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MINEROS S.A.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of United States Dollars)

Mineros

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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, 2024 and 2023, 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, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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.

Exploration projects – Luna Roja Deposit

As described in note 24 to the financial statements, as at December 31, 2024, the carrying amount of the Exploration Project - Luna Roja Deposit is $15.9 million. This corresponds to an early-stage exploration project recognized in accordance with the accounting policy described in note 3.15. Given the stage of the project, management applies critical judgments in the evaluation of indications of impairment at the end of the period, which are related to the planned activities, budgeted substantive expenditure and the progress of the project.

We identified Luna Roja Deposit project as a key audit matter because of the investment carrying amount and the effort required to evaluate management's evidence considered in the determination for indications of impairment.

- How the Key Audit Matter was addressed in the audit

  The audit procedures related to the assessment of indications of impairment of Luna Roja Deposit project included the following:

  - We evaluated the existence of contradictory evidence through the site visit to the project and the inspection of the minutes of the Board of Directors.

  - We inspected the term of the exploration rights.

  - With the assistance of our valuation specialists, we assessed the reasonableness of the carrying value using available technical information from the project and comparing it to similar projects.

  - We used this understanding as part of their overall evaluation of whether management's significant assumption is reasonable and whether any indicators of management bias in the selection of the assumption were present.

Other Information

Management is responsible for the other information. The other information comprises 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 IFRS as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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.i

- 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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, 2025

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General notes

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	2024	2023
Revenue	8	$538,566	$447,290
Cost of sales	9	(354,567)	(301,888)
GROSS PROFIT		**$183,999**	**$145,402**
Administrative expenses	10	(22,448)	(18,355)
Other income	11	2,751	6,104
Share of results of associates	26	(99)	(117)
Other expenses	12	(10,645)	(10,053)
Exploration expenses	13	(6,354)	(6,092)
Finance income	14	1,798	1,409
Finance expense	15	(8,433)	(8,951)
Foreign exchange differences		1,000	(6,768)
PROFIT FOR THE YEAR BEFORE TAX		**$141,569**	**$102,579**
Current income tax	21	(53,123)	(42,561)
Deferred income tax	21	(1,894)	14,520
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**$86,552**	**$74,538**
Loss for the period from discontinued operations	6	**$—**	**($57,324)**
NET PROFIT FOR THE YEAR		**$86,552**	**$17,214**
Attributable to:			
Owners of the parent company		86,552	17,214
Non-controlling interests		–	–
NET PROFIT FOR THE YEAR		**$86,552**	**$17,214**
Basic and diluted earnings per share from continuing operations	16	**$ 0.29**	**$ 0.25**
Basic and diluted earnings per share from continuing and discontinued operations	16	**$ 0.29**	**$ 0.06**

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

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2024	2023
NET PROFIT FOR THE PERIOD	**$86,552**	**$17,214**
Other comprehensive income, net of income tax		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of net defined benefit liability	296	(104)
Revaluation of property, plant and equipment	6,584	135
Fair value gain (loss) on investment in financial instruments designated as at FVTOCI	628	(1,077)
	7,508	**(1,046)**
Items that may be reclassified subsequently to profit or loss:		
Cash flows hedges	114	2,275
Foreign exchange differences on translation of foreign operations	(1,204)	1,543
	(1,090)	**3,818**
Other comprehensive income, net of income tax	**6,418**	**2,772**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**$92,970**	**$19,986**
Total comprehensive income attributable to:		
Owners of the parent company	92,970	19,986
Non-controlling interests	—	—
	$92,970	**19,986**

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
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2024	2023
ASSETS			
Current assets			
Cash and cash equivalents	17	$96,410	$57,118
Trade and other receivables, net	18	10,019	8,025
Inventories, net	19	23,724	25,037
Derivative financial instruments	5	—	115
Investments in financial assets	20	2,951	6
Income tax assets	21	10,280	8,318
Other tax assets	21	26,139	28,657
Other assets	22	22,742	17,065
Total Current assets		**$192,265**	**$144,341**
Non-current assets			
Trade and other receivables	18	2,186	2,392
Inventories, net	19	19,406	19,591
Investments in financial assets	20	9,322	9,650
Other tax assets	21	14	419
Deferred tax assets	21	754	195
Investment property	23	2,460	2,617
Exploration and evaluation projects, net	24	48,661	52,827
Intangible assets, net	25	38,720	37,805
Investment in associates	26	5,315	5,286
Property, plant and equipment, net	27	262,933	218,634
Total Non-current assets		**$389,771**	**$349,416**
TOTAL ASSETS		**$582,036**	**$493,757**

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

(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

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	2024	2023
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Loans and other borrowings	28	$14,423	$13,575
Derivative financial instruments	5	—	276
Trade and other payables	29	33,571	29,402
Other financial liabilities	16	7,955	5,701
Employee benefits	30	6,877	4,395
Income tax liabilities	21	35,895	27,300
Other tax liabilities	21	1,553	1,371
Provisions	31	5,748	2,745
Total current liabilities		**$106,022**	**$84,765**
Non-current liabilities			
Loans and other borrowings	28	$11,504	$19,227
Employee benefits	30	4,051	4,557
Deferred tax	21	6,859	1,127
Provisions	31	45,046	38,524
Total non-current liabilities		**$67,460**	**$63,435**
TOTAL LIABILITIES		**$173,482**	**$148,200**
Equity			
Share capital	32	44	44
Share premium account	32	30,194	30,194
Reserves	33	219,121	233,652
Other comprehensive income	34	61,641	55,284
Retained earnings	35	97,552	26,381
Equity attributable to the owners of the parent company		**$408,552**	**$345,555**
Non-controlling interests	36	$2	$2
Total equity		**408,554**	**345,557**
TOTAL LIABILITIES AND EQUITY		**$582,036**	**$493,757**
Commitments (Note 38)			

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

(Signed)" Andrés Restrepo Isaza"
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium account	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, 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**
Balance as of January 01, 2024	**$ 44**	**$ 30,194**	**$ 233,652**	**$ 55,284**	**$ 26,381**	**$ 345,555**	**$ 2**	**$ 345,557**
Net profit for the year	–	–	–	–	86,552	86,552	–	86,552
Other comprehensive income for the year, net of income tax	–	–	–	6,418	–	6,418	–	6,418
Total comprehensive income for the year	**–**	**–**	**–**	**6,418**	**86,552**	**92,970**	**–**	**92,970**
Appropriation of reserves	–	–	15,442	–	(15,442)	–	–	–
Dividends	–	–	(29,973)	–	–	(29,973)	–	(29,973)
Reclassification	–	–	–	(61)	61	–	–	–
Balance as of December 31, 2024	**$ 44**	**$ 30,194**	**$ 219,121**	**$ 61,641**	**$ 97,552**	**$ 408,552**	**$ 2**	**$ 408,554**

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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T.P.74290-T

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CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2024	2023
Cash flows from (used in) operating activities			
Receipts from sales of goods		$529,859	$518,057
Receipts from commissions and other revenue		14,942	11,827
Cash receipts from futures contracts, forward contracts, option contracts and swap contracts		—	2,575
Payments to suppliers for goods and services		(284,682)	(307,999)
Payments to employees and social security agencies		(56,790)	(75,099)
Payments for premiums and claims, annuities and other policy benefits		(8,592)	(9,822)
Payments for futures contracts, forward contracts, option contracts and swap contracts		—	(3,735)
Income tax (paid)		(49,788)	(45,884)
Other inflows (outflows) of cash		(757)	(12)
Net cash flows generated by operating activities		**$144,192**	**$89,908**
Cash flows from (used in) investing activities			
Proceeds from the sale of other entities' equity or debt instruments		—	1,891
Proceeds from sales of property, plant and equipment		118	147
Purchases of property, plant and equipment		(54,472)	(44,092)
Purchases of intangible assets and exploration projects		(5,365)	(7,152)
Receipts from the repayment of loans granted to third parties		—	3
Interest received		1,369	1,126
Sales of financial instruments		636	1,157
Net cash flows used in investing activities		**($57,714)**	**($46,920)**
Cash flows from (used in) financing activities			
Proceeds from borrowings.	28	4,347	27,916
Payments of borrowings	28	(10,989)	(33,749)
Payments of lease liabilities	28	(9,600)	(11,917)
Dividends paid	16	(27,663)	(20,519)
Interest paid	28	(3,597)	(7,572)
Net cash flows used in financing activities		**($47,502)**	**($45,841)**
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes		**$38,976**	**($2,853)**
Effect of foreign exchange rate changes		316	10,180
Net increase in cash and cash equivalents		**$39,292**	**$7,327**
Cash and cash equivalents at beginning of the period		57,118	49,791
Cash and cash equivalents at end of the period		**$96,410**	**$57,118**

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**”). Mineros 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 bylaws. 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 (Bolsa de valores de Colombia)(**“BVC”**) 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 respectively.

The Group is a precious metals producer with significant gold production, development, and exploration stage properties in Latin and South America, including Colombia and Nicaragua.The Group´s 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% royalty 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 health, safety and environment (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.

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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 Group 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, plant and equipment 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 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 IASB that are mandatorily effective for an accounting period that begins on or after January 1, 2024. 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:

Amendments to IFRS 16 Leases

Requires a seller-lessee to account for variable lease payments that arise in a sale-and-leaseback transaction as follows.

On initial recognition, include variable lease payments when measuring a lease liability arising from a sale-and-leaseback transaction.

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After initial recognition, apply the general requirements for subsequent accounting of the lease liability such that no gain or loss relating to the retained right of use is recognized.

Seller-lessees are required to reassess and potentially restate sale-and-leaseback transactions entered into since the implementation of IFRS 16 in 2019.

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

The amendments 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.

Amendments to IAS 1 Classification of Liabilities as Current or 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 non-current). 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

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

In response to investors' calls for more transparency of supplier finance arrangements' impacts on the financial statements, the IASB has amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments introduce additional disclosure requirements for companies that enter into these arrangements. However, they do not address the classification and presentation of the related liabilities and cash flows.

2.2 New and revised IFRS, 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 IAS 21	Lack of exchangeability
IFRS 18	Presentation and Disclosures in Financial Statements
Amendments to IFRS 9 & IFRS 7	Amendments to the Classification and Measurement of Financial Instruments

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• Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

The amendments outline how to assess currency exchangeability and determine exchange rates when a currency is not exchangeable. A currency is exchangeable if an entity can obtain another currency within a normal administrative delay through a market or exchange mechanism that creates enforceable rights and obligations. This assessment is made at a measurement date for a specified purpose. If only an insignificant amount of the other currency can be obtained, it is not exchangeable.

When a currency is not exchangeable, an entity must estimate the spot exchange rate, reflecting the rate at which an orderly transaction would occur under current economic conditions. The amendments do not specify the estimation method, allowing entities to use observable exchange rates or other techniques, adjusting as necessary. Examples include using a spot rate for a different purpose or the first rate available after exchangeability is restored.

Entities must disclose how the lack of exchangeability affects their financial performance, position, and cash flows. The amendments add an appendix to IAS 21 with application guidance and new illustrative examples. Consequential amendments to IFRS 1 align with the revised IAS 21. Effective for annual periods beginning on or after January 1, 2025, with earlier application permitted, the amendments cannot be applied retrospectively but must follow specific transition provisions. The company's directors expect these amendments to impact future consolidated financial statements.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments

• IFRS 18 – Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:
• present specified categories and defined subtotals in the statement of profit or loss;
• provide disclosures on Management-defined performance measures (MPMs) in the notes to the financial statements; and
• improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods.

• Amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments

Financial assets and financial liabilities are recognized and derecognized at the settlement date except for purchases or sales of financial assets and financial liabilities meeting the conditions for a new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date.

They also provide guidelines to assess contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance ESG-linked features.

Additionally, these amendments introduce new disclosure requirements and update others.

Expressed in Thousands of United States Dollars

The directors of the company are assessing the impact of this change for purposes of the consolidated financial statements of the group

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.

Outlined below is information related to the Mineros S.A. subsidiaries and associates as of December 31, 2024 and 2023:

Corporate Name	Place of incorporation and operation	Type entity	Main Activity	Functional Currency	Equity interest %	
					12/31/2024	12/31/2023
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%
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	Agro-industrial 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%

USD: United States Dollar
COP: Colombian Peso

Expressed in Thousands of United States Dollars

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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 a significant influence in another entity, even if it has less than 20% of the voting power.

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 to the Mineros S.A. subsidiaries and associates as of December 31, 2024 and 2023:

Corporate Name	Place of incorporation and operation	Type entity	Main Activity	Functional Currency	Equity interest %	
					12/31/2024	12/31/2023
Minera Cavancha SpA	Chile	Associate	Underground gold mining	USD	20%	20%

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 maturities 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).

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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 the foreign currency exchange differences line item. 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 its subsidiaries recognize revenue from the following major sources:

- Sale of precious metals;
- Sale of goods (like latex from our rubber plantation in Colombia); and
- Sale of energy.

Revenue is recognized based on specific contractual considerations arising 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).

As of 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 to the contract with the 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 reflecting the terms of the contract.

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. The buyer bears the market risks 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 in close proximity to each of its operations in Colombia and Nicaragua. In Colombia, the Group sells unused energy and the related revenue from contracts with customers is recognized once the reading of the energy meters is captured by the Energy Exchange Operator (*Operador de Bolsa de Energia)* at the 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 are made in Colombia, and recognized when collected by the customer at the Group´s facilities.

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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 and Nicaragua, countries where the Group operates.

The tax framework in the two 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 profit or loss 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 amount 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 the 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 purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular 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 with the objective of collecting 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 with the objective of 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 the 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 spread 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 FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as FVTOCI. Designation as 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 designated as 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 FVTOCI on the 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 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 FVTOCI on initial recognition.
- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as 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 FVTPL.

Financial assets are measured at FVTPL 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 the 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´s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

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

i. Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the 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 of other financial instruments of the same debtor; and
- 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 future, 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 fulfill its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has an 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 a 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.

v. 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.

vi. 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.

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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 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 spread 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 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 a current asset or as a 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 effectiveness of the Group´s hedges is managed 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 policy and strategy.

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 entered into.

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.

Expressed in Thousands of United States Dollars

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 amount being the lower of cost and net realizable value.

Inventory write-downs and their reversals are recorded as part of other expenses in the current reporting period

3.8 Property, plant, and equipment

Property, plant, and equipment, except for real estate (land, buildings 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 in revaluation is recognized in results to the extent that it exceeds the balance, if any, held in the properties equity reserve relating to a previous increase in the value assets.

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 profit or loss as they are incurred.

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

	Useful life				
Location	**Hemco**	**Mineros Aluvial**	**Mineros Aluvial (Hydroelectric Providencia)**	**Mineros**	**Negocios Agroforestales**
Construction and buildings	1 to 11.1 years	1 to 18 years	1 to 100 years	1 to 18 years	1 to 20 years
Machinery and equipment	1 to 11.1 years	1 to 18 years	1 to 100 years	1 to 18 years	1 to 20 years
Biological assets – Rubber plantations	N/A	N/A	N/A	N/A	1 to 20 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.

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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 of 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 S.A. 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.

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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 develop 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 the capacity to use or sell the intangible asset;
- It is probable the intangible asset will generate economic benefits in the future;
- The appropriate technical, financial, or other type of resources, are available to complete the development and to use or sell the intangible asset; and
- The Group has the 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 for 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 CGU to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs 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 CGU is estimated to be less than its carrying amount, the carrying amount of the asset, or CGU 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 CGU, 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 CGU, 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.

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Asset Retirement Obligation (“ARO”) and environmental rehabilitation provision

The Company recognizes an asset retirement obligation (ARO) in relation to its mining properties, which represents the present value of estimated future costs associated with the reclamation, closure, and environmental remediation of mining sites. These obligations arise as a result of regulatory and legal requirements governing mine closure and site restoration

The ARO is initially measured at fair value and recognized as a liability, with a corresponding increase in the carrying amount of the related asset. The capitalized cost is subsequently depreciated over the useful life of the asset. The liability is accreted over time through periodic charges to finance costs, reflecting the passage of time and changes in discount rates. Significant assumptions and estimates The calculation of ARO involves significant estimates and assumptions, including: - discount rates used to determine present value - Timing of expected mine closure and rehabilitation activities - Expected future costs of reclamation, remediation, and site restoration - Changes in environmental regulations and legal requirements These estimates are reviewed annually and adjusted as necessary to reflect changes in market conditions, technological advancements, and regulatory updates. Adjustments to ARO are recognized as an increase or decrease in the related asset and/or as an expense in the statement of profit or loss, as appropriate

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.
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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

It is possible assets that arise from past events and whose 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. Contingent assets 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 profit or loss 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 amounts 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 fund the payments to former employees.

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 liabilities or assets of net defined benefits, as the case may be, 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 in the liabilities or assets, as the case may be, 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 are immediately recognized in the consolidated statement of profit or loss in 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 as liabilities short-term benefits at the time the employee provided his or her services. The value ascribed to the liability is the value that will be paid to the employee, deducting amounts already paid, An expense will be entered for the period, unless IFRS requires or permits the inclusion of the aforementioned 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 2024 and 2023, no fair values of either assets or liabilities were transferred between the hierarchical levels of fair value.

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

i **Share-based compensation:** 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, These options are paid in cash based on the market price of the share over a given period of time. The options are measured at fair value in accordance with IFRS 2. The Black-Scholes model is used for the valuation.

ii **Portfolio investments at fair value**: These include investments that are made to optimize liquidity surpluses. The Group uses fair values of market prices on the BVC. These items are classified within Level 1 of the fair value hierarchy.

iii **Derivative 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.

iv **Property Plant and Equipment:** The Group measures the fair value of its land and buildings for both recognition and disclosure purposes in accordance with the relevant accounting standards. The fair value measurement is categorized within Level 2 of the fair value hierarchy, as it is based on observable market data, either directly or indirectly,

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:** correspond 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 20). 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 annual production plan.

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;
- Collecting geological information, examining satellite images; and
- 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 Drill 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 in 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: 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 in 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. Mineral resources are classified as inferred, indicated, and measured.

The expenses in 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; and
- 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 mineral reserves (proven and probable).

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: This consists of 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.

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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 are 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, the Group shall measure, present, and disclose any resulting impairment loss.

One or more of the following facts and circumstances indicate that the Group shall 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 mineral 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 mineral 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.

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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 3.15 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 Mineros’ share 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 16).

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 Management has 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

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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 assets:** 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.

Impairment evaluation involves assessing both external and internal factors, including financial results, legal and social environments, market conditions, changes in asset usage, and evidence of obsolescence or physical damage. According to IFRS 6, the company regularly reviews its exploration and evaluation assets for impairment. Indicators include expired exploration rights, lack of planned expenditure, unsuccessful exploration results, and data suggesting non-recoverability. If these indicators are present, the company estimates the asset's recoverable amount, which is the higher of its fair value less costs to sell or its value in use. An impairment loss is recognized if the carrying amount exceeds the recoverable amount, and the company discloses the impairment loss and the events leading to it.

Investments in mining exploration and development projects are 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, and 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 mineral resources and mineral 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) **Mineral reserves and mineral resources**: In assessing mineral resources and mineral reserves available for future exploitation and base for determination of the useful life, assumptions are made regarding the categorization of the mineral reserves, proven or probable, and mineral resources, indicated, measured, or inferred, depending on different scenarios and assumptions regarding the probability of extraction of such mineral resources.

e) **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 31.

f) **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 the Group, 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 new evidence is 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 significant 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, to determine the amounts to be disclosed and / or recognized in the financial statements (See note 31).

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;

Expressed in Thousands of United States Dollars

- The carrying amounts of financial instruments; and
- Fair values of financial instruments (except financial instruments when carrying amount approximates their fair value).

2024	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 17)	–	–	–	96,410	–	–	96,410
Trade and other receivables (see note 18)	–	–	–	12,205	–	–	12,205
Investment in financial asset (see note 20)	4	–	–	2,947	–	–	2,951
Non-current investments (see note 20)	3,000	6,322	–	–	–	–	9,322
Loans and other borrowing (see note 28)	–	–	–	–	–	(25,927)	(25,927)
Trade and other payables (see note 29)	–	–	–	–	–	(33,571)	(33,571)
Other financial liabilities (see note 16)	–	–	–	–	–	(7,955)	(7,955)

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 17)	—	—	—	57,118	—	—	57,118
Trade and other receivables (see note 18)	—	—	—	10,417	—	—	10,417
Derivative financial instruments (Hedges) (see note 5)	—	—	115	—	(276)	—	(161)
Investment in financial asset (see note 20)	6	—	—	—	—	—	6
Non-current investments (see note 20)	4,066	5,584	—	—	—	—	9,650
Loans and other borrowing (see note 28)	—	—	—	—	—	(32,802)	(32,802)
Trade and other payables (see note 29)	—	—	—	—	—	(29,402)	(29,402)
Other financial liabilities (see note 16)	—	—	—	—	—	(5,701)	(5,701)

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).

2024	Fair value			
	Level			
	1	2	3	Total
Investment in financial asset	4	–	–	4
Non-current investments	–	–	9,322	9,322

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)

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

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

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Financial assets/ financial liabilities	Valuation technique(s) and key input(s)	Significant unobservable input(s) Relationship and sensitivity of	Unobservable inputs to fair value
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 2% to 10% in 2024 for the next 10 years.	The higher the rate of revenue growth, the higher the fair value. If revenue growth was 10% higher/lower, while all other variables were held constant, the carrying value would be $11,093 and $1,550 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 9.9% to 22.6% in 2024 (2023: 13% to 23%).	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 carrying value would be $6,417 and $6,227 respectively.
		Weighted average cost of capital, determined using a capital asset pricing model, ranging from 11.78% to 14.20% in 2024 (2023: 14.08% to 18.80%).	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 carrying value would be $6,244 and $6,401, 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 projected ounces of gold and/or the gold price projection, the higher the fair value. If gold productions growth was 1% higher/lower, while holding all other variables constant, the carrying value would be $1,549 and $1.518, 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 carrying value would be $1,529 and $1,539, respectively.

No measurements of fair value for any financial assets or financial liabilities were determined under a different level during the current or prior year.

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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 amount
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.	$8,165 (2023: $15,779)	$ 8,353 (2023: $16,263) excludes leaseback transactions classified as debt for $131 (2023: $181)

5.3 Reconciliation of Level 3 fair value measurements of financial instruments

The following table only includes investment in financial assets.

	Financial assets	
	2024	2023
Balance as of January 1	9,650	10,603
Transfers to other accounts (-/+)	—	134
Total gains or losses:		
– in other comprehensive income	739	(1,266)
– Payments (see note 20)	(733)	(539)
– in profit or loss	(334)	718
Balance as of December 31	**9,322**	**9,650**

No measurements of fair value for any financial assets or financial liabilities were determined under a different level during the current or prior year.

5.4 Derivative financial instruments

As of December 31, 2024 there were no gold hedges outstanding in the Group. As of December 31, 2024 and 2023 there were no currency hedges outstanding in Mineros.

The following tables summarize the positions held by the Group at 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

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Fair value of derivatives

	2024	2023
Assets with derivative financial instruments	—	115
Liabilities with derivative financial instruments	—	(276)
Derivative financial instruments, net	**—**	**(161)**

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

	2024	2023
Cash flows hedges	114	2,275
Total	**114**	**2,275**

Gold revenue protection strategy

Historically, Mineros has implemented a strategy of establishing low or no cost collars (the "Gold Collars"). The Gold Collars are established by selling call options and purchasing put options on a number of ounces of gold, which number is not to exceed anticipated production for the period. Any premium paid for the entry is included as part of the fair value and is settled in cash on a net basis as the monthly contracts mature.

As of December 31, 2024, the Group did not have any Gold Collars in place on any of its gold production. As of December 31, 2024 the Group did not recorded gain or losses for net hedge settlements. Had there been a gain or loss it would have been included in realized gains and losses on gold derivative financial instruments.

Item	2024	2023
Gain on money market hedge	—	1,154
Loss on realized gold sales hedge(1)	(1,679)	(5,860)
Realized hedge loss, net	**(1,679)**	**(4,706)**

(1) 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 28 and cash and cash equivalents in (note 17) and equity (detailed in note 32).

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 2024 and 2023 periods, the leverage level is near the bottom of the defined range.

5.6 Objectives of financial risks management

The Mineros treasury manages access to global financial markets and 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 purchase or sell any type of financial instrument, including financial derivative instruments, for speculative purposes.

The finance department of Mineros reports monthly to the Board of Directors the status of any exposures or 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 volatility 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.

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) Commodity price risk

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 asset 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.

The Group, considering the high price of gold, chose not to engage in any derivatives contracts during the three months ended December 31, 2024.

Risk of foreign exchange rates

Cash is generated from gold sales in US dollars, but some of the Company’s costs are denominated in Colombian pesos and to a lesser extent in Nicaraguan cordobas. Accordingly, the US dollar/Colombian peso exchange rate is an important factor in the financial performance of the Company.

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This risk is managed through OTC derivative financial instruments, whose underlying reference is the USD/COP pair(Tasa Representative del mercado which is the official exchange rate calculated by the Superintendencia Financiera de Colombia). These OTC derivative financial instruments, when outstanding, are settled in cash and their objective is to reduce the variability of cash flows in pesos that is generated by the volatility of the USD/COP pair. 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

Given the actual fluctuation of foreign exchange, the Company paused its use of forward contracts during the first quarter of 2024 and not yet resumed it.

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). The exchange rate at the close of the period.

2024				
Exchange rate at the close of the year	**$4,409.15**			
ASSETS	**Thousands of USD**	**Thousands of COP**	**Change in FX (2,5%)**	**Change in FX 2,5%**
Cash on hand in COP	17	74,955	(0.42)	0.42
Banks	482	2,125,210	(12)	12
Domestic funds	1,057	4,660,472	(26)	26
Total assets	**1,556**	**6,860,637**	**(38)**	**38**
LIABILITIES				
Domestic accounts payable	26,712	117,777,215	(661)	661
Loans and other borrowings	23,805	104,959,816	(589)	589
Total liabilities	**50,517**	**222,737,031**	**(1,250)**	**1,250**
		Total effect profit or loss	**(1,288)**	**1,288**

2023				
Exchange rate at the close of the year	**$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**

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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

During 2024 and 2023 there were not derivatives instruments

c) Interest rate

Risk is not managed, due to the high cost and the limited offering 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, accordingly, the Group remains invested in local fixed-yield investments.

The Company monitors interest rate behavior, in order to secure favorable interest rates when possible. In addition, the Company has kept conservative debt levels as follows: cash and cash equivalents was $96,410 (2023: $57,118) and loans and other borrowings were $25,927 (2023: $32,802),

5.6.2 Credit Risk

The Group's credit risk arises from the potential inability of debtors to fulfill their obligations or from losses incurred due to the default of issuers of financial instruments in which the Group has invested. As part of its risk management policy, the Group engages only with financially sound counterparties. Credit exposures and the credit ratings of these counterparties are continuously monitored.

Regarding the primary debtors, the Group conducts an annual assessment of their liquidity and solvency. Export payment terms require cash settlements, with payments being finalized upon delivery of production to clients or refineries with whom the Group maintains business relationships.

.The Group invests its excess liquidity in top-tier financial institutions, ensuring a minimum credit rating of A- for international investments and AA/DP1 for domestic issuers. Additionally, the Group maintains conservative credit policies and continuously assesses market conditions. To manage risk effectively, it conducts both quantitative and qualitative evaluations of credit ratings for commercial, investment, and lending 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, 2024 and 2023, 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.

The Group did not sign financial guarantees for third parties.

To minimize credit risk, the Group has tasked its Chief Financial Officer ("**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.

Expressed in Thousands of United States Dollars

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 for lifetime. 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 counterparties. The amounts receivable for 2024 is $12,205 (2023: $10,417).

5.6.3 Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecasts and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The maturity of liabilities is disclosed in note 28 All other financial liabilities disclosed in this note mature within one year and do not accrue interest.

During the year ended December 31, 2024, the Company generated net cash flows generated by operating activities, one of the Group main sources of liquidity, of $144,192 (as at December 31, 2023: $89,908). As at December 31, 2024, the Group held cash and cash equivalents of $96,410 (December 31, 2023: $57,118). As at December 31, 2024, the Group working capital, defined as current assets less current liabilities, was $86,243 (December 31, 2023: $59,576).

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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 allows Mineros to focus on a portfolio of high margin, long-life, 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:

	Year ended December 31,
	2023
Revenue	58,141
Cost of sales	(74,589)
Gross (loss) profit from discontinued operations	**(16,448)**
Administrative expenses	(1,586)
Other income	628
Other expenses	(5,002)
Exploration expenses	(4,965)
(Impairment) reversal of assets	—
Finance income	5,697
Finance expense	(5,095)
Foreign exchange differences	3,234
Loss from discontinued operations for the period before tax	**(23,537)**
Current tax	(533)
Deferred tax	—
Net loss from discontinued operations	**(24,070)**
Loss on sale of assets	(33,254)
Loss for the period from discontinued operations	**$ (57,324)**

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

	30/09/2023
Net cash flows from (used in) operating activities	$ (12,763)
Net cash flows from (used in) investing activities	5,801
Net cash flows from (used in) financing activities	(6,415)
Net foreign exchange difference	11,845
Net movement in cash and cash equivalents	**$ (1,532)**

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

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		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 MASA'S working capital that existed as at the date of execution of the Agreement.

NOTE 7. SEGMENTS

The Group operates in two principal countries, Colombia (Nechi Alluvial) and Nicaragua (HEMCO Nicaragua). The Argentinian segment (Gualcamayo) was disposed of 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),The segments categorized under "Other" are not considered material. The parent company overseeing these operations is 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 executive officer ("**CEO**"), and the Management team to make decisions about the allocation of resources to the segments and assess their performance.

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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.	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 allowed Mineros to focus on 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 most significant element for the Group's, including revenue and results, assets, and liabilities by reportable segment in 2024 and 2023:

	Year ended December 31, 2024						
	Nechi Aluvial	**HEMCO Nicaragua**	**Chile (La Pepa)**	**Mineros S.A (Holding)**	**Others**	**Intersegment adjustments and eliminations**	**Total continuing operations**
Revenue	204,519	333,301	–	14,329	1,928	(15,511)	538,566
Investment in subsidiaries	–	–	(314)	90,749	–	(90,435)	–
Cost of sales	(135,587)	(233,923)	–	—	(827)	15,770	(354,567)
Gross Profit	**68,932**	**99,378**	**(314)**	**105,078**	**1,101**	**(90,176)**	**183,999**
Administrative expenses	(3,637)	(3,394)	(300)	(17,698)	(933)	3,514	(22,448)
Exploration expenses	–	(5,219)	—	(741)	(4)	(390)	(6,354)
Finance income	828	679	–	261	31	(1)	1,798
Finance expense	(4,411)	(2,786)	—	(1,229)	(7)	—	(8,433)
Profit or loss before taxes	60,092	83,834	(697)	87,665	1,159	(90,484)	141,569
Income Tax							(55,017)
Net profit for the period from continuing operations							86,552

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	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)
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)
Profit or loss before taxes [1]	63,483	42,489	31,733	13,961	(3,177)	(45,910)	102,579	(20,268)	82,311
						Income Tax	(28,041)		
						Net profit for the period from continuing operations	$ 74,538		

	Year ended December 31, 2024								
	Nechi Aluvial	**HEMCO Nicaragua**	**Chile (La Pepa)**	**Mineros S.A (Holding)**	**Others**	**Intersegment adjustments and eliminations**	**Total continuing operations**	**Discontinued operation (Gualcamayo)**	**Total**
Property, plant, and equipment	107,471	141,603	–	3,039	10,820	–	262,933	—	262,933
Total, assets	205,557	312,794	—	435,277	12,338	(383,930)	582,036	—	582,036
Total, liabilities	80,303	69,786	—	25,558	3,776	(352,905)	(173,482)	—	(173,482)
Additions of PP&E, intangibles and exploration and evaluation projects	17,928	57,991	–	35	361	—	76,315	—	76,315

	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

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

Intersegment adjustments and eliminations in the consolidated profit and loss statement primarily include intercompany gold sales and the application of the equity method between the holding Company and its subsidiaries. In the consolidated financial position statement, eliminations mainly relate to the equity method of subsidiaries and the elimination of intercompany accounts receivable and payable.

Information about Geographical Areas

The Group sells gold and a small amount of silver to foreign customers. Revenues from sales attributed to countries based on the location of the customer were as follow:

Geography	2024		2023	
U.S.A	$	288,807	$	205,436
Switzerland	$	168,167	$	170,238
England	$	73,232	$	64,357
Colombia	$	8,360	$	7,259
Total Revenue.	**$**	**538,566**	**$**	**447,290**

Information about major customers

The following table shows the sales of the five main customers to whom sales of gold and silver were made during the following periods:

Customer	2024		2023	
1		187,524		158,640
2		168,167		170,238
3		73,232		64,357
4		66,936		46,796
5		34,347		—
Total sales to customers exceeding 10% of annual metal sales	**$**	**530,206**	**$**	**440,031**
Percentage of metal sales		**98 %**		**98 %**

The accounting policies of the reportable segments are the same as the Group accounting policies described in note 3. These are the figures reported to the Chief Officer Decision Maker ("CODM") for the purpose of resource allocation and assessment of segment performance.

7.2 Other segment information

Non-current assets		
	2024	**2023**
Nechi Alluvial	126,601	118,165
HEMCO Nicaragua	234,960	202,763
Chile (La Pepa)	5,320	4,539
Mineros S.A (Holding)	398,355	345,672
Intersegment adjustments and eliminations	(375,465)	(321,723)
Total non-current assets	**389,771**	**349,416**

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Depreciation and amortization for each segment are presented below:

Depreciation and amortization	2024	2023
Nechi Alluvial	16,658	15,144
HEMCO Nicaragua	30,668	28,468
Mineros S.A (Holding)	1,060	1,376
Others	162	111
Total, depreciation and amortization continuing operations	**48,548**	**45,099**
Discontinued operation (Gualcamayo)	—	8,110
Total, depreciation and amortization continuing & discontinued operations	**48,548**	**53,209**

NOTE 8. REVENUE

	2024	2023
Sales of gold	508,965	425,647
Sales of silver	21,239	14,384
Sales of electric energy	7,581	5,346
Money market hedge (See note 5)	—	1,154
Other revenue	781	759
Total	**$ 538,566**	**$ 447,290**

NOTE 9. COSTS OF SALES

Cost of sales comprises the following:

	2024	2023
Direct mining costs	294,510	246,163
Depreciation and amortization	47,430	43,665
Taxes and royalties	12,627	12,060
Total	**$ 354,567**	**$ 301,888**

NOTE 10. ADMINISTRATIVE EXPENSES

Administrative expenses comprises the following:

	2024	2023
Employee benefits	10,631	7,006
Services	9,396	9,012
Depreciation and amortization	1,118	1,434
Miscellaneous	750	358
Taxes	553	545
Total	**$ 22,448**	**$ 18,355**

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NOTE 11. OTHER INCOME

Other income comprises the following types of income:

	2024	2023
Miscellaneous	2,253	5,244
Reimbursement of costs and expenses	655	268
Fair value adjustment investment property	(157)	592
Total	**$ 2,751**	**$ 6,104**

NOTE 12. OTHER EXPENSES

Other expenses includes the following:

Item	2024	2023
Taxes incurred	3,462	2,909
Miscellaneous	1,113	1,714
Community support	2,019	1,486
Donations	1,083	1,141
Tax on financial movements	783	778
Estimated liabilities	346	539
Impairment of inventories	1,076	900
Corporate projects	621	325
Impairment of financial instruments	142	261
Total Other Expenses	**$ 10,645**	**$ 10,053**

NOTE 13. EXPLORATION EXPENSES

Exploration expenses for each of the years 2024 and 2023 were as follows:

Item	2024	2023
Exploration expenses	6,354	6,092
Total exploration expenses	**$ 6,354**	**$ 6,092**

NOTE 14. FINANCE INCOME

Finance income comprises the following:

Item	2024	2023
Interest	1,691	1,302
Fiduciary rights	105	107
Valuation of securities	2	—
Total	**$ 1,798**	**$ 1,409**

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NOTE 15. FINANCE EXPENSES

Finance expenses comprises the following:

Item	2024	2023
Interest (1)	8,259	8,731
Bank expenses	62	45
Miscellaneous	112	175
Total	**$ 8,433**	**$ 8,951**

1. Includes interest for accretions related to ARO of $1,425 (2023: $1,715) and to environmental rehabilitation of $2,744 (2023: $1,900). Additionally, includes interest expense on financial instrument of $4,090 (2023: $5,117).

NOTE 16. 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 shares outstanding 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.

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

	2024	2023
Profit attributable to controlling interest continuing operations	86,552	74,538
Loss attributable to controlling interest discontinued operations	$ —	(57,324)
Weighted average number of outstanding ordinary shares	**$ 299,737**	**$ 299,737**
Earnings per share in USD from continuing operations	0.29	0.25
Earnings per share in USD from discontinued operations	—	(0.19)
Earnings per share in USD from continuing and discontinued operations	0.29	0.06

Dividends payable

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

	2024	2023
Ordinary dividends decreed	7,179	5,245
Dividends from prior periods	776	456
Total	**$ 7,955**	**$ 5,701**

On March 26, 2024, the General Shareholders Assembly approved the distribution of the Company's profits, including, in respect of each common share, an annual ordinary dividend of $0.075, payable quarterly, in four equal quarterly installments of $0.01875, and an extraordinary dividend of $0.025, payable in four equal quarterly installments of $0.00625, representing a total distribution of $0.10 per share per annum, or $29,973 in total for the year, calculated based on the number of shares issued and outstanding at March 26, 2024.

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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. An ordinary dividend per share of $0.0175 was declared, payable quarterly on April 26, 2023, July 26, 2023, and October 26, 2023, and January 25, 2024.

The declared dividends in 2024 totaled $29,973 (2023: $20,982), taken from reserves from previous years, as non-taxable dividends.

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

	2024	2023
January 1	5,701	5,211
Dividends declared	29,973	20,982
Foreign exchange differences	(56)	27
Dividends paid	(27,663)	(20,519)
As of December 31	**7,955**	**5,701**

16.1 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. SARs 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). SARs 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 SARs as of December 31, 2024 are as follows:

	Number outstanding	Weighted average exercise price (COP)
Balance, beginning of period	**2,067,088**	**3,010**
Exercised	(856,917)	3,553
Granted	2,996,306	1,757
Forfeited	(682,835)	1,757
Balance, end of period	**3,523,642**	**2,945**

(1) Includes 689,476 SAR's unexercised due to early retirement from the Company of one of the key Management members.

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The estimated grant date fair value of the SARs granted during year ended December 31, 2024 was calculated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	Granted in 2024	Granted in 2022	Granted in 2021	Granted in 2020
Risk-free interest rate	10.7 %	9.9%	9.5%	9.2 %
Expected annual volatility	35.5%	35.5%	35.5%	35.5 %
Expected life (in years)	4.2	2.2	1.2	0.4
Expected dividend yield	7.8%	7.8%	7.8%	7.8%
Grant date fair value per SAR (COP)	601	374	1,046	613
Share price at grant date (COP)	2,995	3,505	4,095	3,248

The Group recognized share-based payments of $246 for the year ended December 31, 2024 (2023: $19).

The following summarizes information about SARs outstanding and exercisable at December 31, 2024:

Expiry date	Exercise price (COP)	SARs outstanding	SARs exercisable	Estimated fair value ($)	Weighted average remaining contractual life (in years)
May 20, 2025 (1)	3,332	219,629	219,629	35	0.38
March 25, 2026 (1)	3,700	360,302	360,302	42	1.23
March 31, 2027 (1)	3,861	630,240	–	54	2.25
March 31, 2029 (1)	1,757	2,313,471	–	115	4.25
Total	**2,945**	**3,523,642**	**579,931**	**246**	**3.34**

The value of the share-based payment liability amounts to $246 and is being disclosed as an employee benefit (see note 30).

NOTE 17. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are composed of the following:

	2024	2023
Bank deposits (US dollars)	94,840	55,590
National banks	482	1,125
Collective investment fund (*)	1,057	380
Petty cash	31	23
Total	**$ 96,410**	**$ 57,118**

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

These accounts have average yields of 4.17% (2023: 3.80%). To date there is no restricted cash.

The following transactions did not generate cash outflows

- Additions of assets for rights of use of $12,249, and AROs of $4,228 (see note 27).
- Portfolio investments at fair value of $739 (see note 5.3) and royalties of $(107) (see note 20).

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NOTE 18. TRADE AND OTHER RECEIVABLES, NET

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

	2024	2023
Trade accounts receivable:		
International Clients [1]	4,522	3,671
Local Clients	18	—
Total trade accounts receivable	**$ 4,540**	**$ 3,671**
Other accounts receivable:		
Employee loans [2]	2,349	2,337
Other debtors [3]	5,316	4,409
Total	**$ 7,665**	**$ 6,746**
Trade and other receivables	**$ 12,205**	**$ 10,417**
Current portion	10,019	8,025
Non-current portion	2,186	2,392

(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.

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

Type of loan	2024	2023	Interest rate	Warranty
Housing (unionized and employees)	1,963	1,963	10.02% E.A employees; 3.00% E.A. unionized employees	Mortgage
Family emergency (unionized and employees)	169	234	12.61% E.A, 0% unionized employees	No warranty
Vehicles	10	32	12.61% E.A.	Garment
Other loans to workers and employees	207	108	12.61% E.A	No warranty
Total	**$ 2,349**	**$ 2,337**		

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 advances of expenses and costs of $2,196 (2023: 1,923), receivables on energy sales of $988 (2023: $826) and cash call over hedging operations of $611 (2023: $81).

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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, 2024 and 2023 the Group recognized the following amounts as portfolio impairment

Concept	2024	2023
Impairment trade and other receivables	106	157
Total	**106**	**157**

NOTE 19. INVENTORIES

Inventories are composed of the following:

	2024	2023
Materials and spare parts	43,130	44,618
Agriculture products	—	10
Total	**$ 43,130**	**$ 44,628**
Current portion	23,724	25,037
Non-current portion	19,406	19,591

During 2024 and 2023 obsolete inventories for Colombia ($271 and $388), and Nicaragua ($805 and $447) were written off, respectively.

NOTE 20. INVESTMENTS IN FINANCIAL ASSETS

	2024	2023
Investments in equity instruments designated as at FVTOCI		
Shares (1)	6,322	5,584
Sub-total	**$ 6,322**	**$ 5,584**
Financial assets measured at amortized cost		
Tax refund titles	2,947	—
Sub-total	**$ 2,947**	**$ —**
Financial assets measured at FVTPL		
Other investments(2)	1,534	2,374
Trust rights (3)	1,347	1,554
Shares	123	144
Sub-total	**$ 3,004**	**$ 4,072**
Total	**$ 12,273**	**$ 9,656**
Current investments	2,951	6
Non-current investments	9,322	9,650

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(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) Other investments corresponds to the agreement with Soma Gold Inc. for the sale of Operadora Minera for $1,534, 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, 2024 and 2023, the royalty measured at fair value is valued at $1,534 (2023: $2,374).using a discount rate of 10.38% (2023: 10.99%), spot gold prices between $2,148 and $2,400 (2023: $1,712 and $1,980); and production of 97,971 oz (2023: 42,224 oz).The fair value of this royalty for 2024 and 2023 was obtained through a technical formal appraisal considered as level 3 under IFRS 13. In 2024

A reconciliation of the royalty receivable balance is as follows:

	2024	2023
Initial recognition	$2,374	$2,508
Less payments	(733)	(539)
Royalty fair value	(107)	405
Total	**1,534**	**2,374**

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

NOTE 21. TAXES

21.1 Current tax

21.1.1 Income tax assets and other tax assets

Other tax receivable balances are as follows:

	2024	2023
VAT [1]	25,410	28,201
Municipal tax	743	875
Total	**26,153**	**29,076**
Current portion	26,139	28,657
Non-current portion	14	419

	2024	2023
Income tax assets [2]	10,280	8,318
Total	**10,280**	**8,318**

(1) Net balance of impairment of $1,108 (2023: $1,108).
(2) Corresponds to a credit balance in the income tax of the companies Negocios Agroforestales S.A.S and Mineros S.A.

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21.1.2 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 21.5 of these consolidated financial statements. The breakdown of liabilities is as follows:

	2024	2023
Municipal taxes	1,549	1,344
VAT	4	27
Total	**1,553**	**1,371**

	2024	2023
Income tax	20,259	14,165
Prior year income tax [1]	15,636	13,135
Total	**35,895**	**27,300**

(1) The variation corresponds to the recognition of works for taxes in the Nechi Alluvial segment. See note 22.

Current and deferred income tax

The following is a breakdown of the current and deferred taxes recorded in the statement of profit or loss:

	2024	2023
Income tax	53,212	41,950
Prior period adjustments	(89)	611
Subtotal current tax expense	**53,123**	**42,561**
Deferred tax expense (income)	1,894	(14,520)
Total deferred tax expense (income)	**1,894**	**(14,520)**
Total income tax expense	**55,017**	**28,041**

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

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

21.2 Deferred tax

Deferred income tax is as follows:

	2024	2023
Initial asset balance	195	1,616
Taxes increase (decrease)	559	(1,421)
Total, deferred tax asset	**754**	**195**
Initial liability balance	(1,127)	(14,727)
Taxes (decrease) increase	(5,732)	13,600
Total, deferred tax liability	**(6,859)**	**(1,127)**
Total, deferred tax (net)	**(6,105)**	**(932)**

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

	Property, plant and equipment	Other Assets	Loans and other borrowings	Current and non current liabilities	Total
Balance as of January 01, 2023	**(23,767)**	**(6,614)**	**7,067**	**10,203**	**(13,111)**
(Debit) credit to the statement of profit & loss	6,782	2,974	181	4,583	14,520
(Debit) credit to other comprehensive income	134	190	(1,135)	48	(763)
Currency translation effect	(676)	642	10	—	(24)
Disposal of 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)**
(Debit) credit to the statement of profit & loss	(1,718)	(3,770)	(745)	4,339	(1,894)
(Debit) credit to other comprehensive income	(2,987)	(111)	(48)	(131)	(3,277)
Currency translation effect	(2)	—	—	—	(2)
Balance as of December 31, 2024	**(24,111)**	**(2,537)**	**3,768**	**16,775**	**(6,105)**

(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.

21.3 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:

	2024	Rate	2023	Rate
Net profit for the year	86,552		74,538	
Income tax	55,017		28,041	
Profit before taxes	**141,569**	—	**102,579**	—
Income tax applying the Company's statutory tax rate	49,549	35 %	35,903	35 %
Effect of tax rates in foreign jurisdictions	(4,231)	(3)%	(5,418)	-5 %
Non-deductible/non-taxable income	9,860	7 %	14,709	14 %
Tax incentives	(5,849)	(4)%	(2,343)	(2)%
Temporary differences	1,693	1 %	(14,520)	(14)%
Income tax adjustment previous years	(88)	— %	610	1 %
Presumptive income tax	184	— %	—	— %
Currency translation effect	3,899	3 %	(900)	(1)%
Income tax	**55,017**	**39 %**	**28,041**	**28 %**

There are no unrecognized tax losses during the reporting periods.

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21.4 Amount of taxable temporary differences in subsidiaries for which no deferred tax liability was 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	2024	2023
Mineros Chile SpA	—	(54,606)
Hemco S.A.	203,140	151,751
Mineros Aluvial S.A.S. BIC	90,502	80,760
Negocios Agroforestales S.A.S. BIC.	1,511	843
Minera de Ataco S.A.S.	952	28

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

21.5 Tax aspects

21.5.1 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 was 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 gain tax rate increases from 10% to 15% for corporations, foreign entities and non-resident individuals.

A list of income not constituting taxable or occasional gain, 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.

In April 2024, the court suspended the effects of judgment C-489 and in May 2024, a public hearing convened by the court to debate the fiscal impact incident filed by the Ministry of Finance was held. After the hearing, the court concluded that the Minister of Finance did not demonstrate that the judgment produced serious alterations in fiscal sustainability. Likewise, it found that the four modulation alternatives proposed by the Minister of Finance violate the constitutional rule under which, under no circumstances, can the fiscal impact incident undermine the fundamental rights protected in the judgment, restrict its scope or deny its effective protection. Therefore, the court denies the request for a fiscal impact incident, therefore judgment C-489 remains in force, supporting that the royalty costs are deductible from the income tax return.

Expressed in Thousands of United States Dollars

Dividends

The tax rates for dividends or shares received by companies, foreign entities, and by resident and non-resident natural persons 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 3% of total gross income.

NOTE 22. OTHER ASSETS

Other assets are shown below:

	2024	2023
Works for taxes [1]	15,635	13,134
Prepaid expenses [2]	7,097	3,912
Other assets	10	19
Total	**$ 22,742**	**$ 17,065**

(1) It corresponds to the following project financed with the resources allocated to the 2021 and 2023 Alluvial Miners Income Tax

- Project for the Implementation of Digital Technologies in Educational Sites in Bajo Cauca
- Provision of library collections for educational institutions in Bajo Cauca,
- Construction of a pedestrian bridge in the municipality of Caceres, Antioquia, in Bajo Cauca,
- Provision of sports equipment for schools in Bajo Cauca.

(2) It mainly corresponds to the advance payment of various insurance coverage.

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NOTE 23. INVESTMENT PROPERTY

The following is a breakdown of investment property and fair value adjustments made to this asset:

	2024	2023
Balance as of January 1	2,617	2,025
Fair value adjustment	(157)	592
Total	**$ 2,460**	**$ 2,617**

The fair value of the investment property for 2024 and 2023 was obtained through a technical formal appraisal considered as level 2 under IFRS 13. In 2024, the Group recognized a fair value adjustment of $(157) (2023: $592) see note 5.

NOTE 24. EXPLORATION AND EVALUATION PROJECTS

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

Description	Segment	2024	2023
Luna Roja [1]	HEMCO Nicaragua	15,892	24,462
Exploracion Porvenir	HEMCO Nicaragua	29,844	25,473
Elefante II	HEMCO Nicaragua	—	—
Proyecto Pluto Sw 850	HEMCO Nicaragua	—	—
Ataco	Mineros S.A. (Holding)	127	434
Viabilizacion Ambiental Etapa 3	Nechi Aluvial	857	842
Exploracion Onzas	Nechi Aluvial	1,048	902
Viabilizacion Ambiental Etapa 4	Nechi Aluvial	465	454
Viabilizacion Bloque rio viejo	Nechi Aluvial	14	—
Ampliacion Viabilizacion Etapa 2	Nechi Aluvial	414	260
Total		**$ 48,661**	**$ 52,827**

Luna Roja Deposit

The Luna Roja Deposit is a skarn gold system. The focus is on expanding Mineral Resources and identifying new targets. Internal metallurgical testing and technical work for updating the Mineral Resource estimate were completed, with publication planned for 2025. Fieldwork targeting geophysical anomalies was conducted, but additional geophysical analysis and drilling are needed for further investigations. During 2024 part of the Luna Roja project was activated due to artisanal production coming from the target (see note 25). No drilling is scheduled for 2025. There were no impairment indicators for the year ended December 31, 2024

Porvenir Project

The Porvenir Project is in the pre-development stage. The mineralization consists of a volcanic hosted gold-zinc-silver deposit. The Mineral Resource model was updated with 2023 drilling data and the geometallurgical model was finalized. Alternative mining methods are being evaluated to improve efficiency and reduce costs. Mineral Resources and Reserves are being updated, and the prefeasibility study optimization will be completed in 2025. There were no impairment indicators for the year ended December 31, 2024

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

	2024		2023	
Cost on January 1		52,827		62,244
Additions		4,710		6,780
Transfers to/from other accounts (-/+)		(8,569)		(13,095)
Disposals, net (-)		(307)		(3,102)
Balance as of December 31,	**$**	**48,661**	**$**	**52,827**

NOTE 25. INTANGIBLE ASSETS, NET

The following are details of the cost of intangible assets:

	2024		2023	
Reserves Hemco [(1)]		21,803		23,984
Exploitation and development projects		15,618		11,762
I.T. modernization projects		1,299		2,059
Total	**$**	**38,720**	**$**	**37,805**

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

The movement of intangible assets net is as follows:

	2024							
Description	**Exploitation and development projects**		**Mineral resource assets**		**Software and software applications**		**Total**	
Initial balance as of January 1, 2024	**$**	**11,762**	**$**	**23,984**	**$**	**2,059**	**$**	**37,805**
Additions		—		—		655		655
Transfers from other accounts (-/+)		8,570		—		—		8,570
Amortization		(4,714)		(2,181)		(1,415)		(8,310)
Net ending balance	**$**	**15,618**	**$**	**21,803**	**$**	**1,299**	**$**	**38,720**
Cost as of December 31, 2024		38,676		32,956		12,430		84,062
Accumulated amortization as of December 31, 2024		(23,058)		(11,153)		(11,131)		(45,342)
Intangible assets, net as of December 31, 2024	**$**	**15,618**	**$**	**21,803**	**$**	**1,299**	**$**	**38,720**

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Description	2023 Exploitation and development projects	2023 Mineral resource assets [1]	2023 Software and software applications	2023 Total
Initial balance	$ **9,527**	$ **26,164**	$ **4,375**	$ **40,066**
Additions	—	—	372	372
Transfers from other accounts (-/+)	13,365	—	(78)	13,287
Amortization	(10,477)	(2,180)	(2,608)	(15,265)
Disposal Gualcamayo	(653)	—	(2)	
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 amortization 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**

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 26. 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
	2024	2024
Minera Cavancha SpA	$5,315	$99

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

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	2024 Asset	2024 Liabilities	2024 Equity	2024 Non-controlling interest	2024 Profit / loss
Minera Cavancha SpA	25,332	(7)	(25,325)	–	498
Total	$ **25,332**	$ **(7)**	$ **(25,325)**	$ **–**	$ **498**

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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)**	**$ –**	**$ –**

The movement investment in associate is as follows:

	2024	2023
Initial balance	$ 5,286	$ 5,285
Cash call	128	118
Share of results of associates	(99)	(117)
Ending Balance	**$5,315**	**$5,286**

NOTE 27. PROPERTY, PLANT AND EQUIPMENT, NET

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

2024					
	Land and buildings	Machinery, plant and equipment	Constructions in progress	Plantations	Total
Initial balance as of January 1, 2024	$ 31,839	$ 133,215	$ 45,990	$ 7,590	$ 218,634
Additions	290	6,853	51,199	359	58,701
Additions of leases	153	12,096	–	–	12,249
Transfer (-/+)	5,730	19,130	(24,860)	–	–
Transfers from other accounts (-/+)	821	3,925	—	—	4,746
Disposals, net (-)	(39)	(1,428)	(420)	—	(1,887)
Depreciation	(3,374)	(32,934)	—	(115)	(36,423)
Revaluation Assets	8,504	—	—	—	8,504
Currency translation adjustment	(557)	—	—	(1,034)	(1,591)
Ending balance, net	**$ 43,367**	**$ 140,857**	**$ 71,909**	**$ 6,800**	**$ 262,933**
Cost as of December 31, 2024	58,280	287,833	71,909	7,196	425,218
Accumulated depreciation as of December 31, 2024	(14,913)	(146,976)	–	(396)	(162,285)
Property, plant, and equipment, net as of December 31, 2024	**$ 43,367**	**$ 140,857**	**$ 71,909**	**$ 6,800**	**$ 262,933**

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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 from 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**

In 2024, appraisals were made, The fair value appraisals of the Group's land and buildings as of December 31,2024, were made by independent appraisers not related to the Group.

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:

				Fair value as of
	Level 1	**Level 2**	**Level 3**	**31/12/2024**
Land	–	10,867	–	10,867
Construction and buildings	–	30,647	–	30,647
Total	**$ –**	**$ 41,514**	**$ –**	**$ 41,514**

				Fair value as of
	Level 1	**Level 2**	**Level 3**	**31/12/2023**
Land	–	11,305	–	11,305
Construction and buildings	–	19,536	–	19,536
Total	**$ –**	**$ 30,841**	**$ –**	**$ 30,841**

There were no transfers between Levels during the year.

The cost of the land and construction and buildings measured at fair value for 2024 was $26,537 (2023: $24,242).

The revaluation surplus accumulated is disclosed in note 33.

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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 $3,245 in 2024 (2023: $4,398), on machinery, equipment and transportation equipment.

b) Caterpillar Finance S.A.
Loan with collateral on heavy machinery and transportation equipment amounting to $1,228 in 2024 (2023: $1,638) machinery, equipment and transportation equipment

Leases

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

Details of the balances recognized for the year 2024 and 2023 for leasing are given below and are included under machinery, plant, and equipment.

	2024	2023
Depreciation expense on right-of-use assets	8,312	6,235
Interest expense on lease liabilities	2,037	2,054
Costs related to leases of low-value or short-term assets	—	1,351

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 28. LOANS AND OTHER BORROWINGS

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

	2024	2023
Bank loans (1)	$ 8,353	$ 16,262
Lease liabilities (2)	17,574	16,540
Total	**$ 25,927**	**$32,802**
Current portion	14,423	13,575
Non-current portion	11,504	19,227

Expressed in Thousands of United States Dollars

The change in financial obligations is shown below:

Type of contract	Bank loans	Leases	Total financial obligations
Balance as of January 1, 2024	$16,262	$16,540	$32,802
New credits acquired	4,347	–	4,347
Liabilities for new leases	–	12,249	12,249
Payments	(10,989)	(9,600)	(20,589)
Interest accrued	1,465	2,025	3,490
Interest paid	(1,560)	(2,037)	(3,597)
Other payments	–	(7)	(7)
Lease retirement	–	(232)	(232)
Exchange differences	(1,172)	(1,364)	(2,536)
Balance as of December 31, 2024	**$ 8,353**	**$ 17,574**	**$ 25,927**

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

(1) At December 31, 2024, the breakdown of loans is as follows:

- Loan with an outstanding amount of $5,770, taken out in April 2019, with a term of 7 years, at an interest rate of 12.96% effective interest rate (“**EIR**”) in the Mineros S.A. (Holding) segment.
- 3 loans with an outstanding amount of $2,444 taken out between 2020 and 2021 with terms between 2 and 5, at an average interest rate of 7.90% EIR in the HEMCO Nicaragua segment.
- 1 leaseback taken out in 2021 with a term of 2 years with an outstanding amount $131, at an average interest rate of 2.75% EIR with guarantee from the HEMCO Nicaragua segment.
- Other loans with an outstanding amount of $8.

(2) At December 31, 2024, the breakdown of lease liabilities is as follows:

- Lease obligations for machinery and equipment at a rate 13.13% EIR with terms between 20 and 107 months with a total outstanding amount of $7,747 for the Nechí Alluvial segment.
- Lease obligations for machinery and equipment taken out between 2020 and 2022 and new obligations in 2024, with a total outstanding amount of $9,781, at a rate average of 8.75% for a period between 1 and 4 years for the HEMCO Nicaragua segment.
- Other finance lease with an outstanding amount of $46.

The Group does not have any covenants.

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

Expressed in Thousands of United States Dollars

	2024		2023	
1 year	$	6,969	$	7,774
1 to 5 Years		2,089		8,752
Total	**$**	**9,058**	**$**	**16,526**
Less: unaccrued finance expenses		(705)		(264)
Present value bank loans	$	8,353	$	16,262

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

	2024		2023	
1 year	$	7,762	$	8,409
1 to 5 Years		9,228		11,860
More than 5 years		—		—
Total	**$**	**16,990**	**$**	**20,269**
Less: unaccrued finance expenses		584		(3,729)
Present value of minimum lease payments	$	17,574	$	16,540

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 Nechi Alluvial segment. 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	12.84% E.A.	Between 84 & 102 months
Transport equipment	11	13.32% E.A.	Between 25 & 107 months

HEMCO Nicaragua:

Type of contract	Amount of the contract	Interest rate	Term
Equipment and loaders	21	Between 4.00% - 10.21% E.A.	Between 12 & 48 months
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)	
December 31, 2024								
Bank loans	$	26,860,835	$	2,262	$	6,091	$	8,353
Finance lease liabilities		38,569,204		8,826		8,748		17,574
Total	**$**	**65,430,039**	**$**	**11,088**	**$**	**14,839**	**$**	**25,927**
December 31, 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**

Expressed in Thousands of United States Dollars

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NOTE 29. TRADE AND OTHER PAYABLES

The following is a breakdown of the trade and other payables amounts:

	2024	2023
Suppliers	$ 23,558	$ 18,383
Official debtors	5,399	5,632
Other	4,614	5,387
Total	**$ 33,571**	**$ 29,402**

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 30. EMPLOYEE BENEFITS

Employee benefits comprise the following line items:

	2024	2023
Other employee benefits(1)	$ 7,357	$ 5,140
Provision for severance payment (2)	2,546	2,880
Share-based Compensation (See note 16.1)	246	19
Retirement pensions (3)	325	373
Retirement bonus (4)	454	535
Currency translation adjustment	—	5
Total	**$ 10,928**	**$ 8,952**
Current portion	6,877	4,395
Non-current portion	4,051	4,557

(1) Other employee benefits

Corresponds mainly to vacations and vacation benefits of $1,306 (2023: $1,312), short term performance bonuses of $3,593 (2023: $1,326) and severance payments of $1,017 (2023: $973).

(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, 2024, and 2023. The actuarial calculation is established annually using the projected unit credit method in accordance with IAS 19, for 1,296 employees as of December 31, 2024 (1,314 employees at December 31, 2023). The provision is based on the following assumptions:

Assumption	2024	2023
Discount rate	11.24 %	9.00 %
Salary readjustment rate	4.00 %	4.50 %
Employee turnover	100% values, table used by Watson Wyatt Worldwide Mexico	100% values, table used by Watson Wyatt Worldwide Mexico

Expressed in Thousands of United States Dollars

(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, 2024, and 2023, 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, 2024, and 2023. The provision is based on the following assumptions:

Assumption	2024	2023
Discount rate	10.73 %	11.09 %
Pension readjustment rate	5.93 %	6.78 %

For the actuarial calculations as of December 31, 2024, and 2023, 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, 2024, and 2023, 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 560 employees in 2024 (550 employees in 2023), based on the following financial assumptions:

Assumption	2024	2023
Annual inflation rate	5.00 %	6.78 %
Annual rate of increase of the benefit	7.63 %	11.90 %
Discount rate	11.33 %	11.65 %

Expressed in Thousands of United States Dollars

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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 - 2024 experience of personnel with an indefinite-term contract from Mineros Alluvial, with the following results:

Seniority ranges (Years)	Average Turnover in the Range 2024	Average Turnover in the Range 2023
0 to 2	7.00%	7.43%
2 to 5	2.65%	2.79%
5 to10	1.94%	1.98%
10 to 15	1.46%	1.38%
15 to 20	0.66%	0.53%
20 to 30	2.8%	2.91%
More than 30	10.59%	9.07%

Post - employment benefits

The following tables present the changes in obligations for 2024 and 2023:

	Retirement pensions		Other Benefits	
Change in benefit obligation	**2024**	**2023**	**2024**	**2023**
Benefit obligation at beginning of year	373	261	3,415	3,071
Service cost	–	–	270	291
Interest cost	32	36	288	305
Actuarial loss (gain)	2	44	(522)	109
Benefits paid	(33)	(35)	(379)	(425)
Foreign currency exchange	(49)	67	(72)	64
Total	**325**	**373**	**3,000**	**3,415**

The decreased in actuarial earnings of $520 (2023: $(152)) is mainly due to the decrease 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	
	2024	**2023**
Accrued employee benefit liability	$3,325	$3,788
Accumulated other comprehensive income (loss):		
Net actuarial gain (loss)	426	(152)
Less: Deferred income taxes	(130)	48
Subtotal changes in OCI	**$296**	**(104)**
Total post- employment benefits, net of taxes	**$3,621**	**$3,684**

Expressed in Thousands of United States Dollars

NOTE 31. PROVISIONS

The following sets forth the breakdown of provisions:

	2024	2023
Dismantling of assets [1]	$ 25,184	$ 21,204
Environmental rehabilitation [2]	22,918	17,042
Other provisions	2,692	3,023
Total	**$ 50,794**	**$ 41,269**
Current portion	5,748	2,745
Non-current portion	45,046	38,524

(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 $25,184 (2023: $21,204).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: $22,918 (2023: $17,042).

The provision for 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:

2024		
Description	**Colombia**	**Nicaragua**
Rate	10.81 %	6.45 %
Expected outflows of economic benefits	2024-2040	2024-2042

2023		
Description	**Colombia**	**Nicaragua**
Rate	14.91 %	6.72 %
Expected outflows of economic benefits	2023-2037	2022-2041

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

Expressed in Thousands of United States Dollars

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	Dismantling of assets	Environmental rehabilitation	Other provisions
Balance as of January 1, 2023	**$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**
Additions, changes in estimates and other	4,228	7,360	489
Accretion expense	1,424	2,745	(410)
Payments and others	(1,672)	(1,539)	
Foreign currency exchange	—	(2,690)	(410)
Balance as of December 31, 2024	**$25,184**	**$22,918**	**$2,692**

Contingent assets

Type of process	Number of processes	Claims
Administrative and environmental	3	3,680
Civil	3	22
Total	**6**	**3,702**

Contingent Liabilities

Contingencies that were evaluated as possible are detailed below:

Type of process	Number of processes	Claims
Labor	18	644
Administrative and environmental	4	40,751
Total	**22**	**41,395**

Contingent assets and liabilities for each segment are as follows:

- Mineros S.A. Holding: $3,702 contingent assets and $1,653 contingent liabilities.
- Nechi Alluvial: $Nil contingent assets and $229 contingent liabilities.
- HEMCO Nicaragua $Nil contingent assets and $39,513 contingent liabilities claim from Nicaraguan tax authorities for alleged unpaid Ad-valorem taxes from 2019 to 2023. The Company, after consulting legal and tax advisors, believes it has complied with all tax laws and has appealed the claim. No provision has been recognized in the financial statements given the Company believes it has calculated and paid the appropriate amounts.
- Chile (La Pepa) and others currently do not have recognized contingent assets and liabilities.

NOTE 32. ISSUED CAPITAL AND SHARE PREMIUM

The composition of the Company's capital corresponds to authorized capital of $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, 2024, and 2023:

Description	2024	2023
Issued capital	44	44
Total	**44**	**44**

The number of outstanding shares is 299,737,402 as of December 31, 2024, and 2023, as follows:

Item	2024	2023
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 33. RESERVES

The composition of reserves as of December 31, 2024 and 2023 is as follows:

Description	2024	2023
Legal Reserve	20	20
Others reserves (1)	219,101	233,632
Total	**219,121**	**233,652**

(1) This corresponds to reserves established by the shareholders, mainly for protection of assets. The Company decreed dividends of $29,973 (2023: $20,982) see note 16; and appropriated reserves of $15,442 (2023: $4,487).

NOTE 34. OTHER ACCUMULATED COMPREHENSIVE INCOME

The composition of other accumulated comprehensive income is as follows:

Item	2024	2023
Items that will not be reclassified to results for the year, net taxes:		
Revaluation of property, plant and equipment	$ 13,497	$ 6,973
Measurement of defined benefits plans	34	(262)
Items that will be reclassified to results of the year, net taxes:		
Cash flows hedges	—	(113)
Foreign exchange differences on translation of foreign operations	44,452	45,656
Measurement of financial instruments	3,658	3,030
Total	**$ 61,641**	**$ 55,284**

Expressed in Thousands of United States Dollars

NOTE 35. RETAINED EARNINGS

The composition of retained earnings is as follows:

Description	2024	2023
Retained earnings from initial adoption of IFRS	$ 17,201	$ 17,201
Profit for the year	86,552	17,214
Accumulated retained earnings	(6,647)	(6,647)
Depreciation of revalued assets	446	385
Reclassification on disposal of assets	—	(1,772)
Total	**$ 97,552**	**$ 26,381**

NOTE 36. 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 intergroup 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)

	2024	2023
Assets	6	6
Liabilities	–	—
Equity	6	6
Non-controlling interest	(2)	(2)

During the years 2024 and 2023 the entity have been inactive.

NOTE 37. 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 $4,623, compared with $4,925 as of December 31, 2023.
- Paid to Banco Colpatria Multibanca $0 for hedging operations, compared with $370 as of December 31, 2023, and accounts payables for $3,258 compared with $0 as of December 31, 2023 for insurance and other obligations.

In December of 2024 and 2023 payments were made to Royal Road through its subsidiary Minerales Camino Real S.A.S:

- Costs in the amount of $0 (2023: $24) by Mineros.

During 2024 and 2023, there were no transactions with Yamana Chile Servicios SpA or Minera Cavancha SpA.

Between December of 2023 and December of 2024 there were no outstanding loans for key Management personnel.

Expressed in Thousands of United States Dollars

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 2024 and 2023 are as follows:

	2024	2023
Salaries and short-term benefits	1,101	932
Other compensations	1,210	368
Par value of granted SAR's during the year (unvested and unpaid)	1,344	—

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 2024 amounted to $722 (2023: $573).

Transactions with Mineros Foundation

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

Description	2024	2023
Donations	382	583

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 38. COMMITMENTS

Commitments associated with the acquisition of the Gualcamayo Property

The purchase price for the acquisition of the Gualcamayo Property in 2018 comprised cash consideration of $31.1 million, a contingent consideration of $30 million to be paid by Mineros to Nomad Royalty Company Ltd. (a subsidiary of Sandstorm Gold Ltd.)("**Nomad**") on the date of the commercial operation of the Deep Carbonates Project, and the grant of a 2% NSR royalty at the Gualcamayo Property on metal produced after an 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 to Minas Argentinas S.A.

Nomad has not yet released Mineros from such contingent payment obligations. As a result of the sale of the Gualcamayo Property, Eris is responsible to Mineros for the contingent payment and this obligation is guaranteed with a pledge over 100% of MASA's shares.

Management has not recognized any contingent asset and liability in determining the total consideration of the transaction of the purchase and subsequent sale, because commercial production at the Deep Carbonates Project was assessed as remote as of December 31, 2024.

NOTE 39. EVENTS AFTER REPORTING PERIOD

No events have occurred after reporting period to the date of these financial statements.

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NOTE 40. APPROVAL OF FINANCIAL STATEMENTS

The Consolidated Financial Statements of Mineros S.A corresponding to December 31, 2024 were authorized by the Board of Directors at its meeting on February 14, 2025 according to minutes number 581.