MINEROS S.A.
CONSOLIDATED FINANCIAL STATEMENTS

Years ending 31 December 2021 and 2020.
(Expressed in Thousands of United States Dollars)

Mineros
por el bienestar de todos

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Mineros S.A.

Opinion

We have audited the consolidated financial statements of Mineros S.A. and its subsidiaries (The Group), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing (ISAs). 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' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Impairment of long-term assets, specifically the value in use of cash generating units (CGU)

Description of Key Audit Matter

As described in note 8 to the consolidated financial statements, Management recognized a reversal of a previous impairment charge in the Cash Generating Unit (CGU) of HEMCO in Nicaragua for $15,5 million and recognized an impairment charge in the CGU of Gualcamayo in Argentina for $13,6 million. Management estimated the recoverable amount using the value in use method, which is based on the estimated discounted cash flows of the CGUs. The value in use estimated by Management includes significant judgments and assumptions, related to expected revenue and the discount rate applied to estimated future cash flows. The valuation model is sensitive to the discount rate and changes in gold price.

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How the Key Audit Matter was addressed in the audit

The primary audit procedures performed related to the review of the discounted cash flow models prepared by the Group for Hemco and Gualcamayo CGUs were the following:

- Evaluating the risk associated to the value in use estimate prepared by the Management and the relevant assumptions of the discounted cash flow.

- Assessing the design and implementation of the relevant controls over the Group's process to develop their estimates of the recoverable amounts of the HEMCO and Gualcamayo CGUs;

- Evaluating, with the assistance of valuation specialists, the appropriateness of the discounted cash flows prepared by Management for each CGU, including the reasonableness of the assumptions used by the Group for the discount rate and future gold price.

Luna Roja project

Description of Key Audit Matter

As described in notes 1 and 25 to the consolidated financial statements, Management recognized the acquisition of the 50% stake in Luna Roja Project in Nicaragua for $24,6 million.

We considered this a key audit matter because it is a significant transaction and the greater level of audit effort to evaluate the carrying value as at December 31, 2021.

How the Key Audit Matter was addressed in the audit

The primary audit procedures performed related to the review the carrying value of Luna Roja Project were the following:

- Evaluating the risk associated to the carrying value of Lune Roja as early stage exploration project.

- Visit and observation of the location where the project is.

- Reviewing, with the assistance of internal accounting specialist, the appropriateness of the acquisition's accounting treatment.

- Evaluating the appropriateness of the carrying value, with the assistance of valuation specialists and using information available and comparison with ranges determined by other models.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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.

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.

- 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

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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, related safeguards.

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.

The engagement partner on the audit resulting in this independent auditor's report is Olga Liliana Cabrales.

"/s/ Deloitte & Touche Ltda."

Medellín, Colombia

February 25, 2022

General Notes

(Expressed in Thousands of United States Dollars)

MINEROS S.A.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

THOUSANDS OF UNITED STATES DOLLARS, EXCEPT FOR SHARE AMOUNTS

	Note	2021	2020
Revenues	9	$496,247	$485,301
Costs of sales	10	(371,284)	(322,340)
GROSS PROFIT		**$124,963**	**$162,961**
Administrative expenses	11	(19,368)	(16,157)
Other income	12	2,506	3,735
Share of income of associates	27	5,287	-
Other expenses	13	(19,128)	(23,447)
Exploration expenses	14	(12,535)	(9,977)
Impairment of assets, net	8	1,901	1,192
Finance income	15	1,564	1,094
Finance expense	16	(9,188)	(8,706)
Hedging Operations, net	5	-	(2,027)
Foreign currency exchange differences		1,125	(2,643)
PROFIT FOR THE YEAR BEFORE TAX		**$77,127**	**$106,025**
Current income tax expense	22	(28,355)	(38,149)
Deferred income tax expense	22	(5,385)	(4,221)
PROFIT FOR THE YEAR		**$43,387**	**$63,655**
Attributable to:			
Controlling interest		43,271	63,372
Non-controlling interests		116	283
PROFIT FOR THE YEAR		**$43,387**	**$63,655**
Basic and diluted earnings:	**17**	**0.16**	**0.24**

The accompanying notes are an integral part of the consolidated financial statements

(Signed)" Andrés Restrepo Isaza"
ANDRÉS RESTREPO ISAZA
PRESIDENT AND CEO

(Signed)"Miguel Ángel Hinestroza Hoyos"
MIGUEL ÁNGEL HINESTROZA HOYOS
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(Expressed in Thousands of United States Dollars)

MINEROS S.A.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

THOUSANDS OF UNITED STATES DOLLARS

	2021	2020
PROFIT FOR YEAR	**$43,387**	**$63,655**
Other comprehensive income for the year, net of taxes		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of net defined benefit liability	428	25
Revaluation of property, plant, and equipment	120	1,877
Fair value gain/(loss) on investments in financial instruments designated as at FVTOCI	1,741	(823)
	2,289	**1,079**
Items that may be reclassified subsequently to profit or loss:		
Cash flows hedges	(879)	1,351
Foreign exchange differences on translation of foreign operations	(102)	(21,139)
	(981)	**(19,788)**
Foreign exchange differences on translation of foreign operations non-controlling interests	24	-
Other comprehensive income (loss), net of taxes	**1,308**	**(18,709)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**$44,719**	**$44,946**
Total comprehensive income attributable to:		
Controlling interest	44,603	44,663
Non-controlling interests	116	283
	$44,719	**44,946**

The accompanying notes are an integral part of the consolidated financial statements

(Signed)"Andrés Restrepo Isaza"
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(Expressed in Thousands of United States Dollars)

MINEROS S.A.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021 AND 2020

THOUSANDS OF UNITED STATES DOLLARS

	Notes	2021	2020
ASSETS			
Current assets			
Cash and cash equivalents	18	$63,130	$63,598
Trade and other receivables	19	14,348	19,811
Inventories	20	60,543	64,621
Derivative financial instruments	5	1,792	11,332
Investments	21	98	1,563
Income tax receivables	22	4,045	5,189
Other tax receivables	22	20,210	29,192
Other assets	23	10,571	4,969
Current assets		**$174,737**	**$200,275**
Non-current assets			
Trade and other receivables	19	1,843	2,414
Inventories	20	24,405	21,232
Investments	21	9,340	5,235
Other tax receivables	22	333	592
Deferred tax assets	22	4,528	4,612
Investment property	24	2,219	2,441
Exploration and evaluation projects	25	60,884	26,112
Intangible assets, net	26	44,339	39,897
Investment in associate	27	5,287	-
Property, plant and equipment, net	28	252,131	239,425
Total non-current assets		**$405,309**	**$341,960**
TOTAL ASSETS		**580,046**	**542,235**

The accompanying notes are an integral part of the consolidated financial statements

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(Expressed in Thousands of United States Dollars)

MINEROS S.A.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2021 AND 2020

THOUSANDS OF UNITED STATES DOLLARS

	Notes	2021	2020
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Loans and other borrowings	**29**	$17,151	$27,277
Derivative financial instruments	**5**	4,062	9,319
Trade and other payables	**30**	50,757	52,050
Other financial liabilities	**17**	5,007	4,076
Employee benefits	**31**	8,785	6,086
Income tax	**22**	20,604	27,851
Other taxes	**22**	3,908	1,408
Provisions	**32**	327	746
Total current liabilities		**$110,601**	**$128,813**
Non-current liabilities			
Loans and other borrowings	**29**	$37,959	$47,181
Employee benefits	**31**	4,120	4,603
Deferred tax	**22**	14,741	10,442
Provisions	**32**	45,093	36,415
Total non-current liabilities		**$101,913**	**$98,641**
Total liabilities		**$212,514**	**$227,454**
Equity			
Issued capital	**33**	44	39
Share premium	**33**	30,194	383
Reserves	**34**	229,297	184,724
Other comprehensive income	**35**	56,386	55,128
Retained earnings	**36**	51,609	74,158
Equity attributable to the controlling interest		**367,530**	**314,432**
Non-controlling interest	**37**	2	349
Total equity		**367,532**	**314,781**
Commitments (note 39)			
TOTAL LIABILITIES AND EQUITY		**580,046**	**542,235**

The accompanying notes are an integral part of the consolidated financial statements

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MINEROS S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

THOUSANDS OF UNITED STATES DOLLARS

	Issued capital	Share premium	Reserves	Other comprehensive income	Retained earnings	Equity attributable to the controlling interest	Non-controlling interests	Total equity
Balance at January 1, 2020	**$53**	**$517**	**$226,738**	**$8,200**	**$46,718**	**$282,226**	**$332**	**$282,558**
Profit for the year	-	-	-	-	63,372	63,372	283	63,655
Other comprehensive income of the year	-	-	-	(18,709)	-	(18,709)	-	(18,709)
Total comprehensive income for the year	**-**	**-**	**-**	**(18,709)**	**63,372**	**44,663**	**283**	**44,946**
Effect of change in functional currency	(14)	(134)	(59,708)	65,879	(6,023)	-	-	-
Appropriation of reserves	-	-	30,151	-	(30,151)	-	-	-
Dividend declared	-	-	(12,457)	-	-	(12,457)	(266)	(12,723)
Reclassification	-	-	-	(242)	242	-	-	-
Balance at December 31, 2020	**$39**	**$383**	**$184,724**	**$55,128**	**$74,158**	**$314,432**	**$349**	**$314,781**
Profit for the year	-	-	-	-	43,271	43,271	116	43,387
Other comprehensive income of the year	-	-	-	1,308	-	1,308	24	1,332
Total comprehensive income for the year	**-**	**-**	**-**	**1,308**	**43,271**	**44,579**	**140**	**44,719**
Shares issued	5	29,811	-	-	-	29,816	-	29,816
Appropriation of reserves	-	-	63,372	-	(63,372)	-	-	-
Acquisition of non-controlling interests	-	-	-	-	(2,498)	(2,498)	(487)	(2,985)
Dividend declared	-	-	(18,799)	-	-	(18,799)	-	(18,799)
Reclassification	-	-	-	(50)	50	-	-	-
Balance at December 31, 2021	**$44**	**$30,194**	**$229,297**	**$56,386**	**$51,609**	**$367,530**	**$2**	**$367,532**

The accompanying notes are an integral part of the consolidated financial statements

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MINEROS S.A.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

THOUSANDS OF UNITED STATES DOLLARS

	2021	2020
Cash flows from (used in) operating activities		
Classes of cash receipts from operating activities		
Receipts from sales of goods	$496,603	$494,077
Receipts from commissions and other revenue	3,094	4,516
Cash receipts from futures contracts, forward contracts, option contracts and swap contracts	4,811	1,380
Classes of cash payments from operating activities		
Payments to suppliers for goods and services	(296,524)	(252,927)
Payments to employees and social security agencies	(72,864)	(72,292)
Payments for premiums and claims, annuities, and other policy benefits	(8,538)	(3,763)
Payments for futures contracts, forward contracts, option contracts and swap contracts	(127)	(10,666)
Income taxes (paid)	(39,086)	(17,577)
Other outflows of cash	(29)	(504)
Net cash flows from operating activities	**$87,340**	**$142,244**
Cash flows from (used in) investing activities		
Cash flows from the disposal of subsidiary	-	5,475
Cash payments for acquisition of subsidiary or non-controlling interests, net of cash acquired	(2,385)	-
Proceeds from sales of property, plant, and equipment	802	83
Purchase of property, plant, and equipment	(57,065)	(54,416)
Purchase of intangible assets and exploration projects	(39,035)	(17,630)
Loans granted to third parties	-	(255)
Receipts from the repayment of loans granted to third parties	185	-
Dividends received	121	-
Interest received	124	303
Proceeds from sales of financial instruments	19,418	3,670
Other (outflows) inflows of cash	(17)	65
Net cash flows used in investing activities	**$(77,852)**	**$(62,705)**
Cash flows from (used in) financing activities		
Proceeds from share issued	29,816	-
Proceeds from borrowings	31,079	20,268
Repayments of borrowings	(36,520)	(25,174)
Payments of lease liabilities	(11,630)	(12,359)
Dividends paid	(17,670)	(13,303)
Interest paid	(4,315)	(5,147)
Net cash flows used in financing activities	**$(9,240)**	**$(35,715)**
Net increase in cash and cash equivalents before effect of exchange rate changes	**248**	**43,824**
Effect of exchange rate changes on cash and cash equivalents	(716)	728
Net (decrease) increase in cash and cash equivalents	**$(468)**	**$44,552**
Cash and cash equivalents at beginning of year	63,598	19,046
Cash and cash equivalents at end of year	**$63,130**	**$63,598**

The accompanying notes are an integral part of the consolidated financial statements

(Signed)" Andrés Restrepo Isaza"
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PRESIDENT AND CEO

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NOTE 1. CORPORATE INFORMATION

1.1. Entity and corporate purpose of the parent Company and its subsidiaries

Mineros S.A. is the ultimate 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 Securities 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 Company is a precious metals producer with significant gold production, development, and exploration stage properties throughout Latin and South America, including Colombia, Nicaragua, and Argentina. The Company's principal producing mining properties are the Nechí Alluvial mine in Colombia; the Pioneer and Panama mines in Nicaragua; and the Gualcamayo mine in Argentina.

COVID effect on operations - During the years 2021 and 2020, the pandemic declared in 2019 by the World Health Organization (WHO) caused by the coronavirus (COVID-19) has spread in the countries in which it operates, thereby prompting governmental health, social and economic measures to prevent the spread of the virus, including restrictions, on the mobility of people, travel restrictions, temporary closure of businesses and other limitations on the Company's operations. These measures have not led to the suspension of operations or affected the commercialization of gold by Mineros S.A. and its subsidiaries in Colombia, Argentina, and Nicaragua, since they belong to the mine-energy sector. The Management of Mineros S.A. has been establishing certain actions that are consistent with such provisions, such as working from home, restriction of access to facilities for personnel not authorized, etc. Administrative activities continue to be carried out under virtual and face-to-face modality, complying with the instructions of the Government.

Considering the above-mentioned facts and their impact, as well as measures established by the governments of the countries in which Mineros operates, the economic impact and consequences for Mineros operations will mainly depend on the evolution and duration of the pandemic during the upcoming months, as well as its capacity to react and adapt. However, management considers that these effects will not have a significant impact on the Company's ability to continue as a going concern for a period of 12 months, considering that the only restrictions affecting the Company are those limiting the number of operational personnel in the Argentina segment which has not had a significant impact on the financial statements of the Company.

According to Management's expectations, stability is expected in the operating plans of the different countries and no interruptions in terms of operations, supply and/or logistics are anticipated. Operations are susceptible to the volatility of financial markets and macro-economic conditions which are reflected in changes in the international price of gold and currency exchange rates.

Agreements with suppliers and employees subscribed before the contingency period have not been amended. The accounting impacts are disclosed in the notes to the financial statements.

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Mining Regulations of Colombia

The Mining Code (Law 685 of 2001) and the Regulatory Decree of the Mines and Energy Administrative Sector (Decree 1073) regulate mining activities in Colombia. The Mining Code establishes a general legal regime for mining activities, regardless of the type of mining (open pit, underground or alluvial), with certain technical distinctions related to operational issues.

The Republic of Colombia owns the property rights over the subsoil and all mineral resources located in the soil and subsoil, except for legacy private rights that were acquired by private parties under previous legal regimes. These private rights are known as Private Property Recognitions (*Reconocimiento de Propiedad Privada*, or "RPP").

Alluvial operations in Colombia

Mineros owns a RPP in the department of Antioquia, identified with No. R57011 (EDKA03). This legal title has no expiration date, but it may be cancelled if mining activities are suspended for more than 12 months.

The owner of the RPP must pay a 2% royalty based on the production volumes of the properties, all in accordance with the Mining Code (as amended by Law 1955 of 2019). It must also pay a 4% royalty on the gold volumes produced at the mine, calculated based on the international gold price certified by the Central Bank (*Banco de la República*), as set forth in Law 488 of 1998. RPP holders must also submit an annual statement (Basic Mining Form) to the national mining authority, indicating the volume of gold produced and sold by the mining title holder, the investments made during the relevant contractual phase; existing reserves and resources, data on personnel, days worked and HSE, cost structure of the operation, investments in equipment associated with mining operations, asset and property ownership, environmental contingencies, social unrest, and social and environmental investments.

Mining Regulations in Nicaragua

Mining activities are authorized by means of a mining concession granted by the Nicaraguan Government, pursuant to Law 387. HEMCO Nicaragua S.A. ("Hemco or Hemco S.A") holds 25 mining concessions, of which fourteen concessions will expire in 2035, two in 2027, two in 2037, one in 2032, one in 2036, two in 2037 and three concessions in 2044. Hemco currently pays surface and value-added taxes, and must comply with social security and environmental regulations

Mining Regulations in Argentina

Mining activities are authorized by means of a mining concession granted by the Argentinian Government, pursuant to article 10 of the Mining Code, which establishes that private ownership over the concession is granted for a undefined period, pursuant to article 18 of the Mining Code, subject to payment of a mining cannon fee and capital expenditures. Additionally, royalties of up to 3% are to be paid to the provinces.

Acquisition of 50% of the Luna Roja Project in Nicaragua

HEMCO Nicaragua S.A. (a subsidiary of Mineros in Nicaragua), completed the purchase of 50% Royal Road's interest in the Luna Roja Project, which includes mining concessions Monte Carmelo I and Monte Carmelo II in Nicaragua.
The acquisition of the 50% stake in the Luna Roja Project was carried out as follows:

- Purchase price: (i) $24.4 million, (ii) NSR royalty of 1.25% on all future mineral production from the mining concessions of Mount Carmel I and Mount Carmel II, from the start of their commercial production.
- Investment Commitment - Royal Road agreed to an investment of at least $7.5 million over a five-year period until May 21, 2026, in exploration programs to be carried out by HEMCO Nicaragua S.A and Royal Road, under the Strategic Partnership Agreement.

The transaction was completed on May 21, 2021. With the closure of this transaction, Mineros consolidates 100% participation in the Luna Roja Project, which will consequently cease to be part of the strategic alliance between Royal Road Minerals and HEMCO Nicaragua S.A. However, the alliance will continue to be in force including the Caribe project and other property projects jointly.

The transaction was recorded in the financial statements as the acquisition of a mineral exploration asset. See note 25.

Strategic Alliance Agreement between Mineros S.A. and Royal Road Minerals Limited (Guintar-Niverengo)

On July 22, 2021, Mineros S.A announced that it met the conditions established through investment in the project, to exercise the first option to acquire a 25% stake in the Margaritas project located in Bajo Cauca, Antioquia.

1.2. Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and its corresponding interpretations (“IFRIC”) issued by the International Financial Reporting Interpretation Committee.

Going concern

The consolidated financial statements have been prepared by Management assuming that the Entity will continue to operate as a going concern.

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, investment properties and certain classes of property and plant that are measured at fair value.

In general, historical cost is based on the fair value of the consideration delivered or received in exchange for the goods or services involved in the transaction, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Fair value is the price that would be received for selling an asset or paid for transferring a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis; except for measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36.

The preparation of these consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to use its judgment in the application of accounting policies. These significant judgments and accounting estimates are disclosed in Note 4.

1.3. Functional currency change

Considering the business dynamics and characteristics of the business (until March 31, 2020), the Company had estimated the Colombian peso (COP) as its functional currency for the companies Mineros S.A. and Mineros Aluvial S.A.S.BIC. However, in accordance with certain changes in the business structure that occurred during the first quarter of 2020, Mineros S.A. and Mineros Aluvial S.A.S. BIC. have re-assessed and changed their functional currency to the U.S. dollar prospectively as from April 1, 2020., reaching the conclusion that the primary economic environment in which they operate is the US dollar based on the following:

- A shift in the business model of the Company due to the transfer of the mining titles and exploitation activities to its Colombian subsidiary Mineros Aluvial S.A.S. BIC., which implied changes in revenues and cash flows from COPs to USD.

- The signing of a commercial agreement with Mineros Aluvial S.A.S. BIC. for the acquisition of minerals at prices denominated in USD (before the change in functional currency, the Company had an operating agreement with Mineros Aluvial S.A.S. BIC. in COPs, which generated costs and cash flows in such currency.

- The sale of Operadora Minera S.A.S. (subsidiary in Colombia) which exploited the Alluvial and La Ye mines up to April 2020.

The above-mentioned facts also generated changes in the subsidiary Mineros Aluvial S.A.S. BIC, which changed its business from receiving income for mining operation services in COP (Colombian pesos), to receiving direct income for mineral extraction and sale (gold) in USD (United States dollars). The mineral sale price is directly related to the price per ounce at the international level, in US dollars.

According to IAS 21, this constitutes a prospective change in the functional currency of the companies due to events occurring during the period detailed above. The translated balances of monetary and nonmonetary assets and liabilities recorded in Mineros and Mineros Aluvial´s financial statements as of March 31, 2020, became the new accounting basis for those assets and liabilities in the period of the change. To the extent the entities had monetary assets and liabilities denominated in the previous functional currency, such balances created transactional gains and losses after the change in functional currency. The amount recorded in the currency translation adjustment account for prior periods was not reversed upon the change in functional currency. The exchange rate on April 1, 2020, became the historical rate for the measurement of non-monetary assets and liabilities in the new functional currency.

NOTE 2. ADOPTION OF NEW AND REVISED STANDARDS

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

During the year, 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, 2021. The conclusions related to their adoption are described as follows:

Impact of the initial application of Interest Rate Benchmark Reform

In the prior year, the Group adopted the Phase 1 amendments Interest Rate Benchmark Reform—Amendments
to IFRS 9/IAS 39 and IFRS 7.

In the current year, the Group adopted the Phase 2 amendments Interest Rate Benchmark Reform—Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Adopting these amendments enables the Group to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements.

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

Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16

In March 2021, the Board issued Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) that extends the practical expedient to apply to reduction in lease payments originally due on or before 30 June 2022.

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.

b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
c) There is no substantive change to other terms and conditions of the lease.

In the current financial year, the Group has applied the amendment to IFRS 16 (as issued by the IASB in May 2020) in advance of its effective date.

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

(Expressed in Thousands of United States Dollars)

2.2 New and revised IFRS Standards issued, but not yet effective

As at the date of authorization of these financial statements, the Company has not applied the following new and revised IFRS that have been issued but are not yet effective. The Company does not expect that the adoption of the following standards will have a material impact on the financial statements in future periods:

IFRS 17	Insurance Contracts
IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment—Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to IFRS Standards 2018-2020 Cycle	Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

- **IFRS 17 Insurance Contracts**

IFRS 17 establishes the principles for the recognition, measurement, presentation, and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023.

At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023. IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

To date, this standard has not had an impact on the company's financial statements.

- **Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted.

To date, this standard has not had an impact on the company's financial statements.

- **Amendments to IAS 1 – Classification of Liabilities as Current or Non-current**

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.

To date, this standard has not had an impact on the company's financial statements.

- **Amendments to IFRS 3 - Reference to the Conceptual Framework**

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists because of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

To date, this standard has not had an impact on the company's financial statements.

- **Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use**

The amendments prohibit deducting from the cost of an item of property, plant, and equipment any proceeds from selling items produced before that asset is available for use, i.e., proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted.

To date, this standard has not had an impact on the company's financial statements.

- **Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted.

To date, this standard has not had an impact on the company's financial statements.

VERIFIED

- **Annual Improvements to IFRS Standards 2018–2020**

The Annual Improvements include amendments to four Standards.

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e., for fair value measurements on or after the date an entity initially applies the amendment.

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

To date, this standard has not had an impact on the company's financial statements.

- **Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies**

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events, or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

To date, this standard has not had an impact on the company's financial statements.

- **Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates**

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:
• A change in accounting estimate that results from new information or new developments is not the correction of an error
• The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

To date, this standard has not had an impact on the company's financial statements.

- **Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

• A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:

– Right-of-use assets and lease liabilities
– Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset

• The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date
The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

To date, this standard has not had an impact on the company's financial statements.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

a. Investments in Subsidiaries

These consolidated financial statements include the accounts of Mineros and its subsidiaries. All intercompany balances, transactions, income and expenses, and profits or losses have been eliminated on consolidation. We consolidate subsidiaries where we have the ability to exercise control. Control of an investee is defined to exist when we are exposed to variable returns from our involvement with the investee and have the ability to affect those returns through our power over the investee. Specifically, we control an investee if, and only if, we have all of the following: power over the investee (i.e., existing rights that give us the current ability to direct the relevant activities of the investee); exposure, or rights, to variable returns from our involvement with the investee; and the ability to use our power over the investee to affect its returns. For non wholly-owned, controlled subsidiaries, the net assets attributable to outside equity shareholders are presented as “non-controlling interests” in the equity section of the consolidated balance sheet. Profit or loss for the period that is attributable to non-controlling interests is typically calculated based on the ownership of the minority shareholders in the subsidiary.

b. Investments in Associates

An associate is an entity over which Mineros has significant influence. Significant influence is the power to intervene in the financial and operating policy decisions of the investee, without having control or joint control.

Generally, a participation in the right to vote in an entity equal to or greater than 20% (directly or indirectly) presumes that it has significant influence, but this is only an indicator and is not necessarily the conclusion in all cases; Likewise, the Miners may have significant influence in another entity, even if it has less than 20% of the voting power.

The Company accounts for its investment in associates using the equity method. According to the equity method, the Company's investment in the associate is initially recognized at cost and is subsequently increased or decreased to recognize the Company's share in the net profit / loss and other comprehensive profit / loss of the associate, after any adjustments necessary to give effect to uniform accounting policies, any other movement in the associate's reserves and for impairment losses after the initial recognition date. The Company's share of the associate's losses that exceed its investment is recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. The Company's share in the profit or loss of its associate is recognized in net profit during the period. Dividends and repayment of capital received from the associate are accounted for as a reduction in the book value of the Company's investment.

At the end of each reporting period, the Company assesses whether there is any objective evidence that an investment in an associate is impaired.

(Expressed in Thousands of United States Dollars)

Outlined below is information related the Mineros S.A. subsidiaries and associates at December 31, 2021 and 2020:

Corporate Name	Place of incorporation and operation	Type entity	Main Activity	Functional Currency	Equity interest %	
					31/12/2021	31/12/2020
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%	75%
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.BIC.	Colombia	Subsidiary	Biological assets management	COP	100%	100%
Compañía Minera de Ataco S.A.S.	Colombia	Subsidiary	Underground gold mining	COP	100%	100%
Minera Cavancha SpA	Chile	Associate	Underground gold mining	USD	20%	0%

USD: United States Dollar
COP: Colombian Peso

3.2 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interest issued by the Company in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively.

- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquire are measured in accordance with IFRS 2 Share-Based Payments at the acquisition date; and
- Assets (or disposal) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Company in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognized in profit or loss.

When a business combination is achieved in stages, the Company's previously held interests in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

3.3 Cash and cash equivalents

Cash consists of amounts held in banks and deposits. Cash equivalents consist of investments made as part of the usual management of cash surplus, with maturity of less than 90 days and for which risk of changes in their value is not significant.

3.4 Functional and presentation currency in the consolidated financial statements

The functional and presentation currency of the Company and certain subsidiaries is the US Dollar. Transactions in foreign currency are initially recorded at the current exchange rate at the transaction date. Subsequently, monetary assets and liabilities in foreign currency are converted at the exchange rate at the period closing date; non-monetary items measured at fair value are converted using the exchange rates at the date their fair value is determined and non-monetary items measured at the historical cost are converted using the exchange rates in effect at the date of the original transactions. All exchange differences are recognized in the statement of profit or loss.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

Statement of Comprehensive Income items denominated in foreign currencies are converted at the average exchange rates prevailing during the year. Foreign exchange net losses are included in foreign currency exchange differences line items. Foreign exchange gains and losses related to income taxes, if any, are reported within the current or deferred income tax expense line item, as applicable.

3.5 Revenue recognition

Mineros S.A. and subsidiaries recognize revenue from the following major sources:

- Sale of precious metals
- Sale of goods
- Sale of energy

Revenue is recognized based on specific contractual considerations stemming from contracts with customers and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over the sold goods to the customers.

Sale of precious metals

Revenue is recognized when control over the goods has been transferred, which occurs when the goods have been delivered to the wholesaler or the refinery according to the negotiated terms and at a market price.

Following delivery, the buyer has full discretion over the manner of distribution and price to sell the goods, and has the primary responsibility when selling the goods and bears the risks of obsolescence, market value and loss in relation to the goods.

Payment of the transaction price is due within a maximum of 30 days after the customer purchases the goods.

Given the nature of the goods sold, considered commodities, there are no return for the goods.

Energy sales

Mineros, as part of its operations, has an electric power plant to supply energy for its operations in Colombia and Nicaragua. The Company sells unused energy and the related revenue is recognized once the reading

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of the energy meters is captured by the "Operador de Bolsa de Energia" (Energy Exchange Operator). Payment of the transaction price is due within a maximum of 30 days after the customer purchases the energy.

Sale of goods

Sales of latex in liquid or solid form presentation are made in Colombia, and recognized when collected by the customer at the Company's facilities.

3.6 Taxes

Taxes consist of general mandatory levies paid to the state by corporations, determined based on the tax bases stipulated in the national and regional tax regulations in effect in Colombia, Nicaragua and Argentina, countries where the Company operates.

The tax framework in the three countries where the Company operates is described in the note 22.

3.6.1 Current Tax

The current income tax balances are measured as the values expected to be recovered from or paid to the tax authority. The current income tax expense is recognized based on taxable income, which is reconciled from accounting pre-tax income, multiplied by the statutory income tax rate of the year, pursuant to the country's tax laws. The tax rates and regulations used to calculate said amounts are those that have been enacted or substantively enacted as of the end of the reporting period.

Taxable income differs from that reported in the statement of income of the period due to the items of income or expenses that are taxable or deductible in other years and items that will not be taxable or deductible in the future.

Current income tax assets and liabilities are also offset if they are related to the same tax authority and the intention is to settle them for the net value or to derecognize the asset and settle the liability simultaneously.

A provision is recognized for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company, supported by previous experience on similar matters, and in certain cases based on independent tax specialist advice.

3.6.2 Deferred Tax

Deferred income tax is recognized based on the temporary differences between the tax bases of the assets and liabilities and their carrying amounts. Deferred tax liabilities are generally recognized for all the taxable temporary differences and deferred tax assets are recognized for all the deductible temporary differences and for the future offsetting of unused tax credits and unused tax losses, to the extent that it is probable that taxable income will be available against which the deduct the temporary differences. Deferred taxes are not discounted.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of an asset or liability in a transaction other than in a business combination that, at the time of the transaction does not affect either the accounting gains or the taxable profit or loss; and in the case of deferred tax liabilities when they arise from the initial recognition of goodwill.

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The carrying value of deferred tax assets is reviewed on each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available for all or part of that deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed on each reporting date and are recognized to the extent that it is probable that future taxable income will enable their recovery.

Deferred tax assets and liabilities are measured at the tax rates expected to be applied in the period in which the asset is realized or the liability is settled based on tax rates and regulations that have been enacted or substantively enacted.

Deferred tax assets and liabilities are offset if there is a legally exercisable right for this and they are with the same tax authority.

Current and deferred tax are recognized in results of the period, except when they relate to items that are recognized in other comprehensive income or in equity, for which the related current or deferred tax is recognized therein. Where the tax arises from a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax is not recognized for the following temporary differences:

● Goodwill or initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and

● Investments in subsidiaries and jointly controlled entities to the extent that they can be controlled and are not likely to be invested in the foreseeable future.

3.7 Financial instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

3.7.1 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets 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.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; 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.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- The Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- The Company may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iii) below).

i. Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below).

For purchased or originated credit-impaired financial assets, the Company recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired. Interest income is recognized in profit or loss and is included in the "financial income” line item.

ii. Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the ‘financial income’ line item in profit or loss.

The Company has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9 (see note 5).

iii. Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called ‘accounting mismatch’) that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically;

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'Foreign exchange gains and losses' line item;
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'Foreign currency exchange' item; and
- For equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income in the investment revaluation reserve.

See hedge accounting policy regarding the recognition of exchange differences where the foreign currency risk component of a financial asset is designated as a hedging instrument for a hedge of foreign currency risk.

Impairment of financial assets

Mineros recognizes, when applicable, a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortized cost or at FVTOCI, Investments, trade and other receivables and prepaid expenses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

i. Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Significant deterioration in external market indicators of credit risk for a particular financial instrument
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

i. The financial instrument has a low risk of default,
ii. The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
iii. Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

ii. Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default in the mining business has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

iii. Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a. Significant financial difficulty of the issuer or the borrower;
b. A breach of contract, such as a default or past due event (see (ii) above);
c. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
d. It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
e. The disappearance of an active market for that financial asset because of financial difficulties.

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iv. Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are considered unrecoverable, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Historically, Mineros has not written-off trade receivables given the economic conditions of their customers.

- **Measurement and recognition of expected credit losses**

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

3.7.2 Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue, or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Company, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss to the extent that they are not part of a designated hedging relationship (see Hedge accounting policy). The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Financial expenses' line item (note 16 in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments. These foreign exchange gains and losses are recognized in the 'Foreign currency exchange' line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if 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 rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

3.7.3 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts and options.

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Company has both legal right and intention to offset. For Mineros typically a derivative is presented as current asset or as current liability if the remaining maturity of the instrument is 12 months or less if applicable other derivatives may be presented as non-current assets or non-current liabilities.

3.7.4 Hedge accounting

At the inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge. The documentation includes the identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the entity will assess whether the hedging relationship meets the hedge effectiveness requirements.

Hedged Item

A hedged item can be a recognized asset or liability, an unrecognized firm commitment, a highly probable forecast transaction or a net investment in a foreign operation. The hedged item can be a single item or group of items

Type of Hedge

Cash flow hedge: a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognized asset or liability (such as all or some future interest payments on variable-rate debt) or a highly probable forecast transaction and could affect profit or loss.

Measurement of Effectiveness

The Company guarantees the effectiveness of its hedges with strict compliance through the following requirements:

- Economic relationship: The Company demonstrated that there is an economic relationship between the hedged item and the hedging instrument.
- Effect of credit risk: the effects of credit risk do not control the changes in value consequent from the economic relationship.
- Hedge ratio: Resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

These requirements are guaranteed through the contracting of financial derivatives whose underlying assets are precisely the resources that generate the market risks for the Company. Additionally, the nominal amounts negotiated on these derivatives never exceed the exposures that are to be hedged according to the hedge's policies and strategies.

Taking into account the aforementioned policy, instruments entered into for hedging operations are considered 100% effective, since the amount of the hedged item, the hedging instrument and the forward price are known from the beginning of the relationship.

Measurement

The Company initially measures the hedging instruments at their fair value on the date on which the derivative contract is subscribed.

The subsequent measurement of the hedging instruments is at fair value. Derivatives are accounted for as financial assets when their fair value is positive, and as financial liabilities when their fair value is negative, in the statement of financial position.

Recognition

Cash flow hedges: As long as a cash flow hedge meets the qualifying criteria the hedging relationship shall be accounted for as follows:

a) The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognized in other comprehensive income.

b) Any remaining gain or loss on the hedging instrument is hedge ineffectiveness that shall be recognized in profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Company expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Derecognition

The Company discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated, or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognized in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in cash flow hedge reserve is reclassified immediately to profit or loss.

3.8 Inventories

Goods acquired with the intention to sell them in the ordinary course of business or to consume them in the process of mineral extraction are classified as inventories, which are valued at the lower of cost and net realizable value.

In Colombia and Nicaragua, inventories only consist of spare parts, materials and items of consumption used in mining operations. They are carried out at the lower of cost and net realizable value.

In Argentina, inventories consisting of product inventories, work-in-process (metal-in-circuit, gold-in-process, heap leach ore) and ore stockpiles are measured at the lower of the cost of production and net realizable value. Net realizable value is calculated as the difference between prevailing prices at the end of the period and the estimated costs to complete production into a saleable form.

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Work-in-process represents inventories that are currently in the process of being converted to a saleable product. The cost of production includes an appropriate proportion of depreciation, depletion, and amortization and overhead. The assumptions used in the valuation of working- process inventories include estimates of metal contained and recoverable in the ore stacked on leach pads, the amount of metal stacked in the mill circuits that is expected to be recovered from the leach pads, the amount of gold in these mill circuits and an assumption of the precious metal price expected to be realized when the precious metal is recovered. If the cost of inventories is not recoverable due to decline in selling prices or the costs of completion or the estimated costs to be incurred to make the sale have increased, the Company would be required to write-down the recorded value of its work-in-process inventories to net realizable value. Adjustments related to write-down of inventory are included in cost of sales.

Ore in stockpiles is comprised of ore extracted from the mine and available for further processing. Costs are added to ore in stockpiles at the current mining cost per tonne and removed at the accumulated average cost per tonne. Costs are added to ore on the heap leach pads based on current mining costs and removed from the heap leach pad as ounces are recovered in process at the plant based on the average cost per recoverable ounce on the heap leach pad. Although the quantities of recoverable gold placed on the heap leach pads are reconciled by comparing the grades of ore placed on the heap leach pads to the quantities of gold recovered, the nature of the leaching process inherently limits the ability to precisely monitor inventory levels. As such, engineering estimates are refined based on actual results over time.

Variances between actual and estimated quantities resulting from changes in assumptions and estimates that do not result in write-downs to net realizable value are accounted for on a prospective basis. The ultimate recovery of gold from each heap leach pad will not be known until the leaching process is concluded.

Inventories of materials and supplies expected to be used in production are valued at the lower of cost and net realizable value. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of write-down is reversed up to the original write-down amount.

Write-downs of inventory and reversals of write-downs are reported as a component of current period other expenses.

3.9 Property, plant, and equipment

Property, plant, and equipment, except for real estate (land and civil works) is measured at cost less accumulated depreciation and less accumulated impairment losses, if any. Cost includes the (i) acquisition price, (ii) costs directly related to the placement of the asset in the location and under the conditions necessary to operate it in its intended way, (iii) borrowing costs for construction projects that take a substantial amount of time to be completed if recognition requirements are met, and (iv) the present value of the expected costs for dismantling the asset after its use, if the criteria for recognition of a provision are met.

Properties under construction for administrative, production or service provision purposes are recorded at cost less any recognized impairment loss. The cost includes professional fees and, in the case of qualifying assets, borrowing costs capitalized pursuant to the accounting policy of the Company. Such properties are classified in the appropriate categories of property, plant, and equipment at the time of their completion and when they are ready for their intended use. The depreciation of these assets, according to the same basis as in the case of other property assets, starts when the assets are ready for their intended use.

Land and buildings are accounted for based on the revaluation method permitted by IFRS. Any revaluation increasing the value of such real estate is recognized in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in results, in which case the increase is credited to results to the extent of the previously recognized decrease. A decrease on revaluation is recognized in results to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous increase in the revaluation of the asset.

(Expressed in Thousands of United States Dollars)

The Company capitalizes additions or improvements that are made thereto, provided that they meet one of the following conditions: a) they increase the useful life; b) they expand their production capacity and operating efficiency; and c) they reduce costs for the Company. Other repair and maintenance costs are recognized in the statement of income as they are incurred.

Depreciation is calculated at each Cash generating unit (CGU) based on the straight-line method over the following useful lives:

Location / Description	Useful life						
	Hemco	MASA	Operadora Minera	Mineros Aluvial	Mineros Aluvial (Hydroelectric Providencia)	Mineros	Negocios Agroforestales
Construction and buildings	1 to 11.9 years	1 to 5.8 years	5 years	1 to 23.2 years	1 to 100 years	1 to 23.2 years	1 to 25 years
Machinery and equipment	1 to 11.9 years	1 to 5.8 years	3.3 years	1 to 23.2 years	1 to 100 years	1 to 23.2 years	1 to 5 years
Biological assets – Rubber plantations	N/A	N/A	N/A	N/A	N/A	N/A	1 to 25 years

The Company calculates depreciation based on components, which involves individually depreciating the material parts of each category of assets. The residual value is also determined for assets when material, which is not part of the depreciable amount.

Depreciation begins from the time that the asset is ready for use, whether it is a purchased asset or a built asset, Depreciation on equipment utilized in the development of assets, including open pit and underground mine development, is recapitalized as development costs attributable to the related asset.

The depreciation method, useful lives and residual values are reviewed annually. Any change in estimation is accounted for prospectively.

Useful lives for assets are estimated considering Life of Mine (LOM); for the case of the CGU Nechí Alluvial, useful life is estimated for the hydropower plant and assets related to the alluvial operations and are consistent with the LOM.

3.10 Leases

a) Mineros as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented within Loans and other borrowings in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as property, plant, and equipment in the consolidated statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “administration expenses” or “cost of sales” in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component based on the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

b) *Mineros as lessor*

Mineros classifies each of its leases as an operating lease or a finance lease.

A lease is classified as financial when it transfers substantially all the risks and rewards inherent in owning an underlying asset. A lease is classified as operating if it does not transfer substantially all the risks and rewards inherent in owning an underlying asset.

Financial leasing

On the commencement date, Mineros SA will recognize the assets held under finance leases in its statement of financial position and will present them as a receivable, for an amount equal to the net investment in the lease.

Mineros will recognize financial income throughout the term of the lease, based on a pattern that reflects a constant rate of return on the net financial investment that Mineros has made in the lease.

Operating leases

Mineros will recognize lease payments from operating leases as income on a straight-line basis or according to another systematic basis. The Company will apply another systematic basis if it is more representative of the pattern with which the benefit of the use of the underlying asset is diminished.

The Company will recognize as an expense the costs, including depreciation, incurred to obtain the income from the lease.

Mineros calculates depreciation in accordance with IAS 16 and IAS 38.

3.11 Borrowing costs

Borrowing costs consist of interest that Mineros incurs related to the borrowing of funds that qualify for capitalization under IFRS.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets, until such time as the assets are substantially ready for their intended use or sale.

The interest income earned from temporary investment of funds pending their use in qualifying assets is deducted from the borrowing costs allowable for capitalization.

All the other borrowing costs are accounted for as expenses in the period in which they are incurred.

3.12 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. After initial recognition, investment property is measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

3.13 Intangible assets

i) Intangible assets acquired separately - Intangible assets with a finite useful life acquired separately are recorded at cost less accumulated amortization and impairment losses. Amortization is recognized based on the straight-line method over the assets' estimated useful life. The estimated useful life and depreciation method are reviewed at the end of every reporting period, while the effect of any change in the estimate will be recorded prospectively. Intangible assets with an indefinite useful life that are acquired separately are recorded at cost less any accumulated impairment loss.

ii) Intangible assets generated internally – research and development costs – Disbursements for research activities – are recognized as an expense in the period they are incurred.

An intangible asset internally generated as a result of development activities (or of the development phase of an internal project) is recognized if, and only if, the entity can demonstrate the following conditions are met:

- Technically, it is possible to complete the production of the intangible asset in a way that it may be available for its use or sale;
- The Company's intention is to complete the subject intangible asset, to use or sell it;
- The Company has capacity to use or sell the intangible asset;
- The form in which the intangible asset will generate probable economic benefits in the future;
- The availability of the appropriate technical, financial, or other type of resources, to complete the development and to use or sell the intangible asset; and
- The Company has capacity to measure, reliably, the disbursement attributable to the intangible asset during its development.

The initially recognized amount for an internally generated intangible asset shall be the sum of the payments incurred from the time that the item meets the previously established conditions for its recognition. When an internally generated intangible asset cannot be recognized, the payments for development are charged to profit or loss in the period in which they are incurred.
After its initial recognition, an internally generated intangible asset shall be accounted at its cost less accumulated amortization and the accumulated amount of impairment losses, on the same basis as the intangible assets that are acquired separately.

iii) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are recognized initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

3.14 Impairment of tangible and intangible assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.15 Provisions

Provisions are recognized when the Company has the present obligation, legal or constructive, that has arisen as a result of a past event, it is probable that the Company will have to use resources that incorporate economic benefits to pay the obligation, and the amount of the obligation can be estimated reliably. In cases in which the Company expects the provision to be fully or partly reimbursed, the reimbursement is recognized

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as a separate asset, but only in the cases in which it is virtually certain that reimbursement will be received and the amount of the asset can be measured reliably.

Provisions are measured by the best estimation of Management of the disbursements required to settle the present obligation at the end of the reporting period, taking into account the corresponding risks and uncertainties. When a provision is measured using the estimated cash flow to settle the present obligation, its carrying amount corresponds to the present value of said cash flow, using the discounted cash flows technique. Expenses corresponding to any provision are presented in the consolidated statement of profit or loss of the period net of any reimbursement. The increase in the provision due to the passing of time is recognized as a financial expense.

Provision for dismantling

The Company recognizes as part of the cost of a specific fixed asset (in some geographies restoring in recognized as part of the inventory or the cost of sales), the estimate of the future costs the Company expects to incur for dismantling or restoring the asset, provided that there is a legal or constructive obligation to do so. The corresponding entry is a provision for costs of dismantling or restoring the asset. The cost of dismantling is depreciated during the estimated useful life of the fixed asset.

The costs are estimated based on the Company's mine closure plan. The cost estimates are updated annually during the life of the operation to reflect known developments, (e.g., revisions to cost estimates and to the estimated lives of operations, or changes in legal or regulatory requirements), and are subject to review at regular intervals.

Dismantling or restoring costs are recognized for the present value of the expected costs to settle the obligation using estimated cash flows. Cash flows are discounted at a rate that is a reference borrowing rate for the term of the liability.

The estimated future costs of dismantling or restoring assets are revised annually. Changes in the estimated future costs on the estimated dates of payment or the applied discount rate are added to or deducted from the cost of the asset, without exceeding the carrying amount of the asset. Any excess is immediately recognized in the income of the period.

Contingent liabilities

Possible obligations that arise from past events and of which the existence shall only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or present obligations that arise from past events when it is not probable but possible that an outflow of resources that includes economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability, are not recognized in the statement of financial position, but are disclosed as contingent liabilities when their occurrence is probable.

Restructurings

A restructuring provision is recognized when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognized in accordance with IAS 37 and the amount recognized initially less cumulative amount of income recognized in accordance with the principles of IFRS 15.

Contingent assets

Assets of a possible nature that arise from past events which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company are not recognized in the consolidated statement of financial position, rather they are disclosed as contingent assets only when their occurrence is probable. When the contingent event is certain, the asset or related income is recognized in results of the period.

3.16 Pensions and other post-employment benefits

Defined contribution plans

Payments to defined contribution plans are recognized as expenses in the statement of income of the period at the time the employee has provided the service that grants the right to receive the contributions, which are included as a cost or administrative expense when applicable and amount payable are recognized as short term employee benefits (see note 31).

Defined benefit plans

These are post-employment benefit plans in which the Company has the legal or constructive obligation to respond for the payments that are under its responsibility.

For defined benefit plans, the difference between the fair value of the plan's assets and the present value of the obligation of said plan is recognized as an asset or liability in the consolidated statement of financial position. The cost of providing benefits under the defined benefit plans is determined separately for each plan through the actuarial valuation method called projected unit credit, using actuarial assumptions at the reporting date. The plan's assets are measured at fair value, which is based on the information of market prices, and in the case of quoted securities, it corresponds to the published purchase price.

Actuarial gains or losses, the return on the plan's assets and the changes in the effect of the asset ceiling, excluding the values included in the net interest on the liability (asset) of net defined benefits are recognized in other comprehensive income. Actuarial gains or losses comprise the effects of changes in the actuarial assumptions, as well as adjustments due to experience.

Remeasurements recognized in the statement of comprehensive income are not reclassified. Past service cost is recognized in profit or loss when the plan amendment or curtailment occurs, or when the Company recognizes related restructuring costs or termination benefits, if earlier. Gains or losses on settlement of a defined benefit plan are recognized when the settlement occurs. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Defined benefit costs are split into three categories:

- Service costs, which includes current service cost, past service cost and gains and losses on curtailments and settlements;
- Net interest expense or income; and remeasurements.

The net interest on the liability (asset) for net defined benefits comprises the revenue from interest on the plan's assets, costs of interest due to the obligation of defined benefits, and interest from the effect of the asset ceiling.

The current service cost, the past service cost, and any settlement or reduction of the plan is immediately recognized in the consolidated statement of profit or loss of the period in which it arises.

- The Company classifies as short-term benefits those obligations with employees that it expects to settle within the term of twelve months following the end of the accounting period in which the obligation has been generated or the service has been provided. Some of these benefits are generated by current labor legislation, collective agreements or practices that are not formalized and generate constructive obligations.

- The Company recognizes short-term benefits at the time the employee has provided his/her services as liabilities, at the value that will be paid to the employee, deducting the amounts already paid, with an offsetting entry to expense for the period, unless IFRS requires or permits the inclusion of payments in the cost of an asset or inventory. For example, if the payment corresponds to employees whose services are directly related to a construction, this will be capitalized to that asset.

- The Company classifies as long-term employee benefits the obligations that it expects to settle after the twelve months following the end of the accounting period or the period in which the employees provide the related services, that is, from month thirteen onward. They are different to short-term benefits, post-employment benefits and benefits for contract termination.

3.17 Fair Value

The fair value is the price that would be received upon the sale of an asset or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether the price is directly observable or estimated using another valuation technique. When estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability being measured that the market participants would consider when pricing the asset or liability at the measurement date. The fair value of all financial assets and liabilities is determined at the reporting date of the financial statements for recognition or disclosure in the notes to the financial statements.

The Company uses valuation techniques that are appropriate in the circumstances and for which it has enough information available to measure the fair value, maximizing the use of relevant observable information and minimizing the use of unobservable information.

Fair value is determined:

- Based on prices quoted in active markets for identical assets or liabilities to those that the Company can access at the measurement date (Level 1).

- Based on the valuation techniques commonly used by the market participants that use inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly (Level 2).

- Based on internal valuation techniques of discounting cash flows or other valuation models, using unobservable inputs estimated by the Company for the asset or liability in absence of inputs observed on the market (Level 3).

Judgments include information such as the liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the fair value of the financial instruments.

In 2021 and 2020, no transfers were made between the hierarchical levels of fair value for both input and output transfers of the levels.

Valuation techniques and variables used by the Company in fair value measurement for recognition and disclosure:

i. **Cash equivalents:** cash equivalents are high liquidity investments (collective portfolios and money market accounts) that are easily convertible into a certain amount of cash and subject to an insignificant risk of changes in their value with maturity in three months or less from their acquisition date. The Company uses stated fair values as a valuation technique for this item. These items are classified within Level 1 of the fair value hierarchy.

ii. **Share-based payments:** Share-based payments are incentive mechanisms for Senior Management with the aim of rewarding them based on the company's valuation according to these options, they are paid in cash based on the market price of the company's share. agreement in a specified period. The options are measured at fair value in accordance with IFRS 2, the Black & Scholes model is used for the valuation.

iii. **Portfolio investments at fair value**: these include investments that are made to optimize liquidity surpluses. The Company uses fair values of market prices (Bolsa de Valores de Colombia – BVC - Colombia Stock Exchange). These items are classified within Level 1 of the fair value hierarchy.

iv. **Derivative instruments:** The Company uses derivative financial instruments such as options (zero-cost collars) and forwards to hedge exchange rate and commodity price financial risks. The methods used by the Company for the valuation of financial derivatives coincide with the methods commonly used by market agents. The valuation of forward transactions principally consists of discounting the forecasted future flows in the transaction using market discount rates against the underlying value on the day of the assessment. The Black-Scholes model is used for the valuation of options. This model is essentially based on the application of stochastic processes for the calculation of premiums for purchase and/or sale options. These items are classified within Level 2 of the fair value hierarchy.

v. **Investment properties:** Investment properties consist of properties (land or buildings or portions thereof) that are owned (by the Company in its own name or through a finance lease) to earn rentals or for capital appreciation, or both. The Company uses two valuation techniques for these items. Within the market approach, the comparative or market method is used, which consists of determining fair value based on a comparison of transactions, supply and demand, and appraisals of similar or comparable real estate, with prior adjustments of time, formation, and location. The items that are valued using this technique are classified within Level 2 of the fair value hierarchy. In the cost approach, the residual method that is used, is applied only to the buildings, and is based on determining the updated cost of construction less depreciation due to age and state of conservation. These items are classified within Level 2 of the fair value hierarchy.

vi. **Equity instruments:** corresponds to shares in unlisted companies. These investments in equity instruments are not held for trading, but for medium to long-term strategic purposes.

The Company has chosen to designate these investments in equity instruments as fair value through other comprehensive income, considering that the recognition of short-term fluctuations in the fair value of these investments in results would not be consistent with the Company's strategy of sustaining these investments long-term and realizing their long-term return potential.

vii. **Financial assets measured at fair value:** Financial assets measured at fair value represent the royalties to which Mineros is entitled as part of the sale transaction of Operadora Minera S.A.S (see note 21). For this valuation, the company uses projected cash flows as a measurement technique using inputs such as market price curves and internal data associated with the estimated ounces.

3.18 Evaluation and exploration of mineral resources

With respect to the cost of recognition of assets for exploration and evaluation, and their corresponding amortization, the Company has adopted the following policies in accordance with IFRS 6, Exploration and Evaluation of Mineral Resources, including regular evaluation of the technical and economic feasibility of the respective project:

Exploration stages are the following:

3.18.1 Early Stage or Grass Roots

Potential Areas Definition: Recognition of potential areas; in this stage the Company collects information available within the area of interest and performs activities such as:

- Cartography
- Geological information, satellite images.
- Structural interpretation

The expenses of this stage are recorded in profit or loss; property plant and equipment are recognized separately according to policy (see note 3.9)

Initial Exploration: Using previously collected cartography, field tests are performed to determine whether or not favorable conditions exist to consider the existence of minerals of interest for the Company. This includes activities such as laboratory testing, sampling, geophysics.

The expenses of this stage are recorded in profit or loss; property plant and equipment (mainly machinery) are recognized separately according to policy (see note 3.9)

Exploratory Drilling: In this stage, the Company uses Diamond Drilling Holes (DDH) or Reverse Circulation Holes (RCH), which provide more accurate information regarding discovery. Initial planning and design of the exploitation system is performed in this stage.

The expenses on this stage are recorded in profit or loss; property plant and equipment (mainly machinery) are recognized separately according to policy (see note 3.9).

3.18.2 Advanced projects

The policy is applied consistently to each exploration project as it reaches this stage:

Mineral potential definition: It mainly consists in the verification of the type of the target minerals and deposits, and includes activities such as mapping, geophysics, and surveys.

The expenses on this stage are recorded in profit or loss; property plant and equipment (mainly machinery) are recognized separately according to policy (see note 3.9).

Resource classification: During this stage, the Company seeks to obtain a better understanding of the ore body, depth, tectonics, hardness, and qualitative and quantitative characteristics such as mineral distribution using geological and statistical methods. Resources are classified as inferred, indicated, and measured.

The expenses on this stage are recorded in profit or loss; property plant and equipment (mainly machinery) are recognized separately according to policy (see note 3.9).

Scoping study: Includes early economic studies on the feasibility of the mineral resources, and includes activities such as:

- Preliminary calculations
- Desk studies
- Studies based on unproved assumptions

Prefeasibility: In this stage the Company conducts exhaustive studies reviewing the feasibility of the project considering the mining method (underground, open-pit, alluvial), using reasonable technical assumptions, engineering, operational, and considering economic factors. During this stage the resources are classified as reserves (probable and proved).

Costs incurred during this stage are recognized as assets under IFRS 6 Exploration and evaluation for mineral resources; property plant and equipment (mainly machinery) are recognized separately according to policy (see note 3.9).

Feasibility: It consists in a full study on the deposit including all factors: engineering, legal, operational, economic, social, environmental. This detailed information should be sufficiently accurate to reasonably determine whether the project is a “go” or “no go”.

Any obligation incurred for dismantling or restoring an asset as a result of having carried out exploration or evaluation activities is recognized.

At Mineros, in this stage the expenses are recognized as assets under IFRS 6; property plant and equipment (mainly machinery) are recognized separately according to policy (see note 3.9).

The company performs impairment analysis of its exploration projects on an annual basis.

3.18.3 Stripping costs

The Company recognizes the costs involved in the stripping activity required to improve access to the mineral ore deposit as a non-current asset if, and only if:

- It is probable the future economic benefit associated with the stripping activity will flow to the Company
- The entity can identify the component of the ore body for which access has been improved; and
- The costs relating to the stripping activity associated with that component can be measured reliably.

Initial recognition

It is measured initially at cost as property plant and equipment, consisting of the accumulated costs directly incurred in performing the stripping activity that improves access to the identified component of the ore body.

Subsequent measurement of the stripping activity asset

After initial recognition, the stripping activity is measured at cost less depreciation and less impairment; depreciation is made on a systematic basis over the expected useful life of the identified component of the ore body to which the stripping activity is related.

3.18.4 Impairment of exploration and evaluation assets

Exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, an entity shall measure, present, and disclose any resulting impairment loss.

One or more of the following facts and circumstances indicate that an entity should test exploration and evaluation assets for impairment (the list is not exhaustive):

- the entity's right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.
- substantive expenditure on further exploration and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- exploration and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full through its successful development or by sale.

In any such case, or similar cases, the Company performs an impairment test in accordance with IAS 36.

3.20.5 Acquisition of interests in mining projects in exploration, development stages or mining operations in progress :recognition and subsequent measurement

Mining projects include interests acquired in producing, development and exploration stage properties. Mining projects are capitalized at the value paid at the date of acquisition when it is a purchase of individual assets. Mining projects in the exploration and development stage are not amortized until the underlying property moves to the production stage and are amortized over estimated recoverable proven and probable reserves.

The value of such assets is driven primarily by the nature and quantity of mineralized material believed to be contained in such properties, however, this is agreed at the time of negotiation with the seller.

3.20.5.1 Mining interests in production stage (ongoing operations)

Initial recognition

These represent interests in operating properties containing proven and probable reserves and are amortized over the estimated useful life of the mine. At the time of acquisition, these properties are classified as intangible assets (operating projects).

Subsequent measurement

As a subsequent measurement these assets will be depreciated over the defined useful life. Annually these assets are assessed under IAS 36 Impairment of Assets and if impairment indicators are identified, they are subject to impairment tests.

3.20.5.2 Mining interests at exploration and evaluation stage

Initial recognition

Mining projects at the exploration or evaluation stage represent interests in properties believed to potentially contain mineralized material at any of the exploration stages previously defined in paragraph 6 of this policy, or any rights acquired to explore for or extract a potential mineral deposit.

These acquired assets are initially recognized at cost as an asset in the exploration stage.

Subsequent measurement

The acquired project initially recognized at cost is classified in accordance with the exploration stages of Item 6 and in accordance with the accounting guidelines described therein, subsequent costs will be capitalized or expensed as an exploration charge. Annually, these assets are assessed under IAS 36 Impairment of Assets and if impairment indicators are identified, they are subject to impairment tests.

3.19 Stock-based Compensation

The Company records stock-based compensation at fair value on the date of the grant using the Black-Scholes valuation model. The fair value of the share appreciation rights ("SARs") are based on the Mineros' stock price on the date of grant. Stock-based compensation expense related to SARs is generally recognized rateably over the requisite service period of the award on a straight-line basis (See note 17.1).

In the case of share-based payments in cash, a liability is recognized for the acquired goods or services. These are initially measured at their fair value. Once the liability is paid, the entity will assess again the liability's fair value at the end of every period being reported, as well as the payment date, recognizing any difference in the reasonable value of profits or losses for the period.

The Company, as of this date, does not have any equity settled share-based payments with third parties, or employees.

3.20 Assets held for sale

Long-term assets (and groups of assets for their disposal) classified as held for sale are valued at the lower of book value and fair value less costs to sell.

Long-term assets and groups of assets for their disposal are classified as held for sale if their book value will be recovered through their sale and not through their continued use. This condition is considered fulfilled only when the sale is highly probable and the asset (or group of assets) is available for immediate sale in its current condition and the administration must be committed to the sale, even to be recognized as a sale completed within a certain period. one year from the date of classification.
Assets held for sale

Long-term assets (and groups of assets for their disposal) classified as held for sale are valued at the lower of book value and fair value less costs to sell.

Long-term assets and groups of assets for their disposal are classified as held for sale if their book value will be recovered through their sale and not through their continued use. This condition is considered fulfilled only when the sale is highly probable and the asset (or group of assets) is available for immediate sale in its current condition and the administration must be committed to the sale, even to be recognized as a sale completed within a certain period. one year from the date of classification.

NOTE 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN THE CONSOLIDATED FINANCIAL STATEMENTS

The estimates and criteria used are continuously evaluated and are based on historical experience and other factors, including the expectation of occurrence of future events that are deemed reasonable in the circumstances.

The Company makes estimates and assumptions regarding the future. Actual results may differ from these estimates. Estimates and underlying assumptions that have a significant risk of causing a material adjustment to balances of assets and liabilities in the following year are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgments in applying accounting policies:

The following are the critical judgments, apart from those involving estimations (see note 4.2 below), that the directors have made in the process of applying the Company accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

a) **Deferred tax:** Deferred tax assets and liabilities are recognized for all taxable or deductible differences as required by IAS 12. Deferred tax assets are recognized to the extent that the Company will generate future taxable profits to be able to recover the benefits of such assets. Management reviews all the differences between the carrying values of assets and liabilities existing in the consolidated financial statements and their respective tax base. Critical judgment is applied for deferred tax assets which are calculated on the basis of legal tax rates that will be applied to taxable income during the years in which temporary differences between carrying values and the tax base, are expected to be recovered or settled.

b) **Evaluation of the existence of impairment indicators for tangible and intangible:** Critical judgment is applied at each reporting date when management determines if there are indications that any asset or group of assets have suffered impairment. If any such indications exist, the recoverable amount of the asset is calculated to determine if an impairment loss exists. When the recoverable amount is lower than the carrying amount, an impairment loss exists and is recorded, reducing the carrying amount of the asset or group of assets to their recoverable amount.

   The evaluation of the existence of impairment is based on external and internal factors, and in turn in quantitative and qualitative factors. Evaluations are based on financial results, legal and social environment, and market conditions; significant changes in the scope or way the asset or cash generating unit (CGU) is used or expected to be used and evidence on the obsolescence or physical impairment of an asset or CGU, among others.

   Investments in mining exploration and development projects are of high risk, and such risk cannot be eliminated or mitigated without careful evaluation. Once the necessary information is available, thorough pre-feasibility and feasibility studies are carried out (depending upon the stage in which the project is) with an independent advisor to analyze its viability. Social-environmental, financial, legal, geological aspects, among others are assessed by means of these studies.

c) **Contingent liabilities:** Critical judgment is applied when assessing the probability of occurrence, as determined with the advice of expert legal counsel based on the type of contingent liability, possible legislation changes and the existence of jurisprudence applied to the specific case, the study and in-depth analysis of the matter.

d) **Stripping costs in the production phase of a surface mine:** Stripping costs are recognized as an asset according to IFRIC 20. The amortization process begins when the pit is in production, using the production unit method for amortization. Critical accounting judgments are made to assess the recoverability of ounces of minerals contained on the pit.

e) **Functional currency:** The functional currency of each of the Company's subsidiaries is the currency of the primary economic environment in which it operates. The Company has determined the functional currency of each entity separately (see note 3.4). The determination of the functional currency may involve certain judgments to determine the primary economic environment and Mineros revises the functional currency of its entities if there is a change in the events and circumstances that determined the primary economic environment.

f) **Determination of the value in use of the CGU:** At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine if there is any indication that those assets have suffered an impairment loss. If there is such an indication, the asset's recoverable amount is estimated to determine the extent of the impairment loss or recovery (if any). When the asset does not generate cash flows independent of other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The determination of the impairment test of tangible and intangible assets requires management criteria for the estimates that include, among others, macroeconomic and political factors, discount rate, gold production from mines and gold prices. See note 8.

g) **Investments in associates:** At the moment of recognition of its participation in investments, management uses judgment in assessing if an investment meets the criteria recognition of IAS 28 considering the contractual elements of an agreement that leads to the identification of an associate.

4.2 Key sources of estimation uncertainty:

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) **The useful life and residual values of property, plant and equipment and intangibles** - In the assumptions and hypothesis used for the determination of useful lives, technical aspects are considered, such as: periodic maintenance and inspections made to assets, failure statistics, environmental conditions and operating environment, protection systems, replacement processes, obsolescence factors, recommendations of manufacturers, weather and geographical conditions and experience of technicians who are familiar with the assets. For the determination of the residual value, consideration is given to aspects such as: fair values, publications of reference and historical sale data.

b) **Determination of useful life for assets and amortization mining projects**. The useful life that is determined for amortization of mining projects, is established by calculating the total ounces that are expected to be produced in a mine based on the resources and reserves found in the exploration phase and on their probability of occurrence.

c) **Fair value measures**. Some of the Company´s assets and liabilities are measured at fair value for financial purposes. The financial area determines the appropriate valuation techniques and inputs for fair value measures. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent it is available. Where level 1 inputs or other observable inputs are not available, the Company engages third party qualified appraisers to perform the valuation (such as for the investment properties). The fair value accounting estimates are reviewed and approved by management before being booked.

d) **Pension plans benefits**. The present value of obligations of pension plans depends upon a number of factors determined on actuarial bases, using a number of assumptions. The assumptions used to determine the net cost of pensions include the discount rate. Any change in these assumptions will have impact on the carrying value of the pension plans obligation.

The Company determines the best discount rate at the end of each year (Colombia Government Treasury Bonus). This is the interest rate that should be used to calculate the present value of estimated future cash outflows expected to be required to pay for pension plans obligations.

Other key assumptions to establish the pension plans obligations are based on the current market conditions. Additional information in this regard is presented in Note 31.

e) **Determination of the value in use of the CGU** – During the year, Management reconsiders the recoverability of its CGU. The financial viability of the projects is made using the discounted cash flow methodology, considering variables such as resources and reserves, macroeconomic variables (gold price, exchange rate, inflation, among others), WACC - Weighted Average Cost of Capital, Opex - Operational expenditures, Capex – Capital expenditures, etc.

f) **Reserves and resources**: In assessing resources and reserves available for future exploitation and base for determination of the Life of Mine (LOM), assumptions are made regarding the categorization of the resources, probed or probable, indicated, measured, or inferred, depending on different scenarios and assumptions regarding the probability of extract such resources.

g) **Asset Retirement Obligation (ARO):** ARO is considered under the scope of IAS 37; management assumptions are made considering the periods where the cash flow will be paid and the amounts to be paid depending on the different activities for the closing; this also involves the construction of the discount rate following standard procedures available in the market. Adjustments to the estimated amount and timing of future closure and rehabilitation cash flows are a normal occurrence considering the significant judgments and estimates involved. The principal factors that can cause expected cash flows to change are: the construction of new processing facilities; changes in the quantities of material in reserves and resources with a corresponding change in the life of mine plan; changing ore characteristics that impact required environmental protection measures and related costs; changes in water quality that impact the extent of water treatment required; changes in discount rates; changes in closure policies; and changes in laws and regulations governing the protection of the environment. See note 32.

h) **Litigation and other contingencies:** The Company is or could be part of several labor and tax proceedings that, either alone or in combination with other proceedings, if resolved in whole or in part adversely against it, could result in the imposition of material costs, judgments, fines, or other losses. While the Company believes that such risks, if probable, have been provisioned appropriately based on the opinions and advice of our legal and tax advisors and in accordance with applicable accounting standards, certain loss contingencies are subject to change as new information develops and results of the presented evidence are obtained, among other factors. It is possible that losses resulting from such risks, if proceedings are decided in whole or in part adversely to the Company, could result in recognition of new provisions or in a significantly increase of the currently recorded provisions.

The final costs arising from litigation and other contingencies, and the perspective given to each issue by the Management of the Company may vary from their estimates due to different interpretations of laws, contracts, opinions, and final assessments of the amount of the claims.

(Expressed in Thousands of United States Dollars)

In evaluating the probability of contingent liabilities, the Company, with the support of the expert legal advisor, applies its judgment based on the type of contingent liability, considering the possible legislative changes and available jurisprudence applicable to each case, for determine the amounts to be disclosed and / or recognized in the financial statements (See note 32).

NOTE 5. FINANCIAL INSTRUMENTS

Classes and categories of financial instruments and their fair values

The following table includes:

- Classes 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)

2021	Carrying value						
	Financial assets				Financial liabilities		
	FVTPL – designated	FVTOCI – designated	FVTOCI – mandatorily measured	Amortized cost	FVTOCI – mandatorily measured	Amortized cost	Total
Cash and cash equivalents. See note 18	-	-	-	63,130	-	-	63,130
Trade and other receivables. See note 19	-	-	-	16,191	-	-	16,191
Derivative financial instruments. See note 5	-	-	1,792	-	(4,062)	-	(2,270)
Investments current. See note 21	98	-	-	-	-	-	98
Investments non-current. See note 21	2,347	6,993	-	-	-	-	9,340
Loans and other borrowing. See note 29	-	-	-	-	-	(55,110)	(55,110)
Trade and other payables. See note 30	-	-	-	-	-	(50,757)	(50,757)
Other financial liabilities. See note 17	-	-	-	-	-	(5,007)	(5,007)

(Expressed in Thousands of United States Dollars)

2020	Carrying value						
	Financial assets			Financial liabilities			
	FVTPL – designated	FVTOCI – mandatorily measured	Amortized cost	FVTPL – designated	FVTOCI – mandatorily measured	Amortized cost	Total
Cash and cash equivalents. See note 18	-	-	63,598	-		-	63,598
Trade and other receivables. See note 19	-	-	22,225	-		-	22,225
Derivative financial instruments. See note 5	-	11,332	-	-	(9,319)	-	2,013
Investments current. See note 21	1,563	-	-	-		-	1,563
Investments non-current. See note 21	916	4,319	-	-		-	5,235
Loans and other borrowing. See note 29	-	-	-	-		(74,458)	(74,458)
Trade and other payables. See note 30	-	-	-	-		(52,023)	(52,023)
Other financial liabilities. See note 17	-	-	-	-		(4,076)	(4,076)

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).

2021	Fair value			
	Level			
	1	2	3	Total
Investments non-current	-	-	9,340	9,340
Investments current	98	-	-	98
Derivative financial instruments (See note 5.3)	-	(2,270)	-	(2,270)

(Expressed in Thousands of United States Dollars)

2020	Fair value			
	Level			
	1	2	3	Total
Investments non-current	-	-	5,235	5,235
Investments current	1,563	-	-	1,563
Derivative financial instruments (See note 5.3)	-	2,013	-	2,013

For financial instruments designated at amortized cost, fair value information is not disclosed because management considers the carrying amount to be close to fair value.

5.1 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

<table>
<tr><th>Financial assets/ financial liabilities</th><th>Valuation technique(s) and key input(s)</th><th>Significant unobservable input(s) Relationship and sensitivity of</th><th>Unobservable inputs to fair value</th></tr>
<tr><td rowspan="2">Foreign currency forward contracts</td><td>Discounted cash flow.</td><td rowspan="2">N/A</td><td rowspan="2">N/A</td></tr>
<tr><td>Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates.</td></tr>
<tr><td>Commodity options</td><td>Black-Scholes model

The following variables were taken into consideration: current underlying price of the commodity, options strike price, time until expiration (expressed as percent of a year), implied volatility of the commodity and interest rate.</td><td>N/A</td><td>N/A</td></tr>
<tr><td rowspan="2">Financial assets (Equity investments)</td><td rowspan="2">Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees.</td><td>Long-term revenue growth rates: Taking into account management experience and knowledge of market conditions of specific industries are 5% to 18% in 2021 for the next 10 years.</td><td>The higher the rate of revenue growth, the higher the fair value. If revenue growth were 10% higher/lower, while all other variables were held constant, the book value would be $12,372 and $1,676 respectively. Regarding the current value of $6,993.</td></tr>
<tr><td>Long-term pre-tax operating margin: Taking into account management's experience and knowledge of market conditions in specific industries, changes on average from 9% to 19% in 2021 (2020: 9% to 11%).</td><td>The higher the pre-tax operating margin, the higher the fair value. If the operating margin before taxes was 1% higher / lower while all other variables were held constant, the book value would be $7,153 and $6,854 respectively. Regarding the current value of $6,993</td></tr>
</table>

(Expressed in Thousands of United States Dollars)

Financial assets/ financial liabilities	Valuation technique(s) and key input(s)	Significant unobservable input(s) Relationship and sensitivity of	Unobservable inputs to fair value
		Weighted average cost of capital, determined using a capital asset pricing model, ranging from 11.88% to 16.13% in 2021 (2020: 11.88% to 16.13%).	The higher the weighted average cost of capital, the lower the fair value. If the weighted average cost of capital was 1% higher/lower while all other variables remained constant, the book value would be $6,902 and $7,065, respectively. Regarding the current value of $6,993.
Financial assets (royalties)	*Income approach* In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits that would derive from the ownership of these investors.	Au Oz projected.	The higher the Ounces projection and/or the gold price projection, the higher the fair value. If ounce growth were 1% higher/lower, while holding all other variables constant, the book value would be $2,349 and $2,303, respectively. Regarding the current value of $2,326.
		Weighted average cost of capital, determined using a capital asset pricing model.	The higher the weighted average cost of capital, the lower the fair value. If the weighted average cost of capital was 1% higher/lower while all other variables were held constant, the book value would be $2,322 and $2,331, respectively. Regarding the current value of $2,326.

There were no transfers between levels during the current or prior year.

5.2 Reconciliation of Level 3 fair value measurements of financial instruments

The following table only includes financial assets.

	Financial assets	
	31/12/2021	31/12/2020
Balance at January 1 st	5,235	4,386
Acquired rights (See note 6.1)	-	892
Total gains or losses:		
– in other comprehensive income	1,934	(43)
– in profit or loss	2,247	-
- Payments	(76)	-
Balance at December 31	**9,340**	**5,235**

There were no transfers between levels during the current or prior year.

(Expressed in Thousands of United States Dollars)

5.3 Derivative financial instruments

The following tables summarize the positions held by the Company as of December 31, 2021:

Gold hedging pending settlement:

Company	Year	Type	Contracts	Ounces	Maturity	Price (US$/oz)
HEMCO	2021	Put/Call	6	9,000	Jan – Jun 2022	Min: 1,750 Max: 1,885
HEMCO	2021	Put/Call	12	6,000	Jan – Dec 2022	Min: 1,750 Max: 1,865
MINEROS	2021	Put/Call	6	15,000	Jan – Jun 2022	Min: 1,750 Max: 1,885
MINEROS	2021	Put/Call	12	18,000	Jan – Dec 2022	Min: 1,750 Max: 1,870
HEMCO	2020	Put/Call	36	30,000	Jan – Dec 2021	Min: 1,800 Max: 1,939
MINEROS	2020	Put/Call	36	48,000	Jan – Dec 2021	Min: 1,800 Max: 2,046

Foreign exchange hedging pending settlement:

Company	Year	Type	Contracts	Amount	Maturity	Price
MINEROS ALUVIAL	2021	Put/Call USD	12	36,000	Jan – Dec 2022	Min: 3.700 Max: 4.217
MINEROS ALUVIAL	2020	Put/Call USD	18	24,000	Jan – Sep 2021	Min: 3.700 Max: 4.188
MINEROS	2020	Put/Call USD	6	9,000	Jan – Mar 2021	Min: 3.800 Max: 4.279

Fair value of derivatives

	31/12/2021	31/12/2020
Assets for hedging operations with derivative financial instruments	1,792	11,332
Liabilities for hedging operations with derivative financial instruments	(4,062)	(9,319)
Total (liabilities) assets derivatives financial instruments	**(2,270)**	**2,013**

Cash Flow Hedge Gains (Losses) in Other Comprehensive Income ("OCI")

	31/12/2021	31/12/2020
Cash flows hedges	(879)	1,351
Total	**(879)**	**1,351**

(Expressed in Thousands of United States Dollars)

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 33,000 ounces for the period between January and December 2022, which represents approximately 50% of the total estimated gold production of Minas Argentina's for this period of 2022. The hedges have a minimum price of 1,750 USD / Oz and a maximum price of 1,885 USD / Oz and a total of 24,000 ounces for the first half of 2022. For the second half of 2022, the company contracted the same strategy corresponding to a total of 9,000 ounces with a minimum sale price of 1,750 USD / Oz and a maximum sale price of 1,870 USD / Oz.

For HEMCO Nicaragua SA, the program covers a total of 15,000 ounces during the remaining period from January to December 2022, which represents approximately 50% of the total gold production estimated for the same period of 2022, with a minimum price of $1,750 USD / Oz and a maximum price of $1,885 USD / Oz. For the first half of 2022, the company contracted the same strategy corresponding to a total of 12,000 ounces with a minimum sale price of 1,750 USD / Oz and a maximum sale price of 1,885 USD / Oz. For the second half of 2022, the company contracted the same strategy corresponding to a total of 3,000 ounces with a minimum sale price of 1,750 USD / Oz and a maximum sale price of 1,865 USD / Oz.

The total premium paid for the entry was included as part of the fair value and settled in cash on a net basis as the monthly contracts expired. As of December 31, 2021, the Company received $700 for net hedging settlements, included in the gains and losses realized on derivative financial instruments on TRM (Representative market rate).

Description	December	
	2021	2020
Realized (loss) in revenue protection strategy[1]	700	(4,175)
Unrealized (loss) gains in gold revenue protection strategy[2]	-	(2,027)
Profit (loss) on derivative financial instruments	**700**	**(6,202)**

(1) Realized loss recognized on the line revenues on the profit or loss statement.
(2) Effect of the variation of hedges, which have been affected by the greater volatility of the exchange rate (COP/USD) compared to previous years

5.4 Capital management

The Company manages its capital to ensure that its subsidiaries can continue to maximize returns to investors and other stakeholders through an optimal balance between net debt and equity. The debt/equity mix has remained at expected levels and in line with the Company's growth strategy.

The capital structure is made up of net debt (loans detailed in Note 29 and cash and cash equivalents in Note 18) and equity (detailed in Note 33).

The Company has determined that the internal rate of return (IRR: the expected compound annual rate of return to be obtained on a project or investment) associated with new projects must be a minimum of 15%; Likewise, it has defined a target leverage (Leverage is the use of debt (borrowed capital) to undertake an investment or project) of a maximum of 3 times the EBITDA (Non-GAAP measure) (Earnings before interest, Taxes, Depreciation and Amortization, is a measure of a company's overall financial performance). For the 2021 and 2020 periods, the leverage level is within the defined range.

VERIFIED

5.5 Objectives of financial risks management

The Mineros treasury manages access to global financial markets, monitors and manages the financial risks related to the group's operations, by analyzing the exposures and the magnitude of the risks associated with each operation; these risks include Market Risk, Credit Risk and Liquidity Risk.

Mineros seeks to minimize the effect of these risks by using derivative financial instruments to hedge exposures. The use of financial derivatives, as well as investments of excess liquidity, are governed by the Board of Directors, under strict compliance with the investment and hedging policy. Mineros does not operate any type of financial instrument, including financial derivative instruments, for speculative purposes.

The Financial Area of Mineros reports monthly to the Board of Directors the status of the exposures and the instruments that are being used to mitigate said risks.

5.5.1 Market risk

Market risk is the risk derived from the fair value of future cash flows changing as a result of fluctuations in market prices, exchange rates and interest rates; the risk is measured through a complete analysis of the markets and the volatilities observed in the prices of assets or liabilities that may, depending on the exposure, affect the company's results. In Mineros, the risks derived from the precious metals market and the risks derived from the foreign exchange market are actively managed.

Mineros' economic activity mainly exposes it to the risk derived from changes in the price of gold and the foreign exchange market, basically the risks derived from fluctuations in the USD/COP. The Company contracts different types of financial derivatives to manage the exposures described above.

There have been no changes in the company's exposures to market risks or in the way these risks are managed and measured.

Sensitivity analysis

The sensitivity analysis evaluates what would be the impact on the company's budgeted results, of a reasonable change in the price of gold in US dollars and of the US dollar against the Colombian peso. This analysis is done with a time horizon of one year and helps to define the hedging strategy in terms of amounts and prices to be covered.

a) The risk of the gold market

Due to its economic activity, the Company sells gold in the international precious metals market. These sales represent close to 95% of the Company's operating income, and consequently, exposure to variations in the price of gold is high.

This risk is managed by contracting OTC derivative financial instruments, whose underlying is the commodity itself, its modality is with delivery and its objective is to reduce the variability of operating income generated by the volatility of the price of gold; Derivatives are not for speculative purposes and are used to guarantee the price of a portion of the planned sales for the following year.

Sensitivity analysis of derivatives on gold

The following tables show the sensitivity of a change in the price of gold, with other constant variables, on revenue, expenses, and equity accounts, considering the use of hedging instruments.

(Expressed in Thousands of United States Dollars)

Year	Gold price variation	Change in revenues from valuation of derivative instruments	Change in expense from valuation of derivative instruments	Change in equity from valuation of derivative instruments
2021	XAUUSD* + 10%	NA	NA	(7,391)
	Close price	NA	NA	(687)
	XAUUSD - 10%	NA	NA	5,640
2020	XAUUSD* + 10%	NA	NA	(12,005)
	Close price	NA	NA	899
	XAUUSD - 10%	NA	NA	10,415

XAU: Philadelphia Gold and Silver Index

b) Risk of foreign exchange rates

100% of the Company's operational risks derive from gold exports, which are priced in US dollars. and, consequently, exposure to changes in exchange rates is significant.

This risk is managed through OTC derivative financial instruments, whose underlying is the USD/COP (TRM-Representative market rate) pair, its modality is with financial settlement and its objective is to reduce the variability of cash flows in pesos that is generated by the volatility of the pair. USD/COP; Derivatives are not for speculative purposes and are used to guarantee the exchange rate of a portion of the currency withdrawals planned for the following year.

Effect of financial instrument on the sensitivity analysis for exchange rate

The following tables show the sensitivity of assets and liabilities, considering the expected exchange rates against the closing rates of entities with a functional currency other than USD (for other companies, the functional currency is USD).

YEAR 2021				
Exchange rate of closing	**3,981.16**			
ASSETS	**USD**	**Thousands of COP**	**Change in FX 7,6%**	**Change in FX (7,6%)**
Petty cash in COP	7	28	1	(1)
Banks	7,032	27,997	534	(534)
Domestic funds	91	7,393	7	(7)
Total assets	**7,130**	**35,418**	**542**	**(542)**
LIABILITIES				
Domestic accounts payable	(10,873)	(43,286)	(826)	826
Loans and other borrowings	(35,633)	(141,861)	(2,708)	2,708
Total liabilities	**(46,506)**	**(185,147)**	**(3,534)**	**3,534**
		Total effect profit or loss	**(2,992)**	**2,992**

(Expressed in Thousands of United States Dollars)

YEAR 2020				
Exchange rate of closing	**3,432.50**			
ASSETS	**USD**	**Thousands of COP**	**Change in FX 5%**	**Change in FX (5%)**
Petty cash in COP	14	48	2	(2)
Banks	9,571	32,852	1,643	(1,643)
Domestic funds	2,031	6,971	349	(349)
Total assets	**11,616**	**39,871**	**1,994**	**(1,994)**
LIABILITIES				
Domestic accounts payable	(15,307)	(52,540)	(2,627)	2,627
Loans and other borrowings	(54,867)	(188,331)	(2,743)	2,743
Total liabilities	**(70,174)**	**(240,871)**	**(5,370)**	**5,370**
		Total effect profit or loss	**(3,376)**	**3,376**

Effect of derivatives on the sensitivity analysis for exchange rate risk on valuation of hedges

The following tables show the sensitivity of a fair value change in the US dollar exchange rate versus the Colombian peso, with other constant variables, on the revenue, expenses, and equity accounts upon the valuation of hedges:

Year	Exchange rate differences USD COP	Change in income from valuation of derivative instruments	Change in expenses from the valuation of derivative instruments	Change in equity from valuation of derivative instruments
2021	USDCOP + 10 %	NA	NA	(4,665)
	Close price	NA	NA	(1,584)
	USDCOP - 10%	NA	NA	1,650
2020	USDCOP + 10 %	NA	NA	509
	Close price	NA	NA	2,913
	USDCOP - 10%	NA	NA	6,657

Interest rate risk is not managed, due to the high cost and the limited offer of financial instruments available to manage this type of risk in the local market. The asset positions of the Company's investment portfolio are used to leverage treasury, for which reason the Company remains invested in local fixed-yield investments.

5.5.2 Credit Risk

The credit risk of the Company originates from the inability of the debtors to comply with their obligations, or from the eventual loss that may occur due to non-compliance with the financial obligations acquired by the issuers of the financial instruments in which the Company has investments. The company has adopted as a policy to only deal with solvent companies. The company's credit exposures and the credit ratings of its counterparties are continuously monitored.

With respect to clients, main debtors, they are evaluated annually in relation to their liquidity and solvency conditions and indicators; The conditions established with the clients for the payment of exports are in cash

VERIFIED

and the amounts thereof are made effective against the delivery of the production to the clients or refineries with whom the company works.

The Company deposits or invests its excess liquidity in first-rate financial institutions, with a minimum rating of A- for international investments and for domestic ones, in issuers with ratings no lower than AA/DP1. Additionally, conservative credit policies are established and the market conditions in which they operate are constantly evaluated, for which it performs quantitative and qualitative evaluations of risk rating for commercial, investment and credit operations.

The company does not have any guarantee to cover the credit risks associated with its financial assets.

Overview of the Company's exposure to credit risk

Credit risk refers to the risk that a counterparty fails to meet its contractual obligations, resulting in a financial loss for Mineros.

As of December 31, 2021 and 2020, the maximum exposure of the company to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the company due to the breach of an obligation by the counterparties and the financial guarantees provided by the group arise from:

- The carrying amount of the respective recognized financial assets, as indicated in the consolidated statement of financial position; Y
- The maximum amount that the Company would have to pay if the financial guarantee is invoked, regardless of the probability that the guarantee will be exercised. For the years 2021 and 2020, the Company did not sign financial guarantees for third parties.

To minimize credit risk, the Company has tasked its CFO to develop and maintain the Company's credit risk ratings to categorize exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the CFO uses other publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

Category	Description	Basis for recognizing expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery	Amount is written off

For trade receivables, the company has applied the simplified approach of IFRS 9 to measure the loss reserve in ECL (Expected Credit Loss) for life. The company determines the expected credit losses on these items through the use of a provision matrix, estimated based on the historical experience of credit loss considering the delinquency of the debtors, adjusted as appropriate to reflect the current conditions and the estimates of future economic conditions.

(Expressed in Thousands of United States Dollars)

However, there is no history at Mineros of losses on its financial instruments given the nature of the transactions performed and the high rating of its counterparty. The amounts receivable for 2021 is $16,191 (2020: $22,225).

5.5.3 Liquidity Risk

Liquidity risk is managed through proper compliance with the company's portfolio and payment policy; The main objective of this task is the adequate management of working capital and the due optimization of the treasury, and it is administered through strict control of the budget, portfolio with clients, commitments acquired with suppliers and interest groups. This management is based on the preparation and control of cash flows, budgets, and projections of maturity of financial liabilities, which are reviewed periodically, allowing the determination of the necessary cash position to meet liquidity needs.

NOTE 6. DISPOSITION OF SUBSIDIARIES

6.1 Disposition of Operadora Minera S.A.S.

On June 5, 2020, the Company completed the sale of its 100% interest in Operadora Minera S.A.S. to Soma Gold Inc (previously called Para Resources Inc), was closed. This represented losing control of such operation.
Gross proceeds of $5,475 was realized on the sale with a recognition of $459 profit as follows:

Item	31/05/2020
Total net interest in Operadora Minera S.A.S.	**5,997**
(-) Royalties receivable	(496)
Selling price	**5,475**
(+) Contingent consideration	496
Total paid	**5,971**
(+) Currency translation adjustment	11
Profit on sale of assets (See note 12)	**459**

The parties also entered into a royalty agreement that includes granting 1% NSR (net smelter return) to Mineros that applies once Operadora Minera S.A.S. produces 17,000 ounces in any of the assets involved in the transaction.

NOTE 7. 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 including the La Pepa project in Chile included in the Segment Chile (La Pepa). The following table provides the Company's results by operating segment in the way information is provided to and used by the Corporation's chief operating decision maker, which is the CEO, to make decisions about the allocation of resources to the segments and assess their performance.

Specifically, reportable segments of Mineros in accordance with IFRS 8 are as follows:

Description	Nechi Alluvial + La Ye Mine	Hemco	Gualcamayo	Chile (La Pepa)	Mineros S.A (Holding)	Others
Products and services	Sale of gold and silver	Sale of gold and silver	Sale of gold and silver	Pre-operative	Sale of gold and silver	Sale of latex and gold (pre-operative)
Type of mining operations	Alluvial and underground mining operation	Underground mining and artisanal mining operation	Open pit and underground mining	Pre-operative	Others	Others
Type of sales	Exports	Exports	Exports	Pre-operative	Exports	Local Sales
Main companies belonging to the segment	Mineros Aluvial S.A.S. BIC Operadora Minera S.A.S.*	Hemco S.A. Vesubio Mining S.A. Rosita Mining S.A. Minerales Matuzalén S.A New Castle Gold Mining S.A Roca Larga Mining, S.A. Distribuidora Caribe Norte S.A.	Minas Argentinas S.A.	Minas Argentinas S.A Mineros Chile SpA Mineros Argentina Holdings BV	Mineros S.A	Negocios Agroforestales S.A.S Minera de Ataco S.A.S

* Includes information until May 31, 2020, date of the disposal of the Operadora.

(Expressed in Thousands of United States Dollars)

7.1 Segment operations

The following is an analysis of the Group's revenue and results, assets, and liabilities by reportable segment in 2021 and 2020:

	2021							
	Nechi Alluvial	**Hemco**	**Gualcamayo**	**Chile (La Pepa)**	**Mineros S.A (Holding)**	**Others**	**Intersegment adjustments and eliminations**	**Total**
Revenue	136,298	237,474	118,554	-	127,924	309	(124,312)	496,247
Participation in subsidiaries	-	-	-	(15,268)	54,423	-	(39,155)	-
Cost of sales	(90,827)	(180,131)	(106,143)	-	(120,559)	(563)	126,939	(371,284)
Gross Profit	**45,471**	**57,343**	**12,411**	**(15,268)**	**61,788**	**(254)**	**(36,528)**	**124,963**
Administration expenses	(2,179)	(3,276)	(2,050)	(852)	(13,385)	(33)	2,407	(19,368)
Exploration expenses	-	(5,708)	(4,290)	(696)	(1,841)	-	-	(12,535)
Recovery (Impairment) of assets	-	15,487	(13,586)	-	-	-	-	1,901
Finance income	380	143	957	-	892	14	(822)	1,564
Finance expense	(1,513)	(2,292)	(4,122)	(1)	(2,036)	(44)	820	(9,188)
							Income Tax	(33,740)
							Profit for the year	43,387

	2020							
	Nechi Alluvial + La Ye Mine[(1)]	**Hemco**	**Gualcamayo**	**Chile (La Pepa)**	**Mineros S.A (Holding)**	**Others**	**Intersegment adjustments and eliminations**	**Total**
Revenue	135,130	220,393	129,293	-	127,536	485	(127,536)	485,301
Participation in subsidiaries	-	-	-	3,168	83,335	-	(86,503)	-
Cost of sales	(81,368)	(151,092)	(98,401)	-	(122,912)	(367	131,800	(322,340)
Gross Profit	**53,762**	**69,301**	**30,892**	**3,168**	**87,959**	**118**	**(82,239)**	**162,961**
Administration expenses	(1,988)	(2,856)	(1,463)	(64)	(11,089)	(25)	1,328	(16,157)
Exploration expenses		(2,038)	(3,476)	(1,830)	(2,633)	-		(9,977)
Recovery (Impairment) of assets		8,695	(7,503)	-	-	-		1,192
Finance income	290	101	512	-	929	10	(748)	1,094
Finance expense	(1,746)	(2,057)	(10,465)	(1)	(2,482)	(54)	8,099	(8,706)
							Income Tax	(42,370)
							Profit for the year	63,655

(1) This segment includes information of Operadora Minera S.A.S. until May 31, 2020, date in which it is made available (See note 6.1)

(Expressed in Thousands of United States Dollars)

	2021							
	Nechi Alluvial	Hemco	Gualcamayo	Chile (La Pepa)	Mineros S.A (Holding)	Others	Intersegment adjustments and eliminations	Total
Property, plant, and equipment	96,033	82,945	60,387	-	2,621	10,145	-	252,131
Total assets	156,725	216,177	156,659	94,001	433,138	10,430	(487,084)	580,046
Total liabilities	(70,175)	(52,555)	(264,102)	(35)	(63,837)	(2,661)	240,851	(212,514)
Additions of PP&E, intangibles and exploration and evaluation projects	13,732	59,952	42,839	-	904	553	(1,045)	116,935

	2020							
	Nechi Alluvial	Hemco	Gualcamayo	Chile (La Pepa)	Mineros S.A (Holding)	Others	Intersegment adjustments and eliminations	Total
Property, plant, and equipment	93,334	67,787	64,157	-	2,850	11,297	-	239,425
Total assets	162,643	180,779	166,053	106,195	420,403	11,530	(505,368)	542,235
Total liabilities	(61,197)	(55,779)	(258,514)	(41)	(104,199)	(2,082)	254,358	(227,454)
Additions of PP&E, intangibles and exploration and evaluation projects	16,792	31,504	37,030	-	2,938	663	(3,381)	85,546

Information about Geographical Areas

The Company sells the metals to foreign customers from each of the geographies (Colombia, Nicaragua, and Argentina).

	2021	2020
Colombia	139,003	135,615
Nicaragua	237,475	220,393
Argentina	119,769	129,293
Total Revenue	**496,247**	**485,301**

(Expressed in Thousands of United States Dollars)

Information about major customers

The following table shows the sales of the four main customers to whom sales of metals were made during the following periods:

Customer	2021	2020
1	108,999	222,352
2	60,335	85,580
3	136,312	53,211
4	184,805	38,599
5	-	31,153
Total sales to customers exceeding 10% of annual metal sales	**490,451**	**430,895**
Percentage of metal sales	**99%**	**89%**

The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 3. These are the figures reported to the CODM for the purpose of resource allocation and assessment of segment performance.

7.2 Other segment information

Non-current assets		
	2021	**2020**
Nechi Alluvial	111,900	103,957
Hemco	181,374	132,356
Gualcamayo	81,665	82,761
Chile (La Pepa)	92,613	102,601
Mineros S.A (Holding)	370,868	360,140
Intersegment adjustments and eliminations	(433,111)	(439,855)
Total non-current assets	**405,309**	**341,960**

Depreciation and amortization for each segment are presented below:

Depreciation and amortization		
	2021	**2020**
Nechi Alluvial + La Ye Mine	11,421	9,558
Hemco	22,555	17,949
Gualcamayo	13,734	12,586
Mineros S.A (Holding)	1,285	760
Others	113	94
Total depreciation and amortization	**49,108**	**40,947**

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(Expressed in Thousands of United States Dollars)

NOTE 8. IMPAIRMENT OF ASSETS

The following is the impairment recorded for each Cash Generating Unit "CGU"

Item	2021	2020
Impairment recovery (See note 8.1)	15,487	8,695
Impairment property, plant, and equipment (See note 8.2)	(11,683)	(6,817)
Impairments, exploration expenses (See note 8.2 y 8.3)	(1,898)	(686)
Impairments, intangibles assets (See note 8.2 y 8.3)	(5)	-
Total	**1,901**	**1,192**

8.1 HEMCO Nicaragua

The determination of impairment recovery for 2021 and 2020 is shown below:

Description	2021	2020
Group of assets subject to impairment assessment	161,828	128,379
Recoverable amount	177,315	137,074
Recovery	**15,487**	**8,695**

The following table shows the detail of impairment in 2021 and 2020:

2021	CGU Balance	Recovery 2021	Adjusted CGU balance
Intangible business combination assets	13,268	15,487	28,755
Property, plant and equipment, exploration and evaluation projects and intangible assets	148,560	-	148,560
Total	**161,828**	**15,487**	**177,315**

2020	CGU Balance	Recovery	Adjusted CGU balance
Intangible business combination assets	5,870	8,695	14,565
Property, plant and equipment, exploration and evaluation projects and intangible assets	122,509	-	122,509
Total	**128,379**	**8,695**	**137,074**

In 2021 and 2020, the Company performed an impairment test, considering the inputs that previously caused impairment in 2019, without finding changes in macroeconomic and political factors in Nicaragua. At the operational level, improvements were evident in the gold production of the mine and gold prices, registering an increase in the projection of ounces of gold during the Life of mine ("LOM"), generating a recovery of the CGU. Value in Use ("VIU") and carrying amount were updated, and an impairment recovery was recognized for $15,487 (2020: $8,695). The discount rate used for the valuation was 14.8% (2020: 17.8%).

The recoverable amount is sensitive to the discount rate and gold prices. The gold price in U.S Dollars used for the Free Cash Flows ("FCF") analysis is between $1,602 and $1,780 (2020: $1,450 and $1,849).

The discounting period was set at 11.1 years (2020: 11.9). Management considers that given the existence of mining plans and long-term budgets, it is suitable to use the Free Cash Flows (FCF) technique for the period of estimation.

(Expressed in Thousands of United States Dollars)

8.2 Gualcamayo

The determination of impairment for 2021 and 2020 is shown below:

Description	2021	2020
Group of assets subject to impairment assessment	104,606	119,244
Recoverable amount	91,020	111,741
Impairment	**13,586**	**7,503**

The following table shows the detail of impairment in 2021 and 2020:

2021	CGU Balance	Total Impairment	Adjusted CGU balance
Property, plant, and equipment	72,070	(11,683)	60,387
Exploration projects	11,707	(1,898)	9,809
Intangible assets, net	31	(5)	26
Other CGU assets, net	20,798	-	20,798
Total	**104,606**	**(13,586)**	**91,020**

2020	CGU Balance	Total Impairment	Adjusted CGU balance
Property, plant, and equipment	70,183	(6,817)	63,366
Exploration projects	7,830	(686)	7,144
Other CGU assets, net	41,231	-	41,231
Total	**119,244**	**(7,503)**	**111,741**

The Company recorded an impairment charge on non-current assets of $13,586 (2020: $7,503) recognized at the Gualcamayo Mine. During the year, the Company performed a review for indicators of impairment at each of the CGU and evaluated key assumptions such as significant reviews to the mining plan including current estimates of recoverable mineral reserves and resources, recent operating results, future expected production based on the reserves, appropriate discount rates, which led to an indicator of impairment of the CGU.

The Company's impairment testing incorporated the following key assumptions: long term gold prices ranging from $1,602 and $1,780 (2020: $1,550 and $1,849) per ounce; LOM estimate of 6 years; and, a pre-tax discount rate of 14.9% (2020: 19.2%), which represented the Company's weighted average cost of capital and which included estimates for risk-free interest rates, market value of the Company's equity, market return on equity, share volatility and debt-to-equity financing ratio.

Management considers that given the existence of mining plans and long-term budgets, it is suitable to use the FCF technique for the period of estimation.

The administration is making all the necessary efforts to guarantee the continuity of the Gualcamayo operation. During 2022, the results of the PEA (Preliminary Economic Study) on the DCP project (Deep Carbonates Project) are expected. This project, in combination with other smaller-scale exploitation alternatives, is part of the continuity plan for this operation.

(Expressed in Thousands of United States Dollars)

8.3 Nechí Alluvial

During 2021 and 2020, there was no impairment of the CGU in Colombia.

8.4 Other segments

During the years 2021 and 2020, the Company concluded that there are no significant changes in the internal and external factors that are evaluated for the determination of impairment in this CGU and, therefore, no impairment or recovery occurred.

NOTE 9. REVENUE

Item	2021	2020
Sales of gold	479,363	479,128
Sales of silver	9,875	6,070
Sales of electric energy	4,495	3,793
Hedging of gold sales (See note 5.3)	700	(4,175)
Other Revenues	1,814	485
Total	**496,247**	**485,301**

The Company derives its revenue from contracts with customers for the transfer of gold and silver at a point in time. This is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 Operating Segments (see note 7).

As described in note 3.5, Mineros recognizes revenue when it transfers control over the sold goods to the customers. The price is established considering the price of gold and silver in international markets where sales are made at the time of the sale.

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

NOTE 10. COSTS OF SALES

This item comprises the following costs:

Item	2021	2020
Direct cost of mining	301,757	257,580
Depreciation and amortization	47,729	40,200
Taxes and royalties	21,798	24,560
Total	**371,284**	**322,340**

NOTE 11. ADMINISTRATION EXPENSES

This item comprises the following expenses:

Item	2021	2020
Payroll expenses	8,561	8,495
Services	8,788	6,440
Depreciation and amortization	1,379	747
Miscellaneous	535	409
Taxes	105	66
Total	**19,368**	**16,157**

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(Expressed in Thousands of United States Dollars)

NOTE 12. OTHER INCOME

This item comprises the following types of income:

Item	2021	2020
Miscellaneous	2,291	2,979
Profit on disposal of asset (See note 6.1)	-	459
Reimbursement of costs and expenses	215	297
Total	**2,506**	**3,735**

NOTE 13. OTHER EXPENSES

This item includes the following expenses:

Item	2021	2020
Miscellaneous (1)	7,233	3,765
Taxes incurred	4,255	6,887
Corporate projects	3,141	6,747
Tax on financial movements	1,330	1,437
Donations	1,116	1,493
Community support	1,053	1,579
Estimated liabilities	778	1,539
Devaluation of investment property	222	-
Total	**19,128**	**23,447**

(1) The variation corresponds mainly to the impairment of obsolete inventories in the Gualcamayo segment for $3,079 and expenses in the HEMCO Nicaragua segment originating mainly from the impact of Hurricane Iota for $1.916 (2020: $-).

NOTE 14. EXPLORATION EXPENSES

This item comprises the following types of exploration and other expenses:

Item	2021	2020
Exploration expenses	11,985	9,016
Disposals, net (See note 25)	550	961
Total	**12,535**	**9,977**

During the year the company expensed in explorations of DCP $1,239 (2020 $711), also invested in the construction of a tunnel for further exploration over the DCP for $ 815 (2020: $944) recognised under the line of Property plant and equipment.

Additionally, expenses were incurred mainly associated with the Luna Roja projects for $2,026 (2020: $814) and regional projects for $2,364 (2020: $438).

The disposition corresponds to the “Santiago” exploration project in Gualcamayo due to metallurgical results for $550 (2020: $652).

(Expressed in Thousands of United States Dollars)

NOTE 15. FINANCE INCOME

This item comprises the following types of income:

Item	2021	2020
Interest	1,393	1,030
Valuation of securities	48	9
Trust rights	123	55
Total	**1,564**	**1,094**

NOTE 16. FINANCE EXPENSES

This item comprises the following expenses:

Item	2021	2020
Interest	8,745	8,196
Bank expenses	261	261
Miscellaneous	182	249
Total	**9,188**	**8,706**

NOTE 17. EARNINGS PER SHARE

Basic and Diluted 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	2021	2020
Profit attributable to controlling interest	$ 43,271	$ 63,372
Weighted average number of outstanding ordinary shares	264,858,236	261,687,402
Earnings per share	**0.16**	**0.24**

Dividends payable

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

Item	2021	2020
Ordinary dividends declared	4,619	3,679
Dividends from prior periods	388	397
Total	**5,007**	**4,076**

(Expressed in Thousands of United States Dollars)

In Colombia, according to minute no. 59 of the Ordinary General Meeting of Shareholders of March 25, 2021, the proposal on the payment of dividends was approved. It decrees an ordinary dividend per share of $0.0154 payable each quarter in the months of April, July, October 2021, and January 2022, between the 10th and 20th days of each month; and an extraordinary dividend per share of $0.0080 for the period of April 2021 - March 2022.

The declared dividends in 2021 totaled $18,799 (2020: $12,457), taken from reserves from previous years, as non-taxable dividends.

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

Item	2021	2020
January 1	4,076	3,850
Dividends declared	18,799	12,457
Dividends declared non-controlling interest	-	266
Dividends paid as advances in prior periods (1)	-	(184)
Effect exchange rate changes	(198)	990
Dividends paid	(17,670)	(13,303)
At December 31	**5,007**	**4,076**

(1) Non-cash transaction for the period

17.1 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 October and November of the previous year. 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 December 31, 2021 are as follows:

	Number outstanding	Weighted average exercise price (COP)
Balance, beginning of year	**1,760,626**	**2,595**
Granted	838,712	3,700
Balance, end of year	**2,599,338**	**3,010**

(Expressed in Thousands of United States Dollars)

The estimated grant date fair value of the SARs granted during year ended December 31, 2021 was calculated using the Black&Scholes option-pricing model with the following weighted average assumptions:

	Granted in 2021	Granted in 2020	Granted in 2019
Risk-free interest rate	7.28%	6.78%	6,04%
Expected annual volatility	30%	30%	30%
Expected life (in years)	4.23	3,39	2,14
Expected dividend yield	7%	7%	7%
Grant date fair value per SAR (COP)	1,046	613	1,199
Share price at grant date (COP)	4,095	3,248	3,193

The Company recognized share-based payments for $440 (2020: $511).

The following summarizes information about SARs outstanding and exercisable at December 31, 2021:

Expiry date	Exercise price (COP)	SARs outstanding	SARs exercisable	Estimated fair value ($)	Weighted average remaining contractual life (in years)
February 20, 2024	1,999	974,148	-	$220	2.14
May 20, 2025	3,332	786,478	-	50	3.39
March 25, 2026	3,700	838,712		23	4.23
Total	**3,010**	**2,599,338**	**-**	**$293**	**3.19**

The value of the share-based payment liability amounts to $440 and is being disclosed as an employee benefit (see note 31).

NOTE 18. CASH AND CASH EQUIVALENTS

The following is the breakdown of cash and cash equivalents:

Item	2021	2020
Bank deposits (US dollars)	43,381	$ 51,942
Foreign currency national banks	11,609	9,571
Collective investment fund (*)	8,093	2,031
Petty cash	23	30
Bank funds	24	24
Total	**63,130**	**63,598**

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

These accounts have average yields of 0.34% (2020: 2.04%). To date there is no restricted cash.

The following transactions did not generate cash outflows

- Additions of assets for rights of use for $5,213, ARO(Asset Retirement Obligation) for $3,111 and leaseback operation for $ 1.257 (see note 28).

(Expressed in Thousands of United States Dollars)

- Investment in associates for $5,287 (see note 27).
- Capitalization of assets under construction for $ 11.254.
- Portfolio investments at fair value for $$1,934 (see note 5.2) and royalties for $1,487 (see note 21).

NOTE 19. TRADE AND OTHER RECEIVABLES

The carrying amount of trade receivables and other receivables is as follows:

Item	31/12/2021	31/12/2020
Trade accounts receivable:		
International Clients (1)	10,580	13,836
Local Clients	14	-
Total trade accounts Receivable	**10,594**	**13,836**
Other accounts receivable:		
Employee loans (2)	2,176	2,745
Other debtors and advance payments (3)	3,421	5,644
Total	**5,597**	**8,389**
Trade and other receivables	**16,191**	**22,225**
Current portion	14,348	19,811
Non-current portion	1,843	2,414

(1) Trade accounts receivable are billed in U.S. dollars. They are current and become due within less than 30 days. They do not generate interest and have no specific guarantees. Upon adoption of IFRS 9, the Company applied the expected credit loss model based on lifetime credit loss. However, given the historical behavior of receivables collection within less than 30 days, application of the model did not indicate the need for the Company to recognize any provisions on its trade receivables. The Company applies the practical expedient of IFRS 9 in recording expected credit losses.

(2) The following are details of loans granted to employees:

Type of loan	2021	2020
Housing (conventional and employees)	1,830	$ 2,229
Other loans to workers and employees	146	301
Family emergency (conventional and employees)	185	196
Vehicles	15	19
Total	**2,176**	**$2,745**

For loans to employees, impairment is evaluated using the expected credit loss model, to reflect:

- A weighted probability amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable information that is available without disproportionate cost or effort on the date of presentation about past events, current conditions, and forecasts of future economic conditions.

Additionally, at the time of initial recognition, the Company evaluates and takes into consideration the risk or probability of a credit loss occurring.

Annually the Company evaluates the credit risk and calculates the expected credit loss. In the case of loans to employees, application of such model did not indicate the need to recognize any provisions, considering that long-term loans correspond to housing loans backed by mortgages in favor of the Company, under which the value of the expected loss would be offset by the recoverable value from exercising the guarantee.

(Expressed in Thousands of United States Dollars)

(3) It mainly includes receivables on energy sales for $593 (2020 $418), advance of guarantee on hedging operations for $455 (2020$: 2,707) and advances of expenses and costs for $1,442 (2020 $1,207).

As in the case of other accounts receivable, the Company applied the expected credit loss model. Application of the model did not indicate the need for the Company to recognize a provision on its other debtors and advance payments.

NOTE 20. INVENTORIES

The value of inventories is broken down below:

Item	2021	2020
Ore Stockpiles (1)	41,147	47,716
Materials and spare parts	43,801	38,137
Total	**84,948**	**85,853**
Current portion	60,543	64,621
Non-current portion	24,405	21,232

(1) The decrease in inventories of minerals in process is associated with the production of Minas Argentinas S.A.

During 2021 and 2020 obsolete inventories for Colombia ($98 and $138), Nicaragua ($267 and $487) and Argentina ($3,079 and $ -) were written off, respectively.

NOTE 21. INVESTMENTS

	2021	2020
Investments in equity instruments designated as at FVTOCI		
Shares (1)	6,993	4,319
Sub-total	**6,993**	**4,319**
Financial assets measured at FVTPL		
Tax refund securities(2)	-	$ 1,473
Other financial assets	98	90
Other investments(3)	2,347	916
Sub-total	**2,445**	**2,479**
Total	**9,438**	**6,798**
Current investments	98	1,563
Non-current investments	9,340	5,235

(1) Investments in shares are equity instruments mainly in the non-listed company Unipalma del Llano S.A. These investments in equity instruments are not held for trading, but for medium to long-term strategic purposes.

Accordingly, the Company has elected to designate these investments in equity instruments as at FVTOCI, considering that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes and realizing their performance potential in the long run.

VERIFIED

(Expressed in Thousands of United States Dollars)

(2) Securities issued by the Ministry of Finance as a mechanism to refund tax-related balances, which constitute domestic public debt and are freely negotiable.

(3) It mainly corresponds to the agreement with Soma Goad Inc. for the sale of Operadora Minera, which entitles Mineros to receive a royalty payment of 1% on production, once Operadora Minera produces 17,000 ounces in any of the assets involved in the transaction.

As of December 31, 2021 and 2020, the asset is valued at $2,303 (2020: $892).This asset is measured at fair value using a discount rate of 8.09% (2020: 8.2%), spot gold prices between $1,780 and $1,602 (2020: $1,770 and $1.849); and production between 8,802 and 41,245 (2020: 14,331 and 22,624).

A reconciliation of the royalty receivable balance is as follows:

	2021	2020
Initial recognition	$892	$512
- payments	(76)	
Fair value royalty	1,487	380
Total	**2,303**	**892**

NOTE 22. TAXES

22.1 Current tax

22.1.1 Assets: Income tax receivables and other tax receivables

Other tax receivable balances are as follows:

Item	2021	2020
VAT(1)	19,098	28,647
Financial transaction tax	756	607
Municipal tax	689	530
Total	**20,543**	**29,784**
Current portion	20,210	29,192
Non- current portion	333	592

Item	2021	2020
Income tax receivables	4,045	5,189
Total	**4,045**	**5,189**

(1) Net balance of provisions

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.

(Expressed in Thousands of United States Dollars)

22.1.2 Liabilities: Income tax and other taxes

Liabilities show the net balance owing by the Company for the taxes in each country of operation, pursuant to the applicable tax framework in each nation, as described in detail in Note 22.4 of these consolidated financial statements. The breakdown of liabilities is as follows:

Item	2021	2020
Municipal taxes	3,883	1,334
VAT	25	74
Total	**3,908**	**1,408**

Item	2021	2020
Income tax	14,354	27,851
Prior year income tax (1)	6,250	-
Total	**20,604**	**27,851**

(1) The variation corresponds to the recognition of works for taxes in the Nechi Alluvial segment. See note 23.

Current and deferred income tax

The following is a breakdown of the current and deferred taxes recorded in the statement of income:

Item	2021	2020
Income tax (1)	29,558	38,443
Prior period adjustments	(1,203)	(294)
Subtotal current	**28,355**	**38,149**
Deferred tax expense(2)	5,385	4,221
Total current and deferred tax expense	**5,385**	**4,221**
Total income tax expense	**33,740**	**42,370**

(1) Corresponds to the decrease in the Group's profit during 2021; in addition to the tax loss generated in Mineros SA and Negocios Agroforestales on which income tax is being calculated based on presumptive income with a 0% rate in accordance with tax guidelines.

(2) Increase in deferred taxes is mainly explained by the effect of Colombian Law 2155 of September 14, 2021, which increases the nominal income tax rate from 30% to 35%, effective on January 1, 2022. Deferred taxes were also affected by the change of functional currency in Mineros S.A. and Mineros Alluvial S.A.S. due to changes in the recorded value of property, plant and equipment and other assets and by tax shields used in Gualcamayo, tax inflation adjustments, adjustment on temporary accounts and write-offs of fixed assets in Gualcamayo.

(Expressed in Thousands of United States Dollars)

22.2 Deferred tax

The deferred income tax is as follows:

Item	2021	2020
Initial balance asset	4,612	13,751
Taxes movement	(84)	(9,139)
Total deferred tax asset	**4,528**	**4,612**
Initial balance liabilities	(10,442)	(17,003)
Taxes movement	(4,299)	6,561
Total deferred tax liability	**(14,741)**	**(10,442)**
Total deferred tax (net)	**(10,213)**	**(5,830)**

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

Item	Property, plant and equipment	Other Assets	Financial Obligations	Other Liabilities	Total
Total 31/12/2019	**(33,170)**	**15,866**	**7,540**	**6,512**	**(3,252)**
(Charge) credit to the statement of profit & loss	7,007	(10,197)	(771)	(260)	(4,221)
(Charge) credit to other comprehensive income	78	62	(28)	(8)	104
Currency translation effect	1,402	304	(18)	(149)	1,539
Total 31/12/2020	**(24,683)**	**6,035**	**6,723**	**6,095**	**(5,830)**
(Charge) credit to the statement of profit & loss	3,851	(12,897)	2,311	1,350	(5,385)
(Charge) credit to other comprehensive income	(1,853)	(193)	1,021	(171)	(1,196)
Currency translation effect	1,879		331	(12)	2,198
Total 31/12/2021	**(20,806)**	**(7,055)**	**10,386**	**7,262**	**(10,213)**

VERIFIED

(Expressed in Thousands of United States Dollars)

22.3 Effective rate

The effective income tax amount differs from the amount obtained by applying the applicable nominal rate in accordance with actual regulations. The following is the reconciliation between the tax expense and the product of the accounting profit multiplied by the applicable tax rates:

Item	2021	Rate	2020	Rate
Net income	43,387		63,655	
Income tax	33,740		42,370	
Profit before taxes	**77,127**		**106,025**	
Income tax applying the Company's statutory tax rate	23,909	31%	33,929	32%
Effect of tax rates in foreign jurisdictions	597	1%	(1,229)	-1%
Non-deductible/non-taxable income	351	0%	302	1%
Tax incentives	(168)	0%	(186)	0%
Temporary differences	5,385	7%	4,221	4%
Income tax adjustment previous years	(1,203)	-2%	(295)	0%
Presumptive income tax	4,555	6%	5,823	5%
Currency translation effect	314	1%	(195)	0%
Income tax	**33,740**	**44%**	**42,370**	**41%**

There are no unrecognized tax losses during the reporting periods.

22.4 Amount of taxable temporary differences in subsidiaries for which no deferred tax liability was recognized is recognized:

The Company has investments in subsidiaries over which it does not recognize deferred tax liabilities, since at the date of the report the Company does not have plans for selling these investments in the foreseeable future nor are dividends from such investments taxed in Colombia. The unrecognized deferred tax liabilities are:

Company	2021	2020
Minas Argentinas S.A.	61,091	68,470
Hemco S.A.	115,046	87,149
Mineros Aluvial S.A.S. BIC	48,766	68,686
Negocios Agroforestales S.A.S. BIC.	1,295	1,939
Minera de Ataco S.A.S.	19	22

In accordance with IAS 12, no deferred tax was recorded since management can control the future moment in which such differences are reversed and this is not expected to occur in the foreseeable future.

22.5 Tax aspects

22.5.1 Tax Framework in Colombia

The most relevant tax in Colombia consists of income tax.

Income Tax: The Company is subject to a current tax rate of 31% (2020: 32%). The company for the year 2021 considers a presumptive income base of 0% (2020: 0.5%).

Tax reform in Colombia

The tax provisions applicable to the Companies in Colombia establish that the income tax for the taxable year 2021 must be settled at a general rate of 31% with respect to the net income determined by the taxpayer. Likewise, as of the taxable year 2021, it is established that the percentage of presumptive income will be 0%, so that for this year the recognition of income tax under this system is not applicable.

Additionally, from the entry into force of Law 1819 of 2016, for purposes of determining income tax, it was regulated that the value of assets, liabilities, equity, income, costs and expenses must be determined in accordance with the acknowledgment and measurement systems, in accordance with the accounting regulatory technical frameworks in force in Colombia - NCIF, when the tax law expressly refers to them and in cases in which it does not regulate the matter, without prejudice to the exceptions provided in the standard, in accordance with the provisions of article 4 of law 1314 of 2009.

As for the tax losses determined from the taxable year 2017, these may be offset with liquid income obtained within the following twelve (12) years. While the term to compensate excess presumptive income will continue to be five (5) years. These tax credits may not be fiscally readjusted.

Notwithstanding the foregoing, it is appropriate to point out that as of taxable year 2019, the tax regime for dividends or shares received by foreign companies and entities and by resident natural persons, as well as by non-residents, was modified.

In accordance with the foregoing, if in accordance with the provisions of articles 48 and 49 of the Tax Statute, the dividends or participations are distributed as taxed, the following treatment must be applied by the person who receives them (if it corresponds to distribution of profits generated from the year 2017):

Resident Natural Persons: Dividends taxed at the rate of 31%, plus an additional percentage once the tax has been reduced at the rate of 31%; percentage that depending on the amount of the dividends will be 0% or 10%. If, on the other hand, the dividends, or shares subject to distribution have the quality of income that does not constitute income or occasional profit, the amounts to be distributed will be taxed for the person who receives them at a rate of 0% or 10%. of distribution have the quality of income that does not constitute income or occasional profit, the amounts to be distributed will be taxed for those who receive them at a rate of 7.5%.

Non-residents: Dividends taxed at a rate of 35% plus an additional 10% once the tax settled at the rate of 35% has been reduced. If, on the other hand, the dividends, or shares subject to distribution have the quality of income that does not constitute income or occasional profit, the amounts to be distributed will be taxed for the person who receives them at a rate of 10%.

22.5.2 Tax Framework in Nicaragua

The Company HEMCO Nicaragua SA is subject to the payment of income tax at a rate of 30% of the taxable income, and the surface fees are considered income tax advance payments for the period.

In accordance with the Tax Concertation Law (Law 822) and its regulations, in Nicaragua the income tax to be paid will be the highest amount resulting from comparing the income tax at the rate of 30% applicable to the taxable income, and the minimum payment determined on 1% of total gross income.

22.5.3 Tax Framework in Argentina

On December 29, 2017, Law No. 27,430 on Tax Reform was published in the Official Gazette, which entered into force the day after its publication. One of the main changes in the tax reform is the reduction of the income tax rate levied on undistributed business profits from 35% to 25% as of January 1, 2020, with a transition scheme for exercises between January 1, 2018 and December 31, 2019, in which the rate will be 30%.

The main accounting impact of the new regulations is the measurement of deferred tax assets and liabilities, since these must be recognized by applying the tax rate that will be in force on the dates on which the differences between the accounting and tax values will be reversed or used.

Pursuant to the provisions of the penultimate paragraph of article 95 of the Income Tax Law (paragraph incorporated by Law No. 27,430 in force for fiscal years or fiscal years beginning on or after January 1, 2018 inclusive), the called Adjustment for Inflation contemplated for the determination of said tax will be applicable in the fiscal year in which a percentage of variation of the general level consumer price index (CPI) accumulated in the thirty-six (36) months prior to the closing is verified. of the year in question, greater than one hundred percent (100%).

Without prejudice to this, the last paragraph of the aforementioned article 95 (incorporated into the legal text by art. 3 of Law No. 27,468 -BO04/12/18) specifically provides that for the first, second and third fiscal years from its effective date, the Tax Inflation Adjustment will be applicable in the event that the variation of that index, calculated from the beginning and until the closing of each one of those fiscal years, exceeds fifty-five percent (55%), thirty percent (30%) and fifteen percent (15%) for the first, second and third year of application, respectively.

In accordance with the provisions, the interannual variation for the period December 2018 to December 2019 amounts to 53.8%, so that, when said condition is met, the application of the adjustment for inflation in the Income Tax for the fiscal period 2019 becomes effective for the Company.

On the other hand, the interannual variation for the period December 2019 to December 2020 amounts to 36.14%, therefore, the application of the adjustment for inflation in the Income Tax for the fiscal period 2020 also corresponds.

Finally, the year-on-year variation for the period December 2020 to December 2021 amounts to 50.95%, therefore, the adjustment for inflation in the Income Tax for the fiscal period 2021 is also applicable.

On December 23, 2019, Law No. 27,541, Law of Social Solidarity and Productive Reactivation in the framework of the public emergency, was published in the Official Gazette. It established a modification in article 194 of the aforementioned law, which provided that the adjustment for tax inflation corresponding to the first and second fiscal years beginning on January 1, 2019 must be imputed a sixth in that fiscal period, and the five remaining sixths, in equal parts, in the five immediately following fiscal periods. Additionally, the aforementioned law suspended, until fiscal years beginning on or after January 1, 2021, the provisions of article 86, subsections d) and e) of Law 27,430. Therefore, for the fiscal year closed on December 31, 2020, the Income Tax rate will continue to be 30%, the same as in the fiscal year closed on December 31, 2019.

On June 16, 2021, Law No. 27,630 was published in the Official Gazette, which modifies the Income Tax rates applicable to companies for fiscal years beginning on or after January 1, 2021. By means of said modification, the fixed rate of 25% is replaced, establishing a progressive rate scheme that varies from 25%

VERIFIED

to 35% according to the accumulated net income of said subjects, applicable to fiscal years beginning on or after January 1, 2021.

In addition, by means of the aforementioned Law, the 7% withholding rate for dividend distributions is permanently extended.

As of the date of issuance of these financial statements, the Company has applied the amendments of said law.

Exchange and Export Duty Law in Argentina

a) Export duty

In 2002, as an emergency measure, Argentina approved a 5% export duty on certain mineral products, including gold. At the time, the duty was described as "temporary". The export of gold doré from Gualcamayo was subject to this 5% export duty from the start of operations in March 2009 until December 20, 2015, when the duty was repealed by the Argentine government. On September 3, 2018, after a significant depreciation of the Argentine peso, the Argentine government reinstated customs duties on all exports from Argentina until December 31, 2020. As a result, gold doré exports are subject to a 12% duty, capped at ARS 4.00 per exported dollar, resulting in an effective exchange rate of around 10.5% at current exchange rates.

In December 2019, the National Government enacted Law 27,541, which modified export duties to 8% until December 2020. Through Decrees of the National Executive Branch, the 8% export duty was extended until December 31, 2023.

b) Foreign Exchange regulations

Executive Decree 609/2019 (Decree No. 609/19), modified by Executive Decree No. 91/19, which provides foreign currency from exports of goods and services will be transferred to the Argentine financial system and/or exchanged in the market under the terms and conditions that the Argentine Central Bank (Central Bank of the Republic of Argentina or "BCRA") you can set. In addition, it gives the BCRA powers to regulate cases of transfers abroad, as well as purchases of foreign currency and precious metals that require its authorization before having access to the market. The BCRA is also empowered to establish regulations to prevent practices and transactions intended to circumvent the provisions of the executive order through sovereign bonds or other instruments.

On December 28, 2019, the Argentine Government modified article 1 of Decree 609, expanding the obligation to liquidate asset positions in foreign currency through the official local foreign exchange market established for an indefinite period. To date, the restrictions to access the foreign exchange market applicable to the Company are as follows:

Export of goods

Export revenues in foreign currency from merchandise exports will be entered and settled in the free market within a period of five business days from the date of collection.

The exporting company must designate a financial entity to track each export transaction. The obligation to settle foreign currency in the free market is considered extinguished when the financial institutions certify the completion of the settlement transaction in the local market.

Import payments and other foreign purchase transactions

Access to the free market to pay for principal and interest of imports of goods and supplies is allowed under certain specific conditions. The Company, through financial entities, may access to the free market for foreign debt payment related to guarantees or collaterals for importing goods and for the payment of credit lines opened for importing purposes to the extent that the specific conditions set forth in the foreign-exchange regulations are met.

Exceptions for the obligations to settle foreign currency using the free market for the proceeds of exports of goods and services, foreign debt in the free market

It will not be mandatory the settlement of foreign currency in the free market originated from exports and foreign debt, if they comply with the following conditions:

i. The foreign currency funds are credited to foreign currency denominated accounts that the individual or legal entity (i.e., the Company) holds in local financial entities;
ii. The funds are transferred to said accounts within the established deadlines mentioned above;
iii. The funds will be used simultaneously for transactions for which current foreign-exchange regulations allow access to the free market against local currency; and,
iv. The use of this alternative is tax neutral.

Foreign financial debt

In order to cancel the capital and interest of the financial debt in foreign currency, the original capital of these debts must have been settled in the free market in accordance with the terms and conditions required by the BCRA. Additionally, it is required that said operations be registered in the "Survey of Foreign Assets and Liabilities". In addition, the BCRA is required to formally approve access to free market for such payments at least three business days in advance of the payments.

Payment of dividends

The payment of dividends to non-resident shareholders is granted without the approval of the BCRA if the entity meets certain requirements, such as the dividends are derived from audited financial statements, the amount does not exceed certain limitations, the Company complies with the presentation of the "Survey of External Assets and Liabilities", and meets any of the following situations:

i) Records direct investment contributions as of January 17, 2020, complying with certain ratios
ii) Profits generated in projects framed in the GAS Plan
iii) Has a certification of increased exports of goods

Payment for services provided by non-residents

Entities may have access to the free market for the payment of services provided by non-residents if such services are duly notified in the form of foreign assets and liabilities ("Relevamiento de Activos y Pasivos Externas" under its Spanish name). In addition, if the entity decides to pay for such services before their due date, it must receive prior approval from the BCRA to access the MELI. Such approval will be required for all related party payments.

Additional general rulings applicable to payments in foreign currency (BCRA's Communiqué No. "A" 7030, as amended)

In order to access free market for the payment of imports of goods or services, dividends, financial debt and others, financial institutions will require the client to comply with additional requirements, among others:

(i) On the day you request access to the free market and in the previous 90 consecutive days, you must not have made sales of securities with settlement in foreign currency or transfers thereof to depository entities abroad.
(ii) undertakes not to sell securities settled in foreign currency or to transfer them to depository entities abroad from the moment access is requested and for the following 90 consecutive days.
(iii) Have a sworn statement detailing the individuals or legal entities that exercise a direct control relationship over the Company.

Other requirements refer to access to the free market for the payment of the principal and interest of any type of external debt with a maturity date before March 19, 2020, where the formal approval of the BCRA will be required, or the requirement to disclose to the financial entity that the debtor does not have funds in accounts in foreign currency abroad.

Additional general rulings applicable to repayments of financial borrowings in foreign currency (BCRA's Communiqués No "A" 7106 and 7230)

Companies that maintain financial debts in foreign currency with companies that belong to jurisdictions outside of Argentina, with monthly maturities greater than 1,000, must renegotiate the repayment conditions with such creditors under the terms established in this new regulation.

The Regulation indicates that those who require access to the foreign exchange market for the payment of the principal of certain financial debts due between October 15, 2020, and March 31, 2021 must submit to the BCRA a detailed refinancing plan based on the following criteria:

a) The net amount for which the foreign exchange market could be accessed in the initial conditions will not exceed 40% of the amount of the principal owed.

b) The rest of the capital must be refinanced with a new external debt with an average duration of two years.

The refinancing plan for the financial debt due until December 31, 2020, had to be submitted to the Argentine Central Bank before September 30, 2020. For maturities between January 1, 2021, and March 31, 2021, the plan must be submitted at least 30 calendar days before the maturity of the principal to be refinanced.

The refinancing plan is not necessary for:

i) Indebtedness with international organizations or their associated organizations or guaranteed by them.

ii) Indebtedness granted to the debtor by official credit agencies or guaranteed by them; or

iii) in cases where access to the foreign exchange market is granted for the repayment of the principal of said indebtedness in an amount not exceeding the equivalent of 1,000 per calendar month.

Based on the analysis of the restrictions established by the BCRA for access to foreign exchange market management, it is understood that the most significant impact refers to the repayment conditions of the loan between MASA companies maintained with the Business, specifically from the publication of Communication No. 7,106 which refers to the repayment of the principal of offshore loans in USD.

(Expressed in Thousands of United States Dollars)

NOTE 23. OTHER ASSETS

The details of this item are shown below:

Item	2021	2020
Prepaid expenses	4,197	4,893
Other assets	124	76
Works for taxes (1)	6,250	-
Total	**10,571**	**4,969**

(1) It corresponds to the second stage of rehabilitation, improvement and paving of the Escarralao - El Jobo highway, which will be carried out with the resources that were earmarked for the 2020 Mineros Alluvial income tax.

NOTE 24. INVESTMENT PROPERTY

The following is a breakdown of investment property and their movements:

Item	2021	2020
Balance as of January 1	2,441	2,441
Impairment	(222)	-
Total	**2,219**	**2,441**

The fair value of investment property for 2021 and 2020 was obtained through a technical formal appraisal, which used comparable market prices. In 2021, the Company recognized an impairment of $222 (2020: nil).

	Level 1	Level 2	Level 3	Fair value at 31/12/2021
Land (Barú Cartagena)		2,219		2,219

	Level 1	Level 2	Level 3	Fair value at 31/12/2020
Land (Barú Cartagena)	-	2,441	-	2,441

(Expressed in Thousands of United States Dollars)

NOTE 25. EXPLORATION AND EVALUATION PROJECTS

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

Description	Segment	2021	2020
Hem Jv Rrm Luna Roja (see note 1)	Hemco Nicaragua	24,462	-
Exploracion Vesubio	Hemco Nicaragua	15,933	12,714
Proyecto Pluto Sw 850	Hemco Nicaragua	4,885	2,283
Elefante Ii	Hemco Nicaragua	4,402	3,368
Target D	Gualcamayo	2,991	2,675
Qddlw	Gualcamayo	2,028	1,360
Las Vacas	Gualcamayo	1,958	1,324
Mas Aim - Y Alrededores	Gualcamayo	941	-
Qddm	Gualcamayo	578	272
Preg Robbin Fase II	Gualcamayo	421	503
Ataco	Mineros S.A. Holding	433	434
Preg Robbin Fase I	Gualcamayo	346	413
Viabilizacion Ambiental Etapa 2	Nechi Alluvial	960	216
Alaya	Gualcamayo	546	-
Cuerpo Santiago	Gualcamayo	-	550
Total		**$ 60,884**	**$ 26,112**

The following are the movements of mining exploration and evaluation projects:

Description	2021	2020
Cost on January 1	26,112	26,292
Additions	37,853	13,085
Transfers to/from other accounts (-/+)	(633)	(11,400)
Disposals, net (-)	(550)	(961)
Impairments (See note 8.2)	(1,898)	(686)
Currency translation adjustment	-	(218)
Total	**60,884**	**26,112**

NOTE 26. INTANGIBLE ASSETS, NET

The following are details of the cost of intangible assets:

Type of the intangible	2021	2020
Exploitation and development projects (1)	11,426	16,734
Mineral resource assets (2)	28,755	14,485
Projects of modernization I.T	7,090	8,678
Total	**47,271**	**$39,897**

VERIFIED

(Expressed in Thousands of United States Dollars)

The movement of intangible assets net is:

YEAR 2021				
Description	**Exploitation and development projects**	**Mineral resource assets(1)**	**Software and software applications**	**Total**
Initial balance	**16,734**	**14,485**	**8,678**	**39,897**
Additions	-	-	1,182	1,182
Reversal of impairment losses (See note 8.1)	-	15,487	-	15,487
Transfers to other accounts (-/+)	(2,928)	-	(12)	(2,940)
Disposals, net (-)	(67)	-	(889)	(956)
Impairment	-	-	(5)	(5)
Amortization	(5,245)	(1,217)	(1,864)	(8,326)
Net final balance	**8,494**	**28,755**	**7,090**	**44,339**
Cost at December 31, 2021	18,253	32,957	12,100	63,310
Accumulated depreciation at December 31, 2021	(9,759)	(4,202)	(5,010)	(18,971)
Intangible assets at December 31, 2021	**8,494**	**28,755**	**7,090**	**44,339**

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

YEAR 2020				
Description	**Exploitation and development projects**	**Mineral resource assets (1)**	**Software and software applications**	**Total**
Initial balance	**11,027**	**8,058**	**6,462**	**25,547**
Additions	13	-	4,532	4,545
Recovery of impairment losses (See note 8.1)	-	8,695	-	8,695
Transfers to other accounts (-/+)	9,637	-	39	9,676
Transfer (-/+)	(231)	-	-	(231)
Amortization	(3,713)	(2,268)	(1,170)	(7,151)
Currency translation effect	1	-	(1,185)	(1,184)
Net final balance	**16,734**	**14,485**	**8,678**	**39,897**
Cost at December 31, 2020	23,977	17,469	13,430	53,446
Accumulated depreciation at December 31, 2020	(7,243)	(2,984)	(4,752)	(13,549)
Intangible assets, net at December 31, 2020	**16,734**	**14,485**	**8,678**	**39,897**

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

The amortization period of intangibles is as follows:

Description	**Useful life**
Exploitation and development project	5 – 6 years
Software and software applications	5 years
Mineral resource assets	14 years

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(Expressed in Thousands of United States Dollars)

NOTE 27. INVESTMENT IN ASSOCIATE

Mineros SA, through its subsidiary, Mineros Chile SpA ("Mineros Chile"), has acquired shares representing 20% of the issued capital of Minera Cavancha SpA ("Minera Cavancha"), the holder of 100% of the La Pepa Project. Concurrently, Mineros Chile, Minera Yamana Chile SpA ("Minera Yamana"), a subsidiary of Yamana Gold Inc. ("Yamana"), and Minera Cavancha entered into a shareholder's agreement dated December 20, 2021 including, amongst other things, the La Pepa Project. The acquisition and the signing of the Shareholders' Agreement of La Pepa are preceded by the exercise of the Option to acquire a 20% stake in the La Pepa Project notified by the Company to Yamana on June 25, 2021.

The Company has the option to obtain an additional 31% share interest (for a total interest of 51%) in the La Pepa Project, subject to the completion of an additional investment and the satisfaction of other conditions, and subsequently acquire the Yamanas remaining 49% stake in Minera Cavancha at fair market value.

The following is the detail of the participation in the net equity and in the results of the year, of the associate:

Investment	Investment value	Results value
	2021	2021
Minera Cavancha SpA	$ 5,287	$ 5,287

Mineros determined the fair value of the assets acquired, following the guidelines of IFRS 13, and the difference between the cost of the investment and the entity's share of the net fair value of the identifiable assets and liabilities of Minera Cavancha, was accounted for in the carrying amount of the investment (See note 3.1):

Total fair value of net assets and liabilities	**26,436**
Participation over the total fair value of net assets and liabilities (20%)	*5,287*
Consideration transferred	-
Bargain purchase gain	5,287

The balances reported by the associate are detailed below:

Company	2021				
	Asset	Liabilities	Equity	Non-controlling interest	Profit / loss
Minera Cavancha SpA	25,195	(9)	(25,186)	-	-
Total	**25,195**	**(9)**	**(25,186)**	**-**	**-**

The movement investment in associate is as follows:

Description	2021
Opening	-
Acquisition of participation	5,287
Closing Balance	**$ 5,287**

(Expressed in Thousands of United States Dollars)

NOTE 28. PROPERTY, PLANT AND EQUIPMENT, NET

The movement of property, plant and equipment is as follows:

2021					
	Land and buildings	Machinery, plant and equipment	Constructions in progress	Plantations	Total
Initial balance	76,846	135,180	20,274	7,125	239,425
Additions	2,173	5,424	64,578	512	72,687
Additional liabilities for new leases	-	5,213	-	-	5,213
Transfer (-/+)	34,175	27,523	(61,698)	-	-
Transfers to other accounts (-/+)	2,568	718	(1,357)	(49)	1,880
Disposals, net (-)	(87)	(532)	(2,647)	(15)	(3,281)
Depreciation	(20,600)	(29,962)	-	(52)	(50,614)
Impairment	(10,128)	(1,231)	(324)	-	(11,683)
Currency translation adjustment	(565)	(10)	81	(1,002)	(1,496)
Net final balance	**84,382**	**142,323**	**18,907**	**6,519**	**252,131**
Cost at December 31, 2021	130,525	247,549	18,907	6,711	403,692
Accumulated depreciation at December 31, 2021	(46,143)	(105,226)	-	(192)	(151,561)
Property, plant and equipment at December 31, 2021	**84,382**	**142,323**	**18,907**	**6,519**	**252,131**

2020					
	Land and buildings	Machinery, plant, and equipment	Constructions in progress	Plantations	Total
Initial balance	61,478	147,954	25,250	6,754	241,436
Additions	7,126	5,577	41,050	663	54,416
Additional liabilities for new leases	-	13,500	-	-	13,500
Revaluation of assets	1,799	-	-	-	1,799
Transfer (-/+)	15,690	25,795	(41,485)	-	-
Transfers to other accounts (-/+)	7,268	(22,298)	(11)	-	(15,041)
Disposals, net (-)	(21)	(747)	(2,305)	-	(3,073)
Depreciation	(8,329)	(29,407)	(78)	(36)	(37,850)
Impairment (See note 8.2)	(5,239)	(1,833)	(23)	-	(7,095)
Currency translation adjustment	(2,926)	(3,361)	(2,124)	(256)	(8,667)
Net final balance	**76,846**	**135,180**	**20,274**	**7,125**	**239,425**
Cost at December 31, 2020	99,600	218,358	20,274	7,242	345,474
Accumulated depreciation at December 31, 2020	(22,754)	(83,178)	-	(117)	(106,049)
Property, plant, and equipment, net at December 31, 2020	**76,846**	**135,180**	**20,274**	**7,125**	**239,425**

In 2021, no appraisals were made, since market conditions did not have a change that would impact the fair value of the assets. The fair value appraisals of the company's land and buildings as of December 31, 2020, were made by independent appraisers not related to the company.

The fair value of the land was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

The fair value of the buildings was determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.

(Expressed in Thousands of United States Dollars)

There has been no change to the valuation technique during the year.

Details of the Company's land and buildings and information about the fair value hierarchy at the end of the reporting period are as follows:

	Level 1	Level 2	Level 3	Fair value at 31/12/2021
Land	-	12,281	-	12,281
Construction and buildings	-	70,400	-	70,400
Total	**-**	**82,681**	**-**	**82,681**

	Level 1	Level 2	Level 3	Fair value at 31/12/2020
Land	-	13,017	-	13,017
Construction and buildings	-	56,059	-	56,059
Total	**-**	**69,076**	**-**	**69,076**

There were no transfers between Levels during the year.

The cost of the land and construction and buildings measured at fair value for 2021: $20,729 (2020: $23,294)

The revaluation surplus accumulated is disclosed in note 35.

Assets pledged as security

The Company has pledged the following assets as collateral on certain agreements in Hemco S.A.:

a) Banco de América Central S.A. (BAC).
Corresponds to the credit line for $4,774 in 2021 (2020: $7,085), on machinery and equipment and transportation equipment.

b) Caterpillar Finance S.A.
Loan with collateral on heavy machinery and transportation equipment amounting to $3,072 in 2021 (2020: $839) machinery and equipment and transportation equipment

Leases

The Company leases several assets included in plant and electric networks (corresponding to hydroelectric power plant Providencia III) and transport equipment.

Details of the balances recognized for the year 2021 and 2020 for leasing are given below and are included under machinery, plant, and equipment.

Item	2021	2020
Depreciation expense on right-of-use assets	8,221	4,396
Interest expense on lease liabilities	1,748	2,227
Costs related to leases of low-value or short-term assets	2,814	715

(Expressed in Thousands of United States Dollars)

For some assets, the Company has options to purchase the asset for a nominal amount at the end of the lease term. The Company's obligations are secured by the lessor's title to the leased assets for such leases.

As of December 31, the company reported additions of contracts considered as leaseback for $1,944, which were recognized as a financial liability.

NOTE 29. LOANS AND OTHER BORROWINGS

The following are the balances of bank loans and lease liabilities:

Item	2021	2020
Bank loans (1)	34,097	42,369
Lease liabilities (2)	21,013	32,089
Total	**55,110**	**$74,458**
Current portion	17,151	27,277
Non-current portion	37,959	47,181

The change in financial obligations is shown below:

Type of contract	Bank loans	Leases	Total financial obligations
Balance at January 1, 2021	42,369	32,089	74,458
New credits acquired	31,079	-	31,079
Liabilities for new leases	-	$ 5,213	5,213
Reclassification	$ 2,240	(2,240)	-
Credits paid	(36,520)	(11,630)	(48,150)
Interest accrued	2,474	1,748	4,222
Interest paid	(2,567)	(1,748)	(4,315)
Retirement of leases	-	(20)	(20)
Other payments	-	2	2
Currency translation effect	(4,978)	(2,401)	(7,379)
Balance at December 31, 2021	**34,097**	**21,013**	**55,110**

Type of contract	Bank loans	Leases	Total financial obligations
Balance at January 1, 2020	$ 49,057	$ 33,794	$ 82,851
New credits acquired	20,268	-	20,268
Liabilities for new leases	-	13,504	13,504
Remedy leases obligations	-	(1,618)	(1,618)
Credits paid	(25,174)	(12,359)	(37,533)
Interest accrued	2,975	2,227	5,202
Interest paid	(2,931)	(2,216)	(5,147)
Currency translation effect	(1,826)	(1,243)	(3,069)
Balance at December 31, 2020	**42,369**	**32,089**	**74,458**

(Expressed in Thousands of United States Dollars)

(1) At December 31, 2021, the breakdown of loans is as follows:

- Loan for $21,025 taken in April 2019, with a term of 7 years, at an average interest rate of 5.79% EIR (Effective interest rate) in the Mineros SA (Holding) segment.
- 13 loans for $11,054 taken between 2015 and 2021 with a term between 2 and 7 years, at an average interest rate of 6.38% EIR in the HEMCO Nicaragua segment.
- 5 Leaseback taken between 2020 and 2021 with a term between 3 years for $1,944, at an average interest rate of 2.75% EIR with guarantee for the HEMCO Nicaragua segment.
- Other bank loans of $3.

(2) At December 31, 2021, the breakdown of lease liabilities is as follows:

- Obligation to lease machinery and equipment at a rate of 6.27% EIR for a period of 84 and 102 months for $14,316 in the Nechí Alluvial segment.
- Machinery and equipment lease obligations contracted between 2019 and 2021 for $5,259, at an average rate of 8.38% for a period between 2 and 4 years in the HEMCO Nicaragua segment.
- Machinery and equipment lease obligations contracted in 2020 for $1,149 with an interest rate of 15% EIR for a period between 1 and 3 years in the Gualcamayo segment.
- Other finance leases of $289.

The company does not have any covenants.

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

	2021	2020
1 Year	7,425	6,571
1 to 5 Years	4,661	15,223
More than 5 years	21,018	23,821
	33,104	**45,615**
Less: unaccrued finance expenses	(12,091)	(13,526)
Present value of minimum lease payments	21,013	32,089

A significant proportion of the Company's lease arrangements, by value, relate to equipment and vehicles used at the Company's mine sites. Other leases include the expansion of Providencia Hydroelectric Power Plant in the segment Nechi Alluvial. The majority of lease terms are negotiated through the Company's procurement function, although agreements contain a wide range of different terms and conditions. Information about leases for which the Company is a lessee is presented below.

The lease contracts by segment are detailed below, as follows:

Mineros S.A. (Holding):

Type of contract	Quantity of contracts	Interest rate	Term
Renting	5	6.22% EIR	Between 36 and 60 months

Nechi Alluvial:

Type of contract	Quantity of contracts	Interest rate	Term
Expansion of Providencia Hydroelectric Power Plant	2	6.27% EIR	144 months
Renting	2	6.27% EIR	Between 36 and 48 months

(Expressed in Thousands of United States Dollars)

Gualcamayo:

Type of contract	Quantity of contracts	Interest rate	Term
Equipment and loaders	3	15% EIR	Between 15 and 37 months

HEMCO Nicaragua:

Type of contract	Amount of the contract	Interest rate	Term
Equipment and loaders	3	Between 2.7% - 6.5% EIR	Between 36 and 60 months
Pick-up trucks/ Transport equipment	3	Between 8.5% EIR – 10.3% EIR	Between 24 and 36 months

The following is the analysis of loans and other borrowings by currency denomination:

Analysis of borrowings by currency	MCOP	*USD*	(A) USD Equivalent	Total
	(A)	*(B)*	(C)	(B +C)
31 December 2021				
Bank loans	83,716	13,069	21,028	34,097
Finance lease liabilities	58,145	6,408	14,605	21,013
Total	**141,861**	**19,477**	**35,633**	**55,110**
31 December 2020				
Bank loans	121,109	7,086	35,283	$42,369
Finance lease liabilities	67,222	*12,505*	19,584	32,089
Total	**188,331**	**19,591**	**54,867**	**74,458**

NOTE 30. TRADE AND OTHER PAYABLES

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

Item	2021	2020
Suppliers	32,784	36,183
Taxes	16,926	15,238
Other	1,047	629
Total	**50,757**	**52,050**

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.

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(Expressed in Thousands of United States Dollars)

NOTE 31. EMPLOYEE BENEFITS

It comprises the following line items:

	2021	2020
Other employee benefits[(1)]	9,485	6,850
Provision for severance payment [(2)]	2,273	2,466
Stock-based Compensation (See note 17.1)	440	511
Retirement pensions [(3)]	316	437
Retirement bonus [(4)]	391	425
Total	**12,905**	**10,689**
Current portion	8,785	6,086
Non-current portion	4,120	4,603

(1) Other employee benefits

Corresponds mainly to vacations and vacation benefits for $2,671 (2020: $2,123), short term performance bonuses for $3,930 (2020: $1,828) and severance payments for $679 (2020: $770).

(2) Provision for severance payment

In accordance with the Labor Code of the Republic of Nicaragua, upon termination of an employment contract, employers must make severance payments that vary depending on the employee's seniority, where the minimum is one month of salary and the maximum is five months of salary. For the termination of management employment contracts, an equivalent amount of between two and six months of salary must be paid, provided that the employee has been working at the Company for at least one year uninterruptedly.

To this effect, an actuarial expert from Nicaragua determined the current value of the severance payment obligation at December 31, 2021, and 2020. The actuarial calculation is established annually using the projected unit credit method in accordance with IAS 19, for 1,393 employees at December 31, 2021 (1,401 employees at December 31, 2020). The provision is based on the following assumptions:

Assumption	2021	2020
Discount rate	11.26%	10.20%
Salary readjustment rate	4.50%	5.00%
Employee turnover	100% values, table used by Watson Wyatt Worldwide Mexico	100% values, table used by Watson Wyatt Worldwide Mexico

(3) Retirement pensions

In Colombia, Mineros S.A. is currently only responsible for the pensions of employees who at the date of the Pension Transfer Resolution issued by the Social Security Institute (November 1997) expected to acquire the special retirement pensions agreed to in the Collective Bargaining Agreement (18 years of service and 47 years of age), whereby the date of recognition depended on the employee's decision. This includes former employees who at the date of the resolution had left the Company but had rights to the pension and were only pending fulfillment of the age requirement.

The actuarial valuations made by an actuarial expert for Mineros S.A. determined the current value of the retirement and survivors' pension obligations at December 31, 2021, and 2020, in accordance with Colombian pensions legislation, and includes the additional monthly payments that must be made in the months of June and December every year, as well as the current value of funeral assistance for the Company of retirees to be paid fully by the Company.

The actuarial calculation of retirement pensions is established annually using the projected unit credit method in accordance with IAS 19 for 17 pensioners at December 31, 2021, and 2020. The provision is based on the following assumptions:

(Expressed in Thousands of United States Dollars)

Assumption	2021	2020
Discount rate	7.86%	6.21%
Pension readjustment rate	3.5%	3.00%

For the actuarial calculations at December 31, 2021, and 2020, mortality tables were used of male and female receivers of income from 2005 to 2008 based on experience, approved by the Financial Superintendence through Resolution 1555 of July 30, 2010.

Additionally, the Company funds the payment of retirement pensions under its responsibility with its own resources, rather than through an established fund.

(4) Retirement bonus

Represents the estimate at December 31, 2021, and 2020, of the current value of the Company's conventional obligation for seniority bonuses agreed with its employees, corresponding to seven (7) days of salary when completing five (5) years of service and fifteen (15) days upon completing every five (5) years of service after ten (10) years of service.

These benefits are valued annually, measuring the projected unit credit pursuant to IAS 19 for 505 employees in 2021 (503 employees in 2020), based on the following financial assumptions:

Assumption	2021	2020
Annual inflation rate	3.5%	3.00%
Annual rate of increase of the benefit	7.24%	4.73%
Discount rate	8.17%	7.18%

Job stability was considered based on the statistics received, which correspond to the 2015-2021 experience of personnel with an indefinite-term contract from Mineros Alluvial, with the following results:

Seniority ranges (Years)	Average Turnover in the Range 2021	Average Turnover in the Range 2020
0 to 2	8.21%	8.79%
2 to 5	3.22%	2.45%
5 to10	1.90%	1.84%
10 to 15	1.33%	0.00%
15 to 20	0.38%	0.00%
20 to 30	3.5%	0.00%
More than 30	8.61%	0.00%

Post - employment benefits

The following tables present the changes in obligations for 2021 and 2020:

	Retirement pensions		Other Benefits	
Change in benefit obligation	**2021**	**2020**	**2021**	**2020**
Benefit obligation at beginning of year	437	494	2,891	2,833
Service cost	-	-	642	308
Interest cost	22	25	252	246
Actuarial loss (gain)	(55)	(27)	(546)	(106)
Benefits paid	(28)	(30)	(468)	(303)
Foreign currency exchange	(60)	(25)	(107)	(87)
Total	**316**	**437**	**2,664**	**2,891**

(Expressed in Thousands of United States Dollars)

The increase in actuarial earnings of $601 (2020: $133) is mainly due to the increase in the discount rate from the previous year.

The following table provides the net pension and retirement pension's amounts recognized in the Consolidated Balance Sheets at December 31:

	Pension Benefits and Retirement pensions	
	2021	**2020**
Accrued employee benefit liability	$2,980	$ 862
Accumulated other comprehensive income (loss):		
Net actuarial gain (loss)	601	30
Exchange difference	21	(29)
Less: Income taxes	(202)	(9)
Subtotal changes in OCI	**$420**	**(8)**
Total post- employment benefits, net of taxes	**$3,400**	**$854**

NOTE 32. PROVISIONS

The value of provisions is the following:

Item	2021	2020
Dismantling of assets [1]	40,265	31,722
Other provisions	5,155	5,439
Total	**45,420**	**37,161**
Current portion	327	746
Non-current portion	45,093	36,415

(1) The provision for asset dismantling represents the value of those closure costs that are expected to be incurred at the closure of mining operations, as follows: Argentina $22,373 (2020: $8,923), Nicaragua $11,027 (2020: $8,923) and Colombia: $6,865 (2020: $3,699). The estimate of said closing costs is based on studies that have been prepared by the Company's technical experts, complying with the environmental regulations in force in each country.

The provision corresponds mainly to activities that must be carried out with the purpose of restoring those areas that have been affected by the mining exploitation works, such as earthworks, disassembly of the processing plant, closure of mine entrances, re-washing of piles of leaching, monitoring, land profiling and revegetation work. The closure budgets of the mines and tailings are reviewed periodically to take into account any significant changes that may have occurred in any of the studies carried out; however, closure costs will depend on market prices for the required closure work that will reflect future economic conditions. Likewise, the moment in which the disbursements will be made will depend on the useful life of the mines.

The discount rate and expected outflows of economic benefits for each country are as follows:

	2021		
Description	**Colombia**	**Nicaragua**	**Argentina**
Rate	9.43%	6.75%	3.98%
Expected outflows of economic benefits	2022-2037	2022-2041	2025-2036

2020			
Description	**Colombia**	**Nicaragua**	**Argentina**
Rate	7.45%	10.85 %	6.38%
Expected outflows of economic benefits	2021-2037	2021-2032	2024-2028

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

	Dismantling of assets	Other provisions
Balance January 1, 2020	**18,174**	**4,115**
Additions, changes in estimates and other	12,865	2,384
Payments and other	-	(736)
Accretion expense	733	(224)
Foreign currency exchange	(50)	(100)
Balance December 31, 2020	**31,722**	**5,439**
Additions, changes in estimates and other	6,477	449
Accretion expense	2,503	-
Foreign currency exchange	(437)	(733)
Balance December 31, 2021	**40,265**	**5,155**

Contingent assets

Type of process	Number of processes	Claims
Taxes, other than income tax(1)	9	45,440
Administrative and environmental(2)	11	9,315
Civil	1	394
Total	**21**	**55,149**

(1) It corresponds mainly to a lawsuit against the ANLA (the environmental agency in Colombia) for $31,768 requesting exemption from law 1715, which was admitted in October 2019.

(2) Corresponds to the proceedings initiated in the Administrative Courts against Corantioquia for the determination of rates of remuneration for the discharge and use of surface water in different periods for $9,306.

Contingent Liabilities

Contingencies that were evaluated as possible are detailed below:

Type of process	Number of processes	Claims
Labor	44	2,479
Taxes, other than income tax	1	1,367
Administrative and environmental	2	511
Civil	2	205
Total	**49**	**4,562**

VERIFIED

(Expressed in Thousands of United States Dollars)

Contingent assets and liabilities for each segment are as follows:

- Mineros S.A. Holding: $51,611 contingent assets and $2,325 contingent liabilities.
- Gualcamayo: $3,538 contingent assets and $2,214 contingent liabilities.
- Nechi Alluvial: $Nil contingent assets and $23 contingent liabilities.
- HEMCO Nicaragua, Chile (La Pepa) and others currently does not have recognized contingent assets and liabilities.

NOTE 33. ISSUED CAPITAL AND SHARE PREMIUM

In an extraordinary meeting of the General Shareholders' Meeting held on April 16, 2021, it was authorized to make and notarize an amendment to the Company's Bylaws that allowed the increase of the Company's authorized capital to a total of fifty-five thousand two hundred forty-three ($55,243), represented in eight hundred million (800,000,000) Shares each with a par value of fifty cents of Colombian pesos (COP 0.50).

On November 19, 2021, the Company completed a public offering in Colombia (the "Colombian Concurrent Offering"), issuing 12,777,777 common shares in the capital of the Company ("Common Shares") at $0.90 per share for gross proceeds of approximately $11.5 million, including 1,666,666 Common Shares issued pursuant to the exercise in full by the underwriter for the Colombian Concurrent Offering, of its over-allotment option.

On the same date, the Company completed its initial public offering in Canada (the "Canadian IPO"), issuing 22,222,223 Common Shares at $0.90 per share for aggregate gross proceeds of approximately $20.0 million. Upon completion of the Canadian IPO, the Common Shares were listed for trading on the TSX under the stock symbol "MSA". On November 25, 2021, the co-lead underwriters for the Canadian IPO, partially exercised their over-allotment option granted to them to purchase an additional 2,050,000 Common Shares at $0.90 per share, resulting in additional gross proceeds of approximately $2.8 million.

Total proceeds of the Canadian IPO and the Colombian concurrent offering, net of underwriting fees and various issue cost, were $29.8 million

The Common Shares began trading on November 19, 2021, on the Toronto Stock Exchange ("TSX") under the symbol "MSA". The Common Shares are also listed on the Colombian Stock Exchange (Bolsa de Valores de Colombia or "BVC") under the symbol "MINEROS: CB".

The following are details of issued capital and additional paid-in capital at December 31, 2021, and 2020:

Description	2021	2020
Issued capital	44	39
Total	**44**	**39**

Description	
Initial balance	383
(+) Share issue premium	33,923
(-) Incremental cost	(4,112)
Total	**30,194**

(Expressed in Thousands of United States Dollars)

The number of outstanding shares is 299.737.402 and 261.687.402 as of December 31, 2021, and 2020, respectively, as follows:

Item	2021	2020
Number of outstanding ordinary shares at January 1	261,687,402	261,687,402
New shares issued	38,050,000	-
Number of outstanding ordinary shares at December 31	**299,737,402**	**261,687,402**

NOTE 34. RESERVES

The details of the reserves as at 31 December 2021 and 2020 are as follows:

Description	2021	2020
Legal Reserve	20	20
Others reserves (1)	229,277	184,704
Total	**229,297**	**184,724**

(1) It corresponds to reserves established by the shareholders, mainly for protection of assets. The Company decreed dividends of $18,799 (2020: $12,457) see note 17; and appropriated reserves of $63,372 (2020: $37,258).

NOTE 35. OTHER COMPREHENSIVE INCOME

Detailed below are the figures of the OCI:

Item	2021	2020
Items that will not be reclassified to results for the year, net taxes:		
Revaluation of property. plant and equipment	7,577	7,507
Measurement of defined benefits plans	420	(8)
Items that will be reclassified to results of the year, net taxes:		
Cash flows hedges	(1,486)	(607)
Foreign exchange differences on translation of foreign operations	45,398	45,500
Measurement of financial instruments	4,477	2,736
Total	**56,386**	**55,128**

NOTE 36. RETAINED EARNINGS

Description	2021	2020
Opening	74,158	46,718
Profit for the year	43,271	63,372
Appropriation of reserves	(63,372)	(30,151)
Transfers to Non-controlling interests	(2,498)	-
Depreciation revaluation assets	50	242
Others	-	(6,023)
Closing balance	**51,609**	**74,158**

(Expressed in Thousands of United States Dollars)

NOTE 37. NON-CONTROLLING INTERESTS

On March 4, the Company entered into an agreement for the acquisition of 10% of the shares of Vesmisa by one of its subsidiaries, Vesubio Mining S.A is a processing plant of minerals coming from artisanal mining in the municipality of Bonanza, in the North Caribbean Autonomous Region. The purchase of these shares constituted a direct investment of $1,306, corresponding to 100 common shares.

Additionally, on July 27, 2021, HEMCO Nicaragua S.A. signed an agreement for the remaining 15% of the shares of Vesubio Mining S.A. The purchase of these shares constituted a direct investment of $1,500, corresponding to 150 common shares. As a result of these transactions, HEMCO Nicaragua S.A. currently has a 100% interest in Vesubio Mining S.A. To date, payment for these transactions has been made.

Summarized financial information in respect of each of the Company's subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

	2021	2020
Assets	6	2,321
Liabilities	-	(931)
Equity	6	(1,390)
Non-controlling interest	(2)	(349)

	2021	2020
Revenues	1,800	1,810
Profit (loss) attributable to owners of the Company	975	1,129
Profit (loss) attributable to the non-controlling interests	116	283

NOTE 38. 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 year, 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 Colpatria Seguros S.A. and Seguros de Vida Colpatria S.A., of $1,980 (2021), $2,269 (2020) for various insurance policies of the Company.

D**uring** 2021, payments were made to Royal Road Minerals through its subsidiary Minerales Camino Real S.A.S in the amount of $22,013 by Hemco Nicaragua and $1,160 by Mineros S.A.

During 2021 and 2020, there were no transactions with Yamana Chile Servicios SpA [(1)] or Minera Cavancha SpA.

(1) Company that owns an 80% participation in Minera Cavancha, an investment in associate of Mineros S.A

Outstanding loans for key management personnel 2021: $0.03 (2020: $0.16)

(Expressed in Thousands of United States Dollars)

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) during the years 2021 and 2020 are as follows:

	2021	2020
Salaries and short-term benefits	992	1,013
Other compensations	1,540	1,181

The Company does not have long-term post-employment or termination benefits for its key management personnel.
The fees paid to Directors for their attendance at the Board of Directors meetings in 2021 amounted to $554 (2020: $407).

NOTE 39. COMMITMENTS

Other commitments associated with the acquisition of the Gualcamayo Property

The purchase price for the Acquired Company was comprised of a cash consideration of $31.1 million, contingent consideration of $30 million to be paid on the date of the commercial operation of the Deep Carbonates Project, the grant of a 2% NSR royalty at the Gualcamayo Mine on metal produced after the initial 396,000 ounces (capped at $50 million of total payments (excluding the Deep Carbonates Project)) and the grant of a 1.5% uncapped NSR royalty on the Deep Carbonates Project.

Management has not recognized any contingent liability in determining the total consideration of the transaction, because commercial production at the Deep Carbonates Project was assessed as remote as of December 31, 2021.

Other commitments associated with the acquisition of Royal Road's 50% part of the Luna Roja Exploration Target

Given the acquisition on May 21, 2021 of the 50% stake held by Royal Road in the Luna Roja Exploration Target in Nicaragua, comprised of the mining concessions Monte Carmelo I and Monte Carmelo II, the Company has the following commitments as of December 31, 2021:

- An NSR royalty of 1.25% on all future mineral commercial production from the mining concessions of Monte Carmelo I and Monte Carmelo II payable to Royal Road.

The Luna Roja Exploration Target is at an early stage of exploration. Since it is not possible to measure the commitment reliably, no charge has been recorded for these royalties.

NOTE 40. SUBSEQUENT EVENTS

As of the date of authorization of the financial statements, no subsequent events have occurred.

NOTE 41. APPROVAL OF FINANCIAL STATEMENTS

The Consolidated Financial Statements of Mineros S.A corresponding to December 31,2021 were authorized by the Board of Directors at its meeting on February 24,2022 according to minutes number 548.