HOCHSCHILD
BEYOND MINING

ANNUAL REPORT 2024

Delivering on our strategy

Hochschild Mining PLC is a leading precious metals company listed on the London Stock Exchange with a primary focus on the exploration, mining, processing and sale of silver and gold.

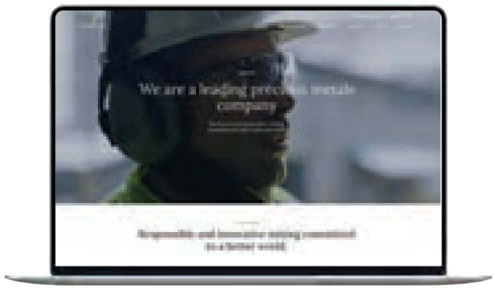
We have over 60 years of experience in the mining of precious metal epithermal vein deposits and currently operate two underground epithermal vein mines, one located in southern Peru and one in southern Argentina as well as the Mara Rosa open-pit mine in Brazil. We also have numerous long-term projects throughout the Americas.

STRATEGIC REPORT

GOVERNANCE

Market listing

Market: Main Market (FTSE 250)	**SEDOL:** B1FW502
ISIN: GB00B1FW5029	**Issue date:** 18 December 2006
Market segment: STMM	**Year-end:** 31 December 2024



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Visit our website hochschildmining.com

FINANCIAL STATEMENTS

FURTHER INFORMATION

Non-IFRS Financial Performance Measures

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

Hochschild at a glance

Inmaculada

PERU 221koz Au Eq

Inmaculada is a 20,000 hectare gold-silver underground mine. The mine consists of 40 mining concessions and is located in the Ayacucho Department in southern Peru.

READ MORE on page 32

3,630 Employees & contractors
$57.3m Wages paid
$8.3m Taxes & royalties
$48.9m Local procurement

Mara Rosa

BRAZIL 64koz Au

Mara Rosa is an open pit gold mine located in the mining-friendly jurisdiction of Goias State.

READ MORE on page 6

841 Employees & contractors
$7.6m Wages paid
$– Taxes & royalties
$62.1m Local procurement

281koz

TOTAL GOLD PRODUCTION 2024

Project pipeline

Hochschild currently has a strong project pipeline with assets based in Peru, Brazil and Chile. These include the new development project, Monte Do Carmo in Brazil, as well as former operations that still have strong geological potential and regional targets close to our current mines.

DEVELOPMENT PROJECTS

1. Monte Do Carmo (Brazil)
2. Royropata (Peru)
3. Volcan (Chile)

EXPLORATION PROJECTS

4. Ares (Peru)

San Jose

ARGENTINA 124koz Au Eq

San Jose is a gold-silver underground mine located in the Santa Cruz province, 1,750km southwest of Buenos Aires.

READ MORE on page 44

1,788 Employees & contractors
$68.9m Wages paid
$0.1m Taxes & royalties
$82.8m Local procurement

10.5moz

TOTAL SILVER PRODUCTION 2024

Dedicated to a sustainable future

Since the Company's inception, we have endeavoured to maintain and reinforce our corporate values of respecting the well-being of our employees, the environment and the communities in which we operate.

READ MORE on page 60

OUR PURPOSE

Responsible and innovative mining committed to a better world.

OUR VALUES

- Innovation
- Inspiring others
- Recognising talent
- Seeking efficiencies
- Demonstrating responsibility

READ MORE on page 12

Gold

Over the past several decades, the price of gold has been influenced by many different factors such as central bank buying, inflation, geopolitics, monetary policy and equity markets.

$2,406/oz

AVERAGE PRICE FOR 2024

READ MORE on page 14

Silver

Silver has tended to perform in line with gold demonstrating its store-of-value characteristics although with over 50% of silver demand coming from industrial uses, the metal can also move with other industrial metals in line with global growth expectations.

$28.5/oz

AVERAGE PRICE FOR 2024

OPERATIONAL HIGHLIGHTS

Our achievements and future outlook

Over the last few years, we have transformed the Hochschild Mining portfolio with the result that we now have a balanced business with mines and projects spread across South America that are delivering substantial low-cost growth. There have also been a number of changes to our leadership team with several new appointments including Chief Financial Officer, Chief Operating Officer and, most importantly, Eduardo Landin's promotion to Chief Executive Officer in August 2023.

Our Company explores, develops, mines and processes, and our ambition continues to be a business with a responsible and innovative approach committed to a better world. But we cannot do it on our own. So we strive to create partnerships that solve problems and create solutions with lower societal and environmental impact. The approach applies as much to community and employee relations as it does to incremental everyday progress, such as our safety and operational performance.

The Future

We now have two projects that are set to deliver long-term growth in gold and silver production. The first is the revival of our Pallancata/Selene district in southern Peru with the new Royropata zone which we believe will deliver a major new silver mine in the next four years. The second is the recently acquired Monte Do Carmo gold project in the Tocantins state in Brazil, not far from our Mara Rosa mine and expected to reach a construction decision sometime in the second half of 2025.

KEY HIGHLIGHTS

READ MORE on page 48

347.4 k oz

TOTAL GOLD EQUIVALENT PRODUCTION 2024
2023: 366.5 KOZ

$421 m

ADJUSTED EBITDA 2024
2023: $274M

1.94 c/share

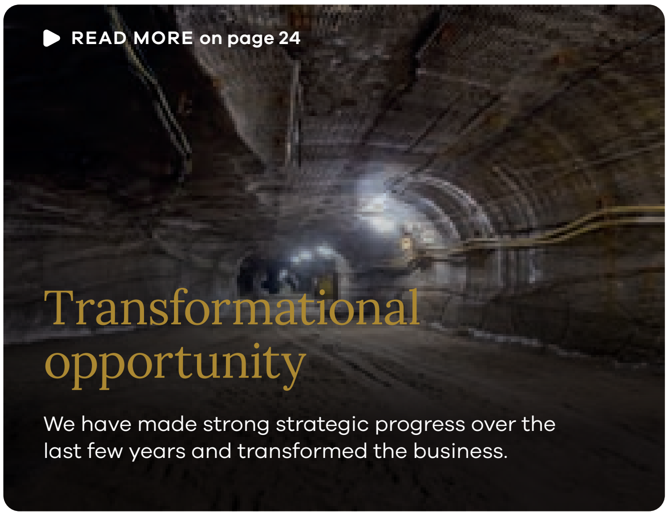
DIVIDEND PER SHARE
2023: NIL

1,709 m oz

RESOURCE BASE (AG EQUIVALENT)
2023: 1,506 MOZ

OUR INVESTMENT CASE

Low-cost precious metal growth potential in key jurisdictions in the Americas.



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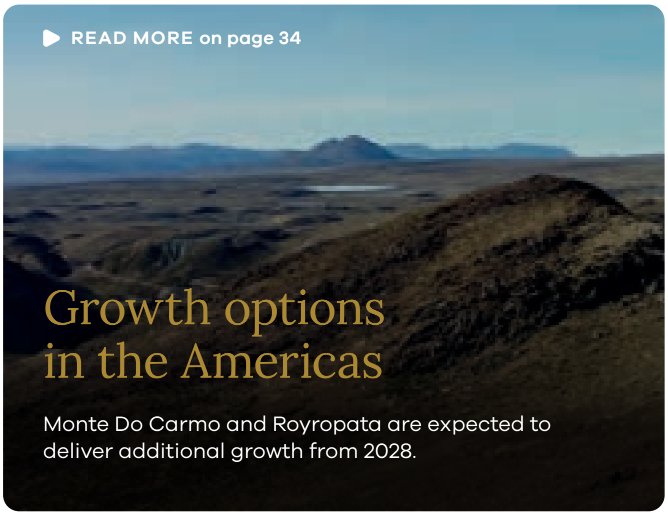
Transformational opportunity

We have made strong strategic progress over the last few years and transformed the business.



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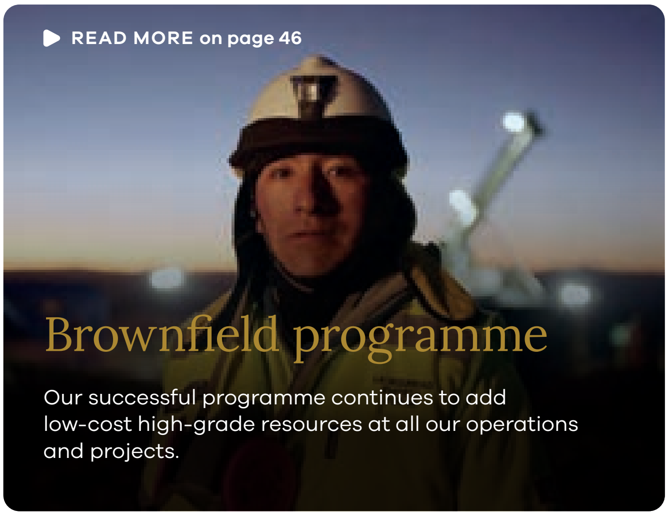
Growth options in the Americas

Monte Do Carmo and Royropata are expected to deliver additional growth from 2028.



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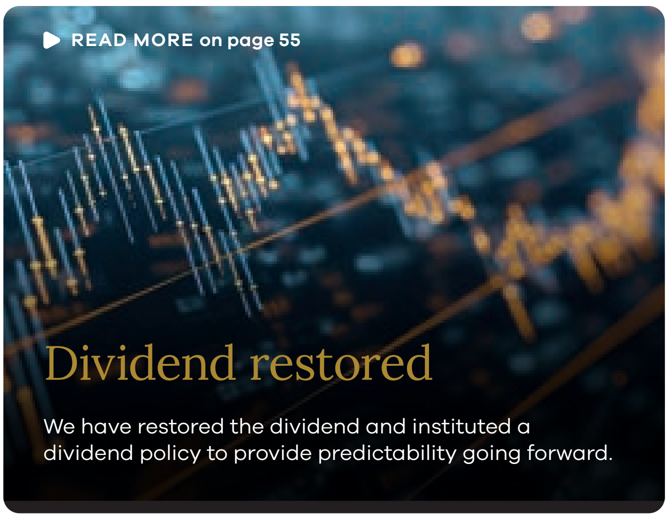
Brownfield programme

Our successful programme continues to add low-cost high-grade resources at all our operations and projects.

READ MORE on page 48

Strong profitability and balance sheet position

Our 2024 Adjusted EBITDA was up 54% at $421 million whilst our cash balance is $97 million as at 31 December 2024.



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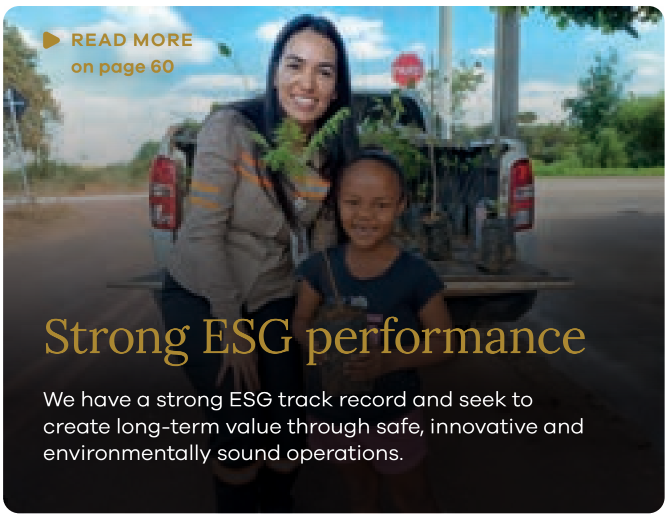
Dividend restored

We have restored the dividend and instituted a dividend policy to provide predictability going forward.



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Strong ESG performance

We have a strong ESG track record and seek to create long-term value through safe, innovative and environmentally sound operations.

Mara Rosa

Unveiling our jewel in Brazil

In April 2022, Hochschild acquired the Mara Rosa project, located in the mining-friendly jurisdiction of Goias State, Brazil. This high-quality asset plays to the Company's strengths as a South American precious metals specialist. Following almost two years of construction, first gold pour was achieved in February 2024 and Mara Rosa achieved commercial production in May.

Mara Rosa demonstrates our ability to develop and operate high-quality, low-cost assets in mining-friendly jurisdictions.

As the Company's first Brazilian asset, located only 350km from Brasilia, Mara Rosa benefits from excellent local infrastructure and connection to the national power grid.

The Mara Rosa team was pleased to host a group of analysts and investors at the site in October 2024 to showcase the progress made so far, and the opportunities ahead.

Powered by renewables

The solar plant at Mara Rosa, constructed in partnership with Solatio Energia, will supply renewable energy for Mara Rosa's operations. All energy to be produced by the solar plant is fed into the National Interconnected System, offsetting the total volume of energy consumed by the operations in Mara Rosa and supporting Hochschild's commitment to minimising its environmental footprint.

Growth potential

With an initial mine life of 10 years and strong geological potential, Mara Rosa is a long-term component in Hochschild's continued growth and value creation strategy. Production has ramped up fully and we expect to deliver 94,000 – 104,000 ounces of gold in 2025.

READ MORE
about Mara Rosa on page 38

Site visit
Analysts and investors attended a site visit at Mara Rosa in October 2024, seeing in person the progress that has been made at the asset and the clear opportunities for significant growth in the future.

TIMELINE

November 2021
Announcement of Amarillo Gold acquisition with measured and inferred resource of 32 million tonnes

2022
Environmental permits obtained, commencement of various workstreams including ESG programmes, powerline construction, processing plant construction. Work on reservoir completed

May 2023
Detailed engineering work reached 99% completion

July 2023
Total project progress reached 88% completion

October 2023
Solar plant construction began in partnership with Solatio Energia

December 2023
Construction of dry stack completed

February 2024
Operating License received from environmental agency of Goias (SEMAD)

20 February 2024
First gold pour

13 May 2024
Commercial production achieved

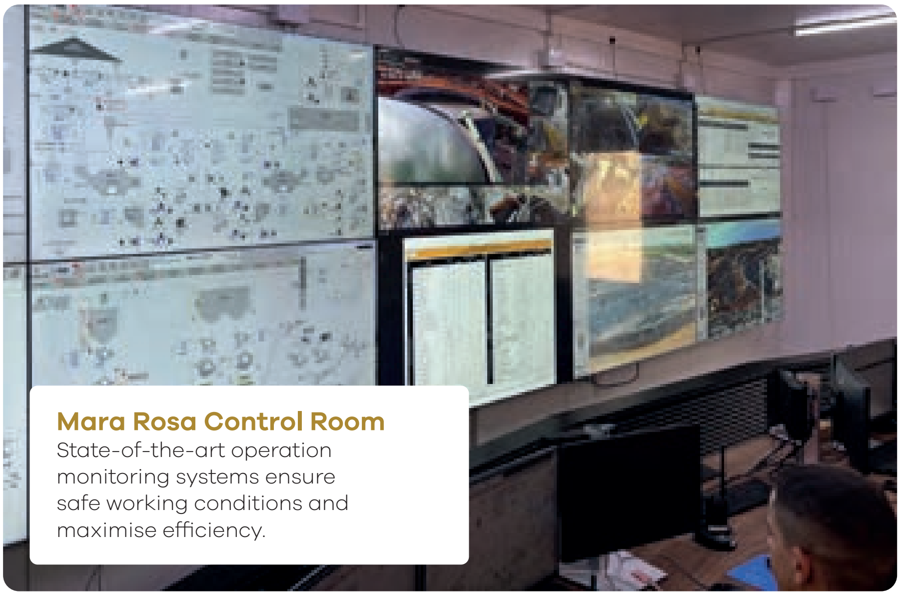
Driving GDP in Goias

Local communities in Goias, a mining-friendly jurisdiction just 350km from Brasilia, have been critical in the development of Mara Rosa, with Hochschild investing significantly in local procurement for the mine to date.

1,400
LOCAL WORKERS TRAINED

81%
OF MARA ROSA EMPLOYEES ARE FROM GOIAS

40%
OF MARA ROSA EMPLOYEES FROM NEARBY CITIES OF MARA ROSA AND AMARALINA



Mara Rosa Control Room
State-of-the-art operation monitoring systems ensure safe working conditions and maximise efficiency.

SENIOR LEADERSHIP TEAM

An experienced team implementing our strategy

Eduardo Landin
Chief Executive Officer

Eduardo Landin was appointed CEO on 26 August 2023. Eduardo previously served as Hochschild's COO for over 10 years.

He joined the Group in January 2008 as General Manager of the Company's operations in Argentina. In 2011 he became General Manager of Projects with direct responsibility over the development of the Inmaculada and Crespo Advanced Projects. Before joining Hochschild, Eduardo held the position of Corporate Development Manager at Cementos Pacasmayo and, prior to that, he worked in the Peruvian Ministry of Energy and Mines. Eduardo began his career at Repsol S.A. where he worked for over 10 years in England, Spain and Peru. Eduardo is a Chartered Mechanical Engineer and holds a B.Eng (Honours) in Mechanical Engineering from Imperial College, London and an Executive MBA from the Universidad de Piura, Peru. He is a Fellow of the British Institution of Mechanical Engineers.

Eduardo Noriega
Chief Financial Officer

Eduardo Noriega was appointed Chief Financial Officer of Hochschild Mining on 10 December 2021 having joined the Company in March 2007. Eduardo previously served as Head of Group Finance with responsibility for financial planning and controls, treasury, corporate finance, tax and accounting. Prior to joining Hochschild, Eduardo worked in various finance roles for Dell Inc., Union de Cervecerías Peruana Backus & Johnston and Del Mar Fishing Company. Eduardo is a graduate in Business Administration from Universidad del Pacifico and holds an MBA from the University of Texas.

Rodrigo Nunes
Chief Operating Officer

Rodrigo Nunes was appointed Chief Operating Officer of Hochschild Mining in August 2023 having joined the Company in 2021 as Corporate Director, Technical Services & Projects, covering the Company's operations, development projects and M&A efforts globally. Prior to that, he was Vice President of Mining for Optimize Group, a consulting engineering company based in Toronto. Rodrigo also held key technical and leadership roles in global mining companies including Yamana Gold, Vale and ArcelorMittal. He holds a Mining Engineering degree from the Universidade Federal de Minas Gerais, an MBA, Project Management degree from the Fundacao Getulio Vargas and a Master of Science, Mining and Mineral Engineering degree from the Universidade de Sao Paulo.

Oscar Garcia
Vice President, Brownfield Exploration

Oscar Garcia was promoted to the position of VP, Brownfield Exploration on 1 January 2019 having joined Hochschild Mining in 2007 as an Ore Control geologist. He has previously worked at Hochschild as Corporate Manager for Underground Geology, Ore Control and Brownfield Exploration. Prior to Hochschild Mining, Oscar worked as a geologist at Barrick Gold, Lonrho Mining Group and Compania Minera Aguilar. Oscar qualified as a geologist at the Universidad Nacional de Cordoba in 1981.

Jose Enrique Frias
Vice President, Legal & Public Affairs

Jose Enrique Frías joined Hochschild Mining as Vice President of Legal and Public Affairs in June 2024. Previously, he was Corporate Legal Manager and Associate General Counsel at Grupo Intercorp, a Peruvian business conglomerate with regional reach and investments in the financial, retail, and education sectors. Jose Enrique has also worked at law firms such as Miranda & Amado (Peru) and Simpson Thacher & Bartlett (New York). He holds a law degree from the Pontificia Universidad Catolica del Peru and an LLM from Columbia University.

Eduardo Villar
Vice President, People & Corporate Affairs

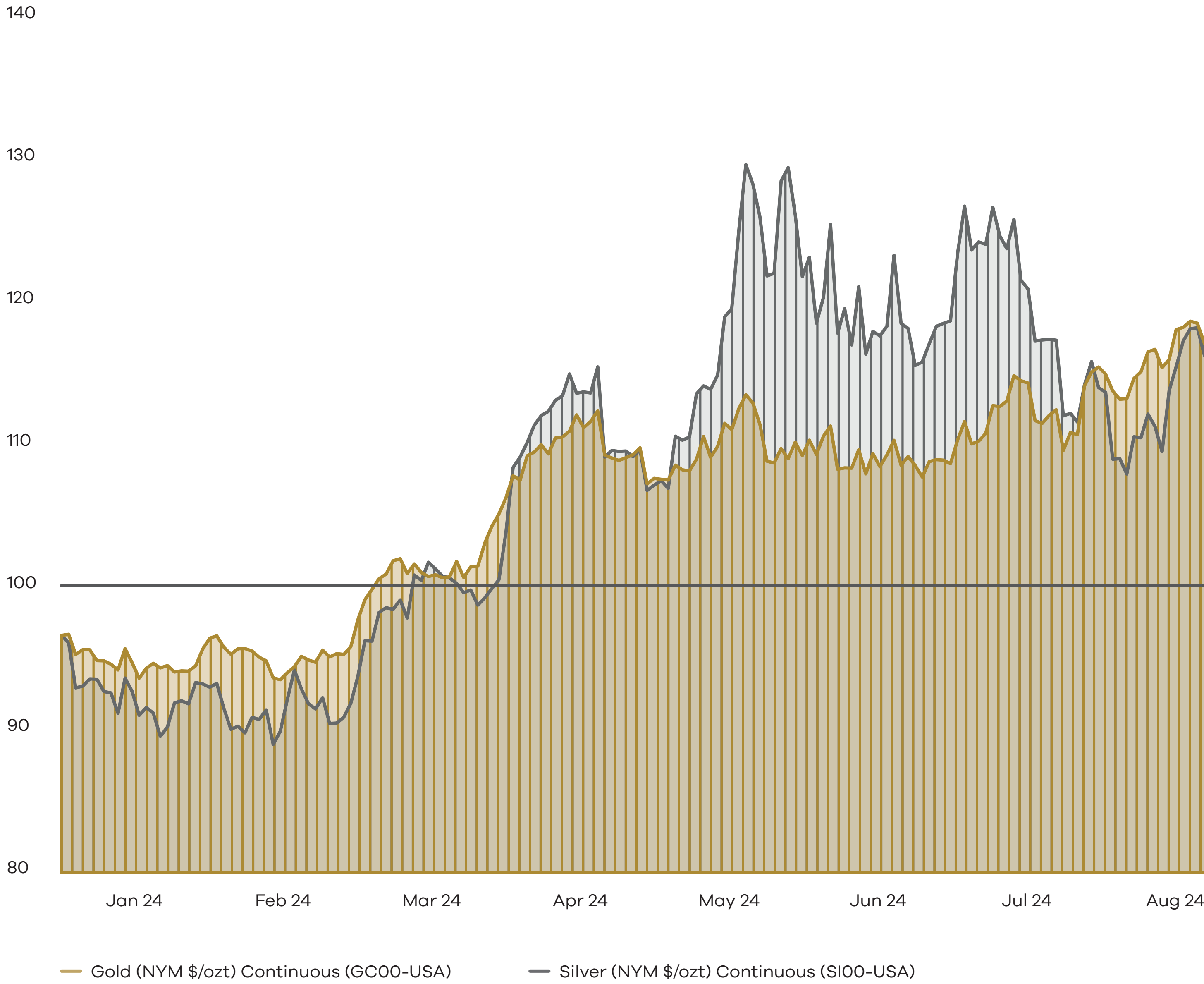
Eduardo Villar has been with the Group since 1996. Prior to his current position, he served as Human Resources Manager, Deputy HR Manager and Legal Counsel. Eduardo holds a law degree from the Universidad de Lima and an MBA from the Universidad Peruana de Ciencias Aplicadas. In addition, Eduardo has postgraduate qualifications in Business from IESE Business School and Harvard Business School and in Human Resources from London Business School and the University of Michigan.

MARKET REVIEW

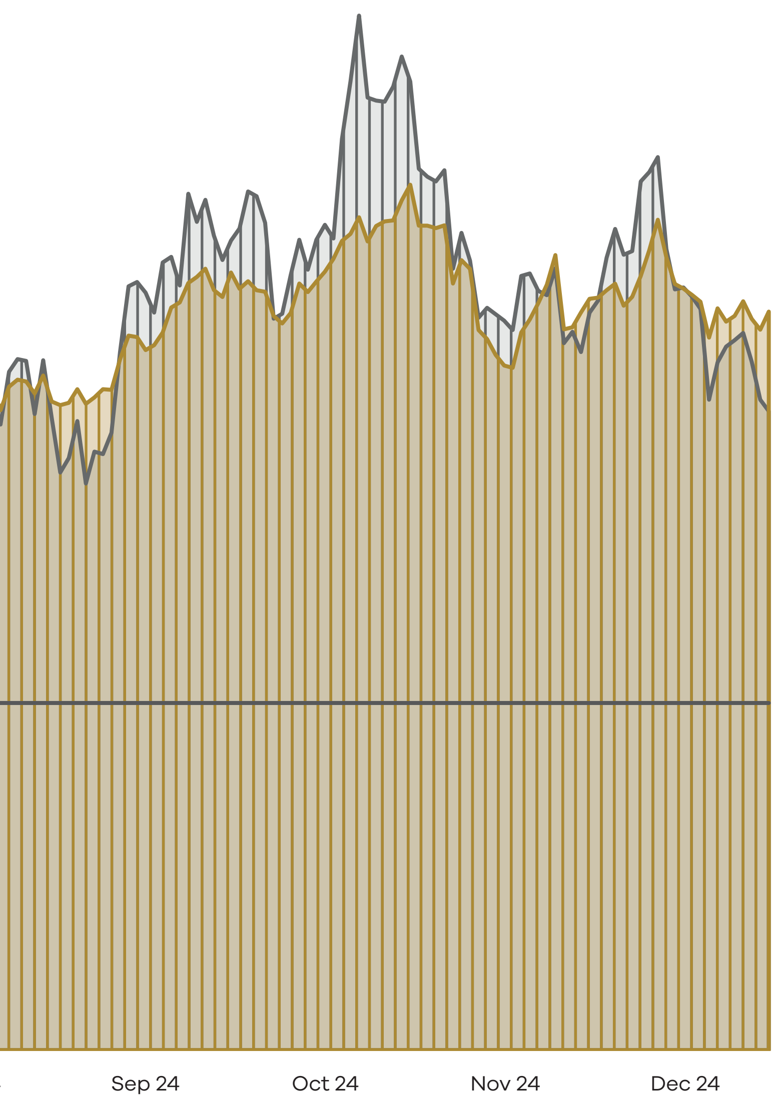
Our markets and their key drivers

Hochschild is subject to external market dynamics associated with the precious metals industry that inform decision-making and influence our business performance.

Gold and silver prices in 2024 (indexed)



Source: Nasdaq



Gold

The gold price ended 2024 at $2,641/oz, another record high year-end close and increasing by 27% year-on year.

$2,641/oz

2024 YEAR-END PRICE

The average 2024 gold price of $2,406/oz – also a record – was 23% higher than 2023.

+23%

AVERAGE PRICE VERSUS 2023

Silver

The silver price ended 2024 at $29.2/oz which is a 21% increase on the 2023 closing price.

$29.2/oz

2024 YEAR-END PRICE

The average 2024 silver price of $28.5/oz was also 21% higher than 2023.

+21%

AVERAGE PRICE VERSUS 2023

Gold

2024 was a year featuring significant global economic shifts and geopolitical uncertainties and gold was one of the top performers amongst most asset classes, outperforming stocks, bonds, and other commodities.

Summary

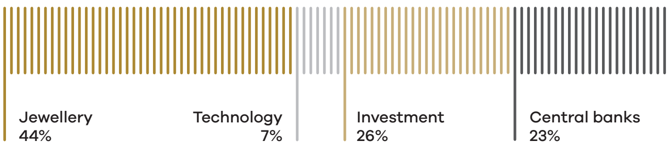
Gold is a precious metal bought by people across the world for different reasons, often influenced by socio-cultural factors, market conditions, and macro-economic drivers in their country.

Average 2024 price

$2,406 /oz

Supply

Demand



After starting the year at around $2,070 per ounce, the precious metal delivered a 27% return that was better than both equity and fixed-income investments. Despite a tough start that saw prices dip to the $2,000 level in mid-February, gold demonstrated remarkable resilience. The precious metal not only recovered but surged to reach a historic high of $2,800 in October, before settling around $2,650 in December. Three key factors have driven this performance in 2024. First, persistent inflation concerns, particularly in emerging markets, have reinforced gold's role as a hedge against currency devaluation. Second, central banks have continued to be strong buyers, with record purchases reflecting a potential long-term shift away from the U.S. dollar. Finally, the U.S. Federal Reserve's pivot toward rate cuts has made non-yielding assets like gold more attractive compared to fixed-income investments.

Total gold demand rose to a record annual total of 4,974t. Central banks continued their very strong purchases, exceeding 1,000t for the third year in a row. Annual investment reached a four-year high of 1,180t (+25%) and gold Exchange Traded Funds (ETF) had a sizeable impact with 2024 being the first year since 2020 in which holdings were essentially unchanged. Full-year bar/coin demand was in line with 2023 at 1,186t although the composition shifted as bar investment grew and coin buying reduced. Annual technology demand grew by 21t (+7%) in 2024, largely driven by continued growth in AI adoption. Conversely, gold jewellery demand declined – annual consumption dropped 11% to 1,877t as consumers could only afford to buy in lower quantities although spend on gold jewellery did rise 9% to $144bn.

Annual gold investment grew 25% – the strongest annual growth rate since 2020 and was concentrated in the second half of the year as rate cuts, geopolitical uncertainty and gold's price performance attracted inflows into gold ETFs. After sinking to a four-year low of 3,080t in April, global holdings recovered throughout the remainder of 2024, ending the year very close to where they had started.

Total gold supply in 2024 increased 1% to 4,974t, driven by higher mine production and recycling supply. Potentially, 2024 mine production may have reached an all-time high of 3,661t although this estimate may be revised at a later date. Early estimates also suggest that hedging fell during the year as companies delivered into maturing contracts and bought back some longer-dated hedges.

Possible drivers for gold in 2025

Central bank purchases are expected to remain a consistent source of gold demand.

Additional demand could come from investors seeking a hedge against still-high inflation or higher-risk investment in AI as well as further demand from Chinese investors capitalising on China's continued economic downturn and the government's expressed desire to depreciate the Renminbi.

A reduction in geopolitical risk, which could lower investment appetite for gold as a crisis hedge. For example, the suggestion of a possible deal between Russia and Ukraine could lead to gold seeing less "safe haven" demand in 2025.

The new Trump administration policies are not totally fixed, but tariffs are expected to ratchet up and the federal deficit is going to continue to widen significantly – both these being inherently inflationary which could increase investor appetite for gold.

Sources: World Gold Council, Metals Focus

Silver

Silver has tended to perform in line with gold, demonstrating its store-of-value characteristics although with over 50% of silver demand coming from industrial uses, the metal can also move with other industrial metals in line with global growth expectations.

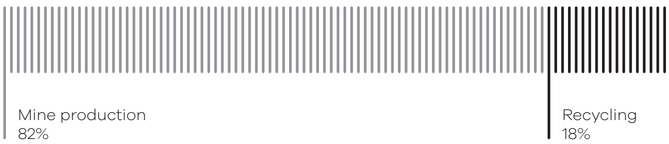
Summary

Silver is known for its lustrous appearance, malleability and conductivity and has been prized for centuries in jewellery, currency, and industrial applications. With a rich history tied to wealth and craftsmanship, silver plays a vital role in various sectors, from technology to medicine.

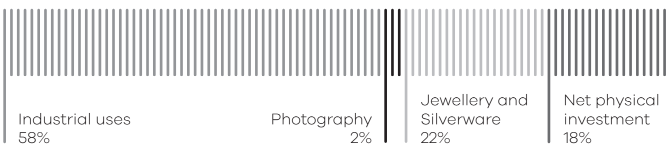
Average 2024 price

$28.5/oz

Supply



Demand



Silver prices were very strong in 2024, with the silver spot price increasing 21%, climbing from $24.1 to $29.2 per ounce and reaching a twelve-year high in October 2024 at almost $35 per ounce. Several key factors helped silver in 2024, including strong industrial demand in the face of persistent supply deficits and increased investment interest amid economic uncertainty in line with the performance of gold.

The global silver market is expected to have recorded a physical deficit for the fourth consecutive year. Record industrial demand and a recovery in jewellery/silverware will have lifted demand to approximately 1.2 billion ounces, while mine supply will have risen by just 1%. Physical investment is the only key demand component to post a material decline whilst industrial demand is forecast to have risen by 7% to surpass 700 million ounces for the first time.

Increased demand is also expected to have come from automotives, as silver benefits from the rising electrification of powertrains and ongoing investments in charging infrastructure. While a tough global macroeconomic backdrop has weighed on sales of consumer electronics, the rapid adoption of AI technology has resulted in a growing need for technological upgrades, replacements and new infrastructure investment, assisting silver demand.

Silver jewellery and silverware are both projected to have risen by 5% in 2024. For each segment, India has been key, with particularly strong sales between July and September when the import duty cut coincided with a pullback in the silver price.

Physical investment is forecast to fall by 15% to a four-year low of 208 million ounces with losses mostly in the US where coin/bar sales could decline by 40% to their lowest level since 2019. This may be due to the absence of a major new political crisis in 2024 which affected precious metal retail investment across the board. ETF products are on track for their first annual inflows in three years with reasons given being the expectations of US rate cuts, periods of dollar weakness and falling yields which raised silver's investment appeal.

On the 2024 supply side, mined silver production is estimated to have risen by 1% to 837 million ounces with growth from Mexico, Chile and the US expected to have offset lower output from Peru, Argentina and China. Production from Mexico is forecast to increase by 10 million ounces to 209 million ounces, driven by Pan American Silver's La Colorada operation as well as a recovery from Newmont's Penasquito mine.

Possible drivers for silver in 2025

Concerns about President Trump's tariffs may continue to fuel short covering and deliveries of silver into Chicago Mercantile Exchange warehouses as has been the case since late last year. Along with rising economic and geopolitical uncertainties this could continue to underpin the healthy recovery in the price since the start of 2025.

Global silver demand is expected to remain broadly stable in 2025 at 1.2 billion ounces, as gains in industrial applications and retail investment will be mitigated by weaker jewellery/silverware demand.

Total global silver supply is forecast to grow by 3% in 2025 to an 11-year high of 1.05 billion ounces. Silver mine production is expected to rise by 2% to 844 million ounces. In China, growth will come from base metal and gold operations, whilst the ongoing ramp-up of Hecla's Keno Hill (Canada), Gold Fields' Salares Norte (Chile) and Aya Gold and Silver's Zgounder (Morocco) will contribute to rising output.

The silver market is forecast to remain in a deficit in 2025 for the fifth year running.

Sources: Silver Institute, Metals Focus

CHAIR'S STATEMENT

Another important year for strategic development

Eduardo Hochschild
Company Chair

$948m
REVENUE
2023: $694m

$421m
ADJUSTED EBITDA
2023: $274m

I am very pleased to report that we have made good progress across the entire business during the year.

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

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

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

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

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

2024 was a year of solid financial discipline and progress, as we made significant strides in achieving our medium-term financial targets.

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

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

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

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

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

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

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

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

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

Eduardo Hochschild
Company Chair

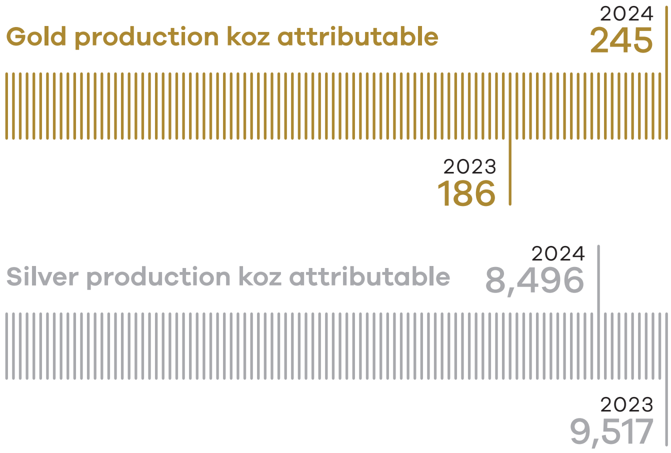
11 March 2025

CHIEF EXECUTIVE OFFICER'S STATEMENT

An exciting future for growth in the Americas

Eduardo Landin
Chief Executive Officer

READ MORE ABOUT EDUARDO LANDIN on page 8



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

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

ESG

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

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

Operations

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

The Inmaculada mine delivered a strong performance in 2024, with an 8% increase in production, totalling 220,501 gold equivalent ounces (up from 203,849 ounces in 2023). This was largely driven by a series of successful operational efficiency initiatives aimed at increasing overall mined tonnage. The AISC for Inmaculada was $1,512 per gold equivalent ounce. Over at San Jose, production was in line with expectations at 123,732 gold equivalent ounces in 2024 (2023: 134,264 ounces), primarily reflecting scheduled lower grades. In addition, a $9 million project to expand plant capacity by approximately 20% was successfully completed by the end of the year, enabling the future treatment of existing lower-grade ores. AISC for San Jose was higher than anticipated at $1,973 per gold equivalent ounce, due to continued inflationary pressures in Argentina, without the benefit of currency devaluation to offset cost increases.

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

Projects

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

Total Group production was 11% higher than 2023 and this was boosted by a 19% rise in the gold price received and a 22% rise in the silver price.

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

Exploration

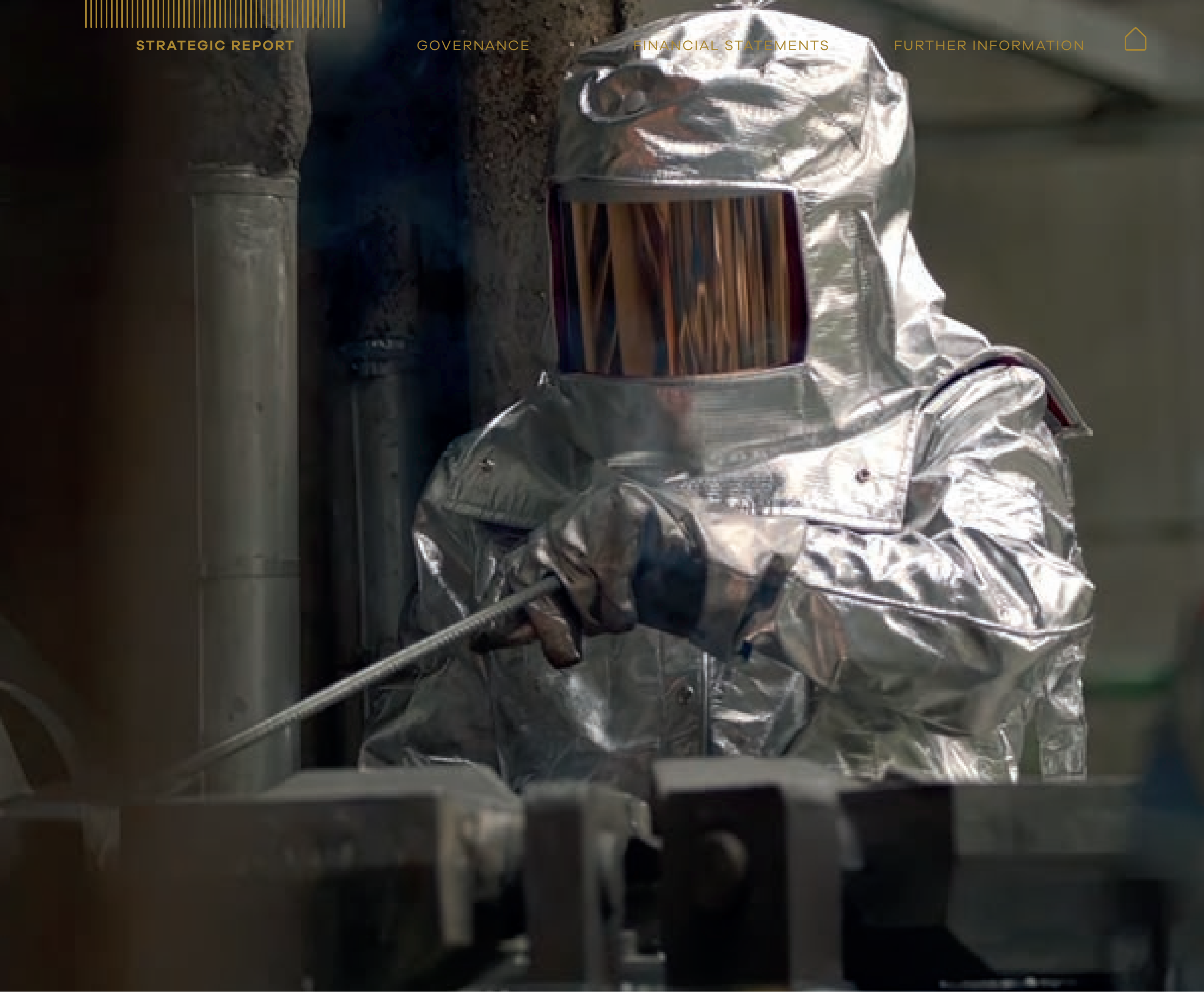
Brownfield exploration remains one of the cornerstones of our strategy, and I am proud of the work accomplished by Oscar Garcia and his dedicated brownfield team. Their efforts have resulted in a record year of resource additions, with 2.8 million gold equivalent ounces added across all our operations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

Financial position

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

Financial results

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



Outlook

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

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

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

Eduardo Landin
Chief Executive Officer

11 March 2025

Creating sustainable value

We are guided by our purpose...

Responsible and innovative mining committed to a better world

and respond to the world around us.

We always aim to maintain and reinforce our corporate values of respecting the well-being of our employees, the environment and the communities in which we operate whilst providing an attractive investment proposition for our shareholders.

READ MORE IN OUR SUSTAINABILITY REPORT on page 60

We use these resources...

Mineral
Our high-quality mineral resource base allows us to manage the business for the long term.

Natural
We aim to effectively manage the water and energy requirements of our mining and processing activities.

Human
Our talented people use industry-leading technical, market and sustainability expertise to generate value from our assets.

Physical
Strong relationships with our suppliers across the world enable us to deliver tailored equipment and operating solutions.

Financial
Our focus on cost efficiency and disciplined capital allocation help deliver sustainable cashflow and improve stakeholder returns.

to create value...

1

2

Underpinned by our strategic pillars and our sustainability areas of focus

Strategic pillars	Sustainability areas of focus
ESG	Serving our communities page 64
Disciplined capital allocation	Protecting the environment page 66
Operational efficiency	Ensuring health & safety page 72
Brownfield	Empowering our people page 74
	Being a responsible business page 78

1. Discover

We have strong expertise in discovering geological districts and our experienced exploration team believes that there is potential to continue to generate strong returns from the Company's existing resource base.

2. Develop

We progress our projects quickly and efficiently and the ability to operate in remote locations remains a core competitive advantage along with our extensive knowledge of the key mining jurisdictions throughout the Americas.

3. Extract

Our extensive knowledge base of different ore bodies as well as a variety of environments has resulted in us consistently meeting annual operational targets, implementing cost efficiency programmes and adding to our resource base.

4. Restore

The future use of our land has always been a fundamental consideration and we have a long track record of restoring our areas to a safe and stable physical condition in accordance with the surrounding landscape.

for all our stakeholders.

Communities

Local programmes focus on our core themes of education, health and socio-economic development, allowing us to operate collaboratively with communities across our regions.

$194m
LOCAL PROCUREMENT IN 2024

Employees

We aim to provide our people with personal development and competitive compensation whilst empowering them with learning opportunities and new challenges in a healthy and safe work environment.

3,309
NUMBER OF EMPLOYEES IN 2024

Customers

As we have relatively few customers, successful relations are of critical importance and our sales and logistics teams oversee a relationship of co-operation and constant dialogue.

12
TOTAL NUMBER OF CUSTOMERS

Suppliers

As a key influence on how we operate our business, we seek a relationship of mutual benefit while requiring high standards of conduct.

160,111
TOTAL NUMBER OF SUPPLIERS

Governments

It is our aim to maintain a constructive relationship and open dialogue with the various governmental authorities we interact with through direct engagement and also through various national mining associations.

$8.3m
TAXES AND ROYALTIES PAID IN 2024

Shareholders

We are committed to the principle of capital return and have announced the resumption of dividends along with a new dividend policy to provide more certainty through the investment cycle.

$126m
DIVIDENDS PAID SINCE 2016

OUR STRATEGY

Strategy for delivery and growth

Strategic pillars	Key priorities	2024 activities	2025 priorities
Brownfield READ MORE on page 46	**Extending life-of-mine** **Generating long-term value** **Focused on mineable resources**	– Inmaculada exploration added approximately 1.0 million gold equivalent ounces of inferred resources including the high-grade Tesoro vein – Approximately 1.3 million ounces gold equivalent of resource additions also achieved at Royropata – Over 200,000 ounces of gold added at Mara Rosa – Resources replaced at San Jose	– Exploration of eastern side of Eduardo belt at Inmaculada to assess continuity of structures in the northeast – Ongoing baseline studies to be carried out for Royropata modified Environmental Impact Assessment – Further exploration of the Royropata/ Marco belt – Mara Rosa programme to focus on Pastinho, Estrella, Morro Redondo and Serra Bom Jesus targets – Mapping and sampling to continue at Monte Do Carmo
Operational efficiency READ MORE on page 19	**Lean philosophy** **Process optimisation** **Proven development record** **On-Time On-Budget**	– Mara Rosa mine completed on time and on budget – Successful project at Inmaculada to increase tonnage delivers efficiencies in ventilation, mine support, ore control and blast length – San Jose plant expansion project completed	– Achieve production targets across the Company including first full year at Mara Rosa – Minimise impact of cost inflation, care and maintenance costs and macroeconomic volatility – Complete reverse osmosis plant and tailings dam projects at Inmaculada
ESG READ MORE on page 60	**Driving responsibility & respect** **World class safety performance** **2030 ESG KPIs in place** **Net Zero emissions by 2050**	– Received 2024 SEAL Business Sustainability Award for our ECO Score system – 5.58/6 in ECO Score, reflecting an excellent environmental performance – All-time low potable water consumption of 138l/person/day – Low Lost Time Injury Frequency Rate of 1.25 and zero fatal accidents – 29% of corporate procurement is local – Very low voluntary turnover of 4.9%	– Complete 2025 Sustainability Report – Conduct climate change financial quantification – Commence Human Rights assessment – Commence biodiversity-related assessments to ultimately align with Taskforce on Nature-related Financial Disclosures (TNFD)
Disciplined capital allocation READ MORE on page 48	**Funding organic growth** **Debt repayment** **Capital return** **Value accretive M&A**	– Monte Do Carmo project in Tocantins, Brazil, acquired for a total of $60 million – Dividend reinstated and dividend policy announced	– Continue to reduce net debt – Prepare balance sheet to finance future growth projects – Assess additional medium-term acquisition and disposal opportunities – Dispose of non-core assets

Key metrics	Risks	Case studies
+5 moz AU EQ TOTAL RESOURCES DISCOVERED SINCE 2006	– Political, legal and regulatory – Community relations – Exploration and reserve and resource replacement	**PERU** **Inmaculada** READ MORE on page 32 We have been highly successful in finding additional ounces in the rich Inmaculada district since the mine's first production in 2015 and we believe there is strong potential to identify more resources in the next decade.
$1,638/oz Au Eq 2024 OPERATIONS AISC	– Operational performance	**BRAZIL** **Mara Rosa** READ MORE on page 38 Construction of Mara Rosa commenced on completion of the Amarillo Gold acquisition in April 2022 and was completed on time and on budget. The project benefited from significant local industry know-how, strong support from the local community and government as well as excellent existing infrastructure.
1.25 LTIFR IN 2024	– Political, legal and regulatory – Community relations – Personnel: recruitment and retention – Health & Safety – Environmental – Climate Change	**ARGENTINA** **San Jose** READ MORE on page 44 Initiatives at San Jose seek to promote the economic and social development of neighbouring communities as well as creating jobs and promoting long-term sustainable initiatives. Key projects include the "Perito Moreno Textile Entrepreneurs" programme and "Frutillas Peritenses", a local fruit farming initiative.
$60 million TOTAL CONSIDERATION FOR MONTE DO CARMO ACQUISITION	– Commodity price – Operational performance	**BRAZIL** **Monte Do Carmo** READ MORE on page 40 Our acquisition of the Monte Do Carmo gold project for a total of $60 million was completed in November 2024 and gives the Company another exciting project in the mining friendly state of Tocantins which is adjacent to Goias where our recently competed Mara Rosa mine is located.

KEY PERFORMANCE INDICATORS

Measuring our performance

We made substantial progress in all areas of operations.

FINANCIAL MEASURES

PRODUCTION

33.9

MOZ AG EQUIVALENT

24	**33.9**
23	30.4
22	33.9
21	37.3
20	29.6

Links to strategy:
1 2 3 4

Links to remuneration:
Yes (Page 142)

Risks
Operational performance

Definition
Total silver equivalent production equals total gold production multiplied by a gold/silver ratio for 2022-2024 of 83x, 2020-2021 of 86x and added to the total attributable silver production.

Performance
Total silver equivalent production increased by 15% versus 2023 due to the increase in production from Inmaculada and the first contribution from the new Mara Rosa mine in Brazil.

Outlook
Total silver equivalent production is forecast to be 29.0 – 31.0 million silver equivalent ounces in 2025.

REVENUE

948

$M

24	**948**
23	693
22	736
21	811
20	622

Links to strategy:
1 2 4

Links to remuneration:
Yes (Page 142)

Risks
Operational performance and commodity prices

Definition
Revenue presented in the financial statements is disclosed as net revenue and is calculated as gross revenue less commercial discounts.

Performance
Total revenue increased by 37% versus 2023 due to the increase in production at Inmaculada, first production from Mara Rosa and the rise in precious metal prices offset by the absence of production from the Pallancata mine.

Outlook
Attributable silver equivalent production is forecast to rise to between 29.0 and 31.0 million silver equivalent ounces in 2025 assuming a gold/silver conversion ratio of 83x.

ADJUSTED EBITDA

421

$M

24	**421**
23	273
22	255
21	383
20	271

Links to strategy:
1 2 4

Links to remuneration:
Yes (Page 142)

Risks
Operational performance, precious prices

Definition
Calculated as profit from continuing operations before exceptional items, net finance costs, foreign exchange loss and income tax plus depreciation, and exploration expenses other than personnel and other exploration related fixed expenses and other non-cash (income)/expenses.

Performance
Adjusted EBITDA increased by 54% versus 2023 due to the first contribution from the new Mara Rosa mine and a strong performance from Inmaculada which was impacted in 2023 due to permit delays.

Outlook
Adjusted EBITDA for 2025 will depend on precious metal prices and cost control, along with the ability of the operations to operate normally.

STRATEGIC PILLARS:

1. Brownfield
2. Operational efficiency
3. ESG
4. Disciplined capital allocation

BASIC EARNINGS PER SHARE

0.23

$PRE-EXCEPTIONAL

24	**0.23**
23	0.02
22	0.01
21	0.14
20	0.06

Links to strategy:
1 2 4

Links to remuneration:
No

Risks
Operational performance, commodity prices

Definition
The per-share profit (using the weighted average number of shares outstanding for the period) available to equity shareholders of the Company from continuing operations before exceptional items.

Performance
Pre-exceptional earnings per share increased by 1,050% at $0.23 due to the substantial rise in Adjusted EBITDA.

Outlook
Pre-exceptional earnings per share will depend on EBITDA performance and the effective tax rate which may be impacted if local currencies including the Peruvian sol, Argentinian peso and Brazilian real continue to depreciate versus the US dollar.

DIVIDEND PER SHARE

1.94

US CENTS PER SHARE

24	**1.94**
23	–
22	2.0
21	4.3
20	4.0

Links to strategy:
2 4

Links to remuneration:
No

Risks
Operational performance, commodity prices

Definition
The per-share (using the weighted average number of shares outstanding for the period) dividend paid to equity shareholders of the Company as recommended by the Board.

Performance
The Board has announced a final dividend of $10 million for 2024.

Outlook
Dividend per share for 2025 will depend on the level of free cashflow of the Company, and is at the discretion of the Board and in accordance with the new implemented dividend policy.

ALL-IN SUSTAINING COSTS

19.7

$/OZ AG EQUIVALENT

24	**19.7**
23	17.5
22	18.9
21	16.0
20	12.9

Links to strategy:
1 2

Links to remuneration:
Yes (Page 142)

Risks
Operational performance, local cost inflation, increases in brownfield exploration investment

Definition
Calculated before exceptional items and includes cost of sales less depreciation and change in inventories, administrative expenses, brownfield exploration, operating capex and royalties divided by silver equivalent ounces produced using a gold/silver ratio of 83:1.

Performance
All-in sustaining costs from operations rose versus 2023 mainly due to higher-than-expected-inflation in Argentina, delayed 2022/2023 capex at Inmaculada and a slower-than-expected ramp-up of the new Mara Rosa mine.

Outlook
The all-in sustaining cost from operations in 2025 is expected to be between $19.1 and $20.3 per silver equivalent ounce (or between $1,587 and $1,687 per gold equivalent ounce).

STRATEGIC PILLARS:

1. Brownfield
2. Operational efficiency
3. ESG
4. Disciplined capital allocation

FINANCIAL MEASURES CONTINUED

TOTAL SILVER CASH COSTS

14.4

$/OZ AG EQUIVALENT

24	**14.4**
23	13.0
22	12.6
21	11.0
20	9.3

Links to strategy:
1 2

Links to remuneration:
No

Risks
Operational performance including dilution, grade and tonnage control and local inflation

Definition
Cash costs are calculated based on pre-exceptional figures. Co-product cash cost per ounce is the cash cost allocated to the primary metal (allocation based on proportion of revenue), divided by the ounces sold of the primary metal.

Performance
Total silver cash costs for the Company increased by 11% versus 2023 due to increases in unit costs in Argentina.

Outlook
Cash costs performance in 2025 is expected to be dependent on operational performance, local cost inflation and local currency devaluation in Argentina, Brazil and Peru.

NON-FINANCIAL MEASURES

LTIFR

1.25

24	**1.25**
23	0.99
22	1.37
21	1.26
20	1.38

Links to strategy:
2 3

Links to remuneration:
Yes (Page 142)

Risks
Health and safety risks

Definition
Calculated as total number of accidents per million labour hours.

Performance
LTIFR increased by 26% vs 2023.

Outlook
The Company remains focused on its "Safety 2.0" plan.

RESOURCE BASE

1,708

M OZ AG EQUIVALENT

24	**1,708**
23	1,506
22	1,542
21	1,273
20	1,425

Links to strategy:
1 4

Links to remuneration:
Yes (Page 142)

Risks
Exploration and revenue and resource replacement, political, legal and regulatory and community relations

Definition
Total attributable silver equivalent metal resources as at 31 December 2024.

Performance
Total attributable silver equivalent metal resources increased by 13% in 2024 due to the addition of inferred resources drilled at all operations.

Outlook
Resource increases in 2025 will depend on the ability to secure permits in Peru and the level of ongoing success in finding potential resources and the ability to convert these resources into the inferred and Measured and Indicated categories through drilling.

OPERATING REVIEW

281.14 koz

TOTAL GROUP PRODUCTION OF GOLD
2023: 225.77koz

10,530 koz

TOTAL GROUP PRODUCTION OF SILVER
2023: 11,683koz

281.46 koz

TOTAL GROUP GOLD PRODUCTION SOLD
2023: 221.40koz

10,643 koz

TOTAL GROUP SILVER PRODUCTION SOLD
2023: 11,547koz

Total 2024 Group production

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

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

Attributable 2024 Group production

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

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

Attributable 2025 production forecast split

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

2025 AISC forecast split

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

Operations

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

Production

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

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

Costs

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

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

Peru

Hochschild operates one underground mine in southwest Peru, Inmaculada, as well as a nearby development project, Royropata.

Inmaculada

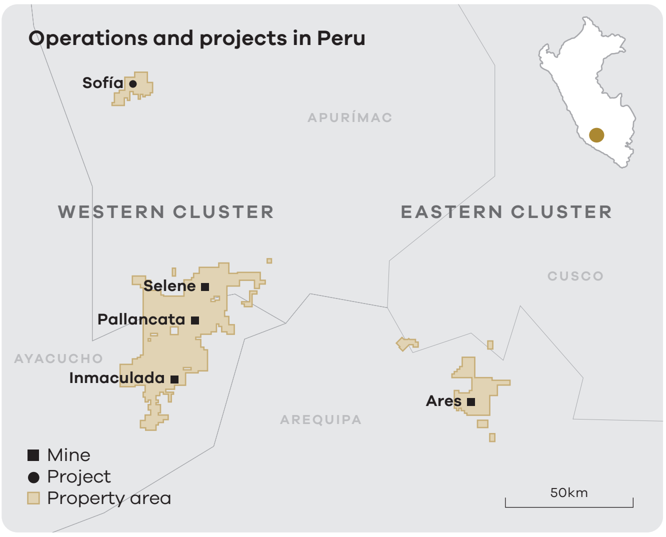
READ MORE on page 32

Royropata

READ MORE on page 34

4,000+

HOCHSCHILD EMPLOYEES AND CONTRACTORS IN PERU



Introduction

Hochschild Mining's base is in Peru where we control and plan operations at our head office in Lima. Our origins can be traced back to the original group of companies founded in 1911 by Mauricio Hochschild. Many of the Company's precious metals mines have been in our southern Peru 'cluster' and our first operation there was Arcata which started production in 1964 and continued until 2019. Our key current operation is Inmaculada which has been producing since 2015 and contributes over 50% of our attributable output and is expected to remain the Company's flagship for many years to come.

Although the Pallancata mine was placed on care and maintenance in 2023, we believe that the nearby Royropata zone will be a high value successor when it reaches production in approximately three years. This development demonstrates that Hochschild's extensive land package in Peru still has exciting geological potential and reinforces our commitment to our home country.

Sustainability progress

Sustainability in Peru is based around our five strategic pillars: Serving our Communities; Protecting the Environment; Promoting Health & Safety; Empowering our People; and Being a Responsible Business. With regards to our Peruvian communities , we have made a large effort to strengthen our social engagement strategy and find meaningful ways of supporting them. This has included increasing local employment and procurement, supporting local governments with public infrastructure, and positively engaging local communities through educational, health and digital connectivity programmes.

Inmacul

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

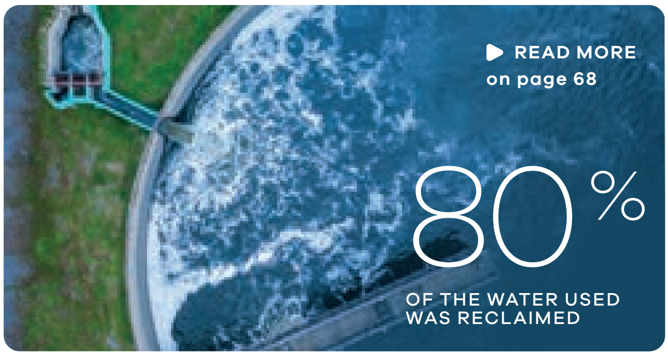
Production

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

Costs

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

Gold and silver production (%)



ada

220.50 koz

2024 GOLD EQUIVALENT PRODUCTION

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

$1,512/oz Au Eq

ALL-IN SUSTAINING COST

2023: $1,287/oz Au Eq

$143.2/T

UNIT COST

2023: $142.3/T

Advanced project: Royropata

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

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

2028

PRODUCTION EXPECTED TO START

3,162T

RESOURCES

Brazil

We recently commissioned our first operation in Brazil and we have now added a new project to our pipeline.

Mara Rosa

READ MORE on page 38

Monte Do Carmo

READ MORE on page 40

840+

HOCHSCHILD EMPLOYEES AND CONTRACTORS IN BRAZIL

Introduction

In 2022, we completed the acquisition of Amarillo Gold, signalling our first move into Brazil. The purchase of this asset aligned with our core strengths and long-term strategy of investing in development stage projects in the Americas and was the result of a long-term Company review process of a wide range of growth opportunities. The development of Mara Rosa in the Goias state was completed on time and on budget with commissioning commencing in February 2024 and commercial production achieved in mid-May 2024. We have started to generate substantial cashflow from the mine and 2025 will be the first full year of production.

Furthermore, we have followed up our Brazil investment with an additional acquisition in the neighbouring business-friendly state of Tocantins. The Monte Do Carmo project was optioned from Cerrado Gold in March 2024 and we exercised the option later in the year for a total investment of $60 million. The project benefits from significantly advanced permitting and compelling exploration upside potential and we have already conducted an extensive exploration and twin drilling programme which has returned encouraging results. We believe that we have the right team in place to deliver another exciting Brazilian opportunity for all stakeholders.

Sustainability progress

Mara Rosa has benefited from a complementary ESG-led approach with strong local community and government support and we have continued that focus during 2024. Our health and safety corporate standards have also been being implemented at the mine, including the introduction of the Company's "Seguscore" safety indicator. We have also developed "The Knowledge Trail" which is an environmental and heritage education project and aimed at the communities of Mara Rosa, Amaralina and the region. The project is dedicated to Science, Culture and Education, with the aims of disseminating scientific knowledge, raising environmental awareness and valuing the region's cultural heritage.

Mara Ro

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

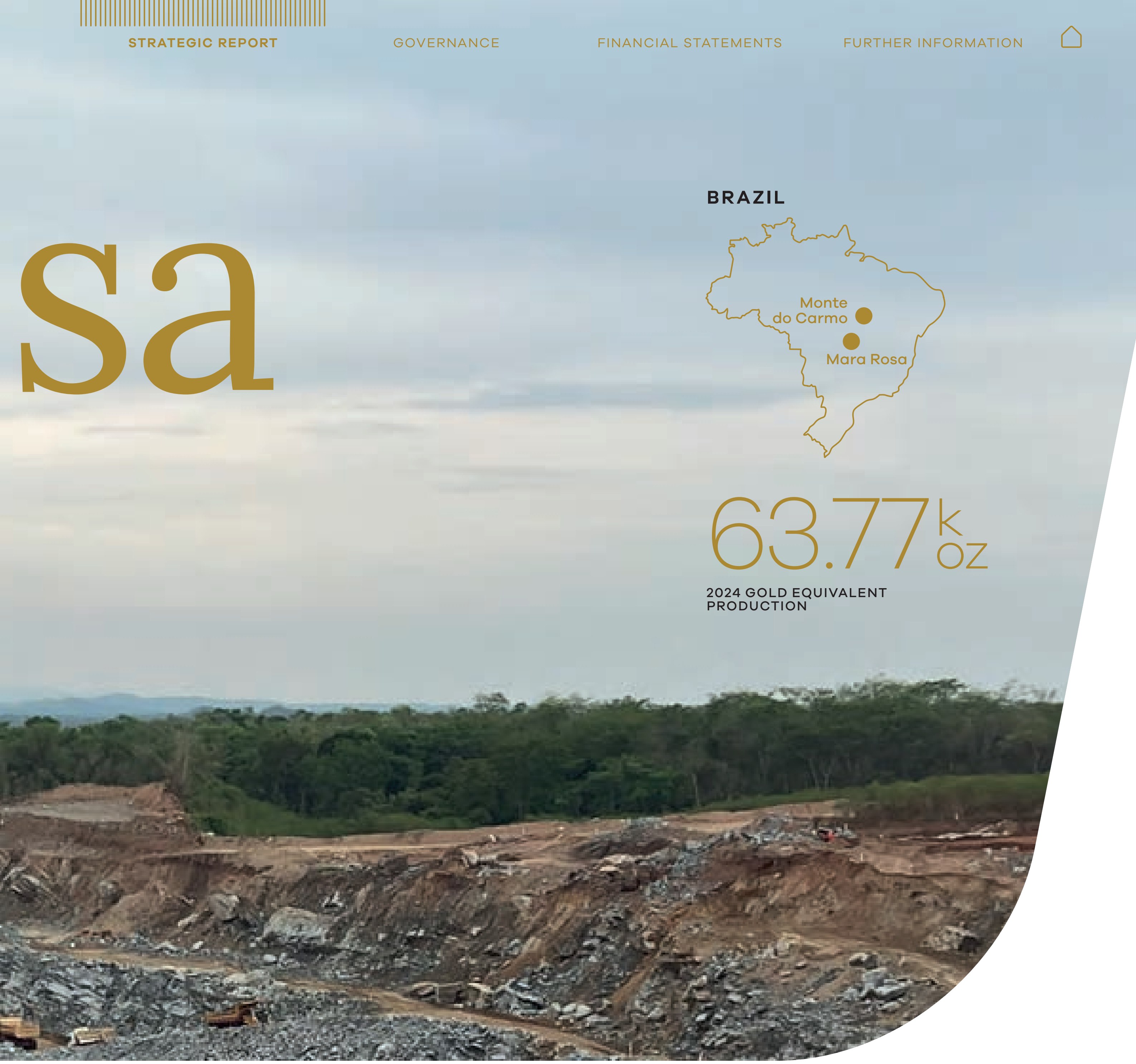
Production

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

Costs

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

Gold and silver production (%)



sa

BRAZIL

63.77 koz

2024 GOLD EQUIVALENT PRODUCTION

Mara Rosa summary	Year ended 31 Dec 2024
Ore production (tonnes)	1,757,955
Average gold grade (g/t)	1.35
Silver produced (koz)	11
Gold produced (koz)	63.64
Silver equivalent produced (koz)	5,293
Gold equivalent produced (koz)	63.77
Silver sold (koz)	11
Gold sold (koz)	63.54
Unit cost ($/t)	48.3
Total cash cost ($/oz Au co-product)	1,304
All-in sustaining cost ($/oz Au Eq)	1,408

$1,408 koz

ALL-IN SUSTAINING COST

$52.1/T

UNIT COST

Development project: Monte Do Carmo

In March 2024, Hochschild announced that it had entered into an option agreement to acquire a 100% interest in Cerrado Gold Inc.'s Monte Do Carmo Project located in the mining-friendly state of Tocantins, Brazil.

The option was exercised in November 2024 and, after making $45 million in phased payments in 2024, the Company was able to complete the acquisition of 100% of the project with $30 million paid in the fourth quarter.

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

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

$60m
TOTAL COST OF ACQUISITION

82,542
HECTARES OF MINERAL CONCESSIONS

1,012koz Au
AU MEASURED & INDICATED RESOURCE AT SERRA ALTA DEPOSIT

The key benefits to Hochschild, shareholders and other stakeholders, include:

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

Following the original option agreement, the Company executed a 1,704m twin hole drilling programme which validated the deposit's mineral resource estimate. In addition, a 4,806m resource drilling campaign was conducted across five prospective mineralisation zones.

The campaign incorporated additional gold resources (both Measured and Indicated and Inferred) which confirmed the strong geological potential of the project.

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

Hochschild's programme in 2025 includes:

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

Argentin

We have been operating in Argentina since 2007 and there remains strong geological potential in our San Jose land package.

San Jose

READ MORE
on page 44

a

1,700+

HOCHSCHILD EMPLOYEES IN ARGENTINA

Introduction

Our 51%-owned San Jose mine is operated by Minera Santa Cruz, which was created in 2001, through a joint venture between Hochschild and Minera Andes, now known as McEwen Mining, with the aim of carrying out the exploration and construction of San Jose. The deposit is epithermal in origin with low sulfidation quartz veins enriched with gold and silver. The site is located in the northwest of the Deseado Massif, around 50km from the town of Perito Moreno in the province of Santa Cruz. When it began operations, San Jose was the first underground mine with on-site mineral processing in the province.

Sustainability progress

In Argentina, as with the entire Hochschild Group, we aim to have a positive impact on our region and our Community Relations office works closely alongside municipal and provincial authorities to identify the needs of our communities and thus ensure they get the benefits. For example, in collaboration with local technical and agricultural institutions, we created a strawberry cultivation project in the Perito Moreno region ('Frutillas Peritenses'). The project aimed to optimise agricultural processes by providing machinery which helped boost efficiency and yield per hectare.

San Jose

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

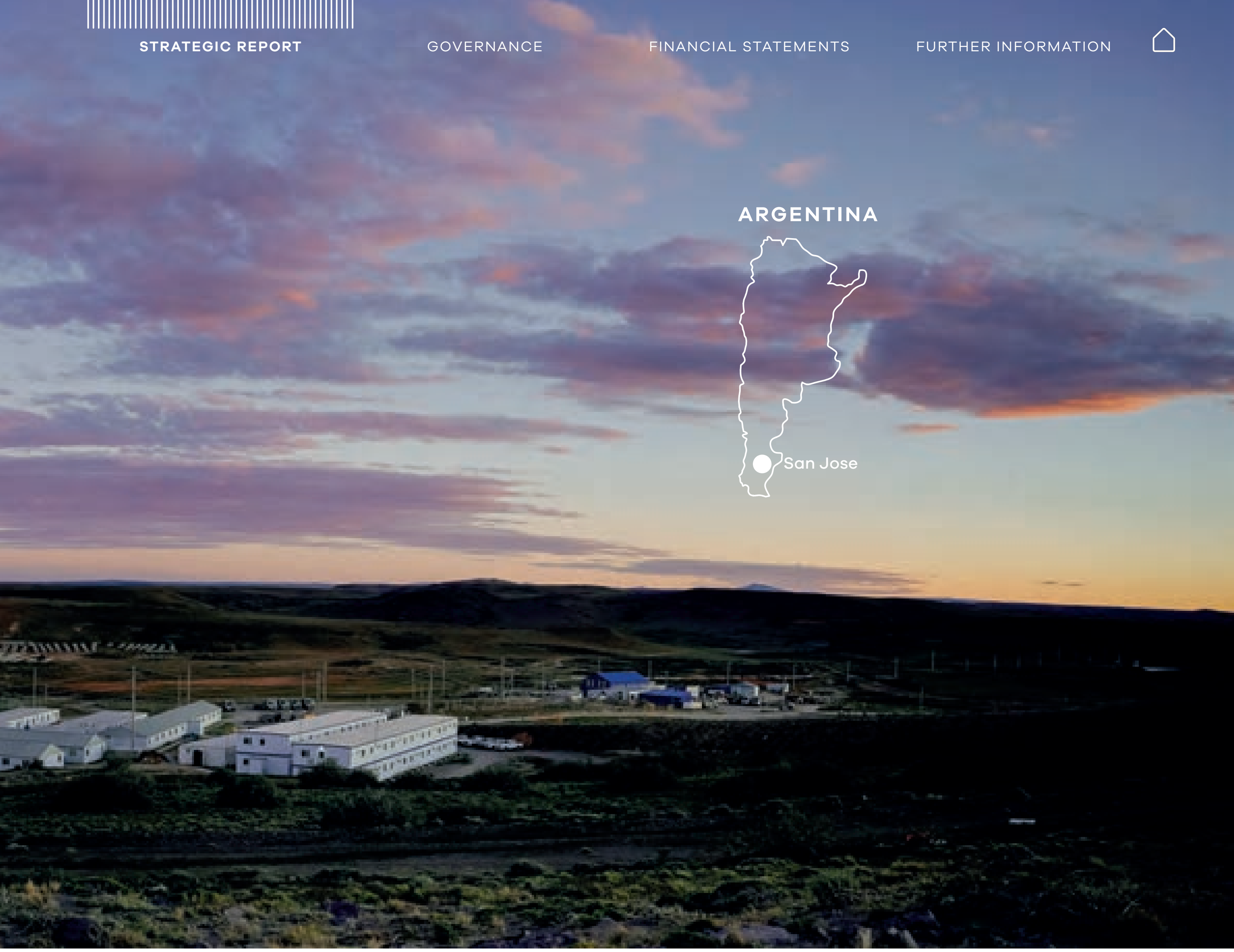
Production

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

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

Costs

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



San Jose summary	Year ended 31 Dec 2024	Year ended 31 Dec 2023	% change
Ore production (tonnes)	**581,303**	579,100	–
Average silver grade (g/t)	**253**	270	(6)
Average gold grade (g/t)	**4.55**	5.03	(10)
Silver produced (koz)	**4,150**	4,422	(6)
Gold produced (koz)	**73.73**	80.99	(9)
Silver equivalent produced (koz)	**10,270**	11,144	(8)
Gold equivalent produced (koz)	**123.73**	134.26	(8)
Silver sold (koz)	**4,290**	4,274	–
Gold sold (koz)	**74.37**	77.23	(4)
Unit cost ($/t)	**287.2**	264.0	9
Total cash cost ($/oz Ag co-product)	**19.5**	15.9	23
All-in sustaining cost ($/oz Ag Eq)	**23.8**	18.9	26
All-in sustaining cost ($/oz Au Eq)	**1,973**	1,570	26

$1,973 /oz Au Eq

ALL-IN SUSTAINING COST
2023: $1,570 k/oz Au Eq

$287.2/T

UNIT COST
2023: $264.0/T

Brownfield exploration

Inmaculada

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

Vein	Results (resources/potential)
Tesoro	IMM23-361: 14.9m @ 3.4g/t Au & 203g/t Ag IMS24-231A: 24.6m @ 4.5g/t Au & 155g/t Ag IMS24-221: 5.6m @ 2.4g/t Au & 45g/t Ag IMS24-222: 39.3m @ 5.1g/t Au & 303g/t Ag IMS24-227A: 17.9m @ 1.4g/t Au & 26g/t Ag IMS24-380: 3.7m @ 3.5g/t Au & 242g/t Ag IMS24-231A: 20.3m @ 2.9g/t Au & 298g/t Ag IMS24-257: 28.1.m @ 2.2g/t & 72g/t Ag IMM24-387A: 1.7m @ 4.2g/t Au & 193g/t Ag IMM24-393B: 10.0m @ 2.3g/t Au & 26g/t Ag IMS24-233: 7.7m @ 6.9g/t Au & 485g/t Ag IMS24-238A: 9.3m @ 7.5g/t & 64g/t Ag IMS24-239: 18.4m @ 9.3g/t & 366g/t Ag IMS24-241: 1.7m @ 1.0g/t & 44g/t Ag IMM24-397B: 2.6m @ 14.1g/t Au & 806g/t Ag IMM24-401A: 1.3m @ 2.0g/t Au & 117g/t Ag
Tesoro Techo	IMS24-213A: 11.0m @ 1.6g/t Au & 46g/t Ag IMS24-216: 6.9m @ 0.5g/t Au & 76g/t Ag IMS24-218: 9.6m @ 5.8g/t Au & 384g/t Ag IMM24-380: 4.8m @ 5.0g/t Au & 389g/t Ag IMS24-248: 1.0m @ 0.8g/t Au & 186g/t Ag IMM24-387A: 1.5m @ 3.2g/t Au & 59g/t Ag IMM24-393B: 8.7m @ 5.7g/t Au & 84g/t Ag IMS24-234: 0.4m @ 3.6g/t Au & 437g/t Ag IMS24-250: 3.3m @ 1.4g/t Au & 79g/t Ag IMS24-233: 1.0m @ 1.2g/t Au & 29g/t Ag IMS24-257: 4.1m @ 3.5g/t Au & 322g/t Ag IMS24-232: 1.4m @ 0.6g/t Au & 63g/t Ag IMS24-246A: 2.3m @ 2.8g/t Au & 51g/t Ag IMM24-397B: 1.6m @ 16.3g/t Au & 92g/t Ag IMM24-401A: 1.4m @ 0.8g/t Au & 56g/t Ag
Andrea	IMM24-375: 12.0m @ 13.0g/t Au & 970g/t Ag IMS24-218: 2.8m @ 8.2g/t Au & 184g/t Ag IMM24-380: 2.5m @ 4.0g/t Au & 249g/t Ag IMM24-397: 1.3m @ 1.5g/t Au & 142g/t Ag IMS24-259: 1.1m @ 3.5g/t Au & 97g/t Ag IMS24-264: 2.2m @ 1.5g/t Au & 97g/t Ag
Carmen	IMM24-375: 0.6m @ 2.8g/t Au & 19g/t Ag
Juliana NE	IMM24-375: 1.3m @ 2.8g/t Au & 293g/t Ag IMS24-218: 0.6m @ 4.7g/t Au & 165g/t Ag
Laura	IMS24-215: 1.6m @ 3.3g/t Au & 3g/t Ag
Lia	IMM23-212: 0.9m @ 2.9g/t Au & 4g/t Ag IMS24-239: 2.2m @ 2.2g/t Au & 130g/t Ag IMS24-242A: 3.6m @ 0.5g/t Au & 10g/t Ag
Nicolas	IMS24-217: 1.4m @ 0.6g/t Au & 85g/t Ag IMM24-393B: 5.0m @ 1.7g/t Au & 67g/t Ag IMS24-239: 1.2m @ 5.0g/t Au & 17g/t Ag IMS24-241: 4.0m @ 1.8g/t Au & 68g/t Ag IMS24-242A: 4.2m @ 9.9g/t Au & 48g/t Ag

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

San Jose

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

Vein	Results (potential)
Dalia	SJD-2775: 2.8m @ 1.3g/t Au & 288g/t Ag SJD-2776: 2.8m @ 2.0g/t Au & 513g/t Ag SJD-2777: 3.0m @ 1.3g/t Au & 86g/t Ag SJD-2778: 1.7m @ 0.5g/t Au & 19g/t Ag SJD-2788: 1.7m @ 4.8g/t Au & 51g/t Ag SJD-2789: 0.8m @ 2.6g/t Au & 457g/t Ag SJD-2795: 0.8m @ 0.6g/t Au & 90g/t Ag SJD-2800: 1.2m @ 30.8g/t Au & 67g/t Ag
Emilia	SJM-663: 0.8m @ 1.0g/t Au & 74g/t Ag SJM-664: 0.9m @ 6.5g/t Au & 47g/t Ag SJM-666: 0.6m @ 0.5g/t Au & 5g/t Ag SJM-668: 0.8m @ 0.1g/t Au & 4g/t Ag SJM-669: 0.9m @ 1.1g/t Au & 11g/t Ag SJM-697: 0.8m @ 4.5g/t Au & 262g/t Ag
Frea	SJD-2844: 2.2m @ 59.9g/t Au & 3,448g/t Ag SJD-2846: 1.3m @ 0.4g/t Au & 6g/t Ag SJD-2847: 1.1m @ 0.3g/t Au & 3g/t Ag SJD-2849: 1.1m @ 0.1g/t Au & 3g/t Ag SJM-663: 8.8m @ 12.7g/t Au & 101g/t Ag SJM-664: 1.3m @ 0.3g/t Au & 7g/t Ag SJM-666: 10.8m @ 5.1g/t Au & 38g/t Ag SJM-668: 1.7m @ 0.3g/t Au & 4g/t Ag SJM-669: 0.9m @ 1.6g/t Au & 21g/t Ag SJM-673: 3.6m @ 3.4g/t Au & 50g/t Ag SJD-2901: 1.0m @ 0.1g/t Au & 5g/t Ag SJD-2903A: 0.9m @ 0.1g/t Au & 2g/t Ag SJD-2905: 6.7m @ 4.4g/t Au & 27g/t Ag SJD-2907: 1.3m @ 1.9g/t Au & 17g/t Ag SJD-2910: 0.8m @ 0.0g/t Au & 1g/t Ag SJD-2911: 1.2m @ 0.1g/t Au & 1g/t Ag SJM-698: 0.8m @ 5.6g/t Au & 38g/t Ag SJM-670: 0.9m @ 0.3g/t Au & 8g/t Ag
Majo	SJD-2771: 1.8m @ 2.0g/t Au & 380g/t Ag SJD-2772: 2.3m @ 2.5g/t Au & 246g/t Ag SJD-2774: 1.0m @ 0.5g/t Au & 20g/t Ag
Maura	SJD-2874A: 0.9m @ 0.3g/t Au & 2g/t Ag SJD-2878: 0.9m @ 0.0g/t Au & 1g/t Ag SJD-2879: 1.5m @ 13.2g/t Au & 70g/t Ag SJD-2881: 0.9m @ 7.5g/t Au & 82g/t Ag SJD-2885: 0.8m @ 0.6g/t Au & 81g/t Ag SJD-2887: 4.7m @ 3.6g/t Au & 52g/t Ag SJD-2892: 4.2m @ 2.8g/t Au & 70g/t Ag SJD-2894: 0.8m @ 0.1g/t Au & 5g/t Ag SJD-2897: 0.9m @ 0.7g/t Au & 17g/t Ag SJD-2899: 1.0m @ 0.7g/t Au & 19g/t Ag

Vein	Results (potential)
Odin	SJD-2775: 0.9m @ 4.6g/t Au & 556g/t Ag SJD-2776: 1.4m @ 0.4g/t Au & 12g/t Ag SJD-2777: 2.2m @ 5.5g/t Au & 70g/t Ag SJD-2778: 1.1m @ 0.3g/t Au & 48g/t Ag SJD-2788: 2.1m @ 7.6g/t Au & 360g/t Ag SJD-2789: 1.7m @ 4.4g/t Au & 412g/t Ag SJD-2795: 1.3m @ 2.8g/t Au & 137g/t Ag SJD-2801: 0.8m @ 0.5g/t Au & 32g/t Ag SJD-2802: 0.6m @ 0.2g/t Au & 47g/t Ag SJD-2904: 1.1m @ 2.1g/t Au & 308g/t Ag SJD-2906: 0.8m @ 0.0g/t Au & 2g/t Ag SJD-2909: 0.9m @ 0.1g/t Au & 3g/t Ag
Olivia	SJD-2916: 1.2m @ 5.6g/t Au & 1,374g/t Ag
Ramal Frea	SJD-1601: 3.7m @ 7.2g/t Au & 180g/t Ag
SIG. Odin	SJD-2904: 2.0m @ 16.1g/t Au & 1,007g/t Ag
SIG. Odin Sur	SJD-2775: 1.4m @ 3.0g/t Au & 299g/t Ag SJD-2776: 0.8m @ 0.1g/t Au & 14g/t Ag SJD-2777: 0.8m @ 0.1g/t Au & 15g/t Ag SJD-2778: 1.9m @ 0.8g/t Au & 81g/t Ag SJD-2788: 5.9m @ 23.3g/t Au & 314g/t Ag SJD-2789: 3.1m @ 4.0g/t Au & 323g/t Ag SJD-2795: 4.0m @ 2.6g/t Au & 60g/t Ag

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

Royropata

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

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

Vein	Results (potential)
Larry	DLRY-A31: 1.7m @ 0.4g/t Au & 123g/t Ag DLRY-A34: 0.8m @ 1.4g/t Au & 386g/t Ag DLRY-A62: 3.8m @ 0.5g/t Au & 124g/t Ag PST-22: 1.3m @ 0.4g/t Au & 102g/t Ag

Mara Rosa

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

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

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

FINANCIAL REVIEW

Disciplined capital allocation is key to driving strategy and sustaining value creation

Eduardo Noriega
Chief Financial Officer

Revenue

Gross revenue[1]

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

Gold

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

Silver

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

$966m
REVENUE
2023: $711m

$421m
ADJUSTED EBITDA
2023: $274m

$0.23
EARNINGS PER SHARE
2023: $0.02

$216m
NET DEBT
2023: $258m

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

1 Includes revenue from services. Gross revenue is the net revenue plus commercial discounts.

Gross average realised sales prices

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

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

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

Commercial discounts

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

Net revenue

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

Reconciliation of gross revenue by mine to Group net revenue

$000	Year ended 31 Dec 2024	Year ended 31 Dec 2023	% change
Silver revenue			
Inmaculada	**180,285**	129,456	39
Mara Rosa	**343**	–	–
Pallancata	**(59)**	43,380	(100)
San Jose	**125,027**	100,212	25
Commercial discounts	**(7,599)**	(9,779)	(22)
Net silver revenue	**297,997**	263,269	13
Gold revenue			
Inmaculada	**324,129**	267,188	21
Mara Rosa	**150,634**	–	–
Pallancata	**(185)**	14,985	(101)
San Jose	**185,512**	154,832	20
Commercial discounts	**(10,839)**	(7,123)	52
Net gold revenue	**649,251**	429,882	51
Other revenue	**448**	565	(21)
Net revenue	**947,696**	693,716	37

Cost of sales

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

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

Fixed costs during operational stoppages and reduced capacity

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

Unit cost per tonne

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

Unit cost per tonne by operation (including royalties)[2]:

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

Cash costs

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

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

Cash cost reconciliation
Year ended 31 December 2024

$000 unless otherwise indicated	Inmaculada	Mara Rosa[3]	San Jose	Other[4]	Total
(+) Cost of sales[5]	271,020	78,992	222,458	84	**572,554**
(-) Depreciation and amortisation in cost of sales	(94,190)	(15,690)	(46,905)	–	**(156,785)**
(+) Selling expenses	614	931	15,847	14	**17,406**
(+) Commercial deductions[6]	3,436	1,590	17,620	11	**22,657**
Gold	2,291	1,584	9,872	1	**13,748**
Silver	1,145	6	7,748	10	**8,909**
Group cash cost	**180,880**	**65,823**	**209,020**	**109**	**455,832**
Gold	324,057	144,836	175,892	(114)	**644,671**
Silver	180,285	330	117,443	(69)	**297,989**
Revenue[7]	**504,342**	**145,166**	**293,335**	**(183)**	**942,660**
Ounces sold (000s)					
Gold	143.6	61.2	74.4	–	**279.1**
Silver	6,342	11	4,290	–	**10,643**
Group cash cost ($/oz)					
Co product Au	809	1,034	1,685	(230)	**1,108**
Co product Ag	10.2	13.1	19.5	14.9	**13.5**
By product Au	(4)	1,031	1,127	(1,058)	**529**
By product Ag	(22.9)	(7,074.8)	5.4	463.9	**(19.4)**

Year ended 31 December 2023

$000 unless otherwise indicated	Inmaculada	Pallancata	San Jose	Total
(+) Cost of sales[8]	234,627	72,118	197,399	**504,144**
(-) Depreciation and amortisation in cost of sales	(75,306)	(18,964)	(48,901)	**(143,171)**
(+) Selling expenses	533	461	13,868	**14,862**
(+) Commercial deductions[9]	3,057	4,319	12,923	**20,299**
Gold	2,079	891	6,440	**9,410**
Silver	978	3,428	6,483	**10,889**
Group cash cost	**162,911**	**57,934**	**175,289**	**396,134**
Gold	267,188	14,094	148,600	**429,882**
Silver	129,456	39,952	93,861	**263,269**
Revenue[7]	**396,644**	**54,046**	**242,461**	**693,151**
Ounces sold (000s)				
Gold	136.7	7.5	77.2	**221.4**
Silver	5,488	1,785	4,274	**11,547**
Group cash cost ($/oz)				
Co product Au	803	2,010	1,391	**1,110**
Co product Ag	9.7	24.0	15.9	**13.0**
By product Au	238	1,936	970	**551**
By product Ag	(19.4)	24.1	4.8	**(3.7)**

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

3 Excludes Mara Rosa's pre commercial: cost of sales of $31.6 million, selling expenses of $0.1 million, commercial deductions of $0.1 million, and revenues of $4.6 million.
4 Mainly includes final adjustments to Pallancata's shipments that occurred in the last quarter of 2023.
5 Does not include fixed costs during operational stoppages and reduced capacity of $1.1 million (2023: $3.3 million).
6 Includes commercial discounts (from the sales of concentrate) and commercial discounts from the sale of dore.
7 Excludes revenue from energy transmission services of $0.4 million (2023: $0.5 million).
8 Does not include fixed costs during operational stoppages and reduced capacity of $1.1 million (2023: $3.3 million).
9 Includes commercial discounts (from the sales of concentrate) and commercial discounts from the sale of dore.

All-in sustaining cost reconciliation[10]

All-in sustaining cash costs per silver equivalent ounce

Year ended 31 December 2024

$000 unless otherwise indicated	Inmaculada	Mara Rosa[11]	San Jose	Main Operations	Corporate & others	Total
(+) Direct production cost excluding depreciation and amortisation	171,372	106,185	176,365	453,922	84	**454,006**
(+) Other items and workers profit sharing in cost of sales[12]	3,145	(30,059)	(14,468)	(41,382)	–	**(41,382)**
(+) Operating and exploration capex for units[13]	138,582	5,289	33,035	176,906	2,857	**179,763**
(+) Brownfield exploration expenses[14]	4,423	516	9,821	14,760	3,880	**18,640**
(+) Administrative expenses (excl depreciation and amortisation)	4,639	1,932	6,512	13,083	33,654	**46,737**
(+) Royalties and special mining tax[15]	7,108	–	–	7,108	7,051	**14,159**
Sub-total	**329,269**	**83,863**	**211,265**	**624,397**	**47,526**	**671,923**
Au ounces produced	143,775	61,219	73,730	278,724	–	**278,724**
Ag ounces produced (000s)	6,368	11	4,150	10,529	–	**10,529**
Ounces produced (Au Eq oz)	220,501	61,353	123,732	405,586	–	**405,586**
Ounces produced (Ag Eq 000s oz)	18,302	5,092	10,270	33,664	–	**33,664**
All-in sustaining costs per ounce produced ($/oz Ag Eq)	**18.0**	**16.5**	**20.6**	**18.6**	**1.4**	**20.0**
All-in sustaining costs per ounce produced ($/oz Au Eq)	**1,493**	**1,367**	**1,707**	**1,539**	**117**	**1,656**
(+) Commercial deductions	3,436	1,590	17,620	22,646	–	**22,646**
(+) Selling expenses	614	931	15,847	17,392	–	**17,392**
Sub-total	**4,050**	**2,521**	**33,467**	**40,038**	**–**	**40,038**
Au ounces sold	143,637	61,160	74,366	279,163	–	**279,163**
Ag ounces sold (000s)	6,342	11	4,290	10,643	–	**10,643**
Ounces sold (Au Eq oz)	220,041	61,294	126,052	407,387	–	**407,387**
Ounces sold (Ag Eq 000s oz)	18,263	5,087	10,463	33,813	–	**33,813**
Sub-total ($/oz Ag Eq)	**0.2**	**0.5**	**3.2**	**1.1**	**–**	**1.1**
All-in sustaining costs per ounce sold ($/oz Ag Eq)	**18.2**	**17.0**	**23.8**	**19.7**	**1.4**	**21.1**
All-in sustaining costs per ounce sold ($/oz Au Eq)	**1,512**	**1,408**	**1,973**	**1,638**	**117**	**1,755**

Year ended 31 December 2023

$000 unless otherwise indicated	Inmaculada	Pallancata	San Jose	Main Operations	Corporate & others	Total
(+) Direct production cost excluding depreciation and amortisation	162,570	49,940	150,470	362,980	–	**362,980**
(+) Other items and workers profit sharing in cost of sales[16]	1,373	489	(21,164)	(19,302)	–	**(19,302)**
(+) Operating and exploration capex for units[17]	86,031	2,458	40,834	129,323	57	**129,380**
(+) Brownfield exploration expenses[18]	1,371	1,070	8,233	10,674	3,171	**13,845**
(+) Administrative expenses (excl depreciation and amortisation)	3,498	491	5,433	9,422	36,507	**45,929**
(+) Royalties and special mining tax[19]	3,978	542	–	4,520	2,278	**6,798**
Sub-total	**258,821**	**54,990**	**183,806**	**497,617**	**42,013**	**539,630**
Au ounces produced	137,399	7,390	80,985	225,774	–	**225,774**
Ag ounces produced (000s)	5,515	1,746	4,422	11,683	–	**11,683**
Ounces produced (Au Eq oz)	203,845	28,421	134,265	366,531	–	**366,531**
Ounces produced (Ag Eq 000s oz)	16,919	2,359	11,144	30,422	–	**30,422**
All-in sustaining costs per ounce produced ($/oz Ag Eq)	**15.3**	**23.3**	**16.5**	**16.4**	**1.4**	**17.8**
All-in sustaining costs per ounce produced ($/oz Au Eq)	**1,270**	**1,935**	**1,369**	**1,358**	**115**	**1,472**
(+) Commercial deductions	3,057	4,319	12,923	20,299	–	**20,299**
(+) Selling expenses	533	461	13,868	14,862	–	**14,862**
Sub-total	**3,590**	**4,780**	**26,791**	**35,161**	**–**	**35,161**
Au ounces sold	136,661	7,516	77,227	221,404	–	**221,404**
Ag ounces sold (000s)	5,488	1,785	4,274	11,547	–	**11,547**
Ounces sold (Au Eq oz)	202,783	29,024	128,723	360,530	–	**360,530**
Ounces sold (Ag Eq 000s oz)	16,831	2,409	10,684	29,924	–	**29,924**
Sub-total ($/oz Ag Eq)	**0.2**	**2.0**	**2.4**	**1.1**	**–**	**1.1**
All-in sustaining costs per ounce sold ($/oz Ag Eq)	**15.5**	**25.3**	**18.9**	**17.5**	**1.4**	**18.9**
All-in sustaining costs per ounce sold ($/oz Au Eq)	**1,287**	**2,099**	**1,570**	**1,454**	**115**	**1,569**

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

Administrative expenses

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

Exploration expenses

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

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

Selling expenses

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

Other income/expenses

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

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

Adjusted EBITDA

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

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

$000 unless otherwise indicated	Year ended 31 Dec 2024	Year ended 31 Dec 2023	% change
Profit from continuing operations before exceptional items, net finance income/(cost), foreign exchange loss and income tax	**224,722**	82,128	174
Depreciation and amortisation in cost of sales	**156,785**	143,171	10
Depreciation and amortisation in administrative expenses and other expenses	**3,050**	2,075	47
Exploration expenses	**26,854**	21,297	26
Personnel and other exploration related fixed expenses	**(5,620)**	(5,397)	4
Other non-cash income, net[20]	**15,563**	31,096	(50)
Adjusted EBITDA	**421,354**	274,370	54
Adjusted EBITDA margin	***44%***	*39%*	*13*

Finance income

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

Finance costs

Finance costs increased from $18.2 million in 2023 to $26.9 million in 2024, principally due to higher interest expense which totalled $18.6 million (2023: $12.2 million) resulting from the lower capitalisation of interest expenses that are directly attributable to the construction of Mara Rosa of $6.0 million (2023: $18.7). This was partially offset by the impact of lower interest rates and a lower average medium-term loan balance.

Foreign exchange (losses)/gains

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

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

Income tax

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

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

Exceptional items

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

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

Cash flow and balance sheet review

Cash flow

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

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

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

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

Working capital

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

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

Net debt

$000 unless otherwise indicated	As at 31 December 2024	As at 31 December 2023
Cash and cash equivalents	**96,973**	89,126
Non-current borrowings	**(163,333)**	(234,999)
Current borrowings[21]	**(149,249)**	(112,064)
Net debt	**(215,609)**	(257,937)

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

Capital expenditure

$000	As at 31 December 2024	As at 31 December 2023
Inmaculada	**138,582**	86,031
Mara Rosa[22]	**35,318**	145,804
San Jose	**46,143**	47,682
Operations	**220,043**	279,517
Monte Do Carmo	**90,602**	–
Pallancata	**32,908**	6,428
Other	**4,529**	2,447
Total	**348,082**	288,392

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

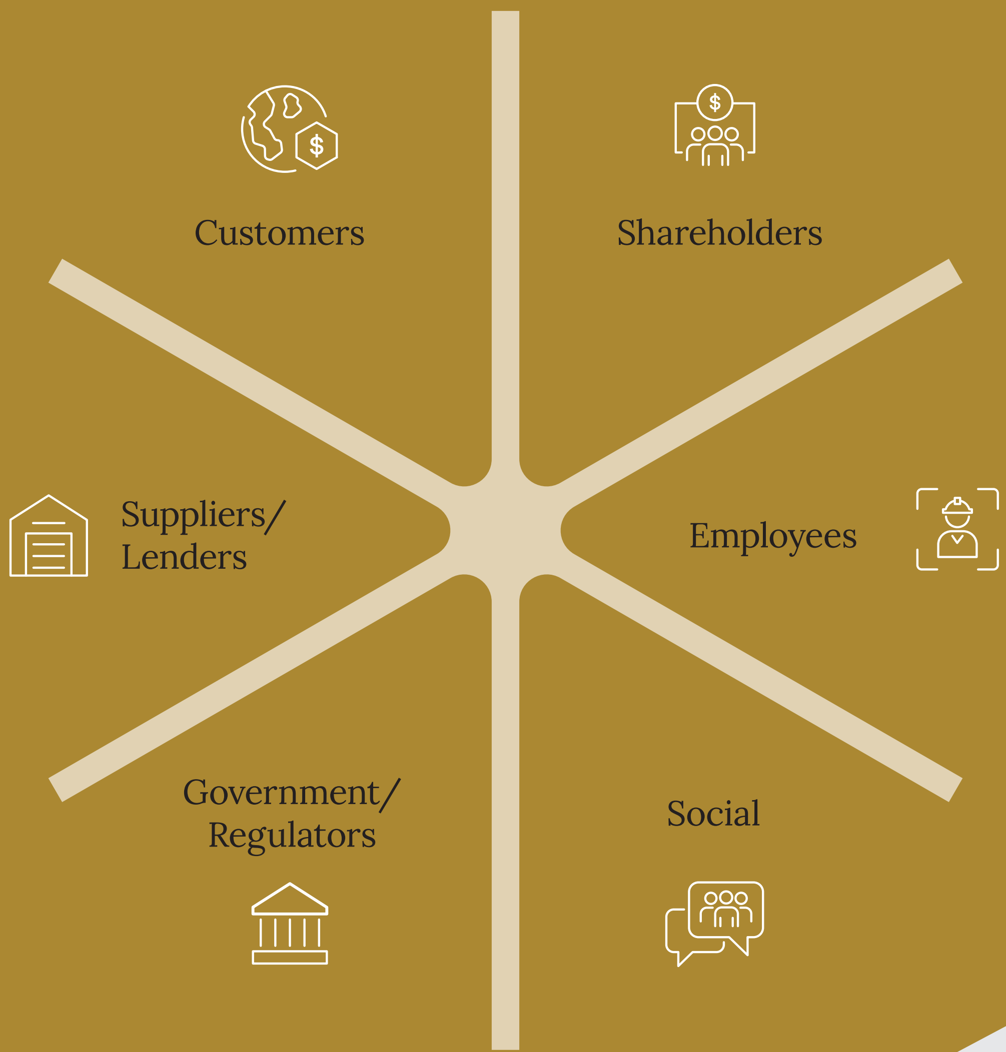
Final proposed dividends

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

21 Includes pre-shipment loans and short term interest payables.
22 2023 includes $3.5 million increase due to foreign exchange effect, and $2.5m for the construction of the aggregates project plant.

Engaging with our stakeholders

We are focused on driving long-term sustainable performance for the benefit of our customers, shareholders and wider stakeholders. Only by fully understanding our stakeholders' needs and their expectations can we measure the extent of our success.



Stakeholder group	Engagement activities	Issues raised in 2024	Additional information
Shareholders Our shareholders are investors and owners of the business. We seek to establish and maintain constructive relations with all shareholders through open dialogue and an ongoing programme of engagement.	We interact with our shareholders and seek a better understanding of their expectations through various channels during the year with the participation of the CEO, CFO, members of the Board, the Company Secretary and the Head of Investor Relations. These channels take different forms and include participation at sector-specific conferences, discussions with proxy agencies as well as direct meetings with shareholders and through the Annual General Meeting. During 2024, our regular calendar was supplemented by: – A site visit in October 2024 for analysts and investors to the Mara Rosa mine – The use of the Investor Meet platform for the second consecutive year, providing individual shareholders the opportunity to receive the H1 2024 results presentation by the CEO and CFO, and to participate in a Q&A session – Ad-hoc interaction with significant shareholders on governance matters	– Updates on the operation of the Mara Rosa mine – Strategy in relation to the Monte Do Carmo asset – Permitting progress and timeline of Royropata project – Macro-economic and political developments in Argentina – Revised Directors' Remuneration Policy – Chair succession	**READ MORE** about shareholder engagement on pages 124 and 125 **READ MORE** about Monte Do Carmo on pages 40 and 41 **READ MORE** about the analysts' site visit on pages 7 and 124
Employees We acknowledge that our success relies greatly on our people. We seek to attract, retain and develop our people through competitive remuneration, a positive and safe working environment and equal opportunities for all.	Employee engagement generally takes many forms and includes the use of surveys, presentations and Q&A sessions with management. Our 2024 programme included: – The continued use of the Brilla HOC platform to acknowledge the achievements of our people – Culture and safety perception surveys conducted across the three countries of operation, followed by in-person workshops to consider results and action plans – A working climate survey – The continuation of the online forum chaired by Tracey Kerr, the Non-Executive Director designated for Workforce Engagement – A site-visit by Board members to Mara Rosa – A workshop led by the taskforce established for the Group's goals on Environmental, Social and Governance matters ("ESG") for all female workers at Mara Rosa – Regular meetings with labour unions to negotiate collective agreements and discuss matters of interest	– The working climate survey provided detailed insight into the employees' perspectives including: • the potential to further develop innovation to address operating challenges; • the review of recognition and rewards; • further investment in professional development; • further embedding of HOC's core values within Brazilian operations – Progress of the Group's strategies on ESG matters – Promoting cross-functional collaboration to facilitate continuous improvement – Enhancements to specific mine-site conditions	**READ MORE** Sustainability Report (Our people) page 74 Risk Management (Personnel risks) page 102 For more information on the working climate survey, see page 76

Stakeholder group	Engagement activities	Issues raised in 2024	Additional information
Social We recognise our social commitments to (a) produce the smallest environmental footprint possible and (b) understand the needs and expectations of our local communities. Through close collaboration we implement sustainable development programmes in our areas of operations.	We adopt a varied approach to engaging with local communities including: – Direct interaction with local authorities and residents. During the year, the Company launched a toll-free telephone number and an email address for use by communities close to Mara Rosa – Our Permanent Information Offices at Pallancata, Inmaculada and Perito Moreno (the town closest to the San Jose mine) and town hall meetings – Participation in formal roundtables with the participation of community representatives and national authorities – The holding of collaborative events on a range of themes of local interest which, in Brazil, included workshops on cancer prevention and environmental conservation – The implementation of local purchasing and hiring protocols	– Environmental issues – Local hiring and purchasing – Provision of scholarships for primary, secondary and technical education – The development of programmes for socio-economic development in local communities surrounding San Jose, aiming to provide career development opportunities through technical and professional training – The impact of proposed projects on the local area – The Company's sustainability commitments – Infrastructure projects	READ MORE Sustainability Report (Environment Management & Communities) from page 64 Risk Management (Environmental risks) page 106 Risk Management (Community relations) pages 108 and 109
Government/ Regulators It is our aim to maintain a constructive relationship and open dialogue with the various governmental authorities we interact with in each of the countries where we operate.	The Vice President of Public Affairs oversees regular interaction with relevant authorities and regulators in Peru, both at a Company level but also through the National Mining Association. Various teams also regularly interact with public officials and regulators as part of their operational functions. The equivalent role in our Argentinian joint venture is undertaken by the President, General Manager and General Counsel. The Company also actively participates in the National Mining Association. In Brazil, the General Manager and General Counsel lead engagement activities with governmental authorities. The Company Secretary is responsible for engaging with authorities in the UK resulting from the Company's London listing.	– Permitting – Health, safety and environmental performance and compliance – Climate Change reporting – Contribution to regional development such as through local job creation and investment in social programmes/ infrastructure – Enhancements to financial reporting disclosures	READ MORE Risk Management (Political, Legal & Regulatory risks) pages 103 and 104 READ MORE about financial reporting enhancements on page 132

Stakeholder group	Engagement activities	Issues raised in 2024	Additional information
Suppliers/ Lenders As a key influence on how we operate our business, we seek a relationship of mutual benefit while requiring high standards of conduct.	The General Managers of our Peruvian, Argentinian and Brazilian operations maintain ongoing dialogue with suppliers to the mine sites. This is carried out directly and, in the case of our joint venture in Argentina, through organisations representing suppliers in the Province. Other suppliers, including lenders, are managed by the relevant functional department such as IT, Group Finance, etc. With regards to its existing lenders, the Company maintains an open dialogue on relevant business developments.	– Providing suppliers with access to cost-efficient financing through a factoring programme that leverages HOC's risk profile – The maintenance of stocks of critical consumables and spare parts to mitigate supply chain risks – Ongoing discussions with suppliers due to inflationary pressures. This resulted, among other things, in renegotiation of terms and the adoption of long-term agreements with fixed or tiered-pricing – Discussions with the lenders of the Group's Medium-Term facilities ("MTFs") on the Group's sustainability performance – This resulted in the refinancing of the $300m MTF with an interest rate that is subject to a reduction in line with HOC's environmental performance	READ MORE Risk Management (Business Interruption/ Supply Chain risks) page 100
Customers Due to the nature of what we produce, Hochschild has relatively few customers. As a result, successful relations with our customers are of critical importance to our business.	Our sales and logistics teams oversee a relationship of co-operation and constant dialogue. During the year, the Company continued to establish new commercial relationships to mitigate the risk of a concentrated customer base and its vulnerability to geopolitical developments. In addition to usual relationship management, Hochschild attended LME Week in London and CESCO Week in Chile for customer engagement.	– Discussions on commercial terms in light of fluctuations in the supply of concentrate – The cost of shipping product from San Jose in Argentina due to inflationary pressures	READ MORE Risk Management (Commercial Counterparty risk) page 99

SUSTAINABILITY REPORT

Responsibility is at the core of our corporate values and sustainability ambition

Tracey Kerr
Chair, Sustainability Committee

Dear shareholder

Our purpose at Hochschild is responsible and innovative mining committed to a better world. Sustainability is fundamental to this purpose, underlying how we operate as a business; it forms our culture and how we work in our day-to-day. It forms our relationships with our communities, our people, and local governments, and it underpins how we interact with the environment and the physical landscape in which we operate.

In the next sections of this report, I am pleased to share our sustainability-related milestones from 2024. One of our most notable achievements was completing a **materiality assessment** update, building on the last assessment conducted in 2021. This update allowed us to incorporate one critical new topic – biodiversity and ecosystem services – alongside our existing material topics of water management, climate change, management of waste and tailings, local communities and socio-economic development, and occupational health and safety. This update reflects our evolving understanding of sustainability priorities and our commitment to addressing them.

Following the approval of our 16 **ESG KPIs** in 2023, and their respective 2030 ambitions, we have started to internally monitor progress on a quarterly basis and have established internal annual action plans and targets and action plans aligned with our 2030 ambition, with support from across our sites in Peru, Argentina, and Brazil. Performance against our ESG KPIs is reflected on the Long-Term Incentive Plan (LTIP), strengthening the importance of ESG as a strategic pillar of the Company.

We are also proud to have signed a second **sustainable corporate loan** with an interest rate that is adjusted in line with our performance in three distinct areas: safety, freshwater consumption, and recycled waste.

The **safety** of our people is an integral measure of our corporate success and remains our highest priority. In 2024, we achieved a LTIFR of 1.25, only two High Potential Events (HPEs), and maintained our ongoing target of Zero Fatalities. We are also proud to be the only company to hold the Det Norske Veritas (DNV) level 8 certification, reflecting the strength of our safety management information systems.

We achieved an excellent performance in our **ECO Score**, exceeding this year's target range, the most ambitious to date. Since 2015, we have reduced our potable water consumption by 66% to an all-time low result of 138 litres/person/day. On the strength of our ECO Score performance, Hochschild was granted this year - alongside other world-class companies - the 2024 Sustainability, Environmental Achievement and Leadership (SEAL) Business Sustainability Award in the environmental initiatives category.

Biodiversity remains a top priority for our business, as reflected in its inclusion in our material topics this year. In that sense, we have continued our focus on monitoring biodiversity levels in our areas of direct influence and continue to raise awareness of the biodiversity in our local communities through initiatives such as the Knowledge Trail at Mara Rosa. In addition, we published a book on the biodiversity, social, and historical importance of the Terra Ronca State Park, where the Mara Rosa mine compensated its footprint. We look forward to implementing our Andean wetland compensation plan at Inmaculada together with the Smithsonian Institute, and we are planning a gap analysis on the Company's nature data maturity and preparedness to meet the Taskforce on Nature-related Financial Disclosures (TNFD) and the Carbon Disclosure Project (CDP) nature disclosures.

Achieving Net Zero by 2050 and our ambition of reducing scope 1 and 2 Greenhouse Gas (GHG) emissions by 30% by 2030 (in comparison to our 2021 emissions) remains central to our climate strategy. Because of this ambition, we are continuing our focus on driving operational efficiency at existing mines and increasing the procurement of green electricity. In 2025, we will conduct a financial quantification of climate-related risks.

This year, we made meaningful progress in supporting our **local communities.** We have worked to strengthen our social engagement strategy and identify numerous ways of supporting them. This included increasing levels of local procurement, supporting local governments with public infrastructure, and positively engaging through educational, health, and socio-economic development programmes. These efforts are reflected in the increase in local procurement to 26.1% (as opposed to 17.4% in 2023) and the increase in the proportion of net revenue used for social investment purposes, at 1.22%. Additionally, we had zero days of operational disruption caused by social factors in 2024.

Driving gender diversity within **our own workforce** remains a top priority for Hochschild and is reflective of the challenges faced by the industry. In 2024, the proportion of women in our workforce increased from 9.62% in 2023 to 10.00%. Initiatives such as the Future Women Scholarships (Beca Futuro Mujer) and our partnership with Harassment-Free Workplaces (Espacios Laborales Sin Acoso – ELSA) are key components of our efforts to create a more inclusive workplace.

We remain committed to strengthening our approach to **responsible business** practices. This is reflected in the development of our first Modern Slavery Statement, to be published, on a voluntary basis, alongside our standalone Sustainability Report. We also look forward to performing a gap assessment on human rights in 2025, laying the groundwork for a comprehensive human rights due diligence framework.

As we look ahead, our strategic focus over the next three – five years will continue to be guided and informed by the progress against our ESG KPIs within our 2030 ambition areas.

Sustainability highlights

All community-related and environment-related KPIs exclude Brazil due to Mara Rosa construction and commissioning activities. Mara Rosa will be included from 2025 which will be the first full year of mining operations.

26.1%
LOCAL PROCUREMENT
2023: 17.4%

1.22%
% OF NET REVENUE FOR SOCIAL INVESTMENT
2023: 1.18%

0
WORK-RELATED FATALITIES
2023: 0

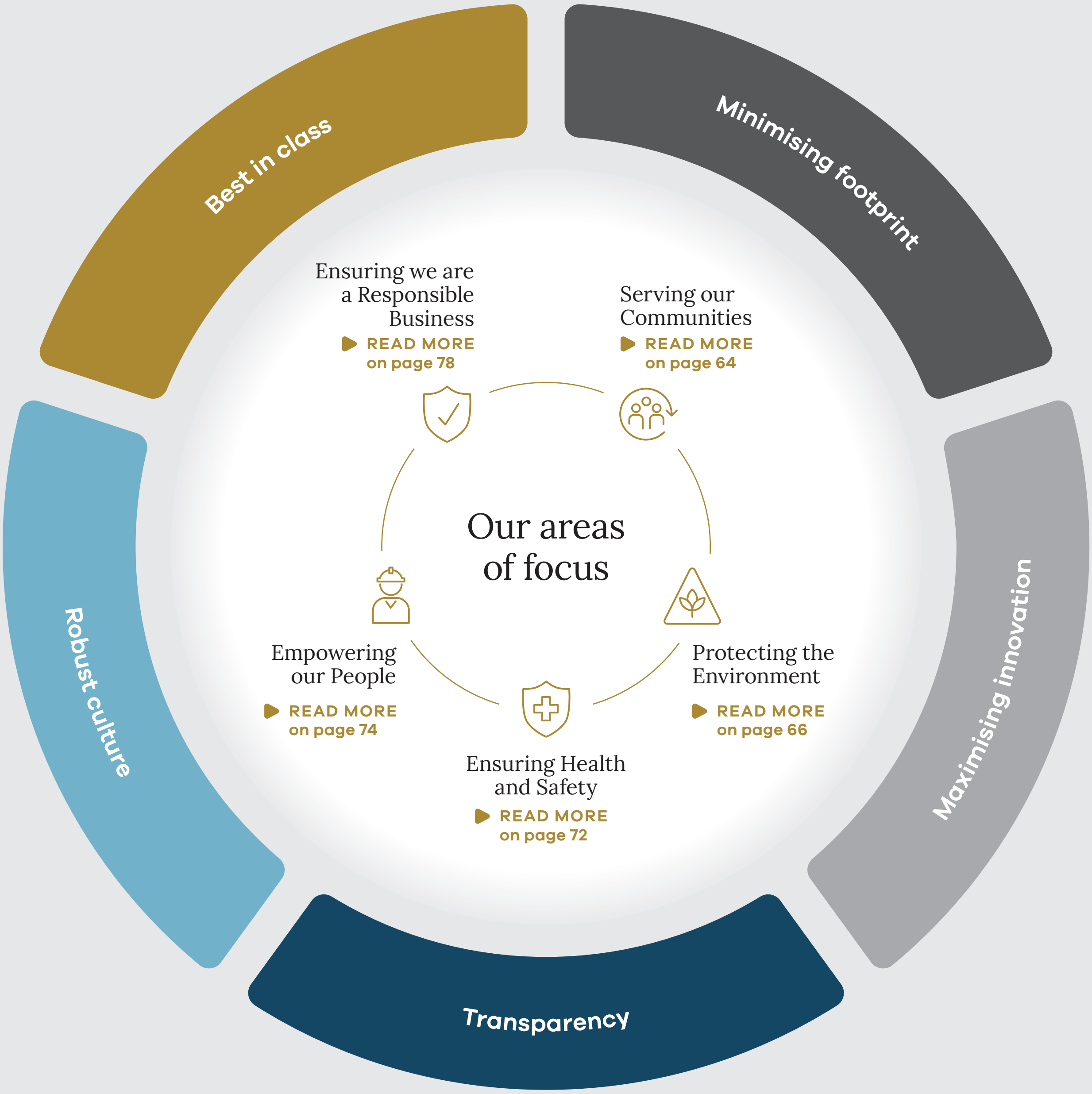
5.58/6
ECO SCORE (VS TARGET OF 5.5/6)
2023: 5.76/6

138
LITRES/PERSON/DAY OF POTABLE WATER CONSUMPTION
2023: 163 litres/person/day

3rd
2024 MERCO TALENTO RANKING* (OUT OF 18 MINING COMPANIES IN PERU)
2023: 4th place out of 16 companies

* The Merco Talento ranking evaluates companies' talent retention and attraction efforts in comparison to peers.

Sustainability strategy



Our approach to sustainability

This section of our report details our sustainability performance in 2024, against the topics identified in our materiality assessment. It therefore seeks to provide an update on those areas of focus that are of significant interest to our stakeholders and our business.

The materiality update, which included desktop research, peer reviews, and extensive engagement with our senior leadership, suppliers, investors, industry associations, customers, and NGOs, was supported by ERM, a sustainability-consulting firm. To ensure that our insights considered the evolving sustainability landscape in which we operate, we also reviewed key sustainability trends emerging in the mining and metals industry, using a range of published sources and reports. The findings, which will be published in our 2024 standalone Sustainability Report, provide a developed understanding of the most material impacts, risks, and opportunities that we face relating to sustainability, within our business, and broader value chain. They also feed directly into our strategic focus, which can be found below. Going forward, we will undertake a materiality update every two years. Our previous materiality assessment took place in 2021.

Governance

Our Board of Directors is responsible for adopting policies on sustainability, ensuring that the Company adheres to both international and national regulations, and establishing sustainability as a source of lasting competitive advantage.

The Sustainability Committee is responsible for overseeing and making all necessary recommendations to the Board in connection with sustainability matters. The committee consists of the CEO and two Independent Directors, and is an official sub-committee of the Board. The COO, Vice Presidents of People Management and Corporate Affairs, and Legal and Public Relations are regular attendees. Progress against the Company's climate change strategy is presented to the Sustainability Committee every quarter and reported to the Board. This supports the management of and reporting against CDP and the Climate-related Financial Disclosures (CFD).

The Sustainability Committee ensures that effective standards, procedures, and practices are in place at each of the Company's operations and comply with national and international standards. The Committee is also responsible for reviewing management's investigation of incidents or accidents that occur in order to assess if improvements, whether of practice or policy, are required.

The committee is chaired by Tracey Kerr, who has Board-level responsibility for sustainability matters. She is also the designated Non-Executive Director for Workforce Engagement.

Sustainability reporting

Hochschild is pleased to report that our external sustainability ratings have gradually improved over the course of 2024, namely FTSE4Good, Sustainalytics, and MSCI benchmarks, and are proud of the Company's inclusion in the FTSE4Good Index.

Starting in 2025, results from rating agencies will form a part of the Company's performance goals, thereby feeding into the annual review and bonus schemes. ESG-related matters have a 25% weighting overall, which is broken down to a 15% weighting related to safety, 5% weighting for environmental results, and a 5% weighting with respect to Hochschild's external ESG ratings.

For climate-specific disclosure, we developed our 2024 report based on the CFD framework; details of which can be found on our website: https://www.hochschildmining.com/sustainability/sustainability-reports-and-policies/

Through these external disclosure frameworks, we are committed to providing our stakeholders an ongoing and transparent account of the material topics and to outline the steps we are continually taking to improve our sustainability performance.

Going forward, we will publish a standalone Sustainability Report every two years, which covers, in detail, the sustainability activities and performance of Hochschild. In the years we do not publish such a report, a detailed sustainability section will be included within our Annual Report. Our last standalone report was published in 2021, in accordance with the 'Core' option of the Global Reporting Initiative (GRI). Our sustainability reporting can be found at: https://www.hochschildmining.com/sustainability/sustainability-reports-and-policies/

Our 2030 ambitions

After the setting of the ESG KPIs, their respective 2030 ambitions, and their approval by the Board of Directors in 2023, this year we established a multidisciplinary team to set yearly interim targets with corresponding action plans. Any costs associated to implement the ESG action plans are incorporated into our operating budgets. This team collaborates across all departments to ensure we stay on track to meet our yearly targets and ultimately achieve our 2030 ambitions.

Serving our communities

	2030 Ambition
Local workforce vs total workforce (%)	60%
Local procurement vs total procurement (%)	20%
Social investment vs revenue (%)	0.90%

Protecting the environment

	2030 Ambition
GHG scope 1+2 emissions reduction (%) [1]	-30%
Fresh water utilised per ore processed (m^3/ tonne)	0.22%
Recycled waste vs waste generated (%)	80%
Domestic waste landfilled (kg/person/day)	0.90
Potable water consumption (l/person/day)	174

Ensuring health and safety

	2030 Ambition
Fatal accidents	0
Lost time injury frequency (LTIFR)[2]	1.20

Empowering our people

	2030 Ambition
Women in the workforce (%)	11%
Women in leadership roles (%)	20%
Voluntary turnover (%)	<5%

Ensuring we are a responsible business

	2030 Ambition
Women on Board seats (%)[3]	40%
Board considered by investors to be independent (%) (excl. Chair)	>50%
Average tenure of Non-executive Directors (excl. Chair)	6 years

1 Measured as a reduction against the 2021 baseline.
2 Calculated as total number of accidents per million labour hours.
3 Previously under the category "Empowering our people", re-classified for consistency between employee-related and Board-related KPI's.

These KPIs can also be found on our website: https://www.hochschildmining.com/sustainability/sustainability-reports-and-policies/

We will review the continued relevance of these indicators and will supplement them as appropriate.

Quarterly performance will be published on our website and yearly performance will be published in our Sustainability and Annual Reports.

Serving our Communities

A core commitment at Hochschild is the social and economic development of our local communities. Within this strategic pillar, we have identified the following material topic: Local communities and socio-economic development. Alongside this, we also continue to monitor the topic of fair and transparent land acquisition and resettlement.

Highlights

26.1%

LOCAL PROCUREMENT[1]
2023: 17.4%

1.22%

SOCIAL INVESTMENT VS NET REVENUE
2023: 1.18%

Alignment to UN SDGs

3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
8 DECENT WORK AND ECONOMIC GROWTH

Our approach to serving our communities

The focus of our social engagement strategy is on generating a positive impact. We do this by building long-lasting partnerships with local communities and through implementing initiatives that aim to address their needs. Our initiatives cover a wide range of development areas, from the provision of medical support and digital facilities to the coaching of female entrepreneurs and mining students. To ensure that our programmes address the specific needs and expectations of our communities, we invest resources to understand what these needs are, and maintain open and transparent dialogue in our engagement. We also keep our communities informed of any relevant developments at Hochschild that may affect them and actively engage with them in these decision-making processes.

Our approach to generating positive impact is guided by our Community Relations Policy, which emphasises our dedication to building trust and listening to community concerns. At Hochschild, we consider how our operations may affect the local community, either directly or indirectly; this consideration is formally included within our application for environmental permits, under the Free Prior Informed Consent (FPIC) process.

This year, local workers made up 59.3% of our total workforce, which represents a slight improvement against 2023. On the other hand, local procurement made up 26.1% of our total procurement and social investments represented 1.22% of our net revenue. We are very pleased to report that these exceed our 2030 ambitions of 20% and 0.90%, respectively. However, it is important to recognise that achieving these ambitions today does not guarantee similar performance in the years ahead, as mine sites cease operations and new ones are incorporated over time. As such, continuing to meet these ambitions will require a sustained effort and careful management as we adapt to change.

1 Local refers to people working at the mines or businesses that belong to the regions where the Company operates (Peru: Apurimac, Arequipa, Ayacucho and Cajamarca; Argentina: Santa Cruz; Brazil: Goias).
Community-related KPIs exclude Brazil due to Mara Rosa construction and commissioning activities. Mara Rosa will be included from 2025 which will be the first full year of mining operations.

Progress against our 2030 ambitions

	2021 Baseline	2022	2023	2024	2030 Ambition
Local workforce vs total workforce (%)	51.2%	52.6%	59.1%	**59.3%**	60%
Local procurement vs total procurement (%)	12.2%	15.3%	17.4%	**26.1%**	20%
Social investment vs revenue (%)	0.84%	0.94%	1.18%	**1.22%**	0.90%

Community-related KPIs exclude Brazil due to Mara Rosa construction and commissioning activities. Mara Rosa will be included from 2025 which will be the first full year of mining operations.
The figures include both Hochschild's direct employees and permanent contractors in our mine sites in Peru and Argentina.

Key achievements 2024

- **Education:** We are proud to support our local students by providing academic support, entrepreneurial training, and career guidance through a range of initiatives. This includes sponsoring higher education scholarships in technical subjects relevant to mining through our ongoing "Quri Yachay" scholarship programme (Golden Knowledge in Quechua). In 2024, a new cohort of 37 students successfully graduated from the programme as drilling assistants.

  In November 2024, we also launched a new programme in Peru, "Comunidad de Becarios HOC" (HOC Scholar Community). This aims to enhance education, provide vocational guidance, and offer emotional support to technical and university students in the areas surrounding the Inmaculada, Pallancata, Arcata, and Selene mines.
- **Future Women Scholarship:** In 2024, we launched the second cohort of the Future Women Scholarship, an initiative started in 2021 aimed at developing women's technical skills and enhancing the employability of women from local communities. Hochschild recognises that there is a gap in employment opportunities for women, particularly in technical roles within the mining sector. Our training programme focuses on key technical areas for the mining industry such as in the processing plant, laboratory, and infrastructure, seeking to develop skills that empower women to access better job opportunities. Since the programme's inception three years ago, 23 women have been trained, and 52% of them have successfully secured employment within our organisation or with partner companies. This year, 10 participants were trained as processing plant and laboratory assistants, reaffirming our commitment to inclusion and equity in the mining sector.
- **Mining Partner Programme:** In May 2024, Hochschild launched its "Programa del Colaborador Minero" (Mining Partner Programme). Thirty residents of Perito Moreno, the town located closest to the San Jose mine, participated seeking to benefit from professional and career development opportunities within the mining sector. Those who successfully completed the programme were offered the opportunity to work at San Jose. The programme lasted five months and consisted of two months of virtual theoretical training, followed by three months of practical experience at San Jose. Twenty-eight participants successfully completed the course and joined the workforce in October 2024.
- **Professional courses in Brazil:** In partnership with the National Rural Apprenticeship Service of Brazil (SENAR) we developed technical and professional courses for the local community of Mara Rosa. Seeking to diversify the local economy, nine courses were held on the topics of: first aid, production of cleaning and hygiene products, candy production, bakery, brown sugar production, production of milk derivatives, chocolate production, processing of Brazilian Savannah, and tropical fruits and gardening.

Additional details and achievements will be included in the standalone 2024 Sustainability Report.

Material topics in serving our communities

Local communities and socio-economic development

We are proud to run a range of short and long-term initiatives in our local communities focused around the core themes: connectivity, education, health and nutrition, and socio-economic development.

Through focus groups, site visits, and meetings with authorities, we continuously engage with our community members and gather detailed feedback. These help us understand the needs of our communities and the social impact that we can have through our operations. Our Permanent Information Offices, which serve the Inmaculada, Pallancata and San Jose mines, provide a central point of contact for communities to ask questions or express concerns about our activities. In 2024 we received 17 grievances and responded to 13, with the remaining in process at the time of publication, with an average response time of 21.8 days.

Hochschild made social investments of approximately $9.7 million in 2024 in Peru and Argentina, including ad-hoc philanthropic campaigns and the provision of technical assistance to municipalities.

Education	$741,000
Health and nutrition	$663,000
Socio-economic development	$2,519,000
Philanthropic campaigns	$234,000
Culture and communication	$152,000
Donations	$1,016,000
Local government support	$4,404,000

We invested approximately $2.56 million at Mara Rosa in 2024. With the first full year of operations, detailed social statistics relating to our Mara Rosa mine will be included in next year's report.

Protecting the Environment

Hochschild is committed to producing metals with the lowest possible environmental footprint. We monitor our environmental impact through the following material topics: Climate change, water management, management of waste and tailings, and biodiversity and ecosystem services.

Highlights[1]

5.58

2023 ECO SCORE (VS TARGET OF 5.5)
2023: 5.76

66%

REDUCTION IN POTABLE WATER CONSUMPTION COMPARED WITH 2015
2023: 60%

Alignment to UN SDGs

1 Environment-related KPIs (except GHG scope 1+2 emissions reduction (%) in 2024) exclude Brazil due to Mara Rosa construction and commissioning activities. Mara Rosa will be included from 2025 which will be the first full year of mining operations.

Our approach to protecting the environment

Our Environmental Policy aims to address our most material environmental impacts. Among others, the policy includes measures to reduce our water usage, improve our energy efficiency, and increase the use of recycled waste. In 2025, we will work on our biodiversity strategy aligned with TNFD.

We reduced our potable water consumption in 2024 by 15% in comparison to 2023 levels and exceeded our 2030 ambition for the second consecutive year. Additionally, we have continued to reduce levels of domestic waste sent to landfill, achieving a reduction of 0.3% in 2024 in comparison with 2023. While we are pleased with these achievements, it is important to acknowledge that maintaining this performance will be a challenge as mine sites cease operations and new ones are incorporated over time. We will need to continue focused efforts to sustain these positive trends as we adapt to evolving circumstances.

The increase in GHG emissions can be mainly attributed to the Mara Rosa mine, an open-pit operation, being incorporated into the calculation. Without the inclusion of Mara Rosa into the corporate result, we estimate that our scope 1 and 2 (market-based) emissions would have decreased approximately 5.6% as compared with the 2021 GHG emissions.

Key achievements 2024

- We received the 2024 **SEAL Business Sustainability Award** in the category of environmental initiatives, in recognition of the ECO Score.
- **Environmental Management System (EMS):** As part of the development of the EMS, several processes were strengthened in the mines during 2024, with an emphasis on: compliance with legal commitments and other obligations assumed by the Company, environmental risk assessment, leadership, operational control, communication, and skills training. Regarding the latter, environmental personnel in the mine sites have received training on ISO 14001 standards and internal auditing. In 2025, we will focus on reinforcing the preventive vision of environmental management and the development of EMS processes, with a focus on document management, change management, and the measurement and monitoring of results.

Progress against our 2030 ambitions

	2021 Baseline	2022	2023	2024	2030 Ambition
GHG Scope 1 and 2 emissions reduction (%)	0%	-0.7%	-5.6%[1]	**+51.1%**	-30%
Fresh water utilised per ore processed (m³/ tonnes)	0.24	0.27	0.27	**0.31**	0.22
Recycled waste (%)	72.5%	68.8%	63.3%	**57.3%**	80%
Domestic waste landfilled (kg/person/day)	1.001	1.052	0.931	**0.928**	0.90
Potable water consumption (l/person/day)	193	171	163	**138**	174

KPIs (except GHG Scope 1 and 2 emissions reduction (%) in 2024) exclude Brazil due to Mara Rosa construction and commissioning activities. Mara Rosa will be included from 2025 which will be the first full year of mining operations. GHG emissions from Mara Rosa and the Belo Horizonte office prior to 2024 are not included in the results are they were immaterial to that produced by the operating mines.

1 The 2023 result of GHG emissions reduction restates the value disclosed in the 2023 Annual Report (-5.1%) following the carbon footprint's independent assurance performed in 2024.

Environmental Culture Transformation Plan (ECTP)

In 2024, we reviewed the structure of the ECTP in line with our updated EMS processes. Our key activities in 2024 for each segment were the following:

2024 ACTIVITIES

Leadership
We launched the ECOHOC Podcast, developed a leadership recognition program, and created an environmental induction training programme to be launched in early 2025.

Innovation
We developed a cloud-based ECO Score platform, launched the Innova platform in Brazil, and developed the Innova campaign for Environmental Ambassadors (see page 76 for more details on Innova).

Responsibility
We organised activities to promote an environmental culture among workers and their families, such as the Mining Partner Programme in Argentina, FLICMA in Brazil, and "Conversemos en Familia" (Conversations as a family) in Peru.

Communication
We continued working with our Environmental Ambassadors.

Training
We prepared and distributed training material across all countries, such as courses on environmental compliance and environmental induction for leaders, all aligned with the EMS and country-specific regulations.

2024 ACTIVITIES

Country-specific case-studies that help promote a culture of environmental responsibility:

- **2nd edition of FLICMA:** The 2nd edition of FLICMA (Mara Rosa and Amaralina Literature, Culture, and Art Festival), which was promoted by the Mara Rosa mine, was an event with a major cultural and educational impact on the communities closest to the mine, Mara Rosa and Amaralina. Attracting almost 2,500 participants, including students, educators and local leaders, the diverse programme provided an immersion in cultural, literary, and educational activities.
- **Environmental Ambassadors:** To fully embed the ECTP into our everyday operations, we invite employees across all levels to be part of our Environmental Ambassador programme. The programme's main objective is to train agents of change who strengthen the culture and environmental awareness within the Company. In 2024, we equipped ambassadors with the soft skills and environmental knowledge to drive projects that improve waste management, water use, energy savings, and environmental culture.
- **ECO Score Platform:** The ECO Score is a scoring framework that allows Hochschild to quantify the business's environmental performance within a single metric, expressing environmental management in a way that is easily understood. It was implemented in 2015, and since then, has served as a powerful and innovative tool for managing environmental issues, holding employees accountable, and generating value for our stakeholders. In 2024, we reviewed our ambition level and received Board approval to increase our ECO Score target range from 5.25 to 5.5 out of 6. We are pleased to report that, in 2024, we achieved a score of 5.58. Since the tool's inception in 2015, we have met our target every year and have improved our environmental performance score by 68%.

  In 2024, a cloud-based interactive platform was developed alongside the Technology department to automate the data collection and the calculation of the monthly ECO Score, with the objective of enhancing the accuracy and efficiency of environmental performance monitoring across all mine sites, supporting data-driven sustainability strategies. By automating the process, the platform reduces calculation errors and the manual workload at the mine sites, and enables more precise, data-driven decision-making. The platform also enables real-time tracking and analysis of environmental performance across operations.

Additional details and achievements will be presented in the standalone 2024 Sustainability Report.

Material topics in protecting the environment

Climate change

Our aim is to reach Net-Zero GHG emissions by 2050. Our interim 2030 ambition is to reduce our GHG Scope 1 and 2 emissions by 30% against a 2021 baseline (we recognise that we may need to rebaseline our emissions in 2025 to account for the inclusion of Mara Rosa). To achieve this ambition, our efforts are focused on sourcing renewable electricity and transitioning towards low-emission vehicles once these become readily available within the next four years. Any costs associated to implement our climate change strategy will be included into our operating budgets. In 2024, we sourced 17% of energy from renewable sources. Since 2023, we have also worked to procure renewable energy from the Mara Rosa Green Energy project. Detailed below, we expect this initiative to play an increasing role in reducing our GHG Scope 1 and 2 emissions.

Mara Rosa Green Energy Project

Hochschild continues its offtake agreement with Solatio Energia (a photovoltaic sector specialist) to implement a solar energy project that will supply renewable energy to the entire Mara Rosa mine. The solar plant, with a capacity of 124.6 MW of energy, will guarantee that the amount produced will meet the energy demand throughout the mine's useful life. Production is scheduled to begin in the second semester of 2025.

Our mining operations in both Peru and Argentina have a lower GHG emissions intensity compared to the industry average* (1.95 tCO_2e/koz Ag Eq; 0.16 tCO_2e/oz Au Eq). This is a result of the fact that our underground mining operations have lower emissions compared to open-pit mines, using low-carbon grid-based electricity, and prioritising the use of renewable energy where available.

In 2024, we advanced our management of climate change by completing a phyisical and transition risk assessment and climate scenario analysis across two scenarios (warming of 1.8°C and 4.4°C by 2100) and a range of time horizons in the short, medium and long-term. This has supported us to update our CFD reporting to report our climate-related financial information.

* Industry average according to the WGC's "Gold and climate change: Current and future impacts" report (published in 2019) corresponds to 38,100 tCO_2e/t Au Eq, equivalent to approximately 1.08 tCO_2/oz Au.

Water management

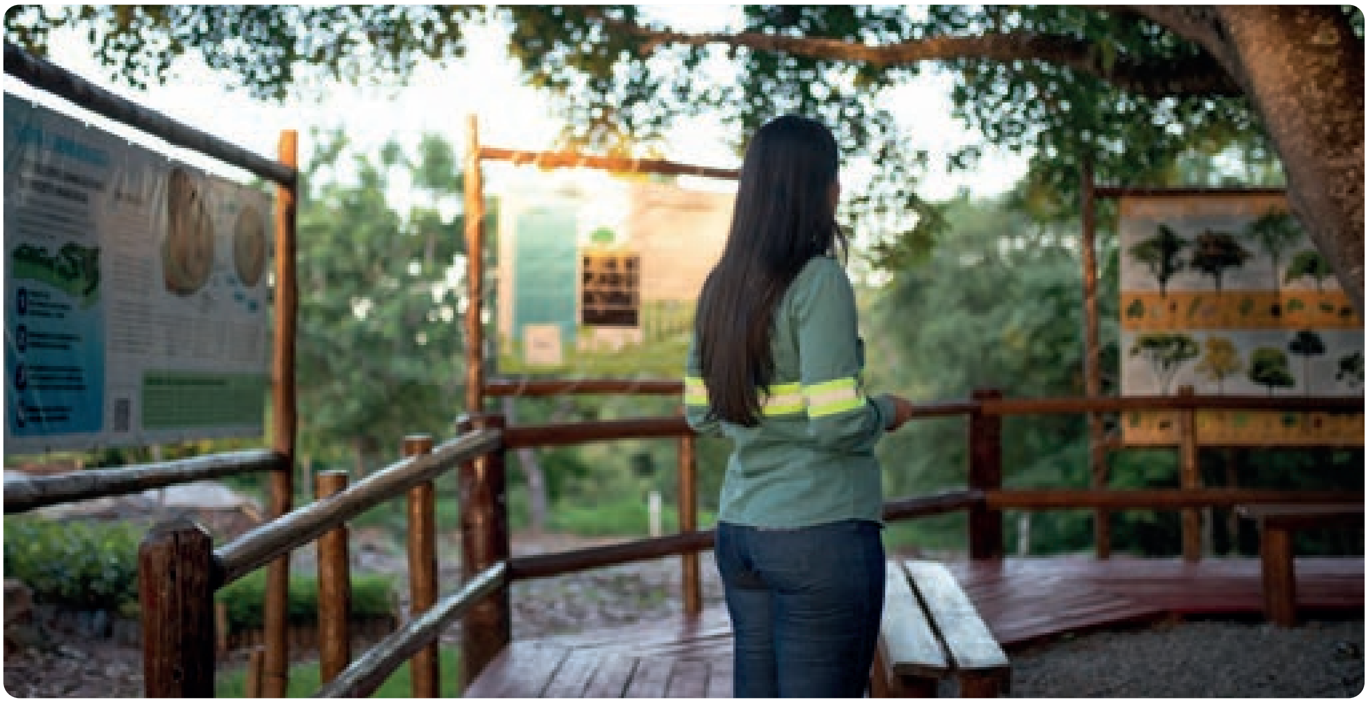
Hochschild aims to make optimal use of water resources as a part of our strategy for responsible water management. The Inmaculada mine operates in an area with high water stress as per the World Resources Institute (WRI) aqueduct threshold, while the former Selene mine is in an area with medium-high water stress. In 2024, 72% of all water used in processing plants was reused, maintaining our 2023 level of water reuse and helping us minimise intake of freshwater.

We have also continued to reduce our potable water consumption year-on-year, from 163 litres/person/day in 2023 to 138 litres/person/day in 2024. This amounts to an overall 66% reduction in potable water consumption since 2015. In fact, potable water consumption in 2024 was the lowest to date.

Freshwater use (m^3)

Year	Freshwater used in process plants
2020	454,527
2021	589,904
2022	651,066
2023	578,919
2024	557,360[1]

1 Please note that the Selene plant was not included in this year's freshwater use calculation, having been placed in care and maintenance in October 2023. The 2024 result also excludes Brazil due to construction and commissioning activities in Mara Rosa. It will be included from 2025, which will be the first full year of mining operations.



GHG footprint annual calculations

Greenhouse gas emissions data[1,2] (tonnes of CO_2e)

	2024	2023[3,4]	2022[4]	2021[4]	2020	2019	2018	2017	2016	2015	2014
Emissions from combustion of fuel and operation of facilities (tCO_2e)	**57,674**	42,400	45,374	46,339	40,647	39,341	38,939	47,265	46,033	46,892	73,244
Emissions from total purchased electricity (tCO_2e)	**79,678**	64,602	68,116	58,133	41,254	82,833	85,084	94,249	91,893	78,163	69,933
Emissions from purchased electricity – non-renewable sources (tCO_2e)[5]	**31,692**	13,457	13,389	12,820	6,591	n/a	n/a	n/a	n/a	n/a	n/a
Total Scope 1 & Scope 2 emissions (tCO_2e)[6]	137,352	**107,002**	**113,490**	**104,472**	**81,901**	**122,174**	**124,023**	**141,514**	**137,926**	**125,055**	**143,178**
Emissions intensity, per thousand ounces of total silver equivalent produced (tCO_2e/koz Ag)[6,7]	**4.06**	3.52	3.64	3.11	2.76	2.64	2.60	3.16	3.27	3.70	5.08
Scope 3 emissions (tCO_2e)	**28,506**	**26,016**	**29,734**	**24,8213**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Energy consumption	**538,167,973**	434,548,301	477,278,230	465,027,594	366,955,382	446,288,131	n/a	n/a	n/a	n/a	n/a
From combustion of fuel (kWh)[8]	**196,815,057**	143,520,319	159,336,476	165,114,299	132,414,133	143,763,206	n/a	n/a	n/a	n/a	n/a
From purchased electricity (kWh)	**341,352,916**	291,027,982	317,941,753	299,913,295	234,541,249	302,524,925	n/a	n/a	n/a	n/a	n/a

1 Method used based on the ISO 14064-1 Standard and GHG Protocol Corporate Accounting and Reporting Standard, using IPCC and Peruvian emission factors. Gases included in the calculation of all three scopes: CO_2, CH4, N2O and tHFC.
2 Includes data for the whole year for Peru (former and current operating assets, warehouses and office locations), Argentina (San Jose and Buenos Aires office) and London office. The Group's UK operations consist of a single office with an occupancy of three. Its total Scope 1 and Scope 2 emissions and energy consumption represent less than 0.01% of the Group's reported totals. Since 2024, the year Mara Rosa began operations and its emissions became materially significant, the data includes Brazil (Mara Rosa and Belo Horizonte office).
3 The 2023 results restate the values disclosed in the 2023 Annual Report following their independent reasonable assurance performed in 2024.
4 Limited assurance over emissioning from the operating sites was obtained from SGS in 2021 and 2022 and reasonable assurance over emissioning from the operating sites was obtained from Aenor in 2023, in line with the ISO 14064-1:2018 Standard.
5 Excludes electricity purchased from renewable sources, hydropower in Peru, wind power in Argentina and photovoltaic power in Brazil.
6 Emissions (and intensity) reflect combustion of fuel and operation of facilities (Scope 1) and purchased electricity (Scope 2) – location-based emissions.
7 Total production includes 100% of all production, including that attributable to the joint venture partner at San Jose
8 Collected information has been converted to kWh from gallons of fuel using net calorific values obtained from the Peruvian Ministry of Environment. Corresponds to fuel calculated for Scope 1.

Domestic waste generation (kg/person/day)

2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
0.928	0.931	1.052	1.001	1.182	1.041	1.133	1.131	1.327	1.942

Recycled waste (%)

2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
57.3%	63.3%	68.8%	72.5%	56.4%	86.6%	53.6%	57.7%	29.5%	45.3%

Management of waste and tailings
Effluent quality and any instance of non-compliance with national standards in respect of our discharges to the environment are reflected in our ECO Score. To ensure compliance with national regulations on water discharge, we closely monitor around 2,000 parameters annually. In 2024, Hochschild recorded one minor environmental incident at Inmaculada, against our target of 0. This incident did not affect the environment due to the timely response and clean-up measures. Hochschild has no significant air emissions and air quality is monitored periodically at all mines to ensure compliance with environmental quality standards.

We also have extensive waste management plans in place to ensure each specific waste stream is managed in the best manner possible. We strive to minimise waste that ends up in landfill and we prioritise recycling/reuse opportunities. This includes composting at our mining operations. As a result of these efforts, domestic waste generation has decreased by 52% since 2015.

All waste rock and tailings generated as part of mining and processing are managed in accordance with our environmental permits and have purpose-made engineered facilities for each waste type at all mines.

We use our best efforts to reuse our tailings and waste rock, as shown by the initiative to sell waste rock from Mara Rosa mine to a rail company, thus contributing to a circular economy.

Tailings waste generated (million metric tonnes)

	2024
Total waste rock generated	8.849
Total waste rock reused	0.610
Total tailings generated	3.512
Total tailings reused	0.290

Tailings and waste rock generated include data from the Inmaculada, San Jose and Mara Rosa mines.

This year we increased the number of our Tailings Storage Facilities (TSFs) from 11 to 12, following the implementation of our new dry stack TSF at Mara Rosa. In 2024, an external audit was conducted on the three TSFs at San Jose. In conjunction with auditing, the Sustainability Committee presents regular updates to the Board on Hochschild's TSFs' management.

We fully support the need for greater transparency in the mining sector and we disclose comprehensive details on each of our TSFs and their management.

As part of our tailings management system, we carry out external audits every two years. We updated the information published on our website regarding our TSFs in early 2025, following the information request from the Church of England Pensions Board originally made in 2019.

We have a TSF Committee, chaired by the COO, that meets monthly and includes Superintendents, Unit Managers, General and Corporate Managers. This committee is responsible for reviewing the status of all TSFs and progress on works, and identifying general risks. All our TSFs are equipped with instruments for topography and water management controls, which are monitored monthly and reported to the TSF Committee.

As part of our internal commitment, all new TSF expansions are designed and built in accordance with the International Council on Mining and Minerals (ICMM) or Canadian Dam Association (CDA) standard. For example, in 2024, the expansion of the Inmaculada TSF was executed based on the ICMM standard. Also, our two operating wet tail TSFs are aligned with the International Cyanide Code limit of 50ppm WAD cyanide concentration in open waters to protect wildlife. Additionally, in 2024, we began developing a management procedure for the design, construction, and operation of TSFs. This procedure will be completed in Peru by 2025 and then rolled out to our operations in Argentina and Brazil.

Biodiversity and ecosystem services

Hochschild will never operate inside the core of a protected area; however, several of our sites are located inside or near the buffer zone of such areas such as the Landscape Reserve Sub Cuenca del Cotahuasi, in the Arequipa region. We annually monitor biodiversity levels at all sites and regularly conduct flora and fauna programmes in directly influenced areas. Our objective is to mitigate the environmental footprint of our operations, with the aim of returning the environment to its prior state, to the extent this is possible. We also invest resources into developing environmental education, environmental and social awareness, and appreciation of local cultural heritage.

We implement specific measures, including compensation programmes to minimise the legacy of our operations on the surrounding area, which helps address or avoid significant environmental or landscape impact from our mine operations and closure. In 2023, we received approval of two compensation plans that will allow us to maintain and improve the ecological value at sites near Inmaculada. Compensation has also been embedded into the design of Mara Rosa and, as such, was a key consideration during its construction process.

In 2025, we will commence to develop our biodiversity strategy through a gap assessment and peer benchmarking, aiming to obtain a clear view of our nature data maturity and preparedness to meet TNFD and CDP nature disclosures.

Mine closure: The future use of the land following a mine closure is a key consideration in our operations, as well as in the rehabilitation of affected areas. In line with this objective, we are committed to restoring these areas to a safe and stable physical condition in accordance with the surrounding landscape. Regarding the management of land closure and rehabilitation, Hochschild has a designated department responsible for overseeing and ensuring the fulfilment of the closing commitments of our mine sites and exploration projects. As part of this process, we set aside sufficient funds to cover closure and rehabilitation; the closure provision is assessed internally on an annual basis. Every three to five years, third-party experts are typically engaged to incorporate changes in scope, cost estimates, and life of the mine. We report on environmental and social closure activities for all our current and former sites according to applicable regulations. In the case of new operations or expansions, we are committed to adopting and rigorously applying good environmental management practices and proper mine closures, which minimise the potential effect on the surrounding landscape and support our contribution to future sustainable development.

In 2024, most efforts were focused on the closure planning of the TSFs of Ares and Selene mines.

Ensuring Health and Safety

Employee health and safety is critical to the successful running of our business. Given the high-risk nature of the mining process, prioritising health and safety is essential to protecting our people and ensuring the overall success of our operations. We firmly believe that a healthy, satisfied, and motivated workforce is key to driving the growth of our Company. Our material topic relating to this pillar is: Occupational health and safety.

Highlights

0

WORK-RELATED FATALITIES
2023: 0

1.25

LTIFR
2023: 0.99

Alignment to UN SDGs

Our approach to ensuring health and safety

We strive to ensure the health, safety, and well-being of all our employees and contractors as outlined in our Health and Safety Policy. Practical measures are adopted, wherever possible, to avoid workplace accidents, eliminate occupational health hazards, and support employee well-being. Hochschild understands that an informed and attentive workforce, where individuals are engaged with health and safety in a way that looks out for themselves and others, is vital to managing safety and health risks.

We are extremely pleased to report that Hochschild is on track to accomplish our 2030 ambitions and that Hochschild achieved its Zero Fatalities target in 2024. This marks the third year in a row that we have achieved this fundamental commitment.

Key achievements 2024

- **Safety initiatives:** Launched in 2022, the SeguScore is an in-house safety performance indicator that measures both proactive and reactive safety metrics. It includes leading indicators like leadership presence, behavioural observations, and mini audits, as well as lagging indicators such as the LTIFR, Lost Time Injury Severity Rate ("LTISR"), and High Potential Events ("HPEs"). In 2024, we achieved a corporate annual SeguScore of 8.96 out of 10, compared to the 2023 result of 9.40.
- **Investigating and learning from safety incidents:** While we are proud to report that there were no fatal accidents at our operations in 2024, there was a serious accident at our Mara Rosa mine that occurred in December. An electrical contractor was performing maintenance activities when he suffered an electric shock resulting in serious injuries. The employee received immediate emergency care and was transported to a local specialist hospital. Operations at the mine unit were suspended and a meeting was organised for all on-site colleagues to discuss the accident and to highlight actions to be implemented immediately. The Company undertook a detailed investigation of the circumstances leading up to the accident.

Progress against our 2030 ambitions

	2021 Baseline	2022	2023	2024	2030 Ambition
Fatal accidents	2	0	0	**0**	0
Lost time injury frequency rate (LTIFR)	1.26	1.37	0.99	**1.25**	1.20

Due to limitations of its use for comparability with other companies, the Lost Time Injury Severity Rate (LTISR) is no longer considered a part of the ESG KPIs but continues to be monitored as part of our Occupational Health and Safety (OHS) Management System.

This investigation formed part of a report that was provided to the Board, as well as an action plan comprising short and medium-term actions to prevent a future recurrence.

Incidents that were minor in nature were also investigated promptly and appropriate response measures were implemented. We remain committed to health and safety by continuing to promote the improvement of all activities and assess the potential occurrence of HPEs. In the event of an HPE occurring, our CEO leads a meeting to conduct a thorough investigation and develop a corrective action plan. Hochschild continues to work to reduce this number of HPEs to zero through a range of initiatives.

- **Health:** In 2024 we did not record cases of work-related diseases, demonstrating correct health policies and procedures are in place.
- **Cultural Transformation:** Following the implementation of the second iteration of our Safety Cultural Transformation Plan in 2023, known as "Safety 2.0", we commissioned a safety culture assessment by an external consultant. Armed with the results, members of senior management and key leaders of the mining units held a workshop that outlined the steps to follow. We have called this new phase "Safety 3.0", which will be officially launched later in 2025.
- We continue to promote **leadership programs** on safety through professional supervisions in Peru and Argentina, encouraging proactive involvement and the development of safety initiatives at our mines. In Brazil, we developed a binder of lessons learned from past fatal and HPE accidents in Portuguese, along with leadership training on safety management in line with DNV.
- In Peru, the Transportation Committee maintains close oversight of personnel transport processes. **Technological enhancements** in 2024, such as the installation of equipment to improve cellular coverage, have improved the level of monitoring on frequently used routes.
- Additionally, we continued with the **"Siempre Sanos Programme" (Always Healthy)**, which offers free medical care, supports new parents with infant nutrition, and educates community members on preventative care. In 2024, the programme saw a partnership with the Regional Health Directorate (DIRESA) of Ayacucho, Peru (provinces of Parinacocha and Paucar del Sara Sara).

Additional details and achievements will be presented in the standalone 2024 Sustainability Report.

Material topics in ensuring health and safety

Occupational health and safety

Hochschild provides a safe, healthy, and secure workplace for all of our colleagues. We implement effective practices to prevent workplace fatalities, eliminate occupational health risks, and support the well-being of our employees.

Hochschild implements a systematic risk management approach to ensure a safe working environment, supported by our OHS Management System. Additionally, in 2024, the Risk Management System of San Jose and Inmaculada was certified by DNV[1], reaching a historic level 8, after 16 years of use of the system. In Brazil, we began the process of implementing the Risk Management System with the intention of achieving similarly impressive results over the coming years.

1 At Hochschild, we use the International Sustainability Rating System (ISRS) seventh edition to assess our occupational health and safety processes. Its assessment covers 15 processes, compatible with ISO 45001, and has a rating system that goes from level 1 to level 10. DNV certified the Company with level 8.

Fatal accidents[1]

2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Nil	Nil	Nil	2	1	Nil	3	4	Nil	Nil

LTIFR[1]

2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
1.25	0.99	1.37	1.26	1.38	1.05	1.74	2.69	2.20	1.85

LTISR[1]

2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
365[2]	37	93	676[3]	474	54	930	1,264	138	112

1 All health and safety indicators reported by Hochschild cover employees and contractors alike.
2 For further details on the year-on-year increase in the LTISR, please see earlier section entitled "Investigating and Learning from Safety Incidents".
3 Taking into account the ICCM's Health and Safety Guidance, the Sustainability Committee concluded that the Pallancata bus highway accident was not reportable by Hochschild in its safety KPIs as it took place outside of Hochschild Mining's operation and involved third-party transportation.

Empowering our people

Our people are key to our business success and the positive impact we make on the planet and society. By fostering a supportive and empowering working environment, we can improve employee satisfaction, offer better and more equal employee opportunities, and improve retention rates. We identified the following additional topics relating to this pillar: Labour relations; recruitment, retention, and engagement; diversity, equity, and inclusion; and innovation through technological solutions.

Highlights

10%

WOMEN IN THE WORKFORCE
2023: 9.62%

3rd

2024 MERCO TALENTO RANKING
(OUT OF 18 MINING COMPANIES IN PERU)
2023: 4TH PLACE (OUT OF 16 COMPANIES)

Alignment to UN SDGs

3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY

Our approach to supporting our people

Our Corporate Diversity and Inclusion Policy formalises our approach and our commitment to respecting human rights and promoting diversity, equity, and inclusion. As part of our corporate purpose, we aspire to provide a safe and healthy workplace environment that, above all, promotes a healthy work-life balance and demonstrates inclusion. As part of this commitment, we invest in wellness initiatives and professional development for our employees and offer competitive compensation and benefits.

Key achievements 2024

- **Meetings with women in mine sites:** The ESG team conducted on-site visits and meetings with female employees at our three operating sites in Argentina, Brazil, and Peru. These meetings focused on gathering their insights and ideas, with the aim to better understand the experiences of women in the mining sector and at Hochschild. Based on these visits, an action plan will be developed for gradual implementation until 2030, improving diversity and inclusion, increasing women's representation in leadership roles, and aligning with Hochschild's long-term ESG ambitions related to women in the workforce.
- **Increasing gender diversity at Hochschild:** This year, Hochschild has successfully increased the representation of women at multiple levels of our business. We have increased the percentage of women in our entire workforce from 9.62% to 10.00%. As a result, we are proud that we are moving closer to our 2030 gender diversity ambition of 11%. As a mining company, we recognise the challenges faced by our industry to build female representation. These incremental improvements are reflective of the important progress that is needed. We will continue, each year, to promote the participation, education, training, development, and leadership of women.

Progress against our 2030 ambitions

	2021 Baseline	2022	2023	2024	2030 Ambition
Women in workforce (%)	8.65%	8.78%	9.62%	**10.00%**	11%
Women in leadership positions (%)[1]	15.19%	14.83%	17.98%	**17.16%**	20%
Voluntary turnover (%)	4.99%	3.92%	4.52%	**4.96%**	< 5%

1 Leadership roles include senior, middle and junior management.

– **Training on the prevention of workplace violence and harassment in partnership with ELSA:** At Hochschild, we firmly believe in creating safe and respectful workspaces for everyone. Therefore, we partnered with ELSA, an organisation specialised in preventing workplace sexual harassment, to carry out the 4th comprehensive diagnosis at our operations and administrative offices in Peru. This diagnosis showed that while we are on the right path, there is still room to strengthen understanding and action on this issue among our employees. Aligned with this, we carried out an innovative and transformative training programme at the Inmaculada mine, focused on the prevention of violence and workplace harassment. We will be looking into replicating this effort in our other mine sites.

Additional details and achievements will be presented in the standalone 2024 Sustainability Report.

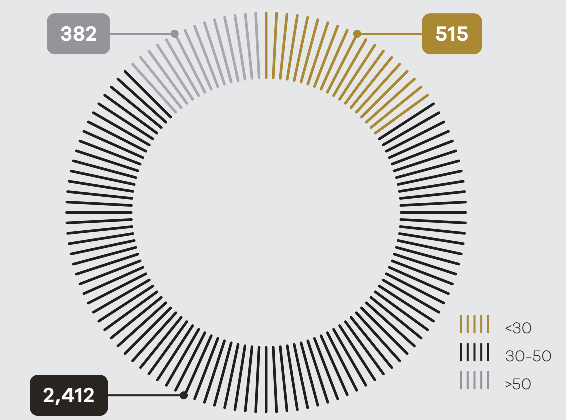
Our focus areas relating to our people

Diversity, equity, and inclusion

Inclusivity and a safe work environment promote equal opportunities for all, are fundamental to the sustainability of our Company and our corporate purpose.

We are committed to respecting human rights and promoting diversity, equity, and inclusion. As such, we reject any acts of discrimination that are based on race, gender, religion, ethnicity, age or any other distinguishing characteristic or trait. Our Diversity and Inclusion Policy outlines our commitment to promoting equal opportunities for all, including the participation, education, and empowerment of women in the workplace.

Age structure (number of employees)



Gender diversity

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Number of employees									
Men	**2,978**	2,921	3,282	3,347	3,155	3,024	3,894	3,849	3,859
Women	**331**	311	316	316	275	218	245	235	222
Number of senior managers									
Men	**35**	38	44	43	41	37	37	36	35
Women	**6**	5	6	2	1	1	1	1	1
Number of Board members									
Men	**5**	5	6	6	7	7	7	7	8
Women	**3**	3	3	3	2	1	1	1	1

Labour relations

We recognise and respect the right to freedom of association and collective bargaining, in accordance with the laws and regulations of the countries in which we operate. Our principles and practices related to fair compensation, job security, and professional development opportunities underpin our relations with our workforce. In 2024, approximately 74% of our total workforce was represented by a trade union or similar body. We recorded no strikes or lockouts during 2024.

Well-being: "Conversemos en familia" (Conversations as a family) is an annual event organised for the spouses of all Hochschild employees in Peru. At our 2024 event, a series of interactive talks and workshops were held. Some of the topics discussed included:

- Relationships as a couple
- Safety at home
- How to take care of the environment from home

Additionally, a composting workshop was held to share practical knowledge on the topic. We received 160 participants at this event.

Recruitment, retention, and engagement

We are dedicated to attracting and retaining a talented workforce by fostering a workplace that is engaging, innovative, and guided by our corporate purpose and values. In 2024, nearly 97% of our employees were permanent full-time workers, with a low voluntary turnover rate of 4.96%. Additionally, we saw a material improvement in our Working Climate survey from 63% in 2019 to 70% in 2024, reflecting our commitment to creating a supportive work environment. This year, we will work to implement the actions that have been identified to build on this strong foundation. In the 2024 Merco Talento ranking, Hochschild was ranked 3rd among 18 mining sector companies in Peru and placed 28th out of the top 100 companies in Peru based on our talent retention and attraction efforts. The ranking demonstrates and promotes the improvement of human capital management within organisations, providing them with various metrics and evaluation elements that contribute to a better understanding of the aspirations of the individuals working within them.We were also recognised as a Great Place to Work in Argentina.

Employee status in 2024

	Permanent contracts	Fixed-term contracts
Men	2,892	81
Women	320	10

Innovation through technological solutions

We strive to promote innovation in all aspects of our business to increase productivity, improve worker safety, and reduce our impact on the environment. This can be seen in projects such as the technological improvements in personnel transport safety, the Innova platform (see below), and the "SWAT" Project at Inmaculada. Together with the Boston Consulting Group (BCG), the Company sought to maximise the plant's unused capacity. The goal was to reach full production capacity as quickly as possible by improving mining cycle productivity and addressing bottlenecks such as ventilation. As a result, the plant processed 4% more ore than planned (compared to budget).

Innova Campaign and Environmental Ambassadors:

Our Innova platform facilitates the submission of initiatives from every level of the Company. Launched in 2022, the objective of the tool is to harness the ideas of our colleagues, which incorporate technology and innovation into our processes. The use of the platform is encouraged to share ideas of disruptive, applied, or incremental initiatives for evaluation and implementation in a timely manner.

In 2024, our Environmental Ambassadors were challenged to make environmental improvements across all of our operating mine sites, organised through the Innova platform. As part of this initiative, a total of 27 proposals were received, covering areas such as waste management, energy efficiency, emission reduction, and resource conservation. To date, eight impactful projects have been selected, which will be evaluated and supported for implementation in 2025. The programme has ultimately strengthened our environmental culture and employee environmental stewardship.


PELTOR
OPTIME
98
3M 2097
P100
2097
3M

Ensuring we are a responsible business

Conducting business honestly and ethically is a core pillar of our corporate identity. We are wholly committed to ethical business operations and are dedicated to maintaining the highest standards of responsibility in our activities, partnerships, and business dealings. Within our governance pillar, we have recognised the following additional topics for our business: Respecting human rights, responsible business conduct and ethics, responsible supply chain management, and public policy.

Highlights

63%

DIRECTORS CONSIDERED TO BE INDEPENDENT

2023: 63%

38%

WOMEN ON THE BOARD

2023: 38%

Alignment to UN SDGs

Our approach to responsible business

Our practice for acting responsibly is led by our rigorous corporate governance framework of appropriate systems, policies, and procedures. This framework drives business accountability across positive economic, social, and environmental outcomes. It involves advancing a corporate culture that is aligned with our shared values: Innovation, inspiring others, recognising talent, seeking efficiencies, and demonstrating responsibility, beyond minimum compliance with legal and regulatory requirements.

Key achievements 2024

- **ESG KPI integration and LTIP Programme:** The purpose of the LTIP programme is to align employee performance with organisational sustainability and operational goals through measurable KPIs and a long-term incentive structure. Performance against the approved ESG KPIs will be reflected in the LTIP for senior employees.
- **ESG ratings:** We incorporated ESG-related rating agencies into our corporate performance evaluations, strengthening the importance of ESG as a strategic pillar of the Company.
- **Launch of the Internal Legal and Compliance Portal:** In 2024, we launched a portal to provide employees a streamlined and instant access to all business conduct and ethics-related documents and initiatives. This reinforces the availability of resources supporting compliance with all Company rules, policies, and documents.
- **Expansion of the Compliance HOC Podcast:** We expanded our Compliance HOC Podcast to Peru and Argentina this year. Launched in Brazil in 2023, this initiative provides employees with accessible and approachable content related to themes related to compliance. Complementary to the Code of Conduct, the podcast supports employee awareness and adherence with all Company compliance rules.

Progress against our 2030 ambitions

	2021 Baseline	2022	2023	2024	2030 Ambition
Director Independence (%)	44%	67%	63%	**63%**	> 50%
Average Tenure of Non-Executive Directors (years)	6.4	5.0	5.3	**6.3**	< 6 years
Women on the Board (%)	33%	33%	38%	**38%**	40%

– **Policy updates:** We updated our Prevention and Criminal Compliance Manual and Interaction with Public Officials Policy. Our operations in Peru and Argentina were evaluated for corruption risks in accordance with the Compliance Manual; zero corruption-related incidents were reported. Additionally, our UK Tax Policy was updated during the year to clarify the conservative approach that would be taken by Hochschild where the tax treatment of a proposed course of action is unclear.

Additional details and achievements will be presented in the standalone 2024 Sustainability Report.

Our focus areas relating to responsible business

Respecting human rights

Hochschild is resolutely committed to protecting and valuing human rights within the Company and across our value chain.

Our Human Rights Policy is aligned with the Universal Declaration of Human Rights, the United Nations Guiding Principles, the UN Global Compact, and the International Labour Organisation's (ILO) core conventions. The policy outlines a framework of standards that detail how our suppliers and contractors are required to carry out their activities. In 2024, the policy was updated to include an explicit mention of human trafficking, freedom of association, and the right to collective bargaining, in line with our existing Code of Conduct.

In January 2025, we began developing, on a voluntary basis, our first Modern Slavery Statement. We will also undertake a human rights process consisting of two main phases: a gap assessment and leadership training in 2025 and the development of a due diligence framework in 2026.

Responsible business conduct and ethics

Hochschild is dedicated to sustaining the highest standards of business conduct and ethics in our operations and supply chain. Our Board oversees that our Company values are reflected in our business behaviour and activities. To operationalise this, we have implemented a Code of Conduct (inclusive of environmental management), alongside supplementary policies, that are applicable to all those who act for or on behalf of Hochschild.

Our Code of Conduct is made available to all Hochschild employees and details the standards and values of ethics that our employees are expected to uphold, ensuring responsible behaviour, establishing accountability, and fostering a positive corporate culture. In addition to the Code of Conduct, our supplementary policies cover topics such as anti-corruption, anti-bribery, and money laundering prevention, amongst other topics. Any breaches or violations of the Code of Conduct are viewed as serious misconduct and managed with utmost gravity.

In conjunction with Hochschild's established Whistleblowing Policy, the Company has an online portal, available 24/7, to allow any individual (whether they are employed by Hochschild or not) to escalate concerns, anonymously or otherwise.

Hochschild takes all legitimate reports raised through the Whistleblowing portal seriously, as they underpin the high ethical standards that are expected. To serve this purpose, we have a zero-tolerance policy towards any form of retaliation, maintaining strict confidentiality concerning legitimate complaints received and the identity of those submitting reports.

Responsible supply chain management

We place high importance on ensuring that we contribute to a value chain that protects human rights, safeguards the environment, and promotes sustainable outcomes in our operations. For this reason, compliance with the specific standards outlined in our updated Supplier Code of Conduct is required by all suppliers.

In all countries where we operate, we have a centralised system for the evaluation of all new suppliers on their reputation, financial situation, and background checks, to mitigate the risk of crimes such as corruption, bribery, collusion, money laundering, and terrorism financing. In addition, suppliers are required to update their financial and corporate information every two years to be reviewed by the Procurement and Internal Audit departments. Furthermore, we require all entities with which Hochschild has a commercial relationship to align to our internal ESG-related requirements. Key requirements in supplier contracts include the following:

– Implementation of an OHS Management System and an EMS, aligned with Hochschild's internal policies and national regulations.
– Prioritisation of the hiring of local personnel and suppliers from direct influence areas. In each contract, we determine the objectives that each supplier must achieve, detailing the number of individuals or services to be hired from our communities.
– Compliance with human rights and anti-corruption regulations.
– High standards for operations, including conditions of equipment, vehicles, and tools.

Public policy

We purposefully engage with policymakers, professionals, and civil society to collectively discuss, review, and approve new initiatives aimed at improving regulations in mining and environmental sectors. In our commitment to promoting ESG guidelines and practices within the mining industry, we play a key role in various industry associations and professional forums such as the Sociedad de Minería and Petróleo y Energía (SNMPE) in Peru, Cámara Argentina de Empresarios Mineros (CAEM) in Argentina, and the Confederação Nacional da Indústria (CNI) in Brazil. We also participate in the Instituto Brasileiro de Mineração (IBRAM), a key institution within Brazil's mining industry, which promotes responsible mining practices, driving policy decisions, enhancing innovation, and facilitating collaboration among various stakeholders in Brazil's mining industry.

Climate-related financial disclosures

Introduction to Hochschild's approach to climate change

Within the Intergovernmental Panel on Climate Change's (IPCC) latest Assessment Report it was concluded that human activities, including the burning of fossil fuels and changes in land use, have caused unprecedented changes in the Earth's climate. We recognise climate change as being one of the most urgent issues people are facing globally and that it could significantly influence the physical, regulatory, and economic environment in which we operate.

Here at Hochschild, we understand the key role that we, and the mining industry as a whole, must play in supporting the global transition to a Net-Zero world. Therefore, we are dedicated to responsibly managing our impact on the environment, our carbon footprint, in addition to the potential effects climate change could have on our business.

This is reflected in the actions that we have taken in recent years, including:

- The undertaking of a series of updated climate-related risk and opportunity assessments – to provide additional insights into how climate change could potentially affect our assets, operations, and business strategy in the short, medium, and long-term future.
- Our ambition to reduce our Scope 1 and 2 Greenhouse Gas (GHG) emissions by 30% by 2030, against our 2021 baseline, as well as our commitment to achieve a Net-Zero emissions profile by 2050.

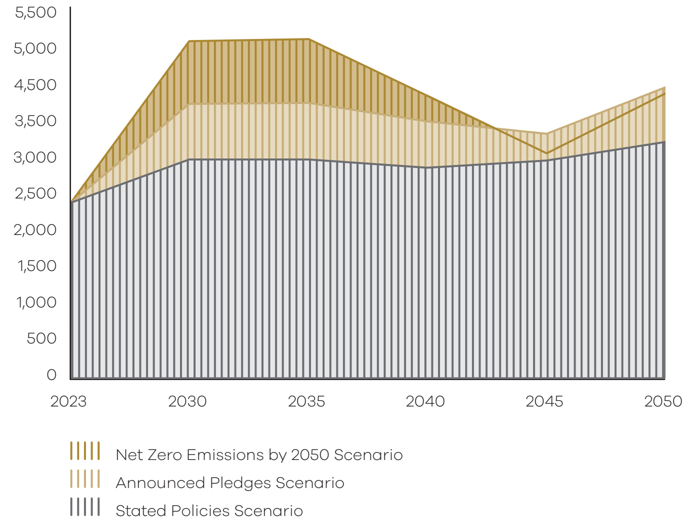
We also will be undertaking a financial quantification assessment in 2025 to ensure that we fully understand the potential financial materiality of the most significant climate-related risks that our business faces.

Task Force on Climate-Related Financial Disclosures (TCFD) requirements

Hochschild is within the scope of the UK Financial Conduct Authority's (FCA) and the UK Companies Act climate-related reporting requirements. This requires us to disclose, on a comply or explain basis, against the recommendations of the TCFD, as well as against the UK Climate-related Financial Disclosure (CFD) requirements. The CFD's guidance states that disclosures consistent with the FCA's listing rule and the TCFD's recommendations are likely to meet CFD disclosure requirements. Therefore, the following report includes a summary of how we are managing our carbon footprint and the effect of climate change on our business in alignment with the FCA's reporting requirements and UK CFD. This includes the 11 TCFD key disclosure recommendations, covering four disclosure areas: Governance, Strategy, Risk Management and Metrics & Targets. For further details, please refer to the table on page 95.

Mineral demand for Solar PV (kt) under the Stated Policies, Announced Pledges and Net Zero by 2050 scenario (IEA, 2024)

Capacity for solar PV (GW)



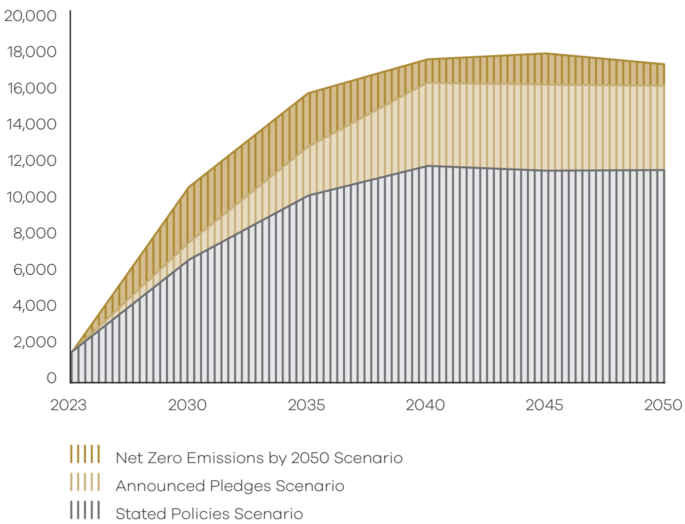
Hochschild's products are key in the global transition to a low-carbon economy

The transition to a low-carbon economy will require significant quantities and investment in precious metals such as gold and silver. This places Hochschild in a unique position to support the transition to a low-carbon economy and to assist in the global adoption of low-carbon technologies. Silver will play an important feature in the energy transition as it is a component for solar photovoltaic (PV) panels where global demand is continuing to grow. Additionally, gold will have multiple uses such as being used in battery technology and continuing to play a crucial role in investment portfolios by central banks and investors.

A new opportunity identified within this year's updated scenario analysis was to maximise circular processes, ultimately reducing the intensity of energy use, alongside benefits of reducing waste. Over the long term, this will enable Hochschild to lower the emissions profile of both gold and silver, therefore supporting the downstream supply chain in reducing their Scope 3 emissions.

Mineral demand for EV (kt) under the Stated Policies, Announced Pledges and Net Zero by 2050 scenario (IEA, 2024)[1]

Mineral demand for EV (kt)



1 Please note that the IEA ("Institute for Environmental Analytics") data for total mineral demand for electric vehicles (" EV") does not include silver (but instead it includes other minerals such as copper, graphite, nickel, etc.). However, the data point has been selected as an indicator to represent the likely demand for silver in the future.

Governance of climate-related issues

Board of Directors

Sustainability continues to be an increasingly important topic to Hochschild's stakeholders; therefore it is crucial that Environmental, Social, and Governance (ESG) topics are seamlessly integrated into our operations and governance structures. This includes ensuring there are clear governance structures that manage climate-related risks and opportunities responsibly. This is overseen at the highest level by our Board of Directors who have overall accountability for the management of policies and initiatives related to sustainability and climate change. This includes consideration of climate-related risks and opportunities that can affect several aspects of the Group's financial statements, such as production costs, capital expenditure, and closure costs, as well as influence the Group's approach to strategic planning and risk management. To date, Hochschild has effectively managed climate-related risks within its day-to-day budget allocations approved by the Board.

Board members bring expertise from their respective careers, including individuals experienced in managing sustainability, climate change and water management within the mining industry. The Sustainability Committee supports the Board in its oversight of these matters. This is key to understanding the resilience of business operations in a changing climate. The Board's involvement in sustainability issues is facilitated through quarterly interactions with the Sustainability and Audit Committees, both of which are responsible for reporting climate-related issues to the Board. At these meetings, key sustainability topics are presented, including risks associated with climate, water management, and other environmental risks, as well as quarterly progress against Hochschild's ESG ambitions. This year, we have developed our first annual GHG emissions action plan – which outlines the specific measures that we intend to take to meet the interim goal set for the year, which is aligned with our 2030 GHG emissions reduction ambition. This GHG emissions action plan will be reviewed each year, and the Sustainability Committee will provide the Board with regular updates on the implementation of the action plan.

Sustainability Committee

Hochschild's Sustainability Committee (the Committee) has directly overseen sustainability systems and policies since 2006. The Committee comprises Hochschild's CEO, an independent Director, and is chaired by a second independent Director. Hochschild's COO, and the Vice Presidents of Legal and Public Affairs, and People Management and Corporate Affairs are also regular attendees. The Committee has a wide scope of responsibilities, and the discussion and management of climate-related issues are scheduled agenda items during every quarterly meeting. During these meetings, the Committee provides recommendations to the Board on climate change and GHG emissions-related topics that are material to Hochschild's operations and business plans. The Committee also manages the processes around ESG-related risks and opportunities, oversees Hochschild's compliance with relevant national and international standards, and reviews the policies and procedures in place for investigating relevant incidents. The Committee also reviews yearly ECO Score targets and ESG KPIs and presents these to the Board for approval. In addition to the Committee, special working groups are established in response to specific climate-related events. For example:

- The El Niño phenomenon triggered the formation of a taskforce in August 2023, which was in effect until the first quarter of 2024 and included the Peruvian General Manager, Corporate Safety Manager, Logistics Manager, and the Head of Internal Audit. This group was responsible for monitoring and managing business risks that might emerge by working to understand the situation alongside government authorities, implementing weather monitoring systems and providing support to the mines that could be impacted.
- In 2024, a working water management taskforce was established in response to water shortages across Argentina. This taskforce is comprised of a range of managers and superintendents across Argentina and is responsible for reviewing actions being taken to increase our water efficiency and reduce our overall water usage in San Jose. Our Sustainability Director meets with the water management taskforce on a bi-weekly basis – to track and monitor any progress being made by the taskforce.

Managing climate-related risks

Our process for monitoring climate-related risks and opportunities is led by the Risk Committee made up of Hochschild's CEO, Vice Presidents, Country General Managers, and the Head of the Internal Audit function. The Risk Committee is primarily responsible for executing the risk management process at Hochschild, and monitoring the impact and effectiveness of controls to support Hochschild's business objectives. The Risk Committee meets prior to quarterly Board meetings and approves the latest version of the risk register for consideration by (a) the Group's Audit Committee, which has oversight of risk management on behalf of the Board, and (b) the Board, in its consideration of the significant risks faced by the business. Sustainability risks and plans to mitigate these are also monitored by the Sustainability Committee.

In 2024 we conducted an updated climate-related scenario analysis, identifying emerging physical and transition risks (detailed in the "Climate-related risks, opportunities and strategies" section on page 84). In addition, the carbon pricing risk and opportunity to reduce land transport emissions were selected for deeper analysis.

Climate change is considered a significant risk in Hochschild's risk management framework (as detailed in the Risk Management section on page 107), and the key risks identified in the updated climate-related scenario analysis will be integrated into it, considering current and potential future implications of climate on the business. By leveraging forward-looking climate data and integrating climate-related risks into Hochschild's risk management framework, the Board and Management levels can assess the potential impact and implications on future budget allocations.

Environmental management

The Sustainability Director has responsibility for the ESG team and reports to the Vice President of People Management and Corporate Affairs. The ESG department monitors Hochschild's ESG performance through data gathering on ESG metrics, including GHG emissions, energy usage, water consumption, and percentage of waste recycled. The reporting, disclosure, and communication of Hochschild's progress within these ESG areas, to both internal and external stakeholders, are also managed by the ESG department.

In each country where mining operations are present (Peru, Brazil, and Argentina) there is a dedicated Environmental Lead. It is the responsibility of each Environmental Lead to ensure environmental goals are met at all sites, and to take corrective actions when necessary.

At Hochschild we have a Remuneration Policy in place to incentivise a reduction in our environmental impact, the details of which are available in the "Our Climate-Related Metrics and Targets" section on page 90.

Our governance structure

Board

Chair
(Non-Independent)

2
Non-Independent Directors

5
Independent Directors

Sustainability Committee
Chair (Independent), **CEO** and **1** Independent Director

Audit Committee
Chair (Independent) and **3** Independent Directors

Remuneration Committee
Chair (Independent) and **3** Independent Directors

Exploration working group

Risk Committee
Chair (CEO) and Senior Management

Climate-related risks, opportunities, and strategies

Our approach to assessing our exposure to physical and transition risks and opportunities

At Hochschild, we understand the importance of fully considering how climate change could impact our business. As a result, in recent years we have undertaken a number of Climate-related Risk and Opportunity (CRO) assessments – focusing on how climate change could impact our current and future exposure to a full range of physical risks and transition risks and opportunities.

Due to changes in our business and the availability of updated climate data, this year we have undertaken an updated CRO assessment. This included scenario analysis across physical risks and transition risks and opportunities, and a detailed transition assessment. These updated assessments have helped to:

- Improve our visibility of the different climate-related physical risks and transition risks and opportunities that may exist across our organisation (including the drivers and timing of these risks/opportunities); and
- Prioritise, support and inform our management – including our internal risk management decision-making process - of the different physical risks and transition risks and opportunities that may be present across five mining facilities (including Inmaculada, Selene, Pallancata, Mara Rosa, and San Jose, located across Peru, Brazil, and Argentina).

During the process of undertaking the updated scenario analysis, and through Hochschild's existing governance structures, climate-related risks and opportunities have been assessed in alignment with our business-wide Enterprise Risk Management framework. As with other business risks, each identified climate-related risk and/or opportunity was assigned a consequence of impact rating, that represented the potential damage and/or associated loss of service, and a probability rating that represented the likelihood of a climate hazard/event occurring. Based on these consequence and probability ratings, a 3x5 risk matrix, shown in the table below, used to map each risk under baseline and future projected climatic conditions (2030 and 2050). This produces an overall risk rating classified as a Low, Medium, or High risk. Once risk ratings were assigned, the potential impact of each risk was also qualitatively assessed, and next steps were recommended to manage each risk.

To ensure that physical and transition risks are appropriately considered, we have integrated and mapped the significant and emerging climate-related risks identified within previous years' CRO assessments onto our mining units' existing risk matrices (which are updated quarterly). These matrices are consistently reviewed during quarterly Risk Committee and Board meetings in the process described above. This ensures that we are consistently monitoring and managing climate-related risks and incorporating them into our financial strategy and budget allocations. We plan to follow this same process and integrate any significant and emerging climate-related risks identified within this year's updated CRO assessment in the coming months.

Following this we also undertook a more detailed assessment of the most significant transition risks and opportunities identified in the updated CRO assessment. The findings have provided us with greater insight and understanding into the Group's potential exposure to the most significant transition risks and opportunities identified for our business.

Risk evaluation

Consequence of impact rating (S)		Probability/likelihood rating (P): 1 Low	2 Medium	3 High
Very high	5	5	10	15
High	4	4	8	12
Moderate	3	3	6	9
Low	2	2	4	6
Insignificant	1	1	2	3

Risk classifications and recommended actions

Risk category	Risk score	Hochschild Mining PLC recommended actions
High	9-15	Requires management/ top management attention
Moderate	5-8	Requires management to assign responsibilities
Low	1-4	Routine procedures are required to address risks

Scenarios used

In order to assess how physical risks and transition risks and opportunities could impact our business in the future, our updated CRO assessments utilised the latest climate scenario data.

For the physical aspect of our assessment we utilised the IPCC's Shared Socioeconomic Pathway (SSP) 1-2.6 (SSP1-2.6) and SSP5-8.5. SSP1-2.6 represents a lower emissions scenario – resulting in warming of ~1.8°C by 2100* whilst SSP5-8.5 represents a higher emissions scenario – resulting in a warming of ~4.4°C by 2100*. These two scenarios were selected as they represent a range of plausible future climatic conditions, as per the TCFD's recommendations, and allow us to consider how the physical impacts of climate change could impact our business (for SSP5-8.5 specifically).

For the transition aspect of our assessment, we primarily utilised the Network for Greening the Financial System (NGFS) Net Zero 2050 and Current Policies scenarios. The Net Zero 2050 scenario represents a lower emissions scenario – resulting in warming of ~1.5°C by 2100*, whilst the Current Policies scenarios represents a higher emissions scenario – resulting in ~3°C by 2100*. For transition risks and/or opportunities where suitable NGFS climate indicator data was not available, the IEA's Stated Policies Scenario (STEPS) and Net Zero by 2050 (NZE) scenarios were used (STEPS: representing a ~2.5-3°C temperature increase by 2100* and NZE: representing a 1.5°C temperature increase by 2100*).

* This figure represents future projected warming above pre-industrial temperatures.

Time horizons

Within our updated CRO assessment, physical risks and transition risks and opportunities were assessed across a range of time horizons. This provides insight into the potential materiality of each risk/opportunity in the short, medium, and long-term future.

When assessing physical risks, the CRO assessment utilised the following time horizons:

– Baseline, representing the current climatic conditions and associated materiality of each risk;
– 2030, representing the materiality of each risk in the short-medium term future; and
– 2050, representing the materiality of each risk in the long-term future.

Our assessment of transition risks and opportunities included the following time horizons:

– 2030, representing the materiality of each risk in the short-term future;
– 2040, representing the materiality of each risk in the medium-term future; and
– 2050, representing the materiality of each risk in the long-term future.

All of the above time horizons were selected for inclusion within this CRO assessment based upon their relevance to the operational lifetime of our assets, and our forward looking business strategy.

Electro hydraulic drilling rig

The physical risk profile of our operations in Peru, Argentina, and Brazil

The physical CRO assessment evaluated the exposure of Hochschild's facilities and immediate value chain across Peru (including the Inmaculada and Pallancata mining sites and Selene processing plant), Argentina (San Jose mining site) and Brazil (Mara Rosa mining site) to nine climate hazards. The assessment concluded that five physical risks were rated as "high" risks and 15 were rated as "medium" risks (see our risk evaluation matrix on page 84 for the definitions of each risk category).

The results of this assessment are summarised in the table to the right. This includes a summary of each of the physical risks that were assigned a "high" risk rating, any mitigation measures that are in place to manage each risk, and the identification of which sites each risk is relevant to.

It should be noted that our current operating assets (Inmaculada, Mara Rosa and San Jose) have a relatively short life of mine. However, Hochschild's expectation is to continue operating beyond 2050; therefore, the longer-term physical risks associated with climate change (e.g. those that may emerge by 2050) are still identified as being relevant to our business.

● Low risk ● Moderate risk ● High risk

	Risk rating (by 2050 (SSP5-8.5))		
Hazard	**Argentina**	**Brazil**	**Peru**
Extreme heat	High	High	
Wildfires	High	High	
Extreme rainfall/ flooding	High	High	High
Water stress and drought	High	High	
Extreme winds and storms	High	High	High

Description of risk	Risk response
Impact of extreme heat on production efficiency, reducing revenue and increasing operating expenditure: Site operations may be disrupted due to increasing temperatures negatively affecting heat-sensitive manufacturing equipment (e.g. extraction machinery). This could lead to more inefficient or delayed production, potentially reducing revenue. Increased operating expenditure may be required for repairs to damaged equipment.	Under present-day conditions, this risk is not identified as a material issue for any of our sites. However, we will continue to closely monitor the potential emergence of this risk in the future – and will prepare appropriate responses and action plans as needed.
Impact of wildfires on infrastructure, increasing capital expenditure: Direct heat and flames associated with wildfires can cause direct physical damage to the structural integrity of on-site infrastructure (e.g. water storage facilities, mineral processing facilities, smelters etc.). If flammable chemicals are stored incorrectly, this could exacerbate the impacts associated with wildfires. Repair or replacement of key site infrastructure can also lead to significant increases in capital expenditure.	For Mara Rosa specifically: – Firebreaks have been created around the perimeter of the Mara Rosa site. – Periodic inspections of our firebreaks are undertaken. – We continuously monitor for the presence of smoke during the dry season – and take immediate action to prepare for wildfires (where necessary). – We have an on-site fire brigade to help manage and counteract fire risks. – Communicate with neighbouring properties to ensure an appropriate collective response to wildfires is carried out. – Under present-day conditions, this risk is not identified as a material issue for San Jose. However, we will continue to closely monitor the potential emergence of this risk in the future – and will prepare appropriate responses and action plans as needed.
Impact of extreme rainfall flooding on mining facilities, reducing revenue: Extreme rainfall flooding could lead to increased water levels in tailings facilities which could reduce operating capacity. In a worst-case scenario, this could lead to overtopping, due to insufficient capacity or failure of the embankments. A reduction in the tailings facilities' operating capacity and/or disruption to nearby site personnel camps could reduce revenues. The Mara Rosa site has already experienced impacts associated with extreme rainfall flooding as confirmed by the Mara Rosa site lead.	– Precipitation levels are monitored continuously by the freeboard in the Group's Tailings Storage Facilities (TSFs). – Internal and external audits are conducted on a regular basis to ensure the stability of our operational TSFs. For example, in 2024, an external audit was conducted on the three TSFs in San Jose. – Following audits and where required, our TSFs have been redesigned and upgraded. – Roads to and from our sites are monitored to identify areas of high erosion/washouts and are continuously maintained to reduce the risk of erosion associated with extreme rainfall. – Additional stocking of critical materials at our sites when needed, such as during El Niño events.
Impact of water stress and drought on mining operations, reducing revenue: Reductions in water availability could disrupt operations across each of Hochschild's mining facilities (including the TSFs present at each site). If sufficient water is not made available at each site, water-intensive operations could be disrupted. For TSFs specifically, a reduction in water supply could reduce the quantity of water that can be stored and reused for operations. This could subsequently disrupt upstream operations within each mining site. As a result, both impacts could result in a delay in production and cause a reduction in revenue.	– Reusing water within our processing plants. – Assigning KPI's associated with reducing our freshwater usage. – Implementing water usage reduction measures. For example: • in 2024 we implemented a lined water reservoir at our San Jose site to reduce losses by infiltration and evaporation; and • at our Mara Rosa site we prioritise the reuse of water in our day to day operations. – We encourage our sites to reduce their potable water usage – which is also recommended through our ECO Score.
Impact of extreme winds and storms on aboveground structures and electrical equipment, increasing capital expenditure: Strong winds associated with storms could result in direct physical damage to mining infrastructure such as TSFs, processing facilities and machinery (e.g. drilling equipment, transformers, water pumps). As key assets required for the operation of Hochschild's mines, if replacement is required, an increase in capital expenditure can be anticipated.	– We continuously track the weather across our operating regions. – Undertaking future CRO assessments using multiple scenarios to further improve project design.

Our transition risk and opportunity risk profile

The summary of transition risks and opportunities builds on previous assessments and actions that are being considered to meet our Net Zero targets.

The results shown in the table on the right consider transition risks and opportunities to be relevant to all operations across Peru, Argentina, and Brazil. These focus on a high and a medium risk, followed by three high opportunities split across alignment to TCFD categories.

Notably, the opportunities focusing on reducing road transport emissions and investing in low carbon technologies will enable us to make good progress in reducing our overall emissions profile.

High opportunity · Moderate risk · High risk

TCFD category	Risk/opportunity rating by 2050 (under Net Zero 2050 scenario)
Policy	
Policy	
Resource efficiency	
Technology	
Resource efficiency	

Description of risk/opportunity	Risk/opportunity response
Risk – The impact of carbon pricing on operating & capital expenditure was selected for deeper analysis: Development of carbon pricing mechanisms are expected to have an impact on our operational costs in the future. The Brazilian emissions trading scheme is expected to closely resemble that of the European Union. Peru is expected to be a fast follower of Brazil so we will continue to monitor regulatory developments. Argentina has a carbon tax scheme, however, it should be noted that it currently does not have an impact on Hochschild's operating costs. Carbon pricing can drive innovation in cleaner technologies and more efficient processes within the mining sector. The cost of investing in lower carbon technologies may be cheaper in the long run if carbon prices increase over time. We will continue to decarbonise the operation over future time periods to reduce our emissions profile and save future operating expenditure.	– Hochschild will continue to monitor regulatory developments to assess the impact of potential future carbon pricing.
Risk – Investor concern regarding climate action: As well as regulatory pressure, activist investors have started to put pressure on mining companies to decarbonise their business, which may cause Hochschild to bring capital expenditure ahead of time.	– Hochschild has an ambition to reduce 30% of Scope 1 and 2 emissions from the 2021 baseline level by 2030 and develops annual action plans.
Opportunity – Reduced land transport emissions was selected for deeper analysis: To reach our 2030 ambition and 2050 target we are seeking opportunities to reduce emissions from our portfolio of fleet at our mines. We are expecting to transition towards more energy efficient vehicles with lower greenhouse gas emissions when these are readily available at competitive costs within the next four years.	– Hochschild has close relationships and is continuing to work with suppliers who are working to provide vehicles with lower greenhouse gas emissions.
Opportunity – Investment in low carbon technologies: Investing in low carbon technologies will enable us to create operational efficiencies within its mining processes resulting in lower emissions. We will continue to deploy capital expenditure to fund new technologies which will enable lower energy usage and savings on other inputs that create emissions in the mining process (i.e. extraction).	– We have an offtake agreement with Solatio Energia (a photovoltaic sector specialist) to implement a solar energy project that will supply renewable energy for the Mara Rosa operations. With a capacity of 124.6 MW of energy, the solar plant will guarantee that the amount of energy produced will meet the energy demand throughout the mine's useful life. All production from the new solar plant will feed into the National Interconnected System (SIN), offsetting the total volume of energy consumed by the operations in Mara Rosa.Production is scheduled to begin in H2 2025. – Hochschild are assessing opportunities to continue transition to other renewable energy contracts, replacing current remaining conventional grid sourced energy.
Opportunity – Developing circular processes: Under a Net Zero scenario, developing circular processes at mine sites will reduce emissions. Our ultimate goal is to minimise waste generation to the greatest extent possible and only reuse/recycle what is left after the mining process.	– Tailings and waste rock are reused as backfill for the underground mines in Inmaculada and San Jose. – Some waste rock from Mara Rosa is sold to a rail company. – We encourage our sites to maximise recycling of all waste– which is also recommended through an ESG KPI. – We reuse 100% of treated domestic wastewater in the Inmaculada and San Jose processing plants.

The resilience of our strategy to climate change

Both the physical and transition aspects of the updated CRO assessment have considered the resilience of our assets, operations and business strategy under a range of climate change scenarios, including a 2°C or lower scenario (for the physical element this scenario is SSP1-2.6 and for the transition element this is the Net Zero by 2050/NZE scenario).

Although the findings of the physical CRO assessment identified a number of risks which could impact our assets and operations, we consider our business to be fairly resilient to those risks. Part of our resilience is associated with our expected Life of Mine (LOM). For example, the majority of the identified physical risks are anticipated to materialise over the long-term time horizon (2050) and under a higher emissions scenario, whilst the current expected LOM of our assets is currently up to 13 years – although it should be noted that we expect to continue operating up to, and beyond, 2050 and therefore in general risks emerging by 2050 could still be relevant to our business. Our resilience is also improved by a number of the risk management measures and responses we have implemented across each of our sites to reduce the potential impact of high-risk climate hazards on our assets and operations. For example, relating to flooding risks, we have implemented mitigation measures including our continuous monitoring of the freeboard in the Group's TSFs and installation of dewatering plants in Pallancata and Inmaculada (in 2025) to ensure the freeboard is at a safe level. We also track weather, install dry stacks where possible, and give maintenance of water-related infrastructure as outlined in the physical risks table (see pages 86 and 87).

We also consider our business to be resilient to the upcoming combination of future policy, market, and technology-based trends that will support the mining sector to reach Net Zero. To further our progress to meet our short-term objective of reducing Scope 1 and 2 emissions by 30% from the 2021 baseline level by 2030, in the next four years we expect low carbon mining vehicles to be readily available at competitive cost to reduce our emissions from our onsite mining fleet. In order to progress future resilience, we are assessing low carbon vehicle technology trends and continue to work with our third parties to purchase fleet that will support us in reducing our emissions. Across all mining operations, we are increasing the supply of renewable energy using power purchase agreements.

Our climate-related metrics and targets

At Hochschild, we are committed to being the leading global mining company in environmental excellence and recognise the importance of monitoring and measuring our progress against key metrics and targets relating to GHG emissions, water, and waste. We have continued to measure our progress against key metrics in 2024 to enable improvement in our environmental initiatives.

We have developed a process to internally quantify our environmental performance and to help monitor and measure progress against our targets. At the group level, starting in 2025, ESG metrics and KPIs represent 25% of our overall performance KPIs and metrics, with the following breakdown: Lost Time Injury Frequency Rate (LTIFR) 10%, Lost time injury severity rate (LTISR) 5%, ECO Score 5%, improvement in ESG indices 5% (which covers climate change, including CDP Climate).

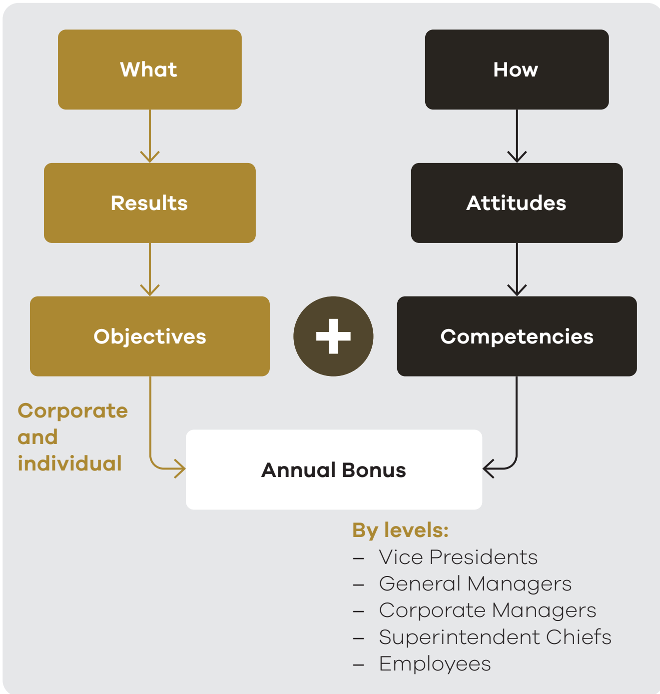
Terra Ronca State Park

Performance against these and other metrics (relating to profitable production and financial results) determines the extent of the annual bonus payouts to eligible employees, incentivising a reduction in our environmental footprint (as shown in the figure to the right). Additionally, we have a Long Term Incentive Program which includes monitoring performance targets against 13 of our 16 ESG KPIs – including our 2030 GHG reduction and freshwater reduction ambitions.

This section focuses primarily on the waste and water components as relevant metrics and targets associated with the climate-related risks and opportunities which were identified in our recently undertaken scenario analysis (e.g. water stress and drought for physical risk).

Based on other risks identified in our the scenario analysis, we anticipate considering additional metrics associated with identified risks as they materialise.

Our model for monitoring and measuring progress against key metrics and targets



Water

At Hochschild, we understand the importance of managing our water resources in the regions where we operate. This is due to the water-intensive nature of our operations and the potential risk from drought our sites face as identified in our physical risk assessment. As a result, we use multiple metrics to monitor our consumption of water resources and have set targets to reduce our on-site potable water consumption and freshwater consumption in operations.

Between 2015 and 2024, a reduction in potable water consumption (litres per person per day) of 66% was achieved*, with 2024 representing our lowest recorded potable water consumption at 138 litres per person per day and meeting our 2030 ambition.

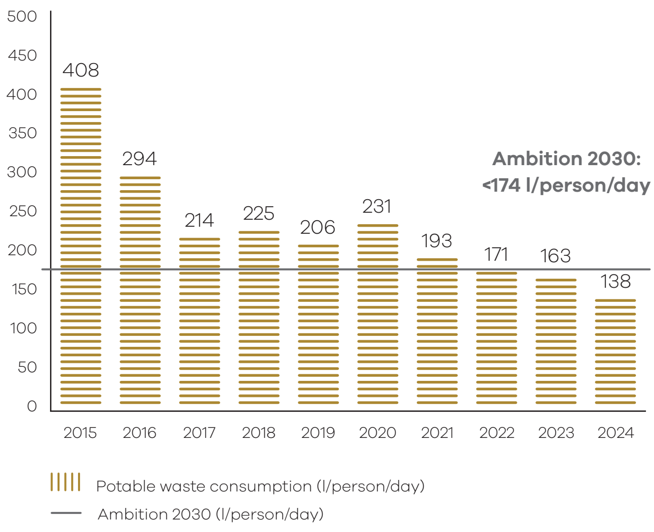
In addition to monitoring our potable water consumption, we are also working towards increasing the recirculation of water in our processing plants to reduce freshwater intake. We recognise the importance of monitoring freshwater consumption as a significant proportion of our water requirements for our operations is met through recycled water, and if insufficient recycled water is available, freshwater is utilised. In 2024, 0.31m^3 of freshwater was used per tonne of ore processed and it is our intention to reduce freshwater consumption to 0.22m^3/tonne by 2030, as defined in our 2030 ambitions. To minimise the intake of freshwater, we utilise recycled water in our processing plants. In 2024, 72% of all water used in the Inmaculada and San Jose processing plants was recycled.

Waste

We also understand the benefits of reducing our waste generation, including conserving resources and reducing GHG emissions, and therefore monitor our waste generation and recycling rates. Between 2015 and 2024, we have reduced landfilled domestic waste by 52%*, with a decrease in waste generated per person per day from 1.942kg to 0.928kg. To further reduce our waste generation, Hochschild has set a 2030 ambition for waste generated to be 0.90kg per person per day. Simultaneously we seek to increase the percentage of total waste that is recycled to 80% by 2030, compared to 57% in 2024.

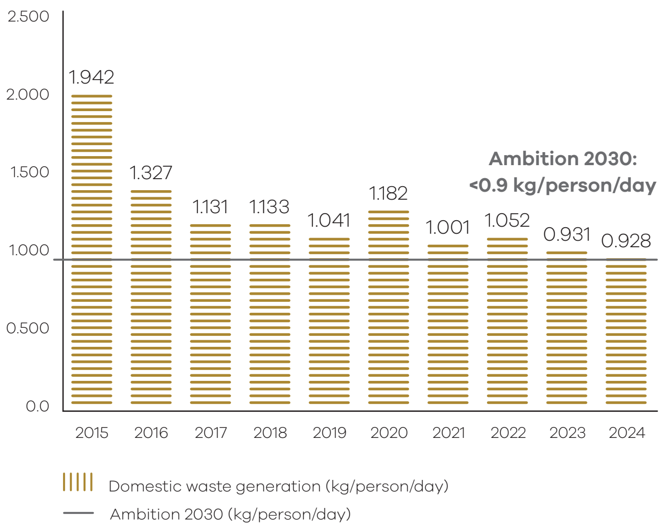
Potable water consumption and 2030 ambition

(litres per person per day)



Waste generation and 2030 ambition

(kg per person per day)



* Water and waste data excludes Brazil due to Mara Rosa construction and commissioning activities. Mara Rosa will be included from 2025 which will be the first full year of mining operations.

Future Mara Rosa green energy project

Introduction to GHG emissions and Net Zero commitments

At Hochschild, we report our Scope 1, 2 (market-based), and 3 emissions on an annual basis. For a full breakdown of our Scope 1, 2, and 3 emissions for 2024, please refer to the Environmental section of the Annual Report on page 69. Emissions are calculated on a yearly basis in alignment with the ISO 14064-1 Standard and the GHG Protocol Corporate Accounting and Reporting Standard. Our Scope 1, 2, and 3 GHG emissions are a key metric used to monitor our climate impact over time.

Our Scope 1 and 2 (market-based) emissions have increased in 2024, since we are including the Mara Rosa mine emissions. This increase has been partially offset by a decrease in emissions between 2023 and 2024 since two of our mines (Pallancata and Selene) were under care and maintenance. We therefore recognise that we may need to rebaseline our emissions in 2025 to account for these changes.

Our 2024 Scope 3 emissions constitute 24% of our total emissions, with the highest contribution coming from Category 4 (58%). However, it should be noted that Hochschild has only calculated the following Scope 3 categories:

- Category 4: Upstream transportation and distribution
- Category 5: Waste
- Category 6: Business travel
- Category 7: Employee commuting
- Category 9: Downstream transportation and distribution

The selected categories represent emissions over which Hochschild has a reasonable degree of influence. Other categories either lack sufficient data for accurate assessment or fall outside of our direct or indirect sphere of control, limiting the ability to effectively measure or mitigate them. We are planning to undertake a relevance and screening assessment for our Scope 3 GHG emissions and update our calculations, as required.

We have committed to become Net Zero by 2050 across both our operations (Scope 1 and 2) and value chain (Scope 3). In 2023 we also set an ambition to reduce our Scope 1 and 2 (market-based) emissions by 30% by 2030, compared to our 2021 baseline.

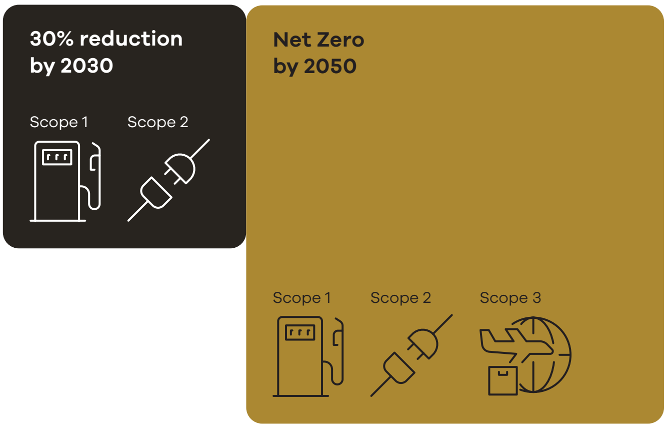
To achieve our target of Net Zero by 2050 across the value chain, we understand the need to improve our understanding of our Scope 3 footprint, and work closely with our suppliers in order to implement a Scope 3 emission reduction strategy thereafter.

For Scope 1 and 2 GHG emission reductions, we have developed a Carbon Roadmap. This has allowed our business to understand some of the activities/investments that may be required to reach this target including, but not limited to:

- Utilising low-carbon grid-based electricity and prioritising the use of renewable energy when available (already ongoing).
- Implementing behaviour change programs across the business.
- Using higher efficiency vehicles, with lower GHG emissions.

As we start to implement these measures, we recognise the importance of monitoring and assessing progress against our GHG emission reduction targets. This year, we have developed our first annual GHG emissions action plan – which outlines the specific measures that we intend to take to meet the interim goal set for the year, which is aligned with our 2030 GHG emissions reduction ambition. This GHG emissions action plan will be reviewed each year, and the Sustainability Committee will provide the Board with regular updates on the implementation of the action plan.

Our annual GHG footprint is also presented to the Sustainability Committee so that they can oversee progress against these ambitions and support continued progress towards our Scope 1 and 2 reduction ambition by 2030.



Next steps

This year we have taken action to improve:

- Our management of climate-related issues;
- Our understanding of the different climate-related risks and opportunities that our business could be exposed to; and
- Our overall compliance with the UK CFD and TCFD's recommendations.

Over the course of 2025, we will continue to review and adapt our management of climate-related issues in alignment with the TCFD and UK CFD.

Within the table to the right, we have detailed the current status of our consistency with each of the TCFD's recommendations and our planned next steps to increase our consistency in the future. In 2025 we have commissioned a third-party consultancy to support us in undertaking a financial quantification assessment of climate-related risks associated with our business, which will be incorporated into our annual financial report. This will help Hochschild to understand the potential financial materiality of the most significant climate-related risks that our business faces.

We are also aware of emerging regulatory requirements which we will need to monitor and consider when publishing future disclosures associated with climate-related issues (from 2025 onwards). For example:

- The International Sustainability Standards Board (ISSB) (of the International Financial Reporting Standards - IFRS) has released the new "IFRS S2 Sustainability Disclosure Standard". The IFRS S2 supersedes the TCFD's recommendations and requires a number of additional climate-related disclosures (when compared with the TCFD's recommendations).
- As the UK government develops its Sustainability Reporting Standards (UK SRS), it is also assessing the suitability of the IFRS Sustainability Disclosure Standards for endorsement and application across the UK. Subject to positive endorsement (which is anticipated to be confirmed in 2025), the UK SRS will likely be based upon IFRS S1 and S2.
- Following this, the Financial Conduct Authority will be able to use the UK SRS to introduce requirements for UK-listed companies to report sustainability-related information to their investors.

We will continue to monitor the UK's regulatory landscape to ensure that we are disclosing in alignment with all relevant climate-related disclosure requirements.

TCFD Pillar/Recommendation		Status	Next steps
Governance	1. Describe the board's oversight of climate-related risks and opportunities	Consistent	–
	2. Describe management's role in assessing and managing climate-related risks and opportunities	Consistent	–
Risk management	3. Describe the organisation's processes for identifying and assessing climate-related risks.	Consistent	Key risks identified in the 2024 climate-related scenario analysis will be integrated into Hochschild's risk management framework, considering current and potential future implications of climate on the business.
	4. Describe the organisation's processes for managing climate-related risks.	Consistent	
	5. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Partially consistent	
Strategy	6. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Consistent	–
	7. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Consistent	Based upon the results of our previously completed physical and transition CRO assessments, we aim to quantify the financial impact of any potentially material climate-related risks in 2025.
	8. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Consistent	Following the completion of our 2024 climate-related scenario analysis, we intend to review and update our current management of each of the key climate-related risks that we have identified to ensure we are appropriately and effectively managing each identified risk.
Metrics & targets	9. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Partially consistent	We will continue to explore the use of additional metrics that could be used to support our management of climate-related risks and opportunities, including the consideration of metrics related to any climate-related risks identified in the scenario analysis undertaken this year.
	10. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Partially consistent	In 2026, Hochschild will undertake a relevance/screening assessment for our Scope 3 GHG emissions and review/update our calculations, as required.
	11. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Consistent	–

A measured and informed approach to risk

Our risk appetite approach is to minimise our exposure to reputational, compliance and excessive financial risk, whilst accepting a certain level of risk to achieve our strategic goals.

Management of the Group's operations and execution of its growth strategies are subject to a number of risks, the occurrence of which could adversely affect the performance of the Group. The Group's risk management framework is premised on the continued monitoring of the prevailing environment, the risks posed by it, and the evaluation of potential actions to mitigate those risks.

The Risk Committee is a management committee tasked with implementing the Group's policy on risk management and monitoring the effectiveness of controls in support of the Group's business objectives. It meets four times a year and more frequently if required. The Risk Committee comprises the CEO, the Vice Presidents, Country General Managers and the Head of the Internal Audit function. A "live" risk matrix is reviewed which maps the significant risks faced by the business as well as those considered to be emerging risks. The matrix is updated at each Risk Committee meeting, and the most significant current and emerging risks, as well as actions to mitigate them, are reported to the Group's Audit Committee, and if considered appropriate, also to the Board. In light of their strategic importance, sustainability risks, if any, and their mitigation plans are monitored by the Sustainability Committee.

Risk appetite

Defining risk appetite is crucial in ensuring that a risk management system is embedded into Hochschild's organisational culture. Our risk appetite approach is to minimise our exposure to reputational, compliance and excessive financial risk, whilst accepting a certain level of risk to achieve our strategic goals. As part of setting risk appetite, the Board will consider and monitor the level of acceptable risk it is willing to take in each of the principal risk areas.

Appetite for risk will vary according to the activity undertaken, and is predicated on the fact that a risk will only be tolerated after a full understanding of the potential benefits and its implications before proceeding with a course of action, and that sensible mitigation measures are identified and implemented. This year, for the first time, we have indicated by each specific risk, the Board's tolerance for that risk using a scale of Low/Medium/High.

2024 risks

Details of the principal and emerging risks affecting the Group and the associated mitigating actions are provided on the following pages. The risks presented differ from those reported in the 2023 Annual Report in that the following risks are no longer considered to be relevant as at the end of 2024:

- The potential impact of the periodic El Niño weather phenomenon was downgraded by the Peruvian government in early 2024, which was eventually borne out with minimal impact on the coastal regions of Peru; and
- Project Development is no longer considered to be a significant risk following the commencement of commercial production at Mara Rosa in May 2024.

Reasons for the year-on-year change in the profile of a specific risk can be found in the commentary section of the relevant risk.

Risk management process

1 Identify
Business processes are reviewed to identify risks to Hochschild's strategic objectives with a risk matrix prepared for each process.

2 Measure
Each risk identified is analysed for probability of occurrence and scale of impact to determine the level of threat to strategic objectives.

3 Manage
Taking into consideration the relevant risk appetite and the scale of risk, mitigating actions and controls are designed and implemented.

4 Monitor
Mitigation and controls monitored to ensure effectiveness and to take all actions necessary to achieve a level of risk management within the defined appetite for risk.

5 Report
Established reporting within the business on risk management by Internal Audit function. Principal and emerging risks reported on quarterly basis to Audit Committee and the Board.

Risk management responsibilities

Board	Audit Committee	Management Risk Committee
Determines risk appetite	Responsible for risk management and internal control processes	Quarterly review of risk universe and significant strategic risks
Reviews Register of significant strategic risks and mitigating actions	Oversees internal audit function, including annual work plan	Cascades risk tolerance and appropriate risk management culture
Monitors effectiveness of risk management process		Determines mitigating actions and monitors effectiveness of controls

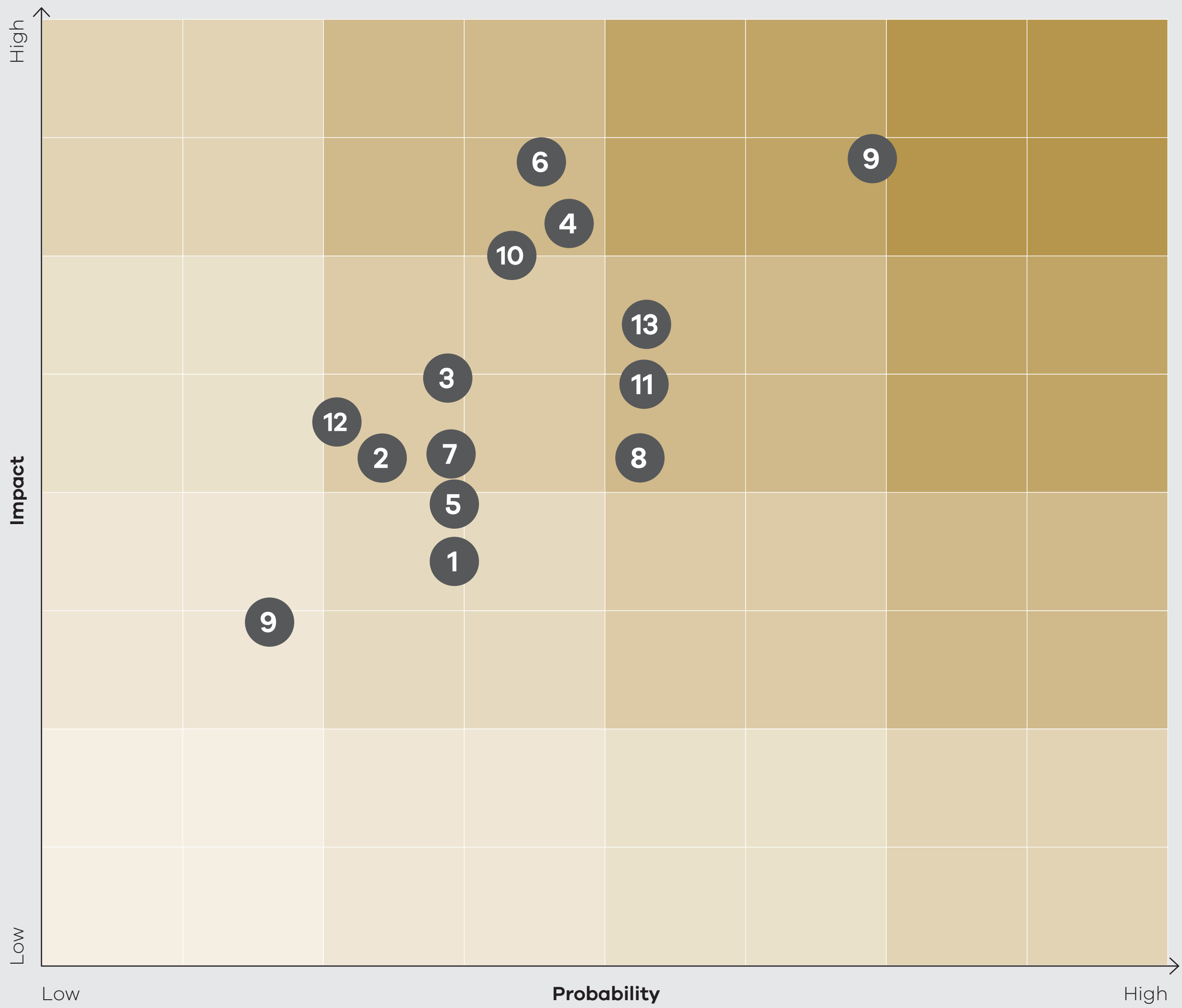
Risk heat map

To assist the reader in assessing the relative significance of each risk discussed in this section, the heat map indicates the Board's assessment of the likelihood of the unmitigated risk occurring as well as the extent of the impact on the Group.

The key to the map indicates how the profile of a risk has changed (whether in terms of impact or probability) relative to the prior year.

Risk heat map key

1	↓	Commodity price
2	—	Commercial counterparty
3	—	Operational performance
4	—	Business interruption/supply chain
5	—	Information security and cybersecurity
6	↓	Exploration and reserve and resource replacement
7	—	Personnel: recruitment and retention
8	—	Personnel: labour relations
9	—	Political, legal and regulatory
10	—	Health and safety
11	—	Environmental
12	—	Climate change
13	↓	Community relations



STRATEGIC PILLARS:

1 Brownfield
2 Operational efficiency
3 ESG
4 Disciplined capital allocation

Financial risks

Risk, change, tolerance and impact	Mitigation	Commentary
1. Commodity price **Strategic pillar impacted:** 1 2 3 4 **Risk profile change:** V **Risk tolerance:** Medium Adverse movements in precious metal prices could materially impact the Group in various ways beyond a reduction in the financial results of operations. These include impacts on the feasibility of projects, the economics of mineral resources, heightened personnel retention and sustainability-related risks. See the Market Review on pages 10 to 15 for further details on how commodity prices performed in 2024.	– Constant focus on maintaining a low all-in sustaining cost of production and an efficient level of administrative expense. – Policy to maintain reasonable levels of financial leverage to ensure flexibility through price cycles. – Flexible hedging policy that allows the Company to contract hedges to mitigate the effect of price movements taking into account the Group's asset mix, forecast production and debt profile.	The Group's principal strategy to mitigate against commodity price volatility is focused on conserving capital and optimising cash flow through: • Controlling operating and administrative costs; • Optimising sustaining capital expenditure; and • Managing working capital. As previously reported, the Company executed hedges in 2023 and 2024 to ensure an ongoing level of cash flow stability which includes a hedge taken in February 2024 in respect of 60,000 ounces of gold produced at Inmaculada in 2025 with an average floor of $2,000 per ounce and an average ceiling of $2,485 per ounce. During 2024, the following hedged production was sold: • 100,000 ounces of gold from Inmaculada with an average floor of $2,000 per ounce and an average ceiling of $2,252 per ounce; and • 27,600 ounces of gold from Mara Rosa at a fixed price of $2,100 per ounce The remaining commitments from the 2023 hedges in respect of production from Mara Rosa are as follows: • 2025: 50,000 ounces of gold at a fixed price of $2,117 per ounce • 2026: 50,000 ounces of gold at a fixed price of $2,167 per ounce • 2027: 50,000 ounces of gold at a fixed price of $2,206 per ounce
2. Commercial counterparty **Strategic pillar impacted:** 2 **Risk profile change:** – **Risk tolerance:** Medium Insolvency of a customer or other business counterparty (bank, insurance company, contractor, etc) could result in the Group's inability to collect accounts receivable or to access funds or to receive services which could adversely impact the Group's profitability.	– Active assessment of customers and business counterparties. – Risk mitigation practices seeking to diversify the Group's customer base, to limit the size of shipments and to maximise upfront payments. – Ongoing assessment of methods to mitigate collection risk.	During the year, the Group undertook the following: • **Commercial counterparty monitoring:** The Company undertakes an annual review of existing customers which encompasses analysis of corporate governance, balance sheet strength and other aspects impacting credit quality. Customers and financial counterparties, including insurance underwriters, are also the subject of ongoing monitoring. In addition, members of the Company's sales function attended commercial events with current and potential customers with a view to diversifying and mitigating counterparty risk. • **Review of financial counterparties:** The Group continued to implement policies to identify suitable financial counterparties to support the Group's treasury and insurance needs. On an ongoing basis, the Group has adopted a number of practices such as the placing of limits on cash balances invested with financial institutions and monitoring credit ratings.

STRATEGIC PILLARS:

1. Brownfield
2. Operational efficiency
3. ESG
4. Disciplined capital allocation

Operational risks

Risk, change, tolerance and impact	Mitigation	Commentary
3. Operational performance **Strategic pillar impacted:** 2 **Risk profile change:** – **Risk tolerance:** Low Failure to meet production targets and manage the cost base could adversely impact the Group's profitability.	– Close monitoring of operational performance, costs and capital expenditure at all stages of the mining value chain and during the entire mine life cycle. – Monitoring the adequacy of key mining components such as tailings and water storage facilities, waste rock deposits and pipelines in close liaison with relevant departments ensuring that procurement, construction and permitting are undertaken appropriately.	In 2024 the Group's attributable production was 347,374 gold equivalent ounces. In setting budgets for the year, the Group continued to focus on maintaining controlled levels of costs and capital expenditure. As reported in the Financial Review from page 48, the all-in sustaining cost from operations was slightly ahead of guidance for the year, at $1,638 per gold equivalent ounce. A committee comprising members of the Operations team continued to meet during the year to oversee the adequacy of key components. Projects during the year included the expansion of Inmaculada's tailings storage facility (TSF), the closure activities of Ares's TSF, the construction of the reverse osmosis plant at Inmaculada and a water storage facility at San Jose. During 2024, management initiated a review of the process by which the Group's mine closure liabilities are estimated and thereby provided for in the Group's financial statements. This has involved the establishment of a new multi-disciplinary team with a view to improving planning, engineering designs and execution of closure activities. In addition, a short-term and medium-term action plan has been formulated with a view to (a) enhancing the Group's forecasting capabilities and (b) integrating HOC's ESG strategy within the execution of closure activities.
4. Business interruption/ supply chain **Strategic pillar impacted:** 2 **Risk profile change:** – **Risk tolerance:** Low Assets used in the Group's operations may cease to function or the provision of supplies or electricity may be disrupted (e.g. as a result of technical malfunction or earthquake damage) thereby causing production stoppages with material effects.	– Insurance coverage to protect against major risks. – Management reporting systems to support appropriate levels of inventory. – Inspections every 18 months by insurance brokers and insurers (to coincide with policy renewals) assist management's efforts to understand and mitigate operational risks. – Negotiation of long-term power supply contracts and the procurement of contingent generators and transformers. – Use of high-quality equipment from recognised manufacturers. – Implementation of preventive and predictive maintenance programs.	In addition to maintaining insurance policies covering machinery breakdown, mitigating actions taken during the year include the following: • The use of a Maintenance Module of SAP HANA to monitor critical supplies and inventory which was also implemented in respect of Mara Rosa in mid-2024; and • Maintaining back-up equipment to ensure sufficient power supply for critical onsite activities in the event of a power outage. Specifically with regards to supply chain risks across the Group, the Company: • Has identified alternative suppliers for numerous critical consumables; • Has restored stocks of critical consumables and strategic spare parts to pre-pandemic levels; • Requires, of certain suppliers, the maintenance of minimum stock levels; and • Monitors the financial position of key suppliers. The Company has a Crisis Response Plan setting out the necessary workstreams for a co-ordinated response in the event of unforeseen disruption. This will be updated in the current financial year.

Risk, change, tolerance and impact	Mitigation	Commentary
5. Information security and cybersecurity **Strategic pillar impacted:** 2 **Risk profile change:** **Risk tolerance:** Medium Failure of any of the Group's business critical information systems as a result of unauthorised access by third parties may affect the Group's ability to operate.	– Compliance with ISO 27001, an internationally recognised certification to evaluate information security management systems. – Dedicated team within the Technology department focused on preventing evolving threats. – Audits performed by the internal audit department and third parties to test systems and issue recommendations. – Primary information processing supported by RISE with SAP.	Security of the Group's information and networks are assured through the following means: • We have world-class cybersecurity tools supported by artificial intelligence that secure and protect our network as well as our computer assets and the information that resides in them. Additionally, we have a centralised CyberSOC (Cyber Security Operation Center) that works 24x7 to monitor the different events and possible attacks that may arise; • Every year we perform ethical hacking evaluations to identify potential vulnerabilities in our technological infrastructure as well as the different applications that we use for operations; • We conduct cybersecurity training and maintain an active communication channel with all employees to report suspicious activity, which enables the cybsecurity team to take immediate action; • We migrated from SAP S4 HANA to RISE with SAP with improved security infrastructure; and • We increased use of cloud back-ups for strategically important data.
6. Exploration and reserve and resource replacement **Strategic pillar impacted:** 1 2 4 **Risk profile change:** **Risk tolerance:** Low a) The Group's future operating margins and profitability depend upon its ability to find mineral resources and to replenish reserves. b) Reserves stated in this Annual Report are estimates.	– Implementing and maintaining an annual exploration drilling plan. – Ongoing evaluation of acquisition and joint venture opportunities to acquire additional ounces. – Implementation of a comprehensive permitting strategy led by a Permitting Committee. – Comprehensive engagement activities with communities and governmental authorities (see later sections on Macro-economic and Sustainability risks). – Alternate use of independent experts and internal qualified persons to undertake annual audit of mineral reserve and resource estimates. – Adherence to the JORC Code and guidelines therein.	**General** The Group has an internal Permitting Committee to co-ordinate efforts with a view to streamlining the permitting process for exploration and operational requirements. Senior executives actively participate in industry initiatives to simplify the permitting process. Limited greenfield exploration is undertaken, with the aim of providing the Group with a focused portfolio of advanced and early-stage opportunities in stable jurisdictions in the Americas. **Developments during the year** The Company had an extremely successful year in terms of the Brownfield exploration programme with 2.8m gold equivalent ounces of resource additions being reported. The year-on-year changes in the Company's attributable Reserves and Resources are 37% and 18% respectively. Further details on brownfield exploration are provided on pages 46 and 47. The results of the Group's external audit of mineral reserve and resource estimates as at 31 December 2024 can be found from page 242 for further details.

STRATEGIC PILLARS:

1 Brownfield
2 Operational efficiency
3 ESG
4 Disciplined capital allocation

Operational risks continued

Risk, change, tolerance and impact	Mitigation	Commentary
7. Personnel: recruitment and retention **Strategic pillar impacted:** 2 **Risk profile change:** – **Risk tolerance:** Medium Inability to attract or retain sufficiently skilled personnel. For further details see the Directors' Remuneration Report on page 142.	– The Group's approach to recruitment and retention provides for the payment of competitive compensation packages, well-defined career plans, training and development opportunities and the overall employee value proposition.	The Group has undertaken a number of initiatives to improve the retention of employees. These include the use of financial benefits such as the LTIP and non-financial benefits (e.g. flexible working arrangements for office-based staff) and personal development through tailored personal plans, training on leadership and cultural transformation in the areas of social, safety and environmental as well as diversity and sexual harassment training. In addition, initiatives have been launched on causes valued by employees; providing employees with the opportunity to contribute to the relaunched purpose of the Company which includes innovation, safety, community relations and environmental performance.
8. Personnel: labour relations **Strategic pillar impacted:** 2 **Risk profile change:** – **Risk tolerance:** Medium Failure to maintain good labour relations with workers and/or unions may result in work slowdown, stoppage or strike.	– Development of a tailored labour relations strategy focusing on profit sharing, working conditions, management style, development opportunities, motivation and communication. – Periodic meetings with mineworkers and unions to ensure a complete understanding of expectations and to keep all parties updated on the Group's financial performance.	**Peru** The Group's Peruvian operation generated sufficient taxable income to give rise to an entitlement to statutory profit sharing for Peruvian mineworkers. The Boluarte government has not taken further steps following the enactment of new laws by Pedro Castillo's Government to empower labour unions, and prompting the risk of increased industrial unrest. We monitor, on an ongoing basis, the social risk and work with all stakeholders to prevent disruption arising from these risks. **Argentina** In Argentina the Company maintains constructive relations with the labour unions through ongoing and regular dialogue. In addition to AOMA (Mining National Union for hourly workers), ASIJEMIN (National Union for mining employees) has been confirmed by the national authorities as a union with legitimate rights of representation and with whom the Company maintains open and regular dialogue. Following his election, President Milei implemented austerity measures and reforms which were contested by the country's labour unions who called for many nationwide strikes: general strikes and activity related strikes. However, this trended downwards throughout 2024 as President Milei's public image improved. **Brazil** In Brazil, in advance of the start of operations at Mara Rosa, Hochschild established a Union Negotiation Committee, meetings of which are convened to discuss relevant issues and update the annual labour agreement.

Risk, change, tolerance and impact	Mitigation	Commentary
9. Political, legal and regulatory **Strategic pillar impacted:** 1 2 3 **Risk profile change:** – **Risk tolerance:** **Legal/regulatory compliance:** Low **Operating in such jurisdictions:** Medium Changes in the government, political, legal, tax and regulatory landscape could result in significant additional expense, restrictions on or suspensions of operations and may lead to delays in the development of current operations and projects. Delays in granting/securing the necessary environmental and operational permits for exploration or operations, including specifically the operational permit for the new areas of Inmaculada and Pallancata's Third Modified Environmental Impact Assessment (MEIA) could affect future production and financial results of the Group.	– Local specialist personnel continually monitor and react, as necessary, to policy changes. In addition, political, social and communications advisers have been engaged to support the Group in responding to developments. – Participation in local industry organisations.	**Peru** **Political** President Boluarte's government continued to suffer from widespread unpopularity during 2024. Her administration has been the subject of corruption allegations and ongoing investigations, some of which also implicate the governor of Ayacucho where the Company's operations are located. Prompted by frustration over economic inequality, political polarisation, and the perceived illegitimacy of her government, there have been calls for President Boluarte's resignation and early elections. In addition, Congress has come under scrutiny, with several media reports highlighting members' alleged connections with illegal economies in sectors such as mining, fishing, and transportation. These ties have had notable repercussions, including the censure of a Minister of Energy and Mines and the approval of legislation favouring these sectors. **Easement and other permits** In 2024, the Company successfully secured a 10-year renewal of the state-granted easement for the land housing the critical mining components of the Inmaculada mine. Meanwhile, the operational permit for the new areas of Inmaculada remains pending; however, the prior consultation process is advancing positively, providing an encouraging outlook for its resolution. The process of obtaining exploration and operational permits continues to pose significant challenges for the mining sector. The Third MEIA process for Pallancata is ongoing, with meaningful progress achieved in negotiations with local communities – an essential step for securing this permit. **Outlook** 2025 is a pre-electoral year with approximately 40 political parties currently registered to participate in the general election to be held in April 2026. These elections will include changes to the executive branch and the legislature as well as the re-introduction of a bicameral Parliament, with regional elections to follow in Q4 2026. Polls reveal significant fragmentation, with none of the presumptive candidates expected to receive significant support. Experts anticipate that the 2026 campaign will likely deepen polarisation among social sectors, further accentuating divisions between Lima and regions in the central and southern parts of the country.

STRATEGIC PILLARS:

1. Brownfield
2. Operational efficiency
3. ESG
4. Disciplined capital allocation

Operational risks continued

Risk, change, tolerance and impact	Mitigation	Commentary
9. Political, legal and regulatory continued		**Argentina** Elected in late 2023, President Milei quickly moved to implement his economic policies of overhauling the state, cutting public spending, combatting hyperinflation and stabilising the Peso. He also sought to reduce bureaucratic red tape to stimulate private investment in the country. The reforms have led to reduced inflation (albeit to moderate levels), a sustained budget surplus achieved during the year and an improvement in investor sentiment. As a result, Milei's approval ratings have improved in the latter part of the year. However, economic challenges remain since even though inflation in 2024 was 117%, the Peso only devalued by less than 30%, leaving it at one of its strongest levels in decades. **Brazil** President Lula continued to focus on social policies and economic reform to, among other things, manage inflation. The tax reform was approved and will be gradually implemented from 2026 to 2032. Lula prioritised reducing poverty and inequality, advancing programs aimed at expanding access to education, healthcare, and housing. Regional government in the state of Goias continued to implement key reforms focusing on infrastructure, healthcare and agricultural growth.

Sustainability risks

Risk, change, tolerance and impact	Mitigation	Commentary

10. Health and safety
 	
Strategic pillar impacted:
2 3
 	
Risk profile change:
–
 	
Risk tolerance:
Low
 	
Group employees working in the mines may be exposed to severe health and safety risks.
 	
Failure to manage these risks may result in occupational illness, accidents, a work slowdown, stoppage or strike and/or may damage the reputation of the Group and hence its ability to operate.
	– Health and safety operational policies and procedures reflect the Group's zero tolerance approach to accidents.
	– Use of world-class DNV (Det Norske Veritas) safety management systems.
	– Dedicated personnel to ensure the safety of employees at the operations via stringent controls, training and prevention programmes.
	– Systematic programme of training, communication campaigns and other initiatives promoting safe working practices.
	– Use of reporting and management information systems to monitor the incidence of accidents and enable preventative measures to be implemented.
		Hochschild performed strongly in terms of safety in 2024 with the accident frequency at 1.25 (2023: 0.99) and accident severity at 365 (2023: 37) and the attainment of our ongoing objective of Zero Fatalities (2023: Zero Fatalities). For information on the year-on-year increases in the accident frequency and severity rates, please refer to pages 72 and 73.
		
		Highlights of the Company's progress on safety include:
		
		• Inmaculada and San Jose obtained Level 8 of DNV certification for their health and safety risk management system, the first mining operations to have done so. This was followed up by training sessions for internal auditors and the onsite leadership team;
		• The six-monthly evaluation of Hochschild's safety culture by dss+ (formerly Dupont) which, in 2024, included our sites in Brazil for the first time;
		• The continued roll-out of the "Safety 2.0 Programme" which included:
		  • training programmes tailored at each level including a Risk Perception Programme;
		  • cross-audits at Inmaculada and San Jose of the Risk Management System resulting in action plans for implementation prior to the DNV audit at the end of the year;
		  • the engagement of DNV to carry out a baseline audit of our safety risk management information system at our Brazilian operation, resulting in an action plan for implementation; and
		  • accident investigation training in Argentina and Peru.
		
		The continued use of the Seguscore, which is a holistic measure of the Group's safety performance combining traditional indicators (including those referred to above) with leading indicators reflecting the outcome of internal and external safety audits.
		
		For further details on our safety initiatives, please see the safety section of the Sustainability Report on pages 72 and 73.

STRATEGIC PILLARS:

1 Brownfield
2 Operational efficiency
3 ESG
4 Disciplined capital allocation

Sustainability risks continued

Risk, change, tolerance and impact	Mitigation	Commentary
11. Environmental **Strategic pillar impacted:** 1 2 3 4 **Risk profile change:** – **Risk tolerance:** Low The Group may suffer from reputational risk and may be liable for losses arising from environmental hazards associated with the Group's activities and production methods, ageing infrastructure, or may be required to undertake corrective actions or extensive remedial clean-up action or pay for governmental remedial clean-up actions or be subject to fines and/or penalties.	– The Group has a Dedicated team responsible for sustainability-related matters and for environmental management. – The Group has adopted a number of policies and procedures to manage its footprint. – The Group has developed a tool which allows it to measure and manage environmental performance. – The Group continues to adopt measures to minimise natural resource use, with particular emphasis on water consumption in its operations. – A specific tailings management framework in place for TSFs, including independent third-party review.	In 2024, the Group performed strongly in its ECO Score (with a score of 5.58 out of 6 (2023: 5.76)), reflecting the following notable achievements: • Two sites achieving a perfect score of 6 out of 6 (Ares and Sipan); • The lowest water consumption since 2015 (138l/person/day); • Continued with the lowest domestic waste generated since 2015 (0.93 kg/person/day); and • The Group maintains a very high level of environmental culture compliance (using an internal scoring system). • In addition, during the year: • The multi-disciplinary Sustainability team established interim ESG goals and action plans aligned with our 2030 ESG ambitions; • We improved year-on-year or already meet nine out of 16 ESG KPI goals; • HOC received the fourth international prize for its internally-designed ECO Score; • The Sustainability team continued with its efforts on reporting widely on the Group's sustainability performance by participating in numerous reporting initiatives resulting in improvements in the 2024 ratings from FTSE4Good, MSCI, and Sustainalytics; and • We continued the implementation of the Environmental Culture Transformation Plan including a comprehensive education programmes with our stakeholders, empowerment of our employees through our Environmental Ambassador program, and promoted innovation through our new ECO Score cloud-based platform. Subsequent to the year-end, the Group updated the information published on its website regarding its TSFs following the information request from the Church of England Pensions Board originally made in 2019. For further details, please refer to the environmental section of the Sustainability Report on pages 66 to 71.

Risk, change, tolerance and impact	Mitigation	Commentary
12. Climate change **Strategic pillar impacted:** 2 3 **Risk profile change:** – **Risk tolerance:** Medium Changes in climate and weather patterns, including the occurrence of extreme weather events such as extreme heat, extreme rainfall flooding, water stress and drought, and storm conditions, may cause operational disruption and, at worse, could result in a suspension of operations. Failure to comply with climate-related laws and regulations could result in reputational risks for the Group, increased costs and longer permitting delays. Lack of climate change actions could result in restricted access to capital. Read our 2024 CFD Report from page 80.	– The Company's 2030 ambition is to reduce its GHG Scope 1+2 emissions by 30% against a 2021 baseline, with an aim to reach Net Zero GHG emissions by 2050. – Enhanced management oversight and operating protocols to: • quantify and verify carbon footprint, including Scope 3; • maximise the efficient use of natural resources and minimise energy consumption; • maximise the use of renewable energy; and • promoting transparency with regards to the Group's performance through participation in investor-led reporting initiatives.	Actions taken in 2024 include: • Completion of a climate scenario analysis and commencement of a detailed transition risk assessment and update of the physical climate risk assessment of operations, including Mara Rosa. These studies identify current and future climate-related risks to the Group's infrastructure; and • Updating the Board and Sustainability Committee on the status of climate change-related risks. Reporting of the Group's performance has been enhanced through: • Continued external assurance of the calculation of the Group's carbon footprint at operations; • Reporting in line with the Climate-related Financial Disclosures (CFD); and • Participation in Carbon DIsclosure Project information request (B rating maintained). A contract for the use of hydroelectric energy in Brazil from January 2025 was signed in November 2024 and the Company is due to renegotiate energy contracts for the Argentinian and Peruvian operations with a view to transitioning away from fossil fuels to renewable energy.

STRATEGIC PILLARS:

1 Brownfield
2 Operational efficiency
3 ESG
4 Disciplined capital allocation

Sustainability risks continued

Risk, change, tolerance and impact | **Mitigation** | **Commentary**

13. Community relations

Strategic pillar impacted:
1 2 3 4

Risk profile change:
V

Risk tolerance:
Low

Communities living in the areas surrounding the Group's operations may oppose the activities carried out at existing mines or, with respect to development projects and prospects, may invoke their rights to be consulted under new laws.

These actions may result in loss of production, increased costs and decreased revenues, longer lead times, additional costs for exploration and have an adverse impact on the Group's ability to obtain the relevant permits.

Mitigation

- The Group has a dedicated team responsible for Community Relations to lead constructive engagement.
- Community Relations strategy:
  - has a territorial and water focus, prioritising the areas of education, health, local infrastructure (water, sanitation, connectivity) and sustainable development;
  - seeks to adopt a multi-party approach to projects involving public and private organisations and local communities.
- Policy to actively recruit workers from local communities.
- Policy of hiring service providers from local communities.
- The Group engages with local governments to support public investment initiatives through technical assistance and direct investment.

Commentary

Overall
The polarised political climate, the increase in illegal mining and campaigning in advance of elections in 2026 has led to an increase in social conflicts by some local communities in Peru, which are trying to take advantage of the situation to increase their economic demands. As a result, social conflicts (e.g. blockades of access roads to the mining units) have become common as a mechanism to pressure mining companies into giving in to their demands.

Despite the existence of pre-existing agreements, many communities refuse to recognise their validity and demand renegotiation of the agreements, which has led to numerous rounds of discussions.

Governmental authorities remain very sensitive to conflicts between communities and mining companies and typically take a cautious approach by prioritising dialogue between parties and supporting social demands regardless of their merit.

Hochschild developments
The Group continue to implement its social engagement strategy in recognition of its responsibilities to host communities. The Group invested significant resources to understand the needs and expectations of local communities and governments and actively participates in discussions with different stakeholders, some of which include the participation of the Peruvian State and other organisations such as international development agencies.

During the year:

- The Group's active engagement resulted in zero days of operational disruption due to community protest;
- The Group spent or donated $5.4 million (2023: $4.8 million) to benefit local communities;
- The Group resolved over 70% of the issues raised in discussions with local communities in Peru during roundtable sessions;
- We continued to work with the communities with a wide range of programmes covering our areas of focus: water, sanitation, connectivity, education, health and women empowerment; and
- The Community Relations team continued to support the business, for example, in relation to permitting, negotiating new land access for operations and ensuring that all community commitments are met.

Risk, change, tolerance and impact	Mitigation	Commentary
13. Community relations continued		**Brazil** With the commencement of operations at Mara Rosa, the Company has strengthened its relations with the local community, public authorities and representatives from different economic sectors. This has helped Hochschild generate a direct positive impact on the development of the municipalities where Hochschild is present. Social engagement during 2024 included: • The holding of quarterly meetings with the community to understand their expectations and to present our sustainability actions; and • The Company sponsored the participation of over 2,000 students in three days of activities held during the second Literature, Culture and Art Festival of Mara Rosa and Amaralina. At the end of 2024, 85% of Hochschild's Brazilian workforce was from Mara Rosa and the surrounding region. Further details can be found in the Sustainability Report from page 60.

Viability statement

In accordance with provision 31 of the UK Corporate Governance Code, the Directors have assessed the viability of the Group taking into account the Group's current position and principal risks.

Period of Viability statement

The Directors have reviewed the length of time to be covered by the Viability statement, particularly given its primary purpose of providing investors with a view of financial viability that goes beyond the period of the Going Concern statement.

It has been concluded that the period from the date of this statement and ending at the end of the second calendar year thereafter (the "Viability Period") is the appropriate time horizon in light of:

- The inherent uncertainty of longer-term forecasting in a cyclical industry which, in the case of precious metals, is largely driven by global macro-economic factors; and
- The large number of external variables that need to be taken into account in establishing any meaningful forecast of the Group's business.

Approach to assessing viability

In assessing the Group's viability, the Directors have considered a number of scenarios affecting the Inmaculada and/or Mara Rosa mines (as stated in the description for each scenario below) which are within reasonable contemplation taking into account the principal risks to which the Group is exposed. Read more in our Risk Management Report from page 96.

Inmaculada and Mara Rosa are collectively expected to generate c.83% of attributable Group revenue in the Viability Period.

In their assessment of the financial impact of each of the above scenarios, the Directors made the same assumptions as those used for the Base Case Scenario in the Going Concern analysis, namely:

- December 2024 consensus prices as detailed below (the "Assumed Prices"):

$/oz	2025	2026	2027
Au	2,633	2,466	2,438
Ag	32.3	32.0	32.1

- Operational forecasts are in line with the approved budget for 2025 and the latest LOM plans for 2026 onwards;
- Debt repayments of $280 million between 2025 and 2027 will proceed according to schedule;
- Withdrawal of $203 million of the Group's new $300 million medium-term committed facility during the Viability Period with repayments commencing in 2028; and
- 2025 environmental impact study expenses for Pallancata and its development capex to be paid in 2026 and 2027 will be incurred as anticipated.

The financial impacts of the outstanding hedges as at the date of this report (as detailed in the commentary accompanying Commodity Price risk on page 99) and of the outstanding payments to be made to acquire the Monte do Carmo project have been reflected in the forecasts used to analyse the selected scenarios.

The following scenarios were analysed:

Scenario 1:
A community-led protest results in a blockade of a principal road to/from the mine and damage to a critical plant component
A protest by a local community obstructs the access road to Inmaculada for two months. Furthermore, it is assumed that a component of the plant is damaged and repair works will take six months to complete. The impact analysis takes into account the cost of negotiating a settlement and other associated expenses.

Scenario 2:
A strike by mineworkers
A widespread mineworkers' strike results in a suspension of operations at Inmaculada and Mara Rosa for three weeks in different months. The impact analysis takes into account the cost of negotiating a settlement and other associated expenses.

Scenario 3:
The occurrence of a material safety accident
A severe fatal accident occurs at Inmaculada and Mara Rosa which results in a one-month stoppage of operations. The impact analysis takes into account other financial liabilities that may result including the cost of remedial work and regulatory fines.

Scenario 4:
The occurrence of a material environmental incident
A key part of Inmaculada and Mara Rosa's plant infrastructure is compromised which results in a major spillage of contaminants. The impact analysis assumes a suspension of operations for one month in different months and takes into account the cost of repairs, remediation and regulatory fines and other associated expenses.

Scenario 5:
The failure of the mill or other critical plant component
A major failure of one of the mills at Inmaculada's plant followed by a major failure of one of the mills at Mara Rosa's plant causes a stoppage of six months at each mining unit which requires civil works, repairs and the acquisition of replacement equipment. The impact analysis takes into account the cost of the works and replacement costs as well as contributions from relevant insurance policies.

Scenario 6:
Precious metal prices fall to a level that is 10% below the annual average consensus prices for gold and 15% for silver
Following such a fall in prices, the Company would seek to reduce variable costs and capital expenditure by 5%.

In their assessment of the financial impact of each of the scenarios, the Directors concluded that upon the occurrence of any one of the scenarios, the Company would be viable. Taking into account the causes of operational stoppages in the past and the extent of the disruption caused, the Directors are of the opinion that combinations of weak precious metal prices and the occurrence of more than one of the above referenced scenarios taking place concurrently is remote.

Should prices fall further than in Scenario 6, or the scenarios in reality are more severe than those modelled or a combination of scenarios occurs, the Board would oversee the use of additional liquidity sources and the implementation of mitigating actions which may include:

- The drawdown of the remaining $68 million from the $300 million medium-term committed facility, which is expected to be undrawn and available for use until October 2026;
- The use of lines of credit with relationship banks, noting that over $260 million of pre-approved, but uncommitted, working capital credit lines are available as at the date of this statement (subject to compliance with covenant ratios under the medium-term credit facilities);
- Delaying discretionary capital expenditure at the Monte Do Carmo project;
- Suspending dividend payments; and/or
- Raising capital at either the corporate or asset level.

Other actions which would serve to mitigate such scenarios include cash pay-outs against insured risks, working capital management, asset sales and commodity price hedging.

For examples of the actions taken by the Board during the year under review to mitigate the impact of the Group's principal risks, please refer to the commentary in the Risk Management section of this report.

Conclusion

While it is always possible that combinations of weak precious metal prices and the occurrence of more than one of the above referenced scenarios could threaten the solvency and liquidity of the Company over the Viability Period, such combinations are considered to be remote. The Directors have therefore assessed the impact of each scenario, using the Assumed Prices and other factors considered to be reasonable, and, accordingly, can confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet obligations over the Viability Period.

Group non-financial and sustainability information statement

The information below is produced to comply with sections 414CA and 414CB of the Companies Act 2006. The information is incorporated by cross-reference.

Reporting requirement	Relevant policies	Further information	KPIs
Business model		Business model (page 22)	
Principal risks		– Risk Management (page 96) – Audit Committee report (page 130)	
Environmental matters (including climate-related financial disclosures)	– Code of Conduct* – Corporate Sustainability Policy* – Environmental Policy* – Tailings Storage Facilities Policy*	– Climate-related Financial Disclosures Report (page 80) – Protecting the Environment section of the Sustainability Report (page 66)	– GHG emissions – GHG intensity – ECO Score – Electricity consumption – Water consumption – % of water recycled – Domestic waste generation – % Recycled waste
Employees	– Code of Conduct* – Corporate Sustainability Policy* – Protocol for the Prevention of Covid-19 – Health & Safety Policy*	The following sections of the Sustainability Report: – Empowering our People (page 74) – Ensuring Health & Safety (page 72)	– % local workforce – % voluntary turnover – High Potential Events rate – Work-related fatalities – Injury Frequency rate
Social matters	– Corporate Sustainability Policy* – Community Relations Policy*	Serving our Communities section of the Sustainability Report (page 64)	– % local workforce – Social investment (as % of revenue) – % local procurement
Human rights	– Corporate Sustainability Policy* – Human Rights Policy* – Diversity & Inclusion Policy* – Sexual Harassment Prevention Policy	Empowering our People section of the Sustainability Report (page 74)	– % of women (a) in the workplace, (b) in leadership roles and (c) on the Board
Anti-corruption and anti-bribery matters	– Code of Conduct* – Anti-corruption and Anti-bribery Policy* – Whistleblowing Policy*	Audit Committee report (page 130)	

* Copies available from http://www.hochschildmining.com/en/responsibility.

Eduardo Landin
Chief Executive Officer

11 March 2025

BOARD OF DIRECTORS

A highly skilled and experienced Board

Eduardo Hochschild
Chair of the Board

Joined the Group in 1987 and appointed Board Chair in 2006.

Committee membership

N

Key skills and competencies
- Over 35 years' involvement with the Group
- Extensive board experience of companies in Latin America
- Proven ability to implement long-term strategies in both the non-profit and corporate sectors

Current external appointments
Commercial: Cementos Pacasmayo S.A.A. (Chair), Aclara Resources Inc. (Chair)
Non-profit: UTEC (Chair), TECSUP

Previous experience
Eduardo joined the Hochschild Group in 1987 as Safety Assistant at the Arcata unit, becoming Head of the Hochschild Mining Group in 1998.

Eduardo is the Company's largest shareholder with a c.38% interest.

Eduardo Landin
Chief Executive Officer

Appointed to the Board in August 2023.

Committee membership

S

Key skills and competencies
- Long-standing operational experience
- Broad knowledge of strategic planning and operational control
- Qualified Mechanical Engineer

Current external appointments
Commercial: Non-Executive Director of Aclara Resources Inc.
Non-profit: Patronato Universidad del Pacifico

Previous experience
Prior to his appointment as CEO in August 2023, Eduardo served as COO of the Company since March 2013. He joined the Company in January 2008 as General Manager of Argentinian operations and, in 2011, became General Manager of Projects with direct responsibility for the development of the Inmaculada and Crespo Advanced Projects. Eduardo previously worked at Cementos Pacasmayo, in the Government of Peru's Ministry of Energy and Mines and at Repsol S.A. in England, Spain and Peru.

Jorge Born Jr.
Non-Executive Director

Appointed to the Board in 2006.

Committee membership

N

Key skills and competencies
- Extensive experience of managing international businesses
- Deep understanding of socio-political issues in Latin America
- Corporate finance

Current external appointments
Commercial: President of Consult & Co. and Non-Executive Director of Aclara Resources Inc.
Non-profit: Bunge and Born Charitable Foundation (President)

Previous experience
Jorge served as a Director and Deputy Chairman of international agribusiness Bunge between 2001 and 2010. He previously served as Head of European operations and Head of the UK operations. Jorge previously served as a Non-Executive Director of Dufry AG (now Avolta AG).

Jorge has been nominated to the Board by the Company's largest shareholder, controlled by Eduardo Hochschild.

Jill Gardiner
Independent Non-Executive Director

Appointed to the Board in August 2020.

Committee membership

A N R

Key skills and competencies
- Long-standing career in investment banking in Canada focusing on strategy and M&A
- Significant experience on listed company boards
- In-depth knowledge of corporate governance/finance/exec compensation

Current external appointments
Commercial: Non-Executive Chair of Capital Power Corporation

Previous experience
Jill spent over 20 years in the investment banking industry having served in a number of senior leadership roles at RBC Capital Markets. She provided strategic advice to and helped raise capital for companies with a focus on the power, pipeline, infrastructure and certain commodity related industries. Jill has previously served on the boards of several TSX-listed companies including Turquoise Hill Resources, Capstone Copper and Trevali Mining Corporation.

Tracey Kerr
Independent Non-Executive Director

Appointed to the Board in December 2021. Designated Non-Executive Director for workforce engagement

Committee membership

N R S

Key skills and competencies
- Extensive experience of managing sustainability in mining
- Geology, having overseen global exploration activities
- UK listed company governance

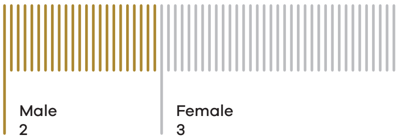
Current external appointments
Commercial: Non-Executive Director of Weir Group PLC, Jubilee Metals PLC and Antofagasta plc

Previous experience
Tracey spent almost 10 years working for Anglo American plc, most recently as the Group Head of Sustainable Development having previously also been accountable for safety, operational risk management and sustainable development. Prior to working in sustainability, Tracey worked as a geologist where she oversaw Vale's exploration activities in the Americas and subsequently joined Anglo American as Group Head of Exploration. Tracey previously served as a Non-Executive Director of Polymetal International PLC.

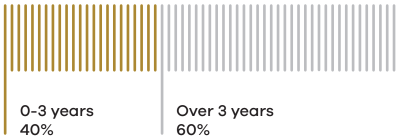
COMMITTEES:

- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- S Sustainability Committee
- ● Chair

Gender of Independent Non-Executive Directors on the Board



Tenure of Independent Non-Executive Directors



Joanna Pearson
Independent Non-Executive Director

Appointed to the Board in October 2023.

Committee membership
A N R

Key skills and competencies
- Extensive experience of public company financial reporting and risk management
- Mining sector experience
- UK listed company governance

Current external appointments
Commercial: Non-Executive Director of Goldshore Resources Inc.

Previous experience
Joanna was formerly Executive Vice President and Chief Financial Officer of the FTSE 100 company, Endeavour Mining plc, and, prior to that, was an audit partner at Deloitte LLP, Vancouver for 12 years where she conducted multinational audit engagements for US and Canadian listed companies primarily in mining and emerging markets.

Joanna is a Chartered Professional Accountant of British Columbia and has a certification from the Canadian Institute of Corporate Directors.

Michael Rawlinson
Senior Independent Director*

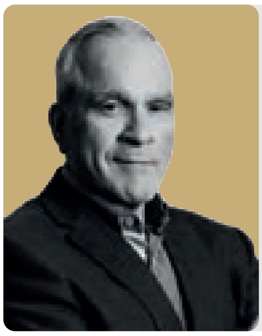
Appointed to the Board in 2016 and as Senior Independent Director in January 2018.

Committee membership
A N R

Key skills and competencies
- Significant knowledge of the mining sector
- Corporate finance, strategy and M&A
- UK listed company governance

Current external appointments
Commercial: Adriatic Metals Plc (Chair) and Non-Executive Director of Capital Limited and Andrada Mining

Previous experience
Michael's career of over 20 years culminated in his role as Global Co-Head of Mining and Metals at Barclays Investment Bank. Before that, he was one of the co-founding directors at boutique investment bank Liberum Capital, having worked as a corporate financier and equity research analyst covering the mining sector at JP Morgan, Cazenove and Flemings.



Mike Sylvestre
Independent Non-Executive Director

Appointed to the Board in May 2022.

Committee membership
A N S

Key skills and competencies
- Extensive experience of managing mining operations
- In-depth knowledge of the Canadian market, a key mining hub
- Mining Engineering (B.Sc and M.Sc. from McGill University and Queen's University respectively)

Current external appointments
Commercial: Non-Executive Director of TSX-listed Vista Gold Corp.

Previous experience
Mike spent eight years at Kinross Gold Corp, most recently as Senior Vice President, Operations until his retirement in December 2022. He previously served as a Non-Executive Director of Nickel Creek Platinum Corp. and as a Director and Interim CEO of TSX-listed Claude Resources Inc. having spent a significant portion of his career with Vale Canada (formerly Inco Ltd). During his time there he held the positions of CEO New Caledonia and President, Manitoba Operations. Mike is a member of the Professional Engineers of Ontario and a graduate of the Institute of Corporate Directors (ICD) in partnership with the Rotman School of Management.

Raj Bhasin
Company Secretary

Joined the Group and appointed Company Secretary in 2007.

Key skills and competencies
Raj is a solicitor and Chartered Secretary with over 25 years' experience in FTSE-listed companies. He has significant experience in advising on corporate governance and corporate and commercial law.

Previous experience
Raj previously served as Deputy Company Secretary and Commercial Counsel at Burberry Group plc.

* Having completed nine years on the Board, Michael Rawlinson will retire from the Board at the conclusion of the 2025 Annual General Meeting when Tracey Kerr will assume the role of Senior Independent Director and Jill Gardiner will become the Chair of the Remuneration Committee.

Directors' report

The Directors present their report for the year ended 31 December 2024.

Information in Directors' Report

The Directors' Report comprises the Corporate Governance Report from pages 118 to 141, this Report on pages 116 and 117, and the Supplementary Information on pages 154 to 156. Other information that is relevant to the Directors' Report, and which is incorporated by reference, comprises:

- An indication of likely future developments included in the Strategic Report;
- Greenhouse gas emissions data and the steps taken by the Company to increase its energy efficiency, included in the Sustainability Report from page 60;
- Policy on financial risk management in note 39 to the consolidated financial statements; and
- Details of events occurring after the year-end in note 40 to the consolidated financial statements.

For the purposes of compliance with Disclosure Guidance and Transparency Rules 4.1.5R(2) and 4.1.8R, the Strategic Report and this Directors' Report (including the other sections of the Annual Report incorporated by reference) comprise the Management Report.

Dividend

The Directors did not declare an interim dividend in respect of the year ended 31 December 2024 and are recommending the payment of a final dividend of 1.94 US cents per share.

Dividend waiver

The trustee of the Hochschild Mining Employee Share Trust ("the Employee Trust") has waived, on an ongoing basis, the right to dividend payments on shares held by the Employee Trust. As at the date of this report, the Employee Trust does not hold any shares.

Directors

The names, functions and biographical details of the Directors serving at the date of this report are given on pages 114 and 115. All of the Directors were in office for the duration of the year under review.

With the exception of Michael Rawlinson, who will be retiring at the conclusion of the 2025 Annual General Meeting (AGM) following completion of nine years on the Board, all other Directors will be retiring and seeking re-election by shareholders at the 2025 AGM in line with the UK Corporate Governance Code.

Directors' and officers' liability insurance

The Company's Articles of Association (the "Articles") contain a provision whereby each of the Directors may be indemnified by the Company in respect of liability in relation to: (i) any negligence, default, breach of duty or breach of trust relating to the Company or any associated company; (ii) execution of his/her duties as Director of the Company; and (iii) the activities of the Company or any associated company as trustee of an occupational pension scheme. For these purposes, associated company has the meaning given to it by section 256 of the Companies Act 2006.

However, a Director will not be indemnified for any liability incurred by him/her to the Company or Group companies; any criminal or regulatory fines; the costs of defending any criminal proceedings in which he/she is convicted; or the costs of defending any civil proceedings brought by the Company in which judgment is given against him/her.

The Company has purchased and maintains liability insurance for its Directors and officers as permitted by law and Deeds of Indemnity on terms consistent with the Articles have been executed by the Company in favour of the Directors.

Political and charitable donations

The Company does not make political donations. During the year, the Group spent or donated a total of $12.29 million to benefit local communities (2023: $8.2 million).

Relationship Agreement

Pelham Investment Corporation (the "Significant Shareholder"), Eduardo Hochschild (who together with the Significant Shareholder are collectively referred to as the "Controlling Shareholders") and the Company entered into a relationship agreement (the "Relationship Agreement") in preparation for the Company's IPO in 2006 and which was amended and restated during 2014.

The principal purpose of the Relationship Agreement is to ensure that the Group is capable of carrying on its business for the benefit of the shareholders of the Company as a whole, and that transactions and relationships with the Controlling Shareholders and any of their respective associates are at arm's length and on normal commercial terms.

Further details of the Relationship Agreement with regard to the conduct of the Significant Shareholder are set out in the Corporate Governance Report on page 126 and, with regard to the right to appoint Directors to the Board, are set out on page 127.

As required by the Listing Rules, the Directors confirm that the Company continues to be able to carry on the business it carries on as its main activity independently from the Significant Shareholder at all times.

Conflicts of interest

The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts of interest of directors where the Company's Articles of Association contain a provision to that effect. Amendments to the Company's Articles of Association were approved by shareholders in 2008, which included provisions giving the Directors authority to authorise matters which may result in the Directors breaching their duty to avoid a conflict of interest.

The Board has established effective procedures to enable the Directors to notify the Company of any actual or potential conflict situations and for those situations to be reviewed and, if appropriate, to be authorised by the Board, subject to any conditions that may be considered necessary. In keeping with the approach agreed by the Board, Directors' conflicts were reviewed during the year under review.

Directors of the Company who have an interest in matters under discussion at Board meetings are required to declare this interest and to abstain from voting on the relevant matters.

Any related party transactions are approved by a committee of the Board consisting solely of Independent Directors. In addition, the Directors will be able to impose limits or conditions when giving any authorisation, if they think this is appropriate.

Going concern

After their thorough review of Group liquidity and covenant forecasts the Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the period to 31 March 2026 which is at least 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. Please refer to note 2(d) to the consolidated financial statements for full details of the Directors' assessment of going concern.

AGM

The 19th AGM of the Company will be held at 9.30am on 12 June 2025. The shareholder circular incorporating the Notice of AGM will be sent separately to shareholders or, for those who have elected to receive electronic communications, will be available for viewing at www.hochschildmining.com

The shareholder circular contains details of the business to be considered at the meeting.

Auditor

A resolution to reappoint Ernst & Young LLP as Auditor will be put to shareholders at the forthcoming AGM.

Statement on disclosure of information to Auditor

Having made enquiries of fellow Directors and of the Company's Auditor, each Director confirms that, to the best of his/her knowledge and belief, there is no relevant audit information of which the Company's Auditor is unaware.

Furthermore, each Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

This confirmation is given, and should be interpreted, in accordance with the provisions of section 418(2) of the Companies Act 2006.

Directors' responsibilities

The Directors confirm that to the best of their knowledge:

- that the consolidated financial statements, prepared in accordance with UK-adopted international accounting standards give a true and fair view of the assets, liabilities, financial position and profit of the parent company and undertakings included in the consolidation taken as a whole; the Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- that they consider the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

See page 157 for a detailed description of the Directors' responsibilities in the preparation of the Annual Report and the Group and Parent Company financial statements.

Disclaimer

Neither the Company nor the Directors accept any liability to any person in relation to this Annual Report except to the extent that such liability could arise under English law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with section 90A of the Financial Services and Markets Act 2000.

On behalf of the Board.

Raj Bhasin
Company Secretary

11 March 2025

Hochschild Mining PLC
Company Number: 05777693

A year of robust performance and active governance

Eduardo Hochschild
Company Chair

While 2024 was a year of relative operational stability, the Board was active in diligently discharging its governance responsibilities.

Dear Shareholder

I am pleased to present the Corporate Governance Report for 2024.

In this section of the Annual Report, we report on the Company's compliance with the provisions of the 2024 edition of the UK Corporate Governance Code ("the Code") and the application of its principles.

2024 was a year of relative operational stability given the challenges faced in 2023 from the delayed approval of the Inmaculada Modified Environmental Impact Assessment (MEIA). However, as you will see from this report, the Board has been active in diligently discharging its governance responsibilities.

Engaging with our stakeholders

During the first quarter, the Board held its first meeting of the year in Brazil which was then followed by a tour of the Mara Rosa mine. This provided Board members with a view of the impressive level of progress made in the construction of Hochschild's inaugural operation in the country and the opportunity to meet with our Brazilian colleagues.

Through our calendar of regular events, the Board was kept informed of the views of our investors and, in October 2024, this was supplemented by a site visit for analysts and investors to Mara Rosa who were able to witness, first-hand, the mine in operation.

As our most valuable asset, it is fundamental that the views and feedback from our people are well understood. During the year, the Board received updates on the result of the working climate survey and Tracey Kerr reported directly to the Board on the Online Employee Forum that she hosted with colleagues participating from across our operations.

Ensuring High-Level of Governance

The Board oversaw two discrete activities which demonstrate the commitment with which we undertake our role.

Firstly, the Board received and approved the recommendation from the Audit Committee on the appointment of Deloitte LLP as the Company's external auditor from 2026. This was the culmination of a thorough process which commenced in 2023 and which is described in more detail in the Audit Committee report.

Secondly, the Board engaged Lintstock to undertake the Board Effectiveness review. This was conducted in the second half of the year through a combined approach of online questionnaires and face-to-face discussions.

While the Directors are pleased to note that the review concluded that the Board benefited from quality and diversity of expertise and a constructive dynamic at meetings, a number of valuable recommendations were made that we are committed to implementing over the course of the year. Further details can be found on page 128.

I hope you will find this report to be informative reading. Please do not hesitate to contact me at Chairman@hocplc.com if you should have any comments or observations you wish to share.

Eduardo Hochschild
Company Chair

Introduction

This report, together with the Directors' Remuneration Report, describes how the Company has applied the Principles of the UK Corporate Governance Code ("the Code") (2024 edition) in respect of the year ended 31 December 2024. A copy of the Code is available on the website of the Financial Reporting Council (FRC) at www.frc.org.uk.

Disclosures to be included in the Corporate Governance Report in relation to share structure, shareholder agreements and the Company's constitutional provisions pursuant to the Disclosure Guidance and Transparency Rules are provided in the Supplementary Information section on pages 154 to 156.

Statement of Compliance

The Board confirms that, in respect of the year under review, the Group has complied with the provisions contained in the Code with the exceptions noted below:

Provision

The Chairman has been in post beyond nine years from the date of his first appointment to the Board

Explanation

As a major shareholder of the Company and given his significant experience of mining in Peru, the Directors consider Mr Hochschild's continued role as Board Chair to be in the best interests of the Company. As described later in this report, the Company's governance structure incorporates a number of checks and balances to ensure ongoing objectivity and that undue influence is not exercised.

Provision

Directors' contracts and/or other agreements or documents which cover director remuneration should include malus and clawback provisions that would enable the Company to recover and/or withhold sums or share awards.

Explanation

In order to overcome the legal difficulties in enforcing clawback in Peru, the Group's malus policy describes the events which may lead to its implementation including misconduct, reputational damage, error in calculation and any material breach of an individual's employment contract.

Board leadership and Company purpose

Our governance structure

Board

Eduardo Hochschild
Chair of the Board

2
NON-INDEPENDENT DIRECTORS

5
INDEPENDENT DIRECTORS

Audit Committee[1]

Joanna Pearson
Independent Non-Executive Director

READ MORE page 130

Nomination Committee[1]

Eduardo Hochschild
Chair of the Board

READ MORE page 138

Remuneration Committee[1]

Michael Rawlinson
Senior Independent Director

READ MORE page 142

Sustainability Committee[1]

Tracey Kerr
Independent Non-Executive Director

READ MORE page 60

Exploration Working Group

A working group consisting of management and Non-Executive Directors which reviews detailed reports on, and progress against, brownfield and greenfield exploration programmes.

1 see www.hochschildmining.com/about-us/governance/ for copies of the committees' terms of reference

The Board

The Board is responsible for approving the Company's strategy and monitoring its implementation, for overseeing the management of operations and for providing leadership and support to the senior management team in achieving sustainable added value for shareholders. It is also responsible for enabling the efficient operation of the Group by providing adequate financial and human resources and an appropriate system of financial control to ensure these resources are fully monitored and utilised.

There is an agreed schedule of matters reserved for the Board which includes the approval of annual and half-yearly results, the Group's strategy, the annual budget and major items of capital expenditure.

2024 Board meetings
Business
10 Board meetings were held during the year, of which four were scheduled meetings. The ad-hoc meetings were convened to consider:

- Operational updates;
- The option to acquire the Monte do Carmo project in Brazil;
- A presentation from the management of Aclara in connection with a proposed equity financing;
- The recommendation from the Audit Committee arising from the tender of the external audit engagement (see page 134 for further details);
- The approval of the renewed $300m medium-term credit facility; and
- Administrative matters, such as the adoption of revised banking and delegated signing authorities.

Attendance
All directors attended each of the scheduled Board meetings held during the year.

In addition to the regular updates from across the business, the principal matters considered by the Board during 2024 are detailed on the opposite page. In keeping with Board practice, meetings incorporate reports from each of the Committee Chairs on the business considered at their respective meetings. Any significant matters arising from those meetings are discussed by the full Board and feature among the matters described.

Senior executives of the organisation are invited to attend Board meetings and to make presentations on their areas of responsibility. In the event a Director is unable to attend a Board or Committee meeting, comments are encouraged to be fed back to the Chairman of the relevant meeting who ensures that the absent Director's views are conveyed.

In between Board meetings, Directors are kept informed of latest developments through monthly management reports on the Company's operations, safety performance, exploration activity and financial position. In addition, monthly update calls are diarised which provide an opportunity for the Chief Executive Officer (CEO) to brief the Board on recent developments.

The Directors receive briefings from the Company Secretary and legal advisers on their duties under English law to promote the success of the Company. As in other large companies, these duties are, in part, discharged through a framework of delegated authorities.

Matters Considered by the Board in 2024

Health and safety	• Updates on the ongoing implementation of the Company's framework of safety programmes and initiatives, Safety 2.0 (see page 73 for further details); • Quarterly reviews of the Company's Health Dashboard detailing a number of health-related indicators for each of the Company's sites; and • Updates on the findings of the Company's investigations into health and safety matters including a bus accident suffered by a construction contractor transporting its personnel working at Inmaculada and an accident suffered by an electrical contractor at Mara Rosa.
Financial	• The stress-tested scenarios and the underlying assumptions used in (a) the going concern statements in support of the 2023 annual financial statements and 2024 half-yearly financial statements and (b) the viability statement included in the 2023 Annual Report and Accounts; • Approval of the 2023 Annual Report and Accounts and the 2024 Half-Yearly Report; • The Group's ongoing financial position and projected cash flows. This included consideration of securing future cash flow certainty by hedging a limited amount of 2025 production from Inmaculada through the purchase of a Zero Cost Collar; • Consideration of matters related to capital return, including the adoption of a policy and the decision to seek shareholder approval of a Rule 9 waiver enabling the Company to undertake share repurchases without the participation of the Company's Significant Shareholder; • Updates on unbudgeted expenditure; and • The review and approval of the 2025 budget.
Strategy and Growth	• The review and approval of the Group's annual strategic plan*; • The decision to proceed with expedited due diligence of the Monte Do Carmo project and the subsequent decision to exercise the option to acquire the asset from Cerrado Gold*; and • The combined sale of non-core assets Arcata and Azuca which is due to complete in Q1 2025.
Business performance	• Detailed updates on operational performance including progress on permitting in relation to Pallancata's Third MEIA (Royropata); and • Presentations on progress against the project plans for the construction of the Mara Rosa mine and updates on its operation following the start of commercial production in mid-May.
Risk	• Political developments in the Company's countries of operation; and • The Group's Risk Register detailing the significant and emerging risks faced by the Group and their corresponding mitigation plans. As reported in the Risk Management report, over the course of the year, the risks associated with Project Development and the anticipated El Niño were removed from the Risk Register.
Governance	• Updates and presentations from the Company Secretary on relevant legal and governance-related developments including the status of governance reform, the implications for the Group of the revised Listing Rules and lessons drawn from decisions of the Financial Conduct Authority for Listing Rules/ regulatory breaches committed by London-listed companies; • An update on the implementation of the 2023 Board evaluation recommendations; • The process for the externally-led Board effectiveness review; and • The annual reviews of the Directors' conflicts of interest and the independence of Non-Executive Directors.
Sustainability	• Reviews of the social climate in Peru, Argentina and Brazil and their potential impact on the Group; • Performance of the Group against the internally-designed environmental corporate scorecard (the ECO Score) and updates on the Company's implementation of the Environmental Cultural Transformation Plan; • Review of the 2023 Sustainability and CFD Reports; and • Feedback on employees' views expressed during the Online Employee Forum hosted by Tracey Kerr.
Investors' views	• Regular reports from the Head of Investor Relations on investor sentiment as part of the Group's comprehensive investor engagement schedule (see later section headed Shareholder engagement activities in 2024 on page 124); • Feedback from investors and proxy voting agencies on 2024 AGM business; and • Views of investors and analysts from the site visit to Mara Rosa.

* See page 125 on how wider stakeholders' interests were considered in relation to these key Board decisions.

Purpose and culture

The Group was established over a hundred years ago and over time it has characterised itself not only through sound operations but also in striving to achieve the highest standards of safety and with regards to its social impact. This approach is reflected and described in further detail in the Code of Conduct, which was originally adopted in 2010 and last updated in 2023, and sets out the standards and behaviours expected from all levels within the Company as well as our partners, namely: professionalism, honesty, integrity, respect for our stakeholders and a commitment to safety, our communities and the environment. These are further reiterated in the Group's anti-bribery and corruption policies.

The Company's purpose is "Responsible and Innovative Mining Committed to a Better World" – and has adopted the following values which create a culture that is aligned with the purpose:

Our corporate values

The Company frequently implements programmes to reinforce the Company's purpose and culture involving colleagues across all three operations. During 2024 these included an event held at Mara Rosa, our first Brazilian operation (see opposite lower corner) and at Inmaculada which was designed around the themes of team cohesion and recognition (see opposite upper corner).

Innovation

Inspiring others

Recognising talent

Demonstrating responsibility

Seeking efficiencies

These values not only represent key input in our business model in the performance of our core activities but they also inform our approach to our growth strategy (see the Strategy section on page 24).

Setting the tone

The Board sets the tone from the top, reflecting HOC's values in its deliberations and decision-making. The CEO and the executive management team is the crucial conduit through which the tone is cascaded throughout the organisation. Examples of the communications and initiatives led by the CEO and the executive management team related to:

- The achievement of key strategic events including the commencement of operations at Mara Rosa, the sale of non-core assets and the acquisition of the Monte Do Carmo project;
- The 2023 annual financial results and strategic future priorities;
- Organisational changes; and
- Support for the International Day for the Elimination of Violence against Women.

In addition, as part of his frequent trips to the operations, the CEO held an interactive session at Inmaculada promoting the values of Responsibility, with a focus on the importance of safety in the workplace and of Inspiring Others, by valuing colleagues' own contributions as well as of their peers. Year-end events were also held at all mining units and in Lima to recognise the achievements during the year. The event in Lima was led by the CEO and recognised individual and collective achievements across all levels of the organisation.

Assessing and monitoring culture

The Board assesses and monitors the Company's culture using a dashboard of measures, some of which are reported on a monthly basis.

Responsibility

Safety
Accident Frequency Index (LTIFR), Accident Severity Index, High Potential Event rate, Leading indicators, Seguscore (see page 72 for further details)

Environmental
ECO Score

Community Relations
Production stoppages due to social issues

ESG
Scores given by specialist ratings organisations

Ethical practices/Integrity
Whistleblowing reports, compliance training roll-out, internal audit reports

Monitoring Culture: Whistleblowing Reports

– Hochschild has a well-established process for colleagues to submit their concerns, including on an anonymous basis, with regards to acts which are inconsistent with our corporate values. See page 132 for more details.

Innovation

Updates on operational efficiency projects

Inspiring others and promoting talent

Team and individual development plans, staff turnover/ retention rates, results of diversity and inclusion programmes, results of working climate survey

Efficiency

Operational KPIs including AISC, Production and Brownfield Exploration results, Financial KPIs including Adjusted EBITDA, Working Capital, Cash Balance, Debt Covenant ratios

Surveys

The Board also receives updates from management on specific engagement initiatives which provide valuable insight into culture at an operational level, including:

- The findings of the 2024 working climate survey (see page 76 for further details); and
- A Survey on Organisational Culture and Effectiveness which was carried out in conjunction with Spencer Stuart and identified opportunities to further strengthen workplace culture which were agreed at an event held in Lima with the participation of senior management and Country General Managers.

Inmaculada event: inspiring others and recognising talent

This event was held for colleagues at our Inmaculada mine with the aim of strengthening organisational culture and highlighting the importance of recognition in the workplace.

The day consisted of interactive activities, theatrical performances, and artistic activities encouraging reflection on the value of recognition. Participants also shared messages of gratitude and took part in a symbolic chain of recognition. Additionally, unit leaders took the opportunity to emphasise key messages about HOC's cultural attributes and the positive impact of a motivating environment.

Mara Rosa

The commencement of operations at Mara Rosa provided a key opportunity to integrate Hochschild's organisational culture and foster a cohesive work environment that celebrates diversity and cultural integration.

This special event, which was attended by members of the executive management team, was designed to introduce our colleagues to the essence of the HOC culture and how it contributes to the achievement of our corporate purpose. During the event, each member of the executive team shared key messages from their respective functional perspective including the promotion of behaviours expected by our Code of Conduct. The event not only served as a welcome to our new operation but also represented a mutual commitment between cultures to work together toward a shared purpose.

Engagement

The Board ensures there is regular and sustained engagement with its shareholders and other stakeholders which is fed back to the Board and taken into consideration in discussions and decision-making. This section of the report includes the s172(1) statement and, by cross-referencing other parts of this report, summarises how engagement was undertaken and how stakeholders were considered in the key decisions taken during the year.

Engagement with Shareholders

Our approach

The Board Chair, with the support of the Senior Independent Director and the Company Secretary, is available to engage with major shareholders on matters of governance and performance against strategy.

The Chief Executive Officer is responsible for discussing strategy and business performance with the Company's shareholders and conveying their views to the other members of the Board. He is supported in this regard by the Chief Financial Officer and the Head of Investor Relations who is based in the London corporate office.

In addition to the direct means of contact as detailed in the table below, Directors are kept informed of major shareholders' views through copies of (i) relevant analysts' and brokers' briefings, (ii) voting recommendation reports issued by institutional investor agencies, and (iii) significant correspondence from shareholders with respect to the business to be put to shareholder vote at General Meetings.

Shareholder engagement activities in 2024

Month	Event
January (and May, July, October)	Conference calls following each Quarterly Production Report
February	BMO Global Metals & Mining Conference
March	2023 annual results presentation and UK roadshow
May	BoA Merrill Lynch Global Metals, Mining and Steel Conference
June	AGM
August	H1 2024 results presentation
September	H1 2024 results UK roadshow, including presentation to retail investors via the Investor Meet Company platform Denver Gold Forum
October	Site visit to Mara Rosa mine for analysts and investors (see box top right)

An extensive investor relations schedule resulted in management holding approximately 100 investor meetings during the year. The Company continued its use of the Investor Meet Company platform whereby approximately 100 individual investors were able to attend virtually a live presentation from the CEO on the full-year and half-year financial results and submit questions. This enabled the Company to facilitate engagement with retail investors on occasions which would previously have been attended exclusively by institutional investors.

In addition to the above, the Non-Executive Directors are available to meet shareholders on request. During the year, Mike Sylvestre participated in a call at the request of a significant shareholder to discuss matters related to the workings of the Board.

Investor Engagement: Mara Rosa Site Visit for Analysts and Investors

In October 2024, the Group organised a visit to the Mara Rosa mine for 10 participants, comprising primarily equity research analysts and investors.

The visit, which was conducted over three days, involved presentations from the COO and CFO and provided an opportunity to showcase Hochschild's first operation in Brazil. Participants also met with the General Manager for Brazil and other members of the senior operations team.

2024 AGM

The resolutions put to the 2024 AGM were passed with the support of an average of over 93% of the votes cast, with the exception of the re-elections of Eduardo Hochschild and Michael Rawlinson, and the approval of the Rule 9 Waiver. The reasons for the voting outcomes and the actions taken by the Company were addressed in announcements made in June and December 2024 respectively.

Eduardo Hochschild's re-election

With regards to the voting outcome on Eduardo Hochschild's re-election, this reflected concerns with respect to his tenure as Chair and the lack of a defined succession plan and a publicly disclosed definitive timeline for retirement.

As stated in last year's Annual Report, the Board believes that, taking into account Eduardo Hochschild's long-standing involvement with the Company, his significant shareholding, and the governance structure and practices that have been adopted as described later in this report, his continued role as Board Chair remains in the best interests of the Company.

As is the case for all senior positions, the Company has a succession plan in place in relation to the Chair. Whilst there are no short or medium-term plans for Eduardo Hochschild to retire, he has informed the Board that, absent any change in circumstances, his intention is to retire by the age of 70 (being within the next nine years).

Michael Rawlinson's re-election

The Directors are aware that the voting result on Michael Rawlinson's re-election reflected shareholder concerns with the lack of gender diversity at management level and concerns with his time commitment in light of his other board positions. The Directors are acutely aware of the gender imbalance within the mining industry and oversee various initiatives to promote diversity, both generally in the workforce and within the pipeline of executive talent development.

READ MORE
Please refer to pages 74 and 75 for further details on these initiatives.

As for time commitment, the Nomination Committee is satisfied that Michael has demonstrated a consistently high level of participation and rigour during his tenure as a Hochschild Board member.

Rule 9 Waiver

The Directors note the concerns of certain shareholders with what has been described as the "creeping control" that Eduardo Hochschild would indirectly benefit from as a result of any share buyback undertaken by the Company in which Pelham Investment Corporation (the entity controlled by

Eduardo Hochschild which holds c.38% of Hochschild shares) ("Pelham") does not also tender its shares pro-rata. These views notwithstanding, the Independent Non-Executive Directors (INEDs) feel that, in the right circumstances, maintaining flexibility to return value to shareholders through such a share buyback would be in the best interests of all shareholders. As a result, it is the INEDs' collective intention to propose the re-approval of shareholders to the Rule 9 waiver at the forthcoming AGM, subject to the consent of the UK Takeover Panel.

Engagement with other Stakeholders

On pages 56 to 59 of the Strategic Report, we have identified our key stakeholder groups, described how the Company engages with them and indicated the issues raised by them during the year.

The Directors are aware of their duty under English company law (the "section 172 duties") to act in the way that is considered, in good faith, as most likely to promote the success of the Company for the benefit of its shareholders and other factors. These include the likely consequences of any decisions in the long term, the interests of the Company's employees, the need to foster the Company's business relationships with all stakeholders, the impact of the Company's operations on the community and environment, and the desire to maintain a reputation for high standards of business conduct.

By understanding stakeholders' views and expectations, the Board is able to successfully steer the Company towards achieving its strategic goals in a sustainable manner and which acknowledges its licence to operate.

Below, we have summarised how the Board receives feedback from its key stakeholder groups:

Employees	Tracey Kerr, as Chair of the Sustainability Committee, is our designated Director to oversee workforce engagement who, in addition to receiving quarterly updates from the Vice President of Human Resources on discussions with trade unions and other employee group meetings, also chaired an online employee forum during the year. See box opposite for further information. Tracey also met with colleagues at Mara Rosa during the March 2024 Board site visit, and at the Lima office in August 2024.
Social	Reported to the Sustainability Committee, which feeds back to the Board.
Government/ Regulators	Reported to the Board (a) on a routine basis in relation to significant matters and (b) as part of its consideration of the quarterly Risk Management updates on the political/regulatory climate.
Suppliers/Lenders	Reported to the Board as part of its consideration of the quarterly Risk Management updates in relation to Counterparty and Business Interruption & Supply Chain risks.
Customers	Significant matters are reported to the Board by the Chief Financial Officer who is responsible for managing the sales and logistics department. There were no material matters raised during the year.

Impact on wider stakeholder group of key decisions in 2024

In discharging their section 172 duties the Directors have regard to the factors set out above as well as other factors which are considered relevant to the decision being made. It is acknowledged that every decision we make will not necessarily result in a positive outcome for all our stakeholders. By considering the Company's purpose together with its strategic priorities, and having a process in place for decision-making, the aim is to make sure that decisions reflect the Group's corporate values.

For details on how our Board operates and the matters we discussed and debated during the year, please see pages 120 and 121. We set out below examples of how the Directors had regard to the matters set out in section 172(1)(a)-(f) when discharging their section 172 duties on certain decisions taken during the year.

(a) Annual Strategic Review

As it does each year, the Board carried out a review of the Group's strategy. The discussion in 2024 identified ten strategic objectives as key drivers for growth, with a five-year target set for each one. Each objective reflects the pillars of Hochschild's corporate purpose and incorporates taking a leading role in promoting good ESG practices to ensure the achievements of the Group's 2030 ambitions as well as seeking to become an employer of choice by providing a positive working environment. By taking this approach, the Board has mandated that every strategic business decision should promote sustainability for a wide range of stakeholders.

(b) Exercise of the option to acquire the Monte do Carmo gold project

In its decision to acquire the Monte do Carmo project, the Board considered:

- The views of shareholders on (a) geographic diversification of the Company's portfolio of operating assets and (b) the need for a pipeline of advanced projects to support future profitable production;
- The interests of employees who would benefit from the addition of a high-quality asset into the Company's portfolio;
- The interests of local stakeholders (including communities, suppliers and government) who would benefit from the generation of sustainable value at Monte do Carmo; and
- The neutral impact on existing customers.

Online Employee Forum

During the year, Tracey Kerr chaired an Online Employee Forum with employees from across the Group's mining units.

The forum, which was launched in 2022, has proven to be valuable for Directors who learn, first-hand, the views of colleagues across the business on a variety of subjects. During this session, colleagues talked of the appeal of Hochschild as an employer, as well as the development opportunities within their respective roles. The opportunity was also taken to seek colleagues' views on Hochschild's corporate and safety culture as well as holding a general Q&A session. Colleagues expressed their satisfaction with the support they receive from across the organisation as well as acknowledging the continued focus on safety by senior management. Feedback was also received on the potential for sharing best practices across departments as well as expanding the scope of the Company's existing platforms, to encourage the submission of initiatives related to safety and environmental matters and not solely to achieve further operational efficiencies.

Division of responsibilities

Board composition

The Board comprised, at all times, a majority of Non-Executive Directors considered to be of independent judgement and character. In addition to Eduardo Hochschild, the other non-independent Non-Executive Directors are Eduardo Landin (CEO), and Jorge Born who has been nominated to the Board by Pelham under its rights pursuant to the Relationship Agreement (further details of which can be found on page 116 of the Directors' Report).

Chair and Chief Executive

The Board is led by the Chair, Eduardo Hochschild, who controls Pelham which has a c.38% shareholding in the Company.

The Board has approved a document which sets out the division of responsibilities between the Chair and Chief Executive Officer.

As Chair of the Board, Eduardo Hochschild is responsible for leading the Board of Directors and ensuring that the Board is enabled to play a full and constructive part in the development and determination of the Group's strategy and overall commercial objectives.

Eduardo Landin, as Chief Executive Officer, is responsible for the formulation of the vision and long-term corporate strategy of the Group, the approval of which is a matter for the full Board.

The Chief Executive Officer is responsible for leading the executive team in the day-to-day management of the Group's business.

Status of the Chair

In light of his significant shareholding, Eduardo Hochschild is not considered to be independent. However, the other Directors of the Board continue to assert that he chairs the Board in an objective manner and encourages open and full debate. The Directors are satisfied that the composition of the Board and the implementation of certain contractual arrangements act as additional measures which prevent the exercise of undue influence by Eduardo Hochschild.

Firstly, the significant presence of Independent Directors and the active role of the Senior Independent Director ensure that the views of minority shareholders are well represented.

Secondly, the undertakings provided in the Relationship Agreement (as described below) ensure that the Company and its subsidiaries are capable of carrying on their business independently of Eduardo Hochschild and his associates.

The Relationship Agreement, which was revised in 2014 following the implementation of new rules governing such agreements (the "2014 Listing Rules"), contains undertakings from each of Eduardo Hochschild and Pelham that:

- All transactions with the Company (and its subsidiaries) will be conducted at arm's length and on normal commercial terms;
- Neither of them (nor their associates) (the "Relevant Parties") will take any action that would have the effect of preventing the Company from complying with its obligations under the UK Listing Rules;
- The Relevant Parties will not propose, and neither will they procure the proposal of, a shareholder resolution intended or which appears to be intended to circumvent the proper application of the UK Listing Rules; and
- The Relevant Parties will not take any action that would preclude or inhibit any member of the Group from carrying on its business independently of any of them.

Senior Independent Director

Michael Rawlinson is the Senior Independent Director. His role is not only to act as a central point of contact for the Non-Executive Directors as a group but to also act as a conduit between the Non-Executive Directors and the executive management team. To facilitate this, Michael Rawlinson chairs meetings of the Non-Executive Directors and of the Independent Non-Executive Directors after each Board meeting. This provides the opportunity to gather feedback and thoughts on Board discussions which are subsequently relayed to the Board Chair and/or the executive team as appropriate. A crucial part of the role of the Senior Independent Director is to meet with major shareholders if concerns have not been addressed by the executive team. No such meetings were requested during the year.

In light of his tenure of over nine years, Michael Rawlinson will be retiring from the Board at the forthcoming AGM and will be succeeded, as Senior Independent Director, by Tracey Kerr.

Non-Executive Directors

The Company's Non-Executive Directors have held senior positions in the corporate sector. Each such Director brings their experience and independent perspective to enhance the Board's capacity to help develop proposals on strategy and to oversee and grow the operations within a sound framework of corporate governance.

Details of the tenure of appointment of Non-Executive Directors are provided in the Directors' Remuneration Report.

Independence of Non-Executive Directors

In keeping with its usual practice, the Board considered, during the year, the independence of Non-Executive Directors taking into account the circumstances set out in Provision 10 of the Code. The Board has concluded that, with the exception of Eduardo Hochschild in light of his significant shareholding, and Jorge Born, who is a nominee director of Pelham, all other Non-Executive Directors are considered to be independent.

Company Secretary

The Company Secretary is appointed and removed by the Board and is responsible for advising the Board on governance matters and the provision of administrative and other services to the Board. All the Directors have access to the Company Secretary.

Composition, succession and evaluation

Appointments and re-election of Directors

The Board has established a Nomination Committee which recommends nominations to the Board. The report of the Nomination Committee appears on pages 138 to 141.

The Company has adopted the practice of requiring Directors to seek annual re-election by shareholders in keeping with the UK Corporate Governance Code. The biographies of the Directors can be found on pages 114 and 115 which, in addition to specifying other positions, also highlight the key skills and experience of each Board member.

Under the terms of the Relationship Agreement, Pelham has (i) the right to appoint up to two Non-Executive Directors to the Board for so long as it holds an interest of 30% or more in the Company and (ii) the right to appoint one Non-Executive Director for so long as it has an interest of 15% or more in the Company, and in each case to remove any such Director(s) previously appointed.

The Relationship Agreement continues for so long as the Company's shares are traded on the London Stock Exchange or until such time as the Controlling Shareholders (including Eduardo Hochschild) cease to own or control in aggregate a minimum of 15% of the issued share capital or voting rights of the Company.

In the exercise of its nominating rights, Pelham has currently only appointed Jorge Born.

Board development

It is the responsibility of the Board Chair to ensure that the Directors update their knowledge and their skills and are provided with the necessary resources to continue to do so. This is achieved through the various means described as follows.

Briefings

The Directors receive regular briefings from the Company Secretary on developments in the areas of corporate law and corporate governance that affect their roles as Directors of a UK listed company. By way of example, during the year, the Company Secretary gave presentations on, among other things, the progress of governance reform in the UK and the new Listing Rules that came into force in July. In addition, the Directors have ongoing access to the Company's officers and advisers with presentations arranged periodically on topics such as Directors' duties and disclosure obligations.

Advice

The Company has procedures by which members of the Board may take independent professional advice at the Company's expense in the furtherance of their duties.

Board effectiveness

The Board is committed to the process of continuous improvement and so, during the year (a) took a number of actions to implement the findings of the internal evaluation in 2023, and (b) undertook an externally-facilitated evaluation.

Implementation of 2023 Board Effectiveness Review

The table below sets out the key actions taken in 2024 in respect of the principal recommendations arising from the prior year's review.

Area of Focus	Action	Update
Workings & Composition of the Board	– The resumption of Board meetings in Lima and mine sites would provide further opportunities for Directors to meet with colleagues across the business – Matters identified as key priority areas/concerns by the Directors to be reflected in Board material – Specific skillsets considered desirable around the Board table to be incorporated into the Nomination Committee's brief when recruiting additional Non-Executive Directors	– March 2024 Board meeting was combined with a site visit to Mara Rosa. Directors were given the opportunity to interact with operations management and on-site colleagues – Incorporated in the production of Board papers – This has been actioned subsequent to the year-end with the announced appointment of Andrew Wray as an Independent Non-Executive Director with effect from the conclusion of the 2025 AGM
Retrospective Review	Review papers with regards to specific matters to be produced for Board discussion	Lessons learnt papers on matters of strategic importance produced by management and discussed in detail at the November 2023 Board meeting
Workings of the Committees	Specific practical suggestions to support the work of the Committees including: – Increasing the visibility of workplace diversity below Board level – Training and development of the Directors to be facilitated by the participation of expert speakers at meetings of the Directors – Increased oversight of relevant matters of strategic importance by the Sustainability Committee	Practices adopted by management through: – more detailed reporting on wider diversity initiatives; – arrangements to be made as appropriate and incorporated into the Board calendar; – management's consideration in the preparation of papers on strategic matters with ESG implications

2024 Board Effectiveness Review

Process

In line with the recommendation of the UK Corporate Governance Code, the Board commissioned an externally-facilitated Board Effectiveness review which was carried out by Lintstock Limited. The appointment of Lintstock was the result of a selection process which was overseen by a Sub-Committee of the Board with support from the Company Secretary. Lintstock does not have any connection with the Company or any individual director.

August 2024
Form of review discussed by Board. Sub-Committee established with authority to select an external reviewer and to oversee review

September 2024
Proposals from short-listed firms reviewed

October 2024
Lintstock Limited selected as Board Effectiveness Reviewer and meetings held with Company Secretary and Sub-Committee members to finalise scope of online questionnaires for (a) Board and Committee Reviews, (b) Individual Director Review and (c) Chair Review

November/December 2024
Online questionnaires completed and one-to-one interviews conducted with each Board member

December 2024
Recommendations issued

The online questionnaires covered the following areas:

The Board
Composition and Dynamics, Stakeholder Oversight, Board Support, Focus of Meetings, Oversight of Specific Key Areas.

The Committees
Review of structure, reporting and future priorities.

Peer Reviews

In relation to the Chair
- Effectiveness of relationships, management of board meetings

In relation to the Directors
- Self-review of effectiveness of relationships, performance and development areas
- 360 Review of other Board members' strengths and development areas

The discussions conducted by Merlin Underwood of Lintstock with each of the Directors delved into the responses of the online questionnaire in more depth.

Findings

The areas of strength and development areas identified in the 2024 Board and Committee Review are summarised in the table below:

Areas of Strength

- Performance of the Chair in the conduct of Board Meetings
- Quality and diversity of expertise of Board Members
- Open and constructive dynamic at Board Meetings
- Board materials and support provided by the Company Secretary
- The use of monthly Board update calls

Area of Focus		Action
Enhancing Director insight	Site visits	Consideration to be given to "virtual visits" during Board meetings if physical visits are not feasible (due to remoteness, adverse weather, safety etc)
	External environment	Opportunities to be taken to enhance the Directors' knowledge of the Company's peers and their relative performance, technological advances in the industry and community-related considerations
	Management succession	Successor development below executive management level
Strategy	Board involvement in strategic planning	Enhance preparation for, and conduct of, the Annual Strategic Review and consideration of longer-term priorities
Governance & risk	Transition to new Senior Independent Director (SID)	Supporting Tracey Kerr through the incorporation of suggested practices to ensure smooth flow of information between Chair and the Non-Executive Directors
	Risk management	Targeted areas of development to enhance the Board's understanding of the Company's risk environment
	Internal Board effectiveness reviews	Introducing a more robust individual director performance review

Audit, risk and internal control

Risk management

Throughout the year, the Board considered its risk appetite which was considered to be appropriate. The Board confirms that its assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity, and which are set out in the Risk Management and Viability sections on pages 96 to 111, was robust.

Internal control

As detailed in the Audit Committee report that follows, the Board, through the delegated authority granted to the Audit Committee, monitors the ongoing process by which critical risks to the business are identified, evaluated and managed. This process is consistent with the FRC's "Guidance on Risk Management, Internal Control and Related Financial and Business Reporting" published in 2014.

The Directors confirm that, with the support of the Audit Committee, the effectiveness of the Company's system of risk management and internal controls has been reviewed with respect to the year under review. These covered material controls, which included controls covering operational, financial and compliance matters. The controls operated effectively during the financial year although, as is the case for many large companies, additional controls were implemented or further strengthened during the year. The Audit Committee was made aware of the control changes and there was no significant impact on the financial results. The Directors confirm that no significant failings or weaknesses were identified as a result of the review of the effectiveness of the Group's system of internal control.

Audit Committee Report

Joanna Pearson
Committee Chair

2024 Meeting attendance

Members	Independent	Maximum possible attendance	Actual attendance
Joanna Pearson, Non-Executive Director (Chair)[1]	Yes	4	4
Jill Gardiner, Non-Executive Director	Yes	4	4
Michael Rawlinson, Non-Executive Director	Yes	4	4
Mike Sylvestre, Non-Executive Director	Yes	4	4

1 Joanna Pearson succeeded Jill Gardiner as Chair of the Committee on 13 June 2024.

Dear Shareholder

On behalf of the Board, I am pleased to present the Audit Committee Report for the year ended 31 December 2024.

Firstly, I would like to thank my predecessor Jill Gardiner for having diligently chaired the Committee prior to my appointment as Chair of the Audit Committee in June 2024.

As part of its audit oversight responsibilities, the Audit Committee focuses on ensuring the integrity of the published financial information, as well as monitoring the effectiveness of internal controls and the Company's risk management processes, oversight of the key areas of judgements and estimates, such as potential impairments and reversal of impairments in the year, and oversight of the external audit. In 2024, the Audit Committee considered the financial reporting implications of the commencement of commercial production at Mara Rosa in May 2024, as well as receiving updates from management and Internal Audit on the implementation of the Company's policies and procedures at Mara Rosa, including those related to risk management and internal controls and our whistleblowing portal. Further details of this work can be found from page 132.

With EY having acted as Hochschild's external auditors since the Group's listing in 2006 and, having been re-appointed following a tender in 2016, the Audit Committee carried out a tender for the external audit engagement in advance of the mandatory deadline in 2026. This comprised a review of the market of appropriately-qualified firms which was then followed by a comprehensive schedule of meetings and presentations with short-listed firms. I am pleased to report that, as announced by the Company in November 2024, Deloitte were successful in securing the appointment. Further details of the process can be found on page 134.

With respect to the 2024 financial statements, the Committee has reviewed management's material accounting judgements and disclosures where the issues of impairments, the commencement of commercial production at Mara Rosa and mine rehabilitation provision were considered in detail. Further details on these key accounting matters are provided on page 135.

As Chair of the Audit Committee, I meet regularly with the Chief Executive, the Chief Financial Officer, the head of Internal Audit, and the external lead audit partner. During this coming year, the Audit Committee will be focussing on the requisite workstreams to ensure that the Board will be in a position, in a year's time, to make the necessary confirmations with respect to the Group's framework of internal controls and risk management, as required by the latest edition of the UK Corporate Governance Code. I look forward to reporting on this, and other matters of relevance in next year's report.

Joanna Pearson
Committee Chair

During 2024, in addition to its oversight responsibilities, the Audit Committee spent significant time on reviewing matters related to the new Mara Rosa operation and the tender for the Group's external audit engagement.

Key roles and responsibilities

- To monitor the integrity and material accuracy of the Company's financial statements and related disclosures;
- To monitor the effectiveness of the Company's internal controls and risk management systems and review the preparation of the going concern and viability statements;
- To review, on behalf of the Board, the Company's procedures for detecting fraud, the Company's systems and controls for the prevention of bribery and to review and conclude on non-compliance;
- Oversight of the Internal Audit function, review of its annual work plan and its findings;
- To oversee the relationship with the Company's external Auditor and to review the effectiveness of the external audit process; and
- To report to shareholders annually on the Committee's activities including details of the significant audit issues encountered during the year and how they have been addressed.

Membership

As previously reported, Jill Gardiner acted as Audit Committee Chair until the conclusion of the 2024 AGM when Joanna Pearson was appointed to succeed in that role.

Jill Gardiner was formerly an investment banker at RBC Capital Markets with a focus on certain commodity and energy-related industries and has built up extensive experience of public company corporate governance and financial reporting through numerous Board and Committee positions. Jill currently serves as Chair of TSX-listed Capital Power Corporation and as an ex-officio member of its Audit Committee.

- Joanna Pearson was formerly Executive Vice President and Chief Financial Officer of the FTSE 100 company, Endeavour Mining plc, and, prior to that, was an audit partner at Deloitte LLP, in Vancouver, Canada where she conducted multinational audit engagements for US and Canadian listed companies primarily in mining and emerging markets. Joanna is also a Non-Executive director of the TSX-Venture exchange listed Goldshore Resources Inc. and chairs the Audit Committee. Joanna is a Chartered Professional Accountant of British Columbia and is a graduate of the Institute of Corporate Directors (ICD), Rotman Directors Education Program.

Michael Rawlinson's career in banking specialised in the mining sector, having initially worked as an analyst and corporate financier, serving most recently as Global Co-Head of Mining and Metals at Barclays Investment Bank from 2013 until his retirement from that role in June 2017. Michael currently serves as Chair of Adriatic Metals Plc and sits on its Audit and Risk Committee. He also serves on the Boards and Audit Committees of London-listed Capital Limited and AIM-listed Andrada Mining Limited.

Mike Sylvestre spent a significant portion of his career with Vale Canada (formerly Inco Ltd), a world leading producer of nickel where he held key senior management positions domestically and internationally. Most notably, he held the position of CEO New Caledonia and President, Manitoba Operations. He previously served as Vice President of Operations for PT Vale Indonesia. He serves on the Board of NYSE and TSX-listed Vista Gold Corp. Mike is a member of the Professional Engineers of Ontario and a graduate of the ICD, Rotman Directors Education Program.

The Audit Committee members are considered to be Independent Directors and the Board is satisfied that at least one member has recent and relevant financial experience and that the Audit Committee, as a whole, has competence relevant to the sector in which the Company operates.

For further details on the skills and experience of the Audit Committee members, please refer to the biographical details on pages 114 and 115. The performance of the Audit Committee was considered as part of the annual Board evaluation process which was considered by the whole Board.

Attendees

The lead partner of the external Auditor, EY, the Chair of the Company, the Chief Executive Officer, the Chief Financial Officer, the Vice President of Legal & Public Affairs and the Head of Internal Audit attend each Audit Committee meeting by invitation. The Company Secretary acts as Secretary to the Committee.

Activity during the year

The Committee considered the following principal matters during the year:

Financial reporting

The 2023 Annual Report and Accounts and the 2024 Half-Yearly Report were reviewed by the Audit Committee before recommending their approval by the Board. In its review of these financial reports, the Audit Committee considered that appropriate accounting policies, estimates and judgements were applied in preparing the relevant statements and the transparency and clarity of disclosures contained within them. This included a review of the assumptions made with respect to the use of the going concern basis in preparation of the accounts, and the longer-term viability statement.

Review of 2023 Annual Report & Accounts

In October 2024, the Corporate Reporting Review team (CRR) of the Financial Reporting Council (FRC), informed the Company that it had conducted a review of the 2023 Annual Report and accounts as part of its ongoing monitoring responsibilities to promote improvements in the quality of corporate reporting. While there were no questions or queries that the FRC wished to raise with the Company, three suggestions were made as reporting improvements (to the extent they are considered to be material and of relevance). The Audit Committee considered the recommendations as part of its review of this year's Annual Report and, in respect of those areas considered to be of relevance, are satisfied that they have been addressed.

Note:. The letter received from the CRR provides no assurance that the Annual Report and accounts are correct in all material respects; the FRC's role is not to verify the information provided to it but to consider compliance with reporting requirements. The FRC (which includes its officers, employees and agents) accepts no liability for reliance on its communication by the Company or any third party, including but not limited to investors and shareholders.

Review of audit plans

In line with its usual practice, the Committee considered reports from the external Auditor on the scope and structure of the review of the half-yearly results and audit of the annual results and any recommendations on the Company's processes and controls.

During the year, the Committee members held meetings with the external Auditor without executive management to discuss matters relating to the 2023 annual audit and the 2024 interim review.

Risk management

Consideration and challenge of risk management assessments which incorporate a risk matrix detailing (i) the most significant and emerging risks facing the Group, (ii) an evaluation reflecting the likelihood of the occurrence of the risk and the extent of the potential impact on the Group, and (iii) commentary on the steps taken to manage each specific risk. See page 96 for a description of the process by which the Group's principal and emerging risks are identified and monitored, and the actions taken during the year to mitigate them.

Internal audit

The Audit Committee continued to oversee and challenge the Group's adoption of a risk-based approach to internal audit.

The Audit Committee receives a quarterly report from the Head of Internal Audit which sets out specific areas covered, improvements being recommended and introduced, and proposals for the programme over the following three months. The CEO and Chief Financial Officer also receive copies of these reports who ensure that adequate support is provided for the activities of the Internal Audit function. During the year, the Audit Committee met with the Head of Internal of Audit without the presence of executive management to discuss, among other things, the results of the internal audit during the year and the scheduled work plan.

Internal control

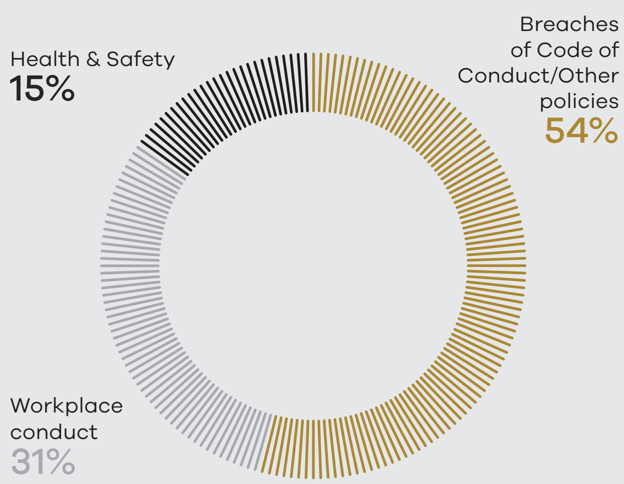
Through the processes described on page 136, the Audit Committee reviewed the adequacy of the Group's internal control environment and risk management systems.

Whistleblowing

In line with the Corporate Governance Code, the Audit Committee reviewed, on behalf of the Board, the adequacy of the Group's whistleblowing arrangements. Whistleblowing reports are circulated to a group comprising the Audit Committee Chair ("AC Chair"), the Head of Internal Audit, the Vice-President of Human Resources and the Company Secretary ("the Reporting Group"); the AC Chair has a preliminary discussion with the Head of Internal Audit on the approach to the investigation; and the findings of the investigation are then reported, in the first instance, to the Reporting Group, and to the Audit Committee at its next scheduled meeting. The Head of Internal Audit also circulates to the Reporting Group, on a periodic basis, summaries of ongoing investigations into matters raised through the Company's whistleblowing channels, and their relevant status.

In October 2024, training sessions for over 130 colleagues were delivered jointly by our Group Head of Internal Audit and the Head Auditor for Brazil on the use of Hochschild's whistleblowing portal. In addition, an online training platform (HOC Classroom) was launched in Brazil offering colleagues a wide range of courses on workplace conduct including preventing workplace harassment and avoiding conflicts of interest.

Categories of 2024 Whistleblowing Reports



Categories above relate to the nature of the allegation made whether or not they were established by the subsequent investigation.

Fraud and bribery
The Audit Committee continued to review and challenge the actions taken by management to promote ethical and transparent working practices.

The Group's Code of Conduct describes the values and standards of behaviour expected of our employees and our business partners. In addition, the Group has adopted a specific anti-bribery and anti-corruption policy to reflect the Board's zero tolerance to these types of acts. The Code of Conduct was reviewed and circulated in 2023 with all recipients required to confirm receipt online and confirming their agreement to its terms.

External audit
Ongoing Relationship Management
The Audit Committee oversees the relationship with the external Auditor. The Audit Committee evaluated the performance of EY in 2024 and concluded that it was appropriate to recommend the reappointment of EY as external Auditor at the 2024 Annual General Meeting. The Audit Committee reviewed the findings of the external Auditor, reviewed management letters, and reviewed and approved the audit fees.

In line with its usual practice, the Audit Committee evaluated the effectiveness of EY and the external audit process taking into account the results of Hochschild management's internal survey relating to EY's performance as well as views and recommendations from management and its own experiences with the external Auditor. Key criteria of the evaluation included resources and expertise, quality and timeliness of the audit process, quality of communication and reporting to the Audit Committee. The current audit partner is Jessy Maguhn who has held the role since 1 May 2024.

AQR Inspection Report

In December 2024, the Audit Committee was notified by the Audit Quality Review team of the Financial Reporting Council ("FRC") of the findings of its inspection of Ernst & Young LLP's audit of the Company's 2023 financial statements.

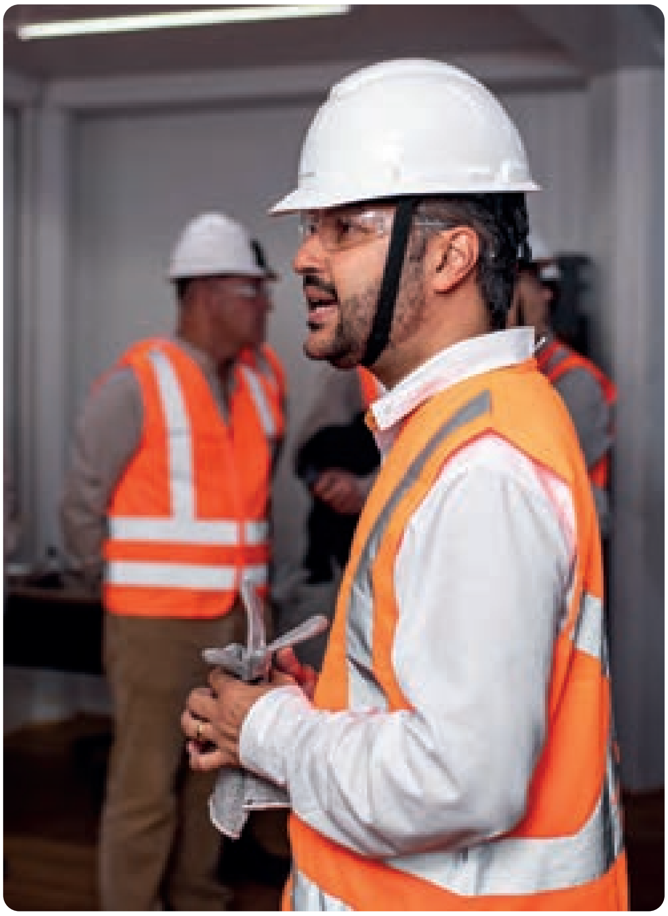
The inspection, which covered risk assessment and planning, execution of the audit plan; and completion and reporting, covered specific audit areas including impairment and climate change reporting.

The Audit Committee considered the inspection of EY's audit of the financial statements for the year ended 31 December 2023 and it was noted the inspection did not raise any key findings.

Mandatory audit tender
In line with relevant legal and regulatory requirements, EY is subject to mandatory rotation on completion of 20 years and, therefore, must be replaced as the Company's external Auditor by 16 October 2026 (the "Statutory Deadline"). Accordingly, the Company undertook a tender of the external audit engagement in 2024 – see overleaf for further details.

Auditor objectivity
The Audit Committee has adopted a policy on the use of the external Auditor for the provision of non-audit services (see later section on Auditor independence for more details). In addition, objectivity is also ensured by the regular rotation of the lead audit partner which, in the case of Hochschild, took place following the approval of the 2023 financial statements.

Governance
The Audit Committee received updates from the Auditor and the Company Secretary on regulatory and other developments impacting the Committee's role such as the status of reforms of UK audit governance.



Audit tender

H2 2023	April 2024	June 2024	July 2024	September 2024	October/ November 2024
Audit Committee considered tender timeline and long-list of participating firms	Investor input invited on tender process	RFP Issued to short-listed firms	Corporate presentation and Q&A session hosted by CFO to Participating Firms	Firms submitted proposal documents. Presentations given to Audit Tender Working Group	Board approved Audit Committee's recommendation and Deloitte's appointment as external auditor announced

As anticipated in last year's annual report, the Committee conducted a rigorous external audit tender process in accordance with statutory requirements and the minimum standard for audit committees, with the selected firm to take on the role from the review of the 2026 half-yearly financial statements. The process was overseen and co-ordinated by the following:

- The *Audit Committee* which led the audit tender process, agreed the scope and considered the tender proposals. The Audit Committee ensured that the tender process was run in an efficient, transparent, fair and effective manner, before submitting a recommendation to the Board on the appointment of external auditor.
- The *Audit Tender Working Group* (ATWG) comprising the Audit Committee members and members of the Audit Tender Management Team (ATMT) which comprised the Chief Financial Officer, Group Financial Controller and Company Secretary. Collectively, the ATWG separately met with each firm and collectively attended the audit tender presentations.
- The *ATMT* was tasked with coordinating and managing the audit tender process including the drafting of the request for proposal, collating tender information packs and arranging supplementary meetings as required.

Clear criteria
The criteria used to make the selection included: audit quality (including approach and methodology), alignment with Hochschild's corporate values and geographies, experience, transition process and fee. There was a particular focus given to firm independence, technical competence and presence of skilled support in each of the countries in which the Company operates. As recommended by the FRC, the Audit Committee took into consideration other indicators of audit quality such as the findings of the FRC Audit Quality Reviews. The Committee deliberately started the planning process for the tender in 2023 to maximise the potential number of participating firms.

Maximising participation
In light of the Company's premium listing in London and mining operations in Peru, Argentina and Brazil, the number of firms with sufficient technical and geographic reach were inherently limited. Management engaged with each of the three "Big-4" firms prior to inviting them to participate in the tender. Background information detailing Board and group structure, principal activities and policies, were shared together with key milestones as part of the tender invitation.

The initial group reduced to two firms after one firm withdrew from the tender process by reason of lack of capacity to undertake the audit. Management followed this up to see if any further action could be taken to facilitate their participation. The Committee was satisfied that the audit tender exercise had been undertaken on a fair basis with adequate consideration given to the possible participation of challenger firms.

An informed approach
A data room was set up for the participating firms to access relevant information to assist in the preparation of their proposals. The Audit Committee members and the CFO had an opportunity to meet with the lead audit partners of each of the firms. The audit firm teams also met with business leaders including the Head of IT and the Director of Sustainability in September 2024 to discuss expectations and capabilities in these key areas. The Audit Committee received regular updates throughout the process. The CFO spoke with an existing client of each firm's lead partner and provided feedback to the Committee. The Audit Tender Working Group evaluated the audit tender presentations and provided objective feedback to the Committee. The evaluation was conducted using standardised scorecards and considered the request for proposals, presentations and the interactions with management. Scores against each selection criteria were weighted.

The Committee considered the results of the tender in October and agreed to recommend to the Board that Deloitte be appointed as the Group's external auditors. For good practice, the Chair of the Audit Committee, as a former Vancouver-based partner of Deloitte, also sought confirmation of the recommendation without her participation which remained unanimous. Accordingly, the recommended appointment with effect from the review of the H1 2026 financial statements, was put to the Board which was accepted and approved. Deloitte's appointment will be put to shareholders for approval at the 2026 Annual General Meeting.

Evaluation
The Committee's performance was evaluated as part of the annual Board effectiveness review which, as reported earlier in this Corporate Governance Report, was facilitated by Lintstock, an independent consultancy specialising in Board Effectiveness reviews. Aspects of the Committee's role were considered in the online questionnaire and were discussed in the one-to-one interviews held by Lintstock with each Board member. The process confirmed that the Audit Committee continued to fulfil its responsibilities effectively.

Tax compliance strategy
The Audit Committee approved on behalf of the Board a document on the Group's approach to UK tax matters. The document can be found at: https://www.hochschildmining.com/sustainability/sustainability-reports-and-policies/

Significant issues relating to the 2024 financial statements
As recommended by the Code, the following is a summary of the significant issues considered by the Committee in relation to the 2024 financial statements and how these issues have been addressed.

(a) Impairments
The Audit Committee considered management's analysis of potential indicators of impairment and impairment reversals across the Group's operating and development stage assets.

In addition, the Committee considered the analysis undertaken with respect to (a) the Group's exploration assets, namely Arcata, Azuca, and Volcan; and (b) the Group's investment in Aclara.

Having concluded on the presence, or not, of triggering factors, the Audit Committee reviewed and challenged:

- The commodity prices, inflation, foreign exchange and discount rates used for the reversal of impairment analysis with respect to San Jose;
- The basis of the calculation of the impairment charges in relation to Arcata and Azuca;
- The basis of the calculation for the possible impairment analysis with respect to Volcan, using an in-situ basis, and reflecting the appropriate risk adjustment related to the water rights; and
- The basis of the calculation of the impairment charges related to the investment in Aclara, reflecting the recent price of the Aclara shares issued by Aclara to the Company and third parties.

In conclusion, the Audit Committee concurred with management that there was no impairment or reversal of impairments for San Jose and Volcan in the year ended 31 December 2024. In addition, the Audit Committee concurred with management that, in addition to the impairments recognised and previously reported in the half-yearly financial statements with respect to Azuca and Arcata of $13.7 million, an additional impairment of $5.1 million be recognised with respect to the Company's investment in Aclara, such that the impairment charge for the full year is $18.8 million.

(b) Commencement of Commercial Production at Mara Rosa
The Audit Committee considered the judgements and estimates in determining the commencement of commercial production at Mara Rosa in May 2024.

In its assessment of the analysis undertaken by management, the Audit Committee reviewed and challenged:

- The date at which commercial production was determined to have commenced, at which point the Company no longer capitalised borrowing costs;
- That sales and costs prior to commercial production are recognised in profit or loss appropriately;
- The change in functional currency for the Mara Rosa entity at the date of commercial production, which is accounted for on a prospective basis; and
- The capitalisation of deferred stripping costs from the date of commercial production using the life of mine stripping ratio to be applied over the life of the mine.

In conclusion, the Audit Committee concurred with management's accounting for and the judgements and estimates used for the commencement of commercial production at Mara Rosa.

(c) Mine rehabilitation provision
The Audit Committee considered the judgement exercised by management in assessing the amounts required to be paid by the Company to rehabilitate the Group's assets.

In its assessment of the analysis undertaken by management, the Audit Committee took into account:

- The basis of the estimation of future rehabilitation costs;
- The discount rates applied;
- The significant changes in estimates and the basis for increased costs; and
- The accounting for the changes in the provisions.

The Audit Committee concluded the provision and related disclosures related to the Group's mine rehabilitation to be appropriate.

Auditor independence
The Audit Committee continues to oversee the implementation of specific policies designed to safeguard the independence and objectivity of the Auditor, which includes the Group's policy on the provision of non-audit services.

Policy on the use of Auditor for non-audit services
The Audit Committee has adopted a policy on the use of the Auditor for non-audit services (the "NAS Policy").

The NAS Policy reflects the Revised Ethical Standard in permitting the engagement of the Auditor only for additional services that are directly linked to the audit or are required by law and/or regulation. The NAS Policy requires (i) the Audit Committee and Chief Financial Officer to approve all non-audit services undertaken by the external Auditor and (ii) that the cost of non-audit services rendered by the external Auditor, in any financial year, cannot exceed 70% of the average of the audit fees paid to the external Auditor in the last three consecutive financial years.

The Audit Committee continuously monitors the level of fees for non-audit services compared to the audit fees paid to the Auditor in the last three consecutive financial years.

2024 Audit and non-audit fees
Please refer to note 34 to the consolidated financial statements for details of the fees paid to the external Auditor.

Safeguards
Additional safeguards to ensure Auditor objectivity and independence include:

- Six-monthly reports to the Audit Committee from the Auditor analysing the fees for non-audit services rendered;
- An annual assessment, by the Audit Committee, of the Auditor's objectivity and independence in light of all relationships between the Company and the audit firm; and
- The pre-approval of any non-audit services by the CFO and the Audit Committee.

Compliance Statement required under Article 7.1 of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the "Order")
The Company confirms that it has complied with the Order during the year under review.

Internal control and risk management
The Committee acknowledges its responsibility to assist the Board in its oversight of the Group's risk management and internal control systems, including the adequacy and effectiveness of the control environment and internal control over financial reporting. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and it must be recognised that such a system can only provide reasonable and not absolute assurance against material misstatement or loss.

Audit Committee's assessment
At its March 2025 meeting, the Audit Committee reviewed the process described on the right-hand side and is satisfied that, for the year under review and the period from 1 January 2024 to the date of approval of the Annual Report and Accounts, internal controls are in place at the operational level within the Group.

Process through which controls are assured

Reports from the Head of the Internal Audit function (see earlier for more information).

Reviews of accounting and financial reporting processes together with the internal control environment at Group level. This involves the monitoring of performance and the taking of relevant action through the monthly review of Key Performance Indicators and, where required, the production of revised forecasts. The Group has adopted a standard accounting manual to be followed by all finance teams, which is continually updated to ensure the consistent recognition and treatment of transactions and production of the consolidated financial statements.

The adoption of **delegated authorities with respect to capital expenditure and investments.**

The **monitoring of cash balances** by the Treasury function.

The external Auditor's observations of the Company's internal control environment.

Review of budgets and reporting against budgets.

Consideration of progress against strategic objectives.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Nomination Committee Report

Eduardo Hochschild
Committee Chair

2024 Meeting attendance

Members	Independent	Maximum possible attendance	Actual attendance
Eduardo Hochschild, Committee Chair	No	3	3
Jorge Born, Non-Executive Director	No[1]	3	3
Jill Gardiner, Non-Executive Director	Yes	3	3
Tracey Kerr, Non-Executive Director	Yes	3	3
Joanna Pearson, Non-Executive Director	Yes	3	3
Michael Rawlinson, Non-Executive Director	Yes	3	3
Mike Sylvestre, Non-Executive Director	Yes	3	3

1 As a Non-Executive Director nominated by Pelham, the Company's largest shareholder, Jorge Born is not considered to be independent.

Dear Shareholder

I am pleased to present the Nomination Committee's 2024 report.

The issue of succession planning continued to dominate the work of the Nomination Committee in 2024. At the Board level, I am pleased to report that Joanna Pearson assumed the role of chair of the Audit Committee at the conclusion of the 2024 Annual General Meeting (AGM) and that, in planning ahead for Michael Rawlinson's retirement from the Board at the forthcoming AGM, Tracey Kerr was nominated as Senior Independent Director-designate.

Discussions by the Nomination Committee on the implications of Michael's retirement identified a need to appoint a UK-based Independent Non-Executive Director to ensure that the Board maintains a balance of skills that also acknowledges Hochschild's London-listing. The Committee therefore pro-actively undertook a search for a candidate which resulted in the announcement, in January 2025, of the appointment of Andrew Wray to take effect from the 2025 AGM.

The Committee also devoted a significant amount of time on discussing the management succession plan and ensuring, in particular, the development needs of existing members of senior management and the adequate investment in a pipeline of talent to succeed to senior management positions.

Eduardo Hochschild
Committee Chair

Planning is key to ensuring effective oversight by the Board and at Senior Management level.

Key roles and responsibilities

- Identify and nominate candidates for Board approval;
- Make recommendations to the Board on composition and balance;
- Oversee the succession planning of Board and senior management positions; and
- Review the Directors' external interests with regards to actual, perceived or potential conflicts of interest.

Membership and meetings

The members of the Committee are listed in the table opposite. At all times, a majority of the members of the Committee were independent.

The Company Secretary acts as Secretary to the Committee.

Activity during the year

The Committee met three times during the year and a summary of the matters considered is provided below. In addition, the Committee passed a number of written resolutions in relation to the consideration of conflicts of interest arising from proposed external directorships to be taken by Board members.

Reporting and monitoring

- The approval of the report of the Committee's activities for inclusion in the 2023 Annual Report

Board/Committee roles

- The recommended appointment of Joanna Pearson as Chair of the Audit Committee and Tracey Kerr as Senior Independent Director-designate; and
- Discussions on potential UK-based candidates for the role of Independent Non-Executive Director to succeed Michael Rawlinson following his scheduled retirement from the Board following the 2025 AGM. This led to discussions being held with two candidates at the end of 2024 and resulted in the announcement of the appointment of Andrew Wray in January 2025.

Succession planning

Board succession plan

In recruiting for Board positions, the Committee refers to the Board skills matrix which maps the presence of key strategic skills and other desirable attributes around the Board table, thereby identifying any current gaps and those that could arise following anticipated changes in the composition of the Board (see Board skills matrix (to the right). For further details on the succession of the Chair, please refer to page 124.

Executive succession and development plan (the HOC Talent Review Plan)

Considered the HOC Talent Review Plan (TRP) which, in addition to setting out the developmental needs for senior executives, also identifies successors to "Critical Positions" and their personal development strategies. In reviewing this Plan during the year, the Committee also sought, in line with its commitment, to improve the diversity of the pipeline of talent coming through to executive management level.

Conflicts of interest

Considered the presence of any actual or potential conflicts of interest arising from the following proposed directorships prior to their acceptance by the relevant Board member:

- Tracey Kerr's appointment to the Board of Antofagasta plc
- Mike Sylvestre's appointment to the Board of Vista Gold Corp.
- Jorge Born's appointment to the Board of Aclara Resources Inc.

Evaluation

As reported on page 128, an externally-facilitated board performance review was commissioned during 2024 by Lintstock Limited. The performance of the Committee was evaluated as part of this process which, among other things, (i) commended the composition of the Board in terms of its skills and experience and (ii) highlighted further consideration of (a) instituting formal feedback by the Chair to individual Non-Executive Directors, (b) enhancing the Board's views of the external environment and (c) further oversight of successor development in the layer below the senior management team.

Board skills matrix

	1	2	3	4	5	6	7	8	9	10	11
Eduardo Hochschild		×	×	×		×	×				×
Jorge Born			×		×	×	×				×
Jill Gardiner					×	×	×				
Tracey Kerr	×	×						×		×	×
Eduardo Landin	×		×								×
Joanna Pearson					×		×	×			
Michael Rawlinson		×			×	×	×	×	×		
Mike Sylvestre	×		×							×	×

1 Operational Mining Experience, **2** Geology, **3** Experience of operating/overseeing Latam business, **4** Peruvian Government relations, **5** Recent and relevant audit/financial experience, **6** Corporate Finance, **7** M&A Experience, **8** UK corporate governance, **9** Relations with UK institutional investors, **10** New Technologies/Innovation, **11** Experience of ESG/regional socio-political issues.

Appointments to the Board

The Company's approach

In seeking candidates for appointment to the Board, regard is given to relevant experience and the skills required to complete the composition of a balanced Board (with reference to the Board skills matrix) and taking into account the challenges and opportunities facing the Company. Other factors are also considered such as the opportunity to increase diversity and the time commitment for the role. With respect to the latter, the Company does not take a prescribed approach with reference to the number of other Board positions that may be held by an existing or potential Board member but rather an assessment on a case-by-case basis of the capacity to assume the responsibilities required of the role in question.

Diversity

Policy on Board appointments

The Board is committed to the overriding principle that every member and potential appointee must be able to demonstrate the skills and knowledge to be able to make a valued contribution to the Board. It is also acknowledged that diversity brings new perspectives which can drive superior business performance and promote innovation.

The Directors have therefore adopted a multifaceted approach to Board (and, by extension, Committee) recruitment which:

- Primarily considers a candidate's merits; and
- Seeks opportunities to ensure the ongoing diversity of the Board whether of gender, culture, race, professional background, nationality or otherwise and which reflects the Company's specific circumstances, primarily that it is headquartered in Peru with operating assets located solely in South America.

Compliance with UKLR 6.6.6R(9) (Diversity Disclosures)

The following tables are included in compliance with the FCA Listing Rules requirements on Board/Senior management diversity.

The information used to complete the tables below was requested of each Director by the Company Secretary who provided the categories and sub-categories of ethnicity referred to in the FCA Listing Rules which are based on those used by the UK Office for National Statistics.

Each Director was provided the opportunity to appear in the following tables as "not specified/preferred not to say".

Statement of Compliance

Target	Compliance	Explanation (where non-compliant)
At least 40% of the board are women	No	While the proportion of women on the Board overall as at 31 December 2024 is just short of the target, at 38%, it should be noted that this percentage (a) rises to 43% if Jorge Born is excluded from the calculation given that his is nominated to the Board by Pelham, the Company's largest shareholder, pursuant to its contractual right under the Relationship Agreement, and furthermore (b) rises to 50% if you also exclude Eduardo Landin, who has been appointed to the Board by virtue of his position as Chief Executive Officer.
At least one of the senior board positions (Chair, CEO, Senior Independent Director or CFO) is held by a woman	No	While the Company is not currently compliant with this target, the Board succession plan envisages the appointment of Tracey Kerr as Senior Independent Director to succeed Michael Rawlinson at the conclusion of the forthcoming AGM. It is noted that two of the Board Committees are chaired by women as at 31 December 2024 which will rise to three in June 2025 when Jill Gardiner succeeds Michael Rawlinson as Chair of the Remuneration Committee.
At least one member of the board is from a minority ethnic background	No	The composition of the Board reflects the Company's geography of operations which are located solely in South America where, it is noted, definitions of ethnicity differ from those used in the UK.

There have been no changes to the above information since 31 December 2024 up until the date of approval of this report.

Gender diversity

Members	Number of Board members	Percentage of the Board[1]	Number of senior positions on the Board (CEO, CFO, SID and Chair)[2]	Number in executive management	Percentage of executive management
Men	5	63%	4	6	100%
Women	3	38%	–	–	–
Not specified/prefer not to say	–	–	–	–	–

1 Subject to rounding.
2 The CFO is included in the table above but is not a Board member.

Ethnic background

Members	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)[2]	Number in executive management	Percentage of executive management[1]
White British or other White (including minority-white groups)	8	100%	3	–	–
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	–	–	–	1	17%
Black/African/Caribbean/ Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	1	5	83%
Not specified/prefer not to say	–	–	–	–	–

1 Subject to rounding.
2 The CFO is included in the table above but is not a Board member.

Increasing workforce diversity

The Company is committed to redressing the diversity imbalance in its workforce which is reflective of the mining industry in general. Please refer to pages 74 to 76 for further details of the diversity and inclusion initiatives and the progress made by the Company over the course of 2024.

Directors' remuneration report

Michael Rawlinson
Committee Chair

2024 Meeting attendance

Members	Independent	Maximum possible attendance	Actual attendance
Michael Rawlinson, Non-Executive Director (Chair)	Yes	3	3
Jill Gardiner, Non-Executive Director	Yes	3	3
Tracey Kerr, Non-Executive Director	Yes	3	3
Joanna Pearson, Non-Executive Director	Yes	3	3

93%

OF VOTES AT THE 2024 AGM SUPPORTED OUR REVISED THREE-YEAR DIRECTORS' REMUNERATION POLICY

Dear Shareholder

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the year ending 31 December 2024 which is split into two sections: this Annual Statement and the Annual Report on Remuneration.

Pay and performance in 2024

2024 PERFORMANCE

General

As has been described earlier in the Annual Report, the Company had a good year operationally which, combined with favourable precious metal prices, has resulted in a level of Net Profit that has not been seen for over a decade. This performance also reflects the successful construction and subsequent commencement of production at Mara Rosa – Hochschild's first mine in Brazil.

The above notwithstanding, the Company was not able to achieve its most stretching production objective set at the beginning of the year due, in the main, to the longer-than-expected ramp up process of the plant at Mara Rosa. In terms of costs, there was an adverse impact from the aforementioned delay and, among other things, inflation in Argentina which was not mitigated by the expected devaluation of the Peso.

Strategic growth

The Company made excellent progress during the year in achieving our medium to long-term growth objectives.

Following the negotiation of an option over the Monte Do Carmo gold project in Tocantins, Brazil, the performance of confirmatory due diligence resulted in an expedited timeline to acquire this exciting project which was completed in November.

In terms of organic growth, management also achieved notable milestones associated with the permitting of the Royropata deposit as well as adding over 2.8 million gold equivalent ounces of inferred resources through our Brownfield exploration programme at our operating sites and Pallancata. Both of these activities will see production secured from 2028.

Underpinned by strong financial performance and exceptional brownfield exploration success, our remuneration decisions also seek to reflect the experience of Hochschild's stakeholders.

Responsibility
The Group continues to maintain its focus on safety in respect of which the Group has performed well, with our year-end LTIFR at 1.25 which, although higher than 2023, is a very creditable level for the industry. The Group also had a strong year of environmental performance as highlighted by our full-year ECO Score which reflects, among other things, an all-time low in potable water consumption which has reduced by c.15% compared to 2023.

We continued to look at wider employee pay matters by reviewing the alignment of elements of pay across the organisation with our strategic objectives. Our community relations initiatives continued to focus on supporting education, connectivity, health and nutrition, and promoting socio-economic development. In terms of the latter, we are delighted that the Company has successfully seen through its commitments to increasing, year-on-year, the levels of local employment and procurement.

You can read further about these initiatives in our Sustainability Report from page 60.

Assessing performance
As stated in detail later in this report, the Remuneration Committee assessed performance reflecting on the above aspects. It was concluded that as the operational objectives set at the beginning of the year in relation to production, Adjusted EBITDA and costs were only partially met, the overall bonus outcome for 2024 was just under 70% of maximum. Further details of the performance outcomes are set out in the Annual Report on Remuneration.

LTIP vesting
The 2022 LTIP awards have reached the end of their performance period (being the 2022, 2023 and 2024 financial years) and vested on 23 February 2025. The 2022 awards were subject to three performance measures based on the Company's relative TSR performance against a tailored peer group (50%), the additions of measured and indicated resources (25%), and a consistency metric measured against average bonus scorecard outcomes (25%). The 2022 LTIP awards vested as to 66.6% of maximum and further details of the performance outcomes are also set out in the Annual Report on Remuneration.

Pay in 2025
As confirmed later in this report, there are no material changes in how the bonus and LTIP will operate in 2025. With regards to the CEO's salary it has been increased by 10% with effect from 1 March 2025.

2025 AGM
At the forthcoming AGM, shareholders will be asked to approve the Directors' Remuneration Report, being the usual annual advisory vote.

I would like to thank our shareholders for their continuing support on remuneration matters, which saw our new three-year Directors' Remuneration Policy approved at last year's AGM with over 93% of shareholders voting casting their vote in favour, and with the resolution to approve our 2023 Directors' Remuneration Report also receiving a similar level of support.

As in past years, I would like to assure all our shareholders that the Committee welcomes all input on remuneration matters, and if you have any comments or questions on any element of the Directors' Remuneration Report, please do not hesitate to contact me at info@hocplc.com.

It has been a pleasure to have chaired Hochschild's Remuneration Committee for over seven years and I am delighted that Jill Gardiner, who has served on the Committee so diligently since her appointment in August 2020, will be succeeding me as Committee Chair when I retire from the Board at the AGM.

Michael Rawlinson
Chair of the Remuneration Committee

This report has been prepared according to the requirements of the Companies Act 2006 ("the Act"), Regulation 11 and Schedule 8 of the Large and Medium-Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, the Companies (Miscellaneous Reporting) Regulations 2018, the Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 and other relevant requirements of the FCA Listing Rules. In addition, the Board has applied the principles of good corporate governance set out in the UK Corporate Governance Code, and has considered the guidelines issued by its leading shareholders and bodies such as ISS (Institutional Shareholder Services), the Investment Association, and Glass Lewis.

Directors' Remuneration Policy (unaudited)

The Directors' Remuneration Policy for executive and non-executive directors for the three-year period expiring at the Company's 2027 AGM, and which was approved by shareholders at the AGM held on 13 June 2024, can be found within the Company's Annual Report and Accounts for 2023 (on pages 125 to 133) which is available on the Company's website at www.hochschildmining.com/investors/results-reports-presentations.

Annual Report on Remuneration

The following section provides details of how Hochschild's approved 2024 Directors' Remuneration Policy was implemented during the financial year ending 31 December 2024, and how the Remuneration Committee intends to implement the Directors' Remuneration Policy in 2025. Any information contained in this section of the report that is subject to audit has been marked as such.

Remuneration Committee membership

The Remuneration Committee was chaired during the year under review by Michael Rawlinson, and its other members were Jill Gardiner, Tracey Kerr and Joanna Pearson. The Remuneration Committee has comprised, at all times, only Independent Non-Executive Directors. The composition of the Remuneration Committee and its terms of reference comply with the provisions of the UK Corporate Governance Code and the terms of reference are available for inspection on the Company's website at www.hochschildmining.com.

Members of senior management attend meetings at the invitation of the Committee. During the year, such members included the Chair, the CEO and the Vice President of People and Corporate Affairs. No Director or senior executive is present when his or her own remuneration arrangements are considered by the Committee. The Company Secretary acts as Secretary to the Committee.

The Committee's terms of reference

The duties of the Remuneration Committee are to determine and agree with the Board the broad policy for the remuneration of the Executive Directors, the other members of senior management and the Company Secretary, as well as their specific remuneration packages including pension rights and, where applicable, any compensation payments. In determining such policy, the Remuneration Committee shall take into account all factors which it deems necessary to ensure that members of the senior executive management of the Group are provided with appropriate incentives to encourage strong performance, and are rewarded in a fair and responsible manner for their individual contributions to the success of the Group.

The Committee undertook the following items of business:

2023 Remuneration and reporting

- Reviewed and approved incentive outcomes for 2023 (2023 annual bonus and vesting of 2021 LTIP awards); and
- Considered and approved the 2023 Directors' Remuneration Report.

2024 Remuneration

- Considered and approved the adjustment to the CEO's base salary from 1 March 2024 to reflect performance in role from appointment;
- Approved the opportunity/award level and performance targets for 2024 annual bonus and LTIP awards including the replacement of the Consistency Performance Condition for LTIP with an ESG-related performance condition; and
- Considered a provisional assessment of the CEO's performance against his annual bonus objectives.

Future Remuneration

- Considered, in principle, the nature of the objectives and related weightings of the 2025 annual bonus objectives;
- Approved the updated Directors' Remuneration Policy which was approved by our shareholders at the 2024 AGM; and
- Approved the form of the renewed version of the Deferred Bonus Plan which was approved at the 2024 AGM.

Keeping informed

- Considered feedback from shareholders regarding the 2023 Directors' Remuneration Report and the renewal of the Directors' Remuneration Policy at our 2024 AGM;
- Regularly considered market trends in executive remuneration and key themes for 2024 and 2025; and
- Received updates on workforce remuneration across the Group.

The Committee is satisfied the principles of provision 40 of the UK Corporate Governance Code relating to the design of remuneration policies and practices have been applied in 2024:

Clarity: We ensure pay for performance and our policy is designed to be logical and transparent.

Simplicity: Executive Director remuneration comprises a minimum of components, based on a regular package including fixed pay, and short- and long-term variable pay.

Risk: A significant proportion of the Executive Director remuneration package is delivered in long-term or deferred pay which ensures the longer-term impact of decisions is reflected in pay. Furthermore, the combination of in-post and post-employment shareholding requirements, as well as capturing several categories of performance in the variable pay elements, helps to ensure appropriate risk management by senior executives.

Predictability: Variable pay is subject to the achievement of specific and transparent performance targets, and the Committee has the ability to apply its discretion to ensure variable pay outcomes reflect underlying corporate health.

Proportionality: The Executive Director pay mix is similar to that at comparable international mining peers, and the Committee has the ability to apply its discretion to ensure overall pay outcomes are proportionate to the Company's long-term performance.

Alignment to culture: Variable pay captures several categories of performance, including non-financial objectives such as those relating to safety and environmental performance, helping to ensure pay reflects multiple perspectives on performance, and not just financial outcomes.

Advisers

During the year, in order to enable the Committee to reach informed decisions on executive remuneration, advice on market data and trends was obtained from independent consultants FIT Remuneration Consultants LLP (FIT).

FIT reported directly to the Committee Chair in 2024 and are signatories to and abide by the Code of Conduct for Remuneration Consultants (which can be found at www.remunerationconsultantsgroup.com). Other than advice on remuneration, no other services were provided by FIT to the Company. The Committee is satisfied that the advice provided by FIT in 2024 was independent and objective.

FIT was appointed as the independent adviser to the Remuneration Committee following a competitive tender process in 2021. The fees paid to FIT in respect of work carried out in 2024 were £50,914, excluding expenses and VAT, and were charged on the basis of FIT's standard terms of business for advice provided.

Summary of shareholder voting

The table below shows the results of the binding vote on the 2024 Remuneration Policy at the 2024 AGM and of the advisory vote on the 2023 Annual Report on Remuneration at our 2024 AGM:

	2024 Remuneration Policy		2023 Annual Report on Remuneration	
	Total number of votes	% of votes cast	Total number of votes	% of votes cast
For (including discretionary)	**358,843,749**	**93.28%**	360,197,871	93.63%
Against	**25,844,735**	**6.72%**	24,492,686	6.37%
Total votes cast (excluding withheld votes)	**384,688,484**	**–**	384,690,557	–
Votes withheld	**61,032**	**–**	58,959	–

Note: Votes withheld are not included in the final proxy figures as they are not recognised as votes in law.

The Committee is committed to listening to and engaging with the views of our shareholders and takes an interest in voting outcomes. The Committee will continue to be transparent in our remuneration decision-making and to engage with our shareholders on remuneration matters.

During the year, the Committee received and considered a report summarising the base salaries, benefits and incentives received by each category of Group staff and summarising the bonus potential and performance metrics used in each of the annual bonus schemes in operation across the Group. In addition, the Committee ensures that it remains informed regarding mandatory profit sharing for Peru-based employees.

The Company undertakes varied forms of engagement with employees. In 2024, this included workshops on corporate and safety cultures led by senior management. The year also saw the continuation of the virtual roundtable sessions hosted by Tracey Kerr as the Non-Executive Director designated for workforce engagement (and a member of the Remuneration Committee). In addition, there are frequent and periodic meetings held by mine management with mine-site employees as well as regular engagement with workers' appointed representatives regarding many aspects of the business. These processes provide an opportunity for feedback on Executive Directors' pay to be given and explanations to be shared, although most of the engagement process is focused on wider employee welfare; a report on any material feedback regarding remuneration is received by the Remuneration Committee.

Single total figure of remuneration for Executive Directors (audited)

The table below sets out a single figure for the total remuneration received by the Chief Executive Officer, being the only Executive Director, for the year ended 31 December 2024 and the prior year:

	2024 (US$000)	2023[1] (US$000)	
	Eduardo Landin	Eduardo Landin	Ignacio Bustamante
Base salary	**588**	190	409
Taxable benefits[2]	**8**	2	29
Total fixed	**596**	**192**	**438**
Single-year variable[3]	**754**	253	–
Multi-year variable[4]	**396**	240	–
Profit share[5]	**94**	8	43
Total variable	**1,244**	**501**	**43**
Compensation for Time Service (CTS)[6]	**97**	36	34
Tax refunds[7]	**6**	2	4
Total remuneration	**1,943**	**731**	**519**

All figures are rounded to the nearest $000

1 2023 figures reflect Ignacio Bustamante's resignation as CEO (and Executive Director) on 26 August 2023 and the appointment of Eduardo Landin to that position. 2023 figures in relation to Eduardo Landin's Taxable Benefits and Profit share (and consequently Total variable and Total remuneration) restate those disclosed in the 2023 Annual Report to accurately reflect pro-rating for time.
2 Taxable benefits comprises medical insurance and, in addition, for Ignacio Bustamante only, a company car ($22k).
3 Outcomes for performance during the year under the Annual Bonus Plan. See following sections for further details.
4 2024 Multi-year variable value relates to the partial vesting of the 2022 LTIP awards based on performance to 31 December 2024. See following sections for further details.
5 All-employee profit share mandated by Peruvian law.
6 CTS is a legal entitlement for employees in Peru which provides for a fund in the event of termination of employment. CTS in respect of base salary is calculated as one month's wages and is deposited biannually in an employee's interest-accruing bank account and prior to the end of employment. Employees can gain access to the deposited amount to the extent it exceeds four months' wages. CTS in respect of other forms of remuneration such as incentive payouts, that are considered to be "non-extraordinary", is currently calculated at a rate of 1/24th. For 2024, CTS comprises: CTS on base salary of $49k (2023(pro-rated) Eduardo Landin:$16k, Ignacio Bustamante:$34k), CTS on LTIP of $17k (2023(pro-rated) Eduardo Landin:$10k, Ignacio Bustamante:$NIL) and CTS on bonus of $31k (2023(pro-rated): Eduardo Landin: $11k, Ignacio Bustamante:$NIL).
7 Refunds payable in relation to social security.

Single total figure of remuneration for Non-Executive Directors (audited)

The table below sets out a single figure for the total remuneration for the year ended 31 December 2024 and the prior year received by Non-Executive Directors serving during those periods:

	Base fee (US$000)		Additional fees (US$000)		Taxable benefits (US$000)		Total (US$000)	
	2024	2023	2024	2023	2024	2023	2024	2023
Eduardo Hochschild[1]	**417**	400	**0**	0	**688**	665	**1,105**	1,065[2]
Jorge Born Jr	**93**	87	**0**	0	**0**	0	**93**	87
Jill Gardiner	**93**	87	**21**	22	**0**	0	**115**	109
Tracey Kerr	**93**	87	**32**	30	**0**	0	**125**	117
Michael Rawlinson	**93**	87	**51**	47	**0**	0	**144**	134
Mike Sylvestre	**93**	87	**13**	10	**0**	0	**107**	97
Joanna Pearson	**93**	15[3]	**24**	3[3]	**0**	0[3]	**117**	18[3]
Former Directors								
Ignacio Bustamante	**n/a**	30[4]	**n/a**	0[4]	**n/a**	0[4]	**n/a**	30[4]
Nicolas Hochschild	**n/a**	38[5]	**n/a**	0[5]	**n/a**	0[5]	**n/a**	38[5]
Eileen Kamerick	**n/a**	39[5]	**n/a**	13[5]	**n/a**	0[5]	**n/a**	52[5]

All figures are rounded to the nearest $000. Non-Executive Directors' fees are denominated in GBP and accordingly differences in USD:GBP exchange rates impact the comparisons between Non-Executive Directors' fees for the year being reported and the comparative prior year.

Notes:

1 Eduardo Hochschild was an Executive Director until 31 December 2014 and, as reported in the 2015 Annual Report, Eduardo Hochschild retained eligibility to receive benefits following his transition to the Non-Executive Chairman role comprising personal security, medical insurance and use of a company car and driver.
2 Restated to show the correct total amount intended to have been paid to Eduardo Hochschild in 2023 notwithstanding adjustments that were made during the year as a result of overpayments during 2022.
3 Joanna Pearson was appointed to the Board on 1 October 2023.
4 Ignacio Bustamante served as a Non-Executive Director between 26 August 2023 and 31 December 2023.
5 Corresponds to the period until Nicolas Hochschild and Eileen Kamerick stepped down from the Board on 9 June 2023.

Salary and fees for the year ended 31 December 2024

Executive Director

Executive Director	Base salary from 1 March 2024 (US$000)	Base salary from date of appointment (US$000)	% change
Eduardo Landin	600	550	9%

Base salary above excludes CTS. All salaries are denominated in US dollars.

Non-Executive Directors

The Non-Executive Directors' fees have been set at a level to reflect the amount of time and level of involvement required in order to carry out their duties as members of the Board and its Committees. The annual rates of fees payable to the Non-Executive Directors of the Company in 2024 and 2023 are set out in the table below. All Non-Executive Directors receive a base fee, and additional fees are paid for acting as Chair or member of one of the Board Committees (excluding the Nomination Committee) and as Senior Independent Director. As reported in last year's report, with effect from 1 March 2024, a 5% increase was made to the levels of the Board Chair's fee, the Non-Executive Directors' base fees and the additional fees paid for acting as a Committee Chair, Committee member and Senior Independent Director.

Executive Director	Fee level from 1 March 2024 (Stated currency p.a.)	Previous fee level (Stated currency p.a.)	% change
Non-Executive Board Chair's fee	**US$420,000**	US$400,000	5%
Non-Executive Directors' base fee	**£73,500**	£70,000	5%
Additional fees			
Senior Independent Director	**£14,700**	£14,000	5%
Chair of the Audit, Remuneration and Sustainability Committees	**£14,700**	£14,000	5%
Committee membership fee (Audit; Remuneration; Sustainability)	**£5,250**	£5,000	5%

Incentive outcomes for the year ended 31 December 2024 (audited)

Annual bonus in respect of 2024 performance

Objectives for the 2024 bonus were set by the Committee at the beginning of the year and assessment of performance during the year was undertaken at the March 2025 Committee meeting.

Details of the bonus paid to the CEO (Eduardo Landin) for 2024, including the specific performance metrics, weightings and performance against each of the metrics, are provided in the table below:

			2024 Targets			2024 Assessment	
Objective	KPI	Target weighting	Threshold	Target	Maximum	2024 result	Final bonus score/ (Maximum)
Profitable production and financial results	Attributable Production (Koz Au Eq)	15%	343	354	360	**347k Oz Au Eq**	**5.74% (15%)**
	Adjusted EBITDA[1]	15%	US$252m	US$274m	US$287m	**US$262m**	**5.8% (15%)**
	Adjusted AISC from operations with growth (/oz Au Eq)[2]	15%	US$1,550/oz	US$1,536/oz	US$1,510/oz	**US$1,533/oz**	**8.3% (15%)**
Strategy	Strategic advancement	10%	*Remco Assessment*			**Satisfied**	**10% (10%)**
Brownfield exploration	Inferred resources added during the year (subject to permits available) (Moz Au Eq)	15%	0.7	0.9	1.2	**2.8M Oz Au Eq**	**15% (15%)**
Responsibility	Accident frequency rate (LTIFR)	10%	2.25	–	1.45	**1.25**	**10% (10%)**
	Accident Severity Index	5%	300	–	150	**365**	**NIL (5%)**
	Social key milestones	5%	*Remco Assessment*			**Satisfied**	**5% (5%)**
	ECO Score[3]	10%	5.00	–	5.50	**5.58**	**10% (10%)**
Bonus payable (as a percentage of maximum opportunity)							**69.84**

Notes:

1 Adjusted EBITDA is used for the annual bonus and is determined based on EBITDA which is adjusted primarily to neutralise price effects, unbudgeted expenditure or external factors. Such adjustments in 2024 included primarily (a) the impact of higher-than-budgeted commodity prices net of the adverse impact of hedges and higher selling expenses (c.US$197 million) and (b) the net impact of unbudgeted effects of foreign exchange and inflation in the countries of operation (c.US$26m).

2 All-in sustaining cost (AISC) is adjusted to ensure comparability with the assumptions used to set the objective at the beginning of the year and therefore primarily disregards (a) the impact of the unbudgeted effects of foreign exchange and inflation in the countries of operation (c.US$64/oz), (b) the additional costs arising from higher-than-forecast commodity prices (c.US$40/oz) and (c) the positive impact of deferred capital expenditure projects (c.US$19/oz).

3 Refer to www.hochschildmining.com for further details on the methodology of calculating the Group's ECO Score (the internally designed measurement of the Company's environmental performance).

General approach

The determination of the bonus payout is at the discretion of the Committee, taking into account performance during the year against the above scorecard. Each objective in the scorecard has a "threshold", "target" and "maximum" performance target, achievement of which translates into a score for each objective. The bonus scores for each objective are summed which translates into a percentage which is applied to the maximum bonus opportunity. The maximum annual bonus opportunity is 180% of salary. For "threshold" and "target" levels of performance, the bonus earned is up to 30% and 50% of maximum, respectively.

Adjustments were made in line with the Company's usual practice to maintain the quality of earnings by primarily disregarding the impact of factors outside of management's control such as the price of silver and gold (as compared to budgeted prices).

Assessing performance against 2024 bonus objectives

In arriving at the above bonus scorecard, the Committee paid particular attention to the following aspects of the Company's performance:

Operational and financial performance

As mentioned in the Annual Statement, operational performance in 2024 was good, with Mara Rosa contributing to the achievement of Hochschild's production range for the year. However, delays in the ramp-up at Mara Rosa and other factors including, primarily, the absence of the anticipated devaluation of the Argentinian Peso to mitigate the impact of inflation, had negative repercussions with regards to production, Adjusted EBITDA and Adjusted AISC.

Overall, the full year operational and financial performance was judged against the objectives set at the beginning of the year (adjusted, where appropriate, for external factors as described in the footnotes to the table above) which were only partially satisfied.

Safety

The Company's strong safety performance in 2024 which, in addition to seeing the Company achieve its long-term objective of Zero Fatalities, saw an industry-leading level of lost time accident frequency rate. However, the occurrence of a serious accident at Mara Rosa meant that the objective on accident severity was not achieved. For further details on the accident, please refer to page 72 of the Sustainability Report.

ECO Score

The overall ECO Score for the year is 5.58 against a stretch target of 5.50. This internally designed award-winning measure of environmental management reflects the following:

- The lowest level of water consumption (138l/person/day) since such records have been maintained (for at least 10 years)
- Domestic waste generation of 0.93 kg/person/day

Further details on the ECO Score can be found on the Company's website at www.hochschildmining.com

Strategic advancement

In evaluating performance against this objective, the Committee considered a range of actions taken to position the Company for long-term and sustainable growth to benefit our shareholders, including:

Mara Rosa (Brazil)

- the commencement of commercial production in mid-May 2024

Royropata MEIA (Peru)

- the completion of the requisite baseline and project description in connection with the permitting of Royropata with its exciting potential of seeing further operational activity at Pallancata

Accretive M&A

- the decision to exercise the option to acquire the Monte Do Carmo gold project following the expedited confirmatory due diligence on the asset. For further details, see pages 40 and 41.

Brownfield exploration

In light of the significant amount of inferred resources added over the course of the year, which provides assurance of the Group's future production, this objective was fully satisfied in line with the performance scale shown in the table above. Please see pages 46 and 47 (Brownfield Exploration) for further details.

Social key milestones

The Remuneration Committee's consideration of performance against this objective took into account the actions taken by management to implement the Board-approved social strategy and culture transformation. In addition, the Committee took into consideration the absence of operational disruption prompted by social issues and, accordingly, concluded this objective to be fully satisfied.

Experience of key stakeholders
The Committee also took into account the experience of the Group's key stakeholders during the year, noting:

- The share price performance during the year which had more than doubled by the year-end;
- The Company's ongoing programme of initiatives to assist local communities and other local stakeholders; and
- The continued reporting initiatives undertaken in 2024 reinforcing the Group's commitment to transparency.

For further details, see the Sustainability Report from page 60.

In conclusion, the Committee agreed that Eduardo Landin be awarded a bonus of 69.84% of the maximum opportunity.

2022 LTIP vesting
On 23 February 2022, Eduardo Landin was granted an LTIP award with a face value of US$595,000 in his then non-Board role as Chief Operating Officer.

Vesting of the 2022 LTIP was dependent on (i) three-year relative TSR performance against a tailored peer group (50% of the total award) and (ii) internal KPIs as summarised in the table below (50% of the total award). There was no retesting of performance. Further details of the performance conditions are shown in the table below:

Performance measure	Weighting	Performance targets
TSR		
Relative TSR1 performance vs. tailored peer group[2]	50%	Upper quintile (80th percentile): full vesting Upper tercile (67th percentile): 75% vesting Median (50th percentile): 25% vesting Below median: nil vesting Straight-line vesting between (a) Median and Upper tercile, and (b) Upper tercile and Upper quintile
Internal KPIs		
Measured & Indicated Resources (M&IR) per share[3] – absolute growth over three-year performance period 2022-2024	25%	180 Ag Eq Moz growth in M&IR – full vesting 160 Ag Eq Moz growth in M&IR – 75% vesting 120 Ag Eq Moz growth in M&IR – 25% vesting Straight-line vesting between these points MI&R growth measured as Total M&I Resource Additions over three years
Consistency Performance Condition	25%	Average bonus scorecard outcome 2022-2024 with threshold vesting of 25% requiring an average achievement of 60% scorecard attainment with straight-line vesting up to full vesting requiring an average of 100% scorecard attainment. There is an overriding underpin whereby if the annual scorecard achievement is less than 60% in any one year, then the vesting of this LTIP component will be nil.

Notes:
1 TSR is calculated in common currency.
2 The 2022 LTIP peer group, at the time of measurement of the award, comprised: Agnico-Eagle Mines, Alamos Gold, AngloGold Ashanti, Barrick Gold, Cia des Minas Buenaventura, Centamin, Coeur Mining, Eldorado Gold, Endeavour Silver, First Majestic Silver, Fortuna Silver Mines, Fresnillo, Gold Fields, Hecla Mining, IAMGOLD, Kinross Gold, Newmont Mining, OceanaGold Corp, Pan American Silver, Petropavlovsk, Polymetal and SSR Mining.
3 M&IR additions only in the three-year period.

The Remuneration Committee considered the following outcome of the performance conditions between 1 January 2022 and 31 December 2024:

– the Company's TSR over the performance period ranked between median and upper tercile relative to that of the tailored peer group, thereby resulting in vesting as to 55.32% of the award;
– the Company's M&IR additions totalled 297 Ag Eq Moz, resulting in 100% vesting as to 25% of the award; and
– the average bonus scorecard was 76.41% of maximum resulting in 55.77% vesting as to 25% of the award.

Accordingly, the 2022 LTIP awards will vest as to 66.6%.

Scheme interests awarded in 2024 (audited)
On 13 March 2024, Eduardo Landin was granted a cash-settled award under the LTIP with a maximum face value of $1,100,000.

Vesting is dependent on performance conditions measured from 1 January 2024 to 31 December 2026, with 50% of the award based on TSR performance against a tailored peer group and 50% based on internal KPIs as summarised in the table below.

Awards normally vest on the third anniversary of the date of grant, subject to continued employment, and are subject to potential malus in line with the Company's Malus policy (see page 119 for further details). Due to legal difficulties arising from its enforcement in Peru, the Remuneration Committee is unable to operate clawback.

After payment of tax, all of the vested cash award will be required to be invested in Hochschild shares which will be held for a further period of two years. Dividends, if any, will accrue to shares during the holding period. Further details, including vesting schedules, are provided in the table below:

Executive Director	Grant date	Performance period	Face value of award at grant	Award value for threshold performance
Eduardo Landin	13.03.24	1 January 2024 to 31 December 2026	$1,100,000	$275,000

Performance measure	Weighting	Performance targets
TSR		
Relative TSR[1] performance vs. tailored peer group[2]	50%	Upper quintile (80th percentile): full vesting Upper tercile (67th percentile): 75% vesting Median (50th percentile): 25% vesting Below median: nil vesting Straight-line vesting between (a) Median and Upper tercile, and (b) Upper tercile and Upper quintile
Internal KPIs		
Measured & Indicated Resources (M&IR) per share[3] – absolute growth over three-year performance period 2024-2026	25%	180 Ag Eq Moz growth in M&IR – full vesting 160 Ag Eq Moz growth in M&IR – 75% vesting 120 Ag Eq Moz growth in M&IR – 25% vesting Straight-line vesting between these points MI&R growth measured as Total M&I Resource Additions over three years
ESG Performance Condition	25%	Requires year-on-year consistency or improvements in the three-year performance period in at least 35% of 14 selected ESG key performance indicators covering communities (including local workforce, local procurement and social investment), environmental management (including GHG and water consumption), people (including gender) and health & safety

Notes:

1 TSR is calculated on the basis of common currency.
2 The 2024 LTIP peer group, at the date of grant, comprised: Agnico-Eagle Mines, Alamos Gold, AngloGold Ashanti, Barrick Gold Corp, Centamin, Cia des Minas Buenaventura, Coeur Mining, Eldorado Gold Corp, Endeavour Silver Corp, Equinox Gold, First Majestic Silver Corp, Fortuna Silver Mines, Fresnillo, Gold Fields, Hecla Mining, IAMGOLD, Kinross Gold, Newmont Mining, OceanaGold Corp, Pan American Silver, Petropavlovsk, Polymetal and SSR Mining.
3 M&IR additions only in the three-year period.

Exit payments made in the year (audited)
There were no exit payments made in the year.

Payments to past Directors (audited)
No payments were made to past Directors in the year.

Implementation of Remuneration Policy for 2025
A summary of how the Remuneration Policy will be applied for the year ending 31 December 2025 is provided below.

Salary
The Committee reviewed the CEO's salary and, in light of his performance, a 10% increase was agreed (to $660,000 from $600,000) with effect from 1 March 2025. It was noted that the new salary level remained lower than that paid to the former CEO.

Annual bonus
The maximum annual bonus opportunity for the CEO for the 2025 financial year will be 180% of salary. The bonus payment will be subject to performance against broadly the same measures as those used in 2024 except that the social milestone objective has been replaced with an objective relating to the Company's ESG ratings as assessed by external ratings organisations and the weighting of the ECO Score objective has been reduced from 10% to 5%. Further disclosure of measures and targets, where not commercially sensitive, will be provided in next year's Annual Report on Remuneration.

As in previous years, the Committee will assess performance against the objectives set and calculate an overall bonus score which will be applied to the maximum bonus opportunity. The bonus will be subject to malus provisions in line with the Remuneration Policy and, a discretionary override will be applied such that the occurrence of any fatality during the year at the Group's operations will result in the reduction, to nil, of the safety-related objectives.

Any bonus earned above 150% of salary will be paid in shares and deferred for two years.

LTIP
The Committee will make awards in 2025 at levels up to 200% of base salary. The awards will be made on the same terms as those applying to the 2024 awards.

Vested LTIP awards will be invested (on a post-tax basis) in the Company's shares which are required to be held for a further two years.

The performance conditions are:

- Relative TSR performance vs tailored peer group (50% weighting: same median to upper quintile range as for 2024 awards);
- Measured & Indicated Resources (M&IR) per share (25% weighting: growth over three-year performance period 2025-2027, reflecting the same absolute growth targets as for 2024 awards); and

- ESG Performance Condition (25% weighting: subject to year-on-year maintenance of or improvements in at least 35% of the 14 selected ESG key performance indicators covering communities, environmental management, people and health & safety over the three-year performance period).

Malus provisions will apply to LTIP awards granted in 2025 in line with the Remuneration Policy.

Non-Executive fees

Fees for the Chair and Non-Executive Directors (i.e. base, additional and Committee membership fees) will be the subject of a 3.5% increase with effect from 1 March 2025.

Annual percentage change in Directors' remuneration

The tables below show, in respect of those Board Directors serving during 2024 and for comparative purposes, Ignacio Bustamante, the former CEO, the percentage change in their remuneration between 2020 and 2024 compared with the percentage change in remuneration for all other employees.

			% change	
2024		**Base salary/ Non-Executive fees**[1]	**Taxable benefits**[2]	**Single-year variable**[3]
Executive Directors	Eduardo Landin[4]	209.5%	14.3%	198%
Non-Executive Directors	Eduardo Hochschild	4.3%	3.5%	n/a
	Jorge Born Jr	6.9%	n/a	n/a
	Jill Gardiner	5.5%	n/a	n/a
	Tracey Kerr	6.8%	n/a	n/a
	Michael Rawlinson	7.5%	n/a	n/a
	Mike Sylvestre	10.3%	n/a	n/a
	Joanna Pearson[5]	550%	n/a	n/a
Average all employees[6]		5.2%	n/a	-10.3%

			% change	
2023		**Base salary/ Non-Executive fees**[1]	**Taxable benefits**[2]	**Single-year variable**[3]
Executive Directors	Eduardo Landin	n/a	n/a	n/a
Non-Executive Directors	Eduardo Hochschild	-1.8%	10.6%	n/a
	Jorge Born Jr	0%	n/a	n/a
	Ignacio Bustamante[4]	n/a	n/a	n/a
	Jill Gardiner	12.4%	n/a	n/a
	Tracey Kerr	9.3%	n/a	n/a
	Michael Rawlinson	1.5%	n/a	n/a
	Mike Sylvestre	90.2%	n/a	n/a
	Joanna Pearson	n/a	n/a	n/a
Average all employees[6]		6%	n/a	-16%

			% change	
2022		**Base salary/ Non-Executive fees**[1]	**Taxable benefits**[2]	**Single-year variable**[3]
Executive Directors	Ignacio Bustamante[4]	0%	7.4%	-1.5%
Non-Executive Directors	Eduardo Hochschild	0%	-9.6%	n/a
	Jorge Born Jr	-9.3%	n/a	n/a
	Jill Gardiner	1%	n/a	n/a
	Tracey Kerr[7]	1,867%	n/a	n/a
	Michael Rawlinson	-2.2%	n/a	n/a
	Mike Sylvestre	n/a	n/a	n/a
Average all employees[6]		7.0%	n/a	14%

			% change	
2021		**Base salary/ Non-Executive fees**[1]	**Taxable benefits**[2]	**Single-year variable**[3]
Executive Directors	Ignacio Bustamante[4]	0%	-10%	5.7%
Non-Executive Directors	Eduardo Hochschild	0%	17%	n/a
	Jorge Born Jr	0%	n/a	n/a
	Jill Gardiner	0%	n/a	n/a
	Tracey Kerr	0%	n/a	n/a
	Michael Rawlinson	0%	n/a	n/a
Average all employees[6]		6.2%	n/a	0.8%

2020		Base salary/ Non-Executive fees[1]	% change Taxable benefits[2]	Single-year variable[3]
Executive Directors	Ignacio Bustamante[4]	0%	4.5%	–5.3%
Non-Executive Directors	Eduardo Hochschild	0%	2%	n/a
	Jorge Born Jr	0%	n/a	n/a
	Tracey Kerr	n/a	n/a	n/a
	Michael Rawlinson	0%	n/a	n/a
Average all employees[6]		5.8%	n/a	3.8%

Notes:
1 Note that Non-Executive Director fees other than those paid to Eduardo Hochschild are denominated in British Pounds but are reported in US Dollars at the relevant rate for reporting purposes. % changes are therefore the result of a combination of (i) differences in exchange rates used for reporting purposes, (ii) the introduction of Committee membership fees from 1 March 2022, and (iii) the 5% increases in the fees of the Board Chair and Non-Executive Directors (see table in "Non-Executive Directors" section of this report). Where "0%" is stated, this means that there was no change in the relevant fee as denominated.
2 Taxable benefits comprise (a) for Eduardo Landin, medical insurance and (b) for Eduardo Hochschild, the use of a car and driver, personal security and medical insurance.
3 Single-year variable comprises (a) bonus (calculated with reference to base salary only, i.e. before CTS and tax rebates) and (b) statutory profit-share.
4 Ignacio Bustamante resigned as CEO (and Executive Director) on 26 August 2023 and served as a Non-Executive Director until 31 December 2023. Eduardo Landin was appointed as CEO (and Executive Director) on 26 August 2023
5 Year-on-year % increase reflects the fact that Joanna Pearson was appointed to the Board on 1 October 2023.
6 "All employees" comprises full-time salaried employees in Peru. 2024 percentage change is an approximation only, as final data is not available as at the date of the report.
7 Year-on-year % increase reflects the fact that Tracey Kerr was appointed to the Board on 10 December 2021.

Relative importance of spend on pay

The table below shows the percentage change in total employee pay expenditure and shareholder distributions (i.e. dividends) from the financial year ended 31 December 2023 to the financial year ended 31 December 2024.

	2024	2023	% change
Distribution to shareholders (US$000)[1]	**10**	NIL	n/a

	2024	2023	% change
Employee remuneration (US$000)	**181,231**	174,208	4.03%

Notes:
1 Comprises all cash dividends paid in respect of each year.

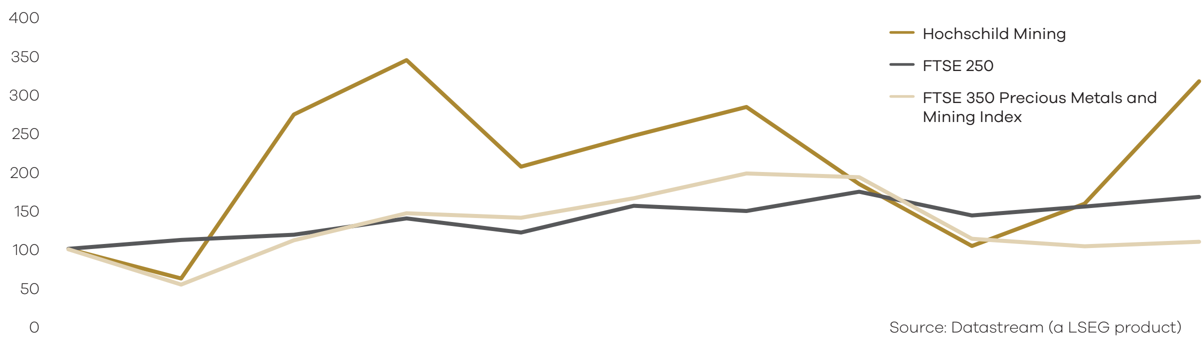
The Directors are recommending the payment of a final dividend of US$10m for the year ended 31 December 2024.

Pay for performance

The following graph shows the TSR for the Company compared to the FTSE 350 Precious Metals and Mining Index and FTSE 250 Index, assuming £100 was invested on 31 December 2014. The Board considers that the FTSE 350 Precious Metals and Mining Index is an appropriate published index as it reflects the sector that Hochschild operates in, and the FTSE 250 Index provides a view of performance against a broad equity market index of which Hochschild has been a constituent for the majority of the past 10 years. The table below details the CEO's single figure remuneration and actual variable pay outcomes over the same period.

Historical TSR Performance

Growth in the value of a hypothetical £100 holding over the 10 years to 31 December 2024



CEO	Ignacio Bustamante 2015	2016	2017	2018	2019	2020	2021	2022	Ignacio Bustamante and Eduardo Landin[1] 2023	Eduardo Landin 2024
CEO single figure of remuneration ($000)	1,328	3,474	4,519	4,174	3,665	1,933	1,996	1,986	IB 519 EL 731	**1,943**
Annual bonus outcome (% of maximum)	67%	83%	83%	90%	95%	90%	78.5%	85.35%	74.05%	**69.84%**
LTI vesting outcome (% of maximum)	0%	0% (ELTIP) 90% (LTIP)	86% (ELTIP) 100% (LTIP)	43% (ELTIP) 100% (LTIP)	34% (ELTIP) 0% (LTIP)	0% (LTIP)	0% (LTIP)	0% (LTIP)	40.3% (LTIP)	**66.6% (LTIP)**

Notes:
1 The 2023 figures represent the single figure of total remuneration for Ignacio Bustamante in respect of the period 1 January 2023 to 26 August 2023 and for Eduardo Landin from 26 August 2023 to 31 December 2023. The latter has been restated to accurately reflect pro-rating for time with regards to taxable benefits and profit share.

Directors' interests (audited)
The interests of the Directors and their families in the ordinary shares of the Company as at 31 December 2024 are detailed in the table below.

The Company has adopted shareholding guidelines whereby all Executive Directors (currently only the CEO) are required to acquire and retain a beneficial shareholding in the Company equal to at least 250% of base salary. The CEO is required to invest the entire amount of a vested LTIP for two years (on a net basis) regardless of his achievement of the shareholding guideline.

		Shares held						
	Owned outright or vested at 31 Dec 2023	Owned outright or vested at 31 Dec 2024	Vested but subject to holding period	Unvested and subject to performance conditions	Unvested and subject to deferral only	Shareholding requirement (% of salary)	Current shareholding (% of salary	Requirement met?
Eduardo Landin	282,700	430,700	72,500	0	0	250%	225%[1]	No
Eduardo Hochschild	196,900,306	196,900,306						
Jorge Born Jr	0	0						
Jill Gardiner	0	0						
Tracey Kerr	0	0						
Michael Rawlinson	0	0						
Mike Sylvestre	0	0						
Joanna Pearson	0	0						

Notes:
1 Using the Company's closing share price and GBP/USD exchange rate as at 31 December 2024 (being the last trading day of the year) of £2.14 and £1:$1.251 respectively.

There have been no changes to Directors' shareholdings since 31 December 2024.

Directors' interests in share options, shares and cash awards in Hochschild Long-Term Incentive Plans
Details of Directors' interests in shares and cash awards under Hochschild's Long-Term Incentive Plans are set out in the table below.

Eduardo Landin	Date of grant	Share price at grant	Exercise price at grant	Number of shares awarded	Max value	Performance period	Vesting date
2023 LTIP	20.04.23	n/a	n/a	n/a	$595,000	01.01.23 – 31.12.25	20.04.26
2024 LTIP	13.03.24	n/a	n/a	n/a	$1,100,000	01.01.24 – 31.12.26	13.03.27

None of the Directors had an interest in the shares of any subsidiary undertaking of the Company or in any significant contracts of the Group.

Signed on behalf of the Board

Michael Rawlinson
Chair of the Remuneration Committee

11 March 2025

Supplementary information

Introduction

References in this section to "the Articles" are to the Company's Articles of Association as at the date of this report, copies of which are available from the Registrar of Companies or on request from the Company Secretary.

References in this section to "the Companies Act" are to the Companies Act 2006.

Share capital

Issued share capital

The Company's issued share capital comprises 514,458,432 ordinary shares of 1 pence each ("shares"). No shares were issued during the year.

The Hochschild Mining Employee Share Trust ("the Trust") is an employee share trust established to hold shares on trust for the benefit of employees within the Group. The Trust did not, at any time during the year, and does not, at the date of this report, hold any such shares.

The Trustee of the Trust has absolute discretion to vote or abstain from voting in relation to the shares held by it from time to time and in doing so may take into account the interests of current and future beneficiaries and other considerations.

Current share repurchase authority

The Company obtained shareholder approval at the AGM held in June 2024 for the repurchase of up to 51,445,843 shares which represents 10% of the Company's issued share capital ("the 2024 Authority"). Whilst no purchases have been made by the Company pursuant to the 2024 Authority, it is intended that shareholder consent will be sought on similar terms at this year's AGM when the 2024 Authority expires.

Additional share capital information

This section provides additional information as at 31 December 2024.

(a) Structure of share capital

The Company has a single class of share capital which is divided into ordinary shares of 1 pence each, which are in registered form.

Further information on the Company's share capital is provided in note 30 to the consolidated financial statements.

(b) Rights and obligations attaching to shares

The rights attaching to the ordinary shares are described in full in the Articles. In summary, on a show of hands and on a poll at a general meeting or class meeting, every member present in person or, subject to the below, by proxy has one vote for every ordinary share held. However, in the case of a vote on a show of hands, where a proxy has been appointed by more than one member, the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution.

Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at a general meeting or class meeting. A member that is a corporation is entitled to appoint more than one individual to act on its behalf at a general meeting or class meetings as a corporate representative.

(c) Transfer of shares

The relevant provisions of the Articles state that:

– registration of a transfer of an uncertificated share may be refused in the circumstances set out in the CREST Regulations and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four;

– the Directors may, in their absolute discretion, decline to register any transfer of any share which is not a fully paid share. The Directors may also decline to recognise any instrument of transfer relating to a certificated share unless the instrument of transfer:

  - is duly stamped (if required) and is accompanied by the relevant share certificate(s) and such other evidence of the right to transfer as the Directors may reasonably require; and
  - is in respect of only one class of share.

– the Directors may:

  - in their absolute discretion, refuse to register a transfer if it is in favour of more than four persons jointly; and
  - decline to register a transfer of any of the Company's shares by a person with a 0.25% interest, if such a person has been served with a notice under the Companies Act after failure to provide the Company with information concerning interests in those shares required to be provided under the Companies Act.

(d) Restrictions on voting

No member shall be entitled to vote at any general meeting or class meeting in respect of any shares held by him or her, if any call or other sum then payable by him or her in respect of that share remains unpaid. Currently, all issued shares are fully paid.

In addition, no member shall be entitled to vote if he or she failed to provide the Company with information concerning interests in those shares required to be provided under the Companies Act.

(e) Deadlines for voting rights

Votes are exercisable at the general meeting of the Company in respect of which the business being voted upon is being heard.

Votes may be exercised in person, by proxy or, in relation to corporate members, by a corporate representative. Under the Articles, the deadline for delivering proxy forms cannot be earlier than 48 hours (excluding non-working days) before the meeting for which the proxy is being appointed.

Substantial shareholdings
The Company has been notified of the interests detailed in the table below in the Company's shares in accordance with Chapter 5 of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules (DTRs).

As at 31 December 2024	Number of ordinary shares/voting rights	Percentage of issued share capital	Nature of holding
Eduardo Hochschild[1]	196,900,306	38.27%	Indirect
BlackRock	Below 5%	Below 5%	–
Van Eck Associates Corporation	15,465,722	3.01%	Direct

1 The shareholding of Eduardo Hochschild is held through Pelham Investment Corporation.

Subsequent to 31 December 2024, the Company has been notified of the following additional changes:

Shareholder agreements

The Relationship Agreement entered into prior to the IPO between, amongst others, the Major Shareholder (as defined in the Relationship Agreement) and Eduardo Hochschild (collectively "the Controlling Shareholders") and the Company contains provisions restricting the Controlling Shareholders' rights to exercise their voting rights to procure an amendment to the Articles that would be inconsistent with the Relationship Agreement.

Significant agreements

A change of control of the Company following a takeover bid may cause a number of agreements to which the Company, or any of its trading subsidiaries, is party to take effect, alter or terminate. Such agreements include commercial trading contracts, joint venture agreements and financing arrangements.

Further details are given below of those arrangements where the impact may be considered to be significant in the context of the Group.

(a) $300 million Credit Agreement and $200 million Credit Agreement (the "Credit Agreements")
Under the terms and conditions of the Credit Agreements which are between, amongst others, the Group and BBVA Securities Inc, and The Bank of Nova Scotia, a Change of Control obliges the Group to prepay all Advances (as defined in the agreement) unless any Lender notifies the Group that it is declining any such prepayment in which case the Advances owing to such declining Lender shall not be prepaid.

In summary, a Change of Control means an event or series of events by which: (a) the Permitted Holders (being Eduardo Hochschild, his spouse, either of their descendants or estate or guardian of any of the aforementioned, a trust for the benefit of one or more of the aforementioned or any entity controlled by any one or more of the aforementioned) shall for any reason cease, individually or in the aggregate, to be the beneficial owners (as so defined) of at least 30% of the Company's shares; or (b) the Permitted Holders shall for any reason cease, individually or in the aggregate, to have the power to appoint at least the number of the members of the Board of Directors or other equivalent governing body of the Company that the Permitted Holders are permitted to elect as at the date of the relevant agreement; or (c) the Company shall for any reason cease, directly or through one or more of its Subsidiaries, to be the "beneficial owner" (as so defined) of more than 50% of the Equity Interests in either Compañia Minera Ares S.A.C. or Amarillo Mineraçao do Brasil Ltda.

(b) Long-Term Incentive Plans
Awards made under the Group's Long-Term Incentive Plan shall, upon a change of control of the Company, vest early unless a replacement award is made. Vesting will be pro-rated to take account of the proportion of the period from the award date to the normal vesting date falling prior to the change of control and the extent to which performance conditions (and any other conditions) applying to the award have been met.

Summary of constitutional and other provisions

Appointment of Directors
Under the terms of the Articles Directors may be appointed by the Company by ordinary resolution or by the Board. A Director appointed by the Board holds office only until the next following AGM and is then eligible for election by shareholders but is not taken into account in determining the Directors or the number of Directors who are to retire by rotation at that meeting.

The Directors may from time to time appoint one or more of their body to be the holder of any executive office for such period (subject to the Companies Act) and on such terms as they may determine and may revoke or terminate any such appointment.

Each Director is subject to periodic re-election by shareholders at intervals of no more than every three years. Each Director (other than the Chairman and any Director holding executive office) shall retire at each AGM following the ninth anniversary of the date on which he or she was elected by the Company.

Approach to appointments adopted by the Board
Under law, the Company is entitled to adopt such practices which are no less stringent than those set out in the Articles. Accordingly, notwithstanding the above, the Board has adopted the recommendation of the UK Corporate Governance Code that all Directors should seek annual re-election by shareholders.

Listing Rules

In line with the UK Listing Rules which apply to Hochschild given the presence of a controlling shareholder, the election or re-election of any Independent Director must be approved by: (i) all shareholders of the Company; and (ii) the independent shareholders of the Company (i.e. any person entitled to vote on the election of Directors of the Company who is not a controlling shareholder).

If either shareholder resolution to elect or re-elect the Independent Director is defeated, the Company may propose a further resolution to elect or re-elect the proposed Independent Director provided that the further resolution must not be voted on within 90 days from the date of the original vote but it must then be voted on within a period of 30 days from the end of the 90-day period. It may then be passed by a simple majority of the shareholders of the Company voting as a single class.

Removal of Directors
The Company may, in accordance with and subject to the provisions of the Companies Act by ordinary resolution of which special notice has been given, remove any Director before the expiration of his/her term of office. The office of Director shall be vacated if: (i) s/he is prohibited by law from acting as a Director; (ii) s/he resigns or offers to resign and the Directors resolve to accept such offer; (iii) s/he becomes bankrupt or compounds with his/her creditors generally; (iv) a relevant order has been made by any court on the grounds of mental disorder; (v) s/he is absent without permission of the Directors from meetings of the Board for six months and the Directors resolve that his/her office be vacated; (vi) his/her resignation is requested in writing by not less than three quarters of the Directors for the time being; or (vii) in the case of a Director other than the Chairman and any Director holding an executive office, if the Directors shall resolve to require him/her to resign and within 30 days of being given notice of such notice s/he so fails to do.

Relationship Agreement
In addition, under the terms of the Relationship Agreement:

- For as long as the Major Shareholder has an interest of 30% or more in the Company, it is entitled to appoint up to two Non-Executive Directors and to remove such Directors so appointed; and
- For as long as the Major Shareholder has an interest of 15% or more of the Company, it is entitled to appoint up to one Non-Executive Director and to remove such Director so appointed.

Amendment of Articles of Association
Any amendments to the Articles may be made in accordance with the provisions of the Companies Act by way of special resolution.

Powers of the Directors
Subject to the Articles, the Companies Act and any directions given by special resolution, the business and affairs of the Company shall be managed by the Directors who may exercise all such powers of the Company.

Subject to applicable statutes and other shareholders' rights, shares may be issued with such rights or restrictions as the Company may by ordinary resolution decide or, in the absence of any such resolution, as the Directors may decide. Subject to applicable statutes and any ordinary resolution of the Company, all unissued shares of the Company are at the disposal of the Directors. At each AGM, the Company puts in place an annual shareholder authority seeking shareholder consent to allot unissued shares, in certain circumstances for cash, in accordance with the guidelines of certain Investor Protection Committees.

Repurchase of shares
Subject to authorisation by shareholder resolution, the Company may purchase its own shares in accordance with the Companies Act. Any shares which have been bought back may be held as Treasury shares or, if not so held, must be cancelled immediately upon completion of the purchase, thereby reducing the amount of the Company's issued share capital. The minimum price which must be paid for such shares is specified in the relevant shareholder resolution.

Dividends and distributions
Subject to the provisions of the Companies Act, the Company may by ordinary resolution from time to time declare dividends not exceeding the amount recommended by the Directors.

The Directors may pay interim dividends whenever the financial position of the Company, in the opinion of the Directors, justifies their payment. If the Directors act in good faith, they are not liable to holders of shares with preferred or pari passu rights for losses arising from the payment of interim dividends on other shares.

Additional disclosures

Disclosure table pursuant to Listing Rule 6.6.4R
For the purposes of UKLR 6.6.4R, the information required to be disclosed by UKLR 6.6.1R can be found in the following parts of this Annual Report:

Section	Matter	Location
(1)	Interest capitalised	Note 28 to the consolidated financial statements
(2)	Publication of unaudited financial information	Not applicable
(3)	Details of specified long-term incentive scheme	None
(4)	Waiver of emoluments by a Director	None
(5)	Waiver of future emoluments by a Director	None
(6)	Non pre-emptive issues of equity for cash	None
(7)	Item (6) in relation to major subsidiary undertakings	None
(8)	Parent participation in a placing by a listed subsidiary	None
(9)(a)	Contract of significance in which a Director is interested	None
(9)(b)	Contract of significance with controlling shareholder	None
(10)	Provision of services by a controlling shareholder	None
(11)	Shareholder waivers of dividends	Directors' Report
(12)	Shareholder waivers of future dividends	Directors' Report
(13)	Statement of compliance to conduct business independently of controlling shareholder	Directors' Report

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Parent Company financial statements in accordance with UK-adopted international accounting standards (IFRS). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Parent Company and of their profit or loss for that period.

Under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules, Group financial statements are required to be prepared in accordance with UK-adopted international accounting standards.

In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Parent Company financial position and financial performance;
- In respect of the Group financial statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- In respect of the Parent Company financial statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the Parent Company and/or the Group will not continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and the Group and enable them to ensure that the Parent Company and the Group financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Parent Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Hochschild Mining PLC

Opinion

In our opinion:

- Hochschild Mining PLC's Group financial statements and Parent Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- The Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- The Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Hochschild Mining PLC (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise:

Group	Parent company
Consolidated statement of financial position as at 31 December 2024	Statement of financial position as at 31 December 2024
Consolidated income statement for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of comprehensive income for the year then ended	Statement of cash flows for the year then ended
Consolidated statement of changes in equity for the year then ended	Related notes 1 to 14 to the financial statements, including material accounting policies
Consolidated statement of cash flows for the year then ended	
Related notes 1 to 40 to the consolidated financial statements, including material accounting policies	

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards to the Parent company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Confirming our understanding of the Directors' going concern assessment process and the key factors and assumptions that are considered in their assessment;
- Auditing the key factors and assumptions adopted in the assessment of going concern and the cash flow model, including considering whether management has exercised any bias in selecting their assumptions, by comparing against past performance and available market data;
- Checking the reasonableness of all key assumptions in management's forecasts, including the forecast gold and silver price used; the production profiles which form the basis of the cash flow forecast; and the mitigating factors that exist and that can be utilised to ensure the liquidity of the Group;

- Obtaining the Directors' going concern assessment, including cash flow forecast and covenant calculations for the going concern period which covers 12 months from the audit report date to 31 March 2026. The Directors have modelled a severe scenario in order to incorporate unexpected changes to the forecast liquidity of the Group. This severe scenario modelled a reduction in precious metal prices, stoppages of all operations and unforeseen social related costs. We evaluated the sufficiency of the sensitivities performed, by assessing whether the severe scenario was appropriately severe based on historical track record;
- Obtaining an understanding of the operation of management's model, checking the clerical accuracy of management's modelling, and recalculating management's forecasts of their compliance with borrowing covenants throughout the assessment period under management's scenarios;
- Verifying the terms, maturity, interest rates, and any restrictions or covenants of the borrowings held by the Group at the date of approving the financial statements against the original contracts;
- Obtaining the contract with Cerrado Gold in relation to Monte do Carmo acquisition and verified the terms and timing of the deferred payments, to ensure they are consistent with the cash flows recognised in management's model;
- Checking the consistency of the factors and assumptions adopted in the going concern assessment with other areas of our audit, including the Group's asset impairment tests;
- Challenging the adequacy of the going concern assessment period until 31 March 2026, considering whether any events or conditions foreseeable after the period indicated a longer review period would be appropriate;
- Considering the results of management's reverse stress tests in order to identify what factors would lead the Group reaching the minimum liquidity levels required to maintain the business or would result in the Group breaching any of its debt covenants during the going concern period. Assessed the likelihood of these factors in the context of the outlook for commodity prices and against historic market lows as well as our own industry experience;
- Obtaining bank confirmations covering over 99% of the Group's cash and cash equivalents as at 31 December 2024. We also compared the cash balance as per the accounting records to those in the going concern model for January and February 2025 and assessed the Group's post year end trading performance by comparison to budget;
- With regards to the Parent Company financial statements, reviewing the letter of support received from Compañía Minera Ares ('CMA') and assessed the ability of CMA to provide financial support to the Parent Company during the going concern period, through our test of CMA's future cashflows included within the Group's going concern model;
- Considering whether management's disclosures in the Annual Report and Accounts are appropriate, through consideration of the relevant disclosure standards; and
- Reviewing the support prepared by management and the disclosures relating to the viability assessment and considered whether they accurately represented the process followed by management and whether the Group complied with the UK Corporate Governance Code disclosures requirements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for a period to 31 March 2026.

In relation to the Group and Parent Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	– We performed an audit of the complete financial information of three components, and audit procedures on specific balances for a further four components and for the remaining twenty components we performed other audit procedures. – The components where we performed full or specific audit procedures accounted for 100% of Adjusted EBITDA, 100% of Revenue and 98% of Total Assets.
Key audit matters	– We identified the *'Recoverability of the carrying value of the Group's mining assets and investment in associate'* as a key audit matter that, in our professional judgement, had the greatest effect on our overall audit strategy, the allocation of resources in the audit and in directing the audit team's efforts.
Materiality	– We tested to an overall Group materiality of US$8.1m. Final materiality was calculated as US$8.4m based on 2% of the Group's Adjusted EBITDA. Given our planning materiality was lower than the final materiality we continued to use US$8.1m as our materiality.

An overview of the scope of the Parent Company and Group audits

Tailoring the scope

In the current year our audit scoping has been updated to reflect the new requirements of ISA (UK) 600 (Revised). We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures, with input from our component auditors, to identify and assess risks of material misstatement of the Group financial statements and identified significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the Group financial statements, we considered our understanding of the Group and its business environment, the applicable financial framework, the Group's system of internal control at the entity level, the existence of centralised processes, applications and any relevant internal audit results.

We determined that centralised audit procedures would be performed on the following key audit areas: recoverability of mining assets and investment in associate; mine rehabilitation provision; accounting impact of reserves and resources; accounting for hedges; and the acquisition of Monte do Carmo.

We then identified three components as individually relevant to the Group due significant risk or an area of higher assessed risk of material misstatement of the Group financial statements being associated with the components. These three components of the Group are also individually relevant due to materiality or financial size of the component relative to the Group.

For those individually relevant components, we identified the significant accounts where audit work needed to be performed at these components by applying professional judgement, having considered the Group significant accounts on which centralised procedures will be performed, the reasons for identifying the financial reporting component as an individually relevant component and the size of the component's account balance relative to the Group significant financial statement account balance.

We then considered whether the remaining Group significant account balances not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the Group financial statements. We selected four components of the Group to include in our audit scope to address these risks.

Having identified the components for which work will be performed, we determined the scope to assign to each component.

Of the seven components selected, we designed and performed audit procedures on the entire financial information of three components ("full scope components"). For four components, we designed and performed audit procedures on specific significant financial statement account balances ("specific scope components").

Our scoping to address the risk of material misstatement for the key audit matter is set out in the Key audit matters section of our report.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the Group audit engagement team, or by component auditors operating under our instruction.

The Group audit team continued to follow a programme of planned visits that has been designed to ensure that the Senior Statutory Auditor, or another senior member of the Group audit team, visits each of the primary operating locations where the Group audit scope is focused. During the current year's audit cycle, visits were undertaken by the primary audit team to the component teams in Peru, Argentina and Brazil, with the Senior Statutory Auditor attending the visits to Peru and Brazil. These visits involved discussing the audit approach with the component team and any issues arising from their work, meeting with local management and reviewing relevant audit working papers on risk areas. The Group audit team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed relevant working papers and were responsible for the scope and direction of the audit process. Where relevant, the section on key audit matters details the level of involvement we had with component auditors to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Climate change

Stakeholders are increasingly interested in how climate change will impact Hochschild Mining PLC. The Group has determined that the most significant future impacts from climate change on its operations will be from potential governmental and societal responses to climate change risks, changes in weather patterns and consequential restricted access to capital as a result of failing to respond to these risks. These are explained on pages 80 to 95 in the Task Force On Climate Related Financial Disclosures (TCFD) report and on page 107 in the principal risks and uncertainties. All of these disclosures form part of the "Other information", rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

As explained in Note 2(b) to the Consolidated Financial Statements and the TCFD report on pages 80 to 95 the governmental and societal responses to climate change risks are still developing, and are interdependent upon each other, and consequently the financial statements cannot capture all possible future outcomes as these are not yet known. The degree of certainty of these changes may also mean that they cannot be taken into account when determining asset and liability valuations and the timing of future cash flows under the requirements of UK adopted International Accounting Standards.

Hochschild recently introduced a 2030 interim ambition as a part of their overarching ambition to be Net Zero by 2050. Specifically, the 2030 interim ambition relates to reducing greenhouse gas emissions (GHG) scope 1 and 2 emissions by 30%, against the 2021 baseline emissions level, by 2030. We note that the Group are conducting a financial impact assessment in 2025 to determine the financial statement impact of these measures and are undertaking a detailed low-carbon transition assessment to refine their climate-related strategy. Therefore, until this assessment has been completed, we are unable to determine the full future economic impact on its business model and operational plans and therefore the potential impacts are not fully incorporated in these financial statements.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition and whether these have been appropriately reflected in the disclosures in Note 2(b) to the Consolidated Financial Statements. We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Recoverability of the carrying value of the Group's mining assets and investment in associate *Refer to the Audit Committee Report; Accounting policies (page 173); and Notes 16 to 19 to the Consolidated Financial Statements (pages 199 to 205)* At 31 December 2024 the carrying values of the Group's mining assets were: – Property, plant and equipment: US$1,070.8m (2023: US$1,018.9m); – Evaluation and exploration assets: US$132.3m (2023: US$67.3m); – Intangible assets: US$49.6m (2023: US$30.0m); and – Investment in associate: US$15.8m (2023: US$22.9m). IFRS requires companies to test cash generating units (CGUs) for impairment whenever an indicator exists. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset might be impaired. For the Group, CGUs represent individual mines and advanced exploration projects. Additionally, IFRS requires testing of CGUs for impairment reversal at the end of each reporting period where there is any indicator that an impairment loss recognised in prior periods (for an asset other than goodwill) may no longer exist, or may have decreased. For the Group, the relevant CGUs are: – Operating mines: Inmaculada, San Jose and Mara Rosa; – Development projects: Volcan, Azuca, Arcata, Pallancata, and Monte do Carmo; and – Investment in associate: Aclara. The Volcan CGU includes an intangible asset with an indefinite useful life and therefore is tested for impairment at least annually. A number of impairment or impairment reversal indicators were identified across the Group's CGUs, including but not limited to: – The increase in gold and silver prices, impacting San Jose and Volcan; – The share purchase agreement signed for the sale of Arcata and Azuca; and – The announcement of Aclara's private placement of common shares at $0.50 per share. As disclosed in Notes 16 to 19 to the consolidated financial statements, total impairment charges of $18.8m were recognised in the year. These charges related to Azuca and Arcata ($13.7m) and Aclara ($5.1m). The risk relating to recoverability of the carrying value of mining assets and investment in associate has remained stable in comparison to the prior year.	Our approach focused on the following procedures: – We obtained an understanding of management's key controls over impairment of mining assets in supporting the prevention, detection and correction of material errors in the financial statements. – We also obtained an understanding of management's process to obtain and extend the mining operating permits, assessing the respective life of mines of the Group's assets. – We obtained management's assessment of whether any indicators of impairment or reversal of impairment were present at 31 December 2024. – We challenged the validity of the indicators identified by management, with a focus on the following key assumptions: • Comparing and assessing management's prices to analysts' consensus forecasts for gold and silver as at 31 December 2024. • Obtaining relevant support of management's position on market interest rates and other macro-economic factors. • Challenging the economic performance of the CGUs during the year, discussed with management and reviewed the approved mine plans and/or budgets. • For exploration projects, obtaining an understanding of management's plans to recover the carrying value in full from successful development or by sale. We also obtained technical reports from third-parties for development projects. • Obtaining relevant support about expected renewal/extension of mining permits. – We obtained the recoverable value model from management for the Group's CGUs and Investment in associate. We performed the following procedures: • Assessed the appropriateness of the methodology applied in preparing each model by reference to industry and valuation practices. • Undertook an assessment of management's track record of accuracy in forecasting to determine the reliability of current forecasts. We further agreed the main inputs to the approved mine plans, budgets, technical reports and historic figures. • Involved our valuation specialists to assist us in challenging and assessing the appropriateness of the discount rate used in the calculation. • With respect to San Jose, we challenged management on the updates made to the life of mine and production assumptions, driven by changes in reserves and resources estimates. • With respect to the recoverable value model for the Volcan CGU, we assessed management's FVLCD, determined using an Enterprise Valuation (EV). This included agreeing the main inputs to information from appropriate independent sources and involving EY valuation specialists to assist us in assessing the appropriateness of the methodology applied, the EV of comparable entities, as well as the reasonableness of the risk premium used therein.

Risk	Our response to the risk
	• With respect to Azuca and Arcata CGUs, we verified the sale consideration, including contingent consideration for Net Smelter Return royalties over the projects. We additionally engaged EY valuations specialists to assist us in assessing management's contingent consideration calculations and methodology. Finally, we assessed managements held for sale disclosures to ensure these were in line with IFRS 5 *Non- current Assets Held for Sale and Discontinued Operations*. • With respect to Aclara, we challenged the appropriateness of the impairment recognised by reference to the private placement valuation, including engaging our EY valuations specialists to assist us in determining the appropriateness of the valuation approach and to benchmark the private placement price. – We reviewed, by reference to the FRC's guidance, the appropriateness, sufficiency, and clarity of the impairment-related disclosures, including around reasonably possible changes in estimates.

Key observations communicated to the Audit Committee

As a result of the audit procedures performed, we have concluded that management's impairment indicator analysis and impairment assessment for the Group's CGUs has been carried out appropriately and in accordance with the requirements of IFRS.

We further concluded that the significant assumptions used in the recoverable value models prepared by management were appropriate, and where applicable, fell within the range of acceptable outcomes that we had calculated.

Based on the procedures performed, we consider the impairment charges recorded by management at 31 December 2024 totalling $18.8m to be appropriate. We are satisfied that the carrying values of the Inmaculada, San Jose, Mara Rosa and Volcan do not require impairment nor reversal of impairment as at 31 December 2024.

We concluded that the related disclosures in the Group financial statements are appropriate.

How we scoped our audit to respond to the risk and involvement with component teams

All audit work performed to address this risk was undertaken by the Group audit team.

Revenue recognition is a significant risk presumed by ISAs (UK). It is not included above, as Hochschild's revenue streams are largely routine in nature and do not involve significant judgement or use of significant estimates. Consequently, the auditing of revenue recognition did not have the greatest effect on our overall audit strategy, the allocation of resources in the audit or in directing the efforts of the engagement team.

As part of our audit, we also address the risk of management override of internal controls, including evaluating whether there is evidence of bias by the Directors that may represent a risk of material misstatement due to fraud. We determined that the risk of management override does not represent a separate key audit matter, on the basis that it is our assessment that this risk principally manifests itself through recoverability of the carrying value of the Group's mining assets, where there are a number of significant judgements and estimates involved that are susceptible to management bias.

In the prior year, our auditor's report included a key audit matter in relation to the '*Recoverability of the carrying value of the Group's mining assets*'. This is consistent with the key audit matter included in our auditor's report for the current year. The name of the key audit matter has been expanded to specifically make reference to the investment in associate.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined planning materiality for the Group to be US$8.1m (2023: US$4.8m), the level on which we based our testing. Final materiality was calculated as US$8.4m (2023: US$5.5m) based on 2% (2023: 2%) of the Group's Adjusted EBITDA. Given our planning materiality was lower than the final materiality we continued to use US$8.1m as our materiality for our testing. We believe that Adjusted EBITDA provides us with a suitable basis for calculating materiality, as it is an earnings-based measure that is considered to be a critical measure for users of the financial statements, given the focus on this metric by the Group's shareholders, investors and external lenders. In addition, the Adjusted EBITDA measure is used to assess the Group's compliance with key restrictive covenants on the Group's borrowings.

We determined materiality for the Parent Company to be US$17.2m (2023: US$8.8m), which is 1% (2023: 1%) of Equity. The Parent Company materiality is higher than the Group materiality as it is based on Equity, which we consider to be an appropriate basis for materiality for a holding company, as the users of the financial statements focus on a capital-based measure.

Starting basis

- Profit from operations before net finance income/(cost), foreign exchange loss and income tax (US$207.9m)

Adjustments

- Add: Depreciation and amortisation in cost of sales and in administrative expenses (US$159.8m)
- Add: Exploration expenses other than personnel and other exploration related fixed expenses (US$59.3m)
- Deduct: Other non-cash expenses (US$5.6m)

Materiality

- US$421.4m Adjusted EBITDA
- Materiality of US$8.1m (2% of materiality basis)
- During the course of our audit, we reassessed initial materiality and we maintained our planning materiality level for the purpose of completing our audit procedures as the same was below our final materiality.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2023: 75%) of our planning materiality, namely US$6.1m (2023: US$3.6m). We have set performance materiality at this percentage due to our understanding of the Group's control environment, and that there have been no significant events that would alter our expectation that there is a low likelihood of misstatements that would be material individually or in aggregate to the financial statements.

Audit work was undertaken at component locations for the purpose of responding to the assessed risks of material misstatement of the Group financial statements. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was US$1.8m to US$4.2m (2023: US$2.0m to US$3.9m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of US$405k (2023: US$240k), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the Annual Report set out on pages 1 to 157, including Strategic Report and Governance sections (including the Directors' Report, Corporate Governance Report, Directors' Remuneration Report, Supplementary Information and Statement of Directors' Responsibilities), other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the Parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- The Parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- Certain disclosures of Directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit

Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 117 and Note 2(d) of the Consolidated Financial Statements;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 111;
- Directors' statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 117 and Note 2(d) of the Consolidated Financial Statements;
- Directors' statement on fair, balanced and understandable set out on page 117;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 129;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 129; and
- The section describing the work of the Audit Committee set out from page 130.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 157, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group and Parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant and directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (UK adopted international accounting standards), the Companies Act 2006, the UK Corporate Governance Code, the Listing Rules of the UK Listing Authority and the relevant tax compliance regulations in the jurisdictions in which the Group operates (principally UK, Peru, Argentina and Brazil). In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements, mainly relating to health and safety, employee matters, bribery and corruption practices, environmental and certain aspects of company legislation recognising the regulated nature of the Group's mining activities and its legal form.

- We understood how Hochschild Mining PLC is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of Board minutes, papers provided to the Audit Committee and correspondence received from regulatory bodies, and noted there was no contradictory evidence.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business, including outside the finance function, to understand what areas were susceptible to fraud. We also considered performance targets and their propensity to influence management to manage the Group's earnings.
- We considered the programmes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where risk was considered as higher, we performed audit procedures to address each identified fraud risk.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations that could have a material impact on the financial statements. Our procedures involve: incorporated data analytics across our audit approach, journal entry testing with a focus on manual consolidation journals and journals meeting our defined risk criteria based on our understanding of the business; enquiries of the legal counsel, Group management, internal audit and all full and specific scope management; review of Board and Audit Committee reporting; evaluating any investigations into matters of non-compliance with support from our IT, forensics and legal specialists as necessary; and focused testing as referred to in the key audit matters section above.
- We ensured our global team has appropriate industry experience through working for many years on relevant audits, including experience of mining. Our audit planning included considering external market factors, for example geopolitical risk, the potential impact of climate change, commodity price risk and major trends in the industry.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the Audit Committee, we were appointed by the Company on 16 October 2006 to audit the financial statements for the year ending 31 December 2006 and subsequent financial periods. Following a competitive tender process, we were reappointed as auditor of the Company for the period ending 31 December 2016 and subsequent financial periods.

  The period of total uninterrupted engagement including previous renewals and reappointments is 19 years, covering the years ending 31 December 2006 to 31 December 2024.
- The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jessy Maguhn (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

12 March 2025

Consolidated income statement

For the year ended 31 December 2024

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

Consolidated statement of comprehensive income

For the year ended 31 December 2024

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

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

Consolidated statement of financial position

As at 31 December 2024

	Notes	As at 31 December 2024 US$000	As at 31 December 2023 US$000
ASSETS			
Non-current assets			
Property, plant and equipment	16	**1,070,758**	1,018,853
Evaluation and exploration assets	17	**132,303**	67,322
Intangible assets	18	**49,632**	29,983
Investment in an associate	19	**15,811**	22,927
Financial assets at fair value through OCI	20	**475**	460
Other receivables	22	**18,316**	12,438
Deferred income tax assets	31	**27,677**	763
		1,314,972	1,152,746
Current assets			
Inventories	23	**87,087**	68,261
Trade and other receivables	22	**135,814**	80,456
Derivative financial assets	39(a)	**–**	846
Income tax receivable	14	**186**	4,713
Other financial assets		**3,807**	2,264
Cash and cash equivalents	24	**96,973**	89,126
Assets held for sale	25	**12,660**	17,398
		336,527	263,064
Total assets		**1,651,499**	1,415,810
EQUITY AND LIABILITIES			
Capital and reserves attributable to shareholders of the Parent			
Equity share capital	30	**9,068**	9,068
Other reserves		**(329,431)**	(234,837)
Retained earnings		**931,236**	834,231
		610,873	608,462
Non-controlling interests		**76,478**	60,122
Total equity		**687,351**	668,584
Non-current liabilities			
Other payables	26	**46,501**	1,711
Derivative financial liabilities	39(a)	**61,343**	16,581
Borrowings	28	**163,333**	234,999
Provisions	29	**146,781**	147,372
Deferred income tax liabilities	31	**82,504**	67,039
		500,462	467,702
Current liabilities			
Trade and other payables	26	**208,222**	135,839
Derivative financial liabilities	39(a)	**40,276**	1,190
Borrowings	28	**149,249**	112,064
Provisions	29	**35,082**	26,741
Income tax payable	14	**21,205**	2,979
Liabilities directly associated with assets held for sale	25	**9,652**	711
		463,686	279,524
Total liabilities		**964,148**	747,226
Total equity and liabilities		**1,651,499**	1,415,810

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

Eduardo Landin
Chief Executive Officer
11 March 2025

Consolidated statement of cash flows

For the year ended 31 December 2024

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

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

Consolidated statement of changes in equity

For the year ended 31 December 2024

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

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

1 Corporate information

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

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

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

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

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

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

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

1 Registered address: Av. Santa Fe 2755, floor 9, Buenos Aires, Argentina.
2 Registered address: Sargento Cabral 124, Comodoro Rivadavia, Provincia de Chubut, Argentina.
3 Registered address: Av. Apoquindo 4775 of 1002, Comuna Las Condes, Santiago de Chile, Chile.
4 Registered address: La Colonia 180, Santiago de Surco, Lima, Peru.
5 Registered address: 17 Cavendish Square, London, W1G0PH, United Kingdom.
6 Registered address: Calle Aguila Real No 122, Colonia Carolco, Monterrey, Nuevo Leon, CP 64996, Mexico.
7 Registered address: 1025 Ridgeview Dr. 300, Reno, Nevada 89519, USA.
8 Registered address: Suite 1700, Park Place, 666 Burrard Street, Vancouver BC, V6C 2X8.
9 Registered address: Fazenda Invernada s/n, Zona Rural, Mara Rosa – Goiás – Brazil, CEP: 76.490-000.
10 The Company was sold on March 2024 to a third party.
11 The Company was incorporated on 8 July 2024.
12 The Company was incorporated on 20 July 2024.
13 The Group has a 51% interest in Minera Santa Cruz S.A. (Minera Santa Cruz), while the remaining 49% is held by a non-controlling interest. The significant financial information in respect of this subsidiary before intercompany eliminations as at and for the years ended 31 December 2024 and 2032 is as follows:

1 Corporate information continued

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

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

2 Material accounting policies

(a) Basis of preparation

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

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

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

Changes in accounting policy and disclosures

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

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

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

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

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

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

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

Significant estimates:

– *Useful lives of assets for depreciation and amortisation purposes – note 2(f).*

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

– *Ore reserves and resources – note 2(h).*

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

– *Recoverable values of mining assets – notes 2(k), 16, 17 and 18.*

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

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

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

– *Mine closure costs – notes 2(o) and 29(1).*

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

– *Valuation of financial instruments – note 39.*

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

– *Non market performance conditions on LTIP 2022, LTIP 2023 and LTIP 2024 – note 29.*

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

2 Material accounting policies continued

Critical judgements:

– *Income tax – notes 2(t), 2(u), 14, 31 and 37(a).*

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

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

– *Life of mine (LOM).*

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

– *Determination of functional currencies – note 2(e).*

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

– *Recognition of evaluation and exploration assets and transfer to development costs – notes 2(g), 16 and 17.*

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

– *Climate change*

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

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

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

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

  – *Acquiring a subsidiary or a group of assets – note 4(a).*

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

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

– *Stream Agreements– note 26(a).*

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

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

– *Investment in an associate – note 19.*

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

(c) Basis of consolidation

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

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

– power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
– exposure, or rights, to variable returns from its involvement with the investee; and
– the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

– the contractual arrangement with the other vote holders of the investee;
– rights arising from other contractual arrangements; and
– the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Basis of consolidation

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

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

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

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction, affecting retained earnings. If the Group loses control over a subsidiary, it (i) derecognises the assets (including goodwill) and liabilities of the subsidiary; (ii) derecognises the carrying amount of any non-controlling interest (NCI); (iii) derecognises the cumulative translation differences, recorded in equity; (iv) recognises the fair value of the consideration received; (v) recognises the fair value of any

2 Material accounting policies continued

investment retained; (vi) recognises any surplus or deficit in profit or loss; and (vii) reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

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

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

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

(d) Going concern

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

Scenarios Analysed

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

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

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

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

Reverse Stress Tests

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

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

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

Conclusion

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

(e) Currency translation

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

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

(f) Property, plant and equipment

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

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

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

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

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

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

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

Mining properties and development costs

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

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

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

Construction in progress and capital advances

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

Subsequent expenditure

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

(g) Evaluation and exploration assets

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

2 Material accounting policies continued

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

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

(h) Determination of ore reserves and resources

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

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

(i) Investment in associates

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

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

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

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

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

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

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

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

(j) Intangible assets

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

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

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

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

(k) Impairment of non-financial assets

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

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

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

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

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

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

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

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

– costs, materials and contractor expenses which are directly attributable to the extraction and processing of ore;
– depreciation of property, plant and equipment used in the extraction and processing of ore; and
– related production overheads (based on normal operating capacity).

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

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

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

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

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

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

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

2 Material accounting policies continued

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

(p) Share-based payments

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

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

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

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

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

(q) Revenue recognition

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

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

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

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

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

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

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

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

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

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

(r) Contingencies

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

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised in the financial statements, but are disclosed in the notes if their recovery is deemed probable (note 37).

(s) Finance income and costs

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

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

(t) Income tax

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

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

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

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

(u) Uncertain tax positions

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

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

(v) Leases

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct

2 Material accounting policies continued

costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Right-of-use assets are subject to impairment.

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

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

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

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

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

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

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

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

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

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

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

– Financial assets at amortised cost (debt instruments)

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

– The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, 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

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

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

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

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

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

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

– Financial assets at fair value through profit or loss

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

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

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

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

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

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

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

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

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

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

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

– Financial liabilities at fair value through profit or loss

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

– Financial liabilities measured at amortised cost

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

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

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

2 Material accounting policies continued

Derecognition

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

Derivative financial instruments and hedge accounting

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

Initial recognition and subsequent measurement

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

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

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

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

– There is "an economic relationship" between the hedged item and the hedging instrument
– The effect of credit risk does not "dominate the value changes" that result from that economic relationship
– The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item

Changes in the fair value of derivatives designated as cash flow hedges are recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve until changes in the fair value of the hedged item are recognised in profit or loss. However, the ineffective portion of the changes in the fair value of such derivatives is recognised in profit or loss. The Group uses cash flow hedges for hedging the exposure to variability in silver and gold prices.

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

(x) Dividend distribution

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

(y) Cash and cash equivalents

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

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

(z) Exceptional items

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

Exceptional items mainly include:

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

(aa) Fair value measurement
The Group measures financial instruments, such as derivatives, at each statement of financial position date.

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

– In the principal market for the asset or liability, or
– In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

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

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

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

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

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

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

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

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

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

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

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

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

3 Segment reporting

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

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

– Operating unit – San Jose, which generates revenue from the sale of gold and silver (dore and concentrate)
– Operating unit – Mara Rosa, which generates revenue from the sale of gold and silver (dore)
– Operating unit – Inmaculada, which generates revenue from the sale of gold and silver (dore)

3 Segment reporting continued

- Former operating unit – Pallancata, which generated revenue from the sale of gold and silver (concentrate) until 2023, and it is involved in the development of the Royropata area.
- Exploration, which explores and evaluates areas of interest in brownfield and greenfield sites with the aim of extending the life of mine of existing operations and to assess the feasibility of new mines.
- Other – includes the profit or loss generated by Empresa de Transmisión Aymaraes S.A.C.

The Group's administration, financing, other activities (including other income and expense), and income taxes are managed at a corporate level and are not allocated to operating segments.

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

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

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

(a) Reportable segment information

	Inmaculada US$000	San Jose US$000	Mara Rosa US$000	Pallancata US$000	Exploration US$000	Other[1] US$000	Adjustment and eliminations US$000	Total US$000
YEAR ENDED 31 DECEMBER 2024								
Revenue from external customers	**522,406**	**285,142**	**159,646**	**(255)**	**–**	**452**	**–**	**967,391**
Inter-segment revenue	–	–	–		–	3,975	(3,975)	**–**
Total revenue from customers	**522,406**	**285,142**	**159,646**	**(255)**	**–**	**4,427**	**(3,975)**	**967,391**
Provisional pricing adjustment	(54)	8,193	70	–	–	–	–	**8,209**
Realised loss on hedges	(18,010)	–	(9,894)	–	–	–	–	**(27,904)**
Total revenue	**504,342**	**293,335**	**149,822**	**(255)**	**–**	**4,427**	**(3,975)**	**947,696**
Segment profit/(loss)	**231,141**	**54,094**	**40,830**	**(269)**	**(28,379)**	**2,472**	**(1,799)**	**298,090**
Others[2]								**(120,873)**
Profit from operations before income tax								**177,217**
Other segment information								
Depreciation[3]	(91,251)	(48,368)	(17,383)	(560)	(8)	(2,584)	–	**(160,154)**
Amortisation	(80)	(531)	(761)	(102)	–	(105)	–	**(1,579)**
Impairment and write-off of assets, net	(730)	(15)	–	(53)	(13,732)	(3,085)	–	**(17,615)**
ASSETS								
Capital expenditure	138,582	46,143	35,318	32,908	92,041[5]	3,090	–	**348,082**
Current assets	17,028	67,866	35,210	1,758	5,327	6,387	–	**133,576**
Other non-current assets	572,513	132,716	347,235	41,622	125,325	33,282	–	**1,252,693**
Total segment assets	**589,541**	**200,582**	**382,445**	**43,380**	**130,652**	**39,669**	**–**	**1,386,269**
Not reportable assets[4]	–	–	–		–	265,230	–	**265,230**
Total assets	**589,541**	**200,582**	**382,445**	**43,380**	**130,652**	**304,899**	**–**	**1,651,499**

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

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

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

3 Segment reporting continued

(b) Geographical information

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

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

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

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

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

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

	As at 31 December	
	2024 US$000	2023 US$000
Peru	**647,416**	589,133
Brazil	**435,195**	349,920
Argentina	**132,716**	135,680
Chile	**37,366**	41,425
Total non-current segment assets	**1,252,693**	1,116,158
Financial assets at fair value through OCI	**475**	460
Investment in associates	**15,811**	22,927
Other receivables	**18,316**	12,438
Deferred income tax assets	**27,677**	763
Total non-current assets	**1,314,972**	1,152,746

4 Acquisition of Monte do Carmo

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

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

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

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

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

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

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

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

4 Acquisition of Monte do Carmo continued

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

	US$000
Cash and cash equivalents	8
Other receivables	10
Evaluation and exploration assets (note 17)	82,725
Property, plant and equipment (note 16)	3,988
Deferred income tax asset	1,918
Total assets	**88,649**
Accounts payable and other liabilities	(2,093)
Total liabilities	**(2,093)**
Net assets acquired	**86,556**
Consideration for the acquisition of Serra Alta Mineracao Ltda shares	
Cash consideration	45,000
Deferred consideration	13,365
Secured note and stream contracts transferred to Amarillo, net of deferred tax asset	25,260
Expenditure assumed by Amarillo	1,180
Transaction costs	1,751
Total consideration	**86,556**
Cash paid	47,931
Less cash acquired with the subsidiary	(8)
Net cash flow on acquisition	**47,923**

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

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

Step 2: Determine the purchase consideration

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

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

5 Revenue

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

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

6 Cost of sales

Cost of sales comprises:

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

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

6 Cost of sales continued

The main components included in cost of sales are:

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

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

7 Administrative expenses

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

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

8 Exploration expenses

	Year ended 31 December	
	2024 US$000	2023 US$000
Mine site exploration[1]		
Arcata	**93**	63
Ares	**300**	407
Inmaculada	**4,423**	1,371
Pallancata	**2,106**	1,070
San Jose	**9,821**	8,233
Mara Rosa	**1,278**	5
	18,021	11,149
Prospects[2]		
Peru	**193**	143
USA	**–**	63
Chile	**40**	(62)
Canada[3]	**–**	2,176
Brazil	**1,581**	–
	1,814	2,320
Generative[4]		
Peru	**1,317**	456
USA	**–**	1
Mexico	**–**	7
Brazil	**–**	1,916
Chile	**–**	(1)
	1,317	2,379
Personnel (note 10)	**5,550**	4,759
Others	**70**	638
Depreciation right-of-use assets	**82**	52
Total	**26,854**	21,297

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

9 Selling expenses

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

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

10 Personnel expenses

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

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

10 Personnel expenses continued

Personnel expenses are distributed as follows:

	Year ended 31 December	
	2024 US$000	2023 US$000
Cost of sales[1]	**133,124**	124,970
Administrative expenses	**28,586**	25,633
Exploration expenses	**5,550**	4,759
Selling expenses	**200**	165
Other expenses[2]	**9,492**	13,194
Capitalised as property, plant and equipment	**4,279**	5,487
Total	**181,231**	174,208

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

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

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

11 Exceptional items

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

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

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

12 Other income and other expenses before exceptional items

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

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

13 Finance income, finance costs and foreign exchange loss

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

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

14 Income tax expense

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

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

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

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

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

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

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

2 Includes the income tax charge on mine closure provision of US$5,981,000 (2023: US$5,742,000), the tax charge related to the Inmaculada mine unit depreciation of US$748,000 (2023: US$2,667,000), and the effect of not recognised tax losses of US$3,937,000 (2023: US$2,146,000).

3 The foreign exchange effect is composed of US$7,359,000 profit (2023: US$7,107,000 loss) from Argentina and a loss of US$676,000 (2023: US$948,000 profit) from Peru and a profit of US$4,151,000 (2023: US$2,914,000 loss) from Brazil. This mainly corresponds to the foreign exchange effect of converting tax bases and monetary items from local currency to the corresponding functional currency. The main contributor of the foreign exchange effect on the tax charge in 2024 is the inflation of the Argentinian pesos (2023: Argentinian pesos).

4 Corresponds to the mining royalty and special mining tax in Peru (note 38).

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

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

1 Mainly corresponds to the tax credit of Empresa de Transmision Aymaraes of US$103,000 (2023: Mainly corresponds to the tax credit of Compañia Minera Ares of US$4,280,000 and Minera Santa Cruz of US$118,000).

2 Mainly corresponds to the corporate income tax payables of Compañia Minera Ares of US$10,664,000, Minera Santa Cruz of US$5,353,000 and Amarillo Mineracao do Brasil of US$1,688,000 and mining royalties payables of Compañia Minera Ares of US$3,459,000 (2023: Mainly corresponds to the mining royalties payables of Compañia Minera Ares of US$2,479,000).

15 Basic and diluted earnings per share

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

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

15 Basic and diluted earnings per share continued

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

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

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

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

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

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

16 Property, plant and equipment

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

1 There were borrowing costs capitalised in property, plant and equipment amounting to US$6,678,000 (2023: US$18,790,000).
2 Within plant and equipment, costs of US$557,684,000 are subject to depreciation on a unit of production basis in line with accounting policy on note 2(f) for which the accumulated depreciation is US$291,305,000 and depreciation charge for the year is US$19,897,000.
3 Plant and equipment include US$1,564,000 of right-of-use assets (note 27).
4 Vehicles include US$5,194,000 of right-of-use assets (note 27).
5 Within construction in progress and capital advances there are capital advances amounting to US$2,027,000, mainly related to Compania Minera Ares of US$999,000 (2023: US$8,825,000, mainly related to Mara Rosa project of US$8,080,000).
6 Mainly corresponds to the write-off of construction in progress stopped as the assets would be used by Azuca and Arcata units and they were sold (refer to note 16 and 25).
7 Mainly includes the transfer of US$1,656,000 from evaluation and exploration assets (Inmaculada of US$519,000, Pallancata US$30,000, Mara Rosa of US$867,000 and San Jose of US$240,000) (note 17) as they are related to conversion of resources in to reserves.

General
Additions of right-of-use assets amounting to US$7,092,000 (2023: US$3,493,000 (note 27).
Lien granted to RG Royalties LLC. over certain Mara Rosa assets such as mineral interests and surface rights, in respect of the 1.75% NSR royalty granted over Mara Rosa's production. The royalty obligation and the associated pledge were acquired following the Group's acquisition of Amarillo in April 2022.

16 Property, plant and equipment continued

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

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

2024

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

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

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

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

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

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

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

Sensitivity analysis

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

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

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

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

2023

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

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

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

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

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

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

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

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

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

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

17 Evaluation and exploration assets

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

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

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

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

18 Intangible assets

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

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

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

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

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

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

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

Sensitivity Analysis

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

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

19 Investment in an associate

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

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

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

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

1 On April 17, 2024 Aclara closed a strategic financing of US$29,027,000 by the company CAP S.A. in Aclara's Chilean subsidiary which owns the Penco Module and all of Aclara's mining concessions in Chile in exchange for 20% equity participation in REE UNO Spa which had a corresponding impact on the Group's NCI.
2 Includes the 20% of the fair value adjustment, estimated by the Group, of Aclara's exploration and evaluation asset on initial recognition of US$12,307,000, and other non-attributable changes to equity of US$818,000 (31 December 2023: US$54,000).

The movement of investment in associate is as follows:

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

2024

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

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

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

2023

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

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

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

Sensitivity analysis

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

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

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

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

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

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

20 Financial assets at fair value through OCI

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

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

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

21 Financial assets at fair value through profit and loss

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

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

22 Trade and other receivables

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

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

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

Movements in the provision for impairment of receivables:

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

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

23 Inventories

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

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

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

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

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

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

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

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

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

24 Cash and cash equivalents

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

1 Relates to bank accounts which are freely available and bear interest. The balance has checks in transit. Includes $11,837,000 current demand deposit accounts restricted to be utilised for advancing the Volcan project and its related business expenses.
2 These deposits have an average maturity of 4 days (2023: average of 9 days).
3 Corresponds to common investment funds that are assets that are formed with the contributions made by the Group, consequently, becoming beneficiary of the fund in which they decide to invest. As at 31 December 2023 the balance of US$10,849,000 are deposited in Banco Santander and BBVA in Argentina.

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

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

25 Assets held for sale

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

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

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

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

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

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

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

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

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

26 Trade and other payables

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

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

a. Stream Agreements

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

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

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

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

– From 1 July 2024 – June 30, 2025: US$13,000,000, or
– From 1 July 2025 – June 30, 2026: US$13,500,000

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

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

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

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

26 Trade and other payables continued

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

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

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

	2028	2029	Long-term
Gold	2,248	1,894	2,100

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

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

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

27 Lease liabilities

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

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

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

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

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

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

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

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

28 Borrowings

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

(a) Secured bank loans:

Pre-shipment and other loans in Minera Santa Cruz:

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

Short-term bank loans:

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

Medium-term bank loans:

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

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

28 Borrowings continued

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

(b) Other loans:

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

(c) Capitalised borrowing costs:

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

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

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

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

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

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

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

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

28 Borrowings continued

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

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

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

29 Provisions

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

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

Based on the internal and external reviews of mine rehabilitation estimates, the provision for mine closure increased by US$18,805,000 and decreases for the change in discount rate of US$3,727,000 as follows:

29 Provisions continued

	Change in estimate		Change in discount rate	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Arcata	(1)	(321)	(7)	(109)
Ares	10,323	20,297	99	(273)
Sipan	4,242	52	25	(412)
Selene	144	9,345	(108)	(214)
Recognised in the consolidated income statement	**14,708**	**29,373**	**9**	**(1,008)**
Pallancata	(789)	2,465	(417)	(301)
Matarani	(30)	21	(10)	(4)
Azuca	–	1	(2)	(5)
Crespo	–	(3)	–	5
Inmaculada	3,229	7,691	(2,126)	(398)
San Jose	419	(835)	(613)	(555)
Mara Rosa	1,268	4,591	(568)	(277)
Recognised in property, plant and equipment	**4,097**	**13,931**	**(3,736)**	**(1,535)**
Total	**18,805**	**43,304**	**(3,727)**	**(2,543)**

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

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

As at 31 December 2024	**US$000**
Closure costs (increase by 10%) increase of provision	**16,907**
Discount rate (increase by 0.5%) (decrease of provision)	**(12,621)**

As at 31 December 2023	**US$000**
Closure costs (increase by 10%) increase of provision	**16,300**
Discount rate (increase by 0.5%) (decrease of provision)	**(10,051)**

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

2 Long-term incentive plan

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

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

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

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

3 Contingencies

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

30 Equity

(a) Share capital and share premium

Issued share capital

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

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

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

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

Rights attached to ordinary shares

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

(b) Other reserves

Fair value reserve of financial assets at fair value through OCI

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

Cumulative translation adjustment

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

Merger reserve

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

Cash flow hedges

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

Share-based payment reserve

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

31 Deferred income tax

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

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

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

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

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

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

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

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

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

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

Unrecognised tax losses expire in the following years:

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

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

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

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

Unrecognised deferred tax liability on retained earnings

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

32 Dividends

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

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

Dividends per share

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

33 Related-party balances and transactions

(a) Related-party accounts receivable and payable

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

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

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

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

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

Principal transactions between affiliates are as follows:

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

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

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

(b) Compensation of key management personnel of the Group

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

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

34 Auditor's remuneration

The auditor's remuneration for services provided to the Group during the years ended 31 December 2024 and 2023 is as follows:

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

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

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

35 Notes to the statement of cash flows

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

36 Commitments

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

(b) Capital commitments

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

37 Contingencies

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

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

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

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

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

38 Mining royalties

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

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

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

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

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

Brazil

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

39 Financial risk management

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

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

(a) Commodity price risk

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

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

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

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

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

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

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

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

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

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

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

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

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

39 Financial risk management continued

The effect recorded is as follows:

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

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

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

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

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

(b) Foreign currency risk

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

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

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

(c) Credit risk

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

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

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

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

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

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

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

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

- Active use of prepayment/advance clauses in sales contracts
- Delaying delivery of title and/or requiring advance payments to reduce exposure timeframe (potential delay in sales recognition)
- Maintaining as diversified a portfolio of clients as possible

To manage credit risk associated with cash balances deposited in banks, the Group took the following steps:

- Increasing banking relationships with large, established and well-capitalised institutions in order to secure access to credit and to diversify credit risk
- Limiting exposure to financial counterparties according to Board approved limits
- Investing cash in short-term, highly liquid and low risk instruments (term deposits mainly)
- Increase the utilisation of UK bank accounts

Receivable balances are monitored on an ongoing basis and the result of the Group's exposure to bad debts is recognised in the consolidated income statement. The maximum exposure is the carrying amount as disclosed in notes 22, 24 and 39(e).

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

(d) Equity risk on financial instruments

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

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

(e) Fair value hierarchy

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

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

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

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

39 Financial risk management continued

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

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

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

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

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

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

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

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

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

Impact of hedging on equity

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

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

(f) Liquidity risk

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

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

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

(g) Interest rate risk

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

39 Financial risk management continued

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

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

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

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

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

(h) Capital risk management

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

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

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

40 Subsequent events

(a) Aclara

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

(b) Disposal of Arcata and Azuca

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

PARENT COMPANY FINANCIAL STATEMENTS

Parent company statement of financial position

As at 31 December 2024

	Notes	As at 31 December 2024 US$000	2023 US$000
ASSETS			
Non-current assets			
Investments in subsidiaries	5	**1,786,774**	927,196
Other receivables	6	**573**	1,878
		1,787,347	929,074
Current assets			
Other receivables	6	**333**	5,546
Cash and cash equivalents	7	**465**	278
		798	5,824
Total assets		**1,788,145**	934,898
EQUITY AND LIABILITIES			
Equity share capital	8	**9,068**	9,068
Other reserves		**–**	6,643
Retained earnings		**1,711,763**	858,989
Total equity		**1,720,831**	874,700
Non-current liabilities			
Other payables	9	**648**	1,816
Provisions	10	**414**	–
		1,062	1,816
Current liabilities			
Trade and other payables	9	**66,252**	58,382
		66,252	58,382
Total liabilities		**67,314**	60,198
Total equity and liabilities		**1,788,145**	934,898

As permitted by section 408 of the Companies Act 2006, the Company has not presented its own profit and loss account. The profit of the Company after tax amounted to US$852,774,000 (2023: US$328,819,000).

The financial statements were approved by the Board of Directors on 11 March 2025 and signed on behalf of the Company (registered number 05777693) by:

Eduardo Landin
Chief Executive Officer

11 March 2025

Parent company statement of cash flows

For the year ended 31 December 2024

	Notes	Year ended 31 December 2024 US$000	2023 US$000
Reconciliation of loss for the year to net cash used in operating activities			
Profit for the year		**852,774**	328,819
Adjustments to reconcile Company profit/(loss) to net cash outflows from operating activities			
(Reversal)/impairment on investment in subsidiary	5	**(858,796)**	(339,763)
Write-off of prepayments		**–**	3,766
Share-based payments		**454**	395
Finance income	13	**(1,519)**	(532)
Finance costs		**14**	12
Others		**14**	(15)
Decrease of cash flows from operations due to changes in assets and liabilities			
Other receivables		**586**	7
Trade and other payables		**93**	1,156
Provision for Long-Term Incentive Plan	10	**414**	–
Cash used in operating activities		**(5,966)**	(6,155)
Interest received		**8**	6
Net cash used in operating activities		**(5,958)**	(6,149)
Cash flows from financing activities			
Loans from subsidiaries	11(a)	**6,150**	5,750
Cash flows generated from financing activities		**6,150**	5,750
Net increase/(decrease) in cash and cash equivalents during the year		**192**	(399)
Foreign exchange difference		**(5)**	15
Cash and cash equivalents at beginning of year		**278**	662
Cash and cash equivalents at end of year	7	**465**	278

Parent company statement of changes in equity

For the year ended 31 December 2024

	Notes	Equity share capital US$000	Other reserves: Share-based payment reserve US$000	Other reserves: Total other reserves US$000	Retained earnings US$000	Total equity US$000
Balance at 1 January 2023		**9,061**	**6,312**	**6,312**	**529,486**	**544,859**
Profit for the year		–	–	–	328,819	328,819
Total comprehensive income for the year		–	–	–	328,819	328,819
Forfeiture of share-based payments		–	(1,528)	(1,528)	107	(1,421)
Exercise of share-based payments		7	(584)	(584)	577	–
Accrual of share-based payments		–	2,443	2,443	–	2,443
Balance at 31 December 2023		**9,068**	**6,643**	**6,643**	**858,989**	**874,700**
Profit for the year		–	–	–	852,774	852,774
Total comprehensive income for the year		–	–	–	852,774	852,774
Modification of share-based payment awards		–	(7,954)	(7,954)	–	(7,954)
Accrual of share-based payments		–	1,311	1,311	–	1,311
Balance at 31 December 2024		**9,068**	**–**	**–**	**1,711,763**	**1,720,831**

During the current and prior years there were no other comprehensive income.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

1 Corporate information

Hochschild Mining PLC (hereinafter "the Company") is a public limited company incorporated on 11 April 2006 under the Companies Act 2006 as a Limited Company and registered in England and Wales with registered number 05777693.

The Company's registered office is located at 17 Cavendish Square, London W1G 0PH, United Kingdom. The Company was incorporated to serve as a holding company to be listed on the London Stock Exchange. The Company acquired its interest in a group of companies to constitute the Hochschild Mining Group ("the Group") pursuant to a share exchange agreement ("Share Exchange Agreement") dated 2 November 2006.

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

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

2 Significant accounting policies

(a) Basis of preparation

The Company's financial statements have been prepared in accordance with UK adopted International Accounting Standards. The Company applies the same Group policies, unless there is an exception in its financial statements.

The financial statements of the Company have been prepared on a historical cost basis. The financial statements are presented in US dollars (US$) and all monetary amounts are rounded to the nearest thousand ($000) except when otherwise indicated.

(b) Going concern

The financial position of the Company is set out in the Statement of Financial Position. The Company has received a support letter from its wholly owned subsidiary, Hochschild Mining Holdings Ltd ("HM Holdings"), indicating that it will not request a repayment of the interest free loan of US$56,900,000 for the period to 31 March 2026.

The ability for the Company to continue as a going concern is dependent on Compañía Minera Ares S.A.C. ("Minera Ares"), another wholly owned subsidiary of the Company, providing additional funding to the extent that the operating inflows of the Company are insufficient to meet future cash requirements. The Company has obtained a letter of support from Minera Ares indicating that the financial support will continue until 31 March 2026.

Considering the support available from the subsidiaries described above, the Directors have a reasonable expectation that the Company has adequate resources to meet continue in operation until 31 March 2026, being a period of at least 12 months from the approval date of these financial statements. Accordingly, the financial statements have been prepared on the going concern basis.

(c) Exemptions

The Company's financial statements are included in the Hochschild Mining Group consolidated financial statements for the years ended 31 December 2024 and 31 December 2023. As permitted by section 408 of the Companies Act 2006, the Company has not presented its own profit and loss account.

(d) Changes in accounting policy and disclosures

The accounting policies adopted in the preparation of the financial statements are consistent with those applied in the preparation of the Company financial statement for the year ended 31 December 2023. Amendments to standards and interpretations which came into force during the year did not have a significant impact on the financial statements. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(e) Significant areas of estimation uncertainty and critical judgements

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

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

Significant estimates:

– *Impairment in subsidiaries – notes 2(f) and 5*

Estimates are required to be made by management in determining the recoverable value of the investments in subsidiaries. The Company tested its investment in subsidiary determining the recoverable value using a fair value less cost of disposal ('FVLCD'), that was determined with reference to the market capitalisation of the Company, to which a control premium is applied. Judgement is involved in determining the control premium rate to be paid by market participants in an arm's length transaction.

Critical judgements:

– *Income tax – note 2(n)*

The Company analyses the possibility of generation of profit and determined the recognition of deferred tax. No deferred tax asset is being recognised by the Company as it does not expect to generate any profit to settle the temporary difference.

– *Financial guarantee – note 2(p)*

The Company estimates the fair value of the financial guarantee contract as the difference between the net present value of the contractual cash flows required under a debt instrument, and the net present value of the net contractual cash flows that would have been required without the guarantee. The present value is calculated using a risk-free interest rate.

(f) Investments in subsidiaries

Subsidiaries are entities over which the Company controls operating and financial policies, generally by owning more than 50% of voting rights. Investments in subsidiaries are recognised at acquisition cost less any provision for impairment. The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of its recoverable amount. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount. If, in subsequent periods, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the profit and loss account, to the extent that the carrying value of the asset does not exceed its cost at the reversal date.

(g) Dividends receivable

Dividends are recognised when the Company's right to receive payments is established. Dividends received are recorded in the income statement.

Dividends distributions of non-cash assets are recognised at fair value.

(h) Other receivables

Other receivables are initially recognised at fair value less provision made for impairment of these receivables. Non-current receivables are stated at amortised cost. A provision for impairment of trade receivables is established using the expected credit loss impairment model according IFRS 9. The amount of the provision is the difference between the carrying amount and the recoverable amount and this difference is recognised in the income statement.

(i) Currency translation

The functional currency of the Company is the US dollar and is determined by the currency of the primary economic environment in which its subsidiaries operates and therefore drives their ability to pay dividends.

Transactions denominated in currencies other than the functional currency of the Company are initially recorded in the functional currency using the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are remeasured at the rate of exchange ruling at the statement of financial position date. Exchange gains and losses on settlement of foreign currency transactions which are translated at the rate prevailing at the date of the transactions, or on the translation of monetary assets and liabilities which are translated at period-end exchange rates, are taken to the income statement. Nonmonetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated to the functional currency at the foreign exchange rate prevailing at the date of the transaction.

(j) Cash and cash equivalents

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

(k) Share capital

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

(l) Share-based payments

Equity-settled transactions

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

2 Significant accounting policies continued

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

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

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

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

(m) Finance income and costs
Finance income and costs mainly comprise interest income on funds invested, and interest expense on borrowings. Interest income and costs are recognised as they accrue, taking into account the effective yield on the asset.

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

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

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

- Where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

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

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

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

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

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

Subsequent measurement
The Company measures financial assets at amortised cost (debt instruments) if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, 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.

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

The Company's financial assets at amortised cost includes other receivables.

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

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

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

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

Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Company's financial liabilities include trade and other payables, loans including bank overdrafts, and financial guarantee liabilities.

Subsequent measurement
After initial recognition, interest-bearing loans are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

This category generally applies to interest-bearing loans.

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

(p) Financial guarantees
Financial guarantees are initially recognised in the financial statements at fair value at the time the guarantee is issued. The Company estimates the fair value of the financial guarantee contract as the difference between the net present value of the contractual cash flows required under a debt instrument, and the net present value of the net contractual cash flows that would have been required without the guarantee. The present value is calculated using a risk-free interest rate.

Subsequent to initial recognition, the Company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in profit and loss, and the amount of ECL. Financial guarantee ECL reflect the cash shortfalls adjusted by the risks that are specific to the cash flows. If the ECL exceeds the initially recognised guarantee amount less cumulative amortisation the difference is taken to profit and loss.

A financial guarantee liability is derecognised when the liability underlying the guarantee is discharged or cancelled or expires, or if the guarantee is withdrawn or cancelled. The carrying amount of the financial guarantee is taken to the statement of profit or loss.

(q) Dividend distribution
Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

The Company measures a liability to distribute non-cash assets as a dividend to its owners at the fair value of the assets to be distributed.

3 Profit and loss account

The Company made a profit attributable to equity shareholders of US$852,774,000 (2023: US$328,819,000).

4 Property, plant and equipment

At 31 December 2024 and 2023 the Company has property, plant and equipment with cost of equipment of US$265,000 which is fully depreciated.

There were no additions during 2023 and 2024.

5 Investments in subsidiaries

	Total US$000
Cost	
At 1 January 2023	2,338,958
Additions	350
At 31 December 2023	2,339,308
Accumulated impairment	
At 1 January 2023	1,751,875
Reversal of impairment	(339,763)
At 31 December 2023	1,412,112
Net book value at 31 December 2023	**927,196**
Cost	
At 1 January 2024	2,339,308
Additions	782
At 31 December 2024	2,340,090
Accumulated impairment	
At 1 January 2024	1,412,112
Reversal of impairment	(858,796)
At 31 December 2024	553,316
Net book value at 31 December 2024	**1,786,774**

In December 2024, management determined that there was an impairment reversal trigger in Company's investment in its HM Holdings Limited ('HMH') subsidiary due primarily to the increase in gold and silver prices along with the improved performance and prospects of the Group's operations. These factors have contributed to an increase in the Company's publicly listed share price. As a result of this impairment test, the Company recognised an impairment reversal in the HMH investment of US$858,796,000 (2023: US$339,763,000).

The recoverable value of the investment in HM Holdings was determined using a fair value less costs of disposal. The fair value less costs of disposal was determined with reference to the market capitalisation of the Company at 31 December 2024 translated from pounds sterling into US dollars using the year-end exchange rate (both Level 1 inputs), to which a control premium of 25% was added based on recent market transactions (a Level 2 input), and subsequently adjusted for the assets and liabilities held directly by the Company, which result in fair value measurements categorised in its entirety as Level 3 in the fair value hierarchy. A Level 1 input refers to quoted prices in active markets, while a Level 2 input corresponds to other information that can be observed directly or indirectly.

A positive/adverse change of 10% of the market capitalisation would result in an additional increase/decrease to the reversal of the impairment recognised by US$172,421,000 (2023: US$87,793,000). A change in the control premium would have the following impact over the reversal of impairment recognised in 2024 and 2023 as follows:

	As at 31 December	
	2024 US$000	**2023 US$000**
Control premium (increase by 5%)	**68,968**	35,117
Control premium (decrease by 5%)	**(68,968)**	(35,117)

The breakdown of the investments in subsidiaries is as follows:

	As at 31 December 2024			As at 31 December 2023		
	Country of incorporation	Equity interest %	Carrying value US$000	Country of incorporation	Equity interest %	Carrying value US$000
Hochschild Mining Holdings Ltd	**England and Wales**	**100%**	**1,786,774**	England and Wales	100%	927,196
Total			**1,786,774**			927,196

The list of indirectly held subsidiaries of the Company is presented in note 1 (Corporate information) of the notes to the consolidated financial statements.

During 2024 the Company recorded a capital contribution of US$782,000 (2023: US$350,000) related to the financial guarantee granted over some borrowings entered into by Amarillo Mineração do Brasil Ltd. ("Amarillo") and Minera Ares., both of its indirectly held subsidiaries (note 9).

6 Other receivables

	As at 31 December	
	2024 US$000	2023 US$000
Current		
Amounts receivable from subsidiaries (note 11)	**211**	5,339
Prepayments	**122**	205
Receivable from Kaupthing, Singer and Friedlander[1]	**–**	–
Other receivable	**–**	2
Total	**333**	5,546
Non-current		
Amounts receivable from subsidiaries (note 11)	**573**	1,878
Total	**573**	1,878

1 Net of the impairment of receivable of US$183,000 (2023: US$186,000).

The fair values of other receivables approximate their book values.

Movements in the provision for impairment of receivables:

	Total US$000
At 1 January 2023	**176**
Provided during the year	**10**
At 31 December 2023	**186**
Release during the year	**(3)**
At 31 December 2024	**183**

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

7 Cash and cash equivalents

	As at 31 December	
	2024 US$000	2023 US$000
Bank current account[1]	**130**	167
Deposits[2]	**335**	111
Cash and cash equivalents considered for the cash flow statement	**465**	278

[1] Relates to bank accounts which are freely available and bear interest.
[2] These deposits have an average maturity of Nil days (2023: Nil days).

8 Equity

(a) Share capital and share premium

Issued share capital

The issued share capital of the Company as at 31 December 2024 and 31 December 2023 is as follows:

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

At 31 December 2024 and 2023, all issued shares with a par value of 1 pence each were fully paid (2024: weighted average of US$0.018 per share, 2023: weighted average of US$0.018 per share).

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

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

Rights attached to ordinary shares

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

(b) Other reserves

Share-based payment reserve

Share-based payment reserve is used to recognise the value of equity-settled share-based payment transactions provided to employees, as a part of their remuneration.

In May 2024 the award changed from an equity-settled benefit to a cash settled benefit, and the balance recorded in other reserves was transferred to provisions (note 10).

9 Trade and other payables

	As at 31 December			
	2024		2023	
	Non-current US$000	Current US$000	Non-current US$000	Current US$000
Trade payables	**–**	**1,123**	–	1,331
Payables to subsidiaries (note 11(a))	**–**	**63,813**	731	56,215
Remuneration payable[1]	**–**	**759**	–	56
Taxes and contributions	**–**	**264**	–	201
Financial guarantees[2]	**648**	**293**	1,085	576
Others	**–**	**–**	–	3
Total	**648**	**66,252**	1,816	58,382

1 In 2024, mainly related to LTIP payable.
2 The Company provided financial guarantee to the banks loan entered into by its subsidiary Minera Ares and Amarillo. The financial guarantee was recognised at its fair value at initial recognition of US$4,080,000 (US$1,472,000 recognised in 2019, additional US$1,476,000 recognised in 2021, US$350,000 recognised in 2023 and US$782,000 recognised in 2024). This fair value was determined through the use of certain level 3 estimates, the most significant of which being the estimated rate of interest Minera Ares and Amarillo would have been charged were it not for the guarantee provided by the Company.

Trade payables mainly relate to the purchase of third party services. These payables do not accrue interest and no guarantees have been granted in relation to these payables. The fair value of trade and other payables approximate their book values.

10 Provisions

	As at 31 December	
	2024 US$000	2023 US$000
Beginning balance	**–**	–
Increase in provision, net	**414**	–
At 31 December	**414**	–
Less: current portion	**–**	–
Non-current portion	**414**	–

Corresponds to the provision related to awards granted under the Long-Term Incentive Plan (LTIP) to designated personnel of the Company. Includes the 2023 awards, granted in April 2023, payable in April 2026 and the 2024 awards, granted in March 2024, payable in March 2027. The effect has been recorded as administrative expenses.

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

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

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

11 Related-party balances and transactions

(a) Related-party accounts receivable and payable

The Company had the following related-party balances and transactions during the years ended 31 December 2024 and 31 December 2023.

	As at 31 December 2024		As at 31 December 2023	
	Accounts receivable US$000	Accounts payable US$000	Accounts receivable US$000	Accounts payable US$000
Subsidiaries				
Compañía Minera Ares S.A.C.[1]	–	6,890	6,025	6,173
Hochschild Mining Holdings Ltd[2]	–	56,900	–	50,750
Minera Santa Cruz S.A[3]	662	20	1,040	20
Other subsidiaries	122	3	152	3
Total	784	63,813	7,217	56,946

1 The account receivable mainly related to the share-base payment awards that were modified in 2024, so no receivable was considered in 2024. The account payable mainly relates to the services performed by Minera Ares to the Company, which during 2024 amounts to US$717,000 (2023: US$887,000). The Company provided certain financial guarantees on behalf of Minera Ares and Amarillo (note 9).
2 Relates to loans payable to HM Holdings. The loan payable is repayable on demand and is free of interest. During the year the Company received cash proceeds from loans of US$6,150,000 (2023: US$5,750,000).
In February 2025, the Company received a support letter from HM Holdings indicating that it will not request a repayment of the interest free loan of US$56,900,000 for the period to 31 March 2026.
3 The account receivable mainly relates to the LTIP 2020. The account payable mainly relates to the services performed by Minera Santa Cruz to the Company, which during 2024 and 2023 amounts to US$Nil-

The fair values of the receivables and payables approximate their book values. Transactions between the Company and these companies are on an arm's length basis.

(b) Compensation of key management personnel of the Company

Key management personnel include the Directors who receive remuneration. The amount of this remuneration totals US$1,117,000 (2023: US$1,071,000).

12 Dividends paid and proposed

	Year ended 31 December	
	2024 US$000	2023 US$000
Dividends paid and proposed during the year		
Proposed dividends on ordinary shares:	10,000	–
Final dividend for 2024: 1.94 US$ cents per share (2023: Nil US$ cents per share)	10,000	–

Dividends per share

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

13 Finance income

	Year ended 31 December	
	2024 US$000	2023 US$000
Interests on deposits	8	6
Income from guarantee	1,502	526
Others	9	–
Total	1,519	532

14 Financial risk management

The Company is exposed to a variety of risks and uncertainties which may have an impact on the achievement of financial and economic objectives. These risks include strategic, operational and financial risk and are further categorised into risk areas to facilitate risk assessment. The Company is not exposed to significant sources of commodity price, equity or interest rate risk.

(a) Foreign currency risk

Due to the operations of the Company, it has cash and cash equivalents and trade payables denominated in pounds sterling. Accordingly, the financial results of the Company may be affected by exchange rate fluctuations. The Company does not use derivative instruments to manage its foreign currency risks. The following table demonstrates the sensitivity of financial assets and liabilities, at the reporting date denominated in their respective currencies, to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Company's profit before tax and the Company's equity.

	Increase/ decrease in US$/other currencies rate	Effect on profit before tax US$000	Effect on equity US$000
As at 31 December 2024			
Pound sterling	**+/-10%**	**-/+92**	**–**
As at 31 December 2023			
Pound sterling	+/-10%	-/+94	–

(b) Credit risk

The Company is primarily exposed to credit risk in transactions in cash which are primarily limited to cash balances deposited in banks and accounts receivable at the statement of financial position date. The Company has evaluated and introduced efforts to try to mitigate credit risk exposure.

To manage credit risk associated with cash balances deposited in banks, the Company is:

- increasing banking relationships with large, established and well-capitalised institutions in order to secure access to credit and to diversify credit risk;
- investing cash in short-term, highly liquid and low risk instruments (term deposits);
- maintaining excess cash abroad in hard currency.

Credit risk concentrations exist when changes in economic, industrial or geographic factors take place, affecting in the same manner the Company's counterparties whose added risk exposure is significant to the Company's total credit exposure. Receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. The maximum exposure is the carrying amount as disclosed in notes 6 and 7.

(c) Liquidity risk

Liquidity risk arises from the Company's inability to obtain the funds it requires to comply with its commitments. Management constantly monitors the Company's level of short- and medium-term liquidity in order to ensure appropriate financing is available for its operations.

The Company is funded by HM Holdings through loans in order to meet its obligations. Liquidity is supported by the balance of cash and cash equivalent held by the Company of US$465,000 (2023: US$278,000) and the financial support provided by Minera Ares (see note 2(b)). The Company also serves as principal funding conduit for the Group's capital raising activities such as equity issuances.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date:

	Less than 1 year US$000	Between 1 and 2 years US$000	Between 2 and 5 years US$000	Over 5 years US$000	Total US$000
At 31 December 2024					
Trade and other payables	**65,695**	**–**	**–**	**–**	**65,695**
At 31 December 2023					
Trade and other payables	57,605	731	–	–	58,336

The table below analyses the maximum amounts payable under financial guarantees provided to Minera Ares (note 9), considering that if the guarantees were to be called, the guaranteed amounts would be due immediately:

	Less than 1 year US$000	Between 1 and 2 years US$000	Between 2 and 5 years US$000	Over 5 years US$000	Total US$000
At 31 December 2024					
Financial guarantees[1]	**230,000,000**	**–**	**–**	**–**	**230,000,000**
At 31 December 2023					
Financial guarantees[1]	335,000,000	–	–	–	335,000,000

[1] Not including any accumulated interest that may be payable at the call date.

(d) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Management considers as part of its capital the financial sources of funding from shareholders and other parties (notes 8 and 9). In order to ensure an appropriate return for shareholders' capital invested in the Company, management monitors capital thoroughly and evaluates all material projects and potential acquisitions before submission to the Board for ultimate approval, where applicable.

Profit by operation[1]

(Segment report reconciliation) as at 31 December 2024

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

1 On a post-exceptional basis.

Reserves and resources

Ore reserves and mineral resources estimates

Hochschild Mining PLC reports its mineral resources and reserves estimates in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 edition ("the JORC Code"). This establishes minimum standards, recommendations and guidelines for the public reporting of exploration results and mineral resources and reserves estimates. In doing so it emphasises the importance of principles of transparency, materiality and confidence. The information on ore reserves and mineral resources on pages 242 to 244 were prepared by or under the supervision of Competent Persons (as defined in the JORC Code). Competent Persons are required to have sufficient relevant experience and understanding of the style of mineralisation, types of deposits and mining methods in the area of activity for which they are qualified as a Competent Person under the JORC Code. The Competent Person must sign off their respective estimates of the original mineral resource and ore reserve statements for the various operations and consent to the inclusion of that information in this report, as well as the form and context in which it appears.

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

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

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

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

Attributable metal reserves as at 31 December 2024

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

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

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

Attributable metal resources as at 31 December 2024[1]

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

1 Table represents 100% of the Mineral Resource. Resources are inclusive of Reserves.
2 Operations only were audited by P&E Consulting.

Change in attributable reserves and resources

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

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

Shareholder information

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

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

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

By email
Email: shareholderenquiries@cm.mpms.mufg.com

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

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

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

Financial calendar

Ex-dividend date	8 May
Record date	9 May
Deadline for return of currency election forms	23 May
Payment date	18 June

21 Gloucester Place
London
W1U 8HR
United Kingdom

Forward looking statements

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

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

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

Non-IFRS Financial Performance Measures

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

HOCHSCHILD
BEYOND MINING

Hochschild Mining PLC

21 Gloucester Place
London W1U 8HR
United Kingdom

+44 (0) 203 709 3260
info@hocplc.com
www.hochschildmining.com