measured using that functional currency. For consolidation purposes, each entity presents its financial statements in U.S. dollars.

Transactions and balances

Transactions in foreign currency are initially recorded by each entity in the Group at their respective functional currency spot rates, published by the Superintendence of Banking and Insurance and Pension Fund Administrators (AFP for its acronym in Spanish).

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising from the settlement or translation of monetary items are recognized in profit or loss with the exception of monetary items that are designated as part of a hedge. These are recognized in other comprehensive income (OCI) until the hedged items are disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognized in OCI.

Non-monetary assets and liabilities recognized in terms of historical cost are translated using the exchange rates at the dates of the initial transactions.

(b) Financial instruments -

Initial recognition and subsequent measurement -

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets -

Initial recognition and measurement -

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through OCI, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Except for trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus transaction costs, in the case of a financial asset not at fair value through profit or loss. Trade account receivables that contain a significant financial component are measured at the transaction price, as it is disclosed in the section (p) Revenue recognition – Significant financial component.

For a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is known as the financial instrument test for collecting principal and interest, and is performed at an instrument level. The financial assets with cashflows that are not solely capital payments and interest are classified and assessed at their fair value with changes in profit or loss, regardless of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The financial assets classified and valued at their amortized cost are held in a business model whose objective is to hold financial assets for obtaining contractual cashflows, while the financial assets that are classified and valued at fair value with changes in OCI are held in a business model whose objective is to obtain contractual cashflows and sale financial assets.

Purchases or sales of financial assets that require delivery of assets within a period established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date.

Subsequent measurement -
For purposes of subsequent measurement, financial assets are classified in the following categories:

- Financial assets at amortized cost.
- Financial assets at fair value through OCI.
- Financial assets at fair value through profit or loss.

Financial assets at amortized cost -
The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

This category generally applies to other receivables included in the “Trade and other receivables” caption (see note 7).

Financial assets at fair value through OCI -
Financial assets are classified and measured at fair value through OCI if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

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

This category generally applies to other receivables included in the “Trade and other receivables” caption (see note 7).

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

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset or, (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered a pass-through arrangement, it evaluates to what extent, it has retained the risk and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group´s continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets -

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, 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.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are past due according to each contract. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Financial liabilities -

Initial recognition and measurement -

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables (note 14), financial obligations (note 16), contingent consideration liability (note 29).

Subsequent measurement -

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss -

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for repurchasing in the near term. This category also includes derivative financial instruments entered by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has designated financial liabilities for contingent consideration as at fair value through profit or loss (note 29).

Financial liabilities at amortized cost (loans and borrowings) -

After initial recognition, interest-bearing loans and borrowing are subsequently measured at amortized cost using the EIR. Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. EIR amortization is included in the "Financial costs" caption in the consolidated statements of profit or loss (note 29). This category generally applies to interest-bearing loans and borrowings.

Derecognition -

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statements of profit or loss.

(iii) Offsetting of financial instruments -

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(c) Cash and cash equivalents (note 6) -

"Cash and cash equivalents" caption presented in the consolidated statements of financial position comprise cash at banks and on hand, and short-term highly liquid deposits with a current maturity and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents consist of cash and short-term deposits (with maturity lower or equal to 2 months) as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

(d) Inventories (note 8) -

Inventories are valued at the lower of cost or net realizable value. Cost is determined using the average method.

In the case of finished goods and work in progress, cost includes the cost of materials and direct labor and a portion of indirect manufacturing expenses, excluding borrowing costs.

The current portion of the inventories is determined based on the expected amounts to be processed within the next twelve months. Inventories not expected to be processed within the next twelve months are classified as non-current.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to make the sale.

Provision (or reversal) for losses on the net realizable value are calculated based on a specific analysis conducted annually by Management and is charged to profit or loss in the period in which it determines the need for the provision (or reversal).

Any provision for obsolescence of spare parts and supplies is determined by reference to specific items of stock based on inventory turnover level. A regular review is undertaken to determine the extent of any provision for obsolescence.

(e) Business combinations and goodwill (note 12(d)) -

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in the "Administrative expenses" caption.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiror.
Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value, with changes in fair value recognized in either profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IFRS 9, it is measured at fair value at the reporting date with changes in the fair value recorded in the consolidated statement of profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interests held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date (see mining concessions identified see Note 11(f)). If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statements of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, this difference is allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities, of the acquiree, are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(f) Investments in associates and joint venture (see note 10) -

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in associates and joint ventures are accounted for using the equity method.

Under this method, the investment in an associate or joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate and joint ventures since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of profit or loss reflects the Group’s share of the results of operations of the associates and joint ventures. Any change in OCI of those investees is presented, as part of the Group’s other comprehensive income. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statements of changes in shareholders’ equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group’s share of profit or loss of an associate or joint venture is shown on the face of the consolidated statements of profit or loss outside operating profit and represents profit or loss after tax in the associates and joint ventures.

The financial statements of the associates or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After the application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in associates or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investments in the associates and joint ventures are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss in the consolidated statements of profit or loss.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate and joint ventures upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in consolidated statements of profit or loss.

(g) Prepaid expenses (see note 9) -
Non-monetary assets, which represent an entity's right to receive goods or services, are presented as prepaid expenses. The asset is subsequently derecognized when the goods are received, and the services are provided.

(h) Property, plant and equipment (see note 11) -
Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the obligation for mine closing and, borrowing costs for qualifying assets.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. In addition, when a major inspection is performed, its cost is recognized in the carrying amount of plant and equipment as a replacement if the recognition criteria are satisfied. All other maintenance and repair costs are recognized in the consolidated statement of profit or loss as incurred.

Depreciation -
Unit-of-production method:
In mining units with long useful lives, depreciation of assets directly related to the operation of the mine is calculated using the units-of-production method, which is based on economically recoverable reserves of the mining unit. Other assets related to these mining units are depreciated using the straight-line method with the lives detailed in the next paragraph.

As of December 31, 2023, the Group maintains the following depreciation rates in its respective mining units:

Mining units	Rates
Tambomayo	41.04%
El Brocal	7.99%

Straight-line method:
Depreciation of assets in mining units with short useful lives or used for administrative purposes is calculated using the straight-line method of accounting. The useful lives are the following:

	Years
Buildings, construction and other	Between 2 and 40
Machinery and equipment	Between 2 and 30
Transportation units	5
Furniture and fixtures	Between 4 and 10
Other equipment	Between 3 and 10
Computer equipment	Between 3 and 5

The 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.

Disposal of assets -
An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal, or when no future 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 statements of profit or loss when the asset is derecognized.

(i) Leases (Notes 11 and 16) -
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Group as a lessee -
The Group applies a single recognition and measurement approach for all leases, except for short-term leases with no renewal options and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) *Right-of-use assets -*

The Group recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the related assets.

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

ii) *Lease liabilities -*

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. The Group does not have variable lease payments that depend on an index or a rate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in the "Financial obligations" caption on the consolidated statements of financial position (note 16).

iii) *Short-term leases and leases of low-value assets* -
The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment without renewal option. It also applies the lease of low-value assets recognition exemption to leases of office equipment, which are considered low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

Group as a lessor –
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in "Other, net" in the consolidated statement of profit or loss due to its operating nature (note 28). Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

(j) Mining concessions (Note 11) -
Mining concessions represent ownership of the right of exploration and exploitation to the Group on mining properties that contains ore reserves acquired. Mining concessions are irrevocable, provided the holder of a mining concession complies with the obligations set forth in the General Mining Law. Such concessions have an indefinite term, subject to payment of an annual concession fee per hectare granted and achievement of minimum annual production for each hectare. Mining concessions are stated at cost and are amortized using a units of production method, based on proven and probable reserves.

If the Group leaves these concessions, the costs associated are written off in the consolidated statements of profit or loss.

Cost includes the fair value attributable to mineral reserves and the portion of mineral resources considered probable of economic extraction at the time of a business combination.

At year-end, the Group evaluates if there is any indicator of impairment. If any indicator exists, the Group estimates the mining concession's recoverable amount.

Mining concessions are presented in the caption of "Property, plant, equipment and development costs" in the consolidated statements of financial position.

(k) Exploration and mine development costs (Notes 11 and 23) -
Exploration costs (Note 23) –
Exploration costs are expensed as incurred. These costs primarily include materials and fuels used, surveying costs, drilling costs and payments made to contractors.

Exploration and evaluation activity includes:

- Researching and analyzing historical exploration data.
- Gathering exploration data through geophysical studies.
- Exploratory drilling and sampling.
- Determining and examining the volume and grade of the resource.
- Surveying transportation and infrastructure requirements.
- Conducting market and finance studies.

Development costs (Note 11) –
When the Group's Management approves the feasibility of the conceptual study of a project, the costs incurred to develop such property, including additional costs to delineate the ore body and remove impurities it contains, are capitalized as development costs and included in the "Property, plant, equipment and development cost" caption in the consolidated statements of financial position. These costs are amortized when production begins, on the units-of-production basis over the proven and probable reserves.

The development costs include:

- Metallurgical and engineering studies.
- Drilling and other costs necessary to delineate ore body.
- Removal of the initial clearing related to an ore body.

Development costs necessary to maintain production are expensed as incurred.

(l) Stripping (waste removal) costs *(Note 11)* -
As part of its mining operations, the Group incurs waste removal costs (stripping costs) during the development and production phases of its mining operations. Stripping costs incurred in the development phase of a mine, before the production phase commences (development stripping), are capitalized as part of the cost of constructing the mine and subsequently amortized over its useful life using the units of production method. The capitalization of development stripping costs ceases when the mine starts production.

Stripping costs incurred during the production phase (production stripping costs) are generally considered to create two benefits, being either the production of inventory or improved access to the ore to be mined in the future. Where the benefits are realized in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories. Where the benefits are realized in the form of improved access to ore to be mined in the future, the costs are recognized as a non-current asset, referred to as a stripping activity asset, if the following criteria are met:

- Future economic benefits are probable.
- The component of the ore body for which access will be improved can be accurately identified.

- The costs associated with the improved access can be reliably measured.

To identify components of mineral deposit, the Group works closely with the operating personnel to analyze the mine plans. Mostly, an ore body can have several components. The mine plans, and therefore, the identification of components, will vary among mines for several reasons.

The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity. The production stripping cost is presented within “Property, plant, equipment and development cost” caption in the consolidated statements of financial position (note 11).

The production stripping cost is subsequently depreciated using the units of production method over the expected useful life of the portion of the ore body that has been made more accessible by the activity. This production stripping cost is stated at cost, less accumulated depreciation and accumulated impairment losses, if any.

(m) Impairment of non-financial assets *(Notes 19(b) and 11)* -

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of (i) an asset’s or cash-generating unit’s (CGU) fair value less costs of disposal and (ii) its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group’s CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows limited to the life of the mine.

Impairment losses of continuing operations, including impairment of inventories, are recognized in the consolidated statements of profit or loss in expense categories consistent with the function of the impaired asset.

For non-financial assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses may no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset or CGU's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statements of profit or loss.

(n) Provisions (note 15)-

General -

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for closure of mining units -

The Group records a provision for closure of mining units when a legally enforceable obligation arises, which is independent of the full depletion of the mine reserves.

The Group recognizes a provision for closure of mining units once the obligation has been properly measured. The liability is initially recognized at the present value of the estimated costs and is capitalized as part of the carrying amount of the related mining assets (property, plant and equipment). The discounted liability is increased for the change in present value based on discounted rates that reflects current market assessments and the risks specify to the liability. In addition, the capitalized cost is depreciated and/or amortized based on the useful life of the asset. Any gain or loss resulting from the settlement of the obligation is recorded in the current results.

Changes in the estimated timing of closure or changes to the estimated future costs are dealt with prospectively by recognizing an adjustment to the provision for closure and a corresponding adjustment to the related mining asset. Any reduction in the provision for closure and, therefore, any deduction from the mining asset to which it relates, may not exceed the carrying amount of the mining asset. If it does, any excess over the carrying amount is recognized immediately to the consolidated statements of profit or loss.

If the change in estimate results in an increase in the provision for closure and, therefore, an addition to the carrying value of the mining asset, the Group considers whether this is an indication of impairment of the asset as a whole, and if so, the Group performs an impairment test.

For closed mines, changes to estimated costs are immediately recognized in the consolidated statements of profit or loss (note 1(e)).

(o) Treasury shares (Note 17) -

The Group's own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized as additional capital in equity. The voting rights related to treasury shares are cancelled for the Group and no dividends on such shares are allocated.

(p) Revenue recognition (Note 20) -

Revenue from contracts with customers is recognized when control of goods or services are transferred to the customer at 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 typically controls the goods before transferring them to the customer.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in note 3.

Sales of goods (concentrates and metals) -

The Group recognizes revenue from sale of concentrates and metals at the point in time when control of the asset is transferred to the customer. Transfer of control is determined in accordance with the terms of each of the contracts entered with the Group's customers; however, under such contracts, transfer of control generally occurs upon shipment or delivery of the goods, including transportation. The recognized revenue corresponds to an amount that reflects the consideration the Group expects to receive in exchange for those products.

Revenue from sale of concentrates and metals is recorded net of “Commercial deductions”. Commercial deductions correspond to adjustments in price for treatment and refining charges and can include certain penalties that, in accordance with the applicable contract, are deducted from the international fine metal spot price, and that are incurred after the time of sale of the applicable concentrate. The Group deems these deductions to be part of the transaction price. The normal credit term is 5 to 90 days after delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations, to which a portion of the transaction price needs to be allocated. The Group considers that the only performance obligation is the delivery of the goods. In determining the transaction price for the sale of concentrates and metals, the Group considers the effect of variable consideration and the existence of significant financing components.

Variable consideration -

If the consideration in the contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal of revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Group´s sales of concentrates and metals allow for price adjustments based on the market price at the end of the relevant quotation period (QP) stipulated in the contract. These are referred as to provisional pricing arrangements and are such that the selling price for metal in concentrate is based on prevailing spot prices on a specified future date after shipment to the customer. Adjustments to the sales price occur based on movements in quoted market prices up to the end of the QP. The period between provisional invoicing and the end of the QP can generally range between one and four months.

The Group’s sales of concentrates and metals are also subject to slight variations in yield that can occur while such goods are in transit to their destination due to variations in humidity, weight and ore grades. Such variations are recognized directly as part of “Sales of goods” caption within the statements of profit or loss once the Group reaches an agreement with the applicable customer in respect of final amounts sold.

Sales of concentrates and metals at provisional prices include a gain (loss) to be received at the end of QP; this is considered variable consideration. Changes in the price during the quotation period are recognized in the “Sales of goods” caption of the statements of profit or loss as “Fair value of accounts receivables”. See note 20(b).

For provisional pricing arrangements, any future change that occurs over the QP are embedded within the 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 movement in the commodity price, these provisionally priced trade receivables generally fail the cashflow characteristics test within IFRS 9 and are required to be measured at fair value through profit or loss from initial recognition and until the date of settlement. The subsequent changes in fair value are recognized in the consolidated statements of profit or loss for each period and presented separately from revenue from contracts with customer as part of “fair value of trade receivables”. See note 20(b). Changes in fair value over, and until the end of, the QP, are estimated by reference to forward market prices for gold and copper as well as taking into account other relevant fair value considerations set out in IFRS 13, including interest rate and credit risk adjustments.

Sales of services -

Services are recognized over time because the customer simultaneously receives and consumes the benefits provided by the Group. The Group uses the output method for measuring progress of the services as the Group has the right to invoice an amount that corresponds directly to the performance completed to date.

Significant financing component -

The Group receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good to the customer and when the customer pays for that good will be one year or less.

Contract Balances -

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. As of December 31, 2023 and 2022, the Group has no contractual assets.

Trade receivables -

A receivable represents the Group´s right to an amount of consideration that is unconditional.

Contract liabilities -

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If customer pays consideration before the Group transfers the goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs its obligations under the contract. As of December 31, 2023 and 2022, the Group has no contractual liabilities.

Cost to obtain a contract -

The Group pays sales commissions as part of the sales of services in the insurance brokerage segment. The Group has elected to apply the optional practical expedient for cost to obtain a contract which allows the Group to immediately expense sales commissions because the amortization period of the assets that the Group otherwise would have used is one year or less.

Interest income (Note 29)-

For all financial instruments measured at amortized cost, interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the consolidated statements of profit or loss.

Royalty income (Note 20(b))-

The royalty income is recognized when the later of the following events occurs: the subsequent sales occur, or the performance obligation is satisfied (or partially satisfied).

Dividends (Note 32) -

Dividends from investments is recognized when the Group's right to receive the payment is established, which is generally when the investments' shareholders approve the dividend.

Rental income (Note 28) -

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term and is included in the “Other, net” caption in the consolidated statement of profit or loss due to its operating nature.

(q) Benefits to employees (Notes 21,22, 23, 25, 26 and 27) -

Salaries and wages, bonuses and vacations are calculated in accordance with IAS 19 “Employee Benefits” and are calculated in accordance with current Peruvian legislation on an accrual basis.

Workers' profit sharing -
Workers' profit sharing is calculated in accordance with the Peruvian law (Legislative Decree No. 892), and the applicable rate is 8% over the taxable net base for current year. According to Peruvian law, the limit in the workers' profit sharing that an employee can receive is equivalent to 18 months of wages, and any excess above such limit has to be transferred to the Regional Government and "National Fund for Employment's Promotion and Training" (FONDOEMPLEO for its acronym in Spanish).

(r) Borrowing costs (note 29) -
Costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the related asset. The Group defines a qualifying asset as one which value is greater than US$5 million and requires a period greater than 12 months to get it ready for its intended use. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

(s) Taxes (Note 30) -
Current income tax -
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting period.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statements of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax -
Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred income tax liabilities are recognized for all taxable temporary differences, except for taxable temporary differences associated with investments in associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognized in correlation to the underlying transaction either in profit or loss, OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right to compensate current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Uncertain tax positions –
The Group determines whether to consider each uncertain tax position separately or together with one or more other uncertain tax positions and uses the approach that better predicts the resolution of the uncertainty. In Peru, there are only two possibilities to measure uncertain Peruvian tax positions: 100% probability of recovery in the event that the Group has a favorable decision on the matter to be evaluated, or 0% probability of recovery, in the event that the Group does not prevail in the procedures before the tax authority. The Group determines, based on its tax compliance and transfer pricing studies whether or not it is probable that its tax positions (including those for the subsidiaries) would be accepted by the tax authorities.

Peruvian mining royalties and special mining tax –
In accordance with Law No.28258, as amended by Law No. 29788, mining royalties are either payable as the higher of (i) a specified percentage of tax operating profit or (ii) 1% of revenues. If the mining royalty is calculated as a percentage of tax operating profit, marginal rates ranging from 1% to 12% that increase progressively for companies with higher operating margins will apply.

Mining royalties and the special mining tax are accounted for in accordance with IAS 12 - Income Taxes, because they have the characteristics of an income tax. This is considered to be the case when they are imposed under government authority and the amount payable is based on taxable income-rather than physical quantities produced or as a percentage of revenue-after adjustment for temporary differences. Legal rules and rates used to calculate the amounts payable are those in effect on the date of the consolidated statements of financial position.

Consequently, liabilities resulting from Mining Royalties and Special Mining Tax are under the scope of IAS 12. Both Mining Royalties and Special Mining Tax generate deferred tax assets and liabilities, which are measured using the average rates expected to apply to tax profit in the quarter in which the Group expects the temporary differences will reverse.

Sales tax -
Expenses and assets are recognized net of the amount of sales tax, except:

(i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable;

(ii) When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statements of financial position.

(t) Fair value measurement (Note 36) -
The Group measures its financial instruments at fair value at the date of the consolidated statements of financial position.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

The Group's management determines the policies and procedures for both recurring fair value measurement and non-recurring measurement. At each reporting date, the Group's management analyzes the movements in the values of assets and liabilities, which are required to be re-measured or re-assessed as per the Group's accounting policies.

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

(u) Derivative financial instruments and hedge accounting (Note 34) -

Initial recognition and subsequent measurement -

The Group uses derivative instruments to hedge its commodity price risk (forward commodity contracts) and interest rate risk. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of the hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all 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 value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

The Group's hedges are classified as cash flow hedges. The effective portion of gain or loss on the hedging instrument is initially recognized in the consolidated statements of changes in equity, under the "Other comprehensive income (loss)" caption, while the ineffective portion is recognized immediately in the consolidated statements of profit or loss in the "Finance costs" caption (Note 29).

(v) Discontinued operations (Note 1(e)) -

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss.

All other notes to the consolidated financial statements include amounts for continuing operations, unless otherwise mentioned.

(w) Other non-financial assets (Note 12) -

The "Other non-financial assets" caption includes patents and industrial property, right-of-use assets related to rights of way, software licenses and goodwill (see 2.4(e)). Patents and industrial property and right-of-use assets are amortized over their economic useful lives. Software licenses are amortized using the straight-line method over useful lives of 1 to 10 years.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite life are amortized over their useful economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amorti|zation expense on intangible assets with finite lives is recognized in the consolidated statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Internally generated intangibles, excluding capitalized development costs, are not capitalized. Instead, the related expenditure is recognized in the consolidated statement of profit or loss in the period in which the expenditure is incurred.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit or loss when the asset is derecognized.

(x) Recognition of costs and expenses (Notes 21, 22, 25, 26, 27 and 28) -

The costs of sales, sales expenses and administration expenses are recognized when accrued. Likewise, the mineral costs of sales are accrued simultaneously with the revenue recognition of the related sale. The other costs and expenses are recognized as they are accrued, independently of the time they are paid, being recorded in the related periods.

(y) Dividends distribution (Note 17) -

The dividends distribution to shareholders are recognized as liabilities in the consolidated financial statements in the period in which they are approved by the Company's shareholders.

(z) Earning per basic and diluted share (Note 17) -

Earnings per basic and diluted share have been calculated based on the weighted average of common and investment outstanding shares at the date of the consolidated statement of financial position. As December 31, 2023 and 2022, earnings per basic and diluted share are the same as the Group did not have financial instruments with dilutive effect.

(aa) Contingencies (Note 29) -

Contingent liabilities are not recognized in the consolidated financial statements and are disclosed in the notes to the consolidated financial statements unless their occurrence is remote. Contingent assets are not recognized in the consolidated financial statements and only are disclosed when their occurrence is considered probable.

2.5. Climate related matters –

The Group, when appropriate, considers the impact of climate-related matters in its consolidated financial statements. This assessment includes wide range of possible impacts on the Group due to physical and transition risks. Nonetheless, the Group considers that its business model will continue to be viable after the transition to a lower carbon emissions economy since it has been developing initiatives related to mitigating these risks, and which include considerations such as:

- Environmental impact study (EIA by its acronym in Spanish): Monitoring and compliance with more demanding measures related to air and water quality, preservation of the affected area habitat, and rehabilitation plans.
- Tailings management: Improving tailings treatment practices to minimize impacts on the climate and environment, by incorporating improvements in procedures and implementing monitoring systems.
- Biodiversity conservation: Cooperating with environmental agencies and local communities to develop biodiversity conservation programs, ensuring responsible mining practices and habitat protection.
- Water management conservation: Implementing measures to optimize the use of water, reduce its consumption, and improve the water recycling process within mining operations.

Despite the adopted measures, climate-related risks could have an impact on the measurement of certain significant estimates that could have an impact on the consolidated financial statements such as:

- Useful life of property, plant and equipment (Notes 2.4(h) and 11): Generated by changes in laws and regulations that could generate changes in the estimated term of use of the assets or require significant capital investments for their adaptation.
- Mine closure and remediation obligations (Notes 2.4(n) and 15(a)): Generated by changes in both physical and regulatory conditions could generate changes in the dismantling costs of facilities, rehabilitation and restoration activities.
- Provision for environmental liabilities (Notes 2.4(n) and 15(a)): the Company complies with the environmental protection standards regulated in the country, recognizing it appropriately in the consolidated financial statements.
- Environmental contingencies (Notes 2.4(aa) and 31), in the opinion of the Group's Management and its legal advisors, the Group has recognized in its consolidated financial statements a provision for environmental contingencies.

As of December 31, 2023, the Group continues to assess the impact of climate-related risks to incorporate related disclosures in response to changes and developments in laws and regulations that may have a direct significant impact on the consolidated financial statements. It is important to highlight that the Group is committed to continuing to improve its participation in the preservation of the climate and environment to guarantee its sustainability. Future impacts could include the adoption of advanced technologies and improvements in more sustainable mining practices to stay aligned with the changing environmental regulations and community expectations.

2.6. Macroeconomic and geopolitc unertainity –

Peru's economic outlook in the short and medium term will be marked by the post-recession statistical recuperation, a challenging international environment and the ability of the authorities to mitigate political turmoil in the eyes of the business sector. A relatively stable political context is expected.

Internationally, the geopolitical risk increased following the conflict between Israel and Hamas, but economic policy uncertainty has remained relatively low.

The Group’s Management will continue to closely evaluate the impact of macroeconomic and geopolitical uncertainty; as of December 31, 2023, they do not have an impact on the consolidated financial statements.

3. Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continually evaluated and are based on management´s experience and other facts, including the expectations about future events that are believed to be reasonable under the current situation. Uncertainty about these estimates and assumptions could result in outcomes that require material adjustment to the carrying amount of assets and liabilities affected in future periods.

Further information on each of these areas and the impact on the consolidated financial statements and the accounting policies of the Group due to the application of significant accounting judgments, estimates and assumptions that have been used is presented below, as well as in the notes to the respective consolidated financial statements.

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 and uncertain tax positions (Note 31) -

By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential impact of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events. To identify uncertainties over income tax treatments, the Group makes a determination as to whether a tax treatment is probable of being accepted by the taxation authorities based on its tax compliance and transfer pricing studies.

Pursuant to Peruvian Law, once there is an adverse decision to a taxpayer at the administrative level, Superintendencia Nacional de Aduanas y de Administración Tributaria (SUNAT for its acconym in Spanish) is entitled to proceed to deliver notice to the taxpayer demanding payment, regardless of whether the taxpayer decides to appeal the decision at the judiciary level. However, the taxpayer's payment of the SUNAT administrative claim does not entail a settlement of the tax dispute. Instead, this payment is required to be made for the taxpayer to continue the appeal process at the judiciary level and is subject to refund, with interest, if the taxpayer is successful in their judiciary level action.

When measuring the amount to be recorded as an account receivable in light of the payments made at the administrative level, the Group applies IFRIC 23.

(b) Development start date (Note 11) -
The Group assesses the status of each exploration project of its mining units to determine when the development phase begins. One of the criteria used to evaluate the development start date is when the Group determines that the property can be economically developed.

(c) Production start date (Note 11) -
The Group assesses the stage of each mine under development to determine when a mine moves into the production phase, this begin when the mine is substantially complete and ready for its intended use. The criteria used to assess the start date are determined based on the unique nature of each mining project, such as the complexity of the project and its location. The Group considers various relevant criteria to assess when the production phase is considered to have commenced. Some of the criteria used to identify the production start date include, but are not limited to:

- Level of capital expenditure incurred compared to the original construction cost estimates.
- Completion of a reasonable period of testing of the mine plant and equipment.
- Ability to produce minerals in saleable form (within specifications).
- Ability to sustain ongoing production of minerals.

When a mine development project moves into the production phase, the capitalization of certain mine development costs cease and costs are either regarded as forming part of the cost of inventory or expensed, except for costs that qualify for capitalization relating to mining asset additions or improvements. It is also at this point that depreciation or amortization commences.

(d) Useful life of property, plant and equipment (Note 11) -
Depreciation is calculated under the straight-line method of accounting considering the lower of estimated useful lives of the assets or estimated reserves of the mining unit. See note 2.4(h) for useful lives.

(e) Revenue recognition (Note 20) -
The Group applies judgement for determining the timing of satisfaction of services of revenue from contracts with customers. The Group has concluded that revenue related to services such as energy generation and transmission, industrial services, and other services is to be recognized over time because the customer simultaneously receives and consumes the benefits provided by the Group.

The Group has determined that the output method is the best method in measuring progress of the services mentioned above due to the Group has the right to invoice an amount that corresponds directly to the performance completed to date.

3.2. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may vary due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Determination of mineral reserves and resources -

Recoverable proven and probable reserves are the part of a mineral deposit than can be economically and legally extracted or produced at the time of the reserve and resources determination. The determination of reserves involves numerous uncertainties with respect to the ultimate geology of the ore bodies, including quantities, grades and recovery rates. Estimating the quantity and grade of reserves and resources requires the Group to determine the size, shape and depth of its ore bodies by analyzing geological data, such as sampling of drill holes, tunnels and other underground workings. In addition to the geology of the Group's mines, assumptions are required to determine the economic feasibility of mining these reserves, including estimates of future commodity prices and demand, the mining methods the Group uses and the related cost incurred to develop and mine its reserves and resources. The process to estimate proven and probable ore reserves and resources is audited by an independent consultant each year.

All estimated reserves and resources represent estimated quantities of mineral proven and probable that under current conditions can be economically and legally processed. Changes could occur on reserve and resource estimates due to, among others, revisions to the data or geological assumptions, changes in prices, production costs and results of exploration activities. Changes in estimated reserves and resources primarily affect the depreciation of development costs, property, plant and equipment related directly to mining activity, the provision for mine closure, the assessment of the deferred asset's recoverability and the amortization period for development costs.

(b) Units of production depreciation -

Reserves and resources (measured and indicated) are used in determining the depreciation and amortization of mine-specific assets, dissimilar to the subsidiary El Brocal who considers only reserves.

This results in a depreciation or amortization charge proportional to the depletion of the anticipated remaining life of mine production. Each mine's life is assessed annually to evaluate: (i) physical life limitations inherent to the asset, and (ii) new assessments of mineral reserves economically recoverable. These calculations require the use of estimates and assumptions, including the amount of mineral reserves economically recoverable. Changes in these estimates are recorded prospectively.

(c) Provision for closure of mining units (Note 15(b)) -

The Group assesses its provision for closure of mining units at each reporting date using a discounted future cash flow model. In determining the amount of the provision, it is necessary to make significant assumptions and estimates, because many factors exist that can affect the final amount of this provision. These factors include estimates of the extent and costs of closure activities, technological changes, regulatory changes, cost increases as compared to the inflation rates, and changes in discount rates and periods such costs are expected to be incurred. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at the reporting date represents management’s best estimate of the present value of the future closure costs required.

(d) Inventories (Note 8) -

Inventories are classified as current or non-current depending on the length of time that management estimates will be needed to reach the production state of concentrate extraction for each mining unit.

The finished products and in process are valued at cost or net realizable value, the lower. The costs accrued to place the inventories to their current location and condition are accounted as follows.

Materials and supplies -

Purchase cost using the weighted average method.

Finished products, products in process -

The cost of supplies and direct materials, services from third parties, direct labor and a percentage of the indirect expenses, excluding the financing costs and exchange differences.

Net realizable value tests are performed at each reporting date and represent the estimated future sales price of the product the entity expects to realize when the product is processed and sold, less estimated costs to complete production and bring the product to sale. Additionally, management considers the time value of money in calculating the net realizable value of its non-current inventories.

Classified minerals, which are materials with metal content that were removed from the pit of the Colquijirca mining unit for treatment at the expansion operation plant, contain lower grade ore than the average of treated minerals and are available to continue in the process of recovery of mineral and concentrates. Because it is generally impracticable to determine the mineral contained in the classified mineral located in the deposit field near Tajo Norte of Colquijirca mining unit by physical count, reasonable estimation methods are employed. The quantity of minerals delivered to classified mineral is based on surveyed volumes of mined material and daily production records. Sampling and assaying of blasthole cuttings determine the estimated copper, lead and zinc grades of material delivered to classified minerals.

For minerals outside leach platform inventories, finished and in-progress goods are measured by estimating the number of tons added and removed. The number of contained gold ounces is based on assay data, and the estimated recovery percentage is based on the expected processing method. Tonnages and ounces of mineral are verified by periodic surveys.

For minerals inside leach platform inventories, reasonable estimation methods are employed because it is generally impracticable to determine the mineral contained in leach platforms by physical count. The quantity of material delivered to leach platforms are based on surveyed volumes of mined material and daily production records. Sampling and assaying of blasthole cuttings determine the estimated ore grades of material delivered to leach platforms.

(e) Impairment of non-financial assets (Note 11) -

The Group assesses each asset or cash generating unit in each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered the higher of (i) the fair value less costs of disposal and (ii) value in use. The assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, operating costs, among others. These estimates and assumptions are subject to risk and uncertainty.

The fair value of mining assets is generally calculated by the present value of future cash flows arising from the continued use of the asset, which include some estimates, such as the cost of future expansion plans, using assumptions that a third party might consider. The future cash flows are discounted to their present value using a discount rate that reflects current market assessment of the value of money over time, as well as specific risks of the asset or cash-generating unit under evaluation. The Group has determined the operations of each mining unit as an independent cash generating unit.

(f) Deferred income tax asset and recoverability (Note 30) -

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(g) Fair value of contingent consideration (Note 29(c)) -
The contingent consideration arising from a business combination is measured at fair value at the date of acquisition, as part of the business combination. If the contingent consideration is eligible to be recognized as a financial liability, the fair value is subsequently re-measured at each date of the consolidated financial statements. Determining the fair value of the contingent consideration is based on a model of discounted future cash flows. The key assumptions take into account the likelihood of achieving each goal of financial performance as well as the discount rate.

4. Standards and interpretations issued but not effective

Certain new accounting standards and interpretations have been issued that are not yet effective as of December 31, 2023 and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback -
In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted, and that fact must be disclosed. The amendments are not expected to have a material impact on the Group’s financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current -
In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity’s right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments are effective for annual reporting periods beginning on or after 1 January 20243 and must be applied retrospectively. The amendments are not expected to have a material impact on the Group’s financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 -

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed. The amendments are not expected to have a material impact on the Group's financial statements.

5. Transactions in soles

Transactions in soles are completed using exchange rates published by the Superintendent of Banks, Insurance and A.F.P. As of December 31, 2023, the exchange rates for U.S. dollars published by this Institution were US$0.2699 for buying and US$0.2693 for selling (US$0.2626 for buying and US$0.2618 for selling as of December 31, 2022) and have been applied by the Group for the assets and liabilities accounts, respectively.

As of December 31, 2023 and 2022, the Group presents the following assets and liabilities originally denominated in soles by its equivalent in U. S. dollars:

	2023	2022
	US$(000)	US$(000)
Assets		
Cash and cash equivalents	12,124	8,822
Trade and other receivables	749,980	731,367
Income tax credit	16,985	28,046
	779,089	768,235
Liabilities		
Trade and other payables	(94,487)	(84,552)
Provisions	(16,085)	(25,336)
Income tax payable	(6,186)	(2,365)
	(116,758)	(112,253)
Net asset position	662,331	655,982

For the year-ended December 31, 2023, the Group recognized a gain for exchange rate of approximately US$19,375,000 (gain in exchange rate of US$26,871,000 for the year ended December 31, 2022 and an exchange rate loss for US$18,686,000 for the year ended December 31, 2021) in the caption "Foreign currency exchange difference" in the consolidated statements of profit or loss.

See related accounting policies in Note 2.4(a).

6. Cash and cash equivalents

(a) This caption is made up as follows:

	2023 US$(000)	2022 US$(000)
Cash on hand	122	134
Balances with banks (b)	63,979	43,633
Short-term deposits (c)	155,689	210,151
	219,790	253,918

See related accounting policies in Note 2.4(c).

(b) Bank accounts earn interest at floating rates based on market rates.

(c) As of December 31, 2023 and 2022, time deposits were kept in prime financial institutions, which generated interest at annual market rates and have current maturities, lower than 90 days, according to the immediate cash needs of the Group.

7. Trade and other receivables

(a) This caption is made up as follows

	2023 US$(000)	2022 US$(000)
Trade receivables (b)		
Domestic clients	157,296	127,750
Foreign clients	46,051	40,229
Related entities, note 32(b)	421	367
	203,768	168,346
Allowance for expected credit losses (h)	(22,276)	(22,276)
	181,492	146,070
Other receivables		
Tax claims (c)	546,385	631,982
Value added tax credit	66,515	52,589
Other accounts receivables to third parties	27,585	30,175
Accounts receivable from Howden Hodco Perú (i), notes 1(d) and 29(a)	12,564	-
Advances to suppliers	6,810	14,392
Tax deposits (d)	3,075	8,296
Due from for sales of assets (e)	2,744	2,119
Interest receivable	2,634	2,305
Refund applications of value added tax (f)	2,591	2,856
Related entities, note 32(b)	2,486	2,842
Bank accounts in trust (g)	1,058	1,092
Loans to personnel	574	629
Loans to third parties	555	365
Closed hedging financial instruments receivable, note 34(b)	-	2,506
Public Works Tax Deduction	-	1,196
Other	272	218
	675,848	753,562
Allowance for expected credit losses (h)	(4,141)	(4,106)
	671,707	749,456
Total trade and other receivables	853,199	895,526

	2023 US$(000)	2022 US$(000)
Classification by maturity:		
Current portion	240,319	221,899
Non-current portion	612,880	673,627
Total trade and other receivables	853,199	895,526
Classification by nature:		
Financial receivables	237,708	206,903
Non-financial receivables	615,491	688,623
Total trade and other receivables	853,199	895,526
Classification by measurement:		
Trade receivables (not subject to provisional pricing)	55,906	16,503
Trade receivables (subject to provisional pricing)	125,586	129,567
Other accounts receivables	671,707	749,456
Total trade and other receivables	853,199	895,526

See related accounting policies in Note 2.4(b).

(b) Trade accounts receivable are denominated in U.S. dollars, are neither due nor impaired (except for those included in the Group's allowance for expected credit losses, see (i)) do not yield interest and have no specific guarantees.

(c) Corresponds to 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 31(d):

Detail	**Payment Date**	**2023** US$(000)	**2022** US$(000)
Buenaventura (c.1) -			
Payment of tax debt for fiscal year 2007 - 2008.	July 2021	426,374	414,841
Payment of tax debt for fiscal year 2010.	July 2021	96,273	93,669
Payment of tax debt for fiscal year 2009.	July 2021	52,199	50,787
SUNAT seizure for payment on account from January to December 2009; January and February 2010.	December 2019	32,459	31,581
Forced payment of part of the tax liability debt for fiscal year 2007.	November - December 2020	19,451	18,925
SUNAT seizure for payment on account on Income Tax 2007-2008-2009	January 2021	5,174	5,035
Payment in claim to SUNAT for the year 2018	August 2023	3,306	-
Payment of tax debt for fiscal year 2017	December 2022	2,490	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	1,280	1,246
Forced payment of part of the tax debt for fiscal year 2010.	December 2020	486	474
Fine Payment in claim to SUNAT for the year 2014	June 2023	236	-
Payment in claim to the Tax Administration		639,728	618,980

Detail	Payment Date	2023 US$(000)	2022 US$(000)
Liability attributable to Inminsur absorbed by Buenaventura, for the audit process of the periods 1996-1997 and claimed in judicial instances	May 2017	809	787
Payment in claim to OSINERGMIN for the year 2015	December 2022	638	621
Payment in claim to OSINERGMIN for the year 2014	August 2021	630	612
Payment in claim to Oyon Municipality	December 2020	519	504
Other claims		2,596	2,524
		642,324	621,504
El Brocal -			
Payment under protest of the tax liability for fiscal year 2017	October 2023	6,079	-
Forced payment of part of the tax debt for fiscal year 2014.	January 2021	1.314	1,278
Payment of the fine for the benefit of reducing the fine for fiscal year 2015.	January 2020	269	262
		7,662	1,540
Río Seco -			
Forced payment of part of the VAT liability for 2012.	July to September 2019	3,232	3,238
Forced payment of part of the tax debt for fiscal year 2020.	November 2022	620	609
Payment in force as part of the tax liability of year 2020	February 2020	4	-
		3,856	3,847
Huanza -			
Payment under protest of the tax liability for fiscal year 2014	December 2022	1,644	1,600
La Zanja -			
SUNAT seizure for income tax for fiscal year 2016	October 2022	2,418	2,353
Forced payment of part of the tax debt for fiscal year 2013-2015.	April 2021	826	804
Forced payment of part of the tax debt for fiscal year 2019	December 2023	494	-
		3,738	3,157
Chaupiloma -			
SUNAT seizure for income tax for fiscal year 2011	September 2021	339	334
		659,563	631,478

(c.1) During the year 2023, Buenaventura recognized a liability related to the tax claims of the previous years for a grand total of US$113,178,000:

Years	Disbursements US$(000)	Tax claim liability liability, note 31(d) US$(000)	Tax claims as 31.12.2023 US$(000)
2007	183,516	-	183,516
2008	262,408	-	262,408
2009	86,170	(35,223)	50,947
2010	100,322	(77,955)	22,367
2014	1,516	-	1,516
2017	2,490	-	2,490
2018	3,306	-	3,306
Buenaventura's forced payments claimed	639,728	(113,178)	526,550
Other Buenaventura's claims	2,596	-	2,596
Other Buenaventura's subsidiaries forced payments claimed	17,239	-	17,239
Total	659,563	(113,178)	546,385

(d) Corresponds to deposits held in the Peruvian State bank and that in accordance with the tax law of Peru which only can be used to offset tax obligations that the Group has with the Tax Authorities.

(e) As of December 31, 2023 and 2022, the balance also includes the account receivable related to the sale of mining concessions from the subsidiary Chaupiloma to Yanacocha for US$1.9 million (note 1(e)).

Likewise, during 2023 and 2022, the Group recorded a loss of US$2 million presented in "Others, net" caption, see note 28, related to the sale of Mallay mining unit (original amount of US$7.3 million), which were transferred to a third-party and collected during May 2022 in exchange for US$6 million.

(f) Corresponds mainly to current year refunds applications that are pending as of December 31 of each period.

(g) Corresponds mainly to collections that are deposited into restricted bank accounts that only can be used for the payment of financial obligations held by the subsidiary Empresa de Generación Huanza S.A. (hereafter "Huanza"), according to the finance lease signed with Banco de Crédito del Perú in 2009. Below is presented the movement:

	2023 US$(000)	2022 US$(000)	2021 US$(000)
Beginning balance	1,092	359	376
Increase	-	733	-
Decrease	(34)	-	(17)
Final balance	1,058	1,092	359

(h) Below is presented the movement in the allowance for expected credit losses:

	2023	2022	2021
	US$(000)	US$(000)	US$(000)
Beginning balance	26,382	30,897	31,845
Provision for other receivables, note 28(a)	-	253	409
Provision of the year	-	253	409
Foreign exchange difference	35	(59)	(197)
Write off	-	(4,709)	(1,160)
Final balance	26,417	26,382	30,897
Trade receivables	22,276	22,276	22,276
Other receivables	4,141	4,106	8,621
	26,417	26,382	30,897

The allowance for expected credit losses of other receivables is related to accounts receivable from third parties. There is no allowance for expected credit losses of related parties' accounts as they are expected to be fully recoverable.

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 non-payment as of the consolidated statement of financial position.

(i) As December 31, 2023, the Group holds accounts receivable with Howden Hodco Perú S.A., due to the sale of its Subsidiary Contacto Corredores de Seguros S.A., for US$14.5 million recognized in the consolidated financial statements at a present value of US$12.5 million, which will be paid as follows:

- US$7.6 million within the five calendar days following the third commemoration date of the transaction closing.
- US$4.9 million during the first semester of 2024.

The financial updating of the long-term account receivables generated the recognition of a financial expense of US$1.95 million, see note 29(a). These account receivables were determined based on the contractual conditions agreed by both parties.

8. Inventories

(a) This caption is made up as follows:

	2023 US$(000)	2022 US$(000)
Finished goods, net	1,154	1,047
Products in process, net	18,506	20,124
Spare parts and supplies, net	56,867	67,174
	76,527	88,345

See related accounting policies in Note 2.4(d).

(b) The provision for impairment of inventory had the following movements:

	2023 US$(000)	2022 US$(000)	2021 US$(000)
Beginning balance	29,842	30,774	31,117
Continuing operations:			
Finished and in progress goods, note 21(a) -			
Provision	10,536	7,243	6,877
Reversal	(6,685)	(8,314)	(12,348)
	3,851	(1,071)	(5,471)
Spare parts and supplies, note 28(a) -			
Provision	20,478	22,533	22,394
Reversal	(19,409)	(22,394)	(17,266)
	1,069	139	5,128
Final balance	34,762	29,842	30,774

In the opinion of Group’s management, the provision for impairment of inventory adequately covers the risk of obsolescence and the net realizable test as of the date of the consolidated statements of financial position.

9. Prepaid expenses

(a) This caption is made up as follows:

	2023 US$(000)	2022 US$(000)
Right to use facilities paid in advance (b)	23,034	23,920
Prepaid insurance	22,325	15,065
Deferred costs of works for taxes	1,477	1,929
Other prepaid expenses	1,288	1,452
	48,124	42,366
Classification by maturity:		
Current portion	25,976	19,333
Non-current portion	22,148	23,033
	48,124	42,366

See related accounting policies in Note 2.4(g).

(b) Corresponds mainly to payments made in advance to EDEGEL for an original amount of US$31,007,190 corresponding to the right to use the capacity of the hydraulic system of EDEGEL by the subsidiary Empresa de Generación Huanza S.A. This prepayment is being charged to results during the life of the underlying assets (35 years) since January 2015.

10. Investments in associates and joint venture

(a) This caption is made up as follows:

	Share in equity			
	2023 %	2022 %	2023 US$(000)	2022 US$(000)
Associates				
Sociedad Minera Cerro Verde S.A.A.	19.58	19.58	1,416,051	1,408,260
Compañía Minera Coimolache S.A.	40.10	40.10	99,059	98,388
Tinka Resources Ltd.	19.32	19.32	9,221	10,678
			1,524,331	1,517,326
Joint venture (d)			1,628	2,486
Other minor investments			1,164	1,165
			1,527,123	1,520,977

See related accounting policies in Note 2.4(f).

(b) The table below presents the net share in profit (loss) of investments:

	2023	2022	2021
	US$(000)	US$(000)	US$(000)
Associates			
Sociedad Minera Cerro Verde S.A.A.	152,552	181,221	233,342
Compañía Minera Coimolache S.A.	1,072	(2,493)	8,170
Tinka Resources Ltd.	(1,320)	(2,447)	(1,098)
	152,304	176,281	240,414
Joint venture	(79)	(11)	36
	152,225	176,270	240,450

Investment in Sociedad Minera Cerro Verde S.A.A. (Cerro Verde) -

Cerro Verde is engaged in the extraction, production and marketing of cathodes and copper concentrate from its mining unit that is located in Uchumayo, Arequipa, Peru.

Key financial data -

The table below presents the key financial data from the financial statements of Cerro Verde under IFRS:

	2023	2022
	US$(000)	US$(000)
Statements of financial position as of December 31:		
Current assets	1,789,427	1,946,762
Non-current assets	6,141,483	6,047,101
Current liabilities	(460,991)	(564,058)
Non-current liabilities	(789,545)	(778,378)
Equity	6,680,374	6,651,427
Group's interest	1,308,288	1,300,497
Goodwill	107,763	107,763
	1,416,051	1,408,260

	2023	2022	2021
	US$(000)	US$(000)	US$(000)
Statements of profit or loss for the years ended December 31:			
Sales of goods	4,143,228	3,975,295	4,199,448
Net profit from continued operations	778,964	925,353	1,191,474
Group's share in results	152,552	181,221	233,342

The Group's management determined that there was no objective evidence that its investment in Cerro Verde is impaired as of December 31, 2023 and 2022.

Investment in Compañía Minera Coimolache S.A. (Coimolache) -

Coimolache is involved in the production and the sales of gold and silver from its open-pit mining unit located in Cajamarca, Peru.

Key financial data -

The table below presents the key financial data from the financial statements of Coimolache under IFRS:

	2023 US$(000)	2022 US$(000)
Statements of financial position as of December 31:		
Current assets	242,490	208,382
Non-current assets	133,463	154,399
Current liabilities	(26,977)	(21,565)
Non-current liabilities	(101,909)	(95,822)
Equity	**247,067**	**245,394**
Group's interest	99,059	98,388

	2023 US$(000)	2022 US$(000)	2021 US$(000)
Statements of profit or loss for the years ended December 31:			
Sales of goods	136,949	159,003	215,481
Net profit (loss)	2,673	(6,218)	20,377
Group's share in results	1,072	(2,493)	8,170

The Group's management determined that there was no objective evidence that its investment in Coimolache is impaired as of December 31, 2023 and 2022.

Investment in Tinka Resources Ltd. (Tinka) -

Tinka is a Canadian junior exploration and development mining company with its flagship property being the project of Ayawilca. Ayawilca is carbonate replacement deposit (CRD) in the zinc-lead-silver belt of central Peru, in Cerro de Pasco, 200 kilometers northeast of Lima. Tinka is listed on the Lima and Canada Stocks Exchanges (TSX Venture Exchange).

Key financial data -

The table below presents the key financial data from the financial statements of Tinka under IFRS in 2023 and 2022 (financial statements as of September 30, 2023 and 2022) and in 2021 (financial statements as of November 30, 2021):

	2023	2022
	US$(000)	US$(000)
Statements of financial position:		
Current assets	5,591	13,007
Non-current assets	42,475	42,735
Current liabilities	(350)	(473)
Equity	**47,716**	**55,269**
Group's interest	9,221	10,678

	2023	2022	2021
	US$(000)	US$(000)	US$(000)
Statements of profit or loss for the years:			
Net loss	(6,832)	(12,666)	(5,692)
Group's share in results	(1,320)	(2,447)	(1,098)

For the years 2023, 2022 and 2021, the Group has used the latest financial statements available from its associate Tinka, the difference between the period reported by the associate and the date of issuance of these financial statements being less than 3 months. There have been no significant transactions or events between the reporting date of the associate's financial statements and the consolidated financial statements as of December 31, 2023, and 2022. The Group's management determined that there was no objective evidence that its investment in Tinka is impaired as of December 31, 2023 and 2022.

(c) The Group, through its subsidiary El Brocal, has an interest of 8% in Transportadora Callao S.A., a joint venture whose objective was the construction of a fixed conveyor belt of minerals and deposits in the Port of Callao. In May 2014, Transportadora Callao started operations and currently its main activity is the operation of that terminal.

The table below presents the key financial data from the joint venture under IFRS:

	2023 US$(000)	2022 US$(000)
Statements of financial position as of December 31:		
Current assets	17,375	14,760
Non-current assets	67,589	87,692
Current liabilities	(12,896)	(17,608)
Non-current liabilities	(50,572)	(53,768)
Equity	21,496	31,076
Group's share in results	1,628	2,486

	2023 US$(000)	2022 US$(000)	2021 US$(000)
Statements of profit or loss for the years ended December 31:			
Net revenues	98,270	27,538	22,937
Net profit (loss)	(148)	(137)	450
Group interests	(79)	(11)	36

(d) 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	152,225	176,270
Equity contributions granted and paid, note 32(a)	-	1,677
Dividends declared and collected, note 32(a)	(147,286)	(79,140)
Unrealized results on investments	3	(101)
Translation adjustments and other	1,204	(24)
As of December 31,	1,527,123	1,520,977

11. Property, plant, equipment and development costs

(a) Below is presented the movement:

	Balance as of January 1, 2022 US$(000)	Additions US$(000)	Disposals US$(000)	Sales US$(000)	Changes in estimations US$(000)	Reclassifications and transfers US$(000)	Balance as of December 31, 2022 US$(000)	Additions US$(000)	Disposals US$(000)	Sales US$(000)	Changes in estimations US$(000)	Reclassifications and transfers US$(000)	Balance as of December 31, 2023 US$(000)
Cost:													
Lands	17,703	-	-	-	-	1,062	18,765	-	-	-	-	-	18,765
Mining concessions	111,596	-	(6)	-	-	-	111,590	-	-	-	-	(34,023)	77,567
Development costs	844,981	59,702	-	-	-	-	904,683	89,127	(8)	-	-	-	993,802
Buildings, constructions and other	1,350,395	-	(123)	-	-	3,510	1,353,782	-	-	(5,193)	-	27,011	1,375,600
Machinery and equipment	902,397	10	(41,053)	(34)	-	12,695	874,015	1	(233)	-	-	15,428	889,211
Transportation units	7,662	15	(277)	(1,816)	-	73	5,657	-	(89)	(761)	-	723	5,530
Furniture and fixtures	11,770	-	(702)	(4)	-	7	11,071	2	(6)	-	-	464	11,531
Units in transit	2,875	12,811	-	-	-	-	15,686	36,452	-	-	-	-	52,138
Work in progress	46,287	65,577	(3,049)	-	-	(17,347)	91,468	139,610	(1,326)	-	-	(43,629)	186,123
Stripping activity asset (g)	163,487	26,669	-	-	-	-	190,156	8,953	-	-	-	-	199,109
Right-of-use asset (e)	19,232	-	-	-	11,712	-	30,944	1,929	-	-	1,055	-	33,928
Mine closure costs	332,382	-	-	-	(21,869)	-	310,513	-	-	-	11,879	-	322,392
	3,810,767	164,784	(45,210)	(1,854)	(10,157)	-	3,918,330	276,074	(1,662)	(5,954)	12,934	(34,023)	4,165,696
Accumulated depreciation and amortization:													
Development costs	361,581	26,907	-	-	-	-	388,488	23,802	-	-	-	-	412,290
Buildings, construction and other	765,694	58,345	(121)	-	-	-	823,918	55,919	-	-	-	-	879,837
Machinery and equipment	742,340	42,698	(40,355)	(34)	-	-	744,649	37,510	(223)	(4,792)	-	-	777,144
Transportation units	6,650	478	(153)	(1,803)	-	-	5,172	300	(85)	(744)	-	-	4,643
Furniture and fixtures	10,328	548	(651)	(4)	-	-	10,221	457	(6)	-	-	-	10,672
Stripping activity asset	132,159	21,769	-	-	-	-	153,928	51,124	-	-	-	-	205,052
Right-of-use asset (e)	13,894	4,290	-	-	-	-	18,184	3,988	-	-	-	-	22,172
Mine closure costs	213,832	18,198	-	-	-	-	232,030	15,016	-	-	-	-	247,046
	2,246,524	173,233	(41,280)	(1,841)	-	-	2,376,590	188,116	(314)	(5,536)	-	-	2,558,856
Provision for impairment of long-lived assets:													
Mine closure costs	2,206	-	-	-	-	-	2,206	-	-	-	-	-	2,206
Development costs	3,488	-	-	-	-	-	3,488	-	-	-	-	-	3,488
Property, plant and other	20,725	-	(19,874)	-	-	-	851	-	-	-	-	-	851
	26,419	-	(19,874)	-	-	-	6,545	-	-	-	-	-	6,545
Net cost	1,537,870						1,535,195						1,600,295

(b) Impairment of long-lived assets

In accordance with its accounting policies and processes, each asset or CGU is evaluated at each reporting date and annually at year-end, to determine whether there are any indications of impairment. If any such indications of impairment exist, a formal estimate of the recoverable amount is performed.

In assessing whether impairment is required, the carrying value of the asset or CGU is compared with its recoverable amount. The recoverable amount is the higher of (i) the CGU's fair value less costs of disposal (FVLCD) and (ii) its value in use (VIU).

Consequently, the recoverable amount for each CGU is estimated based on discounted future estimated cash flows expected to be generated from the continued use of the CGUs using market-based commodity price and exchange assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements, and its eventual disposal, based on the latest life of mine (LOM) plans. Capital and operating expenditure associated with the Group's climate change initiatives are, to the extent necessary, taken into account when determining the recoverable amount of each CGU. The Group Buenaventura practice responsible mining that promotes economic growth and sustainable development, creating value in the regions where it operates. The Group's environmental management has as an objective to innovate in water management and mine closure, looking forward to supporting the sustainability of operations. The use of clean technologies to reduce fresh water consumption and waste generation, together with the application of adequate environmental protection standards and procedures in the management of operations are essential for Buenaventura. The challenges that come from higher environmental and social expectations of the environment are being addressed appropriately, encouraging research to improve the prevention and control of the environmental impacts of the Groups' activities.

These cash flows were discounted using a real post-tax discount rate that reflected current market assessments of the time value of money and the risks specific to the CGU.

The estimates of quantities of recoverable minerals, production levels, operating costs and capital requirements are obtained from the planning process, including the LOM plans, one-year budgets and CGU-specific studies.

During 2023, the Group identified impairment indicators in Uchcucchacua, Julcani, Tambomayo, El Brocal, La Zanja and Río Seco mining units. The Group evaluated and concluded that there is no impairment as a result of the analysis based on the value in use.

During 2022, the Group identified impairment indicators in Orcopampa, Uchucchacua, La Zanja and Río Seco. The Group evaluated and concluded that there is no impairment as a result of the analysis of the recoverable amount based on their value in use of Orcopampa, Uchucchacua and La Zanja mining units. On the other hand, the Group recognized a recovery of impairment of long-lived assets for US$19.9 million in the CGU Río Seco.

During 2021, the Group identified impairment indicators in Orcopampa, Uchucchacua, La Zanja and Río Seco. The Group evaluated and concluded that there is no impairment as a result of the analysis of the recoverable amount of said units based on their value in use for Orcopampa, Uchucchacua, and La Zanja. As a result of the analysis of the recoverable amount as of December 31, 2021 in Río Seco, the Group recognized an impairment of assets for US$19.9 million. In addition, the La Zanja unit mining recognized a reversal of impairment of US$5.0 million, (net effect of US$14.9 million).

Key assumptions
The determination of value in use is most sensitive to the following key assumptions:

- Production volumes
- Commodity prices
- Discount rate
- Residual value

Production volumes: Estimated production volumes are based on detailed life-of-mine plans and take into account development plans for the mines agreed by management as part of planning process. Production volumes are dependent on a number of variables, such as: the recoverable quantities; the production profile; the cost of the development of the infrastructure necessary to extract the reserves; the production costs; the contractual duration of mining rights; and the selling price of the commodities extracted.

As each producing mining unit has specific reserve characteristics and economic circumstances, the cash flows of the mines are computed using appropriate individual economic models and key assumptions established by management. The production profiles used were consistent with the reserves and resource volumes approved as part of the Group's process for the estimation of proven and probable reserves and resource estimates.

Commodity prices: Forecast commodity prices are based on management's estimates and are derived from forward price curves and long-term views of global supply and demand, building on experience of the industry and consistent with external sources. These prices were adjusted to arrive at appropriate consistent price assumptions for the different qualities and type of commodities, or, where appropriate, contracted prices were applied. These prices are reviewed at least annually.

Estimated prices for the current and long-term periods that have been used to estimate future cash flows are as follows:

As of December 31, 2023 -

	2024 US$	2025-2027 US$
Gold	1,900 /Oz	2,036 /Oz
Silver	23.00 /Oz	27.00 /Oz
Copper	8,500 /MT	10,822 /MT
Zinc	2,600 /MT	3,071 /MT
Lead	2,050/MT	2,449 /MT

As of December 31, 2022 -

	2023 US$	2024-2026 US$
Gold	1,750 /Oz	1,735 /Oz
Silver	21.00 /Oz	23.17 /Oz
Copper	7,900 /MT	9,625 /MT
Zinc	3,000 /MT	2,648 /MT
Lead	1,900 /MT	2,181 /MT

(*) OZ= Ounces, MT = Metric Tonne.

Discount rate:

In calculating the value in use, as of December 31, 2023 and 2022 the following discount rates were applied to the post-tax cash flows:

	2023 %	2022 %
Uchucchacua	12.04	12.52
Tambomayo	12.04	N/A
Julcani	12.04	N/A
Orcopampa	N/A	12.52
El Brocal	14.78	N/A
Rio Seco	15.06	16.34
La Zanja	14.18	14.08

These discount rates are derived from the Group's post-tax weighted average cost of capital (WACC), with appropriate adjustments made to reflect the risks specific to the CGU. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on its interest-bearing borrowings the Group is obliged to service. The Beta factors are evaluated annually based on publicly available market data.

Residual value: As part of its financial projections to determine the recoverable amount, the Group has estimated and included the value of long-lived assets that could be sold independently at the end of the life of the mine. The estimation of the residual value is carried out by an independent appraiser each year.

(c) The book value of assets held under finance leases, and assets under trustworthy equity, amounted to US$231.6 million as of December 31, 2023 (US$250.5 million as of December 31, 2022) and is presented in various items of the "Property, plant, equipment and development cost" caption. During 2023 and 2022, no acquisitions of assets under lease agreements were made. Leased assets are pledged as security for the related finance lease liabilities.

(d) During 2023, 2022 and 2021, no borrowing costs were capitalized.

(e) Right-of-use assets

The net assets for right-of-use assets maintained by the Group correspond to the following:

	2023 US$(000)	**2022** US$(000)
Buildings	9,236	10,484
Transportation units	1,117	1,380
Machinery and equipment	1,403	896
	11,756	12,760

During 2023, the additions to the right-of-use assets were US$1.9 million and no disposals were made (additions of US$11.7 million and no disposals were made during 2022).

(f) Below is the distribution of depreciation expenses of the year:

	2023 US$(000)	**2022** US$(000)	**2021** US$(000)
Cost of sales of goods	164,543	147,032	159,652
Unabsorbed cost due to production stoppage	10,420	14,877	4,569
Cost of sales of services	9,037	8,153	8,109
Administrative expenses	2,065	1,886	4,741
Property, plant, equipment and development costs	1,799	1,039	963
Exploration in non-operating areas	98	101	114
Selling expenses	103	93	84
Other, net	54	49	48
Discontinued operations, note 1(e)	-	9	14
	188,119	173,239	178,294

12. Other non-financial assets

(a) Below is presented the movement:

	Balance as of January 1, 2022 US$(000)	Additions US$(000)	Balance as of December 31, 2022 US$(000)	Additions US$(000)	Disposals US$(000)	Balance as of December 31, 2023 US$(000)
Cost:						
Patents and industrial property (b)	15,001	215	15,216	72	-	15,288
Rights-of-use (c)	13,720	-	13,720	3,732	(475)	16,977
Software licenses	10,862	75	10,937	-	-	10,937
Goodwill (d)	-	-	-	34,023	-	34,023
	39,583	290	39,873	37,827	(475)	77,225
Accumulated amortization:						
Rights-of-use (c)	8,883	705	9,588	980	(274)	10,294
Software licenses	5,504	936	6,440	672	-	7,112
	14,387	1,641	16,028	1,652	(274)	17,406
Cost, net	25,196		23,845			59,819

See related accounting policies in Note 2.4(w).

(b) The copper plant project is a technological initiative of the Company to develop a viable technical and economic solution for the treatment of complex copper concentrates. This project comprises several stages of development from a laboratory level pilot to a demonstration stage.

(c) Corresponds to the mineral servitude agreements signed with the communities surrounding the Group's operations, through which the Group is authorized to carry out exploration, development, exploitation and general work activities.

(d) Corresponds to the higher value paid during the acquisition of the subsidiary El Brocal for US$34.0 million from previous years.

13. Bank loans

The movement is presented below:

	2023 US$(000)	2022 US$(000)	2021 US$(000)
Beginning balance	-	50,000	65,793
New loans	49,000	-	50,000
Payments	(49,000)	(50,000)	(65,793)
Final balance	-	-	50,000

See related accounting policies in Note 2.4(b)(ii).

14. Trade and other payables

(a) This caption is made up as follows:

	2023	2022
	US$(000)	US$(000)
Trade payables (b)		
Domestic suppliers	231,661	181,071
Related entities, note 32(b)	454	163
	232,115	181,234
Other payables		
Remuneration and similar benefits payable	38,617	35,996
Interest payable	14,601	14,911
Taxes payable	6,833	8,910
Exploration expenses payable	3,603	1,895
Royalties payable to the Peruvian State	567	639
Dividends payable (c)	14	20
Related entities, note 32(b)	-	4,053
Other liabilities	2,656	3,884
	66,891	70,308
Total trade and other payables	299,006	251,542
Classification by maturity:		
Current portion	293,621	247,989
Non-current portion	5,385	3,553
Total trade and other payables	299,006	251,542
Classification by nature:		
Financial payables	288,570	240,737
Non-financial payables	10,436	10,805
Total trade and other payables	299,006	251,542

See related accounting policies in Note 2.4(b)(ii).

(b) Trade payables arise mainly from the acquisition of material, supplies and spare parts and services provided by third parties. These obligations have current maturities, accrue no interest and are not secured.

(c) The movement of dividends payable is presented below:

	2023 US$(000)	2022 US$(000)	2021 US$(000)
Beginning balance	639	567	638
Dividends declared and paid, note 17(d) -			
Declared dividends to controlling	18,542	18,542	-
Dividends paid to controlling shareholders, note 17(d)	(18,542)	(18,542)	-
Declared dividends to non-controlling shareholders	1,842	2,647	6,160
Dividends paid to non-controlling shareholders	(1,842)	(2,647)	(6,160)
Expired dividends, note 17(c) -	102	-	(76)
Other	(174)	72	5
Ending balance	567	639	567

15. Provisions

(a) This caption is made up as follows:

	As of January 1, 2022 US$(000)	Changes US$(000)	Accretion expense US$(000)	Reclassifications and others US$(000)	Disbursements US$(000)	As of December 31, 2022 US$(000)	Changes US$(000)	Accretion expense US$(000)	Reclassifications and others US$(000)	Disbursements US$(000)	As of December 31, 2023 US$(000)
Closure of mining units and projects (b)	271,987	(8,872)	5,129	992	(14,989)	254,247	11,076	12,067	-	(18,024)	259,366
Environmental liabilities	19,956	(228)	59	(992)	(2,534)	16,261	7,097	-	3,671	(4,763)	22,266
Environmental contingencies	5,164	3,459	-	246	(453)	8,416	(1,868)	-	97	(2,956)	3,689
Safety contingencies	5,632	870	-	258	(44)	6,716	(1,702)	-	7	(58)	4,963
Labor contingencies	4,421	489	-	233	(12)	5,131	(1,343)	-	36	-	3,824
Tax contingencies	3,409	1,596	-	-	-	5,005	(2,014)	-	-	-	2,991
Obligations with communities	2,595	(637)	-	147	-	2,105	(290)	-	23	-	1,838
Other provisions	163	377	-	97	-	637	1,126	-	-	-	1,763
	313,327	(2,946)	5,188	981	(18,032)	298,518	12,082	12,067	3,834	(25,801)	300,700
Classification by maturity:											
Current portion	81,039					94,171					107,491
Non-current portion	232,288					204,347					193,209
	313,327					298,518					300,700

See related accounting policies in Note 2.4(n).

(b) Provision for closure of mining units and exploration projects -

The table below presents the movement of the provision for closure of mining units and exploration projects:

	2023	2022
	US$(000)	US$(000)
Beginning balance	254,247	271,987
Additions (reversals) in estimates and reclassifications:		
Continuing mining units, note 11(a)	11,879	(21,869)
Continuing mining units, note 28(a)	-	(302)
Discontinued mining units, note 1(e)	6,991	660
Exploration projects, note 28(a)	(7,794)	13,631
	11,076	(7,880)
Accretion expense:		
Continuing mining units, note 29(a)	11,249	4,932
Exploration projects, note 29(a)	589	138
Discontinued mining units, note 1(e)	229	59
	12,067	5,129
Disbursements	(18,024)	(14,989)
Ending balance	259,366	254,247
Classification by maturity:		
Current portion	80,548	60,644
Non-current portion	178,818	193,603
	259,366	254,247

The provision for closure of mining units and exploration projects represents the present value of the closure costs that are expected to be incurred between the years 2024 and 2042. The Group recognizes the provision for closure of mining units and explorations projects based on estimates of studies and activities that meet the environmental regulations in effect and that will be approved by the Ministry of Energy and Mines. The Group recognizes the provision of continued operations based on its analysis and estimates prepared by independent advisors and reviewed by the Group's management. Provisions related to discontinued operations are based on estimates prepared by internal advisors.

The provision for closure of mining units and exploration projects corresponds mostly to activities that must be carried out for restoring the mining units and areas affected by operation and production activities. The principal works to be performed correspond to earthworks, re-vegetation efforts and dismantling of the plants. Closure budgets are reviewed regularly to take into account any significant change in the studies conducted. Nevertheless, the closure costs of mining units will depend on the market prices for the closure works required, which would reflect future economic conditions. Also, the time when the disbursements will be made depends on the useful life of the mine, which will be based on future metals prices.

As of December 31, 2023, the future value of the provision for closure of mining units and exploration projects was US$336 million, which has been discounted using annual risk-free rates from minimums of 4.908 percent and at a maximum range of 6.905 percent, in a period of 1 to 15 years, obtaining as a result an updated liability amounting to US$259.3 million (as of December 31, 2022, the provision was US$254.2 million). The Group believes that this liability is sufficient to meet the current environmental protection laws approved by the Ministry of Energy and Mines.

As of December 31, 2023, the Group has constituted letters of credit in favor of the Ministry of Energy and Mines for US$101.2 million (US$171.8 million as of December 31, 2022) to secure current mine closure plans of its mining units, exploration projects and environmental liabilities to date.

16. Financial obligations

(a) This caption is made up as follow:

	2023 US$(000)	2022 US$(000)
Compañía de Minas Buenaventura S.A.A.		
***Bonds* -**		
Senior Notes at 5.50% due 2026 (b)	544,062	541,980
Sociedad Minera El Brocal S.A.A. (d)		
Banco de Crédito del Perú – Financial obligation	72,852	97,136
Debt issuance costs	(90)	(160)
	72,762	96,976
Empresa de Generación Huanza S.A. (e)		
Banco de Crédito del Perú – Finance lease	79,436	86,625
***Lease liabilities* (h)**		
Finance lease	10,320	12,953
Total financial obligations	706,580	738,534
Classification by maturity:		
Current portion	34,219	35,071
Non-current portion	672,361	703,463
Total financial obligations	706,580	738,534

See related accounting policies in Note 2.4(b)(ii).

(b) In order to comply with its tax obligations, the Buenaventura's Shareholders' Meeting held on May 21, 2021 and its board of directors meeting held on July 12, 2021 approved the issuance of senior unsecured notes (hereinafter "the notes") which were issued on July 23, 2021 with the following terms:

- Denomination of Issue: US$550,000,000 5.500% Senior Notes due 2026.
- Principal Amount: US$550,000,000.
- Issue Date: July 23, 2021.
- Maturity Date: July 23, 2026.
- Issue Price: 99.140% of the principal amount.
- Interest Rate: 5.500% per annum.
- Offering Format: private placement under Rule 144A and Regulation S of the U.S. Securities Act of 1933.
- Expected Listing: Buenaventura will apply to list the bonds on the Singapore Exchange Securities Trading Limited ('SGX-ST').

The notes were offered in a private placement to qualified institutional buyers in accordance with Rule 144A under the Securities Act of 1933, as amended (hereinafter the "Securities Act"), and outside the United States to non-U.S. persons in accordance with Regulation S under the Securities Act. The Notes are fully and unconditionally guaranteed jointly and severally by Compañía Minera Condesa S.A., Inversiones Colquijirca S.A., Procesadora Industrial Río Seco S.A. and Consorcio Energético Huancavelica S.A.

As part of the commitments of the notes, Buenaventura must be in compliance with certain obligations if it wants to enter into any of the following transactions i) incurrence in additional debt, ii) asset sales, iii) making certain investments, paying dividends, purchase Buenaventura's equity interests or making any principal payment prior to any scheduled final maturity or schedule repayment of any indebtedness that is subordinated to the notes (known as "restricted payments"), iv) creation of liens and v) merger, consolidation or sale of assets. These covenants are known as "Limitations on incurrence of indebtedness", "Limitation on Asset Sales", "Limitation on Restricted Payments", "Limitation on Liens" and "Limitation on Merger, Consolidation or Sale of Assets", respectively. These covenants also have exceptions that let the Company operate in the ordinary course of business.

(c) On June 27, 2016, Buenaventura entered into a long-term finance contract with seven Peruvian and foreign banks for a principal amount of US$275,000,000. In 2018, April 2020, April 2021, May 2021 Buenaventura signed the first, second, third and fourth amendments to the Syndicated Term Loan to modify some terms and conditions including the issue of Notes in accordance with Rule 144A and Regulation S under the Securities Act of 1933.

On January 3, 2022, the Company made a US$100 million prepayment of the syndicated loan and the remaining balance of US$175 million was paid on March 2, 2022. Additionally, the related hedging derivative financial instruments was liquidated. See Note 34(c).

(d) On October 29, 2019, El Brocal entered into a new financial obligation of US$161,893,850 with Banco de Crédito del Perú in order to cancel the two previous obligations: (i) Finance leaseback; and (ii) Mid-term financial obligation. The new financial obligation has the following terms and conditions:

- Principal (Part A): US$113,325,695.
- Principal (Part B): US$48,568,155.
- Annual interest rate (Part A): 3.76%.
- Annual interest rate (Part B): Three-month LIBOR plus 2.39%
- Term (Part A): 5 years since October 2019 until October 2024.
- Term (Part B): 7 years since October 2019 until October 2026.

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.

The compliance with the financial ratios is monitored by El Brocal' s Management. as of December 31, 2023 and 2022, El Brocal complies with the coverage and indebtedness ratios.

(e) On December 2, 2009, Huanza entered into a finance lease contract with Banco de Crédito del Perú. On October 29, 2020, as part of the Group its strategy of preserving cash, Huanza negotiated a reduction of the fixed rate of interest and agreed to a modification of the following terms and conditions:

- Principal: final installment of US$44,191,000 (original amount of US$119,000,000).
- Annual interest rate: LIBOR 30 days plus 2.10%.
- Term: 18 months since November 2, 2020, with final maturity in May 2022.
- Guarantee: Leased equipment.
- Amortization: a final installment of US$44,191,000.

On June 30, 2014, Banco de Credito del Perú extended the finance lease contract mentioned above, through the addition of a new tranche. On October 29, 2020, as part of the Group's strategy of preserving cash, Huanza negotiated a reduction of the fixed rate of interest and agreed a modification of the following terms and conditions:

- Principal: final installment of US$68,905,000 (original amount of US$103,373,000)
- Annual interest rate: LIBOR 30 days plus 2.10%
- Term: 18 months since November 2, 2020, with final maturity in May 2022.
- Guarantee: Leased equipment.
- Amortization: a final installment of US$68,905,000.

On April 29, 2022, Banco de Credito del Peru and Empresa de Generación Huanza signed an addendum considering a prior amortization of outstanding principal of US$9,191,364 (Tranche I) and US$13,904,800 (Tranche II). Below we detail the main additional terms and conditions:

Tranche I:

- Principal: US$35,000,000
- Annual interest rate: 5.05 %.
- Term: 60 months since May 2, 2022 with final maturity in 2027.
- Guarantee: Leased equipment.
- Amortization: Through 20 fixed quarterly installments and a final installment of US$22,531,250 at the end of the payment term.

Tranche II:

- Principal: US$55,000,000
- Annual interest rate: 5.05 %.
- Term: 60 months since May 2, 2022 with final maturity in 2027.
- Guarantee: Leased equipment.
- Amortization: Through 20 fixed quarterly installments and a final installment of US$35,406,250 at the end of the payment term.

In addition, Huanza granted a security interest for 100% of shares.

According to the lease contract mentioned above, Huanza is required to maintain the following financial ratios:

- Debt service coverage ratio: Higher than 1.1.
- Minimum equity of US$30,000,000.

Management performed an analysis to determine if the modification of the terms and conditions in October 2020 were substantially different terms and shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The Group concluded that the terms are not substantially different, due to the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate were less than 10 per cent different compared to the discounted present value of the remaining cash flows of the original financial liability.

On December 2, 2009, Huanza signed a “Guarantee Trust Agreement” (hereinafter “the contract”), related to the financial lease agreement described above. In said contract, Huanza and Buenaventura are the trustors, the Bank is the trustee and La Fiduciaria S.A. is the fiduciary. The objective of the contract is the constitution of a trust equity with irrevocable character, which serves entirely as a guarantee of the total payment of the guaranteed obligations, which are based on the agreements, renewals, extensions or modifications established in the financial lease documents.

Under this contract, Huanza promised to grant the following:

- Trust of flows with respect to all the income of the hydroelectric power station of Huanza, including the income from sales of power and energy, through which Huanza is obliged to receive all the cash flows of commercial income through a collection account, as well as carry out certain mandatory actions that guarantee the channeling of flows mentioned above.

- Trust of assets of the station, the lands, the assets of Huanza necessary for the operation of the station that are not under the Financial Lease Agreement and the actions of Huanza, as well as the right of collection on future flows that would correspond to amounts received by Huanza before the eventual public auction of the rights and assets of the concession because of the expiration of the concession.

- The conditional transfer, by which Huanza assigns to the Bank the rights and obligations derived from the agreements and contracts signed by Huanza for the construction of the Plant.

- Letters of Guarantee, by means of which, Buenaventura is constituted as Huanza’ s solidarity guarantor, guaranteeing in favor of the Bank the fulfillment of the obligations breached by Huanza.

As of December 31, 2023 and 2022, Huanza complied with these commitments, including that related to the channeling of all the cash flows received for commercial income through a collection account.

(f) The long-term portion of the financial obligations held by the Group matures as follows:

	2023 US$(000)	2022 US$(000)
Between 1 and 2 years (year 2025)	101,885	105,986
Between 2 and 5 years (year 2026 to 2028)	573,892	601,419
More than 5 years (since 2029)	2,576	4,238
	678,353	711,643
Debt issuance costs	(5,992)	(8,180)
	672,361	703,463

(g) Below is presented the movement of the debt excluding interest:

	2023 US$(000)	2022 US$(000)	2021 US$(000)
Beginning balance	738,534	1,057,975	531,653
Bonds -			
Senior Notes bonds issue	-	-	550,000
Debt issuance costs	-	-	(10,700)
Amortization of debt issuance costs in results, note 29(a)	2,082	1,963	717
Financial obligations -			
Payments	(31,034)	(323,057)	(21,585)
Reversal of the amortized cost of the syndicated loan, note 29(a)	(85)	(8,855)	-
Amortization of debt issuance costs in results, note 29(a)	155	2,820	885
Effect of amortized cost, note 29(a)	-	515	8,837
Increase (reduction) of debt restructuring costs	-	-	225
Lease obligations -			
Additions	1,137	11,712	2,972
Accretion expense, note 29(a)	266	99	176
Payments	(4,475)	(4,638)	(5,205)
Final balance	706,580	738,534	1,057,975

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

	2023 US$(000)	2022 US$(000)
Buildings (j)	1,877	2,719
Transportation units (i)	1,031	1,420
Machinery and equipment	7,412	8,814
	10,320	12,953
Classification by maturity:		
Current portion	2,087	3,639
Non-current portion	8,233	9,314
	10,320	12,953

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 years 2023, 2022 and 2021 is presented in the “Financial costs” caption, note 29(a).

(i) *Transportation units -*
The Group has lease contracts for mining vehicles used in its operations. Leases of mining vehicles generally have lease terms between one and three years. The Group’s obligations under its leases are secured by the lessor’s title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. No contracts require the Group to maintain certain financial ratios nor includes variable lease payments.

The Group also has certain leases of assets with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the short-term lease and lease of low-value assets recognition exemptions for these leases.

(j) *Buildings -*
Lease liabilities related to buildings mainly correspond to a lease contract entered by Buenaventura on its administrative offices in Lima located in Las Begonias Street N°415, San Isidro, Lima, Peru, with a lease term of 10 years since the year 2013 and fixed payments. The Group has the option to lease the assets for two additional term of 5 years each. During the year 2023, the Group extended the contract up to September 20, 2032.

The minimum future rents payable as of December 31, 2023 and 2022 are as follows:

	2023	2022
	US$(000)	US$(000)
Less than 1 year (2024)	2,281	1,313
Between 1 and 5 years (2025-2028)	5,076	3,264
More than 5 years (since 2029)	4,238	4,238
	11,595	8,815

17. Equity

(a) Capital stock -

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

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

The market value of the common shares amounted to S/54 per share as of December 31, 2023 (S/27.9 per share as of December 31, 2022). These shares present trading frequencies of 50% and 25% in 2023 and 2022, respectively.

(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 December 31, 2023 and 2022:

	Number of shares	Investment shares	Investment shares
		S/(000)	US$(000)
Investment shares	744,640	2,161	2,161
Treasury investment shares	(472,963)	(1,370)	(1,370)
	271,677	791	791

The market value of the investment shares amounted to S/16.00 per share as of December 31, 2023 and 2022. These shares did not have a trading frequency in 2023 and 2022.

(c) Legal reserve -

The Peruvian Corporations Law requires that a minimum of 10% of the distributable earnings for each period, after deducting the income tax, be transferred to a legal reserve until the latter is equal to 20% of the capital stock. This legal reserve can be used to offset losses or may be capitalized, with the obligation, in both cases, to replenish it.

Although, the balance of the legal reserve exceeded the limit mentioned above, the Group increased its legal reserve by US$102,000 and US$76,000 in the years 2023 and 2021 respectively as a result of the expired dividends. During 2022, there were no increases in the legal reserve as a result of the expired dividends. According to the General Corporate Law, dividends expire ten years after the payment due.

(d) Dividends declared and paid -

During years 2021 no distribution of dividends was made. The table below presents the dividends declared and paid in 2023 and 2022:

Meetings	**Date**	**Dividends declared and paid**	**Dividend per share**
		US$(000)	US$
2023 Dividends			
Mandatory Annual Shareholders' Meeting	March 31	20,067	0.073
Less - Dividends of treasury shares		(1,525)	
		18,542	
2022 Dividends			
Mandatory Annual Shareholders' Meeting	March 31	20,067	0.073
Less - Dividends of treasury shares		(1,525)	
		18,542	

According to the current Law, there are no restrictions for the remittance of dividends or repatriation of capital by foreign investors.

Dividends declared corresponding to non-controlling interest were US$1,607,000, US$2,647,000 and US$6,160,000 for the years 2023, 2022 and 2021, respectively.

(e) Basic and diluted profit (loss) per share -

Profit (loss) per share is calculated by dividing net profit (loss) for the period by the weighted average number of shares outstanding during the year. The calculation of profit (loss) per share attributable to the equity holders of the parent for the periods ended December 31 2023, 2022 and 2021 is presented below:

	2023	2022	2021
Profit (loss) for the year (numerator) - US$	19,855,000	602,550,000	(264,075,000)
Total common and investment shares (denominator)	253,986,867	253,986,867	253,986,867
Profit (loss) per basic share and diluted - US$	0.08	2.372	(1.040)

The calculation of profit (loss) per share from continuing operations attributable to the equity holders of the parent is presented below:

	2023	2022	2021
Profit (loss) for the year (numerator) - US$	26,703,000	124,003,000	123,529,000
Total common and investment shares (denominator)	253,986,867	253,986,867	253,986,867
Profit (loss) per basic share and diluted - US$	0.11	0.49	0.49

The calculation of profit (loss) per share from discontinuing operations attributable to the equity holders of the parent is presented below:

	2023	2022	2021
Profit (loss) for the year (numerator) - US$	(6,848,000)	478,547,000	(387,604,000)
Total common and investment shares (denominator)	253,986,867	253,986,867	253,986,867
Profit (loss) per basic share and diluted - US$	(0.03)	1.88	(1.53)

Common and investment shares outstanding at the close of the years 2023, 2022 and 2021 was 253,986,867.

In accordance with the Income Tax Law, the Company is subject to a tax of 5% of the income tax is established on dividends or any other form of distribution of profits.

18. 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	2023 and 2022	2021
		%	%
Equity interest held by non-controlling interests:			
Sociedad Minera El Brocal S.A.A.	Peru	38.57	38.57
Apu Coropuna S.R.L.	Peru	30.00	30.00
S.M.R.L. Chaupiloma Dos de Cajamarca, note 1(d)	Peru	-	40.00
Minera La Zanja S.R.L., note 1(d)	Peru	-	46.94

	2023	2022	2021
	US$(000)	US$(000)	US$(000)
Accumulated balances of material non-controlling interest:			
Sociedad Minera El Brocal S.A.A.	162,863	154,175	148,792
Apu Coropuna S.R.L.	(112)	(84)	65
Minera La Zanja S.R.L.	-	-	20,064
S.M.R.L. Chaupiloma Dos de Cajamarca	-	-	1,284
	162,751	154,091	170,205
Profit (loss) allocated to material non-controlling interest:			
Sociedad Minera El Brocal S.A.A.	12,855	239	4,322
S.M.R.L. Chaupiloma Dos de Cajamarca	-	811	4,396
Minera La Zanja S.R.L.	-	(516)	(7,385)
Apu Coropuna S.R.L.	(28)	(149)	(62)
	12,827	385	1,271

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

	Statements of financial position			
	As of December 31, 2023		As of December 31, 2022	
	Sociedad Minera El Brocal S.A.A.	**Apu Coropuna S.R.L.**	**Sociedad Minera El Brocal S.A.A.**	**Apu Coropuna S.R.L.**
	US$(000)	US$(000)	US$(000)	US$(000)
Current assets	230,761	355	197,691	471
Non-current assets	452,549	6	470,539	-
Current liabilities	(182,902)	-	(167,718)	(11)
Non-current liabilities	(101,917)	(735)	(123,280)	(740)
Equity	398,491	(374)	377,232	(280)
Attributable to:				
Shareholders of the Group	235,628	(262)	223,057	(196)
Non-controlling interests	162,863	(112)	154,175	(84)
	398,491	(374)	377,232	(280)

Statements of profit or loss for the years 2023, 2022 and 2021:

	Sociedad Minera El Brocal S.A.A.	**Apu Coropuna S.R.L.**	**Minera La Zanja S.R.L.**	**S.M.R.L. Chaupiloma Dos de Cajamarca**
	US$(000)	US$(000)	US$(000)	US$(000)
Year 2023 -				
Revenues	432,616	-	16,472	-
Profit (loss) for the year	31,454	(93)	(41,530)	-
Attributable to non-controlling interests	-	-	-	-
Year 2022 -				
Revenues	400,994	-	19,364	1,381
Profit (loss) for the year	362	(496)	(11,646)	4,376
Attributable to non-controlling interests	239	(149)	(516)	(811)
Year 2021 -				
Revenues	410,390	-	39,380	15,928
Profit (loss) for the year	10,562	(206)	(10,218)	10,989
Attributable to non-controlling interests	4,322	(62)	(7,385)	4,396

Statements of cash flow for the years 2023, 2022 and 2021:

	Sociedad Minera El Brocal S.A.A.	Apu Coropuna S.R.L.	Minera La Zanja S.R.L.	S.M.R.L. Chaupiloma Dos de Cajamarca
	US$(000)	US$(000)	US$(000)	US$(000)
Year 2023 -				
Operating activities	147,199	-	(13,940)	-
Investing activities	(61,772)	-	(2,827)	-
Financing activities	(29,252)	-	-	-
	56,175	-	(16,767)	-
Year 2022 -				
Operating activities	77,223	(85)	-	-
Investing activities	(62,579)	-	-	-
Financing activities	(23,778)	-	-	-
	(9,134)	(85)	-	-
Year 2021 -				
Operating activities	104,858	(1,227)	(50,647)	10,838
Investing activities	(37,618)	-	(998)	-
Financing activities	(57,176)	-	-	(11,900)
	10,064	(1,227)	(51,645)	(1,062)

19. Tax situation

(a) Current tax regime -

The Company and its Peruvian subsidiaries are subject to the Peruvian tax regime. By means of Law N° 1261 enacted on December 10, 2016, the Peruvian government introduced certain amendments to the Income Tax Law, effective January 1, 2017. The most relevant are listed below:

- A corporate income tax rate of 29.5% is set.

- A tax of 5% of the income tax is established to the dividends or any other form of distribution of profits. The rate applicable to dividends will be considered taking into account the year in which the results or profits that form part of the distribution has been obtained. The rate will be considered according to the following: 4.1% with respect to the results obtained until December 31, 2014; 6.8% with respect to the results obtained during the years 2015 and 2016; and 5% with respect to the results obtained from January 1, 2017.

- It has been established that the distribution of dividends to be made corresponds to the oldest retained earnings.

Through Law No. 31962, published on December 19, 2023, changes have been established in the Tax Code that increased the monthly interest rate applicable to returns of improper or excess payments from 0.42% to 0.9%, in force for periods starting January 01, 2024. Moreover, the law establishes that fines will be updated by the legal interest rate set by the Central Bank of Perú (BCR by its acronym in Spanish) and will be applied from the date on which the Tax Authority requires the fine payment from the debtor.

(b) Years open to tax review -

During the four years following the year of filing the tax return, the tax authorities have the power to review and, as applicable, correct the income tax computed by the Group. The Income Tax and Value Added Tax (VAT) returns for the following years are open to review by the Tax Authorities:

Entity	**Years open to review by the Tax Authorities**
Compañía de Minas Buenaventura S.A.A.	2022 and 2023
Compañía Minera Condesa S.A.	2018,2019,2021-2023
Compañía Minera Colquirrumi S.A.	2018-2023
Consorcio Energético de Huancavelica S.A.	2018-2023
El Molle Verde S.A.C.	2018-2023
Empresa de Generación Huanza S.A.	2018,2019,2021-2023
Inversiones Colquijirca S.A.	2018-2023
Minera La Zanja S.R.L.	2019,2020-2022,2023
Sociedad Minera El Brocal S.A.A.	2018-2023
S.M.R.L. Chaupiloma Dos de Cajamarca	2018-2023
Procesadora Industrial Río Seco S. A.	2018,2019,2022,2023
Apu Coropuna S.R.L.	2018-2023
Cerro Hablador S. A. C.	2018-2023
Minera Azola S. R. L.	2018-2023

As of the date of issuance of these consolidated financial statements, Buenaventura is being audited by the Tax Administration for income tax for the taxable year of 2019 and 2020, and in March 2024 is initiating the audit of the income tax for the taxable year 2021.

Furthermore, the tax administration has initiated the audit of the income tax for the taxable year 2021 of the subsidiary El Brocal S.A.A. Similarly, it is reviewing the income tax of Consorcio Energetico Huancavelica for the taxable year 2017 and Río Seco for the taxable year 2021.

Due to the possible interpretations that the Tax Authorities may give to legislation in effect, it is not possible to determine whether any of the tax audits will result in increased liabilities for the Group. For that reason, any tax or surcharge that could arise from future tax audits would be applied to the income of the period in which it is determined. In the opinion of Management and its legal advisors, any possible additional payment of taxes in the entities mentioned before would not have a material effect on the consolidated financial statements as of December 31, 2023 and 2022.

The open tax process of the Group and its associates are described in note 31(d).

(c) Tax-loss carryforwards -

As of December 31, 2023 and 2022, the tax-loss carryforward determined by the Group amounts to approximately S/3,425,297,000 and S/3,285,065,000, respectively (equivalent to US$922,515,000 and US$883,573,000 respectively). As permitted by the Income Tax Law, the Group has chosen a system that permits to offset these losses against future net taxable income subject to an annual cap equivalent to 50% of net taxable income.

The Group recognized a deferred income tax asset related to the tax-loss carryforward of those entities where it is probable that a carryforward can be used to offset future taxable profits. See note 31.

(d) Transfer pricing -

For purposes of determining its income tax, the transfer prices for transactions with related companies and companies domiciled in territories with little or no taxation must be supported with documentation and information on the valuation methods used and the criteria considered for their determination. The tax administration can request this information based on analysis of the Group's operations. The Group’s management and its legal advisers believe that, as a result of the application of these standards, no material contingencies will arise for the Group as of December 31, 2023 and 2022.

20. Sales

(a) The Group’s sales are mostly from sales of gold and precious metals in the form of concentrates, including silver-lead, silver-gold, zinc and lead-gold-copper concentrates and ounces of gold. Set out below is the disaggregation of the Group’s revenue from contracts with customers:

	2023 US$(000)	2022 US$(000)	2021 US$(000)
Revenues by geographic region:			
Metal and concentrates sales -			
Peru	530,103	533,765	702,962
America – other than Peru	169,239	178,724	145,988
Asia	59,308	36,796	23,637
Europe	55,107	33,412	51,803
	813,757	782,697	924,390
Services -			
Peru	12,884	22,095	20,936
America – other than Peru	-	127	96
Europe	-	-	20
	12,884	22,222	21,052
Royalties -			
Peru	-	1,381	15,928
	826,641	806,300	961,370

	2023	2022	2021
	US$(000)	US$(000)	US$(000)
Revenues by type of good or services:			
Sales by metal -			
Copper	466,558	367,278	340,522
Gold	279,731	299,747	262,676
Silver	196,340	157,923	316,930
Zinc	46,620	107,486	143,580
Lead	21,401	32,951	51,907
Manganese sulfate	-	361	4,976
Antimony	-	28	-
	1,010,650	965,774	1,120,591
Commercial deductions, note 2.4(q)	(196,893)	(183,077)	(196,201)
Sales of goods, note 20(b)	813,757	782,697	924,390
Sales of services, note 20(b)	12,884	22,222	21,052
Royalties income, note 20(b)	-	1,381	15,928
Total revenue from contracts with customers	826,641	806,300	961,370
Revenues by type of recognition:			
Goods transferred at a point in time	813,757	782,697	924,390
Services transferred over time	12,884	22,222	21,052
Royalties at a point of time	-	1,381	15,928
	826,641	806,300	961,370

See related accounting policies in Note 2.4(p).

(b) Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the consolidated statement of profit or loss:

	2023	2022	2021
	US$(000)	US$(000)	US$(000)
Contracts with customers for sale of goods (a)	813,757	782,697	924,390
Hedge operations, note 34(a)	6,056	12,774	(51,952)
Adjustments to prior period liquidations	(450)	(920)	(5,137)
Fair value of accounts receivables	(8,402)	6,648	(3,831)
Sale of goods	810,961	801,199	863,470
Sale of services, note 20(a)	12,884	22,222	21,052
Royalty income, note 20(a)	-	1,381	15,928
	823,845	824,802	900,450

See related accounting policies in Note 2.4(p).

(c) Performance obligations -

The performance obligation of the sale of goods is satisfied upon delivery of the goods and payment is generally due within 5 to 90 days from delivery. Performance obligation of services is satisfied over-time and payment is generally due upon completion and acceptance of service.

(d) Concentration of sales -

In 2023, the 4 customers with sales of more than 10% of total sales represented 32, 23, 22 and 10 percent from the total sales of Group (4 clients represented 32%, 23%, 22% and 10%from the total sales of Group during the year 2022 and 4 clients represented 37%, 19%, 17% and 15% during the year 2021). As December 31, 2023, 79% of the accounts receivable correspond to these customers (71% as of December 31, 2022). These customers are related to the mining business.

The Group's sales of gold and concentrates are delivered to investment banks and national and international well-known companies. Some of these customers have long-term sales contracts with the Group that guarantee supplying them the production from the Group's mines.

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

(a) The cost of sales of goods is made up as follows:

	2023 US$(000)	2022 US$(000)	2021 US$(000)
Beginning balance of finished goods and products in process, net of depreciation and amortization	22,667	30,031	31,797
Cost of production			
Services provided by third parties	166,227	185,028	224,979
Consumption of materials and supplies	93,407	94,929	107,908
Direct labor	77,781	67,704	75,099
Short-term and low-value leases	26,794	29,329	31,309
Electricity and water	28,729	21,510	17,657
Maintenance and repair	21,601	21,099	25,681
Insurance	16,946	16,118	16,091
Transport	13,589	13,528	17,449
Other	4,510	6,404	17,263
Provision (reversal) for impairment of finished goods and product in progress, note 8(b)	3,851	(1,071)	(5,471)
Total cost of production	453,435	454,578	527,965
Final balance of finished goods and products in process	(18,748)	(33,624)	(30,031)
Write – off of products in process	-	10,957	-
Final balance of finished goods and products in process, net of depreciation and amortization	(18,748)	(22,667)	(30,031)
Cost of sales of goods, without considering depreciation and amortization	457,354	461,942	529,731

See related accounting policies in Note 2.4(x).

(b) The cost of services is made up as follows:

	2023 US$(000)	2022 US$(000)	2021 US$(000)
Services provided by third parties	4,266	1,681	594
Maintenance and repair	982	46	31
Consumption of materials and supplies	596	31	11
Insurances	129	134	46
Direct labor	121	-	-
Electricity and water	78	1,204	556
Transport	6	14	9
Short-term and low-value lease	6	3	-
Other minor cost of services	59	50	22
	6,243	3,163	1,269

22. Unabsorbed cost due to production stoppage

This caption is made up as follows:

	2023 US$(000)	2022 US$(000)	2021 US$(000)
Direct labor	6,144	6,505	3,418
Services provided by third parties	5,654	7,608	19,214
Insurances	2,782	867	456
Electricity and water	1,741	2,510	22
Consumption of materials and supplies	917	1,155	781
Short-term and low-value lease	644	1,180	668
Maintenance and repairment	606	330	275
Mining easement	590	1,285	160
Transport	316	301	87
Rights	177	214	-
Others	322	1,103	428
	19,893	23,058	25,509

During the year 2023, 2022 and 2021, the unabsorbed production costs of the mining units correspond to the stoppage of production of the Uchucchacua mining unit and Río Seco, see note 1(b).

See related accounting policies in Note 2.4(x).

23. Exploration in operating units

This caption is made up as follows:

	20223 US$(000)	2022 US$(000)	2021 US$(000)
Beginning balance of finished goods and products in process, net of depreciation and amortization	988	2,036	1,296
Cost of exploration in operating units			
Services provided by third parties	35,785	51,912	45,437
Direct labor	6,357	7,097	3,891
Consumption of materials and supplies	2,694	4,502	3,839
Short-term and low-value lease	1,791	5,016	2,641
Transport	720	470	108
Electricity and water	237	72	834
Maintenance and repair	66	211	165
Purchase of land	-	10,066	-
Other exploration rights	1,140	402	237
Total exploration in operating units	48,790	79,748	57,152
Final balance of finished goods and products in process	(549)	(1,408)	(2,036)
Write – off of products in process	-	420	-
Final balance of finished goods and products in process, net of depreciation and amortization	(549)	(988)	(2,036)
	49,229	80,796	56,412

As of December 31, 2023, 2022 and 2021, disbursements of exploration in operating amount to US$49.2 million, US$80.8 million and US$56.4 million, respectively, which are presented in the “Payments to suppliers and third parties, and other net” caption of the consolidated statements of cash flows.

See related accounting policies in Note 2.4(k).

24. Mining royalties

This caption is made up as follows:

	2023 US$(000)	2022 US$(000)	2021 US$(000)
Sindicato minero de Orcopampa S.A., note 31(b)	12,832	11,053	6,970
Royalties paid to the Peruvian State	6,007	6,680	6,004
	18,839	17,733	12,974

See related accounting policies in Note 2.4(s).

25. Administrative expenses

This caption is made up as follows:

	2023 US$(000)	2022 US$(000)	2021 US$(000)
Personnel expenses	34,356	32,697	32,209
Professional fees	9,907	10,920	12,393
Sundry charges	8,915	9,070	8,968
Board of Directors' compensation	2,223	3,873	1,992
Short-term and low-value lease	2,021	1,554	294
Depreciation and amortization	1,998	2,460	3,680
Subscriptions and quotes	1,469	1,366	1,426
Insurance	1,326	1,302	1,748
Maintenance and repairs	712	546	546
Communications	748	825	854
Transport	673	525	278
Canons and tributes	541	447	369
Travel and mobility	258	230	100
Consumption of materials and supplies	218	242	398
Donations	-	251	607
Software licenses	-	1,420	1,723
Others	3,818	-	-
	69,183	67,728	67,585

See related accounting policies in Note 2.4(x).

26. Selling expenses

This caption is made up as follows:

	2023 US$(000)	2022 US$(000)	2021 US$(000)
Transportation services	12,596	13,778	14,138
Shipping services and expenses	2,719	2,272	2,252
Canons and tributes	2,146	2,496	2,820
Personnel expenses	699	604	595
Laboratory analysis and tests	437	401	379
Other	795	671	643
	19,392	20,222	20,827

See related accounting policies in Note 2.4(x).

27. Exploration in non-operating areas

This caption is made up as follows:

	2023	2022	2021
	US$(000)	US$(000)	US$(000)
Services provided by third parties	6,640	6,324	4,742
Personnel expenses	2,982	2,898	2,748
Land	982	1,190	967
Consumption of materials and supplies	698	467	251
Professional fees	386	557	439
Laboratory analysis and tests	376	862	508
Short-term and low-value lease	368	917	612
Transport	244	173	191
Other	776	864	812
	13,452	14,252	11,270

See related accounting policies in Note 2.4(k).

28. Other, net

(a) This caption is made up as follows:

	2023	2022	2021
	US$(000)	US$(000)	US$(000)
Other income			
Income from the sale of the investment in Contacto Corredores de Seguro S.A., note 1(d)	41,523	-	-
Sale of supplies and merchandise to third parties	30,611	44,392	33,014
Reversal for impairment of spare parts and supplies, note 8(b)	19,409	22,394	17,266
Income from transfer of ownership of mining rights, note 1(d)	9,843	8,455	-
Changes in the provision for exploration projects, note 15(b)	7,794	-	-
Sale of services to third parties	3,049	2,277	10,473
Income from previous years	4,528	3,218	2,505
Sale of supplies to related parties, note 32(a)	1,104	179	169
Sale of assets to third parties	632	791	685
Additional income from sale of investments	245	1,577	-
Insurance recovery	-	881	357
Changes in provision for mine closure, note 15(b)	-	302	-
Changes in provision for environmental liabilities (c)	-	228	-
Income from dividends in other investments	-	205	3,350
Insurance claim recovery (b)	-	-	2,358
Other	1,083	976	507
	119,821	85,875	70,684

	2023 US$(000)	2022 US$(000)	2021 US$(000)
Other expenses			
Cost of sales of spare parts, supplies and goods to third parties	(34,601)	(45,520)	(35,831)
Provision for impairment of spare parts and supplies, note 8(b)	(20,478)	(22,533)	(22,394)
Liability related to the tax claim for the years 2009-2010, note 31(d)	(9,598)	-	-
Changes in environmental liabilities provision (c)	(9,019)	-	(15,533)
Administrative fines of environmental and security contingencies (d)	(6,528)	(569)	(977)
Personnel expenses	(-4,951)	(379)	(5,645)
Net disposal cost of the sale of Contacto Corredores de Seguros S.A investment, note 1(d)	(2,889)	-	-
Cost of sales of services to third parties	(2,888)	(6,591)	(10,440)
Withdrawals and disposals of property, machinery and equipment, note 11(a)	(1,348)	(3,924)	(1,909)
Net disposal cost of the sale of Minera Julcani investment, note 1(d)(v)	(690)	-	-
Expenses from previous years	(700)	(1,296)	(1,520)
Withdrawals and disposals of property, machinery and equipment, note 11(a)	(418)	(13)	(119)
Net loss on transfer of contractual transfer, note 1(e)	-	(2,000)	-
Fines and interest related to contingencies	-	(1,612)	-
Changes in provisions for exploration projects, note 15(b)	-	(13,631)	(2,030)
Allowance for expected credit losses, note 7(h)	-	(253)	(409)
Penalty of account receivable for tax claim, note 31(d)	-	(2,322)	-
Disposal cost of sale of supplies and merchandise to related parties	-	-	(72)
Other	(740)	(317)	(3,065)
	(94,848)	(100,960)	(99,944)
	24,973	(15,085)	(29,260)

See related accounting policies in Note 2.4(x).

(b) During 2023 and 2022, there were no collections related to indemnity for the insurance claim.

In August 2021, collections correspond to the income of the subsidiary El Brocal related to the indemnity for the insurance claim of US$2,358,000 as a result of the insurance compensation for the damage suffered by the act of vandalism, which occurred in December 2020. On September 3, 2021, the amount was fully collected.

(c) During 2023 and 2021, the subsidiary El Brocal updated its closure plan for environmental liabilities of Santa Bárbara and Delta Ulpamayo. For the preparation of the Santa Bárbara closure plan, the collaboration of a specialized external company was assigned.

As of December 31, 2023, the total budget of both environmental liabilities amounts to US$13,587,000, which was discounted using a rate in a range of 4.984 to 5.641 percent over a period of 6 years, resulting in an updated liability amounting to US$12,401,000 (US$11,460,000 as of December 31, 2022).

(d) Corresponds mainly to environmental fines charged to the subsidiary El Brocal by the Environmental Assessment and Audit Organism (OEFA by its acronym in Spanish) related with the inspections performed per expedient of the years 2017, 2019 and 2021.

29. Finance costs and finance income

(a) This caption is made up as follows:

	2023	**2021**	**2020**
	US$(000)	US$(000)	US$(000)
Finance revenues:			
Interest on time deposits	7,795	3,521	338
Interests on third party loans	800	449	203
Interest on loans to related parties, note 32(a)	23	94	89
Interest from financial instruments	85	74	114
Interest on tax claims	-	-	75
Other finance revenues	-	565	303
	8,703	4,703	1,122
Reversal of the amortized cost of the syndicated loan, note 16(g)	85	8,855	-
Unrealized change of the fair value related to contingent consideration liability (b)	-	813	4,382
Accrual of other account receivable	269	72	448
Total finance revenues	9,057	14,443	5,952

	2023 US$(000)	2022 US$(000)	2021 US$(000)
Finance costs:			
Interest related to the liability resulting from the tax claim of the years 2009-2010	58,454	-	-
Interest related to senior notes	30,250	31,771	13,343
Interest on borrowings and loans	9,044	10,865	17,166
Settlement of hedging financial instruments, note 34(b)	-	818	1,547
Tax on financial transactions	500	189	193
Interest on loans	-	26	43
Commissions for bond letters issued to SUNAT	-	-	12,124
Other financial expenses	-	-	-
	98,248	43,669	44,416
Accretion expense for mine closure and exploration projects, note 15(b)	11,838	5,070	5,598
Accrual of debt issuance costs, note 16(g)	155	2,820	885
Accrual of costs for bond issuance, note 16(g)	2,082	1,963	717
Amortized cost of financial obligations, note 16(g)	-	515	8,837
Update of the accounts receivable from Howden Hodco Perú, notes 1(d) and 7(i)	1,956	-	-
Accretion expense for leases related to right-in-use assets, note 16(g)	266	99	176
Fair value variation of the financial liability of the contingent consideration liability (b)	4,709	-	-
	119,254	54,136	60,629

(b) Contingent consideration -

On August 18, 2014, Buenaventura acquired from Minera Gold Fields Peru S.A. (Gold Fields) 51% of the voting shares of Canteras del Hallazgo S.A.C., which represent the whole interest of Gold Fields in the equity of such entity.

Through the merger with Canteras del Hallazgo S.A.C, the Group is the owner of the Chucapaca project, which is located in the Ichuña district, in the General Sanchez Cerro province, in the Moquegua department, Peru. According to previously performed studies, there is evidence of the existence of gold, silver, copper and antimony in the area, specifically in the Canahuire deposit.

The purchase and sale agreement considered a contingent consideration of US$23,026,000, which corresponds to the present value of the future royalty payments equivalent to 1.5% over the future sales of the minerals arising from the mining properties acquired. The fair value of the future royalty payments was determined using the income approach.

Significant increase (decrease) in the future sales of mineral would result in higher (lower) fair value of the contingent consideration liability, while significant increase (decrease) in the discount rate would result in lower (higher) fair value of the liability. Changes in the fair value of this contingent consideration have been recognized through profit or loss in the consolidated statement of profit or loss.

As of December 31, 2023 and 2022, it is highly probable that the Group reaches the projected future sales. The fair value of the contingent consideration determined as of December 31, 2023 and 2022 reflects this assumption and changes in metal prices.

(c) A reconciliation of fair value measurement of the contingent consideration liability is provided below:

	2023	**2022**	**2021**
	US$(000)	US$(000)	US$(000)
Beginning balance	16,905	17,718	22,100
Variation of the fair value in profit or loss	4,709	(813)	(4,382)
Ending balance	21,614	16,905	17,718

Significant unobservable valuation inputs are provided below:

	2023	**2022**
Annual average of future sales of mineral (US$000)	224,288	208,912
Useful life of mining properties	14	14
Pre-tax discount rate (%)	12.04	13.2

The Group has the preferential right of acquisition of the royalty in case Gold Fields decides to sell it.

30. Deferred income tax

(a) The Group recognizes the effects of timing differences between the accounting and tax basis. This caption is made up as follows:

	As of January 1, 2022	Credit (debit) to consolidated statement of profit or loss	Credit (debit) to discontinued operations (note 1(e))	Credit (debit) to consolidated statements of changes in equity (note 1(d))	Credit (debit) to consolidated statements of other comprehensive income	As of December 3 1, 2022	Credit (debit) to consolidated statement of profit or loss	Credit (debit) to consolidated statements of other comprehensive income	Others	As of December 31, 2023
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Deferred asset for income tax										
Tax - loss carryforwards	186,881	16,450	-	(13,372)	-	189,959	11	-	-	189,970
Difference in depreciation and amortization rates	52,497	(9,705)	-	-	-	42,792	1,633	-	-	44,425
Provision for closure of mining units, net	30,351	(1,660)	-	-	-	28,691	3,887	-	-	32,578
Provision for impairment of value of inventory	9,008	(254)	-	-	-	8,754	1,831	-	-	10,585
Contingent consideration liability	5,227	(228)	-	-	-	4,999	1,392	-	-	6,391
Provision for bonuses to employees and officers	5,696	(2,724)	-	-	-	2,972	(494)	-	-	2,478
Impairment loss of long-lived assets provision	1,930	-	-	-	-	1,930	-	-	-	1,930
Contractors claims provisions	5,236	(4,100)	-	-	-	1,136	(765)	-	-	371
Provision for sale of investment in associate	50,444	-	(50,444)	-	-	-	-	-	-	-
Other	9,565	2,133	-	-	-	11,698	(1,065)	-	-	10,633
	356,835	(88)	(50,444)	(13,372)	-	292,931	6,430	-	-	299,361
Derivative financial instruments	2,058	-	-	-	(2,058)	-	-	-	-	
	358,893	(88)	(50,444)	(13,372)	(2,058)	292,931	6,430	-	-	299,361
Deferred assets for mining royalties and special mining tax	-	51	-	-	-	51	(42)	-	-	9
Total deferred asset	358,893	(37)	(50,444)	(13,372)	(2,058)	292,982	6,388	-	-	299,370
Deferred liability for income tax										
Effect of translation into U.S. dollars	(88,054)	20,153	9,030	-	-	(58,871)	11,222	-	-	(47,649)
Differences in amortization rates for development costs	(64,278)	(1,682)	-	-	-	(65,960)	(9,148)	-	-	(75,108)
Difference in depreciation and amortization rates	(49,113)	(10,509)	-	-	-	(59,622)	14,355	-	-	(45,267)
Fair value of mining concessions	(14,898)	-	-	-	-	(14,898)	6	-	-	(14,892)
Withdrawal of the sale of Contacto Corredores de Seguros S.A. invesment	-	-	-	-	-	-	-		(1,220)	(1,220)
Other	(24,662)	7,575	-	-	-	(17,087)	3,328	-	-	(13,759)
	(241,005)	15,537	9,030	-	-	(216,438)	19,763	-	(1,220)	(197,895)
Derivative financial instruments	-	-	-	-	(2,608)	(2,608)	-	2,608	-	-
	(241,005)	15,537	9,030	-	(2,608)	(219,046)	19,763	2,608	(1,220)	(197,895)
Deferred liability for mining royalties and special mining tax	(279)	92	-	-	-	(187)	161	-	-	(26)
Total deferred liability	(241,284)	15,629	9,030	-	(2,608)	(219,233)	19,924	2,608	(1,220)	(197,921)
Deferred income tax asset, net	117,609	15,592	(41,414)	(13,372)	(4,666)	73,749	26,312	2,608	(1,220)	101,449

(b) The deferred tax asset is presented in the consolidated statement of financial position:

	2023 US$(000)	2022 US$(000)
Deferred income tax asset, net	131,863	106,170
Deferred income tax liability, net	(30,414)	(32,421)
	101,449	73,749

(c) The following is the composition of the provision for income taxes shown in the consolidated statement of income for the years 2023, 2022 and 2021:

	2023 US$(000)	2022 US$(000)	2021 US$(000)
Income tax expense			
Current	(63,782)	(12,091)	(13,128)
Deferred	26,193	15,449	43,951
	(37,589)	3,358	30,823
Mining Royalties and Special Mining Tax			
Current	(5,524)	(3,542)	(7,247)
Deferred	119	143	95
	(5,405)	(3,399)	(7,152)
Total income tax	(42,994)	(41)	23,671

(d) Below is a reconciliation of tax benefit (expense) and the accounting profit (loss) before income tax multiplied by the statutory tax rate for the years 2023, 2022 and 2021:

	2023 US$(000)	2022 US$(000)	2021 US$(000)
Profit (loss) before income tax	82,524	124,429	101,129
Profit (loss) from discontinued operations before income tax	(6,848)	564,708	(429,018)
Profit (loss) before income tax	75,676	689,137	(327,889)
Theoretical income tax benefit (expense)	(22,324)	(203,295)	96,727
Permanent items and others:			
Share in the results of associates and joint venture	44,906	52,000	70,933
Effect of translation into U.S. dollars	11,222	20,153	(895)
Exchange rate effect of permanent items	(15,821)	(14,051)	(9,001)
Liability related to the tax claim of the years 2009-2010, note 29(d)	(20,075)	-	-
Non-deductible work-in-process write - off	-	(4,839)	-
Income tax from previous years	-	(1,982)	-
Mining royalties and special mining tax	(554)	(837)	(3,253)
Investment in associate available for sale	-	83,192	(83,192)
Non-deductible expenses	7,188	(13,144)	2,048
Non-deductible deferred tax for striping cost	-	-	(1,130)
Income tax income (expense)	10,302	(82,803)	72,237
Income tax of tax claim, note 32(b)	(45,126)	-	-
Mining Royalties and Special Mining Tax	(6,150)	(3,399)	(7,152)
Total income tax	(40,974)	(86,202)	65,085
Income tax from continuing operations	(42,994)	(41)	23,671
Income tax from discontinued operations	2,020	(86,161)	41,414
	(40,974)	(86,202)	65,085

(e) Related to the investment in associates, the Group has not recognized a deferred income tax asset of US$35.7 million as of December 31, 2023, originated by the difference between the financial and taxable basis of these investments (US$35.7 million as of December 31, 2022). Management believes that the timing differences will be reversed in the future without taxable effects. There is no legal or contractual obligation that would require the Company’s management to sell its investment in its associates (which event would result in a taxable capital gain based on current tax law).

(f) As December 31, 2023, the Group maintains an asset for current income taxes of US$17,059,000 (US$15,391,000 current portion and US$1,668,000 non-current portion) and a liability for current income taxes of US$6,274,000. As December 31, 2022, the Group maintains an asset and liability for income taxes of US$28,046,000 and US$2,366,000; respectively.

31. Commitments and contingencies

Commitments

(a) Environmental -

The Group's exploration and exploitation activities are subject to environmental protection standards.

Law No. 28090 regulates the obligations and procedures that must be met by the holders of mining activities for the preparation, filing and implementation of Mine Closure Plans, as well as the establishment of the corresponding environmental guarantees to secure fulfilment of the investments, subject to the principles of protection, preservation and recovery of the environment.

Law No. 28271 regulates environmental liabilities in mining activities. This Law has the objective of ruling the identification of mining activity's environmental liabilities and financing the remediation of the affected areas. According to this law, environmental liabilities refer to the impact caused to the environment by abandoned or inactive mining operations.

The Groups considers that the recorded liability is sufficient to comply with the environmental regulations of Peru.

(b) Leased concessions -

The Group pays 10 percent on the valued production of mineral obtained from the concessions leased by Sindicato Minero Orcopampa S.A. This concession is in force until the year 2043. See note 24.

Contingencies

(c) Legal procedures -

Buenaventura -

The Group is a party to legal procedures that have arisen in the normal course of business. Nevertheless, in the opinion of Buenaventura's Management, none of these procedures, individually or as a whole, could result in material contingencies for the Group's consolidated financial statements.

The possible environmental, labor, safety, and communities' contingencies amount to US$2.44 million and US$3.8 million as of December 31, 2023 and 2022, respectively. The possible tax contingencies amount to US$10.3 million and US$28.8 million as of December 31, 2023 and 2022, respectively, see note 31(d).

(d) Open tax procedures –

Buenaventura –

During 2012 and 2014, the Superintendencia Nacional de Aduanas y de Administración Tributaria (SUNAT) reviewed the Company's income tax for 2007 and 2008. As a result, SUNAT does not recognize certain tax deductions totaling S/1,056,310,000 (equivalent to US$284,490,000) for the year 2007 and S/1,530,985,000 (equivalent to US$412,331,000) for the year 2008. The main unrecognized deduction is the payment made for the removal of the price component of its commercial contracts for gold sales. In the opinion of management and its legal counsel, the objections are unfounded so Buenaventura expects to receive a favorable result in the initiated claim process.

In November 2018, the Tax Court resolved the initial appeal proceedings and did not recognize the deductions related to settlement of the contracts of physical deliveries and the related contractual obligation and considers that the payments correspond to an advance financial settlement of Contracts of Derivative Financial Instruments and that the Company would not have accredited the purpose of hedge and the risks covered. The Company's management with the support of its legal advisers initiated various administrative and judicial actions to present their arguments and defend their rights related to the originally claimed deductions.

On November 10, 2020, the Tax Court confirmed the reliquidation of the tax debt determined by SUNAT corresponding to 2007 and 2008. With this ruling, on November 13, 2020, SUNAT notified the Company of the start of the compulsory collection of such taxes for S/1,567,297,000 (equivalent to US$422,111,000), composed of S/192,049,000 (equivalent to US$51,723,000) of income tax and S/1,375,248,000 (equivalent to US$370,387,000) of interest and penalties.

The Company made payments under protest during the months of November and December 2020 for S/72,065,000 (equivalent to US$19,451,000), which are recorded in the caption "Trade and other receivables", note 7(c). Based on the opinion of the Company's legal advisers, management expects to obtain a favorable result in the judicial process initiated.

Likewise, the Company requested to SUNAT for an installment payment program that deferred payment for six months and thereafter satisfies the amount via 66 equal monthly payments, amounting to S/1,505,948,000 (equivalent to US$405,588,000), for which has been delivered, as a guarantee, letters of guarantee for the total amount plus 5% according to the tax requests for a total of S/1,580,126,000 (equivalent to US$425,566,000). The application was approved by SUNAT on January 5, 2021 and payments were schedule to begin in July 2021 considering a monthly interest rate according to the tax regulations of 0.8% per month until March 31, 2021 and 0.72% per month from April 1 onwards.

On July 30, 2021, the Company paid the full amount of the tax liability related to the 2007 and 2008 tax processes that were subject to deferment and installment. The total amount paid of S/1,584,227,000 (equivalent to US$426,670,000), which includes the updating of interest as of July 30, 2021 for S/78,279,000 (equivalent to US$21,082,000). As a result of this payment, SUNAT's resolutions of deferment and installment of the tax amount have been rendered null and void and the letters of credit that were delivered as collateral for said liability have been returned to the Issuing Banks. The amount of S/1,579,716,000 (equivalent to US$426,374,000), net of tha part accepted by the Company, the account receivable has been recognized in the heading “Trade and other receivables”, see note 7(c). Based on the opinion of the Company’s legal advisers, management expects to obtain a favorable result in the judicial process initiated.

On December 19, 2018, the Company with the support of its legal advisors filed contentious administrative lawsuits before the Judiciary regarding the controversy of taxable years 2007 and 2008.

On December 30, 2020, the Company was notified that the claim corresponding to fiscal year 2007 was declared unfounded by the Nineteenth Administrative Litigation Court with a Subspecialty in Tax and Customs Issues. On January 11, 2021, the Company with the support of its legal advisors filed an appeal against said judgment, which was submitted to the Superior Court.

On May 3, 2021, the Seventh Superior Chamber declared the First Instance Judgment null and void due to an evident lack of motivation and procedural consistency. On July 15, 2021, the new oral report was made before the Court of First Instance. On January 7, 2022, the new Judgment of the Court of First Instance was issued, again declaring the Company’s lawsuit as unfounded. According to the sponsoring lawyers, said ruling fails to comply with the mandate of the Seventh Chamber, again incurring grounds for annulment. On January 18, 2022, the appeal of the new sentence was filed.

On November 7, 2022, the Seventh Chamber declared the Company's claim unfounded. On December 21, 2022, the Company and its sponsoring lawyers filed an appeal requesting the annulment of the ruling of the Seventh Chamber and ordering the issuance of a new ruling without violating the right to due motivation of judicial decisions and the principles of reasoned appreciation and joint assessment of the evidence.

On July 10, 2023, the appeal was admitted by the Fifth Temporary Constitutional and Social Law Chamber of the Supreme Court, due to six causes of regulatory violation, including impacts on due process. The hearing of the case took place on September 13, 2023 and, according to the information available from the Judicial Branch system (Supreme CEJ by bits acronym in Spanish), the appeal has been declared unfounded. As of the date of this report, the Supreme Court ruling has not been notified.

In this regard, although the text of the ruling is not yet available and according to the opinion of our sponsoring lawyers, it is possible to infer that the resolution of the Fifth Chamber of Transitory Constitutional and Social Law would not have considered the violations of due diligence alleged in the appeal filed. This would enable the possibility of initiating an amparo process against said sentence, as authorized by the Constitution, the new Constitutional Procedural Code, and the jurisprudence of the Constitutional Court

The lawsuit referring to fiscal year 2008 is pending resolution in the Twenty-Second Administrative Litigation Court.

During 2015, SUNAT reviewed the Company's income tax for 2009 and 2010. As a result, they did not recognize Buenaventura declared tax deductions of S/76,023,000 (equivalent to US$20,475,000) and the compensation of tax losses of S/561,758,000 (equivalent to US$151,295,000). The main unrecognized deductions originally claimed by Buenaventura are: the non-deductibility of bonuses paid to contractors, a provision of doubtful accounts not accepted as an expense and income unduly deducted. The Company's Management and its legal advisors consider that the objections made by SUNAT are unfounded, and therefore the claim and appeal processes have been initiated.

In December 2018, the Tax Court resolved the appeal files confirming reparations of S/66,623,000 (equivalent to US$17,943,000) related to the provision for collection of doubtful receivables as an expense and unfounded income unduly deducted and the compensation of tax losses from previous years. The Company's management, with the support of its legal advisors, has initiated administrative and judicial actions to present its arguments and make its rights prevail.

In December 2019, SUNAT initiated actions of forced collection of interest and fines for the reliquidation that it has made of prepayments from January to December 2009 and January to February 2010. These are based on the 2007 and 2008 annual tax fiscal years, which were recalculated by SUNAT with the objections mentioned in the first and second paragraphs and which are questioned in the judicial process. On December 20, 2019, SUNAT executed the forced collection of S/120,262,000 (equivalent to US$32,459,000). In the opinion of the legal advisors of the Company, favorable results are expected to be obtained in the judicial process that has been initiated, therefore an account receivable have been recognized in the heading "Trade and other receivables", see note 7(c).

On December 4, 2020, the Tax Court confirmed the reliquidation of the tax debt determined by SUNAT for the year 2010. With this ruling, on December 11, 2020, SUNAT notified the Company of the initiation of the compulsory collection of the taxes for fiscal year 2010 totaling S/340,074,000 (equivalent to US$91,590,000).

The Company made payments under dispute in December 2020 for S/1,800,000 (equivalent to US$486,000) which are recorded in the caption “Trade and other receivables”, see note 7(c). Based on the opinion of the Company’s legal advisers, management expects to obtain a favorable result in the judicial process initiated.

Likewise, on January 5, 2021, the Company requested to SUNAT for an installment payment program that deferred payment for six months and thereafter satisfies the amount via 66 equal monthly payments, amounting to S/339,928,000 (equivalent to US$91,551,000), for which letters of guarantee for the total amount plus 5% according to the tax requests for a total of S/357,944,000 (equivalent to US$96,403,000). The application was approved by SUNAT on January 14, 2021 and payments began to be made in July 2021.

On July 30, 2021, the Company paid the full amount of the tax liability referring to fiscal year 2010, which was subject to deferral and installment. The total amount paid of S/356,691,000 (equivalent to US$96,273,000) which includes the updating of interest as of July 30, 2021 for S/16,762,000 (equivalent to US$4,514,000) recorded in the caption “Trade and other receivables”, see note 7(c). As a result of this payment, SUNAT's resolutions of deferment and installment of the tax debt have been rendered null and void and the letters of credit that were delivered as collateral for said disputed tax assessment have been returned to the issuing banks.

On December 14, 2020, the Tax Court confirmed the reliquidation of the tax liability determined by SUNAT for fiscal year 2009. With this ruling, on December 17, 2020, SUNAT notified the Company of the initiation of the compulsory collection of the disputed amounts for fiscal year 2009 for S/202,614,000 (equivalent to US$54,569,000).

During January 2021, the Company made payments under protest in January 2021 for S/19,171,000 (equivalent to US$5,174,000) which are recorded in the caption “Trade and other receivables”, note 7(c). Based on the opinion of the Company’s legal advisers, management expects to obtain a favorable result in the judicial process initiated with regards to this matter.

On January 14, 2021, the Company requested to SUNAT for an installment payment program that deferred payment for six months and thereafter satisfies the amount via 66 equal monthly payments, amounting to S/184,922,000 (equivalent to US$49,804,000) for which has been delivered, as collateral, letters of credit for the total amount plus 5% according to the tax requests for a total of S/194,398,000 (equivalent to US$52,356,000). The application has been approved by SUNAT on January 27, 2021 and payments began to be made from July 2021.

On July 30, 2021, the Company paid the full amount of the disputed tax debt referring to fiscal year 2009, which was subject to deferral and installment. The total amount paid of S/193,398,000 (equivalent to US$52,199,000) which includes the updating of interest as of July 30, 2021 for S/8,477,000 (equivalent to US$2,283,000) recorded in the caption “Trade and other receivables”, see note 7(c). As a result of this payment, SUNAT's resolutions of deferment and installment of the tax assessment have been rendered null and void and the letters of credit that were delivered as collateral for said amount have been returned to the Issuing Banks.

On March 5, 2019, the Company and its sponsoring lawyers have filed contentious-administrative lawsuits before the Judiciary regarding the Tax Court decisions on taxable years 2009 and 2010.

On February 28, 2022, the Twenty-Second Contentious Administrative Court declared the Company's claim for the 2009 financial year unfounded. On March 8, 2022, the appeal was filed requesting that the first instance ruling be declared null and void. On June 8, 2022, the Superior Court declared the Company's claim unfounded. On June 27, 2022, the Company and its sponsoring lawyers presented the appeal, which has been classified as admissible.

On November 8, 2023, the Fifth Chamber of Transitory Constitutional and Social Law of the Supreme Court notified the Cassation Ruling declaring the lawsuit filed by the Company unfounded.

On December 22, 2023, the Company and its sponsoring lawyers have filed an amparo request before the Constitutional Chamber of the Superior Court of Justice with the purpose of declaring the annulment of the cassation ruling in response to the violations to the right constitutional protection of the Company.

In the opinion of the sponsoring lawyers of the 2007-2008 judicial processes, it is not possible to recognize tax losses from the years 2009 and 2010 through their call-in of the 2007 process but through the file’s compliance stage of the years 2009 and 2010. In their opinion, the possibilities of obtaining the refund of the payments recorded as account receivable for the years 2009 and 2010 at the execution stage of the favorable ruling of income tax 2007 could not be higher than 50% in regard of the tax loses compensation.

Based on this opinion and the jurisprudence of the Supreme Court that would restrict the carrying-forward and recognition of tax losses in the files of 2009 and 2010, the Company has recorded, in December 2023, a provision to profilt or loss of S/420,231,000 (equivalent to US$113,178,000), note 7(c.1), regarding the portion of the tax debt paid and recorded in accounts receivable in response to the derecognition of the carry-forwarded tax losses in the years 2009 and 2010 of the losses from the years 2007 and 2008, which was recognized in the notes of financial expenses, others, net and a higher income tax expense of US$58,454,000, US$9,598,000 and US$45,126,000, respectively. See notes: 27(a), 26 and 28(c), respectively.

On November 1, 2020, the Company was notified that the lawsuit corresponding to fiscal year 2010 filed before the Nineteenth Administrative Litigation Court with a Subspecialty in Tax and Customs Issues has been declared founded in relation to the unsupported income unduly deducted from taxable income. On November 9, 2020, the Company and its sponsoring lawyers filed a partial appeal against said judgment, which has been submitted to the Superior Court. On January 7, 2021, the Company was notified with the second instance judgment, issued by the Sixth Superior Chamber declaring the first instance judgment null ordering the Court to issue a new judgment. On January 21, 2021, the Company with the support of its legal advisors havepresented the Appeal for Cassation that must be raised to the Supreme Court. The Sixth Chamber has reserved the processing of the cassation appeal and has referred the file to the Nineteenth Court to issue a new ruling on the grounds that a part of the second instance judgment declared the first instance judgment null.

On January 24, 2024, The Supreme Court has resolved both the lawsuit and the appeal filed by the Company regarding the compliance resolution of the period 2010, pointing out that the Tax Court has incurred in dual criterial in regard of the calculation of the prescription period of the Tax Administration collection action.

On the other hand, on March 4, 2019, the Tax Administration filed a contentious-administrative lawsuit against the end of the Tax Court Resolutions for the years 2009 and 2010 that raised the objections for bonuses paid to contractors.

In respect to the period 2010, the claim was declared founded in first instance and this ruling was subsequently confirmed in the second instance. In supported compliance with the second instance judgment, on October 5, 2021, the Tax Court modified the ruling contained in its initial Resolution and ruled against the Company's position for the bonuses paid to contractors in fiscal year 2010 for S/4,526,000 (equivalent to US$1,219,000). On January 19, 2022, the Company filed a contentious-administrative lawsuit against the new Resolution of the Tax Court, which is pending resolution. Likewise, the Company and its sponsoring lawyers filed an opposition brief that was declared admissible. On September 29, 2022, the Tax Court correctly complied with the judicial mandate, annulling the objection for bonuses in the defendant end, the same one that has been objected by the Tax Administration. As of the date of issuance of this report, the file is pending resolution in the Twentieth Administrative Court.

The judicial process associated with the 2009 financial year related to contractor bonuses for S/4,695,000 (equivalent to US$1,265,000) is pending in the first instance.

During the year 2018, SUNAT audited the income tax declaration for 2014. As a result of this audit, SUNAT does not recognize certain of the Company's deductions declared totaling S/94,898,000 (equivalent to US$25,558,000). The main disagreements are related to the non-deductibility of bonus paid to contractors, which also affects the compensation of tax losses that can be withheld and the use of balances in favor that are not recognized by SUNAT. In Management's and its legal advisor's opinion these observations doest not have supporting evidence; consequently, they expect a favorable outcome of the started claim process.

On November 12, 2020, the Tax Court (last administrative instance) resolved the appeal, declaring founded, in part, the payment of bonuses to contractors and confirming the non-recognition of compensation for tax losses.

The Company's Management, with the support of its legal advisors, has initiated administrative actions questioning the re-assessment of the tax debt and the derecognition of favorable balances. On January 25, 2024, the Tax Court resolved the appeal, recognizing the compensation of losses from previous years and the use of tax credits. The Tax Administration must issue the compliance resolution as provided by the Tax Court.

As of December 31, 2023, the total possible contingencies related to these audits amount to S/38,381,000 (equivalent to US$10,337,000) and S/41,358,000 (equivalent US$11,139,000) as of December 31, 2022.

On February 15, 2021, the Company and its sponsoring lawyers filed a contentious-administrative lawsuit before the Judicial Branch regarding the ruling of the Tax Court of September 12, 2020.

On March 23, 2023, the Nineteenth Administrative Litigation Court declared the Company's claim founded in part. On April 3, 2023, SUNAT and the Ministry of Economy and Finance appealed the first instance ruling. On April 5, the Company filed an appeal for the part of the lawsuit that was declared unfounded. On June 27, 2023, the Superior Court issued a ruling declaring the first instance ruling null and ordering the Court to issue a new ruling.

During the year 2019, SUNAT reviewed the income tax of the year 2013. As a result, SUNAT did not recognize certain of Buenaventura's declared tax deductions. The main assertions made by the SUNAT include the non-deductibility of bonuses paid to contractors, the compensation of tax losses that can be withheld and the use of balances in favor that are not recognized by SUNAT.

On March 15, 2021, the Tax Court (last administrative instance) has resolved the appeal, declaring, in part, the payment of bonuses to contractors and confirming the lack of compensation for tax losses and use of balance of tax credit for a total of S/139,235,000 (equivalent to US$37,499,000).

The Company's Management with the support of its legal advisors have initiated administrative actions questioning the re-assessment of the tax debt and the recognition of balances in favor of the previous year. On December 16, 2022, the Tax Court partially agreed with the Company. The SUNAT, in compliance stage, on March 24, 2023, has recognized the tax credit and kept the questioning related to the carryforwarded tax loses, in response the Company presented an appeal that has been resolved by the the Tax Court on September 17, 2023, with a favorable outcome. To the date of this report, the Company is waiting for the new re-assessment of the tax debt from SUNAT in compliance with the ruling of the Tax Court.

As of December 31, 2023, there are no total possible contingencies related to this audit. As December 31, 2022, the possible contingencies amounted to S/57,909,000 (equivalent to US$15,160,000).

On June 11, 2021, the Company and its sponsoring lawyers have filed a contentious-administrative lawsuit before the Judicial Branch regarding the ruling of the Tax Court.

On May 9, 2022, the Twentieth Administrative Court declared the Company's claim unfounded. On May 16, 2022, with the support of the sponsoring lawyers, the Company has filed the appeal. On October 4, 2022, the Seventh Superior Chamber notified the sentence confirming the first instance ruling.

On October 18, 2022, the Company and its sponsoring lawyers filed an appeal. On January 12, 2024, the ruling issued by the Fifth Transitory Chamber of Constitutional and Social Law of the Supreme Court has been notified, declaring unfounded the Company’s claim. The sponsoring lawyers together with our external advisors are evaluating the judicial and administrative actions to follow.

During the year 2022, the Tax Administration audited the income tax return for the year 2017. As a result of said audit, SUNAT does not recognize certain deductions by the Company totaling S/39,720,000 (equivalent to US$10,698,000) mainly for the non-recognition of investment in development costs and the non-recognition of the compensation of carry-over tax losses from previous years for S/127,929,000 (equivalent to US$34,454,000). In the opinion of Management and its legal advisors, these objections are not supported, so a favorable result is probable in the claim process that has been initiated.

Likewise, during the years 2021 and 2022, the Tax Administration has reviewed the declaration of transfer prices and the operations between related parties carried out in the tax year 2017. As a result of said examination, SUNAT does not recognize the Company declared deductions for services performed by related parties totaling S/3,341,000 (equivalent to US$900,000).

As a consequence of the aforementioned examination processes, the Tax Administration has charged a tax debt of S/17,493,000 (equivalent to US$4,711,000). Between December 23 and 28, 2022, the Company has paid the tax debt in order to avail itself of the benefit of the fine reduction, disbursing S/9,266,000 (equivalent to US$2,496,000). The amount referred to the unaccepted repairs of S/9,224,000 (equivalent to US$2,490,000) has been recorded under the heading "Trade and other receivables", see note 7(c) in the Company's financial statements.

On August 31, 2023, SUNAT has notified that the claim has been declared unfounded, in part. The Company and the lawyers responsible for the process consider that SUNAT's observations are unfounded and have filed an appeal to the Tax Court.

Between November 2022 and July 2023, the Tax Administration has audited the income tax declaration for the year 2018. As a result of said audit, SUNAT does not recognize the Company's deductions declared for S/73,600,000 (equivalent to US$19,822,000) mainly due to the non-recognition of the investment in development costs and the non-recognition of the compensation of carryforwarded tax losses from previous years for S/170,900,000 (equivalent to US$46,027,000). In the opinion of Management and its legal advisors, these objections are unfounded, so a favorable outcome would be obtained from claim process that have been initiated.

As a result of the said review, the Tax Administration has imputed a tax debt of S/20,500,000 (equivalent to US$5,521,000). On August 11, 2023, the Company has paid the tax debt to obtain the fine reduction benefit by disbursing S/12,249,000 (equivalent to US$3,306,000), and based on the opinion of its legal advisors, the amount has been recorded in the caption “Trade and other receivables”, see note 7(c) in the Company's financial statements.

During the year 2019, SUNAT reviewed the income tax of the year 2014. As a result, SUNAT did not recognize Buenaventura’s declared tax deductions related to the deductibility of bonuses paid to contractors for S/2,067,000 (equivalent to US$557,000). Based on the opinion of the Company’s legal advisers, management expects to obtain a favorable result in the judicial process initiated.

On November 17, 2020, SUNAT has resolved the claim appeal, confirming the objections made in the inspection process. The Company has paid the tax amount of S/4,744,000 (equivalent to US$1,280,000) to reduce the amount of the fines that would otherwise be payable and has recorded in the caption "Trade and other receivables ", see note 7(c), based on the opinion of its legal advisors who are of the opinion that there are sound arguments to obtain a favorable result in the appeal process that has been initiated before the Tax Court.

On July 23, 2021, the Tax Court (last administrative instance) has resolved the appeal declaring founded, in part, the claim for the repair of the tax credit for the bonuses paid to contractors and its impact on the carryover of the balance in favor of the exporter. The Company's Management, with the support of its legal advisors, has considered requesting part of the tax credit declared founded once the legal claim filed by SUNAT is resolved. On May 26, 2023, the Court declared SUNAT's claim unfounded, which was appealed on June 2, 2023. On August 21, 2023, the Sixth Superior Court decided to declare the first instance ruling null and has ordered the Court to conduct a new procedure and sentence.

In opinion of the Company's Management and its legal advisors the results of the aforementioned procedures in the various instances will be favorable for the Company, hence they consider that it is not necessary to recognize any provision for these contingencies.

Subsidiaries -

Sociedad Minera El Brocal S.A.A. -

On May 30, 2014, SUNAT issued tax and fines assessments related to the 2011 income tax of El Brocal. They do not recognize the deduction of the loss in derivative financial instruments, the expense in mining royalties and the expenses of feeding of third parties within the terms of law. El Brocal filed an appeal that is pending resolution to date. It should be noted that on June 18, 2014, El Brocal decided to pay under protest the income tax assessment S/8,333,000 (equivalent to US$2,249,000) so it can have access to reduced fine.

On January 8, 2015, SUNAT notified El Brocal of a tax assessment for the 2012 income tax year related to deductions claimed by the subsidiary and rejected by SUNAT. As a result of the rejection of these deductions, SUNAT notified a tax assessment for income tax payments from January to December 2012, which amounts to S/4,030,000 (equivalent to US$1,085,000). El Brocal has filed an appeal to the Tax Court.

On June 14, 2017, SUNAT notified El Brocal of its determinations and fine resolutions as a result of the inspection procedure initiated for the 2013 income tax year where the balances in favor and the taxable tax loss are repaired. These resolutions were claimed without favorable results. On January 24, 2018, El Brocal filed the appeal before the Tax Court.

On May 13, 2019, the Tax Court notified El Brocal through Resolution No. 3062-3-2019 that its appeal of the taxable years 2011, 2012 and 2013 had been resolved to prohibit the deduction of the expense for food and confirmed the observations related to the deductibility of losses on derivative financial instruments and the expense associated with the payment of mining royalties of the 2011, 2012 and 2013 fiscal years.

As a result of the aforementioned resolution, the Tax Administration has notified the compliance resolutions re-assessing the income tax and the effects on payments on account for the years 2011, 2012 and 2013. El Brocal has filed an appeal before the Tax Court.

On August 9, 2019, El Brocal filed an administrative contentious lawsuit against the decision of the Tax Court since El Brocal had provided reliable documentation regarding the basis for the deductibility associated with the loss on derivative financial instruments and payment of mining royalties. El Brocal's lawsuit was declared unfounded in the first and second instance and on April 21, 2022, the appeal was filed. Through the Qualification Order dated June 27, 2022, the Supreme Court has declared the appeal filed inadmissible.

On September 21, 2022, the Company and its sponsoring lawyers have filed an amparo claim against the Qualification Order to have it declared null and things are restored to the previous state and the appeal for cassation is ordered to be processed.

As a result of these events in the year 2022, El Brocal recognized in that year the write-off of the account receivable related to the process of 2011 for the amount of S/8,333,000 (equivalent to US$2,188,000), note 7(a). It includes an amount S/4,044,000 (equivalent to US$1,062,000) correspond to income tax and are presented under the heading "Current income tax". Meanwhile, the amount of S/4,289,000 (equivalent to US$1,126,000) correspond to the fine plus default interest and are presented under the heading "Other, net ".

In addition, provision for contingencies for the period 2022 were recorded in profit or loss related to the income tax prepayments effects of the fiscal years 2012 and 2013 for S/4,922,000 (equivalent to US$1,289,000). Said amount corresponds to fines plus default interest and is presented in the caption “Other, net”. On March 2, 2023, the debt imputed by SUNAT, for the aforementioned topics, was paid for S/4,924,000 (equivalent to U$1,359,000).

During 2019, SUNAT reviewed the tax return for El Brocal’s fiscal year 2015. As a result of this review, SUNAT communicated on December 31, 2019 its determination and resolutions where it questioned the depreciation rate of two tailings and the deduction of the development costs of the Smelter Project for a total S/13,930,000 (equivalent to US$3,752,000) determining a debt of S/3,412,000 (equivalent to US$919,000). Management of El Brocal and its legal advisors considered that the findings rendered by the SUNAT are not supported by the technical merits of the positions taken by the SUNAT and have started the claim process.

On January 27, 2020, El Brocal made a payment of the resolution in order to benefit from the fine reduction. The amount disbursed is S/1,456,000 (equivalent to US$393,000).

On December 18, 2020, SUNAT rejected El Brocal's claim, leaving without effect the observation referring to the deduction of the development costs of the Tajo Smelter Project and has confirmed the deduction for the depreciation of the tailings dams for S/6,108,000 (equivalent to US$1,621,000). As a result, SUNAT has returned part of the fine of S/459,000 (equivalent to US$124,000) for which, as of December 31, 2021, a receivable is recognized of S/997,000 (equivalent to US$269,000), note 7(a). Management of El Brocal and its legal advisors consider that the remaining objection has no basis, and therefore on January 12, 2021 they have started the appeal process before the Tax Court. On January 3, 2024, the Tax Court has confirmed the objection regarding the depreciation of the tailings dams. According to the opinion of the sponsoring lawyers, there are elements to obtain a favorable ruling in court, hence El Brocal will file the lawsuit within the legal period.

During 2020, SUNAT reviewed the income tax return for the year 2014. As a result of this review, SUNAT notified El Brocal on December 30, 2020 of its determination Resolutions and the Fine where it questions the depreciation rate of two tailings dams, the deduction of the development costs of the Tajo Smelter Project and certain operating expenses for a total of S/16,582,000 (equivalent to US$4,466,000) determining an amount to be paid of S/10,902,000 (equivalent to US$2,936,000). El Brocal's management and its legal advisors consider that the findings have no technical merit and have initiated the claim process.

On January 7, 2021, El Brocal paid the tax assessment under protest in order to benefit from a reduction of the fine. The amount disbursed of S/7,871,000 (equivalent to US$2,120,000) and was recorded as an account receivable in the financial statements.

On May 21, 2021, SUNAT rejected El Brocal's claim, leaving without effect the observation referring to the deduction of the development costs of the Tajo Smelter Project and has confirmed the deduction for the depreciation of the tailings for S/6,018,000 (equivalent to to US$1,621,000) and operating expenses for S/5,384,000 (equivalent to US$1,450,000). As a consequence of said ruling, SUNAT has returned part of the fine for S/3,003,000 (equivalent to US$809,000), therefore, as of December 31, 2023, an account receivable has been recorded, net of S/4,868,000 (equivalent to US$1,314,000), note 7(a). Management of El Brocal and its legal advisors consider that the SUNAT's remaining findings are ungrounded and the appeal process has begun before the Tax Court on June 11, 2021.

On September 25, 2023, the Tax Court resolved the appeal process, confirming the compensation for the depreciation of the tailings dams for S/6,018,000 (equivalent to US$1,621,000) and has partially confirmed the compensation of operating expenses for S/4,125,000 (equivalent to US$1,111,000). In the opinion of the sponsoring lawyers, there are elements to obtain a favorable ruling in judicial instances in regard of the observation of the depreciation of tailings dams and in th operating expenses if supported with additional documentation.

On December 22, 2023, El Brocal filed a lawsuit requesting the partial nullification of the ruling of the Tax Court questioning of tailings depreciation and operating expenses observed at this stage for S/2,617,000 (equivalent to US$705,000).

As a result of these events and based on the opinion of the sponsoring lawyers, El Brocal has recorded a provision for contingencies charged to profit or loss of year 2023 of S/1,136,000 (equivalent to US$306,000) for the section of the questioned operating expenses.

During the years 2021 and 2022, the Tax Administration reviewed the income tax return for the year 2016. As a consequence of said review, SUNAT has notified on August 31, 2022 the Determination and Fine Resolutions where it questions the depreciation rate of two tailing dams and the deduction of the development costs of the Tajo Smelter Project for a total of S/20,380,000 (equivalent to US$5,489,000) determining a decrease in the tax loss of El Brocal. The Management of El Brocal and its legal advisors consider that the objections are unfounded, which is why they have started the claim process.

On May 23, 2023, SUNAT resolved the appeal, confirming the aforementioned observations. The Management of El Brocal and its legal advisors consider that the observations are unfounded, which is why an appeal has been presented to the Tax Court on June 13, 2023.

During the years 2022 and 2023, the Tax Administration has reviewed the income tax declaration for the year 2017. As a result of said review, SUNAT has notified, on September 29, 2023, the Determination and Fine Resolutions where it questions the depreciation rate of two tailings dams, the deduction of the development costs of the Tajo Smelter Project and operating expenses in the mining unit for a total of S/33,209,000 (equivalent to US$8,944,000). Moreover, it questions the loss from the settlement of financial instruments for S/35,578,000 (equivalent to US$9,582,000) since, in the SUNAT'S opinion, these instrument's specific risks would not have been accredited, and they would not have been performed in recognized markets because the agreed prices do not exactly match with the prices published by the London Metal Exchange.

As a consequence, a tax debt of S/27,646,000 (equivalent to US$7,446,000) has been charged, which was paid on October 4, 2023 to obtain the fine reduction benefit. The disbursed amount of S/22,521,000 (equivalent to US$6,079,000) was recorded as an account receivable in the financial statements of El Brocal, note 7(a).

The Management of El Brocal and its legal advisors consider that the observations are unfounded, which is why they are preparing an appeal.

Minera La Zanja S.R.L. -

During the years 2016, 2017 and 2018, SUNAT audited the income tax return for the years 2013 and 2015; as a result, SUNAT does not recognize deductions for payments of profit sharing of workers, payments for police protection, balance of profit sharing and the exchange difference associated with the provision for mine closures. On November 20, 2020, the Tax Court confirmed SUNAT'sposition associated with the profit sharing and the exchange difference for the provision for mine closure. As a result, on March 18, 2021, SUNAT has revised the imputed amount to be paid for the years 2013 and 2015 that La Zanja has proceeded to pay.

The possible contingencies for the two deductions not recognized by SUNAT and the Tax Court amount to S/3,060,000 (equivalent to US$826,000). As mentioned in the previous paragraph, La Zanja has had to pay the corresponding debt under protest and it is recorded under the "Trade and other receivables" caption, see note 7(c).

In the opinion of management of La Zanja and its legal advisors, the interpretation of the Tax Court on profit sharing and the exchange difference of the mine closure provision is unsupported, and on March 9, 2021, La Zanja initiated a contentious-administrative lawsuit that is pending resolution in the Twenty-First Court of Administrative Litigation with Tax Subspecialty of Lima.

During the year 2021, as a result of the review of the Affidavit of the year 2017, La Zanja has recognized tax contingencies related to the balance in favor of the income tax of the taxable year 2017 for the amount of S/1,124,000 (equivalent to US$303,000), since in the opinion of Management and its tax advisors this contingency is probable.

In the course of 2022, as a result of the review of the 2016 Affidavit, the Tax Administration has reliquidated and determined a lower tax paid in 2016 for S/4,288,000 (equivalent to US$1,155,000), as a result of the decrease in the balance in favor of fiscal year 2015 due to the repair of the exchange difference from the closure of mines in said fiscal year and which, updated with fines and interest, imputed a debt of S/11,215,000 (equivalent to US$3,020,000). The Management of La Zanja and its legal advisors consider that the objection has no basis, and therefore they have started the claim process.

On October 25, 2022, La Zanja has paid the imputed tax debt in order to benefit from the fine reduction. The disbursed amount of S/8,959,000 (equivalent to US$2,418,000) was recorded as a long-term account receivable in the financial statements, see note 7(c).

During the year 2022, the Tax Administration has reviewed the income tax declaration for the year 2018. As a consequence of said review, on December 28, 2022, SUNAT has notified La Zanja via Determination Resolutions where it questions payments to two mining contractors totaling S/7,777,000 (equivalent to US$2,091,000), an operating expense of S/4,738,000 (equivalent to US$1,276,000) and the no recognition of the balance in favor of fiscal year 2017 of S/624,000 (equivalent to US$168,000), reducing the tax loss of financial year 2018 and the corresponding balance in favor. The Management of La Zanja and its legal advisors consider that the objections are unsupported, which is why the claim process began.

On September 21, 2023, SUNAT declared the appeal unfounded. The Management of La Zanja and its legal advisors have presented an appeal to the Tax Court.

As a result of said review, La Zanja has recognized tax contingencies for the taxable year 2017 in the amount of S/1,598,000 (equivalent to US$430,000), given that in the opinion of La Zanja and of your tax advisors this contingency is probable.

During the year 2023, the Tax Administration has carried out a partial audit of the 2019 taxable year and as a result has imputed a debt of S/6,507,000 (equivalent to US$1,752,000) for the alleged surplus refund of the income tax credit of that period. The Management of La Zanja and its legal advisors consider that this observation, in part, is not appropriate, which is why they have initiated the claim process.

On December 19, 2023, La Zanja has paid the imputed debt, taking advantage of the gradual nature of the fine for S/4,533,000 (equivalent to US$1,221,000)

Likewise, during the year 2023, the Tax Administration has reviewed the income tax of the year 2021. As a consequence of said review, on December 28, 2023, it has closed the process questioning the depreciation rate of the leaching platforms. for an amount of S/14,876,000 (equivalent to US$4,006,000) and the carryforwarded tax losses from previous years for S/9,413,000 (equivalent to US$2,535,000), reducing the tax loss. The Management of La Zanja and its legal advisors consider that the objections are unfounded, which is why the claim process has been initiated.

On December 19, 2023, La Zanja has paid the imputed debt, taking the gradual payment benefit of the fine for S/4,533,000 (equivalent to US$1,221,000) of which S/2,700,000 (equivalent to U$729,000) has been recorded in profit or loss as it corresponds to the balance for fiscal year 2017 not refuted by La Zanja, and S/1,830,000 (equivalent to US$494,000) are recorded in Trade and other receivables long term, see note 7(c) which corresponds to the credits of the fiscal year 2019 that are impugned with pending resolve from the Tax Court; in the lawyer’s opinion a favorable result should be obtained.

Empresa de Generación Huanza S.A. -

During 2015, SUNAT audited the 2014 income tax return of the Company's subsidiary Huanza. As a result, a portion of the depreciation of its fixed assets was not recognized for S/27,532,000 (equivalent to US$7,415,000). The possible contingency amounts to S/7,993,000 (equivalent to US$1,112,000) as of December 31, 2022 (S/7,532,000 equivalent to US$1,232,000as of December 31, 2021). In the opinion of Huanza's management and of its legal advisors, this interpretation has no basis and therefore Huanza expects to obtain a favorable result in the appeal process that has begun.

On April 8, 2023, the Tax Court issued Resolution No. 01851-10-2022 partially lifting the questioning of SUNAT made in the inspection stage.

In December 2022, SUNAT has settled the tax debt and required the respective payment. On December 30, 2022, the Company has made the payment of the imputed tax debt updated with interest to that date for a total amount of S/6,090,000 (equivalent to US$1,644,000) without this meaning that it accepts the decision of the Court Fiscal. In the opinion of the sponsoring lawyers, the Company should obtain a favorable result in the judicial process that it is going to file before the Judiciary within the Law term, for which the disbursement made has been recorded in the non-current portion of the item "Trade and other receivables" in the Company's financial statements, note 7(c).

On March 23, 2023, Huanza Management and its sponsoring lawyers filed a lawsuit against the ruling of the Tax Court and it has been assigned to the twentyfirst Administrative Litigation Court.

On April 27, 2023, SUNAT completed the review process of the income tax report for the 2020 financial period. As a consequence of said review, SUNAT reduced the accumulated tax loss of that financial year of S/342,941,000 (equivalent to US$92,362,000) to S/309,032,000 (equivalent to US$ 83,230,000) due to the effect of the observation regarding the depreciation of fixed assets of the fiscal year 2014 to be resolved in court.

Huanza Management and its legal advisors consider that the questioning is unfounded, so on December 13, 2023, they began the claim process.

Procesadora Industrial Río Seco S.A. -

The Customs Division of the SUNAT has determined an alleged omission in the payment of the General Sales Tax of S/1,815,000 (equivalent to US$489,000) in an import made in 2012 of certain equipment for the construction of Río Seco's industrial plant. SUNAT supported its position that Río Seco should have included the amount of the consideration paid by Río Seco for the engineering services provided by its suppliers abroad in the customs value. In the opinion of management and its legal advisors, this observation is not substantiated and a favorable ruling is expected to be obtained in the complaint and appeal process.

On March 13, 2019, the Tax Court issued Resolution No. 0844-A-2019 that confirmed the observation of the Tax Administration.

On May 17, 2019, SUNAT initiated coercive collection actions for the tax amount assessed. Río Seco initiated several administrative and judicial actions to suspend the payment, without favorable results. During July to September 2019, Tax Administration executed the forced collection of the tax to be paid amounting to S/11,153,000 (equivalent to US$3,232,000). In the opinion of the legal advisors of Río Seco, a favorable result should be obtained in the judicial process that has been initiated, and therefore the amount paid has been recorded in the heading “Trade and other receivables”, see note 7(c).

On June 13, 2019, Río Seco has filed an administrative contentious lawsuit against the Tax Court’s resolution with the intentio of obtaining an overturn from the Judiciary that declares its nullity, disclaiming the objection of the Tax Administration, this lawsuit is pending of resolution by the Twenty-second Administrative Litigation Court.

During the year 2022, the Tax Administration has reviewed the income tax return for the year 2020. As a consequence of said review, SUNAT notified Rio Seco on November 30, 2022 via a Determination and Fine Resolutions that it is questioning certain deductions totaling S/ 16,618,000 (equivalent to US$4,476,000) mainly due to disallowing the recognition of a depreciation deduction for a part of its fixed assets totaling S/15,917,000 (equivalent to US$4,287,000) and determining a debt of S/2,882,000 (equivalent to US$776,000). The Management of Río Seco and its legal advisors consider that the objections are unfounded, and therefore the claim process has begun.

On December 28, 2022, Río Seco paid the tax debt under protest in order to benefit from the fine reduction. The disbursed amount of S/2,298,000 (equivalent to US$620,000) has been recorded under the caption “Trade accounts receivable and other accounts receivable”, see note 7(c).

On August 28, 2023, SUNAT notified that the appeal has been declared unfounded. On January 18, 2024, Río Seco Management, with the support of its legal advisors, presented the appeal to the Tax Court.

Chaupiloma -

SUNAT has issued determination resolutions for fiscal years 2001, 2005, 2008, 2009, 2010, 2011 and 2013 challenging the recognition of the amortization of the investment in the mining concessions that was carried out according to the provisions of the Income Tax Law and that, according to SUNAT, said amortization should have been carried out according to the provisions of the General Mining Law applicable to the owners of mining activities. Deductions not recognized by SUNAT are S/10,500,000 (equivalent to US$2,828,000). In successive rulings, the Tax Court has confirmed that the amortization and deduction made by the Company has been carried out in accordance with the applicable law and has rendered the determination resolutions null. SUNAT has appealed to the Judiciary and has filed contentious-administrative lawsuits for the fiscal years 2008-2009, 2011 and 2013 to which Chaupiloma is responding. In the opinion of management and Chaupiloma's legal advisors, it is expected that a favorable result will be obtained in the different judicial processes that are in process.

On June 11, 2021, the Tax Court resolved the audit file for fiscal years 2001-2005, ruling that the amortization taken for the year 2001 was not deductible because the concessions were not being exploited in said period. The Company has paid, under protest, the tax amount for 2001 of S/1,270,000 (equivalent to US$339,000), which has been recorded in the caption "Trade and other receivables", see note 7(c) since in the opinion of Chaupiloma's management and its legal advisors expect a favorable result to be obtained through the legal proceedings that have been initiated.

On November 8, 2022, the Company obtained an unfavorable ruling in the last instance (Supreme Court) regarding the 2011 Income Tax. On June 8, 2023, the Tax Administration settled the tax debt, in compliance with the mandate of the Supreme Court, for S/383,000 (equivalent to US$103,000) that the Company has complied with fully paid.

On July 24, 2023, Chaupilloma had an unfavorable ruling in the last instance (Supreme Court) regarding the 2013 Income Tax. On December 11, 2023, the Tax Administration has settled the tax debt, in compliance with the mandate of the Supreme Court, for S/396,000 (equivalent to US$103,000) that the Company complied with fully paid.

Consequently, the tax processes for the years 2011 and 2013 have concluded.

On the other hand, the Twenty-First Court has declared SUNAT's claim that questioned the favorable ruling of the Tax Court for the controversy of the 2008 and 2009 fiscal years to be unfounded and the SUNAT appeal has been declared inadmissible on May 8, 2023, resulting in the conclusion of the process for the taxable years 2009 and 2010 with favorable result for Chaupiloma.

Associates -

Cerro Verde -

Mining Royalties

On June 23, 2004, Law N ° 28528 - Law of Mining Royalty was approved under which the owners of mining concessions had to be paid as financial compensation for the exploitation of metallic and non-metallic mineral resources. A mining royalty was determined applying rates that ranged between 1% and 3% on the value of the concentrate or its equivalent, according to the price quotation of the international market published by the Ministry of Energy and Mines. Based on the terms of an agreement signed in 1998 with the government of Peru, Cerro Verde determined that the payment of mining royalties was not applicable, because the new law was signed after the signing of the contract with the Peruvian Government. However, under the terms of its new guarantee contract, which became effective on January 1, 2014, Cerro Verde began to pay mining royalties and special mining tax for all its production based on Law No. 29788, which is calculated based on the operating profit with rates that fluctuate between 1% and 12%. The amount to be paid for the mining royalty will be the highest amount that results from calculating the result of applying the applicable tax rate on the quarterly operating profit (the rate is established based on the operating margin for the quarter) or 1% of revenues generated by sales made in the calendar quarter.

SUNAT has also assessed mining royalties on materials processed by Cerro Verde´s concentrator, which commenced operations in late 2006. These assessments cover the period December 2006 to December 2013. Cerro Verde contested each of these assessments because it believes that its 1998 stability agreement exempts it from royalties on all minerals extracted from its mining concession, irrespective of the method used for processing such minerals. No assessments can be issued for years after 2013, as Cerro Verde began paying royalties on all of its production in January 2014 under its new 15 - year stability agreement.

Since 2017, Cerro Verde has recorded payments related to the contested tax observations for mining royalties and special tax on mining for the period from December 2006 to December 2013. Since 2014, Cerro Verde has recorded payments of S/2.9 billion (equivalent to US$791.9 million at payment exchange rate) for disputed assessments for the period from December 2006 to December 2013 through monthly fractionation programs, under which payments were completed in August 2021.

On February 2020, Cerro Verde began arbitration proceedings with the International Centre for Settlement of Investment Disputes (CIADI) and on October 19, 2021, Cerro Verde formally filed its arbitration claim. During the year 2022, the first hearings were held both for the responses of the Peruvian government and the replies by Cerro Verde. For the year 2023, the hearings will continue, and a pronouncement of the court is expected to be rendered in 2024.

Other assessments received from SUNAT -

Cerro Verde has also received assessments from SUNAT for additional taxes (other than the mining royalty), including penalties and interest. Cerro Verde has filed or will file objections to the assessments because it believes it has properly determined and paid its taxes. A summary of these assessments follows:

Year	**Taxes US$(000)**	**Penalty and interest US$(000)**	**Total US$(000)**
2003 – 2005	8,162	38,870	47,032
2006	10,844	51,963	62,807
2007	11,579	22,102	33,681
2008	16,906	16,923	33,829
2009	56,039	51,680	107,719
2010	53,566	126,406	179,972
2011	40,940	70,065	111,005
2012	869	7,326	8,195
2013	48,622	71,620	120,242
2014	5,344	706	6,050
2015	3,001	23,816	26,817
2016	61,875	3,360	65,235
2017	5,043	3,078	8,121
2018	4,666	4,250	8,916
2019-2022	499	172	671
	327,955	492,337	820,292

As of December 31, 2023, Cerro Verde has paid US$819.2 million about these disputed tax assessments. A reserve has been applied against these payments for a total of US$545.2 million resulting in a net account receivable of US$274.0 million (US$333.3 million as of December 31, 2022) which Cerro Verde expects will be recovered.

(e) *Letters of credit -*

Letters of credit with regional governments and others -

In addition to the letters of credit related to the plans for the closure of mines and projects, mentioned in the note 15(b), the Group maintains letters of credit with regional governments and others for US$6,345,000 as of December 31, 2023 (US$1,420,000 as of December 31, 2022).

32. Transactions with related companies and joint venture

(a) The Group has carried out the following transactions with its related companies and joint venture in the years 2023, 2022 and 2021:

	2023	2022	2021
	US$(000)	US$(000)	US$(000)
Associates -			
Revenues from:			
Energy	3,669	3,415	3,255
Royalties	-	1,381	15,928
Supplies, note 28(a)	1,104	179	169
Mineral	-	-	-
Purchase of:			
Supplies	81	57	53
Services rendered to:			
Administrative and Management services	-	816	802
Operation and maintenance services related to energy transmission	-	310	262
Services of energy transmission	-	183	153
Constructions services	-	-	8
Contributions granted and paid from:			
Tinka Resources Ltd.	-	1,676	-
Dividends received and collected from:			
Sociedad Minera Cerro Verde S.A.A.	146,884	78,338	137,091
Compañía Minera Coimolache S.A.	402	802	11,320
	147,286	79,140	148,411
Joint Venture -			
Interest income:			
Transportadora Callao S.A., note 29(a)	23	94	89
Non-controlling shareholders -			
Dividends paid to:			
Newmont Peru Limited - Sucursal del Perú	-	2,647	6,160

(b) As a result of the transactions indicated in the paragraph (a), the Group had the following accounts receivable and payable from/to associates:

	2023	2022
	US$(000)	US$(000)
Trade and other receivables, note 7(a)		
Minera Yanacocha S.R.L.	-	312
Compañía Minera Coimolache S.A.	421	55
	421	367
Other receivables, note 7(a)		
Transportadora Callao S.A.	2,486	1,612
Compañía Minera Coimolache S.A.	-	1,025
Ferrocarril Central Andino S.A.	-	150
Banco Pichincha	-	55
	2,486	2,842
	2,907	3,209
Trade and other payables, note 14(a)		
Compañía Minera Coimolache S.A.	454	163
Other payables, note 14(a)		
Other minor	14	20
	468	183

As of December 31, 2023 and 2022, there is no allowance for expected credit losses related to related parties accounts.

(c) S.M.R.L. Chaupiloma Dos de Cajamarca –
Until February 7, 2022, Minera Yanacocha S.R.L. (hereinafter "Yanacocha") paid the Group a 3% royalty based on quarterly production sold at current market prices, after deducting refinery and transportation costs in accordance with mining lease, amended and effective on January 1, 1994. As of that date, the subsidiary transferred all its mining concessions to Yanacocha, see note 1(d), receiving as consideration an amount similar to a percentage of Yanacocha's sold production, as well as the production of future concessions.

(d) Key officers -
As of December 31, 2023 there were no loans to employees, directors and key personnel. As December 31, 2022, amounted to US$1,000, respectively, which are payable monthly and earn interest at market rates.

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) for the years ended 2023 and 2022 are presented below:

	2023	2022
	US$(000)	US$(000)
Accounts payable:		
Bonus to officers	7,750	14,861
Directors' remuneration	2,027	3,455
Salaries	847	933
Total	10,624	19,249
Payments:		
Salaries	10,487	10,230
Directors' remuneration	3,376	2,956
Total	13,863	13,186
Expenses:		
Salaries	11,335	11,163
Directors' remuneration	2,027	3,455
Total	13,362	14,618

(e) The account receivable from Consorcio Transportadora Callao corresponds to the disbursements made between 2011 and 2013 by the subsidiary El Brocal in order to participate in the joint venture (see note 10(c)). This account receivable generates interest at an annual fixed rate of 5.82% and it is estimated that it will be collected from the year 2023.

33. 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 the following:

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

The accounting policies used by the Group in reporting segments internally are the same as those contained in the notes of the consolidated financial statements.

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, except for those entities, which are managed independently.

Corporate information mainly includes the following:

In the segment information of profit or loss -

- Administrative expenses, other income (expenses), exchange gain (loss), finance costs and income and income tax that cannot be directly allocated to the operational mining units owned by the Parent company (Orcopampa, Uchucchacua, Julcani and Tambomayo).
- Exploration activities in non-operating areas, carried out directly by the Parent company and not by the consolidated separate legal entities.
- Participation in subsidiaries and associate companies of the Company, which are accounted for using the equity method.

In the segment information of assets and liabilities -

- Investments in Sociedad Minera Cerro Verde S.A.A. Tinka Resources Ltd. and Compañía Minera Coimolache S.A., associate companies that are directly owned by the Parent company and are accounted for using the equity method; see note 10 to the consolidated financial statements.
- Assets and liabilities of the operational mining units owned directly by the Parent company since this is the way the CODM analyzes the business. Assets and liabilities of other operating segments are allocated based on the assets and liabilities of the legal entities included in those segments.

Adjustments and eliminations mainly include the following:

In the segment information of consolidated statements of profit or loss –

- The elimination of any profit or loss of investments accounted for under the equity method and not consolidated by the Group corresponding to the associate companies: Sociedad Minera Cerro Verde S.A.A. Tinka Resources Ltd. and Compañía Minera Coimolache S.A.
- The elimination of intercompany sales and cost of sales.
- The elimination of any equity pickup profit or loss of the subsidiaries of the Parent company.

In the segment information of assets and liabilities –

- The elimination of the assets and liabilities of the investments accounted for under the equity method and not consolidated, corresponding to the associate companies: Sociedad Minera Cerro Verde S.A.A., Tinka Resources Ltd. and Compañía Minera Coimolache S.A.
- The elimination of any equity pickup investments of the subsidiaries of the Parent company.

- The elimination of intercompany receivables and payables.

Refer to note 20(a) to the consolidated financial statements for disclosures related to revenues from external customers for each product and service, and revenues from external customers attributed to Peru and foreign countries. Revenue information is based on the locations of customers.

Refer to note 20(d) to the consolidated financial statements for information about major customers (representing more than 10% of the Group's revenues). All non-current assets are located in Peru.

	Uchucchacua (Operation) US$(000)	Orcopampa (Operation) US$(000)	Julcani (Operation) US$(000)	Tambomayo (Operation) US$(000)	Colquijirca (Operation) US$(000)	La Zanja (Operation) US$(000)	Exploration and development mining projects US$(000)	Energy generation and transmission US$(000)	Insurance brokerage US$(000)	Rental of mining concessions US$(000)	Holding of investment in shares US$(000)	Industrial activities (Temporary suspension) US$(000)	Corporate US$(000)	Equity accounted investees: Sociedad Minera Cerro Verde S.A.A US$(000)	Equity accounted investees: Compañía Minera Coimolache S.A. US$(000)	Equity accounted investees: Tinka Resources Ltd. US$(000)	Total operating segments US$(000)	Adjustments and eliminations US$(000)	Total US$(000)
Year 2023																			
Results:																			
Continuing operations																			
Operating income																			
Sales of goods	51,698	163,308	37,179	108,063	432,616	16,472	-	-	-	-	-	18,224	-	4,143,228	136,949	-	5,107,737	(4,296,776)	810,961
Sales of services	-	-	-	-	-	-	-	53,025	8,099	-	441	1,508	-	-	-	-	63,073	(50,189)	12,884
Royalty income	51,698	163,308	37,179	108,063	432,616	16,472	0	53,025	8,099	0	441	19,732	0	4,143,228	136,949	0	5,170,810	(4,346,965)	823,845
Total operating income	(15,544)	(73,774)	(32,213)	(70,260)	(248,972)	(29,008)	-	-	-	-	-	(17,783)	-	(2,142,799)	(83,882)	-	(2,714,235)	2,256,881	(457,354)
Cost of sales of goods, excluding depreciation and amortization	(18,695)	-	-	-	-	-	-	-	-	-	-	(3,927)	-	-	-	-	(22,622)	2,729	(19,893)
Cost of sales of services, excluding depreciation and amortization	-	-	-	-	-	-	-	(34,852)	-	-	-	(1,612)	-	-	-	-	(36,464)	30,221	(6,243)
Depreciation and amortization	(6,279)	(12,625)	(6,693)	(49,863)	(87,216)	(3,855)	-	(9,037)	-	-	-	(6,082)	-	(409,847)	(34,745)	-	(626,242)	445,203	(181,039)
Exploration in operating units	(24,428)	(6,071)	(6,990)	(3,442)	(7,761)	(537)	-	-	-	-	-	-	-	(9,177)	(11,435)	-	(69,841)	20,612	(49,229)
Mining royalties	(268)	(14,307)	(367)	(1,047)	(2,670)	(181)	-	-	-	-	-	-	-	-	(686)	-	(19,526)	687	(18,839)
Total operating costs	(65,214)	(106,777)	(46,263)	(124,612)	(346,619)	(33,581)	0	(43,889)	-	-	0	(29,404)	0	(2,561,823)	(130,748)	-	(3,488,930)	2,756,333	(732,597)
Gross profit (loss)	(13,516)	56,531	(9,084)	(16,549)	85,997	(17,109)	0	9,136	8,099	-	441	(9,672)	0	1,581,405	6,201	-	1,681,880	(1,590,632)	91,248
Operating expenses, net																			
Administrative expenses	(4,512)	(15,975)	(3,993)	(11,183)	(9,781)	(2,413)	(1,682)	(2,377)	(11,440)	(186)	(365)	(536)	(5,140)	-	(3,772)	(297)	(73,652)	4,469	(69,183)
Selling expenses	(3,343)	(671)	(239)	(2,758)	(11,457)	(61)	-	(748)	-	-	-	(115)	0	(158,244)	(823)	-	(178,459)	159,067	(19,392)
Exploration in non-operating areas	(476)	-	-	-	(4,095)	(3,958)	(1,149)	-	-	-	-	-	(3,828)	-	-	-	(13,506)	54	(13,452)
Reversal (provision) of contingencies and others	1,122	(183)	1,409	(1,184)	1,063	2,085	(194)	83	-	-	127	200	2,398	-	-	-	6,926	1	6,927
Others, net	(2,435)	(899)	(1,074)	99	(10,511)	7,246	(3,750)	56	0	8,551	349	(272)	18,437	(82,042)	1,345	-	(64,900)	89,873	24,973
Total operating expenses, net	(9,644)	(17,728)	(3,897)	(15,026)	(34,781)	2,899	(6,775)	(2,986)	(11,440)	8,365	111	(723)	11,867	(240,286)	(3,250)	(297)	(323,591)	253,464	(70,127)
Operating income (loss)	(23,160)	38,803	(12,981)	(31,575)	51,216	(14,210)	(6,775)	6,150	-3,341	8,365	552	(10,395)	11,867	1,341,119	2,951	(297)	1,358,289	(1,337,168)	21,121
Share in the results of associates and joint venture	-	-	-	-	(158)	-	-	1,962	-	-	21,517	-	152,371	-	-	-	175,692	(23,467)	152,225
Net gain (loss) from currency exchange difference	112	76	77	143	381	92	307	24	-	10	343	301	17,507	20,476	647	126	40,622	(21,247)	19,375
Finance income																			
Finance costs	28	4	0	8	2,866	838	13	1,142	5	56	328	308	3,572	36,285	6,298	77	51,828	(42,771)	9,057
Share in the results of associates and joint venture	(917)	(1,791)	(1,103)	(805)	(7,397)	(2,996)	(517)	(4,178)	(27)	(1)	(2)	(6)	(98,961)	(67,118)	(5,437)	-	(191,256)	72,002	(119,254)
Profit (loss) before income tax	(23,937)	37,092	(14,007)	(32,229)	46,908	(16,276)	(6,972)	5,100	(3,363)	8,430	22,738	(9,792)	86,356	1,330,762	4,459	-94	1,435,175	(1,352,651)	82,524
Current income tax	(538)	(678)	(134)	-	(17,861)	579	-	(1,912)	-8	(2,529)	(76)	-	(45,126)	(551,798)	(2,756)	-	(622,837)	553,531	(69,306)
Deferred income tax	-	-	-	-	2,408	-	-	1,411	978	-	-	3,815	18,853	-	2,475	-	29,940	(3,628)	26,312
Total income tax	(538)	(678)	(134)	-	(15,453)	579	0	(501)	970	(2,529)	(76)	3,815	(26,273)	(551,798)	(281)	-	(592,897)	549,903	(42,994)
Profit (loss) from continuing operations	(24,475)	36,414	(14,141)	(32,229)	31,455	(15,697)	(6,972)	4,599	(2,393)	5,901	22,662	(5,977)	60,083	778,964	4,178	(94)	842,278	(802,748)	39,530
Discontinued operations loss																			(6,848)
Profit for the year																			32,682
Total assets	222,041	49,707	31,371	143,451	683,311	44,341	694,950	367,130	-	4,854	232,177	65,318	2,917,237	7,930,910	380,331	76,379	13,843,508	(9,309,709)	4,533,799
Total liabilities	62,003	56,185	33,413	30,915	284,819	61,656	59,476	116,398	-	90	402	5,346	695,958	1,250,536	128,955	475	2,786,627	(1,422,039)	1,364,588
Investments in associates and joint venture	-	-	-	-	1,628	-	-	123,610	-	-	226,582	-	2,116,200	-	-	-	2,468,020	(940,897)	1,527,123
Acquisition of long-lived assets	14,353	3,624	828	333	61,772	2,827	150,198	1,168	-	-	-	157	5,898	-	8,929	-	250,087	(11,418)	238,669
Changes in estimates of mine closures plans	2,094	(123)	6,312	53	3,061	(922)	-	-	-	-	-	-	-	-	1,404	-	11,879	-	11,879

	Uchucchacua (Operation)	Orcopampa (Operation)	Julcani (Operation)	Tambomayo (Operation)	Colquijirca (Operation)	La Zanja (Operation)	Exploration and development mining projects	Energy generation and transmission	Insurance brokerage	Rental of mining concessions	Holding of investment in shares	Industrial activities (Temporary suspension)	Corporate	Equity accounted investees: Sociedad Minera Cerro Verde S.A.A	Equity accounted investees: Compañía Minera Coimolache S.A.	Equity accounted investees: Tinka Resources Ltd.	Total operating segments	Adjustments and eliminations	Total
	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)
Year 2022																			
Results:																			
Continuing operations																			
Operating income																			
Sales of goods	5,281	134,268	54,573	151,789	400,994	52,260	–	–	–	–	–	53,073	–	3,975,295	159,003	–	4,986,536	(4,185,337)	801,199
Sales of services	–	–	–	–	–	–	–	52,433	17,207	–	421	–	–	–	–	–	70,061	(47,839)	22,222
Royalty income	–	–	–	–	–	–	–	–	–	1,381	–	–	–	–	–	–	1,381	-	1,381
Total operating income	5,281	134,268	54,573	151,789	400,994	52,260	–	52,433	17,207	1,381	421	53,073	–	3,975,295	159,003	–	5,057,978	(4,233,176)	824,802
Operating .costs																			
Cost of sales of goods, excluding depreciation and amortization	–	(58,108)	(30,215)	(76,214)	(267,997)	(49,903)	–	–	–	–	–	(52,122)	–	(2,367,767)	(114,513)	–	(3,016,839)	2,554,897	(461,942)
Unabsorbed cost due to production stoppage	(24,916)	–	–	–	–	–	–	–	–	–	–	(1,973)	–	–	–	–	(26,889)	3,831	(23,058)
Cost of sales of services, excluding depreciation and	–	–	–	–	–	–	–	(24,861)	–	–	–	–	–	–	–	–	(24,861)	21,698	(3,163)
Depreciation and amortization	(9,000)	(7,757)	(6,444)	(59,125)	(72,171)	(7,459)	–	(9,040)	–	–	–	(6,396)	–	–	(42,950)	–	(220,342)	43,561	(176,781)
Exploration in operating units	(32,592)	(11,594)	(6,747)	(9,980)	(16,671)	(3,212)	–	–	–	–	–	–	–	–	(8,967)	–	(89,763)	8,967	(80,796)
Mining royalties	(46)	(12,220)	(472)	(1,322)	(3,168)	(506)	–	–	–	–	–	–	–	–	(1,500)	–	(19,234)	g1,501	(17,733)
Total operating costs	(66,554)	(89,679)	(43,878)	(146,641)	(360,007)	(61,080)	–	(33,901)				(60,491)		(2,367,767)	(167,930)	–	(3,397,928)	2,634,455	(763,473)
Gross profit (loss)	(61,273)	44,589	10,695	5,148	40,987	(8,820)		18,532	17,207	1,381	421	(7,418)		1,607,528	(8,927)	–	1,660,050	(1,598,721)	61,329
Operating expenses, net																			
Administrative expenses	(651)	(12,406)	(5,028)	(14,076)	(8,744)	(3,061)	(1,528)	(2,948)	(12,694)	(218)	(617)	(442)	(5,966)	–	(4,139)	(4,383)	(76,901)	9,173	(67,728)
Selling expenses	(3,634)	(560)	(389)	(5,126)	(9,649)	(179)	–	(770)	–	–	–	(177)	–	(157,373)	(1,018)	–	(178,875)	158,653	(20,222)
Exploration in non-operating areas	(15)	–	–	–	(4,008)	(5,243)	(282)	–	–	–	–	–	(4,737)	–	–	–	(14,285)	33	(14,252)
Reversal (provision) of contingencies and others	(44)	544	(1,776)	(228)	(1,706)	(353)	108	(440)	–	(98)	–	–	442	–	74	–	(3,477)	542	(2,935)
Impairment recovery (loss) of long-lived assets	–	–	–	–	–	–	–	–	–	–	–	19,874	–	–	–	–	19,874	-	19,874
Other, net	2,453	124	(793)	(815)	(7,777)	(7,374)	(931)	(196)	–	8,162	(2,472)	321	(6,090)	(23,933)	317	–	(39,004)	23,919	(15,085)
Total operating expenses, net	(1,891)	(12,298)	(7,986)	(20,245)	(31,884)	(16,210)	(2,633)	(4,354)	(12,694)	7,846	(3,089)	19,576	(16,351)	(181,306)	(4,766)	(4,383)	(292,668)	192,320	(100,348)
Operating income (loss)	(63,164)	32,291	2,709	(15,097)	9,103	(25,030)	(2,633)	14,178	4,513	9,227	(2,668)	12,158	(16,351)	1,426,222	(13,693)	(4,383)	1,367,382	(1,406,401)	(39,019)
Share in the results of associates and joint venture	–	–	–	–	(10)	–	–	7,008	–	–	4,756	–	164,823	–	–	–	176,577	(307)	176,270
Net gain (loss) from currency exchange difference	(290)	99	100	(11)	526	336	604	(207)	(45)	1	(693)	1,218	25,235	980	(51)	–	27,802	(931)	26,871
Finance income	12	2	4	4	879	614	11	394	–	5	308	54	12,226	17,235	1,961	–	33,709	(19,266)	14,443
Finance costs	(496)	(546)	(382)	(302)	(6,470)	(1,318)	(297)	(5,337)	(48)	(2)	(29)	(25)	(38,900)	(10,537)	(2,158)	–	(66,847)	12,711	(54,136)
Profit (loss) before income tax	(63,938)	31,846	2,431	(15,406)	4,028	(25,398)	(2,315)	16,036	4,420	9,231	1,674	13,405	147,033	1,433,900	(13,941)	(4,383)	1,538,623	(1,414,194)	124,429
Current income tax	(19)	(465)	(175)	(527)	(6,125)	(187)	–	(3,238)	(1,197)	(2,714)	1,289	–	(731)	(445,078)	(2,951)	–	(462,118)	446,485	(15,633)
Deferred income tax	–	–	–	–	2,459	(15,945)	–	805	11	–	(107)	3,208	25,128	(63,469)	8,524	–	(39,386)	54,978	15,592
Total income tax	(19)	(465)	(175)	(527)	(3,666)	(16,132)		(2,433)	(1,186)	(2,714)	1,182	3,208	24,397	(508,547)	5,573	–	(501,504)	501,463	(41)
Profit (loss) from continuing operations	(63,957)	31,381	2,256	(15,933)	362	(41,530)	(2,315)	13,603	3,234	6,517	2,856	16,613	171,430	925,353	(8,368)	(4,383)	1,037,119	(912,731)	124,388
Discontinued operations gain																			478,547
Profit for the year																			602,935
Total assets	127,479	62,083	34,131	197,550	668,230	79,038	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	55,792	52,429	31,388	29,654	290,998	80,655	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
Other segment information																			
Investments in associates and joint venture	–	–	–	–	2,486	–	–	121,650	–	–	213,682	–	2,099,568	–	–	–	2,437,386	(916,409)	1,520,977
Acquisition of long-lived assets	32,000	3,584	1,559	3,175	62,593	1,719	46,459	1,487	25	–	3	265	500	–	–	–	153,369	(1,396)	151,973
Changes in estimates of mine closures plans	(3,107)	5,112	3,585	(856)	(11,322)	(8,705)	(6,576)	–	–	–	–	–	–	–	–	–	(21,869)	–	(21,869)

	Uchucchacua (Operation)	Orcopampa (Operation)	Julcani (Operation)	Tambomayo (Operation)	Colquijirca (Operation)	La Zanja (Operation)	Exploration and development mining projects	Energy generation and transmission	Insurance brokerage	Rental of mining concessions	Holding of investment in shares	Industrial activities (Temporary suspension)	Corporate	Equity accounted investees: Sociedad Minera Cerro Verde S.A.A	Equity accounted investees: Compañía Minera Coimolache S.A.	Equity accounted investees: Tinka Resources Ltd.	Total operating segments	Adjustments and eliminations	Total
	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)
Year 2021																			
Results:																			
Continuing operations																			
Operating income																			
Sales of goods	79,375	89,567	56,065	181,021	410,390	39,380	–	–	–	–	–	47,024	–	4,199,448	215,481	–	5,317,751	(4,454,281)	863,470
Sales of services	–	–	–	–	–	–	–	53,083	15,651	–	551	13,876	–	–	–	–	83,161	(62,109)	21,052
Royalty income	–	–	–	–	–	–	–	–	–	15,928	–	–	–	–	–	–	15,928	–	15,928
Total operating income	79,375	89,567	56,065	181,021	410,390	39,380	–	53,083	15,651	15,928	551	60,900	–	4,199,448	215,481	–	5,416,840	(4,516,390)	900,450
Operating costs																			
Cost of sales of goods, excluding depreciation and amortization	(95,359)	(56,183)	(31,319)	(82,531)	(248,021)	(46,531)	–	–	–	–	–	(46,811)	–	(2,272,989)	(106,088)	–	(2,985,832)	2,456,101	(529,731)
Unabsorbed cost due to production stoppage	(25,326)	–	–	–	–	–	–	–	–	–	–	(1,050)	–	–	–	–	(26,376)	867	(25,509)
Cost of sales of services, excluding depreciation and amortization	–	–	–	–	–	–	–	(20,781)	–	–	–	(3,940)	–	–	–	–	(24,721)	23,452	(1,269)
Depreciation and amortization	(14,083)	(8,409)	(6,849)	(63,638)	(68,830)	(5,449)	–	(8,995)	–	–	–	(11,569)	–	–	(43,698)	–	(231,520)	44,309	(187,211)
Exploration in operating units	(11,090)	(11,466)	(6,107)	(10,076)	(17,099)	(574)	–	–	–	–	–	–	–	–	(6,191)	–	(62,603)	6,191	(56,412)
Mining royalties	(998)	(7,636)	(599)	(1,712)	(1,626)	(403)	–	–	–	–	–	–	–	–	(529)	–	(13,503)	529	(12,974)
Total operating costs	(146,856)	(83,694)	(44,874)	(157,957)	(335,576)	(52,957)	–	(29,776)	–	–	–	(63,370)	–	(2,272,989)	(156,506)	–	(3,344,555)	2,531,449	(813,106)
Gross profit (loss)	(67,481)	5,873	11,191	23,064	74,814	(13,577)	–	23,307	15,651	15,928	551	(2,470)	–	1,926,459	58,975	–	2,072,285	(1,984,941)	87,344
Operating expenses, net																			
Administrative expenses	(6,758)	(7,649)	(4,737)	(15,382)	(7,229)	(2,932)	(1,447)	(2,942)	(11,796)	(242)	(1,687)	(1,102)	(4,534)	–	(3,718)	(5,692)	(77,847)	10,262	(67,585)
Selling expenses	(3,738)	(401)	(480)	(5,485)	(9,946)	(124)	–	(740)	–	–	–	(559)	–	–	(1,114)	–	(22,587)	1,760	(20,827)
Exploration in non-operating areas	(65)	–	–	–	(1,383)	(5,742)	(1,011)	–	–	–	–	–	(3,100)	–	–	–	(11,301)	31	(11,270)
Write – off of stripping activity asset	–	–	–	–	(6,763)	–	–	–	–	–	–	–	–	–	–	–	(6,763)	–	(6,763)
Reversal (provision) of contingencies and others	(1,291)	70	320	25	(356)	(1,029)	132	111	–	15	–	9	(436)	–	–	–	(2,430)	(257)	(2,687)
Impairment recovery (loss) of long-lived assets	–	–	–	–	–	4,964	–	–	–	–	–	(19,874)	–	–	–	–	(14,910)	–	(14,910)
Other, net	(7,865)	(501)	(844)	(4,797)	(12,571)	(44)	(371)	134	–	34	(44)	(82)	(80)	–	156	–	(26,875)	(2,385)	(29,260)
Total operating expenses, net	(19,717)	(8,481)	(5,741)	(25,639)	(38,248)	(4,907)	(2,697)	(3,437)	(11,796)	(193)	(1,731)	(21,608)	(8,150)	–	(4,676)	(5,692)	(162,713)	9,411	(153,302)
Operating income (loss)	(87,198)	(2,608)	5,450	(2,575)	36,566	(18,484)	(2,697)	19,870	3,855	15,735	(1,180)	(24,078)	(8,150)	1,926,459	54,299	(5,692)	1,909,572	(1,975,530)	(65,958)
Share in the results of associates and joint venture	–	–	–	–	36	–	–	20,525	(15)	–	(411,974)	–	236,593	–	–	–	(154,835)	395,285	240,450
Finance income	–	–	–	–	388	196	–	124	–	–	–	12	5,659	–	247	–	6,626	(674)	5,952
Finance costs	(431)	(493)	(484)	(270)	(7,126)	(1,361)	(238)	(4,731)	(52)	(2)	(1)	(98)	(45,719)	(28,775)	(2,613)	–	(92,394)	31,765	(60,629)
Net gain (loss) from currency exchange difference	(2,010)	(129)	(612)	(641)	(2,346)	(296)	(1,210)	(377)	397	(83)	(7)	(1,824)	(9,542)	29,493	(1,819)	–	8,994	(27,680)	(18,686)
Profit (loss) before income tax	(89,639)	(3,230)	4,354	(3,486)	27,518	(19,945)	(4,145)	35,411	4,185	15,650	(413,162)	(25,988)	178,841	1,927,177	50,114	(5,692)	1,677,963	(1,576,834)	101,129
Current income tax	(57)	(65)	(41)	(132)	(12,220)	–	–	(1,132)	(1,673)	(4,661)	(121)	(291)	–	(704,455)	(27,702)	–	(752,550)	732,175	(20,375)
Deferred income tax	–	–	–	–	(4,736)	4,212	–	6,824	70	–	–	(1,401)	38,987	(31,248)	(4,118)	–	8,590	35,456	44,046
Total income tax	(57)	(65)	(41)	(132)	(16,956)	4,212	–	5,692	(1,603)	(4,661)	(121)	(1,692)	38,987	(735,703)	(31,820)		(743,960)	767,631	23,671
Profit (loss) from continuing operations	(89,696)	(3,295)	4,313	(3,618)	10,562	(15,733)	(4,145)	41,103	2,582	10,989	(413,283)	(27,680)	217,828	1,191,474	18,294	(5,692)	934,003	(809,203)	124,800
Discontinued operations loss																			(387,604)
Loss for the year																			(262,804)
Total assets	111,885	47,734	30,449	264,521	694,831	121,681	442,335	385,626	19,152	4,927	261,803	63,551	3,016,730	8,124,564	414,986	59,128	14,063,903	(9,502,092)	4,561,811
Total liabilities	62,279	48,659	32,912	36,551	327,519	81,770	21,764	153,090	6,343	1,717	275,814	13,920	1,243,575	1,997,558	150,751	211	4,454,433	(2,431,153)	2,023,280
Investments in associates and joint venture	–	–	–	–	2,497	–	–	99,352	–	–	207,233	–	1,971,506	–	–	–	2,280,588	(858,293)	1,422,295
Changes in estimates of mine closures plans	(517)	(390)	(108)	(308)	(1,410)	175	(679)	–	–	–	–	–	(35)	–	–	–	(3,272)	–	(3,272)

Reconciliation of segment profit (loss)

The reconciliation of segment profit (loss) to the consolidated profit (loss) from continuing operations follows:

	2023 US$(000)	2022 US$(000)	2021 US$(000)
Segment profit	842,278	1,037,119	934,003
Elimination of profit of equity accounted investees, not consolidated (owned by third parties)	(783,048)	(912,602)	(1,204,076)
Elimination of intercompany sales	(58,690)	(98,879)	(101,460)
Elimination of cost of sales and operating expenses intercompany	58,690	98,879	101,460
Elimination of share in the results of subsidiaries and associates	(23,467)	(307)	395,285
Other	3,767	178	(412)
Consolidated profit from continuing operations	39,530	124,388	124,800

Reconciliation of segment assets

The reconciliation of segment assets to the consolidated assets follows:

	2023 US$(000)	2022 US$(000)	2021 US$(000)
Segment assets	13,843,508	13,836,447	14,063,903
Elimination of assets of equity accounted investees, not consolidated (owned by third parties)	(8,387,620)	(8,422,909)	(8,598,678)
Elimination of the subsidiaries and associates of the Parent company	(940,977)	(920,601)	(914,940)
Elimination of intercompany receivables	(16,697)	(16,921)	(15,188)
Other	35,585	27,211	26,714
Consolidated assets	4,533,799	4,503,227	4,561,811

Reconciliation of segment liabilities

The reconciliation of segment liabilities to the consolidated liabilities follows:

	2023 US$(000)	2022 US$(000)	2021 US$(000)
Segment liabilities	2,786,627	2,824,648	4,454,433
Elimination of liabilities of equity accounted investees, not consolidated	(1,379,966)	(1,460,297)	(2,148,520)
Elimination of intercompany payables	(43,472)	(24,140)	(282,530)
Other	1,399	75	(103)
Consolidated liabilities	1,364,588	1,340,286	2,023,280

Disaggregated revenue information

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

	Uchucchacua (Operation) US$(000)	Orcopampa (Operation) US$(000)	Julcani (Operation) US$(000)	Tambomayo (Operation) US$(000)	Colquijirca (Operation) US$(000)	La Zanja (Operation) US$(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 activities (Temporary suspension) US$(000)	Total operating segments US$(000)	Adjustments and eliminations US$(000)	Total US$(000)
Year 2023														
Revenues by type of customers:														
Sales by customers -														
External	91,007	77,907	31,663	143,233	432,154	623	-	-	-	-	18,224	794,811	18,946	813,757
Inter-segment	-	-	-	-	-	16,600	-	-	-	-	-	16,600	(16,600)	-
	91,007	77,907	31,663	143,233	432,154	17,223	-	-	-	-	18,224	811,411	2,346	813,757
Services -														
External	–	–	–	–	–	–	46,689	-	-	-	-	46,689	(33,805)	12,884
Inter-segment	–	–	–	–	–	–	6,337	-	-	-	1,508	7,845	(7,845)	-
	–	–	–	–	–	–	53,026	-	-	-	1,508	54,534	(41,650)	12,884
Royalties -														
External	–	–	–	–	–	–	–	–	-	-	-	-	-	-
	91,007	77,907	31,663	143,233	432,154	17,223	53,026	-	-	-	19,732	865,945	(39,304)	826,641
Revenues by geographic region:														
Metal and concentrates sales -														
Peru	77,077	7,097	3,238	81,058	315,934	17,223	-	-	-	-	-	501,627	2,346	503,973
America - other than Peru	-	70,810	-	60,273	2,834	-	-	-	-	-	18,224	152,141	-	152,141
Europe	11,503	-	28,425	552	54,078	-	-	-	-	-	-	94,558	-	94,558
Asia	2,427	-	-	1,350	59,308	-	-	-	-	-	-	63,085	-	63,085
	91,007	77,907	31,663	143,233	432,154	17,223	-	-	-	-	18,224	811,411	2,346	813,757
Services -														
Peru	-	-	-	-	-	-	53,026	-	-	441	1,508	54,975	(42,091)	12,884
America - other than Peru	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	53,026	-	-	-	-	-	(42,091)	12,884
Royalties -														
Peru	–	–	–	–	–	–	–	–	-	-	-	-	-	-
	91,007	77,907	31,663	143,233	432,154	17,223	53,026	-	-	441	19,732	866,386	(39,745)	826,641
Revenues by type of good or services:														
Sales by metal -														
Silver	97,903	185	33,631	32,766	63,093	744	-	-	-	-	18,226	246,548	(50,208)	196,893
Gold	14	77,964	14	105,359	26,448	17,414	-	-	-	-	-	227,213	52,518	279,731
Copper	-	-	48	-	466,023	-	-	-	-	-	-	466,071	487	466,558
Zinc	8,356	-	-	9,513	33,455	-	-	-	-	-	-	51,324	(4,704)	46,620
Lead	21,401											21,401	-	21,401
Manganese sulfate	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Antimony	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	127,674	78,149	33,693	147,638	589,019	18,158	-	-	-	-	18,226	1,012,557	(1,907)	1,010,650
Commercial deductions	(36,667)	(242)	(2,030)	(4,405)	(156,865)	(935)	-	-	-	-	(2)	(201,146)	4,253	(196,893)
	91,007	77,907	31,663	143,233	432,154	17,223	-	-	-	-	18,224	811,411	2,346	813,757
Services -	-	-	-	-	-	-	53,026	-	-	441	1,508	54,975	(42,091)	12,884
Royalty income -	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	91,007	77,907	31,663	143,233	432,154	17,223	53,026	-	-	441	19,732	866,386	(39,745)	826,641

	Uchucchacua (Temporary suspension) US$(000)	Orcopampa (Operation) US$(000)	Julcani (Operation) US$(000)	Tambomayo (Operation) US$(000)	Colquijirca (Operation) US$(000)	La Zanja (Operation) US$(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 activities (Temporary suspension) US$(000)	Total operating segments US$(000)	Adjustments and eliminations US$(000)	Total US$(000)
Year 2022														
Revenues by type of customers:														
Sales by customers -														
External	5,052	134,158	50,652	152,537	385,731	1,220	–	–	–	–	53,347	782,697	–	782,697
Inter-segment	–	–	–	–	–	50,338	–	–	–	–	–	50,338	(50,338)	–
	5,052	134,158	50,652	152,537	385,731	51,558	–	–	–	–	53,347	833,035	(50,338)	782,697
Services -														
External	–	–	–	–	–	–	5,015	17,207	–	–	–	22,222	–	22,222
Inter-segment	–	–	–	–	–	–	47,418	–	–	421	–	47,839	(47,839)	–
	–	–	–	–	–	–	52,433	17,207	–	421	–	70,061	(47,839)	22,222
Royalties -														
External	–	–	–	–	–	–	–	–	1,381	–	–	1,381	–	1,381
	5,052	134,158	50,652	152,537	385,731	51,558	52,433	17,207	1,381	421	53,347	904,477	(98,177)	806,300
Revenues by geographic region:														
Metal and concentrates sales -														
Peru	2,733	20,475	46,124	140,593	322,372	51,558	–	–	–	–	248	584,103	(50,338)	533,765
America - other than Peru	–	113,683	–	11,942	–	–	–	–	–	–	53,099	178,724	–	178,724
Europe	2,319	–	25	2	31,066	–	–	–	–	–	–	33,412	–	33,412
Asia	–	–	4,503	–	32,293	–	–	–	–	–	–	36,796	–	36,796
	5,052	134,158	50,652	152,537	385,731	51,558	–	–	–	–	53,347	797,035	(50,338)	782,697
Services -														
Peru	–	–	–	–	–	–	52,433	17,080	–	421	–	69,934	(47,839)	22,095
America - other than Peru	–	–	–	–	–	–	–	127	–	–	–	127	–	127
Europe	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	52,433	17,207	–	421	–	70,061	(47,839	22,222
Royalties -														
Peru	–	–	–	–	–	–	–	–	1,381	–	–	1,381	–	1,381
	5,052	134,158	50,652	152,537	385,731	51,558	52,433	17,207	1,381	421	53,347	904,477	(98,177)	806,300
Revenues by type of good or services:														
Sales by metal -														
Silver	8,363	755	51,232	32,269	62,951	2,218	–	–	–	–	2,245	160,033	(2,110)	157,923
Gold	–	134,200	28	84,003	29,326	51,908	–	–	–	–	50,888	350,353	(50,606)	299,747
Copper	–	–	516	–	366,762	–	–	–	–	–	–	367,278	–	367,278
Zinc	400	–	–	40,087	66,999	–	–	–	–	–	–	107,486	–	107,486
Lead	(55)	–	856	19,616	12,534	–	–	–	–	–	–	32,951	–	32,951
Manganese sulfate	–	–	–	–	–	–	–	–	–	–	361	361	–	361
Antimony	–	–	28	–	–	–	–	–	–	–	–	28	–	28
	8,708	134,955	52,660	175,975	538,572	54,126	–	–	–	–	53,494	1,018,490	(52,716)	965,774
Commercial deductions	(3,656)	(797)	(2,008)	(23,438)	(152,841)	(2,568)	–	–	–	–	(147)	(185,455)	2,378	(183,077)
	5,052	134,158	50,652	152,537	385,731	51,558	–	–	–	–	53,347	833,035	(50,338)	782,697
Services -	–	–	–	–	–	–	52,433	17,207	–	421	–	70,061	(47,839)	22,222
Royalty income -	–	–	–	–	–	–	–	–	1,381	–	–	1,381	–	1,381
	5,052	134,158	50,652	152,537	385,731	51,558	52,433	17,207	1,381	421	53,347	904,477	(98,177)	806,300

	Uchucchacua (Temporary suspension) US$(000)	Orcopampa (Operation) US$(000)	Julcani (Operation) US$(000)	Tambomayo (Operation) US$(000)	Colquijirca (Operation) US$(000)	La Zanja (Operation) US$(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 activities (Temporary suspension) US$(000)	Total operating segments US$(000)	Adjustments and eliminations US$(000)	Total US$(000)
Year 2021														
Revenues by type of customers:														
Sales by customers -														
External	80,407	89,474	57,227	182,061	468,238	29	–	–	–	–	46,954	924,390	–	924,390
Inter-segment	–	–	–	–	–	39,227	–	–	–	–	–	39,227	(39,227)	–
	80,407	89,474	57,227	182,061	468,238	39,256	–	–	–	–	46,954	963,617	(39,227)	924,390
Services -														
External	–	–	–	–	–	–	5,401	15,651	–	–	–	21,052	–	21,052
Inter-segment	–	–	–	–	–	–	47,682	–	–	551	13,876	62,109	(62,109)	–
	–	–	–	–	–	–	53,083	15,651	–	551	13,876	83,161	(62,109)	21,052
Royalties -														
External	–	–	–	–	–	–	–	–	15,928	–	–	15,928	–	15,928
	80,407	89,474	57,227	182,061	468,238	39,256	53,083	15,651	15,928	551	60,830	1,062,706	(101,336)	961,370
Revenues by geographic region:														
Metal and concentrates sales -														
Peru	69,378	6,794	43,031	161,629	420,098	39,254	–	–	–	–	2,005	742,189	(39,227)	702,962
America - other than Peru	–	82,680	–	19,602	–	2	–	–	–	–	43,704	145,988	–	145,988
Europe	10,795	–	14,196	830	24,737	–	–	–	–	–	1,245	51,803	–	51,803
Asia	234	–	–	–	23,403	–	–	–	–	–	–	23,637	–	23,637
	80,407	89,474	57,227	182,061	468,238	39,256	–	–	–	–	46,954	963,617	(39,227)	924,390
Services -														
Peru	–	–	–	–	–	–	53,083	15,535	–	551	13,876	83,045	(62,109)	20,936
America - other than Peru	–	–	–	–	–	–	–	96	–	–	–	96	–	96
Europe	–	–	–	–	–	–	–	20	–	–	–	20	–	20
	–	–	–	–	–	–	53,083	15,651	–	551	13,876	83,161	(62,109)	21,052
Royalties -														
Peru	–	–	–	–	–	–	–	–	15,928	–	–	15,928	–	15,928
	80,407	89,474	57,227	182,061	468,238	39,256	53,083	15,651	15,928	551	60,830	1,062,706	(101,336)	961,370
Revenues by type of good or services:														
Sales by metal -														
Silver	86,988	358	60,596	38,978	126,979	2,504	–	–	–	–	2,986	319,389	(2,459)	316,930
Gold	19	89,426	371	112,182	21,570	38,854	–	–	–	–	39,103	301,525	(38,849)	262,676
Copper	–	–	140	–	340,382	–	–	–	–	–	–	340,522	–	340,522
Zinc	15,214	–	–	32,001	96,365	–	–	–	–	–	–	143,580	–	143,580
Lead	9,300	–	828	19,483	22,296	–	–	–	–	–	–	51,907	–	51,907
Manganese sulfate	–	–	–	–	–	–	–	–	–	–	4,976	4,976	–	4,976
	111,521	89,784	61,935	202,644	607,592	41,358	–	–	–	–	47,065	1,161,899	(41,308)	1,120,591
Commercial deductions	(31,114)	(310)	(4,708)	(20,583)	(139,354)	(2,102)	–	–	–	–	(111)	(198,282)	2,081	(196,201)
	80,407	89,474	57,227	182,061	468,238	39,256	–	–	–	–	46,954	963,617	(39,227)	924,390
Services -	–	–	–	–	–	–	53,083	15,651	–	551	13,876	83,161	(62,109)	21,052
Royalty income -	–	–	–	–	–	–	–	–	15,928	–	–	15,928	–	15,928
	80,407	89,474	57,227	182,061	468,238	39,256	53,083	15,651	15,928	551	60,830	1,062,706	(101,336)	961,370

34. Derivative financial instruments

See related accounting policies in Note 2.4(b).

(a) Copper and Zinc price hedges –

The volatility of copper prices during 2022 and 2021 has caused management to enter into forward contracts. These 2022 and 2021 contracts are intended to reduce the volatility of the cash flows attributable to the fluctuations in copper and zinc prices 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.

During 2023, 2022 and 2021, the effect of hedge derivative financial instruments in profit or loss was a gain of US$6,056,000, gain of US$12,774,000, loss of US$51,952,000, respectively (and it is show in the "Sales of goods" caption, note 20(b)).

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

Quotation period	Concentrate	Metric tons	Quotations Fixed US$/DMT(*)	Quotations Futures US$/DMT(*)	Fair value US$(000)
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
		5,000			8,839

(*) DMT= Dry metric tonne.

Changes in "Hedge derivative financial instruments" is included in "unrealized gain (loss) on hedge derivative financial instruments of copper and zinc prices hedge" in the consolidated statements of other comprehensive income. For the year 2022 and 2021, the Group recorded an unrealized gain of US$15,171,000 and US$9,472,000, respectively (unrealized gain of US$10,696,000 and US$6,678,000 net of income tax, respectively).

For the year 2023, the Group recognized an unrealized loss of US$9,047,000 (unrealized loss of US$6,232,000 net of income taxes, respectively).

As of December 31, 2023, the Group does not maintain a contract for derivative instruments to hedge copper and zinc prices.

(b) Interest rate hedge –

As of December 31, 2023 and 2022, the Company did not have hedging derivative instruments. For the years 2022 and 2021, the effect on results was a gain of US$818,000 and a loss of US$1,547,000, respectively and is presented in the caption of "Financial costs" see note 29(a).

Changes in "Hedge derivative financial instruments" is included in “Unrealized gain (loss) on hedge derivative financial instruments of interest rate hedge, net of income tax” in consolidated statements of other comprehensive income.

For the years 2022 and 2021, the Company recorded an unrealized gain of US$644,000 and US$1,991,000, respectively (unrealized gain of US$454,000 and US$1,403,000 net of income tax, respectively).

35. Financial - risk management objectives and policies

The Group’s principal financial liabilities, other than derivatives, are comprised of trade accounts and other payables, and financial obligations. The main purpose of these financial instruments is to finance the Group’s operations. The Group’s principal financial assets include cash and cash equivalents and trade and other receivables that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group’s management oversees the management of these risks. A committee that advises on financial risks supports it. This committee provides assurance to management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group’s policies and risk objectives. All derivative activities for risk management purposes are carried out by internal specialists that have the appropriate skills, experience and supervision.

There were no changes in the objectives, policies or processes during the years ended December 31, 2023, 2022 and 2021.

The Board of Directors reviews and approves policies for managing each of these risks, which are described below:

(a) Market risk -

Market risk is the risk that the fair value of the future cash flows from financial instruments will fluctuate because of changes in market prices. Market risks that apply to the Group comprise four types of risk: exchange rate risk, commodity risk, interest rate risk and other pricing, such as the risk of movements in the stock price. Financial instruments affected by market risks include time deposits, financial obligations, embedded derivatives and derivative financial instruments.

The sensitivity analyses in this section relate to the positions as of December 31, 2023 and 2022 and have been prepared considering that the proportion of financial instruments in foreign currency are constant.

(a.1) Exchange rate risk

The exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange relates primarily to the Group´s operating activities in soles. The Group mitigates the effect of exposure to exchange-rate risk by carrying out almost all of its transactions in its functional currency.

Excluding loans in soles, management maintains smaller amounts in soles in order to cover its needs in this currency (primarily payment of taxes).

A table showing the effect on results of a reasonable change in foreign-currency exchange rates is presented below, with all other variables kept constant:

	Exchange-rate increase/decrease	**Effect on profit (loss) before income tax**
		US$(000)
2023		
Exchange rate	10%	66,003
Exchange rate	(10%)	(66,003)
2022		
Exchange rate	10%	58,032
Exchange rate	(10%)	(58,032)
2021		
Exchange rate	10%	56,122
Exchange rate	(10%)	(56,122)

(a.2) Commodity price risk

The Group is affected by the price volatility of the commodities it mines. The price of mineral sold by the Group has fluctuated historically and is affected by numerous factors beyond its control.

The Group manages its commodity price risk primarily using sales commitments in customer contracts and hedge contracts for the metals sold by the subsidiary El Brocal.

The Company's subsidiary El Brocal entered into derivative contracts that qualified as cash flow hedges, with the intention of mitigating the risk resulting from the decrease in the prices of its minerals. These derivative contracts are recorded as assets or liabilities in the consolidated statements of financial position, see note 14, and are stated at fair value. To the extent that these hedges were effective in offsetting future cash flows from the sale of the related production, changes in fair value are deferred in an equity account under "Other comprehensive income (loss)". The amounts included temporarily in other comprehensive income (loss) were reclassified to the "Sales of goods" caption when the related minerals were sold. See note 34(a) and note 20(b).

(a.3) Interest rate risk -

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates to the Groups' long-term financial obligations with floating interest rates.

A table showing the effect in profit or loss of the variations of interest rates:

	Increase/ decrease of LIBOR (percentage rates)	**Effect on profit (loss) before income tax** US$(000)
2023		
Interest rate	10%	24
Interest rate	(10%)	(24)
2022		
Interest rate	10%	(1,315)
Interest rate	(10%)	1,315
2021		
Interest rate	10%	(1,414)
Interest rate	(10%)	1,414

(b) Credit risk -

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivable) and from its financing activities, including deposits with banks and other financial instruments.

The Group invests its excess cash in leading financial institutions, sets conservative credit policies and constantly evaluates the market conditions in which it operates. Trade accounts receivable are denominated in U.S. dollars. The Group's sales are made to domestic and foreign customers. See concentration of spot sales in note 20(b). An impairment analysis is performed on an individual basis.

Credit risk is limited to the carrying amount of the financial assets to the date of consolidated statements of financial position, which is composed of cash and cash equivalents, trade and other receivables and derivative financial instruments.

Set out below is the information about the credit risk exposure on the Group's trade and other receivables:

		Days past due			
	Current US$(000)	**< 30 days** US$(000)	**30 – 90 days** US$(000)	**> 90 days** US$(000)	**Total** US$(000)
As of December 31, 2023 -					
Trade receivables	181,492	-	-	22,276	203,768
Other receivables	664,717	-	-	4,141	668,858
	846,209	-	-	26,417	872,626
Expected credit loss rate	0%	0%	0%	100%	–
Expected credit loss	–	–	–	(26,417)	(26,417)
As of December 31, 2022 -					
Trade receivables	146,070	–	–	22,276	168,346
Other receivables	749,456	–	–	4,106	753,562
	895,526	–	–	26,382	921,908
Expected credit loss rate	0%	0%	0%	100%	–
Expected credit loss	–	–	–	(26,382)	(26,382)

(c) Liquidity risk -

Prudent management of liquidity risk implies maintaining sufficient cash and cash equivalents and the possibility of committing or having financing committed through an adequate number of credit sources. The Group believes that it maintains suitable levels of cash and cash equivalents and has sufficient credit capacity to get access to lines of credit from leading financial entities.

The Group continually monitors its liquidity risk based on cash flow projections.

An analysis of the Group's financial liabilities classified according to their aging is presented below, based on undiscounted contractual payments:

	Less than 1 year (2024) US$(000)	**Between 1 and 2 years** (2025) US$(000)	**Between 2 and 5 years** (2026 to 2028) US$(000)	**More than 5 years** (2029 and thereafter) US$(000)	**Total** US$(000)
As of December 31, 2023 -					
Trade and other payables	288,570	-	-	-	288,570
Financial obligation – capital	31,034	97,409	574,194	-	702,637
Financial obligation – interest	37,453	40,066	31,093	-	108,612
Lease – capital	3,429	1,515	2,523	2,853	10,320
Lease – interest	239	256	757	1,979	3,231
Contingent consideration liability	-	-	13,274	35,513	48,787
	360,725	139,246	621,841	40,345	1,162,157

	Less than 1 year (2024) US$(000)	Between 1 and 2 years (2025) US$(000)	Between 2 and 5 years (2026 to 2028) US$(000)	More than 5 years (2029 and thereafter) US$(000)	Total US$(000)
As of December 31, 2022 -					
Trade and other payables	240,737	-	-	-	240,737
Financial obligation – capital	31,034	104,159	598,568	-	733,761
Financial obligation – interest	39,256	45,770	64,279	-	149,305
Lease – capital	3,638	2,282	2,794	4,238	12,952
Lease – interest	42	18	242	1,136	1,438
Contingent consideration liability	–	–	11,937	31,934	43,871
	314,707	152,229	677,820	37,308	1,182,064

(d) Capital management -

For purposes of the Group's capital management, capital is based on all equity accounts. The objective of capital management is to maximize shareholder value.

The Group manages its capital structure and makes adjustments to meet changing economic market conditions. The Group's policy is to fund all projects of short and long term with their own operating resources. To maintain or adjust the capital structure, the Group may change the policy of paying dividends to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years 2023 and 2022.

36. Fair value measurement

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:

		Fair value measurement using:		
	Carrying value US$(000)	Quoted prices in active markets (Level 1) US$(000)	Observable inputs (Level 2) US$(000)	Unobservable inputs (Level 3) US$(000)
As of December 31, 2023 -				
Assets and liabilities measured at fair value:				
Fair value of account receivable (subject to provisional pricing)	125,586	-	125,586	-
Contingent consideration liability	21,838	-	21,838	-
Fair value of liabilities at amortized cost:				
Financial obligations				
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 asset	8,839	–	8,839	–
Fair value of liabilities at amortized cost:				
Financial obligations	672,110	–	672,110	–

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 Group's derivative financial instruments are recorded at their fair value.

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

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 differences between the book value and the fair value of the assets and financial liabilities as of December 31, 2023 and 2022. There were no transfers between Level 1 and Level 2 during 2023 and 2022.

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 December 31, 2023	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Contingent consideration liability	21,614	Rate before tax	10.84%	A change in the discount rate by 10% (rate 10.84%) higher/lower, the fair value would increase/decrease in US$1.5 million.
		Expected revenues annual average (US$000)	224,288	If expected sales change by 10% higher/lower, the fair value would increase/decrease in US$2.2 million.

37. Events after the reporting period

On February 22, 2024, the Company's General Shareholders' Meeting approved by majority the partial modification of its bylaws in order to incorporate two additional directors. In this regard, the Company's board of directors will be comprised of a total of nine members.

In addition to the event mentioned in the previous paragraph, there were no significant events occurring after the reporting date until the board date, February 29, 2024, that should be disclosed.

In accordance with International Financial Reporting Standards - IFRS, the accompanying financial statements were prepared based on the conditions existing as of December 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.

38. Explanation added for translation to English language

The accompanying consolidated financial statements were originally issued in Spanish and are presented on the basis of International Financial Reporting Standards "IFRS" as described in Note 2. These consolidated financial statements should be read in conjunction with the Spanish consolidated financial statements, in the event of a discrepancy the Spanish language version prevails.

E002-0035

COLEGIO DE
CONTADORES PÚBLICOS
DE LIMA

Constancia de Habilitación

El Decano y el Director Secretario del Colegio de Contadores Públicos de Lima, que suscriben, declaran que, en base a los registros de la institución, se ha verificado que:

TANAKA VALDIVIA & ASOCIADOS SOCIEDAD CIVIL DE RESPONSABILIDAD LIMITADA

N.º MATRICULA: S0761

Se encuentra **HABIL**, para el ejercicio de las funciones profesionales que le faculta la Ley N.º 13253 y su modificación Ley N.º 28951 y conforme al Estatuto y Reglamento Interno de este Colegio; en fe de lo cual y a solicitud de parte, se le extiende la presente constancia para los efectos y usos que estime conveniente.
Esta constancia tiene vigencia hasta el 31 DICIEMBRE 2024.

Lima, 20 DE JULIO 2023.

Velasquez Soriano R

CPC. RAFAEL ENRIQUE VELASQUEZ SORIANO
DECANO

CPC. DAVID EDUARDO BAUTISTA IZQUIERDO
DIRECTOR SECRETARIO

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