



» 45 years of mining  
with a purpose that

**RESISTS,**  
**TRANSFORMS,**  
**INSPIRES**



---

**COMPAÑÍA MINERA PODEROSA S.A.**

SEPARATE FINANCIAL STATEMENTS STATED IN U.S. DOLLARS  
DECEMBER 31, 2025 AND 2024

---

**COMPAÑÍA MINERA PODEROSA S.A.**

SEPARATE FINANCIAL STATEMENTS STATED IN U.S. DOLLARS  
DECEMBER 31, 2025 AND 2024

CONTENTS	Page
Independent auditor's report	1 - 4
Separate statement of financial position	5
Separate statement of comprehensive income	6
Separate statement of changes in equity	7
Separate statement of cash flows	8
Notes to the separate financial statements stated in u.s. dollars	9 - 69

S/ = Sol  
US\$ = United States dollars



## INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors  
**Compañía Minera Poderosa S.A.**

### Opinion

We have audited the separate financial statements in U.S. dollars of **Compañía Minera Poderosa S.A.** (hereinafter the Company) which comprise the separate statement of financial position at December 31, 2025, the separate statement of comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, as well as the notes to the separate financial statements, which include a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements stated in U.S. dollars, are prepared, in all material respects, in accordance with Notes 2.1 and 2.2.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) approved for its application in Peru by the Board of Deans of the Institutes of Peruvian Certified Public Accountants. Our responsibilities, under those standards, are further described in the *Auditor's responsibilities for the audit of separate financial statements stated in U.S. dollars* section of our report.

We are independent of the Company, in accordance with the ethical requirements of -the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code of Ethics) approved for its application in Peru by the Board of Deans of the Institutes of Peruvian Certified Public Accountants that are relevant for our audit of the separate financial statements stated in U.S. dollars in Peru. We have also fulfilled our other ethical responsibilities in accordance with the ethical requirements of Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter - basis of preparation and restriction on distribution and use

We draw attention to Notes 2.1 and 2.2 to the separate financial statements stated in U.S. dollars, which describes the basis of preparation. The separate financial statements stated in U.S. dollars have been prepared for the purpose of complying with requirements of Company's management to provide financial information presented in U.S. dollars to its two customers, Asahi Refining Canada Limited and Argor-Heraeus Switzerland. As a result, the separate financial statements may not be suitable for another purpose.

Our report is intended solely for the information and use of the Company and Asahi Refining Canada Limited and Argor-Heraeus Switzerland and should not be distributed to, or used by, parties other than those mentioned above. Our opinion is not modified in relation to this matter.



## Key Audit Matter

Key audit matter is this matter that, in our professional judgment, was the most significance in our audit of the separate financial statements stated in U.S. dollars of the current period. This matter was addressed in the context of our audit of the separate financial statements stated in U.S. dollars as a whole and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

### Key Audit Matter

### How our audit addressed the matter

#### **Provision for mine closure (Notes 2.14 and 20 to the separate financial statements stated in U.S. dollars)**

The provision for mine closure, amounting to US\$38,956 thousand, arises from the Company's obligation to restore the areas affected by mining operations. Future expenditures related to mine closure activities depend on the estimated useful life of the mine, which is determined based on technical studies submitted to the Peruvian Ministry of Energy and Mines (MINEM). The Company estimates that these expenditures will be incurred progressively until 2048.

We considered this estimate to be a key audit matter due to:

- a) The estimation model - the use of spreadsheets containing data from different sources and mathematical formulas that may be exposed to material errors;
- b) The discount rate - annual changes in the determination of the discount rate using macroeconomic data within the calculation model;
- c) Future cash outflows - used to estimate mine closure obligations, which involve levels of complexity and subjectivity in their determination, as well as periodic updates due to changes in economic and regulatory circumstances; and
- d) The use of specialists with specific expertise to evaluate the model and Management's assumptions.

Our audit approach included, among others, performing the following procedures:

- (i) We evaluated the accounting policy applied by the Company for the mine closure provision.
- (ii) We obtained an understanding of the process established by Management for estimating the mine closure provision.
- (iii) With the assistance of our specialists, we evaluated the methodology applied, the formulas used, the mathematical consistency of the model, and the reasonableness of significant assumptions related to the discount rate and future cash outflows used in the calculation model.
- (iv) We evaluated the competence, capabilities and objectivity of Management's expert involved in determining the future expenditures used in the estimate.
- (v) We assessed the adequacy of the disclosures included in the notes to the separate financial statements stated in U.S. dollars regarding this matter.



### Other matters

- The separate financial statements stated in U.S. dollars of **Compañía Minera Poderosa S.A.** for the year ended December 31, 2024, were audited by another independent auditors who, in their opinion dated June 20, 2025, expressed an unqualified opinion.
- **Compañía Minera Poderosa S.A.** has prepared a separate set of financial statements for the year ended December 31, 2025 stated in Soles, which is its functional currency in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), on which we issued a separate auditor's report to the Shareholders and Board of Directors of the Company dated February 6, 2026.

---

### Responsibilities of Management and those charged with Corporate Governance for the separate financial statements stated in U.S. dollars

Management is responsible for the preparation of these separate financial statements stated in U.S. dollars in accordance with the basis of preparation described in Notes 2.1 and 2.2, and for such internal control as management determines is necessary to enable the preparation of the separate financial statements stated in U.S. dollars that are free from material misstatement, whether due to fraud or error.

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

Those charged with Corporate Governance of the Company are responsible for overseeing the Company's financial reporting process.

---

### Auditor's responsibilities for the audit of the separate financial statements stated in U.S. dollars

Our objectives are to obtain reasonable assurance about whether the separate financial statements stated in U.S. dollars as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs, approved for its application in Peru, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements stated in U.S. dollars.

As part of an audit in accordance with ISAs, approved for its application in Peru, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements stated in U.S. dollars, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements stated in U.S. dollars or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

From the matters communicated with those charged with Corporate Governance of the Company, we determine those matters that were of most significance in the audit of the separate financial statements stated in U.S. dollars of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lima, Peru

May 8, 2026

*Jareglis Apauicio y Asociados*

Countersigned by

-----(partner)

Pablo Saravia Magne  
Peruvian Public Accountant  
Registration No.24367

COMPAÑÍA MINERA PODEROSA S.A.

SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	As of December 31,			Note	As of December 31,	
		2025	2024			2025	2024
		US\$000	US\$000			US\$000	US\$000
<b>ASSETS</b>				<b>LIABILITIES AND EQUITY</b>			
<b>Current assets</b>				<b>Current liabilities</b>			
Cash and cash equivalents	6	125,990	39,207	Trade payables	15	90,169	58,876
Trade receivables	7	10,178	5,117	Other payables	16	35,033	23,727
Other receivables	8	24,771	26,233	Income tax liabilities	26	18,417	-
Income tax assets	26	-	1,436	Other financial liabilities	17	59,101	26,552
Inventories	9	30,540	25,894	Lease liabilities	13	421	505
Prepaid expenses	10	3,408	1,732	Employee benefits	18	27,232	13,601
Total current assets		<u>194,887</u>	<u>99,619</u>	Provisions	19	734	655
				Provision for mine closure	20	545	900
<b>Non-current assets</b>				Total current liabilities		<u>231,652</u>	<u>124,816</u>
Other receivables	8	1,709	1,527				
Investments in subsidiaries and associates	11	7,560	6,753	<b>Non-current liabilities</b>			
Prepaid expenses	10	5,669	5,065	Other payables	16	52	55
Property, plant and equipment	12	387,607	293,580	Other financial liabilities	17	-	6,000
Right-of-use assets	13	4,021	4,708	Lease liabilities	13	1,541	1,973
Intangible assets	14	345,352	263,228	Provision for mine closure	20	38,411	16,627
Total non-current assets		<u>751,918</u>	<u>574,861</u>	Deferred income tax liabilities	21	19,871	25,401
				Total non-current liabilities		<u>59,875</u>	<u>50,056</u>
				Total liabilities		<u>291,527</u>	<u>174,872</u>
				<b>Equity</b>			
				Share capital	22	296,912	212,202
				Other capital reserves	23	59,382	42,440
				Retained earnings	24	298,984	244,966
				Total equity		<u>655,278</u>	<u>499,608</u>
<b>TOTAL ASSETS</b>		<u><u>946,805</u></u>	<u><u>674,480</u></u>	<b>TOTAL LIABILITIES AND EQUITY</b>		<u><u>946,805</u></u>	<u><u>674,480</u></u>

The notes from page 9 to 69 are part of these separate financial statements.

**COMPAÑÍA MINERA PODEROSA S.A.**

**SEPARATE STATEMENT OF COMPREHENSIVE INCOME**

	<b>Note</b>	<b>For the year ended</b>	
		<b>December 31,</b>	
		<b>2025</b>	<b>2024</b>
		<b>US\$000</b>	<b>US\$000</b>
Revenue from ordinary activities	27	977,889	698,700
Cost of sales	28	(584,505)	(457,126)
Gross profit		<u>393,384</u>	<u>241,574</u>
Operating income (expenses):			
Selling expenses	29	(30,163)	(20,407)
Administrative expenses	30	(72,521)	(53,562)
Other income	34	8,922	5,759
Other expenses	34	(284)	(2,738)
Operating profit		<u>299,338</u>	<u>170,626</u>
Financial income	32	2,063	1,803
Financial expenses	32	(6,027)	(10,900)
Financial expenses, net		<u>(3,964)</u>	<u>(9,097)</u>
Profit before taxes		295,374	161,529
Income tax expense	26	(84,078)	(52,559)
Profit or loss		<u>211,296</u>	<u>108,970</u>
Other comprehensive income		<u>54,374</u>	<u>(4,654)</u>
Net profit and comprehensive income for the year		<u><u>265,670</u></u>	<u><u>104,316</u></u>
Basic earnings per common share	33	0.211	0.136

The notes from page 9 to 69 are part of these separate financial statements.

**COMPAÑÍA MINERA PODEROSA S.A.**

**SEPARATE STATEMENT OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<u>Number of common shares</u>	<u>Share capital (Note 23) US\$000</u>	<u>Other capital reserves (Note 24) US\$000</u>	<u>Retained earnings (Note 25) US\$000</u>	<u>Total equity US\$000</u>
Balances as of January 1, 2024	600,000,000	161,594	32,319	249,289	443,202
Net profit and comprehensive income for the year	-	-	-	108,970	108,970
Total comprehensive income for the year	-	-	-	108,970	108,970
Dividend distribution	-	-	-	(48,000)	(48,000)
Issuance of common shares	200,000,000	54,127	-	(54,127)	-
Constitution of legal reserve	-	-	10,825	(10,825)	-
Total transactions with shareholders	200,000,000	54,127	10,825	(112,952)	(48,000)
Cumulate translation adjustment	-	(3,519)	(704)	(341)	(4,564)
Balances as of December 31, 2024	<u>800,000,000</u>	<u>212,202</u>	<u>42,440</u>	<u>244,966</u>	<u>499,608</u>
Balances as of January 1, 2025	800,000,000	212,202	42,440	244,966	499,608
Net profit and comprehensive income for the year	-	-	-	211,296	211,296
Total comprehensive income for the year	-	-	-	211,296	211,296
Dividend distribution	-	-	-	(110,000)	(110,000)
Issuance of common shares	200,000,000	54,511	-	(54,511)	-
Constitution of legal reserve	-	-	10,902	(10,902)	-
Total transactions with shareholders	200,000,000	266,713	53,342	280,849	600,904
Cumulate translation adjustment	-	30,199	6,040	18,135	54,374
Balances as of December 31, 2025	<u>1,000,000,000</u>	<u>296,912</u>	<u>59,382</u>	<u>298,984</u>	<u>655,278</u>

The notes from page 9 to 69 are part of these separate financial statements.

**COMPañÍA MINERA PODEROSA S.A.**

**SEPARATE STATEMENT OF CASH FLOWS**

	Note	For the year ended	
		December 31,	
		2025	2024
		US\$000	US\$000
<b>OPERATING ACTIVITIES</b>			
Net profit and comprehensive income for the year			
Non-cash charges (credits) to profit or loss		211,296	108,970
Depreciation	12 and 13	18,347	15,761
Amortization	14	98,647	79,442
Provision for impairment of supplies	9	65	-
Provision for impairment of other receivables	30	22	35
Bad debt recoveries		-	(9)
Provision for litigation	19 and 30	229	251
Deferred income tax	21 and 26	(8,348)	8,196
Income tax	26	92,425	44,377
Expenses for updating the provision for mine closure	20 and 32	967	1,293
Loss on sale of property, plant and equipment	34	47	2,524
Gain on sale of property, plant and equipment	34	(68)	-
Exchange difference	17	3,947	1,634
Accrued interest	32	2,602	7,804
Charges and credits for net changes in assets and liabilities:			
(Increase) in trade receivables	7	(5,061)	(1,178)
Decrease (Increase) in other receivables	8	1,280	(4,020)
(Increase) in inventories	9	(4,647)	(7,507)
(Increase) decrease in prepaid expenses	10	(2,280)	871
Increase in trade payables	15	31,293	2,202
Increase (decrease) in other payables		24,936	(2,736)
Payments for mine closure obligations	20	(1,470)	(309)
Cash generated from operating activities		464,229	257,601
Interest paid		(1,937)	(3,069)
Income tax paid		(77,931)	(37,691)
Net cash provided by operating activities		384,361	216,841
<b>INVESTING ACTIVITIES</b>			
Payment for the purchase of intangible assets	14	(156,025)	(140,355)
Payment for purchase of property, plant and equipment	12	(56,893)	(54,714)
Net cash applied to investing activities		(212,918)	(195,069)
<b>FINANCING ACTIVITIES</b>			
Proceeds from borrowings	17	66,000	18,000
Payment of short-term bank loans	17	(32,000)	(18,000)
Payment of long-term bank loans	17	(8,000)	(8,000)
Lease payment	13 and 17	(728)	(1,469)
Dividend payments	17 and 24	(110,000)	(48,000)
Net cash applied to financing activities		(84,728)	(57,469)
Net change in cash and cash equivalents		86,715	(35,697)
Cash and cash equivalents at the beginning of the year	6	39,207	74,701
Effect of changes in exchange rate differences on cash and cash equivalents		68	203
<b>Cash and cash equivalents at year-end</b>	6	125,990	39,207
<b>Non-cash transactions</b>			
Decrease (increase) in cost due to closure of mining unit	12	19,855	18,445
Increase in right-of-use assets	13 i.	90	227
Capital increase through capitalization of retained earnings	22	54,511	54,127

The notes from page 9 to 69 are part of these separate financial statements.

## **COMPAÑÍA MINERA PODEROSA S.A.**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS STATED IN U.S. DOLLARS  
DECEMBER 31, 2025 AND 2024

### **1 BACKGROUND AND ECONOMIC ACTIVITY**

#### **1.1 Background**

**Compañía Minera Poderosa S.A.** (hereinafter the “Company”) was incorporated on May 5, 1980. The Company’s legal address is located at Av. La Floresta No. 497, Office No. 501 San Borja, Lima.

The Company’s common shares are listed on the Lima Stock Exchange; therefore, it must comply with the specific requirements of the Peruvian Superintendency of the Securities Market (“Superintendencia del Mercado de Valores” - SMV).

#### **1.2 Economic activity**

The Company's main activities include the exploitation, extraction, stockpiling, precipitation, and smelting gold to produce gold bullion. The development of its mining and metallurgical activities is carried out at the “Poderosa” Mining Unit, located in the district of Pataz, department of La Libertad, Peru.

The Company has entered into two contracts for the refining and sale of gold and silver, one with Asahi Refining Canada Limited and the other with Argor Heraus Switzerland. These contracts specify, among other matters, the terms of sale, metal quality, and the responsibilities and obligations of each party.

For administrative and decision-making purposes, the Company considers its entire operation as a single business segment comprising the Marañón and Santa María production units. These units consist of mining concessions that generate income, costs, and expenses. The Company exercises operational control over these units and reports them as a single operating segment.

#### **1.3 Approval of separate financial statements stated in U.S. dollars**

The separate financial statements stated in U.S. dollars as of December 31, 2025 and 2024 have been issued with Management’s approval on May 8, 2026 and June 20, 2025, respectively.

#### **1.4 Company’s situation**

During 2024, the Company experienced two attacks. The first occurred at tower 55 of the LT 6050 60 kV transmission line, and the second involved a patrol from the contractor Huayna S.A.C. at level 2820 within the Company’s operations. Following both incidents, control of the area was maintained through the actions of the Company’s security personnel and the National Division of Special Operations (“División Nacional de Operaciones Especiales” - DINOES).

The central government, through Supreme Decree No. 091-2024-PCM, declared a state of emergency in the provinces of Trujillo, Pataz and Virú in the department of La Libertad, which has been extended due to the high crime rate associated with illegal mining, organized crime and related offenses.

According to the investigations carried out by the Company, these attacks would be related to the deterioration of security conditions in the district of Pataz, as a result of the growth of illegal mining and organized crime.

During the first quarter of 2025, the Company experienced additional attacks related to the destruction of three high-voltage transmission towers located in the Santa Maria production unit.

The central government, through Supreme Decree No. 091-2024-PCM, established a state of emergency in the provinces of Trujillo, Pataz and Virú in the department of La Libertad due to the high crime rate associated with illegal mining, organized crime and related offenses.

Subsequently, on May 8, 2025, Supreme Decree No. 060-2025-PCM was published in a special edition of the official gazette El Peruano. This Supreme Decree extended the State of Emergency declared in the province of Pataz, department of La Libertad, Article 4 of the decree provides for the suspension of the right to freedom of transit for the purpose of conducting all mining activities in the district of Pataz for a period of 30 calendar days.

The Peruvian government reaffirmed its commitment to restoring order and legal security in the affected area and emphasized that the suspension of mining activities does not affect formal companies duly identified and registered.

Despite these events, the Company continued its operations. Therefore, in 2025 and 2024, no reduction in extracted tonnage, unused production capacity, or significant delays in sales were recorded. These events resulted in higher expenditures to strengthen security at the mining unit (Note 28).

## **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these separate financial statements stated in U.S. dollars (hereinafter “separate financial statements”) are set out below. These policies have been consistently applied to the years presented.

### **2.1 Basis for preparation of the separate financial statements stated in U.S. dollars**

The separate financial statements stated in U.S. dollars have been prepared using International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) effective as of December 31, 2025 and 2024 as the underlying framework. However, as these financial statements have been prepared for a special purpose, they do not constitute general purpose financial statements prepared in full compliance with IFRS.

In accordance with IFRS effective as of December 31, 2025, a parent company is required to prepare consolidated financial statements and may choose to prepare separate financial statements. Accordingly, the Company's separate financial statements have been prepared in compliance with the current legislation effective in Peru for the presentation of financial information (Peruvian Corporate Law (“Ley General de Sociedades”) and Securities Market Law and its supplementary provisions). These separate financial statements reflect the value of the investment in its subsidiaries measured at cost, rather than on a consolidated basis; and investments in associates are presented at cost, rather than using the equity method.

The Company also prepares and presents its consolidated financial statements separately in its functional currency (Peruvian sol). However, for purposes of the presentation of these separate financial statements in U.S. dollars, only separate financial information has been prepared and presented, which is described in note 2.2. Accordingly, no consolidated financial statements stated in U.S. dollars have been prepared.

The separate financial statements have been prepared by the Company's management solely for the purpose of providing financial information to its two customers, Asahi Refining Canada Limited and Argor-Heraeus Switzerland.

The information contained in these separate financial statements is responsibility of the Company's Board of Directors, which expressly confirms that the accounting principles and criteria applied in their preparation are consistent with IFRS as the underlying accounting framework, to the extent applicable to the specific purpose for which these separate financial statements have been prepared.

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, which are measured at fair value. The separate financial statements are presented in thousands of U.S. dollars, unless a different monetary expression is indicated.

The preparation of the separate financial statements using IFRS as the underlying accounting framework 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. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the separate financial statements are disclosed in Note 4.

## **2.2 Functional and presentation currency**

Functional and presentation currency -

The Company's functional currency is the Peruvian sol and presentation currency is U.S. dollars. 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. The Company's accounting records are maintained in Peruvian soles. Note 4.1 sets out the critical judgment applied by the Company's Management in determining its functional currency.

Translation from Peruvian soles into US dollars

The financial statements in Peruvian soles have been translated into U.S. dollars subject to the application of "IAS 21 The Effects of Changes in Foreign Exchange Rates", as follows: The assets and liabilities of the statement of financial position presented as of December 31, 2025 and 2024, were translated at the exchange rate at closing date. The equity presented as of December 31, 2025 and 2024 were translated at the exchange rate at date of historical transaction. The income and expenses contained in the statement of profit or loss and other comprehensive income for the year ended December 31, 2025 and 2024, were translated at the exchange rate of every transaction date. All exchange differences shall be recorded in the statement of comprehensive income.

## **2.3 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, demand deposits with banks, and highly liquid time deposits with original maturities of three months or less.

## **2.4 Financial instruments**

The Company's financial assets and liabilities (financial instruments) are initially recognized at fair value. Subsequent to initial recognition, financial instruments are measured at amortized cost using the effective interest method. In the case of financial instruments measured at fair value through profit or loss, if any, they are initially recognized at fair value and transaction costs are recognized in profit or loss.

### **2.4.1 Financial assets**

#### ***Classification -***

The Company classifies its financial assets as measured at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss.

Financial assets are not reclassified after initial recognition, unless the Company changes its business model to manage financial assets, in which case the affected financial assets are reclassified on the first day of the first reporting period after the change in the business model.

A financial asset should be measured at amortized cost if the two following conditions are met, and it is not measured at fair value through profit or loss:

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

An investment in debt instruments should be measured at fair value through other comprehensive income if both of the following conditions are met and it is not measured at fair value through profit or loss:

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

At initial recognition of an equity investment that is not held for trading, the Company may make an irrevocable election at initial recognition to present subsequent changes in fair value in other comprehensive income. This election is made on an individual basis for each investment.

#### *Business model assessment*

The Company assesses the objective of a business model in which an asset is held at a portfolio level because this best represents the way the business is managed, and information is reported to management. The information considered includes:

- Policies and objectives stated for portfolio and the implementation of these policies. They include whether Management's strategy is focused on collecting income from contractual interest, maintaining a particular interest yield profile or matching the duration of financial assets and liabilities, or the expected cash outflows, or realizing cash flows from sales of assets;
- How information about financial assets and their performance is evaluated by the entity's key management personnel;
- The risks that affect the performance of the business model (and financial assets held under the business model) and the way in which those risks are managed;
- How managers are compensated (e.g., whether the compensation is based on the fair value of the assets or the contractual cash flows that are collected); and
- Frequency, value and schedule of sales from former periods, the reasons for those sales and expectations on future sale activities.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, based on the Company's ongoing recognition of assets.

#### *Assessment whether contractual cash flows are only payments of principal and interests*

For this assessment purposes, principal is defined as the fair value of a financial asset at initial recognition. Interest is the consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks (e.g., liquidity risks and administrative costs), as well as a profit margin.

When assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes evaluating whether there is any contractual condition that may change the timing or amount of the contractual cash flows so that it would not comply with this condition. When the Company makes the assessment, it considers:

- Contingent events that may change the amount and timing of cash flows;
- Terms that may adjust the reason for the contractual interest, including variable rate;
- Characteristics; prepayments and term extending options; and
- Terms limiting the Company's rights to the cash flows from specific assets (i.e. non-recourse finance characteristic).

A prepayment option is consistent to the criterion of sole payment of principal and interest if the prepayment amount substantially represents unpaid amounts of principal and interest that may include a reasonable amount of additional compensation for the early termination of the contract. Additionally, in the case of a financial asset acquired with a discount or premium of contractual par amount, a characteristic that allows or requires advance payment of an amount representing substantially the contractual par amount plus accrued contractual interests (but unpaid) (they might include a reasonable offset for advanced terms) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

***Subsequent measurement and profit and loss -***

Financial assets at fair value through profit or loss	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. However, derivatives designated as hedging instruments are recognized in accordance with the hedge accounting requirements of IFRS 9.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by the amount of impairment losses. Interest income, foreign currency translation gains and losses, and impairment are stated in profit or loss.

As of December 31, 2025 and 2024, the Company's financial assets are those expressed in the separate statement of financial position under the items of cash and cash equivalents, trade receivables, and other receivables, which belong entirely to the item "Amortized cost".

***Derecognition of financial assets***

The Company derecognizes a financial asset when:

- the contractual rights to the cash flows from the asset expire, or
- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

The Company engages in transactions where it transfers recognized assets from its separate statement of financial position but retains all or substantially all risks and rewards associated with the transferred assets. In such cases, the transferred assets are not derecognized.

## **2.4.2 Financial liabilities**

### ***Classification, subsequent measurement, and profit and loss***

Financial liabilities are classified and measured at amortized cost or at fair value through profit or loss. A financial liability is classified at fair value through profit or loss if it is classified as held for trading, it is a derivative or it is designated as such at initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value net income and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest income, profit or loss from foreign currency translation and impairment are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss. The Company's financial liabilities include other financial liabilities, lease liabilities, trade payables, and other payables.

### ***Derecognition of financial liabilities***

The Company derecognizes a financial liability when its contractual obligations are settled or canceled, or they expire. The Company also derecognizes a financial liability when conditions are modified, and the modified liability cash flows are substantially different. In this case, a new financial liability is recognized based on the new conditions at fair value.

At derecognition of a financial liability, the difference between the carrying amount of the extinguished financial liability and the consideration paid (including the transferred non-cash assets or assumed liabilities) are recognized in profit or loss.

## **2.4.3 Offsetting financial instruments -**

A financial asset and a financial liability shall be offset, and the net amount shall be presented in the separate statement of financial position, only when the Company currently has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

## **2.4.4 Derivative financial instruments and hedge accounting -**

Derivative financial instruments related to the price of gold are initially recognized at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value. The method for recognizing the gain or loss arising from changes in the fair values of derivatives depends on whether they are designated as hedging instruments, and if so, on the nature of the item being hedged. Fair values are presented in the statement of financial position within other receivables or other payables, while profit or loss resulting from their measurement are recorded in other expenses or other income.

## **2.5 Impairment of financial assets -**

### ***Measurement of expected credit losses***

Expected credit losses are the weighted average probability of credit losses. Credit losses are measured as the present value of shortfall of cash (that is, the difference between the cash flow owed to the entity based on the contract and cash flow that the Company expects to receive).

### ***Financial assets with credit impairment***

At each reporting date, the Company evaluates whether financial assets recorded at amortized cost are credit impaired. A financial asset is 'credit impaired' when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulties of the issuer or borrower;
- A violation of the contract, such as a default or a past due event of more than the stipulated deadlines;
- The restructuring of a loan or advance by the Company on terms it would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other form of financial reorganization; or
- The disappearance of an active market for the financial asset in question due to financial difficulties.

Value adjustments for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The Company recognizes value adjustments for expected credit losses for:

- Financial assets measured at amortized cost.

The Company measures impairment losses at an amount equal to the expected credit losses over the life of the asset, except for the following, which is measured at the amount of the expected credit losses for twelve months:

- Debt instruments that are determined to have low credit risk at the reporting date; and
- Other debt instruments and bank balances for which the credit risk (i.e., the risk of default occurring during the expected life of the financial instrument) has not increased significantly since initial recognition.

• Impairment losses on trade receivables and contract assets are always measured at an amount equal to the expected credit losses over the life of the contract.

When determining whether the credit risk of a financial asset has significantly increased since initial recognition in estimating expected credit losses, the Company considers reasonable and sustainable information that is relevant and available without undue cost or effort. It includes quantitative and qualitative information and analysis based on the Company's historical experience and an informed credit assessment that incorporates current data and forward-looking information.

The Company considers a financial asset to be in default when:

- The customer is not likely to pay its credit obligations in full to the Company, without resources from the Company to actions such as execution of the guarantee (if any); or
- The financial asset is 90 days or more past due.

Expected credit losses during the lifetime are the credit losses resulting from all possible events of default during the expected life of a financial instrument.

The maximum period considered in estimating expected credit losses is the maximum contractual period during which the Company is exposed to credit risk.

#### *Write-off*

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering all or a portion of a financial asset.

## **2.6 Inventories -**

Inventories are measured at the lower cost and net realizable value. Cost is determined using the weighted average cost method, except for inventories to be received, which are measured using the specific cost method.

The cost of finished goods and work in progress comprises the cost of ore extraction, direct labor, other direct costs and overheads and excludes borrowing costs and foreign exchange differences (Note 9).

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Reductions in the carrying amount of inventories to their net realizable value are recognized as an inventory write-down, charged to cost of sales in the period in which such reductions occur. The current proportion of inventories is determined based on the balances expected to be processed within the next twelve months.

The main items of the Inventories account are as follows:

### *Finished goods and work in progress*

The balance of finished goods mainly corresponds to gold bullion inventories. Finished goods resulting from the Company's production activities are measured at average cost, which includes costs incurred in the production process, including applicable refining costs. Work in progress corresponds to the inventory within the cyanidation process circuit, where the recovery of the ore in gold ounces is considered certain.

The cost of finished goods and work in progress includes the cost of contractor services, consumption of materials and supplies, direct labor costs, other direct costs, and manufacturing overheads allocated to inventory costs based on the plant's normal operating capacity. The plant's normal capacity is supported by the annual production budget.

### *Materials, supplies and inventories to be received*

The cost of these items includes freight and applicable non-refundable taxes. The impairment estimate for these items is estimated based on specific analyses performed by Management regarding their turnover. If it is determined that the carrying amount of materials and supplies inventories exceeds their replacement value, the difference is recognized in profit or loss in the period in which such situation is determined.

## **2.7 Investment in subsidiaries and associates -**

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associate, but without exercising control over those policies. The financial statements of the associates are included in the consolidated financial statements from the date on which control begins until the date on which control ceases.

Investments in subsidiaries and associates are recorded in separate financial statements using the cost method. At each reporting date, the Company determines whether there is objective evidence of impairment of investment in the subsidiary. If this is the case, the Company calculates the impairment loss as the difference between the recoverable amount of the subsidiary and its carrying amount, and recognizes the amount in the separate statement of comprehensive income.

As of December 31, 2025 and 2024, the Company has no interests in structured entities that require consolidation or disclosure as unconsolidated entities.

When the Company loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary, any related non-controlling interest, and other components of equity.

Any resulting gain or loss is recognized in the statement of income. Any investment retained in the former subsidiary is measured at fair value at the date control is lost (Note 11).

## **2.8 Property, plant and equipment -**

### *Recognition and measurement*

Property, plant and equipment are presented at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price or construction cost and includes expenditures directly attributable to the acquisition or construction of the asset. The purchase price or construction cost corresponds to the total amount paid and the fair value of any other consideration transferred to acquire the asset.

Property, plant and equipment are derecognized at the date they are sold or when no economic benefits are expected from their intended use or subsequent sale. Gains and losses on asset disposals are determined by comparing the proceeds with their carrying amount. They are included in the separate statement of income and other comprehensive income.

Residual values, the useful life of the assets and the depreciation methods are reviewed and adjusted, if necessary, at the date of each separate statement of financial position. Any change in these estimates is adjusted prospectively.

### *Subsequent disbursements*

Subsequent costs attributable to items of property, plant and equipment are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Otherwise, such costs are recognized as production costs or expenses, as appropriate. Maintenance and repair costs are changed to production costs or expenses, as appropriate in the period in which they are incurred.

Expenses incurred to replace a component of an item or element of property, plant and equipment are capitalized separately, writing off the carrying value of the component being replaced. In the event the component replaced has not been considered as a separate component of the asset item, the replacement value of the new component is used to estimate the carrying value of the asset being replaced.

Assets under construction are capitalized as a separate component. Upon completion, costs are transferred to their definitive category. Work in progress is not depreciated.

### *Maintenance and major spare parts*

Major maintenance expenses comprise the replacement cost of spare parts of assets and refurbishing costs incurred every determined number of years to maintain the asset's operating capacity, according to technical specifications indicated by the asset supplier. Major maintenance expenses are capitalized at initial recognition of the asset as a separate component of the asset, and it is depreciated over the estimated period of time until the next major maintenance will be required.

### *Depreciation*

Land is not depreciated. Depreciation is calculated using the straight-line method based on the following estimated economic useful lives:

	<u>Years</u>
Buildings, constructions and facilities	Between 5 and 30
Machinery and equipment	Between 2 and 30
Vehicles	Between 2 and 6
Furniture and fixture	Between 5 and 20
Other equipment	Between 3 and 25
Asset for mine closure remediation	Between 20 and 30

The carrying amount of an asset is immediately written down to its recoverable amount if the carrying amount of the asset is greater than the estimated recoverable amount (Note 12).

## **2.9 Intangible assets -**

### *Mining concessions and rights*

Significant expenditures related to the acquisition of mining rights are capitalized. If an exploitable ore body is not discovered, the costs incurred are charged to current period results in the period in which it is determined that the rights do not have future economic value. Mining concessions in which exploitable ore bodies have been discovered are amortized from the production phase using the straight-line method. If the Company abandons concessions, the associated costs are written off and recognized in the separate statement of income and other comprehensive income. Mining concessions and rights are amortized using the straight-line method based on proven and probable reserves and are charged to production costs (Note 14).

### *Exploration and development costs*

The Company capitalizes exploration costs when the existence of proven and probable reserves is determined. These costs are amortized in accordance with the estimated economic useful life of the mining property starting when commercial production of the reserves begins. When Management determines that no future value is expected from the mining property, accumulated exploration costs are charged to profit or loss for the period.

When a mining property is determined to be economically viable, the costs incurred to develop that property, including consumption of materials and fuel, topographic studies, drilling costs, and payments made to contractors performing these activities, including additional costs incurred to delineate the ore body and remove impurities, are capitalized. Development costs are amortized using the straight-line method based on proven and probable reserves and are charged to production costs (Note 14).

## **2.10 Impairment of non-financial assets -**

When there are events or economic changes that indicate that the value of an asset may not be recoverable, Management reviews the carrying amount of its assets. Based on this analysis, if its carrying amount exceeds its recoverable value, an impairment loss is recognized in the separate statement of income and other comprehensive income. Recoverable amounts are estimated for each asset or, if this is not possible, for each cash-generating unit.

The recoverable amount of a long-lived asset or a cash-generating unit (CGU) is the greater value between its fair value less costs of sale and its value in use. The fair value less costs of sale of a long-lived asset or a cash-generating unit is the amount that can be obtained by selling it in a transaction made under conditions of mutual independence between well-informed parties, less the corresponding costs of sale. Value in use is the present value of the estimated future cash flows expected to be obtained from an asset or a cash-generating unit.

Impairment tests performed by the Company, when applicable, consider the value in use at the cash-generating unit level (the smallest identifiable group of assets capable of generating identifiable cash inflows). The value in use calculation is based on the discounting of estimated future cash flows to their present value, using a pre-tax discount rate that reflects the market's assessment at the reporting date of the separate financial statements of the time value of money and the specific risks associated with the asset. Impairment losses related to assets associated with continuing operations are recognized in the separate statement of income and other comprehensive income within the expense categories corresponding to the function of the impaired asset.

On the other hand, the Company reviews at each reporting date whether events or circumstances indicate that previously recognized impairment losses have been partially or fully reversed. If such indicators are observed, the Company estimates the recoverable amount of the asset of which the carrying amount was previously written down due to impairment. Previously recognized impairment losses are reversed only if the increase in the recoverable amount of the asset results from changes in the estimates used when the impairment loss was determined. In these circumstances, the carrying amount of the asset is increased to its recoverable amount. Reversals of previously recognized impairment losses cannot result in an asset's carrying amount exceeding the amount at which said asset would have been recognized, net of depreciation if the previously recorded impairment loss had not been recognized. The reversal of an impairment loss is recognized in the separate statement of income and other comprehensive income.

IFRS 6, Exploration for and Evaluation of Mineral Resources, introduces an alternative approach for the impairment testing of exploration and evaluation expenditures recognized as assets, which differs from the requirements in IAS 36, Impairment of Assets. IFRS 6 requires mining companies to assess exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of the assets may exceed their recoverable amount. The main circumstances that, if they occur, require management to perform an impairment test are:

- The Company's right to explore in a specific project has expired or will expire in the near future, and Management does not intend to renew it.
- Management does not plan or has not budgeted substantial further expenditures for exploration and evaluation activities in the specific area.
- Exploration and evaluation activities have not led to the discovery of commercially viable quantities of mineral resources, and the Company has decided to discontinue activities in that area.
- There is sufficient evidence that, although development in a specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full, either through successful development or through sale.

If any of these circumstances occur, the impairment assessment is performed in accordance with IAS 36, Impairment of Assets.

## **2.11 Leases -**

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration (Note 13).

### *As lessee*

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date (i.e. the date the underlying asset is available for use). The Company allocates contract consideration to each identified lease and non-lease component on the basis of their relative stand-alone selling price. However, the Company has not identified non-lease components or more than one lease component in a contract, so consideration is allocated to only one identified lease component.

### *Right-of-use assets*

Right-of-use assets are measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made or at the effective date, plus initial direct costs incurred and an estimate of the costs to dismantle and eliminate the underlying asset or to restore the site where it is located, less lease incentives received.

Right-of-use assets are subsequently depreciated using the straight-line method from the date of beginning until the end of the lease term. Likewise, right-of-use assets is periodically reduced by impairment losses, if applicable, and are adjusted for certain new measurements of lease liabilities. The estimated useful life of assets is as follows:

Land	3 years
Property	5 years
Other equipment	3 years

If the Company is reasonably certain of exercising a call option, the right-of-use asset is depreciated over the useful life of the underlying asset.

### *Lease liabilities*

Lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If the implicit rate cannot be readily determined, the incremental borrowing rate of the Company is applied. The Company generally uses its incremental interest rate as a discount rate, the rate a lessee would have to pay on borrowings to obtain the required cash to obtain a similar right-of-use asset in a similar economic environment under similar terms and conditions.

In determining the incremental borrowing rate, the Company:

- whenever possible, uses the rate used on recent financing obtained from third parties as a starting point, adjusted to reflect changes in the terms and conditions of financing from the time financing was actually obtained from third parties;
- uses other approaches under which begins with a risk-free interest rate adjusted for credit risk for leases held by the Company that are not based on recent financing obtained from third parties, and
- applies specific adjustments for the lease, such as terms, country, currency and guarantees.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including payments that are fixed in substance;
- Variable lease payments depend on an index or rate. Variable lease payments that do not depend on an index or rate are recognized as expenses (unless incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs;
- Amounts expected to be paid under a residual value guarantee;
- The exercise price under a purchase option that the Company is reasonably certain to exercise; and
- Lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option and penalties for early termination of a lease unless the Company is reasonably certain to not early terminate the lease.

The lease liability is measured at current value using the effective interest method. After the effective date, the amount of lease liability is increased to reflect the accrued interest and is reduced by the lease payments made. The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be paid under a residual value guarantee, or if the Company changes its assessment of whether it will purchase, extend or terminate.

Lease payments are allocated between principal and finance cost. Finance cost is charged to profit or loss over the lease period to yield a constant periodic interest rate on the remaining balance of the liability for each period.

When the right-of-use liability is remeasured in this manner, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or it is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### *Short-term leases and leases of low-value assets*

The Company elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets (assets valued below US\$5,000) and short-term leases. The Company recognizes lease payments associated with these leases as expenses on a straight-line basis over the lease term.

##### *i. As lessor*

At the beginning or upon modification of an agreement containing a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their independent relative prices.

When the Company is the lessor, at the beginning, it assesses whether each lease is a finance lease or an operating lease.

To classify each lease, the Company performs an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, the lease is classified as a finance lease; otherwise, it is classified as an operating lease. As part of this assessment, the Company considers certain indicators, such as whether the lease term covers the major part of the economic life of the asset.

The Company recognizes lease payments received under operating leases as straight-line revenue over the lease term as part of "other income" (Notes 34 and 13).

## **2.12 Loans -**

Loans are recognized initially at fair value, net of transaction costs incurred. These loans are subsequently carried at amortized cost; any difference between funds received and the redemption value is recognized in the separate statement of income and other comprehensive income over the period of the borrowings, using the effective interest method. Irrelevant transaction costs are not taken into consideration and are included in the separate statement of comprehensive income.

Loans are classified in current liabilities unless the Company has the unconditional right to defer payment of the obligation for at least 12 months after the date of the separate statement of financial position (Note 17).

## **2.13 Income tax and deferred income tax -**

Income tax expense for the period comprises current and deferred income tax. Income tax is recognized in the separate statement of income and other comprehensive income.

#### *Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted at the date of the separate statement of financial position. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

### *Deferred income tax*

Deferred income tax is recognized using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deductible temporary differences and accumulated tax losses generate deferred income tax assets to the extent that the tax benefit can be used against income tax in future taxable years. The carrying amount of deferred income tax assets is reviewed at the date of each separate statement of financial position and is reduced to the extent that it is determined that sufficient taxable income is unlikely to be generated against which the deferred asset can be offset. Deferred income tax assets that have not been recognized in the separate financial statements are re-evaluated at the date of each separate statement of financial position.

Temporary differences related to a right-of-use asset and a lease liability for a specific lease are considered as a net package (the lease) for the purpose of deferred income tax recognition.

The balances of deferred income tax assets and liabilities are offset when there is the legal right to offset current income tax and when deferred income tax are related to the same Peruvian tax authority.

## **2.14 Provisions -**

### *General*

Provisions are recognized when the Company has a present legal or assumed obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. When the effect of the time value of money is significant, the amount of the provision is the present value of the expenses expected to be incurred to settle the obligation. The reversal of the discount due to the passage of time gives rise to an increase of the obligation recognized with a charge to the separate statement of income and other comprehensive income as financial expenses.

Contingent liabilities are disclosed when their existence will only be confirmed by future events or their amount cannot be reliably measured. Contingent assets are not recognized and are disclosed only if it is probable that the Company will generate a future income or economic benefit from them.

### *Provision for mine closure*

The Company recognizes a provision for closure of its mining unit, which arises from its mining unit, which arises from its legal obligation to restore the environment at the end of its operations. At the date of the initial recognition of the liability arising from this obligation, the liability is measured at the estimated future value discounted to its present value. At the same time, an equivalent amount is capitalized as part of property, plant and equipment in the separate statement of financial position.

Subsequently, the liability is increased in each period to reflect the financial cost considered at the initial measurement of the discount and also, the capitalized cost is depreciated based on the useful life of the related asset. When settling the liability, the Company recognizes any profit or loss derived therefrom. Changes in the initial obligation estimate and in interest rates are recognized as an increase or decrease in the carrying amount of the obligation and the asset to which it relates, in accordance with the criteria established in IAS 16, Property, Plant and Equipment. Any decrease in this provision and, therefore, any decrease in the carrying amount of asset to which it relates that exceeds the carrying amount of asset is immediately recognized in the separate statement of comprehensive income.

If the Company review of the estimated obligation results in the requirement to increase the provision and therefore, increase the carrying amount of the assets to which it relates the Company will determine whether this increase is evidence that the assets may be impaired as a whole. If this is so, the Company will perform impairment tests as required under IAS 36, Impairment of Assets.

## **2.15 Fair value measurement -**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, in the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

Under the accounting policies and related disclosure requirements applicable to the Company, the Company's non-financial assets and financial liabilities should be measured at fair value.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is considered active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all factors that market participants would consider when pricing a transaction.

If an asset or liability measured at fair value has a bid price and an ask price, the Company measures long positions in assets at the bid price and liabilities and short positions at the ask price.

## **2.16 Employee benefits -**

### *Workers' profit sharing*

The Company recognizes a liability and an expense for workers' profit sharing determined on the basis of 8% of its taxable income as established under current income tax regulations. Workers' profit sharing is recognized as an element of production costs, intangible assets, selling expenses, and administrative expenses.

### *Termination benefits*

Termination benefits are recognized in profit or loss when they are paid, that is, when employment relationship is terminated before the expected end of employment, or when an employee voluntarily agrees to terminate their employment in exchange for these benefits.

### *Statutory bonuses*

The Company recognizes the expense for statutory bonuses and its corresponding liability based on the legal provisions effective in Peru. Statutory bonuses comprise two annual payments paid in July and December of each year.

### *Employees' severance indemnities*

The employees' severance indemnities of the Company comprise indemnity rights determined under local laws and regulations, and which are credited to bank accounts selected by employees in April and November every year. Employees' severance indemnities are equivalent to half the remuneration in force on the date of its deposit. The Company is not required to make additional payments once the annual deposits are made to which employees are entitled.

### *Vacation leave*

The annual vacation leave of personnel is recognized on the accrual basis. The provision for the estimated obligation for annual vacation leave of personnel resulting from services provided by them is recognized as of the date of the separate statement of financial position.

### **2.17 Revenue recognition -**

Revenue comprises the fair value of collections or receivables from the sale of minerals in the normal course of the Company's operations. Revenues are presented net of sales taxes, rebates and discounts originated from variations in the grade of ore. Revenues are recognized when all the risks and rewards of ownership of the delivered asset are transferred; it is probable that the economic benefits associated with the transaction will flow to the Company; and the income amount can be measured reliably; also, the transaction meets the specific criteria per each of the Company's activities, as described below, it is considered that the amount of revenue cannot be measured reliably until all contingencies relating to the provision have been resolved. The Company has identified the following performance obligations:

- (a) Sale of ore - "Gold Bullion"
- (b) Laboratory Services
- (c) Interest

The following specific criteria must be met for revenue recognition:

#### *Sale of ore "Gold Bullion"*

Sales contracts for gold bullion specify an agreed-upon price based on the international gold price and the short period of time between contract inception and the satisfaction of the performance obligation (days, generally less than one week). Revenue from the sale of gold bullion is recognized in the period in which control is transferred, upon shipment, based on provisional settlements that are subject to final settlements.

The amount invoiced under provisional settlement may be subject to subsequent adjustments as the final price is determined based on the applicable gold quotation during the contractual period. These adjustments represent changes in the transaction price and are accounted for by recognizing the difference between the provisional price and the final price as an adjustment to revenue and receivables.

Final adjustments resulting from final settlements are recognized in the period in which they are issued. The final settlement is determined based on the international gold market price during the contractually pre-established period. Provisional settlements outstanding at the reporting date are updated using the estimated gold quotation that would be applied for the final settlement, when the amount to be updated is significant.

#### *Laboratory Services*

A portion of the transaction price is allocated to laboratory services, which are provided by the Company after transferring control of the gold to the customer. Revenue from this service is recognized over time as the service is provided to the customer. According to the Company's assessment, this performance obligation does not represent a material amount of revenue, and therefore revenue is not disaggregated (Note 27).

#### *Interest*

Interest income is recognized using the effective interest method, in proportion to the time elapsed. Other income is recognized when earned.

## **2.18 Recognition of costs and expenses -**

Cost of sales, which corresponds to the production cost of the gold bullion marketed by the Company, is recognized when the gold bullion is delivered simultaneously with the recognition of revenue from the corresponding sale.

Other costs and expenses are recognized as they are incurred, regardless of when they are paid, and are recorded in the periods in which they relate to the corresponding revenue.

## **2.19 Contingencies -**

Contingent liabilities are not recognized in the separate financial statements and are disclosed in notes to the separate financial statements unless their occurrence is remote. Contingent assets are not recognized in separate financial statements and are disclosed only if their realization is probable.

## **2.20 Share capital -**

Common shares are classified as equity and are recognized at nominal value. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction from the amount received, net of taxes (Note 22).

## **2.21 Dividend distribution -**

The distribution of dividends to shareholders is recognized as a liability in the separate financial statements in the period in which they are approved by the Company's shareholders.

## **2.22 Financial income and expenses -**

Financial income and expenses are recorded in the profit or loss for the year in the periods to which they relate and are recognized when they accrue, regardless of when they are received or disbursed.

## **2.23 Mining royalties**

Mining royalties are an administrative charge that the Company must pay to the Peruvian Government for extracting metallic and non-metallic mineral resources from its mining concessions. Royalties are determined on a quarterly basis, and the basis for calculation is operating profit, which is determined in accordance with IFRS. A progressive tax rate is applied to operating profit depending on the operating margin. The amount payable corresponds to the higher of the amount resulting from applying the progressive rate to operating profit or 1% of sales.

## **2.24 Earnings per share**

Basic earnings or loss per share is calculated by dividing net income attributable to common shareholders by the weighted average number of common shares outstanding as of the date of the separate statement of financial position. As of December 31, 2025 and 2024, the Company does not have financial instruments with a dilutive effect; therefore, diluted earnings or loss per share is not calculated.

## **2.25 Foreign currency transactions and balance**

A foreign currency transaction is a transaction that is denominated or requires settlement in a functional currency. A foreign currency transaction is recognized, at initial recognition in the functional currency, at the exchange rate ruling at the transaction date or the measurement date when items are remeasured. Exchange gains or losses from paying such transactions and from translating monetary items stated in foreign currency at exchange rates ruling at the end of the reporting period are recognized in the separate statement of profit or loss and other comprehensive income, except when they are deferred to other comprehensive income for a transaction that qualifies as a hedged item in a cash flow hedge (note 5.1).

### **3 NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS**

#### **3.1 New standards and amendments effective from January 1, 2025, adopted by the Company -**

Under IFRS, certain accounting changes have been issued that are effective as of January 1, 2025. These changes have been considered by the Company in preparing the separate financial statements as of December 31, 2025. However, they have not had a material impact for the current year, nor are they expected to have one in future periods. These accounting changes are summarized as follows:

- Amendments to IAS 21: Lack of Exchangeability.

#### **3.2 New standards, amendments and interpretations applicable to the Company that will be effective for the financial statements for annual periods beginning on or after January 1, 2026, and that have not been early adopted -**

To date, the following amendments to standards have been published that are mandatory on or after January 1, 2026, and have not been early adopted by the Company:

- Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments.
- IFRS 18, Presentation and Disclosure in Financial Statements.
- IFRS 19, Subsidiaries without Public Accountability: Disclosures.
- Annual Improvements to IFRS 2024 - Volume 11.
- Amendments to IFRS 9 and IFRS 7 - Nature-dependent electricity contracts.

The Company will assess the impact of these standards and amendments in 2026. However, it is expected that they will not have a material impact on its separate financial statements for 2026 and beyond.

### **4 CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND CRITERIA**

The preparation of separate financial statements in accordance with IFRS requires that Management make certain estimates and assumptions that affect the reported amounts of assets and liabilities, the presentation of contingencies at the date of the separate financial statements, as well as the income and expense amounts reported as of December 31, 2025 and 2024.

Accounting estimates, by definition, will very rarely be equal to the respective actual results. Company's Management considers that the estimates were made based on their best knowledge of the relevant facts and circumstances at the date of preparation of the separate financial statements. However, the final results may differ from the estimates included in the separate financial statements. Company's Management does not expect that changes, if any, will have a material effect on the separate financial statements.

Estimates and assumptions that have risk of causing adjustments to the balances of reported assets and liabilities and critical judgments in the application of accounting policies are presented below:

#### *4.1 Critical judgments in the application of the Company's accounting policies -*

The information on judgments made in the application of accounting policies that has the most important effect on the amounts recognized in the separate financial statements is described below:

- **Functional currency.** The determination of functional currency may involve certain judgments to identify the primary economic environment in which the entity operates (Note 2.2):

The Company's functional currency is determined by the currency of the primary economic environment in which the Company operates. In determining its functional currency, Management uses its judgment to assess the nature of the Company's operations, taking into account the primary indicators established in IAS 21, The Effects of Changes in Foreign Exchange Rates. These indicators include the currency that mainly influences sales prices, the currency of the country whose competitive forces and regulations mainly determine these sales prices, as well as the currency that influences labor costs, materials, supplies and other costs incurred to produce gold bullion and to settle tax obligations.

When the primary indicators are not conclusive, because sales to customers and the gold sales price are denominated in U.S. dollars while the Company's costs are denominated in Peruvian soles, the functional currency is not obvious. In such cases, Management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions, using additional indicators set out in IAS 21, which provide additional evidence for determining the functional currency. As a result of this process, the Company concluded that the Peruvian sol is its functional currency.

#### *4.2 Critical accounting assumptions and estimates -*

##### *a. Useful life and recoverable value of property, plant and equipment (Note 2.8)*

Depreciation is calculated using the straight-line method based on the estimated economic useful life of the asset, which is compared with the remaining useful life of the mining unit, using the shorter of the two.

The economic useful life of the assets is assessed based on: i) the physical limitations of the asset, and ii) estimates and assumptions regarding the total estimated reserves and the capital expenditures that will be required in the future.

The recoverable value is assigned based on the estimated amount that the Company could obtain from the sale of the asset at the end of its economic useful life. This recoverable value is estimated at the end of each reporting period.

##### *b. Determination of mineral reserves and resources (Note 2.9)*

Reserves represent the estimated proven and probable mineral resources that, under current conditions, can be economically processed using established parameters. They are measured using the concept set out in the Joint Ore Reserves Committee Code (JORC Code), which provides minimum standards for reporting exploration results, mineral resources, and ore reserves in Australasia. This technical procedure is used to determine proven and probable reserves. It should be noted that an Ore Reserve is the economically mineable part of a Measured or Indicated Mineral Resource. It includes dilution of materials and provisions for losses that may occur when the material is extracted. Appropriate assessments have been carried out, which may include feasibility studies, and which consider modifications based on reasonably assumed mining, metallurgical, economic, market, legal, environmental, social, and governmental factors. These assessments demonstrate, as of the reporting date, that extraction could be reasonably justified.

The process of estimating mineral reserves is complex and requires evaluating available information related to geology, geophysics, engineering, and economics, which are highly subjective. Consequently, reserve estimates may be revised and adjusted for various reasons, such as changes in geological data or assumptions, changes in estimated prices, changes in production costs, and changes in the results of exploration activities. Reserve estimates are performed once a year with the support of internal specialists and every two years with external specialists.

Changes in reserve estimate directly and primarily affect the determination of the useful lives of property, plant and equipment related to mining activities and the calculation of the mine closure.

*c. Provision for mine closure (Note 2.14)*

The Company calculates a provision for the closure of its mining unit on an annual basis. To determine this provision, it is necessary to make significant estimates and assumptions given that there are several factors that will affect the amount of this obligation. These factors include estimates of the scope and cost of closure activities, technological changes, changes in regulations, increases in costs compared with inflation rates, and changes in discount rates. The Company estimates that the related cash outflows will be incurred over the years through 2048 (Note 20). The real discount rate corresponds to the yield on 20-year United States Treasury bonds.

The Company recognizes a provision for the closure of its mining unit, which corresponds to its legal obligation to restore the environment at the end of its operations. At the date of the initial recognition of the liability arising from this obligation, which is presented discounted to its present value using a risk-free rate, the same amount is capitalized in property, plant and equipment in the separate statement of financial position.

Subsequently, the liability is adjusted in each period to reflect the finance cost included in the initial measurement and, in addition, the capitalized cost is depreciated over useful life of the related asset. Upon settlement of the liability, the Company will recognize any resulting gain or loss. Changes in total amount of the obligation or in the useful life of the related assets, arising from revisions of the initial estimates, are reflected as increases or decreases in the carrying amount of the obligation and the related asset.

These estimates and/or assumptions may result in actual expenses in the future that differ from the amounts recognized at the time of calculating the obligation. The provision at the reporting date represents the best estimate of Company's management of the present value of future costs related to mining unit closure.

*d. Taxes*

The use of professional judgment is required to determine the provision for income tax. Many transactions and calculations make the final tax outcome uncertain. The Company recognizes a liability for issues identified in tax audits based on estimates of whether additional tax payments will be required. When the final outcome of these examinations is known, and if it differs from the preliminary estimates, the adjustments affect the current and deferred income tax balances in the period in which the final audit result is known.

The Company's calculation of current income tax is based on the application of current tax regulations and does not include estimated provisions that may generate differences in future tax audits. Therefore, it is not considered necessary to provide a sensitivity disclosure simulating a variation in the calculation, since any difference that may arise would not be material to the results of the separate financial statements (Note 2.13).

*e. Provision for administrative and work processes*

By nature, contingencies will only be solved when one or more future events occur or do not occur, over which Management has no control. Determining contingencies inherently involves the exercise of judgment and the use of assumptions about the outcomes of future events (Note 2.19).

*f. Measurement of fair value*

Under the accounting policies and related disclosure requirements applicable to the Company, the Company's non-financial assets and financial liabilities should be measured at fair value. The Company has an established control framework related to the measurement of fair values. This includes a valuation team that has overall responsibility for the oversight of all significant fair value measurements, including Level 3 fair values, and reports directly to the Finance Manager.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third-party information, such as broker quotes or pricing services, is used to measure fair values, the valuation team evaluates the evidence obtained from the third parties to support that those valuations meet the requirements of IFRS, including the level within the fair value hierarchy within which those valuations should be classified. Significant valuation matters are reported to the Board of Directors (Notes 5.7 and 2.15).

When measuring the fair value of an asset or liability, the Company uses observable market data whenever possible. Fair values are classified into different levels within a fair value hierarchy based on the input data used in the valuation techniques. The different levels are defined as follows:

Level 1: Prices quoted (unadjusted) in active markets for identical assets or liabilities available at the measurement date.

Level 2: Variables other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Data that is not observable for the asset or liability.

If the input data used to measure the fair value of an asset or liability is classified at different levels of the fair value hierarchy, then the fair value measurement is classified in its entirety at the same level of the fair value hierarchy as the lowest-level variable that is significant to the overall measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurred.

## **5 FINANCIAL RISK MANAGEMENT**

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk, liquidity risk, and capital risk. The Company's financial risk management program seeks to reduce potential adverse effects on the Company's financial performance. The most important aspects of managing these risks are as follows:

### **5.1 Exchange rate risk**

The Company's principal foreign currency transactions are denominated in U.S. dollars and are related to trade receivables and payables, as well as its financing activities, which determine assets and liabilities in that currency. The Company is exposed to the risk of significant adverse fluctuations in the U.S. dollars/Peruvian sol exchange rate.

As of December 31, foreign currency balance is summarized as follows:

	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
<b>Assets</b>		
Cash and cash equivalents	122,885	34,804
Trade receivables	10,178	5,117
Other receivables	2,248	8,344
	<u>135,311</u>	<u>48,265</u>
<b>Liabilities</b>		
Other financial liabilities	(58,000)	(32,000)
Trade payables	(92,181)	(29,525)
Other payables	(4,769)	(2,184)
Lease liabilities	(1,863)	(2,381)
	<u>(156,813)</u>	<u>(66,090)</u>
<b>Net position</b>	<u>(21,502)</u>	<u>(17,825)</u>

As of December 31, 2025, the exchange rate used by the Company for recording balances in foreign currency has been the one published by the Peruvian banking regulator ("Superintendencia de Banca, Seguros y AFP" - SBS) of S/3.368 per US\$1 for assets and liabilities (S/3.770 per US\$1 for assets and liabilities, as of December 31, 2024).

## 5.2 Interest rate risk

The Company does not have a formal policy for determining how much of its exposure should be at a fixed or variable rate. However, when taking on new loans or debt, Management uses its judgment to decide whether a fixed or variable rate would be more favorable to the Company over the expected period until maturity.

Interest rate risk for the Company arises from its long-term debt. Fixed rate debt exposes the Company to interest rate risk on the fair value of its liabilities.

As of December 31, 2025 and 2024, details of the fixed-rate instruments held by the Company are shown below:

	<u>Note</u>	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
<b>Fixed rate instruments</b>			
Time deposits	6	68,875	2,796
Other financial liabilities	17	(59,101)	(32,552)
		<u>9,774</u>	<u>(29,756)</u>

As of December 31, 2025, time deposits matured and were renewed in January 2026. Other financial liabilities include bank notes and financing of US\$58,000 thousand obtained from Banco Continental in August 2023 (Note 17).

### 5.3 Price risk

The Company is exposed to gold price fluctuation risk with respect to 5% of invoices subject to final settlement. This means that the cash flows from gold bullion sales are adversely affected by the volatility of gold market prices. Furthermore, the effects of fluctuating metal market prices increase the risk of potential capital requirements for shareholders to cover cash flow needs arising from operations.

The Company manages its price risk primarily by entering into derivative contracts to improve its position against gold price volatility (commodity). These derivative instruments are used to lock in future prices and secure the value at which gold deliveries will be invoiced. These contracts are generally not classified as hedges for accounting purposes.

If, as of December 31, 2025 and 2024, the following table showed the sensitivity analysis of receivables subject to liquidation as of the date of the financial statements, the price of gold bullion had been 10% higher/lower and all other variables had remained constant, the result for the year before taxes would have been:

	<u>Increase/ decrease in price</u> <u>US\$000</u>	<u>Effect on profit or loss</u> <u>before taxes</u> <u>US\$000</u>
2025	10%	1,018
	(10%)	(1,018)
2024	10%	512
	(10%)	(512)

### 5.4 Credit risk

The credit risk of the Company originates from the inability of debtors to comply with their obligations as they mature. Management considers that the Company is not exposed to credit risk because sales are concentrated in two customers: Asahi Refining of Canada and Argor Heraus of Switzerland, both prestigious international companies.

Finally, the Company places its liquidity excess in prestigious financial institutions (whose independent risk rating is at least "A"). It also establishes conservative credit policies and constantly evaluates existing market conditions.

Consequently, the Company does not anticipate significant losses arising from this risk. Further information regarding credit risk is shown in Note 7.

### 5.5 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, and the possibility of committing and/or having committed financing through an adequate number of credit sources. The Company has adequate levels of cash and cash equivalents and available lines of credit. As of December 31, 2025 and 2024, the Company has negative working capital. However, the liquidity risk is controlled by sales operations that have a shorter collection maturity than payables and present positive operating cash flows.

The following table analyzes the Company's financial liabilities classified according to their maturity, considering the time remaining from the closing date of fiscal year until maturity.

	<u>Carrying amount</u> US\$000	<u>Contractual cash flows</u> US\$000	<u>Less than 1 year</u> US\$000	<u>Between 1 and 2 years</u> US\$000	<u>More than 2 years</u> US\$000
<b>2025</b>					
Other financial liabilities	59,101	59,296	59,296	-	-
Other payables (*)	12,902	12,902	12,902	-	-
Lease liabilities	1,962	2,282	512	345	1,425
Trade payables	90,169	90,169	90,169	-	-
	<u>164,134</u>	<u>164,649</u>	<u>162,879</u>	<u>345</u>	<u>1,425</u>
<b>2024</b>					
Other financial liabilities	32,552	33,376	27,180	6,195	-
Other payables (*)	17,942	18,031	18,031	-	-
Lease liabilities	2,479	2,501	522	445	1,534
Trade payables	58,876	58,876	58,876	-	-
	<u>111,849</u>	<u>112,784</u>	<u>104,609</u>	<u>6,640</u>	<u>1,534</u>

(\*) Not including advances, tax liabilities and social benefits

Management manages the risk associated with the amounts included in each of the categories mentioned above, which includes maintaining good relationships with local banks in order to ensure sufficient lines of credit at all times, as well as providing working capital with cash flows from operating activities.

## 5.6 Capital management

The Company's objectives when managing capital are to safeguard the ability to continue as a going concern to provide returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company's strategy is to maintain a debt-to-equity ratio of less than 2. As of December 31, 2025 and 2024, gearing ratios are less than 2 due to a greater concentration of cash and cash equivalents in both periods to cover dividend payments, board fees, employee profit sharing, and other current financial liabilities.

The Company determines its gearing ratio by considering trade payables, other payables, employee benefits, provisions, other financial liabilities, provision for mine closure, and deferred income tax liabilities, divided by total equity, as detailed below.

As of December 31, 2025 and 2024, the gearing ratios were as follows:

	<u>Note</u>	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Trade payables	15	90,169	58,876
Other payables	16	35,085	23,782
Income tax liability	26	18,417	-
Other financial liabilities	17	59,101	32,552
Lease liabilities	13.iv	1,962	2,479
Employee benefits	18	27,232	13,601
Provisions	19	734	655
Provisions for mine closure	20	38,956	17,527
Deferred income tax liabilities	21	19,871	25,401
Less: cash and cash equivalents	6	<u>(125,990)</u>	<u>(39,207)</u>
Net debt		<u>165,537</u>	<u>135,666</u>
Total equity		<u>655,278</u>	<u>499,608</u>
Debt-to-equity ratio		<u>0.25</u>	<u>0.27</u>

## 5.7 Accounting classification and fair value

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their fair value hierarchy levels.

	Note	Carrying amount				Fair value	
		Derivative instruments at fair value through profit or loss	Financial assets at amortized cost	Other financial liabilities	Total	Level 2	Total
		US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
As of December 31, 2025							
Financial assets not measured at fair value							
Cash and cash equivalents	6	-	125,990	-	125,990	-	-
Trade receivables	7	-	10,178	-	10,178	-	-
Other receivables (a)	8	-	3,455	-	3,455	-	-
		-	139,623	-	139,623	-	-
Financial liabilities not measured at fair value							
Other financial liabilities	17	-	-	59,101	59,101	59,296	59,296
Lease liabilities	13	-	-	1,962	1,962	2,282	2,282
Trade payables	15	-	-	90,169	90,169	-	-
Other payables (b)	16	-	-	26,448	26,448	-	-
		-	-	177,680	177,680	61,578	61,578

(a) Not including tax benefits or restricted funds.

(b) Not including advances, tax liabilities and social benefits.

	Note	Carrying amount			Fair value		
		Derivative instruments at fair value through profit or loss	Financial assets at amortized cost	Other financial liabilities	Total	Level 2	Total
		US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
As of December 31, 2024							
Financial assets measured at fair value							
Derivative financial instruments	8	112	-	-	112	-	-
		<u>112</u>	<u>-</u>	<u>-</u>	<u>112</u>	<u>-</u>	<u>-</u>
Financial assets not measured at fair value							
Cash and cash equivalents	6	-	39,207	-	39,207	-	-
Trade receivables	7	-	5,118	-	5,118	-	-
Other receivables (a)	8	-	2,067	-	2,067	-	-
		<u>-</u>	<u>46,392</u>	<u>-</u>	<u>46,392</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value							
Other financial liabilities	17	-	-	32,552	32,552	33,376	33,376
Lease liabilities	13	-	-	2,479	2,479	2,501	2,501
Trade payables	15	-	-	58,876	58,876	-	-
Other payables (b)	16	-	-	17,942	17,942	-	-
		<u>-</u>	<u>-</u>	<u>111,849</u>	<u>111,849</u>	<u>35,877</u>	<u>35,877</u>

(a) Not including tax benefits or restricted funds.

(b) Not including advances, tax liabilities and social benefits.

The Company has not disclosed the fair value of short-term financial instruments such as payables or receivables because the carrying amount is an approximation of fair value.

## 6 CASH AND CASH EQUIVALENTS

As of December 31, this item comprises:

	<u>Note</u>	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Petty cash and fixed fund		18	112
Checking accounts (a)		57,097	36,299
Time deposits (b)	5.2	68,875	2,796
		<u>125,990</u>	<u>39,207</u>

See accounting policy in Notes 2.3 and 2.4

- (a) As of December 31, 2025, the Company maintains checking accounts in top-tier local and international financial institutions, denominated in local and foreign currency, for approximately S/10,396 thousand and US\$54,010, thousand respectively (S/13,178 thousand and US\$32,804 thousand respectively as of December 31, 2024). These funds are freely available and accrue interest at market rates.
- (b) Time deposits have original maturities of less than 90 days and can be renewed upon maturity. As of December 31, 2025, time deposits are denominated in US\$68,875 thousand and accrue interest at an annual effective rate of 4%. As of December 31, 2024, time deposits are denominated in US\$2,000 thousand and accrue interest at annual effective rates between 2.55% and 4.25% in U.S. dollars.

According to the information provided by Apoyo & Asociados Internacionales S.A.C., the quality of the financial institutions in which the Company's cash (checking accounts and time deposits) is as follows:

	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Deposits in banks		
A +	125,398	38,936
A	574	159
	<u>125,972</u>	<u>39,095</u>

The impairment of cash and cash equivalents has been measured on a 12-month expected credit loss basis and reflects the short-term maturity of the exposures. The Company considers its cash and cash equivalents to have a low credit risk based on the external credit ratings of its counterparties.

## 7 TRADE RECEIVABLES

As of December 31, this item comprises:

	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Invoices receivables from abroad	10,178	5,117

See accounting policy in Notes 2.4 and 2.5

Trade receivables have current maturity, do not have specific guarantees, interest-free, and do not involve repayment obligations or refund transactions with customers.

According to Management's analysis, a receivable is considered impaired when it has been classified as uncollectible and, therefore, presented in the "provision for impairment of receivables" item.

The credit quality of receivables has been assessed by debtors based on historical data reflecting default rates, as follows:

	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Aging of receivables	10,178	5,117
Current		
Classification by debtor		
Group 2	10,178	5,117

Group 2: existing customers (more than 6 months) with no past defaults.

Management considers that it is not necessary to make a provision for impairment of receivables as of December 31, 2025 and 2024. In addition, they consider that the credit risk of these items is adequately hedged as of those dates (see information on credit risk in Note 5.4).

## 8 OTHER RECEIVABLES

As of December 31, this item comprises:

	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Value added tax (a)	8,821	12,503
Claims to the Tax authorities (b)	8,907	10,345
Claims to the insurance company (c)	1,709	1,527
Other receivables from contractors	2,229	956
Receivables from artisanal miners	1,250	792
Receivables from personnel	906	653
Works for taxes - Government Regional La Libertad (d)	1,808	274
Others	850	710
	<u>26,480</u>	<u>27,760</u>
Current portion	24,771	26,233
Non-current portion (c)	1,709	1,527

See accounting policy in Notes 2.4 and 2.5

- (a) It comprises the value added tax - VAT paid by the Company in its acquisitions of goods and services. This VAT will be recovered from the tax resulting from future sales. For exports, aside from the aforementioned procedure, the tax credit may be automatically offset against the tax liability arising from advance payments and final settlements of income tax, or any other tax payable by the Company that constitutes revenue for the Public Treasury. If the aforementioned recovery is not possible, the credit balance will be refunded through negotiable credit notes, non-negotiable checks, and/or credit to a checking or savings account. The offset and refund of the credit balance will be limited to a percentage equivalent to the VAT rate, including the Promotion Municipal Tax, on the FOB value according to duly numbered export declarations that support the exports shipped during the period.

- (b) It comprises the claims to SUNAT for the balance eligible for the tax benefit (Saldo a Favor Materia de Beneficio - SFMB) for S/30,000 equivalent to US\$ 8,907 thousand for September 2025 (S/19,000 thousand and S/20,000 thousand for September and October 2024, respectively). To collect these amounts, the partial VAT audit process must be completed, which is scheduled to end in March 2026.
- (c) It comprises to claim to the insurance company for accidents. According to the Management's assessment, the events that were claimed are covered under the contractual terms agreed upon with the insurance company and are highly likely to be recovered. These claims were taken to court in 2022, and from 2023 to 2025, administrative procedures were taken to recover them without incurring additional expenses. The Company expects to recover this amount within a period of no less than three years.
- (d) Works for Taxes - La Libertad region, comprises the disbursements made for the financing and construction of public infrastructure works, which represent an advance payment of income tax.

During 2025, the studies for the equivalent document of the project called "Lavasen Bridge Construction" were approved, on the Departmental Road LI-124 in the districts of Condormarca and Pataz, in La Libertad region, whose investment amounts to US\$10,276 thousand (S/34,611 thousand). In October 2025, the execution of the work began and by the fourth quarter there is an 8.45% progress and an accumulated amount of US\$1,670 thousand (S/5,624 thousand).

## 9 INVENTORIES

As of December 31, this item comprises:

	<u>Note</u>	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Finished goods	28	13,611	14,442
Work-in-progress	28	802	751
Other supplies		14,318	9,632
Goods in transit		816	1,420
Impairment of supplies	34	(65)	-
Currency translation effect		1,058	(351)
		<u>30,540</u>	<u>25,894</u>

See accounting policy in Note 2.6.

As of December 31, 2025, the finished goods inventory comprises 5,654 ounces of gold (out of 8,748 ounces of gold as of December 31, 2024).

The work-in-process inventory mainly consists of the stock in the cyanidation process, as shown in the monthly metallurgical balance issued by the Plant.

The other supplies inventory mainly consists of spare parts for mining equipment, fuels, lubricants, explosives, drill bits, and electrical materials. The goods in transit inventory mainly consists purchases of filter cloth, equipment, rails, and spare parts.

## 10 PREPAID EXPENSES

As of December 31, this item comprises:

	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Advance of countervailability (a)	5,669	5,065
Prepaid contracted insurance (b)	2,157	708
Prepaid software licenses	623	336
Prepaid rents	165	153
Other prepaid expenses	463	535
Total prepaid expenses	<u>9,077</u>	<u>6,797</u>
Current portion	3,408	1,732
Non-current portion (a)	5,669	5,065

- (a) It corresponds to the agreement dated June 2, 2011, regarding the modification of countervailability (royalties) in favor of the holder of a mining concession where the Company is conducting exploration activities. This agreement stipulates that the countervailability payable by the Company from the date on which mining activity begins in the aforementioned concession will be reduced from 5% to 1.5%. In return, the Company committed to paying the holder US\$5,000 thousand as follows: i) an initial payment of US\$200 thousand, ii) the balance in 120 monthly installments of US\$40,000 thousand. The obligation of US\$5,000 thousand was fully paid in May 2021.

The total amount of this agreement, measured at its present value as of the date of subscription, has been recognized as a long-term prepaid expense in the separate statement of financial position and will be amortized by applying it against the royalties generated during the concession's operating phase.

- (b) As of December 31, 2025, it mainly includes: the property insurance contract for US\$ 1,732 thousand (S/5,834 thousand) with maturity on July 2026, which will be renewed during the second quarter of 2026, and the different multi-risk policies for US\$ 155 thousand (S/522 thousand) (As of December 31, 2024, it mainly included: the property insurance contract for US\$ 407 thousand (S/1,511 thousand) with maturity on April 2025, which will be renewed during the first quarter of 2025, and the environmental liability insurance for US\$ 107 thousand (S/403 thousand).

## 11 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

As of December 31, this item comprises:

<u>Type of investment</u>	<u>Main activity</u>	<u>Equity interest percentage</u> %	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
<b>Associates</b>				
Soc. Minera de Resp. Ltda. San Francisco	San Francisco Concession Owners	50.00%	450	450
Soc. Minera de Resp. Ltda. El Miski	El Miski Concession Owners	50.00%	450	450
<b>Subsidiaries</b>				
Sociedad Eléctrica Lavasen S.A.C. (a)	Energy supplies	99.00%	1	1
EEA S.A. (b)	Property rentals	99.99%	6,750	6,750
Currency translation effect			(91)	(898)
			<u>7,560</u>	<u>6,753</u>

See accounting policy in Note 2.7.

- (a) As of December 31, 2025 and 2024, Sociedad Eléctrica Lavasen S.A.C. has 1,000 shares with nominal value of S/1.00 per share. The subsidiary was incorporated in Peru on June 28, 2013, and its legal address is located at Av. Los Faisanes Mza. G Lote. 16, La Campiña-Chorrillos, Lima, Perú.

(b) EEA S.A. is engaged in real estate leasing. As of December 31, 2025 and 2024, it has 5,070,000 shares with nominal value of S/1.00 per share. EEA S.A. was incorporated in Peru on September 18, 2012, with legal address located at Av. La Floresta No. 497 Urb. Chacarilla del Estanque, Lima - San Borja, Lima - Peru. The Company owns 99.99% of its capital, which it has controlled since June 11, 2019.

As of December 31, 2025 and 2024, investments in subsidiaries and associates are recorded at cost and show no signs of impairment.

## 12 PROPERTY, PLANT AND EQUIPMENT

See accounting policy in Note 2.8.

The movement in the cost and its corresponding accumulated depreciation of property, plant and equipment, for the years ending December 31, 2025 and 2024, is as follows:

	Land US\$000	Buildings, constructions and facilities US\$000	Machinery and equipment US\$000	Vehicles US\$000	Furniture and fixture US\$000	Other equipment US\$000	Replacement units US\$000	Units to be received US\$000	Work in progress US\$000	Mine closure remediation US\$000	Final balance US\$000
<b>Year 2025</b>											
Cost											
Balances as of January 1, 2025	8,428	209,407	94,888	829	4,521	15,938	6,037	1,288	63,392	21,409	426,137
Additions	-	-	-	-	-	-	9,628	95	37,523	-	47,246
Update (Note 20)	-	-	-	-	-	-	-	-	-	19,855	19,855
Disposals	-	-	(999)	(9)	(24)	(13)	-	-	-	-	(1,036)
Transfers (Note 13) (a)	1,705	20,790	8,798	52	492	2,530	(11,074)	(1,081)	(21,338)	-	874
Currency translation effect	1,103	27,328	12,245	103	585	2,146	444	29	16,602	3,121	63,706
Balances as of December 31, 2025	11,236	257,525	114,941	975	5,574	20,601	5,035	331	96,179	44,385	556,782
Accumulated depreciation											
Balances as of January 1, 2025	-	(65,055)	(42,727)	(169)	(1,419)	(6,864)	-	-	-	(16,323)	(132,557)
Additions	-	(10,896)	(5,634)	(167)	(435)	(1,737)	-	-	-	(1,315)	(20,184)
Adjustments	-	-	-	-	-	-	-	-	-	137	137
Disposals	-	-	966	2	15	6	-	-	-	-	989
Transfers (a)	-	-	(87)	-	-	-	-	-	-	-	(87)
Currency translation effect	-	(8,126)	(5,641)	29	(270)	(940)	-	-	-	(1,960)	(16,908)
Balances as of December 31, 2025	-	(84,077)	(53,123)	(305)	(2,109)	(9,535)	-	-	-	(20,026)	(169,175)
Net fair value at the end of the year	11,236	173,448	61,818	670	3,465	11,066	5,035	331	96,179	24,359	387,607
<b>Year 2024</b>											
Cost											
Balances as of January 1, 2024	8,620	163,134	95,339	202	4,536	14,194	3,798	1,345	73,768	40,353	405,109
Additions	-	-	-	-	-	-	10,603	1,026	43,085	-	54,714
Update (Note 20)	-	-	-	-	-	-	-	-	-	(18,445)	(18,445)
Disposals	(108)	(75)	(9,994)	(78)	(444)	(1,676)	-	-	-	-	(12,375)
Reclassification	-	-	-	-	-	-	-	-	(150)	-	(150)
Transfers (Note 13) (a)	32	48,940	9,033	699	592	3,352	(8,299)	(1,061)	(52,308)	-	980
Currency translation effect	(116)	(2,592)	510	6	17	68	(65)	(22)	(1,003)	(499)	(3,696)
Balances as of December 31, 2024	8,428	209,407	94,888	829	4,521	15,938	6,037	1,288	63,392	21,409	426,137
Accumulated depreciation											
Balances as of January 1, 2024	-	(58,120)	(44,482)	(108)	(1,338)	(6,540)	-	-	-	(15,539)	(126,127)
Additions	-	(8,719)	(5,545)	(63)	(408)	(1,537)	-	-	-	(1,008)	(17,280)
Disposals	-	47	7,938	69	376	1,421	-	-	-	-	9,851
Transfers (a)	-	-	-	(60)	-	(51)	-	-	-	-	(111)
Currency translation effect	-	1,737	(638)	(7)	(49)	(157)	-	-	-	224	1,110
Balances as of December 31, 2024	-	(65,055)	(42,727)	(169)	(1,419)	(6,864)	-	-	-	(16,323)	(132,557)
Net fair value at the end of the year	8,428	144,352	52,161	660	3,102	9,074	6,037	1,288	63,392	5,086	293,580

- (a) As of December 31, 2025 and 2024, it comprises net lease for assets acquired through leasing (Note 13) for US\$ 787 thousand and US\$ 869 thousand; respectively and US\$ 57 thousand and US\$ 138 thousand for Software Applications (Note 14); respectively.

Depreciation expense for the year ended December 31, 2025 and 2024 has been allocated as follows:

	<u>Note</u>	<u>2025</u> US\$000	<u>2024</u> US\$000
Separate statement of comprehensive income			
Cost of sales	28	15,050	12,856
Provision for mine closure	28	1,315	1,008
Administrative expenses	30	1,692	1,554
		<u>18,057</u>	<u>15,418</u>
Separate statement of financial position			
Exploration and development costs	14	2,052	1,861
Work in progress		75	1
		<u>2,127</u>	<u>1,862</u>
		<u>20,184</u>	<u>17,280</u>

- i) As of December 31, 2025 and 2024, Management carried out an assessment on the existence of impairment indicators for its long-lived assets. As a result of the assessment, Management did not identify impairment indicators at those dates. Consequently, it was not necessary to perform additional impairment tests or recognize impairment losses for these assets.
- ii) The Company has tailings storage facilities for pulp and filtrate disposal at the Marañón and Santa María Production Units. These facilities have been designed and built with high engineering standards and have the necessary construction and operating permits granted by the corresponding authorities, including the Peruvian Ministry of Energy and Mines. The useful life of the tailings storage facilities is determined using an equation that considers the following variables: the engineering design and the processing capacity of the plants. This has been determined based on the Marañón and Santa María plants, which are currently authorized to process 800 metric tons per day (TMD) and 1,000 metric tons per day (TMD), respectively.
- iii) As of December 31, 2025 and 2024, the ongoing works mainly comprises work at the Nimpana Hydroelectric Plant for US\$ 7,731 thousand (US\$ 7,579 thousand in 2024), plant equipment for tailings filtration at Andritz Santa María for US\$ 5,660 thousand (US\$ 3,946 thousand in 2024), Installation of HPGR Crasher at SM Plant for US\$ 3,167 thousand (US\$ 992 thousand in 2024), construction of the Revolcadero waste rock dump for US\$ 3,101 thousand (US\$ 1,646 thousand in 2024), Construction of Campamento Modular - Pamparacra for US\$2,260 thousand (US\$ 376 thousand in 2024), Construction of Transmission Line 60 Kv SE Pampa Honda- Lt 6050 for US\$ 2,180 thousand (US\$ 1,508 thousand in 2024), Construction and Assembly of the Distributed Photovoltaic Solar System SM for US\$ 1,824 thousand (US\$ 1,133 thousand in 2024), installation of equipment for the Data Center-Vijus for US\$ 1,656 thousand (US\$ 1,517 thousand in 2024) and implementation of the Tracking System UP MÑ and SM for US\$ 1,624 thousand (US\$ 1,624 thousand in 2024), among others.
- iv) Mine closure costs were determined according to the budget prepared and updated by the Company's external experts and approved by the Company's General Management and ultimately by Resolution of the Peruvian Ministry of Energy and Mines on October 15, 2024 (Note 20). These costs are depreciated using straight-line depreciation rates. The mine closure asset was also updated by the Company to S/66,874 thousand equivalent to US\$ 19,855 thousand during 2025 and to S/69,118 thousand, equivalent to US\$18,445 thousand during 2024, reflecting changes in the closure budget estimates. The corresponding provision is adjusted in each period to recognize the effect of the passage of time on the initially recorded value.

- v) As of December 31, 2025 and 2024, the Company has no commitments to acquire property, plant, and equipment, nor any outstanding contracts with suppliers. The Company has insurance policies that safeguard the integrity of fixed assets and additionally does not maintain any works in progress that qualify as eligible assets.

## 13 LEASES

The Company has leases for land, facilities, machinery, and other equipments used in its operations. Leases generally have terms of three to five years, with an option to renew the lease after that date. The lease agreements include fixed lease payments.

The Company generally has restrictions on assigning and subleasing the leased assets.

The Company also has certain asset leases with terms of 12 months or less and leases of other equipment (computers and a water dispenser) classified as low-value leases. The Company applies the recognition exemption for short-term leases and leases of low-value assets.

See accounting policy in Note 2.11

### i. Right-of-use assets

The carrying amounts of recognized right-of-use assets and the movements during the period are as follows:

	<u>Note</u>	<u>Land</u> <u>US\$000</u>	<u>Facilities</u> <u>US\$000</u>	<u>Machinery</u> <u>US\$000</u>	<u>Other</u> <u>equipment</u> <u>US\$000</u>	<u>Furniture</u> <u>and fixture</u> <u>US\$000</u>	<u>Total</u> <u>US\$000</u>
<b>2025</b>							
Cost							
Balance as of January 1		151	2,791	2,880	-	-	5,822
Additions		87	3	-	-	-	90
Transfers (a)	12	-	-	(931)	-	-	(931)
Currency translation effect		2	308	228	-	-	538
		<u>240</u>	<u>3,102</u>	<u>2,177</u>	<u>-</u>	<u>-</u>	<u>5,519</u>
Depreciation							
Balance as of January 1		(12)	(1,001)	(101)	-	-	(1,114)
Additions		(8)	(258)	(35)	-	-	(301)
Transfers (a)		-	-	87	-	-	87
Currency translation effect		-	(167)	(3)	-	-	(170)
		<u>(20)</u>	<u>(1,426)</u>	<u>(52)</u>	<u>-</u>	<u>-</u>	<u>(1,498)</u>
Right-of-use assets		<u>220</u>	<u>1,676</u>	<u>2,125</u>	<u>-</u>	<u>-</u>	<u>4,021</u>
<b>2024</b>							
Cost							
Balance as of January 1		19	2,696	4,341	-	234	7,290
Additions		-	-	-	227	-	227
Transfers (a)	12	132	95	(879)	(227)	(239)	(1,118)
Disposals		-	-	(588)	-	-	(588)
Currency translation effect		-	-	6	-	5	11
		<u>151</u>	<u>2,791</u>	<u>2,880</u>	<u>-</u>	<u>-</u>	<u>5,822</u>
Depreciation							
Balance as of January 1		(7)	(747)	(621)	-	(50)	(1,425)
Additions		(5)	(260)	(86)	-	-	(351)
Transfers (a)		-	-	60	-	51	111
Disposals		-	-	588	-	-	588
Currency translation effect		-	6	(42)	-	(1)	(37)
		<u>(12)</u>	<u>(1,001)</u>	<u>(101)</u>	<u>-</u>	<u>-</u>	<u>(1,114)</u>
Right-of-use assets		<u>139</u>	<u>1,790</u>	<u>2,779</u>	<u>-</u>	<u>-</u>	<u>4,708</u>

- (a) It comprises the transfers of assets acquired through leasing contracts, which the Company reclassifies to the categories of buildings, constructions and installations, and machinery and equipment (Note 12) and software applications (Note 14), as a result of exercising the purchase option of said contracts.

The depreciation expense for the year ended December 31, 2025 and 2024 has been allocated as follows:

	<u>Note</u>	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Separate statement of income and other comprehensive income			
Cost of sales	28	57	115
Administrative expenses	30	233	228
		<u>290</u>	<u>343</u>
Separate statement of financial position			
Exploration and development costs	14	11	8
		<u>11</u>	<u>8</u>
		<u>301</u>	<u>351</u>

*ii. Amount recognized in the separate statement of comprehensive income*

	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Expense for depreciation of right-of-use assets	301	351
Interest expense on lease liabilities (Note 32)	99	112
Total amount recognized in profit or loss	<u>400</u>	<u>460</u>

*iii. Amount recognized in the separate statement of cash flows*

	<u>Note</u>	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Total cash outflows for leases	17	(728)	(1,469)

*iv. Lease liabilities*

The carrying amounts of lease liabilities and the changes during the period are as follows:

	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Balances as of January 1	2,478	3,567
Additions	90	227
Accrued interest	116	154
Lease payments and interest	(728)	(1,469)
Exchange difference	6	(1)
	<u>1,962</u>	<u>2,478</u>
Current	421	505
Non-current	1,541	1,973

The terms and conditions of leases are as follows:

	<u>Type of lease</u>	<u>Original currency</u>	<u>Nominal interest rate</u>	<u>Maturity</u>	<u>Total</u>		<u>Current</u>		<u>Non-current</u>	
					<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
					<u>US\$000</u>	<u>US\$000</u>	<u>US\$000</u>	<u>US\$000</u>	<u>US\$000</u>	<u>US\$000</u>
Creditor's name										
Scotiabank S.A.A.	Finance lease	U.S. dollars	3.25%	03/31/25	-	404	-	245	-	159
Scotiabank S.A.A.	Finance lease	U.S. dollars	3.85%	09/14/26	143	-	143	-	-	-
Total finance lease					<u>143</u>	<u>404</u>	<u>143</u>	<u>245</u>	<u>-</u>	<u>159</u>
Lease liabilities IFRS 16	Leases	Peruvian soles	5.54%	12/31/31	1,819	2,074	278	260	1,541	1,814
Total leases					<u>1,819</u>	<u>2,074</u>	<u>278</u>	<u>260</u>	<u>1,541</u>	<u>1,814</u>
Total lease liabilities					<u>1,962</u>	<u>2,478</u>	<u>421</u>	<u>505</u>	<u>1,541</u>	<u>1,973</u>

(a) As of December 31, 2025 and 2024, the Company does not maintain the following conditions:

- Future cash outflows to which the lessee is potentially exposed and are not reflected in the measurement of the unstarted lease liabilities that the Company has committed to pay.
- Unusual or extraordinary lease terms and conditions that affect the lease portfolio.
- Exposure to other risks arising from leases.
- Additional information related to guarantees of residual value.

(b) As of December 31, 2025 and 2024, the lease obligations are secured for US\$1,461 thousand and US\$2,957 thousand, respectively.

## 14 INTANGIBLE ASSETS

As of December 31, 2025 and 2024, the movement of cost and its corresponding accumulated amortization of intangible assets is as follows:

	<u>Note</u>	<u>Mining concessions and rights</u> US\$000	<u>Exploration and development cost</u> US\$000	<u>Software applications</u> US\$000	<u>Final balances</u> US\$000
<b>2025</b>					
Cost					
Opening balances		37,011	886,167	5,532	928,710
Additions		3,671	153,803	671	158,088
Transfers	12 (a)	-	-	57	57
Currency translation effect		4,643	110,494	630	115,824
As of December 31, 2025		<u>45,325</u>	<u>1,150,464</u>	<u>6,890</u>	<u>1,202,679</u>
Amortization					
Opening balances		(29,548)	(635,119)	(816)	(665,483)
Additions		(2,011)	(95,955)	(682)	(98,648)
Currency translation effect		(3,738)	(89,294)	(164)	(93,196)
As of December 31, 2025		<u>(35,297)</u>	<u>(820,368)</u>	<u>(1,662)</u>	<u>(857,327)</u>
Net carrying amount at the end of the year		<u>10,028</u>	<u>330,096</u>	<u>5,228</u>	<u>345,352</u>
<b>2024</b>					
Cost					
Opening balances		34,083	762,325	4,093	800,501
Additions		3,406	135,762	1,367	140,535
Transfers	12 (a)	-	-	138	138
Currency translation effect		(478)	(11,920)	(66)	(12,464)
As of December 31, 2024		<u>37,011</u>	<u>886,167</u>	<u>5,532</u>	<u>928,710</u>
Amortization					
Opening balances		(28,636)	(565,783)	(806)	(595,225)
Additions		(1,363)	(78,056)	(23)	(79,442)
Currency translation effect		451	8,720	14	9,185
As of December 31, 2024		<u>(29,548)</u>	<u>(635,119)</u>	<u>(815)</u>	<u>(665,482)</u>
Net carrying amount at the end of the year		<u>7,463</u>	<u>251,048</u>	<u>4,717</u>	<u>263,228</u>

See accounting policy in Note 2.9

The additions to exploration and development costs in 2025 include US\$ 2,063 (US\$ 1,869 in 2024) and are related to the depreciation expense of machinery and transportation equipment used for this activity (Notes 12 and 13). It also includes workers' profit sharing related to exploration and development activities for US\$ 5,985 (US\$ 2,723 in 2024) (Note 25).

The amortization expense for the years ended December 31, 2025 and 2024 has been allocated entirely to production costs (Note 28).

## 15 TRADE PAYABLES

As of December 31, this item comprises:

	<u>2025</u> US\$000	<u>2024</u> US\$000
Invoices	90,169	58,876

Trade payables arise from the acquisition of materials, supplies and the provision of services for the development of the Company's productive activity.

As of December 31, 2025, the balance includes factoring debt for US\$ 11,991 thousand (as of December 31, 2024, for US\$ 6,758 thousand).

These payables are denominated in local and foreign currency, have current maturity, do not accrue interest, and do not have guarantees.

Likewise, the Company participates in a supply chain financing program, which allows its suppliers to choose to receive advance payment on their invoices from a bank by factoring their receivables with the Company. Under the agreement, a bank commits to paying a participating supplier the amounts owed by the Company and receives settlement from the Company at a later date. The main goal of this program is to facilitate efficient payment processing and allow willing suppliers to sell their receivables from the Company to a bank before their maturity date.

The Company has not derecognized the original liabilities to which the agreement applies because no legal release was obtained, nor was the original liability substantially modified upon entering into the agreement. From the Company's perspective, the agreement does not significantly extend payment terms beyond those normally agreed upon with other non-participating suppliers. The carrying amount of the trade payables, due to their current maturity, is similar to their fair value.

## 16 OTHER PAYABLES

As of December 31, this item comprises:

	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Funds withheld from contractors (a)	13,548	9,621
Remuneration payable to the Board of Directors (b)	12,203	6,721
Special tax on mining Law No. 29789	3,327	1,516
Mining royalties Law No. 28258	3,130	2,116
Compensation and retirement fund, mining, metallurgy and steelmaking	1,393	663
Other taxes and contributions	748	1,546
Other payables to related entities	-	1,099
Others	736	500
Total payables	<u>35,085</u>	<u>23,782</u>
Current portion	35,033	23,727
Non-current portion	52	55

- (a) It comprises the withholding of a percentage of the contractors' monthly billing, as a fund to guarantee compliance with labor obligations.
- (b) Remuneration payable to the Board of Directors and transactions with key management personnel.

The Company has defined key management personnel as those officers with the authority and responsibility to plan, direct, and control the Company's activities. Key management personnel are defined as the Company's senior management, comprised of the Management and the Board of Directors. As of December 31, 2025 and 2024, these professionals received compensation and other benefits for:

	<u>Note</u>	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Key Management		6,108	4,767
Board of Directors	31	17,812	10,139
Currency translation effect		788	(23)
		<u>24,708</u>	<u>14,883</u>

The outstanding balance as of December 31, 2025 amounts to US\$ 12,203 thousand, equivalent to S/41,099 thousand, (S/25,339 as of December 31, 2024).

These benefits are shown within "Administrative Expenses" and "Cost of Sales" in the separate statement of comprehensive income. As of December 31, 2025 and 2024, the Company has not provided loans to key personnel and does not offer post-employment benefits, other long-term benefits, or termination benefits.

## 17 OTHER FINANCIAL LIABILITIES

The composition for the years 2025 and 2024 is as follows:

	Type of obligation	Currency	Interest rate	Maturity	Share capital						
					Total		Current		Non-current		
					2025	2024	2025	2024	2025	2024	
					US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	
Banco de Crédito BCP	Promissory note	US\$	4.20%	May 2026	20,524	-	20,524	-	-	-	-
Banco de Crédito BCP	Promissory note	US\$	4.30%	July 2026	18,350	-	18,350	-	-	-	-
Scotiabank Perú S.A.A.	Promissory note	US\$	3.94%	Feb 2026	14,188	18,462	14,188	18,462	-	-	-
BBVA Banco Continental	Loan	US\$	6.60%	Feb 2026	6,039	14,090	6,039	8,090	-	-	6,000
					<u>59,101</u>	<u>32,552</u>	<u>59,101</u>	<u>26,552</u>	<u>-</u>	<u>-</u>	<u>6,000</u>

The loans have certain restrictions for the Company, regarding the following covenants, which the Company has complied with as of December 31, 2025 and 2024, respectively.

- (a) Maintain a debt ratio no greater than 2.50 times.
- (b) Maintain a debt service coverage ratio of no less than 1.50 times.

The Company commits to complying with specific financial ratios related to the level of indebtedness and debt coverage. As of December 31, 2025 and 2024, the ratios were determined for the loan with BBVA Banco Continental, as follows:

<u>Ratio</u>	<u>Condition</u>	<u>As of December 31, 2025</u>	<u>As of December 31, 2024</u>
Debt ratio	Less than 2.5 (Total Debt/Ebitda)	0.14	0.13 times
Debt service coverage ratio	No less than 1.5 times (EBITDA/Debt Service)	32.42	18.3 times

The fair value of financial liabilities is as follows:

	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Up to one year	59,296	27,181
From one to five years	-	6,195
	<u>59,296</u>	<u>33,376</u>

Reconciliation between changes in liabilities and cash flows arising from financing activities:

	<u>Liabilities</u>		<u>Total equity</u>			<u>Total</u> US\$000
	<u>Bank loans</u> US\$000	<u>Lease liability</u> US\$000	<u>Share capital</u> US\$000	<u>Other capital reserves</u> US\$000	<u>Retained earnings</u> US\$000	
Balance as of January 1, 2025						
<b>Changes due to financing cash flows</b>	32,552	2,479	212,202	42,440	244,966	534,639
Loans obtained	66,000	-	-	-	-	66,000
Loan payment	(40,000)	-	-	-	-	(40,000)
Payment of lease obligations (Note 13)	-	(728)	-	-	-	(728)
Interest paid	(1,937)	-	-	-	-	(1,937)
Dividends paid	-	-	-	-	(110,000)	(110,000)
Total change due to financing cash flows	<u>24,063</u>	<u>(728)</u>	<u>-</u>	<u>-</u>	<u>(110,000)</u>	<u>(86,665)</u>
Effect of changes in exchange rates	-	-	-	-	-	-
<b>Other changes related to liabilities</b>						
Assets acquired under new leases	-	90	-	-	-	90
Accrued interest	2,486	116	-	-	-	2,602
Total other changes related to liabilities	<u>2,486</u>	<u>206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,692</u>
Total other changes related to equity	-	-	84,711	16,942	164,018	265,671
Balances as of December 31, 2025	<u>59,101</u>	<u>1,962</u>	<u>296,913</u>	<u>59,382</u>	<u>298,984</u>	<u>716,343</u>
Balance as of January 1, 2024	40,592	3,567	161,594	32,319	249,289	487,361
<b>Changes due to financing cash flows</b>						
Loans obtained	18,000	-	-	-	-	18,000
Loan payment	(26,000)	-	-	-	-	(26,000)
Payment of lease obligations (Note 13)	-	(1,469)	-	-	-	(1,469)
Interest paid	(2,915)	(154)	-	-	-	(3,069)
Dividends paid	-	-	-	-	(48,000)	(48,000)
Total change due to financing cash flows	<u>(5,085)</u>	<u>(1,623)</u>	<u>-</u>	<u>-</u>	<u>(48,000)</u>	<u>(60,538)</u>
Effect of changes in exchange rates	-	-	-	-	-	-
<b>Other changes related to liabilities</b>						
Assets acquired under new leases	-	227	-	-	-	227
Others	2,875	308	-	-	-	3,183
Total other changes related to liabilities	<u>2,875</u>	<u>535</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,410</u>
Total other changes related to equity	-	-	50,608	10,121	43,677	104,406
Balances as of December 31, 2024	<u>32,552</u>	<u>2,479</u>	<u>212,202</u>	<u>42,400</u>	<u>244,966</u>	<u>534,639</u>

## 18 EMPLOYEE BENEFITS

As of December 31, this item comprises:

	<u>Note</u>	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Vacation leave payable		1,720	1,459
Profit sharing payable	25	25,128	11,842
Employees' severance indemnities		375	288
Salaries payable		9	12
Total liabilities for employee benefits		<u>27,232</u>	<u>13,601</u>

See accounting policy in Note 2.16.

## 19 PROVISIONS

As of December 31, this item comprises labor contingencies and includes the following:

	<u>Note</u>	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Balance as of January 1		655	475
Additions for the year	30	229	251
Payments		(228)	(61)
Effect for exchange rate		78	(10)
Balance as of December 31		<u>734</u>	<u>655</u>

See accounting policy in Note 2.14.

## 20 PROVISION FOR MINE CLOSURE

As of December 31, this item comprises:

	<u>Note</u>	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Balance as of January 1		17,527	35,397
Fixed asset value update	12 iv)	19,855	(18,445)
Financial expense	32	967	1,293
Disbursements		(1,470)	(309)
Effect for exchange rate		2,077	(409)
Balance as of December 31		<u>38,956</u>	<u>17,527</u>
Less current portion		<u>(545)</u>	<u>(900)</u>
Non-current portion		<u>38,411</u>	<u>16,627</u>

See accounting policy in Note 2.14.

On October 14, 2004, Law No. 28090 became effective. The purpose of this Law is to regulate the obligations and procedures to be complied with by entities involved in mining activities for the development, presentation and implementation of the Mine Closure Plan and the determination of pertinent environmental guarantees. This Law established that the holder of operating mining units will submit the Mine Closure Plan to the competent authorities within a maximum period of six months from the effective date of this Law. However, on May 8, 2005, amendment was approved, whereby the holders of operating mining units shall submit the Mine Closure Plan to the competent authorities within a maximum period of one year as from the effective date of the regulations of this Law. The Regulation for Mine Closure was approved on August 15, 2005, under Supreme Decree No. 033-2005-EM.

In compliance with this obligation, the Company commissioned SVS Ingenieros S.A., a consulting entity registered with the General Directorate of Mining Environmental Affairs, to prepare the Progressive and Final Closure Plan for Mina Poderosa, which was submitted on August 16, 2006 to the General Directorate of Mining Environmental Affairs of the Peruvian Ministry of Energy and Mines (MINEM). This plan was approved according to Electoral Resolution No. 119-2011-MEM-AAM of April 14, 2011. On May 14, 2018, Directorial Resolution No. 102-2018-MEM/DGAAM approved the 4th. Modification of the Mine Closure Plan of the "Poderosa" Mining Unit. The Company commissioned Georservice Ambiental S.A.C., a consulting entity registered with the General Directorate of Mining Environmental Affairs, to prepare the 2nd update of the Mine Closure Plan of the "Poderosa" Mining Unit, which was approved on July 26, 2022 with Directorial Resolution No. 222-2022/MINEM-DGAAM. With resolution No. 0269-2024-MINEM/DGAAM of October 15, 2024, the DGAAM of the MINEM approved the 5th modification of the Mine Closure Plan of the "Poderosa" Mining Unit prepared by SKR Consulting (Peru) S.A.

The renewal of two performance bonds in favor of the MINEM was managed to guarantee compliance with the mine closure plan of the Poderosa mining unit with maturity on January 10, 2025 for US\$26,023 thousand and US\$26,000 thousand including VAT at the rate of 0.19% per year with the Banco Continental-BBVA and Banco de Crédito del Perú, respectively.

On August 18, 2021, Law No. 31347 was enacted, amending Law No. 28090, which regulates the Closure of Mines. This regulation modifies the guarantee that the mining owner must constitute in favor of the MINEM, and establishes the inclusion of progressive closure measures in the production stage. The regulation establishes that the Executive Branch, by means of a supreme decree endorsed by the MINEM, shall adapt the regulations of the Mine Closure Law to the provisions of this law, within a period of no more than ninety (90) days from its publication. To date, the adaptation of the regulations is still pending.

Law No. 31347 does not condition its validity to the issuance of the adequacy of the regulation, therefore, it is in force; however, its application will depend on the discretion of the authority. In the case of the constitution of financial guarantees for the progressive closure of main components, until the regulation is published, the authority will not apply this guarantee, as it involves annual guarantees. This regulation has not yet been enacted. On January 10, 2024, the Company has submitted the performance bond for 2024 to the MINEM, corresponding to the final and post-closing periods, not including the amount of the progressive closure of major components.

As of December 31, 2024, the update of the mine closure plan extends the useful life until 2048. As of December 31, 2025, there are no changes.

As of December 31, 2025, the future value of the provision for the closure of the mining unit is US\$ 57,460 thousand (S/193,524 thousand), an amount that was discounted at the real risk-free annual rate of 2.39%, which resulted in an asset at present value of US\$ 38,956 thousand (S/131,204 thousand) (US\$ 59,224 thousand, (S/223,276 thousand) discounted at 4.78%, which resulted in an asset at present value of S/66,076 thousand as of December 31, 2024). The Company considers that the amount of the liability recognized in the separate financial statements is sufficient to meet its obligation under the environmental protection laws in force and approved by the Peruvian Ministry of Energy and Mines.

In the event that the estimated costs for the years 2025 onwards were 5% lower than the estimated costs to be disbursed in the mine closure works, the estimated impact would be a higher/lower provision for mine closure by approximately US\$ 1,948 thousand (S/6,560 thousand). In addition, in the event that the discount rate is higher than the rate used in the provision for mine closures by 1 percentage point, the estimated impact would be a higher/lower provision of approximately US\$ 5,716 thousand (S/19,250 thousand).

The amounts recognized in the separate statement of income and other comprehensive income are determined as follows:

	<u>Note</u>	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Depreciation	12	1,315	1,008
Expense for updating the provision for mine closure	32	967	1,293

## 21 DEFERRED INCOME TAX LIABILITY

The composition and movement for the years 2025 and 2024 is as follows:

	As of January 1, 2024	Credit (debit) to the separate income statement	Effect of movements in exchange rates	As of December 31, 2024	Credit (debit) to the separate income statement	Effect of movements in exchange rates	As of December 31, 2025
	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
<b>Deferred assets</b>							
Workers' profit sharing	2,654	(93)	(39)	2,523	4,589	301	7,413
Financial lease agreements	644	91	(10)	725	(274)	86	537
Provision for obligation for closure of mining unit	(301)	(89)	5	(385)	11,923	(46)	11,492
Provision for accrued vacation	13	40	-	53	448	6	507
Provision for labor claims	140	(65)	(2)	73	135	8	216
Special tax on mining	912	140	(14)	1,083	743	124	1,905
Provision for other receivables	-	-	-	-	1,045	12	1,057
Audit service	-	13	-	13	1	2	16
Impairment of inventory	-	10	-	10	21	(10)	21
<b>Total deferred assets</b>	<b>4,063</b>	<b>47</b>	<b>(60)</b>	<b>4,050</b>	<b>18,631</b>	<b>483</b>	<b>23,164</b>
<b>Deferred liabilities</b>							
Costs of closing a mining unit	2,283	210	(35)	2,458	(9,936)	293	(7,185)
Excess amortization of intangible assets	(20,859)	(7,715)	329	(28,245)	189	(3,372)	(31,428)
Property, plant and equipment	(2,553)	(247)	38	(2,762)	(45)	(329)	(3,136)
Inventories	161	(504)	(1)	(344)	(342)	(41)	(727)
Cost of assets under finance lease	(578)	13	7	(558)	64	(65)	(559)
<b>Total deferred liabilities</b>	<b>(21,546)</b>	<b>(8,243)</b>	<b>338</b>	<b>(29,451)</b>	<b>(10,070)</b>	<b>(3,514)</b>	<b>(43,035)</b>
<b>Deferred liability, net</b>	<b>(17,483)</b>	<b>(8,196)</b>	<b>278</b>	<b>(25,401)</b>	<b>8,561</b>	<b>(3,031)</b>	<b>(19,871)</b>

See accounting policy in Note 2.13.

The debit (credit) to earnings for the deferred income tax liability for the year ended December 31 was as follows:

	<u>Note</u>	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Total at the end of the year		(19,871)	(25,401)
Total at the beginning of the year		25,401	17,483
Effect of movements in exchange rates		3,031	(278)
<b>Income (expense) for the year</b>	26	<u>8,561</u>	<u>(8,196)</u>

## 22 SHARE CAPITAL

As of December 31, 2025 and 2024, the authorized, subscribed and paid-in capital in accordance with the Company's bylaws and amendments is represented by 1,000,000,000 common shares and 800,000,000 common shares, respectively, with a nominal value of S/1 each.

At the General Shareholders' Meeting held on March 11, 2025, it was agreed to increase the share capital from S/800,000,000 equivalent to US\$212,202 thousand a S/1,000,000,000 by capitalizing S/200,000,000 equivalent to US\$ 54,511 thousand from retained earnings. The registration of this capital increase was formalized on April 30, 2025.

At the General Shareholders' Meeting held on March 12, 2024, it was agreed to approve the increase of share capital by capitalizing S/200,000 thousand equivalent to US\$54,127 thousand corresponding to the retained earnings of 2021 and 2022. This capitalization is registered in the Public Registry Office of Lima.

The Company's common shares are listed on the Lima Stock Exchange at S/9.68 per share as of December 31, 2025 (S/8 as of December 31, 2024) and have a trading frequency of 45.45% (45.00% trading frequency as of December 31, 2024).

As of December 31, 2025 and 2024, the Company's shareholding structure is as follows:

<u>Percentage of individual interest in capital</u>	<u>2025</u>		<u>2024</u>	
	<u>Number of shareholders</u>	<u>Total percentage of interest</u>	<u>Number of shareholders</u>	<u>Total percentage of interest</u>
Up to 1	1,071	2.30%	615	2.30%
From 1.01 to 5	1	4.25%	1	4.25%
From 5.01 to 10	2	19.26%	2	19.26%
Over 10	5	74.19%	5	74.19%
	<u>1,079</u>	<u>100.00%</u>	<u>623</u>	<u>100.00%</u>

See accounting policy in Note 2.20.

## 23 OTHER CAPITAL RESERVES

In accordance with Peruvian Corporate Law ("Ley General de Sociedades"), the legal reserve is established by transferring at least 10% of the net income each year, after deducting accumulated losses, up to an amount equivalent to 20% of the capital. In the absence of earnings or non-restricted reserves, the legal reserve may be used to offset losses but shall be replenished. The legal reserve may be capitalized but shall also be replenished.

In 2025, the legal reserve increased as a result of the capitalization of the 2023 profits and reached the limit of 20%.

In 2024, the legal reserve increased as a result of the capitalization of the 2021 and 2022 profits and has reached the limit of 20%.

## 24 RETAINED EARNINGS

At the General Shareholders' Meeting held on September 15, 2025, it was agreed to distribute cash dividends amounting to S/146,958 thousand equivalent to US\$ 42,000 thousand (US\$0.042 per common share) charged against the profits of 2024 and 2023. The payment was fully made in October and December 2025.

At the Annual Shareholders' Meeting held on March 11, 2025, it was agreed to distribute cash dividends amounting to S/249,492 thousand equivalent to US\$68,000 thousand (US\$0.085 per common share) charged against the profits of 2023 and 2022. The payment was fully made in April and June 2025.

At the Annual Shareholders' Meeting held on March 12, 2024, it was agreed to distribute cash dividends amounting to S/177,216 thousand equivalent to US\$48,000 thousand (US\$0.08 thousand per common share) charged against the profits of 2021 and 2022. The payment was fully made in April and June 2024.

*See accounting policy in Note 2.21.*

## 25 WORKERS' PROFIT SHARING

In accordance with current legislation, workers' profit sharing is 8% of net profits. This share is a deductible expense for income tax purposes.

In 2025, the Company determined a current profit sharing of US\$ 25,126 thousand (US\$ 11,688 thousand in 2024) which was recorded as follows:

	<u>Note</u>	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Cost of sales	28	13,494	6,861
Intangible assets	14	5,985	2,723
Administrative expenses	30	4,541	2,081
Selling expenses	29	37	17
Currency translation effect		1,069	6
		<u>25,126</u>	<u>11,688</u>

As of December 31, 2025, the workers' profit-sharing payable amounts to US\$ 25,128 thousand (US\$ 11,842 thousand as of December 31, 2024) and is shown within Employee benefits in the separate statement of financial position (Note 18).

*See accounting policy in Note 2.16.*

## 26 TAX SITUATION

### *Tax rates*

The Company is subject to the Peruvian tax regime. As of December 31, 2025 and 2024, the Corporate Income Tax rate is 29.5% on the net taxable income determined by the Company.

The income tax rate applicable to dividend distribution and any other form of profit distribution is 5%, for profits generated and distributed from January 1, 2017.

### Determination of Income Tax

Income tax expense comprises:

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Current		83,333	39,909
Deferred	21	(8,561)	8,196
Special tax on mining		9,092	4,467
Currency translation effect		214	(13)
		<u>84,078</u>	<u>52,559</u>

As of December 31, 2025, the balance in the separate statement of financial position mainly comprises income tax on-account payments amounting to S/228,332 thousand, net of income tax liability of S/290,361 thousand (as of December 31, 2024, income tax on-account payments amounting to S/155,887 net of income tax liability of S/150,472), which will be recovered by applying it against the income tax payable determined in each corresponding year.

The reconciliation of the effective income tax rate with the tax rate is as follows:

	<u>2025</u>		<u>2024</u>	
	<u>US\$000</u>	<u>%</u>	<u>US\$000</u>	<u>%</u>
Profit before tax	295,374	100.00%	161,529	100.00%
(Theoretical) income tax	87,135	29.50%	47,651	29.50%
Special tax on mining	9,092	3.16%	4,467	3.79%
Tax effect on additions and deductions				
Permanent differences	<u>(12,149)</u>	<u>(3.69%)</u>	<u>441</u>	<u>11.31%</u>
Current and deferred income tax recorded at the effective rate	<u>84,078</u>	<u>28.96%</u>	<u>52,559</u>	<u>44.61%</u>

### Mining Royalties and Special Mining Tax

On September 28, 2011, the Peruvian Government made modifications to the mining royalty regime that are effective as of October 1, 2011. According to these modifications, Mining royalties for metallic and non-metallic mining activities of holders or assignees of mining concessions shall be quarterly settled. It shall be determined by using the higher (i) the amount obtained by applying a calculation ladder of the marginal rates to be applied on the quarterly operating profit for certain items; and (ii) 1% of net sales of the quarter. These mining royalty payments are deductible for income tax determination purposes of the year in which payments are made.

As of December 31, 2025, the Company has recorded as expenses for mining royalties and special mining tax amounts to S/35,01, equivalent to US\$ 9,915 thousand (Note 30) and S/31,985 thousand, respectively (S/26,245, equivalent to US\$ 6,976 thousand (Note 30) and S/16,869 thousand as of December 31, 2024).

### Additional Retirement Fund for Mining

Supreme Decree No. 006-2012-TR issued on July 9, 2011, and Law No. 29741 created the Additional Retirement Fund for Mining, Metallurgic and Steel industry (FCJMMS by its acronym in Spanish) to grant a supplementary and additional payment for retirement, disability and survival costs to mining, metallurgic and steel industry workers.

Under this law, covered workers and companies shall make a contribution of 0.5% of the Company's annual income before income tax. As of December 31, 2025, the Company has calculated contributions to the Additional Retirement Fund for Miners amounting to S/4,921 thousand (S/2,566 thousand as of December 31, 2024).

#### *Temporary tax on net assets (ITAN by its acronym in Spanish)*

ITAN rate is 0.4% for 2025 and 2024 applicable to the amount of net assets exceeding S/1 million. This tax may be paid in cash or in nine successive monthly installments. The amount paid may be used as a credit against payments of the general income tax regime. In the event that there is a remaining balance, it may be requested as a refund. The Company has calculated the ITAN for the year 2025 to be S/8,297 thousand (S/7,638 thousand in 2024).

#### *Tax Regime of the Value Added Tax*

As of December 31, 2025 and 2024, according to the Peruvian tax system, the Value Added Tax "VAT" rate (IGV in Peru) is 18%.

#### *Tax Audit by the Peruvian tax authorities*

The Peruvian tax authorities have the right to review and, if necessary, amend the income tax determined by the Company in the last four years as per the corresponding tax return. Income tax returns from 2019 to 2023 and from November 2024 to December 2025 are pending tax review by the Peruvian tax authorities; fiscal years 2009, 2010, 2012 and 2015 have been reviewed. VAT returns from December 2019 to December 2022 are pending tax review by the Peruvian tax authorities; periods from November 2023 to October 2024 have been reviewed.

Since discrepancies may arise over the interpretation of the tax laws by Peruvian tax authorities, it is currently not possible to determine whether these reviews will result in additional liabilities for the Company. Any additional tax, penalties and interest will be recognized in the results of the period when such differences of opinion with the Peruvian tax authorities are resolved. However, Management and legal advisors consider that any eventual additional tax settlement will not be material for the separate financial statements as of December 31, 2025 and 2024.

#### *Transfer pricing*

For income tax purposes, transactions between related parties and/or those entered into with parties domiciled in tax havens are subject to transfer pricing rules. These transactions must have documentation and information supporting the valuation methods and criteria applied in their determination.

Based on an analysis of the Company's business, Management and its legal advisors consider that no significant contingencies will arise as a result of this legislation for the Company as of December 31, 2025 and 2024.

#### *Uncertain tax positions*

The Company has assessed its uncertain positions regarding tax treatments in accordance with IFRIC 23 and determined, based on its tax compliance and transfer pricing review, that its tax treatments are likely to be accepted by the Peruvian tax authorities. The Interpretation had no impact on the Company's separate financial statements as of December 31, 2025 and 2024.

#### *Regulatory framework*

- After December 31, 2025, there have been no significant changes to the income tax regime in Peru that would have effects on these separate financial statements. The standards and interpretations effective as of December 31, 2025 have been considered by Management in the preparation of the separate financial statements.

- For fiscal year 2025, the main amendments that will be applicable are:
  - As of January 1, 2024, Legislative Decree No. 1545: i) amends the first paragraph of article 26 of the Peruvian Income Tax Law regarding the determination of deemed interest for tax purposes on loans (not subject to transfer pricing rules); ii) for loans in local currency, the minimum deemed interest rate must be no lower than the active rate in national currency (TAMN by its acronym in Spanish) published by the SBS, multiplied by an adjustment factor of 0.42; iii) for loans in foreign currency, the minimum deemed interest rate must be no lower than the monthly average active market rate in foreign currency (TAMEX by its acronym in Spanish) published by the SBS, multiplied by an adjustment factor of 0.65. The regulation empowers the Peruvian Ministry of Economy and Finance (MEF) to update these factors within pre-established ranges.
  - Supreme Decree No. 301-2025-EF set the value of the Peruvian tax units (UIT by its acronym in Spanish) at S/5,500 for 2025. This implies changes in various tax parameters, such as the exempt income threshold for employment income, the limits for eligibility for certain regimes such as the MYPE Tax Regime, the brackets applicable to property tax and sales tax, the calculation of income-based fines, and the determination of the non-taxable portion of different taxes.
  - Supreme Decree No. 320-2023-EF, which regulates Legislative Decree No. 1535, establishes the gradual implementation of the tax compliance profile system, through which SUNAT rates taxpayers in categories from A to E and considers variables such as compliance with returns, payments, installments, enforced debts, and response to requests. The rating grants benefits or generates administrative restrictions, as appropriate.
  - Law No. 32387, published on June 16, 2025, approved a progressive increase in the Municipal Promotion Tax (IPM) rate from 2% to 4% between 2026 and 2029, accompanied by an equivalent reduction in the VAT rate, maintaining the joint tax burden at 18%. According to the legislative technique used, the modification of the VAT and IPM rates will take full effect only in 2029.
  - Law No. 32219, published on December 29, 2024, established a special VAT rate for micro and small enterprises engaged in restaurant, hotel and tourist accommodation activities, set at 8% for 2026 and 12% for 2027. The corresponding IPM must be added to these rates.
  - Resolutions 000217-2025/SUNAT and 000392-2025/SUNAT provided for the postponement of the obligation to keep Sales and Income and Purchase Records through the Integrated Electronic Records System (SIRE) by the main taxpayers. The start of the obligation, initially scheduled for July 2025, was rescheduled first to January 2026 and then to June 2026 for those taxpayers with incomes above 2,300 Peruvian tax units (UIT) in 2024.
  - Resolution 000026-2025-SUNAT/700000 again extended the discretionary power not to sanction certain infractions related to the issuance of Electronic Remittance Guides (GRE) in the foreseen cases, extending its validity for infractions detected from July 1, 2025 to June 30, 2026.
  - Supreme Decree 303-2025-EF approved rules for the performance of remote appearances in audit processes and inductive actions, as well as the regulation of access profiles to the taxpayer's accounting systems, allowing remote viewing by SUNAT during the audited periods. Likewise, the Audit Regulations were modified to adapt them to these new powers.
  - Publication of new Subjects Without Operational Capacity (SSCO) in accordance with Legislative Decree No. 1532. Inclusion in this category may lead to not knowing the VAT tax credit and other related benefits, as well as possible contingencies for non-real operations.

- SUNAT Report No. 000104-2025: Peruvian tax authorities specified that only intangible assets of limited duration acquired from third parties are subject to amortization for Income Tax purposes. Internally generated intangible assets are not subject to amortization or deductible as an expense for net income; they can only be considered a computable cost in the event of disposal. Management is evaluating this position in order to mitigate potential future risks.

## 27 REVENUE FROM ORDINARY ACTIVITIES

Income flow

The Company generates cash flows from its activities distributed among its performance obligations as indicated in Note 2.17.

	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Revenue from ordinary activities arising from contracts with customers - Gold bullion (a)	<u>977,889</u>	<u>698,700</u>
Total revenue	<u><u>977,889</u></u>	<u><u>698,700</u></u>

- (a) The final price is subject to future settlement in accordance with the commercial contracts entered into with its customers, which normally fluctuates between 3 and 4 days after the delivery of the doré bars to the customer. The final adjustment is based on market prices whose terms are set forth in the commercial contract. As of December 31, 2025, the balance due to price adjustment amounts to US\$ 1,796 thousand equivalent to S/6,048 thousand (as of December 31, 2024, the balance amounts to US\$ 3,239 equivalent to S/12,210 thousand).

In the following table, revenue from ordinary activities arising from contracts with customers is broken down by the main performance obligations:

	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Main performance obligations		
Mineral sales and laboratory services	<u>977,889</u>	<u>698,700</u>
	<u><u>977,889</u></u>	<u><u>698,700</u></u>

Laboratory services represent 0.05% and 0.04% of sales in 2025 and 2024, respectively.

### *Performance obligations and revenue recognition policies*

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control, which occurs when it has delivered the goods at a specific point in time.

See accounting policy in Note 2.17.

## 28 COST OF SALES

This item comprises:

	<u>Note</u>	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Opening inventory of finished goods	9	14,442	7,349
Opening inventory of in-transit products	9	751	488
Production cost (a)		581,857	463,156
Contributions for regulation - OSINERGMIN and OEFA		1,868	1,326
Final inventory of finished products	9	(802)	(14,442)
Final inventory of in-transit products	9	(13,611)	(751)
		<u>584,505</u>	<u>457,126</u>

See accounting policy in Note 2.18.

The cost of production mainly comprises:

	<u>Note</u>	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Artisanal miners (a)		257,353	184,478
Amortization	14	98,648	79,442
Mining contractors		41,108	34,209
Transportation and storage		35,703	23,206
Security service (b)		31,731	25,526
Personnel expenses	31	21,584	18,129
Consumption of inputs and supplies		21,227	23,417
Depreciation	12 and 13	15,107	12,971
Workers' profit sharing	25	13,494	6,861
Camp cleaning and metalworking		10,333	9,508
Maintenance and repair		7,175	9,047
Staffing services		4,399	2,486
Food and accommodation		3,584	2,922
Electrical energy		3,552	3,539
Civil construction contractors		3,507	5,402
Machinery and equipment rental		3,046	10,205
Depreciation due to Mine Closure	12	1,315	1,008
Environmental management		1,292	2,679
Sampling and analysis		1,271	1,868
Software license expenses		1,086	854
Geology, mining and plant advisory and consulting services		1,040	3,251
Landline, mobile, internet and satellite connection		393	929
Communications		379	257
Office supplies		75	453
Others		3,455	509
		<u>581,857</u>	<u>463,156</u>

(a) The variation comprises the increase in the work performed by artisanal miners and the increase in the price of the gold ore extracted as part of their work.

(b) The variation is due to the reinforcement of security for the protection of the concessions and assets of the mining unit, as a consequence of the attacks.

## 29 SELLING EXPENSES

This item comprises:

	<u>Note</u>	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Sale participation (a)		28,433	18,881
Services received from third parties (b)		1,533	1,399
Personnel expenses	31	57	50
Workers' profit sharing	25	37	17
Others		103	60
		<u>30,163</u>	<u>20,407</u>

See accounting policy in Note 2.18.

- (a) It comprises the compensation that the Company has to pay to the holders of certain mining concessions, in accordance with the provisions set forth in contracts for the assignment of exploitation rights. Such compensation results from applying a percentage on the value of the gold bullion sold by the Company.

As of December 31, 2025 and 2024, the Company has entered into 10 sale participation agreements. These contracts do not have an expiration date and the percentages of participation on sales in both years fluctuate between 0.0173% and 6%.

- (b) Services received from third parties mainly include land and air transport for the sale of gold bullion, as well as refining expenses abroad.

## 30 ADMINISTRATIVE EXPENSES

This item comprises:

	<u>Note</u>	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Personnel expenses	31	24,910	16,366
Other management charges (b)		18,077	15,826
Services received from third parties (a)		12,625	9,977
Mining Royalty Law No. 29788	26	9,915	6,976
Workers' profit sharing	25	4,541	2,081
Depreciation	12 and 13	1,925	1,782
Provision for litigation	19	229	251
Provision for impairment of other receivables		22	35
Others		277	268
		<u>72,521</u>	<u>53,562</u>

See accounting policy in Note 2.18.

(a) Services received from third parties mainly comprise:

	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Advisory and consulting services	3,454	3,706
Personnel services	1,918	127
Security services	1,635	873
Land and air transport of employees	1,244	715
Civil works	936	338
Satellite link, landline and mobile phone	719	155
Accommodation and food	469	219
Equipment rental	381	597
Maintenance and repair	346	751
Cleaning services	281	240
Office rental	188	17
Bank charges	44	58
Electrical energy	34	45
Environmental management	19	444
Other services	957	1,692
	<u>12,625</u>	<u>9,977</u>

(b) Other management charges comprise:

	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Insurance	9,251	6,896
Donation expenses	6,474	5,629
Licenses	1,445	1,818
Other services	907	1,483
	<u>18,077</u>	<u>15,826</u>

### 31 PERSONNEL EXPENSES

This item comprises:

See accounting policy in Note 2.16.

Note	Cost of sales (Note 28)		Selling expenses (Note 29)		Administrative expenses (Note 30)	
	2025 US\$000	2024 US\$000	2025 US\$000	2024 US\$000	2025 US\$000	2024 US\$000
	10,214	9,244	37	30	4,228	3,566
	4,185	3,296	5	6	793	782
	2,588	1,417	-	2	161	303
	1,672	1,529	6	5	720	616
	1,041	962	-	1	358	280
	988	917	4	3	431	372
	904	764	5	3	407	308
16 (b)	-	-	-	-	17,812	10,139
	<u>21,584</u>	<u>18,129</u>	<u>57</u>	<u>50</u>	<u>24,910</u>	<u>16,366</u>

### 32 FINANCIAL INCOME AND EXPENSES, NET

This item comprises:

	<u>Note</u>	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
<b>Financial income</b>			
Interest on fixed-time deposits		1,281	1,448
Loan interest		782	355
		<u>2,063</u>	<u>1,803</u>
<b>Financial expenses</b>			
Cost of derivative options (a)		1,147	227
Interest on discounted financial liabilities		2,486	2,414
Expense for updating the mine closure provision	20	967	1,293
Stock market expenses		238	163
Interest on lease liabilities	13	99	112
Expense for derivative financial instrument (b)		-	6,148
Others		1,090	543
		<u>6,027</u>	<u>10,900</u>

- (a) As of December 31, 2025, the Company maintained a higher proportion of put options that require the payment of a premium at the beginning of the trade. In contrast, in 2024, the hedging strategy was mostly based on zero-cost options, which do not generate initial premium payments. As a result, financial expenses in 2025 reflect a higher cost associated with contracting these options.
- (b) It corresponds to derivative contracts that seek to mitigate the risk of the volatility of the price of a troy ounce of gold in order to set future prices to ensure flows from sales. The operations are carried out under the framework of the International Swaps and Derivatives Association (ISDA) with international financial institutions such as Macquarie Bank Limited, Techemet, among others.

As of December 31, 2025, the Company does not present results from derivative instruments, as it does not maintain current operations of this type. As of December 31, 2024, this type of derivatives resulted in a net loss of financial instruments for US\$ 6,148 thousand, equivalent to S/23,093 thousand.

See accounting policy in Note 2.4.

### 33 EARNINGS PER SHARE

The earnings per common share are as follows:

	<u>2025</u> <u>US\$000</u>	<u>2024</u> <u>US\$000</u>
Attributable profit for the year	211,296	108,970
Denominator		
Shares outstanding	1,000,000	8,000,000
Earnings per common share (in Peruvian soles)	0.211	0.136

See accounting policy in Note 2.24.

### 34 OTHER INCOME AND EXPENSES

As of December 31, 2025 and 2024, this item comprises:

	<u>Note</u>	<u>2025</u> US\$000	<u>2024</u> US\$000
Other income -			
Land rental		6,333	4,457
Equipment rental		1,927	805
Revenue from sale of warehouse materials		513	9
Gain from sale of fixed assets		68	180
Insurance recovery		18	278
Other income		63	30
		<u>8,922</u>	<u>5,759</u>
Other expenses -			
Sanctions and fines		172	64
Depreciation of warehouse inventory	9	65	-
Cost of writing off fixed assets	12	47	2,524
Others		-	150
		<u>284</u>	<u>2,738</u>

### 35 ENVIRONMENT

The Company's activities are regulated by the Single Ordered Text, Supreme Decree No. 014-92 EM of the General Mining Law; Law No. 28611 General Environmental Law (repealing Legislative Decree No. 613 Environmental and Natural Reserves Code); Supreme Decree No. 040-2014-EM, Regulations on Environmental Protection and Management for Mining Activities, Processing, General Labor, Transportation, and Storage. In compliance with the aforementioned regulations, the Company has carried out environmental studies established in its Environmental Adaptation and Management Program (PAMA), which was submitted to the Peruvian Ministry of Energy and Mines on July 31, 1996, and approved on March 27, 1997, by Directorial Resolution No. 129-97 EM/DGM for US\$1,360 thousand. Subsequently, on September 21, 1999, it submitted an amendment to the PAMA, which was approved by Directorial Resolution No. 41-2001 EM/DGAA on February 8, 2001, for US\$1,571, with an execution period until December 31, 2001.

By means of Directorial Resolution No. 028-2003-CM/DGM of January 27, 2003, the 18 PAMA investment projects were approved for a total of US\$1,576 thousand. These disbursements were mainly intended to improve and expand the existing tailings fields, the evaluation and selection of new tailings fields, improvement of waste management, control of dust on roads and the rehabilitation of areas through afforestation programs and reduction of wood consumption inside the mine. The Company has also been complying with the Environmental Impact Studies of the Santa María I Plant, approved by Directorial Resolution No. 011-2017-SENACE-JEF\_DEAR which approves the first modification of the Santa Maria EIA to 1000 TMD of November 24, 2017, and of the Marañón Plant, approved by Directorial Resolution No. 450-2014-MEM-DGAAM of September 1, 2014 dated August 28, 2014. The aforementioned Environmental Impact Studies establish management plans and corresponded to: tailings management, deforestation, community relations, and mine and plant effluent monitoring programs.

As of December 31, 2023, investment expenses and maintenance and monitoring costs of the 18 PAMA projects corresponding to the fourth quarter of 2023 amounted to US\$937 thousand in the Poderosa Production Unit and there was an accumulated expenditure as of December 31, 2023 of US\$2,827 thousand.

Also, for the fourth quarter of 2023, the expenses of the Progressive Closure Plan amounted to US\$148 thousand in the Poderosa Production Unit and there was an accumulated expenditure of US\$326 thousand.

Environmental management expenditures for the fourth quarter of 2024 amounted to US\$2,386 thousand in the Poderosa Administrative Economic Units of Trujillo, Libertad, Suyubamba, Lavasen, Condormarca and Montañitas and there was an accumulated expenditure as of December 31, 2025 for US\$7,668 thousand (US\$7,668 thousand as of December 31, 2024).

### **36 CONTINGENCIES AND COMMITMENTS**

As of December 31, 2025, the Company maintains the following contingencies:

#### *Tax processes*

##### *Tax Litigation Procedure: Income Tax 2015 - Claim File No 015034001757*

On November 29, 2019, Determination Resolution No. 0120030108129 was notified, regarding the payment of income tax adjustments for the 2015 tax year, as well as Fine Resolution No. 0120020033180, for the alleged commission of the offense defined in paragraph 1 of Article 178 of the Peruvian Tax Code.

The objections raised by SUNAT correspond to: (i) Ore on site not recognized as work in progress for S/5,460 thousand, (ii) Improper deduction for depreciation of unaccounted fixed assets for S/1,028 thousand, (iii) Improper deduction for depreciation of unaccounted fixed assets for S/224 thousand, and (iv) Workers' profit sharing without proof of payment for S/43 thousand.

On December 27, 2019, the Appeal was filed, processed in Case No. 0150340017571.

On September 25, 2020, the Company was served notice of Administrative Resolution No. 0150140015590, which declares the claim filed by the Company to be groundless and confirms and continues with the updated collection of the tax debt contained in Determination Resolution No. 012-003-0108129 and Fine Resolution No. 012-002-0033180.

On October 16, 2020, the Company filed an Appeal against Administrative Resolution No. 0150140015590. On November 27, 2020, a brief was filed expanding on the grounds for the appeal.

On May 21, 2025, the oral report was carried out before Chamber Three of the Peruvian Tax Court.

On July 2, 2025, Resolution No. 05956-3-2025 was issued, whereby the Tax Court decided to revoke Administrative Resolution No. 0150140015590 in relation to the objection regarding minerals on site not recognized as work in progress, and its impact on the related fine; and confirmed the objections regarding improper deductions for unaccounted depreciation of fixed assets and workers' profit sharing without proof of payment within the established period, for which reason SUNAT must recalculate Determination Resolution No. 012-003-0108129.

Subsequently, pursuant to Determination Resolution No. 012-003-0108129 notified on July 18, 2025, Peruvian tax authorities carried out the reassessment of the 2015 Income Tax based on the provisions of Resolution No. 05956-3-2025. The appeal file is concluded and, as of December 31, 2025, it was paid by the Company for an amount of S/353 thousand and recognized in "other expenses".

#### *Judicial and labor procedures*

As of December 31, 2025, there are several lawsuits pending against the Company, in which the payment of the following is claimed:

- (a) Nullity of administrative act for US\$ 347 thousand (S/1,169 thousand);
- (b) The obligation to give an amount of US\$ 1,841 thousand (S/6,201 thousand); and
- (c) Social benefits, compensation for violation of labor standards to former workers and contractors for approximately US\$ 1,344 thousand (S/4,527 thousand).

Management and its legal advisors consider that there are strong legal arguments to obtain a favorable outcome, which will not have a material impact on the Company's separate financial statements.

#### *Guarantees - Performance bonds*

As of December 31, 2025, the Company maintains the following performance bonds:

- Renewal of the performance bond in favor of the Peruvian Ministry of Energy and Mines to guarantee compliance with the mine closure plan of the Poderosa mining unit due January 9, 2026 for the total amount of US\$52,000 thousand including VAT.
- Issuance of the performance bond with maturity on October 23, 2026 up to the total amount of US\$ 363 thousand (S/1,224 thousand) in favor of the Regional Government La Libertad to guarantee faithful compliance for the preparation of the equivalent Document under the Investment Agreement for the execution of the Project "BRIDGE CONSTRUCTION ON THE DEPARTMENTAL ROAD LI-124 DISTRICTS OF CONDORMARCA, BOLIVAR PROVINCE, DEPARTMENT OF LA LIBERTAD" WITH UNIQUE INVESTMENT CODE N°2637287".
- Issuance of the performance bond with maturity on October 23, 2026 up to the total amount of US\$ 26 thousand (S/88 thousand) in favor of the Regional Government La Libertad to guarantee faithful compliance for the supervision of the equivalent Document under the Investment Agreement for the execution of the Project "BRIDGE CONSTRUCTION ON THE DEPARTMENTAL ROAD LI-124 DISTRICTS OF CONDORMARCA, BOLIVAR PROVINCE, DEPARTMENT OF LA LIBERTAD" WITH UNIQUE INVESTMENT CODE N°2637287".
- Issuance of the performance bond with maturity on December 18, 2026 up to the total amount of US\$ 9 thousand (S/30 thousand) in favor of the Regional Government of La Libertad to guarantee faithful compliance with the preparation of the Technical File under the Investment Agreement for the execution of the Project "Improvement of the primary education service and secondary education service in i.e. 80743 Santo Tomas de Aquino, Vijus town, district of Pataz, Province of Pataz, department of La Libertad", with unique investment code No. 2695211".
- Issuance of the performance bond with maturity on December 18, 2026 up to the total amount of US\$ 34,111 thousand (S/114,887) in favor of the Regional Government of La Libertad to guarantee faithful compliance with the supervision of the work under the Investment Agreement for the execution of the Project "Improvement of the primary education service and secondary education service in i.e. 80743 Santo Tomas de Aquino, Vijus town, district of Pataz, Province of Pataz, department of La Libertad", with unique investment code No. 2695211".
- Issuance of the performance bond with maturity on May 15, 2026 up to the total amount of US\$ 30 thousand (S/100 thousand) in favor of PROINNOVATE to guarantee the timely fulfillment of each obligation assumed for the execution of the project: "PHASE 2: DEVELOPMENT OF POTENTIAL CIRCULAR ECONOMY SOLUTION TO REUSE MINE TAILINGS FROM B256'S OPERATIONS: G299.
- Issuance of the global bank bond maturing December 31, 2026 up to the total amount of US\$100 thousand per year in favor of SUNAT to guarantee compliance with customs tax debts related to import guarantees (DAM).

#### *Commitments*

As of December 31, 2025 and 2024, the Company maintains a commitment for assignment contracts related to some mining concessions that involve the payment of future royalties, which will be offset when the exploitation and sale of the gold ore is generated against the advance granted (Note 10).

**37      SUBSEQUENT EVENTS**

After December 31, 2025 and the authorization date for issuance of the separate financial statements, no other subsequent events have occurred that may require any additional disclosure in the notes or any adjustment to the balances presented in these separate financial statements.

**Supplementary Information - Mineral Resources and Proven and Probable Reserves  
(Unaudited)**

*Resources and Reserves*

A summary of the Company's resources as of December 31, 2025 and 2024 is presented below:

- A. The ore resources determined by the Company as of December 31, 2025 and 2024 were as follows:

	<u>Metric Tons</u>	<u>Ore grades (MT)</u>	<u>Fine content (kgs.)</u>
Year 2025	2,088,720	13.15 grs/ gold	28,383
Year 2024	1,854,985	13.86 grs/ gold	25,707

The processed ore, the precipitate obtained, and their respective grades as of December 31, 2025, and 2024, were as follows:

	<u>Metric Tons</u>	<u>Ore grades (MT)</u>	<u>Fine content (kgs.)</u>
Year 2025	740,789	12.92 grs/ gold	8,933
Year 2024	697,701	14.50 grs/ gold	9,140

- B. The ore reserves determined by the Company as of December 31, 2025 and 2024 were as follows:

	<u>Metric Tons</u>	<u>Ore grades (MT)</u>	<u>Fine content (kgs.)</u>
Year 2025	1,845,782	13.56 grs/ gold	25,035
Year 2024	1,709,127	14.30 grs/ gold	24,448

- C. The ore volumes as of December 31 were as follows:

	<u>2025</u>	<u>2024</u>
Ounces		
Production	277,840	293,873
Sale	279,561	289,001



Avenida La Floresta Nro. 497, of. 501,  
Urb. Chacarilla del Estanque, San Borja, Lima, Perú  
Telephone: (01) 617-2727.

[www.poderosa.com.pe](http://www.poderosa.com.pe)