MINEROS S.A.
CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of United States Dollars)

Mineros

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Mineros S.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mineros S.A. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of profit or loss, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (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.

Disposal of the Gualcamayo Segment

As described in Note 6 to the consolidated financial statements, on September 21, 2023, the Group entered into agreement for the sale of equity interests in its subsidiary Minas Argentinas S.A. which carried out all the Group's Argentinian operations (Gualcamayo Segment). For the year ended December 31, 2022, net loss from discontinued operations amounted to USD$57,3 million, including the loss from

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the sale of this segment. The Company accounted for the sale of the segment in accordance with International Financial Reporting Standard 5 (IFRS 5) - Noncurrent Assets Held for Sale and Discontinued Operations, which requires the presentation of the income (loss) of the segment sold up to the sale date, as well as the gain (loss) from the sale of the investment, as "Discontinued operations" in the consolidated statement of profit or loss.

We identified discontinued operations as a key audit matter because of the size of the transaction and high degree of judgment and subjectivity necessary to determine when the discontinued operations criteria according to IFRS 5 were met, requiring the use of technical knowledge and interpretation of the accounting standard, as well as the high degree of auditor judgment and effort.

How the Key Audit Matter was addressed in the audit

Our audit procedures related to discontinued operations included the following, among others:

- Testing the completeness and accuracy of the disclosures regarding discontinued operations.
- Reading the minutes of the Board of Directors which evidenced authorization and approval of the transaction.
- Inspecting the related sale agreements to obtain an understanding of the assets and liabilities included in the scope of the transaction and testing the completeness and accuracy of the assets and liabilities included in the loss resulted by the operation.
- Evaluating, with the assistance of our Complex Accounting specialists, Management's application of IFRS 5 for classification of discontinued operations and whether the disclosures made by Management in the financial statements are appropriate.

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 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.

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 IFRSs, 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.

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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 for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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 S.A.S."
Medellin, Colombia
February 14, 2024

Expressed in Thousands of United States Dollars

General notes

Expressed in Thousands of United States Dollars

Expressed in Thousands of United States Dollars

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

THOUSANDS OF UNITED STATES DOLLARS, EXCEPT EARNINGS PER SHARE AMOUNTS

	Note	2023	2022
Revenue	9	$447,290	$414,937
Cost of sales	10	(301,888)	(282,918)
GROSS PROFIT		**$145,402**	**$132,019**
Administrative expenses	11	(18,355)	(19,198)
Other income	12	6,104	1,512
Other expenses	13	(10,053)	(7,802)
Exploration expenses	14	(6,092)	(8,600)
Impairment of assets	8	–	(4,822)
Finance income	15	1,409	1,969
Finance expense	16	(8,951)	(6,812)
Foreign exchange differences		(6,768)	5,689
Share of results of associates	27	(117)	(2)
PROFIT FOR THE YEAR BEFORE TAX		**$102,579**	**$93,953**
Current income tax	22	(42,561)	(37,409)
Deferred income tax	22	14,520	(447)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**$74,538**	**$56,097**
Loss for the year from discontinued operations	6	**($57,324)**	**($51,610)**
NET PROFIT FOR THE YEAR		**$17,214**	**$4,487**
Attributable to:			
Owners of the parent company		17,214	4,487
Non-controlling interests		–	–
NET PROFIT FOR THE YEAR		**$17,214**	**$4,487**
Basic and diluted earnings per share from continuing operations	17	**$ 0.25**	**$ 0.19**
Basic and diluted earnings per share from continuing and discontinued operations	17	**$ 0.06**	**$ 0.01**

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
ACCOUNTANT
T.P.74290-T

Expressed in Thousands of United States Dollars

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

THOUSANDS OF UNITED STATES DOLLARS, EXCEPT EARNINGS PER SHARE AMOUNTS

	2023	2022
NET PROFIT FOR THE YEAR	**$17,214**	**$4,487**
Other comprehensive income, net of income tax		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of net defined benefit liability	(104)	(578)
Revaluation of property, plant and equipment	135	91
Fair value gain (loss) on investment in financial instruments designated as at FVTOCI	(1,077)	(371)
	(1,046)	**(858)**
Items that may be reclassified subsequently to profit or loss:		
Cash flows hedges	2,275	(903)
Foreign exchange differences on translation of foreign operations	1,543	(1,284)
	3,818	**(2,187)**
Other comprehensive income, net of income tax	**2,772**	**(3,045)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**$19,986**	**$1,442**
Total comprehensive income attributable to:		
Owners of the parent company	19,986	1,442
Non-controlling interests	—	—
	$19,986	**1,442**

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(Signed)" Andrés Restrepo Isaza"
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PRESIDENT AND CEO

(Signed)"Miguel Ángel Hinestroza Hoyos"
MIGUEL ÁNGEL HINESTROZA HOYOS
ACCOUNTANT
T.P.74290-T

Expressed in Thousands of United States Dollars

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

THOUSANDS OF UNITED STATES DOLLARS

	Notes	2023	2022
ASSETS			
Current assets			
Cash and cash equivalents	**18**	$57,118	$49,791
Trade and other receivables, net	**19**	8,025	18,189
Inventories	**20**	25,037	75,166
Derivative financial instruments	**5.0**	115	1,529
Investments in financial assets	**21**	6	116
Income tax assets	**22**	8,318	5,666
Other tax assets	**22**	28,657	25,998
Other assets	**23**	17,065	13,296
Total Current assets		**$144,341**	**$189,751**
Non-current assets			
Trade and other receivables	**19**	2,392	2,122
Inventories	**20**	19,591	27,006
Investments in financial assets	**21**	9,650	10,603
Other tax assets	**22**	419	343
Deferred tax assets	**22**	195	1,616
Investment property	**24**	2,617	2,025
Exploration and evaluation projects, net	**25**	52,827	62,244
Intangible assets, net	**26**	37,805	40,066
Investment in associates	**27**	5,286	5,285
Property, plant and equipment, net	**28**	218,634	228,482
Total Non-current assets		**$349,416**	**$379,792**
TOTAL ASSETS		**$493,757**	**$569,543**

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

(Signed)" Andrés Restrepo Isaza"
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MIGUEL ÁNGEL HINESTROZA HOYOS
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Expressed in Thousands of United States Dollars

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

THOUSANDS OF UNITED STATES DOLLARS

	Notes	2023	2022
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Loans and other borrowings	**29**	$13,575	$23,772
Derivative financial instruments	**5**	276	5,472
Trade and other payables	**30**	29,402	61,870
Other financial liabilities	**17**	5,701	5,211
Employee benefits	**31**	4,395	8,114
Income tax liabilities	**22**	27,300	24,172
Other tax liabilities	**22**	1,371	3,569
Provisions	**32**	2,745	2,401
Total current liabilities		**$84,765**	**$134,581**
Non-current liabilities			
Loans and other borrowings	**29**	$19,227	$23,248
Employee benefits	**31**	4,557	4,031
Deferred tax	**22**	1,127	14,727
Provisions	**32**	38,524	46,403
Total non-current liabilities		**$63,435**	**$88,409**
TOTAL LIABILITIES		**$148,200**	**$222,990**
Equity			
Share capital	**33**	44	44
Share premium account	**33**	30,194	30,194
Reserves	**34**	233,652	250,147
Other comprehensive income	**35**	55,284	53,294
Retained earnings	**36**	26,381	12,872
Equity attributable to the owners of the parent company		**$345,555**	**$346,551**
Non-controlling interests	**37**	$2	$2
Total equity		**345,557**	**346,553**
TOTAL LIABILITIES AND EQUITY		**$493,757**	**$569,543**
Commitments (Note 39)			

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
THOUSANDS OF UNITED STATES DOLLARS

	Share capital	Share premium accounts	Reserves	Other comprehensive income	Retained earnings	Equity attributable to the owners of the parent company	Non-controlling interests	Total equity
Balance as of January 01, 2022	44	30,194	229,297	56,386	51,609	367,530	2	367,532
Net profit for the year	–	–	–	–	24,481	24,481	–	24,481
Other comprehensive income for the year, net of income tax	–	–	–	2,032	–	2,032	–	2,032
Total comprehensive income for the year	**–**	**–**	**–**	**2,032**	**24,481**	**26,513**	**–**	**26,513**
Appropriation of reserves	–	–	43,271	–	(43,271)	–	–	–
Dividends	–	–	(22,421)	–	–	(22,421)	–	(22,421)
Reclassification	–	–	–	(36)	36	–	–	–
Balance as of December 31, 2022	**44**	**30,194**	**250,147**	**58,382**	**32,855**	**371,622**	**2**	**371,624**
Balance as of January 01, 2023	**44**	**30,194**	**250,147**	**53,294**	**12,872**	**346,551**	**2**	**346,553**
Net profit for the year	–	–	–	–	17,214	17,214	–	17,214
Other comprehensive income for the year, net of income tax	–	–	–	2,772	–	2,772	–	2,772
Total comprehensive income for the year	**–**	**–**	**–**	**2,772**	**17,214**	**19,986**	**–**	**19,986**
Appropriation of reserves	–	–	4,487	–	(4,487)	–	–	–
Dividends	–	–	(20,982)	–	–	(20,982)	–	(20,982)
Reclassification	–	–	–	(47)	47	–	–	–
Reclassification on disposal of assets	–	–	–	(735)	735	–	–	–
Balance as of December 31, 2023	**44**	**30,194**	**233,652**	**55,284**	**26,381**	**345,555**	**2**	**345,557**

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CONSOLIDATED STATEMENT OF CASH FLOWS

THOUSANDS OF UNITED STATES DOLLARS

	2023	2022
Cash flows from (used in) operating activities		
Receipts from sales of goods	$518,057	$527,783
Receipts from commissions and other revenue	11,827	3,208
Cash receipts from futures contracts, forward contracts, option contracts and swap contracts	2,575	5,312
Payments to suppliers for goods and services	(327,588)	(311,449)
Payments to employees and social security agencies	(75,099)	(90,289)
Payments for premiums and claims, annuities and other policy benefits	(9,822)	(8,334)
Payments for futures contracts, forward contracts, option contracts and swap contracts	(3,735)	(6,364)
Income tax (paid)	(26,295)	(37,554)
Other inflows (outflows) of cash	(12)	294
Net cash flows generated by operating activities	**$89,908**	**$82,607**
Cash flows from (used in) investing activities		
Proceeds from the sale of other entities' equity or debt instruments	1,891	5,456
Proceeds from sales of property, plant and equipment	147	103
Purchases of property, plant and equipment	(44,092)	(51,602)
Purchases of intangible assets and exploration projects	(7,152)	(14,808)
Dividends received	—	105
Receipts from the repayment of loans granted to third parties	3	8
Interest received	1,126	1,475
Sales of financial instruments	1,157	—
Other outflows of cash	—	(40)
Net cash flows used in investing activities	**($46,920)**	**($59,303)**
Cash flows from (used in) financing activities		
Proceeds from borrowings	27,916	17,861
Payments of borrowings	(33,749)	(22,532)
Payments of lease liabilities	(11,917)	(10,450)
Dividends paid	(20,519)	(22,990)
Interest paid	(7,572)	(5,233)
Net cash flows used in financing activities	**($45,841)**	**($43,344)**
Decrease in cash and cash equivalents before effect of exchange rate changes	**($2,853)**	**($20,040)**
Effect of foreign exchange rate changes	10,180	6,701
Net decrease in cash and cash equivalents	**$7,327**	**($13,339)**
Cash and cash equivalents at beginning of the year	49,791	63,130
Cash and cash equivalents at end of the period	**$57,118**	**$49,791**

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

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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", 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 traded 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 ticker: MINEROS CB and MSA.

The Group is a precious metals producer with significant gold production, development, and exploration stage properties throughout Latin and South America, including Colombia, Nicaragua and Argentina (disposed of on September 21, 2023). The Group principal producing mining properties are the Nechí Alluvial mine in Colombia and the Pioneer and Panama mines in Nicaragua.

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" for its spanish initials*).

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% and a 4% tax on the gold volumes produced at the mine, calculated based on the international gold price certified by the Central Bank of Colombia (Banco de la República de Colombia), all in accordance with the Mining Code (as amended by Law 1955 of 2019). RPP holders must also submit an annual mining activities report (*Informe Anual de Labores Mineras Realizadas y Programa de Labores Mineras a Ejecutar*) and 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 three will expire in 2027, one in 2032, fourteen concessions in 2035, two in 2036, two in 2037 and three concessions in 2044. Hemco currently pays surface and Ad Valorem tax, and must comply with social security and environmental regulations.

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 Group 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.

NOTE 2. ADOPTION OF NEW AND REVISED STANDARDS

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

In the current year, the Group has applied a number of new and amended IFRS and interpretations issued by the International Accounting Standards Board ("IASB") that are mandatorily effective for an accounting period that begins on or after January 1, 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements. The new and amended IFRS adopted are described below:

IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)

The Group has adopted IFRS 17 and the related amendments for the first time in the current year. 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.

The group does not have any contracts that meet the definition of an insurance contract under IFRS 17.

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

The group has adopted the amendments to IAS 1 for the first time in the current year. 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 IASB 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 group performed the analysis of material accounting policies, which are disclosed in note 3.

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

The group has adopted the amendments to IAS 12 for the first time in the current year. 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 profit nor taxable profit.

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.

Amendments to IAS 12 Income Taxes— International Tax Reform—Pillar Two Model Rules

The group has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum topup taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

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

The group has adopted the amendments to IAS 8 for the first time in the current year. 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.

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

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

Amendments to IFRS 10 and IAS 28	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 IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

- **Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—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 recognised 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 recognised 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 IASB; however, earlier application of the amendments is permitted.

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

The amendments to IAS 1 published in January 2020 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, 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early.

- **Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants**

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early.

- **Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements**

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

- **Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback**

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

NOTE 3. SUMMARY OF MATERIAL 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 statement of financial position. 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 Group may have significant influence in another entity, even if it has less than 20% of the voting power.

Expressed in Thousands of United States Dollars

The Group accounts for its investment in associates using the equity method. According to the equity method, the Group 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 Group 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 Group assesses whether there is any objective evidence that an investment in an associate is impaired.

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

Corporate Name	Place of incorporation and operation	Type entity	Main Activity	Functional Currency	Equity interest %	
					31/12/2023	31/12/2022
Mineros Chile SpA	Chile	Subsidiary	Holding company	USD	100%	100%
Mineros Argentina Holdings BV	Netherlands	Subsidiary	Holding company	USD	100%	100%
Mineros Chile Rentista de Capitales Mobiliarios Limitada	Chile	Subsidiary	Holding company	USD	100%	100%
Minas Argentinas S.A. (*)	Argentina	Subsidiary	Underground and open pit gold mining	USD	0%	100%
HEMCO Nicaragua S.A.	Nicaragua	Subsidiary	Underground gold mining and holding company for operations in Nicaragua	USD	100%	100%
Vesubio Mining S.A.	Nicaragua	Subsidiary	Underground gold mining	USD	100%	100%
Rosita Mining S.A.	Nicaragua	Subsidiary	Underground gold mining	USD	100%	100%
New Castle Gold Mining S. A	Nicaragua	Subsidiary	Inactive	USD	69,9%	69,9%
Roca Larga Mining, S.A.	Nicaragua	Subsidiary	Inactive	USD	100%	100%
Distribuidora Caribe Norte, S.A.	Nicaragua	Subsidiary	Inactive	USD	100%	100%
Minerales Matuzalén S.A.	Nicaragua	Subsidiary	Underground gold mining	USD	100%	100%
Mineros Aluvial S.A.S.BIC.	Colombia	Subsidiary	Alluvial gold mining	USD	100%	100%
Negocios Agroforestales S.A.S.	Colombia	Subsidiary	Biological assets management	COP	100%	100%
Compañía Minera de Ataco S.A.S.	Colombia	Subsidiary	Underground gold mining	COP	100%	100%
Mineros (CANADA) INC	Canada	Subsidiary	Corporate services	USD	100%	100%
Minera Cavancha SpA	Chile	Associate	Underground gold mining	USD	20%	20%

USD: United States Dollar
COP: Colombian Peso

Expressed in Thousands of United States Dollars

(*) Minas Argentina S.A. belonged to the Mineros group until September 21, 2023 see note 6 Discontinued Operations.

Details of the Group Interests in Joint Arrangements

Name	Partner	Location	Type of Arrangement	Purpose	Interest	
					2023	2022
Güintar – Niverengo - Margarita (GNM)	Royal Road Minerals Ltd.	Colombia	Joint Operation	Exploration in target GNM	—%	50%
Exploracion Caribe	Royal Road Minerals Ltd.	Nicaragua	Joint Operation	Exploration in target Caribe	100%	50%

Reduction of Royal Road Interest in Joint Operation

Mineros and Royal Road Mineral Ltd.(hereinafter Royal Road) from May 29th 2023 have terminated strategic alliance agreements for the exploration of their respective properties in Nicaragua and Colombia, and related joint arrangement in respect of the Caribe Exploration Target, located on the Hemco Property in Nicaragua, and the Güintar- Niverengo Margarita Exploration Target is located in the Anza Province, Colombia. Royal Road has relinquished its 50% joint operation interest in Caribe Exploration Target to Hemco Nicaragua S.A. ("Hemco"), which is now 100% owned by Hemco. A 1.25% net smelter returns royalty applicable to the two concessions that host the Luna Roja Deposit, which was granted to Royal Road on May 2021 in connection with Mineros' acquisition of Royal Road's 50% joint operation interest in those concessions was terminated, and provisions under the related asset purchase agreement in respect of exploration expenditures to be incurred at the Hemco the property has been released. Mineros has also relinquished its 50% joint operation interest in the Güintar-Niverengo Margarita Exploration Target to Royal Road. Mineros and Royal Road have also annulled a cooperation agreement relating to Mineros' Gualcamayo Project in Argentina. With no effect on the consolidated financial statements.

3.2 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.

3.3 Functional and presentation currency in the consolidated financial statements

The functional and presentation currency of the Group 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.

3.4 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 Group recognizes revenue when it transfers control over the sold goods to the customers.

The Group 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).

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

Sale of precious metals

Revenue is recognized when performance obligations related with the contract with customer is fulfilled, meaning 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 Group sells unused energy and the related revenue from contract with customers is recognized once the reading of the energy meters is captured by the "*Operador de Bolsa de Energia*" (Energy Exchange Operator) at that moment the performance obligation is fulfilled. 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 Group facilities.

3.5 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 Group operates.

The tax framework in the three countries where the Group operates is described in the note 21.

3.5.1 Current Income 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 Group, supported by previous experience on similar matters, and in certain cases based on independent tax specialist advice.

3.5.2 Deferred Income 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.

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.

For purposes of the calculation of deferred tax when local currency differs from functional currency rules of IAS 21 are applied for translation of carrying amounts.

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.

3.6 Financial instruments

3.6.1 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 Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- The Group 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 Group 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 Group 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 Group 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 Group 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 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group’s core operations.

In particular, the following information is considered 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 Group 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 Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group 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 Group 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 Group 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 Group 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 Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default in the mining business has occurred when a financial asset is more than 90 days past due unless the Group 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.

iv. Write-off policy

The Group 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 Group's recovery procedures, considering 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 Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The Group 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 Group 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 Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

3.6.2 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 Group are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Group'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 Group'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 Group, are measured in accordance with the specific accounting policies set out below.

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 Group derecognizes financial liabilities when, and only when, the Group'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 Group 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 Group 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.

3.6.3 Derivative financial instruments

The Group 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 Group 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.

3.6.4 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 Group guarantees the effectiveness of its hedges with strict compliance through the following requirements:

- Economic relationship: The Group 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 Group actually hedges and the quantity of the hedging instrument that the Group 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 Group. 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 Group 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 Group 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 Group 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.

3.7 Inventories

Goods acquired with the intention to use 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.

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, 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 Group 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 and classified between long and short term according the way how management expects to use those inventories. 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.

3.8 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 Group. 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.

The Group 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 Group. Other repair and maintenance costs are recognized in the statement of income as they are incurred.

Expressed in Thousands of United States Dollars

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

Location	Useful life					
Description	Hemco	MASA	Mineros Aluvial	Mineros Aluvial (Hydroelectric Providencia)	Mineros	Negocios Agroforestales
Construction and buildings	1 to 11.1 years	1 to 5 years	1 to 21.4 years	1 to 100 years	1 to 21.4 years	1 to 25 years
Machinery and equipment	1 to 11.1 years	1 to 5 years	1 to 21.4 years	1 to 100 years	1 to 21.4 years	1 to 5 years
Biological assets – Rubber plantations	N/A	N/A	N/A	N/A	N/A	1 to 25 years

The Group 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 useful life; 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 expected time.

3.9 Leases

a) Mineros as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group 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 Group 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 Group 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.

3.10 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 Group's intention is to complete the subject intangible asset, to use or sell it;
- The Group 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 Group 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.

3.11 Impairment of tangible and intangible assets

At each reporting date, the Group 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 Group 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.

3.12 Provisions

Provisions are recognized when the Group has the present obligation, legal or constructive, that has arisen as a result of a past event, it is probable that the Group 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 Group expects the provision to be fully or partly reimbursed, the reimbursement is recognized 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 Group 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 Group 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 Group'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 Group, 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 Group 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 Group 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.

3.13 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 30).

Defined benefit plans

These are post-employment benefit plans in which the Group 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 Group 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 Group 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 Group 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 Group 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.

3.14 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 Group 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 Group 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 Group 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 Group 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 2023 and 2022, 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 Group 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 Group 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 Group's valuation according to these options, they are paid in cash based on the market price of the Group'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 Group 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 **Derivate financial instruments:** The Group 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 Group 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 Group in its own name or through a finance lease) to earn rentals or for capital appreciation, or both. The Group 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 replacement 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 Group 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 Group'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 Group uses projected cash flows as a measurement technique using inputs such as market price curves and internal data associated with the estimated ounces.

3.15 Evaluation and exploration of mineral resources

With respect to the cost of recognition of assets for exploration and evaluation, and their corresponding amortization, the Group 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:

3.15.1 Early Stage or Grass Roots

Potential Areas Definition: Recognition of potential areas; in this stage the Group 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 3.8)

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 Group. 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 3.8)

Exploratory Drilling: In this stage, the Group 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 3.8).

3.15.2 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 3.8).

Resource classification: During this stage, the Group 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 3.8).

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 Group 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 3.8).

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 3.8).

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

3.15.3 Stripping costs

The Group 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 Group
- 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.

3.15.4 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 Group performs an impairment test in accordance with IAS 36.

3.15.4.1 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.

3.15.4.2 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.

3.15.4.3 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 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.

3.16 Share-based Compensation

The Group records share-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. Share-based compensation expense related to SARs is generally recognized proportionally over the requisite service period of the award on a straight-line basis (See Note 17).

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

NOTE 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY 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 Group 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 Group 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 Group 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) **Functional currency:** The functional currency of each of the Group subsidiaries is the currency of the primary economic environment in which it operates. The Group has determined the functional currency of each entity separately (see note 3.3). 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.

e) **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 Group´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 Group uses market-observable data to the extent it is available. Where level 1 inputs or other observable inputs are not available, the Group 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) **Determination of the value in use of the CGU** – At each reporting date, the Group 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

   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.

   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.

e) **Reserves and resources**: In assessing resources and reserves available for future exploitation and base for determination of the useful life, 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.

f) **Asset Retirement Obligation (“ARO”) and environmental rehabilitation provision:** ARO and environmental provisions are 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 useful life 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.

g) **Litigation and other contingencies:** The Group 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 Group 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 Group, 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 Group may vary from their estimates due to different interpretations of laws, contracts, opinions, and final assessments of the amount of the claims.

In evaluating the probability of contingent liabilities, the Group, 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;

Expressed in Thousands of United States Dollars

- Fair values of financial instruments (except financial instruments when carrying amount approximates their fair value)

2023	Book value						
	Financial assets				Financial liabilities		
	FVTPL – designated	FVTOCI – designated	FVTOCI – measured	Amortized cost	FVTOCI – measured	Amortized cost	Total
Cash and cash equivalents (see note 18)	–	–	–	57,118	–	–	57,118
Trade and other receivables (see note 19)	–	–	–	10,417	–	–	10,417
Derivative financial instruments (Hedges) (see note 5)	–	–	115	–	(276)	–	(161)
Investment in financial asset (see note 21)	6	–	–	–	–	–	6
Non-current investments (see note 21)	4,066	5,584	–	–	–	–	9,650
Loans and other borrowing (see note 29)	–	–	–	–	–	(32,802)	(32,802)
Trade and other payables (see note 30)	–	–	–	–	–	(29,402)	(29,402)
Other financial liabilities (see note 17)	–	–	–	–	–	(5,701)	(5,701)

2022	Book value						
	Financial assets				Financial liabilities		
	FVTPL – designated	FVTOCI – designated	FVTOCI – measured	Amortized cost	FVTOCI – measured	Amortized cost	Total
Cash and cash equivalents (see note 18)	–	–	–	49,791	–	–	49,791
Trade and other receivables (see note 19)	–	–	–	20,311	–	–	20,311
Derivative financial instruments (Hedges) (see note 5)	–	–	1,529	–	(5,472)	–	(3,943)
Investment in financial asset (see note 21)	116	–	–	–	–	–	116
Non-current investments (see note 21)	3,753	6,850	–	–	–	–	10,603
Loans and other borrowing (see note 29)	–	–	–	–	–	(47,020)	(47,020)
Trade and other payables (see note 30)	–	–	–	–	–	(61,870)	(61,870)
Other financial liabilities (see note 17)	–	–	–	–	–	(5,211)	(5,211)

Expressed in Thousands of United States Dollars

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

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

2023	Fair value			
	Level			
	1	2	3	Total
Investment in financial asset	6	–	–	6
Non-current investments	–	–	9,650	9,650
Derivative financial instruments	–	(161)	–	(161)

2022	Fair value			
	Level			
	1	2	3	Total
Investment in financial asset	116	–	–	116
Non-current investments	–	–	10,603	10,603
Derivative financial instruments	–	(3,943)	–	(3,943)

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 (level 2 & 3) are determined (in particular, the valuation technique(s) and inputs used).

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
Foreign currency forward contracts	Discounted cash flow. 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.	N/A	N/A
Commodity options	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.	N/A	N/A
Financial assets (Equity investments)	*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.	Long-term revenue growth rates: Taking into account management experience and knowledge of market conditions of specific industries are 5% to 22% in 2023 for the next 10 years.	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 $7,032 and $4,135 respectively.
		Long-term pre-tax operating margin: Taking into account management's experience and knowledge of market conditions in specific industries, changes on average from 13% to 23% in 2023 (2022: 13% to 22%).	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 $5,615 and $5,551 respectively.
		Weighted average cost of capital, determined using a capital asset pricing model, ranging from 14.08% to 18.80% in 2023 (2022: 12.11% to 17.95%).	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 $5,663 and $5,505, respectively.
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 $2,398 and $2,351, respectively.
		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 $2,367 and $2,382, respectively.

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

Expressed in Thousands of United States Dollars

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

Financial assets/ financial liabilities	Valuation technique(s) and key input(s)	Fair value	Carrying value
Loans	Discounted cash flow Future cash flows are estimated based on forward exchange rates (forward exchange rates observable at the end of the reporting period) and the forward exchange rates of the contract.	$15.779 (2022: $20.920)	$16.263 (2022: $25.402) excludes leaseback transactions classified as debt for $181 (2022: $1.081)

5.3 Reconciliation of Level 3 fair value measurements of financial instruments

The following table only includes investment in financial assets.

	Financial assets	
	2023	2022
Balance as of January 1	10,603	9,340
Acquired trust (see note 21)	–	1,235
Transfers to other accounts (-/+)	134	–
Total gains or losses:		
– in other comprehensive income	(1,266)	(144)
– Payments (see note 21)	(539)	(334)
– in profit or loss	718	506
Balance as of December 31	**9,650**	**10,603**

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

5.4 Derivative financial instruments

The following tables summarize the positions held by the Group as of December 31, 2023:

Gold hedging outstanding:

Company	Year	Type	Contracts	Ounces	Maturity	Price (US/Oz) (1)
HEMCO	2023	Put/Call	6	9,000	Jan - Jun 2024	Min: 1,950 Max: 2,173

As of December 2023 there were no gold hedges in place for Mineros S.A. or Mineros Aluvial.

Foreign exchange hedging outstanding:

As of December 2023, there were no currency hedges by the Group.

Expressed in Thousands of United States Dollars

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

Gold hedging outstanding:

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

Foreign exchange hedging outstanding:

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

Fair value of derivatives

	2023	2022
Assets for hedging operations with derivative financial instruments	115	1,529
Liabilities for hedging operations with derivative financial instruments	(276)	(5,472)
Total net liabilities derivatives financial instruments	**(161)**	**(3,943)**

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

	2023	2022
Cash flows hedges	2,275	(903)
Total	**2,275**	**(903)**

Gold revenue protection strategy

The Group 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. For HEMCO Nicaragua SA, the program covers a total of 9,000 ounces during the remaining period from January to December 2023, which represents approximately 50% of the total industrial gold production estimated for the same period of 2023, with a minimum price of $1,950 USD / Oz and a maximum price of $2,173 USD / Oz.

Expressed in Thousands of United States Dollars

The total premium paid for the entry was included as part of the fair value and was settled in cash on a net basis as the monthly contracts matured. As of December 31, 2023, the Group recorded $1,154 for net hedge settlements, included in realized gains and losses on currency exchange derivative financial instruments. Also, as of December 31, 2023, the Group recorded (5,860) for net hedge settlements, included in realized gains and losses on Gold derivative financial instruments which were reflected in an improved selling price per ounce.

Item	2023	2022
Gain (Loss) on Money market hedge(1)	1,154	(2,474)
Loss on realized gold sales hedge(2)	(5,860)	1,526
Realized hedge Loss, net	**(4,706)**	**(948)**

(1) Loss (income) recognized in income from ordinary activities.
(2) Balance included in sales of gold.

5.5 Capital management

The Group 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 Group'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 Group 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 Group's overall financial performance). For the 2023 and 2022 periods, the leverage level is within the defined range.

5.6 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.

5.6.1 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 Group's results. In Mineros, the risks derived from the precious metals market and the risks derived from the foreign exchange market are actively managed.

Expressed in Thousands of United States Dollars

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 Group contracts different types of financial derivatives to manage the exposures described above.

There have been no changes in the Group'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 Group'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 Group sells gold in the international precious metals market. These sales represent close to 95% of the Group'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.

Year	Gold price variation	Change in equity from valuation of derivative instruments
2023	XAUUSD* + 10%	(344)
	Close price	(42)
	XAUUSD - 10%	215
2022	XAUUSD* + 10%	(11,161)
	Close price	(3,482)
	XAUUSD - 10%	3,260

XAU: Philadelphia Gold and Silver Index

b) Risk of foreign exchange rates

100% of the Group'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.

Expressed in Thousands of United States Dollars

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).

2023				
Exchange rate of closing	**$3,822.05**			
ASSETS	**Thousands of USD**	**Thousands of COP**	**Change in FX 7,3%**	**Change in FX (7,3%)**
Cash on hand in COP	17	66,643	1	(1)
Banks	856	3,272,683	62	(62)
Domestic funds	380	1,454,266	28	(28)
Total assets	**1,253**	**4,793,592**	**91**	**(91)**
LIABILITIES				
Domestic accounts payable	(17,840)	(68,187,596)	(1,297)	(1,297)
Loans and other borrowings	(23,017)	(87,972,572)	(1,674)	(1,674)
Total liabilities	**(40,857)**	**(156,160,168)**	**(2,971)**	**2,971**
		Total effect profit or loss	**(2,880)**	**2,880**

2022				
Exchange rate of closing	**$4,810.20**			
ASSETS	**Thousands of USD**	**Thousands of COP**	**Change in FX 0,2%**	**Change in FX (0,2%)**
Cash on hand in COP	14	65,322	—	—
Banks	555	2,671,923	1	(1)
Domestic funds	2,338	11,244,667	5	(5)
Total assets	**2,907**	**13,981,912**	**6**	**(6)**
LIABILITIES				
Domestic accounts payable	(14,437)	(69,447,715)	(31)	31
Loans and other borrowings	(23,858)	(114,760,795)	(51)	51
Total liabilities	**(38,295)**	**(184,208,510)**	**(82)**	**82**
		Total effect profit or loss	**(76)**	**76**

Expressed in Thousands of United States Dollars

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
2023	USDCOP + 10 %	NA	NA	—
	Close price	NA	NA	—
	USDCOP - 10%	NA	NA	—
2022	USDCOP + 10 %	NA	NA	(1,267)
	Close price	NA	NA	(92)
	USDCOP - 10%	NA	NA	864

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 Group's investment portfolio are used to leverage treasury, for which reason the Group remains invested in local fixed-yield investments.

5.6.2 Credit Risk

The credit risk of the Group 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 Group has investments. The Group has adopted as a policy to only deal with solvent companies. The Group'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 and the amounts thereof are made effective against the delivery of the production to the clients or refineries with whom the Group works.

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

Overview of the Group'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, 2023 and 2022, the maximum exposure of the Group to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group 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; and

Expressed in Thousands of United States Dollars

• The maximum amount that the Group would have to pay if the financial guarantee is invoked, regardless of the probability that the guarantee will be exercised. For the years 2023 and 2022, the Group did not sign financial guarantees for third parties.

To minimize credit risk, the Group has tasked its CFO to develop and maintain the Group'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 Group's own trading records to rate its major customers and other debtors. The Group'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 Group has no realistic prospect of recovery	Amount is written off

For trade receivables, the Group has applied the simplified approach of IFRS 9 to measure the loss reserve in ECL (Expected Credit Loss) for life. The Group 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.

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 2023 is $10,417 (2022: $20,311).

5.6.3 Liquidity Risk

Liquidity risk is managed through proper compliance with the Group'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. See maturity in note 29.

NOTE 6. DISCONTINUED OPERATIONS - MINAS ARGENTINAS S.A.

On September 8, 2023, the board of directors of Mineros S.A. announced the agreement for the sale of Minas Argentinas S.A. which carried out all of the Group's Argentinian operations. The disposal will allow Mineros to focus in a portfolio of high margin, long-life and lower cost assets. The disposal was completed on September 21, 2023 on which date control of Minas Argentinas S.A. passed to the acquirer.

The results of the discontinued operations (Minas Argentinas S.A.), which have been included in the profit for the year, were as follows:

Expressed in Thousands of United States Dollars

	Year ended December 31,	
	2023	**2022**
Revenue	58,141	114,062
Cost of sales	(74,589)	(104,983)
Gross (loss) profit from discontinued operations	**(16,448)**	**9,079**
Administrative expenses	(1,586)	(2,213)
Other income	628	518
Other expenses	(5,002)	(7,373)
Exploration expenses	(4,965)	(11,758)
(Impairment) reversal of assets	—	(36,542)
Finance income	5,697	5,859
Finance expense	(5,095)	(4,307)
Foreign exchange differences	3,234	(1,898)
Loss from discontinued operations for the period before tax	**(23,537)**	**(48,635)**
Current tax	(533)	—
Deferred tax	—	(2,975)
Net loss from discontinued operations	**(24,070)**	**(51,610)**
Loss on sale of assets	(33,254)	—
Loss for the period from discontinued operations	**$ (57,324)**	**$ (51,610)**

A loss of $33,254 arose on the disposal of Minas Argentinas S.A. on September 21, 2023, being the difference between the proceeds of disposal and the carrying amount of the subsidiary's net assets.

Cash flow from the discontinued operations are as follows

	31/12/2023	**31/12/2022**
Net cash flows from (used in) operating activities	(12,763)	(653)
Net cash flows from (used in) investing activities	5,801	(6,584)
Net cash flows from (used in) financing activities	(6,415)	(984)
Net foreign exchange difference	11,845	5,681
Net movement in cash and cash equivalents	**$ (1,532)**	**$ (2,540)**

The net assets of Minas Argentinas S.A. at the date of disposal were as follows:

Expressed in Thousands of United States Dollars

	30/09/2023
Cash and cash equivalents	874
Other assets	84
Taxes	6,708
Trade and other receivables	1,518
Inventories	60,933
Total current assets	70,117
Inventories	**6,516**
Deferred tax assets	1,554
Intangible assets, net	654
Property, plant and equipment, net	20,163
Total non-current assets	28,887
Total Assets disposed of	99,004
Trade and other payables	**26,327**
Loans and other borrowing	11,251
Employee benefits	4,836
Taxes	2,518
Provisions	162
Total current liabilities	**45,094**
Provisions	23,156
Total non-current liabilities	23,156
Total liabilities disposed of	68,250
Net assets disposed of	**30,754**

Consideration(1)	4,000
Payment to the purchaser(2)	(6,500)
Total consideration	**(2,500)**
Loss on sale of assets	**(33,254)**

(1) Advanced by the Purchaser to fund on-going operations of MASA
(2) Mineros S.A. paid US$6.5 million to the Purchaser to cover certain obligations (working capital) of MASA that exist as at the date of execution of the Agreement.

As part of the agreement the Purchaser assumed any and all obligations of MASA existing as at the closing date of the Transaction, and the agreement by the Purchaser to make the US$30 million contingent payment that would become payable to NOMAD should the Deep Carbonates Project ever be put into production.

NOTE 7. SEGMENTS

The Group operates in two principal countries, Colombia (Nechi Alluvial) and Nicaragua (HEMCO Nicaragua), Argentina (Gualcamayo) segment was disposed on September 21, 2023. The Group also has significant gold exploration projects including the La Pepa project in Chile included in the Segment Chile (La Pepa), non-material segments called “others” and a parent company called Mineros. The following table provides the Group'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.

Expressed in Thousands of United States Dollars

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

Description	Nechi Aluvial	Hemco	Chile (La Pepa)	Mineros S.A (Holding)	Others	Discontinued operation (Gualcamayo [1])
Products and services	Sale of gold and silver	Sale of gold and silver	Pre-operative	Sale of gold and silver	Sale of latex and gold (pre-operative)	Sale of gold and silver
Type of mining operations	Alluvial mining operation	Underground mining and artisanal mining operation	Pre-operative	Others	Others	Open pit and underground mining
Type of sales	Exports	Exports	Pre-operative	Exports	Local Sales	Exports
Main companies belonging to the segment	Mineros Aluvial S.A.S. BIC	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 Mineros Chile SpA Mineros Argentina Holdings BV Minera Cavancha SpA (*)	Mineros S.A	Negocios Agroforestales S.A.S Minera de Ataco S.A.S Mineros (CANADA) INC	Minas Argentinas S.A.

*Minera Cavancha is considered an investment in associate.

(1) On September 8, 2023, the board of directors of Mineros S.A. announced the agreement for the sale of Minas Argentinas S.A. which carried out all of the Group's Argentinian operations. The disposal will allow Mineros to focus in a portfolio of high margin, long-life and lower cost assets. The disposal was completed on September 21, 2023 on which date control of Minas Argentinas S.A. passed to the acquirer.

7.1 Segment operations

The following is an analysis of the Group's revenue and results, assets, and liabilities by reportable segment in 2023 and 2022:

	Year ended December 31, 2023								
	Nechi Aluvial	**HEMCO Nicaragua**	**Chile (La Pepa)**	**Mineros S.A (Holding)**	**Others**	**Intersegment adjustments and eliminations**	**Total continuing operations**	**Discontinued operation (Gualcamayo)**	**Total**
Revenue	189,643	256,931	–	43,290	385	(42,959)	447,290	58,141	505,431
Investment in subsidiaries	–	–	(54,893)	21,278	–	33,615	–	–	–
Cost of sales	(117,043)	(199,475)	–	(33,147)	(751)	48,528	(301,888)	(74,589)	(376,477)
Gross Profit	**72,600**	**57,456**	**(54,893)**	**31,421**	**(366)**	**39,184**	**145,402**	**(16,448)**	**128,954**
Administrative expenses	(2,449)	(3,174)	(314)	(14,025)	(756)	2,363	(18,355)	(1,586)	(19,941)
Exploration expenses	–	(5,173)	—	(919)	–	–	(6,092)	(4,965)	(11,057)
Impairment of assets	–	—	–	(1,761)	–	1,761	—	—	—
Finance income	923	210	–	596	31	(351)	1,409	5,697	7,106
Finance expense	(4,473)	(2,836)	—	(2,200)	(1)	559	(8,951)	(5,095)	(14,046)
Income Tax							(28,041)		
Net profit for the period from continuing operations							74,538		

Expressed in Thousands of United States Dollars

	Year ended December 31, 2022								
	Nechi Aluvial	HEMCO Nicaragua	Chile (La Pepa)	Mineros S.A (Holding)	Others	Intersegment adjustments and eliminations	Total continuing operations	Discontinued operation (Gualcamayo)	Total
Revenue	167,402	246,780	–	121,905	337	(121,487)	414,937	114,064	529,001
Investment in subsidiaries	–	–	(53,178)	7,616	–	45,562	–	–	–
Cost of sales	(101,014)	(189,655)	–	(113,451)	(603)	121,805	(282,918)	(104,983)	(387,901)
Gross Profit	**66,388**	**57,125**	**(53,178)**	**16,070**	**(266)**	**45,880**	**132,019**	**9,081**	**141,100**
Administrative expenses	(1,828)	(3,579)	(832)	(14,663)	(35)	1,739	(19,198)	(2,213)	(21,411)
Exploration expenses	(118)	(5,997)	(442)	(2,042)	–	(1)	(8,600)	(11,758)	(20,358)
Impairment of assets	(4,822)	–	–	–	–	–	(4,822)	(36,542)	(41,364)
Finance income	485	35	–	2,093	5	(649)	1,969	5,859	7,828
Finance expense	(2,233)	(2,422)	–	(2,148)	(99)	90	(6,812)	(4,307)	(11,119)
						Income Tax	(37,856)		
						Net profit for the period from continuing operations	56,097		

	Year ended December 31, 2023								
	Nechi Aluvial	HEMCO Nicaragua	Chile (La Pepa) (1)	Mineros S.A (Holding)	Others	Intersegment adjustments and eliminations	Total continuing operations	Discontinued operation (Gualcamayo)	Total
Property, plant, and equipment	98,016	107,137	–	2,187	11,294	–	218,634	—	218,634
Total, assets	193,397	247,655	5,987	373,417	108,852	(435,551)	493,757	—	493,757
Total, liabilities	(73,278)	(51,344)	—	(26,561)	(101,833)	104,816	(148,200)	—	(148,200)
Additions of PP&E, intangibles and exploration and evaluation projects	17,413	41,105	–	100	407	—	59,025	7,687	66,712

	Year ended December 31, 2022							
	Nechi Aluvial	HEMCO Nicaragua	Gualcamayo	Chile (La Pepa) (1)	Mineros S.A (Holding)	Others	Intersegment adjustments and eliminations	Total
Property, plant, and equipment	93,754	91,963	31,702	–	2,357	8,706	–	228,482
Total assets	170,503	226,402	125,017	45,553	390,757	8,905	(397,594)	569,543
Total liabilities	(68,630)	(46,316)	(278,820)	(5)	(42,433)	(2,895)	216,109	(222,990)
Additions of PP&E, intangibles and exploration and evaluation projects	14,991	38,713	34,499	–	25	431	—	88,659

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

Expressed in Thousands of United States Dollars

Intersegment, adjustments and eliminations in the consolidated profit and loss statement mainly comprises intercompany sales of gold, equity method between holding and subsidiaries. Eliminations in the consolidated financial position statement mainly comprises equity method of subsidiaries and intercompany account receivables and payables

Information about Geographical Areas

The Group sells the metals to foreign customers from each of the geographies (Colombia and Nicaragua). Argentina (Gualcamayo) segment was disposed on September 21, 2023.

	2023	2022
Colombia	**203,407**	**175,580**
Nicaragua	**256,931**	**246,780**
Argentina	**52,178**	**81,346**
Total revenue continuing & discontinued operations	**512,516**	**503,706**

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	2023	2022
1	158,640	133,514
2	170,238	146,870
3	64,357	68,573
4	46,796	63,695
Total sales to customers exceeding 10% of annual metal sales	**440,031**	**412,652**
Percentage of metal sales	**98 %**	**99 %**

The accounting policies of the reportable segments are the same as th Group 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		
	2023	**2022**
Nechi Alluvial	118,165	112,615
HEMCO Nicaragua	202,763	190,826
Gualcamayo	—	48,089
Chile (La Pepa)	4,539	45,099
Mineros S.A (Holding)	345,672	351,917
Intersegment adjustments and eliminations	(321,723)	(368,754)
Total non-current assets	**349,416**	**379,792**

Expressed in Thousands of United States Dollars

Depreciation and amortization for each segment are presented below:

Depreciation and amortization		
	2023	**2022**
Nechi Alluvial	15,144	13,588
HEMCO Nicaragua	28,468	28,183
Mineros S.A (Holding)	1,376	1,449
Others	111	116
Total, depreciation and amortization continuing operations	**45,099**	**43,336**
Discontinued operation (Gualcamayo)	8,110	13,945
Total, depreciation and amortization continuing & discontinued operations	**53,209**	**57,281**

NOTE 8. IMPAIRMENT OF ASSETS

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

Item	2023	2022
Impairment property, plant, and equipment (See note 8.1)	—	(4,822)
Total	**—**	**(4,822)**

8.1 Nechí Alluvial

During the year 2023 the Group concluded that there are no significant changes in the internal and external factors that are evaluated for the determination of impairment in CGU Nechi Alluvial and, therefore, no impairment or reversal occurred.

On May 28, 2022, a storm with heavy rains and strong winds hit the area where the Alluvial Operation is located, causing damage to the floating beneficiation plant connected to the Llanuras suction dredge (the "Plant"). Immediately following the accident, the Group's emergency protocols were activated. A rescue operation commenced and was followed by coordinated search, and subsequent recovery operations. These operations are now complete and accident investigations by both the relevant Colombian authorities and independent investigators hired by the Company are underway.

As of December 31, 2022, management performed a detailed technical review and inspection to establish the conditions of these assets, which have a carrying value at December 31, 2022 of $4,822, and determined the non-recoverability of these assets and recorded an impairment on them

The following is the impairment recorded in the statement of income:

Description	2023	2022
Property, plant and equipment	—	4,822
Total	**—**	**4,822**

Expressed in Thousands of United States Dollars

The following table shows the detail of impairment in 2022:

2022	Carrying Value	Total Impairment	Adjusted carrying value
Property, plant and equipment	4,822	(4,822)	—
Total	**4,822**	**(4,822)**	**—**

The impairment booked as of December 31, 2022 is due to the accident occurred with the llanuras assets but no to the CGU Nechi Alluvial

8.2 Nicaragua and other segments

During the years 2023 and 2022, the Company concluded that there are no significant changes in the internal and external factors that are evaluated for the determination of impairment in others CGU and, therefore, no impairment or reversal occurred.

NOTE 9. REVENUE

Item	2023	2022
Sales of gold	425,647	404,799
Sales of silver	14,384	7,853
Sales of electric energy	5,346	3,895
Money market hedge (See note 5)	1,154	(2,474)
Other revenue	759	864
Total	**447,290**	**414,937**

NOTE 10. COSTS OF SALES

This item comprises the following costs:

Item	2023	2022
Direct mining costs	246,163	231,352
Depreciation and amortization	43,665	41,865
Taxes and royalties	12,060	9,701
Total	**301,888**	**282,918**

Expressed in Thousands of United States Dollars

NOTE 11. ADMINISTRATIVE EXPENSES

This item comprises the following expenses:

Item	2023	2022
Employee benefits	7,006	5,778
Services	9,012	10,589
Depreciation and amortization	1,434	1,471
Miscellaneous	358	548
Taxes	545	812
Total	**18,355**	**19,198**

NOTE 12. OTHER INCOME

This item comprises the following types of income:

Item	2023	2022
Miscellaneous	5,244	1,596
Fair value adjustment investment property	592	—
Reimbursement of costs and expenses	268	(84)
Total	**6,104**	**1,512**

NOTE 13. OTHER EXPENSES

This item includes the following expenses:

Item	2023	2022
Taxes incurred	2,909	2,719
Miscellaneous	1,714	1,269
Community support	1,486	1,418
Donations	1,141	963
Tax on financial movements	778	669
Estimated liabilities	539	128
Impairment of inventories	900	244
Corporate projects	325	137
Impairment of financial instruments	261	61
Fair value adjustment investment property	—	194
Total Other Expenses	**10,053**	**7,802**

Expressed in Thousands of United States Dollars

NOTE 14. EXPLORATION EXPENSES

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

Item	2023	2022
Exploration expenses	6,092	8,600
Total exploration expenses	**6,092**	**8,600**

NOTE 15. FINANCE INCOME

This item comprises the following types of income:

Item	2023	2022
Interest	1,302	1,772
Fiduciary rights	107	197
Total	**1,409**	**1,969**

NOTE 16. FINANCE EXPENSES

This item comprises the following expenses:

Item	2023	2022
Interest (1)	8,731	6,344
Bank expenses	45	73
Miscellaneous	175	395
Total	**8,951**	**6,812**

1. Include interest for accretions related to ARO of $1.715 (2022: $1.185) and to environmental rehabilitation of $1.900 (2022: $751). Additionally, includes interest expense on financial instrument of $5.117 (2022: $4.408).

NOTE 17. EARNINGS PER SHARE

Basic and Diluted Earnings per Share

Basic earnings per share are calculated by dividing the earnings attributable to the Group's shareholders by the weighted average of the common outstanding shares in the year, excluding any common shares reacquired by the Group 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 Group does not have potentially dilutive shares in any of the years presented.

Expressed in Thousands of United States Dollars

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

Item	2023	2022
Profit (loss) attributable to controlling interest continuing operations	74,538	56,097
Profit (loss) attributable to controlling interest discontinued operations	$ (57,324)	$ (51,610)
Weighted average number of outstanding ordinary shares	**299,737,402**	**299,737,402**
Earnings per share in USD from continuing operations	0.25	0.19
Losses per share in USD from discontinued operations	(0.19)	(0.17)

Dividends payable

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

Item	2023	2022
Ordinary dividends decreed	5,245	4,856
Dividends from prior periods	456	355
Total	**5,701**	**5,211**

In Colombia, according to minute no. 63 of the Ordinary General Meeting of Shareholders of March 30, 2023, the proposal on the payment of dividends was approved. It decrees an ordinary dividend per share of $0.0175 was decreed, payable quarterly on April 26, July 26, October 26 of 2023 and January 25 of 2024.

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

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

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

Item	2023	2022
January 1	5,211	5,007
Dividends decreed	20,982	22,421
Exchange differences	27	773
Dividends paid	(20,519)	(22,990)
As of December 31	**5,701**	**5,211**

Expressed in Thousands of United States Dollars

17.1 Share based payment

Share appreciation rights

The Group 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 Group's common shares on the Colombian Stock Exchange at the grant date. The changes in the Rights for Share Appreciation as of December 31, 2023 are as follows:

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

(1) Includes 689,476 SAR’s unexercised due to early retirement from the company of one of the Key management members

The estimated grant date fair value of the SARs granted during year ended December 31, 2023 was calculated using the Black&Scholes option-pricing model with the following weighted average assumptions:

	Granted in 2022	Granted in 2021	Granted in 2020	Granted in 2019
Risk-free interest rate	9,8%	9,9%	10,0%	10,2%
Expected annual volatility	38,5%	38,5%	38,5%	38,5%
Expected life (in years)	3,2	2,2	1,4	0,1
Expected dividend yield	14,8%	14,8%	14,8%	14,8%
Grant date fair value per SAR (COP)	374	1,046	613	1,199
Share price at grant date (COP)	3,505	4,095	3,248	3,193

The Group recognized share-based payments for $19 (2022: $34).

The following summarizes information about SARs outstanding and exercisable at December 31, 2023:

Expiry date	Exercise price (COP)	SARs outstanding	SARs exercisable	Estimated fair value ($)	Weighted average remaining contractual life (in years)
February 20, 2024 (1)	1,999	449,867	449,867	3	0.14
May 20, 2025 (1)	3,332	382,908	382,908	3	1.39
25 March 2026	3,700	604,073	–	6	2.23
31 March 2027	3,861	630,240	–	7	3.25
Total	**3,223**	**2,067,088**	**832,775**	**19**	**1.93**

Expressed in Thousands of United States Dollars

The value of the share-based payment liability amounts to $19 and is being disclosed as an employee benefit (see note 31).

NOTE 18. CASH AND CASH EQUIVALENTS

The following is the composition of cash and cash equivalents:

Item	2023	2022
Bank deposits (US dollars)	55,590	46,093
Collective investment fund (*)	1,125	1,331
National banks	380	2,338
Petty cash	23	29
Total	**57,118**	**49,791**

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

These accounts have average yields of 3.80% (2022: 1.85%). To date there is no restricted cash.

The following transactions did not generate cash outflows

- Additions of assets for rights of use for $7,791, and ARO (Asset Retirement Obligation) for $4,498 (see note 28).
- Capitalization of assets under construction for $3,179.
- Portfolio investments at fair value for $1,266 (see note 5.2) and royalties for $405 (see note 20).

NOTE 19. TRADE AND OTHER RECEIVABLES,NET

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

Item	2023	2022
Trade accounts receivable:		
International Clients (1)	3,671	13,659
Local Clients	—	31
Total trade accounts Receivable	**3,671**	**13,690**
Other accounts receivable:		
Employee loans (2)	2,337	1,825
Other debtors (3)	4,409	4,796
Total	**6,746**	**6,621**
Trade and other receivables	**10,417**	**20,311**
Current portion	8,025	18,189
Non-current portion	2,392	2,122

(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 Group 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 Group to recognize any provisions on its trade receivables. The Group applies the practical expedient of IFRS 9 in recording expected credit losses.

Expressed in Thousands of United States Dollars

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

Type of loan	2023	2022	Interest rate	Warrantly
Housing (unionized and employees)	1,963	1,536	11,55% E.A employees; 3,00% E.A. unionized employees	Mortgage
Family emergency (unionized and employees)	234	241	13,92% E.A, 0% unionized employees	No warranty
Vehicles	32	15	13,92% E.A.	Garment
Other loans to workers and employees	108	33	13,92% E.A	No warranty
Total	**2,337**	**$1,825**		

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 Group evaluates and takes into consideration the risk or probability of a credit loss occurring.

Annually the Group 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 Group, under which the value of the expected loss would be offset by the recoverable value from exercising the guarantee.

(3) It mainly includes receivables on energy sales for $826 (2022 $487) and advance of guarantee on hedging operations for $81 (2022 $50).

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

As of December 31, 2023 and 2022 the Group recognized the following amounts as portfolio impairment

Concept	2023	2022
Impairment trade and other receivables	157	—
Total	**157**	**—**

NOTE 20. INVENTORIES

The following is the composition of inventories:

Item	2023	2022
Ore Stockpiles (1)	—	49,034
Materials and spare parts	44,618	53,138
Agriculture products	10	—
Total	**44,628**	**102,172**
Current portion	25,037	75,166
Non-current portion	19,591	27,006

Expressed in Thousands of United States Dollars

(1) Change due to the sell of Minas Argentinas S.A. on September 21, 2023, see note 6 Discontinued operations

During 2023 and 2022 obsolete inventories for Colombia ($388 and $164), Nicaragua ($447 and $80) and Argentina ($— and $2,119) were written off, respectively.

NOTE 21. INVESTMENTS IN FINANCIAL ASSETS

	2023	2022
Investments in equity instruments designated as at FVTOCI		
Shares (1)	5,584	6,850
Sub-total	**5,584**	**6,850**
Financial assets measured at FVTPL		
Other investments(2)	2,374	2,508
Trust rights (3)	1,554	1,235
Shares	144	126
Sub-total	**4,072**	**3,869**
Total	**9,656**	**10,719**
Current investments	6	116
Non-current investments	9,650	10,603

(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 Group 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 Group's strategy of holding these investments for long-term purposes and realizing their performance potential in the long run.

(2) It mainly corresponds to the agreement with Soma Gold 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, 2023 and 2022, the asset is valued at $2,374 (2022: $2,508).This asset is measured at fair value using a discount rate of 10.99% (2022: 8.50%), spot gold prices between $1,712 and $1,980 (2022: $1,641 and $1,800); and production between 8,806 oz and 42,224 oz (2022: 9 oz and 48,933 oz).

A reconciliation of the royalty receivable balance is as follows:

	2023	2022
Initial recognition	$2,508	$2,303
- payments	(539)	(334)
Fair value royalty	405	539
Total	**2,374**	**2,508**

(3) On December 28, 2022 Distrito de Negocios S.A.S. entered in a liquidation process. As part of the agreement with its shareholders, the fiduciary rights held by Mineros were transferred to a Trust Fund.

Expressed in Thousands of United States Dollars

NOTE 22. TAXES

22.1 Current tax

22.1.1 Income tax assets and other tax assets

Other tax receivable balances are as follows:

Item	2023	2022
VAT(1)	28,201	24,387
Financial transaction tax (2)	—	1,322
Municipal tax	875	632
Total	**29,076**	**26,341**
Current portion	28,657	25,998
Non- current portion	419	343

Item	2023	2022
Income tax assets (3)	8,318	5,666
Total	**8,318**	**5,666**

(1) Net balance of impairment for $1,108 (2022: $1,108).
(2) The variation corresponds to the disposal of the segment Gualcamayo (Minas Argentinas S.A.), see note 6
(3) Correspond to credit balance income tax at the companies Negocios Agroforestales and Mineros S.A.

22.1.2 Income tax liabilities and other taxes liabilities

Liabilities show the net balance owing by the Group for the taxes in each country of operation, pursuant to the applicable tax framework in each nation, as described in detail in Note 22.5 of these consolidated financial statements. The breakdown of liabilities is as follows:

Item	2023	2022
Municipal taxes	1,344	3,550
VAT	27	19
Total	**1,371**	**3,569**

Item	2023	2022
Income tax	14,165	13,736
Prior year income tax (1)	13,135	10,436
Total	**27,300**	**24,172**

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

Expressed in Thousands of United States Dollars

Current and deferred income tax

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

Item	2023	2022
Income tax (1)	41,950	38,479
Prior period adjustments	611	(1,070)
Subtotal current tax expense	**42,561**	**37,409**
Deferred tax (income) expense (2)	(14,520)	447
Total deferred tax (income) expense	**(14,520)**	**447**
Total income tax expense	**28,041**	**37,856**

(1) The variation corresponds to higher profits and the non-deductibility of royalties in the Nechi Alluvial segment.

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

22.2 Deferred tax

The deferred income tax is as follows:

Item	2023	2022
Initial asset balance	1,616	4,528
Taxes movement	(1,421)	(2,912)
Total, deferred tax asset	**195**	**1,616**
Initial liability balance	(14,727)	(14,741)
Taxes movement	13,600	14
Total, deferred tax liability	**(1,127)**	**(14,727)**
Total, deferred tax (net)	**(932)**	**(13,111)**

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

Item	Property, plant and equipment	Other Assets (1)	Financial Obligations	Other Liabilities	Total
Balance as of January 01, 2022	**(20,806)**	**(7,055)**	**10,386**	**7,262**	**(10,213)**
(Charge) credit to the statement of profit & loss	(1,146)	1,679	(2,296)	1,316	(447)
(Charge) credit to other comprehensive income	96	(227)	399	249	517
Currency translation effect	7	—	—	—	7
Disposal of Gualcamayo	(1,918)	(1,011)	(1,422)	1,376	(2,975)
Balance as of December 31, 2022	**(23,767)**	**(6,614)**	**7,067**	**10,203**	**(13,111)**
Credit to the statement of profit & loss	6,782	2,974	181	4,583	14,520
(Charge) credit to other comprehensive income	134	190	(1,135)	48	(763)
Currency translation effect	(676)	642	10	—	(24)
Disposal Gualcamayo	(1,877)	4,152	(1,562)	(2,267)	(1,554)
Balance as of December 31, 2023	**(19,404)**	**1,344**	**4,561**	**12,567**	**(932)**

Expressed in Thousands of United States Dollars

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

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	2023	Rate	2022	Rate
Net profit for the year	74,538		56,097	
Income tax	28,041		37,856	
Profit before taxes	**102,579**	—	**93,953**	—
Income tax applying the Company's statutory tax rate	35,943	35 %	32,690	35 %
Effect of tax rates in foreign jurisdictions	(5,418)	(5)%	2,762	3 %
Non-deductible/non-taxable income	14,669	14 %	9,751	11 %
Tax incentives	(2,343)	(2)%	(3,720)	(4)%
Temporary differences	(14,520)	(15)%	447	— %
Income tax adjustment previous years	610	1 %	(1,070)	(1)%
Presumptive income tax	—	— %	139	— %
Currency translation effect	(900)	(1)%	(3,143)	(3)%
Income tax	**28,041**	**27 %**	**37,856**	**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 Group has investments in subsidiaries over which it does not recognize deferred tax liabilities, since at the date of the report the Group 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	2023	2022
Mineros Chile SpA	(54,606)	12,361
Hemco S.A.	151,751	137,223
Mineros Aluvial S.A.S. BIC	80,760	70,107
Negocios Agroforestales S.A.S. BIC.	843	649
Minera de Ataco S.A.S.	28	18

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.

Expressed in Thousands of United States Dollars

22.5 Tax aspects

22.5.1 Tax Framework in Colombia

The most relevant tax in Colombia consists of income tax.

Tax reform in Colombia

On December 13, 2022 the National Government issued Law 2277 By means of which a tax reform for equality and social justice is adopted, which incorporates, among others, the following tax provisions as of January 1 , 2023:
Income and Complementary Taxes - The rate on taxable income for entities in Colombia required to file income tax returns will be 35% for the taxable year 2023 and subsequent years.

Income taxpayers that are national corporations and assimilated legal entities (including those that are free zone users) will be subject to a minimum tax rate of 15% calculated based on the adjusted financial profit and will be called "Adjusted Tax Rate".

The possibility of taking 100% of the industry and commerce tax, notices and boards (ICA) as a tax deduction from income tax is eliminated as from taxable year 2023, but it may be taken as a deduction.
The occasional income tax rate increases from 10% to 15% for corporations, foreign entities and non-resident individuals

A list of income not constituting income or occasional profit, special deductions, exempt income and tax discounts provided may not exceed 3% per year of the ordinary net income before subtracting these special deductions.
Royalty payments made in cash or in kind associated with the exploitation of non-renewable natural resources are prohibited as deductible expenses. For royalties paid in kind, the total cost of production is not deductible.
Dividends - The tax rates for dividends or participation received by corporations, foreign entities and by resident and non-resident individuals were modified as follows:

	Tariff	
	Taxable dividends	**Distribution as income not constituting income or occasional gain**
Resident legal entities	35%, plus an additional 10% once the tax assessed at the 35% rate has been reduced	10%, which is collected via withholding tax, which is transferable to the shareholder to be imputed or assumed as tax
Resident Individuals	35%, plus an additional percentage once the tax paid at the 35% rate has been reduced; depending on the amount of the dividends, the recipient will be taxed at a progressive rate between 0% and 39%.	Between 0% and 39%. 19% discount on the value of dividends that are subject to the marginal income tax rate of 19% or higher
Non-residents	35% plus an additional 20%, once the tax assessed at the 35% rate has been reduced.	20%

21.5.2 Tax Framework in Nicaragua

The Company HEMCO Nicaragua S.A. 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.

21.5.3 Tax Framework in Argentina

The tax framework in Argentina underwent several changes outlined in AFIP General Resolution 5248 and BCRA communication "A" 7532. Initially, a 15% advance payment based on previous taxable income was mandated for the 2022 tax year, causing financial strain for companies, although a court injunction suspended its enforcement. Meanwhile, the BCRA tightened access to the foreign exchange market for import payments and introduced the SIMI quota system for importers, categorizing them based on their import history and imposing restrictions on accessing the foreign exchange market. Importers are subject to various quotas and payment deadlines based on their SIMI category, with exemptions for certain goods and adjustments for import volumes. Additionally, the BCRA introduced quotas for payments of services by non-residents, akin to the quota system for importing goods, with restrictions on payment timelines and exceptions for simultaneous financial transactions. Furthermore, local financial entities gained the option to pre-cancel financing in foreign currency under specific conditions.

Exchange and Export Duty Law in Argentina

In Argentina, export duties have seen fluctuations over the years. Initially implemented in 2002 on mineral products like gold, these duties were repealed in 2015 but reinstated in 2018 due to currency depreciation. Currently, gold doré exports are subject to a 12% duty, capped at ARS 4.00 per exported dollar. In December 2020, this duty was modified to 8% until December 2021, and later extended until December 31, 2023.

Regarding foreign exchange regulations, Executive Decree 609/2019, modified by Executive Decree No. 91/19, grants authority to the Argentine Central Bank (BCRA) to manage foreign currency transfers and regulate transactions. The BCRA oversees transfers abroad, purchases of foreign currency and precious metals, and sets regulations to prevent circumvention. Accessing the foreign exchange market is subject to specific conditions, including obligations for export settlements and requirements for import payments and other foreign purchases.

Exceptions exist for settling foreign currency obligations from exports and foreign debt under certain conditions. For instance, if foreign currency funds are credited to accounts held in local financial entities and used simultaneously for transactions compliant with foreign-exchange regulations, settling in the free market is not mandatory.

Cancellation of foreign financial debt requires adherence to BCRA requirements and specific conditions. Payment of dividends to non-resident shareholders is subject to criteria like audited financial statements and regulatory submissions. Payment for services provided by non-residents involves documentation verification and adherence to regulatory systems, with entities required to validate operations in BCRA and AFIP systems.

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 have funds in accounts in foreign currency abroad.

Expressed in Thousands of United States Dollars

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

The BCRA issued new regulations (Communiqués No "A" 7106 and 7230) regarding repayment of financial borrowings in foreign currency. Companies with monthly maturities exceeding USD 2,000,000 with foreign creditors outside Argentina must renegotiate repayment terms. They must submit a refinancing plan to the BCRA, detailing access to the foreign exchange market for principal repayment. The plan must allocate 40% of the initial amount to market access and refinance the rest with a two-year external debt. Plans for debts due by December 31, 2021, had to be submitted by September 30, 2020. Plans for debts maturing from January 1, 2021, to March 31, 2021, must be submitted 30 days before maturity. Certain exceptions apply, such as debts with international organizations or official credit agencies, or repayments not exceeding USD 2,000,000 per month.

Additionally, Argentina implemented export duties on mineral products in 2002, which were repealed in 2015 but reinstated in 2018 due to currency depreciation. Currently, gold doré exports are subject to a 12% duty with a cap of ARS 4.00 per exported dollar. In December 2020, these duties were adjusted to 8% until December 2021, with an extension until December 31, 2023.

NOTE 23. OTHER ASSETS

The details of this item are shown below:

Item	2023	2022
Prepaid expenses	3,912	2,855
Other assets	19	5
Works for taxes (1)	13,134	10,436
Total	**17,065**	**13,296**

(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, and the project for the implementation of digital technologies in educational campuses of the Bajo Cauca region with the resources that were were earmarked for the 2021 Mineros Alluvial income tax,

NOTE 24. INVESTMENT PROPERTY

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

Item	2023	2022
Balance as of January 1	2,025	2,219
Fair value adjustment	592	(194)
Total	**2,617**	**2,025**

The fair value of the investment property for 2023 and 2022 was obtained through a technical formal appraisal considered as level 2 under IFRS 13. In 2023, the Group recognized an fair value adjustment of $592 (2022: $(194)).

Expressed in Thousands of United States Dollars

NOTE 25. EXPLORATION AND EVALUATION PROJECTS

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

Description	Segment	2023	2022
Exploracion Porvenir	HEMCO Nicaragua	25,473	19,805
Luna Roja [1]	HEMCO Nicaragua	24,462	24,462
Exploracion Onzas	Nechi Aluvial	902	538
Viabilizacion Ambiental Etapa 3	Nechi Aluvial	842	542
Viabilizacion Ambiental Etapa 4	Nechi Aluvial	454	39
Ataco	Mineros S.A. (Holding)	434	433
Ampliacion Viabilizacion Etapa 2	Nechi Aluvial	260	—
Elefante II	HEMCO Nicaragua	—	7,910
QDDLW	Gualcamayo	—	3,418
QDDM	Gualcamayo	—	2,450
Las Vacas	Gualcamayo	—	1,958
Alaya	Gualcamayo	—	653
Viabilizacion Ambiental Etapa 2	Nechi Aluvial	—	36
Total		**$52,827**	**$62,244**

1. Mineros is currently focused on an internal Mineral Resources update of the Luna Roja Deposit. In 2024, the Company plans to carry out geological mapping with a focus on geophysical anomalies and conduct internal metallurgical testing at the Hemco lab. No drilling activities are scheduled for the Luna Roja Deposit throughout the year.

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

Description	2023	2022
Cost on January 1	62,244	60,884
Additions	6,780	14,430
Transfers to/from other accounts (-/+)	(13,095)	(6,105)
Disposals, net (-)	(3,102)	(6,965)
Balance as of December 31,	**52,827**	**62,244**

NOTE 26. INTANGIBLE ASSETS, NET

The following are details of the cost of intangible assets:

Type of the intangible	2023	2022
Exploitation and development projects	11,762	9,527
Reserves Hemco [(1)]	23,984	26,164
Projects of modernization I.T	2,059	4,375
Total	**37,805**	**$40,066**

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

Expressed in Thousands of United States Dollars

The movement of intangible assets net is:

2023				
Description	**Exploitation and development projects**	**Mineral resource assets[(1)]**	**Software and software applications**	**Total**
Initial balance	**9,527**	**26,164**	**4,375**	**40,066**
Additions	–	–	372	372
Transfers to other accounts (-/+)	13,365	–	(78)	13,287
Amortization	(10,477)	(2,180)	(2,608)	(15,265)
Dispossal Gualcamayo	(653)	–	(2)	(655)
Net ending balance	**11,762**	**23,984**	**2,059**	**37,805**
Cost as of December 31, 2023	30,106	32,956	11,775	74,837
Accumulated depreciation as of December 31, 2023	(18,344)	(8,972)	(9,716)	(37,032)
Intangible assets, net as of December 31, 2023	**11,762**	**23,984**	**2,059**	**37,805**

2022				
Description	**Exploitation and development projects**	**Mineral resource assets [(1)]**	**Software and software applications**	**Total**
Initial balance	**8,494**	**28,755**	**7,090**	**44,339**
Additions	–	–	379	379
Transfers to other accounts (-/+)	6,145	–	95	6,240
Disposals,Net (-)	–	–	(121)	(121)
Impairment	–	–	(551)	(551)
Amortization	(5,112)	(2,591)	(2,517)	(10,220)
Net ending balance	**9,527**	**26,164**	**4,375**	**40,066**
Cost as of December 31, 2022	22,116	32,956	11,503	66,575
Accumulated depreciation as of December 31, 2022	(12,589)	(6,792)	(7,128)	(26,509)
Intangible assets, net as of December 31, 2022	**9,527**	**26,164**	**4,375**	**40,066**

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

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.

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

Investment	**Carrying value**	**Share of the result of associates**
	2023	**2023**
Minera Cavancha SpA	$5,286	$117

Expressed in Thousands of United States Dollars

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).

The balances reported by the associate are detailed below:

Company	2023				
	Asset	Liabilities	Equity	Non-controlling interest	Profit / loss
Minera Cavancha SpA	25,204	(19)	(25,185)	–	582
Total	**25,204**	**(19)**	**(25,185)**	**–**	**582**

Company	2022				
	Asset	Liabilities	Equity	Non-controlling interest	Profit / loss
Minera Cavancha SpA	25,195	(19)	(25,176)	–	10
Total	**25,195**	**(19)**	**(25,176)**	**–**	**–**

The movement investment in associate is as follows:

Description	2023	2022
Initial balance	5,285	5,287
Acquisition of participation	118	—
Share of results of associates	(117)	(2)
Ending Balance	**$5,286**	**$5,285**

Expressed in Thousands of United States Dollars

NOTE 28. PROPERTY, PLANT AND EQUIPMENT, NET

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

2023					
	Land and buildings	**Machinery, plant and equipment**	**Constructions in progress**	**Plantations**	**Total**
Initial balance	46,699	138,041	38,005	5,737	228,482
Additions	—	6,507	44,857	405	51,769
Additional liabilities for new leases	–	7,791	–	–	7,791
Transfer (-/+)	14,203	19,361	(33,564)	–	–
Transfers to other accounts (-/+)	—	696	(270)	—	426
Disposals, net (-)	—	(674)	(521)	—	(1,195)
Depreciation	(15,468)	(35,220)	—	(72)	(50,760)
Disposition of subsidiaries	(14,352)	(3,294)	(2,517)	—	(20,163)
Currency translation adjustment	757	7	—	1,520	2,284
Net ending balance	**31,839**	**133,215**	**45,990**	**7,590**	**218,634**
Cost as of December 31, 2023	46,903	263,901	45,990	7,923	364,717
Accumulated depreciation as of December 31, 2023	(15,064)	(130,686)	–	(333)	(146,083)
Property, plant, and equipment, net as of December 31, 2023	**31,839**	**133,215**	**45,990**	**7,590**	**218,634**

2022					
	Land and buildings	**Machinery, plant, and equipment**	**Constructions in progress**	**Plantations**	**Total**
Initial balance	84,382	142,323	18,907	6,519	252,131
Additions	114	5,642	54,692	433	60,881
Additional liabilities for new leases	–	12,972	–	–	12,972
Transfer (-/+)	16,230	18,120	(34,350)	–	–
Transfers to other accounts (-/+)	—	17	(317)	–	(300)
Disposals, net (-)	(2,771)	(1,164)	(927)	–	(4,862)
Depreciation	(14,846)	(34,845)	—	(46)	(49,737)
Impairment (See note 8.2)	(35,797)	(5,016)	—	–	(40,813)
Currency translation adjustment	(613)	(8)	—	(1,169)	(1,790)
Net ending balance	**46,699**	**138,041**	**38,005**	**5,737**	**228,482**
Cost as of December 31, 2022	107,211	267,072	38,005	5,937	418,225
Accumulated depreciation as of December 31, 2022	(60,512)	(129,031)	–	(200)	(189,743)
Property, plant, and equipment, net as of December 31, 2022	**46,699**	**138,041**	**38,005**	**5,737**	**228,482**

In 2023, 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 Group's land and buildings as of December 31, 2021, were made by independent appraisers not related to the Group.

Expressed in Thousands of United States Dollars

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.

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

Details of the Group'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 as of 31/12/2023
Land	–	11,305	–	11,305
Construction and buildings	–	19,536	–	19,536
Total	**–**	**30,841**	**–**	**30,841**

	Level 1	Level 2	Level 3	Fair value as of 31/12/2022
Land	–	11,778	–	11,778
Construction and buildings	–	39,321	–	39,321
Total	**–**	**51,099**	**–**	**51,099**

There were no transfers between Levels during the year.

The cost of the land and construction and buildings measured at fair value for 2023: $24,242 (2022: $49,643)

The revaluation surplus accumulated is disclosed in note 34.

Assets pledged as security

The Group 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 $4,398 in 2023 (2022: $4,502), on machinery and equipment and transportation equipment.

b) Caterpillar Finance S.A.
Loan with collateral on heavy machinery and transportation equipment amounting to $1,638 in 2023 (2022: $2,398) machinery and equipment and transportation equipment

Leases

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

Expressed in Thousands of United States Dollars

Details of the balances recognized for the year 2023 and 2022 for leasing are given below and are included under machinery, plant, and equipment.

Item	2023	2022
Depreciation expense on right-of-use assets	6,235	3,837
Interest expense on lease liabilities	2,054	2,417
Costs related to leases of low-value or short-term assets	1,351	2,407

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

NOTE 29. LOANS AND OTHER BORROWINGS

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

Item	2023	2022
Bank loans (1)	16,262	26,483
Lease liabilities (2)	16,540	20,537
Total	**32,802**	**$47,020**
Current portion	13,575	23,772
Non-current portion	19,227	23,248

The change in financial obligations is shown below:

Type of contract	Bank loans	Leases	Total financial obligations
Balance as of January 01, 2023	$26,483	$20,537	$47,020
New credits acquired	27,916	–	27,916
Liabilities for new leases	–	7,791	7,791
Reclassifications	(180)	180	–
Credits paid	(33,749)	(11,917)	(45,666)
Interest accrued	5,006	2,521	7,527
Interest paid	(5,032)	(2,540)	(7,572)
Other payments	–	(19)	(19)
Disposal Gualcamayo	(9,291)	(1,960)	(11,251)
Lease retirement	–	(557)	(557)
Exchange differences	5,109	2,504	7,613
Balance as of December 31, 2023	**16,262**	**16,540**	**32,802**

Expressed in Thousands of United States Dollars

Type of contract	Bank loans	Leases	Total financial obligations
Balance as of January 01, 2022	$34,097	$21,013	$55,110
New credits acquired	17,861	–	17,861
Liabilities for new leases	–	12,972	12,972
Remeasurement leases obligations	–	(8)	(8)
Credits paid	(22,532)	(10,450)	(32,982)
Interest accrued	2,884	2,417	5,301
Interest paid	(2,825)	(2,408)	(5,233)
Other payments	–	163	163
Lease retirement	–	(748)	(748)
Exchange differences	(3,002)	(2,414)	(5,416)
Balance as of December 31, 2022	**26,483**	**20,537**	**47,020**

(1) At December 31, 2023, the breakdown of loans is as follows:

- Loan with an outstanding amount of $11,796, taken out in April 2019, with a term of 7 years, at an interest rate of 16.54% EIR (Effective interest rate) in the Mineros S.A. (Holding) segment.
- 4 loans with an outstanding amount of $4,262 taken out between 2020 and 2021 with term between 2 and 5, at an average interest rate of 8.47% EIR in the HEMCO Nicaragua segment.
- 2 Leasebacks taken out in 2021 with a term of 2 years with an outstanding amount $181, at an average interest rate of 2.75% EIR with guarantee for the HEMCO Nicaragua segment.
- Other loans with an outstanding amount of $23.

(2) At December 31, 2023, the breakdown of lease liabilities is as follows:

- Lease obligation the machinery and equipment at a rate 16.21% EIR with terms between 16 and 107 months with an outstanding amount of $11,062 for the Nechí Alluvial segment.
- Leases obligation the machinery and equipment taken out between 2020 and 2022 and new obligations in 2023, with an outstanding amount of $5,342, at a rate average of 8.75% for a period between 1 and 4 years for the HEMCO Nicaragua segment.
- Other finance lease an outstanding amount of $136.

The Group does not have any covenants.

The value of loans according to their maturity is as follows:

	2023	2022
1 year	7,774	12,295
1 to 5 Years	8,752	16,933
	16,526	**29,228**
Less: unaccrued finance expenses	(264)	(2,745)
Present value bank loans	16,262	26,483

Expressed in Thousands of United States Dollars

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

	2023	2022
1 year	8,409	13,141
1 to 5 Years	11,860	11,149
More than 5 years	—	—
	20,269	**24,290**
Less: unaccrued finance expenses	(3,729)	(3,753)
Present value of minimum lease payments	16,540	20,537

A significant proportion of the Group’s lease arrangements, by value, relate to equipment and vehicles used at the Group'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 Group’s procurement function, although agreements contain a wide range of different terms and conditions. Information about leases for which the Group is a lessee is presented below:

Nechi Alluvial:

Type of contract	Quantity of contracts	Interest rate	Term
Expansion of Providencia Hydroelectric Power Plant	2	16,31% E.A.	Between 84 & 102 months
Pick-up trucks/ Transport equipment	7	13,56% E.A.	Between 25 & 107 months
Industrial hotel equipment	1	21,71% E.A.	16 months

HEMCO Nicaragua:

Type of contract	Amount of the contract	Interest rate	Term
Equipment and loaders	15	Between 4,00% - 10,21% E.A.	Between 12 y 48 months
Pick-up trucks/ Transport equipment	1	8,83% E.A.	48 months

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

Analysis of borrowings by currency	MCOP	*MUSD*	*(A) MUSD Equivalent*	Total
	(A)	*(B)*	(C)	(B +C)
31 December 2023				
Bank loans	45,179,108	4,442	11,820	16,262
Finance lease liabilities	42,798,756	5,342	11,198	16,540
Total	**87,977,864**	**9,784**	**23,018**	**32,802**
31 December 2022				
Bank loans	64,735,120	13,025	13,458	$26,483
Finance lease liabilities	50,025,675	10,137	10,400	20,537
Total	**114,760,795**	**23,162**	**23,858**	**47,020**

Expressed in Thousands of United States Dollars

NOTE 30. TRADE AND OTHER PAYABLES

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

Item	2023	2022
Suppliers	18,383	36,486
Official debtors	5,632	16,502
Other	5,387	8,882
Total	**29,402**	**61,870**

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

NOTE 31. EMPLOYEE BENEFITS

It comprises the following line items:

	2023	2022
Other employee benefits(1)	5,140	8,792
Provision for severance payment (2)	2,880	2,702
Share-based Compensation (See note 17.1)	19	21
Retirement pensions (3)	373	261
Retirement bonus (4)	535	369
Currency translation adjustment	5	—
Total	**8,952**	**12,145**
Current portion	4,395	8,114
Non-current portion	4,557	4,031

(1) Other employee benefits

Corresponds mainly to vacations and vacation benefits for $1,312 (2022: $2,132), short term performance bonuses for $95 (2022: $4,293) and severance payments for $973 (2022: $632).

(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.

To this effect, an actuarial expert from Nicaragua determined the current value of the severance payment obligation as of December 31, 2023, and 2022. The actuarial calculation is established annually using the projected unit credit method in accordance with IAS 19, for 1,314 employees as of December 31, 2023 (1,341 employees at December 31, 2022). The provision is based on the following assumptions:

Expressed in Thousands of United States Dollars

Assumption	2023	2022
Discount rate	9.00 %	10.00 %
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 Group 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, 2023, and 2022, 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 Group of retirees to be paid fully by the Group.

The actuarial calculation of retirement pensions is established annually using the projected unit credit method in accordance with IAS 19 for 15 and 15 pensioners as of December 31, 2023, and 2022. The provision is based on the following assumptions:

Assumption	2023	2022
Discount rate	11.09 %	12.39 %
Pension readjustment rate	6.78 %	7.54 %

For the actuarial calculations as of December 31, 2023, and 2022, 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 Group 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 as of December 31, 2023, and 2022, of the current value of the Group's conventional obligation for seniority bonuses agreed with its employees, corresponding to seven (7) days of salary when completing five (5) years of service, fifteen (15) days upon completing ten (10) years of service and seventeen (17) days of salary upon completing every five (5) years of service after fifteen (15) years of service.

These benefits are valued annually, measuring the projected unit credit pursuant to IAS 19 for 550 employees in 2023 (527 employees in 2022), based on the following financial assumptions:

Assumption	2023	2022
Annual inflation rate	6.78 %	7.54 %
Annual rate of increase of the benefit	11.90 %	17.50 %
Discount rate	11.65 %	12.53 %

Expressed in Thousands of United States Dollars

For this calculation, 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.

Job stability was considered based on the statistics received, which correspond to the 2015-2023 experience of personnel with an indefinite-term contract from Mineros Alluvial, with the following results:

Seniority ranges (Years)	Average Turnover in the Range 2023	Average Turnover in the Range 2022
0 to 2	7.43%	8.18%
2 to 5	2.79%	2.82%
5 to10	1.98%	1.79%
10 to 15	1.38%	1.55%
15 to 20	0.53%	0.46%
20 to 30	2.9%	3.06%
More than 30	9.07%	8.56%

Post - employment benefits

The following tables present the changes in obligations for 2023 and 2022:

	Retirement pensions		Other Benefits	
Change in benefit obligation	**2023**	**2022**	**2023**	**2022**
Benefit obligation at beginning of year	261	316	3,071	2,664
Service cost	–	–	291	263
Interest cost	36	19	305	233
Actuarial loss (gain)	44	(4)	109	583
Benefits paid	(35)	(25)	(425)	(800)
Foreign currency exchange	67	(45)	64	128
Total	**373**	**261**	**3,415**	**3,071**

The increase in actuarial earnings of $(152) (2022: $(828)) 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 as of December 31:

	Pension Benefits and Retirement pensions	
	2023	**2022**
Accrued employee benefit liability	$3,788	$3,332
Accumulated other comprehensive income (loss):		
Net actuarial gain (loss)	(152)	(828)
Exchange difference	—	—
Less: Deferred income taxes	48	250
Subtotal changes in OCI	**($104)**	**(578)**
Total post- employment benefits, net of taxes	**$3,684**	**$2,754**

Expressed in Thousands of United States Dollars

NOTE 32. PROVISIONS

The value of provisions is the following:

Item	2023	2022
Dismantling of assets (1)	21,204	35,625
Environmental rehabilitation (2)	17,042	8,768
Other provisions	3,023	4,411
Total	**41,269**	**48,804**
Current portion	2,745	2,401
Non-current portion	38,524	46,403

(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: Nicaragua $21,204 (2022: $15,073), Argentina $0 (2022: $20,552), .The estimate of said closing costs is based on studies that have been prepared by the Group's technical experts, complying with the environmental regulations in force in each country.

(2) Represents the value of rehabilitation and restoration costs that are expected to be incurred in the environment rehabilitation for Colombia: $17,042 (2022: $8,768).

The provision of dismantling of assets and environmental rehabilitation 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, 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:

2023		
Description	**Colombia**	**Nicaragua**
Rate	14.91 %	6.72 %
Expected outflows of economic benefits	2024-2040	2024-2042

2022			
Description	**Colombia**	**Nicaragua**	**Argentina**
Rate	15.17 %	11.38 %	11.53 %
Expected outflows of economic benefits	2023-2037	2022-2041	2025-2036

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

Expressed in Thousands of United States Dollars

	Dismantling of assets	Environmental rehabilitation	Other provisions
Balance as of December 31, 2021	**$33,400**	**$6,761**	**$5,260**
Additions, changes in estimates and other	(69)	3,206	3,217
Accretion expense	2,485	751	—
Payments and others	(191)	(304)	(3,612)
Foreign currency exchange	—	(1,646)	(454)
Balance as of December 31, 2022	**$35,625**	**$8,768**	**$4,411**
Additions, changes in estimates and other	4,497	4,791	3,813
Accretion expense	3,468	1,900	—
Payments and others	(81)	(1,138)	(4,031)
Recovery of provisions	—	—	(42)
Disposition of subsidiaries	(22,305)	—	(1,013)
Foreign currency exchange	—	2,721	(115)
Balance as of December 31, 2023	**$21,204**	**$17,042**	**$3,023**

Contingent assets

Type of process	Number of processes	Claims
Administrative and environmental	3	4,246
Civil	4	52
Total	**7**	**4,298**

Contingent Liabilities

Contingencies that were evaluated as possible are detailed below:

Type of process	Number of processes	Claims
Labor	17	775
Administrative and environmental	3	1,429
Civil	1	214
Total	**21**	**2,418**

Contingent assets and liabilities for each segment are as follows:

- Mineros S.A. Holding: $4,263 contingent assets and $2,189 contingent liabilities.
- Nechi Alluvial: $Nil contingent assets and $177 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

The composition of the company's capital corresponds to authorized capital to $105, represented by 800,000,000 shares of which 355,956,252 are subscribed and paid, and 299.737.402 shares in circulation for a total capital of $44, with a par value of COP$0.50 per share.

On November 19, 2021, The Company completed its initial public offering in Canada issuing 22,222,223 Common Shares at $0.90 per share. The Common Shares began trading on the TSX and the BVC under the symbol "MSA" and "MINEROS: CB" respectively.

Expressed in Thousands of United States Dollars

The following are details of issued capital and additional paid-in capital at December 31, 2023, and 2022:

Description	2023	2022
Issued capital	44	44
Total	**44**	**44**

The number of outstanding shares is 299.737.402 as of December 31, 2023, and 2022, as follows:

Item	2023	2022
Number of outstanding ordinary shares as of January 1	299,737,402	299,737,402
Number of outstanding ordinary shares as of	**299,737,402**	**299,737,402**

NOTE 34. RESERVES

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

Description	2023	2022
Legal Reserve	20	20
Others reserves (1)	233,632	250,127
Total	**233,652**	**250,147**

(1) It corresponds to reserves established by the shareholders, mainly for protection of assets. The Company decreed dividends of $20,982 (2022: $22,421) see note 17; and appropriated reserves of $4,487 (2022: $43,271).

NOTE 35. OTHER ACCUMULATED COMPREHENSIVE INCOME

Detailed below are the figures of the OACI:

Item	2023	2022
Items that will not be reclassified to results for the year, net taxes:		
Revaluation of property. plant and equipment	6,973	7,622
Measurement of defined benefits plans	(262)	(159)
Items that will be reclassified to results of the year, net taxes:		
Cash flows hedges	(113)	(2,390)
Foreign exchange differences on translation of foreign operations	45,656	44,115
Measurement of financial instruments	3,030	4,106
Total	**55,284**	**53,294**

Expressed in Thousands of United States Dollars

NOTE 36. RETAINED EARNINGS

Description	2023	2022
Opening	12,872	51,609
Profit (Loss) for the year	(4,551)	4,487
Appropriation of reserves	(4,487)	(43,271)
Transfers to Non-controlling interests	–	–
Depreciation revaluation assets	47	47
Reclassification on disposal of assets	–	–
Closing balance	**3,881**	**12,872**

NOTE 37. NON-CONTROLLING INTERESTS

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

Non-controlling interest figures are due to New Castle Gold Mining where Mineros S.A. owns 69.9% of the shares (see note 3.1)

	2023	2022
Assets	6	6
Liabilities	–	—
Equity	6	6
Non-controlling interest	(2)	(2)

During the years 2023 and 2022 the Group does not record any activity.

NOTE 38. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

All the transactions entered with the Group 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 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. of $4,925, compared to $1,911 as of December 31, 2022.
- Paid to Banco Colpatria Multibanca $370 for hedging operations, compared to $2,104 as of December 31, 2022.
- Receipts to Banco Colpatria Multibanca $– for hedging operations, compared to $0 as of December 31, 2022.

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

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

- Costs in the amount of $24 (2022: $912) by Mineros and $0 (2022: $1,487) by Hemco.

Expressed in Thousands of United States Dollars

- Trade and other receivables for $0 (2022: $613) by Hemco.

During 2023 and 2022, there were no transactions with Yamana Chile Servicios SpA or Minera Cavancha SpA.

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

Compensation of Key Management Personnel

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

	2023	2022
Salaries and short-term benefits	932	1,394
Other compensations	368	1,015
Par value of granted SAR's during the year (unvested and unpaid)	—	709

The Group 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 2023 amounted to $573 (2022: $596).

Transactions with Mineros Foundation

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

Description	2023	2022
Donations	583	575

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

NOTE 39. COMMITMENTS

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

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

Other commitments associated with the acquisition of the Gualcamayo Property

The purchase price for the acquisition of Gualcamayo in 2018 was comprised of a cash consideration of $31.1 million, contingent consideration of $30 million to be paid by Mineros S.A. on the date of the commercial operation of the Deep Carbonates Project, and 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 in charge of Minas Argentinas S.A.

Management has not recognized any contingent asset and liability in determining the total consideration of the transaction of the purchase and subsequent sale (see note 6), because commercial production at the Deep Carbonates Project was assessed as remote as of December 31, 2023.

Change in other commitments associated with the acquisition of the Gualcamayo Property

As of the date of this document, Mineros is currently in talks with NOMAD and the purchaser of Minas Argentinas S.A. Eris LLC. to transfer its obligation of paying a contingent consideration of $30 million upon the commercial operation of the Deep Carbonates Project to Eris LLC.

As of the date of this document, NOMAD had not yet released Mineros from such contingent payment obligations. Whilst the assignment is completed Eris is responsible towards Mineros for the contingent payment which obligation is guaranteed with a pledge over 100% of MASA shares.

NOTE 40. EVENTS AFTER REPORTING PERIOD

No events after reporting period have occurred to date.

NOTE 41. APPROVAL OF FINANCIAL STATEMENTS

The Consolidated Financial Statements of Mineros S.A corresponding to December 31, 2023 were authorized by the Board of Directors at its meeting on February 14 according to minutes number 566.