SIERRA GORDA SCM

Santiago, 25 de septiembre de 2024

Señores
**Comisión para el Mercado Financiero**
PRESENTE

Ref: Presenta Estados Financieros al 30 de junio de 2024

De nuestra consideración,

Por medio de la presente y en atención a lo dispuesto en la Resolución Exenta Nº 298 del 17 de Mayo de 2010 de la Comisión para el Mercado Financiero, adjunto favor encontrar los Estados Financieros de la sociedad según lo dispuesto en el Nº 1 de dicha resolución, conteniendo la siguiente información:

A. Estados Financieros al 30 de junio de 2024.
B. Declaración Jurada de Responsabilidad.

Sin otro particular, le saluda atentamente,

Firmado por:
32EA584974F64A9...

**Jan Majkut**

Vicepresidente de Finanzas
**Sierra Gorda SCM**

SIERRA GORDA SCM

**Razón Social : Sierra Gorda SCM**

**Rut : 76.081.590-K**

# DECLARACIÓN JURADA DE RESPONSABILIDAD

El Representante de **Sierra Gorda SCM**, firmante de esta declaración, se hace responsable bajo juramento respecto de la veracidad de toda la información incorporada en los Estados Financieros adjuntos a esta presentación, correspondientes al período de 6 meses terminado al 30 de junio de 2024, en cumplimiento de lo dispuesto en la Resolución Exenta Nº 298 del 17 de Mayo de 2010 de la Comisión para el Mercado Financiero.

Firmado por:

32EA584974F64A9...

**Jan Majkut**

Vicepresidente de Finanzas
**Sierra Gorda SCM**

Santiago, 25 de septiembre de 2024

**SIERRA GORDA S.C.M.**

Condensed Interim Financial Statements as at
June 30, 2024, and for three-month and six-month periods
Ended June 30, 2024, and 2023.

(With the Independent Auditor's Review Report Thereon)

**SIERRA GORDA S.C.M.**

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US$: Amounts expressed in millions of United States dollars, except where indicated.

# Independent Auditors' Review Report

To the Owners Council of
Sierra Gorda S.C.M.:

## *Results of the review of summary interim financial statements*

We have reviewed the condensed interim financial statements of Sierra Gorda S.C.M. ("the Company"), which comprise the condensed interim statement of financial position as of June 30, 2024 and the related condensed interim statements of comprehensive income, cash flows and changes in changes in equity for the six-month and three-month periods ended June 30, 2024 and 2023 and the related notes to the condensed interim financial statements.

Based on our review, we are not aware of any significant modifications that should be made to the accompanying summary interim financial statements in order for them to be in accordance with IAS 34, "Interim Financial Reporting" of IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

## *Emphasis-of-Matter*

As discussed in Notes 2 and 15 to the financial statements, the Company has a net current liability position. Management's evaluation of the events and conditions and management's plans to mitigate these matters are also described in Notes 2 and 15. Our review is not modified with respect to this matter.

## *Basis for results of the interim review*

We conducted our review in accordance with Generally Accepted Auditing Standards in Chile applicable to reviews of summary interim financial statements. A review of summary interim financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. A review of summary interim financial statements is substantially less in scope than an audit performed in accordance with Generally Accepted Auditing Standards in Chile, the objective of which is the expression of an opinion regarding the summary interim financial statements as a whole. Accordingly, we do not express such an opinion. We are required to be independent of Sierra Gorda S.C.M. and to meet the other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews. We believe that the results of our review procedures provide a reasonable basis for our conclusion.

## *Management's responsibility for the summary interim financial statements*

Management of Sierra Gorda S.C.M. is responsible for the preparation and fair presentation of the summary interim financial statements in accordance with IAS 34, "Interim Financial Reporting" of IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the summary interim financial statements that are free from material misstatement whether due to fraud or error.



**Santiago**
Av. Presidente Riesco 5685,
piso 15, Las Condes

KPMG

***Report on the summary statement of financial position as of December 31, 2023***

We have previously audited, in accordance with Chilean generally accepted auditing standards, the statement of financial position of Sierra Gorda S.C.M. as of December 31, 2023, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, which are not presented accompanying to this report. In our report dated February 20, 2024, we expressed an unmodified audit opinion on the audited financial statements including a separate section in the auditor's report for the concept of "Emphasis-of-matter". In our opinion, the information presented in the accompanying summary statement of financial position of Sierra Gorda S.C.M. as of December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Nolberto Pezzati KPMG Ltda.

Santiago, August 2, 2024

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SIERRA GORDA SCM

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

(U.S. dollars in millions)

(Unaudited)

| | Note | June 30, 2024 (Unaudited) | December 31, 2023 (Audited) |
|---|---|---|---|
| **ASSETS** | | | |
| **Current** | | | |
| Cash and cash equivalents | | 160.0 | 154.7 |
| Trade receivables | *5* | 129.2 | 72.2 |
| Other receivables | | 47.8 | 50.1 |
| Due from related parties | | 1.9 | 1.5 |
| Inventory | *4* | 239.3 | 246.1 |
| Current tax assets | | 6.2 | 22.1 |
| **Total Current Assets** | | **584.4** | **546.7** |
| **Non-Current** | | | |
| Mineral property, plant & equipment | *6* | 4,516.2 | 4,387.1 |
| Intangible assets | | 85.1 | 87.6 |
| Inventory | *4* | 130.0 | 134.2 |
| Deferred income tax assets | *10* | 936.0 | 932.3 |
| **Total Non-Current Assets** | | **5,667.3** | **5,541.2** |
| **Total Assets** | | **6,251.7** | **6,087.9** |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | |
| **Current** | | | |
| Trade and other payables | *7* | 184.1 | 168.4 |
| Accrued liabilities | *8* | 143.4 | 131.6 |
| Subordinated sponsors´ loans | *9a* | 5,073.5 | 4,955.3 |
| Credit facility | *9b* | 400.2 | 400.2 |
| Lease liabilities | | 25.8 | 23.4 |
| Due to related parties | | 5.3 | 6.2 |
| Mining tax | *10* | 9.7 | 10.9 |
| Other Liabilities | | 101.8 | 96.9 |
| **Total Current Liabilities** | | **5,943.8** | **5,792.9** |
| **Non-Current** | | | |
| Lease liabilities | | 129.0 | 133.5 |
| Accrued liabilities | *8* | 37.4 | 36.5 |
| **Total Non-Current Liabilities** | | **166.4** | **170.0** |
| **Total Liabilities** | | **6,110.2** | **5,962.9** |
| **Shareholders' Equity** | | | |
| Share capital | | 2,838.1 | 2,838.1 |
| Reserve | | (22.2) | (20.1) |
| Retained earnings | | (2,674.4) | (2,693.0) |
| **Total Shareholders' Equity** | | **141.5** | **125.0** |
| **Total Liabilities and Shareholders' Equity** | | **6,251.7** | **6,087.9** |

The accompanying notes are an integral part of these condensed interim financial statements.

## CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME

(U.S. dollars in millions)

(Unaudited)

| | Note | **Six months ended June 30, 2024** | **Six months ended June 30, 2023** | **Three months ended June 30, 2024** | **Three months ended June 30, 2023** |
|---|---|---|---|---|---|
| Revenue | *12* | 723.3 | 728.2 | 414.3 | 339.7 |
| Cost of sales | *13* | (463.4) | (433.6) | (251.2) | (223.1) |
| **Gross profit** | | **259.9** | **294.6** | **163.1** | **116.6** |
| Selling costs | *13* | (34.8) | (37.3) | (19.6) | (19.0) |
| General and administrative expenses | *13* | (26.6) | (25.5) | (14.2) | (12.4) |
| Other income | | 10.0 | 7.1 | 2.1 | 5.4 |
| Other expenses | | (4.9) | (10.8) | (5.6) | (0.1) |
| **Operating profit** | | **203.6** | **228.1** | **125.8** | **90.5** |
| Finance income | | 2.0 | 2.6 | 0.9 | 2.0 |
| Finance expenses | | (173.5) | (170.5) | (86.8) | (85.5) |
| **Profit before income tax** | | **32.1** | **60.2** | **39.9** | **7.0** |
| Income tax benefit / (expenses) | *10* | 2.6 | (6.3) | (2.3) | 6.0 |
| Mining and other tax expenses | *10* | (16.1) | (20.1) | (11.1) | (11.5) |
| **Income for the period** | | **18.6** | **33.8** | **26.5** | **1.5** |
| **Other comprehensive income/(loss)** | | | | | |
| Actuarial profit | | (3.2) | (1.3) | (3.5) | (1.3) |
| Related tax | | 1.1 | 0.6 | 1.1 | 0.6 |
| **Items that will not be subsequently reclassified to profit or loss** | | **(2.1)** | **(0.7)** | **(2.4)** | **(0.7)** |
| **Other comprehensive income** | | **(2.1)** | **(0.7)** | **(2.4)** | **(0.7)** |
| **Total comprehensive income** | | **16.5** | **33.1** | **24.1** | **0.8** |

The accompanying notes are an integral part of these condensed interim financial statements.

# CONDENSED INTERIM STATEMENT OF CASH FLOWS

(U.S. dollars in millions)
(Unaudited)

| | Note | Six months ended June 30, 2024 | Six months ended June 30, 2023 | Three months ended June 30, 2024 | Three months ended June 30, 2023 |
|---|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | | |
| Result for the period | | 18.6 | 33.8 | 26.5 | 1.5 |
| **Total adjustment to result for the period:** | | **293.3** | **361.3** | **128.9** | **207.3** |
| Depreciation and amortization | *13* | 168.9 | 168.3 | 87.0 | 85.5 |
| Non cash capitalized to deferred stripping asset | *13* | (22.0) | (17.5) | (9.4) | (8.8) |
| Foreign exchange (gains) / losses | | (6.4) | 6.2 | 3.9 | (2.7) |
| Inventory write down | | - | (3.4) | - | (3.1) |
| Change in accruals | | 12.7 | 10.7 | 17.2 | 5.3 |
| Change in related parties transactions | | 3.0 | 2.5 | 4.0 | 1.0 |
| Change in interest payables | | 151.8 | 139.0 | 74.4 | 69.9 |
| Other adjustments | | (2.1) | 13.8 | (2.5) | 6.9 |
| **Changes in working capital:** | | **(23.5)** | **30.0** | **(63.7)** | **49.7** |
| *Inventories* | | 11.0 | (30.7) | 12.5 | (4.1) |
| *Trade and other receivables* | | (54.7) | 115.6 | (55.0) | 49.1 |
| *Trade and other payables* | | 20.2 | (54.9) | (21.2) | 4.7 |
| Income tax expenses / (benefit) | *10* | (3.7) | 5.7 | 1.2 | (6.7) |
| Mining and other tax expenses | | 14.6 | 6.0 | 16.8 | 10.3 |
| **Cash provided from operating activities** | | **311.9** | **395.1** | **155.4** | **208.8** |
| **INVESTING ACTIVITIES** | | | | | |
| Purchase of mineral properties, plant and equipment | | (114.9) | (112.1) | (50.2) | (45.3) |
| Cash cost capitalized to deferred stripping asset | *13* | (145.4) | (138.2) | (65.1) | (68.6) |
| **Cash used in investing activities** | | **(260.3)** | **(250.3)** | **(115.3)** | **(113.9)** |
| **FINANCING ACTIVITIES** | | | | | |
| Payments associated with BGK loan | | (4.3) | (4.3) | (4.3) | (4.3) |
| Payments of credit facility interest | | (15.1) | (13.7) | (7.5) | (7.2) |
| Payments under leases principal | | (5.5) | (2.0) | (2.2) | (1.3) |
| Payments under leases interest | | (1.4) | (0.6) | (0.7) | (0.3) |
| Payments of Subordinated debt interest | | (20.0) | (30.0) | (20.0) | (30.0) |
| **Cash provided from financing activities** | | **(46.3)** | **(50.6)** | **(34.7)** | **(43.1)** |
| **Effect of foreign exchange rate changes on cash and cash equivalents held** | | - | - | - | - |
| **Net (decrease) increase in cash and cash equivalents during the period** | | **5.3** | **94.2** | **5.4** | **51.8** |
| **Cash and cash equivalents, beginning of period** | | **154.7** | **85.6** | **154.6** | **128.0** |
| **Cash and cash equivalents, end of period** | | **160.0** | **179.8** | **160.0** | **179.8** |
| **Cash and cash equivalents comprised of:** | | | | | |
| **Cash deposits, bankers acceptances and term deposits** | | **160.0** | **179.8** | **160.0** | **179.8** |

The accompanying notes are an integral part of these condensed interim financial statements.

# CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(U.S. dollars in millions)

(Unaudited)

| | Share capital | Reserve | Retained earnings | Total |
|---|---|---|---|---|
| **Balance, January 1, 2024** | **2,838.1** | **(20.1)** | **(2,693.0)** | **125.0** |
| **Total comprehensive income** | **2,838.1** | **(20.1)** | **(2,693.0)** | **125.0** |
| Income for the period | **-** | **-** | 18.6 | **18.6** |
| Other comprehensive income | **-** | (2.1) | - | **(2.1)** |
| **Total comprehensive income** | **2,838.1** | **(22.2)** | **(2,674.4)** | **141.5** |
| **Balance, June 30, 2024** | **2,838.1** | **(22.2)** | **(2,674.4)** | **141.5** |

| | Share capital | Reserve | Retained earnings | Total |
|---|---|---|---|---|
| **Balance, January 1, 2023** | **2,838.1** | **(19.3)** | **(2,996.0)** | **(177.2)** |
| **Total comprehensive income** | **2,838.1** | **(19.3)** | **(2,996.0)** | **(177.2)** |
| Income for the period | **-** | **-** | 33.8 | **33.8** |
| Other comprehensive income | **-** | (0.7) | - | **(0.7)** |
| **Total comprehensive income** | **2,838.1** | **(20.0)** | **(2,962.2)** | **(144.1)** |
| **Balance, June 30, 2023** | **2,838.1** | **(20.0)** | **(2,962.2)** | **(144.1)** |

The accompanying notes are an integral part of these condensed interim financial statements.

## 1 NATURE OF OPERATIONS

Minera Quadra Chile Limitada ("MQCL") was incorporated on April 1, 2004, in the municipality of Santiago in the Republic of Chile under law No. 3,918. On July 29, 2011, MQCL changed its name to Minera Quadra Chile S.C.M. and further to Sierra Gorda S.C.M. ("SG SCM" or the "Company") on September 14, 2011. The Company is in the business of developing and operating the Sierra Gorda mining project in Chile. The Sierra Gorda mining project is an open pit copper and molybdenum mine, with some by-product of gold and silver. The Company's head office is located at Magdalena 140, 10th floor, Las Condes, Santiago. The Company is a joint venture owned 55% indirectly by KGHM Polska Miedz S.A. ("KGHM S.A.") through its subsidiary Quadra FNX Holdings Chile Ltda., and 45% indirectly by South32 Limited through its subsidiary South32 Sierra Gorda SpA.

## 2 BASIS OF PRESENTATION

### a) Statement of presentation and measurement

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board ("IASB"). The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2023, which have been prepared in accordance with the International Financial Reporting Standards ("IFRS") Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). These condensed interim financial statements do not include all the information required for full annual financial statements prepared in accordance with IFRS.

These unaudited condensed interim financial statements have been prepared on the historical cost basis, except for financial assets and liabilities measured at fair value through profit or loss, using going concern assumption.

Management believes it is appropriate to prepare the condensed interim financial statements on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

During the six months period ended June 30, 2024, the Company incurred a total comprehensive income of US$16.5 million (US$33.1 million as at June 30, 2023), and a net equity of US$141.5 million (net equity of US$125.0 million as at December 31, 2023). As at June 30, 2024, the Company was in a net current liability position of US$5,359.4 (net current liability position of US$5,246.2 million as at December 31, 2023).

As of June 30, 2024, the Company has reported 'current liabilities' that previously (in June 30, 2023) had been classified as 'non-current liabilities'. This included external financing due to Bank Gospodarstwa Krajowego ("BGK"), due in September 2024 of US$400.2 million; and internal financing due to the Owners according to the Subordinated Debt ("SD") agreement, due on December 15, 2024, of US$5,073.5 million.

The continuing viability of the Company and its ability to continue as a going concern and meet its debts and commitments as they fall due, are dependent upon the Company:

- Successfully restructure the repayment of the BGK loan. Currently we are in a Syndicated Loan process arranged by two local banks as Joint Lead Arrangers, and we have received commitment letters that will be sufficient to repay the BGK loan.
- Successfully renegotiate the SD agreement subject to the terms and conditions that will be agreed mutually by the Owners. The Owners have pre-emptively taken action to counteract the consequences of the approaching repayment date for the subordinated debt.

## 2 BASIS OF PRESENTATION, CONTINUED

### a) Statement of presentation and measurement, continued

As a result of these matters, there is an uncertainty that may cast some doubt on the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the Management believes that the Company will be successful in repaying the BGK loan, where the Owners are guarantors, and the subordinated debt, as the Owners have expressed the intention to continue the Joint Venture, accordingly, Management has prepared these condensed interim financial statement on a going concern basis.

The Company has been gradually repaying its liabilities to the Owners under the SD agreement, accordingly, during 2021, 2022, 2023 and 2024 the Company has made payment by US$560 million, US$350 million, US$70 million and US$20 million, respectively. Since the year 2020, the Company has not received capital contributions from the Owners. As at June 30, 2024, the cash balance amounted to US$160.0 million, and trade receivables from clients amounted to US$129.2. The before mentioned represents a total of US$289.2 million of highly liquid assets. Please refer also to Note 15 (c) Liquidity Risk.

The Company maintains its official accounting records in United States dollars, which is the Company's functional currency. All financial information in these condensed interim financial statements is presented in United States dollars rounded to the nearest million, except where indicated otherwise.

These condensed interim financial statements have been approved for issuance on July 31, 2024, by the Finance Committee of the Owners' Council.

### b) Use of estimates and judgments

The preparation of condensed interim financial statements in conformity with IFRS requires management to make estimates, assumptions, and judgements that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed interim financial statements, along with reported amounts of revenues and expenses during the period. Actual results may differ from these estimates, and as such, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and in any future periods affected. In preparing these condensed interim financial statements, significant judgments made by management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those applied to the annual financial statements as at and for the year ended December 31, 2023.

Critical accounting estimates and judgments areas that have the most significant effect on the amounts recognized in the condensed interim financial statements are disclosed in Note 2 (b) of the Company's audited annual financial statements as at and for the year ended December 31, 2023.

(U.S. dollars in millions)

## 3 MATERIAL ACCOUNTING POLICIES

These condensed interim financial statements have been prepared using the same accounting policies as those disclosed in Note 3 to the audited annual financial statements as at and for the year ended December 31, 2023.

New or amended accounting pronouncements (standards and interpretations) applicable for annual periods beginning on January 01, 2024, did not have a significant impact on the Company's condensed interim financial statements.

A number of other accounting and sustainability pronouncements have been issued and will be applicable in future periods. These are subject to assessment and have not been applied in the preparation of these condensed interim financial statements.

## 4 INVENTORY

| | June 30, 2024 | December 31, 2023 |
|---|---|---|
| **Current** | | |
| Copper concentrate | 24.5 | 14.4 |
| Molybdenum concentrate | 0.1 | 11.2 |
| Work in progress | 33.9 | 53.1 |
| Supplies | 180.8 | 167.4 |
| **Total Current** | **239.3** | **246.1** |
| **Non-current** | | |
| Ore stockpile | 130.0 | 134.2 |
| **Total Non-current** | **130.0** | **134.2** |
| **Total net carrying amount of Inventory** | **369.3** | **380.3** |

## 5 TRADE AND OTHER RECEIVABLES

| **Current** | June 30, 2024 | December 31, 2023 |
|---|---|---|
| **Trade receivables** (subject to provisional pricing) | | |
| Trade receivables | 129.2 | 54.1 |
| Mark-to-Market ("MtM") | - | 18.1 |
| **Total Trade receivables** | **129.2** | **72.2** |

The Company's trade receivables less MtM corresponding to the expected cash inflow from mineral sales at the reporting date was:

| | June 30, 2024 | December31, 2023 |
|---|---|---|
| Less than 1 month | 125.9 | 50.1 |
| 1 to 3 months | 2.3 | 2.1 |
| Greater than 3 months | 1.0 | 1.9 |
| **Total Trade Receivables less MtM** | **129.2** | **54.1** |

(U.S. dollars in millions)

## 6 MINERAL PROPERTY, PLANT AND EQUIPMENT

| | Land (a) | Plant, buildings and equipment (b) | Equipment under lease (c) | Site closure and reclamation asset (d) | Deferred stripping asset (e) | Asset under construction (f) | Right of use Asset (g) | Oxide project (h) | Total |
|---|---|---|---|---|---|---|---|---|---|
| **January 1, 2024** | | | | | | | | | |
| Cost | 11.9 | 6,419.9 | 206.9 | 17.5 | 2,200.0 | 466.9 | 71.5 | 82.8 | 9,477.4 |
| Accumulated depreciation | - | (2,625.2) | (88.1) | (12.2) | (1,230.4) | - | (59.2) | - | (4,015.1) |
| Impairment | (6.6) | (3,220.8) | (161.5) | - | (345.4) | - | - | - | (3,734.3) |
| Impairment reversal | - | 1,543.5 | 54.0 | - | - | - | - | - | 1,597.5 |
| Impairment accumulated amortization | - | 980.7 | 80.9 | - | - | - | - | - | 1,061.6 |
| **Net book value** | **5.3** | **3,098.1** | **92.2** | **5.3** | **624.2** | **466.9** | **12.3** | **82.8** | **4,387.1** |
| **Change in cost** | | | | | | | | | |
| Additions | - | - | - | - | 167.4 | 117.8 | 11.8 | - | 297.0 |
| Disposals | - | - | - | (1.4) | - | - | - | - | (1.4) |
| Transfers | - | 85.6 | (8.6) | - | - | (77.6) | - | 0.6 | - |
| **Sub total** | - | **85.6** | **(8.6)** | **(1.4)** | **167.4** | **40.2** | **11.8** | **0.6** | **295.6** |
| **Change in depreciation** | | | | | | | | | |
| Additions | - | (134.4) | (7.1) | (0.1) | (41.6) | - | (5.7) | - | (188.9) |
| Transfers | - | (7.1) | 7.1 | - | - | - | - | - | - |
| **Sub total** | - | **(141.5)** | - | **(0.1)** | **(41.6)** | - | **(5.7)** | - | **(188.9)** |
| **Change in impairment amortization** | | | | | | | | | |
| Additions | - | 21.5 | 0.9 | - | - | - | - | - | 22.4 |
| **Sub total** | - | **21.5** | **0.9** | - | - | - | - | - | **22.4** |
| **June 30, 2024** | | | | | | | | | |
| Cost | 11.9 | 6,505.5 | 198.3 | 16.1 | 2,367.4 | 507.1 | 83.3 | 83.4 | 9,773.0 |
| Accumulated depreciation | - | (2,766.7) | (88.1) | (12.3) | (1,272.0) | - | (64.9) | - | (4,204.0) |
| Impairment | (6.6) | (3,220.8) | (161.5) | - | (345.4) | - | - | - | (3,734.3) |
| Impairment reversal | - | 1,543.5 | 54.0 | - | - | - | - | - | 1,597.5 |
| Impairment accumulated amortization | - | 1,002.2 | 81.8 | - | - | - | - | - | 1,084.0 |
| **Net book value** | **5.3** | **3,063.7** | **84.5** | **3.8** | **750.0** | **507.1** | **18.4** | **83.4** | **4,516.2** |

(U.S. dollars in millions)

## 6 MINERAL PROPERTY, PLANT AND EQUIPMENT, CONTINUED

(a) Comprise land acquired for Sierra Gorda project.

(b) Plant, buildings and equipment include the campsite and its infrastructure, mine and plant equipment, as well as office building, warehouses and workshops in use and mine development regarding drilling activities.

(c) Equipment under lease includes six haul trucks, and other mobile equipment and vehicles, as well as power transmission lines embedded lease in Atlantica (previously Abengoa) transmission line construction and operation contracts, port facility embedded lease in Antofagasta Terminal International contract.

(d) Refer to Note 8 (a) for further information regarding the site closure and reclamation asset.

(e) Deferred stripping asset includes the capitalization of the stripping costs incurred in the mine development recognised and valuated in accordance with IFRIC 20, refer to Note 13 for the capitalized amount for the period.

(f) Asset under construction mainly includes the tailing storage facilities, new mobile equipment in the assembly process and the debottlenecking projects.

(g) Right of use includes leasing according IFRS 16 “Leases”.

(h) Acquisition cost and development of Oxide project.

As at June 30, 2024, the Company has contractual commitments related capital expenditure by US$66.8 million for 2024.

## 7 TRADE AND OTHER PAYABLES

| | June 30, 2024 | December 31, 2023 |
|---|---|---|
| Liabilities from deliveries and services | 159.4 | 155.4 |
| Other accounts payable (*) | 22.4 | 1.3 |
| Liabilities from employee tax and social security | 2.3 | 11.7 |
| **Total** | **184.1** | **168.4** |

(*) As at June 30, 2024 due to the changes in the mineral price, a negative Mark-to-market adjustment was recorded by the Company and classified as other accounts payable for $18.1 million (December 31, 2023 - a positive Mark-to-market adjustment was recorded by the Company and classified as trade receivables for $18.1 million) which refers to 125.9 million unsettled copper concentrate pounds and 2.7 million unsettled molybdenum pounds (December 31, 2023 - 170.4 million of unsettled copper concentrate pounds and 2.5 million unsettled molybdenum pounds).

(U.S. dollars in millions)

## 8 ACCRUED LIABILITIES

| **Current** | **June 30, 2024** | **December 31, 2023** |
|---|---|---|
| Accrued expenses | 100.7 | 86.9 |
| Payroll and benefits | 28.2 | 24.1 |
| Others | 14.5 | 20.6 |
| **Total Accrued Liabilities Current** | **143.4** | **131.6** |

| **Non-Current** | **June 30, 2024** | **December 31, 2023** |
|---|---|---|
| Site closure and reclamation provision (a) | 25.4 | 26.5 |
| Severance indemnity provision (b) | 12.0 | 10.0 |
| **Total Accrued Liabilities Non-Current** | **37.4** | **36.5** |

(a) Site closure and reclamation provision

| | |
|---|---|
| **Balance at January 1, 2024** | **26.5** |
| Decrease in obligation (update of the mine closure plan) | (1.4) |
| Unwinding of discount | 0.3 |
| **Balance at June 30, 2024** | **25.4** |

On March 14, 2024, the Company signed with AVLA (insurance company) a guarantee insurance policy for the closure cost of the mining site by 552,513.00 U.F. (US$20.9 million), effective from March 14, 2024 to March 14, 2025.

The Company is not able to determine the impact on its financial position, if any, of environmental laws and regulations that may be enacted in the future.

(b) Severance indemnity provision

| | |
|---|---|
| **Balance at January 1, 2024** | **10.0** |
| Service Cost | 0.7 |
| Effect of foreign currency translation differences | (0.7) |
| Effect of discount rate | 0.3 |
| Other comprehensive income (actuarial losses) | 3.4 |
| Benefit paid in the period | (1.7) |
| **Balance at June 30, 2024** | **12.0** |

(U.S. dollars in millions)

## 9 LOANS

### (a) Subordinated sponsors' loan

| **Current** | **June 30, 2024** | **December 31, 2023** |
|---|---|---|
| Principal | | |
| Quadra FNX FFI Ltd. | 1,446.8 | 1,446.8 |
| South32 Finance 1 B.V. | 828.6 | 828.6 |
| South32 Finance 2 B.V. | 355.2 | 355.2 |
| **Current principal** | **2,630.6** | **2,630.6** |
| | | |
| **Accrued interest and effective interest rate adjustment** | | |
| Quadra FNX FFI Ltd. | 1,343.6 | 1,278.6 |
| South32 Finance 1 B.V. | 769.5 | 732.3 |
| South32 Finance 2 B.V. | 329.8 | 313.8 |
| Finance cost discount | (108.9) | (104.1) |
| Amortization of the discount | 108.9 | 104.1 |
| **Current accrued interest and effective interest rate adjustment** | **2,442.9** | **2,324.7** |
| **Total** | **5,073.5** | **4,955.3** |

The Company recognised the difference (discount) between the book value and the fair value of the loans over the term of the loans, using the effective interest method. As at June 30, 2024, the Company has cumulatively incurred US$2,442.9 million (December 31, 2023 - US$2,324.7 million) of interest on long-term debt and amortization of the discounts of US$108.9 million (December 31, 2023 - US$104.1 million).

During the six month period ended June 30, 2024, the Company paid on Sponsors' request, interest related to the subordinated loans of US$20.0 million (In 2023 capital and interest - US$70.0 million).

### b) Credit facility

| | **June 30, 2024** | **December 31, 2023** |
|---|---|---|
| Bank Gospodarstwa Krajowego (BGK) | 400.2 | 400.2 |
| Total Revolving Credit Facility | **400.2** | **400.2** |

The Polish State Treasury is an entity controlling BGK and at the same time owns 31.79% of shares of KGHM S.A. The before mentioned loan is the only government-related entities transaction performed by the Company and was carried out on normal market terms, disclosed to regulatory authority, reported to senior management and approved by the Owner Council.

As at June 30, 2024, the Company has a non - executed credit facility with BGK up to US$300 million that the Company can draw down upon financial requirements with the ability to be structured in a portion of short and long term (December 31, 2023 - US$300.0 million non - executed credit facility).

At June 30, 2024, BGK credit facility is supported by a guarantee issued by Sponsors.

(U.S. dollars in millions)

## 9 LOANS, CONTINUED

### b) Credit facility, continued

On December 14, 2021, the Company and BGK signed off the Subordination Agreement (Agreement), in order to provide for the subordination of Subordinated Sponsor Loans, as well as provide the terms and conditions for Permitted Subordinated Sponsor Loans Payment.

Under the Agreement, if the Company is requested by Sponsors for the Subordinated Sponsor Loans Payment, it will have to comply with the financial conditions set up in the Agreement. The financial ratios for the before mentioned conditions are as follows:

- Ratio of Net Debt to EBITDA, in the last relevant period, does not exceed two point five to 1 (2.5:1). As at June 30, 2024, this ratio amounted to: 0.4.
- Historical Debt Service Coverage Ratio (DSCR), in the last relevant period, is at least one point two to 1 (1.2:1). As at June 30, 2024, this ratio amounted to: 4.1.

## 10 INCOME AND MINING TAX

| | June 30, 2024 | December 31, 2023 |
|---|---|---|
| **Deferred tax assets** | | |
| Tax losses | 971.9 | 1,029.3 |
| Foreign intercompany liabilities | 625.8 | 592.1 |
| Lease liabilities | 41.8 | 42.4 |
| Reclamation liability | 6.9 | 7.2 |
| Provisions | 13.6 | 3.5 |
| **Deferred tax liabilities** | | |
| Mineral property, plant and equipment | (480.1) | (489.4) |
| Start-up costs | (198.7) | (200.3) |
| Reclamation asset | (1.1) | (1.5) |
| Others | - | (0.2) |
| **Subtotal deferred tax asset, net** | **980.1** | **983.1** |
| Recognised deferred mining tax assets, net | (44.1) | (50.8) |
| **Recognised deferred tax assets, net** | **936.0** | **932.3** |

Deferred tax balances are based on the enacted tax rates for when the assets are expected to be realized or the liabilities settled.

As at June 30, 2024, the Company has recognised a deferred tax asset of US$936.0 million (December 31, 2023 – US$932.3 million) where the most significant deductible temporary difference is the accumulated tax losses of US$3,599.5 million (December 31, 2023 – US$3,812.4 million). The accumulated tax losses contribute with US$971.9 (December 31, 2023, US$1,029.3 million) over the total deferred tax asset recognized.

(U.S. dollars in millions)

## 10 INCOME AND MINING TAX, CONTINUED

Effective tax rate reconciliation

| | June 30, 2024 | June 30, 2023 |
|---|---|---|
| **Profit before income tax** | **32.1** | **60.2** |
| Current corporate tax rate | 27.0% | 27.0% |
| Tax expenses using corporate rate | (8.7) | (16.3) |
| Current mining tax effect | (9.7) | (14.3) |
| Thin Cap tax effect | (6.4) | (5.8) |
| Deferred mining tax effect | 11.3 | 10.0 |
| **Total adjustments to the loss for taxes using corporate rate** | **(4.8)** | **(10.1)** |
| Tax expenses using effective rate | (13.5) | (26.4) |
| Effective tax rate | 42.0% | 43.9% |

| | June 30, 2024 | June 30, 2023 |
|---|---|---|
| Origination of temporary differences | 2.6 | (6.3) |
| Mining tax expenses | (9.7) | (14.3) |
| Other tax expenses | (6.4) | (5.8) |
| **Total income tax expenses** | **(13.5)** | **(26.4)** |

## 11 RELATED PARTY TRANSACTIONS

For the six months period ended at June 30, 2024 and 2023, the main transactions with related parties are detailed as follows:

| | | | 2024 | | 2023 | |
|---|---|---|---|---|---|---|
| **Company** | **Relationship** | **Transaction description** | **Amount** | **Effect on profit or loss (debit)/credit** | **Amount** | **Effect on profit or loss (debit)/credit** |
| Quadra FNX FFI Ltd. | JV Partner | Interest Subordinated Loans | 80.2 | (80.2) | 79.6 | (79.6) |
| | | Payments of Sub sponsor´s loan´ Interest | 11.0 | - | 16.5 | - |
| South32 Finance 1 B.V | JV Partner | Interest Subordinated Loans | 45.9 | (45.9) | 45.6 | (45.6) |
| | | Payments of Sub sponsor´s loan´ Interest | 6.3 | - | 9.5 | - |
| South32 Finance 2 B.V. | JV Partner | Interest Subordinated Loans | 19.7 | (19.7) | 19.6 | (19.6) |
| | | Payments of Sub sponsor´s loan´ Interest | 2.7 | - | 4.0 | - |
| South32 Limited | JV Partner | Interest Guarantee | 1.9 | (1.9) | 1.9 | (1.9) |
| | | Payment Interest Guarantee | 1.9 | - | 1.9 | - |
| KGHM Polska Miedz S.A. | JV Partner | Interest Guarantee | 2.4 | (2.4) | 2.4 | (2.4) |
| | | Payment Interest Guarantee | 2.4 | - | 2.4 | - |
| KGHM Chile SpA | JV Partner | Service Fee | 2.0 | (2.0) | 2.1 | (2.1) |
| DMC Mining Services Chile SPA | JV Partner | Deep Drilling services | 10.0 | - | 5.0 | - |
| Bank Gospodarstwa Krajowego | Poland Entity related to KGHM Polska Miedź SA | Interest Credit Facility | 16.2 | (16.2) | 15.1 | (15.1) |
| | | Payments of Int Credit Facility | 15.1 | - | 13.7 | - |

(U.S. dollars in millions)

## 12 REVENUE

| | Six months ended June 30, 2024 | Six months ended June 30, 2023 |
|---|---|---|
| Third parties | | |
| Copper | 650.7 | 691.2 |
| Molybdenum | 63.4 | 67.6 |
| By product Gold | 58.1 | 61.2 |
| By product Silver | 19.0 | 16.3 |
| **Total Third parties** | **791.2** | **836.3** |
| | | |
| Mark-to-Market | (36.2) | (61.1) |
| Treatment Charges | (31.7) | (47.0) |
| **Total** | **723.3** | **728.2** |

## 13 EXPENSES BY NATURE

As at June 30, 2024 and 2023, the costs and expenses by nature are detailed as follows:

| | Six months ended June 30, 2024 | Six months ended June 30, 2023 |
|---|---|---|
| Cost of sales | 463.4 | 433.6 |
| Selling costs | 34.8 | 37.3 |
| General and administrative expenses | 26.6 | 25.5 |
| **Total** | **524.8** | **496.4** |

(U.S. dollars in millions)

## 13 EXPENSES BY NATURE, CONTINUED

The breakdown of the abovementioned costs and expenses as at June 30, 2024 and 2023 are detailed as follows:

| | **Six months ended June 30, 2024** | **Six months ended June 30, 2023** |
|---|---|---|
| Depreciation and amortization | 168.9 | 168.3 |
| External services | 140.2 | 135.7 |
| Energy | 99.0 | 95.8 |
| Employee benefits expenses | 54.5 | 57.6 |
| Materials | 51.4 | 52.9 |
| Fuel and lubricant | 49.5 | 44.7 |
| Replacements Parts | 39.5 | 32.9 |
| Ocean and inland freight | 34.8 | 37.3 |
| Change in inventories of finished goods and work in progress | 24.4 | (2.1) |
| Other costs | 15.7 | 12.1 |
| Personnel services | 7.6 | 8.1 |
| Conversion costs | 3.4 | 5.3 |
| Service fees | 2.0 | 2.1 |
| Water | 1.3 | 1.4 |
| Expenses capitalized to deferred stripping asset (*) | (167.4) | (155.7) |
| **Total** | **524.8** | **496.4** |

(*) Cash cost of US$145.4 for 6 months ended June 30, 2024 (US$138.2 for 2023) and non-cash cost of US$22.0 for 6 months period ended June 30, 2024 (US$17.5 for 2023), refer to Note 6.

## 14 MANAGEMENT OF CAPITAL RISK

The Company's objectives when managing capital risk are to safeguard the Company's ability to continue as a going concern to pursue the operation and development of mineral property and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable risk.

The Company includes the components of shareholders' equity and long-term debt in the management of capital. The capital structure is managed in conjunction with the structure of joint venture partners (KGHMI and South32). To maintain or adjust the capital structure, the Company may issue new common shares, issue new debt, repay debt, and acquire or dispose of assets or investments.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Owners Council approves the annual and updated budgets.

To maximize ongoing development efforts, the Company does not pay out dividends. The investment policy is to invest its cash in highly liquid and low risk short-term interest-bearing investments with maturities of three months or less when acquired and are selected with consideration of the expected timing of expenditures from the business and to meet the stable production process.

(U.S. dollars in millions)

## 15 FINANCIAL INSTRUMENTS AND RISK

The Company's activities expose it to a variety of financial risks: market risk (currency, interest rate and commodity price risk), credit risk and liquidity risk. These risks are assessed regularly and, when appropriate, the Company takes steps to mitigate these risks.

Financial instruments include cash and any contracts that give rise to a financial asset to one party and a financial liability or equity instrument to another party. Financial instruments carried at fair value on the statement of financial position are classified within a hierarchy that prioritizes the inputs to fair value measurements. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.
Level 3 – Inputs that are not based on observable market data.

The Company has not disclosed the fair values of financial instruments due to carrying amounts are a fair approximation to the fair value.

### (a) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and commodity prices - will affect the Company's income or the value of its holdings of financial instruments.

***Currency risk***

The Company prepares its condensed interim financial statements in its functional currency, the United States dollar (U.S. dollar). The construction and operation budget are primarily made up of U.S. dollars and Chilean Pesos. The cost of the project is subject to foreign currency exchange risk due to exchange rate movements affecting transaction costs and the translation of underlying net assets. The carrying amounts of the Company's foreign currency denominated monetary assets and liabilities are as follows (denominated in U.S. dollars in million):

| | **June 30, 2024** | **December 31, 2023** |
|---|---|---|
| Financial asset | 62.4 | 32.6 |
| Financial liabilities | 146.5 | 147.3 |

The following table shows the effect of financial instruments considered sensitive to foreign exchange rates where they are not in U.S. dollars. Since the Company has a net financial liability position in foreign currency, an appreciation in Chilean peso regarding U.S dollar would generate an increase in loss before tax.

| | **June 30, 2024** | **December 31, 2023** |
|---|---|---|
| **Loss (before tax)** | | |
| 10% appreciation in Chilean peso | (8.4) | (11.5) |
| **Total** | **(8.4)** | **(11.5)** |

***Interest rate risk***

The Company does not have significant exposure to interest rate risk since the majority of its financial liabilities are issued at fixed interest rates.

(U.S. dollars in millions)

## 15 FINANCIAL INSTRUMENTS AND RISKS, CONTINUED

### (a) Market risk, continued

***Commodity price risk***

The Company has not entered into derivative commodity contracts. Unsettled provisionally priced sales are carried at fair value through profit or loss as part of trade receivables or trade payables at each reporting date.

The Company's exposure at June 30, 2024 and December 31, 2023 to the impact of movements in commodity prices upon unsettled provisionally priced sales is detailed in the following table:

| | June 30, 2024 (*) | | December 31, 2023 | |
|---|---|---|---|---|
| **Commodity** | **Net exposure - Mlbs** | **Impact on equity and profit of 10% movement in market price (before tax) - USD M** | **Net exposure - Mlbs** | **Impact on equity and profit of 10% movement in market price (before tax) - USD M** |
| Copper | 125.9 | 54.1 | 170.4 | 65.2 |
| Moly | 2.7 | 5.7 | 2.5 | 5.2 |
| **Total** | **128.6** | **59.8** | **172.9** | **70.4** |

(*) It is expected that the majority of the final price of these sales will be determined during the next 6 months.

### (b) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial asset fails to meet its contractual obligations. The Company's significant counterparty exposures are related to cash and cash equivalents and trade receivables, the carrying amount of financial assets represents the maximum credit exposure. The counterparties consist of customers, banks and government (tax recoverable). Investments are made in accordance with the investment policy approved by the owners. In monitoring customer credit risk, due diligence is carried out on the prospective counterparties prior to entering into a contract. The Company monitors compliance with payment terms and takes corrective action where there is non-compliance.

The Company's investment policy has pre-defined expenditure and requires monitoring of the concentration of exposure and where possible, takes steps to limit exposures to anyone counterparty to reduce the risk concentration. The Company does not believe there are any material credit risks at the issuing date of these condensed interim financial statements.

At June 30, 2024 and December 31, 2023, the provisional priced trade receivables was as follows:

| | **June 30, 2024** | **December31, 2023** |
|---|---|---|
| Less than 1 month | 125.9 | 50.1 |
| 1 to 3 months | 2.3 | 2.1 |
| Greater than 3 months | 1.0 | 1.9 |
| **Total Trade Receivables less MtM** | **129.2** | **54.1** |

The abovementioned amounts do not include the MTM effect on the provisional priced trade receivables.

(U.S. dollars in millions)

## 15 FINANCIAL INSTRUMENTS AND RISKS, CONTINUED

### (b) Credit risk, continued

At June 30, 2024 and December 31, 2023, the trade receivables by geographic area was as follows:

| | June 30, 2024 | December31, 2023 |
|---|---|---|
| Asia | 108.7 | 51.8 |
| Chile | 19.3 | - |
| Europe | 1.2 | 2.3 |
| **Total Trade Receivables less MTM** | **129.2** | **54.1** |

### (c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will always have satisfactory financial resources to meet its liabilities when due.

The Company uses monthly cash flow forecasts to monitor available cash based on expected cash inflows and outflows. The Company ensures it has sufficient available cash to meet expected operational expenses and capital expenditures, including the servicing of financial obligations.

During the six months period ended June 30, 2024, the Company incurred a total comprehensive income of US$16.5 million (US$33.1 million as at June 30, 2023), and a net equity of US$141.5 million (net equity of US$125.0 million as at December 31, 2023). As at June 30, 2024, the Company was in a net current liability position of US$5,359.4 (net current liability position of US$5,246.2 million as at December 31, 2023).

As of June 30, 2024, the Company has reported 'current liabilities' that previously (in June 30, 2023) had been classified as 'non-current liabilities'. This included external financing due to Bank Gospodarstwa Krajowego ("BGK"), due in September 2024 of US$400.2 million; and internal financing due to the Owners according to the Subordinated Debt ("SD") agreement, due on December 15, 2024, of US$5,073.5 million.

The continuing viability of the Company and its ability to continue as a going concern and meet its debts and commitments as they fall due, are dependent upon the Company:

- Successfully restructure the repayment of the BGK loan. Currently we are in a Syndicated Loan process arranged by two local banks as Joint Lead Arrangers, and we have received commitment letters that will be sufficient to repay the BGK loan.
- Successfully renegotiate the SD agreement subject to the terms and conditions that will be agreed mutually by the Owners. The Owners have pre-emptively taken action to counteract the consequences of the approaching repayment date for the subordinated debt.

The Company's operational strategy is to continue with the improvement of production with special focus on plant reliability, asset efficiency, and Cu recovery, increasing the throughput with the implementation of several projects, which has allowed an average of 134,772 tons of throughput per day as at June 30, 2024 (130,121 as at December 31, 2023). The before mentioned represent an increase of 21.8%, from the original designed capacity of 110.000 tons of throughput per day. Drilling Program has achieved additional mineral resources compared to previous year with no significant impact in the extraction model and pit design. The 2024 Drilling Program continues drillings and improving estimation of the Company's reserves and resources, incorporating a Deep drilling program.

(U.S. dollars in millions)

## 15 FINANCIAL INSTRUMENTS AND RISKS, CONTINUED

### (c) Liquidity risk, continued

The Operational Cash-neutral strategy continues focus on cost reduction through the renegotiation of service and purchase contracts, contract's scope rationalization, internalization of several categories of activities, reducing discretionary spend, internal and contractor headcount excellence. This strategy is supported by the Value Creation Program (VCP) sponsored by the Owners Council, which is focused on activities on revenue acceleration and cost reduction.

The Company has been gradually repaying its liabilities to the Owners under the SD agreement, accordingly, during 2021, 2022, 2023 and 2024 the Company has made payment by US$560 million, US$350 million, US$70 million and US$20 million, respectively. Since the year 2020, the Company has not received capital contributions from the Owners. As at June 30, 2024, the cash balance amounted to US$160.0 million, and trade receivables from clients amounted to US$129.2. The before mentioned represents a total of US$289.2 million of highly liquid assets. Considering that Operational results and cash flows estimation remains stable, our mitigating strategies regarding the going concern uncertainty, is focused on financing restructuration.

As a result of these matters, there is an uncertainty that may cast some doubt on the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the Management believes that, the Company will be able to obtain the resources to pay the current loan with BGK with the syndicated loan that we are negotiating, where the Owners will be guarantors. Furthermore regarding the subordinated debt, the Owners have expressed their intentions to continue the Joint Venture, accordingly, Management has prepared these condensed interim financial statement on a going concern basis.

The following are the remaining contractual maturities of liabilities at the reporting date:

| June 30, 2024 | Bank loans and other loans | Due to related parties | Lease liabilities | Other liabilities | Total |
|---|---|---|---|---|---|
| Maturity date | | | | | |
| Less than 1 year | 5,473.7 | 5.3 | 25.8 | 439.0 | 5,943.8 |
| Between 1 and 3 years | - | - | 39.7 | - | 39.7 |
| Between 3 and 5 years | - | - | 27.9 | - | 27.9 |
| More than 5 years | - | - | 61.4 | 37.4 | 98.8 |
| **Balance as at June 30, 2024** | **5,473.7** | **5.3** | **154.8** | **476.4** | **6,110.2** |

The outflows disclosed in the above table represent the contractual discounted cash flows relating to liabilities. It is not expected that the cash flows included in the maturity analysis will occur significantly earlier, or significantly later than the settlement date.

The Company continues the cash preservation strategy focusing on improving operational efficiency, costs optimization and a variety of measures assuring the Company's liquidity.

(U.S. dollars in millions)

## 15 FINANCIAL INSTRUMENTS AND RISKS, CONTINUED

### (d) Classification of financial instruments

All financial assets and financial liabilities are initially recognised at the fair value of the consideration paid or received, net of transaction costs applicable and, subsequently measured at fair value through profit or loss or amortized cost, as indicated in the table below. The Company does not have financial instruments measured at a fair value through other comprehensive income.

Financial assets and financial liabilities are presented by type in the table below at their carrying amount, which, in general, approximates their fair value.

| June 30, 2024 | Note | Amortized cost | Fair Value through profit or loss | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Cash and cash equivalents | | 160.0 | - | 160.0 |
| Trade receivables | 5 | - | 129.2 | 129.2 |
| Other receivables | | 47.8 | - | 47.8 |
| Due from related parties | | 1.9 | - | 1.9 |
| Current tax | | 6.2 | - | 6.2 |
| **Total financial assets** | | **215.9** | **129.2** | **345.1** |
| **Non-financial assets** | | | | **5,906.6** |
| **Total assets** | | | | **6,251.7** |
| **Financial liabilities** | | | | |
| Trade and other payables | 7 | 166.0 | 18.1 | 184.1 |
| Mining tax | | 9.7 | - | 9.7 |
| Loans and credit facility | 9 | 5,473.7 | - | 5,473.7 |
| Lease liabilities | | 154.8 | - | 154.8 |
| Due to related parties | | 5.3 | - | 5.3 |
| **Total financial liabilities** | | **5,809.5** | **18.1** | **5,827.6** |
| **Non-financial liabilities** | | | | **282.6** |
| **Total liabilities** | | | | **6,110.2** |

The Company held financial instruments with low credit risk, then the Company assume at the reporting date that no significant increases in credit risk have occurred.

## 16 SUBSEQUENT EVENTS

No significant events have occurred subsequent to June 30, 2024, which might affect the amounts and/or disclosures included in these condensed interim financial statements.

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**Información de Firmantes**

Rut: 23923358-9
Nombre: PEZZATI ARISTI, NOLBERTO CARLOS
Cargo: SOCIO AUDITORÍA
Fecha de Firma: 02/08/2024 12:54:37 -0400