



MINEROS S.A.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at June 30, 2023 and December 31, 2022 and for
the three and six-months ended June 30, 2023, and
2022.

(Thousands of United States Dollars)



General Notes

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS	3
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME	4
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	5
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	6
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	7
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS	8
NOTE 1. CORPORATE INFORMATION	9
NOTE 2. STATEMENT OF COMPLIANCE	10
NOTE 3. BASIS OF PRESENTATION	10
NOTE 4. RECENT ACCOUNTING PRONOUNCEMENTS	11
NOTE 5. FINANCIAL INSTRUMENTS	11
NOTE 6. SEGMENTS	15
NOTE 7. REVENUE	18
NOTE 8. COST OF SALES	18
NOTE 9. ADMINISTRATION EXPENSES	19
NOTE 10. OTHER INCOME	19
NOTE 11. OTHER EXPENSES	20
NOTE 12. FINANCE INCOME	19
NOTE 13. FINANCE EXPENSES	20
NOTE 14. EARNINGS PER SHARE	20
NOTE 15. CASH AND CASH EQUIVALENTS	22
NOTE 16. TRADE AND OTHER RECEIVABLES	23
NOTE 17. INVENTORIES	23
NOTE 18. TAXES	24
NOTE 19. INTANGIBLE ASSETS	26
NOTE 20. EXPLORATION AND EVALUATION	26
NOTE 21. PROPERTY PLANT AND EQUIPMENT, NET	28
NOTE 22. LOANS AND OTHER BORROWINGS	28
NOTE 23. TRADE AND OTHERS PAYABLES	29
NOTE 24. PROVISIONS	30
NOTE 25. RESERVES	31
NOTE 26. OTHER ACCUMULATED COMPREHENSIVE INCOME	31
NOTE 27. RETAINED EARNINGS	31
NOTE 28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES	31
NOTE 29. COMMITMENTS	32
NOTE 30. EVENTS AFTER REPORTING PERIOD	33
NOTE 31. APPROVAL OF FINANCIAL STATEMENTS	33

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
 FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022 (Unaudited)
 THOUSANDS OF UNITED STATES DOLLARS, EXCEPT EARNINGS PER SHARE AMOUNTS

	Note	Three Months Ended June 30,		Six months ended June 30,	
		2023	2022	2023	2022
Revenue	7	138,826	137,286	256,916	261,936
Cost of sales	8	(99,801)	(99,487)	(185,621)	(191,492)
GROSS PROFIT		39,025	37,799	71,295	70,444
Administrative expenses	9	(4,622)	(5,976)	(9,298)	(11,413)
Other income	10	(352)	(46)	4,847	702
Other expenses	11	(6,849)	(1,949)	(8,989)	(4,153)
Exploration expenses		(4,920)	(3,611)	(7,279)	(6,296)
Finance income	12	2,544	244	3,037	612
Finance expense	13	(4,174)	(2,745)	(7,615)	(5,063)
Foreign exchange differences		(735)	3,387	(2,093)	683
PROFIT FOR THE PERIOD BEFORE TAX		19,917	27,103	43,905	45,516
Current tax	18	(11,544)	(11,042)	(23,107)	(20,289)
Deferred tax	18	4,179	(4,662)	7,158	(3,356)
NET PROFIT FOR THE PERIOD		12,552	11,399	27,956	21,871
Attributable to:					
Owners of the Group		12,552	11,399	27,956	21,871
Non-controlling interests		—	—	—	—
NET PROFIT FOR THE PERIOD		12,552	11,399	27,956	21,871
Basic and diluted earnings per share	14	0.04	0.04	0.09	0.07

(Signed)" Andrés Restrepo Isaza"

ANDRÉS RESTREPO ISAZA

PRESIDENT AND CEO

(Signed)"Miguel Ángel Hínestroza Hoyos"

MIGUEL ÁNGEL HINESTROZA HOYOS

ACCOUNTANT

P.C 74290-T

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022 (Unaudited)
THOUSANDS OF UNITED STATES DOLLARS, EXCEPT EARNINGS PER SHARE AMOUNTS

	Three Months Ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
NET PROFIT FOR THE PERIOD	12,552	11,399	27,956	21,871
<i>Other comprehensive income, net of taxes</i>				
Items that will not be reclassified subsequently to profit or loss:				
Revaluation of property, plant and equipment	34	34	68	67
	34	34	68	67
Items that may be reclassified subsequently to profit or loss:				
Cash flows hedges	2,938	3,076	1,370	1,056
Foreign exchange differences on translation of foreign operations	615	(740)	848	(262)
	3,553	2,336	2,218	794
Other comprehensive income, net of taxes	3,587	2,370	2,286	861
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	16,139	13,769	30,242	22,732
Total comprehensive income attributable to:				
Owners of the Group	16,139	13,769	30,242	22,732
Non-controlling interests	—	—	—	—
	16,139	13,769	30,242	22,732

(Signed) "Andrés Restrepo Isaza"

ANDRÉS RESTREPO ISAZA
PRESIDENT AND CEO

(Signed) "Miguel Ángel Hínestroza Hoyos"

MIGUEL ÁNGEL HINESTROZA HOYOS
ACCOUNTANT
P.C 74290-T

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2023, AND DECEMBER 31, 2022 (Unaudited)
THOUSANDS OF UNITED STATES DOLLARS

	Notes	30/06/2023	31/12/2022
ASSETS			
Current assets			
Cash and cash equivalents	15	47,415	49,791
Trade and other receivables, net	16	34,529	18,189
Inventories	17	85,259	75,166
Derivative financial instruments	5	666	1,529
Investments in financial assets		1,427	116
Income tax assets	18	25,965	5,666
Other tax assets	18	27,138	25,998
Other assets		14,135	13,296
Total Current assets		236,534	189,751
Non-current assets			
Trade and other receivables	16	2,250	2,122
Inventories	17	28,501	27,006
Investments in financial assets		10,572	10,603
Other tax assets	18	358	343
Deferred tax assets	18	1,619	1,616
Investment property		2,024	2,025
Exploration and evaluation projects, net	20	55,051	62,244
Intangible assets, net	19	36,201	40,066
Investment in associates		5,403	5,285
Property, plant and equipment, net	21	226,841	228,482
Total Non-current assets		368,820	379,792
TOTAL ASSETS		605,354	569,543

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P.C 74290-T

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2023, AND DECEMBER 31, 2022 (Unaudited)
THOUSANDS OF UNITED STATES DOLLARS

	Notes	30/06/2023	31/12/2022
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Loans and other borrowings	22	22,193	23,772
Derivative financial instruments	5	2,175	5,472
Trade and other payables	23	52,492	61,870
Other financial liabilities	14	16,151	5,211
Employee benefits		7,471	8,114
Income tax liabilities	18	53,811	24,172
Other tax liabilities	18	6,420	3,569
Provisions	24	3,311	2,401
Total current liabilities		164,024	134,581
Non-current liabilities			
Loans and other borrowings	22	21,402	23,248
Employee benefits		4,228	4,031
Deferred tax	18	8,213	14,727
Provisions	24	51,674	46,403
Total non-current liabilities		85,517	88,409
TOTAL LIABILITIES		249,541	222,990
Equity			
Share capital		44	44
Share premium account		30,194	30,194
Reserves	25	233,652	250,147
Other comprehensive income	26	55,556	53,294
Retained earnings	27	36,365	12,872
Equity attributable to the owners of the Group		355,811	346,551
Non-controlling interest		2	2
Total equity		355,813	346,553
TOTAL LIABILITIES AND EQUITY		605,354	569,543
Commitments (Note 29)			

(Signed) "Andrés Restrepo Isaza"

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MINEROS S.A.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022 (Unaudited)
THOUSANDS OF UNITED STATES DOLLARS

	Share capital	Share premium accounts	Reserves	Other comprehensive income	Retained earnings	Equity attributable to the owners of the Group	Non-controlling interest	Total equity
Balance as of January 1, 2022	44	30,194	229,297	56,386	51,609	367,530	2	367,532
Net profit for the period	—	—	—	—	21,871	21,871	—	21,871
Other comprehensive income for the period, net of taxes	—	—	—	861	—	861	—	861
Total comprehensive income for the year	—	—	—	861	21,871	22,732	—	22,732
Appropriation of reserves	—	—	43,271	—	(43,271)	—	—	—
Dividends	—	—	(22,421)	—	—	(22,421)	—	(22,421)
Reclassification	—	—	—	(24)	24	—	—	—
Balance as of June 30, 2022	44	30,194	250,147	57,223	30,233	367,841	2	367,843
Balance as of January 1, 2023	44	30,194	250,147	53,294	12,872	346,551	2	346,553
Net profit for the period	—	—	—	—	27,956	27,956	—	27,956
Other comprehensive (loss) income for the period, net of taxes	—	—	—	2,286	—	2,286	—	2,286
Total comprehensive income for the year	—	—	—	2,286	27,956	30,242	—	30,242
Appropriation of reserves	—	—	4,487	—	(4,487)	—	—	—
Dividends	—	—	(20,982)	—	—	(20,982)	—	(20,982)
Reclassification	—	—	—	(24)	24	—	—	—
Balance as of June 30, 2023	44	30,194	233,652	55,556	36,365	355,811	2	355,813

(Signed)" Andrés Restrepo Isaza"

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 ACCOUNTANT
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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022 (Unaudited)
THOUSANDS OF UNITED STATES DOLLARS**

	30/06/2023	30/06/2022
Cash flows from (used in) operating activities		
Receipts from sales of goods	243,455	245,871
Receipts from commissions and other revenue	10,288	1,526
Cash receipts from futures contracts, forward contracts, option contracts and swap contracts	1,534	5,312
Payments to suppliers for goods and services	(157,884)	(159,536)
Payments to employees and social security agencies	(42,523)	(45,174)
Payments for premiums and claims, annuities and other policy benefits	(5,161)	(4,285)
Payments for futures contracts, forward contracts, option contracts and swap contracts	(2,523)	(4,687)
Income tax (paid)	(13,993)	(14,903)
Other outflows of cash	(541)	(968)
Net cash flows generated by operating activities	32,652	23,156
Cash flows from (used in) investing activities		
Proceeds from the sale of other entities' equity or debt instruments	2,127	—
Proceeds from sales of property, plant and equipment	138	103
Purchases of property, plant and equipment	(19,521)	(21,821)
Purchases of intangible assets and exploration projects	(1,425)	(5,473)
Dividends received	58	51
Receipts from the repayment of loans granted to third parties	2	—
Interest received	431	115
Sales (Purchases) of financial instruments	65	(424)
Net cash flows used in investing activities	(18,125)	(27,449)
Cash flows from (used in) financing activities		
Proceeds from borrowings	18,876	2,395
Payments of borrowings	(21,020)	(5,631)
Payments of lease liabilities	(6,378)	(4,133)
Dividends paid	(10,050)	(12,473)
Interest paid	(3,744)	(2,170)
Net cash flows used in financing activities	(22,316)	(22,012)
Decrease in cash and cash equivalents before effect of exchange rate changes	(7,789)	(26,305)
Effect of foreign exchange rate changes	5,413	1,980
Net decrease in cash and cash equivalents	(2,376)	(24,325)
Cash and cash equivalents at beginning of the year	49,791	63,130
Cash and cash equivalents at end of the year	47,415	38,805

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(THOUSANDS OF UNITED STATES DOLLARS, UNLESS OTHERWISE INDICATED)

NOTE 1. CORPORATE INFORMATION

Mineros S.A. is the parent company of its consolidated group ("Mineros", "the Company" or "Group"). The Company is a Colombian corporation that was incorporated on November 14, 1974, for an initial period of 99 years, which can be extended by amending the Company's by-laws. Its registered and head offices are in Medellín, Colombia at the Nova Tempo Building (6th floor), Carrera 43 A #14-109.

The Company is publicly listed on the Colombian Stock Exchange and on the Toronto Stock Exchange ("TSX"), where 100% of the issued and outstanding common shares are listed under the symbol: MINEROS:CB and MSA.

The Group is a precious metals producer with significant gold production, development, and exploration stage properties throughout Latin America, including Colombia, Nicaragua, Chile and Argentina. The Group principal producing mining properties are the Nechí Alluvial mine in Colombia; the Pioneer and Panama mines in Nicaragua; and the Gualcamayo mine in Argentina.

Details of the Company's subsidiaries and associate

Outlined below is information related the Mineros S.A. subsidiaries, associates and Joint Ventures as of June 30, 2023 and December 31, 2022:

Corporate Name	Place of incorporation and operation	Type entity	Main Activity	Functional Currency	Equity interest %	
					30/06/2023	31/12/2022
Mineros Chile SpA	Chile	Subsidiary	Holding company	USD	100%	100%
Mineros Argentina Holdings BV	Netherlands	Subsidiary	Holding company	USD	100%	100%
Mineros Chile Rentista de Capitales Mobiliarios Limitada	Chile	Subsidiary	Holding company	USD	100%	100%
Minas Argentinas S. A	Argentina	Subsidiary	Underground and open pit gold mining	USD	100%	100%
HEMCO Nicaragua S.A.	Nicaragua	Subsidiary	Underground gold mining and holding company for operations in Nicaragua	USD	100%	100%
Vesubio Mining S.A.	Nicaragua	Subsidiary	Underground gold mining	USD	100%	100%
Rosita Mining S.A.	Nicaragua	Subsidiary	Underground gold mining	USD	100%	100%
New Castle Gold Mining S. A	Nicaragua	Subsidiary	Inactive	USD	69,9%	69,9%
Roca Larga Mining, S.A.	Nicaragua	Subsidiary	Inactive	USD	100%	100%
Distribuidora Caribe Norte, S.A.	Nicaragua	Subsidiary	Inactive	USD	100%	100%
Minerales Matuzalén S.A.	Nicaragua	Subsidiary	Underground gold mining	USD	100%	100%
Mineros Aluvial S.A.S.BIC.	Colombia	Subsidiary	Alluvial gold mining	USD	100%	100%
Negocios Agroforestales S.A.S.	Colombia	Subsidiary	Biological assets management	COP	100%	100%
Compañía Minera de Ataco S.A.S.	Colombia	Subsidiary	Underground gold mining	COP	100%	100%
Mineros (CANADA) INC	Canada	Subsidiary	Corporate services	USD	100%	100%
Minera Cavanha SpA	Chile	Associate	Underground gold mining	USD	20%	20%

USD: United States Dollar
COP: Colombian Peso

Details of the Company's Interests in Joint Arrangements

Name	Partner	Location	Type of Arrangement	Purpose	Interest	
					30/06/2023	31/12/2022
Güinter – Niverengo - Margarita (GNM)	Royal Road Minerals Ltd.	Colombia	Joint Operation	Exploration in target GNM	0%	50%
Exploracion Caribe	Royal Road Minerals Ltd.	Nicaragua	Joint Operation	Exploration in target Caribe	100%	50%

Reduction of Royal Road Interest in Joint Operation

Mineros and Royal Road have terminated strategic alliance agreements for the exploration of their respective properties in Nicaragua and Colombia, and related joint ventures in respect of the Caribe Exploration Target, located on the Hemco Property in Nicaragua, and the Güinter- Niverengo Margarita Exploration Target is located in the Anza Province, Colombia. Royal Road has relinquished its 50% joint venture interest in Caribe Exploration Target to Hemco Nicaragua S.A. ("Hemco"), which is now 100% owned by Hemco. A 1.25% net smelter returns royalty applicable to the two concessions that host the Luna Roja Deposit, which was granted to Royal Road on May 2021 in connection with Mineros' acquisition of Royal Road's 50% joint venture interest in those concessions was terminated, and provisions under the related asset purchase agreement in respect of exploration expenditures to be incurred at the Hemco the property has been released. Mineros has also relinquished its 50% joint venture interest in the Güinter-Niverengo Margarita Exploration Target to Royal Road. Mineros and Royal Road have also annulled a cooperation agreement relating to Mineros' Gualcamayo Project in Argentina.

NOTE 2. STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting ('IFRS').

These condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements as of December 31, 2022 prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB'), which include information necessary or useful to understanding the Company's operations, financial performance, and financial statement presentation. In particular, the Company's significant accounting policies presented in Note 3 to the consolidated financial statements for the year ended December 31, 2022 have been consistently applied in the preparation of these condensed interim consolidated financial statements.

NOTE 3. BASIS OF PREPARATION

These condensed interim consolidated financial statements have been prepared on the historical cost basis, except certain financial instruments, investment properties and certain classes of property and plant that are measured at fair value at the end of each reporting period. The Company's accounting policies have been applied consistently to all periods in the preparation of these condensed interim consolidated financial statements. In preparing the Company's condensed interim consolidated financial statements for the three and six months ended June 30, 2023, the Company applied the critical judgments and estimates disclosed in note 4 of its consolidated financial statements for the year ended December 31, 2022.

As of June 30, 2023, there are no significant changes on accountings estimates compared to December 31, 2022.

NOTE 4. RECENT ACCOUNTING PRONOUNCEMENTS

New and Revised IFRSs, Narrow Scope Amendments to IFRSs and IFRS Interpretations not yet Effective

The IASB has issued pronouncements which are mandatory for the periods ended after 31 December 2022 as described in note 2 to the annual Consolidated Financial Statements. Such pronouncements are not expected to have a material impact upon adoption.

New and amended IFRS standards that are effective for the current year

During 2023, the Company has applied a number of new and amended IFRS and interpretations issued by the International Accounting Standards Board ("IASB") that are mandatorily effective for an accounting period that begins on or after January 1, 2023.

IFRS 17 - Insurance Contracts	The Group do not have any contracts that meet the definition of insurance contracts as set out in IFRS 17
IAS 12 - Income taxes	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
IAS 8 - Accounting policies	Definition of Accounting Estimates
IAS 1 - Presentation of financial statements	Disclosure of Accounting Policies

The adoption of these standards has not had any impact on these financial statements.

NOTE 5. FINANCIAL INSTRUMENTS

The following table combines information about:

- Classification of financial instruments based on their nature and characteristics.
- The carrying amounts of financial instruments.
- Fair values of financial instruments (except financial instruments when carrying amount approximates their fair value)

2023	Book value						
	Financial assets				Financial liabilities		Total
	FVTPL – designated	FVTOCI – designated	FVTOCI – measured	Amortized cost	FVTOCI – measured	Amortized cost	
Cash and cash equivalents (see note 12)	—	—	—	47,415	—	—	47,415
Trade and other receivables (see note 13)	—	—	—	36,779	—	—	36,779
Derivative financial instruments (Hedges) (see note 5)	—	—	666	—	(2,175)	—	(1,509)
Investment in financial asset	1,427	—	—	—	—	—	1,427
Non-current investments ⁽¹⁾	6,850	3,722	—	—	—	—	10,572
Loans and other borrowing (see note 19)	—	—	—	—	—	(43,595)	(43,595)
Trade and other payables (see note 20)	—	—	—	—	—	(52,492)	(52,492)
Other financial liabilities (see note 11)	—	—	—	—	—	(16,151)	(16,151)

(1) These investments are classified as financial instruments, Mineros has no significant influence over these investments

Fair value hierarchy of financial instruments

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2023	Fair value			
	Level			Total
	1	2	3	
Investment in financial asset	1,427	—	—	1,427
Non-current investments	—	—	10,572	10,572
Derivative financial instruments	—	(1,509)	—	(1,509)

There have been no transfers of assets or liabilities between level 1, level 2 and level 3 measurements in either the current or previous year. There are non-recurring fair value measurements.

As of June 30, 2023, there were no changes on the risk management policies and procedures compared with December 31, 2022.

MINEROS S.A.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Valuation techniques for fair value measurement of investments were discounted cash flows over specific periods of time. There are no changes in valuation techniques compared to December 31, 2022. For derivative financial instruments, the Company uses the Black Scholes model for estimating fair value using observable market inputs.

Fair value of the group's financial assets and liabilities that are measured at amortized cost but the fair value is required to be disclosed

Financial assets/ financial liabilities	Valuation technique(s) and key input(s)	Fair value	Carrying value
Loans	Discounted cash flow Future cash flows are estimated based on forward exchange rates (forward exchange rates observable at the end of the reporting period) and the forward exchange rates of the contract.	\$20.752 (2022: \$20.920)	\$25.503 (2022: \$25.402) excludes leaseback transactions classified as debt for \$575 (2022: \$1.081)

Derivative Financial Instruments

The following tables summarize the positions held by the Company as at June 30, 2023:

Gold hedging outstanding:

Company	Year	Type	Contracts	Ounces	Maturity	Price (US/Oz) ⁽¹⁾
HEMCO	2023	Put/Call	12	6,000	Jul - Dec 2023	Min: 1,700
						Max: 1,820
HEMCO	2023	Put/Call	12	6,000	Jul - Dec 2023	Min: 1,870
						Max: 2,173
MINEROS S.A.	2023	Put/Call	12	6,000	Jul - Dec 2023	Min: 1,700
						Max: 1,820
MINEROS S.A.	2023	Put/Call	12	6,000	Jul - Dec 2023	Min: 1,800
						Max: 1,884

Foreign exchange hedging outstanding:

Company	Year	Type	Contracts	Amount	Maturity	Price
MINEROS ALUVIAL	2023	Put/Call	12	12,000,000	Jul - Dec 2023	Min: 4,350
						Max: 6,233

(1) Minimum and maximum prices are weighted averages of different put and call options.

As of June 30, 2023, there were no exchange collar contracts for Mineros S.A. (Holding Company), HEMCO Nicaragua or Minas Argentinas.

MINEROS S.A.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The following tables summarize the positions held by the Company at December 31, 2022:

Gold hedging outstanding:

Company	Year	Type	Contracts	Ounces	Maturity	Price (US/Oz) ⁽¹⁾
HEMCO	2022	Put/Call	24	12,000	Jan - Dec 2023	Min: 1,700
						Max: 1,820
HEMCO	2022	Put/Call	12	3,000	Jan -Jun 2023	Min: 1,650
						Max: 1,760
MINEROS S.A.	2022	Put/Call	24	12,000	Jan - Dec 2023	Min: 1,700
						Max: 1,820
MINEROS S.A.	2022	Put/Call	12	6,000	Jan -Jun 2023	Min: 1,650
						Max: 1,760
MINEROS S.A.	2022	Put/Call	12	3,000	Jan -Jun 2023	Min: 1,750
						Max: 1,809
MINEROS S.A.	2022	Put/Call	24	12,000	Jan - Dec 2023	Min: 1,800
						Max: 1,884

Foreign exchange hedging outstanding:

Company	Year	Type	Contracts	Amount	Maturity	Price
MINEROS ALUVIAL	2022	Put/Call	12	24,000,000	Jan - Dec 2023	Min: 4,100
						Max: 5,737
MINEROS ALUVIAL	2022	Put/Call	24	48,000,000	Jan - Dec 2023	Min: 4,350
						Max: 6,233

Fair value of derivatives

	30/06/2023	31/12/2022
Assets for hedging operations with derivative financial instruments	666	1,529
Liabilities for hedging operations with derivative financial instruments	(2,175)	(5,472)
Total net liabilities derivatives financial instruments	(1,509)	(3,943)

Cash Flow Hedge Gains (Losses) in Other Comprehensive Income ("OCI"), net deferred tax

	30/06/2023	30/06/2022
Cash flows hedges	1,370	1,056
Total	1,370	1,056

Gold revenue protection strategy

The Company implemented a deferred premium strategy ("Collar"). The strategy consists of the sale of call options and the purchase of put options on the underlying gold asset. The program covers a total of 12,000 ounces for the period between April and December 2023, which represents approximately 50% of the total estimated gold production of Minas Argentina's S.A. for this period of 2023. The hedges have a minimum price of 1,700 USD/Oz and a maximum price of \$1,884 USD/Oz for 2023.

For HEMCO Nicaragua S.A., The program covers a total of 12,000 ounces during the remaining period from April to December 2023, which representing approximately 50% of the total industrial gold production estimated for the same period of 2023, with a minimum price of 1,700 USD/Oz and a maximum price of \$2,173 USD/Oz.

The total premium paid for the entry was included as part of the fair value and was settled in cash on a net basis as the monthly contracts matured. As of June 30, 2023, the Company recorded \$(87) for net hedge settlements, included in realized gains and losses on currency exchange derivative financial instruments. Also, as of June 30, 2023, the Company recorded \$3,485 for net hedge settlements, included in realized gains and losses on Gold derivative financial instruments which were reflected in an improved selling price per ounce.

Item	30/06/2023	30/06/2022
Gain (Loss) on hedges of currency exchange ⁽¹⁾	87	(427)
Loss on realized gold sales hedge ⁽²⁾	(3,485)	—
Realized hedge Loss, net	(3,398)	(427)

(1) Loss recognized on revenues on the profit or loss statement.

(2) Balance included in gold sales.

NOTE 6. SEGMENTS

The Company operates in three principal countries, Colombia (Nechi Alluvial), Nicaragua (HEMCO Nicaragua), and Argentina (Gualcamayo). The Company also has significant gold exploration projects included in the Segment Chile (La Pepa). The following table provides the Company's results by operational segments in the way information is provided to and used by the Corporation's chief operating decision-making authority (CODM), which is the CEO, to make decisions about the allocation of resources to the segments and assess their performance.

The following is an analysis of the Group's income and results, assets, and liabilities by reportable segment as of June 30, 2023, and 2022:

Three Months Ended June 30, 2023								
	Nechi Alluvial	HEMCO Nicaragua	Gualcamayo	Chile (La Pepa)	Mineros S.A (Holding)	Others	Intersegment adjustments and eliminations	Total
Revenue	49,977	66,320	23,172	—	17,551	141	(18,335)	138,826
Investment in subsidiaries	—	—	—	(8,296)	13,550	—	(5,254)	—
Cost of sales	(30,662)	(50,124)	(24,205)	—	(13,816)	(192)	19,198	(99,801)
Gross Profit	19,315	16,196	(1,033)	(8,296)	17,285	(51)	(4,391)	39,025
Administrative expenses	(531)	(697)	(578)	(17)	(3,316)	(110)	627	(4,622)
Exploration expenses	—	(1,085)	(3,649)	—	(186)	—	—	(4,920)
Finance income	157	50	2,190	—	198	3	(54)	2,544
Finance expense	(902)	(614)	(2,234)	—	(544)	73	47	(4,174)
Income Tax								(7,365)
Net profit for the year								12,552

Six Months Ended June 30, 2023								
	Nechi Alluvial	HEMCO Nicaragua	Gualcamayo	Chile (La Pepa)	Mineros S.A (Holding)	Others	Intersegment adjustments and eliminations	Total
Revenue	84,979	130,487	42,483	—	38,016	176	(39,225)	256,916
Investment in subsidiaries	—	—	—	(9,972)	30,659	—	(20,687)	—
Cost of sales	(53,388)	(97,292)	(42,054)	—	(33,147)	(299)	40,559	(185,621)
Gross Profit	31,591	33,195	429	(9,972)	35,528	(123)	(19,353)	71,295
Administrative expenses	(1,029)	(1,503)	(1,168)	(231)	(6,172)	(419)	1,224	(9,298)
Exploration expenses	—	(2,168)	(4,670)	—	(441)	—	—	(7,279)
Impairment of assets	—	—	—	—	—	—	—	—
Finance income	438	63	2,373	—	405	8	(250)	3,037
Finance expense	(1,713)	(1,240)	(3,763)	—	(1,138)	1	238	(7,615)
Income Tax								(15,949)
Net profit for the period								27,956

Three Months Ended June 30, 2022								
	Nechi Alluvial	HEMCO Nicaragua	Gualcamayo	Chile (La Pepa)	Mineros S.A (Holding)	Others	Intersegment adjustments and eliminations	Total
Revenue	44,357	65,370	29,282	—	29,448	62	(31,233)	137,286
Investment in subsidiaries	—	—	—	(1,626)	16,814	—	(15,188)	—
Cost of sales	(25,853)	(47,927)	(27,885)	—	(29,608)	(184)	31,970	(99,487)
Gross Profit	18,504	17,443	1,397	(1,626)	16,654	(122)	(14,451)	37,799
Administrative expenses	(431)	(776)	(514)	(206)	(4,604)	(6)	561	(5,976)
Exploration expenses	—	(1,477)	(1,131)	(139)	(864)	—	—	(3,611)
Finance income	110	10	98	—	188	1	(163)	244
Finance expense	(532)	(528)	(1,366)	—	(469)	(22)	172	(2,745)
Income Tax								(15,704)
Net profit for the period								11,399

Six Months Ended June 30, 2022								
	Nechi Alluvial	HEMCO Nicaragua	Gualcamayo	Chile (La Pepa)	Mineros S.A (Holding)	Others	Intersegment adjustments and eliminations	Total
Revenue	81,442	128,646	53,285	—	55,317	149	(56,903)	261,936
Investment in subsidiaries	—	—	—	(5,389)	29,403	—	(24,014)	—
Cost of sales	(50,594)	(95,768)	(48,942)	—	(53,669)	(344)	57,825	(191,492)
Gross Profit	30,848	32,878	4,343	(5,389)	31,051	(195)	(23,092)	70,444
Administrative expenses	(931)	(1,546)	(1,020)	(546)	(8,252)	(13)	895	(11,413)
Exploration expenses	(1)	(2,534)	(2,126)	(222)	(1,413)	—	—	(6,296)
Impairment of assets	—	—	—	—	—	—	—	—
Finance income	220	17	291	—	431	2	(349)	612
Finance expense	(980)	(1,108)	(2,441)	—	(834)	(53)	353	(5,063)
Income Tax								(23,645)
Net profit for the period								21,871

Six Months Ended June 30, 2023								
	Nechi Alluvial	HEMCO Nicaragua	Gualcamayo	Chile (La Pepa) ⁽¹⁾	Mineros S.A (Holding)	Others	Intersegment adjustments and eliminations	Total
Property, plant, and equipment	95,137	92,412	26,954	—	2,223	10,115		226,841
Total, assets	199,730	236,923	115,507	38,229	396,317	286,355	(667,707)	605,354
Total, liabilities	104,725	50,801	276,763	4	38,714	101,360	(821,908)	(249,541)
Additions of PP&E, intangibles and exploration and evaluation projects	7,678	11,057	7,687	—	—	147	—	26,569

- (1) This segment includes the financial information corresponding to Mineros Chile SpA, the company that holds the investments in subsidiaries in non-current assets.

The following is the Information about major customers:

Customer	30/06/2023	30/06/2022
1	100,221	63,130
2	90,773	72,382
3	35,394	40,226
4	19,556	85,877
Total sales to customers exceeding 10% of annual metal sales	245,944	261,615
Percentage of metal sales	95.73 %	99.00 %

MINEROS S.A.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Non-current assets and depreciation and amortization by segment are detailed below:

	30/06/2023	31/12/2022
Nechi Alluvial	115,254	112,615
HEMCO Nicaragua	188,866	190,826
Gualcamayo	36,239	48,089
Chile (La Pepa)	37,245	45,099
Mineros S.A (Holding)	343,883	351,917
Intersegment adjustments and eliminations	(352,667)	(368,754)
Total non-current assets	368,820	379,792

Depreciation and amortization		
	30/06/2023	30/06/2022
Nechi Alluvial	7,220	6,861
HEMCO Nicaragua	13,611	13,759
Gualcamayo	4,963	7,398
Mineros S.A (Holding)	739	735
Others	38	73
Total, depreciation and amortization	26,571	28,826

NOTE 7. REVENUE

The Company derives its income primarily from the export of gold and precious metals at a point in time.

Item	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Sales of gold	133,836	134,401	247,944	255,965
Sales of silver	3,673	2,045	6,661	4,458
Sales of electric energy	1,195	1,010	2,156	1,802
Hedges of cash flow (See note 5)	87	(228)	87	(427)
Other revenue	35	58	68	138
Total	138,826	137,286	256,916	261,936

At the reporting date, the Company did not have any pending performance obligations related to sales of gold from contracts with customers.

NOTE 8. COST OF SALES

This item comprises the following costs:

Item	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Direct mining costs	80,754	78,681	149,696	152,962
Depreciation and amortization	13,166	14,511	25,800	28,093
Taxes and royalties	5,880	6,295	10,124	10,437
Total	99,800	99,487	185,620	191,492

MINEROS S.A.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9. ADMINISTRATION EXPENSES

This item comprises the following expenses:

Item	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Employee benefits	1,901	1,876	3,806	3,947
Services	2,087	3,118	4,280	5,927
Depreciation and amortization	396	376	771	733
Miscellaneous	72	126	175	309
Taxes	166	480	266	497
Total	4,622	5,976	9,298	11,413

NOTE 10. OTHER INCOME

This item comprises the following types of income:

Item	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Miscellaneous ⁽¹⁾	(593)	(66)	4,562	588
Reimbursement of costs and expenses	241	20	285	114
Total	(352)	(46)	4,847	702

⁽¹⁾ This balance includes the insurance claim recognition associated to the overturning of a floating beneficiation plant at the Nechí Alluvial Property in Colombia for \$4,562 which includes the payment for \$4,889 offset with insurance policy adjustments for \$646 in May 2023. The result for the quarter ended in June 2023 corresponds to adjustments of income associated with the incident.

NOTE 11. OTHER EXPENSES

This item includes the following expenses:

Item	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Taxes incurred	689	574	1,273	1,146
Miscellaneous	452	387	857	828
Donations	420	391	660	943
Tax on financial movements	321	339	652	647
Community support	320	258	582	584
Corporate projects	79	—	86	5
Estimated liabilities ⁽¹⁾	4,568	—	4,879	—
Total Other Expenses	6,849	1,949	8,989	4,153

⁽¹⁾ This balance included the estimated liabilities of \$4,879 related to severance provisions at the Gualcamayo Property for a workforce reduction.

NOTE 12. FINANCE INCOME

MINEROS S.A.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

This item comprises the following types of income:

Item	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Interest	341	203	806	518
Fiduciary rights	2,203	41	2,231	94
Total	2,544	244	3,037	612

NOTE 13. FINANCE EXPENSES

This item comprises the following expenses:

Item	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Interest	4,090	2,665	7,428	4,836
Bank expenses	36	52	77	157
Miscellaneous	48	28	110	70
Total	4,174	2,745	7,615	5,063

NOTE 14. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the earnings attributable to the Company's shareholders by the weighted average of the common outstanding shares in the year, excluding any common shares reacquired by the Company and held as treasury shares.

Diluted earnings per share are calculated by adjusting the average of outstanding common shares to simulate the conversion of all the potential dilutive common shares. The Company does not have potentially dilutive shares in any of the years presented.

The calculation of the basic earnings per share is based on the following data:

Item	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Profit attributable to controlling interest	12,552	11,399	27,956	21,871
Weighted average number of outstanding ordinary shares	299,737,402	299,737,402	299,737,402	299,737,402
Earnings per share in USD	0.04	0.04	0.09	0.07

Dividends payable

The balances of dividends payable, classified in the financial statement under other financial liabilities, are:

Item	30/06/2023	31/12/2022
Ordinary dividends decreed	15,736	4,856
Dividends from prior periods	415	355
Total	16,151	5,211

In Colombia, according to minute no. 63 of the Ordinary General Meeting of Shareholders of March 30, 2023 the proposal on the payment of dividends was approved, where an ordinary quarterly dividend per share of \$0,0175 was decreed, payable quarterly on April 26, July 26, October 26 of 2023 and January 25 of 2024.

In Colombia, according to minute no. 62 of the Ordinary General Meeting of Shareholders of March 31, 2022, the proposal on the payment of dividends was approved, where an ordinary quarterly dividend per share of USD\$0.0162 was declared, payable quarterly in advance on April 20, July 22, October 20, 2022, and January 20, 2023; and an extraordinary dividend of USD \$0.01 per share payable on April 20, 2022.

The decreed dividends in 2023 totaled \$20,982, (2022:\$22,421) taken from reserves from previous years, as non-taxable dividends.

The following is a reconciliation of dividends payable presented as "Other Financial Liabilities":

Item	30/06/2023
January 1	5,211
Dividends decreed	20,982
Exchange differences	8
Dividends paid	(10,050)
Total	16,151

11.1 Share-based Payments

Share appreciation rights

The Company has a Share Appreciation Rights (SAR) plan that entitles certain senior managers to receive a cash payment equal to the increase in the value of the shares from a specified level over a period of time (ie. from the grant date to the vesting date). Awards are made based on whether the corresponding executive's target performance goals were met in the prior financial year, adjusted for subjective factors. The formula is: cash bonus received by the corresponding executive multiplied by a factor of two, divided by the average price of Mineros shares during February and March of 2022. SAR vest after three years from the date of grant and are exercisable for a period of five years. Vested rights are exercisable for cash payment equal to the base price of the stock valuation right less the then-current price of the shares (calculated as the average closing price over the two months prior to the date of exercise). SAR have been granted to certain employees at exercise prices determined by reference to the market value of the Company's common shares on the Colombian Stock Exchange at the grant date. The changes in the Rights for Share Appreciation as of June 30, 2023, are as follows:

	Number outstanding	Weighted average exercise price (COP)
Balance, beginning of period	2,535,190	3,010
Exercised ⁽¹⁾	468,102	3,311
Balance, end of period	2,067,088	3,223

(1) Due to retirement of Key management members in 2022 468,102 SAR's granted in prior years were removed of the outstanding amount of SAR's.

No SAR's were granted during the period.

The estimated grant date fair value of the SARs granted during the three months ended June 30, 2023, was calculated using the Black Scholes option-pricing model with the following weighted average assumptions:

June 30, 2023				
	Granted in 2022	Granted in 2021	Granted in 2020	Granted in 2019
Risk-free interest rate	10,1%	10,2%	10,3%	10,5%
Expected annual volatility	32,6%	32,6%	32,6%	32,6%
Expected life (in years)	3,8	2,7	1,9	0,6
Expected dividend yield	15,6%	15,6%	15,6%	15,6%
Grant date fair value per SAR (COP)	374	1,046	613	1,199
Share price at grant date (COP)	3,505	4,095	3,248	3,193

The Company recognized share-based payments for \$39 (2022: \$34).

The following summarizes information about SARs outstanding and exercisable at June 30, 2023:

Expiry date	Exercise price (COP)	SARs outstanding	SARs exercisable	Estimated fair value (\$)	Weighted average remaining contractual life (in years)
February 20, 2024 ⁽¹⁾	1,999	449,867	449,867	21	0.64
May 20, 2025 ⁽¹⁾	3,332	382,908	382,908	5	1.89
March 25, 2026	3,700	604,073	—	7	2.74
March 31, 2027	3,861	630,240	—	6	3.75
Total	3,223	2,067,088	832,775	39	2.43

(1) These options have the right to be exercised in 2023.

NOTE 15. CASH AND CASH EQUIVALENTS

The following is the composition of cash and cash equivalents:

Item	30/06/2023	31/12/2022
Bank deposits (US dollars)	45,956	46,093
National banks	211	2,338
Collective investment fund (*)	1,220	1,331
Petty cash	28	29
Total	47,415	49,791

(*) Collective investment funds are alternative investment funds that can be cashed in at any time.

These accounts have average yields of 2.40% A.E. (2022: 1.85% A.E.). To date there is no restricted cash.

The following transactions did not generate cash outflows

- Additions of assets for rights of use for \$2,444
- Capitalization of assets under construction for \$3,179.

NOTE 16. TRADE AND OTHER RECEIVABLES

The following is the composition of trade and other receivables:

Item	30/06/2023	31/12/2022
Trade accounts receivable:		
International Clients ⁽¹⁾	26,698	13,659
Local Clients ⁽²⁾	3,259	31
Total trade accounts Receivable	29,957	13,690
Other accounts receivable:		
Employee loans	2,118	1,825
Other debtors	4,704	4,796
Total	6,822	6,621
Trade and other receivables	36,779	20,311
Current portion	34,529	18,189
Non-current portion	2,250	2,122

(1) Corresponds to the invoices for the last shipments of gold.

(2) During the second quarter of 2023, the subsidiary Minas Argentinas S.A. started selling gold locally.

NOTE 17. INVENTORIES

The following is the composition of inventories:

Item	30/06/2023	31/12/2022
Ore Stockpiles ⁽¹⁾	64,249	49,034
Materials and spare parts	49,511	53,138
Total	113,760	102,172
Current portion	85,259	75,166
Non-current portion	28,501	27,006

(1) The increase in ore-in-process stockpiles is explained by lower production levels due to the cyanidation process and heap leach kinetics. The management has performed the net realizable value analysis considering the minerals in stockpiles and heap leaches, and the inventory cost is below its recoverable value, moreover during the second quarter of the year a recoverability analysis of the heap leachs inventory at the Gualcamayo property was carried out, resulting in a write-off of \$3,162 corresponding to 2,294 Oz.

NOTE 18. TAXES

18.1 Current Tax

Income tax assets and other tax assets

Other tax receivable balances are as follows:

Item	30/06/2023	31/12/2022
VAT ⁽¹⁾	25,384	24,387
Financial transaction tax	1,479	1,322
Municipal tax	633	632
Total	27,496	26,341
Current portion	27,138	25,998
Non- current portion	358	343

Item	30/06/2023	31/12/2022
Income tax assets	25,965	5,666
Total	25,965	5,666

(1) Net balance of impairment

The amounts above represent amounts paid in advance by the Company, on which reimbursement is expected. The Company and its legal and tax advisors consider that the amounts paid will be recoverable once the respective procedure has been completed. Consequently, no estimated losses or contingencies are associated with these items, except for the balance in favor of VAT, which is net of impairment.

Income tax liabilities and other taxes liabilities

Liabilities show the net balance owed by the Company for the taxes in each country of operation, pursuant to the applicable tax framework in each nation. The composition of liabilities is as follows:

Item	30/06/2023	31/12/2022
Municipal taxes	3,635	3,550
VAT	2,785	19
Total	6,420	3,569

Item	30/06/2023	31/12/2022
Income tax	41,861	13,736
Prior year income tax (1)	11,950	10,436
Total	53,811	24,172

(1) The variation corresponds to the recognition of works for taxes in the Nechi Alluvial segment.

MINEROS S.A.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Current and deferred income tax

The following is a detail of the current and deferred taxes recorded in the statement's other comprehensive income:

Item	30/06/2023	30/06/2022
Income tax ⁽¹⁾	23,107	20,289
Subtotal current	23,107	20,289
Deferred tax expense ⁽²⁾	(7,158)	3,356
Total current and deferred tax expense	(7,158)	3,356
Total income tax expense	15,949	23,645

(1) The variation corresponds to higher profits in the Nechi Alluvial segment.

(2) Increase in deferred tax is mainly explained by exchange differences affecting Property Plant and Equipment and tax shields.

18.2 Deferred tax

The deferred income tax is as follows:

Item	30/06/2023	31/12/2022
Initial asset balance	1,616	4,528
Taxes movement	3	(2,912)
Total, deferred tax asset	1,619	1,616
Initial liability balance	(14,727)	(14,741)
Taxes movement	6,514	14
Total, deferred tax liability	(8,213)	(14,727)
Total, deferred tax (net)	(6,594)	(13,111)

The movement of the deferred tax for each period is as follows:

Item	Property, plant and equipment	Other Assets ⁽¹⁾	Financial Obligations	Other Liabilities	Total
Balance as of January 01, 2023	(23,767)	(6,614)	7,067	10,203	(13,111)
(Charge) credit to the statement of profit & loss	3,678	1,633	111	1,736	7,158
(Charge) credit to other comprehensive income	67	—	(691)	—	(624)
Currency translation effect	(17)	—	—	—	(17)
Balance as of March 31, 2023	(20,039)	(4,981)	6,487	11,939	(6,594)

(1) Includes mainly intangible assets, investments, inventories, accounts receivable and tax shields. The variation corresponds mainly to differences between carrying value and fiscal value in intangible assets of HEMCO Nicaragua S.A. and inflation adjustment of Minas Argentina S.A.

Tax rules applicable to current and deferred tax corresponding to tax periods 2023

Tax Framework

- a) Income Tax: The Company is subject to an income tax rate of 35% (2022: 35%). The Company for the year 2023 considers a presumptive income base of 0% (2022: 0%) in Colombia.

For years beginning on or after 2023, income tax payers that are domestic corporations and legal entities will be subject to a minimum tax rate of 15%, and royalty payments made in cash or in kind associated with the exploitation of non-renewable natural resources are prohibited as deductible expenses.

- b) No changes in the income tax rate in Nicaragua (30%) and Argentina (25%).

New Exchange Controls in Argentina

By means of Communication "A" 7746 dated April 20, 2023, the Central Bank of Argentina modified access requirements to its foreign exchange market (Mercado Único y Libre de Cambios – MULC) for making certain payments abroad, including by establishing that until December 31, 2023, in cases where the creditor is a counterparty related to the debtor, the Central Bank of Argentina's prior approval is required to access the MULC to pay interest on commercial debts or imports of goods and services and/or financial loans abroad.

NOTE 19. INTANGIBLE ASSETS, NET

The following are details of the cost of intangible assets:

Type of the intangible	30/06/2023	31/12/2022
Exploitation and development projects	7,929	9,527
Reserves Hemco ⁽¹⁾	25,074	26,164
Projects of modernization I.T	3,198	4,375
Total	36,201	\$40,066

- (1) Corresponds to an intangible asset acquired in a business combination in 2013.

The movement of intangible assets net is:

2023				
Description	Exploitation and development projects	Mineral resource assets ⁽¹⁾	Software and software applications	Total
Initial balance	9,527	26,164	4,375	40,066
Additions	–	–	259	259
Transfers to other accounts (-/+)	5,375	–	–	5,375
Amortization	(6,973)	(1,090)	(1,436)	(9,499)
Net ending balance	7,929	25,074	3,198	36,201
Cost as of June 30, 2023	27,492	32,956	11,744	72,192
Accumulated depreciation as of June 30, 2023	(19,563)	(7,882)	(8,546)	(35,991)
Intangible assets, net as of June 30, 2023	7,929	25,074	3,198	36,201

NOTE 20. EXPLORATION AND EVALUATION PROJECTS

The following are the Company's exploration and evaluation projects, assets in development, under IFRS 6 scope:

Description	Segment	30/06/2023	31/12/2022
Luna Roja	HEMCO Nicaragua	24,462	24,462
Exploracion Porvenir	HEMCO Nicaragua	20,447	19,805
Elefante II	HEMCO Nicaragua	7,955	7,910
QDDLW	Gualcamayo	—	3,418
QDDM	Gualcamayo	—	2,450
Las Vacas	Gualcamayo	—	1,958
Alaya	Gualcamayo	—	653
Viabilizacion Ambiental Etapa 3	Nechi Aluvial	699	542
Exploracion Onzas	Nechi Aluvial	758	538
Ampliacion Viabilizacion Etapa 2	Nechi Aluvial	3	—
Ataco	Mineros S.A. (Holding)	428	433
Viabilizacion Ambiental Etapa 4	Nechi Aluvial	263	39
Viabilizacion Ambiental Etapa 2	Nechi Aluvial	36	36
Total		55,051	62,244

Below is the movement in the exploration and evaluation projects during the three months ended June 30, 2023:

Description	30/06/2023
Cost on January 1	62,244
Additions	1,165
Transfers to/from other accounts (-/+) ⁽¹⁾	(5,256)
Disposals, net (-)	(3,102)
Balance as of June 30,	55,051

(1) Corresponds transfer the projects QDDLW and Las Vacas to intangible

NOTE 21. PROPERTY PLANT AND EQUIPMENT, NET

Below is the movement in the Property, Plant and Equipment during the three months ended June 30, 2023:

2023					
	Land and buildings	Machinery, plant and equipment	Constructions in progress	Plantations	Total
Initial balance	46,699	138,041	38,005	5,737	228,482
Additions	—	1,134	21,420	147	22,701
Additional liabilities for new leases	—	2,443	—	—	2,443
Transfer (-/+)	10,581	5,330	(15,911)	—	—
Transfers to other accounts (-/+)	—	495	(134)	—	361
Disposals, net (-)	—	(548)	(426)	—	(974)
Depreciation	(9,334)	(18,113)	—	(22)	(27,469)
Currency translation adjustment	433	5	—	859	1,297
Net ending balance	48,379	128,787	42,954	6,721	226,841
Cost as of June 30, 2023	118,240	266,981	42,954	6,974	435,149
Accumulated depreciation as of June 30, 2023	(69,861)	(138,194)	—	(253)	(208,308)
Property, plant, and equipment, net as of June 30, 2023	48,379	128,787	42,954	6,721	226,841

NOTE 22. LOANS AND OTHER BORROWINGS

The following are the balances of credits and other borrowings:

Item	30/06/2023	31/12/2022
Bank loans ⁽¹⁾	26,079	26,483
Lease liabilities ⁽²⁾	17,516	20,537
Total	43,595	47,020
Current portion	22,193	23,772
Non-current portion	21,402	23,248

The movement of financial obligations as of June 30, 2023, is shown below:

Type of contract	Bank loans	Leases	Total financial obligations
Balance as of January 1, 2023	26,483	20,537	47,020
New credits acquired	18,876	—	18,876
Liabilities for new leases	—	2,443	2,443
Credits paid	(21,020)	(6,378)	(27,398)
Interest accrued	2,740	1,341	4,081
Interest paid	(2,404)	(1,340)	(3,744)
Other payments	—	(9)	(9)
Lease retirement	—	(557)	(557)
Exchange differences	1,404	1,479	2,883
Balance as of June 30, 2023	26,079	17,516	43,595

(1) At June 30, 2023, the breakdown of loans is as follows:

- Loan with an outstanding amount of \$13,095, taken out in April 2019, with a term of 7 years, at an interest rate of 16.77% EIR (Effective interest rate) in the Mineros S.A. (Holding) segment.
- 7 loans with an outstanding amount of \$5,174 taken out between 2020 and 2021 with term between 2 and 5, at an average interest rate of 8.23% EIR in the HEMCO Nicaragua segment.
- 5 Leasebacks taken between 2020 and 2021 with a term between 3 years with an outstanding amount \$575, at an average interest rate of 2.75% EIR with guarantee for the HEMCO Nicaragua segment.
- 5 loans taken out in 2023, with a term between 3 and 9 months with an outstanding amount of \$7,219, at an average interest rate of 3.20% EIR with suitable guarantee for the Gualcamayo segment
- Other loans with an outstanding amount of \$16.

(2) At June 30, 2023, the breakdown of lease liabilities is as follows:

- Lease obligation the machinery and equipment at a rate 16.87% EIR with terms between 61 and 116 months with an outstanding amount of \$11,061 for the Nechí Alluvial segment.
- Leases obligation the machinery and equipment taken out between 2020 and 2022 and new obligations in 2023, with an outstanding amount of \$2,998, at a rate average of 6.77% for a period between 1 and 4 years for the HEMCO Nicaragua segment.
- Lease obligation the machinery and equipment, taken out in 2020 and new lease in 2022, with an outstanding amount of \$3,379, for a period between 1 and 3 years, at an interest rate of 15% E.A, for the Gualcamayo segment.
- Other finance lease an outstanding amount of \$78.

The value of the credits according to their maturity is as follows:

	30/06/2023	31/12/2022
1 Year	15,831	12,295
1 to 5 Years	12,469	16,933
	28,300	29,228
Less: unaccrued finance expenses	(2,221)	(2,745)
Present value bank loans	26,079	26,483

The reconciliation of the present value of future minimum lease payments is as follows:

	30/06/2023	31/12/2022
1 Year	10,034	13,141
1 to 5 Years	10,765	11,149
	20,799	24,290
Less: unaccrued finance expenses	(3,283)	(3,753)
Present value of minimum lease payments	17,516	20,537

NOTE 23. TRADE AND OTHER PAYABLES

The following is a breakdown of the amounts under this heading:

Item	30/06/2023	30/06/2022
Suppliers	28,768	36,486
Official debtors	16,989	16,502
Other	6,735	8,882
Total	52,492	61,870

MINEROS S.A.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Company's policies, trade, and other accounts payable arising in the ordinary course of business are paid within a maximum term of 30 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

NOTE 24. PROVISIONS

The detail of provision is the following:

Item	30/06/2023	31/12/2022
Dismantling of assets ⁽¹⁾	37,612	35,625
Environmental rehabilitation	12,777	8,768
Other provisions	4,596	4,411
Total	54,985	48,804
Current portion	3,311	2,401
Non-current portion	51,674	46,403

(1) The amounts by country: Argentina \$21,705 (2022: \$20,552) and Nicaragua \$15,907 (2022: \$15,073).

A reconciliation of the decommissioning obligations for assets and other provisions is presented below:

	Dismantling of assets	Environmental rehabilitation	Other provisions
Balance as of January 01, 2023	35,625	8,768	4,411
Additions, changes in estimates and other	—	1,969	3,454
Accretion expense	1,987	788	—
Payments and others	—	(187)	(3,196)
Recovery of provisions	—	—	(9)
Foreign currency exchange	—	1,439	(64)
Balance as of June 30, 2023	37,612	12,777	4,596

Contingent assets

Type of process	Number of processes	Claims
Taxes, other than income tax	8	40,155
Administrative and environmental	10	7,661
Civil	1	375
Total	19	48,191

Contingent Liabilities

Contingencies that were evaluated as possible are detailed below:

Type of process	Number of processes	Claims
Labor	45	1,787
Taxes, other than income tax	1	1,298
Administrative and environmental	4	147
Civil	4	314
Total	54	3,546

There are no significant changes in the Company's contingent assets and liabilities.

NOTE 25. RESERVES

The details of the reserves as of 30 June 2023 and 31 December 2022 are as follows:

Description	30/06/2023	31/12/2022
Legal Reserve	20	20
Others reserves ⁽¹⁾	233,632	250,127
Total	233,652	250,147

(1) It corresponds to reserves established by the shareholders, mainly for protection of assets. The Company decreed dividends of \$20,982 (2022: \$22,421); and appropriated reserves of \$4,487 (2022: \$43,271).

NOTE 26. OTHER ACCUMULATED COMPREHENSIVE INCOME

Detailed below are the figures of the OCI:

Item	30/06/2023	31/12/2022
Items that will not be reclassified to results for the year, net taxes:		
Revaluation of property, plant and equipment	7,981	7,622
Measurement of defined benefits plans	(159)	(159)
Items that will be reclassified to results of the year, net taxes:		
Cash flows hedges	(1,017)	(2,390)
Foreign exchange differences on translation of foreign operations	44,645	44,115
Measurement of financial instruments	4,106	4,106
Total	55,556	53,294

NOTE 27. RETAINED EARNINGS

Description	2023	2022
Opening	12,872	51,609
Profit for the period	27,956	4,487
Appropriation of reserves	(4,487)	(43,271)
Depreciation revaluation assets	24	47
Closing balance	36,365	12,872

NOTE 28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

All the transactions entered into with the Company's related parties were carried out on an arm's length basis, under equal general conditions as for similar transactions with third parties.

During the period, group entities entered into the following commercial transactions with parties that are not members of the Group, but that are related parties of certain Board members:

- Paid insurance premiums to Axa Colpatría Seguros S.A. of \$2,954 compared to \$1,542 as of June 30, 2022.
- Paid to Banco Colpatría Multibanca \$369 for hedging operations, compared to \$427 as of June 30, 2022.

Axa Colpatría Seguros S.A. and Banco Colpatría Multibanca are related to Mercantil Colpatría S.A., a principal shareholder of the Company. Three of the Company's directors, Eduardo Pacheco Cortés, Nicolás Durán Martínez and José Fernando Llano Escandón are executive officers of Mercantil Colpatría S.A.

In June of 2023 and 2022 payments were made to Royal Road through its subsidiary Minerales Camino Real S.A.S:

- Costs in the amount of \$24 (2022: \$912) by Mineros and \$0 (2022: \$992) by Hemco.
- Trade and other receivables for \$0 (2022: \$108) by HEMCO Nicaragua S.A

In June of 2023 and 2022, there were no transactions with Yamana Chile Servicios SpA or Minera Cavanha SpA.

Between June of 2022 and June of 2023 there were no outstanding loans for key management personnel

Compensation of Key Management Personnel

The total compensation paid to key management personnel of the Company (persons who have the authority and responsibility to plan, direct and control the Company's activities) as at June 30, 2023 and 2022 are as follows:

	30/06/2023	30/06/2022
Salaries and short-term benefits	563	636
Other compensations	186	585
Par value of granted SAR's during the year (unvested and unpaid)	—	850

The Company does not have long-term or termination benefits for its key management personnel.

The fees paid to Directors for their attendance at the Board of Directors meetings for the three months ended June 30, 2023, of \$283 (June 30, 2022: \$297).

Transactions with Mineros Foundation

The values recorded for operations carried out with the Foundation in the indicated period are shown below:

Description	2023	2022
Donations	383	353

The transactions carried out with the Foundation are intended to contribute to the development of its social and economic purpose in the geographical areas where the company's mining activity is carried out. Expenses for donations are certified by the foundation for subsequent income tax deductibility.

NOTE 29. COMMITMENTS

Change in other commitments associated with the acquisition of Royal Road's 50% interest of the Luna Roja exploration target

On May 29, 2023 Mineros and Royal Road Minerals announced the termination of their strategic alliance agreements in Nicaragua and Colombia, as part of the termination agreement the 1.25% net smelter returns royalty applicable to the two concessions that host the Luna Roja Deposit, which was granted to Royal Road on May 2021 in connection with Mineros' acquisition of Royal Road's 50% joint venture interest in those concessions was terminated.

NOTE 30. EVENTS AFTER REPORTING PERIOD

Temporary suspension of the main processing plant at the Hemco Property in Nicaragua

On August 2, 2023, Mineros announced the temporary suspension of its main processing plant, which processes 89% of the material and disposal of tailings at its Hemco Property in Nicaragua.

The suspension is precautionary in nature and is designed to allow for the swift completion of the expansion of its detoxification capacity at the tailings facility prior to hurricane season in Nicaragua. This work had been planned for earlier this year but had been delayed by post-pandemic equipment supply constraints. Given the shut down, the Company has taken this opportunity to perform certain plant maintenance work was originally scheduled for later this year.

During the suspension period, which is estimated to last for approximately 20 days, industrial and artisanal mining activities will continue and the Vesmisa and La Curva plants will also continue to operate.

The precautionary suspension is expected to reduce the Hemco Property's output by approximately 5,000 to 10,000 ounces of gold for the month of August. The current situation is not expected to affect long term production therefore no impairment was recognized

NOTE 31. APPROVAL OF FINANCIAL STATEMENTS

The Condensed Interim Consolidated Financial Statements of Mineros S.A. for the Three and Six months ended June 30, 2023, were approved by the Board of Directors at its meeting as of August 2, 2023, as per minute number 562.