

Volcan Compañía Minera S.A.A. and Subsidiaries

Consolidated interim financial information (unaudited) as of March 31,
2026 and December 31, 2025

Volcan Compañía Minera S.A.A. and Subsidiaries

Consolidated Statement of Financial Position

As of March 31, 2026 (unaudited) and as of December 31, 2025 (audited)

	Notes	03/31/2026 US\$000	12/31/2025 US\$000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	294,460	334,671
Trade accounts receivable (net)	6	38,070	25,738
Other accounts receivable (net)	7	75,428	74,020
Income tax		9,806	8,677
Inventories (net)	8	51,158	47,451
Total current assets		468,922	490,557
NON-CURRENT ASSETS			
Other accounts receivable	7	42,958	46,237
Financial investments	9	145,958	106,902
Investment properties (net)	10	4,945	4,956
Property, plant and equipment (net)	11	762,084	729,135
Right-of-use assets (net)	12	12,995	12,726
Mining concessions, explorations and development costs and other assets (net)	13	823,145	809,731
Total non-current assets		1,792,085	1,709,687
TOTAL ASSETS		2,261,007	2,200,244
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Bank overdrafts		300	-
Financial obligations	14	34,976	88,561
Lease liabilities	15	7,963	8,854
Trade accounts payable	16	225,603	244,376
Derivative financial instruments	17	127,664	136,066
Other accounts payable	18	64,761	75,990
Taxes payable	19	32,800	27,447
Deferred income		21	21
Total current liabilities		494,088	581,315
NON-CURRENT LIABILITIES:			
Financial obligations	14	782,685	784,051
Lease liabilities	15	1,920	1,036
Other accounts payable	18	2,195	-
Provisions	20	232,505	225,322
Deferred income tax	21	107,113	77,493
Deferred income		551	556
Total non-current liabilities		1,126,969	1,088,458
Total liabilities		1,621,057	1,669,773
EQUITY:			
Issued capital stock	22	774,294	774,294
Higher value in the acquisition of treasury shares		(162,285)	(162,285)
Treasury shares		(41,511)	(41,511)
Legal reserve		23,528	12,009
Unrealized results		(37,611)	(75,242)
Retained earnings		83,535	23,206
Total equity		639,950	530,471
TOTAL LIABILITIES AND EQUITY		2,261,007	2,200,244

The accompanying notes are an integral part of this statement.

Volcan Compañía Minera S.A.A. and Subsidiaries

Consolidated Income Statement (unaudited)

For the period from January 1 to March 31, 2026 and 2025

	Notes	For the cumulative period from January 1 to March 31	
		2026 US\$000	2025 US\$000
Net sales	23	361,260	277,800
Cost of sales	24	<u>(194,105)</u>	<u>(176,891)</u>
Gross profit		167,155	100,909
Administrative expenses		(20,931)	(16,808)
Selling expenses		(6,605)	(7,802)
Other income		15,629	5,798
Other expenses		<u>(19,975)</u>	<u>(12,427)</u>
Operating profit		135,273	69,670
Financial income	25	2,275	841
Financial expenses	25	(23,459)	(22,474)
Exchange difference (net)		<u>(881)</u>	<u>516</u>
Profit before income tax		113,208	48,553
Income tax	21	<u>(41,360)</u>	<u>(14,040)</u>
Net profit		<u>71,848</u>	<u>34,513</u>
Weighted average of the number of outstanding shares (in thousands)		<u>3,857,594</u>	<u>3,857,594</u>
Basic and diluted earnings per share		<u>0.019</u>	<u>0.009</u>

The accompanying notes are an integral part of this statement.

Volcan Compañía Minera S.A.A. and Subsidiaries

Consolidated Statement of Comprehensive Income

For the period from January 1 to March 31, 2026 and 2025

	For the cumulative period from January 1 to March 31	
	2026	2025
	US\$000	US\$000
Net profit	71,848	34,513
OTHER COMPREHENSIVE INCOME:		
Net change in gains unrealized on equity investments	40,170	2,820
Deferred income tax	(11,850)	(832)
Total other comprehensive income that may be subsequently reclassified to profit	28,320	1,988
Net change in gains unrealized on derivative financial	13,207	(1,794)
Deferred income tax	(3,896)	529
Total other comprehensive income that may be subsequently reclassified to profit	9,311	(1,265)
Other comprehensive income, net of income tax	37,631	723
Total comprehensive income, net of income tax	109,479	35,236

The accompanying notes are an integral part of this statement.

Volcan Compañía Minera S.A.A. and Subsidiaries

Statement of changes in the Net Stockholders' Equity

For the period from January 1 to March 31, 2026 and 2025

	Issued capital stock US\$000	Higher value in the acquisition of treasury shares US\$000	Treasury shares US\$000	Legal reserve US\$000	Unrealized results US\$000	Retained earnings US\$000	Total US\$000
Balance as of January 1, 2025	774,294	(162,285)	(41,511)	-	49,406	(170,206)	449,698
Comprehensive income							
Net profit	-	-	-	-	-	34,513	34,513
Other comprehensive income	-	-	-	-	723	-	723
Total comprehensive income	-	-	-	-	723	34,513	35,236
Capital decrease	-	-	-	-	-	-	-
Other changes in equity	-	-	-	12,009	-	(12,009)	-
Balance as of March 31, 2025	<u>774,294</u>	<u>(162,285)</u>	<u>(41,511)</u>	<u>12,009</u>	<u>50,129</u>	<u>(147,702)</u>	<u>484,934</u>
Balance as of January 1, 2026	774,294	(162,285)	(41,511)	12,009	(75,242)	23,206	530,471
Comprehensive income							
Net profit	-	-	-	-	-	71,848	71,848
Other comprehensive income	-	-	-	-	37,631	-	37,631
Total comprehensive income	-	-	-	-	37,631	71,848	109,479
Legal reserve	-	-	-	11,519	-	(11,519)	-
Balance as of March 31, 2026	<u>774,294</u>	<u>(162,285)</u>	<u>(41,511)</u>	<u>23,528</u>	<u>(37,611)</u>	<u>83,535</u>	<u>639,950</u>

The accompanying notes are an integral part of this statement.

Volcan Compañía Minera S.A.A. and Subsidiaries

Consolidated Cash Flows Statement

For the period from January 1 to March 31, 2026 and 2025

	03/31/2026	03/31/2025
	US\$000	US\$000
OPERATING ACTIVITIES:		
Collection from:		
Sales	439,256	311,075
Return of credit balance subject to profit and taxes	57,413	9,740
Hedging financial instruments, net	(44,514)	337
Other collections	6,820	-
Payments to/for:		
Suppliers and others	(251,760)	(169,071)
Employees	(43,599)	(41,977)
Income tax	(36,605)	(22,686)
Royalties	(7,234)	(6,131)
Net cash and cash equivalents provided by operating activities	<u>119,777</u>	<u>81,287</u>
INVESTING ACTIVITIES:		
Payments for:		
Acquisition of shares of an energy company	(19,143)	-
Purchase of property, plant and equipment	(41,046)	(25,538)
Increase of exploration and development costs, and other assets	(26,308)	(23,808)
Net cash and cash equivalents used in investing activities	<u>(86,497)</u>	<u>(49,346)</u>
FINANCING ACTIVITIES:		
Payments for:		
Financial obligations	(69,785)	(12,597)
Interests	(4,006)	(21,430)
Overdrafts	300	-
Net cash and cash equivalents used in financing activities	<u>(73,491)</u>	<u>(34,027)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(40,211)	(2,086)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>334,671</u>	<u>155,834</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>294,460</u>	<u>153,748</u>
Transactions that do not generate cash flows:		
Acquisition of assets under operating lease	2,059	-

The accompanying notes are an integral part of this statement

Volcan Compañía Minera S.A.A. and Subsidiaries

Notes to the consolidated interim financial statements (unaudited)

As of March 31, 2026 and December 31, 2025

1. Identification and economic activity

(a) Identification –

Volcan Compañía Minera S.A.A. (hereinafter “the Company”) is a subsidiary of Transition Metals AG., which is a subsidiary of Integral Capital Business S.A., a company domiciled in Panama, owner of 63.00% of common class A shares with voting rights in circulation and an economic interest of 27.40% excluding treasury shares.

On May 8, 2024, Glencore AG (the Company's former controlling shareholder), which is a subsidiary of Glencore PLC, carried out an over-the-counter transfer of its shares to Transition Metals AG.

The Company was incorporated in Peru, in the city of Lima, on February 1, 1998.

The total number of Class A common shares with voting rights and Class B common shares without voting rights that make up the Company's share capital are listed on the Lima Stock Exchange.

The legal domicile, where the administrative offices of the Company are located, is Av. Manuel Olguin No. 375, Santiago de Surco, Lima.

(b) Economic activity

The Company's principal economic activity comprises the exploration and exploitation of mining claims and the extraction, concentration, processing, and marketing of polymetallic minerals. The economic activity of the Subsidiaries is explained in section (d).

The Company and Subsidiaries engaged in mining operate the Yauli, Animon, Alpamarca, and Cerro mining units in the departments of Pasco, Junín, and Lima. The

Subsidiary dedicated to the electricity generation business operates in the department of Lima.

(c) Approval of consolidated financial statements –

The consolidated financial statements as of March 31, 2026, were approved by the Company's Management on April 23, 2026. The consolidated financial statements as of December 31, 2025, were approved by the Shareholders's Meeting on February 16, 2026.

(d) Subsidiaries

The consolidated financial statements include the financial statements from the following subsidiaries:

Consolidated Subsidiaries and economic activity	Direct and indirect interest in ownership		Domicile
	03/31/2026	12/31/2025	
	%	%	
Mining exploration and operation:			
Compañía Minera Chungar S.A.C.	100.00	100.00	Perú
Empresa Administradora de Cerro S.A.C.	100.00	100.00	Perú
Empresa Explotadora de Vinchos Ltda. S.A.C.	100.00	100.00	Perú
Minera Aurífera Toruna S.A.C. (1)	80.00	80.00	Perú
Electric power generation:			
Compañía Hidroeléctrica Tingo S.A. (2)	100.00	100.00	Perú
Transmisión de Generación Andina S.A.C.	100.00	-	Perú
Investments in general:			
Roquel Global S.A.C.	100.00	100.00	Perú
Compañía Industrial Limitada de Huacho S.A.	96.41	96.41	Perú
Empresa Minera Paragsha S.A.C.	100.00	100.00	Perú

(1) Subsidiary of Empresa Minera Paragsha S.A.C. and indirect subsidiary of the Company.

(2) Subsidiary of Compañía Minera Chungar S.A.C. and indirect subsidiary of the Company.

Below is a description of the economic activity of each subsidiary:

Compañía Minera Chungar S.A.C.

The Company operates two mining units: Animón, located in the province of Pasco, in the department of Cerro de Pasco, and Alpamarca, located in the province of Yauli, in the department of Junín. It is engaged in the exploration, development, and exploitation of mining deposits, mainly minerals containing zinc, copper, and lead. The Company holds 244 mining concessions with an indefinite term. Based on the estimation of reserves and resources, Company Management has determined a mine life through the year 2047.

Additionally, the Subsidiary owns 10 hydroelectric power plants, of which 9 are located in Huaral and 1 in Cerro de Pasco. Of these, 6 plants have concessions (4 with indefinite terms and 2 with defined terms), while 4 plants do not require a concession or permit as they are hydroelectric facilities with production below 500 kW, in accordance with the provisions of the Electricity Concessions Law.

Empresa Administradora de Cerro S.A.C.

The Company is located in the province of Pasco, in the department of Cerro de Pasco, and is engaged in the exploration, development, and exploitation of mining deposits, mainly minerals containing zinc and lead. Currently, the Subsidiary processes stockpiles at its Cerro mining unit, as its mining operations are currently suspended. The Subsidiary holds 10 mining concessions with an indefinite term. Based on the estimation of reserves and resources, Company Management has determined a mine life through the year 2030.

Additionally, at the General Shareholders' Meeting held on September 29, 2023, the merger by absorption of Oxidos de Pasco S.A.C. was approved, becoming effective as of October 1, 2023, and carried out at book value. As a result of the merger, the Company is engaged in the treatment of oxidized minerals at the leaching plant. The Subsidiary holds one processing concession with an indefinite term. Based on the estimation of reserves and resources, Company Management has determined a mine life through the year 2034.

Empresa Explotadora de Vinchos Ltda. S.A.C.

The Company is located in the Daniel Alcides Carrión province, in the department of Cerro de Pasco, and was incorporated for the exploration, development, and

exploitation of mining deposits. Its main activity is the exploration of its mining concessions through funding provided by the Company and its Subsidiaries. No operating activities were carried out during 2026 and 2025.

Company Management is currently reassessing the potential of the projects, or alternatively, the option of a simple reorganization in order to seek synergies for the development of its projects. The Subsidiary has 29 mining concessions with an indefinite term.

Empresa Minera Paragsha S.A.C.

This company was incorporated for exploration, operation, assignment, and mining usufruct; however, its main activity now is the purchase and sale of investments in equity instruments. This subsidiary has shares of the Company and investments in Inversiones Portuarias Chancay S.A.A and Cementos Polpaico S.A. This subsidiary has 30 mining concessions.

Minera Aurifera Toruna S.A.C.

Its concessions are located in the districts of Ulcumayo and Paucartambo, in the departments of Junín and Cerro de Pasco, respectively. The Company was incorporated for the exploration, development, and exploitation of mining deposits, with its main activity being exploration of its mining concessions financed by the Company and its Subsidiaries. No operating activities were carried out during 2026 and 2025.

Company Management is currently reassessing the potential of the projects, or the option of a simple reorganization to seek synergies for the development of its projects. The Subsidiary has 7 mining concessions with an indefinite term.

Compañía Hidroeléctrica Tingo S.A.

The Company is engaged in the operation and maintenance of power generation plants and electricity transmission systems. It owns the Tingo Hydroelectric Power Plant, with a capacity of 1.25 MW, and 82 km of transmission lines at 22.9 kV and 50 kV, located in the province of Huaral, department of Lima. The Subsidiary has an indefinite-term electricity concession.

Transmisión Andina de Generación S.A.C.

The Company provides services related to the generation, transmission, and distribution of electricity. It owns two hydroelectric power plants: La Oroya Hydroelectric Power Plant and Pachachaca Hydroelectric Power Plant, both located in Junín, with a combined installed capacity of approximately 19 MW.

Roquel Global S.A.C.

The Company is engaged in real estate development, aimed at carrying out port and logistics activities related to the Port of Chancay. During 2019, the Company carried out municipal procedures for the adjudication of the acquired land (sanitation phase), which is still in process. The Industrial Logistics Complex Project continues to seek a strategic partner and is currently at an early stage. The Subsidiary is located in the district of Surco, Lima.

Compañía Industrial Limitada de Huacho S.A.

The Company is engaged in real estate activities. Its main properties are located in the district of Jesús María, province of Lima.

Empresa Minera Paragsha S.A.C.

The Company was incorporated for mining exploration, exploitation, assignment, and usufruct activities; however, since 2006, its main activity has been the purchase and sale of equity investments, holding shares of the Company and Cementos Polpaico S.A. (Note 9). The Subsidiary holds 47 mining concessions, of which 30 have an indefinite term. The Subsidiary is located in the district of Surco, Lima.

(e) Financial investment in a related entity - Inversiones Portuarias Chancay S.A.A.

The Company was registered with the Lima Registry Office of the National Superintendence of Public Registries (“Superintendencia Nacional de Registros Públicos” - SUNARP) on October 3, 2023. In accordance with the resolutions adopted at the General Shareholders’ Meeting held on August 24, 2023, the Company was created to acquire, develop, and negotiate equity interests or proprietary rights in companies engaged in port and logistics activities of any nature, as well as related services.

The General Shareholders' Meeting of Volcan Compañía Minera S.A.A. held on August 24, 2023, and the General Shareholders' Meeting of Inversiones Portuarias Chancay S.A.A. held on October 25, 2023, approved the spin-off of the equity block consisting of 40% of the shares of Cosco Shipping Ports Chancay Perú S.A., owned by Volcan Compañía Minera S.A.A., which were transferred to Inversiones Portuarias Chancay S.A.A.

The effective date of the spin-off was March 4, 2024, and the net book value of the equity block as of that date amounted to S/443,328 (equivalent to US\$132,386), consisting of capital of S/407,656 and additional paid-in capital of S/35,672.

As a result of the spin-off, the Board of Directors agreed to amend the Company's bylaws, which now state that the subscribed and paid-in capital of Inversiones Portuarias Chancay S.A.A. amounts to S/407,656, represented by 1,633,414,553 Class "A" common shares and 2,443,157,622 Class "B" common shares, each with a par value of S/0.10.

Pursuant to the spin-off agreement, the shareholders of the Company are also shareholders of Inversiones Portuarias Chancay S.A.A.; therefore, it is not a subsidiary but a related entity.

The Company holds investments in Inversiones Portuarias Chancay S.A.A. through its Subsidiaries, measured at fair value through other comprehensive income.

(f) Other contractual matters

(f.1) Investment Subscription Agreement between Volcan Compañía Minera S.A.A. and Cosco Shipping Ports Limited

On January 23, 2019, the Company entered into an Investment Subscription Agreement and a Shareholders' Agreement with Cosco Shipping Ports Limited (CSPL) and its subsidiary Cosco Shipping (Chancay) Ports Limited (CSPL SPV), with the participation of Terminales Portuarios Chancay S.A. (currently Cosco Shipping Ports Chancay Perú S.A.), formerly a subsidiary of the Company until May 13, 2019. Under these agreements, CSPL, through CSPL SPV, acquired 60% of the share capital of Cosco Shipping Ports Chancay Perú S.A. for a consideration of US\$225,000.

On May 13, 2019, the strategic partner was incorporated through a capital increase, resulting in the Company retaining the remaining 40% interest, and the entity changing from a subsidiary to an associate as of that date. This interest is currently held by Inversiones Portuarias Chancay S.A.A. (Note 1(e)).

The closing of the transaction was primarily subject to the approval of the Modification of the Environmental Impact Study (MEIA), which was obtained on December 22, 2020, through Director's Resolution No. 00158-2020, issued by the National Environmental Certification Service for Sustainable Investments (SENACE). Upon approval, CSPL SPV paid the agreed capital contributions during the first half of 2021.

The infrastructure project is located 50 km north of the Port of Callao and consists of a multipurpose port terminal with two specialized terminals: (i) a container terminal with 11 berths, and (ii) a bulk, general cargo, and roll-on/roll-off terminal with four berths. In the first stage, an area of 141 hectares was developed, with an investment of US\$1,300,000.

On March 24, 2023, at a meeting of the Board of Directors of Volcan Compañía Minera S.A.A., in its capacity as a 40% shareholder of Cosco Shipping Ports Chancay Perú S.A., financing of US\$975,000 granted by financial institutions was approved for the development of the Chancay Multipurpose Port Project.

The guarantees will be secured by the assets of Cosco Shipping Ports Chancay Perú S.A.

The project represents a major infrastructure development and a significant opportunity for the country's economic growth, as it forms part of China's new global connectivity network of maritime and land corridors, and commenced commercial operations in 2025.

(f.2) Bond financing

"4.375% Senior Notes Due 2026"

On February 11, 2021, the Company and its Subsidiaries issued bonds denominated "4.375% Senior Notes due 2026" for a total amount of US\$475,000, which were fully placed in the international market under Rule 144A and Regulation S of the U.S.

Securities Act. The notes were listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market.

The notes have a five-year term, mature on February 11, 2026, and bear interest at an annual rate of 4.375%, payable semiannually starting August 11, 2021. They do not include financial covenants but contain certain limitations described in Note 14(b)(i).

On June 21, 2022, a partial repurchase of these notes was carried out for up to US\$110,000, using available cash.

On February 10, 2026, the Company cancelled the remaining amount of US\$67,986 corresponding to the 2026 Bonds at maturity, as part of the refinancing process completed in October 2025.

“8.75% Senior Secured Notes Due 2030”

On September 10, 2024, the Company and its Subsidiaries conducted a private exchange offer for holders of the “4.375% Senior Notes due 2026”, issuing new notes denominated “8.750% Senior Secured Notes due 2030”, maturing in January 2030 and bearing interest at 8.750% per annum, payable semiannually.

Valid offers and consents were received for US\$297,014, representing approximately 87.90% of the outstanding principal. New notes totaling US\$299,872 were issued, including a 1% exchange fee, and a second amendment to the Indenture was executed.

On October 28, 2025, a partial repurchase of these notes was carried out.

“8.50% Senior Secured Notes Due 2032”

On October 28, 2025, the Company and its Subsidiaries conducted a new private exchange offer for holders of the “8.750% Senior Secured Notes due 2030”, issuing “8.50% Senior Secured Notes due 2032”, which mature in October 2032 and bear interest at 8.50% per annum, payable semiannually.

Valid offers and consents were received for US\$263,583, representing approximately 81.37% of the outstanding principal. New notes totaling US\$750,000 were issued, and a third amendment to the Indenture was executed.

The proceeds were used for the partial prepayment of the existing notes, the full repayment of the syndicated loan, the repayment of the “4.375% Senior Notes due 2026” at maturity, and to ensure completion of the Romina Project within the planned timeline.

In Management’s opinion, the Company and its Subsidiaries are not in default under the bond agreements.

Outstanding balances are disclosed in Note 14 – Financial liabilities and their impact on results in Note 25 – Financial expenses.

(f.3) Administration and Guarantee Trust Agreement with Banco Internacional del Perú S.A.A., hereinafter “Interbank”

On August 5, 2013, an Administration and Guarantee Trust Agreement was executed between Interbank (trustee) and Volcan Compañía Minera S.A.A. (trustor). Under this agreement, a trust estate was established whereby the Company transferred to Interbank, in trust ownership, the administration of all cash flows credited to its collection accounts held at various financial institutions. The obligations arising from this trust agreement have been duly complied with and ensure the availability of cash flows to meet the obligations of the Company and its Subsidiaries involved.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated:

2.1. Basis of preparation

The consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), effective as of March 31, 2026. Furthermore, the Company has prepared these financial statements in compliance with the Financial Information Regulations of the Peruvian Superintendency of the Securities Market (“Superintendencia del Mercado de Valores” - SMV).

The information contained in these consolidated financial statements is the responsibility of the Company's Management, who expressly states that the principles and criteria required under IFRS issued by the IASB have been fully applied, in force at the end of each financial year.

The separate financial statements have arisen from the accounting records of the Company and have been prepared under the historical cost convention, except for derivative financial instruments and investments in equity not held for trading that are measured at fair value, as explained later in the accounting policies section.

The financial statements are presented in thousands of U.S. dollars (US\$000).

The preparation of the consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise its judgment in the process of applying the Company's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are described in Note 3.

2.1.1. Going concern –

Management prepares its consolidated financial statements on a going concern basis, based on its judgment that there are no events or conditions that may give rise to material uncertainties regarding the ability of the Company and its subsidiaries to

continue as a going concern. For this purpose, Management has prepared cash flow projections derived primarily from operating cash flows, which are expected to enable the Company to meet its obligations for at least the next twelve months. These cash flows depend on significant assumptions and judgments, such as mineral selling prices and production costs.

2.1.2. Consolidation –

The consolidated financial statements include the accounts of the Company and of those entities controlled by it (subsidiaries), except for certain subsidiaries that are in the process of liquidation and are not relevant (Note 1 (d.4)). The Company considers that it has control of an entity when it has the power to direct its financial and operating policies, to obtain benefits from its activities.

All significant transactions between companies within the consolidated group have been eliminated in consolidation.

The results of subsidiaries acquired or sold during the period are recognized in the consolidated statements of income from the effective date of acquisition or until the effective date of sale, as applicable. The total comprehensive income of such subsidiaries is attributed to the Company's shareholders and to the owners of non-controlling interests of these subsidiaries even in those cases in which these interests result in a deficit balance.

Changes in the interest in its subsidiaries that do not correspond to a loss of control are accounted for as transactions between equity accounts. The carrying amounts of the interests of the Company's shareholders and those of the owners of non-controlling interests of these subsidiaries are adjusted to reflect the changes in their respective interest. Any difference between these amounts and the fair value of the consideration paid or received is attributed directly to the equity of the Group's shareholders.

Non-controlling interest in the Company's subsidiaries is not material as of March 31, 2026 and December 31, 2025. Therefore, no additional disclosures are made in accordance with IFRS 12 for significant non-controlling interests.

2.2. New standards, amendments and interpretations –

2.2.1. New standards and amendments effective from January 1, 2025 adopted by the Group

The mandatory regulatory changes for the 2025 and 2026 consolidated financial statements considered by the Group in preparing these consolidated financial statements are mainly limited to the following change:

- **Amendments to IAS 21: Lack of Exchangeability**

In August 2023, the IASB issued an amendment to IAS 21, to assist companies that require converting a transaction or operation of a country with which there is no exchangeability of currencies into the functional currency. A currency is considered exchangeability with another when there is the possibility of obtaining this other currency, and the transaction is carried out through a market or exchange mechanism that creates enforceable rights and obligations. Where exchangeability does not exist, the exchange rate is permitted to be estimated using either (a) an observable exchange rate without adjustment, or (b) another estimation technique.

These amendments will be effective from January 1, 2025, with early adoption permitted.

2.2.2 **New standards, amendments to standards and interpretations that will be effective for the consolidated financial statements for annual periods beginning on or after January 1, 2026, and which have not been early adopted**

Certain standards and amendments to standards have been published that are mandatory for 2026 or later and have not been adopted in advance by the Group. The Group's assessment of the impact these standards will have on consolidated financial statements is explained below:

- **Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments**

In May 2024, the IASB issued amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures to respond to recent questions arising in practice. These amendments are summarized as follows:

(a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

(b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion”;

(c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and

(d) update the disclosures for equity instruments designated at fair value through other comprehensive income.

These amendments will be effective from January 1, 2026, with early adoption permitted.

- **IFRS 18, Presentation and Disclosure in Financial Statements**

IFRS 18 is the new standard that addresses presentation and disclosure issues in financial statements. This standard replaces IAS 1 and mainly focuses on changes in the presentation of the statement of income. In general, the main changes introduced by IFRS 18 include:

- The structure of the statement of income, incorporating new mandatory subtotals;
- The requirements for determining which presentation structure for expenses in the statement of income is most useful;
- Disclosures in the notes on certain “management-defined performance measures.” In some cases, entities may be required to disclose performance indicators in the notes to the financial statements (such as EBITDA, ROA, ROE, among others), including an explanation of how they are determined and a reconciliation with the figures reported in the statement of income; and
- Criteria for aggregation and disaggregation applied to the presentation and disclosure of financial statements and their notes.

IFRS 18 will be effective from January 1, 2027. When applied, comparative information for 2026 must be presented. Early adoption is permitted.

- **IFRS 19, Subsidiaries without Public Accountability: Disclosures**

IFRS 19 is an optional standard applicable to certain subsidiaries that are part of a corporate group (eligible subsidiaries) and focuses on disclosure issues. When applying IFRS 19, an “eligible subsidiary” follows the general IFRS requirements, except for disclosure obligations, which are reduced under IFRS 19. These reduced disclosure requirements balance the information needs of financial statement users while offering potential cost savings for companies preparing financial statements.

A subsidiary qualifies as eligible if:

- It has no public accountability (for example, it does not issue debt or equity instruments traded in a public market); and
- Its ultimate or any intermediate parent produces consolidated financial statements that are available for public use and comply with IFRS.

IFRS 19 will be effective from January 1, 2027. Early adoption is permitted.

- **Annual Improvements to IFRS 2024 - Volume 11**

The annual improvements are limited to changes that clarify or correct the wording of certain standards to avoid conflicts between their requirements. The 2024 amendments relate to the following standards:

- IFRS 1, First-time Adoption of International Financial Reporting Standards
- IFRS 7, Financial Instruments: Disclosures and its Implementation Guidance on IFRS 7;
- IFRS 9, Financial Instruments;
- IFRS 10, Consolidated Financial Statements; and
- IAS 7, Statement of Cash Flows.

These amendments will be effective from January 1, 2026, with early adoption permitted.

- **Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments**

In December 2024, the IASB issued specific amendments to IFRS 7 and 9 with the aim of improving the reflection in financial statements of nature-dependent electricity contracts. These amendments include:

- (a) clarifying the application of the 'own-use' requirements;
- (b) permitting hedge accounting if these contracts are used as hedging instruments; and
- (c) adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

These amendments will be effective from January 1, 2026, with early adoption permitted.

No other standards have been identified that are not yet in effect and that could have a significant impact on the Group in the current reporting periods.

The Group has performed a preliminary assessment of the adoption of IFRS 18 and estimates that its main impacts will relate to the presentation of the consolidated statement of income and to the new disclosures related to Management-Defined Performance Measures (MPMs). No significant effects are expected, and their adoption will not imply a disproportionate cost or effort for the Group. For the remaining new standards, Management will assess during 2026, as they become effective, the impact they may have on its consolidated financial statements.

2.3 Functional and presentation currency

The Company and each subsidiary prepare and present their financial statements in U.S. dollars, which is their functional currency. Functional currency is the currency of the primary economic environment in which an entity operates, which influences the selling prices of the goods it renders, among other factors.

Foreign currency transactions

Transactions in currencies other than its local currency are denominated in foreign currency and are recognized by using the foreign exchange rates effective at the date of transactions. At the end of each reporting period, monetary items denominated in foreign currency are translated using the exchange rates prevailing at that date.

Non-monetary items measured at fair value and denominated in foreign currency are translated using the exchange rates applicable at the date when the fair value was determined. Non-monetary items measured at historical cost in foreign currencies are translated using the exchange rates at the date of the transactions.

Exchange differences arising from monetary items are recognized in profit or loss in the period in which they arise.

2.4 Financial instruments

Financial instruments are defined as any contract that simultaneously gives rise to a financial asset in a company and a financial liability or equity instrument in another company. Financial assets and liabilities are recognized when the Group becomes part of the contractual provisions of the instruments.

Financial assets and financial liabilities are initially recognized at fair value plus or minus transaction costs directly attributable to their acquisition or issuance, except for those classified at fair value through profit or loss, which are initially recognized at fair value and whose transaction costs directly attributable to their acquisition or issuance are recognized immediately in profit or loss for the year.

2.4.1 Financial assets

Regular purchases or sales of financial assets are recognized and derecognized on a trade date basis and require delivery of assets within the timeframe established by regulation or market.

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

(a) Classification of financial assets

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

- The financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specific dates, to cash flows that are solely payments of principal and interest on the outstanding principal amount.

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

- The financial asset is held within a business model whose objective is achieved by both the collection of contractual cash flows and the sale of the financial assets; and
- The contractual terms of the financial asset give rise, on specific dates, to cash flows that are solely payments of principal and interest on the outstanding principal amount.

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

Notwithstanding the above, the Company may make the following irrevocable designation at initial recognition of a financial asset:

- It may irrevocably elect to present subsequent changes in the fair value of an equity investment in other comprehensive income, provided certain criteria are met; and
- It may irrevocably designate a debt instrument that meets the criteria for amortized cost or fair value through other comprehensive income if doing so eliminates or significantly reduces an accounting mismatch.

(b) Amortized cost and effective interest method

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

For financial instruments that are not purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees and points paid or received that are part of the effective interest rate, transaction costs, and other premiums or discounts) excluding expected credit losses, over the expected life of the debt instrument or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument at initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument at initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition less principal repayments, plus the amortization accrued using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any provisions for losses. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any provisions for losses.

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

For financial assets that subsequently have been impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk in the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company and its subsidiaries recognize interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not return to the gross basis, even if the credit risk of the financial asset subsequently improves, so that the financial asset is no longer credit-impaired. Interest income is recognized in the consolidated statement of income.

(c) Investments in equity at fair value through other comprehensive income

At initial recognition, the Company may make an irrevocable election (on an instrument by instrument basis) to designate investments in equity instruments at fair value through other comprehensive income. Fair value through other comprehensive income designation is not permitted if the equity investment is held for trading or if it represents contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at fair value through other comprehensive income are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other accumulated comprehensive income. Accumulated gain or loss is not reclassified to profit or loss upon disposal of the equity investments, but is transferred to retained earnings.

Dividends from these equity investments are recognized in profit or loss in accordance with IFRS 9 Financial Instruments, unless the dividends clearly represent a recovery of part of the cost of the investment.

The Company has designated all equity investments that are not held for trading at fair value through other comprehensive income.

(d) Investments measured at fair value through profit or loss

All of the Company's financial assets that are not classified as measured at amortized cost or at fair value through other comprehensive income, as described above, are measured at fair value through profit or loss. This includes all financial derivatives (Note 2.4.3) and also investments held for trading (whether through units in mutual funds or managed deposits) that are characterized by high liquidity and the volatility of their returns in the market in which they are traded. In accordance with IFRS 9, these financial assets are initially recognized at fair value and subsequent changes in their value are recognized in profit or loss for the period.

(e) Impairment of financial assets

The Company and its subsidiaries recognize an impairment loss for expected credit losses on financial assets measured at amortized cost or at fair value through other comprehensive income. No impairment loss is recognized for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the initial recognition of the respective financial instruments.

The Company and its subsidiaries recognize lifetime expected credit losses for trade receivables and other short-term receivables, for which the simplified approach is applied. Expected credit losses for these financial assets are estimated using a provision matrix based on the Company's and its subsidiaries' historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and forecasts at the reporting date, including the time value of money when appropriate.

For all other long-term financial instruments, the Company and its subsidiaries recognize lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition; for which the general approach is applied. The assessment of whether lifetime expected credit losses should be recognized is based on significant increases in the probability or risk of default since initial recognition rather than on evidence that a financial asset is credit-impaired at the reporting date or that an actual default has occurred.

Lifetime expected credit losses represent the expected credit losses resulting from all possible default events over the expected useful life of a financial instrument. In contrast, 12-month expected credit losses represent the portion of lifetime expected credit losses that result from default events that are possible within the 12 months after the reporting date.

2.4.2 Financial liabilities

Financial liabilities are classified at fair value through profit or loss or at amortized cost using the effective interest method. The Company and its subsidiaries determine the classification of financial liabilities at the time of initial recognition.

(a) Financial liabilities at fair value through profit or loss

A financial liability is classified at fair value through profit or loss when it is a financial liability held for trading or at fair value through profit or loss.

A financial liability is classified as held for trading if:

- (i) it has been acquired primarily for repurchasing it in the near term; or
- (ii) on initial recognition, it is part of a portfolio of financial instruments managed by the Company and its subsidiaries for which there is evidence of a recent actual pattern of short-term profits; or
- (iii) it is a derivative that has not been designated and is not effective as a hedging instrument or financial guarantee.

A financial liability (that is not held for trading) may also be designated at fair value through profit or loss at initial recognition if:

- (i) such designation eliminates or significantly reduces a measurement or recognition inconsistency that may arise;

(ii) financial liabilities are part of a group of financial assets or financial liabilities or both, that are managed and their performance is measured on a fair value basis, in accordance with a documented risk management or investment strategy of the Company and its subsidiaries, and information about the group is provided internally on that basis; or

(iii) it is part of a contract that contains one or more embedded derivatives, and IFRS 9 allows the entire combined contract to be designated at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are measured at fair value, with any gain or loss arising from remeasurement recognized in profit or loss. Net gain or loss recognized in profit or loss includes any interest paid on financial liabilities and is included in other income and expenses.

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

(b) Financial liabilities subsequently measured at amortized cost

Other financial liabilities (including financial obligations, loans, trade payables, and others) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and allocating the financial expense over the relevant period. The effective interest rate is the discount rate that exactly equals the cash flows receivable or payable (including all fees and points paid or received that are part of the effective interest rate, transaction costs, and other premiums or discounts) over the expected life of the financial liability or, where appropriate, a shorter period, at the amortized cost of a financial liability.

(c) Derecognition of financial liabilities

The Company and its subsidiaries will derecognize a financial liability when, and only when, the obligations of the Company and its subsidiaries discharge, cancel or expire. The difference between the carrying amount of the derecognized financial liability and the consideration paid and payable is recognized in the consolidated statement of income and is presented under financial expenses.

2.4.3 Derivative financial instruments

The Company and its subsidiaries enter into derivative financial instrument transactions to manage their exposure to commodity price risks.

Derivatives are initially recognized at fair value on the date the contract is entered into, and are subsequently remeasured at fair value at each reporting date. Gains or losses arising from changes in the fair value of these assets are recognized in profit or loss in the period in which they arise, unless the derivative has been designated as a hedging instrument, in which case the recognition will depend on the nature of the hedging relationship.

A derivative with a positive fair value is recognized as a financial asset, whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the consolidated financial statements unless the Company and its subsidiaries have both the legal right and the intent to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be settled within 12 months. Other derivatives are presented as current assets or current liabilities.

2.4.4 Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host contract, with the effect that some of the cash flows of the combined instrument vary similarly to a standalone derivative.

Embedded derivatives in hybrid contracts with a financial asset main contract within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured as amortized cost or fair value, as appropriate.

Embedded derivatives in hybrid contracts with a main contract that is not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and

characteristics are not closely related to those of the main contract, and the main contracts are not measured at fair value through profit or loss.

If the hybrid contract is a quoted financial liability, rather than separating the embedded derivative, the Company and its subsidiaries generally designate the entire hybrid contract at fair value through profit or loss.

An embedded derivative is presented as a non-current asset or non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realized or settled within 12 months.

2.4.5 Hedge accounting

The Company and its subsidiaries designate certain derivatives as hedging instruments with respect to foreign currency risk and interest rate risk in fair value hedges and cash flow hedges. As of March 31, 2026, the Company and its subsidiaries maintain commodity hedging transactions to secure future concentrate sales cash flows.

At the inception of the hedging relationship, the Company and its subsidiaries document the relationship between the hedging instrument and the hedged item, together with their risk management objectives and strategy for undertaking various hedging transactions. In addition, at the inception of the hedge and on an ongoing basis, the Company and its subsidiaries document whether the hedging instrument is effective in offsetting changes in the fair values or cash flows of the hedged item attributable to the hedged risk, which occurs when the hedging relationships meet all of the following hedging effectiveness requirements:

- There is an economic relationship between the hedging instrument and the hedged item;
- The effect of credit risk does not dominate the value changes that result from the economic relationship; and
- The hedging ratio of the hedging relationship is the same as that resulting from the amount of the hedged item that the Company and its subsidiaries actually hedge and the amount of the hedging instrument that the Company and its subsidiaries actually use to hedge that amount of the hedged item.

If a hedging relationship no longer meets the hedging effectiveness requirement related to the hedging relationship, but the risk management objective for that

designated hedging relationship remains the same, the Company and its subsidiaries adjust the hedging ratio of the hedging relationship (i.e., rebalance the hedge) so that it meets the qualifying criteria again.

The Company and its subsidiaries designate the entire change in the fair value of a forward contract (i.e., including the forward elements) as the hedging instrument for all hedging relationships involving forward contracts.

The Company and its subsidiaries designate only the intrinsic value of option contracts as the hedging instrument, that is, excluding the time value of the option. Changes in the fair value of the aligned time value of the option are recognized in other comprehensive income and accumulated in the cost of hedging reserve. If the hedged item is related to the transaction, the time value is reclassified to profit or loss when the hedged item affects the profit or loss. If the hedged item is related to a period of time, then the accumulated amount in the cost of the hedging reserve is reclassified to profit or loss on a systematic basis: the Company and its subsidiaries apply straight-line amortization.

Those reclassified amounts are recognized in profit or loss in the same line as the hedged item. If the hedged item is a non-financial item, the amount accrued in the cost of hedging reserve is removed directly from equity and is included in the initial carrying amount of the recognized non-financial item. In addition, if the Company and its subsidiaries expect that all or part of the accumulated loss in the cost of hedging reserve will not be recovered in the future, that amount will be immediately reclassified to profit or loss.

Note 17 sets out the details of the fair values of derivative instruments used for hedging purposes.

(a) Fair value hedges

The change in the fair value of qualified hedging instruments is recognized in profit or loss, except when the hedging instrument hedges an equity instrument designated at fair value through other comprehensive income, in which case it is recognized in other comprehensive income.

The carrying amount of a hedged item that has not yet been measured at fair value is adjusted for the change in fair value attributable to the hedged risk with a corresponding entry in profit or loss. For debt instruments measured at fair value through other comprehensive income, the carrying amount is not adjusted as it

already reflects fair value. However, the hedging gain or loss is recognized in profit or loss rather than other comprehensive income. When the hedged item is an equity instrument designated at fair value through other comprehensive income, the hedging gain or loss remains in other comprehensive income to match that of the hedging instrument. When hedging gains or losses are recognized in profit or loss, they are recognized on the same line as the hedged item.

The Company and its subsidiaries discontinue hedge accounting only when the hedge ratio (or a part of it) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes situations in which the hedging instrument expires, is sold, terminated or exercised. The suspension is accounted prospectively. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized to profit or loss from that date.

The effects of changes in the fair value of fair value hedges are presented in the consolidated statements of other comprehensive income.

(b) Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualified hedging instruments designated as cash flow hedges are recognized in other comprehensive income and are accumulated within other comprehensive income limited to the cumulative change in the fair value of the hedged item since the inception of the hedge. Any gain or loss related to the ineffective portion is immediately recognized in profit or loss.

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

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

The effects of changes in the fair value of cash flow hedges are presented in the consolidated statements of other comprehensive income.

2.5 Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents include short-term financial investments, with maturities of three months or less from the date of acquisition, easily convertible into known amounts of cash and are not subject to significant risks of changes in value.

2.6 Inventories and provision for impairment

Concentrates and raw materials are measured at the lower of acquisition or production cost or net realizable value. The cost of concentrates includes direct material costs and, where applicable, direct labor costs and manufacturing overheads, including costs incurred to bring inventories to their current location and condition. The cost of concentrates and other supplies is determined using the weighted average cost method, while inventories in transit are measured using the specific cost method.

The carrying amount of inventories is recognized as an expense under **"Cost of sales"** in the consolidated statement of comprehensive income in the period in which they are derecognized or consumed, in accordance with the provisions of Note 2.16.

Net realizable value represents the estimated selling price in the ordinary course of business, less the estimated costs necessary to bring the inventories to their saleable condition and to complete the sale. Reductions in the carrying amount of inventories to their net realizable value (concentrates) and obsolete or slow-moving items (other supplies) give rise to a provision for inventory impairment, which is recognized in profit or loss in the period in which such reductions occur and is presented under "Other expenses" in the consolidated statement of comprehensive income.

2.7 Investment properties (net)

Investment properties are presented at cost less accumulated depreciation and, where applicable, impairment losses. Subsequent costs attributable to investment properties are capitalized only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of these assets can be reliably measured; otherwise, they are recognized as an expense when incurred.

Maintenance and repair expenses are recognized in profit or loss in the period in which they are incurred. When the carrying amount of a property exceeds its estimated recoverable amount, it is immediately reduced to its recoverable amount.

Depreciation of these assets is calculated using the straight-line method at a rate that is considered sufficient to allocate the cost of the assets over the end of their useful lives and considering their significant components with substantially different useful lives (each component is accounted for separately for depreciation purposes and depreciated over its individual useful life). The estimated useful life of these properties fluctuates between 10 and 33 years.

These investment properties have been leased to third parties under operating lease arrangements.

2.8 Property, plant and equipment (net)

They are presented at acquisition cost less accumulated depreciation and accumulated impairment losses.

Initial expenditures, as well as those incurred subsequently, related to assets whose cost can be reliably valued, and are likely to derive future economic benefits from them, are recognized as property, plant, and equipment.

Maintenance and repair expenditures are recognized as an expense in the period in which they are incurred. Major components of equipment are recorded separately and depreciated over their respective useful life. Gains or losses arising from the sale or disposal of an item of property, plant and equipment are determined as the difference between the sales proceeds and the carrying amount of the asset, which are recognized in profit or loss in the period in which the sale is considered completed.

Property, plant and equipment under construction or acquisition are presented at cost, less any impairment loss identified. The cost of these assets includes professional fees and, for qualifying assets, borrowing costs.

Assets pending receipt correspond to goods over which the Company and its subsidiaries have obtained control, even though physical receipt or installation in warehouses or mining units is still pending. Their cost includes the purchase price and all directly attributable expenditures (freight, customs clearance and other non-recoverable expenses). Such assets are subsequently reclassified to their corresponding category of property, plant and equipment upon completion of the construction or acquisition process and when they are available for their intended use. These assets are depreciated in the same manner as other property, plant and equipment.

Residual value, useful life, and depreciation and amortization methods are reviewed and adjusted prospectively, when appropriate, at the end of each reporting period.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its continued use. The profit or loss arising from the sale or retirement of an item of property, plant and equipment is calculated as the difference between the proceeds from the sale and the carrying amount of assets, and is recognized in profit or loss.

Depreciation

(a) Units-of-production method

Depreciation of buildings and other mining constructions is calculated using the units-of-production method, based on economically recoverable reserves and a percentage of the inferred resources of the corresponding mining unit.

Units of production are measured in recoverable metric tonnes of lead, copper, and zinc. The depreciation rate under the units-of-production method is determined based on the period's production on the reserves and economically recoverable resources.

(b) Straight-line method

Depreciation of other mining and hydroelectric assets is calculated using the straight-line method based on the estimated useful life of the asset or the remaining useful life

of the mining unit for the mining assets, whichever is shorter. The useful lives applied are as follows:

	<u>Useful life</u>
Buildings and other constructions	Until 33 years
Environmental management infrastructure	Until 10 years
Machinery and equipment	Until 10 years
Vehicles	Until 5 years
Furniture and fixture and computer equipment	Until 10 years
Other equipment	Until 10 years

2.9 Mining concessions, evaluation and exploration costs, development and other intangible mining rights and concessions

(a) Mining concessions

Mining rights represent the ownership held by the Company and its subsidiaries over mining properties containing acquired mineral reserves. Mining rights related to mineral reserves are amortized using the units-of-production method, based on proven and probable reserves and a percentage of inferred resources.

Mining concessions are capitalized in the consolidated statement of financial position and represent the ownership held by the Company and its subsidiaries over mining properties of geological interest. Mining concessions are amortized from the production phase using the units-of-production method, based on proven and probable reserves and a percentage of inferred resources. If the Company and its subsidiaries abandon such concessions, the associated costs are written off in the consolidated statement of income and other comprehensive income.

At the end of each reporting period, the Company and its subsidiaries assess for each cash-generating unit (CGU) whether there is any indication that the value of its mining rights may be impaired. If such indication exists, the Company and its subsidiaries estimate the recoverable amount of the asset.

(b) Evaluation and exploration costs

Evaluation and exploration costs are capitalized only to the extent that they are expected to be economically recoverable through successful exploitation in the future or when activities in the area of interest are in process and a stage has not yet been

reached that allows the existence of economically recoverable reserves to be reasonably assessed. Costs are capitalized as exploration and appraisal assets until the Company and its subsidiaries have completed a preliminary feasibility study, certain resources have been converted to reserves, and Management determines the probability that the property will become a mine. At that point, the property is considered to enter the development stage and subsequent evaluation and exploration costs are reclassified.

These costs mainly include materials and fuels used, survey costs, drilling costs and payments made to contractors. For this purpose, the economically recoverable benefits of exploration projects may be properly evaluated when any of the following conditions are met: i) the Board of Directors authorizes Management to carry out the feasibility study of the project, and ii) the exploration program aims to convert resources into reserves or confirming resources.

Evaluation and exploration costs are amortized from the beginning of production using the units-of-production method based on proven and probable reserves and a percentage of inferred resources to which they are related.

All capitalized evaluation and exploration costs are monitored for signs of impairment. When potential impairment is identified, an assessment is performed for each specific area of interest or at the CGU level. To the extent that capitalized costs are not expected to be recovered, they are recognized in profit or loss.

(c) Development costs

Costs associated with the mine development stage are capitalized. Development costs necessary to maintain production are recognized in profit or loss as incurred.

Development costs are amortized in the manner described above, for evaluation and exploration costs.

(d) Communal rights

Communal rights represent payments made by the Company and its subsidiaries to obtain land-use agreements and easements with local communities within the area of influence, which are necessary for the development and operation of mining units. They are recognized as intangible assets when the Company obtains control over the future economic benefits and their cost can be measured reliably. These rights are amortized using the units-of-production method, calculated based on proven and probable reserves, plus a percentage of inferred resources that Management

reasonably expects will be convertible into reserves under the mining plan. The useful life and resource base assumptions are reviewed annually as part of the Company's reserve estimation process.

(e) Other intangible assets

Intangible assets with finite useful lives acquired separately are reported at cost less their accumulated amortization and any accumulated impairment losses. Amortization is calculated based on the straight-line method over the estimated useful life determined by the Company and its subsidiaries. Estimates of useful lives and amortization methods are reviewed at the end of each reporting period to assess possible significant changes in prior expectations or expected pattern of future economic benefits of such assets, prospectively incorporating the effects of any changes in these estimates against the net profit or loss for the period in which the changes occur.

2.10 Impairment review of long-lived assets

The Company and its subsidiaries periodically review the carrying amounts of their tangible and intangible assets to determine whether there are indications that such assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is calculated to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company and its subsidiaries estimate the recoverable amount of the Cash-Generating Unit (CGU) to which the asset belongs. Where a consistent and reasonable basis of allocation is identified, common assets are also distributed to the individual CGUs or, otherwise, to the smallest group of CGUs for which a consistent and reasonable allocation basis is identified.

Recoverable amount is the higher of fair value less cost to sell and value in use. Value in use is determined based on estimated future cash flows discounted to their present value, using an after-tax discount rate, which reflects current market assessments with respect to the value of money and risks specific to the asset.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (CGU) is reduced to its recoverable amount, and an impairment loss is immediately recognized as an expense.

An impairment loss may be subsequently reversed and recognized as income in profit or loss, up to the amount by which the increased carrying amount does not exceed

the carrying amount that would have been determined had no impairment loss been recognized for the asset (CGU) in prior years.

In determining the value in use of its assets, the Company and its subsidiaries review their projections of future cash inflows, considering the following variables: discount rate, price projections, resources and reserves, production levels, costs and expenses.

2.11 Leases

At the inception of a contract, the Company and its subsidiaries assess whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset, for a period of time, in exchange for consideration.

(a) The Company and its subsidiaries as lessee

The Company and its subsidiaries apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

(i) Right-of-use assets

The Company and its subsidiaries recognize right-of-use assets at the commencement date of the lease (i.e., the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and impairment loss, and are adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the lease liabilities initially recognized, initial direct costs incurred, and lease payments made at or before the commencement date, and less any lease incentives received. Unless the Company and its subsidiaries are reasonably certain to obtain ownership of the leased asset at the end of the lease term, right-of-use assets are depreciated on a straight-line basis over the lease term. Right-of-use assets are subject to impairment.

(ii) Lease liabilities

At the commencement date of the lease, the Company and its subsidiaries recognize lease liabilities at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments, less any lease receivable incentives, variable lease payments that depend on an index or rate, and amounts expected to be under residual value guarantees.

In calculating the present value of lease payments, the Company and its subsidiaries use the incremental borrowing rate at the commencement date if the interest rate implicit in the lease cannot be readily determined.

After the commencement date, the carrying amount of lease liabilities is increased to reflect the accrual of interest and reduced by the lease payments made. In addition, the carrying amount of lease liabilities is remeasured whether there is a modification, a change in the lease term, or a change in fixed lease payments.

(iii) Short-term leases and leases of low-value assets

The Company and its subsidiaries apply the recognition exemption for short-term leases of property (i.e., properties with a lease term of 12 months or less from the date of commencement and that do not contain a purchase option).

They also apply the recognition exemption for leases of low-value assets, such as office equipment. Lease payments associated with short-term leases and leases of low-value assets are recognized as a straight-line expense over the lease term.

(b) The Company and its subsidiaries as lessor

Leases in which the Company and its subsidiaries do not transfer substantially all the risks and rewards associated with the ownership of an asset are classified as operating leases. Rental income arising from such leases is recognized on a straight-line basis over the lease terms and is included under "Rentals" in the consolidated statement of income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

2.12 Provisions

Provisions are recognized when the Company and its subsidiaries have a present obligation (legal or implied) 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 of the amount of the obligation can be made.

The amount recognized as a provision corresponds to the best estimate, as of the date of the consolidated statement of financial position, of the expenditure required to settle the present obligation, taking into account the risks and uncertainties surrounding most of the events and circumstances relevant to the valuation of the

obligation. When the amount of a provision is measured using estimated cash flows to settle the obligation, its carrying amount is the present value of those cash flows.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by a third party, the reimbursement is recognized as an asset when it is virtually certain that the reimbursement will be received and the amount can be reliably measured.

2.13 Provision for closure of mining units

Assets and liabilities for mine closure are recognized when: (i) the Company and its subsidiaries have a present obligation related to the dismantling and removal of assets, as well as to restore the sites where their mining units are located, and (ii) the amount of such obligations can be reliably estimated.

The initial amount recognized for assets and liabilities is the present value of the estimated future expenditures required to settle those obligations.

Subsequent to initial measurement, the obligation is adjusted to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in provision due to the passage of time is recognized as a financial expense, while increases or decreases arising from changes in estimated future cash flows are capitalized and depreciated over the life of the related asset. Actual costs incurred in the settlement of the site restoration liability are recorded against the provision to the extent that the provision has been previously recognized for those costs. A gain or loss may arise upon settlement of the liability, while the related asset is depreciated based on proven and probable reserves, and a percentage of the resources inferred using the depreciation method of units of production. Related depreciation is recognized as an expense.

2.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an eligible asset are capitalized and added to the cost of the project until the assets are substantially ready for their intended use, i.e., when they are capable of generating commercial production. When specific borrowings are obtained for a particular project, the capitalized amount represents the actual borrowing costs incurred to obtain the loan.

To the extent that the variable rate borrowings used to finance an eligible asset are hedged in an effective cash flow hedge of interest rate risk, the effective portion of

the derivative is recognized in other comprehensive income and is reclassified to profit or loss when the eligible asset affects profit or loss. To the extent that the fixed rate borrowing is used to finance eligible assets and are hedged in an effective interest rate risk hedge, capitalized borrowing costs reflect the interest rate hedge.

When temporary excess funds from specific borrowings are invested on a short-term basis, the investment income earned is also capitalized and deducted from the total borrowing cost. When funds used to finance a project are part of general borrowings, the capitalized amount is determined using the weighted average of the borrowing rates applicable to the general borrowings of the Company and its subsidiaries during the period. All other borrowing costs are recognized in the consolidated statement of comprehensive income in the period in which they are incurred.

2.15 Revenue recognition

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customer in an amount that reflects the consideration to which the Company and its subsidiaries expect to be entitled in exchange for those goods or services.

(a) Sale of goods (concentrates, doré bars and others)

(i) Timing of recognition

Revenue associated with the sale of concentrates, doré bars and other products is recognized when control of the asset sold is transferred to the customer. Transfer control indicators include an unconditional obligation to pay, legal title, physical possession, transfer of risk and rewards, and customer acceptance. This generally occurs when the concentrates are delivered at the loading port, warehouse or vessel, according to the contractual terms agreed with the buyer. At that point, the buyer controls the concentrates. In cases where the Company and its subsidiaries are responsible for the cost of shipping and other services after the date on which control of the goods is transferred to the customer, those services are considered separate performance obligations. Accordingly, a portion of the revenue recognized under the contract is allocated to those obligations and recognized when the performance obligations are satisfied.

Revenue from the sale of concentrates, doré bars and other products is recorded net of commercial deductions. Commercial deductions include price adjustments for treatment and refining expenses, which may include certain penalties that, in

accordance with each applicable contract, are deducted from the international price of the refined metal and are incurred after the sale under the applicable contract. These deductions may also include customer returns, rebates and other similar items. The Company and its subsidiaries consider that such deductions form part of the transaction price. Normal credit terms range from 5 to 90 days from delivery.

When determining the sales price of concentrates and doré bars, the Company and its subsidiaries also consider the variable component of the contract price and the existence of significant financing components.

(ii) Variable consideration

Sales of concentrates, doré bars and other products may include adjustments to their selling prices arising from minor variations in quantities that may occur while such goods are in transit to their final destination. These variations arise from changes in moisture, weight and ore grades and are recognized as part of "Net sales" in the consolidated statement of comprehensive income at the time the Company and its subsidiaries reach an agreement with the customer regarding the final amounts sold.

IFRS 15 requires that variable consideration be recognized only to the extent that it is highly probable that there will be no significant reversal in the amount of recognized accrued revenue. The Company and its subsidiaries concluded that adjustments related to final settlements for the quantity and quality of concentrate sold are not significant and do not restrict revenue recognition.

In addition, contracts for the sale of concentrates, doré bars and other products, generally, provide for a provisional payment based on provisional tests and prices of quoted metals. Final settlement is based on final test results and applicable metal prices in specified trading periods, typically ranging from one month after shipment to up to three months after shipment reaches the agreed location and is based on average market metal prices. For this purpose, the transaction price can be reliably measured for products, such as zinc, lead, copper, and silver, for which there is a free and active market, such as the London Metal Exchange.

These contracts, because they will be settled in the future and based on the international quotations of the payable content that are finally agreed, are treated in accounting terms as embedded derivatives, within the scope of IFRS 9 rather than IFRS 15. Therefore, at the end of each reporting period, they are adjusted for significant changes in international metal prices to reflect their fair value, and are

presented separately from revenue from contracts with customers as part of "embedded derivatives" (see Notes 23).

Final adjustments resulting from final settlements are recorded in the period in which they are issued, generally when the seller and buyer exchange weights and payable metal contents, and establish the quotation period, according to terms agreed in the relevant sales contracts.

Finally, the amount of sales of concentrates, doré bars and other products is adjusted for changes in the fair value of derivative financial instruments designated as cash flow hedges, in accordance with Note 2.4.5(b) to mitigate price volatility.

(iii) Significant financial component

The Company and its subsidiaries receive short-term advances from their customers. Applying the IFRS 15 practical expedient, the promised amount of consideration is not adjusted for the effects of a significant financing component if, at contract inception, it is expected that the period between the transfer of the goods and payment by the customer will be one year or less.

(b) Rendering of services

Revenues from the sale of electricity and firm capacity is recognized monthly on cyclical meter readings and is recognized in full in the period in which the service is rendered, representing a single performance obligation.

(c) Contractual balances

(i) Contractual assets

A contractual asset represents the right of the Company and Subsidiaries to receive consideration for goods or services already transferred to the customer, when that right is not enforceable solely due to the passage of time. It is recognized when a performance obligation is satisfied before the consideration becomes due or the customer makes payment. Contractual assets are presented as part of the "Other receivables" line item (Note 7).

(ii) Contractual liabilities

A contractual liability is an obligation to transfer goods or services for which consideration has been received in advance or is due before the performance obligation is fulfilled. Such obligations are recognized as revenue as they are satisfied.

As of March 31, 2026 and December 31, 2025, the Company and Subsidiaries have no contractual liabilities.

(d) Interest income

Interest income is recognized based on the effective interest method, on a time-proportion basis.

(e) Other income is recognized in profit or loss when it is earned.

2.16 Recognition of costs to fulfill a contract with a customer and expenses

The cost of sales of mineral concentrate is recognized in the period in which the shipment or delivery occurs, depending on the contractual terms, and is recognized in profit or loss in the same period in which the related operating income is recognized. Expenses are recognized when a decrease in future economic benefits has arisen, related to a decrease in assets or an increase in liabilities, and the expense can also be measured reliably, regardless of when they are paid.

2.17 Employee benefits

Employee benefits include, among others, short-term employee benefits, such as wages, salaries, and social security contributions, annual paid leave, paid sick leave, and profit-sharing and incentive payments, among others, when these are expected to be settled within twelve months after the end of the reporting period. These benefits are recognized in profit or loss for the period when the employee has rendered the services that entitle them to receive such benefits. The obligations are presented as part of other liabilities.

2.18 Operating profit

Operating profit is defined as total net sales less total cost of sales, administrative expenses, selling expenses, other income and expenses and impairment recovery (loss) on long-lived assets, without considering financial income and expenses and income tax expense.

2.19 Income tax

Income tax expense for the period comprises current and deferred income tax and the special mining tax.

(a) Current income tax

Current income tax corresponds to income tax payable, calculated by applying a rate of 29.5% on the estimated taxable income, after deducting workers' profit sharing (8% on the estimated taxable income) and is recorded in profit or loss for the year in which it is incurred.

Current income tax is payable on the taxable basis for the year. Taxable income differs from net income reported in profit or loss because it excludes items of income or expenses that are taxable or deductible in other years, as well as items that are never taxable or deductible. Current tax liabilities of the Company and its subsidiaries are calculated using tax rates enacted at the end of the reporting period.

A provision is recognized for positions where the determination of tax is uncertain, but it is considered probable that a future outflow of funds to a tax authority will occur. Provisions are measured at the best estimate of the amount expected to be paid. The assessment is based on the judgment of tax experts supported by the Company's and its subsidiaries' prior experiences in similar matters, and in some cases based on the consultation of an independent tax specialist.

(b) Deferred income tax

Deferred income taxes are recognized on temporary differences between the carrying amount of the assets and liabilities included in the consolidated financial statements and the corresponding tax bases used to determine the taxable income, the tax rate corresponding to these differences, and, where applicable, the gains from tax losses to be amortized and some tax credits are included. Deferred income tax asset or liability is generally recognized for all temporary tax differences. A deferred tax asset will be recognized for all deductible temporary differences to the extent that it is likely that the Company and its subsidiaries will have future taxable profits against which it can apply those deductible temporary differences. These assets and liabilities are not recognized if the temporary differences arise from goodwill or from the initial recognition (other than from the business combination) of other assets and liabilities in a transaction that does not affect tax or accounting results.

Deferred tax liability for taxable temporary differences associated with investments in subsidiaries and associates is recognized, except when the Company and its subsidiaries are able to control the reversal of the temporary difference and when it is probable that the temporary difference will not be reversed in the foreseeable future. Deferred tax assets arising from temporary differences associated with such

investments are recognized only to the extent that it is probable that there will be sufficient future taxable profits against which those temporary differences are used and are expected to reverse them in the near future.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are valued using the tax rates expected to apply in the period in which the liability is paid or the asset is realized, based on the rates (and tax laws) that have been approved or substantially approved at the end of the reporting period.

The valuation of deferred tax liabilities and assets reflects the tax consequences that would result from the manner in which the Company and its subsidiaries expect, at the end of the reporting period, to recover or settle the carrying amount of their assets and liabilities.

Deferred tax assets and liabilities are offset when there is an enforceable legal right that allows current tax assets to be offset against current tax liabilities and when they relate to income taxes collected by the same taxing authority and the Company and its subsidiaries intend to settle their current tax assets and liabilities on a net basis.

(c) Current and deferred income tax for the year

Current and deferred income taxes are recognized in profit or loss, except when they relate to items that are recognized outside profit or loss, either in other comprehensive income or directly in equity, respectively. When they arise from the initial recognition of a business combination, the tax effect is included within the accounting for the business combination.

(d) Uncertain tax treatment

The Company and its subsidiaries assess whether each uncertain tax treatment should be considered individually or together with other tax treatments, adopting the approach that best predicts the resolution of the uncertainty.

Within the Peruvian tax environment, uncertain tax positions are measured considering two possible scenarios: a 100% probability of recovery when it is estimated that the Company and its subsidiaries will prevail before the tax authority, or 0% recovery otherwise.

Based on the tax compliance and transfer pricing analysis performed, the Company and its subsidiaries have concluded that their tax treatments, including those of their subsidiaries, will be accepted by the tax authority.

2.20 Contingent liabilities and assets

Contingent liabilities are recorded in the consolidated financial statements when it is considered that they are likely to be confirmed over time and can be reasonably quantified; otherwise, only the contingency is disclosed in the notes to the consolidated financial statements.

Contingent assets are not recorded in the consolidated financial statements but are disclosed in notes when their degree of contingency is probable.

Items previously treated as contingent liabilities are recognized in the consolidated financial statements in the period in which a change in probabilities occurs, i.e., when it is determined that an outflow of resources to cover the liability is probable. Items treated as contingent assets are recognized in the consolidated financial statements in the period in which it is determined that an inflow of resources is probable, respectively.

2.21 Classification of current and non-current items

The Company and its Subsidiaries present assets and liabilities in the consolidated statement of financial position, classified as current and non-current assets and liabilities. An asset is classified as a current asset when the entity:

- Expects to realize the asset or has the intention to sell it or consume it in the ordinary course of business.
- Holds the asset mainly for trading.
- Expects to realize the asset within the twelve months following the end of the reporting period; or
- The asset is cash and cash equivalents, unless it is restricted and cannot be exchanged or used to settle a liability for a minimum period of twelve months after the end of the reporting period.

All other assets are classified as non-current assets.

A liability is classified as a current liability when the entity:

- Expects to settle the liability in the ordinary course of business.
- Holds the asset mainly for trading.
- Expects to settle the liability within the twelve months following the end of the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

All other liabilities are classified as non-current liabilities.

Deferred income tax assets and liabilities are classified as non-current assets and liabilities.

2.22 Basic and diluted earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net income attributable to shareholders by the weighted average number of common shares outstanding during the period, including shares restated for constant currency adjustments.

Since there are no potentially dilutive common shares, i.e., financial instruments or other contracts that grant the right to obtain common shares, diluted earnings (loss) per common share is equal to the basic earnings (loss) per common share.

2.23 Business combinations and goodwill

Acquisitions are recorded using the acquisition method in accordance with IFRS 3 “Business Combination”. Assets and liabilities are recorded at their estimated market values on the purchase date, including identified intangible assets that are not recorded in the statements of financial position of each acquired entity. The acquisition costs incurred are recorded as an expense and are included in the item “Administrative expenses”.

When the Company and its subsidiaries acquire a business, it assesses the financial assets and liabilities assumed for its own classification and denomination according to the contractual terms, economic circumstances and prevailing conditions at the acquisition date.

Goodwill is initially measured at cost and corresponds to the excess of the consideration transferred plus the amount recognized as non-controlling interest, with respect to the fair value of the assets acquired and the liabilities assumed. If this

consideration is less than the fair value of the net assets of the acquired entity, the difference is recognized in profit or loss.

Any contingency transferred by the acquirer is recognized at fair value at the acquisition date. The contingency classified as an asset or liability that is a financial instrument and is within the scope of IFRS 9 “Financial instruments”, is measured at fair value with changes recognized in the consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment loss. For impairment testing purposes, the goodwill generated in a business combination is, at the acquisition date, assigned to each of the cash-generating units that are expected to benefit from the combination.

When goodwill has been allocated to a cash-generating unit and part of the operation is disposed of within that unit, the goodwill associated with the disposed operation is included in the carrying amount of the operation in determining the gain or loss on such disposal. Goodwill disposed of in these circumstances is measured based on the relative values of the disposed transaction and the portion of the cash-generating unit retained.

If the initial accounting of a business combination is incomplete at the end of the accounting period in which the combination occurs, the Company and its subsidiaries will report in their consolidated financial statements the provisional amounts of the items whose accounting is incomplete. During the measurement period, the Company and its subsidiaries will retroactively adjust the provisional amounts recognized at the acquisition date to reflect the new information obtained about facts and circumstances that exist at the acquisition date and that, had they been known, would have affected by the measurement of the amounts recognized on that date. The measurement period will end as soon as the Company and its subsidiaries receive the information they were seeking about facts and circumstances that occurred at the acquisition date or conclude that no further information can be obtained. However, the measurement period will not exceed one year from the acquisition date.

2.24 Spin-offs of equity blocks and loss of control

Spin-offs of equity blocks, understood as the transfer of an identifiable set of assets and liabilities that constitute a business or part of a business, are accounted for based on the economic substance of the transaction and the applicable regulatory framework.

Loss of control occurs when the Company ceases to have power over the investee, exposure or right to variable returns and the ability to use its power to affect those returns.

When a spin-off or other transaction results in the loss of control over a subsidiary, the Company derecognizes the subsidiary's assets and liabilities, including any non-controlling interest, and recognizes any consideration received and any retained interest at fair value at the date control is lost. The difference between (i) the fair value of the consideration received plus the fair value of any retained interest and (ii) the carrying amount of the subsidiary's net assets is recognized in the consolidated statement of income.

When the spin-off corresponds to a reorganization between entities under common control and does not result in the loss of control, the transferred assets and liabilities are recognized at their carrying amounts, and no goodwill or gain or loss is recognized in the consolidated statement of income.

Subsequently, any retained interest is accounted for in accordance with the accounting policy applicable to its classification.

2.25 Segments

The Company and its Subsidiaries report financial and descriptive information about its reportable segments. A reportable segment is an operating segment or an aggregate of operating segments that meet specific criteria. Business segments are a component of an entity for which financial information is available separately and is periodically evaluated by the Chief Operating Decision Maker (CODM) (Note 34) to allocate resources and evaluate performance. Financial information is generally presented on the same basis that is used internally to assess segment operating performance and decide how to allocate resources to segments.

3. Accounting estimates and criteria

The information contained in these consolidated financial statements is responsibility of the Company's and its subsidiaries' Management. In preparing these statements, certain estimates have been used to quantify some of the assets, liabilities, revenue, expenses, and commitments recorded herein, based on experience and other relevant factors. Final results may vary from these estimates.

Estimates are reviewed periodically. Modifications to accounting estimates are recognized prospectively and have to be recorded in the corresponding “profit or loss for the year” in which the revisions are made.

The most important estimates for the preparation of the consolidated financial statements of the Company and its subsidiaries are the following:

- Fair value of financial instruments (Note 2.4)
- Provision for impairment of inventories (Note 2.6)
- Useful life assigned to mining rights, exploration and development costs, investment properties, property, plant and equipment, and intangible assets (Notes 2.7, 2.8, 2.9 and 2.10)
- Determination of mineral reserves and resources
- Review of impairment of long-lived assets (Note 2.10)
- Provisions and contingencies (Note 2.12)
- Provision for closure of mining units (Note 2.13)
- Provisional liquidity in the recognition of income (Note 2.15)
- Taxes and uncertain tax positions (Note 2.19 (d))
- Going concern (Note 2.1.1)

Key sources of uncertainty in estimates

The following discusses the basic assumptions about the future and other key sources of uncertainty in estimates at the end of the reporting period, which may involve a significant risk of material adjustments to the carrying amounts of assets and liabilities during subsequent financial periods.

(a) Determination of mineral reserves and resources

The Company and its subsidiaries calculate their mineral reserves and resources based on the guidelines of the Australian standard - the Joint Ore Reserves Committee (JORC) Code, which establishes the technical and economic standards and recommendations. The Company and its subsidiaries have competent personnel who are responsible for preparing and reviewing the reserves annually.

Proven and probable reserves, along with a percentage of inferred resources, are used to calculate the depreciation and amortization of non-financial assets depreciated using the units-of-production method, as well as to determine the closure period for mining units and to analyze the impairment of non-financial assets.

(b) Liabilities for the closure of mining units

The Company and its subsidiaries determine an estimate for the obligations to retire assets and close their mining units using the discounted cash flow model. To develop the model, Management makes estimates regarding the scope and costs of retirement and closure activities, changes in technology and the regulatory environment, as well as macroeconomic variables considered in the estimate, such as inflation rates and others used to determine the discount rate. The best estimate of the timing of these expenditures is also considered.

The Company and its subsidiaries periodically review the estimated future disbursements, disbursements deadlines, and the discount rates used, and adjust the asset and liability values, if necessary, on a prospective basis.

(c) Review of carrying amount and provision for impairment

The Company and its subsidiaries annually review whether a fixed asset requires an impairment provision in accordance with the accounting policy set forth in Note 2.10. This requires professional judgment by the Company's Management and its subsidiaries to analyze impairment indicators and determine the value in use. In the latter, judgment is required in preparing future cash flow projections, including projecting the Company's and its subsidiaries' future operating levels, projecting economic factors that affect their revenues and costs, and determining the discount rate to be applied to these cash flows.

(d) Useful life of property, plant and equipment

As described in Note 2.8, the Company and its subsidiaries review the estimated useful life of property, plant and equipment annually. Internal specialists from the operations and maintenance areas participate in these evaluations to determine whether the useful life remains appropriate for the expected use of the assets. Determining useful lives requires estimates regarding expected business and technological developments and alternative uses of the assets. Assumptions regarding the technological framework and its future development involve a significant degree

of judgment, as the timing and nature of future technological changes are difficult to predict.

(e) Contingencies

The Company and its subsidiaries are subject to contingent transactions or events on which professional judgment is used in developing estimates of the probability of occurrence of future events, considering the legal situation at the date of the estimate, and the opinion of internal and external legal advisors.

(f) Taxes

Determining tax liabilities and expenses requires interpretations of applicable tax legislation. The Company and its subsidiaries seek professional tax advice before making any decisions on tax matters. Although Management believes its estimates are prudent and appropriate, differences in interpretation may arise with the tax authorities that could affect future tax charges.

The recovery of deferred tax assets requires an assessment to determine whether they should be recognized in the consolidated statement of financial position. Deferred tax assets require management to evaluate the likelihood that the Company and its subsidiaries will generate taxable income in future periods to utilize them. Estimates of future taxable income are based on projections of cash flows from operations and the application of tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from these estimates, it could impact the Company's and its subsidiaries' ability to realize the net deferred tax assets recorded at the reporting date.

(g) Uncertain tax positions

The Company and its subsidiaries exercise significant judgment in identifying uncertainties regarding income tax treatments. In this regard, the Company and its subsidiaries have reviewed the following situations:

- Contentious proceedings
- Tax planning implemented
- Company reorganization
- Other situation identified by Management

In the assessment, Management has considered the following sources to identify possible uncertain tax situations:

- The criteria applied by the tax administration in its audits
- The opinions expressed by the tax administration through reports or official letters
- The jurisprudence of the courts at all levels
- Directives of Peruvian tax and customs authorities (“Superintendencia Nacional de Aduanas y Administración Tributaria” - SUNAT)

The assessment was conducted for all non-prescribed tax years, taking into account the provisions of the Peruvian Tax Code.

As a result of examining each of the aforementioned situations, Management has identified tax uncertainties that may affect the determination of income tax in accordance with IFRIC 23, Uncertainty over Income Tax Treatment, mainly those related to the amortization of development costs, which, due to their temporary nature, do not have a significant impact on the consolidated financial statements.

When there is a change in circumstances, Management should review its estimates, such as the actions taken by the tax administration, formally adopted positions, court jurisprudence, or the expiration of the statute of limitations.

4. Financial Instruments and Risks

(a) Categories of financial instruments

The financial assets and liabilities of the Company and Subsidiaries comprise the following:

	<u>03/31/2026</u> US\$000	<u>12/31/2025</u> US\$000
Financial assets:		
Cash and cash equivalents	294,460	334,671
Amortized cost		
Other accounts receivable	9,004	10,642
Fair value through profit or loss		
Trade accounts receivable (net)	38,070	25,738
Fair value through other comprehensive income		
Financial investments	145,958	106,902
Total	<u>487,492</u>	<u>477,953</u>
Financial liabilities:		
Amortized cost		
Financial obligations	817,961	872,612
Lease liabilities	9,883	9,890
Trade accounts payable	225,603	244,376
Other accounts payable	20,673	18,555
	<u>1,074,120</u>	<u>1,145,433</u>
Fair value through other comprehensive income		
Settled derivatives pending payment	14,368	9,563
Derivatives designated as hedging instruments	113,296	126,503
	<u>127,664</u>	<u>136,066</u>
Total	<u>1,201,784</u>	<u>1,281,499</u>

(b) Financial risks

During the normal course of operations, the Company and Subsidiaries are exposed to several financial risks. The risk management program of the Company and Subsidiaries is mainly focused on financial markets and seeks to minimize potential adverse effects on the financial performance of the Company and Subsidiaries. The Financial Management Department of the Company and Subsidiaries is in charge of risk management, which identifies, evaluates, and covers financial risks.

(i) **Market risk**

Exchange rate risk

The Company and Subsidiaries perform their sales in U.S. dollars, which allow them to meet their obligations in such currency. The exchange rate risk mainly arises from balances held in soles.

As of March 31, 2026, the balances of financial assets and liabilities denominated in foreign currency correspond to balances in soles, are expressed in US dollars at the purchase and sale exchange rate published by the Superintendency of Banking and Insurance and AFP (SBS) in effect on that date, which were US\$0.287, US\$0.286 per S/1.00, respectively, (US\$0.298 and US\$0.297 per S/1.00, respectively as of December 31, 2025) and are summarized as follows:

	<u>03/31/2026</u>	<u>12/31/2025</u>
	S/000	S/000
<u>Assets</u>		
Cash and cash equivalents	79,190	72,774
Other accounts receivable (net)	<u>172,244</u>	<u>127,690</u>
Total assets	<u>251,434</u>	<u>200,464</u>
<u>Liabilities</u>		
Trade accounts payable	(129,754)	(142,232)
Other accounts payable	<u>(12,163)</u>	<u>(65,680)</u>
Total liabilities	<u>(141,917)</u>	<u>(207,912)</u>
	<u>109,517</u>	<u>(7,448)</u>

In the first quarter of 2026, the Company and Subsidiaries recorded a net exchange difference loss of US\$881 (and a gain of US\$516 in the first quarter of 2025).

Management considers a sensitivity rate of 5% as reasonable in the assessment of exchange rate risk. A sensitivity analysis assuming the devaluation and revaluation of the Peruvian sol (S/), equivalent to the rate mentioned above, exclusively on balances of assets and liabilities reflected above, considering other constant variables in the consolidated statement of profit or loss before income tax, is presented in the following table:

	Changes in exchange rates	Effect on results before taxes (Debit) Credit	
		03/31/2026	12/31/2025
		US\$000	US\$000
Revaluation	+5%	(1,580)	111
Devaluation	-5%	1,580	(111)

Price risk

The Company and Subsidiaries are exposed to commercial risks arising from changes in mineral market prices. In order to cover the risk arising from the decrease of prices of metals, Management will hire derivative financial instruments.

For the control and follow-up of hedges, Management approved the “Metal Price Hedging Policy”, which is executed and monitored together with the Financial Risk Management Policy. Management has also a Hedging Committee whose objective is to mitigate the risks associated with variations and volatility of the prices of metals they produce.

As of March 31, 2026 and 2025, if the average sales prices of the principal payable metals contained in mineral concentrates increase (or decrease) by 10% and all other variables remain constant, the profit or loss before income taxes of the Company and Subsidiaries would change as follows:

	<u>Effect on profit (loss) before income tax (Debit) Credit</u> US\$000
Zinc concentrate	
2026:	
Increase in the international price of zinc	16,402
Decrease in the international price of zinc	(16,402)
2025:	
Increase in the international price of zinc	14,606
Decrease in the international price of zinc	(14,606)
	<u>Effect on profit (loss) before income tax (Debit) Credit</u> US\$000
Lead concentrate	
2026:	
Increase in the international price of lead	13,085
Decrease in the international price of lead	(13,085)
2025:	
Increase in the international price of lead	4,983
Decrease in the international price of lead	(4,983)
	<u>Effect on profit (loss) before income tax (Debit) Credit</u> US\$000
Copper concentrate	
2026:	
Increase in the international price of copper	4,671
Decrease in the international price of copper	(4,671)
2025:	
Increase in the international price of copper	1,896
Decrease in the international price of copper	(1,896)
	<u>Effect on profit (loss) before income tax (Debit) Credit</u> US\$000
Silver concentrate	
2026:	
Increase in the international price of silver	2,679
Decrease in the international price of silver	(2,679)
2025:	
Increase in the international price of silver	3,747
Decrease in the international price of silver	(3,747)

As of March 31, 2026 and 2025, the fair value of the embedded derivatives contained in the commercial contracts amounts to a loss of US\$8,010 and a gain of US\$3,569, respectively.

(ii) Interest rate risk

The Company and Subsidiaries have significant assets, which are held in renowned financial entities and accrue interests at current rates in the market. Operating income and cash flows of the Company and Subsidiaries are independent of changes in interest rates in the market.

The interest rate risk is addressed by Management of the Company and Subsidiaries through a policy that establishes obtaining loans at fixed and variable interest rates.

Management considers that the risk of fluctuations in the fair value of interest rates is not significant since the interest rates of its financing agreements are not significantly different from the market interest rates for similar financial instruments.

(iii) Credit risk

The credit risk of the Company and Subsidiaries arises from the inability of debtors to meet their obligations. For this reason, Management establishes conservative credit policies and constantly evaluates the conditions of the market where their debtors operate, for which Management uses risk rating reports for commercial and credit operations.

The financial assets (excluding cash and cash equivalents and financial investments) of the Company and Subsidiaries are within their maturity dates.

Trade accounts receivable are denominated in US dollars and are due on the date of issue of the payment voucher, which amount is paid on the following days after its due date. Sales by the Company and Subsidiaries are made to domestic and foreign customers with whom it has commercial contracts.

The Company's Management considers the credit history of its customers and their payment capacity and performs an evaluation of the debts whose collection is estimated as a variant to determine the impairment loss due to bad debts, concluding that no provision for bad debts is necessary.

(iv) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and having the possibility to be engaged and/or have engaged certain financing operations through adequate credit sources.

As of March 31, 2026 and December 31, 2025, the Company and Subsidiaries have negative working capital for US\$25,166 and US\$90,758, respectively.

The decrease in negative working capital is primarily due to the 4.375% Senior Notes Due 2026, which matured in February 2026.

In addition, it generates significant cash flows from operating activities (US\$100,634 as of March 31, 2026 and US\$81,287 as of March 31, 2025).

Management believes that these measures will allow the Company and Subsidiaries to have sufficient cash flows to properly manage their financial obligations.

The table below presents an analysis of the financial liabilities of the Company and Subsidiaries classified according to their maturity (including interests to be paid at those maturities) at the date of the consolidated statement of financial position:

Financial Liabilities	Less than 1 year US\$000	Between 1 and 2 years US\$000	Between 2 and 10 years US\$000	Total US\$000
<u>As of December 31, 2025:</u>				
Financial obligations	77,087	77,092	1,085,319	1,239,498
Lease liabilities	8,726	1,454	447	10,627
Trade accounts payable	225,603	-	-	225,603
Other accounts payable	20,673	-	-	20,673
Derivative financial instruments	127,664	-	-	127,664
Total	<u>460,353</u>	<u>78,546</u>	<u>1,085,766</u>	<u>1,624,665</u>
<u>As of December 31, 2024:</u>				
Financial obligations	147,356	77,236	1,122,142	1,346,734
Lease liabilities	9,248	982	224	10,454
Trade accounts payable	244,376	-	-	244,376
Other accounts payable	18,555	-	-	18,555
Derivative financial instruments	136,066	-	-	136,066
Total	<u>555,601</u>	<u>78,218</u>	<u>1,122,366</u>	<u>1,756,185</u>

(v) Capital management risk

The company manages its capital with the objective of ensuring the ability to continue as a going concern, maximizing returns to shareholders, and maintaining an optimal capital structure to reduce the cost of capital.

To achieve these objectives, the company may adjust dividend payments, repay capital to shareholders, issue new shares, or sell assets to reduce debt.

The company's capital structure comprises shareholders' equity and net financial debt, which includes bank loans and bonds issued, less cash and cash equivalents.

The leverage ratio was as follows:

	<u>03/31/2026</u>	<u>12/31/2025</u>
	US\$000	US\$000
Financial obligations	817,661	872,612
Lease liabilities	680	919
Bank overdrafts	300	-
Total net debt	<u>818,641</u>	<u>873,531</u>
Cash and cash equivalents	<u>(294,460)</u>	<u>(334,671)</u>
Total net debt	<u>524,181</u>	<u>538,860</u>
Total equity	<u>639,950</u>	<u>530,471</u>
Net debt ratio	<u>0.82</u>	<u>1.02</u>

(c) Fair value of financial instruments

For purposes of the consolidated financial statements, fair value measurements are categorized in three levels: 1, 2 or 3; depending on the degree in which the information for fair value measurements are observable, and their significance to fair value measurement in its entirety, as described below:

- Level 1: Input is quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company may access at the measurement date.
- Level 2: Input is different from quoted prices included in Level 1, which are observable for the asset or liability, whether directly or indirectly.
- Level 3: Input is not observable for the asset or liability.

Fair value of financial assets and liabilities of the Company that are not measured at fair value, but fair value disclosures are required

Management considers that the carrying amounts of financial assets and liabilities recognized in the consolidated financial statements are similar to their fair value, including the long-term loan that accrues equivalent interests at current market rates. The fair value

of bonds issued in the international market is classified as Level 1 since quoted prices are available. The fair value of these bonds amounts to US\$829,253 as of March 31, 2026 (US\$890,722 as of December 31, 2025).

Fair value of financial assets and liabilities of the Company and Subsidiaries that are measured at fair value on a constant basis

As of March 31, 2026 and December 31, 2025, the financial instruments measured at fair value after initial recognition refer to trade accounts receivable, financial investments and derivative financial instruments.

The following table shows the financial instruments measured at fair value on a constant basis, classified per level:

	<u>03/31/2026</u> US\$000	<u>12/31/2025</u> US\$000
Financial assets		
Level 1		
Investments in equity instruments (a)	145,958	106,902
Level 2		
Trade accounts receivable (net) (b)	38,070	25,738
Financial liabilities		
Settled derivatives pending payment	14,368	9,563
Derivatives designated as hedging instruments	<u>113,296</u>	<u>126,503</u>
	<u>127,664</u>	<u>136,066</u>

(a) Financial investments correspond to the investment in Cementos Polpaico S.A., which is listed on the Chilean Stock Exchange, and Inversiones Portuarias Chancay S.A.A., which is listed on the Peruvian Stock Exchange, and for this reason, it has been classified as Level 1.

(b) Trade accounts receivable, designated at fair value through profit or loss, include changes in the value of provisional settlements, which are adjusted to market value based on future estimates of metal prices at the date of the consolidated financial statements. The fair value measurement is categorized in Level 2 because these measurements are derived from current international quoted prices included in Level 1.

(c) There have been no transfers between the levels during the period.

5. Cash and cash equivalents

The composition of the item is presented below:

	<u>03/31/2026</u>	<u>12/31/2025</u>
	US\$000	US\$000
Available:		
Cash in hand and banks (a) (b)	194,396	251,010
Mutual funds	76,813	70,805
Restricted cash	4,298	7,528
Cash in transit	14,263	666
Time deposits	4,690	4,662
	<u>294,460</u>	<u>334,671</u>

a) Cash and bank balances primarily consist of checking accounts denominated in soles and US dollars, held in local and foreign banks, freely available, and generating interest at market rates.

b) The Company and Subsidiaries report, as part of cash and bank balances, balances of US\$14,263 and US\$12,723 as of March 31, 2026 and December 31, 2025, respectively, corresponding to cash deposited in Banco de la Nación for the purpose of tax payments.

6. Trade accounts receivable (net)

The composition of the item is presented below:

	<u>03/31/2026</u>	<u>12/31/2025</u>
	US\$000	US\$000
From third parties		
Invoices	62,422	42,080
Embedded derivatives	(3,168)	4,842
Impairment estimate for accounts receivable	(21,184)	(21,184)
Total	<u>38,070</u>	<u>25,738</u>

Accounts receivable are current, do not accrue interest, are not secured by specific guarantees, and are expected to be collected in the first quarter of the following year.

The Company and Subsidiaries' main customers have a recognized reputation in the international market, a good credit history, and show no financial difficulties at the end of the period.

The allowance for doubtful accounts, based on the expected loss assessment, is primarily related to a customer in liquidation and dates back to 2008.

In the opinion of the Company and Subsidiaries' Management, the allowance for doubtful accounts is sufficient to cover the risk of default as of the consolidated statement of financial position date.

7. Other accounts receivable (net)

The composition of the item is presented below:

	<u>03/31/2026</u> US\$000	<u>12/31/2025</u> US\$000
<i>Financial assets:</i>		
Receivables from contractors and others	14,336	13,460
Loans to third parties (a)	10,435	10,471
Escrow account - sale of companies ((Note 1(d.6))	1,255	3,331
Invoiced services	946	1,498
Financing to related parties (b)	1,092	1,011
Subsidies and other receivables	300	305
	<u>28,364</u>	<u>30,076</u>
Provision for impairment of other receivables (c)	(19,360)	(19,434)
Subtotal	<u>9,004</u>	<u>10,642</u>
<i>Other non-financial assets:</i>		
Claims to the Tax authorities (d)	45,412	46,266
Contractual assets (e)	21,282	16,274
Pre-paid expenses	4,872	4,392
Input VAT credit (d)	52,817	57,754
Works for taxes, in progress	5,319	5,309
Other minors	548	808
	<u>130,250</u>	<u>130,803</u>
Provision for impairment of other receivables (c)	(20,868)	(21,188)
Subtotal	<u>109,382</u>	<u>109,615</u>
Total	<u>118,386</u>	<u>120,257</u>
Current portion	75,428	74,020
Non-current portion	42,958	46,237

(a) Loans to third parties accrue interest at market rates and are considered primarily current receivables. The Company and its subsidiaries have established a provision for doubtful accounts of US\$10,115, in accordance with the assessment of the risk of non-recoverability.

(b) This includes disbursements made by the Company on behalf of Inversiones Portuarias Chancay S.A.A. during its development phase. These amounts are repayable and accrue interest at market rates, which are recognized as other financial income in the statement of comprehensive income.

(c) The Management of the Company and its subsidiaries considers that the allowance for impairment of other receivables is sufficient to cover the risk of non-recoverability as of the date of the consolidated statement of financial position.

(d) This primarily includes payments made by the Company and its subsidiaries for tax adjustments resulting from income tax audits for the 2015 and 2017 fiscal years. These payments were made under protest, in order to continue the litigation process in court.

(e) As of March 31, 2026 and December 31, 2025, this primarily includes advances made to contractors and others for the provision of energy and engineering services.

8. Inventories (net)

The composition of the item is presented below:

	<u>03/31/2026</u>	<u>12/31/2025</u>
	US\$000	US\$000
Concentrates	11,096	16,109
Raw material (extracted mineral)	1,697	882
Sundry supplies	47,088	38,392
Inventories in transit	148	911
	<u>60,029</u>	<u>56,294</u>
Total	60,029	56,294
Impairment estimate (a)	<u>(8,871)</u>	<u>(8,843)</u>
Total	<u><u>51,158</u></u>	<u><u>47,451</u></u>

(a) During 2026, the provision for the net realizable value of concentrate was updated,

resulting in a net effect of US\$(28).

In the opinion of the Company and Subsidiaries' Management, the inventory impairment allowance is sufficient to cover the risk of losses as of the date of the consolidated statement of financial position.

9. Financial investments

The composition of the item is presented below:

Company	Class	Shares Number	Participation In Net equity		Market value	Book value	
			03/31/2026	12/31/2025		03/31/2026	12/31/2025
Cemento Polpaico S.A.	Common	4,745,844	12.75	12.75	7,661 Pesos chilenos	39,320	40,494
Inversiones Portuarias Chancay S.A.A.	Common - Class A	206,743,063	12.66	12.66	1.79 Soles	106,159	65,877
Inversiones Portuarias Chancay S.A.A.	Common - Class B	12,234,901	0.50	0.50	0.14 Soles	474	526
Other Companies						5	5
						<u>145,958</u>	<u>106,902</u>

10. Investment properties (net)

The composition of the item is presented below:

	Balance as of January 1, 2026 US\$000	Additions US\$000	Balance as of March 31, 2026 US\$000
Cost of:			
Lands	4,578	-	4,578
Buildings	<u>1,548</u>	<u>-</u>	<u>1,548</u>
	<u>6,126</u>	<u>-</u>	<u>6,126</u>
Depreciation of:			
Buildings	<u>1,170</u>	<u>11</u>	<u>1,181</u>
	<u>1,170</u>	<u>11</u>	<u>1,181</u>
Net value	<u>4,956</u>		<u>4,945</u>

	<u>Balance as of January 1, 2025</u> US\$000	<u>Additions</u> US\$000	<u>Balances as of March 31, 2025</u> US\$000
Cost of:			
Lands	4,578	-	4,578
Buildings	<u>1,548</u>	<u>-</u>	<u>1,548</u>
	<u>6,126</u>	<u>-</u>	<u>6,126</u>
 Depreciation of:			
Buildings	<u>1,118</u>	<u>52</u>	<u>1,170</u>
	<u>1,118</u>	<u>52</u>	<u>1,170</u>
 Net value	<u>5,008</u>		<u>4,956</u>

11. Property, plant and equipment (net)

The composition of the item is presented below:

	<u>Balance as of January 1, 2026</u> US\$000	<u>Additions</u> US\$000	<u>Transfers and reclassifications</u> US\$000	<u>Acquisition of subsidiaries</u> US\$000	<u>Balance as of March 31, 2026</u> US\$000
Cost of:					
Land	19,319	32	-	229	19,580
Buildings	1,216,725	38	16,730	20,186	1,253,679
Infrastructure PAMA	680	-	-	-	680
Machinery and equipment	182,454	6,579	-	8,930	197,963
Vehicles	3,261	-	-	94	3,355
Furniture and fixtures and computer equipment	9,974	147	-	1,268	11,389
Sundry equipment	471,319	3,467	561	246	475,593
Units in transit	1,052	(96)	(561)	-	395
Works in progress	158,853	28,825	(16,730)	264	171,212
	<u>2,063,637</u>	<u>38,992</u>	<u>-</u>	<u>31,217</u>	<u>2,133,846</u>
Accumulated depreciation of:					
Buildings	793,544	12,348	-	7,976	813,868
Infrastructure PAMA	680	-	-	-	680
Machinery and equipment	159,875	2,909	-	8,052	170,836
Vehicles	2,738	50	-	94	2,882
Furniture and fixtures and computer equipment	7,831	125	-	954	8,910
Sundry equipment	369,834	4,560	-	192	374,586
	<u>1,334,502</u>	<u>19,992</u>	<u>-</u>	<u>17,268</u>	<u>1,371,762</u>
Net value	<u>729,135</u>				<u>762,084</u>

	Balance as of January 1, 2025	Additions	Sales and/or disposals	Transfers and reclassifications	Balance as of December 31, 2025
	US\$000	US\$000	US\$000	US\$000	US\$000
Cost of:					
Land	18,528	791	-	-	19,319
Buildings and other constructions	1,173,761	141	-	42,823	1,216,725
Infrastructure PAMA	680	-	-	-	680
Machinery and equipment	178,080	5,287	(1,131)	218	182,454
Vehicles	2,916	345	-	-	3,261
Furniture and fixtures and computer equipment	8,927	1,047	-	-	9,974
Sundry equipment	444,796	24,089	-	2,434	471,319
Units in transit	565	630	-	(143)	1,052
Works in progress (a)	101,303	111,473	(2,879)	(51,044)	158,853
	<u>1,929,556</u>	<u>143,803</u>	<u>(4,010)</u>	<u>(5,712)</u>	<u>2,063,637</u>
Accumulated depreciation of:					
Buildings and other constructions	740,256	53,288	-	-	793,544
Infrastructure PAMA	680	-	-	-	680
Machinery and equipment	149,201	11,574	(900)	-	159,875
Vehicles	2,586	152	-	-	2,738
Furniture and fixtures and computer equipment	7,478	353	-	-	7,831
Sundry equipment	351,243	18,591	-	-	369,834
	<u>1,251,444</u>	<u>83,958</u>	<u>(900)</u>	<u>-</u>	<u>1,334,502</u>
Net value	<u>678,112</u>				<u>729,135</u>

(a) As of March 31, 2026, the projects comprising the work in progress category belong primarily to Volcan Compañía Minera S.A.A. for US\$74,766 and to its subsidiary Compañía Minera Chungar S.A.C. for US\$85,973 (US\$70,153 and US\$70,230 as of December 31, 2025, respectively).

As of March 31, 2026 and December 31, 2025, the other subsidiaries maintain work in progress projects valued at US\$10,473 and US\$18,470, respectively.

(b) As of March 31, 2026, buildings and machinery and equipment include assets acquired under finance leases with carrying amounts of US\$7,378 and US\$8,443, respectively (US\$7,462 and US\$10,205 as of December 31, 2025).

(c) The Company and Subsidiaries maintain insurance on their principal assets in accordance with policies established by Management.

(d) As of March 31, 2026 and December 31, 2025, the cost of property, plant, and equipment is presented net of accumulated impairment of US\$335,623, allocated as follows: buildings and structures for US\$263,245, machinery and equipment and miscellaneous equipment for US\$43,897, and other items for US\$28,481.

12. Right-of-use assets (net)

The composition of the item is presented below:

	Balance as of January 1, 2026	Additions	Balance as of March 31, 2026
	US\$000	US\$000	US\$000
Cost of:			
Operating machinery	15,865	-	15,865
Vehicles	14,196	2,061	16,257
Properties	170	-	170
	<u>30,231</u>	<u>2,061</u>	<u>32,292</u>
Depreciation of:			
Operating machinery	8,389	880	9,269
Vehicles	8,946	912	9,858
Properties	170	-	170
	<u>17,505</u>	<u>1,792</u>	<u>19,297</u>
Net value	<u>12,726</u>		<u>12,995</u>

	Balance as of January 1, 2025	Additions	Balance as of December 31, 2025
	US\$000	US\$000	US\$000
Cost of:			
Operating machinery	15,865	-	15,865
Vehicles	9,950	4,246	14,196
Properties	170	-	170
	<u>25,985</u>	<u>4,246</u>	<u>30,231</u>
 Depreciation of:			
Operating machinery	4,871	3,518	8,389
Vehicles	5,281	3,665	8,946
Properties	170	-	170
	<u>10,322</u>	<u>7,183</u>	<u>17,505</u>
 Net value	<u>15,663</u>		<u>12,726</u>

13. Mining concessions, explorations and development costs and other assets (net)

The composition of the item is presented below:

	Balance as of January 1, 2026	Additions	Acquisition of subsidiaries	Balance as of March 31, 2026
	US\$000	US\$000	US\$000	US\$000
Cost of:				
Mining concessions	249,665	-	8,120	257,785
Exploration costs	359,884	3,193	-	363,077
Development costs	1,280,920	23,084	-	1,304,004
Closure of mining units	125,674	-	-	125,674
Community rights	21,401	-	-	21,401
Other intangibles	18,305	30	6	18,341
	<u>2,055,849</u>	<u>26,307</u>	<u>8,126</u>	<u>2,090,282</u>
Amortization of:				
Mining concessions	213,546	640	-	214,186
Exploration costs	232,049	3,419	-	235,468
Development costs	663,465	16,208	-	679,673
Closure of mining units	114,731	188	-	114,919
Community rights	10,931	272	-	11,203
Other intangibles	11,396	288	4	11,688
	<u>1,246,118</u>	<u>21,015</u>	<u>4</u>	<u>1,267,137</u>
Net value	<u>809,731</u>			<u>823,145</u>

	Balance as of January 1, 2025 US\$000	Additions US\$000	Disposals US\$000	Transfers US\$000	Change in estimate US\$000	Impairment recovery US\$000	Balance as of December 31, 2025 US\$000
Cost of:							
Mining concessions	250,068	-	(890)	487	-	-	249,665
Exploration costs	347,530	11,285	-	1,069	-	-	359,884
Development costs	1,053,424	83,123	-	3,974	-	140,399	1,280,920
Closure of mining units	141,537	-	-	-	(15,863)	-	125,674
Community rights	21,401	-	-	-	-	-	21,401
Other intangibles	17,898	226	-	181	-	-	18,305
	<u>1,831,858</u>	<u>94,634</u>	<u>(890)</u>	<u>5,711</u>	<u>(15,863)</u>	<u>140,399</u>	<u>2,055,849</u>
Amortization of:							
Mining concessions	210,356	3,840	(650)	-	-	-	213,546
Exploration costs	217,906	14,143	-	-	-	-	232,049
Development costs	614,939	48,526	-	-	-	-	663,465
Closure of mining units	112,510	2,221	-	-	-	-	114,731
Community rights	9,712	1,219	-	-	-	-	10,931
Other intangibles	10,207	1,189	-	-	-	-	11,396
	<u>1,175,630</u>	<u>71,138</u>	<u>(650)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,246,118</u>
Net value	<u>656,228</u>						<u>809,731</u>

(a) As of March 31, 2026 and December 31, 2025, the cost of mining concessions, development costs, and other intangibles is presented net of accumulated impairment of US\$462,260, allocated as follows: mining concessions for US\$45,984, exploration for US\$237,045, development costs for US\$127,687 and other intangibles for US\$51,144.

As of March 31, 2026, the Company did not identify any impairment. During 2025, as part of the impairment assessment of certain Cash Generating Units (CGUs), the Company's Management determined an impairment recovery of US\$140,399, allocated to development costs.

14. Financial obligations

(a) The composition of the item is presented below:

	<u>31/03/2026</u>	<u>31/12/2025</u>
	US\$000	US\$000
Bonds	794,300	847,107
Loans	<u>23,361</u>	<u>25,505</u>
	<u>817,661</u>	<u>872,612</u>
By maturity		
Current	34,976	88,561
Non-current	782,685	784,051

(b) The balance for each type of debt is made up of:

	<u>Nominal amount</u>	<u>Currency</u>	<u>Interest rate</u>	<u>Maturity</u>	<u>Balance as of</u>	
	US\$000	US\$000	US\$000	US\$000	31/03/2026 US\$000	31/12/2025 US\$000
Bonds (i):						
<i>Tradable bonds</i>	475,000	USD	4.375%	Feb-26	-	67,986
<i>Accrued interest pending maturity</i>					-	1,215
<i>Transaction cost balance</i>					-	(92)
					<u>-</u>	<u>69,109</u>
<i>Tradable bonds</i>	299,872	USD	8.750%	Jan-30	35,271	35,271
<i>Accrued interest pending maturity</i>					603	1,414
<i>Transaction cost balance</i>					(1,081)	(1,124)
					<u>34,793</u>	<u>35,561</u>
<i>Tradable bonds</i>	750,000	USD	8.500%	Oct-32	750,000	750,000
<i>Accrued interest pending maturity</i>					28,260	11,527
<i>Transaction cost balance</i>					(18,753)	(19,090)
					<u>759,507</u>	<u>742,437</u>
					<u>794,300</u>	<u>847,107</u>
Loans (ii)						
<i>Glencore Lima Trading S.A.C.</i>	25,000	USD	4.5% + SOFR 3M	Dec-28	23,201	25,000
<i>Accrued interest pending maturity</i>					160	505
					<u>23,361</u>	<u>25,505</u>
					<u>817,661</u>	<u>872,612</u>

15. Lease liabilities

The composition of the item is presented below:

	<u>31/03/2026</u>	<u>31/12/2025</u>
	US\$000	US\$000
Leases with financial institutions (i)	680	919
Leases with non-financial suppliers (ii)	<u>9,203</u>	<u>8,971</u>
	<u>9,883</u>	<u>9,890</u>
By maturity		
Current	7,963	8,854
Non-current	1,920	1,036

i. The Company and Subsidiaries entered into finance lease agreements with Scotiabank S.A.A. with an average term of 2 years, primarily to finance assets used in operations. These agreements accrue interest at the contractually agreed rates (between 6.85% and 7.35%), are amortized monthly, and mature between August 2026 and February 2027. These agreements are secured by the underlying asset itself.

ii. The Company and Subsidiaries maintain agreements with various suppliers for the rental of pickup trucks to support mining operations and activities. These agreements stipulate monthly payments over an average contractual term of two years. These contracts are recognized in the consolidated statement of financial position in accordance with the leasing policy (Note 2.11).

16. Trade accounts payable

The composition of the item is presented below:

	<u>03/31/2026</u>	<u>12/31/2025</u>
	US\$000	US\$000
Invoices payable (a) (b)	114,335	138,256
Invoices receivable (c)	96,187	91,442
Guarantee funds	<u>15,081</u>	<u>14,678</u>
	<u>225,603</u>	<u>244,376</u>

(a) Trade accounts payable arise primarily from the acquisition of materials and supplies for the execution of the Company's and Subsidiaries' activities and are denominated mainly in US

dollars and Peruvian soles. They are current, do not accrue interest, and are not secured by collateral. As of March 31, 2026 and December 31, 2025, the outstanding balances are current and within the payment periods established by the Company and Subsidiaries, which are between 30 and 90 days.

(b) As of March 31, 2026, the Company and Subsidiaries have outstanding obligations of US\$19,135 (US\$24,979 as of December 31, 2025), which are related to invoices that suppliers have assigned to financial institutions. These obligations do not accrue interest and retain their original due dates agreed upon with the suppliers.

(c) The invoices to be received correspond to the estimated record of the consumption of goods and services for which, as of the date of the consolidated financial statements, the payment vouchers issued by their corresponding suppliers have not been received.

17. Derivative financial instruments

The composition of the item is presented below:

	<u>03/31/2026</u> US\$000	<u>12/31/2025</u> US\$000
Other financial liabilities		
Derivative financial instruments:		
Fair value of hedging derivative financial instruments	113,296	126,503
Settled derivative financial instruments	<u>14,368</u>	<u>9,563</u>
	<u>127,664</u>	<u>136,066</u>
Non-current portion	<u>-</u>	<u>-</u>
Current portion	<u>127,664</u>	<u>136,066</u>

The Company and Subsidiaries use derivative instruments to reduce market risks to which they are exposed. These risks primarily relate to the effects of changes in the prices of the metals traded by the Company and Subsidiaries, which fluctuate constantly.

Mineral Price Hedging and Equity Investments

As of March 31, 2026, the Company and Subsidiaries settled the price hedging contracts entered into to secure future cash flows from their sales. The critical terms of the hedging transactions have been negotiated with intermediaries to match the terms negotiated in the related contracts.

The change in the equity account "Unrealized Results" is as follows:

	Derivative hedging financial instruments and investment in shares	Income tax	Unrealized Gains (losses)
	US\$000	US\$000	US\$000
Balances as of December 31, 2024	70,079	(20,673)	49,406
Total change in hedging derivative financial instruments	(1,794)	529	(1,265)
Total change in Polpaico share investment	1,282	(378)	904
Total change in fair value of IPCH shares	1,538	(454)	1,084
Balances as of March 31, 2025	<u>71,105</u>	<u>(20,976)</u>	<u>50,129</u>
Balances as of December 31, 2025	(106,727)	31,485	(75,242)
Total change in hedging derivative financial instruments	13,207	(3,896)	9,311
Total change in Polpaico share investment	(1,174)	346	(828)
Total change in fair value of IPCH shares	41,345	(12,197)	29,148
Balances as of March 31, 2026	<u>(53,349)</u>	<u>15,738</u>	<u>(37,611)</u>

18. Other accounts payable

The composition of the item is presented below:

	03/31/2026 US\$000	12/31/2025 US\$000
Financial Liabilities:		
Water Use Fees and Penalties	12,710	11,137
Water Use/Treatment/Discharge	4,789	4,632
Dividends Payable	1,018	1,057
Provisions for Community Relations	981	1,018
Other minor liabilities	1,175	711
	<u>20,673</u>	<u>18,555</u>
Other non-financial liabilities:		
Employee benefits	40,579	52,249
Pension contributions and SCTR (Supplementary Work Risk Insurance)	1,807	2,214
Regulatory contributions (OEFA)	1,069	1,090
Social security contributions	638	892
Other minor liabilities	2,190	990
	<u>46,283</u>	<u>57,435</u>
TOTAL	<u>66,956</u>	<u>75,990</u>
Current portion	64,761	75,990
Non-current portion	2,195	-

19. Taxes payable

The composition of the item is presented below:

	<u>03/31/2026</u>	<u>12/31/2025</u>
	US\$000	US\$000
Income Tax	17,606	17,813
Mining Taxes	12,391	7,700
Taxes Withheld from Third Parties	2,803	1,934
TOTAL	<u>32,800</u>	<u>27,447</u>

20. Provisions

The composition of the item is presented below:

	<u>03/31/2026</u>	<u>12/31/2025</u>
	US\$000	US\$000
Closure of mining units	170,397	168,548
Provisions for litigation (a)	37,301	31,555
Communities	24,391	24,803
Other provisions	416	416
	<u>232,505</u>	<u>225,322</u>

(a) These correspond to civil, labor, tax, and administrative processes.

The breakdown of the mine closure and community closure categories is presented below, according to the items that generated them:

Mining units	Balances as of	Disbursements	Financial	Adjustment	Balances as of
	December 31,				March 31,
	2025	US\$000	Expenses		2026
	US\$000	US\$000	US\$000		US\$000
Andaychagua	22,111	(118)	319	-	22,312
Carahuacra	42,689	(59)	616	-	43,246
Ticlio	7,703	-	111	-	7,814
Alpamarca	18,759	(101)	271	-	18,929
Chungar	20,237	(88)	292	-	20,441
Toruna	1,436	-	21	-	1,457
Cerro	37,584	(63)	543	-	38,064
Vinchos	9,846	(108)	141	-	9,879
Vichaycocha	4,696	(28)	67	-	4,735
San Sebastian	3,487	(16)	49	-	3,520
Closure of mining units	168,548	(581)	2,430	-	170,397
Volcan	1,939	(152)	27	-	1,814
Chungar	20,775	(245)	301	-	20,831
Cerro	1,347	(353)	19	-	1,013
Tingo	742	(19)	10	-	733
Communities	24,803	(769)	357	-	24,391
Provision for closure of mining units and communities	193,351	(1,350)	2,787	-	194,788

21. Deferred income tax

(a) The composition of this heading, according to the items originating same, is provided below:

	03/31/2026	12/31/2025
	US\$000	US\$000
Deferred assets		
Depreciation of property, plant and equipment, net and amortization of mining rights and concessions, exploration, development and stripping costs	46,953	45,965
Provision for closure of mining units	35,694	35,306
FV of IFD - hedges (PAT)	33,422	37,318
Recoverable tax loss	33,265	33,948
Contingency provisions	9,091	7,318
Fair value of Cementos Polpaico S.A. shares (Note 8)	8,285	7,939
Provisions for community agreements	6,896	6,920
FV of IFD - PL hedges	4,239	2,822
Lease liability	2,309	2,422
Allowance for inventory impairment	2,145	2,136
Paid vacations	1,978	2,083
Penalties - Validity right	1,685	1,266
Provision for doubtful accounts	271	271
Effect of translation to U.S. Dollars	-	4,047
Other	6,045	5,006
	192,278	194,767

Deferred liabilities

Use of amortization benefits for mining rights and concessions, exploration, development and clearing costs, and depreciation of property, plant and equipment	(247,469)	(244,005)
Valuation of shares of Inversiones Portuarias Chancay S.A.A.	(22,843)	(10,647)
Effect of translation to U.S. dollars	(14,952)	(6,213)
Debt structuring cost - Financial obligations Bonds	(5,851)	(5,976)
Use of depreciation benefits for property, plant and equipment (net)	(4,807)	(4,075)
Goodwill - Transmisión Andina de Generación S.A.C.	(3,179)	-
Embedded derivatives	-	(1,056)
Other	(290)	(288)
	<u>(299,391)</u>	<u>(272,260)</u>
Deferred liabilities (net)	<u>(107,113)</u>	<u>(77,493)</u>

(b) The income tax expense carried in the income statement:

	For the cumulative period from	
	January 1 to March 31	
	<u>2026</u>	<u>2025</u>
	<u>US\$000</u>	<u>US\$000</u>
Income tax		
Current	(15,227)	(15,278)
Deferred	(13,124)	6,549
	<u>(28,351)</u>	<u>(8,729)</u>
Mining tax	(2,037)	-
Mining royalties	(10,730)	(5,014)
Contribution to the mining pension fund	(242)	(297)
	<u>(41,360)</u>	<u>(14,040)</u>
Total income tax	<u>(41,360)</u>	<u>(14,040)</u>

22. Issued capital stock

It is represented by 1,633,414,553 class "A" shares with right to vote and 2,443,157,622 class "B" shares with no right to vote but right to preference dividend distribution; such right is not cumulative. From the total, 182,994,435 class "A" shares and 12,234,901 class "B" shares are held by subsidiary Empresa Minera Paragsha S.A.C.; 23,442,345 class "A" shares by subsidiary Compañía Minera Chungar S.A.C., 306,283 class "A" shares by subsidiary Compañía Industrial Limitada de Huacho S.A.

Both Class "A" and "B" common shares, listed on the Lima Stock Exchange, are frequently traded on the stock market. As of March 31, 2026, its price was S/1.80 and S/0.76 per share respectively (S/0.76 and S/0.740, per share respectively as of December 31, 2025).

The Class “A” common share has the right to vote at the company's General Shareholders' Meeting and the Class “B” share has the preferential right to participate in the distribution of cash dividends; as well as the other rights included in the Statute of the company and the applicable laws”.

At the board meeting held on January 23, 2017, the directors approved the distribution of cash dividends of up to S/ 49,106 (equivalent to US\$14,854) in favor of the shareholders, which correspond to the profits of fiscal year 2014. Said dividends were paid on February 28, 2017.

At the board meeting held on October 2, 2017, the directors approved the distribution of cash dividends of up to S/ 54,584 (equivalent to US\$16,397) in favor of the shareholders, which correspond to the profits of fiscal year 2016. Said dividends were paid on October 27, 2017.

In November 2017, Glencore International AG, subsidiary of Glencore PLC, conducted a Public Acquisition Tender of common class A shares and purchased 603,077,387 shares. Glencore PLC and its related entities, at the announcement date of the Public Acquisition Tender, were the owners of 295,754,888 shares, with which they accumulated 898,832,275 common class A voting shares, which represent 63% of common outstanding class A voting shares, and an economic interest of 23.3%, excluding treasury shares.

At the board meeting held on July 24, 2018, the directors approved the distribution of cash dividends in advance on account of freely available profits as of June 30, 2018 of up to S/ 54,583 (equivalent to US\$16,641) in favor of the shareholders, which correspond to the profits of fiscal year 2018. Said dividends were paid on August 22, 2018.

On July 3, 2023, the General Shareholders' Meeting of Volcan Compañía Minera S.A.A. was held, in which Class “A” shareholders and Class “B” shareholders participated, in which the following agreement was adopted:

The Board agreed to reduce the share capital of the Company by S/ 856,080 (equivalent to US\$227,620), by reducing the nominal value of all Class “A” and Class “B” shares issued by the Company, that is, affecting the 4,076,572,175 shares issued by the Company, whose nominal value is reduced from S/ 0.87 to S/ 0.66.

As a consequence of the capital reduction agreement, the Board agreed to modify the text of Article Five of the Statute, so that it is worded as follows:

The subscribed and paid capital of the Company is S/ 2,690,538 represented by 1,633,414,553 Class "A" Common Shares and 2,443,157,622 Class "B" Common Shares with a nominal value of S/ 0.66 each.

The General Meeting of Shareholders of Volcan Compañía Minera S.A.A. dated August 24, 2023 and at the General Meeting of Shareholders of Inversiones Portuarias Chancay S.A.A. On October 25, 2023, they approved the spin-off of the equity block made up of 40% of the shares in Cosco Shipping Ports Chancay Perú S.A. owned by Volcan Compañía Minera S.A.A. which transferred to Inversiones Portuarias Chancay S.A.A.

The effective date of the split was March 4, 2024. As a consequence of the split of the equity block, whose net book value amounts to the sum of S/ 443,328 (equivalent to US\$132,386). The Board agreed to modify the text of Article Five of the Statute , so that it is written as follows:

The subscribed and paid capital of the Company is S/ 2,242,115 represented by 1,633,414,553 Class "A" Common Shares and 2,443,157,622 Class "B" Common Shares with a nominal value of S/ 0.55 each.

On May 8, 2024, over-the-counter transfers totaling 898,832,275 Class "A" common shares of Volcan Compañía Minera S.A.A. ("Volcan") were made by Glencore International AG, Blomara Financing Corp., Earthwind International S.A. and Sandown Resources S.A. in favor of Transition Metals AG., which in turn is a subsidiary of Integral Capital Business S.A., a company domiciled in Panama. See note 1 (a).

23. Net sales

The composition of the item is presented below:

	For the cumulative period from January 1 to March 31	
	2026	2025
	US\$000	US\$000
<u>Net sales per concentrate:</u>		
Zinc	164,021	146,059
Lead	130,847	49,829
Copper	46,713	18,963
Silver	26,793	37,468
	368,374	252,319
Net sales by silver bars:		
Silver bars	48,685	21,528
Net sales by pyrite:		
Pyrite	1,530	-
	50,215	21,528
<u>Profit (loss) in:</u>		
Derivative financial instruments	(49,319)	384
Embedded derivatives (a)	(8,010)	3,569
	(57,329)	3,953
Total	361,260	277,800

(a) Embedded Derivative

Sales of concentrates by the Company and its Subsidiaries are based on commercial contracts whereby a provisional value is assigned to sales, to be adjusted in accordance with a forward and final quotation. These prices are obtained from entities that work with publications from the London Metal Exchange. The commercial contracts are linked to projected market prices. The embedded derivative does not qualify as a hedging instrument; therefore, changes in fair value are charged to profit or loss as an adjustment to current net sales.

As of March 31, 2026 and 2025, the Company held embedded derivatives based on forward prices of the expected settlement date, as final prices will be established in the following months in accordance with the terms of the commercial contracts.

24. Cost of sales

The composition of this below:

	For the cumulative period from January 1 to March 31	
	2026	2025
	US\$000	US\$000
Initial Concentrate Inventory	16,109	8,909
Initial Ore Inventory	882	5,416
Production cost:		
Labor	29,096	22,592
Third-party services, energy, and other	73,965	69,423
Supplies used	31,581	30,771
Depreciation	18,500	21,116
Right-of-use asset depreciation	1,624	1,789
Amortization	18,612	16,033
Purchase of concentrates and minerals	8,056	11,075
Less - ending concentrate inventory	(11,096)	(13,834)
Less - ending ore inventory	(1,697)	(4,063)
Subtotal	<u>185,632</u>	<u>169,227</u>
Cost of plant shutdown	6,011	6,103
Depreciation of plant shutdown	761	463
Amortization of plant shutdown	<u>1,701</u>	<u>1,098</u>
Total	<u>194,105</u>	<u>176,891</u>

25. Financial income (expenses)

The composition of this below:

	For the cumulative period from January 1 to March 31	
	2026	2025
	US\$000	US\$000
<u>Income</u>		
Interests on loans	25	4
Other financial income	2,250	837
	<u>2,275</u>	<u>841</u>
<u>Expenses</u>		
Interest on financial obligations	(18,368)	(8,205)
Effect of discounting the present value of mine closure	(2,430)	(2,662)
Amortized cost of financial obligations	(472)	(271)
Guarantee letter commission	(367)	(1,361)
Factoring interest	(639)	(529)
Effect of discounting the present value of communities	(357)	(288)
Interest on lease liabilities	(177)	(256)
Commissions and other expenses	(649)	(8,902)
	<u>(23,459)</u>	<u>(22,474)</u>

26. Tax situation

(i) Current tax framework

The Company and Subsidiaries are subject to the Peruvian tax regime. The income tax rate applicable to companies as of March 31, 2026 is 29.5%.

The last paragraph of article 52-A of the Income Tax Law (hereinafter ITL) establishes that the companies that distribute to domiciled natural entities dividends and any other form of profit distribution referred to in paragraph i) of article 24° of the ITL are imposed with a rate of 5%.

Article 54° establishes that natural entities that are not domiciled in the country will be subject to the withholding of 5% of their income from Peruvian source, such as dividends and other forms of profit distribution, except those indicated in paragraph f) of article 10° of the ITL.

Paragraph e) of article 56° establishes that the tax on legal entities that are not domiciled in the country will be determined by applying a rate of 5% when dividends are distributed, and other

forms of profit distribution received from legal entities. However, any amount or payment in kind resulting from the taxable third-category income that represents an indirect disposal of income that is not susceptible to subsequent tax control, including amounts charged to undeclared expenses and income (alleged dividends), is subject to the income tax rate of 5% as of March 31, 2026.

Management of the Company and Subsidiaries believes that, as a result of the application of these standards, no significant contingencies will arise for the Company and Subsidiaries as of March 31, 2026.

(ii) Open years to tax review

The Tax Administration is authorized to review, and if applicable, correct the income tax determined by the Company and Subsidiaries in the last four years, counted from January 1 of the year following the year when the pertinent income tax return was submitted (open years to tax review).

Income tax returns and general sales tax from the periods 2020 to 2025 of the Company and Subsidiaries will be reviewed by the Tax Administration.

Since certain differences may arise from the interpretation that the Tax Administration has on regulations applicable to the Company and Subsidiaries, it is not possible to determine to date whether additional tax liabilities will arise or not from the reviews to be conducted. Any additional tax, charge, and interest, if incurred, will be recognized in profit or loss for the year when such criteria differences with the Tax Administration are resolved. However, Management of the Company and Subsidiaries believes that no material liabilities will arise as a result of potential reviews.

(iii) Transfer pricing

The following new standards have been established in order to determine income tax:

- Comparable uncontrolled price (CUP) for commodities: It is confirmed that, for import or export of commodities, the market value will be provided by quotation (it was established before for operations with intermediaries or from, through or to tax havens). The detail of this standard is included in the regulations.

- New formal obligations: The Transfer Pricing Technical Study is no longer submitted and new tax returns are included:

Tax return	Minimum annual income	Assumption	Details	Effective from
Local report	S/11,485 (US\$3,152)	Operations with related entities	Transactions that give rise to taxable income or deductible expense	2018
Master report	S/103,000 (US\$27,408)	Taxpayers that are part of a Group	Organizational structure, description of the business, transfer pricing policies, financial and tax position	2018
Report per country	Not applicable	Taxpayers that are part of a Multinational Group	Global revenue distribution, paid taxes, and activities of each entity of the multinational group	2019

The Company and Subsidiaries have complied with the submission to the tax administration of the local, master and country-by-country transfer pricing report corresponding to the 2024 period and are preparing the information corresponding to 2025.

(iv) Reconciliation of effective income tax rate with tax rate

As of March 31, 2026 and 2025, the effective income tax rate is different from the tax rate. The nature of this difference is due to certain items related to taxable profit, whose effects are summarized below:

	03/31/2026		03/31/2025	
	Amount US\$000	Percentage %	Amount US\$000	Percentage %
Profit before income tax	113,208	100.00	48,553	100.00
Income taxes according to tax rate	(33,396)	(29.50)	(14,323)	(29.50)
Deferred tax not recognized due to tax losses	10,761	9.51	1,456	3.00
Adjustment of income tax for prior periods	554	0.49	1,995	4.11
Conversion effect of non-financial assets	(6,261)	(5.53)	3,879	7.99
Deferred assets not recognized due to lack of recoverability	(2,686)	(2.37)	274	0.56
Tax effects on non-deductible expenses and other minor expenses	2,678	2.37	(2,010)	(4.14)
Mining taxes	(13,010)	(11.49)	(5,311)	(10.94)
Income tax expense and tax rate applicable to accounting profit	(41,360)	(36.53)	(14,040)	(28.92)

(v) Income tax payable

The Company and Subsidiaries maintain a credit balance with the tax administration of US\$17,606 as of March 31, 2026 (US\$17,813 as of December 31, 2025).

(vi) Significant changes to income tax in Peru

After March 31, 2026, no significant changes have been made to the income tax regime in Peru, which may affect these consolidated financial statements. The standards and interpretations

effective as of March 31, 2026, have been considered by Management when preparing these consolidated financial statements.

Below we present the main amendments that will be applicable as from 2025:

Interests and capital gains from repurchase and disposal transactions of participation units of Stock Exchange Funds or ETFs

Pursuant to Law 32218, published on December 29, 2024, interests and capital gains from repurchase and disposal transactions of participation units of Stock Exchange Funds or Exchange-traded Funds (ETF), whose underlying items are the instruments issued by the Republic of Peru (Public Treasury bills issued by the Republic of Peru and Bonds and other debt securities issued by the Republic of Peru under the Market Creators Program or the mechanism that replaces it, or in the international market as of 2003), constitute untaxed income.

Accelerated depreciation of fixed assets used in power generation activity with water resources and other renewable resources

Pursuant to Law 32217, published on December 29, 2024, the accelerated depreciation tax benefit that promotes investment in power generation activity with water resources and other renewable resources was extended until December 31, 2030.

This benefit consists of the accelerated depreciation applicable to the machinery, equipment and civil works necessary for the installation and operation of the plant that generates electricity with water resources and other renewable resources, which will have an annual depreciation rate of no more than 20% as annual global rate.

Advance pricing agreements (APAs) and other valuation methods

- Legislative Decree 1663, published on September 24, 2024, modifies paragraph 7 of article 32 A of the Income Tax Law, in which the application of other valuation methods is allowed when it is not possible to apply the other six provided, provided that such methods comply with the new conditions and rules established in the ITL.
- Legislative Decree 1662, published on September 24, 2024, allows the retroactive application of advance pricing agreements (rollback), provided that it is verified that the relevant facts and circumstances of such years are the same as in the years covered by the advance pricing agreements and the action of SUNAT to determine the tax obligation of the income tax by application of transfer pricing standards has not expired with respect to such transactions.

(vii) Tax losses

In accordance with Legislative Decree No. 945 and as established by Law No. 27513, tax loss carryforwards may be applied under one of the following options:

- (a) Offsetting total net third category loss from Peruvian source recorded in one taxable year, assigning this amount every year until its depletion, to net third category income to be obtained in the four immediately subsequent years, calculated as from the following year of its generation. The amount that is not offset once this period of time has passed will not be offset in subsequent years.
- (b) Offsetting total net third category loss from Peruvian source recorded in one taxable year, assigning this amount every year until its depletion, to 50% of net third category income to be obtained in immediately subsequent years.

Management of the Company and Subsidiaries Compañía Minera Chungar S.A.C. and Empresa Administradora Cerro S.A.C. selected option (b) and other Subsidiaries selected option (a) to offset tax losses.

27. Remuneration of the personal key

The remuneration of key personnel of the Company and Subsidiaries as of March 31, 2026 and 2025 amounted to US\$5,446 and US\$7,522, respectively, and corresponds to salaries, participations, benefits and social charges and extraordinary gratification.