HOCHSCHILD

12 March 2025

Hochschild Mining PLC

Preliminary Results

Year ended 31 December 2024

RESULTS FOR YEAR ENDED 31 DECEMBER 2024

Eduardo Landin, Chief Executive Officer of Hochschild, commented:

"We are pleased to announce our best financial performance for 13 years, a testament to our exceptional team and high-quality assets. Our growth strategy continues to deliver, with the addition of a record 2.8 million gold-equivalent ounces of mineable resources, extending the life of all our current operations and two major growth projects are now being developed that could boost annual production by over 200,000 ounces. In line with our commitment to shareholder value, we are restoring our dividend and introducing a clear dividend policy, underscoring our focus on sustainable returns. Our team remains dedicated to maximising value, optimising costs, and ensuring long-term growth."

2024 Strong financial performance

- Revenue up 37% at $947.7 million (2023: $693.7 million)[1]
- Adjusted EBITDA up 54% at $421.4 million (2023: $274.4 million)[2]
- Profit before income tax (pre-exceptional) up 272% at $199.1 million (2023: $53.5 million)
- Profit before income tax (post-exceptional) up 507% at $177.2 million (2023: $43.5 million loss)
- Basic earnings per share (pre-exceptional) at $0.23 (2023: $0.02)
- Basic earnings per share (post-exceptional) at $0.19 (2023: loss per share of $0.10)
- Cash and cash equivalents balance of $97.0 million as at 31 December 2024 (2023: $89.1 million)
- Net debt[2] of $215.6 million as at 31 December 2024 (2023: $257.9 million)

Dividend restored

- Final proposed dividend of $1.94 cents per share ($10.0 million)[3]
- Dividend policy introduced: payout based on 20-30% of attributable free cashflow[4]
  - Minimum annual dividend of $10.0 million: to be distributed in two instalments
  - Subject to leverage being lower than 1.5x Net debt/Adjusted EBITDA (current Net Debt/Adjusted EBITDA of 0.51x as at 31 December 2024)

2024 Operational Performance[5]

- Full year attributable production of 347,374 gold equivalent ounces
- All-in sustaining costs (AISC)[2] from operations of $1,638 per gold equivalent ounce (2023: $1,454)

2024 Exploration and Project Highlights

- Record resource additions of 2.8 million gold equivalent ounces
  - 1.0 million gold equivalent ounces added at Inmaculada
  - 1.3 million gold equivalent ounces added at Royropata
  - 0.3 million gold equivalent ounces added at San Jose
  - 0.2 million gold ounces added at Mara Rosa
- Acquisition completed of the Monte Do Carmo project for total phased payments of $60.0 million ($45.0 million already paid)

2024 ESG KPIs

- Lost Time Injury Frequency Rate of 1.25 (2023: 0.99)[6]
- Water consumption of 138lt/person/day (2023: 163lt/person/day)[7]
- Domestic waste generation of 0.93 kg/person/day (2023: 0.93kg/person/day)[8]
- ECO score of 5.58 out of 6 (2023: 5.76)[8,8]

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[1]Revenue presented in the financial statements is disclosed as net revenue and is calculated as gross revenue less commercial discounts plus services revenue
[2]Adjusted EBITDA, net debt and AISC are non-IFRS measures. Please see the Financial Review pages 16-19 for a definition and calculation of Adjusted EBITDA, net debt and AISC
[3]Please see the Financial Review page 20 for the calculation of the final proposed dividend
[4]Attributable free cashflow: attributable net cashflow from operating activities plus attributable net cashflow from investing activities (page 20)
[5]2024 and 2023 equivalent figures calculated using the gold/silver ratio of 83x
[6]Calculated as total number of accidents per million labour hours
[7]2024 environmental KPIs exclude Mara Rosa due to construction and commissioning activities which occurred prior to May 2024. Mara Rosa will be reflected in 2025 environmental KPIs.
[8]The ECO Score is an internally designed Key Performance Indicator measuring environmental performance in one number and encompassing numerous factors including management of waste water, outcome of regulatory inspections and sound environmental practices relating to water consumption and the recycling of materials.

2025 Outlook

- Overall production target:
  - 350,000-378,000 gold equivalent ounces
  - New Mara Rosa mine set to produce 94,000-104,000 ounces of gold
- All-in sustaining cost target:
  - $1,587-$1,687 per gold equivalent ounce
- Total sustaining capital expenditure at operating mines expected to be approximately $169-180 million
- Brownfield exploration budget of $36 million

$000 unless stated	Year ended 31 Dec 2024	Year ended 31 Dec 2023	% change
Attributable silver production (koz)	**8,496**	9,517	(11)
Attributable gold production (koz)	**245**	186	32
Revenue	**947,696**	693,716	37
Adjusted EBITDA	**421,354**	274,370	54
Profit from continuing operations (pre-exceptional)	**133,511**	9,505	1,305
Profit (loss) from continuing operations (post-exceptional)	**113,749**	(60,033)	(289)
Basic earnings per share (pre-exceptional) $	**0.23**	0.02	1,050
Basic earnings (loss) per share (post-exceptional) $	**0.19**	(0.10)	(290)

A presentation will be held for analysts and investors at 9.30am (UK time) on Wednesday 12 March 2025 at the offices of Hudson Sandler, 25 Charterhouse Square, London, EC1M 6AE

The presentation and a link to the live audio webcast of the presentation can be found at the Hochschild website:
www.hochschildmining.com
or:
https://brrmedia.news/HOC_FY_24

To join the event via conference call, please see dial in details below:
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US Toll-Free Number: 866 580 3963
Canada Toll Free: 1 866 378 3566
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Non-IFRS Financial Performance Measures
The Company has included certain non-IFRS measures in this news release. The Company believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company. The non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardised meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

About Hochschild Mining PLC
Hochschild Mining PLC is a leading precious metals company listed on the London Stock Exchange (HOCM.L / HOC LN) and crosstrades on the OTCQX Best Market in the U.S. (HCHDF), with a primary focus on the exploration, mining, processing and sale of silver and gold. Hochschild has over fifty years' experience in the mining of precious metal epithermal vein deposits and operates two underground epithermal vein mines: Inmaculada, located in southern Peru; and San Jose in southern Argentina, and an open pit gold mine, Mara Rosa, located in the state of Goiás, Brazil. Hochschild also has numerous long-term projects throughout the Americas.

Forward looking statements
This announcement may contain forward looking statements. By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results, performance or achievements of Hochschild Mining PLC may, for various reasons, be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

The forward-looking statements reflect knowledge and information available at the date of preparation of this announcement. Except as required by the Listing Rules and applicable law, the Board of Hochschild Mining PLC does not undertake any obligation to update or change any forward-looking statements to reflect events occurring after the date of this announcement. Nothing in this announcement should be construed as a profit forecast.

Note
The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (Regulation (EU) No.596/2014). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

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CHAIR'S STATEMENT

I am very pleased to report that we have made good progress across the entire business during the year. Precious metal prices have continued to reach new highs, and our management has been able to advance our strategy and key objectives, particularly in Brazil, where we reached major milestones with both commercial production at our Mara Rosa mine and strategic growth with the addition of the new Monte do Carmo project. Furthermore, our brownfield team has also added significant high-quality resources at all our operating mines, especially in Peru. These achievements not only reflect our ability to grow and deliver value but also align with our drive for excellence in all aspects of our business—development, operational performance and sustainability.

With regards to our people, we have continued to prioritise the safety of our employees, through the use of Safety 2.0, a framework of training programmes and initiatives that seek to reinforce Hochschild's safety-first approach in all that we do. The fruits of this work are reflected in the accident frequency rate which is, yet again, industry-leading and a testament to the work of our operations teams.

We cannot, and do not, measure our success solely with reference to our operational and financial results, as the impact of our operations on our wider stakeholders are equally important. We actively engage with our local communities and seek to meet their needs by creating positive social impacts and promoting economic development in the areas where we operate. Our collective efforts are reflected in the year-on-year increase in the proportion of local procurement and the wide-ranging social investment programme implemented for the benefit of our local communities in Peru, Argentina, and Brazil.

As a company committed to sustainable growth, we recognise that responsible environmental management is crucial to our long-term success. In 2024, our environmental performance was excellent, as measured by our unique and industry-leading ECO Score tool. Our green credentials were further reinforced by our ability to reduce, to all-time lows, the amount of water consumed in our operations. The year also saw the renewal of our ESG-linked debt facility which will see the interest rate adjusted in line with specific aspects of our environmental and safety performance.

Looking at Hochschild as an employer, turnover of personnel continues to be very low. The Board was also pleased to note the outcome of the working climate survey which saw a significant improvement in the satisfaction of our colleagues in Peru and Argentina over a five-year period. This year, we will work to implement the actions that have been identified to build on this strong foundation.

It is with great pride that Hochschild's collective efforts on all of these fronts have been the subject of external validation, with a number of ESG organisations upgrading their ratings on the Company as well as our inclusion in the FTSE4Good Index. Details of the wide-ranging programmes undertaken in our countries of operation can be found in the Sustainability section of the Annual Report and our standalone Sustainability Report to be published during Q2 2025.

In Brazil, we achieved significant milestones, notably reaching commercial production at our Mara Rosa mine in May 2024 after a successful construction phase which was completed on time and on budget. In addition, we further strengthened our position by optioning and subsequently acquiring the Monte do Carmo project for a total cost of $60 million. This highly promising asset in the business-friendly neighbouring state of Tocantins has all the potential to become our next major low-cost construction project in Brazil, complementing the growth trajectory we have established in this key region and utilising our team's proven expertise.

One of the standout highlights has been the performance of our brownfield exploration team. With their relentless dedication and innovative approach, we have achieved remarkable results in 2024, including a record addition of 2.8 million gold equivalent ounces to our resource base. As we have consistently emphasised, we believe strongly in the untapped potential of our assets and the successes we've seen this year validate that belief and underline the vital role that brownfield exploration plays in our strategy. These resource additions are not only a testament to the hard work of our team but also confirm our confidence that our existing operations will remain at the heart of our Company for many years to come.

Our operations once again delivered reliable performance, underscored by the achievement of first production from the Mara Rosa mine, a significant milestone, which further solidified our operational foundation as we continue to expand our footprint. Although costs were moderately above our initial guidance, this was largely due to persistent inflationary pressures in Argentina and a slower-than-expected ramp-up in Brazil. As with any major mine development, a certain degree of fine-tuning is often necessary in the final stages, but we remain confident that these challenges have been overcome and the operation will deliver a full year of output in 2025. Furthermore, the combination of a record gold price and our continued operational efficiency enabled us to generate strong cashflow, which allowed us to reduce a portion of our debt and continue to invest in our project pipeline.

I would like to express my gratitude and that of the Board to Michael Rawlinson, who will be retiring at the conclusion of the forthcoming AGM, for his dedicated service as a Board member, Senior Independent Director and Chair of the Remuneration Committee. We will all miss his insight and valued contributions in our discussions and wish him all the best for the future. I am delighted that Michael will be succeeded by Tracey Kerr as Senior Independent Director and by Jill Gardiner as Remuneration Committee Chair.

Outlook

2024 was a year marked by exceptional performance in the precious metals market, with both gold and silver reaching notable price milestones. Gold surged to a new high of $2,800 per ounce, while silver experienced a solid 21% increase in the year-end spot price, although still well below its record high from 2011. This robust market environment has significantly benefited us, and we are pleased to report that this price strength has continued into 2025, providing us with a strong foundation as we move forward.

2024 was a year of solid financial discipline and progress, as we made significant strides in achieving our medium-term financial targets. A key focus for us has been the reduction of our existing debt, and I'm pleased to report that we successfully reduced our net debt position by just over $40 million during the year. This was achieved while simultaneously making strategic investments in the final stages of development at Mara Rosa and the acquisition of Monte do Carmo, which will contribute to our growth and long-term success.

As part of our comprehensive capital allocation strategy, we also recognise the importance of capital return to our shareholders. With this in mind, the Board is pleased to announce that our strong balance sheet has allowed us to reinstate our dividend payout and to recommend a final dividend of $1.94 cents per share ($10.0 million). Furthermore, the Board has approved a new dividend policy aimed at providing greater predictability and consistency for our investors in the years ahead. This move underscores our commitment to maintaining a balance between reinvesting in our business for future growth and delivering tangible returns to our shareholders and could also include future share buybacks, if considered appropriate by the Directors.

As we look back on a successful 2024, I would like to take this opportunity to express my gratitude to our leadership team, as well as the several thousand Hochschild employees, contractors, and partners who have played a pivotal role in our achievements. Their dedication and hard work have been instrumental in delivering for our Company and our stakeholders, and I am incredibly proud of what we have accomplished together.

Eduardo Hochschild, Chairman
11 March 2025

CHIEF EXECUTIVE OFFICER'S STATEMENT

I am proud to say that we have made significant strides in executing the strategy we outlined in November 2023 which focused on four key pillars: brownfield exploration, operational efficiency, ESG and disciplined capital allocation.

Our new Mara Rosa mine was completed on time and on budget and is now operating as planned. This achievement marks another key step forward for the Company whilst at the same time, our other operations, particularly Inmaculada, have consistently exceeded expectations, showcasing the strength and resilience of our existing portfolio. Additionally, we have made great progress in expanding our growth pipeline by adding an exciting new project in Brazil and have also continued to advance the development of our Royropata project in Peru. These efforts position us well for the next phase of growth and lay the foundation for future value creation.

ESG

Our corporate purpose places responsibility at the core of how we conduct our business. As outlined by Eduardo Hochschild, our commitment to this responsibility is reflected through a wide range of programmes, initiatives, and actions that continue to drive positive change. I am proud to highlight that our principle-led approach has translated into real, impactful developments across our operations. In 2024, we took a significant step by forming a multi-disciplinary team dedicated to coordinating our ESG efforts, further emphasizing its critical role in our corporate strategy.

Through our community engagement initiatives, we successfully completed the first phase of work necessary to advance the Royropata project. Additionally, in the area of safety, our operating units in Peru and Argentina achieved Level 8 certification from Det Norske Veritas for their risk management information systems, making Hochschild the first mining company to secure this prestigious level of accreditation. We continue to maintain excellent environmental performance, reinforcing our dedication to sustainability and responsible resource management across all aspects of our operations.

Operations

Hochschild Mining's operational performance in 2024 continued to demonstrate the strength of our assets and our ability to meet our Company production target. We delivered 347,374 attributable gold equivalent ounces, marking a 16% increase compared to the prior year's output of 300,749 ounces mostly due to a first contribution from the new Mara Rosa mine. The all-in sustaining cost (AISC) for the year was slightly higher than expected, reflecting persistent inflationary pressures in Argentina and a slower-than-expected initial ramp-up in Brazil.

The Inmaculada mine delivered a strong performance in 2024, with an 8% increase in production, totalling 220,501 gold equivalent ounces (up from 203,849 ounces in 2023). This was largely driven by a series of successful operational efficiency initiatives aimed at increasing overall mined tonnage. The AISC for Inmaculada was $1,512 per gold equivalent ounce. Over at San Jose, production was in line with expectations at 123,732 million gold equivalent ounces in 2024 (2023: 134,264 million ounces), primarily reflecting scheduled lower grades. In addition, a $9 million project to expand plant capacity by approximately 20%

was successfully completed by the end of the year, enabling the future treatment of existing lower-grade ores. AISC for San Jose was higher than anticipated at $1,973 per gold equivalent ounce, due to continued inflationary pressures in Argentina, without the benefit of currency devaluation to offset cost increases.

The Mara Rosa mine achieved a major milestone in 2024, with construction being completed early in the year. After commissioning, the mine reached commercial production in mid-May and eventually delivered 63,770 gold equivalent ounces at an all-in sustaining cost of $1,408 per gold equivalent ounce. Although the ramp-up process took slightly longer than expected, the team at Mara Rosa did a good job in overcoming the start-up challenges associated with a new mine. We are optimistic about the future, as 2025 will mark the first full year of production from this new asset, and we anticipate strong contributions to our overall performance moving forward.

Projects

With the project completed at Mara Rosa, the business development team turned its attention to the next stage of growth in Brazil. In March, we secured an option to acquire the Monte do Carmo project in the neighbouring Tocantins state from Cerrado Gold and following a period of extensive exploration and a twin drilling programme, which returned encouraging results, we exercised the option and closed the purchase in November for a total cost of $60 million. This high-quality addition to our pipeline added a low-cost, long-life asset located in a mining-friendly jurisdiction within close proximity to Mara Rosa. With permitting substantially de-risked and strong exploration upside, we believe that we have the right team in place to deliver another exciting opportunity for all stakeholders. In 2025, we look forward to advancing the project through additional drilling and detailed engineering with the aim of a decision on construction later in the year.

In Peru, we have made good progress at our Royropata project close to the former Pallancata mine. We achieved the key milestone of securing the community easements with our neighbouring communities on all the required land during the year and are aiming to submit the Modified Environmental Impact Assessment ("MEIA") to the government in 2026. We are also confident that our recent success at adding to the project's resource base will boost the project economics as we advance through the permitting process.

Exploration

Brownfield exploration remains one of the cornerstones of our strategy, and I am proud of the work accomplished by Oscar Garcia and his dedicated brownfield team. Their efforts have resulted in a record year of resource additions, with 2.8 million gold equivalent ounces added across all our operations and projects. A standout achievement was at Inmaculada, where over 1 million ounces were discovered, primarily in the northern part of the known deposit. In the Royropata area, we made significant strides towards the end of the year, discovering an important amount of resources that increases its initial life-of-mine. Additionally, we successfully replaced resources at San Jose and uncovered new mineralisation below the main pit at Mara Rosa, further highlighting the substantial potential to extend the life-of-mine at this new mine. These milestones underscore the strength and resilience of our exploration efforts, positioning us for continued success in the future.

Financial position

With the increased production from Mara Rosa and record gold prices during the year, the Company generated significant cashflow with the result that the Company's liquidity remains strong. Cash and cash equivalents of $97.0 million at the end of December (2023: $89.1 million) reflected strong operational cash flow during the year offset by the remaining project capital expenditure of just over $16 million at Mara Rosa in the first half of the year as well as the payment of a total of $45.0 million to Cerrado Gold Inc. for the Monte Do Carmo project in Brazil, and expenditure on the Royropata MEIA process of $32.9 million. Total debt of $312.6 million (31 December 2023: $347.1 million) was composed of $200.0 million from the existing ESG-linked loan facility with repayments between 2025 and 2027, $30.0 million from a recently negotiated $300.0 million ESG-linked loan facility with repayments between 2028 and 2029, and short-term borrowings. Net debt was reduced to $215.6 million (31 December 2023: $257.9 million).

Financial results

Total Group production was 11% higher than 2023 and this was boosted by a 19% rise in the gold price received and a 22% rise in the silver price. Consequently, revenue increased by 37% to $947.7 million (2023: $693.7 million). All-in sustaining costs were at $1,638 per gold equivalent ounce or $19.7 per silver equivalent ounce (2023: $1,454 per ounce/$17.5 per ounce). Adjusted EBITDA of $421.4 million (2023: $274.4 million) increased by 54% versus 2023 reflecting the production and price rises partially offset by an increase in cost of sales. Pre-exceptional earnings per share increased to $0.23 (2023: $0.02 per share) mainly due to the higher profitability, net of taxes. Post-exceptional earnings per share was higher at $0.19 (2023: $0.10 loss per share) and includes the impairment charges at the Azuca and Arcata projects of $13.7 million, the impairment of the investment in Aclara Resources Inc. of $5.1 million, and the write-off of work in progress of $3.1 million in Peru. The net after-tax effect of exceptional items is a loss of $19.8 million.

Outlook

We expect attributable production in 2025 of between 350,000-378,000 gold equivalent ounces. This will be driven by: 199,000-209,000 gold equivalent ounces from Inmaculada; an attributable contribution of 57,000 to 65,000 gold equivalent ounces from San Jose; and first full year of production from the Mara Rosa mine of between 94,000 and 104,000 gold ounces. All-in sustaining costs for operations are expected at between $1,587 and $1,687 per gold equivalent ounce. This forecast reflects some carry over capex at Inmaculada resulting from the 2022/2023 MEIA delay which mostly consists of the expansion of the tailings dam and the construction of a reverse osmosis plant. The forecast also includes project capex at Inmaculada, mainly an additional increase in tailings dam capacity as well as mine development capex to access new mine areas and ongoing net inflation in Argentina as well as, to a lesser extent, in Brazil and Peru.

A project capex budget of $19 million has been assigned to the new Monte Do Carmo project along with $9 million for Royropata and the exploration budget is approximately $36 million.

The prospects for the Company remain exciting as we continue to advance our two key growth projects in Brazil and Peru, which are set to significantly increase production in the next three years. We are actively pursuing efficiency improvements to mitigate cost inflation, inspired by the success at Inmaculada. Our strong financial position and continuing high precious metal prices gives us confidence and this is reflected by the reinstatement of the dividend and the introduction of a new policy, as outlined by our Chair. I remain optimistic that, in the year ahead, we will continue to deliver increased value for all our stakeholders in a responsible and sustainable manner.

Eduardo Landin, Chief Executive Officer
11 March 2025

OPERATING REVIEW

OPERATIONS

Note: 2025, 2024 and 2023 equivalent figures calculated assume a gold/silver ratio of 83x.

Production

In 2024, Hochschild delivered attributable production of 347,374 gold equivalent ounces or 28.8 million silver equivalent ounces, in line with the Company's guidance and an increase versus the 2023 result (300,749 gold equivalent ounces). Higher production from Inmaculada and a first contribution from the new Mara Rosa mine in Brazil was partially offset by lower production in San Jose and no production from Pallancata.

The overall attributable production target for 2025 is 350,000-378,000 gold equivalent ounces.

Total 2024 group production

	Year ended 31 Dec 2024	Year ended 31 Dec 2023
Silver production (koz)	10,530	11,683
Gold production (koz)	281.14	225.77
Total silver equivalent (koz)	33,864	30,423
Total gold equivalent (koz)	408.00	366.54
Silver sold (koz)	10,643	11,547
Gold sold (koz)	281.46	221.40

Total production includes 100% of all production, including production attributable to Hochschild's minority shareholder at San Jose.

Attributable 2024 group production

	Year ended 31 Dec 2024	Year ended 31 Dec 2023
Silver production (koz)	8,496	9,517
Gold production (koz)	245.01	186.09
Silver equivalent (koz)	28,832	24,962
Gold equivalent (koz)	347.37	300.75

Attributable production includes 100% of all production from Inmaculada, Mara Rosa and 51% from San Jose.

Attributable 2025 Production forecast split

Operation	Oz Au Eq
Inmaculada	199,000-209,000
Mara Rosa	94,000-104,000
San Jose	57,000-65,000
Total	**350,000-378,000**

Costs

All-in sustaining cost from operations in 2024 was $1,638 per gold equivalent ounce or $19.7 per silver equivalent ounce (2023: $1,454 per gold equivalent ounce or $17.5 per silver equivalent ounce), higher than guidance as anticipated, mainly as a result of: ongoing high net inflation in Argentina; a slower-than-expected ramp-up at the new Mara Rosa mine resulting in lower production for the year; higher costs resulting from rising precious metal prices including increased royalties, commercial deductions, legal workers profit sharing in Peru, export tax in Argentina and industry inflation. These effects were partially offset by lower costs at Inmaculada as a result of higher-than-forecast production resulting from cost efficiency initiatives during the year and the delay of some planned capex.

The all-in sustaining cost from operations in 2025 is expected to be between $1,587 and $1,687 per gold equivalent ounce.

2025 AISC forecast split

Operation	$/oz Au Eq
Inmaculada	1,605-1,705
Mara Rosa	1,287-1,370
San Jose	2,007-2,135
Total from operations	**1,587-1,687**

PERU

Inmaculada

The 100% owned Inmaculada gold/silver underground operation is located in the Department of Ayacucho in southern Peru. It commenced operations in June 2015.

Inmaculada summary	Year ended 31 Dec 2024	Year ended 31 Dec 2023	% change
Ore production (tonnes)	**1,197,965**	1,137,109	5
Average silver grade (g/t)	**179**	177	1
Average gold grade (g/t)	**3.90**	4.09	(5)
Silver produced (koz)	**6,368**	5,515	15
Gold produced (koz)	**143.78**	137.40	5
Silver equivalent produced (koz)	**18,302**	16,919	8
Gold equivalent produced (koz)	**220.50**	203.85	8
Silver sold (koz)	**6,342**	5,488	16
Gold sold (koz)	**143.64**	136.66	5
Unit cost ($/t)	**143.2**	142.3	1
Total cash cost ($/oz Au co-product)	**809**	803	-
All-in sustaining cost ($/oz Ag Eq)	**18.2**	15.5	17
All-in sustaining cost ($/oz Au Eq)	**1,512**	1,287	18

Production

The Inmaculada mine delivered gold equivalent production of 220,501 ounces (2023: 203,849 ounces), which is an 8% improvement on 2023 when the mine was impacted by permit delays. There was also a rise in tonnage from the implementation of continuous improvement initiatives at site.

Costs

All-in sustaining cost was $1,512 per gold equivalent ounce (2023: $1,287 per ounce) with the increase versus 2023 mainly explained by the capex catch-up versus 2023 when a significant portion was deferred to 2024/2025 due the MEIA approval delay although a portion of this capex was delayed to 2025 which explains the result being lower than guidance.

Royropata

The 100% owned Royropata project is located in the Department of Ayacucho in southern Peru and is close to the Pallancata mine which was placed on temporary care and maintenance in December 2023.

In 2024, work continued on the MEIA process. All feasibility study engineering was completed whilst baseline studies continued throughout the year. Easements with communities were all successfully received by the end of the year. The aim is complete all field work in 2025 with the preparation of the MEIA documents expected to last into 2026 with submission to SENACE targeted for the middle of 2026.

ARGENTINA

San Jose

The San Jose silver/gold mine is located in Argentina, in the province of Santa Cruz, 1,750 kilometres south west of Buenos Aires. San Jose commenced production in 2007. Hochschild holds a controlling interest of 51% and is the mine operator. The remaining 49% is owned by McEwen Mining Inc.

San Jose summary	Year ended 31 Dec 2024	Year ended 31 Dec 2023	% change
Ore production (tonnes)	**581,303**	579,100	-
Average silver grade (g/t)	**253**	270	(6)
Average gold grade (g/t)	**4.55**	5.03	(10)
Silver produced (koz)	**4,150**	4,422	(6)
Gold produced (koz)	**73.73**	80.99	(9)
Silver equivalent produced (koz)	**10,270**	11,144	(8)
Gold equivalent produced (koz)	**123.73**	134.26	(8)
Silver sold (koz)	**4,290**	4,274	-
Gold sold (koz)	**74.37**	77.23	(4)
Unit cost ($/t)	**287.2**	264.0	9

Total cash cost ($/oz Ag co-product)	**19.5**	15.9	23
All-in sustaining cost ($/oz Ag Eq)	**23.8**	18.9	26
All-in sustaining cost ($/oz Au Eq)	**1,973**	1,570	26

Production
San Jose's production in 2024 totalled 123,732 gold equivalent ounces (2023: 134,264 ounces) with the decrease versus 2023 reflecting lower grades although the operation ended the year moderately above guidance.

In April 2024, the Board approved a $9 million project to increase the plant throughout capacity from 1,650 tonnes per day to 2,000 tonnes per day. This project was completed by the year end.

Costs
All-in sustaining costs were at $1,973 per gold equivalent ounce (2023: $1,570 per ounce) with the increase versus 2023 mainly due to the significant net inflation in the country in addition to lower grades and increases in selling expenses, commercial deductions and export taxes aligned with higher metal prices.

BRAZIL

Mara Rosa

The 100% owned Mara Rosa open pit gold mine is located in the mining friendly jurisdiction of Goiás State in Brazil. Mara Rosa commenced production in mid-May 2024.

Mara Rosa summary	Year ended 31 Dec 2024
Ore production (tonnes)	**1,757,955**
Average gold grade (g/t)	**1.35**
Silver produced (koz)	**11**
Gold produced (koz)	**63.64**
Silver equivalent produced (koz)	**5,293**
Gold equivalent produced (koz)	**63.77**
Silver sold (koz)	**11**
Gold sold (koz)	**63.54**
Unit cost ($/t)	**48.3**
Total cash cost ($/oz Au co-product)	**1,034**
All-in sustaining cost ($/oz Au Eq)	**1,408**

Production
The new Mara Rosa mine reached commercial production in mid-May 2024 and after a slower-than-expected ramp-up during the second and third quarters. Issues with the mining contractor and underperforming mechanical filters in the plant were solved with the result that output was steady state in Q4 with 25,530 ounces of gold delivered. Overall production in 2024 was 63,770 gold equivalent ounces.

Costs
All-in sustaining costs were at $1,408 per gold equivalent ounce with the increase versus the guided range of $1,090-$1,120 per ounce mainly due to the slower-than-expected ramp-up of the mine (mentioned above), local inflation and the dry stacking/filtration process costs.

Development project: Monte Do Carmo

In March 2024, Hochschild announced that it had entered into an option agreement for $15 million to acquire a 100% interest in Cerrado Gold Inc's Monte Do Carmo Project located in the mining-friendly state of Tocantins, Brazil. The option was exercised in November 2024 and, after making $45 million in phased payments in 2024, the Company was able to complete the acquisition of 100% of the project with $30 million paid in the fourth quarter.

Monte Do Carmo comprises 21 mineral concessions encompassing 82,542 hectares, hosts multiple identified gold targets along a 30km mineralised trend, including the principal Serra Alta gold deposit, which hosts a Measured and Indicated resource of 1,012koz gold and Inferred resource of 66koz gold and was the subject of a Feasibility Study dated 31 October 2023. The project benefits from significant existing site infrastructure including year-round access via a paved highway and close proximity to the Isamu Ikeda hydropower plant. Permitting is substantially advanced, with the Environmental Impact Assessment approved and the Preliminary Licence granted by the Tocantins state environmental agency in May 2023.

The Company believes that the Monte Do Carmo is a compelling strategic opportunity to enhance Hochschild's project pipeline and growth profile through the addition of a high-quality, long-life project. The key benefits to Hochschild, shareholders and other stakeholders, include:

- High quality project: Adds a low-cost, long-life asset located in a mining-friendly jurisdiction of Brazil, within close proximity to the Mara Rosa mine
- Significant exploration upside: Offers compelling near-mine exploration opportunities underpinned by a large land package which remains relatively underexplored
- De-risked permitting: Project permitting significantly advanced with the installation license recently granted
- Leverages Hochschild's expertise and presence in Brazil: Aligned with Hochschild's core strengths and long-term strategy of acquiring and optimising development stage projects in Latin America, specifically in Brazil, a country where the Company has robust management and technical teams
- Enhances Hochschild's portfolio: Provides the next leg of growth for Hochschild following the completion of the Mara Rosa mine

Following the original option agreement, the Company executed a 1,704m twin hole drilling programme which validated the deposit's mineral resource estimate. In addition, a 4,806m resource drilling campaign was conducted across five prospective mineralisation zones. The campaign incorporated additional gold resources (both Measured and Indicated and Inferred) which confirmed the strong geological potential of the project.

The Company also devised an exploration plan across seven new targets that commenced in November 2024. Furthermore, it is currently anticipated that, with the twin hole exploration results, further upside from additional drilling and several engineering optimisations already identified, the Company will be in a strong position to reach an eventual construction decision by the end of 2025.

Hochschild's programme in 2025 includes:

- Ongoing drilling programs to expand the resource base
- Advance installation license for the main project
- Conduct any additional environmental analyses as identified during due diligence
- Develop the detailed engineering studies

BROWNFIELD EXPLORATION

Inmaculada
During the year, the team carried out 34,477m of drilling for both potential and resources. A number of structures were drilled (see below) and by the end of the year 1.0 million gold equivalent ounces of inferred resources had been added at a grade of approximately 4.72 grams per tonne of gold equivalent.

Vein	Results (resources/potential)
Tesoro	IMM23-361: 14.9m @ 3.4g/t Au & 203g/t Ag IMS24-231A: 24.7m @ 4.5g/t Au & 155g/t Ag IMS24-221: 5.6m @ 2.4g/t Au & 45g/t Ag IMS24-222: 39.3m @ 5.1g/t Au & 303g/t Ag IMS24-227A: 17.9m @ 1.4g/t Au & 26g/t Ag IMS24-380: 3.7m @ 3.5g/t Au & 242g/t Ag IMS24-231A: 20.3m @ 2.9g/t Au & 298g/t Ag IMS24-257: 28.1.m @ 2.2g/t & 72g/t Ag IMM24-387A: 1.7m @ 4.2g/t Au & 193g/t Ag IMM24-393B: 10.0m @ 2.3g/t Au & 26g/t Ag IMS24-233: 7.7m @ 6.9g/t Au & 485g/t Ag IMS24-238A: 9.3m @ 7.5g/t & 64g/t Ag IMS24-239: 18.4m @ 9.3g/t & 366g/t Ag IMS24-241: 1.7m @ 1.0g/t & 44g/t Ag IMM24-397B: 2.6m @ 14.1g/t Au & 806g/t Ag IMM24-401A: 1.3m @ 2.0g/t Au & 117g/t Ag
Tesoro Techo	IMS24-213A: 11.0m @ 1.6g/t Au & 46g/t Ag IMS24-216: 6.9m @ 0.5g/t Au & 76g/t Ag IMS24-218: 9.6m @ 5.8g/t Au & 384g/t Ag IMM24-380: 4.8m @ 5.0g/t Au & 389g/t Ag IMS24-248: 1.0m @ 0.8g/t Au & 186g/t Ag IMM24-387A: 1.5m @ 3.2g/t Au & 59g/t Ag IMM24-393B: 8.7m @ 5.7g/t Au & 84g/t Ag IMS24-234: 0.4m @ 3.6g/t Au & 437g/t Ag

	IMS24-250: 3.3m @ 1.4g/t Au & 79g/t Ag IMS24-233: 1.0m @ 1.2g/t Au & 29g/t Ag IMS24-257: 4.1m @ 3.5g/t Au & 322g/t Ag IMS24-232: 1.4m @ 0.6g/t Au & 63g/t Ag IMS24-246A: 2.3m @ 2.8g/t Au & 51g/t Ag IMM24-397B: 1.6m @ 16.3g/t Au & 92g/t Ag IMM24-401A: 1.4m @ 0.8g/t Au & 56g/t Ag
Andrea	IMM24-375: 12.0m @ 13.0g/t Au & 970g/t Ag IMS24-218: 2.8m @ 8.2g/t Au & 184g/t Ag IMM24-380: 2.5m @ 4.0g/t Au & 249g/t Ag IMM24-397: 1.3m @ 1.5g/t Au & 142g/t Ag IMS24-259: 1.1m @ 3.5g/t Au & 97g/t Ag IMS24-264: 2.2m @ 1.5g/t Au & 97g/t Ag
Carmen	IMM24-375: 0.6m @ 2.8g/t Au & 19g/t Ag
Juliana NE	IMM24-375: 1.3m @ 2.8g/t Au & 293g/t Ag IMS24-218: 0.6m @ 4.7g/t Au & 165g/t Ag
Laura	IMS24-215: 1.6m @ 3.3g/t Au & 3g/t Ag
Lia	IMM23-212: 0.9m @ 2.9g/t Au & 4g/t Ag IMS24-239: 2.2m @ 2.2g/t Au & 130g/t Ag IMS24-242A: 3.6m @ 0.5g/t Au & 10g/t Ag
Nicolas	IMS24-217: 1.4m @ 0.6g/t Au & 85g/t Ag IMM24-393B: 5.0m @ 1.7g/t Au & 67g/t Ag IMS24-239: 1.2m @ 5.0g/t Au & 17g/t Ag IMS24-241: 4.0m @ 1.8g/t Au & 68g/t Ag IMS24-242A: 4.2m @ 9.9g/t Au & 48g/t Ag

In the first quarter of 2025, the team is planning 7,500m of potential drilling to conclude the exploration of the Eduardo, Kary, Tesoro, Bárbara N and Keyla veins as well as starting drilling of the area to the south of the Divina and Lucy veins.

San Jose

During 2024, the brownfield team carried out a further 17,431m of drilling for potential and resources. A number of structures were drilled (see below) and by the end of the year 19.2 million silver equivalent ounces of inferred resources had been added at a grade of approximately 644 grams per tonne of silver equivalent.

Vein	Results (potential)
Dalia	SJD-2775: 2.8m @ 1.3g/t Au & 288g/t Ag SJD-2776: 2.8m @ 2.0g/t Au & 513g/t Ag SJD-2777: 3.0m @ 1.3g/t Au & 86g/t Ag SJD-2778: 1.7m @ 0.5g/t Au & 19g/t Ag SJD-2788: 1.7m @ 4.8g/t Au & 51g/t Ag SJD-2789: 0.8m @ 2.6g/t Au & 457g/t Ag SJD-2795: 0.8m @ 0.6g/t Au & 90g/t Ag SJD-2800: 1.2m @ 30.8g/t Au & 67g/t Ag
Emilia	SJM-663: 0.8m @ 1.0g/t Au & 74g/t Ag SJM-664: 0.9m @ 6.5g/t Au & 47g/t Ag SJM-666: 0.6m @ 0.5g/t Au & 5g/t Ag SJM-668: 0.8m @ 0.1g/t Au & 4g/t Ag SJM-669: 0.9m @ 1.1g/t Au & 11g/t Ag SJM-697: 0.8m @ 4.5g/t Au & 262g/t Ag
Frea	SJD-2844: 2.2m @ 59.9g/t Au & 3,448g/t Ag SJD-2846: 1.3m @ 0.4g/t Au & 6g/t Ag SJD-2847: 1.1m @ 0.3g/t Au & 3g/t Ag SJD-2849: 1.1m @ 0.1g/t Au & 3g/t Ag SJM-663: 8.8m @ 12.7g/t Au & 101g/t Ag SJM-664: 1.3m @ 0.3g/t Au & 7g/t Ag SJM-666: 10.8m @ 5.1g/t Au & 38g/t Ag SJM-668: 1.7m @ 0.3g/t Au & 4g/t Ag SJM-669: 0.9m @ 1.6g/t Au & 21g/t Ag SJM-673: 3.6m @ 3.4g/t Au & 50g/t Ag SJD-2901: 1.0m @ 0.1g/t Au & 5g/t Ag SJD-2903A: 0.9m @ 0.1g/t Au & 2g/t Ag SJD-2905: 6.7m @ 4.4g/t Au & 27g/t Ag SJD-2907: 1.3m @ 1.9g/t Au & 17g/t Ag SJD-2910: 0.8m @ 0.0g/t Au & 1g/t Ag SJD-2911: 1.2m @ 0.1g/t Au & 1g/t Ag SJM-698: 0.8m @ 5.6g/t Au & 38g/t Ag SJM-670: 0.9m @ 0.3g/t Au & 8g/t Ag
Majo	SJD-2771: 1.8m @ 2.0g/t Au & 380g/t Ag SJD-2772: 2.3m @ 2.5g/t Au & 246g/t Ag SJD-2774: 1.0m @ 0.5g/t Au & 20g/t Ag
Maura	SJD-2874A: 0.9m @ 0.3g/t Au & 2g/t Ag

	SJD-2878: 0.9m @ 0.0g/t Au & 1g/t Ag SJD-2879: 1.5m @ 13.2g/t Au & 70g/t Ag SJD-2881: 0.9m @ 7.5g/t Au & 82g/t Ag SJD-2885: 0.8m @ 0.6g/t Au & 81g/t Ag SJD-2887: 4.7m @ 3.6g/t Au & 52g/t Ag SJD-2892: 4.2m @ 2.8g/t Au & 70g/t Ag SJD-2894: 0.8m @ 0.1g/t Au & 5g/t Ag SJD-2897: 0.9m @ 0.7g/t Au & 17g/t Ag SJD-2899: 1.0m @ 0.7g/t Au & 19g/t Ag
Odin	SJD-2775: 0.9m @ 4.6g/t Au & 556g/t Ag SJD-2776: 1.4m @ 0.4g/t Au & 12g/t Ag SJD-2777: 2.2m @ 5.5g/t Au & 70g/t Ag SJD-2778: 1.1m @ 0.3g/t Au & 48g/t Ag SJD-2788: 2.1m @ 7.6g/t Au & 360g/t Ag SJD-2789: 1.7m @ 4.4g/t Au & 412g/t Ag SJD-2795: 1.3m @ 2.8g/t Au & 137g/t Ag SJD-2801: 0.8m @ 0.5g/t Au & 32g/t Ag SJD-2802: 0.6m @ 0.2g/t Au & 47g/t Ag SJD-2904: 1.1m @ 2.1g/t Au & 308g/t Ag SJD-2906: 0.8m @ 0.0g/t Au & 2g/t Ag SJD-2909: 0.9m @ 0.1g/t Au & 3g/t Ag
Olivia	SJD-2916: 1.2m @ 5.6g/t Au & 1,374g/t Ag
Ramal Frea	SJD-1601: 3.7m @ 7.2g/t Au & 180g/t Ag
SIG. Odin	SJD-2904: 2.0m @ 16.1g/t Au & 1,007g/t Ag
SIG. Odin Sur	SJD-2775: 1.4m @ 3.0g/t Au & 299g/t Ag SJD-2776: 0.8m @ 0.1g/t Au & 14g/t Ag SJD-2777: 0.8m @ 0.1g/t Au & 15g/t Ag SJD-2778: 1.9m @ 0.8g/t Au & 81g/t Ag SJD-2788: 5.9m @ 23.3g/t Au & 314g/t Ag SJD-2789: 3.1m @ 4.0g/t Au & 323g/t Ag SJD-2795: 4.0m @ 2.6g/t Au & 60g/t Ag

The plan for the first quarter is to perform potential drilling at San Jose in the Kospi West, Frea South and Odin South veins.

Royropata

Exploration was mostly in the fourth quarter in the Royropata area and was concentrated around the Marco vein with infill drilling and also for potential resources (2,858m). By the end of the year 95.6 million silver equivalent ounces of inferred resources had been added at a grade of approximately 639 grams per tonne of silver equivalent.

Vein	Results (potential drilling)
Marco 24	DLRY-A17: 2.0m @ 1.2g/t Au & 400g/t Ag DLRY-A20: 16.2m @ 9.1g/t Au & 2,408g/t Ag DLRY-A22: 2.1m @ 0.9g/t Au & 376g/t Ag DLRY-A23: 4.8m @ 0.5g/t Au & 189g/t Ag DLRY-A24: 2.2m @ 2.4g/t Au & 656g/t Ag DLRY-A25: 20.2m @ 10.7g/t Au & 2,541g/t Ag DLRY-A27: 8.1m @ 2.0g/t Au & 514g/t Ag DLRY-A30: 1.4m @ 0.4g/t Au & 94g/t Ag DLRY-A31: 26.1m @ 0.5g/t Au & 133g/t Ag DLRY-A32: 7.8m @ 1.7g/t Au & 409g/t Ag DLRY-A34: 26.9m @ 1.8g/t Au & 459g/t Ag DLRY-A62: 3.8m @ 0.3g/t Au & 114g/t Ag DLRY-A60: 23.5m @ 5.2g/t Au & 1,535g/t Ag
Marco W	DLRY-A49: 1.2m @ 0.2g/t Au & 68g/t Ag
Hanna	DLRY-A22: 1.4m @ 0.3g/t Au & 80g/t Ag DLRY-A24: 2.8m @ 1.5g/t Au & 459g/t Ag DLRY-A27: 0.8m @ 0.3g/t Au & 63g/t Ag DLRY-A32: 0.8m @ 0.7g/t Au & 275g/t Ag DLRY-A62: 1.7m @ 0.6g/t Au & 172g/t Ag
Larry	DLRY-A17: 1.1m @ 1.4g/t Au & 333g/t Ag DLRY-A25: 1.5m @ 2.3g/t Au & 506g/t Ag DLRY-A31: 1.7m @ 0.4g/t Au & 123g/t Ag DLRY-A34: 0.8m @ 1.4g/t Au & 386g/t Ag DLRY-A62: 3.8m @ 0.5g/t Au & 124g/t Ag PST-22: 1.3m @ 0.4g/t Au & 102g/t Ag

Mara Rosa

The Mara Rosa brownfield programme commenced in the second quarter of the year with one of the key aims being to confirm economic mineralisation below the existing Posse pit and to add resources. 5,984m of resources drilling and 3,136m of potential drilling was executed with the result that 218,000 ounces of gold were added at a grade of 1.39 grams per tonne of gold.

Vein	Results (resources/potential)
Posse	24POSP_003: 9.2m @ 1.0g/t Au 24POSP_004: 46.7m @ 1.1g/t Au 24POSP_005: 53.0m @ 1.0g/t Au 24POSP_006: 18.2m @ 1.0g/t Au 24POSP_007: 15.8m @ 1.0g/t Au 24POSP_008: 1.0m @ 0.3g/t Au 24POSP_011: 32.9m @ 1.0g/t Au 24POSP_012: 12.0m @ 1.1g/t Au 24POSP_013: 17.9m @ 1.0g/t Au 24POSP_014: 39.0m @ 1.0g/t Au 24POSP_015: 28.1m @ 1.0g/t Au 24POSP_017: 9.5m @ 0.9g/t Au

The plan for the first quarter of 2025 is to perform potential drilling between the Posse and Pastinho zones.

FINANCIAL REVIEW

The reporting currency of Hochschild Mining PLC is US dollars. In discussions of financial performance, the Group removes the effect of exceptional items, unless otherwise indicated, and in the income statement results are shown both pre and post such exceptional items. Exceptional items are those items, which due to their nature or the expected infrequency of the events giving rise to them, are disclosed separately on the face of the income statement to enable a better understanding of the financial performance of the Group and to facilitate comparison with prior years.

Revenue

Gross revenue [9]

Gross revenue increased by 36% to $966.1 million in 2024 (2023: $710.6 million) due to higher average realised precious metal prices and higher gold production. Gold output increased due to the commencement of production in Mara Rosa; and higher production in Inmaculada due to a more normalised period versus 2023 when the operation was impacted by permit delays, and the implementation of continuous improvement initiatives at site. These were partially offset by the absence of revenue from the Pallancata mine, mainly silver production, which was placed on care and maintenance towards the end of 2023.

Gold

Gross revenue from gold in 2024 increased to $660.1 million (2023: $437.0 million) due to the 19% increase in the average realised gold price and higher gold production.

Silver

Gross revenue from silver increased in 2024 to $305.6 million (2023: $273.0 million) due to the 22% increase in the average realised silver price and higher silver production in Inmaculada, partially offset by the absence of silver production from the Pallancata mine.

Gross average realised sales prices

The following table provides figures for average realised prices (before the deduction of commercial discounts) and ounces sold for 2024 and 2023:

Average realised prices	Year ended 31 Dec 2024	Year ended 31 Dec 2023	% change
Silver ounces sold (koz)	**10,643**	11,547	(8)
Avg. realised silver price ($/oz)	**28.7**	23.6	22
Gold ounces sold (koz)	**281.46**	221.40	27
Avg. realised gold price ($/oz)	**2,345**	1,974	19

2024 realised prices and revenue include the effect of the following hedges: forwards for 27,600 gold ounces at a price of $2,100 per ounce, and zero cost collars for 100,000 gold ounces at a strike put of $2,000 per ounce and a strike call of $2,252 per ounce, the impact of which was a loss of $27.9 million in 2024. 2023 includes forwards for 29,250 gold ounces at a price of $2,047 per ounce, and for 3.3 million silver ounces at a price of $25 per ounce, the impact of which was a gain of $7.8 million in 2023.

Commercial discounts

Commercial discounts refer to refinery treatment charges, refining fees and payable deductions for processing concentrate, and are deducted from gross revenue on a per tonne basis (treatment charge), per ounce basis (refining fees) or as a percentage of gross revenue (payable deductions). In 2024, the Group recorded commercial discounts of $18.4 million (2023: $16.9 million). The ratio of commercial discounts to gross revenue in 2024 was 2%, in line with 2023.

Net revenue

Net revenue was $947.7 million (2023: $693.7 million), including net gold revenue of $649.3 million (2023: $429.9 million) and net silver revenue of $298.0 million (2023: $263.3 million). In 2024, gold accounted for 69% and silver 31% of the Company's consolidated net revenue (2023: gold 62% and silver 38%).

Reconciliation of gross revenue by mine to Group net revenue

$000	Year ended 31 Dec 2024	Year ended 31 Dec 2023	% change
Silver revenue			
Inmaculada	**180,285**	129,456	39
Mara Rosa	**343**	-	-
Pallancata	**(59)**	43,380	(100)
San Jose	**125,027**	100,212	25
Commercial discounts	**(7,599)**	(9,779)	(22)
Net silver revenue	**297,997**	263,269	13
Gold revenue			
Inmaculada	**324,129**	267,188	21
Mara Rosa	**150,634**	-	-
Pallancata	**(185)**	14,985	(101)
San Jose	**185,512**	154,832	20

[9] Includes revenue from services. Gross revenue is the net revenue plus commercial discounts

Commercial discounts	(10,839)	(7,123)	52
Net gold revenue	**649,251**	429,882	51
Other revenue	**448**	565	(21)
Net revenue	**947,696**	693,716	37

Cost of sales

Total cost of sales was $605.3 million in 2024 (2023: $508.2 million). The direct production cost excluding depreciation and amortisation was higher at $454.0 million (2023: $363.0 million) mainly due to higher production in Inmaculada, the commencement of production in Mara Rosa, ongoing net inflation in Argentina, and rising precious metal prices resulting in increased royalties. These effects were partially offset by no production in Pallancata. Depreciation and amortisation in production cost increased from $144.8 million in 2023 to $157.2 million in 2024 mainly due to higher production in Inmaculada and the commencement of production in Mara Rosa, partially offset by no production in Pallancata. Fixed costs incurred during total or partial production stoppages in San Jose (due to bad weather) were $1.1 million in 2024 (2023: $3.3 million mainly due to partial stoppages at Inmaculada and Pallancata). Increase in inventories was $10.1 million in 2024 (2023: $4.8 million) mainly due to higher products in process of $14.8 million in Mara Rosa, partially offset by lower products in process in Inmaculada of $4.6 million.

$000	Year ended 31 Dec 2024	Year ended 31 Dec 2023	% change
Direct production cost excluding depreciation and amortisation	454,006	362,980	25
Depreciation and amortisation in production cost	157,165	144,812	9
Other items and workers' profit sharing	3,145	1,862	69
Fixed costs during operational stoppages and reduced capacity	1,071	3,314	(68)
Change in inventories	(10,124)	(4,754)	113
Cost of sales	605,263	508,214	19

Fixed costs during operational stoppages and reduced capacity

$000	Year ended 31 Dec 2024	Year ended 31 Dec 2023	% change
Personnel	712	3,032	(77)
Third party services	301	865	(65)
Supplies	33	34	(3)
Others	25	(617)	(104)
Fixed costs during operational stoppages and reduced capacity	1,071	3,314	(68)

Unit cost per tonne

The Company reported unit cost per tonne at its operations of $127.0 per tonne in 2024, a 26% decrease versus 2023 ($171.1 per tonne). This was mainly due to the commencement of production in Mara Rosa with a lower cost per tonne than the other operations, partially offset by ongoing high net inflation in Argentina impacting San Jose.

Unit cost per tonne by operation (including royalties)[10]*:*

Operating unit ($/tonne)	Year ended 31 Dec 2024	Year ended 31 Dec 2023	% change
Peru	143.2	137.0	5
Inmaculada	143.2	142.3	1
Pallancata	-	122.9	-
Brazil			
Mara Rosa	48.3	-	-
Argentina			
San Jose	287.2	264.0	9
Total	127.0	171.1	(26)

Cash costs

Cash costs include cost of sales, commercial deductions and selling expenses, less depreciation and amortisation included in cost of sales.

[10] Unit cost per tonne is a non-IFRS measure. It is calculated by dividing mine and treatment production costs (excluding depreciation and amortisation) of $214.4 million and $205.2 million respectively, by extracted and treated tonnage of 3,371k and 3,236k respectively. 2024 excludes Mara Rosa's pre-commercial production costs of $31.7 million and other adjustments of $2.6 million

Cash cost reconciliation
Year ended 31 December 2024

$000 unless otherwise indicated	Inmaculada	Mara Rosa[11]	San Jose	Other[12]	Total
(+) Cost of sales[13]	271,020	78,992	222,458	84	572,554
(-) Depreciation and amortisation in cost of sales	(94,190)	(15,690)	(46,905)	-	(156,785)
(+) Selling expenses	614	931	15,847	14	17,406
(+) Commercial deductions[14]	3,436	1,590	17,620	11	22,657
Gold	*2,291*	*1,584*	*9,872*	*1*	*13,748*
Silver	*1,145*	*6*	*7,748*	*10*	*8,909*
Group cash cost	**180,880**	**65,823**	**209,020**	**109**	**455,832**
Gold	324,057	144,836	175,892	(114)	644,671
Silver	180,285	330	117,443	(69)	297,989
Revenue[15]	**504,342**	**145,166**	**293,335**	**(183)**	**942,660**
Ounces sold (000s)					
Gold	143.6	61.2	74.4	-	279.1
Silver	6,342	11	4,290	-	10,643
Group cash cost ($/oz)					
Co product Au	809	1,034	1,685	(230)	1,108
Co product Ag	10.2	13.1	19.5	14.9	13.5
By product Au	(4)	1,031	1,127	(1,058)	529
By product Ag	(22.9)	(7,074.8)	5.4	463.9	(19.4)

Year ended 31 December 2023

$000 unless otherwise indicated	Inmaculada	Pallancata	San Jose	Total
(+) Cost of sales[16]	234,627	72,118	197,399	504,144
(-) Depreciation and amortisation in cost of sales	(75,306)	(18,964)	(48,901)	(143,171)
(+) Selling expenses	533	461	13,868	14,862
(+) Commercial deductions[17]	3,057	4,319	12,923	20,299
Gold	*2,079*	*891*	*6,440*	*9,410*
Silver	*978*	*3,428*	*6,483*	*10,889*
Group cash cost	**162,911**	**57,934**	**175,289**	**396,134**
Gold	267,188	14,094	148,600	429,882
Silver	129,456	39,952	93,861	263,269
Revenue[15]	**396,644**	**54,046**	**242,461**	**693,151**
Ounces sold (000s)				
Gold	136.7	7.5	77.2	221.4
Silver	5,488	1,785	4,274	11,547
Group cash cost ($/oz)				
Co product Au	803	2,010	1,391	1,110
Co product Ag	9.7	24.0	15.9	13.0
By product Au	238	1,936	970	551
By product Ag	(19.4)	24.1	4.8	(3.7)

Co-product cash cost per ounce is the cash cost allocated to the primary metal (allocation based on proportion of revenue), divided by the ounces sold of the primary metal. By-product cash cost per ounce is the total cash cost minus revenue and commercial discounts of the by-product divided by the ounces sold of the primary metal.

[11] *Excludes Mara Rosa's pre commercial: cost of sales of $31.6 million, selling expenses of $0.1 million, commercial deductions of $0.1 million, and revenues of $4.6 million.*
[12] *Mainly includes final adjustments to Pallancata's shipments that occurred in the last quarter of 2023*
[13] *Does not include fixed costs during operational stoppages and reduced capacity of $1.1 million (2023: $3.3 million)*
[14] *Includes commercial discounts (from the sales of concentrate) and commercial discounts from the sale of dore*
[15] *Excludes revenue from energy transmission services of $0.4 million (2023: $0.5 million)*
[16] *Does not include fixed costs during operational stoppages and reduced capacity of $1.1 million (2023: $3.3 million)*
[17] *Includes commercial discounts (from the sales of concentrate) and commercial discounts from the sale of dore*

All-in sustaining cost reconciliation[18]

All-in sustaining cash costs per silver equivalent ounce

Year ended 31 December 2024

$000 unless otherwise indicated	Inmaculada	Mara Rosa[19]	San Jose	Main operations	Corporate & others	Total
(+) Direct production cost excluding depreciation and amortisation	171,372	106,185	176,365	453,922	84	454,006
(+) Other items and workers profit sharing in cost of sales[20]	3,145	(30,059)	(14,468)	(41,382)	-	(41,382)
(+) Operating and exploration capex for units[21]	138,582	5,289	33,035	176,906	2,857	179,763
(+) Brownfield exploration expenses[22]	4,423	516	9,821	14,760	3,880	18,640
(+) Administrative expenses (excl depreciation and amortisation)	4,639	1,932	6,512	13,083	33,654	46,737
(+) Royalties and special mining tax[23]	7,108	-	-	7,108	7,051	14,159
Sub-total	**329,269**	**83,863**	**211,265**	**624,397**	**47,526**	**671,923**
Au ounces produced	143,775	61,219	73,730	278,724	-	278,724
Ag ounces produced (000s)	6,368	11	4,150	10,529	-	10,529
Ounces produced (Au Eq oz)	220,501	61,353	123,732	405,586	-	405,586
Ounces produced (Ag Eq 000s oz)	18,302	5,092	10,270	33,664	-	33,664
All-in sustaining costs per ounce produced ($/oz Ag Eq)	**18.0**	**16.5**	**20.6**	**18.6**	**1.4**	**20.0**
All-in sustaining costs per ounce produced ($/oz Au Eq)	**1,493**	**1,367**	**1,707**	**1,539**	**117**	**1,656**
(+) Commercial deductions	3,436	1,590	17,620	22,646	-	22,646
(+) Selling expenses	614	931	15,847	17,392	-	17,392
Sub-total	**4,050**	**2,521**	**33,467**	**40,038**	**-**	**40,038**
Au ounces sold	143,637	61,160	74,366	279,163	-	279,163
Ag ounces sold (000s)	6,342	11	4,290	10,643	-	10,643
Ounces sold (Au Eq oz)	220,041	61,294	126,052	407,387	-	407,387
Ounces sold (Ag Eq 000s oz)	18,263	5,087	10,463	33,813	-	33,813
Sub-total ($/oz Ag Eq)	**0.2**	**0.5**	**3.2**	**1.1**	**-**	**1.1**
All-in sustaining costs per ounce sold ($/oz Ag Eq)	**18.2**	**17.0**	**23.8**	**19.7**	**1.4**	**21.1**
All-in sustaining costs per ounce sold ($/oz Au Eq)	**1,512**	**1,408**	**1,973**	**1,638**	**117**	**1,755**

Year ended 31 December 2023

$000 unless otherwise indicated	Inmaculada	Pallancata	San Jose	Main operations	Corporate & Others	Total
(+) Direct production cost excluding depreciation and amortisation	162,570	49,940	150,470	362,980	-	362,980
(+) Other items and workers profit sharing in cost of sales[24]	1,373	489	(21,164)	(19,302)	-	(19,302)
(+) Operating and exploration capex for units[25]	86,031	2,458	40,834	129,323	57	129,380
(+) Brownfield exploration expenses[26]	1,371	1,070	8,233	10,674	3,171	13,845
(+) Administrative expenses (excl depreciation and amortisation)	3,498	491	5,433	9,422	36,507	45,929
(+) Royalties and special mining tax[27]	3,978	542	-	4,520	2,278	6,798
Sub-total	**258,821**	**54,990**	**183,806**	**497,617**	**42,013**	**539,630**
Au ounces produced	137,399	7,390	80,985	225,774	-	225,774
Ag ounces produced (000s)	5,515	1,746	4,422	11,683	-	11,683
Ounces produced (Au Eq oz)	203,845	28,421	134,265	366,531	-	366,531
Ounces produced (Ag Eq 000s oz)	16,919	2,359	11,144	30,422	-	30,422
All-in sustaining costs per ounce produced ($/oz Ag Eq)	**15.3**	**23.3**	**16.5**	**16.4**	**1.4**	**17.8**
All-in sustaining costs per ounce produced ($/oz Au Eq)	**1,270**	**1,935**	**1,369**	**1,358**	**115**	**1,472**
(+) Commercial deductions	3,057	4,319	12,923	20,299	-	20,299
(+) Selling expenses	533	461	13,868	14,862	-	14,862
Sub-total	**3,590**	**4,780**	**26,791**	**35,161**	**-**	**35,161**
Au ounces sold	136,661	7,516	77,227	221,404	-	221,404
Ag ounces sold (000s)	5,488	1,785	4,274	11,547	-	11,547
Ounces sold (Au Eq oz)	202,783	29,024	128,723	360,530	-	360,530
Ounces sold (Ag Eq 000s oz)	16,831	2,409	10,684	29,924	-	29,924

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[18] *Calculated using a gold/silver ratio of 83:1*
[19] *Excludes non-sustaining capex and pre-commercial production capex of $30.0 million, and pre-commercial production brownfield exploration ($0.8 million), administrative expenses ($0.8 million), commercial discounts ($0.1 million) and selling expenses ($0.1 million)*
[20] *Other items include production costs incurred before the declaration of commercial production in Mara Rosa of $31.7 million, the gain in San Jose resulting from the government's export incentive programme of $16.0 million, and lease expenditure of $1.6 million and $1.5 million in Mara Rosa and San Jose, respectively*
[21] *Operating capex from San Jose does not include non-sustaining capex and capitalised depreciation resulting from mine equipment utilised for mine developments totalling $13.1 million*
[22] *Corporate and others include personnel expenses related to brownfield exploration*
[23] *Royalties arising from revised royalty tax schemes introduced in 2011 and included in income tax line*
[24] *Other items include the gain in San Jose resulting from the government's export incentive programme*
[25] *Operating capex from San Jose does not include non-sustaining capex and capitalised depreciation resulting from mine equipment utilised for mine developments totalling $6.9 million*
[26] *Corporate and others include personnel expenses related to brownfield exploration*
[27] *Royalties arising from revised royalty tax schemes introduced in 2011 and included in income tax line*

Sub-total ($/oz Ag Eq)	0.2	2.0	2.4	1.1	-	1.1
All-in sustaining costs per ounce sold ($/oz Ag Eq)	**15.5**	**25.3**	**18.9**	**17.5**	**1.4**	**18.9**
All-in sustaining costs per ounce sold ($/oz Au Eq)	**1,287**	**2,099**	**1,570**	**1,454**	**115**	**1,569**

Administrative expenses

Administrative expenses were higher at $50.2 million (2023: $47.2 million) mainly due to higher personnel expenses arising from a higher performance bonus provision, long-term incentive plan and legal workers profit sharing in Peru.

Exploration expenses

In 2024, exploration expenses increased to $26.9 million (2023: $21.3 million) mainly due higher exploration expenses at Inmaculada of $4.4 million (2023: $1.4 million), higher expenses at San Jose of $9.8 million (2023: $8.2 million), expenditure on exploration at Monte do Carmo ($1.6 million), higher expenses at Mara Rosa of $1.3 million (2023: $nil), and Pallancata of $2.1 million (2023: $1.1 million). These were partially offset by the absence of exploration expenses in Canada from the Snip project, which was terminated in 2023 ($2.2 million).

In addition, the Group capitalises part of its brownfield exploration, which mostly relates to costs incurred converting potential resources to the Inferred or Measured and Indicated categories. In 2024, the Company capitalised $7.4 million relating to brownfield exploration (2023: $nil), bringing the total investment in exploration for 2024 to $34.3 million (2023: $21.3 million).

Selling expenses

Selling expenses increased to $17.5 million (2023: $14.9 million) mainly due to higher gold prices impacting Argentinean export taxes.

Other income/expenses

Other income was lower at $21.0 million (2023: $30.3 million) principally due to: the Argentinian Government export programme to settle a portion of San Jose exports at the blue chip exchange rate totaling $16.0 million (2023: $21.2 million), the collection of a British Columbia, Canada tax credit of $0.5 million (2023: $3.2 million) from the Snip project, and the insurance reimbursement received in 2023 in connection with damage to Inmaculada's machine belt in 2022 of $2.1 million.

Other expenses before exceptional items were lower at $43.2 million (2023: $47.6 million) mainly due to reduced mine closure provision increases of $14.7 million (2023: $28.4 million), partially offset by higher care and maintenance expenses at Pallancata of $8.3 million, which was placed on temporary care and maintenance during the fourth quarter of 2023 (2023: $2.5 million).

Adjusted EBITDA

Adjusted EBITDA increased by 54% to $421.4 million (2023: $274.4 million) mainly due to the increase in revenue resulting from increased precious metal prices and higher gold production.

Adjusted EBITDA is calculated as profit from continuing operations before exceptional items, net finance costs, foreign exchange losses and income tax plus non-cash items (depreciation and amortisation and changes in mine closure provisions) and exploration expenses other than personnel and other exploration related fixed expenses.

$000 unless otherwise indicated	**Year ended 31 Dec 2024**	Year ended 31 Dec 2023	% change
Profit from continuing operations before exceptional items, net finance income/(cost), foreign exchange loss and income tax	**224,722**	82,128	174
Depreciation and amortisation in cost of sales	**156,785**	143,171	10
Depreciation and amortisation in administrative expenses and other expenses	**3,050**	2,075	47
Exploration expenses	**26,854**	21,297	26
Personnel and other exploration related fixed expenses	**(5,620)**	(5,397)	4
Other non-cash income, net [28]	**15,563**	31,096	(50)
Adjusted EBITDA	**421,354**	274,370	54
Adjusted EBITDA margin	***44%***	*39%*	*13*

Finance income

Finance income of $13.1 million increased from 2023 ($7.5 million) mainly due to the gain on Argentinian mutual funds held since September 2023 of $6.9 million (2023: $1.5 million).

Finance costs

Finance costs increased from $18.2 million in 2023 to $26.9 million in 2024, principally due to higher interest expense which totalled $18.6 million (2023: $12.2 million) resulting from the lower capitalisation of interest expenses that are directly attributable

[28] *Adjusted EBITDA has been presented before the effect of significant non-cash (income)/expenses related to changes in mine closure provisions which were $14.7 million in 2024 (2023: $28.4 million), and the write-off of property, plant and equipment of $0.9 million in 2024 (2023: $2.7 million)*

to the construction of Mara Rosa of $6.0 million (2023: $18.7). This was partially offset by the impact of lower interest rates and a lower average medium-term loan balance.

Foreign exchange (losses)/gains

The Group recognised a foreign exchange loss of $10.4 million (2023: $15.6 million) mainly due to the impact of devaluation of the local currency on monetary assets in Argentina of $9.1 million (2023: $16.0 million).

Income tax

The Company's pre-exceptional income tax charge was $65.6 million (2023: $44.0 million). The increase in the charge is mainly explained by higher profitability versus 2023.

The effective tax rate (pre-exceptional) for the period was 33.0% (2023: 82.2%), compared to the weighted average statutory income tax rate of 31.1% (2023: 31.8%). The higher effective tax rate in 2024 versus the average statutory rate is mainly explained by: the effect of Royalties and the Special Mining Tax which increased the effective rate by 5.0%; the additions to the mine closure provision increasing the rate by 3.1%; and the impact of non-recognised tax losses in non-operating companies increasing the rate by 1.4%. These effects were partially offset by foreign exchange in Argentina and Brazil decreasing the rate by 5.8%, and the recognition deferred tax assets reducing the rate by 1.9%.

Exceptional items

Exceptional items in 2024 totalled a $19.8 million loss after tax (2023: $69.5 million loss after tax) related to impairment charges at the Azuca and Arcata projects of $13.7 million, the impairment of the investment in Aclara Resources Inc. of $5.1 million, and the write-off of work in progress of $3.1 million in Peru. 2023 includes impairment losses at the Azuca and Crespo projects of $63.3 million and the San Jose mining unit of $17.4 million; the restructuring charges in Pallancata of $9.0 million resulting from placing the operation in care and maintenance; and the impairment of the investment in Aclara Resources Inc. of $7.2 million.

The tax effect of these exceptional items was a $2.1 million tax gain (2023: $27.4 million).

Cash flow and balance sheet review

Cash flow:

$000	Year ended 31 Dec 2024	Year ended 31 Dec 2023	Change
Net cash generated from operating activities	321,247	178,761	142,486
Net cash used in investing activities	(277,000)	(245,506)	(31,494)
Cash flows generated generated/(used in) from financing activities	(34,818)	22,769	(57,587)
Foreign exchange adjustment	(1,582)	(10,742)	9,160
Net increase in cash and cash equivalents during the year	7,847	(54,718)	62,565

Net cash generated from operating activities increased from $178.8 million in 2023 to $321.2 million in 2024 mainly due to higher Adjusted EBITDA of $421.4 million (2023: $274.4 million).

Net cash used in investing activities increased from $245.5 million in 2023 to $277.0 million in 2024 mainly due to higher scheduled capex in Inmaculada resulting from mine developments deferred in 2023 due to the MEIA permit delays of $138.6 million (2023: $86.0 million), the consideration paid for the acquisition of Monte do Carmo of $45.0 million, and expenditure on the Royropata MEIA process of $32.9 million (2023: $6.4 million). These effects were partially offset by lower capex in Mara Rosa of $29.3 million (2023: $121.1 million).

Cash from financing activities decreased from an inflow of $22.8 million to an outflow of $34.8 million in 2024, primarily due the $275.0 million repayment of the existing $300.0 medium-term facility (2023: $25.0 million), partially offset by the draw-down of $140.0 million from the $200.0 million medium-term loan facility (2023: $60.0 million), the $30.0 million draw-down from the new $300.0 million medium-term facility, and a net increase of $80.0 million in short-term loans (2023: $10.2 million repayment of Minera Santa Cruz stock market promissory notes).

Working capital

$000	As at 31 December 2024	As at 31 December 2023
Trade and other receivables	135,814	80,456
Inventories	87,087	68,261
Derivative financial liabilities	(40,276)	(344)
Income tax (payable)/receivable, net	(21,019)	1,734
Trade and other payables	(208,222)	(135,839)
Provisions	(35,082)	(26,741)
Working capital	(81,698)	(12,473)

The Group's working capital position decreased by $69.2 million from $(12.5) million to $(81.7) million. The key drivers of the decrease were: higher trade and other payables of $72.4, higher derivative financial liabilities of $39.9 million, and higher income tax payable of $22.8 million; partially offset by higher trade and other receivables of $55.4 million, and higher inventories of $18.8 million.

Net debt

$000 unless otherwise indicated	As at 31 December 2024	As at 31 December 2023
Cash and cash equivalents	96,973	89,126
Non-current borrowings	(163,333)	(234,999)
Current borrowings [29]	(149,249)	(112,064)
Net debt	(215,609)	(257,937)

The Group's reported net debt position was $215.6 million as at 31 December 2024 (31 December 2023: $257.9 million). The decrease is mainly explained by the higher cash generated by the business, despite strategic investments to complete the construction of Mara Rosa, the acquisition of Monte do Carmo and the investments in Royropata easements. Total borrowings were reduced by $34.5 million mainly due to $275.0 million repayment of the existing $300.0 medium-term facility partially offset by the draw-down of $140.0 million from the $200.0 million medium-term loan facility, the $30.0 million draw-down from the new $300.0 medium-term facility, and a net increase of $80.0 million in short-term loans.

Capital expenditure

$000	Year ended 31 Dec 2024	Year ended 31 Dec 2023
Inmaculada	138,582	86,031
Mara Rosa[30]	35,318	145,804
San Jose	46,143	47,682
Operations	220,043	279,517
Monte do Carmo	90,602	-
Pallancata	32,908	6,428
Other	4,529	2,447
Total	348,082	288,392

2024 capital expenditure increased from $288.4 million in 2023 to $348.1 million in 2024 mainly due to the acquisition of Monte do Carmo on 7 November 2024 for a total consideration of $86.6 million, which includes cash consideration of $60.0 million of which $45.0 million has been paid and $15.0 million has been deferred, and $26.2 million liabilities assumed representing the fair value of the loan and streaming agreement with Sprott which were transferred to the Group on completion. Also, higher scheduled capex in Inmaculada resulting from mine developments deferred in 2023 due to the MEIA permit delays. These effects were partially offset by reduced capex at Mara Rosa of $29.3 million (2023: $121.1 million), and lower capitalised interest expenses that are directly attributable to the construction of Mara Rosa of $6.0 million (2023: $18.7 million).

Final proposed dividends

$000	Year ended 31 Dec 2024
Net cash generated from operating activities	321,247
Less: non-attributable net cash generated from operating activities	(36,566)
Attributable net cash generated from operating activities	**284,681**
Net cash used in investing activities	(277,000)
Less: non-attributable net cash used in investing activities	22,610
Attributable net cash used in investing activitiies	**(254,390)**
Attributable free cash flow	**30,291**
Net Debt / Adjusted EBITDA	*0.51x*
Dividend payout of 20-30%	6,058 – 9,087
Minimum annual dividend	10,000
Final proposed dividend	**10,000**

[29] Includes pre-shipment loans and short term interest payables
[30] 2023 includes $3.5 million increase due to foreign exchange effect, and $2.5m for the construction of the aggregates project plant

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The responsibility statement below has been prepared in connection with the Company´s Annual Report and Accounts for the year ended 31 December 2024.

The Directors confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Management Report (as defined in the Director's Report) includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Consolidated income statement

For the year ended 31 December 2024

	Notes	Year ended 31 December 2024 Before exceptional items US$000	Exceptional items (note 11) US$000	Total US$000	Year ended 31 December 2023 Before exceptional items US$000	Exceptional items (note 11) US$000	Total US$000
Revenue	5	**947,696**	–	**947,696**	693,716	–	693,716
Cost of sales	6	**(605,263)**	–	**(605,263)**	(508,214)	–	(508,214)
Gross profit		**342,433**	–	**342,433**	185,502	–	185,502
Administrative expenses	7	**(50,232)**	–	**(50,232)**	(47,192)	–	(47,192)
Exploration expenses	8	**(26,854)**	–	**(26,854)**	(21,297)	–	(21,297)
Selling expenses	9	**(17,489)**	–	**(17,489)**	(14,862)	–	(14,862)
Other income	12	**20,955**	–	**20,955**	30,261	–	30,261
Other expenses	12	**(43,245)**	–	**(43,245)**	(47,553)	(8,960)	(56,513)
Impairment and write-off of non-current assets, net	16, 17 and 18	**(846)**	**(16,769)**	**(17,615)**	(2,731)	(80,843)	(83,574)
Profit/(loss) before net finance income/(cost), foreign exchange loss and income tax		**224,722**	**(16,769)**	**207,953**	82,128	(89,803)	(7,675)
Share of loss of an associate	19	**(1,408)**	**(5,081)**	**(6,489)**	(2,277)	(7,183)	(9,460)
Finance income	13	**13,097**	–	**13,097**	7,473	–	7,473
Finance costs	13	**(26,928)**	–	**(26,928)**	(18,199)	–	(18,199)
Foreign exchange loss, net	13	**(10,416)**	–	**(10,416)**	(15,620)	–	(15,620)
Profit/(loss) before income tax		**199,067**	**(21,850)**	**177,217**	53,505	(96,986)	(43,481)
Income tax (expense)/benefit	14	**(65,556)**	**2,088**	**(63,468)**	(44,000)	27,448	(16,552)
Profit/(loss) for the year		**133,511**	**(19,762)**	**113,749**	9,505	(69,538)	(60,033)
Attributable to:							
Equity shareholders of the Parent		**116,767**	**(19,762)**	**97,005**	8,991	(63,997)	(55,006)
Non-controlling interests		**16,744**	–	**16,744**	514	(5,541)	(5,027)
		133,511	**(19,762)**	**113,749**	9,505	(69,538)	(60,033)
Basic earnings/(loss) per ordinary share for the year (expressed in US dollars per share)	15	**0.23**	**(0.04)**	**0.19**	0.02	(0.12)	(0.10)
Diluted earnings/(loss) per ordinary share for the year (expressed in US dollars per share)	15	**0.23**	**(0.04)**	**0.19**	0.02	(0.12)	(0.10)

Consolidated statement of comprehensive income

For the year ended 31 December 2024

	Notes	Year ended 31 December 2024 US$000	2023 US$000
Profit/(loss) for the year		**113,749**	(60,033)
Other comprehensive income that might be reclassified to profit or loss in subsequent periods:			
Loss on cash flow hedges	39(a)	**(85,560)**	(19,704)
Deferred tax benefit on cash flow hedges	39(e)	**28,473**	6,617
Exchange differences on translating foreign operations[1]		**(30,252)**	17,722
Share of other comprehensive loss of an associate	19	**(2,492)**	(855)
		(89,831)	3,780
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Gain/(loss) on equity instruments at fair value through other comprehensive income (OCI)	20	**15**	(49)
		15	(49)
Other comprehensive (loss)/income for the year, net of tax		**(89,816)**	3,731
Total comprehensive profit/(loss) for the year		**23,933**	(56,302)
Total comprehensive loss attributable to:			
Equity shareholders of the Parent		**7,189**	(51,275)
Non-controlling interests		**16,744**	(5,027)
		23,933	(56,302)

1 Foreign exchange effect generated in the Group´s companies when the functional currency is the local currency, mainly generated by the increase (2023: decrease) of the US$ exchange rate in Brazil.

Consolidated statement of financial position

As at 31 December 2024

	Notes	**As at 31 December 2024 US$000**	As at 31 December 2023 US$000
ASSETS			
Non-current assets			
Property, plant and equipment	16	**1,070,758**	1,018,853
Evaluation and exploration assets	17	**132,303**	67,322
Intangible assets	18	**49,632**	29,983
Investment in an associate	19	**15,811**	22,927
Financial assets at fair value through OCI	20	**475**	460
Other receivables	22	**18,316**	12,438
Deferred income tax assets	31	**27,677**	763
		1,314,972	1,152,746
Current assets			
Inventories	23	**87,087**	68,261
Trade and other receivables	22	**135,814**	80,456
Derivative financial assets	39(a)	**–**	846
Income tax receivable	14	**186**	4,713
Other financial assets		**3,807**	2,264
Cash and cash equivalents	24	**96,973**	89,126
Assets held for sale	25	**12,660**	17,398
		336,527	263,064
Total assets		**1,651,499**	1,415,810
EQUITY AND LIABILITIES			
Capital and reserves attributable to shareholders of the Parent			
Equity share capital	30	**9,068**	9,068
Other reserves		**(329,431)**	(234,837)
Retained earnings		**931,236**	834,231
		610,873	608,462
Non-controlling interests		**76,478**	60,122
Total equity		**687,351**	668,584
Non-current liabilities			
Other payables	26	**46,501**	1,711
Derivative financial liabilities	39(a)	**61,343**	16,581
Borrowings	28	**163,333**	234,999
Provisions	29	**146,781**	147,372
Deferred income tax liabilities	31	**82,504**	67,039
		500,462	467,702
Current liabilities			
Trade and other payables	26	**208,222**	135,839
Derivative financial liabilities	39(a)	**40,276**	1,190
Borrowings	28	**149,249**	112,064
Provisions	29	**35,082**	26,741
Income tax payable	14	**21,205**	2,979
Liabilities directly associated with assets held for sale	25	**9,652**	711

	Notes	As at 31 December 2024 US$000	As at 31 December 2023 US$000
		463,686	279,524
Total liabilities		**964,148**	747,226
Total equity and liabilities		**1,651,499**	1,415,810

These financial statements were approved by the Board of Directors on 11 March 2025 and signed on its behalf by:

Eduardo Landin
Chief Executive Officer
11 March 2025

Consolidated statement of cash flows

For the year ended 31 December 2024

	Notes	Year ended 31 December **A 2024 US$000**	2023 US$000
Cash flows from operating activities			
Cash generated from operations	35	**365,040**	217,016
Interest received		**3,272**	5,508
Interest paid	28	**(27,074)**	(24,839)
Payment of mine closure costs	29	**(11,833)**	(13,325)
Income tax, special mining tax and mining royalty paid[1]		**(8,158)**	(5,599)
Net cash generated from operating activities		**321,247**	178,761
Cash flows from investing activities			
Purchase of property, plant and equipment		**(213,513)**	(259,730)
Purchase of evaluation and exploration assets	17(2)	**(55,629)**	(2,523)
Purchase of intangibles	18	**(19,534)**	(124)
Purchase of Argentinian bonds	13(5)	**(5,838)**	–
Proceeds from sale of Argentinian bonds	13(5)	**2,865**	–
Proceeds from sale of financial assets at fair value though profit and loss	21	**–**	723
Proceeds from sale of property, plant and equipment		**759**	1,148
Proceeds from sale of assets held for sale	25	**13,890**	–
Sale of royalty related to Volcan project		**–**	15,000
Net cash used in investing activities		**(277,000)**	(245,506)
Cash flows from financing activities			
Proceeds from borrowings	28	**311,607**	137,413
Repayment of borrowings	28	**(340,991)**	(111,980)
Payment of lease liabilities	27	**(5,046)**	(2,338)
Dividends paid to non-controlling interests	32	**(388)**	(326)
Net cash flows (used in)/generated from financing activities		**(34,818)**	22,769
Net increase/(decrease) in cash and cash equivalents during the year		**9,429**	(43,976)
Exchange difference		**(1,582)**	(10,742)
Cash and cash equivalents at beginning of year		**89,126**	143,844
Cash and cash equivalents at end of year	24	**96,973**	89,126

[1] Taxes paid have been offset with value added tax (VAT) credits of US$6,732,000 (2023: US$10,175,000).

Consolidated statement of changes in equity

For the year 31 December 2024

			Other reserves											
	Notes	Equity share capital US$000	Fair value reserve of financial assets at fair value through OCI	Share of other comprehensive loss of an associate US$000	Dividends expired US$000	Cumulative translation adjustment US$000	Unrealised gain/(loss) on cash flow hedges US$000	Merger reserve US$000	Share-based payment reserve US$000	Total other reserves US$000	Retained earnings US$000	Capital and reserves attributable to shareholders of the Parent US$000	Non-controlling interests US$000	Total equity US$000
Balance at 1 January 2023		**9,061**	**(78)**	**1,274**	**99**	**(37,902)**	**1,541**	**(210,046)**	**6,312**	**(238,800)**	**886,980**	**657,241**	**65,475**	**722,716**
Other comprehensive income/(expense)		–	(49)	(855)	–	17,722	(13,087)	–	–	3,731	–	3,731	–	3,731
Loss for the year		–	–	–	–	–	–	–	–	–	(55,006)	(55,006)	(5,027)	(60,033)
Total comprehensive income/(expense) for the year		**–**	**(49)**	**(855)**	**–**	**17,722**	**(13,087)**	**–**	**–**	**3,731**	**(55,006)**	**(51,275)**	**(5,027)**	**(56,302)**
Cancellation of dividends expired		–	–	–	(99)	–	–	–	–	(99)	152	53	–	53
Dividends to non-controlling interests	32	–	–	–	–	–	–	–	–	–	–	–	(326)	(326)
Exercise of share-based payments		7	–	–	–	–	–	–	(584)	(584)	577	–	–	–
Accrual of share-based payments		–	–	–	–	–	–	–	2,443	2,443	–	2,443	–	2,443
Forfeiture of share-based payments		–	–	–	–	–	–	–	(1,528)	(1,528)	1,528	–	–	–
Balance at 31 December 2023		**9,068**	**(127)**	**419**	**–**	**(20,180)**	**(11,546)**	**(210,046)**	**6,643**	**(234,837)**	**834,231**	**608,462**	**60,122**	**668,584**
Other comprehensive income/(expense)		–	15	(2,492)	–	(30,252)	(57,087)	–	–	(89,816)	–	(89,816)	–	(89,816)
Profit for the year		–	–	–	–	–	–	–	–	–	97,005	97,005	16,744	113,749
Total comprehensive income/(expense) for the year		**–**	**15**	**(2,492)**	**–**	**(30,252)**	**(57,087)**	**–**	**–**	**(89,816)**	**97,005**	**7,189**	**16,744**	**23,933**
Dividends to non-controlling interests	32	–	–	–	–	–	–	–	–	–	–	–	(388)	(388)
Other changes in associate’s equity	19	–	–	1,865	–	–	–	–	–	1,865	–	1,865	–	1,865
Modification of share- based payment awards	29	–	–	–	–	–	–	–	(7,954)	(7,954)	–	(7,954)	–	(7,954)
Accrual of share-based payments		–	–	–	–	–	–	–	1,311	1,311	–	1,311	–	1,311
Balance at 31 December 2024		**9,068**	**(112)**	**(208)**	**–**	**(50,432)**	**(68,633)**	**(210,046)**	**–**	**(329,431)**	**931,236**	**610,873**	**76,478**	**687,351**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

The financial information for the year ended 31 December 2024 does not constitute statutory accounts as defined in sections 435 (1) and (2) of the Companies Act 2006. Statutory accounts for the year ended 31 December 2023 have been delivered to the Registrar of Companies and those for 2024 will be delivered following the Company's annual general meeting. The auditor has reported on these accounts; their reports were unqualified. Their report did not include a reference to any other matters to which the auditor drew attention by way of emphasis of matter and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

1 Corporate information

Hochschild Mining PLC (hereinafter "the Company") is a public limited company incorporated on 11 April 2006 under the Companies Act 2006 as a Limited Company and registered in England and Wales with registered number 05777693. The Company's registered office is located at 17 Cavendish Square, London W1G 0PH, United Kingdom.

The ultimate controlling party of the Company is Mr Eduardo Hochschild whose beneficial interest in the Company and its subsidiaries (together "the Group" or "Hochschild Mining Group") is 38.27% and it is held through Pelham Investment Corporation ("Pelham"), a Cayman Islands company.

On 8 November 2006, the Company's shares were admitted to the Official List of the UKLA (United Kingdom Listing Authority) and to trading on the London Stock Exchange.

The Group's principal business is the mining, processing and sale of silver and gold. At 31 December 2024, the Group has one operating mine (Inmaculada) located in southern Peru, one operating mine (San Jose) located in Argentina and one operating mine (Mara Rosa) located in Brazil. The Group's previously operating Pallancata mine went into care and maintenance in November 2023. The Group also has a portfolio of projects located across Peru, Argentina, Brazil, and Chile, at various stages of development.

These consolidated financial statements were approved for issue by the Board of Directors on 11 March 2025.

The Group's subsidiaries, all held indirectly, except for Hochschild Mining Holdings Limited, are as follows:

			Equity interest at 31 December	
Company	Principal activity	Country of incorporation	**2024 %**	2023 %
Hochschild Mining (Argentina) Corporation S.A.[1]	Holding company	Argentina	**100**	100
MH Argentina S.A.[2]	Exploration office	Argentina	**100**	100
Minera Santa Cruz S.A.[1 and 13]	Production of gold and silver	Argentina	**51**	51
Minera Hochschild Chile S.C.M. [3]	Exploration	Chile	**100**	100
Andina Minerals Chile SpA (formerly Andina Minerals Chile Ltd.) [3]	Exploration	Chile	**100**	100
Southwest Minerals (Yunnan) Inc. [4]	Exploration	China	**100**	100
Hochschild Mining Holdings Limited[5]	Holding company	England and Wales	**100**	100
Hochschild Mining Ares (UK) Limited[5]	Administrative office	England and Wales	**100**	100
Hochschild Mining Brazil Holdings Corp. (formerly 1334940 BC) [5]	Holding company	England and Wales	**100**	100
Southwest Mining Inc. [4]	Exploration	Mauritius	**100**	100
Southwest Minerals Inc. [4]	Exploration	Mauritius	**100**	100
Minera Hochschild Mexico, S.A. de C.V. [6]	Exploration	Mexico	**100**	100
Hochschild Mining (Peru) S.A. [4]	Holding company	Peru	**100**	100
Compañía Minera Ares S.A.C. [4]	Production of gold and silver	Peru	**100**	100
Compañía Minera Arcata S.A. [4]	Production of gold and silver	Peru	**99.1**	99.1
Empresa de Transmisión Aymaraes S.A.C. [4]	Power transmission	Peru	**100**	100
Compañía Minera Crespo S.A.C. [4 and 10]	Exploration	Peru	**-**	100
Cúspide Copper S.A.C. [4 and 11]	Exploration	Peru	**100**	-
Compañía Minera Cerro Salto S.A.C. [4 and 12]	Exploration	Peru	**100**	-
Hochschild Mining (US) Inc. [7]	Holding company	USA	**100**	100
Hochschild Mining Canada Corp[8]	Exploration	Canada	**100**	100
Tiernan Gold Corp. [8]	Holding company	Canada	**100**	100
Amarillo Mineracao do Brasil Ltda. [9]	Production of gold and silver	Brazil	**100**	100
Serra Alta Mineracao Ltda. [9 and note 4]	Exploration	Brazil	**100**	-
Serra Alta Participacoes Inmobiliarias S.A. [9 and note 4]	Exploration	Brazil	**100**	-

1 Registered address: Av. Santa Fe 2755, floor 9, Buenos Aires, Argentina.
2 Registered address: Sargento Cabral 124, Comodoro Rivadavia, Provincia de Chubut, Argentina.
3 Registered address: Av. Apoquindo 4775 of 1002, Comuna Las Condes, Santiago de Chile, Chile.
4 Registered address: La Colonia 180, Santiago de Surco, Lima, Peru.

5 Registered address: 17 Cavendish Square, London, W1G0PH, United Kingdom.
6 Registered address: Calle Aguila Real No 122, Colonia Carolco, Monterrey, Nuevo Leon, CP 64996, Mexico.
7 Registered address: 1025 Ridgeview Dr. 300, Reno, Nevada 89519, USA.
8 Registered address: Suite 1700, Park Place, 666 Burrard Street, Vancouver BC, V6C 2X8.
9 Registered address: Fazenda Invernada s/n, Zona Rural, Mara Rosa - Goiás – Brazil, CEP: 76.490-000.
10 The Company was sold on March 2024 to a third party.
11 The Company was incorporated on 8 July 2024.
12 The Company was incorporated on 20 July 2024.
13 The Group has a 51% interest in Minera Santa Cruz S.A. (Minera Santa Cruz), while the remaining 49% is held by a non-controlling interest. The significant financial information in respect of this subsidiary before intercompany eliminations as at and for the years ended 31 December 2024 and 2032 is as follows:

	As at 31 December	
	2024 US$000	2023 US$000
Non-current assets	**133,371**	136,098
Current assets	**144,568**	100,511
Non-current liabilities	**(66,806)**	(71,813)
Current liabilities	**(57,922)**	(44,965)
Equity	**(153,211)**	(119,831)
Cash and cash equivalents	**45,454**	22,182
Revenue	**293,335**	242,461
Depreciation and amortisation	**(48,899)**	(52,829)
Interest income	**1,071**	1,251
Interest expense	**(3,043)**	(4,090)
Income tax	**(632)**	(4,480)
Profit/(loss) for the year and total comprehensive income	**34,170**	(10,269)
Net cash generated from operating activities	**74,625**	66,034
Net cash used in investing activities	**(46,143)**	(48,227)
Net cash used in financing activities	**(5,210)**	(11,098)

Profit/(loss) attributable to non-controlling interests in the consolidated income statement, non-controlling interest in the consolidated statement of financial position, and dividends declared to non-controlling interests in the consolidated statement of changes in equity are solely related to Minera Santa Cruz.

2 Material accounting policies

(a) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with UK adopted International Accounting Standards.

The basis of preparation and accounting policies used in preparing the consolidated financial statements for the years ended 31 December 2024 and 2023 are set out below. The consolidated financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments that are measured at fair value at the end of each reporting period, as explained below. These accounting policies have been consistently applied, except for the effects of the adoption of new and amended accounting standard.

The financial statements are presented in US dollars (US$) and all monetary amounts are rounded to the nearest thousand ($000) except when otherwise indicated.

Changes in accounting policy and disclosures

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023. Amendments and interpretations apply for the first time in 2024, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
Amendments to IAS 1: Classification of Liabilities as Current or Non-current

Standards, interpretations and amendments to existing standards that are not yet effective and have not been previously adopted by the Group

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2025 or later periods but which the Group has not previously adopted. These have not been listed as they are not expected to impact the Group.

(b) Judgements in applying accounting policies and key sources of estimation uncertainty

Many of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimates is contained in the accounting policies and/or the notes to the financial statements.

Significant areas of estimation uncertainty and critical judgements made by management in preparing the consolidated financial statements include:

Significant estimates:

Useful lives of assets for depreciation and amortisation purposes – note 2(f).
Estimates are required to be made by management as to the useful lives of assets. For depreciation calculated under the unit of-production method, estimated recoverable reserves and resources are used in determining the depreciation and/or amortisation of mine-specific assets. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining life-of-mine production. Each item's life, which is assessed annually, has regard to both its physical life limitations and to present assessments of economically recoverable reserves and resources of the mine property at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and resources. Changes are accounted for prospectively.

Ore reserves and resources – note 2(h).
There are numerous uncertainties inherent in estimating ore reserves and resources. Assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and resources and may, ultimately, result in the reserves and resources being updated.

Recoverable values of mining assets – notes 2(k), 16, 17 and 18.
The values of the Group's mining assets are sensitive to a range of characteristics unique to each mine unit. Key sources of estimation for all assets include uncertainty around ore reserve estimates and cash flow projections. In performing impairment reviews, the Group assesses the recoverable amount of its operating assets principally with reference to fair value less costs of disposal ("FVLCD").

The recoverable values of the CGUs and advanced exploration projects are determined using a FVLCD methodology. FVLCD for CGUs is determined using a combination of level 2 and level 3 inputs. The FVLCD of producing mine assets is determined using a discounted cash flow model and for developing stage mine assets or advanced exploration projects is determined using a discounted cash flow model or the value-in-situ methodology. When using a value-in-situ methodology, the in-situ value is based on a comparable company analysis and applies a realisable 'enterprise value' to unprocessed mineral resources per ounce of resources, to estimate the amount that would be paid by a willing third party in an arm's length transaction. (notes 16, 17 and 18).

There is judgement involved in determining the assumptions that are considered to be reasonable and consistent with those that would be applied by market participants. Significant estimates used in a discounted cash flow model include future gold and silver prices, future capital requirements, reserves and resources volumes, production costs and the application of discount rates which reflect the macro-economic risk, as applicable. When using a value-in-situ methodology, the in-situ value is based on a comparable company analysis. Changes in these assumptions will affect the recoverable amount of the property, plant and equipment, evaluation and exploration assets, and intangibles.

Mine closure costs – notes 2(o) and 29(1).
The Group assesses its mine closure cost provision annually. Significant estimates and assumptions are made in determining the provision for mine closure cost as there are numerous factors that will affect the ultimate liability. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases, mine life and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at the balance sheet date represents management's best estimate of the present value of the future closure costs required. In July 2021, the mine closure law for the province of Santa Cruz in Argentina was published, establishing a period of 180 business days to present the Mine Closure Plan. The plan presented to the provincial authority, in December 2022, accomplishes law regulations and it has not been approved at the date of the financial statements. The Group considers the mine closure provision in San Jose to be largely aligned with Argentina's new law and regulations.

Valuation of financial instruments – note 39.
The valuation of certain Group assets and liabilities reflects the changes to certain assumptions used in the determination of their value, such as future gold and silver prices, discount rates, and resources and reserves estimates.

Non market performance conditions on LTIP 2022, LTIP 2023 and LTIP 2024 – note 29.
There are two parts to the performance conditions attached to LTIP awards: 50% is subject to the Company's TSR ranking relative to a tailored peer group of mining companies, 50% is subject to internal KPIs split equally between: (i) three-year growth of the Company's Measured and Indicated Resources (MIR) per share (calculated on an enterprise value basis), and (ii) average outcome of the annual bonus scorecard in respect of 2022, 2023 and 2024, regarding LTIP 2022; 2023, 2024 and 2025, regarding LTIP 2023; and 2024, 2025 and 2026, regarding LTIP 2024, calculated as the simple mean of the three scorecard outcomes. At each reporting date the Group has to estimate the value of the shares and the possible outcome regarding the scorecard and Resources. The balance of the awards is disclosed in note 29.

Critical judgements:

Income tax – notes 2(t), 2(u), 14, 31 and 37(a).
Judgement is required in determining whether deferred tax assets are recognised on the statement of financial position. Deferred tax assets, including those arising from un-utilised tax losses require management to assess the likelihood that the Group will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the balance sheet date could be impacted. The Group analyses the possibility of generating profit in all the companies and determines the recognition of deferred tax. No deferred tax asset is recognised in the holding and exploration entities as they are not expected to generate any profit to settle the temporary difference (refer to note 31).

Judgement is also required when determining the recognition of tax liabilities as the tax treatment of some transactions cannot be finally determined until a formal resolution has been reached by the tax authorities. Tax liabilities are also recorded for uncertain exposures which can have an impact on both deferred and current tax. Tax benefits are not recognised unless it is probable that the benefit will be obtained and tax liabilities are recognised if it is probable that a liability will arise (refer to note 37(a)). The final resolution of these transactions may give rise to material adjustments to the income statement and/or cash flow in future periods. The Group reviews each significant tax liability or benefit each period to assess the appropriate accounting treatment.

Life of mine (LOM).
There are several aspects which are determined by the life of mine, such as ore reserves and resources, recoverable values of mining assets, mine rehabilitation provision and depreciation. The life of mine for an operation is specified in the relevant Environmental Impact Assessment (EIA) which is amended from time to time as more resources at the mine are identified. EIAs are permits which are granted in the ordinary course of business to the mining industry. While the processing of such permits may be subject to delays, the Group has never had an EIA denied. A crucial element of Peru's legal framework is the principle of predictability which, in essence, means that if the legal requirements for any given permit have been satisfied, the State cannot unlawfully deny the granting of the permit. Taking this into consideration, as well as the Group's operational experience, the Group believes that permits will be secured such that operations can continue without interruption. In the unlikely scenario that this does not occur, there could be material changes to those items in the financial statements that are determined by the life of mine.

Determination of functional currencies – note 2(e).
The determination of functional currency requires management judgement, particularly where there may be several currencies in which transactions are undertaken and which impact the economic environment in which the entity operates. In Argentina, the exchange control restrictions limit the companies to hold US dollars but do not restrict carrying out transactions in US dollar.

Recognition of evaluation and exploration assets and transfer to development costs – notes 2(g), 16 and 17.
Judgement is required in determining when there is sufficient evidence that there is a future economic benefit of an exploration project, at which point the exploration costs are capitalised. This includes an assessment of whether there is a high degree of confidence of the existence of economically recoverable minerals, mine-site exploration is being conducted to convert resources to reserves, or mine-site exploration is being conducted to confirm resources. The stage, timeline and associated risks of the project are also considered. The exploration and evaluation assets are then assessed for impairment when facts and circumstances suggest that the carrying amount is not recoverable.

Climate change

General

The Group completed a climate-related scenario analysis and a detailed transition assessment for the transition risk and opportunity identified most relevant to the business. The risk assessed is the impact of carbon pricing on operational and capital expenditure and the opportunity assessed is the reduction of land transport emissions.
This year the Group will conduct a financial quantification assessment of climate-related risks. Once this assessment is completed the Group will be able to estimate the future economic impact of the climate-related risks and incorporate it into the projections used for impairment testing purposes and financial statements, as applicable.

In the future, the adoption of the Group's climate change strategy and the introduction of unexpected climate-change regulations in the countries where the Group operates may affect the financial quantification estimates and could result in changes to financial results and the carrying values of certain assets and liabilities in forthcoming reporting periods.

Physical risks

As previously stated, the Group completed a climate-related scenario analysis, identifying five 5 physical risks rated as "high": water stress and drought, extreme rainfall flooding, wildfires, extreme winds and storms, and extreme heat. The costs associated with managing these risks are incorporated into the Group´s operational and capital expenditure when they are anticipated to materialise.

As the Group progresses its adaptation strategy, the identification of additional risks or the development of the Group's response may result in changes to financial results and the carrying values of assets and liabilities in future reporting periods.

Acquiring a subsidiary or a group of assets – note 4(a).
In identifying a business combination (note 2(c)) or acquisition of assets the Group applies the concentration test in accordance with IFRS 3 to determine whether an acquisition is a business combination or an asset acquisition. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable assets or a group of similar assets. If the concentration test is met, the acquisition is accounted for as an asset acquisition. If the concentration test is not met, the Group considers the underlying inputs, processes and outputs acquired as a part of the transaction. For an acquired set of activities and assets to be considered a business there must be at least some inputs and processes that have the capability to achieve the purposes of the Group. Where significant inputs and processes have not been acquired, a transaction is considered to be the purchase of assets.

For the assets and assumed liabilities acquired the Group allocates the total consideration paid (including directly attributable transaction costs) based on the relative fair values of the underlying items. On 7 November 2024 the Group acquired a 100% interest in the Monte do Carmo gold project in Brazil, through the acquisition of Serra Alta Mineração Ltda. (note 4(a)). The transaction was accounted as a purchase of assets as it met the concentration test, with the main asset acquired being the Monte do Carmo project which is in a development stage.

Stream Agreements – note 26(a).
Judgement was required in determining the accounting treatment for the initial recognition and subsequent measurement of the obligations included in the Secured Note and Stream Agreement with Sprott Private Resource Streaming and Royalty Corp. ("Sprott"), assigned to the Group upon the acquisition of the Monte do Carmo project. Refer to notes 4 and 26(a) for details on the Monte do Carmo´s acquisition and Stream Agreements, respectively.

Management determined that the Secured Note and Stream Agreement are closely connected, with the option by Sprott to set off the $20,000,000 stream payment against the Secured Note upon commencement of production. Therefore, management has considered the two contracts as a single unit of account The Stream Agreement, including the Buy-down option meet the definition of a derivative and is accounted for at fair value through profit and loss ("FVTPL"). The key assumptions on which management has based its determination of fair value are disclosed in note 26(a).

Investment in an associate – note 19.

Judgement is required in determining the recoverable amount of the investment in Aclara Resources Inc. ('Aclara'). Management determined that the value derived from the US$25,000,000 private placement, announced by Aclara Resources Inc. in December 2024 and completed in February 2025, approximates the recoverable amount of Aclara. Therefore, the Group adjusted the carrying amount of the investment to reflect the value of the shares issued in the private placement. As a result, the Group has determined an impairment charge of US$5,081,000 as at 31 December 2024.

(c) Basis of consolidation

The consolidated financial statements set out the Group's financial position, performance and cash flows as at 31 December 2024 and 31 December 2023 and for the years then ended, respectively.

Subsidiaries are those entities controlled by the Group regardless of the amount of shares owned by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Non-controlling interests' rights to safeguard their interest are fully considered in assessing whether the Group controls a subsidiary. Specifically, the Group controls an investee if, and only if, the Group has:

power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
exposure, or rights, to variable returns from its involvement with the investee; and
the ability to use its power over the investee to affect its returns.
Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

the contractual arrangement with the other vote holders of the investee;
rights arising from other contractual arrangements; and
the Group's voting rights and potential voting rights.
The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Basis of consolidation

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction, affecting retained earnings. If the Group loses control over a subsidiary, it (i) derecognises the assets (including goodwill) and liabilities of the subsidiary; (ii) derecognises the carrying amount of any non-controlling interest (NCI); (iii) derecognises the cumulative translation differences, recorded in equity; (iv) recognises the fair value of the consideration received; (v) recognises the fair value of any investment retained; (vi) recognises any surplus or deficit in profit or loss; and (vii) reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

An NCI represents the equity in a subsidiary not attributable, directly and indirectly, to the parent company and is presented separately within equity in the consolidated statement of financial position, separately from equity attributable to owners of the parent.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any NCI in the acquiree. The choice of measurement of NCI, either at fair value or at the proportionate share of the acquiree's identifiable net assets, is determined on a transaction by transaction basis. Acquisition costs incurred are expensed and included in administrative expenses.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for the NCI, and any interest previously held, over the net identifiable assets acquired and the liabilities assumed. Assets acquired and liabilities assumed in transactions separate to the business combinations, such as the settlement of pre-existing relationships or post-acquisition remuneration arrangements, are accounted for separately from the business combination in accordance with their nature and applicable IFRSs. Identifiable intangible assets meeting either the contractual-legal or the separability criteria are recognised separately from goodwill. Contingent liabilities representing a present obligation are recognised if the acquisition date fair value can be measured reliably.

(d) Going concern

Directors' assessment

The Directors have reviewed Group liquidity, including cash resources and borrowings (refer to note 28 for details of the US$300 million and US$200 million medium-term loans) and related covenant forecasts to assess whether the Group is able to continue in operation for the period to 31 March 2026 (the "Going Concern Period") which is at least 12 months from the approval date of these financial statements. The Directors also considered the impact of a downside scenario on the Group's future cash flows and liquidity position as well as debt covenant compliance.

Scenarios Analysed

For the purposes of the going concern review, the base case scenario reviewed by the Directors (the "Base Scenario") reflects, among other things, budgeted production for 2025 and 2026 life-of-mine plans for Inmaculada, San Jose and Mara Rosa, and assumes average precious metal prices of US$2,616/oz for gold and US$32.2/oz for silver (the "Assumed Prices"), being the average analysts' consensus prices for the Going Concern Period.

The Directors also considered a severe but plausible downside scenario ("the Severe Scenario") which takes into account the combined impact of a three-week stoppage of all operations, unforeseen social-related costs and lower precious metal prices which are lower than the Assumed Prices (a 10% lower gold price and 15% lower silver price) ("the Downside Assumptions").

Even in the Severe Scenario it has been assumed that all employees remain on full pay and that mitigating actions, such as the deferral of discretionary exploration capital expenditure, which are under the Group's control, while available, would not be necessary.

Under the Base and the Severe scenarios, the Group's liquid resources, which as at the date of this report include an undrawn amount of US$270 million remain more than adequate for the Group's forecast expenditure and scheduled repayments of the amounts owed under the Group´s borrowings, with sufficient headroom maintained to comply with debt covenants.

Reverse Stress Tests

Management also performed reverse stress tests which were considered in the Directors´ assessment. Under these tests, the Directors concluded that:

- prices of US$1,544/oz for gold and US$19.0/oz for silver for the duration of the Going Concern Period would result in the minimum levels of compliance with the debt covenants of the medium-term loan facilities; and
- 21 weeks of concurrent stoppages at each of Inmaculada, San Jose and Mara Rosa would result in the minimum levels of compliance with the debt covenants.

In its application of the above reverse stress tests, no mitigation actions were applied.

Conclusion

After their review, the Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence during the Going Concern Period. Accordingly, the Directors are satisfied the going concern basis of accounting is appropriate in preparing the financial statements.

(e) Currency translation

The functional currency for each entity in the Group is determined by the currency of the primary economic environment in which it operates. For the holding companies and operating entities this currency is US dollars and for the other entities it is the local currency of the country in which it operates. The Group's financial information is presented in US dollars, which is the Company's functional currency. Transactions denominated in currencies other than the functional currency of the entity are initially recorded in the functional currency using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are remeasured at the exchange rate prevailing at the statement of financial position date. Exchange gains and losses on settlement of foreign currency transactions which are translated at the rate prevailing at the date of the transactions, or on the translation of monetary assets and liabilities which are translated at period-end exchange rates, are taken to the income statement. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated to the functional currency at the foreign exchange rate prevailing at the date of the transaction. Exchange differences arising from monetary items that are part of a net investment in a foreign operation are recognised in equity and transferred to income on disposal of such net investment.

Subsidiary financial statements expressed in their corresponding functional currencies are translated into US dollars by applying the exchange rate at period-end for assets and liabilities and the transaction date exchange rate for income statement items. The resulting difference on consolidation is included as a cumulative translation adjustment in equity. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

(f) Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost comprises its purchase price and directly attributable costs of acquisition or construction required to bring the asset to the condition necessary for the asset to be capable of operating in the manner intended by management. Economical and physical conditions of assets have not changed substantially over this period.

The cost less residual value of each item of property, plant and equipment is depreciated over its useful life. Each item's estimated useful life has been assessed with regard to both its own physical life limitations and the present assessment of economically recoverable reserves and resources of the mine property at which the item is located. Estimates of remaining useful lives are made on a regular basis for all mine buildings, machinery and equipment, with annual reassessments for major items. Depreciation is charged to cost of production on a units of production basis for mine buildings and installations and plant and equipment used in the mining production process, or charged directly to the income statement over the estimated useful life of the individual asset on a straight-line basis when not related to the mining production process. Changes in estimates, which mainly affect units of production calculations, are accounted for prospectively. Depreciation commences when assets are available for use. Land is not depreciated.

An asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the net proceeds with the carrying amount and are recognised within other income/expenses, in the income statement.

The expected useful lives under the straight-line method are as follows:

	Years
Buildings	3 to 33
Plant and equipment	5 to 10
Vehicles	5

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to be ready for its intended use are capitalised as part of the cost of the asset. All other borrowing costs are expensed where incurred. For borrowings associated with a specific asset, the actual rate on that borrowing is used. Otherwise, a weighted average cost of borrowing is used. The Group capitalises the borrowing costs related to qualifying assets with a value of US$1,000,000 or more, considering that the substantial period of time to be ready is six or more months.

Mining properties and development costs

Purchased mining properties are recognised as assets at their cost of acquisition or at fair value if purchased as part of a business combination. Costs associated with developments of mining properties are capitalised.

Mine development costs are, upon commencement of commercial production, depreciated using the units of production method based on the estimated economically recoverable reserves and resources to which they relate.

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development.

Construction in progress and capital advances

Assets in the course of construction are capitalised as a separate component of property, plant and equipment. Once the asset moves into the production phase, the cost of construction is transferred to the appropriate category. Construction in progress is not depreciated. Capital advances to suppliers related to the purchase of property, plant and equipment are disclosed in construction in progress.

Subsequent expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment is capitalised separately with the carrying amount of the component being written-off. Other subsequent expenditure is capitalised if future economic benefits will arise from the expenditure. All other expenditure including repairs and maintenance expenditures are recognised in the income statement as incurred.

(g) Evaluation and exploration assets

Exploration and evaluation expenses are capitalised when there is sufficient evidence that there is a future economic benefit to the Group. All other exploration and evaluation expenses are expensed as incurred. Exploration and evaluation expenses are considered to have a future benefit to the Group when there is a high degree of confidence of the existence of economically recoverable minerals, mine-site exploration is being conducted to convert resources to reserves, or mine-site exploration is being conducted to confirm resources. The stage, timeline and associated risks of the project are also considered. For exploration and evaluation conducted near operating mine sites, exploration and evaluation expenses are capitalised upon the confirmation of resources.

Payments or option payments made by the Group to acquire licenses for exploration and evaluation assets, or to acquire an underlying mineral project, are capitalised in exploration and evaluation expenses or expensed as incurred, following the same criteria described above.

The Group's exploration and evaluation assets are carried at acquired costs until such time as the technical feasibility and commercial viability of the extraction of resources in an area of interest are demonstrable, usually after a pre-feasibility study has been completed, at which time they are classified as mine development costs and are tested for impairment, and are then reclassified to mining properties and development costs. For exploration and evaluation conducted near operating mine sites, exploration and evaluation expenses are classified as development costs upon the conversion of resources to reserves.

(h) Determination of ore reserves and resources

The Group estimates its ore reserves and mineral resources based on information compiled by internal competent persons. Reports to support these estimates are prepared each year and are stated in conformity with the 2012 Joint Ore Reserves Committee (JORC) code.

It is the Group's policy to have the report audited every two years by a Competent Person. Reserves and resources are used in the units of production calculation for depreciation and amortisation as well as the determination of the timing of mine closure cost and impairment analysis.

(i) Investment in associates

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

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

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

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value, and then recognises the loss within "Share of profit of an associate" in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(j) Intangible assets

Right to use energy of transmission line

Transmission line costs represent the investment made by the Group to construct the transmission line on behalf of the government to be granted the right to use it. This is an asset with a finite useful life equal to that of the mine to which it relates and that is amortised applying the units of production method for that mine.

Water permits
Water permits are recorded at cost and allow the Group to withdraw a specified amount of water from the ground for reasonable, beneficial uses. This is an asset with an indefinite useful life (note 18(2)).

Legal rights
Legal rights correspond to expenditures required to give the Group the right to use a property for the surface exploration work, development and production. This is an asset with a finite useful life equal to that of the mine to which it relates and that is amortised applying the units of production method for that mine.

Other intangible assets
Other intangible assets are primarily computer software which are capitalised at cost and are amortised on a straight-line basis over their useful life of three years.

(k) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

The carrying amounts of property, plant and equipment and evaluation and exploration assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. If there are indicators of impairment, an exercise is undertaken to determine whether the carrying values are in excess of their recoverable amount. Such review is undertaken on an asset by asset basis, except where such assets do not generate cash flows independent of other assets, and then the review is undertaken at the cash-generating unit (CGU) level.

The assessment requires the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, reserves and resources volumes (reflected in the production volume) and production costs. Changes in these assumptions will affect the recoverable amount of the property, plant and equipment and evaluation and exploration assets.

If the carrying amount of an asset or its cash-generating unit (CGU) exceeds the recoverable amount, an impairment provision is recorded to reflect the asset at the lower amount. Impairment losses are recognised in the income statement.

Calculation of recoverable amount
The recoverable values of the CGUs and advanced exploration projects are determined using a FVLCD methodology. FVLCD for CGUs was determined using a combination of level 2 and level 3 inputs. The FVLCD of the producing mine assets is determined using a discounted cash flow model and for the developing stage mine assets or advanced exploration projects is determined using a discounted cash flow model or the value-in-situ methodology, which applies a realisable 'enterprise value' to unprocessed mineral resources per ounce of resources, to estimate the amount that would be paid by a willing third party in an arm's length transaction. (notes 16, 17 and 18).

Reversal of impairment
An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Inventories

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

The cost of work in progress and finished goods (ore inventories) is based on the cost of production. For this purpose, the costs of production include:

costs, materials and contractor expenses which are directly attributable to the extraction and processing of ore;
depreciation of property, plant and equipment used in the extraction and processing of ore; and
related production overheads (based on normal operating capacity).
Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(m) Trade and other receivables

Current trade receivables are carried at the original invoice amount and then subsequently measured at amortised cost less provision made for impairment of these receivables. Non current receivables are stated at amortised cost. A provision for impairment of trade receivables is established using the expected credit loss impairment model according IFRS 9. The amount of the provision is the difference between the carrying amount and the recoverable amount and this difference is recognised in the income statement. The revaluation of provisionally priced contracts stated in 2(q) is recorded as trade receivables.

(n) Share capital

Ordinary shares are classified as equity. Any excess above the par value of shares received upon issuance of those shares is classified as share premium. In the case the excess above par value is available for distribution, it is classified as merger reserve and then transferred to retained earnings. The Group had the merger reserve available for distribution within retained earnings.

(o) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation (note 29). If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Mine closure cost
Provisions for mine closure costs are made in respect of the estimated future costs of closure and restoration and for environmental rehabilitation costs (which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) in the accounting period when the related environmental disturbance occurs. The provision is discounted and the unwinding of the discount is included in finance costs. At the time of establishing the provision, a corresponding asset is capitalised and is depreciated over future production from the mine to which it relates. The provision is reviewed on an annual basis for changes in cost estimates, discount rates and operating lives of the mines.

Changes to estimated future costs are recognised in the statement of financial position by adjusting the mine closure cost liability and the related asset originally recognised. If, for mature mines, the related mine assets net of mine closure cost provisions exceed the recoverable value, that portion of the increase is charged directly to the income statement. Similarly, if reductions to the estimated costs exceed the carrying value of the mine asset, that portion of the decrease is credited directly to the income statement. For closed sites, changes to estimated costs are recognised immediately in the income statement.

Workers' profit sharing and other employee benefits
In accordance with Peruvian legislation, companies in Peru must provide for workers' profit sharing equivalent to 8% of taxable income in each year. This amount is charged to the income statement within personnel expenses (note 10) and is considered deductible for income tax purposes. The Group has no pension or retirement benefit schemes.

Other
Other provisions are accounted for when the Group has a legal or constructive obligation for which it is probable there will be an outflow of resources for which the amount can be reliably estimated.

(p) Share-based payments

Cash-settled transactions
A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in personnel expenses. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability.

The fair value of the awards is taken to be the market value of the shares at the date of award adjusted by a factor for anticipated relative Total Shareholder Return (TSR) performance. Fair values are subsequently remeasured at each reporting date to reflect the number of awards expected to vest based on the current and anticipated TSR performance. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

Equity-settled transactions
The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model and is recognised, together with a corresponding increase in other reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that vest. The income statement expense for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in personnel expenses (note 10).

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions. No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

On 22 May 2024, beneficiaries of LTIPs were communicated of a change in the payment mechanism resulting in a modification of the LTIP from an equity settled to a cash settled transaction. This resulted in a recognition of liability based on the fair valuation of the cash settled LTIPs as at the date of modification and reversal of the share-based payment reserves, the incremental fair value of the cash-settled award over that of the equity-settled award as at the modification date amounting to US$405,000 is expensed to the profit and loss. The liability is remeasured at each reporting date.

(q) Revenue recognition

The Group is involved in the production and sale of gold and silver from dore and concentrate containing both gold and silver. Dore bars are either sold directly to customers or are sent to a third party for further refining into gold and silver before they are sold. Concentrate is sold directly to customers.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue excludes any applicable sales taxes.

The revenue is subject to adjustment based on inspection of the product by the customer. Revenue is initially recognised on a provisional basis using the Group's best estimate of contained gold and silver. Any subsequent adjustments to the initial estimate of metal content are recorded in revenue once they have been determined.

In addition, certain sales are "provisionally priced" where the selling price is subject to final adjustment at the end of a period, normally ranging from 15 to 120 days after the start of the delivery process to the customer, based on the market price at the relevant quotation point stipulated in the contract. Revenue is initially recognised when the conditions set out above have been met, using market prices at that date. The price exposure is considered to be an adjustment and hence separated from the sales contract at each reporting date. The provisionally priced metal is revalued based on the forward selling price for the quotational period stipulated in the contract until the quotational period ends. The selling price of gold and silver can be measured reliably as these metals are actively traded on international exchanges. The revaluation of provisionally priced contracts is recorded as revenue.

Commercial discounts related to the refining, recovery and treatment of minerals are presented netted from sales.

A proportion of the Group's sales are sold under CIF Incoterms, whereby the Group is responsible for providing freight/shipping services (as principal) after the date that the Group transfers control of the metal in concentrate to its customers. The Group, therefore, has separate performance obligations for freight/shipping services which are provided solely to facilitate sale of the commodities it produces.

Other Incoterms commonly used by the Group are FOB, where the Group has no responsibility for freight or insurance once control of the products has passed at the loading port, and Delivered at Place (DAP) where control of the goods passes when the product is delivered to the agreed destination. For arrangements which have these Incoterms, the only performance obligations are the provision of the product at the point where control passes.

For CIF arrangements, the transaction price (as determined above) is allocated to the metal in concentrate and freight/shipping services using the relative stand-alone selling price method. Under these arrangements, a portion of consideration may be received from the customer in cash at, or around, the date of shipment under a provisional invoice. Therefore, some of the upfront consideration that relates to the freight/shipping services yet to be provided, is deferred. It is then recognised as revenue over time using an output method (being days of shipping/transportation elapsed) to measure progress towards complete satisfaction of the service as this best represents the Group's performance. This is on the basis that the customer simultaneously receives and consumes the benefits provided by the Group as the services are being provided. The costs associated with these freight/shipping services are also recognised over the same period of time as incurred.

Income from services provided to related parties (note 33 (a)) is recognised in revenue when services are provided.

Deferred revenue results when cash is received in advance of revenue being earned. Deferred revenue is recorded as a liability until it is earned. Once earned, the liability is reduced and revenue is recorded. The Group analyses when revenue is earned or deferred.

(r) Contingencies

A contingent liability is a possible obligation depending on whether some uncertain future event occurs, or a present obligation where payment is not probable or the amount cannot be measured reliably. Contingent liabilities are not recognised in the financial statements and are disclosed in notes to the financial statements unless their occurrence is remote (note 37).

A contingent asset is a possible asset that arises from past events, and whose 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 entity. Contingent assets are not recognised in the financial statements, but are disclosed in the notes if their recovery is deemed probable (note 37).

(s) Finance income and costs

Finance income and costs comprise interest expense on borrowings, the accumulation of interest on provisions, interest income on funds invested, unwinding of discount, and gains and losses from the change in fair value of derivative instruments.

Interest income is recognised as it accrues, taking into account the effective yield on the asset.

(t) Income tax

Income tax for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items charged or credited directly to equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, with the following exceptions:

where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss; and

in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on the tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(u) Uncertain tax positions

An estimated tax liability is recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The liability is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account risks and uncertainties surrounding the obligation. Separate liabilities for interest and penalties are also recorded if appropriate.

Movements in interest and penalty amounts in respect of tax liability are not included in the tax charge, but are disclosed in the income statement. Tax liabilities are based on management's interpretation of country-specific tax law and the likelihood of settlement. This involves a significant amount of judgement as tax legislation can be complex and open to different interpretation. Management uses in-house tax experts, professional firms and previous experience when assessing tax risks. Where actual tax liabilities differ from the liabilities, adjustments are made which can have a material impact on the Group's profits for the year. Refer to note 37(a) for specific tax contingencies.

(v) Leases

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments are recognised as expense in the period in which the event or condition that triggers the payment occurs.

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

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below US$5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(w) Financial instruments

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

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

On July 2023, the Group purchased AL41 bonds, which are sovereign bonds issued by the Republic of Argentina, denominated in U.S. dollars that were paid with Argentine pesos and that pay income in U.S. dollars in local accounts. They are national public securities issued in dollars with a fixed step-up rate of 3.50% per year from (and including) 9 July 2022 until (and including) 8 July 2029 and 4,875% from (and including) 9 July 2029 until maturity (9 July 2041). Its technical value is US$100.21 with a residual value of 100.00%. They are measured at fair value through profit and loss.

On October 2024, the Group purchased BPJ25 bonds, which are public bonds issued by the Central Bank of Argentina denominated in U.S. dollars that were paid with Argentine pesos and that pay principal in U.S. dollars in local accounts (no interest is paid under the BPJ25). The BPJ25 have been issued in U.S. dollars with a maturity date of 30 June 2025. Its technical value is US$41.69 with a residual value of 41.69%. They are measured at amortised cost.

Subsequent measurement

For purposes of subsequent measurement, the Group's financial assets are classified in the following categories:

Financial assets at amortised cost (debt instruments)

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

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

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

The Group's financial assets at amortised cost includes trade and other receivables and the BPJ25 bonds..

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Financial assets designated at fair value through OCI are carried in the statement of financial position at fair value with net changes in fair value recognised in the OCI. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group has listed and non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

The Group has listed equity investments and embedded derivatives under this category. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

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

Impairment of financial assets

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

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Financial liabilities

Initial recognition and measurement

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

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

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

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

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

Financial liabilities measured at amortised cost
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

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

Derivative financial instruments and hedge accounting

The silver and gold forward and zero cost collar agreements signed by the Group are being used to hedge the exposure to changes in the cash flows of the silver and gold commodity prices. Consequently, the Group has opted to apply hedge accounting under the requirements of IFRS 9 Financial Instruments.

Initial recognition and subsequent measurement

These derivative financial instruments were initially recognised at fair value on the date on which the derivative contract was entered into and were subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

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

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

There is "an economic relationship" between the hedged item and the hedging instrument
The effect of credit risk does not "dominate the value changes" that result from that economic relationship
The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item
Changes in the fair value of derivatives designated as cash flow hedges are recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve until changes in the fair value of the hedged item are recognised in profit or loss. However, the ineffective portion

of the changes in the fair value of such derivatives is recognised in profit or loss. The Group uses cash flow hedges for hedging the exposure to variability in silver and gold prices.

The amounts that have been recognised in other components of equity relating to such hedging instruments are reclassified to profit or loss when the hedged transaction affects profit or loss.

(x) Dividend distribution

Dividends on the Company's ordinary shares are recognised when they have been appropriately authorised and are no longer at the Company's discretion. Accordingly, interim dividends are recognised when they are paid and final dividends are recognised when they are declared following approval by shareholders at the Company's Annual General Meeting.

(y) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of financial position, cash and cash equivalents comprise cash on hand and deposits held with banks that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents, as defined above, are shown net of outstanding bank overdrafts.

Liquidity funds are classified as cash equivalents if the amount of cash that will be received is known at the time of the initial investment and the risk of changes in value is considered insignificant.

(z) Exceptional items

Exceptional items are those significant items which, due to their nature or the expected infrequency of the events giving rise to them, need to be disclosed separately on the face of the income statement to enable a better understanding of the financial performance of the Group and facilitate comparison with prior years.

Exceptional items mainly include:

Impairments and reversal of impairments or write-offs of assets, property, plant and equipment and evaluation and exploration assets;
incremental cost due to pandemics which are not expected to be recurring;
gains or losses arising on the disposal of subsidiaries, investments or property, plant and equipment;
any gain or loss resulting from restructuring within the Group;
the impact of infrequent labour action related to work stoppages in mine units;
the penalties generated by the early termination of agreements with providers or lenders of the Group;
the reversal of an accumulation of prior year's tax expenses that resulted from an agreement with the government; and
the related tax impact of the above items.

(aa) Fair value measurement

The Group measures financial instruments, such as derivatives, at each statement of financial position date.

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

In the principal market for the asset or liability, or
In the absence of a principal market, in the most advantageous market for the asset or liability
The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, as described in note 39(e).

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

The Group determines the policies and procedures for both recurring fair value measurement and unquoted financial assets, and for non-recurring measurement.

At each reporting date, the Group analyses the movements in the values of assets and liabilities, which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group, in conjunction with its external valuers where applicable, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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

(ab) Export incentive programme

On 3 October 2023, the Argentinian Government approved that exporters of crude oil, gas and derivatives, who meet certain conditions, may receive 25% of the funds received from exports through negotiable securities acquired in foreign currency and settled in local currency.

On 23 October 2023, the export incentive programme was approved increasing the percentage to 30%. On 20 November 2023 the percentage increased to 50% and since 13 December 2023 changed to 20%. As at 31 December 2024 the Group recognised a benefit from the programme of US$15,996,000 (2023: US$21,164,000), disclosed as other income (refer to note 12).

(ac) Stripping costs

In an open-pit operation, it is necessary to remove overburden or waste material to access the ore bodies (stripping activity). During the mine development and pre-production phases, the stripping related costs are capitalised as part of the cost of development and subsequently recognised as depreciation in the cost of sales, on a units of production basis, once commercial production starts.

The removal of waste material usually continues throughout the life of mine. Upon commencement of commercial production, the activity is referred to as production stripping. Production stripping costs are capitalised only when it is probable that future economic benefits associated with the stripping activity will flow to the Group, and costs can be reliably measured. Otherwise, the production stripping costs are charged to the income statement as operating costs as they are incurred. Stripping activity costs associated with such development activities are capitalised as development costs using an average stripping ratio. The average stripping ratio is calculated by dividing the estimated number of tonnes of waste material to be removed by the estimated ore to be mined over the life of the mine, and is reviewed annually. The amount capitalised is subsequently depreciated using the units of production method.

3 Segment reporting

The Group's activities are principally related to mining operations, which involve the exploration, production and sale of gold and silver. Products are subject to the same risks and returns and are sold through similar distribution channels. The Group undertakes a number of activities solely to support mining operations including power generation and services. Transfer prices between segments are set at an arm's length basis in a manner similar to that used for third parties. Segment revenue, segment expense and segment results include transfers between segments at market prices. Those transfers are eliminated on consolidation.

For internal reporting purposes, management takes decisions and assesses the performance of the Group through consideration of the following reporting segments:

Operating unit – San Jose, which generates revenue from the sale of gold and silver (dore and concentrate)
Operating unit – Mara Rosa, which generates revenue from the sale of gold and silver (dore)
Operating unit – Inmaculada, which generates revenue from the sale of gold and silver (dore)
Former operating unit – Pallancata, which generated revenue from the sale of gold and silver (concentrate) until 2023, and it is involved in the development of the Royropata area.
Exploration, which explores and evaluates areas of interest in brownfield and greenfield sites with the aim of extending the life of mine of existing operations and to assess the feasibility of new mines.
Other – includes the profit or loss generated by Empresa de Transmisión Aymaraes S.A.C.
The Group's administration, financing, other activities (including other income and expense), and income taxes are managed at a corporate level and are not allocated to operating segments.

Segment information is consistent with the accounting policies adopted by the Group. Management evaluates the financial information based on the adopted IFRS accounting policies in the financial statements.

The Group measures the performance of its operating units by the segment profit or loss that comprises gross profit, selling expenses and exploration expenses.

Segment assets include items that could be allocated directly to the segment.

(a) Reportable segment information

	Inmaculada US$000	San Jose US$000	Mara Rosa US$000	Pallancata US$000	Exploration US$000	Other[1] US$000	Adjustment and eliminations US$000	Total US$000
YEAR ENDED 31 DECEMBER 2024								
Revenue from external customers	**522,406**	**285,142**	**159,646**	**(255)**	–	**452**	–	**967,391**
Inter-segment revenue	–	–	–		–	3,975	(3,975)	–
Total revenue from customers	**522,406**	**285,142**	**159,646**	**(255)**	–	**4,427**	**(3,975)**	**967,391**
Provisional pricing adjustment	(54)	8,193	70	–	–	–	–	**8,209**
Realised loss on hedges	(18,010)	–	(9,894)	–	–	–	–	**(27,904)**
Total revenue	**504,342**	**293,335**	**149,822**	**(255)**	–	**4,427**	**(3,975)**	**947,696**
Segment profit/(loss)	**231,141**	**54,094**	**40,830**	**(269)**	**(28,379)**	**2,472**	**(1,799)**	**298,090**
Others[2]								**(120,873)**
Profit from operations before income tax								**177,217**
Other segment information								
Depreciation[3]	(91,251)	(48,368)	(17,383)	(560)	(8)	(2,584)	–	**(160,154)**
Amortisation	(80)	(531)	(761)	(102)	–	(105)	–	**(1,579)**
Impairment and write-off of assets, net	(730)	(15)	–	(53)	(13,732)	(3,085)	–	**(17,615)**
ASSETS								
Capital expenditure	138,582	46,143	35,318	32,908	92,041[5]	3,090	–	**348,082**

Current assets	17,028	67,866	35,210	1,758	5,327	6,387	–	**133,576**
Other non-current assets	572,513	132,716	347,235	41,622	125,325	33,282	–	**1,252,693**
Total segment assets	**589,541**	**200,582**	**382,445**	43,380	**130,652**	**39,669**	–	**1,386,269**
Not reportable assets[4]	–	–	–		–	265,230	–	**265,230**
Total assets	**589,541**	**200,582**	**382,445**	43,380	**130,652**	**304,899**	–	**1,651,499**

[1] "Other" revenue relates to revenues earned by Empresa de Transmisión Aymaraes S.A.C. for energy transmission services.
[2] Comprised of administrative expenses of US$50,232,000, other income of US$20,955,000, other expenses of US$43,245,000, write-off of assets (net) of US$3,883,000, impairment of non-current assets of US$13,732,000, share of losses of an associate of US$6,489,000, finance income of US$13,097,000, finance expense of US$26,928,000, and foreign exchange loss of US$10,416,000.
[3] Includes depreciation capitalised in the Pallancata unit (US$102,000), San Jose unit (US$2,367,000), Mara Rosa project (US$146,000), and products in process (-US$1,110,000).
[4] Not reportable assets are comprised of financial assets at fair value through OCI of US$475,000, other receivables of US$116,892,000, income tax receivable of US$186,000, deferred income tax asset of US$27,677,000, investment in associates US$15,811,000, other financial assets of US$3,807,000, assets held for sale of US$3,409,000, and cash and cash equivalents of US$96,973,000.
5 Includes Monte do Carmo capital expenditure of US$90,602,000.

	Inmaculada US$000	San Jose US$000	Mara Rosa US$000	Pallancata US$000	Exploration US$000	Other[1 and 5] US$000	Adjustment and eliminations US$000	Total US$000
YEAR ENDED 31 DECEMBER 2023								
Revenue from external customers	**391,782**	**241,301**	–	**51,048**	–	**565**		**684,696**
Inter-segment revenue	–	–	–		–	9,609	(9,609)	–
Total revenue from customers	**391,782**	**241,301**	–	**51,048**	–	**10,174**	**(9,609)**	**684,696**
Provisional pricing adjustment	145	1,160	–	(131)	–	–	–	1,174
Realised gain on hedges	4,717	–	–	3,129	–	–	–	**7,846**
Total revenue	**396,644**	**242,461**	–	**54,046**	–	**10,174**	**(9,609)**	**693,716**
Segment profit/(loss)	**152,208**	**30,340**	–	**(19,484)**	**(21,485)**	**8,026**	**(262)**	**149,343**
Others[2]								**(192,824)**
Loss from operations before income tax								**(43,481)**
Other segment information								
Depreciation[3]	(74,955)	(52,241)	(211)	(19,477)	(342)	(5,492)	–	**(152,718)**
Amortisation	(72)	(588)	–		(7)	(135)	–	**(802)**
Impairment and write-off of assets, net	(1,738)	(17,398)	(1)	(859)	(63,494)	(84)	–	**(83,574)**
ASSETS								
Capital expenditure	86,031	47,682	145,804	6,428	2,320	127	–	**288,392**
Current assets	23,703	63,795	1,734	4,125	14,980	4,325	–	**112,662**
Other non-current assets	524,504	135,680	349,920	10,325	60,150	35,579	–	**1,116,158**
Total segment assets	**548,207**	**199,475**	**351,654**	**14,450**	**75,130**	**39,904**	–	**1,228,820**
Not reportable assets[4]	–	–	–		–	186,990	–	**186,990**
Total assets	**548,207**	**199,475**	**351,654**	**14,450**	**75,130**	**226,894**	–	**1,415,810**

[1] "Other" revenue relates to revenues earned by Empresa de Transmisión Aymaraes S.A.C. for energy transmission services.
[2] Comprised of administrative expenses of US$47,192,000, other income of US$30,261,000, other expenses of US$56,513,000, write-off of assets (net) of US$2,731,000, impairment of non-current assets of US$80,843,000, share of losses of an associate of US$9,460,000, finance income of US$7,473,000, finance expense of US$18,199,000, and foreign exchange loss of US$15,620,000.
[3] Includes depreciation capitalised in the Crespo project (US$334,000), San Jose unit (US$3,025,000), Mara Rosa project (US$194,000), products in process (US$316,000) and recognised against the mine rehabilitation provision (US$2,712,000).
[4] Not reportable assets are comprised of financial assets at fair value through OCI of US$460,000, other receivables of US$63,473,000, income tax receivable of US$4,713,000, deferred income tax asset of US$763,000, investment in associates US$22,927,000, derivative financial assets of US$846,000, other financial assets of US$2,264,000, assets held for sale of US$2,418,000, and cash and cash equivalents of US$89,126,000.

(b) Geographical information

The revenue for the period based on the country in which the customer is located is as follows:

	Year ended 31 December	
	2024 US$000	2023 US$000
Switzerland	**246,763**	278,076
Canada	**363,922**	157,131
South Korea	**53,527**	101,331
Germany	**20,754**	74,220
Japan	**4,364**	8
Chile	**30,696**	–
Finland	**18,527**	3,128
USA	**172,082**	50,036
Luxembourg	**2,486**	–
Bulgaria	**8,369**	–
Peru	**54,110**	21,940
Total revenue[1]	**975,600**	685,870
Inter-segment		
Peru	**3,975**	9,609
Total	**979,575**	695,479
(Loss)/gain on realised hedges		
United Kingdom	**(18,010)**	7,846
Brazil	**(9,894)**	–
Total	**951,671**	703,325

[1] Includes revenue from customers and provisional pricing adjustments of US$8,209,000 (2023: US$1,174,000).

In the periods set out below, certain customers accounted for greater than 10% of the Group's total revenues as detailed in the following table:

	Year ended 31 December 2024			Year ended 31 December 2023		
	US$000	**% Revenue**	**Segment**	US$000	% Revenue	Segment
Asahi Refining Canada Ltd.	**363,922**	**38%**	**Inmaculada, Mara Rosa and San Jose**	157,149	23%	Inmaculada and San Jose
Auramet International Inc.	**132,284**	**14%**	**Inmaculada**	40,470	6%	Inmaculada
Argor Heraus S.A.	**125,655**	**13%**	**Inmaculada and San Jose**	157,580	23%	Inmaculada and San Jose
MKS Switzerland S.A.	**121,108**	**13%**	**Inmaculada**	120,496	17%	Inmaculada
LS MnM (formerly LS Nikko)	**53,680**	**6%**	**Pallancata and San Jose**	97,020	14%	Pallancata and San Jose
Aurubis AG	**20,754**	**2%**	**Pallancata, San Jose and Mara Rosa**	74,220	11%	Pallancata and San Jose

Non-current assets, excluding financial instruments, investment in associates, other receivables and deferred income tax assets, were allocated to the geographical areas in which the assets are located as follows:

	As at 31 December	
	2024 US$000	2023 US$000
Peru	**647,416**	589,133
Brazil	**435,195**	349,920
Argentina	**132,716**	135,680
Chile	**37,366**	41,425
Total non-current segment assets	**1,252,693**	1,116,158
Financial assets at fair value through OCI	**475**	460
Investment in associates	**15,811**	22,927
Other receivables	**18,316**	12,438

Deferred income tax assets	**27,677**	763
Total non-current assets	**1,314,972**	1,152,746

4 Acquisition of Monte do Carmo ("MdC")

In March 2024, the Group, through its wholly-owned subsidiary Amarillo Mineração do Brasil Ltda. ("Amarillo"), entered into an option agreement with Cerrado Gold Inc. ("Cerrado") to acquire a 100% interest in Cerrado's Monte Do Carmo Project (the "Project") located in the mining-friendly state of Tocantins, Brazil.

The payment for the option amounted to US$15,000,000 by way of 10% interest-bearing secured loan. Upon obtaining the Cerrado Shareholder Approval ("Cerrado´s Shareholder Approval"), on 27 June 2024, the loan of US$15,000,000 was deemed to be repaid in full by Cerrado by the concurrent set off of an amount equal to the loan due by Amarillo as part of the purchase price. Through US$30,000,000 in additional phased payments (the "Exercise Consideration"), the Company was able to complete the acquisition of 100% of the project on 7 November, 2024 ("Closing"). The Exercise Consideration is in addition to the US$15,000,000 which has been deemed paid, and a further US$15,000,000 payable at certain milestones following Closing, giving a total consideration of US$60,000,000:

- US$10,000,000 payable within 14 days of the second anniversary of the date of the Cerrado´s Shareholder Approval (27 June 2024); and
- US$5,000,000 within 14 days of the earlier of (i) the commencement of commercial production from the Project, and (ii) 31 March 2027.

At Closing, Amarillo acquired all of the outstanding equity interests in Serra Alta Mineração Ltda. ("Serra Alta"), Cerrado´s subsidiary in Brazil which holds the Monte do Carmo project. In connection with the option agreement, the Group committed to incur a minimum of US$5,000,000 in exploration expenditures for Monte do Carmo, which was achieved by the acquisition date.

The Group applied the concentration test in accordance with IFRS 3 to determine whether the acquisition is a business combination or an asset acquisition, concluding that substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar assets, being the Monte do Carmo project which is in a development stage. Since the concentration test was met, the transaction was accounted as a purchase of assets.

The total consideration amounted to US$86,556,000 and is comprised of: (i) cash consideration paid of US$45,000,000, (ii) deferred consideration of US$13,365,000, representing the present value of the US$15,000,000 remaining payables, (iii) liabilities assumed by Amarillo in connection with the Sprott Private Resource Streaming and Royalty Corp. ("Sprott") secured note and stream agreements ("Stream Agreements) of US$26,159,000 (note 26(a)), net of its deferred income tax asset of US$899,000 (iv) additional expenditure assumed by Amarillo pre-closing of the acquisition of US$1,180,000, and (v) transaction costs of US$1,751,000.

In addition, Serra Alta Participações Imobiliárias S.A. ("SAPI") - entity owned by Amarillo and Serra Alta, has a contractual obligation to make payment of royalties in favour of the former landowners of the Bortolotti Property corresponding to 50% of the amount due to the Brazilian authorities as statutory tax (Compensação Financeira pela Exploração Mineral ("CFEM")). According to the most recent estimates available to the Company, approximately 25% of the gold reserves of the Project are located within the area comprised by the Bortolotti Property and would accordingly be subject to the payment of such royalties.

Monte do Carmo consolidates its financial information with the Group from 7 November 2024, being the date on which the Group obtained control.

The fair value of assets acquired and liabilities assumed as at 7 November 2024 comprise the following:

	US$000
Cash and cash equivalents	8
Other receivables	10
Evaluation and exploration assets (note 17)	82,725
Property, plant and equipment (note 16)	3,988
Deferred income tax asset	1,918
Total assets	**88,649**
Accounts payable and other liabilities	(2,093)
Total liabilities	**(2,093)**
Net assets acquired	**86,556**
Consideration for the acquisition of Serra Alta Mineracao Ltda shares	
Cash consideration	45,000
Deferred consideration	13,365
Secured note and stream contracts transferred to Amarillo, net of deferred tax asset	25,260
Expenditure assumed by Amarillo	1,180
Transaction costs	1,751
Total consideration	**86,556**

Cash paid	47,931
Less cash acquired with the subsidiary	(8)
Net cash flow on acquisition	**47,923**

The Group recognises individual identifiable assets (and liabilities) by allocating the cost of acquisition on the basis of the relative fair values at the date of purchase:

Step 1: Identify assets and liabilities acquired, adjusting them to the Group's accounting policies and presentation

Step 2: Determine the purchase consideration

Step 3: Purchase Price Allocation: The consideration paid is allocated to the fair value of the identifiable assets and liabilities assumed with the remainder allocated to the mineral property acquired

The fair value at the time of acquisition is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

5 Revenue

	Year ended 31 December 2024			Year ended 31 December 2023		
	Revenue[1]			Revenue[1]		
	Goods sold US$000	**Shipping services US$000**	**Total US$000**	Goods sold US$000	Shipping services US$000	Total US$000
Gold (from dore bars)	**556,551**	**731**	**557,282**	317,257	738	317,995
Silver (from dore bars)	**221,776**	**485**	**222,261**	166,596	499	167,095
Gold (from concentrates)	**105,192**	**2,610**	**107,802**	102,200	3,697	105,897
Silver (from concentrates)	**71,046**	**1,749**	**72,795**	90,224	2,920	93,144
Gold (from precipitates)	**6,801**	**–**	**6,801**	–	–	–
Silver (from precipitates)	**2**	**–**	**2**	–	–	–
Services	**448**	**–**	**448**	565	–	565
Total revenue from customers	**961,816**	**5,575**	**967,391**	676,842	7,854	684,696
Provisional pricing adjustments	**8,209**	**-**	**8,209**	1,174	-	1,174
Realised (loss)/gain on hedges	**(27,904)**	**–**	**(27,904)**	7,846	–	7,846
Total	**942,121**	**5,575**	**947,696**	685,862	7,854	693,716

1 Includes commercial discounts (refinery treatment charges, refining fees and payable deductions for processing concentrate), and are deducted from gross revenue on a per tonne basis (treatment charge), per ounce basis (refining fees) or as a percentage of gross revenue (payable deductions). In 2024, the Group recorded commercial discounts of US$22,720,000 (2023: US$20,299,000).

6 Cost of sales

Cost of sales comprises:

	Year ended 31 December	
	2024 US$000	2023 US$000
Direct production costs excluding depreciation and amortisation	**454,006**	362,980
Depreciation and amortisation in production costs	**157,165**	144,812
Workers profit sharing	**3,145**	1,862
Fixed costs during operational stoppages and reduced capacity	**1,071**	3,314
Change in inventories	**(10,124)**	(4,754)
Cost of sales	**605,263**	508,214

1 Included in production cost there are stripping costs amounting to US$7,449,000 in Mara Rosa and US$2,653,000 in San Jose (2023: US$Nil).

The main components included in cost of sales are:

	Year ended 31 December	
	2024 US$000	2023 US$000
Depreciation and amortisation in cost of sales[1]	**156,785**	143,171
Personnel expenses (note 10)[2]	**132,412**	121,938
Mining royalty (note 38)	**9,694**	6,267
Change in products in process and finished goods	**(10,124)**	(4,754)
Fixed costs at the operations during stoppages and reduced capacity[3]	**1,071**	3,314

1 The depreciation and amortisation in production cost is US$157,165,000 (2023: US$144,812,000). The difference with the depreciation and amortisation in cost of sales is considered in inventory.
2 Includes workers profit sharing of US$3,145,000 (2023: US$1,862,000) and excludes personnel expenses of US$712,000 (2023: US$3,032,000) included within unallocated fixed cost at the operations (see below).
3 Corresponds to the unallocated fixed cost accumulated as a result of idle capacity during stoppages. These costs mainly include personnel expenses of US$712,000 (2023: US$3,032,000), third party services of US$301,000 (2023: US$865,000), supplies of US$33,000 (2023: US$34,000), depreciation and amortisation of US$Nil (2022: US$Nil) and other costs of US$25,000 (2023: income of US$617,000).

7 Administrative expenses

	Year ended 31 December	
	2024 US$000	2023 US$000
Personnel expenses (note 10)	**28,586**	25,633
Professional fees[1]	**7,088**	7,946
Donations	**1,235**	1,075
Lease rentals	**1,583**	1,399
Third party services	**522**	948
Communications	**153**	128
Indirect taxes	**1,986**	2,085
Depreciation and amortisation	**2,588**	1,716
Depreciation of right-of-use assets	**147**	167
Technology and systems	**1,156**	822
Security	**830**	858
Other[2]	**4,358**	4,415
Total	**50,232**	47,192

1 Corresponds to audit fees of US$1,934,000 (2023: US$1,768,000), legal fees of US$1,030,000 (2023: US$914,000), tax and advisory fees of US$2,670,000 (2023: US$2,507,000), and other professional fees of US$1,454,000 (2023: US$2,757,000).
2 Predominantly relates to advertising costs of US$245,000 (2023: US$289,000), insurance fees of US$1,066,000 (2023: US$548,000), repair and maintenance of US$328,000 (2023: US$344,000), supplies costs of US$135,000 (2023: US$109,000), travel expenses of US$932,000 (2023: US$1,065,000) and personnel transportation of US$204,000 (2023: US$127,000).

8 Exploration expenses

	Year ended 31 December	
	2024 US$000	2023 US$000
Mine site exploration[1]		
Arcata	**93**	63
Ares	**300**	407
Inmaculada	**4,423**	1,371
Pallancata	**2,106**	1,070
San Jose	**9,821**	8,233
Mara Rosa	**1,278**	5
	18,021	11,149
Prospects[2]		
Peru	**193**	143
USA	**–**	63
Chile	**40**	(62)
Canada[4]	**–**	2,176

Brazil	**1,581**	–
	1,814	2,320
Generative[3]		
Peru	**1,317**	456
USA	**–**	1
Mexico	**–**	7
Brazil	**–**	1,916
Chile	**–**	(1)
	1,317	2,379
Personnel (note 10)	**5,550**	4,759
Others	**70**	638
Depreciation right-of-use assets	**82**	52
Total	**26,854**	21,297

1 Mine-site exploration is performed with the purpose of identifying potential minerals within an existing mine-site, with the goal of maintaining or extending the mine's life.
2 Prospects expenditure relates to detailed geological evaluations in order to determine zones, which have mineralisation potential that is economically viable for exploration. Exploration expenses are generally incurred in the following areas: mapping, sampling, geophysics, identification of local targets and reconnaissance drilling.
3 Generative expenditure is early stage exploration expenditure related to the basic evaluation of the region to identify prospects areas that have the geological conditions necessary to contain mineral deposits. Related activities include regional and field reconnaissance, satellite images, compilation of public information and identification of exploration targets.
4 Corresponds to the SNIP project which was managed by Hochschild Mining Canada Corp.

9 Selling expenses

	Year ended 31 December	
	2024 US$000	2023 US$000
Personnel expenses (note 10)	**200**	165
Warehouse services	**1,569**	1,614
Taxes[1]	**13,034**	11,227
Other[2]	**2,686**	1,856
Total	**17,489**	14,862

1 Corresponds to the export duties in Argentina.
2 Mainly corresponds to insurance expenses of US$293,000 (2023: US$250,000), other professional fees of US$512,000 (2023: US$514,000), analysis services of US$461,000 (2023: US$457,000), and consumption of supplies of US$330,000 (2023: US$293,000).

10 Personnel expenses

	Year ended 31 December	
	2024 US$000	2023 US$000
Salaries and wages	**124,828**	119,621
Workers' profit sharing (note 29)	**6,590**	3,207
Other legal contributions	**30,056**	27,808
Statutory holiday payments	**10,317**	8,832
Long-Term Incentive Plan	**3,562**	2,675
Termination benefits[1]	**4,861**	10,991
Other[2]	**1,017**	1,074
Total	**181,231**	174,208

1 Includes exceptional personnel expenses amounting to US$Nil (2023: US$8,960,000) (refer to note 11(1)). The Group's previously operating Pallancata mine went into care and maintenance in November 2023 and consequently 463 employees were terminated in 2023.
2 Mainly includes training expenses of US$780,000 (2023: US$725,000).

Personnel expenses are distributed as follows:

	Year ended 31 December	
	2024 US$000	2023 US$000
Cost of sales[1]	**133,124**	124,970
Administrative expenses	**28,586**	25,633

Exploration expenses	**5,550**	4,759
Selling expenses	**200**	165
Other expenses[2]	**9,492**	13,194
Capitalised as property, plant and equipment	**4,279**	5,487
Total	**181,231**	174,208

[1] Personnel expenses related to unallocated fixed cost accumulated as a result of excess absenteeism and idle capacity included in cost of sales amount to US$712,000 (2023: US$3,032,000).
[2] Exceptional personnel expenses included in other expenses amount to US$Nil (2023: US$8,960,000).

The average number of employees for 2024 and 2023 were as follows:

	Year ended 31 December	
	2024 US$000	2023 US$000
Peru	**1,492**	1,915
Argentina	**1,444**	1,432
Chile	**5**	3
Brazil	**343**	127
Canada	**–**	2
United Kingdom	**11**	12
Total	**3,295**	3,491

11 Exceptional items

Exceptional items are those significant items which, due to their nature or the expected infrequency of the events giving rise to them, need to be disclosed separately on the face of the income statement to enable a better understanding of the financial performance of the Group and facilitate comparison with prior years. Unless stated, exceptional items do not correspond to a reporting segment of the Group.

	Year ended 31 December	
	2024 US$000	2023 US$000
Restructuring of the Pallancata mine unit [1]	**–**	(8,960)
Sub total	**–**	(8,960)
Impairment and write-off of non-current assets, net		
Impairment of non-current assets[2]	**(13,732)**	(80,843)
Write-off of non-current assets[3]	**(3,037)**	–
Sub total	**(16,769)**	(80,843)
Share of loss on an associate		
Impairment of Aclara Resources Inc. [4]	**(5,081)**	(7,183)
Sub total	**(5,081)**	(7,183)
Income tax benefit[5]	**2,088**	27,448
Sub total	**2,088**	27,448
Total	**(19,762)**	(69,538)

[1] Corresponds to the restructuring charges in Pallancata mine unit resulting from placing the operation in care and maintenance in 2023.
[2] Corresponds to the impairment related to the Azuca project of US$13,732,000 (2023: corresponds to the impairment related to the Azuca project of US$16,673,000, the impairment of the Crespo project of US$46,772,000 and the San Jose mine unit of US$17,398,000) (refer to notes 16, 17, 18 and 25).
[3] Corresponds to the write-off of construction in progress stopped as the assets would be used by Azuca and Arcata units and they were sold (refer to note 16 and 25).
[4] Corresponds to the impairment charge of US$5,081,000 (2023: US$7,183,000) based on the valuation of the investment in Aclara Resources Inc. as at 31 December 2024 (refer to note 19).
[5] Corresponds to the current tax credit generated by the impairment of Azuca of US$1,192,000 and the deferred tax credit generated by the write-off of constructions in progress of US$896,000 (2023: the current tax credit generated by the restructuring of the Pallancata mine unit of US$2,643,000 and the deferred tax credit generated by the impairment of the Azuca project of US$4,918,000, the impairment of the Crespo project of US$13,798,000, and the impairment of the San Jose mine unit of US$6,089,000).

12 Other income and other expenses before exceptional items

	Year ended 31 December 2024 Before exceptional items US$000	Year ended 31 December 2023 Before exceptional items US$000
OTHER INCOME		
Gain on sale of property, plant and equipment	**656**	142
Logistic services	**1,704**	1,704
Income on recovery of expenses	–	2,064
Sale of mine concessions	–	1,150
Tax benefit in Canada[1]	**548**	3,190
Income from export programme in Argentina[2]	**15,996**	21,164
Other[3]	**2,051**	847
Total	**20,955**	30,261
OTHER EXPENSES		
Increase in provision for mine closure (note 29(1))	**(14,717)**	(28,365)
Provision of obsolescence of supplies (note 23)	**(864)**	(1,586)
Write-off of value added tax	**(113)**	(184)
Corporate social responsibility contribution in Argentina[4]	**(4,396)**	(3,637)
Care and maintenance expenses of Pallancata mine unit	**(8,320)**	(2,463)
Care and maintenance expenses of Arcata mine unit	**(3,033)**	(3,178)
Care and maintenance expenses of Ares mine unit	**(2,365)**	(2,788)
Care and maintenance expenses of Selene mine unit	**(350)**	(202)
Termination benefits in Minera Santa Cruz	**(2,704)**	-
Contingencies[5]	**(1,332)**	(817)
Depreciation right-of-use assets	**(315)**	(192)
Other[6]	**(4,736)**	(4,141)
Total	**(43,245)**	(47,553)

1 British Columbia exploration tax credit generated in Hochschild Mining Canada, a Canadian subsidiary of the Group.
2 Benefit arising from being able to access the Argentina government's Export Incentive Programme, allowing certain companies to exchange a certain proportion of US dollar sales at a preferential market exchange rate.
3 Includes the gain on sale of supplies of US$229,000 (2023: US$201,000), lease rentals of US$165,000 (2023:US$6000), and sale of concentrate of copper of US$493,000 (2023: US$Nil)
4 Relates to a contribution in Argentina to the Santa Cruz province calculated as a proportion of sales.
5 Mainly related to contingencies in Minera Santa Cruz related to labour lawsuits.
6 Includes the cost of recovery of expenses of US$1,860,000 mainly due to transactions with contractors (2023: US$Nil), and expenses due to penalties in CMA of US$Nil (2023: US$2,428,000).

13 Finance income, finance costs and foreign exchange loss

	Year ended 31 December 2024	Year ended 31 December 2023
	US$000	US$000
FINANCE INCOME		
Interest on deposits and liquidity funds[1]	**2,382**	4,580
Interest on loans	**590**	312
Total interest income	**2,972**	4,892
Changes in the fair value of financial instruments through profit or loss[2]	**6,887**	1,541
Debit valuation adjustment (DVA) of hedges	**866**	593
Unrealised change in fair value of financial liability through profit or loss (note 26(a))	**233**	-
Other[3]	**2,139**	447
Total	**13,097**	7,473
FINANCE COSTS		
Interest on secured bank loans (note 28)	**(15,425)**	(9,520)
Other interest	**(3,123)**	(2,701)
Total interest expense	**(18,548)**	(12,221)
Loss on discount of other receivables[4]	**–**	(893)
Loss from changes in the fair value of financial instruments[5]	**(2,973)**	(1,821)
Unwinding of discount on mine rehabilitation (note 29)	**(3,110)**	(1,703)
Other	**(2,297)**	(1,561)
Total	**(26,928)**	(18,199)
Foreign exchange loss, net		
Argentina	**(9,133)**	(16,020)
Peru	**187**	81
Brazil[6]	**(2,272)**	–
Others	**802**	319
Total	**(10,416)**	(15,620)

1 Interest on deposits and liquidity funds of US$296,000 (2023: US$471,000) that is directly attributable to the construction of Mara Rosa has been recognised in property, plant and equipment as a reduction to construction in progress and capital advances and mining properties and development costs, and evaluation and exploration assets.
2 Gain on Argentinian mutual funds held since September 2023.
3 Mainly includes interest income related to tax claims resolved in favour of Compania Minera Ares (Minera Ares) of US$1,142,000 (2023:$Nil).
4 Mainly related to the effect of the discount of tax credits in Argentina and Peru.
5 Corresponds to the foreign exchange effect of US$2,973,000 related to the bonds in San Jose (2023: Represents the loss on sale of the C3 Metals Inc shares of US$292,000 (note 21) and the foreign exchange effect of US$1,529,000 related to the bonds in San Jose).
6 Recognition of the foreign exchange loss in Brazil from date that Amarillo Mineracao do Brasil started commercial production and its functional currency changed to US$ dollars..

14 Income tax expense

	Year ended 31 December 2024			Year ended 31 December 2023		
	Before exceptional items US$000	**Exceptional items US$000**	**Total US$000**	Before exceptional items US$000	Exceptional items US$000	Total US$000
Current corporate income tax						
Corporate income tax expense	**35,735**	**–**	**35,735**	16,319	(2,643)	13,676
Withholding tax	**(835)**	**–**	**(835)**	609	–	609
	34,900	**–**	**34,900**	16,928	(2,643)	14,285
Deferred taxation						
Origination and reversal of temporary differences (note 31)	**16,497**	**(2,088)**	**14,409**	20,245	(24,805)	(4,560)
Corporate income tax	**51,397**	**(2,088)**	**49,309**	37,173	(27,448)	9,725
Current mining royalties						
Mining royalty charge (note 38)	**7,108**	**–**	**7,108**	4,520	–	4,520
Special mining tax charge (note 38)	**7,051**	**–**	**7,051**	2,307	–	2,307
Total current mining royalties	**14,159**	**–**	**14,159**	6,827	–	6,827
Total taxation expense/(benefit) in the income statement	**65,556**	**(2,088)**	**63,468**	44,000	(27,448)	16,552

The weighted average statutory income tax rate was 33.1% for 2024 and 27.2% for 2023. This is calculated as the average of the statutory tax rates applicable in the countries in which the Group operates, weighted by the profit/(loss) before tax of the Group companies in their respective countries as included in the consolidated financial statements. The statutory tax rate in Argentina is 35%, in Peru 29.5%, in Brazil 34% and in the UK 25%.

The change in the weighted average statutory income tax rate is due to a change in the weighting of profit/(loss) before tax in the various jurisdictions in which the Group operates.

There were tax credits in relation to the cash flow hedge losses (2023: charges) recognised in equity during the year ended 31 December 2024 of US$28,473,000 (2023: US$6,617,000).

The total taxation charge on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to the consolidated profits of the Group companies as follows:

	Year ended 31 December	
	2024 US$000	2023 US$000
Profit/(loss) from operations before income tax	**177,217**	(43,481)
At average statutory income tax rate of 33.1% (2023: 27.2%)	**58,618**	(11,818)
Expenses not deductible for tax purposes	**1,888**	2,987
Taxable income on local currency (pesos) related to AL41 Bond Argentina	**–**	961
Permanent differences arising on special investment regime[1]	**(3,669)**	(1,567)
Movement in previously unrecognised deferred tax[2]	**10,666**	10,249
Special mining tax and mining royalty deductible for corporate income tax	**(4,177)**	(2,014)
Other	**(2,353)**	1,252
Corporate income tax at average effective income tax rate of 34.4% (2023: -0.1%) before foreign exchange effect and withholding tax	**60,973**	50
Foreign exchange rate effect[4]	**(10,829)**	9,066
Corporate income tax at average effective income tax rate of 28.3% (2023: -21.0%) before withholding tax	**50,144**	9,116
Special mining tax and mining royalty[3]	**14,159**	6,827
Corporate income tax and mining royalties at average effective income tax rate of 36.3% (2023: -36.7%) before withholding tax	**64,303**	15,943
Withholding tax	**(835)**	609
Total taxation charge in the income statement at average effective tax rate 35.8% (2023: -38.1%) from operations	**63,468**	16,552

1 Argentina benefits from a special investment regime that allows for a super (double) deduction in calculating its taxable profits for all costs relating to prospecting, exploration and metallurgical analysis, pilot plants and other expenses incurred in the preparation of feasibility studies for mining projects.

[2] Includes the income tax charge on mine closure provision of US$5,981,000 (2023: US$5,742,000), the tax charge related to the Inmaculada mine unit depreciation of US$748,000 (2023: US$2,667,000), and the effect of not recognised tax losses of US$3,937,000 (2023: US$2,146,000).
[3] Corresponds to the mining royalty and special mining tax in Peru (note 38).
[4] The foreign exchange effect is composed of US$7,359,000 profit (2023: US$7,107,000 loss) from Argentina and a loss of US$676,000 (2023: US$948,000 profit) from Peru and a profit of US$4,151,000 (2023: US$2,914,000 loss) from Brazil. This mainly corresponds to the foreign exchange effect of converting tax bases and monetary items from local currency to the corresponding functional currency. The main contributor of the foreign exchange effect on the tax charge in 2024 is the inflation of the Argentinian pesos (2023: Argentinian pesos).

The amounts after offset, as presented on the face of the statement of financial position, are as follows:

	As at 31 December	
	2024 US$000	2023 US$000
Income tax receivable[1]	**186**	4,713
Income tax payable[2]	**(21,205)**	(2,979)
Total	**(21,019)**	1,734

[1] Mainly corresponds to the tax credit of Empresa de Transmision Aymaraes of US$103,000 (2023: Mainly corresponds to the tax credit of Compañia Minera Ares of US$4,280,000 and Minera Santa Cruz of US$118,000).
[2] Mainly corresponds to the corporate income tax payables of Compañia Minera Ares of US$10,664,000, Minera Santa Cruz of US$5,353,000 and Amarillo Mineracao do Brasil of US$1,688,000 and mining royalties payables of Compañia Minera Ares of US$3,459,000 (2023: Mainly corresponds to the mining royalties payables of Compañia Minera Ares of US$2,479,000).

15 Basic and diluted earnings per share

Earnings per share (EPS) is calculated by dividing profit for the year attributable to equity shareholders of the Parent by the weighted average number of ordinary shares issued during the year.

The Company does not have dilutive potential ordinary shares as at 31 December 2024. The Company had antidilutive potential ordinary shares as at 31 December 2023.

As at 31 December 2024 and 2023, EPS has been calculated as follows:

	Year ended 31 December	
	2024	2023
BASIC EARNINGS PER SHARE		
Before exceptional items (US$)	**0.23**	0.02
Exceptional items (US$)	**(0.04)**	(0.12)
Total for the year (US$)	**0.19**	(0.10)
Diluted earnings per share		
Before exceptional items (US$)	**0.23**	0.02
Exceptional items (US$)	**(0.04)**	(0.12)
Total for the year (US$)	**0.19**	(0.10)

Profit before exceptional items and attributable to equity holders of the Parent is derived as follows:

	Year ended 31 December	
	2024	2023
Profit attributable to equity holders of the Parent (US$000)	**97,005**	(55,006)
Exceptional items after tax – attributable to equity holders of the Parent (US$000)	**19,762**	63,997
Profit before exceptional items attributable to equity holders of the Parent (US$000)	**116,767**	8,991
Profit before exceptional items attributable to equity holders of the Parent for the purpose of diluted earnings per share (US$000)	**116,767**	8,991

The following reflects the share data used in the basic and diluted earnings per share computations:

	Year ended 31 December	
	2024	2023
Basic weighted average number of ordinary shares in issue (thousands)	**514,458**	514,264
Effect of dilutive potential ordinary shares related to contingently issuable shares (thousands)	**–**	–
Weighted average number of ordinary shares in issue for the purpose of diluted earnings per share (thousands)	**514,458**	514,264

16 Property, plant and equipment

	Mining properties and development costs[3] US$000	Land and buildings US$000	Plant and equipment US$000 [1 and 7]	Vehicles[4] US$000	Mine closure asset US$000	Construction in progress and capital advances US$000 [3 and 5]	Total US$000
YEAR ENDED 31 DECEMBER 2024							
Cost							
At 1 January 2024	**1,935,106**	**560,135**	**646,582**	**12,240**	**116,887**	**167,295**	**3,438,245**
Additions	**132,126**	**620**	**24,065**	**7,068**	**–**	**68,931**	**232,810**
Acquisition of assets (note 4)	**–**	**3,927**	**34**	**27**	**–**	**–**	**3,988**
Change in discount rate (note 29(1))	**–**	**–**	**–**	**–**	**(3,736)**	**–**	**(3,736)**
Change in mine closure estimate (note 29(1))	**–**	**–**	**–**	**–**	**4,097**	**–**	**4,097**
Return of disposal	**–**	**–**	**845**			**90**	**935**
Disposals	**–**	**–**	**(968)**	**–**	**–**	**–**	**(968)**
Write-offs[6]	**–**	**–**	**(5,546)**	**(507)**	**–**	**(3,037)**	**(9,090)**
Foreign exchange effect	**(9,518)**	**(628)**	**(271)**	**(9)**	**(528)**	**(9,101)**	**(20,055)**
Transfer to assets held for sale	**(251,992)**	**(31,556)**	**(52,702)**	**(341)**	**(15,792)**	**–**	**(352,383)**
Transfers and other movements[2]	**13,793**	**49,740**	**149,133**	**311**	**–**	**(210,865)**	**2,112**
At 31 December 2024	**1,819,515**	**582,238**	**761,172**	**18,789**	**100,928**	**13,313**	**3,295,955**
Accumulated depreciation and impairment							
At 1 January 2024	**1,454,537**	**416,785**	**455,040**	**9,307**	**83,703**	**20**	**2,419,392**
Depreciation for the year	**95,136**	**23,865**	**33,825**	**3,512**	**3,403**	**–**	**159,741**
Disposals	**–**	**–**	**(865)**	**–**	**–**	**–**	**(865)**
Write-offs[6]	**–**	**–**	**(4,728)**	**(479)**	**–**	**–**	**(5,207)**
Foreign exchange effect	**–**	**(3)**	**(101)**	**(1)**	**–**	**–**	**(105)**
Transfer to assets held for sale	**(251,992)**	**(31,375)**	**(49,212)**	**(330)**	**(15,306)**	**–**	**(348,215)**
Transfers and other movements[2]	**443**	**21**	**(4)**	**16**	**–**	**(20)**	**456**
At 31 December 2024	**1,298,124**	**409,293**	**433,955**	**12,025**	**71,800**	**–**	**2,225,197**
Net book value at 31 December 2024	**521,391**	**172,945**	**327,217**	**6,764**	**29,128**	**13,313**	**1,070,758**

1 Within plant and equipment, costs of US$557,684,000 are subject to depreciation on a unit of production basis in line with accounting policy on note 2(f) for which the accumulated depreciation is US$291,305,000 and depreciation charge for the year is US$19,897,000.
2 Mainly includes the transfer of US$1,656,000 from evaluation and exploration assets (Inmaculada of US$519,000, Pallancata US$30,000, Mara Rosa of US$867,000 and San Jose of US$240,000) (note 17) as they are related to conversion of resources in to reserves.
3 There were borrowing costs capitalised in property, plant and equipment amounting to US$6,678,000 (2023: US$18,790,000).
4 Vehicles include US$5,194,000 of right-of-use assets (note 27).
5 Within construction in progress and capital advances there are capital advances amounting to US$2,027,000, mainly related to Compania Minera Ares of US$999,000 (2023: US$8,825,000, mainly related to Mara Rosa project of US$8,080,000.)
6 Mainly corresponds to the write-off of construction in progress stopped as the assets would be used by Azuca and Arcata units and they were sold (refer to notes 16 and 25).
7 Plant and equipment include US$1,564,000 of right-of-use assets (note 27).
8 Additions of right-of-use assets amounting to US$7,092,000 (2023: US$3,493,000) (note 27).
9 Lien granted to RG Royalties LLC. over certain Mara Rosa assets such as mineral interests and surface rights, in respect of the 1,75% NSR royalty granted over Mara Rosa´s production. The royalty obligation and the associated lien were acquired following the Group´s acquisition of Amarillo in April 2022.

	Mining properties and development costs US$000[3]	Land and buildings US$000	Plant and equipment US$000 [1 and 7]	Vehicles[4] US$000	Mine closure asset US$000	Construction in progress and capital advances US$000 [3 and 5]	Total US$000
YEAR ENDED 31 DECEMBER 2023							
Cost							
At 1 January 2023	**1,823,207**	**563,782**	**651,098**	**12,302**	**104,860**	**76,854**	**3,232,103**
Additions	162,569	962	16,422	(330)	–	106,122	285,745
Change in discount rate (note 29(1))	–	–	–	–	(1,535)	–	(1,535)
Change in mine closure estimate (note 29(1))	–	–	–	–	13,931	–	13,931
Disposals	(91)	–	(1,218)	(302)	–	–	(1,611)
Write-offs[6]	(518)	–	(14,849)	(131)	–	(958)	(16,456)
Foreign exchange effect	9,273	498	125	8	323	4,672	14,899
Transfer to assets held for sale (note 25)	(61,996)	(7,151)	(7,423)	–	(692)	(2,463)	(79,725)
Transfers and other movements[2]	2,662	2,044	2,427	693		(16,932)	(9,106)
At 31 December 2023	**1,935,106**	**560,135**	**646,582**	**12,240**	**116,887**	**167,295**	**3,438,245**
Accumulated depreciation and impairment							
At 1 January 2023	**1,383,600**	**397,531**	**433,720**	**7,460**	**81,722**	**1,157**	**2,305,190**
Depreciation for the year	97,821	22,594	28,032	2,038	2,233	–	152,718
Disposals	–	–	(128)	(321)	–	–	(449)
Write-offs[6]	–	–	(13,673)	(52)	–	–	(13,725)
Impairment/(reversal of impairment) net	28,119	3,669	12,941	129	258	775	45,891
Foreign exchange effect	–	8	(4)	1	–	–	5
Transfer to assets held for sale (note 25)	(55,075)	(7,017)	(5,796)	–	(510)	(1,912)	(70,310)
Transfers and other movements[2]	72	–	(52)	52	–	–	72
At 31 December 2023	**1,454,537**	**416,785**	**455,040**	**9,307**	**83,703**	**20**	**2,419,392**
Net book value at 31 December 2023	**480,569**	**143,350**	**191,542**	**2,933**	**33,184**	**167,275**	**1,018,853**

1 Within plant and equipment, costs of US$442,677,000 are subject to depreciation on a unit of production basis in line with accounting policy on note 2(f) for which the accumulated depreciation is US$309,409,000 and depreciation charge for the year is US$11,021,000.
2 Mainly includes the transfer of US$2,499,000 from evaluation and exploration assets (Inmaculada of US$2,092,000 and San José of US$407,000) (note 17) as they are related to conversion of resources in to reserves, , and the transfer to intangibles of the transmission line of Amarillo of US$11,801,000.
3 There were borrowing costs capitalised in property, plant and equipment amounting to US$18,790,000
4 Vehicles include US$1,091,000 of right of use assets (note 27).
5 Within construction in progress and capital advances there are capital advances amounting to US$8,825,000, mainly related to Mara Rosa project of US$8,080,000.
6 Corresponds to the write-off of property, plant and equipment as they will no longer be used in the Group due to obsolescence.
7 Plant and equipment include US$3,093,000 of right-of-use assets (note 27).

2024

In December 2024, management determined that there was a trigger of reversal of impairment in the San Jose mine unit due to the increase in gold and silver prices and the increased reserves and resources estimate. The impairment test resulted in no impairment, or impairment reversal, being recognised as the positive effect of the increased prices and additional reserves and resources was mainly offset by higher costs due to ongoing inflation in Argentina.

The recoverable value of San Jose was determined using a FVLCD methodology. The key assumptions on which management has based its determination of FVLCD and the associated recoverable values calculated for the San Jose CGU are gold and silver prices, future capital requirements, production costs, reserves and resources (reflected in the production volume), and the discount rate.

Real prices US$ per oz.	2025	2026	2027	2028	2029	Long-term
Gold	2,663	2,466	2,438	2,248	1,894	2,100
Silver	32.3	32.0	32.1	28.2	23.7	25.0

	San Jose
Discount rate (post-tax)	18.3%
Discount rate (pre.tax)	18.8%

The period of seven years was used to prepare the cash flow projections of San Jose mine which is in line with its life of mine.

No indicators of impairment or reversal of impairment were identified in the other CGUs which includes other exploration projects, with the exception of the Volcan project (refer to note 18).

The estimated recoverable values of the Group's CGUs are equal to, or not materially different than, their carrying values.

Sensitivity analysis

Other than as disclosed below, management believes that no reasonably possible change in any of the key assumptions above would cause the carrying value of the San Jose CGUs to exceed its recoverable amount. A change in any of the key assumptions would have the following impact:

US$000	San Jose
Gold and silver prices (decrease by 10% and 15%, respectively)	(100,684)
Gold and silver prices (increase by 10% and 15%, respectively)[1]	28,631
Production costs (increase by 10%)	(55,827)
Production costs (decrease by 10%)[1]	28,631
Production volume (decrease by 10%)	(74,178)
Production volume (increase by 10%)[1]	28,631
Post-tax discount rate (increase by 3%)	(3,084)
Post-tax discount rate (decrease by 3%)	3,193
Capital expenditure (increase by 10%)	(10,746)
Capital expenditure (decrease by 10%)	10,746

1. Represents the accumulated impairment that would be recognised in San Jose mine unit as at 31 December 2024, net of the accumulated depreciation that the impaired assets would have generated as at 31 December 2024.

Prior to classifying Arcata and Azuca disposal group as assets and liabilities related to asset held for sale (refer to note 25), the Group recognised an impairment of US$13,732,000 in evaluation and exploration assets. The recoverable value of the Azuca and Arcata project was determined using a FVLCD methodology, based on the economic terms of the sale.

2023

In June 2023, management determined that there was a trigger of impairment in the San Jose mine unit due to the increase in the discount rate from 19.8% to 21.7% mainly explained by the rise in country risk premium in Argentina, and higher costs than expected due to local inflation. The impairment test performed over the San Jose CGU resulted in an impairment recognised as at 30 June 2023 of US$17,398,000 (US$16,588,000 in property, plant and equipment, US$376,000 in evaluation and exploration assets and US$434,000 in intangibles).

As at 30 June 2023, the Group was conducting a sales process for its Azuca and Crespo projects. This decision to evaluate the sale of these assets is part of the Group´s strategy to focus its capital on larger-scale projects. Based on preliminary discussions with interested parties on the investment and costs required for these projects, given their operational capabilities, management determined that there were triggers of impairment in both the Azuca and Crespo projects. An impairment test was carried out, adjusting the key inputs used to determine the projects recoverable value, resulting in an impairment charge of US$42,321,000 (US$15,898,000 in property, plant and equipment, US$26,420,000 in evaluation and exploration assets and US$3,000 in intangibles) for Azuca, and Crespo.

The recoverable value of the San Jose, CGU, and the Crespo and Azuca assets was determined using a fair value less costs of disposal (FVLCD) methodology.

The key assumptions on which management has based its determination of FVLCD and the associated recoverable values calculated for the San Jose CGU and Crespo assets are gold and silver prices, future capital requirements, production costs, reserves and resources volumes (reflected in the production volume), and the discount rate.

Real prices US$ per oz.	2024	2025	2026	2027	Long-term
Gold	1,850	1,735	1,582	1,557	1,600
Silver	24.3	22.6	21.4	21.8	22.0

	San Jose	Crespo
Discount rate (post-tax)	21.7%	6.0%
Discount rate (pre-tax)	24.2%	7.6%

The period of five years and nine years was used to prepare the cash flow projections of San Jose mine unit and Crespo, respectively, which were in line with their respective life of mines.

With respect to Azuca, given its early stage, the Group applied a value-in-situ methodology, which applies a realisable ´enterprise value´ to unprocessed mineral resources. The methodology is used to determine the FVLCD of the Azuca assets. The enterprise value used in the calculation performed as at 30 June 2023 was US$0.095 per silver equivalent ounce of resources. The enterprise value figure is based on observable external market information.

On 28 December 2023, the Group entered into an agreement with a third party whereby the third party acquired the assets and liabilities of the Crespo project from Compañia Minera Ares (refer to note 18). The closing of the transaction occurred in March 2024, the assets and liabilities were classified at 31 December 2023 as assets and liabilities related to assets held for sale, respectively. The Group recognised an additional impairment of US$21,124,000 (US$13,405,000 in property, plant and equipment, US$7,718,000 in evaluation and exploration assets and US$1,000 in intangibles) as at 31 December 2023. The recoverable amount of the Crespo project was determined using a FVLCD methodology, based on the economic terms of the sale agreement.

As at 31 December 2023, no indicators of impairment or reversal of impairment were identified in the other CGUs. The estimated recoverable values of the Group's CGUs are equal to, or not materially different than, their carrying values.

17 Evaluation and exploration assets

	Azuca US$000	Crespo US$000	Mara Rosa US$000	Monte do Carmo US$000	Volcan US$000	Other US$000	Total US$000
COST							
Balance at 1 January 2023	**84,350**	**32,433**	**779**	**–**	**81,866**	**25,478**	**224,906**
Additions	367	594	566	–	996	–	**2,523**
Foreign exchange effect	–	–	77	–	(2,043)	–	**(1,966)**
Transfers to property, plant and equipment (note 16)	–	–	–	–	–	(2,571)	**(2,571)**
Transfers to asset held for sale (note 25)	–	(33,027)	–	–	–	–	**(33,027)**
Other transfers and adjustments[1]	–	–	–	–	(15,000)	–	**(15,000)**
Balance at 31 December 2023	**84,717**	**–**	**1,422**	**–**	**65,819**	**22,907**	**174,865**
Additions[2]	366	–	1,351	2,891	1,073	3,344	**9,025**
Acquisition of assets[2]	–	–		82,725	–	–	**82,725**
Foreign exchange effect	–	–	(83)	(2,362)	(8,054)	–	**(10,499)**
Transfers to property, plant and equipment (note 16)	–	–	(1,280)–	–	–	(832)	**(2,112)**
Transfers to asset held for sale (note 25)	(85,083)	–	–	–	–	(4,011)	**(89,094)**
Balance at 31 December 2024	**–**	**–**	**1,410**	**83,254**	**58,838**	**21,408**	**164,910**
ACCUMULATED IMPAIRMENT							
Balance at 1 January 2023	**50,075**	**9,878**	**–**	**–**	**36,392**	**5,099**	**101,444**
Impairment/(reversal of impairment) net	16,554	17,584	–	–	–	376	**34,514**
Foreign exchange effect	–	–	–	–	(881)	–	**(881)**
Transfers to property, plant and equipment (note 16)	–	–	–	–	–	(72)	**(72)**
Transfers to assets held for sale (note 25)	–	(27,462)	–	–	–	–	**(27,462)**
Balance at 31 December 2023	**66,629**	**–**	**–**	**–**	**35,511**	**5,403**	**107,543**
Impairment (note 25)	**13,732**	**–**	**–**	**–**	**–**	**–**	**13,732**
Foreign exchange effect	–	–	–	–	(4,253)	–	**(4,253)**
Amortisation	–	–	413	–	–	–	**413**
Transfers to property, plant and equipment (note 16)		–	(413)			(43)	**(456)**
Transfers to assets held for sale (note 25)	(80,361)					(4,011)	**(84,372)**
Balance at 31 December 2024	**–**	**–**	**–**	**–**	**31,258**	**1,349**	**32,607**
Net book value as at 31 December 2023	18,088	–	1,422		30,308	17,504	67,322
Net book value as at 31 December 2024	**–**	**–**	**1,410**	**83,254**	**27,580**	**20,059**	**132,303**

[1] Corresponds to the adjustment of the cost of US$15,000,000 related to the Volcan project due to the royalty agreement with Franco Nevada).
[2] From the total additions, the payment in cash amounted to US$55,629,000..

At 31 December 2024 the Group has recorded an impairment with respect to evaluation and exploration assets of the Azuca project of US$13,732,000 (2023: the Group has recorded an impairment with respect to evaluation and exploration assets of the San Jose mine unit of US$376,000, the Crespo project of US$17,584,000 and the Azuca project of US$16,554,000) (refer to note 25).

There were borrowing costs capitalised in evaluation and exploration assets of US$38,000 (2023: US$95,000).

18 Intangible assets

	Transmission line[1] US$000	Water permits[2] US$000	Software licences US$000	Legal rights[3] US$000	Royalty intangible assets US$000	Total US$000
COST						
Balance at 1 January 2023	**22,157**	**21,795**	**2,248**	**10,578**	–	**56,778**
Foreign exchange effect	984	(528)	–	156	–	**612**
Additions	124	–	–	–	–	**124**
Transfers	10,907	–	–	(5,507)	–	**5,400**
Balance at 31 December 2023	**34,172**	**21,267**	**2,248**	**5,227**	–	**62,914**
Foreign exchange effect	(798)	(2,547)	–	(144)	–	**(3,489)**
Additions	–	–	–	19,534	–	**19,534**
Addition of royalty intangible asset (note 25)	–	–	–	–	3,967	**3,967**
Balance at 31 December 2024	**33,374**	**18,720**	**2,248**	**24,617**	**3,967**	**82,926**
Accumulated amortisation and impairment						
Balance at 1 January 2023	**18,270**	**10,402**	**2,046**	**6,732**	–	**37,450**
Amortisation for the year[4]	584	–	109	109	–	**802**
Transfers	–	–	–	(5,507)	–	**(5,507)**
Impairment	434	–	–	4	–	**438**
Foreign exchange effect	–	(252)	–	–	–	**(252)**
Balance at 31 December 2023	**19,288**	**10,150**	**2,155**	**1,338**	–	**32,931**
Amortisation for the year[4]	1,175	–	12	392	–	**1,579**
Foreign exchange effect	–	(1,216)	–	–	–	**(1,216)**
Balance at 31 December 2024	**20,463**	**8,934**	**2,167**	**1,730**	–	**33,294**
Net book value as at 31 December 2023	**14,884**	**11,117**	**93**	**3,889**	–	**29,983**
Net book value as at 31 December 2024	**12,911**	**9,786**	**81**	**22,887**	**3,697**	**49,632**

[1] The transmission line in San Jose is amortised using the units of production method. At 31 December 2024 the remaining amortisation period is approximately 7 years (2023: 6 years) in line with the life of the mine. The transmission line in Mara Rosa is amortised using the units of production method.
[2] Corresponds to the acquisition of water permits of Andina Minerals Group ("Andina"). These permits have an indefinite life according to Chilean law.
[3] Legal rights correspond to expenditures required to give the Group the right to use a property for the surface exploration work, development and production.
[4] The amortisation for the period is included in cost of sales and administrative expenses in the income statement.
[5] Corresponds to the transfer to assets held for sale of the Crespo mine unit.

In December 2024, management determined that there was a trigger of reversal of impairment in Volcan project due to the increase in gold prices. The impairment test resulted in no impairment, or impairment reversal being recognised.

The recoverable value of the Volcan project was determined using a FVLCD methodology. As of 31 December 2024, the Group used a value in-situ methodology, which applies a realisable 'enterprise value' to unprocessed mineral resources per ounce of resources. The FVLCD had been previously assessed using a discounted cash flow model. The Group has classified project Volcan as a non-core asset, and is developing strategic alternatives for the project. The Group determined that a change in methodology to a market-based approach was appropriate to better reflect market conditions and investors´ assessment of risk.

The enterprise value used in the calculation performed as at 31 December 2024 was a risk adjusted value per in-situ gold equivalent ounce of US$3.72.

The carrying amount of the Volcan CGU, which includes the water permits, is reviewed annually to determine whether it is in excess of its recoverable amount. No impairments were recognised in 2024 and 2023. The estimated recoverable amount is not materially different than its carrying value.

US$000	**As at 31 December 2024**	As at 31 December 2023
Current carrying value Volcan CGU	**37,366**	41,425

Sensitivity Analysis

Other than as disclosed below, management believes that no reasonably possible change in any of the key assumptions above would cause the carrying value exceed its recoverable amount. A change in the value in situ assumption could cause an impairment loss or reversal of impairment to be recognised as follows:

	US$000
Value in situ per gold equivalent ounce (10% decrease)	(3,987)
Value in situ per gold equivalent ounce (10% increase)	3,987
Risk factor (increase by 5%)	(4,536)
Risk factor (decrease by 5%)	4,536

19 Investment in an associate

The Group retains a 19.5% interest in Aclara Resources Inc. ("Aclara") (2023: 20%), a Toronto Stock Exchange listed company, involved in the development of two rare-earth metals projects: the Penco Module in the Bio-Bio Region of Chile and the Carina Project in the State of Goiás, Brazil.

Upon Aclara´s Initial Public Offering ('IPO') on 10 December 2021, Hochschild Mining Holdings Limited ("HM Holdings") retained 20% of Aclara shares. The investment was recorded at initial recognition at fair value, based on the IPO offering price, and is accounted for using the equity method in the consolidated financial statements.

The following table summarises the financial information of the Group's investment in Aclara Resources Inc:

	As at 31 December 2024 US$000	As at 31 December 2023 US$000
Current assets	**29,821**	34,945
Non-current assets	**123,980**	112,064
Current liabilities	**(6,231)**	(6,048)
Non-current liabilities	**(1,415)**	(2,600)
Equity	**146,155**	138,361
Non-controlling interest[1]	**18,603**	–
Equity attributable to shareholders	**127,552**	138,361
Group's share in equity 19.5% (2023: 20%)	**24,873**	27,672
Fair value adjustment on initial recognition and accumulated adjustments for non-attributable changes to equity[2]	**13,125**	12,361
Accumulated impairment	**(22,187)**	(17,106)
Group's carrying amount of the investment 19.5% (2023: 20%)	**15,811**	22,927
Summarised consolidated statement of profit and loss		
Revenue		–
Administrative expenses	**(8,239)**	(6,815)
Exploration expenses	**(459)**	(6,991)
Other income	**–**	59
Share of loss of joint venture	**(115)**	–
Finance income	**1,657**	2,338
Finance cost	**(64)**	(59)
Foreign exchange gain/(loss)	**(193)**	85
Loss from operations for the year	**(7,413)**	(11,383)
Loss from continuing operations attributable to shareholders	**(7,223)**	(2,277)
Group's share of loss for the year	**(1,408)**	(2,277)
Other comprehensive profit that may be reclassified to profit or loss in subsequent periods, net of tax		
Exchange differences on translating foreign operations	**(12,780)**	(4,273)
Total comprehensive loss for the year	**(12,780)**	(4,273)
Group's share of comprehensive profit/(loss) for the year	**(2,492)**	(855)

1 On April 17, 2024 Aclara closed a strategic financing of US$29,027,000 by the company CAP S.A. in Aclara´s Chilean subsidiary which owns the Penco Module and all of Aclara´s mining concessions in Chile in exchange for 20% equity participation in REE UNO Spa which had a corresponding impact on the Group's NCI.

2 Includes the 20% of the fair value adjustment, estimated by the Group, of Aclara´s exploration and evaluation asset on initial recognition of US$12,307,000, and other non-attributable changes to equity of US$818,000 (31 December 2023: US$54,000).

The movement of investment in associate is as follows:

	Year ended 31 December	
	2024 US$000	2023 US$000
Beginning balance	**22,927**	33,242
Impairment	**(5,081)**	(7,183)
Share of loss for the period	**(1,408)**	(2,277)
Share of comprehensive loss for the period	**(2,492)**	(855)
Equity gain in Aclara from CAP strategic financing	**1,865**	–
Ending balance	**15,811**	22,927

2024

On 23 December 2024, Aclara announced a US$25,000,000 private placement of common shares at C$0.7 (US$0.5) per share with new and existing strategic investors: New Hartsdale Capital Inc., CAP S.A. and the Group. The subscription price represents a 41% premium over the closing price of the Common Shares on the Toronto Stock Exchange (“TSX”) on the last trading day prior to the date of the announcement of the Private Placement. The private placement was completed on 20 February 2025.

Aclara intends to use the net proceeds from the Private Placement to fund the continued development of its Carina Project in Brazil, to advance its integrated supply chain strategy, and for general corporate purposes.

The Group has reassessed the recoverable value of its investment in Aclara, adjusting the carrying amount of the investment to reflect the value of the shares issued in the private placement. As a result, the Group has determined an impairment charge of US$5,081,000 as at 31 December 2024.

2023

In July 2023, Aclara announced the receipt of a notice from the Environmental Service Assessment in Chile of its decision to terminate the review of Aclara´s application for an environmental impact assessment of the Penco Module due to the finding of trees considered as ´vulnerable species´ in the area of the project.

Aclara´s announcement and the impact that it could have in the first production date of Penco project, were considered as indicators of impairment. Therefore, in compliance with IAS 36, the Group performed a valuation on Aclara, and determined an impairment charge of US$7,183,000.

The recoverable value of Aclara was determined using a value-in-use methodology. The key assumptions on which management has based its valuation of Aclara´s shares are the independent technical report of Penco module issued in September 2021, adjusted by: a 3-year delay in the first production date, local inflation and additional risk impacting costs; latest forecast prices; and a discount rate of 9.6%.

Sensitivity analysis

An increase of 1% in the discount rate and a delay of one additional year in the first production date would have the following impact in the Group´s investment:

	US$000
Discount rate (increase by 1%)	(3,578)
Delay in first production date (1 additional year)	(2,551)

The carrying amount of the investment recognised the changes in the Group’s share of net assets of the associate since the acquisition date. The balance as at 31 December 2024, after recognising the changes in the Group’s share of net assets of the associate and the impairment charge is US$15,811,000 (31 December 2023: US$22,927,000).

The fair value of Aclara shares, based on the market price per share, as at 31 December 2024 amounted to US$10,173,000 (31 December 2023: US$12,296,000).

No dividends were received from the associate during 2024 and 2023.

The associate had no contingent liabilities or capital commitments as at 31 December 2024 and 31 December 2023.

20 Financial assets at fair value through OCI

	Year ended 31 December	
	2024 US$000	2023 US$000
Beginning balance	**460**	509
Fair value change recorded in OCI	**15**	(49)
Ending balance	**475**	460

The Group made the election at initial recognition to measure the below equity investments at fair value through OCI as they are not held for trading.

Fair value of the listed shares is determined by reference to published price quotations in an active market and they are categorised as level 1. The fair value of non-listed equity investments is determined based on financial information available of the companies and they are categorised as level 3.

21 Financial assets at fair value through profit and loss

	Year ended 31 December	
	2024 US$000	2023 US$000
Beginning balance	–	1,015
Fair value change recorded in profit and loss (note 13(3))	–	(292)
Disposals[1]	–	(723)
Ending balance	–	–

1 During 2023, the Group sold 25,001,540 shares of C3 Metals Inc., classified as financial assets at fair value through profit and loss, with a fair value at the date of the sale of US$723,000, generating a loss on disposal of US$292,000 which was recognised within finance costs.

22 Trade and other receivables

	As at 31 December			
	2024		2023	
	Non-current US$000	**Current US$000**	Non-current US$00	Current US$000
Trade receivables[1]	–	**37,238**	–	28,051
Advances to suppliers [2]	–	**13,324**	–	2,577
Funds in escrow [2]	–	**14,278**	–	–
Duties recoverable from exports of Minera Santa Cruz[3]	**272**	–	234	–
Receivables from related parties (note 33(a))	–	**121**	–	127
Loans to employees	**333**	**220**	358	194
Interest receivable	–	**89**	–	93
Tax claims	**8,060**	**7,826**	1	10,399
Other[4]	**2,674**	**11,310**	452	12,791
Total assets classified as receivables	**11,339**	**84,406**	1,045	54,232
Prepaid expenses	**2,764**	**11,083**	1,210	6,569
Value Added Tax (VAT)[5]	**4,213**	**40,325**	10,183	19,655
Total	**18,316**	**135,814**	12,438	80,456

The fair values of trade and other receivables approximate their book value.

1 Net of a provision for impairment of trade receivables from customers in Peru of US$Nil (2023: US$1,370,000).
2 Represents funds held in escrow in connection with Royropata easements
3 Relates to export benefits through the Patagonian Port and silver refunds in Minera Santa Cruz.
4 Includes account receivables from contractors for the sale of supplies of US$1,773,000 (2023: US$1,973,000), loan to third parties of US$1,381,000 (2023: US$719,000), and claim receivable of US$Nil (2023: US$345,000), net of a provision for impairment of receivables of US$1,016,000 (2023: US$1,033,000).
5 Primarily relates to US$18,277,000 (2023: US$7,607,000) of VAT receivable related to the San Jose project that will be recovered through future sales of gold and silver and also through the sale of these credits to third parties by Minera Santa Cruz. It also includes the VAT of Compania Minera Ares of US$6,978,000 (2023: US$5,672,000), and Amarillo Mineracao do Brasil of US$18,514,000 (2023: US$15,814,000). The VAT is valued at its recoverable amount.

Movements in the provision for impairment of receivables:

	Individually impaired US$000
At 1 January 2023	**2,513**
Change for the year	3
Foreign exchange effect	73
At 31 December 2023	**2,589**
Write off	(1,632)
Foreign exchange effect	(3)
Change for the year	245
At 31 December 2024	**1,199**

As at 31 December 2024 and 2023, none of the financial assets classified as receivables (net of impairment) were past due.

23 Inventories

	As at 31 December	
	2024 US$000	2023 US$000
Finished goods valued at cost	**1,874**	4,203
Products in process valued at cost	**23,623**	10,998
Products in process accrual valued at cost[1]	**8,152**	5,930
Supplies and spare parts[2]	**58,476**	51,305
	92,125	72,436
Provision for obsolescence of supplies	**(5,038)**	(4,175)
Ending balance	**87,087**	68,261

1 Corresponds to the estimated production costs from 26 to 31 December 2024 (2023: 26 to 31 December 2023).
2 Includes in transit inventory of US$689,000 (2023: US$1,485,000).

Finished goods include concentrate, dore and aggregates. Products in process include stockpile and precipitates (2023: stockpile and precipitates).

The Group either sells dore bars as a finished product or if it is commercially advantageous to do so, delivers the bars for refining into gold and silver ounces which are then sold. In the latter scenario, the dore bars are classified as products in process. At 31 December 2024 and 2023, the Group had no dore on hand included in products in process.

Concentrate is sold to smelters, but in addition could be used as a product in process to produce dore.

Products in process accrual valued at cost include stockpile (2023: stockpile).

As part of the Group's short-term financing policies, it acquires pre-shipment loans which are guaranteed by the sales contracts. The Group has contracts as at 31 December 2024 of US$Nil (2023: US$3,977,000) (refer to note 28).

The amount of expense recognised in profit and loss related to the consumption of inventory of supplies, spare parts and raw materials in 2024 is US$140,623,000 (2023: US$110,752,000).

Movements in the provision for obsolescence comprise an increase in the provision of US$864,000 (2023: US$1,586,000) and the reversal of US$Nil related to supplies and spare parts, that had been provided for (2023: US$Nil).

24 Cash and cash equivalents

	As at 31 December	
Cash and cash equivalents	**2024 US$000**	2023 US$000
Cash in hand	**679**	782
Current demand deposit accounts[1]	**94,167**	40,311
Time deposits[2]	**2,122**	37,184
Mutual funds[3]	**5**	10,849
Cash and cash equivalents considered for the statement of cash flows (note 2(y))	**96,973**	89,126

1 Relates to bank accounts which are freely available and bear interest. The balance has checks in transit. Includes $11,837,000 current demand deposit accounts restricted to be utilised for advancing the Volcan project and its related business expenses.2 These deposits have an average maturity of 4 days (2023: average of 9 days).

3 Corresponds to common investment funds that are assets that are formed with the contributions made by the Group, consequently, becoming beneficiary of the fund in which they decide to invest. As at 31 December 2023 the balance of US$10,849,000 are deposited in Banco Santander and BBVA in Argentina.

Cash and cash equivalents comprise cash on hand and deposits held with banks that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

The fair value of cash and cash equivalents approximates their book value.

25 Assets held for sale

In November 2024, the Group entered into an agreement whereby the third party acquired the assets and liabilities of Arcata and Azuca from Compañia Minera Ares for US$1,000,000 as a non-refundable cash payment at closing, and a 1.0% and 1.5% Royalty Net Smelter Return (NSR) for Arcata and Azuca, respectively. The buyer also took over the environmental liabilities amounting to US$9,652,000. The Group has provided a guarantee for the mine closure obligations for up to US$5,778,623 with maturity in January 2026. The closing of the transaction occurred in February 2025.

Prior to classifying Arcata and Azuca disposal group as assets and liabilities related to asset held for sale, the Group recognised an impairment of US$13,732,000. The recoverable value of the Azuca and Arcata project was determined using a FVLCD methodology, based on the economic terms of the sale.

The major classes of assets and liabilities classified as assets held for sale as at 31 December 2024 are as follows:

	US$000
Assets	
Transfer from evaluation and exploration assets, net of impairment	4,722
Transfer from property, plant and equipment	4,168
Transfer from deferred tax asset	3,409
Total non-current assets	12,299
Transfer from inventory-supplies	361
Total current assets	361
Total assets	12,660
Liabilities	
Transfer from provision for mine closure (note 29)	(9,652)
Total liabilities directly associated with assets held for sale	(9,652)
Net assets directly associated with assets held for sale	3,008

In 2023, the Group entered into an agreement with a third party whereby the third party would acquire the assets and liabilities of the Crespo project from Compañia Minera Ares which resulted in the assets and liabilities of project Crespo being classified as held for sale at 31 December 2023. In March 2024, the Group received US$15,000,000 as a non-refundable cash payment at closing, and a 1.5% NSR over the Crespo project, recognised as an intangible asset with a fair value of US$3,967,000 at initial recognition net of a deferred tax liability of US$1,170,000. The buyer also took over the environmental liabilities of the project amounting to US$711,000. Upon completion of sale, the Group derecognised the asset held for sales amounting to US$17,398,000 and the liabilities directly associated with assets held for sale amounting to US$711,000. No profit or loss was generated on the sale.

The major classes of assets and liabilities classified as assets held for sale as at 31 December 2023 were as follows:

	US$000
Assets	
Transfer from evaluation and exploration assets, net of impairment	5,565
Transfer from property, plant and equipment	9,415
Transfer from deferred tax asset	2,418
Total non-current assets	**17,398**
Liabilities	
Transfer from provision for mine closure (note 29)	(711)
Total liabilities directly associated with assets held for sale	**(711)**
Net assets directly associated with assets held for sale	**16,687**

The net cash received for the sale of Crespo is as follows:

	US$000
Cash received	15,000
Transaction costs	(1,110)
Net cash received	13,890
Contingent consideration net of deferred tax	2,797
Total	**16,687**

26 Trade and other payables

	As at 31 December			
	2024		2023	
	Non-current US$000	**Current US$000**	Non-current US$000	Current US$000
Trade payables[1]	–	**126,357**	–	83,418
Salaries and wages payable[2]	–	**37,059**	–	23,476
Taxes and contributions	**33**	**10,718**	55	9,295
Guarantee deposits[3]	–	**7,896**	–	7,842
Accounts payable - hedges	–	**6,943**	–	348
Mining royalties (note 38)	–	**1,470**	–	788
Accounts payable to related parties (note 33(a))	–	**209**	–	397
Stream Agreements (note (a))	**25,926**	–	–	–
Deferred consideration (note 4)	**13,500**	–	–	–
Lease liabilities (note 27)	**3,477**	**3,246**	1,379	2,714
Other[4]	**3,565**	**14,324**	277	7,561
Total	**46,501**	**208,222**	1,711	135,839

[1] Trade payables relate mainly to the acquisition of materials, supplies and contractors' services. These payables do not accrue interest and no guarantees have been granted.
[2] Salaries and wages payable relates to remuneration payable. At 31 December 2024, there was Board members' remuneration payable of US$Nil (2023: US$67,000) and Long-Term Incentive Plan payable of US$3,764,000 (2023: US$Nil).
[3] Guarantee deposits made by the contractors of the Group to guarantee the fulfilment of their tasks. The guarantee will be returned to the contractor at the end of the service and when it is verified that it has been completed correctly.
[4] Current balance includes the accrual of the production costs corresponding to six days of production from 26 to 31 December of US$7,583,000 (2023: US$4,251,000).

a. Stream Agreements

On 14 March , 2022, Cerrado, entered into a US$20,000,000 metals purchase and sale agreement with Sprott in respect of Monte do Carmo ("Stream Agreement"). The Stream Agreement provides for the sale and physical delivery to Sprott of 2.25% of metals produced from the project, for the duration of the project. The price payable for the metals is calculated by reference to the LBMA price for gold or silver as applicable, and amounts to 10% of the reference price.

In connection with the Stream Agreement, Cerrado issued a US$20,000,000 secured Note to Sprott that bears interest at a rate of 10% per annum, calculated and payable quarterly which will mature on the earlier of the achievement of commercial production or 14 March 2031 ("Secured Note"). The Stream Agreement and Secured Note (collectively, the Stream Agreements) were assigned to and assumed by Amarillo at the acquisition date, and accordingly, any future production will be subject to the Stream Agreement and the Secured Note.

Under the Stream Agreement, Sprott will pay Amarillo the US$20,000,000 deposit either in cash or by issuance of a promissory note, with the option by Sprott to set off such promissory note against the Secured Note, on the commencement of production of Monte do Carmo. The security in respect of the Sprott Note is the assets of Serra Alta, and the shares of SAPI.

Amarillo has the ability to buy down up to 50% of the Stream Agreement by exercising its option and paying the applicable amount below ("Buy-down Option"):

• From 1 July 2024 - June 30, 2025: US$13,000,000, or

• From 1 July 2025 - June 30, 2026: US$13,500,000

Under the Stream Agreement, if the Board of Directors approves the construction of a mining operation with a life-of-mine production of less than 1,049,000 ounces of payable gold, the stream percentage on Monte do Carmo will increase linearly from its base value of 2.25% following a formula in the Stream Agreement. If the Feasibility Study Technical Report filed in December 2023 were used for a construction decision the stream percentage would increase to 2.75%. The definitive stream percentage will be determined upon the Board of Directors' approval of the construction of the mining operation and will be based on the then available payable gold ounces in the construction mine plan.

Management determined that the Secured Note and Stream Agreement with Sprott are closely connected, with the option due to the option of Sprott to set off the $20,000,000 stream payment against the Secured Note, on the commencement of production of Monte do Carmo.

The Group has elected to account for the obligations arising from these agreements at FVTPL. The Secured Note represents a financial liability for the contractual obligation to repay the principal of US$20,000,000 and quarterly interest payments in cash. The Stream Agreement, including the Buy-down Option, meet the definition of a derivative and is accounted at FVTPL.

The fair value of the Stream Agreements was determined using the expected cash flow approach, which uses multiple, probability-weighted cash flow projections discounted to present value.

The initial recognition as at 7 November 2024, and subsequent changes in the fair value of the Stream Agreements as at 31 December 2024 are shown below:

	US$000
At 7 November 2024	**26,159**
Unrealised change in fair value (note 13)	(233)
At 31 December 2024	**25,926**

The key assumptions on which management has based its determination of fair value are gold prices, reserves and resources (reflected in the production volume), discount rates for the Secured Note of 8.0% and 7.4% as at 7 November 2024 and 31 December 2024, respectively, and the discount rate for the Stream Agreement of 9.7% (calculated under the WACC methodology).

Real prices US$ per oz.	2028	2029	Long-term
Gold	2,248	1,894	2,100

Reasonable possible changes to any of the key assumptions above would increase/(decrease) the fair value of the Stream Agreements:

US$000	US$000
Gold price (decrease by 10%)	(1,819)
Gold price (increase by 10%)	1,820
Discount rate (increase by 1%)	(783)
Discount rate (decrease by 1%)	875
Reserves and resources volume (decrease by 10%)	(818)
Reserves and resources volume (increase by 10%)	818

The fair value of trade and other payables approximate their book values.

27 Lease liabilities

The Group has lease contracts for vehicles and equipment used in its operations and administrative offices. Leases of motor vehicles generally have lease terms of three years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

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

The following are the amounts recognised in profit or loss related to the leases according IFRS 16 and the other leases that the Group has not capitalised:

	As at 31 December	
	2024 US$000	2023 US$000
Depreciation expense for right-of-use assets (included in cost of sales, administrative, exploration and other expenses)	**(4,514)**	(2,199)
Interest expense on lease liabilities (included in finance expenses)	**(582)**	(62)
Expense relating to short-term leases (included in cost of sales, administrative, exploration and other expenses)	**(959)**	(866)
Expense relating to leases of low-value assets (included in cost of sales, administrative, exploration and other expenses)	**(769)**	(743)
Variable lease payments (included in cost of sales and exploration expenses)	**(18,942)**	(11,422)
Total amount recognised in profit or loss	**(25,766)**	(15,292)

The Group had total cash outflows for leases of US$25,714,000 in 2024 (2023: US$15,369,000). There were additions to right-of-use assets and lease liabilities during the year of US$7,094,000 (2023: US$3,493,000l). The future cash outflows relating to leases that have not yet commenced are US$7,716,000 (2023: US$4,777,000). Short-term leases, leases of low-value assets and variable lease payments are included in the operating cash flows.

The movement in IFRS 16 lease liabilities in the years 2024 and 2023 is as follows:

	As at 1 January 2024 US$000	Additions US$000	Repayments US$000	Interest expense US$000	As at 31 December 2024 US$000
Lease liabilities	**4,093**	7,094	(5,046)	582	**6,723**
Less: current balance	**(2,714)**				**(3,246)**
Non-current balance	**1,379**				**3,477**

	As at 1 January 2023 US$000	Additions US$000	Repayments US$000	Interest expense US$000	As at 31 December 2023 US$000
Lease liabilities	2,876	3,493	(2,338)	62	**4,093**
Less: current balance	(1,637)				**(2,714)**
Non-current balance	1,239				**1,379**

28 Borrowings

	As at 31 December					
	2024			2023		
	Effective interest rate	**Non-current US$000**	**Current US$000**	Effective interest rate	Non-current US$000	Current US$000
Secured bank loans (a)						
Pre-shipment and other loans in Minera Santa Cruz (note 23)	**8.45% to 13%**	–	**1,558**	12% to 15%	–	3,977
Short-term bank loans	**4.58% and 4.88%**	–	**80,210**	–	–	–
Medium-term bank loans	**6.82% to 10.04%**	**163,333**	**67,481**	8.91% and 9.09%	234,999	106,087
Other loans (b)						
Stock market promissory note in Minera Santa Cruz	–	–	–	–	–	2,000
Total		**163,333**	**149,249**		234,999	112,064

(a) Secured bank loans:

Pre-shipment and other loans in Minera Santa Cruz:

As at 31 December 2024, Minera Santa Cruz has loans of US$1,486,000 (2023: US$3,870,000) plus interests of US$72,000 (2023: US$107,000) with a maturity between January and March 2025.

Short-term bank loans:

- As at 31 December 2024, Minera Ares has two loans with Interbank amounting to US$45,000,000 plus interests of U$119,000 (maturity in November 2025) and one loan with BBVA amounting to US$35,000,000 plus interests of US$91,000 (maturity in February 2025).

Medium-term bank loans:

In December 2019, a five-year credit agreement was signed between Minera Ares and Scotiabank Peru S.A.A., The Bank of Nova Scotia and BBVA Securities Inc, with Hochschild Mining PLC as guarantor. The US$200,000,000 medium-term loan was payable in equal quarterly instalments from the second anniversary of the loan with an interest rate of three-month USD Libor plus 1.15% payable quarterly until maturity on 13 December 2024. In September 2021, the Group negotiated with the same counterpart a US$200,000,000 loan to replace the original loan, plus an additional US$100,000,000 optional loan. US$200,000,000 was withdrawn on 21 September 2021, and the optional US$100,000,000 loan was withdrawn on 1 December 2021 (the Credit Agreement). The maturity was extended until September 2026, and the interest rate increased to three-month USD Libor plus a spread of 1.65%. A structuring fee of US$900,000 was paid to the lender and additional US$193,000 was incurred as transaction costs. In addition, a commitment fee of US$120,000 was paid for the period that the optional US$100,000,000 loan remained undrawn. This was considered a substantial modification to the terms of the loan, and consequently, it was treated as an extinguishment of the loan which resulted in the derecognition of the existing liability and recognition of a new liability. The associated costs and fees incurred were recognised as part of the loss on the extinguishment. From 18 September 2023 the Libor was replaced by the three-month SOFR plus a spread of 1.91%. The Group repaid US$25,000,000 of the loan in December 2023, and repaid the remaining balance of US$275,000,000 during 2024, and the Credit Agreement was terminated. Financial covenants under the agreement were: (i) Consolidated Leverage Ratio <= 3 and (ii) Consolidated Interest Coverage Ratio ≥ 4.00.

In December 2022, a credit agreement for up to US$200,000,000 was signed between Amarillo Mineracao do Brasil Ltd. and Compania Minera Ares, and The Bank of Nova Scotia and BBVA Securities Inc, with Hochschild Mining PLC as guarantor. The medium-term facility can be withdrawn until December 2024, and is payable in equal quarterly instalments from February 2025 through November 2027, with an interest rate of three-month SOFR plus a spread of 2.05%. US$60,000,000 was withdrawn in August 2023, US$65,000,000 during the first half of 2024, and the remaining balance of US$75,000,000 was withdrawn during the last quarter of 2024. Financial covenants under the agreement are: (i) Consolidated Leverage Ratio <= 3 and (ii) Consolidated Interest Coverage Ratio ≥ 4.00.

In October 2024, a credit agreement for up to US$300,000,000 was signed between Amarillo Mineracao do Brasil Ltd. and Compania Minera Ares, and The Bank of Nova Scotia and BBVA Securities Inc, with Hochschild Mining PLC as guarantor (the New Credit Agreement). The medium-term facility can be withdrawn until October 2026, and is payable in equal quarterly instalments from January 2028 through October 2029, with an interest rate of three-month SOFR plus a spread of 1.95%. A structuring fee of US$1,950,000 was paid to the lenders and additional US$225,000 was incurred as transaction costs. US$30,000,000 was withdrawn in December 2024 to repay the remaining amount outstanding of the Credit Agreement US$300,000,000 loan, and the remaining balance of US$270,000,000 was undrawn as at 31 December 2024. Financial covenants under the agreement are: (i) Consolidated Leverage Ratio <= 3 and (ii) Consolidated Interest Coverage Ratio ≥ 4.00.

(b) Other loans:

Stock market promissory note:

As at 1 January 2023, Minera Santa Cruz has a balance of stock market promissory notes of US$14,500,000. From January to May 2023 Minera Santa Cruz signed four stock market promissory notes with Max Capital, a finance advisory company located in Argentina, amounting to US$3,907,000. The expiration date of the notes is from July 2023 to August 2024. During the year 2023, the Group repaid US$16,407,000. The balance as at 31 December 2023 is US$2,000,000 that was repaid during 2024.

(c) Capitalised borrowing costs:

Interest expense of US$7,012,000 that is directly attributable to the construction of Mara Rosa (US$6,257,000) and Compañía Minera Ares S.A.C. (US$755,000) has been capitalised and is included in property, plant and equipment within construction in progress and capital advances (US$4,991,000) and mining property and development costs (US$1,982,000), and exploration and evaluation assets (US$39,000) (2023: Interest expense of US$19,357,000 that is directly attributable to the construction of Mara Rosa (US$19,178,000) and Compañía Minera Ares S.A.C. (US$179,000) has been capitalised and is included in property, plant and equipment within construction in progress and capital advances (US$8,267,000) and mining property and development costs (US$10,992,000), and exploration and evaluation assets (US$98,000)).

The carrying value including accrued interest payable of the medium-term bank loans as at 31 December 2024 is US$230,814,000 (2023: US$341,086,000). The maturity of non-current borrowings is as follows:

	As at 31 December	
	2024 US$000	2023 US$000
Between 1 and 2 years	**66,667**	120,001
Between 2 and 5 years	**96,666**	114,998
Over 5 years	**–**	–
Total	**163,333**	234,999

The carrying amount of the pre-shipment, short-term and other loans approximates their fair value. The carrying amount and fair value of the medium-term bank loans are as follows:

	Carrying amount as at 31 December		Fair value as at 31 December	
	2024 US$000	**2023 US$000**	2024 US$000	2023 US$000
Medium-term bank loans	**230,814**	341,086	**221,560**	335,899

The movement in borrowings during the years 2024 and 2023 are as follows:

	As at 1 January 2024 US$000	Additions US$000	Repayments US$000	Reclassifications and others US$000	As at 31 December 2024 US$000
CURRENT					
Pre-shipment and other loans in Minera Santa Cruz	3,870	1,607	(3,991)	–	**1,486**
Short-term bank loans	–	140,000	(60,000)	–	**80,000**
Medium-term bank loans	100,001	8,333	(275,000)	233,333	**66,667**
Stock market promissory note	2,000	–	(2,000)	–	–
Accrued interest	6,193	15,425	(27,074)	6,552	**1,096**
	112,064	165,365	(368,065)	239,885	**149,249**
NON-CURRENT					
Medium-term bank loans	234,999	161,667	–	(233,333)	**163,333**
Total current and non-current borrowings	347,063	327,032	(368,065)	6,552	**312,582**

[1] Reclassification and others from non-current of US$233,333,000 includes transfer from non-current to current borrowings of US$233,333,000. Reclassifications and others of accrued interests includes capitalisation of interests of US$7,012,000 (28(c)), offset by transaction costs of US$364,000, and foreign exchange effect of US$96,000.

	As at 1 January 2023 US$000	Additions US$000	Repayments US$000	Reclassifications and others[1] US$000	As at 31 December 2023 US$000
CURRENT					
Pre-shipment and other loans in Minera Santa Cruz	1,693	13,506	(10,573)	(756)	3,870
Medium-term bank loans	25,000	60,000	(85,000)	100,001	100,001
Stock market promissory note	14,500	3,907	(16,407)	–	2,000
Accrued interest	2,796	9,520	(24,839)	18,716	6,193
	43,989	86,933	(136,819)	117,961	112,064
NON-CURRENT					
Medium-term bank loans	275,000	60,000	–	(100,001)	234,999
Total current and non-current borrowings	318,989	146,933	(136,819)	17,960	347,063

[1] Reclassification and others from non-current of US$100,001,000 includes transfer from non-current to current borrowings of US$100,001,000. Current reclassifications and other of US$99,245,000 includes transfer from non-current borrowings of US$100,001,000 and foreign exchange effect of US$756,000. Reclassifications and others of accrued interests includes transfer of recognition of transaction costs of US$234,000, capitalisation of interests of US$19,357,000 (28(c)), and foreign exchange effect of US$407,000.

Additional $105,000,000 short-term loans were withdrawn in February 2025 of which US$85,000,000 were used to repay the $200,000,000 medium-term facility and US$20,000,000 for temporary working capital changes.

29 Provisions

	Provision for mine closure[1] US$000	Long-Term Incentive Plan US$000	Workers profit sharing US$000	Contingencies US$000	Total US$000
At 1 January 2023	**137,000**	**–**	**4,947**	**5,736**	**147,683**
Additions	–	–	3,207	3,655	6,862
Accretion (note 13)	1,703	–	–	–	1,703
Change in discount rate	(2,543)	–	–	–	(2,543)
Change in estimates	43,304	–	–	–	43,304
Foreign exchange effect	–	–	77	(916)	(839)
Transfers to assets held for sale (note 25)	(711)	–	–	–	(711)
Utilisation	(2,712)	–	–	–	(2,712)
Payments	(13,325)	–	(4,805)	(504)	(18,634)
At 31 December 2023	**162,716**	**–**	**3,426**	**7,971**	**174,113**
Less: current portion	(19,056)	–	(3,426)	(4,259)	(26,741)
Non-current portion	143,660	–	–	3,712	147,372
At 1 January 2024	**162,716**	–	**3,426**	**7,971**	**174,113**
Additions	–	3,231	6,590	6,153	15,974
Accretion (note 13)	3,110	(87)	–	–	3,023
Change in discount rate	(3,727)	–	–	–	(3,727)
Change in estimates	18,805	–	–	–	18,805
Foreign exchange effect	–	–	–	(608)	(608)
Transfers to assets held for sale (note 25)	(9,652)	–	–	–	(9,652)
Transfer to other payables	–	(7,161)	–	–	(7,161)
Transfer from other reserves	–	7,954	–	–	7,954
Payments	(11,833)	–	(3,210)	(1,815)	(16,858)
At 31 December 2024	**159,419**	**3,937**	**6,806**	**11,701**	**181,863**
Less: current portion	(22,799)	–	(6,806)	(5,477)	(35,082)
Non-current portion	136,620	3,937	–	6,224	146,781

1 **Provision for mine closure**
The provision represents the discounted values of the estimated cost to decommission and rehabilitate the mines at the expected date of closure of each of the mines. The present value of the provision has been calculated using a real pre-tax annual discount rate, based on a US Treasury bond of an appropriate tenure adjusted for the impact of inflation as at 31 December 2024 and 2023 respectively, and the cash flows have been adjusted to reflect the risk attached to these cash flows. Uncertainties on the timing for use of this provision include changes in the future that could impact the time of closing the mines, as new resources and reserves are discovered, technological changes, regulatory changes, cost increases, changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The discount rate used was 2.00% (2023: 1.84%). Expected cash flows will be over a period from one to 25 years (2023: over a period from one to 21 years). Based on the internal and external reviews of mine rehabilitation estimates, the provision for mine closure increased by US$18,805,000 and decreases for the change in discount rate of US$3,727,000 as follows:

	Change in estimate		Change in discount rate	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Arcata	(1)	(321)	(7)	(109)
Ares	10,323	20,297	99	(273)
Sipan	4,242	52	25	(412)
Selene	144	9,345	(108)	(214)
Recognised in the consolidated income statement	**14,708**	**29,373**	**9**	**(1,008)**
Pallancata	(789)	2,465	(417)	(301)
Matarani	(30)	21	(10)	(4)

Azuca	–	1	(2)	(5)
Crespo	–	(3)	–	5
Inmaculada	3,229	7,691	(2,126)	(398)
San Jose	419	(835)	(613)	(555)
Mara Rosa	1,268	4,591	(568)	(277)
Recognised in property, plant and equipment	**4,097**	**13,931**	**(3,736)**	**(1,535)**
Total	**18,805**	**43,304**	**(3,727)**	**(2,543)**

The increase in the accretion from 2023 (US$1,703,000) to 2024 (US$3,110,000) is explained because the Group is closer to the budget execution periods and the discount rates used for 2023 were lower than those of 2024.

A change in any of the following key assumptions used to determine the provision would have the following impact:

As at 31 December 2024

	US$000
Closure costs (increase by 10%) increase of provision	**16,907**
Discount rate (increase by 0.5%) (decrease of provision)	**(12,621)**

As at 31 December 2023

	US$000
Closure costs (increase by 10%) increase of provision	**16,300**
Discount rate (increase by 0.5%) (decrease of provision)	**(10,051)**

An element of mine closure planning can be water management, which relates to the treatment of contact water. The cost of this water processing could continue for a number of years after closure activities have been completed and is therefore, potentially, exposed to long-term climate change. Mine planning for Hochschild's operating assets takes into account mine-closure activities. In the case of the now-closed Sipan mine, due to the specific characteristics of the closed mine components, contact water treatment is ongoing. According to our most recent approved Mine Closure Plan (July 2021), Sipan will be the subject of ongoing treatment until 2030 or until baseline water quality conditions have been met. As at the date of approval of these financial statements, the impact of climate change on Sipan's mine closure planning is not expected to be material.

2 Long-term incentive plan

Corresponds to the provision related to awards granted under the Long-Term Incentive Plan (LTIP) to designated personnel of the Group, and includes the 2023 awards, granted in April 2023, payable in April 2026 and the 2024 awards, granted in March 2024, payable in March 2027. The 2022 awards which are payable in 2025 have a value of US$3,764,000 and are included in trade and other payables. The effect has been recorded as administrative expenses.

The following tables list the inputs to the last Monte Carlo model used for the LTIPs as at 31 December 2024:

	31 December 2024	
	LTIP 2023 US$000	LTIP 2024 US$000
Dividend yield (%)	0	**0**
Expected volatility (%)	2.99	**2.99**
Risk-free interest rate (%)	4.77	**4.77**
Expected life (years)	1	**2**
Weighted average share price (pence £)	63.9	**96.51**

On 22 May 2024, beneficiaries of LTIPs were communicated of a change in the payment mechanism resulting in a modification of the LTIP from an equity settled to a cash settled transaction. This resulted in a recognition of liability based on the fair valuation of the cash settled LTIPs as at the date of modification and reversal of the share-based payment reserves. The effect at the date of the modification was an additional expense of US$419,000.

3 **Contingencies**

The non-current balance of US$6,224,000 (2023: US$3,712,000) corresponds to labour lawsuits in Minera Santa Cruz that the Group expect to resolve in a period of more than one year. Current contingencies mainly represents the balance of Ares of US$3,002,000 (2023: US$4,180,000). The main contingency in Ares is related to the OEFA.

30 Equity

(a) Share capital and share premium

Issued share capital

The issued share capital of the Company as at 31 December 2024 is as follows:

	Issued	
Class of shares	Number	Amount
Ordinary shares (1 pence per share)	514,458,432	£5,144,584

The movement in share capital of the Company from 1 January 2023 to 31 December 2024 is as follows:

	Number of ordinary shares	Share capital US$000
Shares issued as at 1 January 2023	513,875,563	9,061
Issuance of shares for bonus payment on 12 May 2023	582,869	7
Shares issued as at 31 December 2023	**514,458,432**	**9,068**
Shares issued as at 31 December 2024	**514,458,432**	**9,068**

Rights attached to ordinary shares

At general meetings of the Company, on a show of hands and on a poll, every member who is present in person or subject to the below, by proxy, has one vote for every share of which they are the holder/proxy. However, in the case of a vote on a show of hands where a proxy has been appointed by more than one member, the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution.

(b) Other reserves

Fair value reserve of financial assets at fair value through OCI

In accordance with IFRS 9, the Group made the decision to classify its investments in listed and unlisted companies as financial assets at fair value through OCI. The increase/decrease in the fair value, net of the related deferred tax liability, is taken directly to this account where it will remain until disposal, when the cumulative unrealised gains and losses are recycled through retained earnings.

Cumulative translation adjustment

The cumulative translation adjustment account is used to record exchange differences arising from the translation of the financial statements of subsidiaries with a functional currency different to the reporting currency of the Group.

Merger reserve

The merger reserve represents the difference between the value of the net assets of the Cayman Holding Companies (Ardsley, Garrison, Larchmont and Hochschild Mining (Peru)) acquired under the Share Exchange Agreement and the nominal value of the shares issued in consideration of such acquisition. In addition, a merger reserve was generated by certain share placing transactions made by the Group after the IPO. The merger reserve available for distribution is disclosed within retained earnings.

Cash flow hedges

Changes in the fair value of derivatives designated as cash flow hedges, which are held to hedge the exposure to variability in cash flows of the hedged items, are recognised in other components of equity until changes in the fair value of the hedged item are recognised in profit or loss. The Group uses cash flow hedges for hedging the exposure to variability in gold and silver prices.

Share-based payment reserve

The share-based payment reserve is used to recognise the value of equity-settled share-based payment transactions provided to employees, as a part of their remuneration. In May 2024 the award changed from an equity-settled benefit to a cash settled benefit, and the balance recorded in other reserves was transferred to provisions (refer to note 29). As at 31 December 2024 the balance is US$Nil.

31 Deferred income tax

The net deferred income tax assets/(liabilities) are as follows:

	As at 31 December	
	2024 US$000	2023 US$000
Beginning of the year	**(66,276)**	(75,832)
Income statement benefit/(expense) (note 14)	**(14,409)**	4,560
Deferred tax recognised on items in other comprehensive income[1]	**27,620**	7,414
Deferred tax recognised related to Monte do Carmo acquisition (note 4)	**2,817**	–
Reclassification of deferred tax to assets held for sale (note 25)	**(3,409)**	(2,418)
Deferred tax recognised on disposition of Crespo(note 17)	**(1,170)**	–
End of the year	**(54,827)**	(66,276)

1 The deferred tax recovery for items that will be subsequently reclassified to profit and loss is US$28,473,000 (2023: US$6,617,000).

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to the same fiscal authority.

The movement in deferred income tax assets and liabilities before offset during the year is as follows:

	PP&E US$000	Mine development US$000	Provisional pricing adjustment US$000	Others US$000	Total US$000
DEFERRED INCOME TAX LIABILITIES					
At 1 January 2023	**47,272**	**89,515**	**303**	**4,779**	**141,869**
Income statement (expense)/benefit	(108)	(8,248)	(303)	3,673	**(4,986)**
Reclassification to assets held for sale	(52)	(2,840)	–	–	**(2,892)**
At 31 December 2023	**47,112**	**78,427**	**–**	**8,452**	**133,991**
Income statement (expense)/benefit	7,895	14,797	19	(2,077)	**20,634**
At 31 December 2024	**55,007**	**93,224**	**19**	**6,375**	**154,625**

	PP&E US$000	Provision for mine closure US$000	Mine development US$000	Tax losses US$000	Others[1] US$000	Total US$000
DEFERRED INCOME TAX ASSETS						
At 1 January 2023	**14,544**	**31,514**	**721**	**4,338**	**14,920**	**66,037**
Income statement benefit/(expense)	8,045	3,260	(8,818)	3,064	(5,977)	**(426)**
Reclassification to assets held for sale	(5,310)	–	–	–	–	**(5,310)**
Deferred tax recognised on items in other comprehensive income	–	–	–	–	7,414	**7,414**
At 31 December 2023	**17,279**	**34,774**	**(8,097)**	**7,402**	**16,357**	**67,715**
Income statement benefit/(expense)	(4,261)	(8,306)	1,973	(2,933)	18,582	**5,055**
Reclassification to assets held for sale	(147)	–	(3,262)	–	–	**(3,409)**
Deferred tax recognised related to the Monte do Carmo acquisition	–	–	1,918	–	899	**2,817**
Deferred tax recognised on items in other comprehensive income	–	–	–	–	27,620	**27,620**
At 31 December 2024	**12,871**	**26,468**	**(7,468)**	**4,469**	**63,458**	**99,798**

[1] Credit/(charge) in the year mainly related to the balance of hedges of US$34,445,000 (2023 hedges of US$5,908,000), exchange difference credit on cash basis of US$13,239,000 (2023: charge of US$1,114,000, statutory holiday provision of US$875,000 (2023: US$943,000) and Long-Term Incentive Plan of US$2,065,000 (2023: US$1,909,000).

The amounts after offset, as presented on the face of the statement of financial position, are as follows:

	As at 31 December	
	2024 US$000	2023 US$000
Deferred income tax assets	**27,677**	763
Deferred income tax liabilities	**(82,504)**	(67,039)
Total	**(54,827)**	(66,276)

Unrecognised tax losses expire in the following years:

	As at 31 December	
	2024 US$000	2023 US$000
RECOGNISED		
Expire after four years	**13,145**	19,651
	13,145	19,651
UNRECOGNISED		
Expire in one year	**1,040**	97
Expire in two years	**766**	1,040
Expire in three years	**1,196**	766
Expire in four years	**43**	1,196
Expire after four years	**200,155**	191,764
	203,200	194,863
Total	**216,345**	214,514

Other unrecognised deferred income tax assets comprise (gross amounts):

	As at 31 December	
	2024 US$000	2023 US$000
Provision for mine closure[1]	**16,633**	10,990

[1] This relates to provision for mine closure expenditure which is expected to be incurred in periods in which taxable profits are not expected to be available to offset the expenditure.

Unrecognised deferred tax liability on retained earnings

At 31 December 2024 and 2023, there was no recognised deferred tax liability for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries as the intention is that these amounts are permanently reinvested.

32 Dividends

	2024 US$000	2023 US$000
DIVIDENDS PAID AND PROPOSED DURING THE YEAR		
Proposed dividends on ordinary shares:		
Final dividend for 2024: 1.94 US$ cents per share (2023: Nil US$ cents per share)	**10,000**	–
Dividends declared to non-controlling interests: 0.002 US$ per share (2023: 0.002 US$ per share)	**388**	326
Total dividends declared to non-controlling interests	**388**	326

Dividends paid in 2024 to non-controlling interests amounted to US$388,000 (2023: US$326,000).

Dividends per share

There was no final dividend paid for 2023. And there was no interim dividend paid during 2024. The proposed final dividend in respect of the year ending 31 December 2024 is 1.94 US$ cents per share (2023: US$Nil).

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33 Related-party balances and transactions

(a) Related-party accounts receivable and payable

The Group had the following related-party balances and transactions during the years ended 31 December 2024 and 2023. The related parties are companies owned or controlled by the main shareholder of the Parent company or associates.

	Accounts receivable as at 31 December		Accounts payable as at 31 December	
	2024 US$000	**2023 US$000**	2024 US$000	2023 US$000
CURRENT RELATED PARTY BALANCES				
Cementos Pacasmayo S.A.A.[1]	**73**	114	**60**	80
Tecsup[2]	**30**	–	**149**	315
REE UNO SpA[3]	**18**	–	–	2
Aclara Resources Inc. [3]	–	13	–	–
Total	**121**	127	**209**	397

1 The account receivable relates to reimbursement of expenses paid by the Group on behalf of Cementos Pacasmayo S.A.A, an entity controlled by Eduardo Hochschild. The account payable relates to the rentals payments.
2 Peruvian not-for-profit educational institutions controlled by Eduardo Hochschild.
3 Associated companies of the Aclara Group (refer to note 19).

As at 31 December 2024 and 2023, all accounts are, or were, non-interest bearing.

No security has been granted or guarantees given by the Group in respect of these related party balances.

Principal transactions between affiliates are as follows:

	Year ended 31 December	
	2024 US$000	2023 US$000
EXPENSES		
Expense recognised for the rental and services paid to Cementos Pacasmayo S.A.A.	**(505)**	(473) [1]
Expense donation to UTEC scholarships	**(371)**	(931) [1]
Expense research project with UTEC[2]	**(19)**	–
Expense donation Asociacion Amanatari[3]	**(80)**	–
Expense technical services from Tecsup	**(159)**	(365) [1]
Income from reimbursement of security costs of Cementos Pacasmayo S.A.A.	**676**	541
Income from administrative services to REE UNO SpA	**40**	42
Income from administrative services to Aclara Resources Peru	**11**	14[1]
Revenue from sale of dore to Farragut Holdings Inc.	**72**	–

1 While reflected in the Consolidated Income Statement, these items were omitted from the 2023 table of principal transactions between affiliates.
2 Peruvian non-for-profit educational institution controlled by Eduardo Hochschild..
Peruvian non-for-profit institution controlled by Eduardo Hochschild..

Transactions between the Group and these companies are at an arm's length basis.

(b) Compensation of key management personnel of the Group

	Year ended 31 December	
COMPENSATION OF KEY MANAGEMENT PERSONNEL (INCLUDING DIRECTORS)	**2024 US$000**	2023 US$000
Short-term employee benefits	**6,570**	6,259
Long-Term Incentive Plans	**1,714**	1,157
Total compensation paid to key management personnel	**8,284**	7,416

This amount includes the remuneration paid to the Directors of the Parent Company of the Group of US$3,482,000 (2023: US$3,555,000).

34 Auditor's remuneration

The auditor's remuneration for services provided to the Group during the years ended 31 December 2023 and 2022 is as follows:

	Amounts paid to Ernst & Young in the year ended 31 December	
	2024 US$000	2023 US$000
Audit fees pursuant to legislation[1]	**1,561**	1,342
Audit related assurance services	**150**	133
Other assurance services	**24**	12
Total	**1,735**	1,487

[1] The total fee includes statutory audit fee of US$560,000 in respect of local statutory audits of subsidiaries (2023: US$390,000) and additional 2023 fees amounting to US$111,000.

In 2024 and 2023, all fees are included in administrative expenses.

35 Notes to the statement of cash flows

	As at 31 December	
	2024 US$000	2023 US$000
Reconciliation of loss for the year to net cash generated from operating activities		
Profit/(loss) for the year	**113,749**	(60,033)
Adjustments to reconcile Group loss to net cash inflows from operating activities		
Depreciation (note 3(a))	**158,649**	146,137
Amortisation of intangibles (note 18)	**1,579**	802
Write-off of assets (note 16)	**3,883**	2,731
Provision of doubtful receivable	**245**	3
Impairment of assets (note 11)	**13,732**	80,843
Loss from changes in the fair value of financial assets at fair value through profit and loss (note 21)	**-**	292
Share of post-tax losses and impairment of associates (note 19)	**6,489**	9,460
Gain on sale of property, plant and equipment (note 12)	**(656)**	(142)
Provision for obsolescence of supplies (notes 12 and 23)	**864**	1,586
Increase of provision for mine closure (note 12)	**14,717**	28,365
Finance income (note 13)	**(13,097)**	(7,473)
Finance costs (note 13)	**26,928**	18,199
Income tax expense (note 14)	**63,468**	16,552
Other	**3,351**	(3,342)
Increase/(decrease) of cash flows from operations due to changes in assets and liabilities		
Trade and other receivables	**(79,788)**	(8,520)
Income tax receivable	**(2,813)**	2,624
Other financial assets and liabilities	**(2,410)**	(2,856)
Inventories	**(21,161)**	(8,091)
Trade and other payables	**70,282**	1,877
Provisions	**7,029**	(1,998)
Cash generated from operations	**365,040**	217,016

36 Commitments

(a) Mining rights purchase options

During the ordinary course of business, the Group enters into agreements to carry out exploration under concessions held by third parties. Generally, under the terms of these agreements, the Group has the option to acquire the concession or invest in the entity holding the concession. In order to exercise these options the Group must satisfy certain financial and other obligations during the term of the agreement. The options lapse in the event that the Group does not meet its financial obligations. At any point in time, the Group may cancel the agreements without penalty, except where specified below. These agreements are not under non-cancellable/irrevocable clauses. The Group has no commitments as at 31 December 2024 and 31 December 2023.

(b) Capital commitments

	As at 31 December	
	2024 US$000	2023 US$000
Peru	**26,527**	25,911
Argentina	**1,733**	1,049
Brazil	–	16,000
	28,260	42,960

37 Contingencies

As at 31 December 2024 the Group is subject to various claims which arise in the ordinary course of business. No provision has been made in the financial statements and none of these claims are currently expected to result in any material loss to the Group.

(a) Taxation

Fiscal periods remain open to review by the tax authorities for four years in Peru, five years in Argentina and Mexico, ten years in Brazil and three years in Chile, preceding the year of review. During this time the authorities have the right to raise additional tax assessments including penalties and interest. Under certain circumstances, reviews may cover longer periods.

Because a number of fiscal periods remain open to review by the tax authorities, coupled with the complexity of the Group and the transactions undertaken by it, there remains a risk that significant additional tax liabilities may arise. As at 31 December 2024, the Group had exposures totalling US$17,077,000 (2023: US$19,885,000).

When the Tax authority challenges the deductibility of certain expenses the Group reassesses the case internally and externally, with the support of a third party professional to determine the probability of success and, depending on the result, makes the decision whether or not to continue with the claim. Notwithstanding this risk, the Directors believe that management's interpretation of the relevant legislation and assessment of taxation is appropriate and that it is probable that the Group's tax and customs positions will be sustained in the event of a challenge by the tax authorities. Consequently, the Directors consider that no tax liability is required to be recognised in respect of these claims or risks.

(b) Guarantees

The Group is required to provide guarantees in Peru in respect of environmental restoration and decommissioning obligations. The Group has provided for the estimated cost of these activities (see note 29(1)).

38 Mining royalties

Peru

In accordance with Peruvian legislation, owners of mining concessions must pay a mining royalty for the exploitation of metallic and non-metallic resources. Mining royalties have been calculated with rates ranging from 1% to 3% of the value of mineral concentrate or equivalent sold, based on quoted market prices.

In October 2011, changes came into effect for mining companies, with the following features:

(a) Introduction of a Special Mining Tax (SMT), levied on mining companies at the stage of exploiting mineral resources.

(b) Modification of the mining royalty calculation, which consists of applying a progressive scale of rates ranging from 1% to 12%, of the quarterly operating profit. The former royalty was calculated on the basis of monthly sales value of mineral concentrates. The SMT and modified mining royalty are accounted for as an income tax in accordance with IAS 12 Income Taxes.

As at 31 December 2024, the amount payable as under the new mining royalty and the SMT amounted to US$1,717,000 (2023: US$1,298,000) and US$1,742,000 (2023: US$1,181,000) respectively. The new mining royalty and SMT are reported as "Income tax payable" in the Statement of Financial Position. The amount recorded in the income statement was US$7,108,000 (2023: US$4,520,000) of new mining royalty and US$7,051,000 (2023: US$2,307,000) of SMT, both classified as income tax.

Argentina

In accordance with Argentinian legislation, Provinces (being the legal owners of the mineral resources) are entitled to collect royalties from mine operators. For San Jose, the mining royalty applicable to dore and concentrate is 3% of the pit-head value. As at 31 December 2024, the amount payable as mining royalties amounted to US$970,000 (2023: US$788,000). The amount recorded in the income statement as cost of sales was US$7,331,000 (2023: US$6,267,000).

Brazil

Under Brazilian law, the Government has the right to collect royalties from mine operators. For Mara Rosa, the mining royalty applicable to the dore is 1.5% on the sales made. As of 31 December 2024, the amount payable as mining royalties is US$500,000 (2023: US$Nil). The amount recorded in the income statement as cost of sales was US$2,363,000 (2023: US$Nil).

39 Financial risk management

The Group is exposed to a variety of risks and uncertainties which may have a financial impact on the Group and which also impact the achievement of social, economic and environmental objectives. These risks include strategic, commercial, operational and financial risks and are further categorised into risk areas to facilitate consolidated risk reporting across the Group.

The Group has made significant developments in the management of the Group's risk environment which seeks to identify and, where appropriate, implement the controls to mitigate the impact of the Group's significant risks. This effort is supported by a Risk Committee with the participation of the CEO, the Vice Presidents, and the head of the internal audit function. The Risk Committee is responsible for implementing the Group's policy on risk management and internal control in support of the Company's business objectives, and monitoring the effectiveness of risk management within the organisation.

(a) Commodity price risk

Silver and gold prices have a material impact on the Group's results of operations. Prices are significantly affected by changes in global economic conditions and related industry cycles. Generally, producers of silver and gold are unable to influence prices directly; therefore, the Group's profitability is ensured through the control of its cost base and the efficiency of its operations.

Management continuously monitors silver and gold prices and reserves the right to take the necessary action, where appropriate and within Board approved parameters, to mitigate the impact of this risk.

Derivative financial assets – Silver and gold forwards and zero cost collars

On 10 November 2021, the Group signed agreements to hedge the sale of 3,300,000 ounces of silver at US$25.0 per ounce for 2023.

On 12 April 2023, the Group signed agreements to hedge the sale of 27,600 ounces of gold at US$2,100 per ounce for 2024.

On 20 April 2023, the Group signed agreements to hedge the sale of 29,250 ounces of gold at US$2,047 per ounce for 2023.

On 19 June 2023, the Group signed agreements to hedge the sale of 150,000 ounces of gold (50,000 ounces per year) at US$2,117.05, US$2,166.65 and US$2,205.50 per ounce in 2025, 2026 and 2027 respectively.

On 14 December 2023, the Group signed a gold collar agreement of 99,999.96 ounces of gold at strike put of US$2,000 and strike call of US$2,252 per ounce for 2024.

On 14 February 2024, the Group signed a gold collar agreement of 60,000 ounces of gold at strike put of US$2,000 and strike call of US$2,485 per ounce for 2025.

The forwards and zero cost collars are being used to hedge exposure to changes in cash flows from gold and silver commodity prices. There is an economic relationship between the hedged item and the hedging instruments due to a common underlying. In accordance with IFRS 9, the derivative instruments are categorised as cash flow hedges at the inception of the hedging relationship and, on an ongoing basis, the Group assesses whether a hedging relationship meets the hedge effectiveness requirements. The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the silver and gold forwards and zero cost collars is identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the gold and silver forwards against the changes in fair value of the hedged item attributable to the hedged risk. That said, it is observed that the effectiveness tests comply with the requirements of IFRS 9 and that the hedging strategy is highly effective.

The fair values of the gold and silver forwards and zero cost collars were calculated using a discounted cash flow model applying a combination of level 1 (USD quoted market commodity prices) and level 2 inputs. The models used to value the commodity forward contracts are standard models that calculate the present value of the fixed-legs (the fixed gold and silver leg) and compare them with the present value of the expected cash flows of the flowing legs (the London metal exchange "LME" gold and silver fixing). In the case of the commodity forward contracts, the models use the LME AU and AG forward curve and the US LIBOR swap curve for discounting.

This approach results in the fair value measurement categorised in its entirety as level 2 in the fair value hierarchy. The fair values of the silver and gold forwards as at 31 December 2024 and 31 December 2023 are as follows:

	As at 31 December 2024	As at 31 December 2023
	US$000	
Current assets	**-**	**846**
Current liabilities	**(40,276)**	**(1,190)**
Non-current liabilities	**(61,343)**	**(16,581)**
	(101,619)	**(16,925)**

The effect recorded is as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
	US$000	
Income statement – revenue (loss)/income	**(27,903)**	7,846
Income statement – finance income	**866**	593
Equity – Unrealised loss on hedges	**85,560**	19,704

The sensitivity of the fair value of the current hedges outstanding at 31 December 2024 to a reasonable movement in gold prices, with all other variables held constant, determined as a +/-10% change in gold prices -US$50,554,000/US$46,192,000 effect on OCI.

The Group has price adjustments arising from the sale of concentrate and dore which were provisionally priced at the time the sale was recorded (refer to note 5). The Group's exposure to reasonably possible changes in gold and silver prices (assuming all other variables remain constant) are not material to the fair value of trade receivables.

The sensitivity of the fair value to an immediate 10% favourable or adverse change in the price of gold and silver (assuming all other variables remain constant), is as follows:

	Increase/ decrease in price of ounces of:	Effect on profit before tax US$000
2024	**Gold +/-10%** **Silver+/-10%**	**+/-530** **+/-302**
2023	Gold +/-10% Silver+/-10%	+/-127 +/-45

(b) Foreign currency risk

The Group produces silver and gold which are typically priced in US$ dollars. A proportion of the Group's costs are incurred in Peruvian nuevos soles, Argentinian pesos, Brazilian reais, sterling pounds, Canadian dollars, Chilean pesos, and Mexican pesos. Accordingly, the Group's financial results may be affected by exchange rate fluctuations between the US dollar and the local currency. The long-term relationship between commodity prices and currencies in the countries in which the Group operates provides a certain degree of natural protection. The Group does not use derivative instruments to manage its foreign currency risks.

The following table demonstrates the sensitivity of financial assets and liabilities, at the reporting date, denominated in their respective currencies, to a reasonably possible change in the US$ dollar exchange rate, with all other variables held constant, of the Group's profit before tax and the Group's equity.

Year	Increase/ decrease in US$/other currencies' rate	Effect on profit before tax US$000	Effect on OCI US$000
2024			
Argentinian pesos	**+/-10%**	**-/+7,140**	**–**
Mexican pesos	**+/-10%**	**+/-47**	**–**
Peruvian nuevos soles	**+/-10%**	**-/+26,497**	**–**
Reais	**+/-10%**	**-/+10,035**	**–**
Pounds sterling	**+/-10%**	**-/+94**	**–**
Canadian dollars	**+/-10%**	**-/+518**	**+/-26**
Chilean pesos	**+/-10%**	**+/-862**	**–**
2023			
Argentinian pesos	+/-10%	-/+2,206	–
Mexican pesos	+/-10%	+/-1,843	–
Peruvian nuevos soles	+/-10%	-/+19,384	–
Reais	+/-10%	-/+21,718	–
Pounds sterling	+/-10%	-/+93	–
Canadian dollars	+/-10%	-/+450	+/-16
Chilean pesos	+/-10%	+/-70	–

(c) Credit risk

Credit risk arises from debtors' inability to make payment of their obligations to the Group as they become due (without taking into account the fair value of any guarantee or pledged assets). The Group is primarily exposed to credit risk as a result of commercial activities and noncompliance, by counterparties, in transactions in cash which are primarily limited to cash balances deposited in banks and accounts receivable at the statement of financial position date.

Counterparty credit exposure based on commercial activities, including trade and other receivables, embedded derivatives, hedge instruments and cash balances in banks as at 31 December 2024 and 31 December 2023:

Summary commercial partners	As at 31 December 2024 US$000	% collected as at 11 March 2025 US$000	As at 31 December 2023 US$000	% collected as at 11 March 2024 US$000
Trade receivables	**37,238**	**66%**	29,421	72%

Other receivables include advances to suppliers and receivables from contractors for the sale of supplies. There is limited credit risk on these amounts as the Group can withhold the balances that it owes the suppliers or contractors for their services.

Cash and cash equivalents – Credit/rating[1]	**As at 31 December 2024 US$000**	As at 31 December 2023 US$000
A+	**-**	40,759
A	**343**	–
A-	**19,177**	12,955
A2	**-**	27,205
BBB+	**71,810**	–
BBB-	**-**	5,172
Not available	**5,643**	3,035
Total	**96,973**	89,126

[1] Represents the long-term credit rating as at 3 January 2025 (2023: 3 January 2024).

As at 31 December 2024, the credit rating of the counterparties of the gold forward hedges is A- and BBB+ (31 December 2023 is A- and A+).

To manage the credit risk associated with commercial activities, the Group took the following steps:

Active use of prepayment/advance clauses in sales contracts
Delaying delivery of title and/or requiring advance payments to reduce exposure timeframe (potential delay in sales recognition)
Maintaining as diversified a portfolio of clients as possible
To manage credit risk associated with cash balances deposited in banks, the Group took the following steps:

Increasing banking relationships with large, established and well-capitalised institutions in order to secure access to credit and to diversify credit risk
Limiting exposure to financial counterparties according to Board approved limits
Investing cash in short-term, highly liquid and low risk instruments (term deposits mainly)
Increase the utilisation of UK bank accounts
Receivable balances are monitored on an ongoing basis and the result of the Group's exposure to bad debts is recognised in the consolidated income statement. The maximum exposure is the carrying amount as disclosed in notes 22, 24 and 39(e).

The Group's risk assessment procedures includes customer analysis and reviewing financial counterparties. For further details refer to the Commentary section of the Commercial Counterparty risk in the Risk management and Viability Statement.

(d) Equity risk on financial instruments

The Group acquires financial instruments in connection with strategic alliances with third parties. The Group constantly monitors the fair value of these instruments in order to decide whether or not it is convenient to dispose of these investments. The disposal decision is also based on management's intention to continue with the strategic alliance, the tax implications and changes in the share price of the investee.

The Group is not sensitive to reasonable movements in the share price of financial assets at fair value through OCI.

(e) Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December 2024 and 2023, the Group held the following financial instruments measured at fair value:

	31 December 2024 US$000	Level 1 US$000	Level 2 US$000	Level 3 US$000
ASSETS AND LIABILITIES MEASURED AT FAIR VALUE				
Equity shares (note 20)	**475**	475		
Trade receivables (note 22)	**37,238**			37,238
Mutual funds	**5**	5		
Bonds in Minera Santa Cruz S.A.	**2,474**	2,474		
Stream Agreements (note 26(a))	**25,926**			25,926
Derivative financial liabilities	**(101,619)**		(101,619)	

	31 December 2023 US$000	Level 1 US$000	Level 2 US$000	Level 3 US$000
ASSETS AND LIABILITIES MEASURED AT FAIR VALUE				
Equity shares (note 20)	**460**	460		
Trade receivables (note 22)	**29,421**			29,421
Derivative financial assets	**846**		846	
Mutual funds	**10,849**	10,849		
Other financial assets	**2,264**	2,264		
Derivative financial liabilities	**(17,771)**		(17,771)	

During the period ending 31 December 2024 and 2023, there were no transfers between these levels.

The reconciliation of the trade receivables categorised as level 3 is as follows:

	Trade receivables/ price adjustments US$000
Balance at 1 January 2022	**42,364**
Net change in trade receivables from goods sold	(8,644)
Changes in fair value of price adjustments (note 5)	1,174
Realised price adjustments during the year	(5,473)
Balance at 31 December 2023	**29,421**
Net change in trade receivables from goods sold	11,892
Changes in fair value of price adjustments (note 5)	8,209
Realised price adjustments during the year	(12,284)
Balance at 31 December 2024	**37,238**

The impact of the hedging instrument and hedge item on the statement of financial position is as follows:

	ounces	Average price US$/ounce	Line item in the statement of financial position	Carrying amount of hedging instrument US$000	Change in fair value of hedging instrument used for measuring ineffectiveness for the period US$000	Change in fair value of hedged item used for measuring ineffectiveness for the period US$000
2024						
Gold forward and zero cost collar contracts	**210,000**	**From 2,000 to 2,485**	**Derivative financial liabilities**	**(101,619)**	**(68,633)**	**(68,633)**
2023						
Gold forward and zero cost collar contracts	277,599.96	From 2,100 to 2,252	Derivative financial assets and liabilities	(16,925)	(11,546)	(11,546)

The hedging gain recognised in OCI before tax on gold forward hedges and gold zero cost collars is equal to the change in fair value of the hedged item attributable to the hedged risk used for measuring effectiveness. There is no ineffectiveness recognised in profit or loss.

Impact of hedging on equity

Set out below is the reconciliation of each component of equity and the analysis of other comprehensive income:

	Gold hedges US$000	Silver hedges US$000	Total US$000
Balance at 1 January 2023	**–**	**1,541**	**1,541**
Reclassification adjustments for items included in the income statement on realisation:			
Transfer to sales (revenue)	(2,522)	(5,324)	(7,846)
Revaluation arising on the year	(14,996)	3,138	(11,858)
Movement in deferred tax	5,972	645	6,617
Balance at 31 December 2023	**(11,546)**	**–**	**(11,546)**
Reclassification adjustments for items included in the income statement on realisation:			
Transfer to sales (revenue)	27,903	–	27,903
Revaluation arising on the year	(113,463)	–	(113,463)
Movement in deferred tax	28,473	–	28,473
Balance at 31 December 2024	**(68,633)**	**–**	**(68,633)**

(f) Liquidity risk

Liquidity risk arises from the Group's inability to obtain the funds it requires to comply with its commitments, including the inability to sell a financial asset quickly enough and at a price close to its fair value. Management constantly monitors the Group's level of short- and medium-term liquidity, and their access to credit lines, in order to ensure appropriate financing is available for its operations.

The table below categorises the undiscounted cash flows of Group's financial liabilities into relevant maturity groupings based on the remaining period as at the statement of financial position to the contractual maturity date. Interest cash flows have been calculated using the spot rate at year-end.

	Less than 1 year US$000	Between 1 and 2 years US$000	Between 2 and 5 years US$000	Over 5 years US$000	Total US$000
At 31 December 2024					
Trade and other payables	**189,608**	**17,043**	**5,000**	–	**211,651**
Derivative financial liabilities	**40,276**	**29,155**	**32,188**	–	**101,619**
Borrowings	**163,558**	**75,865**	**103,307**	–	**342,730**
Total	**393,442**	**122,063**	**140,495**	–	**656,000**
At 31 December 2023					
Trade and other payables	118,702	1,656	–	–	120,358
Derivative financial liabilities	1,190	16,581	–	–	17,771
Borrowings	130,946	138,875	126,303	–	396,124
Total	250,838	157,112	126,303	–	534,253

(g) Interest rate risk

The Group has financial assets and liabilities which are exposed to interest rate risk. Changes in interest rates primarily impact loans and borrowings by changing either their fair value (fixed rate debt) or their future cash flows (variable rate debt). The Group does not have a formal policy of determining how much of its exposure should be at fixed or at variable rates. However, at the time of taking new loans or borrowings, management applies its judgement to decide whether it believes that a fixed or variable rate borrowing would be more favourable to the Group over the expected period until maturity.

	As at 31 December 2024				
	Less than 1 year US$000	Between 1 and 2 years US$000	Between 2 and 5 years US$000	Over 5 years US$000	Total US$000
FIXED RATE					
Assets	**2,122**	–	–	–	**2,122**
Liabilities	**(81,486)**	–	–	–	**(81,486)**
FLOATING RATE					
Liabilities	**(66,667)**	**(66,667)**	**(96,666)**	–	**(230,000)**

	As at 31 December 2023				
	Less than 1 year US$000	Between 1 and 2 years US$000	Between 2 and 5 years US$000	Over 5 years US$000	Total US$000
FIXED RATE					
Assets	37,184	–	–	–	37,184
Liabilities	(5,870)	–	–	–	(5,870)
FLOATING RATE					
Liabilities	(106,087)	(120,001)	(114,998)	–	(341,086)

Interest on financial instruments classified as floating rate is re-priced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument. The other financial instruments of the Group that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

The sensitivity to a reasonable movement in the interest rate, with all other variables held constant, of the financial instruments with a floating rate, determined as a +/-20bps change in interest rates has a -/+US$570,000 effect on profit before tax (2023: -/+US$658,000). The Group is exposed to fluctuations in market interest rates.

This assumes that the amount remains unchanged from that in place at 31 December 2024 and 2023 and that the change in interest rates is effective from the beginning of the year. In reality, the floating rate will fluctuate over the year and interest rates will change accordingly.

(h) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. Management considers as part of its capital, the financial sources of funding from shareholders and third parties (notes 28 and 30).

In 2024 the Group received proceeds from borrowings of US$311,607,000 (2023: US$137,413,000) whilst US$340,991,000 (2023: US$111,980,000) was repaid. In 2024 the Group closed a US$300,000,000 medium-term committed debt facility with Scotiabank and BBVA and used US$30,000,000 in 2024.

Management also retains the right to fund operations (fully owned and with joint venture partners) with a mix of equity and joint venture partners' debt.

40 Subsequent events

(a) Aclara

On 23 December 2024, Aclara announced a US$25,000,000 private placement of common shares at C$0.7 (US$0.5) per share with new and existing strategic investors: New Hartsdale Capital Inc., CAP S.A. and the Group. The subscription price represents a 41% premium over the closing price of the Common Shares on the Toronto Stock Exchange ("TSX") on the last trading day prior to the date of the announcement of the Private Placement. The $25,000,000 private placement was completed on 20 February 2025, with $5,000,000 invested by the Group.

(b) Disposal of Arcata and Azuca

On 27 February 2025, the Group closed the sale of Arcata and Azuca for US$1,000,000 as a non-refundable cash payment at closing, and a 1.0% and 1.5% NSR for Arcata and Azuca, respectively. The buyer also took over the environmental liabilities amounting to US$9,652,000 (Refer to note 25).

PROFIT BY OPERATION[1]

(Segment report reconciliation) as at 31 December 2024

Group (US$000)	Inmaculada	San Jose	Mara Rosa	Pallancata	Consolidation adjustment and others	Total/HOC
Revenue	**504,342**	**293,335**	**149,822**	**(255)**	**452**	**947,696**
Cost of sales (pre consolidation)	(272,587)	(223,394)	(107,978)	–	(1,304)	(605,263)
Consolidation adjustment	1,567	(135)	(2,652)	–	1,220	
Cost of sales (post consolidation)	**(271,020)**	**(223,529)**	**(110,630)**	–	**(84)**	**(605,263)**
Production cost excluding depreciation	(171,372)	(176,365)	(106,185)	–	(84)	(454,006)
Depreciation in production cost	(92,122)	(47,624)	(17,419)	–	–	(157,165)
Workers profit sharing	(3,145)	–	–	–	–	(3,145)
Other items	–	(1,071)	–	–	–	(1,071)
Change in inventories	(4,381)	1,531	12,974	–	–	10,124
Gross profit	**231,755**	**69,941**	**41,844**	**(255)**	**(852)**	**342,433**
Administrative expenses	–	–	–	–	(50,232)	(50,232)
Exploration expenses	–	–	–	–	(26,854)	(26,854)
Selling expenses	(614)	(15,847)	(1,014)	(14)	–	(17,489)
Other income/(expenses)	–	–		–	(22,290)	(22,290)
Operating profit before impairment	**231,141**	**54,094**	**40,830**	**(269)**	**(100,228)**	**225,568**
Impairment and write-off of non-current assets, net	–	–	–	–	(17,615)	(17,615)
Share of post-tax losses from associate	–	–	–	–	(6,489)	(6,489)
Finance income	–	–	–	–	13,097	13,097
Finance costs	–	–	–	–	(26,928)	(26,928)
Foreign exchange loss	–	–	–	–	(10,416)	(10,416)
Profit/(loss) from operations before income tax	**231,141**	**54,094**	**40,830**	**(269)**	**(148,579)**	**177,217**
Income tax expense	–	–		–	(63,468)	(63,468)
Profit/(loss) for the year from operations	**231,141**	**54,094**	**40,830**	**(269)**	**(212,047)**	**113,749**

[1] On a post-exceptional basis.

RESERVES AND RESOURCES

Ore reserves and mineral resources estimates

Hochschild Mining PLC reports its mineral resources and reserves estimates in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 edition ("the JORC Code"). This establishes minimum standards, recommendations and guidelines for the public reporting of exploration results and mineral resources and reserves estimates. In doing so it emphasises the importance of principles of transparency, materiality and confidence. The information on ore reserves and mineral resources on 86 to 88 were prepared by or under the supervision of Competent Persons (as defined in the JORC Code). Competent Persons are required to have sufficient relevant experience and understanding of the style of mineralisation, types of deposits and mining methods in the area of activity for which they are qualified as a Competent Person under the JORC Code. The Competent Person must sign off their respective estimates of the original mineral resource and ore reserve statements for the various operations and consent to the inclusion of that information in this report, as well as the form and context in which it appears.

Hochschild Mining PLC employs a Competent Person who has audited reserves and mineral resource estimates as at 31 December 2024 for the operating mines as shown in this report. These audits are conducted by Competent Persons provided by independent consultants, P&E Consulting. The frequency and depth of an audit depends on the risks and/or uncertainties associated with that particular ore reserve and mineral resource, the overall value thereof and the time that has lapsed since the previous independent third-party audit.

The JORC Code requires the use of reasonable economic assumptions. These include long-term commodity price forecasts (which, in the Group's case, are prepared by ex-house specialists largely using estimates of future supply and demand and long-term economic outlooks).

Ore reserve estimates are dynamic and are influenced by changing economic conditions, technical issues, environmental regulations and any other relevant new information and therefore these can vary from year-to-year. Mineral resource estimates can also change and tend to be influenced mostly by new information pertaining to the understanding of the deposit and secondly the conversion to ore reserves.

The estimates of ore reserves and mineral resources are shown as at 31 December 2024. Mineral resources that are reported include those mineral resources that have been modified to produce ore reserves. All tonnage and grade information has been rounded to reflect the relative uncertainty in the estimates; there may therefore be small differences. The prices used for the reserves calculation were: Au Price: US$1,750 per ounce and Ag Price: US$23.0 per ounce. The prices used for resources calculation were: Au: $2,100/oz and Ag: $26.0/oz and Ag/Au ratio of 75x.

ATTRIBUTABLE METAL RESERVES AS AT 31 DECEMBER 2024

Reserve category	Proved and probable (t)	Ag (g/t)	Au (g/t)	Ag (moz)	Au (koz)	Ag Eq (moz)	Au Eq (koz)
OPERATIONS[1]							
Inmaculada							
Proved	1,894,349	120	3.03	7.3	184.6	21.1	282
Probable	2,629,697	92	2.38	7.8	201.5	22.9	305
Total	**4,524,046**	**104**	**2.65**	**15.1**	**386.1**	**44.0**	**587**
San Jose							
Proved	356,784	295	4.72	3.4	54.1	7.4	99
Probable	224,115	272	5.50	2.0	39.7	4.9	66
Total	**580,899**	**286**	**5.02**	**5.3**	**93.8**	**12.4**	**165**
Mara Rosa							
Proved	5,139,599	–	1.22	–	201.8	15.1	202
Probable	18,169,492	–	1.13	–	662.7	49.7	663
Total	**23,309,091**	**–**	**1.15**	**–**	**864.5**	**64.8**	**865**
GROWTH PROJECTS							
Monte Do Carmo							
Proved	2,015,000	0	1.68	0.0	109.0	8.2	109
Probable	14,780,000	0	1.66	0.0	787.0	59.0	787
Total	**16,795,000**	**0**	**1.66**	**0.0**	**896.0**	**67.2**	**896**
GRAND TOTAL							
Proved	9,405,732	35	1.82	10.7	549.5	51.9	692
Probable	35,803,304	8	1.47	9.7	1,690.9	136.6	1,821
TOTAL	**45,209,036**	**14**	**1.54**	**20.4**	**2,240.4**	**188.4**	**2,513**

Note: Where reserves are attributable to a joint venture partner, reserve figures reflect the Company's ownership only. Includes discounts for ore loss and dilution.

[1] Operations only were audited by P&E Consulting as at 31 December 2024.

ATTRIBUTABLE METAL RESOURCES AS AT 31 DECEMBER 2024[1]

Resource category	Tonnes (t)	Ag (g/t)	Au (g/t)	Ag Eq (g/t)	Ag (moz)	Au (koz)	Ag Eq (moz)	Au Eq (koz)
OPERATIONS[2]								
Inmaculada								
Measured	3,367,000	141	3.45	400	15.3	373.4	43.3	578
Indicated	5,883,000	107	2.76	314	20.2	522.5	59.4	792
Total	**9,250,000**	**119**	**3.01**	**345**	**35.5**	**895.9**	**102.7**	**1,369**
Inferred	14,882,000	104	2.82	315	49.9	1,347.4	150.9	2,012
Pallancata								
Measured	1,353,000	285	1.30	383	12.4	56.6	16.7	222
Indicated	1,253,000	362	1.64	485	14.6	65.9	19.5	260
Total	**2,606,000**	**322**	**1.46**	**432**	**27.0**	**122.5**	**36.2**	**482**
Inferred	7,911,000	453	1.87	593	115.2	474.7	150.8	2,011
San Jose								
Measured	954,210	412	6.66	911	12.6	204.2	28.0	373
Indicated	706,860	269	5.53	684	6.1	125.7	15.5	207
Total	**1,661,070**	**351**	**6.18**	**815**	**18.8**	**329.9**	**43.5**	**580**
Inferred	1,164,840	252	4.59	596	9.5	171.8	22.3	298
Mara Rosa								
Measured	5,713,000	–	1.15	86	–	211.2	15.8	211
Indicated	24,721,000	–	1.03	77	–	820.5	61.5	821
Total	**30,434,000**	**–**	**1.05**	**79**	**–**	**1,031.8**	**77.4**	**1,032**
Inferred	5,636,000	–	1.35	101	–	243.9	18.3	244
GROWTH PROJECTS								
Monte Do Carmo								
Measured	2,056,000	-	1.73	130	-	115.0	8.6	115
Indicated	16,302,000	-	1.71	128	-	897.0	67.3	897
Total	**18,358,000**	**-**	**1.72**	**129**	**-**	**1,012.0**	**75.9**	**1,012**
Inferred	1,053,000	-	1.95	146	-	66.0	5.0	66
Azuca								
Measured	191,000	244	0.77	302	1.5	4.7	1.9	25
Indicated	6,859,000	187	0.77	244	41.2	168.8	53.8	718
Total	**7,050,000**	**188**	**0.77**	**246**	**42.7**	**173.5**	**55.7**	**743**
Inferred	6,946,000	170	0.89	237	37.9	199.5	52.9	705
Volcan								
Measured	123,979,000	–	0.700	53	–	2,792.0	209.4	2,792
Indicated	339,274,000	–	0.643	48	–	7,013.0	526.0	7,013
Total	**463,253,000**	**–**	**0.658**	**49**	**–**	**9,804.0**	**735.3**	**9,804**
Inferred	75,018,000	–	0.516	39	–	1,246.0	93.5	1,246
Arcata								
Measured	834,000	438	1.35	539	11.7	36.1	14.4	193
Indicated	1,304,000	411	1.36	512	17.2	56.9	21.5	286
Total	**2,138,000**	**421**	**1.35**	**523**	**29.0**	**93.0**	**35.9**	**479**
Inferred	3,533,000	371	1.26	465	42.1	142.6	52.8	704
GRAND TOTAL								
Measured	138,447,210	12	0.85	76	53.6	3,793.2	338.1	4,508
Indicated	396,302,860	8	0.76	65	99.3	9,670.2	824.6	10,994
Total	**534,750,070**	**9**	**0.78**	**68**	**152.9**	**13,462.4**	**1,162.6**	**15,501**
Inferred	116,143,840	68	1.04	146	254.5	3,891.8	546.4	7,286

1 Tables represents 100% of the Mineral Resources. Resources are inclusive of Reserves.

2 Operations only were audited by P&E Consulting.

CHANGE IN ATTRIBUTABLE RESERVES AND RESOURCES

Ag equivalent content (million ounces)	Category	Percentage attributable December 2024	December 2023 Att.[1]	December 2024 Att.[1]	Net difference	% change
Inmaculada	Resource	100%	190.6	**253.6**	63.0	33.1%
	Reserve		57.6	**44.0**	(13.5)	(23.5%)
Pallancata	Resource	100%	88.7	**187.0**	98.3	110.8%
	Reserve		-	**-**	-	-
San Jose	Resource	51%	60.3	**65.8**	5.6	9.2%
	Reserve		12.1	**12.4**	0.3	2.6%
Mara Rosa	Resource	100%	86.4	**95.7**	9.3	10.8%
	Reserve		67.6	**64.8**	(2.8)	(4.2%)
Monte Do Carmo	Resource	100%	-	**80.9**	80.9	-
	Reserve		-	**67.2**	67.2	-
Azuca	Resource	100%	108.6	**108.6**	–	–
	Reserve		–	**–**	–	–
Volcan	Resource	100%	828.8	**828.8**	–	–
	Reserve		–	**–**	–	–
Arcata	Resource	100%	88.7	**88.7**	–	–
	Reserve		–	**–**	–	–
Total	**Resource**		**1,452.0**	**1,709.0**	**257.0**	**17.7%**
	Reserve		**137.3**	**188.4**	**51.2**	**37.3%**

1 Attributable reserves and resources based on the Group's percentage ownership of its joint venture projects.

SHAREHOLDER INFORMATION

Company website

Hochschild Mining PLC Interim and Annual Reports and results announcements are available via the internet on our website at www.hochschildmining.com. Shareholders can also access the latest information about the Company and press announcements as they are released, together with details of future events and how to obtain further information.

Registrars

The Registrars, MUFG Corporate Markets (the new name for Link Group), can be contacted as follows for information about the AGM, shareholdings, dividends and to report changes in personal details:

By post

MUFG Corporate Markets,
Central Square,
29 Wellington Street,
Leeds LS1 4DL.

By email

Email: shareholderenquiries@cm.mpms.mufg.com

By telephone

Telephone: (+44 (0)) 371 664 0300

(Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9am – 5:30pm, Monday to Friday excluding public holidays in England and Wales).

Currency option and dividend mandate

Shareholders wishing to receive their dividend in US dollars should contact the Company's registrars to request a currency election form. This form should be completed and returned to the registrars by 23 May 2025 in respect of the 2024 final dividend. The Company's registrars can also arrange for the dividend to be paid directly into a shareholder's UK bank account. This arrangement is only available in respect of dividends paid in UK pounds sterling. To take advantage of this facility in respect of the 2024 final dividend, a dividend mandate form, also available from the Company's registrars, should be completed and returned to the registrars by 23 May 2025. Alternatively, you can register your bank details via Investor Centre, a secure online site where you can manage your shareholding quickly and easily. To register for Investor Centre just visit uk.investorcentre.mpms.mufg.com or use the Investor Centre app. All you need is your investor code, which can be found on your share certificate or a previous dividend confirmation voucher. Shareholders who have already completed one or both of these forms need take no further action.

Dividend information

Issuer/Company Name	Hochschild Mining PLC
Security/Securities	Ordinary Shares of 1p each
ISIN(s)	GB00B1FW5029
TIDM(s)	HOC
Ex-Date	8 May 2025
Record Date	9 May 2025
Pay Date	18 June 2025
Dividend Type	Final
Dividend Amount and Currency	US$0.0194 per share
Currency of Dividend payment	GBP
Is there a Dividend option?	Yes
Type of Election	Currency Election to receive dividend in USD
Last day for receipt of Elections	23 May 2025

21 Gloucester Place
London
W1U 8HR
United Kingdom

FORWARD LOOKING STATEMENTS

The Annual Report contains certain forward looking statements, including such statements within the meaning of Section 27A of the US Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In particular, such forward looking statements may relate to matters such as the business, strategy, investments, production, major projects and their contribution to expected production and other plans of Hochschild Mining PLC and its current goals, assumptions and expectations relating to its future financial condition, performance and results.

Forward looking statements include, without limitation, statements typically containing words such as "intends", "expects", "anticipates", "targets", "plans", "estimates" and words of similar import. By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results, performance or achievements of Hochschild Mining PLC may be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Factors that could cause or contribute to differences between the actual results, performance or achievements of Hochschild Mining PLC and current expectations include, but are not limited to, legislative, fiscal and regulatory developments, competitive conditions, technological developments, exchange rate fluctuations and general economic conditions. Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

The forward looking statements reflect knowledge and information available at the date of preparation of this Annual Report. Except as required by the Listing Rules and applicable law, Hochschild Mining PLC does not undertake any obligation to update or change any forward looking statements to reflect events occurring after the date of this Annual Report. Nothing in this Annual Report should be construed as a profit forecast.

Non-IFRS Financial Performance Measures

The Company has included certain non-IFRS measures in this news release. The Company believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company. The non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardised meaning prescribed under IFRS, and therefore may not be comparable to other issuers.