

2022

Memoria Anual

ANNUAL REPORT



Declaración Jurada de Responsabilidad

AFFIDAVIT OF LIABILITY

En Santiago, a 26 de mayo de 2023, en mi calidad de representante legal de SCM Minera Lumina Copper Chile, yo, Gonzalo Araujo Alonso, declaro bajo juramento que la información entregada a la Comisión para el Mercado Financiero (CMF) en nuestros Estados Financieros auditados al 31 de diciembre de 2022 es veraz e íntegra.

Con el envío de los Estados Financieros interinos, anuales y Memoria Anual damos cumplimiento a la Resolución Exenta N°298 y posteriores modificaciones emitidas por la Superintendencia de Valores y Seguros. Dicha obligación nace al acogernos al Art. 11 ter de DL N°600, Estatuto de la Inversión Extranjera, establecido por la Ley N°20.026, de 2005, modificada por Ley N°20.097, de 2006.



Gonzalo Araujo Alonso
Presidente Ejecutivo, Gerente General
Chief Executive Officer and General Manager
SCM Minera Lumina Copper Chile

In Santiago, this May 26th 2023, I, Gonzalo Araujo Alonso, acting in my capacity as legal representative of SCM Minera Lumina Copper Chile, hereby state under oath that the information submitted to the to the Financial Market Commission (CMF) in our Financial Statements audited as of December 31st 2022 is true and complete.

Our submission of our interim and annual financial statements and this annual report is in compliance with Exempt Resolution N° 298, issued by the Superintendency of Securities and Insurances, as amended, as an obligation undertaken pursuant to our having chosen to use the benefits of Article 11 ter of DL (Decree Law) N° 600, the Foreign Investment Statute, as provided by law N° 20,026, of 2005 as amended by law N° 20,097, of 2006.

Contenidos

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2 Quiénes Somos

WHO WE ARE





2.1 Gobierno Corporativo

CORPORATE GOVERNANCE



DIRECTORIO

BOARD OF DIRECTORS

Al 31 de diciembre de 2022

As of December 31st, 2022

Tatsuya Katsuki

Presidente del Directorio

Chairman of the Board

Motohiro Kuroiwa

Director / Director

Koji Masuda

Director / Director

Kazuhiro Nitta

Director / Director

Koichiro Goto

Director Suplente /

Substitute Director

Naoki Oku

Director Suplente /

Substitute Director

Ryo Tanaka

Director Suplente /

Substitute Director

Hironori Senda

Director Suplente /

Substitute Director



Los directores de SCM Minera Lumina Copper Chile, tanto titulares como suplentes, no son remunerados en sus funciones de director. Así también, como parte de la formación integral que deben llevar, reciben de forma periódica capacitaciones en materia de sustentabilidad, responsabilidad, libre competencia, relación con stakeholders, etc.

Para una correcta administración, el Directorio de la Compañía se reúne de forma periódica en sesiones de Directorio ordinarias y en oportunidades de forma extraordinaria, para tratar temas de real importancia para la empresa. Se lleva un debido resguardo de las actas por parte del Secretario.

The directors of SCM Minera Lumina Copper Chile, both regular and substitute directors, are not remunerated for their duties as directors. Also, as part of their comprehensive training, they receive regular training on sustainability, responsibility, free competition, relations with stakeholders, etc.

For proper administration, the Company's Board of Directors meets periodically in ordinary board meetings and occasionally in extraordinary board meetings to discuss matters of real importance to the Company. The records are duly kept by the Secretary.



PRINCIPALES EJECUTIVOS

TOP EXECUTIVES

Al 31 de diciembre de 2022 / As of December 31st, 2022



Motohiro Kuroiwa

Gerente General /
Chief Executive Officer

Gonzalo Araujo A.

Gerente General de Operaciones /
General Operations Manager

Kiyoto Yamaguchi

Gerente Corporativo de Operaciones /
Corporate Operations Manager

Rodrigo Carreño V.

Gerente Corporativo de Finanzas /
Corporate Finance Manager

Claudio Raffo B.

Gerente Corporativo de Recursos
Humanos /
*Corporate Human Resources
Manager*

William Henott U.

Gerente Corporativo de Seguridad,
Salud, Sustentabilidad y
Comunidades /
*Corporate Manager for Safety,
Health, Sustainability, Security and
Communities*

Jorge Zamarreño C.

Gerente Corporativo de Recursos
Mineros y Desarrollo /
*Corporate Manager Mining
Resources and Development*

Alejandro Canut de Bon L.

Gerente Corporativo Legal /
Corporate Legal Manager



2.2 INFORMACIÓN DE LA SOCIEDAD

COMPANY INFORMATION

SCM Minera Lumina Copper Chile (en adelante la “Sociedad”) es una sociedad constituida originalmente como sociedad anónima por escritura pública de fecha 20 de agosto de 2003, otorgada en la Notaría de Santiago de don Eduardo Avello Concha, y luego transformada en una sociedad contractual minera según acuerdo adoptado en Junta Extraordinaria de Accionistas celebrada el día 15 de noviembre de 2010, reducida a escritura pública con esa misma fecha día en la Notaría de Santiago de don Patricio Zaldívar Mackenna. La Sociedad está domiciliada en la ciudad de Santiago, República de Chile. Sus accionistas son Nippon Caserones Resources Co., Ltd., (NCR), titular de 805.435.001 acciones ordinarias con un 28,49% de participación, NCR Canada Enterprises Corp, titular de 80.000.999 acciones ordinarias con un 2,83% de participación; y MLCC Finance Netherlands B.V. con 1.942.050.684,93 acciones MFN con un 68,68% de participación. El controlador de SCM Minera Lumina Copper Chile es JX Nippon Mining & Metals la cual es subsidiaria de Eneos Holdings, Inc.

Las líneas de negocio de la Sociedad son: a) exploración, desarrollo, extracción, procesamiento y comercialización de minerales; b) compra y arriendo de concesiones mineras de exploración y/o explotación y c) participación en cualquier tipo de Compañía o negocio conjunto dedicado a la exploración, desarrollo, explotación y comercialización de cualquier tipo de depósitos minerales y concesiones mineras.

SCM Minera Lumina Copper Chile (hereinafter the “Company”) is a company originally incorporated as a corporation by public deed dated August 20th, 2003, granted at the Santiago Notary Office of Mr. Eduardo Avello Concha, and then transformed into a Mining Contractual Corporation according to a resolution adopted at an Extraordinary Shareholders' Meeting held on November 15th, 2010, reduced to public deed on the same date on November 15th, 2010 at the Santiago Notary Office of Mr. Patricio Zaldívar Mackenna. The Company is located in the city of Santiago, Republic of Chile. Its shareholders are Nippon Caserones Resources Co., Ltd, (NCR), holder of 805,435,001 common shares with 28.49% participation, NCR Canada Enterprises Corp., holder of 80,000,999 common shares with 2.83% participation; and MLCC Finance Netherlands B.V., holder of 1,942,050,684.93 MFN shares with 68.68% de participation. The controller of SCM Minera Lumina Copper Chile is JX Nippon Mining & Metals which is a subsidiary of Eneos Holdings, Inc.

The Company's line of business is a) the exploration, development, extraction, processing and commercialization of minerals; b) the purchase and rental of exploration and/or exploitation mining concessions and c) participation in any type of company or joint venture dedicated to the exploration, development, exploitation and commercialization of any type of mineral deposits and mining concessions.



El 26 de febrero de 2010, el Directorio aprobó el inicio de la construcción del proyecto Caserones, producto de esto, la etapa de construcción comenzó en marzo de 2010.

Con fecha 30 de julio de 2014, SCM Minera Lumina Copper Chile inauguró oficialmente la mina Caserones.

Como resultado de un proceso de una absorción de empresas en virtud de la Ley de Sociedades de Japón, los accionistas correspondientes PPC y NCR, JX Metals y Mitsui Kinzoku aprobaron la transferencia de todas las acciones de PPC- Holding a NCR a partir de 01 de abril de 2020.

Por lo tanto, todos los derechos y obligaciones de PPC en virtud del Acuerdo se han transferido a NCR bajo título universal.

Las oficinas centrales de SCM Minera Lumina Copper Chile se ubican en Avda. Andrés Bello 2687, piso 4, Las Condes, Santiago.

Los estados financieros de SCM Minera Lumina Copper Chile al 31 de diciembre de 2022, fueron aprobados por el Directorio para su emisión el 14 de abril de 2023.

On February 26th, 2010 the Board of Directors approved to start the Construction of the Caserones project, as a consequence, the Construction stage started in March, 2010.

On July 30th, 2014 SCM Minera Lumina Copper Chile officially inaugurated Caserones mine.

As a result of an absorption-type company split procedure under the Companies Act of Japan, the corresponding shareholders of PPC and NCR, JX Metals and Mitsui Kinzoku approved to give effect to a transfer of all the PPC-holding stocks of the Company to NCR as of April 1st, 2020.

Therefore all the rights and obligations of PPC under the Agreement have been transferred to NCR under universal title.

Main offices of SCM Minera Lumina Copper Chile are situated in Andres Bello 2687, 4th Floor, Las Condes, Santiago.

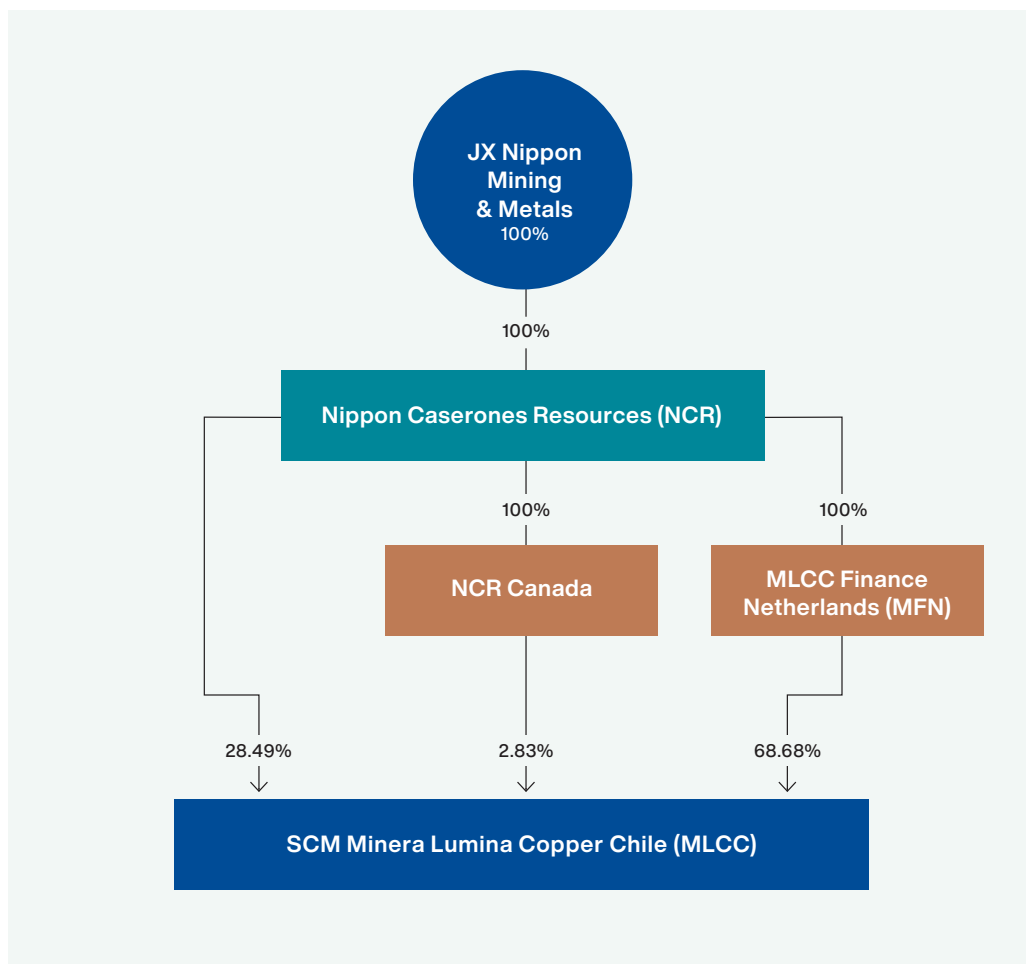
The financial statements of SCM Minera Lumina Copper Chile as of December 31st, 2022 have been approved by the Board of directors for issuance on April 14th, 2023.



ESTRUCTURA DE PROPIEDAD

OWNERSHIP STRUCTURE

Porcentaje participación al 31 de diciembre de 2022 /
Participation shares as of December 31st, 2022



RAZÓN SOCIAL / NAME

SCM Minera Lumina Copper Chile

ROL ÚNICO TRIBUTARIO / TAX ID NO.

99.531.960-8

DOMICILIO LEGAL / LEGAL ADDRESS

**Avenida Andrés Bello 2687, Piso 4,
Las Condes, Santiago De Chile**

TELÉFONO / PHONE

+56 2 2628 5000

CORREO ELECTRÓNICO / E-MAIL

comunicaciones@caserones.cl

REPRESENTANTE LEGAL / LEGAL
REPRESENTATIVE

Motohiro Kuroiwa

2.3 CULTURA ORGANIZACIONAL

ORGANIZATIONAL CULTURE



SCM Minera Lumina Copper Chile actúa en base a ciertos principios que forman parte de nuestra filosofía empresarial y que constan de 4 grandes tópicos que se mencionan a continuación.

VISIÓN

Contribuir al desarrollo de la economía y sociedad, en forma sustentable, innovando en las áreas de los metales bases.

MISIÓN

Optimizar nuestros procesos productivos y de negocio, introduciendo prácticas de mejora continua.

SCM Minera Lumina Copper Chile acts based on certain principles that are part of our business philosophy and which consists of 4 big topics that are mentioned below.

VISION

Contribute to the development of the economy and society in a sustainable way, innovating in the areas of base metal.

MISSION

Optimize our production and business process introducing continuous improvement practices.

Buscamos contribuir al desarrollo de la economía y sociedad, en forma sustentable, innovando. /

Contribute to the development of the economy and society in a sustainable way, innovating.



VALORES

La Compañía ha desarrollado su cultura organizacional, basada en los valores “E.A.R.T.H.”, siendo éstos la guía para nuestra conducta de negocio.

Estos valores son:

- Integridad / Ética / Seguridad.
- Mejoramiento Continuo / Innovación.
- Responsabilidad / Sustentabilidad / Operaciones Limpias.
- Excelencia / Efectividad.
- Equipo / Buen Vecino.

CONDUCTAS EMBLEMÁTICAS

Es decir, como actuamos día a día:

- Mejora Continua.
- Eficiencia.
- Respeto a la persona.
- Liderazgo.
- Equipo.
- Seguridad.
- Sustentabilidad.

VALUES

The Company has developed its organizational culture, based on the “E.A.R.T.H.” values, being those values the guide for our business conduct.

These values are:

- Integrity / Ethic / Safety.
- Continuous Improvement / Innovation.
- Responsibility / Sustainability / Clean operations.
- Excellence / Effectiveness.
- Team / Good Neighbor.

EMBLEMATIC BEHAVIORS

That is, how we act day by day.

- Continuous improvement.
- Efficiency.
- Respect for the Individual.
- Leadership.
- Team.
- Security.
- Sustainability.



2.4 FICHA TÉCNICA

TECHNICAL DATA SHEET

A. EL YACIMIENTO

- Reservas mineras 2022

Minerales a Concentradora (Sulfuros)

- Tonelaje 549 TM.
- Ley Promedio CuT (%) 0,36
- Ley Promedio CuS (%) 0,20
- Ley Promedio Mo (ppm) 136

Minerales a Dump Leach (Lixiviables)

- Tonelaje 267 TM.
- Ley Promedio CuT (%) 0,23
- Ley Promedio CuS (%) 0,18
- Razón Lastre/Mineral 0,56

A. THE ORE DEPOSIT

Mineral/mine reserves 2022

Mineral to Concentrator (Sulfides)

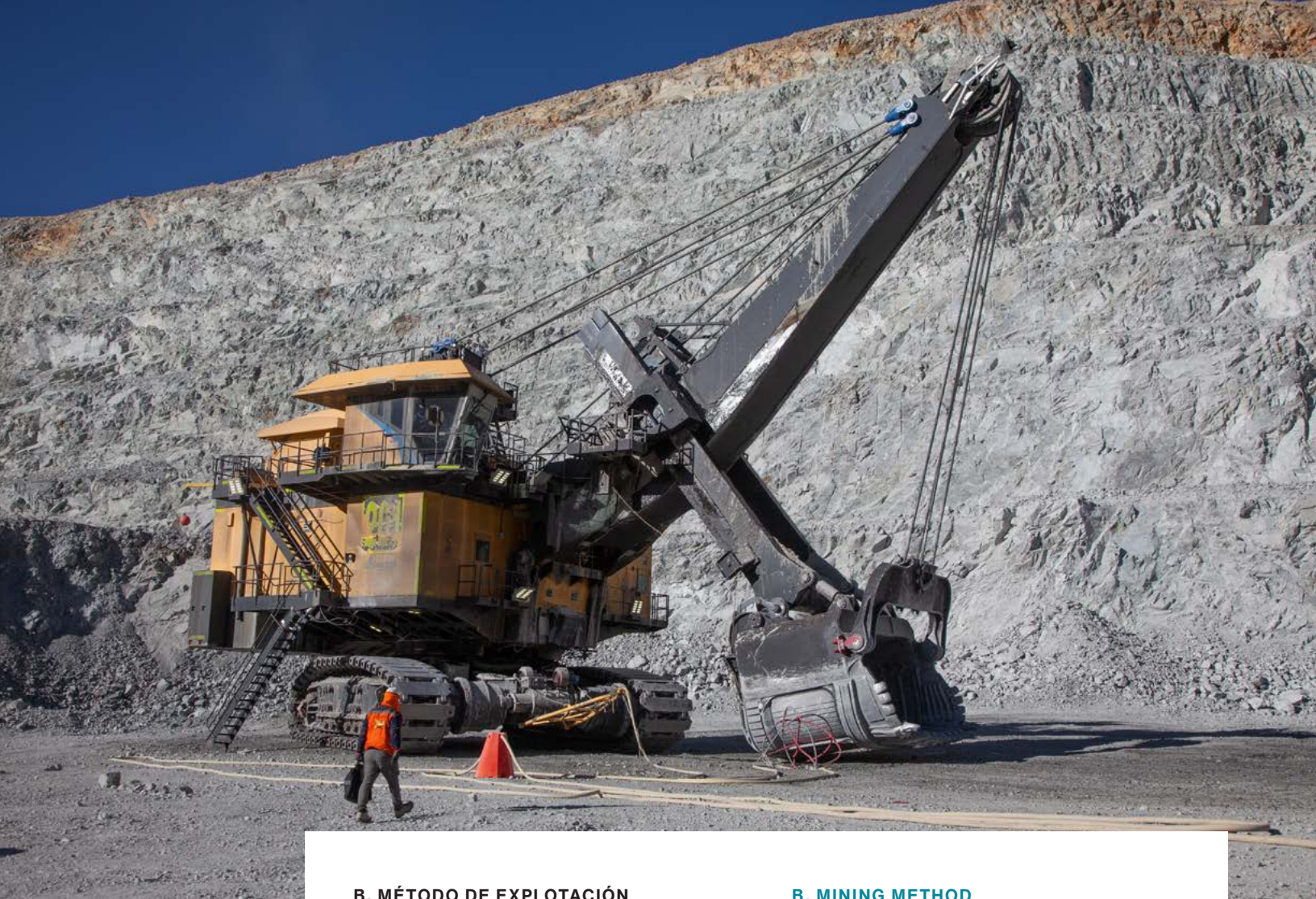
- 549 M Tonnes
- Average CuT grade (%) 0.36
- Average CuS grade (%) 0.20
- Average Mo grade (ppm) 136

Minerals to Dump Leach (Leachables)

- 267 M Tonnes
- Average CuT grade (%) 0.23
- Average CuS grade (%) 0.18
- Stripping ratio 0.56



La Compañía ha desarrollado su cultura organizacional, basada en los valores “E.A.R.T.H.” / The Company has developed its organizational culture, based on the “E.A.R.T.H.” values.



B. MÉTODO DE EXPLOTACIÓN

- Rajo abierto.

B. MINING METHOD

- Open-pit mining.

C. MÉTODOS DE PROCESAMIENTO

Minerales sulfurados:

- Planta convencional (a 3.900 metros de altura: fases de chancado, molienda y flotación).

Minerales oxidados:

- Planta a 4.000 metros de altura, con fases de LX-SX-EW (lixiviación, extracción por solventes y electro obtención).

C. PROCESSING METHODS

Sulfide Ore:

- Conventional concentrator plant (at elevation 3,900 meters above sea level, using crushing, grinding and flotation phases.)

Oxide Ore:

- LX-SX-EW processing (leaching, solvent- extraction and electrowining), at elevation 4,000 meters above sea level.

D. VIDA ÚTIL PROYECTO

- 15 años.

Producción total estimada:

- Concentrado de Cobre (Cu Fino): 1.776.224 tons.
- Cátodos de Cobre (Cu Fino): 303.412 tons.
- Concentrado de Molibdeno (Mo Fino): 51.158 tons.

D. USEFUL LIFE

- 15 years.

Total estimated production:

- Copper concentrate (Cu Fine): 1,776,224 tons
- Copper cathodes (Cu Fine): 303,412 tons
- Molybdenum Concentrate (Mo Fine): 51,158 tons

E. GESTIÓN 2022

Seguridad (acumulado 2022)

- IF: 0,84 número de accidentes con tiempo perdido por cada millón de horas hombre trabajadas
- IG: 23 número de días perdidos por cada millón de horas hombre trabajadas

F. PRODUCCIÓN 2022

- Concentrados de cobre (Cu Fino): 109.009 tons.
- Cátodos de cobre (Cu Fino): 15.120 tons.
- Concentrados de molibdeno (Mo Fino): 3.056 tons.

G. MOVIMIENTO TOTAL MINA

- 70.734 kth

E. PERFORMANCE 2022

Safety (cumulative 2022)

- TF: 0.84 number of accidents with lost time per million man-hours worked
- TG: 23 number of days lost per million man-hours worked

F. PRODUCTION 2022

- Copper concentrate (Cu Fine): 109,009 tons.
- Copper cathodes (Cu Fine): 15,120 tons.
- Molybdenum concentrate (Mo Fine): 3,056 tons

G. TOTAL MINE MATERIALS HANDLING

- 70,734 wkt





H. DOTACIÓN (A DICIEMBRE 2022)

- Total: 5.243
- Propia: 961
- Externa: 4.282

Según género: dotación (Propia)

- Hombres: 880
- Mujeres: 81

Según nacionalidad: dotación (propia)

- Chilena: 936
- Argentina: 1
- Japonesa: 22
- Venezolana: 1
- Ecuatoriana: 1

H. WORKFORCE (DECEMBER 2022)

- Total: 5,243
- Own employees: 961
- Contractors: 4,282

By gender: workforce (own employees)

- Men: 880
- Women: 81
-

By nationality: workforce (own employees)

- Chilean: 936
- Argentinean: 1
- Japanese: 22
- Venezuelan: 1
- Ecuadorian: 1



Según edad: dotación (Propia)

RANGO ETARIO	MUJERES	HOMBRES	TOTAL
Menos de 30	15	34	49
Entre 31 y 40	32	297	329
Entre 41 y 50	25	371	396
Entre 51 y 60	8	146	154
Entre 61 y 70	1	32	33
Total general	81	880	961

Antigüedad Laboral: dotación (Propia)

RANGO ETARIO	MUJERES	HOMBRES	TOTAL
Menor a 3 años	43	277	320
Entre 3 y 6 años	20	236	256
Entre 6 y 9 años	14	188	202
Entre 9 y 12 años	3	169	172
Mayor a 12 años	1	10	11
Total general	81	880	961

Por tipo de contrato: dotación (Propia)

	MUJERES	HOMBRES	TOTAL
Contrato Indefinido	68	812	880
Contrato Plazo Fijo	13	68	81
Total general	81	880	961

Adaptabilidad Laboral: dotación (Propia)

	MUJERES	HOMBRES	TOTAL
Presencial	59	834	893
Teletrabajo	22	46	68
Total general	81	880	961

By age: workforce (own employees)

AGE RANGE	WOMEN	MEN	TOTAL
Less than 30	15	34	49
Between 31 and 40	32	297	329
Between 41 and 50	25	371	396
Between 51 and 60	8	146	154
Between 61 and 70	1	32	33
Grand total	81	880	961

By seniority (own employees):

SENIORITY	FEMALE	MALE	TOTAL
Less than 3 years	43	277	320
Between 3 and 6 years	20	236	256
Between 6 and 9 years	14	188	202
Between 9 and 12 years	3	169	172
Over 12 years	1	10	11
Grand total	81	880	961

By type of labour contract (own employees):

	WOMEN	MEN	TOTAL
Indefinite contract	68	812	880
Fixed Term Contract	13	68	81
Grand total	81	880	961

By work adaptability (own employees):

	WOMEN	MEN	TOTAL
Face-to-face	59	834	893
Home office	22	46	68
Grand total	81	880	961

5.243 personas integran el equipo de Caserones. / 5,243 people make up the Caserones team.



Según el cargo: dotación (Propia)

	MUJERES	HOMBRES	TOTAL
Directoras (es) /			
Gerentes	0	15	15
Subgerentes /			
Superintendentes	3	30	33
Jefas (es) de áreas	5	56	61
Supervisoras (es)	40	262	302
Profesionales /			0
Analistas	2	0	2
Operadoras (es)	30	426	456
Mantenedoras (es)	0	91	91
Personal			
Administrativo	1	0	1
Total	81	880	961

I. SINDICALIZACIÓN: dotación (Propia)

	MUJERES	HOMBRES	TOTAL
Beneficiario Sindicato			
Ingenieros y Sup.	8	59	67
Sin afiliación sindical	0	46	46
Socio Sindicato			
Ingenieros y Sup.	40	265	305
Socio Sindicato Lumina	22	272	294
Socio Sindicato N°1	11	238	249
Total general	81	880	961

By function (own employees):

	WOMEN	MEN	TOTAL
Director(s) /			
Managers	0	15	15
Sub- Managers/			
Superintendents	3	30	33
Head of areas	5	56	61
Supervisors	40	262	302
Professionals /			0
Analysts	2	0	2
Operators	30	426	456
Maintainers	0	91	91
Administrative			
staff	1	0	1
Grand total	81	880	961

I. UNIONIZATION (own employees):

	WOMEN	MEN	TOTAL
Union Lumina			
Benefits	8	59	67
Not unionized	0	46	46
Engineers and			
Supervisors Union			
members	40	265	305
Lumina Union			
members	22	272	294
Union N°1 members	11	238	249
Grand total	81	880	961



J. UBICACIÓN

El complejo productivo de Caserones se ubica en la Cordillera de Los Andes, Región de Atacama, coordenadas 28°10' Sur y 69°32' Oeste, desde los 3.900 a 4.600 metros de altura, 162 kilómetros al sureste de Copiapó (capital regional) y 15 kilómetros al oeste de la frontera con Argentina.

Su campamento minero, Carrizalillo Grande, se encuentra a 40 kilómetros de las instalaciones industriales, a 2.006 metros sobre el nivel de mar.

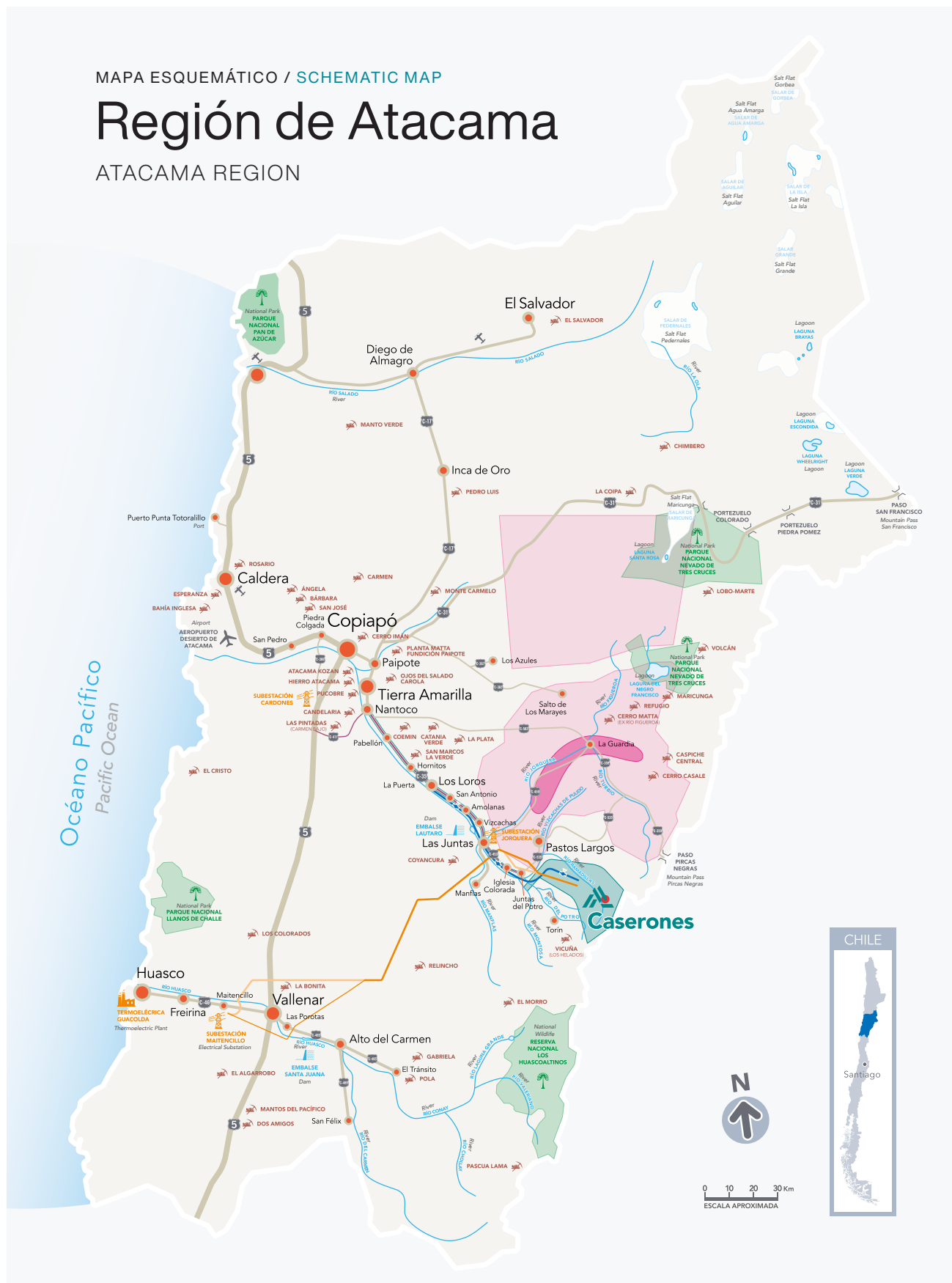
J. LOCATION

The Caserones production complex is located in the Andes Mountains, in the Third Administrative Region (the Atacama Region) of Chile, at 28°10' south latitude and 69°32' west longitude, between altitude 3,900 and 4,600 meters above sea level, 162 km southeast of the city of Copiapó (the regional capital) and 15 km west of the international border with Argentina.

The Caserones mine camp, at Carrizalillo Grande, is located 40 km away from the industrial facilities at 2,006 meters above sea level height.

Región de Atacama

ATACAMA REGION



La Compañía lleva a cabo su política de inversión sobre la base de un plan anual previamente aprobado por el Directorio. / The Company carries out its investment policy based on an annual plan previously approved by the board of directors.

K. FACTORES DE RIESGO

Los factores de riesgos más importantes que inciden en la continuidad y sustentabilidad de SCM Minera Lumina Copper Chile, son el precio de venta de la libra de cobre, dado que su cotización se realiza en la Bolsa de Metales de Londres.

Otro factor importante para la continuidad operacional, son los factores climáticos dada la ubicación geográfica de la faena.

L. POLÍTICA DE INVERSIÓN Y FINANCIAMIENTO

La Compañía lleva a cabo su política de inversión sobre la base de un plan anual previamente aprobado por el Directorio. La ejecución de este plan es autorizada durante el año mediante las instancias correspondientes, de acuerdo con las políticas de aprobación y guías de delegación de autoridad de la Compañía.

En relación con la política de financiamiento podemos mencionar que la construcción del proyecto Lumina fue financiado por un consorcio de bancos japoneses. El resto de la inversión fue provista por los propietarios de la Compañía mediante aportes de capital en la proporción correspondiente (de acuerdo con DL-600 de Inversión Extranjera).

M. POLÍTICA DE DIVIDENDOS

La Compañía no cuenta con una política formal de distribución de utilidades. Durante el año 2022 no se registró reparto de utilidades.

K. RISK FACTORS

The most important risk factors affecting the continuity and sustainability of SCM Minera Lumina Copper Chile are the sale price of pound of copper as it is traded in London Metal Exchange.

Another important factor for operational continuity are climatic conditions given the geographical location of the site.

L. INVESTMENT AND FINANCING POLICY

The Company carries out its investment policy based on an annual plan previously approved by the board of directors. The execution of this plan is authorized during the year, through the corresponding instances according to the approval policies and delegation guidelines of company authority.

Regarding financing policy, we mention that the construction of the Lumina project was funded by a consortium of Japanese banks. The remaining investment was provided by the Company owners through capital contributions in the corresponding proportion (according to DL-600 Foreign Investment).

M. DIVIDEN POLICY

The Company does not have a formal policy of distribution of profits. During the year 2022 there was not distribution of profits.

3 Gestión de operaciones

OPERATIONS





Alcanzamos una producción de 1 millón de toneladas de cobre fino desde el inicio de la operación. / We have reached a production of 1 million tons of fine copper since the start of operations.

Aunque el impacto de Covid-19 disminuyó en gran medida en 2022, la caída de nieve tuvo un impacto en las operaciones. Además del impacto en el movimiento mina, el deshielo que fluyó hacia el área de Dump Leach fue desviado hacia la PAR, lo que afectó la operación de la planta concentradora.

En estas difíciles condiciones, impulsamos actividades de mejora, minimizamos el impacto de las nevadas y alcanzamos una producción de 1 millón de toneladas de cobre fino desde el inicio de la operación.

Although the impact of Covid-19 has largely subsided in 2022, snowfall has had an impact on operations. The impact was not only that mine movement slowed down, but melt ice flowed into the Dump Leach area, sending flow into PAR, affecting concentrator operation.

Under these difficult conditions, we promoted improvement activities, minimized the impact of snowfall, and reached a production of 1 million tons of fine copper since the start of operations.



EVENTOS DESTACADOS

MINA

La extracción total de la mina Ex Pit fue de 66 millones de toneladas húmedas y el movimiento total fue de 71 millones de toneladas húmedas. La extracción mina aumentó en aproximadamente un 9% y 7% respectivamente comparado al año anterior.

La utilización de equipos de carguío fue menor en el año 2022 debido a las nevadas récord de junio y julio, pero los resultados de movimiento de equipos de carguío propiedad de MLCC fueron casi iguales a los del año anterior.

El funcionamiento durante todo el año de pala hidráulica (PC5500) (comenzó a partir de junio, 2021) contribuyó al aumento del extracción y movimiento.

La prioridad durante el año 2022 fue la alimentación al chancado primario desde fase 5. Como resultado de esto, se atrasó la extracción del lastre desde Fase 6.

HIGHLIGHTS

MINE

Total mine extraction was 66 million wet tons and total movement was 71 million wet tons. The mine extraction increased by approximately 9% and 7%, respectively compared to the previous year.

Although record snowfall in June and July reduced the utilization of mine equipment, the total movement of MLCC-owned loading equipment was almost same as the previous year.

The full-year operation of PC5500 (which became operational in 2021 in June) contributed to the increase total movement.

The Priority during 2022 was the extraction of ore from Phase 5, to feed the primary crusher. As result of this, the waste removal from phase 6 was delayed.



En 2022 se logró un promedio de producción de 1.260 toneladas por mes. / In 2022, an average production of 1,260 tons per month was achieved.

PLANTA HIDROMETALURGIA

Durante el año 2022, la producción fue de 15,1 k toneladas de cátodos en comparación con 27,5k toneladas del valor del presupuesto. La menor producción se debió a un menor envío de mineral al Dump Leach producto del atraso de la Fase 6. Además, la contingencia climática limitó la operación en julio y agosto.

Se logró un promedio de producción de 1.260 toneladas por mes alcanzando el 96,4% de calidad de Grado A. Esta calidad física y química se logró controlando la concentración de iones de hierro en el electrolito y una adecuada operación con corriente baja. Sin embargo, con respecto a calidad de Grado A, se bajó un poco en comparación con el año 2021, debido a un aumento de la concentración iones de hierro después de julio a causa de las restricciones de la operación provocadas por la nieve.

HYDROMETALLURGICAL PLANT

During the year 2022, the production of cathodes was 15,1k tons, compared to 27,5k tons of the Budget value. Due to less mineral delivery to the Dump Leach as a result of the Phase 6 delay. In addition, the climatic contingency limited the operation in July and August.

In 2022, an average production of 1,260 tons per month was achieved, reaching 96.4% Grade A quality. This physical and chemical quality was achieved by controlling the concentration of iron ions in the electrolyte and proper operation with low current. However, regarding Grade A quality, it decreased slightly compared to 2021, due to an increase in the iron ion concentration after July due to the operation restrictions caused by snow.



La producción de cobre fue de 109.009 toneladas. /The production of copper metal was 109,009 tons.

PLANTA CONCENTRADORA

Durante el año 2022, la producción se restringió principalmente debido al alto consumo de Cal por bajo pH en la piscina de agua recuperada en invierno, causado por la contingencia climática. Además de esto el declive de agua fresca en el valle afectó el tratamiento. La recuperación de Cu, se cumplió durante el año (88% vs. 85%).

La producción de cobre fue de 109.009 toneladas. La ley de concentrado fue de 33% de Cu. La producción de molibdeno fue de 3.056 toneladas. Con una ley de concentrado de un 53% de Mo.

Con respecto a 88% recuperación de Cu y 55% de recuperación de Mo. Estos son los resultados más altos anuales a partir del inicio de la operación.

RELAVES Y AGUA

En relación al depósito de arenas, se continuó el mejoramiento RAL (Relación Arenas / Lamas) gracias a la modificación del sistema de descarga de arena.

Durante el año 2022, se depositaron 9,4 millones de toneladas de arena en el depósito de arenas en "El Tambo Caserones", y 16,9 millones de toneladas de relave fino al tranque de lamas en "La Brea".

CONCENTRATOR PLANT

During 2022, production was restricted on principally high lime consumption for low pH at water recovery pond during the winter caused by weather contingency. Besides this, freshwater declines in the valley mainly affected low throughput. At place of Cu recovery %, the budget was achieved throughout the year (88% vs. 85%).

The production of copper metal was 109,009 tons with 33% Cu concentrate, and that of molybdenum metal was 3,056 tons with 53% Mo concentrate.

Regarding 88% of Cu recovery and 55% of Mo recovery, these are the highest annual results since the beginning of the operation.

TAILINGS AND WATER

In relation to the sand deposit, the RAL improvement (Sand/Slat Ratio) continued thanks to the modification of the sand discharge system.

During 2022, total sand deposited to sand deposit in "El Tambo Caserones" was 9,4 million tons, and slime deposited to slime dam in "La Brea" was 16,9 million tons.



Se continuó el mejoramiento RAL gracias a la modificación del sistema de descarga de arena. / The RAL improvement continued thanks to the modification of the sand discharge system.



En 2022 el desarrollo de proyectos se normalizó. / In 2022, most of the problems and restrictions caused by the COVID-19 pandemic concluded.

GESTIÓN DE PROYECTOS

En 2022 se liberaron la mayoría de los problemas y restricciones ocasionadas por la pandemia de COVID-19 (crisis en cadena de suministro global, problemas de dotaciones, entre otros), por lo tanto, el desarrollo de proyectos se normalizó respecto de 2020 y 2021.

En la categoría cumplimiento, se destacan proyectos como “Construcción de tercera celda de Residuos Domésticos CMR”, “Montaje Electromecánico de pozos en el sector La Brea”, actualmente en ejecución y los relacionados con el PDC (Plan de cumplimiento) y el Plan de Regularización Suspел (sustancias peligrosas) tales como “Normalización TK colector secundario” y Normalización losa TK ácido.

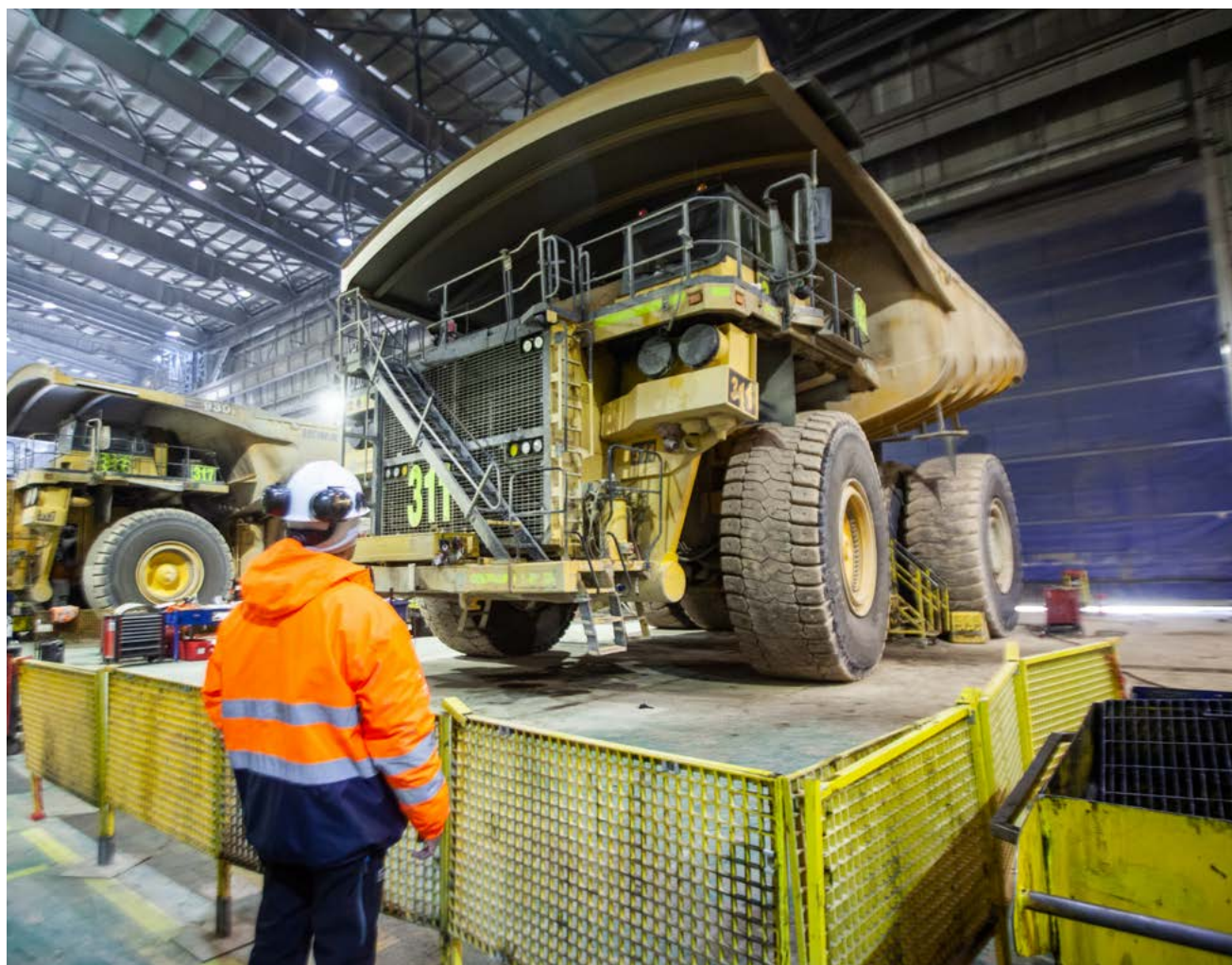
En el manejo de los riesgos, se llevaron a cabo proyectos como el “Reemplazo de andamios en las plantas por plataformas fijas de estructuras (segunda etapa)” y otros enfocados en los riesgos operacionales tales como: “Compra transformador de repuesto SE Jorquera (condición segura n-1)”, “Instalación Nueva Sala Eléctrica (SG) lado Sur Loop Mina - Habilitar Fase 4” y “Compra de Transformadores Críticos de Distribución 23 KV / trifásico”, estos 3 últimos en ejecución y con fecha de término durante 2023.

PROJECTS MANAGEMENT

In 2022, most of the problems and restrictions caused by the COVID-19 pandemic concluded, (crisis in the global supply chain, staffing problems, among others) therefore, the development of projects was normalized (compared to 2020 and 2021).

In the compliance category, projects such as “Construction of the third CMR Domestic Waste cell”, “Electromechanical assembly of wells in the La Brea sector”, currently underway and those related to the PDC (Compliance Plan) and the Plan of Suspел (dangerous substances) regularization such as “TK secondary collector normalization” and Acid TK slab normalization.

In risk management, projects were carried out such as the “Replacement of scaffolding in the plants by fixed platforms of structures (second stage)” and others focused on operational risks such as “Purchase spare transformer SE Jorquera (safe condition n-1)”, “Installation of the New Electrical Room (SG) on the south side of the Mine Loop - Enabling Phase 4” and “Purchase of Critical Distribution Transformers 23 KV / three phase”, These last 3 are underway and with a completion date of 2023.



La utilización de equipos de carguío fue menor en el año 2022 debido a las nevadas récord de junio y julio. / Record snowfall in June and July reduced the utilization of mine equipment.

En relación a la categoría Mantenimiento / sustaining Capex destacan los siguientes proyectos: “Instalación golpe de Ariete (GPES) - Etapa 1”, el cual tiene una segunda etapa durante 2023; “Ampliación y Mejoramiento Testigoteca”; y “Normalización Sala Móvil N°4”.

In relation to the Maintenance / sustaining Capex category, the following projects stand out: “Water Hammer Installation (GPES) - Stage 1”, which has a second stage during 2023; “Expansion and Improvement of Cores storage”; and “Standardization Mobile Room No. 4”.

4 Gestión de Medio Ambiente

ENVIRONMENT





Durante 2022 se terminó de implementar el sistema de gestión ambiental de Caserones. /

During 2022, the implementation of the Caserones environmental management system was completed.

SISTEMA DE GESTIÓN AMBIENTAL

El modelo de cumplimiento definido en Caserones es el modelo de gestión SG-SSSC que cumple la norma ISO 14001. En éste, a través de un ciclo de mejora continua, se identifican y evalúan los impactos ambientales, se definen las medidas de control y plazos de ejecución, se realiza seguimiento a los indicadores ambientales y se realizan actividades de verificación. Este modelo usa como base el Manual del Sistema de Gestión y el Programa asociado, el que se actualiza anualmente.

Durante 2022 se terminó de implementar el sistema de gestión ambiental de Caserones para cumplir con los requerimientos establecidos en la ISO 14.001:2015. Se recibió la auditoría de certificación a fines de 2022, la cual resultó sin hallazgos mayores.

ENVIRONMENTAL MANAGEMENT SYSTEM

The compliance model defined by Caserones is the SG-SSSC management model that complies with the ISO 14001 standard. In this model, through a cycle of continuous improvement, environmental impacts are identified and evaluated, control measures and execution deadlines are defined, environmental indicators are monitored, and verification activities are carried out. This is based on the Management System Manual and its Program, which is updated annually.

During 2022, the implementation of the Caserones environmental management system was completed to comply with the requirements established in ISO 14,001:2015. The certification audit was received at the end of 2022, which resulted in no major findings.

Por otra parte, este año se levantaron las restricciones asociadas a la pandemia por COVID-19, lo cual permitió seguir fortaleciendo la gestión de los riesgos ambientales de la Compañía. Así, los esfuerzos se centraron en los planes de acciones para controlar los riesgos ambientales y asegurar el cumplimiento de los compromisos de las Resoluciones de Calificación Ambiental y de la normativa ambiental aplicable.

Conforme lo establecido en los programas de seguimiento de variables ambientales de MLCC, durante el año 2022 se presentaron 117 informes de seguimiento a la autoridad ambiental (SMA) y 12 informes sobre nuestra gestión ambiental a comunidades vecinas. Éstos están asociados al control de infiltraciones desde los depósitos de relaves, control de extracciones hídricas, calidad de aguas superficiales y subterráneas, flora, fauna, calidad de aire, ruido, arqueología, plantas de tratamiento de aguas servidas, manejo de residuos, operación de rellenos sanitario y controlado, entre otros.

On the other hand, this year the restrictions associated with the COVID-19 pandemic were removed, which made it possible to continue strengthening the Company's environmental risk management. Thus, efforts were focused on action plans to control environmental risks and ensure compliance with the commitments of the Environmental Qualification Resolutions and applicable environmental regulations.

As established in the MLCC environmental variable monitoring programs, during 2022, 117 monitoring reports were submitted to the environmental authority (SMA) and 12 reports on our environmental management to neighboring communities. These are associated with the control of infiltration from tailings deposits, control of water extraction, surface and groundwater quality, flora, fauna, air quality, noise, archaeology, sewage treatment plants, waste management, operation of sanitary and controlled landfills, among others.

Los esfuerzos se centraron en los planes de acción para controlar los riesgos ambientales.

/ Efforts were focused on action plans to control environmental risks.



Uno de los principales hitos de 2022 correspondió a la operación del sistema de monitoreo del recurso hídrico en línea. / One of the main milestones of 2022 corresponded to the operation of the online water resource monitoring system.

INCIDENTES 2022

En 2022 se registraron siete incidentes ambientales reportados a la Superintendencia del Medio Ambiente (SMA), seis de ellos correspondieron a derrames ocurridos en el área industrial (refino, lamas) y uno al hallazgo de anfibios en una zona de acumulación de agua fresca. En todos ellos se aplicaron los procedimientos existentes, logrando controlar las emergencias y evitando daños a los componentes del medio ambiente.

El incidente más relevante estuvo asociado a un aumento del flujo de lixiviados desde el depósito de lixiviación por el rápido derretimiento de la nieve caída durante el evento climático ocurrido a fines de junio. Esto provocó un efecto sobre la producción hasta mediados de agosto, pero sin efectos ambientales debido a las oportunas medidas adoptadas.

AGUAS: MONITOREO Y CONTROL DE INFILTRACIONES

Uno de los principales hitos de 2022 correspondió a la operación del sistema de monitoreo del recurso hídrico en línea, el que comenzó el 31 de diciembre de 2021. Éste está conectado directamente con los servidores de la Superintendencia del Medio Ambiente y controla los parámetros físico-químicos de las aguas asociadas a los depósitos de relaves y de los cuerpos de aguas superficiales y subterráneos cercanos a estos. El objetivo final de este sistema es asegurar la protección de las aguas, tanto en término de su disponibilidad como de su calidad.

INCIDENTS 2022

In 2022, seven environmental incidents were reported to the Superintendence of the Environment (SMA), six of them corresponded to spills that occurred in the industrial area (refining, slats) and one to the discovery of amphibians in a freshwater accumulation area. Existing procedures were applied in all of them, managing to control emergencies and avoiding damage to environmental components.

The most relevant incident was associated with an increase in the flow of leachate from the dump leach due to the rapid melting of the snow that fell during the climatic event occurred at the end of June. This caused an effect on copper and molybdenum production until mid-August, but without environmental effects due to the appropriate measures adopted.

WATER: MONITORING AND CONTROL OF INFILTRATIONS

One of the main milestones of 2022 corresponded to the operation of the online water resource monitoring system, which began on December 31, 2021. This is directly connected to the servers of the Superintendence of the Environment and controls the physicochemical parameters of the waters associated with the tailings deposits and the bodies of surface and underground waters close to them. The final objective of this system is to ensure the protection of water, both in terms of its availability and its quality.

Algarrobos y Chañares son parte de las especies plantadas en las áreas de reforestación.

/ Algarrobos y Chañares are part of the species planted in reforestation areas.



REFORESTACIÓN Y MONITOREOS BIÓTICOS

En el marco de los planes de manejo y preservación de bosques y especies protegidas, durante el 2022 MLCC continuó plantando nuevas áreas, completando una superficie total plantada de 121 hectáreas plantadas y un total de 35.000 individuos de las especies Algarrobos, Chañares, Huinganes y otros. Se realizó la propagación en vivero de Retamo (*Bulnesia chilensis*), Carbonillo (*Cordia decandra*) y Algarrobilla (*Balsamocarpum brevifolium*), principalmente.

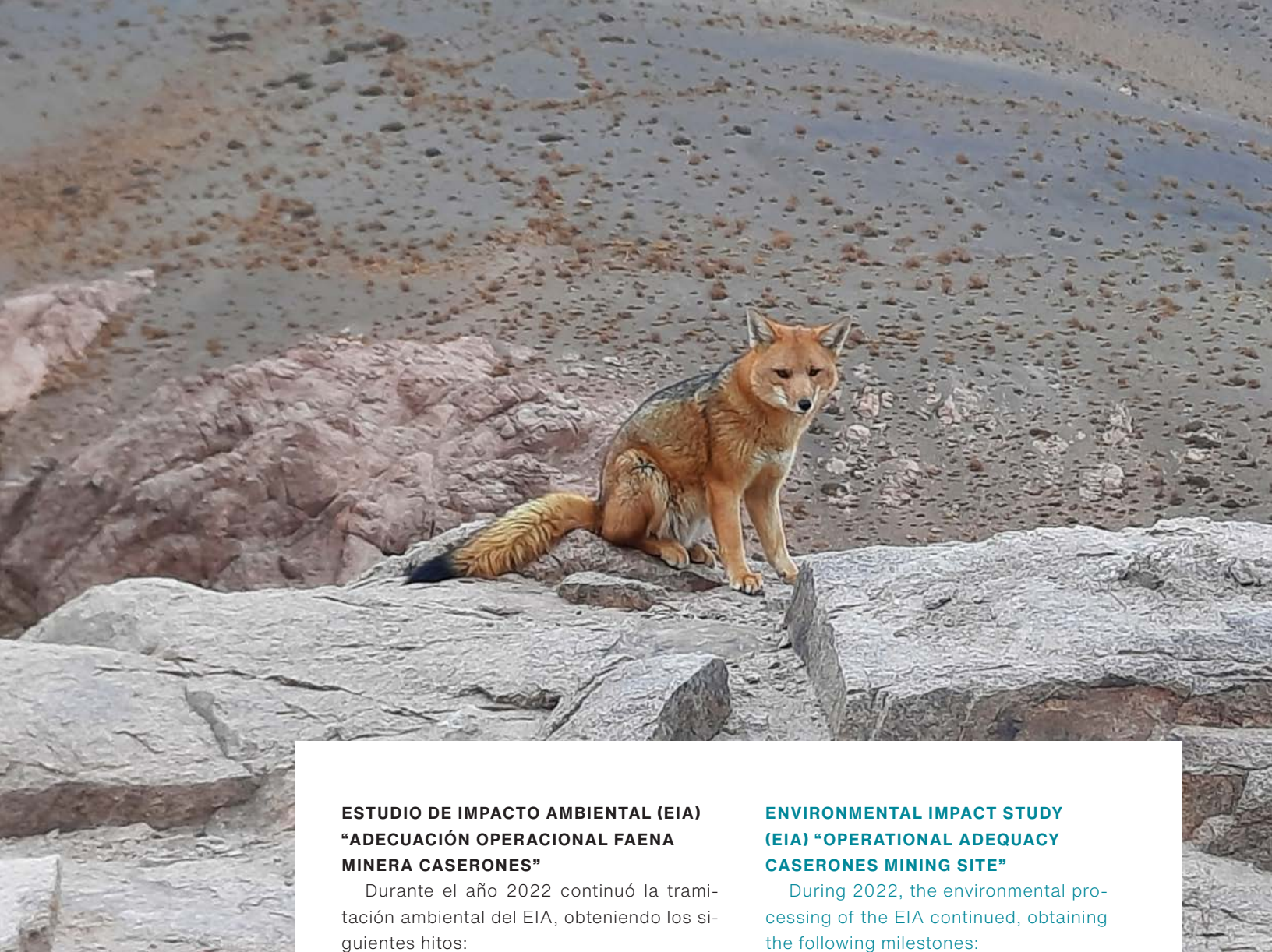
REFORESTATION AND BIOTIC MONITORING

Within the framework of the management and preservation plans for forests and protected species, during 2022 MLCC continued to plant new areas, completing a total planted area of 121 acres planted and a total of 35,000 individuals of the species Algarrobos, Chañares, Huinganes and others. The propagation in nursery of Retamo (*Bulnesia chilensis*), Carbonillo (*Cordia decandra*) and Algarrobilla (*Balsamocarpum brevifolium*), mainly, was carried out.

Propagación en
vivero de Retamo
y Carbonillo. / The
propagation in
nursery of Retamo
and Carbonillo.



121 hectáreas es la superficie total plantada, en el marco de los planes de manejo y preservación de bosques y especies protegidas. / 121 acres is the total area planted, within the framework of the management and preservation plans for forests and protected species.



ESTUDIO DE IMPACTO AMBIENTAL (EIA) “ADECUACIÓN OPERACIONAL FAENA MINERA CASERONES”

Durante el año 2022 continuó la tramitación ambiental del EIA, obteniendo los siguientes hitos:

- Ingreso de Adenda en enero 2022
- Emisión de ICSARA Complementario por parte del SEA Atacama en marzo de 2022
- Ingreso de Adenda Complementaria en noviembre 2022

En paralelo al proceso de evaluación ambiental, el Servicio de Evaluación Ambiental de Atacama realiza el proceso de Consulta Indígena con las comunidades indígenas Collas Río Jorquera y sus afluentes, Juntas del Potro y sus afluentes y Vizcachas de Pulido y sus afluentes, con el objetivo de determinar las medidas asociadas al impacto que produce el proyecto sobre el acceso a zonas de pastoreo y de recolección de hierbas medicinales en las quebradas Rocos y La Brea.

ENVIRONMENTAL IMPACT STUDY (EIA) “OPERATIONAL ADEQUACY CASERONES MINING SITE”

During 2022, the environmental processing of the EIA continued, obtaining the following milestones:

- Entry of Addendum in January 2022
- Issuance of Complementary ICSARA by SEA Atacama in March 2022
- Entry of Complementary Addendum in November 2022

Parallel to the environmental assessment process, the Atacama Environmental Assessment Service carries out the Indigenous Consultation process with the indigenous communities Collas Río Jorquera and its tributaries, Juntas del Potro and its tributaries, and Vizcachas de Pulido and its tributaries, with the aim of determine the measures associated with the impact produced by the project on access to grazing areas and the collection of medicinal herbs in the Roco and La Brea creeks.



PROGRAMA DE CUMPLIMIENTO Y PROCESO SANCIONATORIO

La Superintendencia del Medio Ambiente (SMA), mediante la Resolución N°15 del 12 de febrero de 2021, aprobó el Programa de Cumplimiento de Faena Caserones (PdC, expediente P-001-2021), comenzando su vigencia el 22 de febrero del mismo año. Este PdC consta de 51 acciones, 234 medios de verificación y tiene una duración de 36 meses. El costo estimado de este plan será de USD 39 millones.

Durante 2022 se ingresaron a la SMA los cuatros reportes trimestrales, adjuntando los medios de verificación que dan cuenta de su completa ejecución.

COMPLIANCE PROGRAM AND SANCTION PROCESS

The Superintendence of the Environment (SMA), through Resolution No. 15 of February 12th, 2021, approved the Caserones Site Compliance Program ("PdC", file P-001-2021), beginning its validity on February 22nd of the same year. This PdC consists of 51 actions, 234 means of verification and has a duration of 36 months. The estimated cost of this plan will be USD 39 million.

During 2022, the four quarterly reports were submitted to the SMA, attaching the means of verification that account for their complete execution.

La Superintendencia del Medio Ambiente (SMA) aprobó el Programa de Cumplimiento de Faena Caserones. / The Superintendence of the Environment approved the Caserones Site Compliance Program.

DENTRO DE LOS AVANCES MÁS IMPORTANTES DE ESTE AÑO SE ENCUENTRAN:

- Se termina la construcción del sistema de captación y desvío del agua proveniente del muro corta fuga del depósito de lastre y comienza a operar.
- Se termina el sistema de monitoreo en línea de los 62 puntos de parámetros físico-químicos del recurso hídrico, transmitiendo vía API a la autoridad ambiental.
- Se adelanta el inicio de la entrega de agua desalada en Caldera utilizando una nueva fuente abastecimiento (Nueva Atacama).

Con respecto al proceso sancionatorio de la SMA, expediente D-018-2019, que se encuentra en curso por los cargos 11 y 12, asociados a las infiltraciones provenientes de los depósitos de las quebradas La Brea y Caserones, la Compañía presentó nuevos estudios de evaluación de efectos a la SMA que muestran que el efecto de las infiltraciones se mantiene confinado en las confluencias la quebrada Caserones con el acuífero del Ramadillas y en el caso de La Brea se logró volver a la condición de línea de base.

No existieron sanciones ejecutoriadas ni se requirieron planes de reparación por daño ambiental.

AMONG THE MOST IMPORTANT ADVANCES THIS YEAR ARE:

- The construction of the collection and deviation system for water coming from the cutoff wall of the waste dump is finished and started to operate.
- The online monitoring system of the 62 points of physicochemical parameters of the water resource is completed, transmitting via API to the environmental authority.
- The start of delivery of desalinated water in Caldera is brought forward using a new supply source (Nueva Atacama).

With respect to the sanction process of the SMA, file D-018-2019, which is ongoing for counts 11 and 12, associated with the infiltrations coming from the deposits of the La Brea and Caserones streams, the Company presented new evaluation studies of effects to the SMA that show that the effect of the infiltrations remains confined in the confluences of the Caserones creek with the Ramadillas aquifer and in the case of La Brea it is modified to the baseline condition.

There were no enforceable sanctions nor were reparation plans required for environmental damage.

PERMISOS

Durante 2022 se tramitaron permisos asociados principalmente a actualizaciones de permisos aprobados. Entre estos, los más relevantes son la actualización del método de explotación del rajo, la actualización del proyecto del depósito de Arenas y la actualización del plan de cierre de faena minera, todos en tramitación.

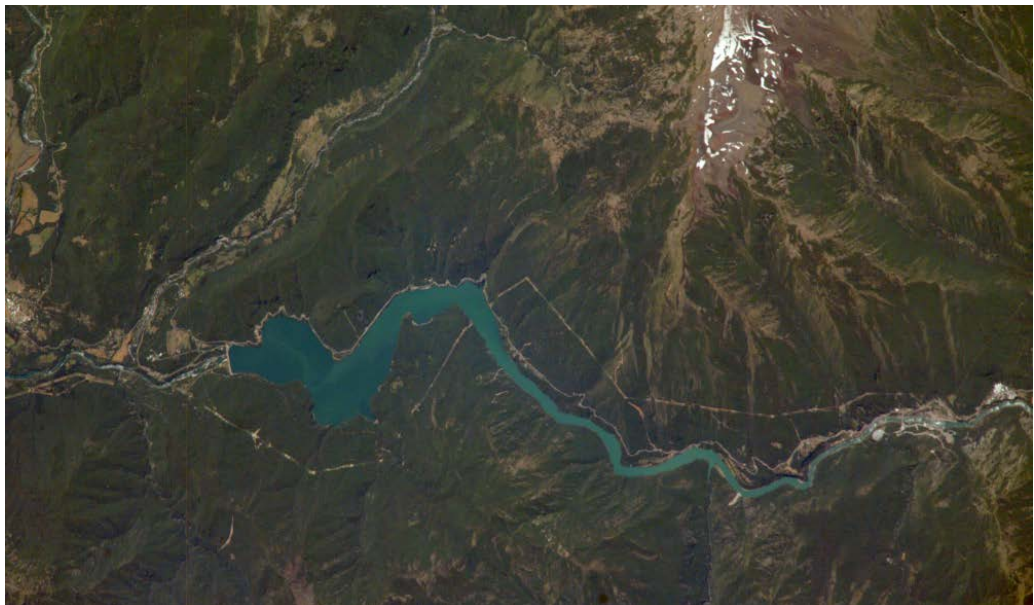
Por otra parte, se encuentra en ejecución el programa de regularización de sustancias peligrosas para dar cumplimiento del decreto supremo 43/2015 del Ministerio de Salud, el que considera un trabajo coordinado con todas las gerencias de la Compañía.

PERMISSIONS

During 2022, permits associated mainly with updates to approved permits were processed. Among these, the most relevant are the update of the pit exploitation method, the update of the sand deposit project and the update of the mine closure plan, all of which are in process.

On the other hand, the program for the regularization of dangerous substances is underway to comply with Supreme Decree 43/2015 of the Ministry of Health, which considers a coordinated effort with all the Company's managements.

Caserones se abastece de las centrales hidroeléctricas Pangué y Cipreses./ Caserones is supplied by the Pangué and Cipreses hydroelectric plants.



Uno de los puntos relevantes es que se incluyó durante el periodo normalizar los estaquen de sustancia peligrosa y las construcciones de las bodegas nuevas para la faena.

INDICADORES DE SOSTENIBILIDAD

A continuación, se informan los indicadores establecidos por la Sustainability Accounting Standards Board (SASB) para la industria minera:

One of the relevant points is that it was added during the period to normalize the tanks of dangerous substances and the construction of new warehouses.

SUSTAINABILITY INDICATORS

Below are the indicators established by the Sustainability Accounting Standards Board (SASB) for the mining industry:

En 2022 no existieron sanciones ejecutoriadas ni se requirieron planes de reparación por daño ambiental. /

In 2022 there were no enforceable sanctions nor were reparation plans required for environmental damage.



EMISIONES DE GASES EFECTO INVERNADERO

Respecto de Gases Efecto Invernadero, durante 2022 Caserones emitió 123 mil toneladas de CO₂eq asociados a emisiones de alcance 1, lo que implica una emisión de 0,98 t CO₂ por tonelada de cobre fino (SASB EM-MM-110a.1).

El consumo eléctrico de Caserones fue de 841.143 MWh, energía que fue generada totalmente por fuentes renovables, específicamente de las centrales hidroeléctricas Pangué y Cipreses, ubicadas en las regiones del Bio-Bio y del Maule, respectivamente. Esto es gracias a un acuerdo con Enel que comenzó a operar en enero de 2021. De esta forma se estima una reducción de cerca de 253 mil toneladas de CO₂ en las emisiones generadas por concepto de suministro eléctrico (alcance 2).

Finalmente, dentro de las iniciativas de reducción de emisiones de gases de efecto invernadero, Caserones se encuentra desarrollando un piloto con buses eléctricos.

GREENHOUSE GAS EMISSIONS

Regarding Greenhouse Gases, during 2022 Caserones emitted 123 thousand tons of CO₂eq associated with scope 1 emissions, which implies an emission of 0.98 t CO₂ per ton of fine copper.

Caserones' electricity consumption was 841,143 MWh, energy that was produced entirely by renewable sources, specifically from the Pangué and Cipreses hydroelectric power plants, located in the Bio-Bio and Maule regions, respectively. This is thanks to an agreement with Enel that began operating in January 2021. In this way, a reduction of about 253 thousand tons of CO₂ is estimated in the emissions generated by electricity supply (scope 2).

Finally, within the initiatives to reduce greenhouse gas emissions, Caserones is developing a pilot with electric buses.



El consumo eléctrico de Caserones fue de 841.143 MWh, energía que fue generada totalmente por fuentes renovables. /
Caserones' electricity consumption was 841,143 MWh, energy that was produced entirely by renewable sources.



En el sector de campamento se realizan mediciones continuas de calidad del aire. / In the camp sector, continuous measurements of air quality are carried out.

CALIDAD DEL AIRE

Las principales emisiones atmosféricas de Caserones corresponden a aquellas que se originan de tronaduras, movimientos de tierra, operación de maquinaria, grupos electrógenos y transporte de materiales, equipos y personal. Las medidas tomadas para reducir estas emisiones corresponden a estabilización y riego de caminos y el cumplimiento de programa mantención de maquinarias y vehículos de transporte. Debido a la magnitud de las emisiones no se requiere medirlas en el origen, sin embargo, se realizan mediciones continuas de calidad del aire (PM10, NOx y SO2) en el sector de campamento y evidenciándose cumplimiento permanente de la normativa.

AIR QUALITY

The main atmospheric emissions from Caserones correspond to those that originate from blasting, earth movements, operation of machinery, generator sets, and transportation of materials, equipment, and personnel. The measures taken to reduce these emissions correspond to irrigation of roads and compliance with the maintenance program for machinery and transport vehicles. Due to the magnitude of the emissions, it is not required to measure them at the source, however, continuous measurements of air quality (PM10, NOx and SO2) were carried out in the camp sector, evidencing permanent compliance with the regulations.



GESTIÓN DE LA ENERGÍA

Durante el año 2022 Caserones trabajó en la implementación de su sistema de gestión de energía de acuerdo con lo requerido en la Ley 21.305 de Eficiencia Energética, el cual se planea tener implementado durante 2023. Se espera que esto ayude a mejorar la gestión energética de la Compañía.

El consumo de energía eléctrica en 2022 fue de 841.143 MWh, proveniente de la red del Sistema Eléctrico Nacional y 100% de energía renovable.

GESTIÓN DEL AGUA

El 100% de agua fresca utilizada por Caserones proviene de los sectores 1 y 2 del Valle de Copiapó, el que se encuentra en zona de prohibición decretada por la Dirección general de Aguas (DGA). El consumo del año 2022 correspondió a 10.123 mil metros cúbicos, equivalentes a 321 l/s.

Dentro de los compromisos voluntarios que Caserones tiene con la comunidad y que quedó establecido en la RCA 13/2010, está la entrega de 100 L/s de agua desalada en el canal Malpaso y 50 L/s en la localidad de Caldera.

ENERGY MANAGEMENT

During 2022 Caserones worked on the implementation of its energy management system in accordance with the requirements of Law 21,305 on Energy Efficiency, which is planned to be implemented during 2023. It is expected that this will help improve the Company's energy management.

Electricity consumption in 2022 was 841,143 MWh, coming from the National Electric System network and 100% renewable energy.

WATER MANAGEMENT

100% of the fresh water used by Caserones comes from sectors 1 and 2 of the Copiapó Valley, which is located in a prohibited zone decreed by the General Directorate of Water (DGA). Consumption in 2022 corresponded to 10,123 thousand cubic meters, equivalent to 321 l/s.

Among the voluntary commitments that Caserones has with the community and that were established in RCA 13/2010, is the delivery of 100 L/s of desalinated water in the Malpaso canal and 50 L/s in the town of Caldera.



Cumpliendo su compromiso, Caserones entregó durante 2022 3.120 mil metros cúbicos en Mal Paso, equivalente a 101 L/s, y 1.546 mil metros cúbicos, equivalentes a 50,3 L/s. En este último punto, se entregaron 398.000 metros cúbicos adicionales para compensar el agua no entregada durante años anteriores.

En quebrada La Brea se evidenció que la pluma de sulfatos proveniente del depósito de lamas está siendo controlada, ya que el pozo de eficiencia POB-06B se mantuvo dentro de los valores de línea base (menor a 432 mg/L). Por su parte, en la quebrada Caserones se habilitaron cinco nuevos pozos para reemplazar a los pozos de remediación originales. Se espera realizar las pruebas durante el primer semestre 2023 y así poder lograr a condición de línea base en el pozo de eficiencia PBC-06B, el que durante 2022 se mantuvo en torno a los 900 mg/L de sulfato.

Fulfilling its commitment, Caserones delivered during 2022 3,120 thousand cubic meters in Mal Paso, equivalent to 101 L/s, and 1,546 thousand cubic meters, equivalent to 50.3 L/s. At this last point, an additional 398,000 cubic meters were delivered to compensate for the water not delivered during previous years.

In the La Brea stream, it was evidenced that the sulfate plume from the slimes deposit is being controlled, since the efficiency well POB-06B remained within the baseline values (less than 432 mg/L). For its part, in the Caserones ravine, five new wells were prepared to replace the original remediation wells. The tests are expected to be carried out during the first half of 2023 and thus be able to achieve the baseline condition in the PBC-06B efficiency well, which during 2022 remained around 900 mg/L of sulfate.



GESTIÓN DE RESIDUOS Y MATERIALES PELIGROSOS

Durante el año 2022 en Caserones se generaron los siguientes residuos:

TIPO DE RESIDUO	CANTIDAD TOTAL (T)	% REICLADO
Industrial no peligroso	13.994	71.7 (*)
Industrial peligroso	1.134	14.6
Residuos Sólidos Domésticos	1.259	0

(*) Considera el reciclaje de chatarra almacenada en años anteriores.

Los relaves de Caserones son almacenados en dos depósitos: La Brea, que almacena la fracción fina denominada lamas, y; Caserones, que almacena la fracción gruesa llamada arenas. El depósito de lamas La Brea corresponde a un embalse de relaves de riesgo alto, mientras que el depósito de arenas Caserones corresponde a un acopio, debido a que se deposita con un porcentaje de sólidos de 68-72% y no genera laguna de aguas claras. Los relaves no son reciclados.

HAZARDOUS MATERIALS AND WASTE MANAGEMENT

During 2022 in Caserones the following waste was generated:

TYPE OF RESIDUE	TOTAL (T)	% RECYCLED
Non hazardous Industrial	13,994	71,7 (*)
Hazardous waste	1,134	14,6
Domestic	1,259	0

(*) Considers the recycling of scrap stored in previous years.

Caserones tailings are stored in two deposits: La Brea, which stores the fine fraction called slimes, and; Caserones, which stores the coarse fraction called sands. La Brea slime deposit corresponds to a high-risk tailings deposit, while the Caserones sand deposit corresponds to a dump, because it is deposited with a solid's percentage of 68-72% and does not generate a clear water lagoon. Tailings are not recycled.

Caserones no se ubica en sitios con estado de conservación protegido. / Caserones is not located in sites with protected conservation status.

Al finalizar 2022 el depósito de lamas de La Brea alcanzó 151 Mt depositadas durante su vida útil, mientras que el depósito de arenas alcanzó 53 Mt.

EFFECTOS EN LA BIODIVERSIDAD

En 2022 no se afectaron nuevas zonas naturales.

Respecto del potencial de generación de drenaje ácido, se prevé que exista generación de este en el rajo, botadero de lastre, depósito de lixiviación y en el depósito de arenas. Actualmente no hay evidencias de que se esté produciendo, ya que los cuerpos de agua ubicados aguas abajo de estas instalaciones han permanecido con pH neutro.

Caserones no se ubica en sitios con estado de conservación protegido o en hábitats de especies en peligro de extinción.

By the end of 2022, the La Brea slime deposit reached 151 Mt deposited during all of its operation, while the sand deposit reached 53 Mt.

EFFECTS ON BIODIVERSITY

In 2022, no new natural areas were affected.

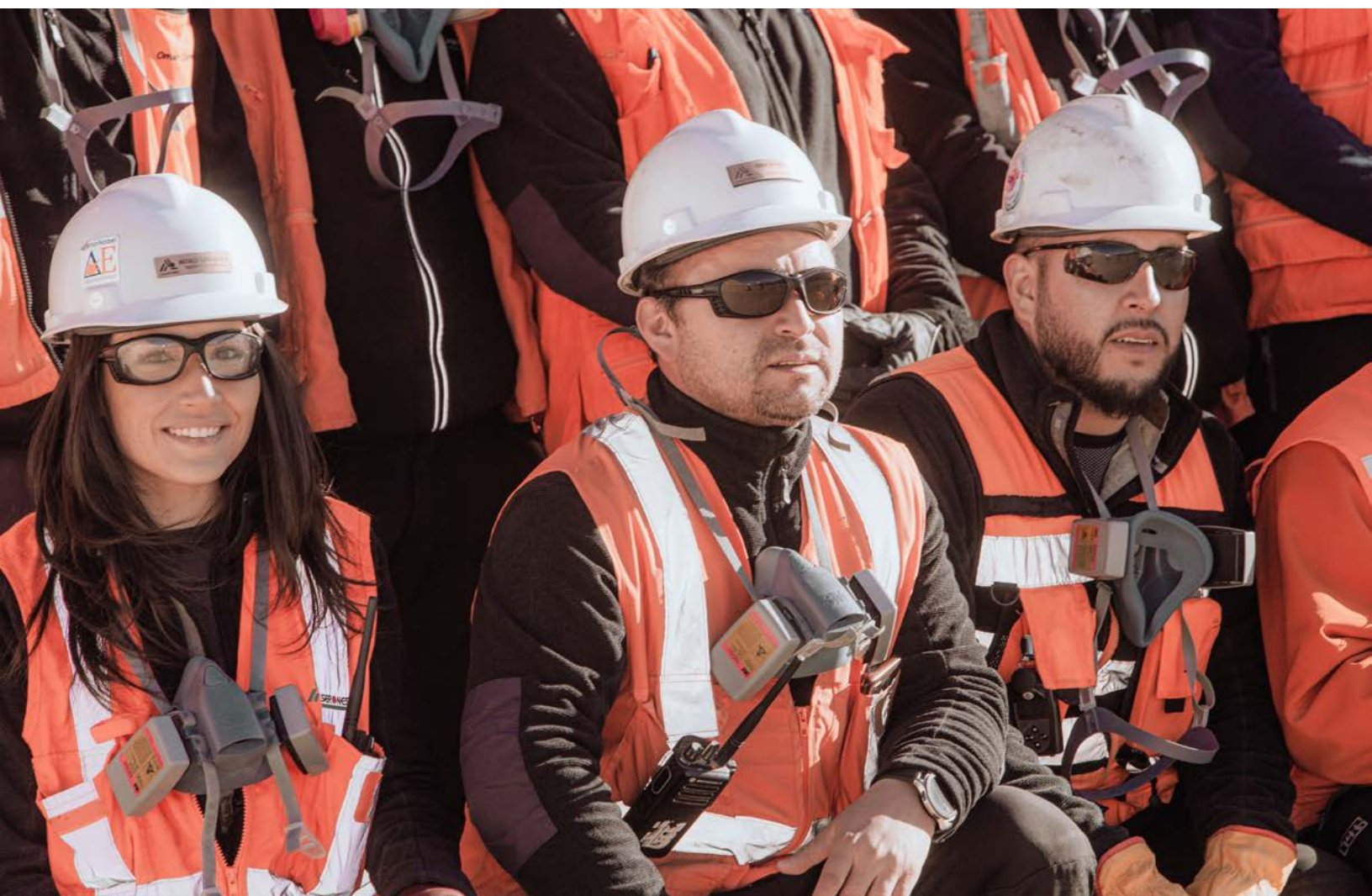
Regarding the potential for the generation of acid drainage, it is expected that there will be generation of this in the pit, waste dump, dump leach and the sand deposit. There is currently no evidence that this is occurring, since the bodies of water located downstream of these facilities have remained at a neutral pH.

Caserones is not located in sites with protected conservation status or in habitats of endangered species.

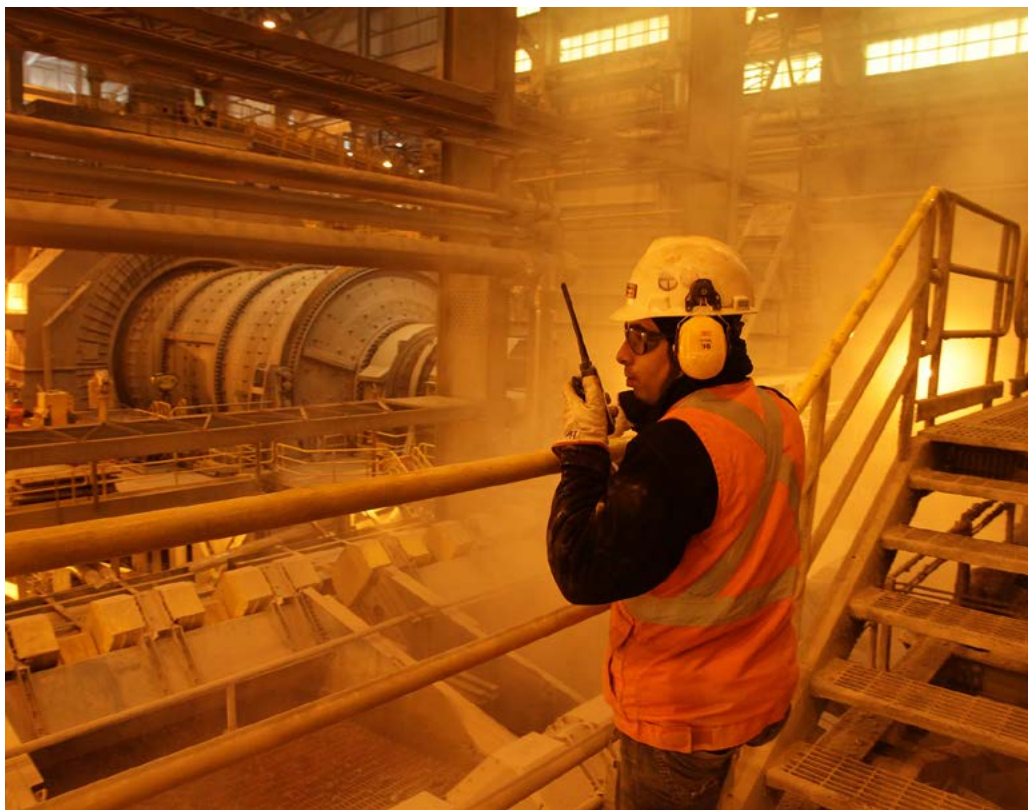


5 Gestión de Seguridad y Salud Ocupacional

WORKPLACE SAFETY AND HEALTH



Uno de nuestros valores principales es operar con Cero Daño a las personas. /One of our core values is to operate with Zero Harm to people.



Para SCM Minera Lumina Copper Chile, la Seguridad y Salud Ocupacional son un pilar fundamental en la gestión del negocio y como tal se ha transformado en uno de nuestros valores principales, siempre operando con Cero Daño a las personas. La gestión de Seguridad y Salud Ocupacional, así como la constante ocupación de dar estricto cumplimiento a la política de seguridad, salud en el trabajo, sustentabilidad y comunidades, de la normativa legal y mejorando continuamente los procesos en el control de los riesgos, son parte integral del trabajo de nuestra Compañía y de las empresas que trabajan con nosotros.

En materia de Seguridad y Salud Ocupacional, la labor durante 2022 se centró en dar cumplimiento a los objetivos planteados, a los Planes y Programas de Prevención de Riesgos, salud ocupacional e higiene y continuar con los controles asociados a la prevención y control del COVID-19.

For SCM Minera Lumina Copper Chile, Occupational Health and Safety is a fundamental pillar in the management of the business and as such has become one of our core values, always operating with Zero Harm to people. Occupational Health and Safety management, as well as the constant commitment to strict compliance with safety, occupational health, sustainability and community policies, legal regulations and the continuous improvement of risk control processes, are an integral part of the work of our Company and the companies that work with us.

In terms of Occupational Health and Safety, the work during 2022 focused on complying with the objectives set, the Risk Prevention Plans and Programs, occupational health and hygiene and continuing with the controls associated with the prevention and control of COVID-19.



El 2022 se reforzó el control de riesgos en terreno, con la participación de todos los líderes. / In 2022 risk control was reinforced in the field, with the participation of all the leaders.

En el resultado de la Gestión de Seguridad del año 2022 en MLCC, no se registraron accidentes graves. / In the result of the Safety Management for the year 2022 at MLCC, no serious accidents were recorded.

Se reforzó el liderazgo visible en terreno con toda la supervisión, poniendo foco en el primer día de turno y los fines de semana, principalmente, por la cantidad de incidentes ocurridos. Específicamente para los fines de semana se integró un líder de Prevención de Riesgos aumentando la presencialidad, quien tomó la función de dar continuidad operacional a los controles preventivos.

Se implementaron campañas de seguridad durante todo el año, para fortalecer los controles críticos de las operaciones. Se trabajó en todos los procesos operacionales en las actualizaciones de las matrices de Identificación de Peligros, evaluación de riesgos y oportunidades de mejoras. En definitiva, el año 2022 se reforzó el control de riesgos en terreno, con la participación de todos los líderes que componen Caserones.

Se logró implementar y certificar por un organismo externo el sistema de gestión de Seguridad, Salud ocupacional y Medio Ambiente, sobre las normas ISO 45.001-2018 e ISO 14.001-2015, en explotación de minerales a rajo abierto, producción de cátodos de Cobre, producción de concentrado de Cobre, concentrado de Molibdeno y actividades asociadas a servicios, proyectos y transportes, incluyendo empresas contratistas y subcontratistas.

Otro punto importante fue la implementación de procesos de auditorías que se realizaron a las empresas contratistas sobre el cumplimiento de gestión de seguridad, salud ocupacional y protocolos del MINSAL (Ministerio de Salud).

En el resultado de la Gestión de Seguridad del año 2022 en MLCC, no se registraron accidentes graves y la Tasa de Frecuencia (TF) fue de 0,84 número de accidentes con tiempo perdido por cada millón de horas hombre trabajadas y una Tasa de Gravedad (TG) de 23 número de días perdidos por cada millón de horas hombre trabajadas.

Visible leadership in the field was reinforced with all supervision, focusing on the first day of the shift and on weekends, mainly due to the number of incidents that occurred. Specifically for the weekends, a Risk Prevention leader was integrated, increasing face-to-face attendance, who took on the function of giving operational continuity to the preventive controls.

Safety campaigns were implemented throughout the year to strengthen critical controls of operations. Work was done in all operational processes on updating the Hazard Identification matrices, risk assessment and opportunities for improvement. In short, in 2022 risk control was reinforced in the field, with the participation of all the leaders that make up Caserones.

The Safety, Occupational Health and Environment management system was implemented and certified by an external body, based on ISO 45.001-2018 and ISO 14.001-2015 standards, in open-pit mineral exploitation, copper cathode production, production of Copper concentrate, Molybdenum concentrate and activities associated with services, projects and transportation, including contractors and subcontractors.

Another important point was the implementation of audit processes that were carried out on contractor companies on compliance with safety management, occupational health and MINSAL (Ministry of Health) protocols.

In the results of the Safety Management for the year 2022 at MLCC, no serious accidents were recorded, and the Frequency Rate (TF) was 0.84 number of accidents with lost time per million man-hours worked and a Severity Rate (TG) of 23 number of days lost per million man-hours worked.

6 Gestión de Recursos Humanos

HUMAN RESOURCES





Durante 2022 la Compañía focalizó la gestión de Recursos Humanos en las áreas que a continuación se describen.

PROTOCOLO LABORAL POR COVID-19

Gracias a la implementación de un efectivo Protocolo de Seguridad Sanitaria Laboral, cuyo objetivo central es la protección de los trabajadores, sus familias y las comunidades cercanas, se logró mantener la continuidad operacional laboral, tanto en faena, como en las oficinas de Santiago, Copiapó y la localidad de Los Loros, en Tierra Amarilla.

Se mantuvo la difusión y ejecución de medidas de protección y autocuidado, como la adecuación de las jornadas de trabajo; personal en teletrabajo o “flexworking”; reducción de aforos en transporte de personal, casinos y alojamiento; y procedimientos de respuesta ante “casos sospechosos” y “casos confirmados”.

During 2022, the Company focused Human Resources management on the areas described below.

COVID-19 CONTROL

Thanks to the implementation of an effective Occupational Health Safety Protocol, whose main objective is the protection of workers, their families and the nearby communities, it was possible to maintain the operational continuity of work, both at the site and in the offices of Santiago, Copiapó and the town of Los Loros, in Tierra Amarilla.

The diffusion and execution of protection and self-care measures was maintained, such as the adaptation of working hours; telecommuting or “flexworking” staff; reduction of capacity in personnel transport, casinos and accommodation; and response procedures for “suspected cases” and “confirmed cases”.



En 2022 se realizó la primera encuesta de clima organizacional y comunicaciones.

/ In 2022, the first organizational climate and communications survey was applied.

Entre enero y febrero de 2022, se experimentó la mayor cantidad de casos al interior de la fuerza laboral desde el inicio de la pandemia, debido a la llegada y rápido aumento de la circulación de la variante Omicron.

Durante el segundo semestre, en concordancia con avance favorable del escenario sanitario y las disposiciones del Ministerio de Salud, las medidas preventivas fueron flexibilizadas, principalmente en el uso voluntario de mascarilla, la liberación de restricciones en aforos de transporte, casinos y alojamiento, manteniéndose vigente la disposición de residencias sanitarias para la atención de casos sospechosos y confirmados.

COMUNICACIONES Y CULTURA

En concordancia con una política de mejora continua e incorporación de lecciones aprendidas, la Compañía definió ejecutar una serie de acciones luego de un completo análisis de hitos laborales y operativos ocurridos durante 2021, como la primera huelga legal de trabajadores.

Between January and February 2022, the highest number of cases within the workforce since the start of the pandemic was experienced, due to the arrival and rapid increase in circulation of the Omicron variant.

During the second semester, in accordance with the favorable progress of the health scenario and the provisions of the Ministry of Health, preventive measures were made more flexible, mainly in the voluntary use of a mask, the release of restrictions on transport capacity, casinos and accommodation, remaining in force. the provision of sanitary residences for the care of suspected and confirmed cases.

COMMUNICATIONS AND CULTURE

In relation to labor and operational milestones that Caserones faced during 2021, among others the first legal strike of its own workers, the Company decided to undertake a set of actions resulting from the analysis of these events.

60% de los trabajadores y trabajadoras participaron en la encuesta “Pulso”. / 60% of the workers participated in the “Pulso” survey.

En ese contexto, se realizó una primera encuesta de clima organizacional y comunicaciones, que se denominó “Pulso”, la que alcanzó una participación del 60% de trabajadores y trabajadoras.

Gracias a esta primera medición se logró identificar distintas oportunidades de mejora, tanto a nivel institucional como en distintas áreas de la Compañía, avanzando de esta forma en planes de trabajo específicos en liderazgo, comunicaciones y reconocimiento, todos ellos definidos como objetivos prioritarios.

Dentro de esta gestión se impulsaron espacios de encuentro entre la organización y sus líderes, tales como encuentros informativos trimestrales, talleres de comunicación y liderazgos, desayunos conversatorios, así como el fortalecimiento de canales de comunicación internos y externos.

Una de estas instancias de fortalecimiento fue la implementación del programa corporativo de reconocimiento “Sello Caserones”, a través del que se destaca anual y trimestralmente a empleados de la empresa cuya conducta incorpora valores clave para la Compañía.

Con ese mismo espíritu, y para fortalecer la identidad, se realizó la celebración de ocho años de operación de Caserones, así como el hito productivo de un millón de toneladas de cobre fino producidas.

Durante el 2022 se ejecutó un intenso trabajo para identificar y definir los valores y conductas dentro de los equipos de trabajo en el ejercicio de sus labores, gestión que fue clave para la elaboración de una nueva Carta de Valores, cuya difusión se trabajará durante 2023.

For example, the application of a first survey on the organizational climate and communications called “Pulso”, which reached a participation of around 60%.

This first survey made it possible to identify opportunities for improvement at the organizational level and for each management, establishing specific work plans in those dimensions defined as priorities: leadership, communications and recognition.

During the year 2022, meeting instances of the organization with its leaders are installed and promoted: quarterly informative meetings, communication and leadership workshops, breakfast-conversations, and strengthening of both internal and external media.

As part of these improvement opportunities, the “Sello Caserones” recognition program was implemented to highlight employees of the Company on a quarterly basis and whose conduct is key to the Company.

Other examples of strengthening identity and recognition are celebration of eight years of operation at Caserones and production of one million tons of copper.

During the year 2022 there was intense work to identify and define the values and associated behaviors that distinguish our staff in the exercise of their tasks. The internalization of this new Letter of Values will be the central focus of the Company's actions during the year 2023.

Durante 2022 ingresaron a la Compañía 188 personas. / During the 2022 period, a total of 188 people joined the Company.

RECLUTAMIENTO Y SELECCIÓN CON FOCO EN EL EMPLEO LOCAL

Con el objetivo de robustecer el proceso de reclutamiento y selección de la Compañía, en febrero de 2022 comienza a regir la nueva Política para el Fomento del Empleo y Proveedores Locales.

Como parte de dicha gestión, a contar de marzo, se constituye el Comité de Empleo Local, responsable del cumplimiento de la nueva política dentro de los procesos de contratación.

Durante 2022 ingresaron a la Compañía 188 personas, 97 de ellas provenientes de la Región de Atacama (51,5%) y 91 desde otros lugares de Chile (48,5%).

En términos de distribución de género estos nuevos ingresos a la Compañía fueron 28 mujeres (14,8%) y 160 hombres (85,2%).

RECRUITMENT AND SELECTION WITH A FOCUS ON LOCAL EMPLOYMENT

In February 2022, the new policy for the Foster Employment and Local Suppliers comes into force, incorporating improvements in the recruitment and selection process of our Company.

Starting in March, the Local Employment Committee was created, responsible for ensuring that the new policy is applied within the hiring processes.

During the 2022 period, a total of 188 people joined the Company, 97 from the Atacama region (51.5%), 91 from other parts of Chile (48.5%).

In terms of gender distribution, these new hires to the Company were 28 women (14.8%) and 160 men (85.2%).





En febrero de 2022 comenzó a regir la nueva Política para el Fomento del Empleo y Proveedores Locales. / In February 2022, the new policy for the Foster Employment and Local Suppliers comes into force.

PROGRAMAS DE INTEGRACIÓN LABORAL Y APOYO AL EMPLEO LOCAL

Se dio continuidad al Programa de Integración Laboral de Atacama “PILA”, que impulsa la Gerencia de Mina para la incorporación de trabajadores locales como operadores; y al Programa de Apoyo a la Seguridad y Empleo Local “PASE”, que busca la integración laboral de personas de la Región de Atacama con foco en las comunidades cercanas e indígenas y vulnerables.

LABOR INTEGRATION AND LOCAL EMPLOYMENT SUPPORT PROGRAMS

Continuation was given to the Atacama Labor Integration Program “PILA”, promoted by the Mine Management for the incorporation of local workers as operators; and the “PASE” Local Employment and Security Support Program, which seeks the labor integration of people from the Atacama Region with a focus on our nearby and indigenous and vulnerable communities.



PROGRAMA DE DESARROLLO DE CARRERA DE LA SUPERVISIÓN

Se continuó el proceso de Evaluación de Potencial y Talento enfocado en el rol de Supervisor.

Este programa incluye planes de desarrollo basados en el fortalecimiento de competencias, tanto técnicas como conductuales, alineado con el cumplimiento de los objetivos organizacionales, por medio de actividades de desarrollo y capacitación que permitan maximizar el desempeño individual a través del cierre de brechas.

PLAN DE DESARROLLO DE CARRERA PARA PERSONAL TÉCNICO

Con el objetivo de gestionar el conocimiento dentro de la organización, se continuó con la implementación y actualización del Plan de Desarrollo de Carrera (PDC), el que busca identificar brechas, aumentar las competencias y lograr un desarrollo planificado de los trabajadores.

SUPERVISION CAREER DEVELOPMENT PROGRAM

The Potential and Talent Assessment process for the Supervisor role continued.

This includes development plans based on strengthening both technical and behavioural competencies, aligned with the fulfilment of the Company's organisational objectives, through development and training activities that maximise individual performance by closing gaps.

CAREER DEVELOPMENT PLAN FOR TECHNICAL STAFF

In order to manage knowledge within the organization, the implementation and updating of the Career Development Plan (CDP) continued, which seeks to identify gaps, increase skills and achieve a planned development of workers.



Se continuó con la implementación y actualización del Plan de Desarrollo de Carrera. /

Implementation and updating continued of the Career Development Plan.

El Programa define líneas de desarrollo por proceso productivo, desde el nivel básico al nivel experto, tomando como referencia el marco establecido por el Sistema Nacional de Certificación de Competencias Laborales y que reconoce el mérito de una manera técnica, objetiva y validada; apalancado por las conductas y desempeño de los trabajadores.

El PDC técnico, tiene como alcance a todo el personal técnico de la Compañía.

Durante 2022, también se consolidó la implementación de los Planes de Desarrollo de Carrera, con la ejecución de las actividades del ciclo anual para el personal técnico, lo que consideró evaluación técnica, evaluación conductual y cierre de brechas para las siguientes áreas:

- Gerencia Mina: 285 personas
- Gerencia Procesos: 104 personas
- Gerencia Gestión de Activos y Mantenimiento: 82 personas
- Gerencia Recursos Mineros y Desarrollo: 11 personas
- Gerencia Aguas y Relaves: 17 personas

The Program defines lines of development by production process, from the basic level to the expert level, taking as a reference the framework established by the National System of Certification of Labor Competencies and that recognizes the merit in a technical, objective and validated manner; leveraged by the behaviors and performance of the workers.

The technical CDP has the scope of all technical personnel of the Company.

During 2022, the implementation of the Career Development Plans was also consolidated, with the execution of the activities of the annual cycle for technical personnel, which included technical assessment, behavioral assessment, and gap closure for the following areas:

- Mine Management: 285 people
- Process Management: 104 people
- Asset Management and Maintenance Management: 82 people
- Mining Resources and Development Management: 11 people
- Water and Tailings Management: 17 people



Las capacitaciones se enfocaron en desarrollo de competencias de seguridad, técnicas, cierre de brechas y requisitos legales.

/The trainings were focused on the development of security competencies, technical, closing gaps, and compliance with legal requirements.

CAPACITACIÓN

Se desarrollaron 141 actividades planificadas de capacitación interna/externa que involucraron a 1.111 participantes, alcanzando 32.245 horas de instrucción, dentro de las que se consideró a gerentes, supervisores, operadores, mantenedores y dirigentes sindicales.

Las capacitaciones fueron enfocadas en el desarrollo de competencias de seguridad, competencias técnicas requeridas para el desarrollo de sus funciones, cierre de brechas organizacionales e individuales y cumplimiento de requisitos legales.

El Programa en Apoyo a la Seguridad y Empleabilidad (PASE) incluyó 12 actividades de capacitación dirigidas a las comunidades y empresas colaboradoras, que beneficiaron a 472 personas con un total de 55.488 horas de capacitación.

Este plan se desarrolló mediante un convenio con la OTIC Proforma, con el objetivo de fortalecer el nexo técnico entre la Compañía, SENCE y los proveedores.

TRAINING

During 2022, 141 planned internal/external training activities were developed that involved 1,111 participants, reaching 32,245 hours of instruction, which considered managers, supervisors, operators, maintainers, and union leaders were considered.

The trainings were focused on the development of security competencies, technical competencies required for the development of their functions, closing organizational and individual gaps, and compliance with legal requirements.

The Program in Support of Safety and Employability (PSSE) continued, with 12 training activities were developed aimed at collaborating communities and companies, benefiting 472 people with a total of 55,488 hours of training.

This Plan was developed through an agreement with the OTIC Proforma, which considers the presence of executives on site in order to strengthen the technical link between the Company, SENCE (Training and Employment Service) and the suppliers.



A fines de año se instaló la herramienta de autoatención “Caserones Conectado”. / At the end of the year, the “Caserones Conectado” self-service tool was installed.

RECURSOS HUMANOS

En Gestión de Personas, durante 2022 se impulsó la estandarización corporativa de procesos clave, tales como los procedimientos de contratación, incorporación, vacaciones, ascensos y promociones, y término de la relación laboral.

Asimismo, gracias a un trabajo colaborativo con el área TI, se generaron lineamientos, automatizaciones y orientaciones corporativas, las que permitieron instalar la herramienta de autoatención “Caserones Conectado” hacia fin de año.

HUMAN RESOURCES

In personnel management, during 2022 we promoted the corporate standardization of key processes, such as hiring procedures, onboarding, vacations, promotions and promotions, and termination of the employment relationship.

Through collaborative work with the IT area, we generated guidelines, automations, and corporate orientations, which made it possible to install the “Caserones Conectado” self-service tool by the end of 2022.

RELACIONES LABORALES

La agenda laboral con las tres organizaciones sindicales que agrupan a los técnicos operadores y supervisores de la Compañía fue desarrollada de manera normal.

El Sindicato Lumina (Sindicato de Operadores) renovó su directiva en junio de 2022, manteniendo a 2 de los 5 directores del periodo anterior y eligió 3 directores nuevos. También se conciliaron tres demandas que se encontraban vigentes con el Sindicato Lumina, lo cual permitió estrechar una relación más colaborativa para avanzar en temas comunes.

A diciembre de 2022, nuestra dotación de personal propio era de 961 personas con un porcentaje de sindicalización del 95,2%.

Con relación al desempeño laboral de las empresas colaboradoras, durante 2022 se desarrollaron 13 procesos de negociación colectiva. Todos estos culminaron en tiempo y forma, sin impactar el normal servicio contratado. Dichas instancias involucraron a 1.391 personas asociadas a estos contratos colectivos.

LABOUR RELATIONS

The labor agenda with the three union organizations that group the technical operators and supervisors of the Company was developed in the normal way during the year 2022.

The “Sindicato Lumina” (Operators Union) renewed its board of directors in June 2022, keeping 2 of the 5 directors from the previous period and electing 3 new directors. In 2022, three lawsuits that we had in force with “Sindicato Lumina” were also reconciled, which allowed for a more collaborative relationship to advance on common issues.

As of December 2022, we had 961 own staff with a unionization rate of 95.2%.

Regarding the labor performance of the collaborating companies, a total of 13 collective bargaining processes were carried out. All negotiations were successfully completed in due time and form, without impacting the normal contracted service.

This process involved a total of 1,391 people, who were associated with these collective agreements.



7 Gestión Legal y Cumplimiento Regulatorio

MANAGEMENT LEGAL AFFAIRS
AND COMPLIANCE

La gestión legal se ha enfocado en los trámites jurídicos propios de una empresa minera en operación, tales como la mantención de concesiones mineras y derechos de agua, revisión de contratos relevantes antes de su firma, procesos administrativos, tramitación de servidumbres y causas en tribunales.

En el área de Compliance, la labor se ha centrado en la promoción de los valores de la Compañía, y, particularmente, en la auditoría de procesos de contratación y pagos, en la implementación de procesos internos de control junto a la Gerencia de Auditoría Interna y en la coadministración del Comité de Ética, el cual trata diversos temas señalados en el Código de Ética implementado en la Compañía el año 2015 y modificado como Código de Conducta el año 2019.

Con fecha 16 de diciembre de 2019 la Compañía obtuvo la Certificación del Modelo de Prevención de Delitos (Ley 20.393), por una vigencia de dos años, la cual fue renovada con fecha 16 de diciembre de 2021 por dos años más.

Legal management has focused on the legal formalities that are typical in a mining company, such as mining concessions and water rights maintenance, review of contracts before their execution, administrative processes, obtaining of easements and court trials.

In the Compliance area, the work has centered in the promotion of the Company's values, and, in the auditing of contracting and payment processes. Other activities include the implementation of internal control processes together with the Internal Audits Management and co-managing the Ethics Committee that deals with various matters established in the Code of Ethics implemented by the Company in 2015 and modified as Code of Conduct in 2019.

On December 16, 2019, the company obtained the Offense Prevention Model Certification (Law 20.393), which is valid for two years, which was renewed last December 16th, 2021 for two additional years.

8 Gestión de Abastecimiento y Contratos

SUPPLY CHAIN AND CONTRACT MANAGEMENT





Las áreas de Abastecimiento y Contratos fueron claves para hacer frente a los desafíos operacionales. /The Supply Chain and Contracts areas were key to facing the operational challenges.

Durante 2022, debido a la continuidad de la pandemia de COVID-19, junto con el evento climático ocurrido durante los meses de invierno en la operación, y el paro de camiones, se vio afectada la logística a nivel nacional. A lo anterior, se suma el incremento de precios, aumento de costos en logística, y en el consumo de los principales insumos críticos. En este contexto, las áreas de Abastecimiento y Contratos fueron claves para hacer frente a los desafíos operacionales en los que fueron requeridos. Ambos equipos elaboraron planes estratégicos y tácticos, para continuar con el abastecimiento de repuestos y los servicios necesarios para continuar con los desafíos en producción.

During 2022, due to the continuity of COVID-19 pandemic, together with the climatic event that occurred during the winter months in the operation, and the truckers strike, logistics were affected at a national level. To this is added the increase in prices, increased costs in logistics, and in the consumption of the main critical inputs. In this context, the Supply and Contracts areas were key to facing the operational challenges in which they were required. Both teams developed strategic and tactical plans to continue supplying spare parts and the necessary services to continue with the challenges in production.



Los principales focos estuvieron en seguridad, producción y costos.

Seguridad: Trabajar alineado con las normas y procedimientos de la Compañía.

Producción: Trabajar en conjunto con las diferentes gerencias para lograr este año la meta de producción del millón de toneladas de cobre, desarrollar las mejores estrategias de contratación para las campañas de exploración, contratación de un proyecto para lograr la conversión de camiones mineros a 100% eléctricos, y liderar el monitoreo de contratación de personal de la región de Atacama.

Costos: Priorizar la búsqueda de nuevos mercados y proveedores Low Cost Country, planes para lograr un inventario saludable, y desarrollar estrategias de contratación para relaciones de largo plazo.

The main focuses were on safety, production and costs.

Safety: Work in line with the Company's policies and procedures.

Production: Work together with the different departments to achieve the production goal of one million tons of copper this year, develop the best recruitment strategies for exploration campaigns, contracting a project to achieve the conversion of mining trucks to 100% electric, and lead the monitoring of personnel hiring in the Atacama region.

Costs: Prioritize the search for new markets and Low Cost Country providers, plans to achieve a healthy inventory, and develop recruitment strategies for long-term relationships.



Los principales focos de las áreas de Abastecimiento y Contratos fueron en seguridad, producción y costos. / The main focuses of the Supply and Contracts areas were on safety, production and costs.

SEGURIDAD

Las áreas de Abastecimiento y Contratos son responsables de la gestión y administración de contratación de todos los servicios, materiales, e insumos para los procesos productivos requeridos en faena, incluyendo las oficinas de Santiago y Copiapó. Adicionalmente, es responsable de la administración de la bodega en faena, en la que están centralizadas las operaciones logísticas de transporte interno y externo de materiales, repuestos e insumos. Esta logística de servicios en faena considera una constante gestión de los riesgos, especialmente cuando se debe enfrentar un escenario de pandemia, eventos climáticos en faena, y un paro nacional de camioneros. Pese a eso, estas áreas enfrentaron la situación alineadas para trabajar con seguridad bajo el sistema de gestión de seguridad salud y medio ambiente.

SAFETY

The Supply and Contracts areas are responsible for the contracting management and administration of all services, materials, and supplies for the production processes required at the site, including the Santiago and Copiapó offices. Additionally, it is responsible for the administration of the warehouse at work, in which the logistic operations of internal and external transport of materials, spare parts and supplies are centralized. This on-site service logistics considers constant risk management, especially when facing a pandemic scenario, weather events on site, and a national truckers strike. Despite this, these areas faced the situation aligned to work safely under the health and environmental safety management system.

Desarrollo de estrategias para optimizar los beneficios al servicio de la operación. / Development of strategies to optimize the benefits at the service of the operation.



COSTOS Y PRODUCCIÓN

Enfocados en la planificación y visión estratégica, las áreas de Abastecimiento y Contratos desarrollaron estrategias para optimizar los beneficios que ofrece el mercado al servicio de la operación.

El área de Contratos continuó con su estrategia de visión en el largo plazo, enfocándose principalmente en los contratos estratégicos y operaciones (Plan TOP de Contratos), con una planificación de largo plazo, cuyo enfoque estuvo en optimizar servicios y costos, desarrollar relaciones de largo plazo y ampliar la base de proveedores.

En el área de administración de contratos, el foco fue impulsar análisis should cost a los principales servicios, liderar periódicamente diálogos de desempeño y organizar actividades de liderazgo en terreno.

Por su parte, el área de Abastecimiento lideró diversas iniciativas, enfocadas en desarrollar un inventario saludable, planificar la demanda de repuestos para todas las mantenciones mayores y menores en conjunto con el área de Gestión de Activos, y búsqueda de nuevos mercados priorizando estrategias Low Cost Country.

COSTS AND PRODUCTION

Focused on planning and strategic vision, the Supply and Contracts areas developed strategies to optimize the benefits offered by the market at the service of the operation.

The Contracts area continued with its long-term vision strategy, focusing mainly on strategic contracts and operations (TOP Contract Plan), with long-term planning, whose focus was on optimizing services and costs, developing relationships of long term, and broaden the supplier base.

In the area of contract administration, the focus was to promote should cost analysis to the main services, periodically lead performance dialogues and organize field leadership activities.

For its part, the Supply area led various initiatives, focused on developing a healthy inventory, planning the demand for spare parts for all major and minor maintenance in conjunction with the Asset Management area, and searching for new markets prioritizing Low Cost strategies Country.

9 Gestión de Comercialización

COMMERCIALIZATION

En el año 2022, la Compañía vendió 93,6 miles de toneladas métricas de cobre fino a través del puerto de Totoralillo, ubicado en la Región de Atacama.

Adicionalmente, vendió 6,6 miles de toneladas métricas de concentrados de cobre fino a clientes nacionales.

Exportamos 14kMT de cátodos de cobre a través de los puertos Angamos y Antofagasta, ubicado en la Región de Antofagasta y el puerto de Valparaíso, ubicado en la Región de Valparaíso.

No vendimos cátodos de cobre a consumidores (clientes) chilenos.

Vendimos 2,3kMT de concentrados de molibdeno a una fundición chilena, y exportamos 1kMT a través de los puertos: Angamos, ubicado en la Región de Antofagasta y el puerto de Valparaíso, ubicado en la Región de Valparaíso.

In 2022, the Company sold 93.6 thousand tons of fine copper concentrates through Totoralillo port, located in Atacama Region.

And we sold 6.6 thousand tons of fine copper concentrates to Chilean clients.

We exported 14kMT of copper cathodes through Angamos and Antofagasta port, located in Antofagasta Region and Valparaiso port, located in Valparaiso Region.

We didn't sell any copper cathode to Chilean users.

We sold 2,3kMT of molybdenum concentrates to a Chilean smelter, and exported 1kMT through Angamos port, located in Antofagasta Region and Valparaiso port, located in Valparaiso Region.

10 Gestión de Comunidad

COMMUNITY RELATIONS



Caserones mantuvo su trabajo con las comunidades y stakeholders de la zona. / Caserones continued to work with regional communities and stakeholders.

RELACIONES COMUNITARIAS

Durante 2022 la Compañía ejecutó distintos programas, proyectos y actividades vinculados a su gestión comunitaria, los que se enmarcan en cinco ejes estratégicos: Gestión de Recursos Hídricos, Desarrollo Social, Apoyo a la Empleabilidad y Capacitación a las Personas, Comunidades Indígenas Colla y Seguridad Vial; manteniendo el trabajo colaborativo con instituciones privadas, universidades, servicios públicos y organizaciones sociales (especialmente del Valle en la comuna de Tierra Amarilla), así como el apoyo a personas y familias que se vieron afectadas por los efectos de la pandemia de COVID-19.

De esta forma, Caserones mantuvo su trabajo con las comunidades y stakeholders de la zona, fortaleciendo sus canales de comunicación –on line, remota y presencial– para mantener el relacionamiento en tiempos de emergencia sanitaria, principalmente durante los primeros meses de 2022. Posteriormente, con la flexibilización de las medidas sanitarias se avanzó en la reactivación presencial de programas y actividades, apoyando la continuidad operacional de la Compañía

COMMUNITY RELATIONS

In 2022, the Company implemented different programs, projects, and activities related to community management based around five strategic areas: Water Resource Management, Social Development, Employment and Training Support, Colla Indigenous Communities, and Road Safety, maintaining collaborative relationships with private institutions, universities, public services, and social organizations (especially in the valley of the Tierra Amarilla commune), as well as support for people and families affected by the COVID-19 pandemic.

Caserones continued to work with regional communities and stakeholders, strengthening the lines of communication –online, remote, and in-person– to maintain engagement during times of health emergencies, mainly during the first months of 2022. Later, when public health measures were more relaxed, we were able to restart in-person programs and activities which supported the Company's operational continuity.

Se entregó agua potable a vecinos de distintos sectores.

/ Potable water was provided to neighborhoods of various sectors.



GESTIÓN DE RECURSOS HÍDRICOS

En el marco del convenio vigente entre la Compañía y la Junta de Vigilancia del Río Copiapó (JVRC), se ejecutaron obras para contribuir a la sustentabilidad del recurso hídrico en el Valle de Copiapó, destacando la reparación del Canal La Turbina (etapa 1 y 2), la limpieza del Canal La Turbina-Elisa de Bordos, el control y limpieza de la ribera y cauce, incluyendo retiro de material, del Río Copiapó en distintas áreas del Valle, la limpieza de bocatoma del Canal Mal Paso y la mantención del túnel de descarga del Embalse Lautaro.

Asimismo, se implementó un nuevo Convenio Complementario de Cooperación y Colaboración en Materia de Gestión Hídrica, también con la JVRC, el que permitirá apoyar diversas obras, proyectos y estudios en la materia.

WATER RESOURCE MANAGEMENT

As part of the current agreement between the Company and the Río Copiapó Oversight Board (Junta de Vigilancia del Río Copiapó – JVRC), we implemented projects that contribute to the sustainability of water resources in the Copiapó Valley, highlighting the repair of the La Turbina Canal (stage 1 and 2), cleaning the La Turbina-Elisa de Bordos Canal, monitoring and cleaning the riverbank and riverbed, including removing material, of the Copiapó River in different areas of the valley, cleaning the Canal Mal Paso water intake, and maintenance of the Lautaro Reservoir discharge tunnel.

In addition, a new Complementary Cooperation and Collaboration Agreement in Matters of Water Management was implemented, also with the JVRC, that will allow support for other related works, projects, and studies.



Obras de mejoramiento y ampliación en sedes sociales de Juntas de Vecinos.

/ Improvement and expansion projects were also carried out at the headquarters Neighborhood Council.

En la misma comuna y como parte de los compromisos RCA, se cumplió con el apoyo a regantes del VIII y IX distrito, y se desarrolló el protocolo anual de cooperación para el muestreo mensual de “análisis de calidad de agua desalada”.

También se mantuvo el convenio de cooperación con la Comunidad de Aguas Subterráneas, (CASUB), cuya jurisdicción es Copiapó-Piedra Colgada; Piedra Colgada-Desembocadura, para promover una gestión integrada y sustentable de la cuenca del río Copiapó. Gracias a esta iniciativa se han ejecutado mejoramientos en telemetría y control de extracción, entre otros.

DESARROLLO SOCIAL

En 2022 se realizó la XIII versión del Fondo Concursable “Con tu Aporte, Crecemos” en la comuna de Tierra Amarilla, y que contempló tres líneas de inversión: apoyo a emprendimientos y oficios en vías de formalización; apoyo a negocios y microempresas; y apoyo a iniciativas comunitarias –ya sean territoriales o funcionales.

In the same county, as part of the RCA's (Resoluciones de Calificación Ambiental-Environmental Assessment Resolution) commitments, support was given to irrigators in the VIII and IX districts and the annual cooperation protocol for the monthly “desalinated water quality analysis” was developed.

The cooperation agreement with the Underground Water Community (Comunidad de Aguas Subterráneas - CASUB), whose jurisdiction is Copiapó-Piedra Colgada, Piedra Colgada-Desembocadura, was also maintained in order to promote integrated and sustainable management of the Copiapó river basin. Thanks to this initiative, there have been improvements in telemetry

SOCIAL DEVELOPMENT

In 2022, the XIII version of the competitive fund “Con tu Aporte, Crecemos” was carried out in the Tierra Amarilla commune. It considered three areas of investment: support for startups and trade organizations on a path to formalization, support for businesses and microbusinesses, and support for community initiatives, whether territorial or functional.

El fondo benefició a 104 proyectos y el proceso de postulación se realizó de forma 100% online por tercer año consecutivo, teniendo como soporte su sitio web corporativo. Un total de 54 emprendedores, 30 negocios y microempresas y 20 iniciativas comunitarias ejecutadas por organizaciones sociales.

Del total de beneficiados y beneficiadas, un 61% son del sector rural y un 39% de la zona urbana; 72% son mujeres y 28% hombres. Al programa económico y social postularon 396 iniciativas de la comuna donde se ubica la faena de la Compañía.

Este año, también se realizaron obras de mejoramiento y ampliación en las sedes sociales de la Junta de Vecinos Nuevo Amanecer de Los Loros, la Junta de Vecinos Unión La Calera de Tierra Amarilla y la Junta de Vecinos de Pabellón Bajo.

Asimismo, se ejecutaron trabajos de perfilamiento, compactación, limpieza y retiro de rodados, entre otros, en distintos caminos, calles y pasajes de localidades rurales del Valle.

En la Escuela de Concentración Fronteriza D-43 de Los Loros se mejoró el sistema eléctrico y alcantarillado, entre otras acciones, lo que permitió corregir fallas infraestructurales detectadas por la autoridad sanitaria, lo que permitió asegurar la continuidad de las clases.

En el marco del Programa de Desarrollo Agropecuario Rural 2022, se dispuso de maquinaria pesada para la preparación de terrenos, vacunación de animales y la entrega de materiales para implementar proyectos productivos a la Junta de Vecinos Valle Unido y a las comunidades indígenas Colla del sector.

Como parte del Plan de Saneamiento de los sectores altos del Valle, se entregaron paneles solares, reparaciones de alcantarillado, mejoramiento sanitario y agua potable, entre otros, a vecinos de distintos sectores.

The fund benefited 104 projects and the application process was carried out 100% online for the third consecutive year with support from the corporate website. There was total of 54 entrepreneurs, 30 businesses and microbusinesses, and 20 community initiatives implemented by social organizations.

Of all the beneficiaries, 61% were from rural areas and 39% from urban areas. 72% were women and 28% were men. 396 initiatives from the commune where the Company works applied for the economic and social program.

This year, improvement and expansion projects were also carried out at the headquarters of the Los Loros Nuevo Amanecer Neighborhood Council, the Tierra Amarilla Unión La Calera Neighborhood Council, and the Pabellón Bajo Neighborhood Council.

Additionally, there were profiling, compacting, cleaning and landslide removal jobs, among others, carried out on various paths, streets, and passages in the valley's rural towns.

At the Los Loros D-43 Concentración Fronteriza School, the electrical and sewer systems were improved, among other actions, which led to corrections in infrastructure failures detected by the health authority, and which allowed classes to continue.

Under the 2022 Rural Agriculture Development Program, heavy machinery was provided to prepare land, animals were vaccinated, and production project materials were delivered to the Valle Unido Neighborhood Council and the Colla indigenous communities in the area.

As part of the Sanitation Plan in the high valley areas, solar panels, repaired sewers, improved sanitation, and potable water were provided, among other things, to neighborhoods of various sectors.

Programa de
Apoyo a la Cultura.
/ Cultural Support
Program.



**Celebración de
la Navidad en las
escuelas rurales
de Tierra Amarilla.**

/ Celebration of
Christmas in the
rural schools of
Tierra Amarilla.



CONVENIOS

TIERRA AMARILLA Y EL VALLE

Se diseñó, en conjunto con la Junta de Vecinos de Valle Unido del sector de Juntas del Potro, el proyecto para la construcción de una sede social y posta, en beneficio de todos los vecinos cercanos a la operación minera

Respecto de la Resolución de Calificación Ambiental 13/2010, se mantienen las soluciones de agua potable, electricidad y alcantarillado a 14 domicilios del entorno inmediato de nuestra faena.

CALDERA

En conjunto con la Compañía Minera del Pacífico (CMP), se llevó a cabo la quinta versión del Fondo de Inversión Social para Emprendedores –FISE– para 18 organizaciones de pesca de la comuna de Caldera.

Junto a la Municipalidad de Caldera se ejecutó el Programa Reactivación Económica y Generación de Empleo, que benefició a 64 micro y pequeños emprendedores y trabajadores independientes. Igualmente, se realizó el Programa de Apoyo a la Cultura, destinado al fortalecimiento de las artes, cultura e identidad local de Caldera, con la participación de niños, niñas, jóvenes, adolescentes y agrupaciones culturales de la comuna.

AGREEMENTS

TIERRA AMARILLA AND THE VALLEY

Together with the Juntas del Potro sector Valle Unido Neighborhood Council, a project to build a headquarters and staging post was designed to benefit all the neighbors close to the mining operation.

Regarding the Environmental Assessment Resolution 13/2010, potable water, electricity, and sewer solutions are still in place for 14 homes in our project's immediate vicinity.

CALDERA

In cooperation with the Pacific Mining Company, the fifth version of the Social Investment Fund for Entrepreneurs was carried out for 18 fishing organizations in the Caldera county.

Together with the Caldera City Council, the Economic Reactivation and Employment Creation Program was implemented, which benefited 64 micro and small entrepreneurs and independent workers. Similarly, the Cultural Support Program was carried out to strengthen Caldera's arts, culture, and local identity, with support from the county's children, adolescents, and cultural groups.



Apoyamos a deportistas regionales de alto rendimiento a nivel nacional.

/We support high-performance regional athletes at a national level.

REGIONAL

Con el Hogar de Cristo nuevamente se entregó apoyo para asegurar la mantención de sus programas de hospedería y atención domiciliaria de adultos mayores; además de equipamiento para la atención a personas con discapacidad.

Asimismo, se apoyó a deportistas regionales de alto rendimiento a nivel nacional, entre ellos a la destacada atleta Karen Gallardo y al Club de Boxeo “Fuerza Nueva” de Copiapó y también a actividades deportivas de connotación nacional como el Torneo Gran Prix Sudamericano Orlando Guaita.

SEGURIDAD VIAL

La Compañía financió el mejoramiento y poda en rutas locales del valle, además de la mantención del Bypass y ciclovía en la localidad de Los Loros.

Asimismo, se fortaleció la colaboración con el Cuerpo de Bomberos de la Tercera Compañía de esa localidad, mediante un convenio que permitió la adquisición de una camioneta de rescate y apoyo logístico que robustece la capacidad de respuesta ante emergencias de la institución.

REGIONAL

Hogar de Cristo was again supported to ensure the continuity of its lodging and home assistance programs for elders, as well as providing equipment to serve people with disabilities.

Likewise, support was given to regional athletes with high performance at the national level, among them the accomplished athlete Karen Gallardo and the Copiapó “Fuerza Nueva” Boxing Club, as well as nationally significant sporting events like the Orlando Guaita South American Gran Prix Tournament.

ROAD SAFETY

The Company financed improvements and pruning on local valley routes as well as maintenance of the Bypass and bicycle path in the town of Los Loros.

Additionally, it strengthened collaboration with the town’s Third Company Firefighter’s Brigade through an agreement that resulted in the acquisition of a rescue truck and logistical support to bolsters the institution’s emergency response capacity.



Programa de Apoyo en Seguridad y Empleabilidad.
/ Safety and Employment Support Program.

ACCIONES DE MLCC POR EL COVID-19

TIERRA AMARILLA

Hasta antes de la flexibilización del escenario sanitario por la baja de casos de COVID-19, se mantuvo la entrega de elementos de protección a la comunidad, con foco en organizaciones de adultos mayores, tales como mascarillas y alcohol gel, entre otros.

REGIONAL

Para apoyar la gestión de la autoridad a nivel regional, se entregaron test rápidos de antígeno al Servicio de Salud de Atacama, al igual que a la Municipalidad de Caldera.

APOYO A LA EMPLEABILIDAD - CAPACITACIÓN A LAS PERSONAS

En el ámbito de la educación local, luego de dos años de suspensión por la crisis sanitaria, se retomó el Programa de Prácticas de forma presencial. En esa línea, se recibió a 11 estudiantes universitarios y técnicos, los que se integraron a distintas áreas de la Operación. Dos de ellos, provinieron de la carrera de Mecánica Industrial de la Escuela Concentración Fronteriza D-43 de Los Loros, de Tierra Amarilla, quienes adquirieron nuevas capacidades para su desempeño técnico profesional.

En materia de empleabilidad local, se realizó la tercera versión del programa de integración laboral Atacama (PILA), que culminó con la contratación de 18 personas de la Región de Atacama.



ACTIONS BY MINERA LUMINA COPPER CHILE IN RESPONSE TO COVID-19

TIERRA AMARILLA

Even before the health scenario became more flexible due to low rates of COVID-19, delivery of community protection supplies such as masks and antibacterial gel, among others, continued with a focus on older adult organizations.

REGIONAL

To support the health authority at a regional level, rapid antigen tests were delivered to the Atacama Health Service and the Caldera Municipality.

EMPLOYMENT - TRAINING SUPPORT

In the area of local education, after two years of closure due to the health crisis, in-person internship programs were resumed. 11 university and trade students joined different areas of the Operation. Two of them came with an Industrial Mechanics degree from the Los Loros D-43 Concentración Fronteriza School in Tierra Amarilla, and they gained new skills in professional technical performance.

In terms of local employment, the third Atacama work intervention program was carried out, which resulted in contracting 18 people from the Atacama Region.



Más de 260 vecinos de Tierra Amarilla, Copiapó y Caldera participaron en el Programa de Apoyo en Seguridad y Empleabilidad. / More than 260 neighbors of Tierra Amarilla, Copiapó and Caldera participated in the Security and Employability Support Program.

Igualmente, retornó a la presencialidad el Programa de Apoyo en Seguridad y Empleabilidad, PASE, el que contempló 11 cursos, con la participación de 260 vecinos y vecinas de Tierra Amarilla, Copiapó y Caldera. En la oportunidad, se dictaron capacitaciones de Conducción Clase B, Guardia de Seguridad con acreditación OS 10, Técnicas de Enfermería para el Cuidado de Enfermos Domiciliarios, Técnicas de Soldaduras y Corte y Confección Ropa Industrial.

En el sitio web corporativo de la compañía se mantuvo una página para promover y difundir las ofertas laborales de la empresa minera y sus empresas contratistas. Las oportunidades de trabajo fueron compartidas a las Oficinas Municipales de Inserción Laboral –Omil– de Tierra Amarilla, Caldera y Copiapó.

The Safety and Employment Support Program also returned to in-person activities and provided 11 courses with participation from 260 neighbors in Tierra Amarilla, Copiapó, and Caldera. For this opportunity, training was given for Class B Driving, Security Guard with OS 10 accreditation, Nursing Techniques for Caring for Homebound Patients, Welding Techniques, and Sewing Industrial Clothing.

The Company's website maintained a page to promote and share the mining company and contracting company's job offers. Job offers were shared with the Municipal Office Job Placement Program in Tierra Amarilla, Caldera, and Copiapó.



Se implementaron inversiones en salud, educación, proyectos productivos y fortalecimiento educacional. /

Investments in health, education, production projects and educational strengthening were implemented.

COMUNIDADES INDÍGENAS COLLA

Durante 2022 se continuó con el relacionamiento con las comunidades indígenas cercanas a la operación. Gracias a esta gestión, se consiguieron los objetivos del Fondo de Inversión Comunitaria 2022. Con la Comunidad Indígena Colla de Río Jorquera y sus Afluentes, se implementaron inversiones en salud, educación, proyectos productivos y fortalecimiento educacional. Por su parte, con la Comunidad Indígena Colla del Junta del Potro y sus Afluentes, se ejecutaron iniciativas en salud, educación, discapacidad y proyectos productivos. En tanto, con la Comunidad Indígena Colla Vizcacha de Pulido y sus Afluentes, además de los rubros anteriores, se mantuvo el financiamiento para la conectividad de Internet.

Paralelamente, se continuó con el trabajo participativo de estas tres comunidades indígenas en el proceso del Estudio de Impacto Ambiental “Adecuación Operacional Faena Minera Caserones”, en el marco de la Mesa de Diálogo para la Nueva Gobernanza, que se constituyó a comienzos de 2022 con el objetivo de fortalecer la relación entre Caserones y las comunidades, definir los compromisos voluntarios y diseñar una política de relacionamiento a largo plazo.

En dicha instancia, destacan los primeros avances para el diseño de un programa de empleabilidad y de desarrollo agropecuario.

COLLA INDIGENOUS COMMUNITIES

During 2022, the Company continued its engagement with indigenous communities close to the operation. Thanks to this engagement, the goals of the 2022 Community Investment Fund were achieved. Investments in health, education, production projects and educational strengthening were implemented with the Colla Indigenous Community of Río Jorquera and its Tributaries. For its part, the Colla Indigenous Community of Junta del Potro and its Tributaries implemented health, education, disability, and production project initiatives. Meanwhile, the Colla Indigenous Community Vizcacha de Pulido and its Tributaries, besides the above areas, also kept its financing for Internet connectivity.

Simultaneously, these three indigenous communities continued their participation in the Environmental Impact Study process “Caserones Mining Work Operations Adjustments” as part of the New Governance Roundtable Discussion, which was established in the beginning of 2022 with the goals of strengthening the relationship between Caserones and these communities, defining voluntary commitments, and designing a long-term engagement policy.

In this case, of note is the initial progress in designing an employment and agriculture development program.



11 Estados Financieros

FINANCIAL STATEMENTS



Santiago, 14 de abril de 2023

Señores
Comisión Para El Mercado Financiero (CMF)
Santiago - Chile
Presente

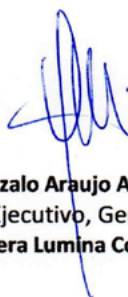
Ref: Presenta Estados Financieros al 31.12.2022

De nuestra consideración:

Conforme a lo dispuesto en Resolución Exenta Nro. 298 de fecha 17 de mayo de 2010 de la Superintendencia de Valores y Seguros, hoy Comisión para el Mercado Financiero, adjuntamos a la presente los Estados Financieros de SCM Minera Lumina Copper Chile, según lo dispuesto en el Nro.1 de la letra A.3 de dicha Resolución, conteniendo la siguiente información:

1. Estados Financieros anuales al 31.12.2022 y al 31.12.2021.
2. Informe de Auditores Independientes.
3. Declaración Jurada de Responsabilidad.

Saluda cordialmente,



Gonzalo Araujo Alonso
Presidente Ejecutivo, Gerente General
SCM Minera Lumina Copper Chile

DECLARACIÓN JURADA DE RESPONSABILIDAD

En Santiago, al 14 de abril de 2023, yo **Gonzalo Araujo Alonso**, chileno, cédula nacional de identidad N° 7.608.463-7, en mi calidad de Gerente General y Presidente Ejecutivo de **SCM Minera Lumina Copper Chile**, sociedad contractual minera, Rol Único Tributario N° 99.531.960-8; declaro bajo juramento que la información entregada a la Comisión Para El Mercado Financiero (CMF) en nuestros Estados Financieros anuales auditados finalizados al 31 de diciembre de 2022 es veraz e íntegra, los que son preparados y presentados de acuerdo con las Normas Internacionales de Información Financiera (NIIF), en cumplimiento de lo dispuesto en la Resolución Exenta N°298 del 17 de mayo de 2010 emitida por la Superintendencia de Valores y Seguros, hoy Comisión para el Mercado Financiero.



Gonzalo Araujo Alonso
Presidente Ejecutivo, Gerente General
SCM Minera Lumina Copper Chile

Financial Statements

SCM MINERA LUMINA COPPER CHILE

Santiago, Chile

As of December 31, 2022 and 2021

Financial Statements

SCM MINERA LUMINA COPPER CHILE

*As of December 31, 2022 and 2021
And for the years then ended*



EY Chile
Avda. Presidente
Riesco 5435, piso 4,
Santiago

Tel: +56 (2) 2676 1000
www.eychile.cl

Independent Auditor's Report

To Shareholders and Directors
SCM Minera Lumina Copper Chile

We have audited the accompanying financial statements of SCM Minera Lumina Copper Chile, which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of comprehensive income, changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

The Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SCM Minera Lumina Copper Chile as of December 31, 2022 and 2021, and the results of their operations and their cash flows for the years then ended in conformity with International Financial Reporting Standards.

A handwritten signature in blue ink, appearing to read 'Luis Camilla C.', is positioned above the printed name.

Luis Camilla C.
EY Audit Ltda.

Santiago, Chile
April 14, 2023

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Amounts are expressed in
 ThUS\$: Thousand of United States dollars
 US\$: United States dollars
 CLP : Chilean pesos

Financial Statements

SCM MINERA LUMINA COPPER CHILE

As of December 31, 2022 and 2021

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the years ended December 31, 2022 and 2021

	Notes	2022 ThUS\$	2021 ThUS\$
Revenue	7	1,062,839	1,092,326
Cost of sales	8	(667,022)	(645,157)
Gross Margin		395,817	447,169
Administrative expenses	8	(113,497)	(111,192)
Selling and distribution expenses	8	(30,296)	(20,477)
Other expenses	9	(37,105)	(13,369)
Other income	10	848	494
Foreign exchange gains (losses), net	28	(16,825)	8,307
Impairment charges	27	-	-
Operating profit		198,942	310,932
Finance expenses	11	(168,501)	(123,165)
Income before tax		30,441	187,767
Income tax expense	12	(5,701)	(10,150)
Income for the period		24,740	177,617
Other comprehensive income (loss)			
Remeasurement gain (loss) on defined benefit plans, net of taxes	22	(6)	(34)
Total of other comprehensive income (loss)		(6)	(34)
Total comprehensive income (loss)		24,734	177,583

The accompanying notes from 1 to 31 are an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2022 and 2021

	Notes	2022 ThUS\$	2021 ThUS\$
ASSETS			
Non-current assets			
Property, plant & equipment, net	14	1,887,366	1,876,481
Intangible assets	13	34,281	33,477
Right of use assets	15	142,600	175,886
Inventories	19	86,852	77,395
Total non-current assets		2,151,099	2,163,239
Current assets			
Cash and cash equivalents	16	85,986	192,225
Trade receivable from related parties	18	139,309	61,515
Trade receivable from third parties		58,872	15,815
Other receivables	17	43,928	35,379
Inventories	19	298,704	257,668
Current tax assets	12	3,388	-
Other current assets		1,492	1,250
Total current assets		631,679	563,852
Total assets		2,782,778	2,727,091
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity			
Paid in capital	20	3,468,428	3,468,428
Accumulated other comprehensive income		19	25
Accumulated losses		(4,637,062)	(4,661,802)
Total shareholders' equity		(1,168,615)	(1,193,349)
Non-current liabilities			
Employee defined benefit liabilities	22	707	602
Interest bearing loans and borrowings	23	3,195,454	3,135,628
Lease liabilities	24	191,662	217,722
Other non-current liabilities	25	44,450	49,943
Mine rehabilitation provision	26	147,819	109,021
Total non-current liabilities		3,580,092	3,512,916
Current liabilities			
Accounts payable and accrued liabilities	21	215,653	188,861
Interest bearing loans and borrowings	23	99,101	146,268
Lease liabilities	24	38,148	47,186
Other current liabilities	25	18,399	17,703
Taxes payable	12	-	7,506
Total current liabilities		371,301	407,524
Total liabilities		3,951,393	3,920,440
Total shareholders' equity and liabilities		2,782,778	2,727,091

The accompanying notes from 1 to 31 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
(Indirect method)
For the year ended on December 31, 2022 and 2021

	Notes	2022 ThUS\$	2021 ThUS\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Result before income taxes		30,441	187,767
Adjustment to reconcile result before income tax to net cash flows:			
Depreciation, depletion and amortization	13/14/15	224,422	244,810
Asset impairment	27	-	-
Foreign exchange differences	28	16,825	(8,307)
Accrued loan interest	23	142,195	93,769
Selling prices mark-to-market adjustment	7	(28,223)	20,725
Other adjustments		11,214	22,006
Changes in working capital:			
Trade receivable		(92,628)	(6,255)
Other receivables		(12,179)	(2,611)
Trade and other payables		14,594	9,448
Inventories	19	(50,493)	(40,782)
Cash provided by operating activities		256,168	520,570
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditures on tangible and intangible assets	13/14/15	(87,142)	(78,646)
Capitalized to deferred stripping asset	14	(68,834)	(76,055)
Cash used in investing activities		(155,976)	(154,701)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loans and borrowings	23	(125,636)	(124,311)
Payments of interest on loans and borrowings	23	(3,900)	(2,387)
Payments of lease principal	24	(57,066)	(59,956)
Payments of lease interest	24	(19,829)	(19,630)
Cash used in financing activities		(206,431)	(206,284)
Net increase/(decrease) in cash and cash equivalents		(106,239)	159,585
Cash and cash equivalents, beginning of the period	16	192,225	32,640
Cash and cash equivalents, end of the period	16	85,986	192,225

The accompanying notes from 1 to 31 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended on December 31, 2022 and 2021

	Notes	Paid in capital ThUS\$	Accumulated other comprehensive income (loss) ThUS\$	Accumulated losses ThUS\$	Total Equity (deficit) ThUS\$
Balance as of January 1, 2021		3,468,428	59	(4,839,419)	(1,370,932)
Net income for the period		-	-	177,617	177,617
Other comprehensive loss	22	-	(34)	-	(34)
Balance as of December 31, 2021		3,468,428	25	(4,661,802)	(1,193,349)

	Notes	Paid in capital ThUS\$	Accumulated other comprehensive income (loss) ThUS\$	Accumulated losses ThUS\$	Total Equity (deficit) ThUS\$
Balance as of January 1, 2022		3,468,428	25	(4,661,802)	(1,193,349)
Net income for the period		-	-	24,740	24,740
Other comprehensive loss	22	-	(6)	-	(6)
Balance as of December 31, 2022		3,468,428	19	(4,637,062)	(1,168,615)

The accompanying notes from 1 to 31 are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 1 - Company information

SCM Minera Lumina Copper Chile ("the Company") is a privately-held corporation incorporated and domiciled in Santiago, Republic of Chile, formed by public act dated August 20, 2003. The shareholders of the Company as of December 31, 2022 are MLCC Finance Netherlands B.V., a subsidiary of Eneos Holdings, Inc. (the ultimate parent of the Company), with 68.68% participation, NCR Canada Enterprises Corp. with 2.83% participation and Nippon Caserones Resources Co., Ltd. with 28.49% participation.

The Company's line of business is: a) the exploration, development, extraction, processing and commercialization of minerals; b) the purchase and rental of exploration and/or exploitation mining concessions and c) participation in any type of company or joint venture dedicated to the exploration, development, exploitation and commercialization of any type of mineral deposits and mining concessions.

On February 26, 2010 the Board of Directors approved to start the construction of the Caserones project, as a consequence, the construction stage started in March, 2010.

On July 30, 2014 SCM Minera Lumina Copper Chile inaugurated officially the Caserones mine, which is currently the only mine that the Company operates. Caserones is an open pit mining operation, with a plant to produce copper and molybdenum concentrates from primary sulfides, and a solvent extraction and electro winning plant (SX-EW) to produce copper cathodes with oxide ore processing, mixed and secondary sulfides.

By public deed of November 15, 2010, the shareholders, Pan Pacific Copper Co., Ltd. ("PPC"), PPC Canada Enterprises Corp. and Mitsui Bussan Copper Investment & Co., Ltd., transformed the "S.A." (Corporation) into a "Sociedad Contractual Minera" (contractual mining company or "SCM"), ruled by the Chilean Mining Code. Authorized abstracts of this public deed were duly registered and published and notified to the Chilean Internal Tax Service ("Servicio de Impuestos Internos" in Spanish), fulfilling all legal requirements.

On April 1, 2020 the major shareholding of the Company, PPC transferred their stocks on the Company to a related entity, Nippon Caserones Resources Co., Ltd. ("NCR"), which is established by JX Nippon Mining & Metals Corporation ("JX Metals") and Mitsui Mining & Smelting Co., Ltd. ("Mitsui Kinzoku"), in such way that the three companies are keeping the shareholding ratio in the Company. As a result of an absorption-type company split procedure under the Companies Act of Japan, the corresponding shareholders of PPC and NCR, JX Metals and Mitsui Kinzoku approved to give effect to a transfer of all the PPC-holding stocks of the Company to NCR as of April 1, 2020. Therefore, all the rights and obligations of PPC under the Agreement have been transferred to NCR under universal title.

On February 4, 2021, the full rights and interests in the Company held by Mitsui & Co., Ltd. (22.63%) were transferred to JX Metals pursuant to the Stock and Asset Purchase Agreement, dated as of November 9, 2020.

On February 5, 2021, the full rights and interests in the Company held by Mitsui Kinzoku (25.87%) were transferred to JX Metals pursuant to the Stock and Asset Purchase Agreement, dated as of November 9, 2020.

As a result of these transactions, JX Metals acquired the full rights and interests in the Company.

The main office of SCM Minera Lumina Copper Chile is located in Andrés Bello 2687, Las Condes, Santiago.

These financial statements of SCM Minera Lumina Copper Chile as of December 31, 2022 and 2021 and for the years then ended have been approved by the Board of directors for issuance on April 14, 2023.

Note 2 - Basis of preparation and accounting policies

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on a historical cost basis except for the valuation of certain financial assets and liabilities, which are measured at fair value.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 2 - Basis of preparation and accounting policies (continued)

The financial statements are presented in thousands of US dollars (ThUS\$) and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern

For the years ended December 31, 2022 and 2021, the Company incurred net income of ThUS\$24,740 and ThUS\$177,617 respectively, and shows negative equity (deficit) of ThUS\$1,168,615 and ThUS\$1,193,349 as of December 31, 2022 and December 31, 2021 respectively. As of December 31, 2022 the Company presents positive working capital of ThUS\$260,378.

The financial statements were prepared on a going concern basis. Management obtained representation from the Company's parent JX Metals, through its various subsidiaries, including MLCC Finance Netherlands B.V. ("MFN") a major direct shareholder of the Company, confirming that it is JX Metals' intention, subject to the approval of its Board of Directors and any other necessary authorizations by its shareholders, to cause the Company to be provided with necessary financing, until such time as the Company will generate sufficient funds to maintain its operations and fulfill its financial obligations on a timely basis. Such financing may be in the form of shareholder loans or equity contributions, or by other means such as bank loans with or without shareholders' guaranties or any combination of the above-mentioned sources of financing. This intention is applicable until 31 March 2023, when the Company executes debt to equity swap.

Note 3 - New standards, interpretation and amendments adopted by the Company

These financial statements have been prepared using the same accounting policies as those disclosed in Note 5 to the audited annual financial statements for the year ended December 31, 2022 and 2021.

The Company applied certain standards, interpretations, and amendments for the first time, which are effective for periods beginning on January 1, 2022, as follows:

	Amendments	Mandatory Date of Application
IFRS 3	Reference to the Conceptual Framework	January 1, 2022
IAS 16	Property, plant and equipment: Proceeds Before Intended Use	January 1, 2022
IAS 37	Onerous contracts - Cost of fulfilling a contract	January 1, 2022
IFRS 1, IFRS 9, IFRS 16, IAS 41	Annual improvements to IFRS Standards 2018-2020 cycle	January 1, 2022

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 3 - New standards, interpretation and amendments adopted by the Company (continued)

IFRS 3 Reference to the Conceptual Framework

In May 2020, the IASB issued amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework. These amendments replaced a reference in an earlier version of the Conceptual Framework, which had been issued by the IASB in 1989, with a reference to the 2018 version of the Conceptual Framework without significantly changing IFRS 3 requirements.

The amendments added the exception to the recognition principle of IFRS 3 to avoid the issue of “Day 2” potential gains or losses that arise from liabilities and contingent liabilities that would be within the scope of IAS 37, Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21 respectively to determine whether a present obligation exists at acquisition date.

The amendments added a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

Amendments must be applied prospectively. The amendment is applicable for the first time in 2022, however, it has no impact on the entity’s financial statements

IAS 16 Property, plant and equipment: Proceeds Before Intended Use

The amendment prohibits deducting from the cost of an item of property, plant and equipment (PP&E) any proceeds from the sale of items produced while bringing such asset to the location and condition necessary for it to operate as intended by management. Instead, an entity recognizes the proceeds arising from the sale of such elements and the production costs of those items in profit or loss for the year.

The amendment must be applied retroactively only to items of PP&E ready to use or after the beginning of the earliest reporting period in which the entity first applies the amendment.

The amendment is applicable for the first time in 2022, however, it has no impact on the entity’s financial statements

IAS 37 Onerous contracts - Cost of fulfilling a contract

In May 2020, the IASB issued amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* to specify the costs that an entity should include when assessing whether a contract is onerous or triggers losses.

The amendments are intended to provide clarity and help to ensure the standard is applied consistently. Entities that have previously applied the incremental cost approach, will see an increase in provisions to reflect the inclusion of costs directly related to the contract activities, while entities that have previously recognized allowances for contractual losses based on the previous standard guidance, IAS 11 *Construction Contracts*, shall exclude the indirect cost allocation from their provisions. Judgement shall be applied in determining which costs “relate directly to the contract”, however, we believe guidance in IFRS 15 will be relevant.

The amendments must be applied prospectively to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity applies the amendment for the first time (initial application). Earlier application is permitted and must be disclosed.

The amendment is applicable for the first time in 2022, however, it has no impact on the entity’s financial statements

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 3 - New standards, interpretation and amendments adopted by the Company (continued)

IFRS 1, IFRS 9, IFRS 16 and IAS 41 Annual improvements to IFRS Standards 2018 – 2020 cycle

The IASB has issued “Annual improvements to IFRS Standards 2018–2020 cycle.” As part of the IASB’s annual improvement project, four International Financial Reporting Standards (IFRS) were amended.

IFRS 1: Subsidiary as a first-time adopter. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the financial statements of the parent company based on the latter’s transition date if no adjustments were made for purposes of consolidation and of the business combination in which the parent acquired the subsidiary. This amendment also applies to an associate or joint business that elects to apply paragraph D16(a) of IFRS 1.

IFRS 9: Fees in the “10 per cent” test for the derecognition of financial liabilities. The amendment clarifies that fees an entity includes in assessing whether the terms of a financial liability, either new or modified, differ substantially from the terms of the original financial liability. Fees include only fees paid or received between the borrower and the lender, including fees paid or received by the borrower or the lender on behalf of the other. No similar amendment to IAS 39 has been proposed.

An entity applies an amendment to financial liabilities that are amended or exchanged from the beginning of the annual reporting period in which the entity first applies the amendment.

Illustrative examples accompanying IFRS 16: Lease incentives. The amendment to Illustrative Example 13 accompanying IFRS 16 eliminates the illustration of a lessee’s payments regarding leasehold improvements. This eliminates potential confusion with regard to the treatment of lease incentives in applying IFRS 16.

IAS 41: Taxation in fair value measurements. The amendment eliminates the requirement in paragraph 22 of IAS 41 so that entities may exclude taxation cash flows when measuring the fair value of assets within the scope of IAS 41.

The amendment is applicable for the first time in 2022, however, it has no impact on the entity’s financial statements

Note 4 - Standards issued but not yet effective and improvements to existing standards

New standards issued as well as amendments and improvements to IFRS not yet effective up to the date of issuance of these financial statements are listed below. This listing is of standards and amendments issued, which may be applicable to our financial statements at a future date. The Company is currently evaluating the impact of those standards and amendments and has not early adopted any of them. The Company plans to adopt those new pronouncements when they become effective.

New Standards		Mandatory Date of Application
IFRS 17	Insurance contracts	January 1, 2023

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 *Insurance Contracts*, a new standard for comprehensive accounting for insurance contracts that covers recognition, measurement, presentation and disclosure. Once it goes into effect, it will replace IFRS 4 *Insurance Contracts* issued in 2005. The new standard applies to all types of insurance contracts, regardless of the type of entity that issues them and to some guarantees and financial instruments with specific discretionary participation features. Application of exceptions within the scope will be permitted.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 4 - Standards issued but not yet effective and improvements to existing standards (continued)

In December 2021, the IASB amended IFRS 17 to add a transition option, the “classification overlay”, to address potential accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on the initial application of IFRS 17.

If an entity elects to apply the classification overlay, it can only do so for comparative periods to which IFRS 17 has been applied (i.e. from transition date to the initial application of IFRS 17).

IFRS 17 is effective for periods beginning on or after January 1, 2003. Comparative figures are required. Earlier application is permitted if the entity applies IFRS 9 *Financial Instruments* on or after the initial application of IFRS 17.

	Amendments	Date of mandatory application
IAS 8	Definition of accounting estimates	January 1, 2023
IAS 1	Disclosure of accounting information	January 1, 2023
IAS 12	Deferred taxes related to assets and liabilities arising from a single transaction	January 1, 2023
IAS 1	Classification of liabilities as current or non-current	January 1, 2024
IFRS 16	Lease liability in a sale and leaseback	January 1, 2024
IFRS 10 and IAS 28	Consolidated Financial Statements – sale or contribution of assets between an investor and its associate or joint venture	To be determined

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates

In February 2021, the IASB issued amendments to IAS 8 to introduce a new definition of “accounting estimates”. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Additionally, the amendments clarify how entities apply measurement technique or inputs to develop the accounting estimates.

The amended standard clarifies that the effects on an accounting estimate that results from a change in an input or a change in a measurement technique are changes in accounting estimates provided they do not result from new information or new developments. Under the previous definition of changes in accounting estimates, changes in accounting estimates could result from new information or new developments. Therefore, those changes are not corrections of prior period errors. The amendment is effective for annual periods beginning on January 1, 2023.

The Company will assess the impact of the amendment when it goes into effect.

IAS 1 Presentation of Financial Statements – Disclosure of Accounting Information

In February 2021, the IASB issued amendments to IAS 1 and to IFRS Practice Statement 2 Making materiality judgements. The amendment provides guidance and examples that help entities to apply relatively significant judgments regarding the disclosure of accounting policies.

The amendments aim at helping entities to disclose more useful accounting policies by:

- Requiring entities to disclose their “material” accounting policies instead of their “significant” accounting policies.
- Including guidance on how the concept of materiality is used by entities in a decision-making process on accounting policy disclosures.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 4 - Standards issued but not yet effective and improvements to existing standards (continued)

In assessing the importance of accounting policy information entities must take into consideration both the size of transactions and other events or conditions and the nature thereof.

The amendment is effective for annual periods beginning on January 1, 2023. Earlier application of amendments to IAS 1 is permitted and must be disclosed.

The Company will assess the impact of the amendment when it goes into effect.

IAS 12 Deferred taxes related to assets and liabilities arising from a single transaction

In May 2021, the IASB issued amendments to IAS 12 that narrow the scope of the initial recognition exemption in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments clarify that in such cases where payments settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expenses) or to the associated asset component (and interest expenses). This judgement is important to determine whether temporary differences exist on initial recognition of the asset and liability.

Likewise, under the amendments issued by the IASB the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if recognition of a lease asset and of a lease liability (or a decommissioning liability and a decommissioning asset component) give rise to unequal taxable and deductible temporary differences. Nevertheless, it is possible that resulting deferred tax assets and liabilities are not equal (e.g. if the entity cannot benefit from tax deductions or if different tax rates are imposed on taxable and deductible temporary differences). In such cases, an entity needs to account for the difference between the deferred tax asset and the deferred tax liability in profit or loss. The amendment is effective for annual periods beginning on January 1, 2023.

The Company will assess the impact of the amendment when it goes into effect.

IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

In 2020 and 2022 the IASB issued amendments to IAS 1 that set out the requirements for the classification of liabilities as current or non-current. The amendments clarify the following:

1. Right to defer settlement.
2. Right to defer settlement must exist at the end of the reporting period.
3. This classification is unaffected by the probability that an entity exercises its right to defer settlement.
4. Only where a derivative embedded in a convertible liability is in itself an equity instrument, the terms of a liability would not affect its classification.

Amendments are effective for periods beginning on or after January 1, 2024. The amendments apply prospectively. Earlier application is permitted and must be disclosed. However, entities that have early-applied 2020 amendments must also apply the 2022 amendments and vice versa.

The Company will assess the impact of the amendment when it goes into effect.

IFRS 16 Lease liability in a sale and leaseback

The amendment addressed the requirements used by a seller-lessee to measure the lease liability that arises from a sale and a leaseback transaction.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 4 - Standards issued but not yet effective and improvements to existing standards (continued)

According to the amendment after the beginning date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46 of IFRS 16 the seller-lessee determines "lease payments" or "revised lease payments" in a way that does not result in the seller-lessee recognizing any gain or loss related to the right-of-use asset kept by the seller-lessee. Application of these requirements does not prevent the seller-lessee from recognizing, in profit or loss, any gain or loss related to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. Initial measurement of a lease liability that arises from a leaseback may result in the seller-lessee determining "lease payments" that differ from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee must develop and apply an accounting policy that results in reliable and relevant information in accordance with IAS 8.

A seller-lessee applies the amendment to the presentation of annual reports for periods beginning on January 1, 2024. Earlier application is permitted and must be disclosed. A seller-lessee applies the amendment retrospectively as provided in IAS 8 to sale and leaseback transactions materialized after the initial application (i.e. the amendment does not apply to sale and leaseback transactions materialized before the initial application). Initial application corresponds to the date in which an entity first applied IFRS 16.

The Company will assess the impact of the amendment when it goes into effect.

IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates or Joint Ventures – sale or contribution of assets between and investor and its associate or joint venture

The amendment to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates or Joint Ventures (2011)* address an inconsistency recognized between the requirements of IFRS 10 and those of IAS 28 (2011) in the treatment of the sale or contribution of assets between an investor and its associate or joint venture.

The amendments issued in September 2014 establish that when the transaction involves a business (found in a subsidiary or not), a complete profit or loss is recognized. A partial profit or loss is recognized when the transaction involves assets that do not constitute a business, even when the assets are found in a subsidiary.

The effective date of these amendments is yet to be determined as the IASB is waiting for the results of its research project on the accounting according to the equity method. The amendments must be applied retrospectively, earlier adoption is permitted and must be disclosed.

The Company will assess the impact of the amendment when it goes into effect.

Note 5 - Significant accounting judgement, estimates and assumptions

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In particular, the Company has identified a number of areas where significant judgments, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are either described with the associated accounting policy within Note 6 or are described below.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 5 - Significant accounting judgement, estimates and assumptions (continued)

a. Ore reserve and resource estimates

Ore reserves are estimates of the amount of ore that can be economically and legally extracted from the Company's mining properties. Such reserves and mineral resource estimates and changes to these may impact the Company's reported financial position and results, in the following way:

- The carrying value of property, plant and equipment and intangible assets may be affected due to changes in estimated future cash flows;
- Depreciation and amortization charges in the statement of profit or loss may change where such charges are determined using the unit of production ("UOP") method, or where the useful life of the related assets change;
- Capitalized stripping costs recognized in the statement of financial position as either part of property, plant and equipment or inventory or charged to profit or loss may change due to changes in stripping ratios;
- Provisions for rehabilitation and environmental provisions may change when reserve estimate changes affect expectations about when such activities will occur and the associated cost of these activities.

The recognition and carrying value of deferred income tax assets may change due to changes in the judgments regarding the existence of such assets and in estimates of the likely recovery of such assets.

The Company estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the ore body, and require complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body.

b. Mine rehabilitation provision

The Company recognizes a rehabilitation provision where it has a legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. The nature of these restoration activities includes: dismantling and removing structures; rehabilitating mines and tailings dams; dismantling operating facilities; closing plant and waste sites; and restoring and reclaiming affected areas.

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the mining operation's location. When the liability is initially recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred as a result of the development/construction of the mine. Additional disturbances which arise due to further development/construction at the mine are recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur.

Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates and changes in discount rates. These uncertainties may result in future expenditure differing from the currently provided amounts. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

The Company assesses its mine rehabilitation provision annually. Changes to estimated future costs are recognized in the statement of financial position prospectively by either increasing or decreasing the rehabilitation liability and rehabilitation asset if the initial estimate was originally recognized as part of an asset measured in accordance with IAS 16 "Property, Plant and Equipment".

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 5 - Significant accounting judgement, estimates and assumptions (continued)

Any reduction in the rehabilitation liability and therefore any deduction from the rehabilitation asset may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to profit or loss. If the change in estimate results in an increase in the rehabilitation liability and therefore an addition to the carrying value of the asset, the entity is required to consider whether this is an indication of impairment of the asset as a whole and test for impairment in accordance with IAS 36.

The rehabilitation provision represents the present value of rehabilitation costs relating to the Company's mine site, which are expected to be incurred up to 2046. Assumptions, based on the current economic environment, have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mine cease to produce at economically viable rates. This, in turn, will depend upon future metal prices, which are inherently uncertain.

Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in the statement of profit or loss and other comprehensive income as part of finance costs.

c. Impairment of non-financial assets

The Company assesses annually or whenever indicators of impairment exist, whether an asset or cash generating unit ("CGU"), which is the smallest identifiable group of assets, which generates cash flows which are largely independent from other groups of assets, may be impaired. If so, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs of disposal ("FVLCD") and value in use ("VIU"). Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset/CGU is considered impaired and is written down to its recoverable amount. Management has currently determined that the Company operates as one single CGU.

In calculating VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU, whereas the best evidence of FVLCD is a value obtained from an active market or a binding sales agreement. When neither exists, FVLCD is based on the best information available to reflect the amount the Company could receive in an arm's length transaction. The Company used in its 2022 impairment test the FVLCD approach applying discounted cash flows techniques.

The Company bases its impairment calculation on detailed budgets and forecasts based on the life-of-mine plans. The estimated cash flows are based on expected future production, metal selling prices, operating costs and forecast capital expenditure, costs of closure, restoration and environmental clean-up activities. The mine plan takes account of all relevant characteristics of the orebody, including waste to ore ratios, ore grades, haul distances, chemical and metallurgical properties of the ore impacting on process recoveries and capacities of processing equipment that can be used. The life-of-mine plan is therefore the basis for forecasting production output and production costs in each future year.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 5 - Significant accounting judgement, estimates and assumptions (continued)

Impairment losses are recognized in the statement of profit or loss in a separate line "Impairment charges".

Impairment charges related to non-financial assets can be reversed in future periods, when the changes in circumstances indicate that the impairment no longer exists.

The impairment analysis requires the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future production plans and eventual disposal, using assumptions that an independent market participant would take into account.

Price forecasts of commodity prices, which assume short-term market prices will revert to the Company's assessment of the long-term price, generally over a period of three to five years. For periods thereafter, the Company considers long-term price estimates available in the market as a basis, considering adjustments a market participant would likely apply under current market conditions.

The discount rates applied to the future cash flow forecasts represent an estimate of the rate the market would apply having regard to the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. This risk analysis considers the country risk of Chile.

The impairment test is carried out in the Company's functional currency US\$, which also requires an estimate of future exchange rates for costs not denominated in the functional currency. Although management believes that the fluctuation of the copper price tends to have offsetting exchange rates effects, this effect is not necessarily and entirely correlated and thus may not fully offset the exchange rate fluctuation.

d. Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position.

Deferred tax assets, including those arising from unused tax losses require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

Additionally, future changes in tax laws may potentially limit the ability of the Company to obtain tax deductions in future periods.

e. Contingencies

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 5 - Significant accounting judgement, estimates and assumptions (continued)

f. Deferred stripping expenditure

The Company incurs waste removal costs (stripping costs) during the development and production phases of its surface mining operations. During the production phase, stripping costs (production stripping costs) can be incurred both in relation to the production of inventory in that period, and the creation of improved access and mining flexibility in relation to ore to be mined in the future. The former is included as part of the costs of inventory, while the later are capitalized as a stripping activity asset, where certain criteria are met. Significant judgment is required to distinguish between development stripping and production stripping and to distinguish between the production stripping which relates to the extraction of inventory and that relates to the creation of a stripping activity asset.

Once the Company has identified its production stripping for its surface mining operation, it identifies the separate components for the ore bodies of its mining operation. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Significant judgment is required to identify and define these components, and also to determine the expected volumes (e.g., tons) of waste to be stripped and ore to be mined in each of these components. These assessments are undertaken for each individual mining phase based on the information available in the mine plan. These include, but are not limited to, the geological characteristics of the ore body, the geographical location and/or financial considerations.

Judgment is also required to identify a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset for each component. The Company considers that the ratio of the expected volume (e.g., tons) of waste to be stripped for an expected volume (e.g., tons) of ore to be mined for a specific component of the ore body, to be the most suitable production measure.

Furthermore, judgments and estimates are also used to apply the units of production method in determining the depreciable lives of the stripping activity asset.

g. Valuation of work in progress

The Company monthly carries out the valuation of inventory work in progress for the leaching process requires estimation of recoverable copper. The process involves determining volumes to be recovered from accumulations of mined ore and the period of recovery. This estimation is calculated by engineers using available industry, engineering and scientific data.

During the leaching process, actual quantity of copper recovered may therefore differ to the estimated copper recovery used in the valuation of inventory work in progress. Besides, any subsequent changes to the methods used in extracting copper through the leaching process may affect the copper recovery assumptions resulting in a change in the inventory work in progress volumes and weighted average unit costs.

Note 6 - Summary of significant accounting policies

a. Functional currency and foreign currency translation

The financial statements are presented in thousands of United States Dollars which is the Company's presentation currency as well as its functional currency.

Transactions in foreign currencies are initially recorded in the functional currency at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 6 - Summary of significant accounting policies (continued)

The exchange rates for the year-end closings 2022 and 2021, the Company applied, were respectively 855.86 CLP/USD – 915.95 CLP/EUR and 844.69 CLP/USD – 955.64 CLP/EUR.

b. Mineral exploration, evaluation and development expenditure

The Company capitalized virtually all the expenses incurred during exploration and evaluation activities. These costs included materials and fuel used, surveying costs, drilling costs, payments made to contractors and administration expenses to conduct these activities. After the technical feasibility and commercial viability of extracting a mineral resource from the Company's project were demonstrated, the exploration and evaluation asset was reclassified and included as part of the Property, plant and equipment.

When proved reserves are determined and development is authorized, capitalized exploration and evaluation expenditure is reclassified to 'construction in progress', and is disclosed as a component of property, plant and equipment. All subsequent development expenditure is capitalized and classified as construction in progress. Development expenditure is recorded net of proceeds from the sale of ore extracted during the development phase. On completion of development, all assets included in 'construction in progress' are reclassified as either 'plant and equipment' or 'other mining assets' in case of deferred stripping.

c. Property, plant and equipment

Items of property, plant and equipment ("PP&E") are stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost and any costs directly attributable to bringing the asset into operation. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Such cost includes borrowing costs for long-term construction projects if the construction of the assets takes a substantial time to complete.

PP&E includes also an estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period (mine rehabilitation provision - see also Note 5 b) above).

The Company assess at the end of each reporting period whether there is any indication that PP&E may be impaired. If any such indication exists, the Company performs an impairment test in accordance with the policy described in the Note 5c.

d. Depreciation

Estimated economically recoverable reserves are used in determining the depreciation of mine specific assets. This results in a depreciation charge proportional to the depletion of the anticipated remaining life of mine production (UOP method). Each item's life, which is re-assessed annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves 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 estimates of future capital expenditure. Changes in estimates are accounted for prospectively.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 6 - Summary of significant accounting policies (continued)

Depreciation on items of property, plant and equipments directly related to useful life of mine, including items related to assets retirements cost, is calculated using the units of production (UOP) method based on the mine's proven and probable reserves. Other assets are depreciated using the straight line method based on the following estimated useful lives:

Asset class	
Land	Indefinite
Plant and Equipment	5 up to 30 years
Machinery & Equipment	Units of production
Pre-stripping and stripping assets	Units of production
Exploration and evaluation assets	Units of production

e. Intangible assets

Intangible assets include mainly water rights and easements. Intangible assets acquired separately are measured on initial recognition at cost, which comprises its purchase price plus any directly attributable cost of preparing the asset for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Amortization method used for the aforementioned intangibles is the straight-line for those assets that have a definite useful life, for intangibles with indefinite useful life no amortization is calculated. Intangibles with indefinite useful life are evaluated for impairment in accordance with the policy described in the Note 5c.

f. Inventories

Raw materials for production (including stockpile inventory), copper concentrate, copper cathodes and molybdenum concentrate are valued at the lower of cost and net realizable value. Mining and milling costs and non-cash costs are included in the value of inventories, as well as the allocated costs of central maintenance and engineering and the on-site general and administrative costs including all essential infrastructure support.

Stockpile costs are determined using the weighted average cost method. Materials and supplies are also valued at the lower of average cost and estimated net realizable value.

A regular review is undertaken to determine the extent of any provision for obsolescence.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated completion and selling expenses.

Inventories classified as non-current are related with the sulphide leach pad material and they are not expected to be utilized or sold within 12 months after the reporting date.

g. Financial assets

Initial recognition and measurement

Financial assets are recognized initially at fair value and subsequently measured at amortised cost, fair value through Other Comprehensive Income (OCI) or fair value through profit or loss.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 6 - Summary of significant accounting policies (continued)

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient for contracts that have a maturity of one year or less, are measured at the transaction price determined under IFRS 15. Refer to the revenue recognition accounting policy.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

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

- The financial asset is held 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. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. 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 include other receivables and due from related parties (not subject to provisional pricing), other than provisionally priced trade receivables, the Company only has relatively simple financial instruments.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 6 - Summary of significant accounting policies (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, e.g., derivative instruments, financial assets designated upon initial recognition at fair value through profit or loss, e.g., debt or equity instruments, or financial assets mandatorily required to be measured at fair value, i.e., where they fail the SPPI test. 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 do not pass the SPPI test are required to be classified and measured at fair value through profit or loss. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, 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 profit or loss. A derivative embedded in a hybrid contract with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

As IFRS 9 now has the SPPI test for financial assets, the requirements relating to the separation of embedded derivatives is no longer needed for financial assets. An embedded derivative will often make a financial asset fail the SPPI test thereby requiring the instrument to be measured at fair value through profit or loss in its entirety. This is applicable to the Company's trade receivables (subject to provisional pricing). These receivables relate to sales contracts where the selling price is determined after delivery to the customer, based on the market price at the relevant QP stipulated in the contract.

This exposure to the commodity price causes such trade receivables to fail the SPPI test. As a result, these receivables are measured at fair value through profit or loss from the date of recognition of the corresponding sale, with subsequent movements being recognised in Mark to Market gains/(losses) on provisionally priced trade receivables in the statement of profit or loss and other comprehensive income. The Company has elected to present the impacts of provisional pricing as part of revenue on the face of the statement of profit or loss and other comprehensive income and discloses the impact on the revenue from contract with customers note.

Financial assets at fair value through OCI

The Company does not have any financial assets at fair value through OCI (debt instruments) or any financial assets designated at fair value through OCI (equity instruments).

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 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.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 6 - Summary of significant accounting policies (continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company applied the Expected Credit Loss (ECL) model. ECL are a probability-weighted estimate of credit losses measured at either 12-month expected credit losses or lifetime expected credit losses of the financial instruments. Because expected credit losses consider the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due and represent the present value of the difference between, the contractual cash flows that are due to an entity under the contract, and the cash flows that the entity expects to receive. the Company has applied a simplified approach to trade receivables, under which the ECL is measured at the value of credit losses expected to be incurred over the entire life of the receivable (which is lower than 12-month).

According to abovementioned an assumption has been made that the risk of receivables is characterised by the number of Days Past Due (DPD) and this parameter will determine the expected Probability of Default (PD) value. According to our analysis trade receivables are considered low risk of default financial instrument since the clients has strong capacity to meet its contractual cash flow obligations as demonstrated in the client payment behavior analysis and the characteristics of the transaction where the clients pay in advance up to 90% of the shipment.

h. Provisions

Provisions are recognized when (a) the Company has a present obligation (legal or constructive) as a result of a past event, (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and (c) a reliable estimate can be made of the amount of the obligation.

i. Income taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax

Deferred income tax is calculated using the balance sheet liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognized for both all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax liabilities are in general recognized for all taxable temporary differences.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 6 - Summary of significant accounting policies (continued)

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

j. Revenue recognition

Copper cathodes, copper concentrate and molybdenum concentrate sales

For concentrate, cathodes and molybdenum concentrate sales, the enforceable contract is represented by each sale/shipment, which is an individual, present and short term contract. For concentrate, cathodes and molybdenum concentrate sales the performance obligation is the delivery of the goods. The Company's sales of metal allow for price adjustments based on the market price at the end of the relevant Quotational Period ("QP") stipulated in the contract. These are referred to as provisional pricing arrangements and are such that the selling price for metal is based on prevailing spot prices on a specified future date after shipment to the customer. Adjustments to the sales price occur based on movements in quoted market prices up to the end of the QP.

The period between provisional invoicing and the end of the QP for sales of copper concentrate, cathodes and molybdenum concentrate, final pricing is generally determined three or four months after the date of sale. Revenue is recorded provisionally at the time of sale based on settled assays and forward prices for the expected date of the final settlement.

Subsequent variations in price and volumes are recognized as revenue adjustments as they occur until the price is finalized. At each reporting date, for the unsettled invoices, a mark to market revaluation is performed. Revenue is recognised when control passes to the customer, which occurs at a point in time when the metal is physically transferred onto a vessel, train, conveyor or other delivery mechanism.

The revenue is measured at the amount to which the Company expects to be entitled, being the estimate of the price expected to be received at the end of the QP, i.e., the forward price, and a corresponding trade receivable is recognized.

For these provisional pricing arrangements, any future changes that occur over the QP are embedded within the provisionally priced trade receivables and are, therefore, within the scope of IFRS 9 and not within the scope of IFRS 15. Given the exposure to the commodity price, these provisionally priced trade receivables will fail the cash flow characteristics test within IFRS 9 and will be required to be measured at fair value through profit or loss up from initial recognition and until the date of settlement. These subsequent changes in fair value are recognised in the statement of profit or loss and other comprehensive income each period and disclosed in the relating notes separately from revenue from contracts with customers. Changes in fair value over, and until the end of, the QP, are estimated by reference to updated forward market prices.

As noted above, as the enforceable contract for the arrangements is the individual sale agreement, the transaction price is determined at the date of each sale (i.e., for each separate contract) and, therefore, there is no future variability within scope of IFRS 15 and no further remaining performance obligations under those contracts.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 6 - Summary of significant accounting policies (continued)

The Company presents the impacts of provisional pricing as part of revenue on the face of the statement of profit or loss and other comprehensive income and disclose the impacts of provisional pricing and other items described as revenue that are not in the scope of IFRS 15 separately in the notes to the financial statements.

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Company performs by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognised. The Company does not have any contract assets.

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). The Company does not have any contract liability.

k. Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs, and subsequently measured at fair value through profit or loss, loans and borrowings or payables. The Company does not apply hedging accounting.

The Company's financial liabilities include trade and other payables, interest bearing liabilities, finance lease, and due to related parties.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

The Company does not have financial liabilities at fair value through profit or loss.

Loans and borrowings and trade and other payables

After initial recognition, trade and other payables, interest bearing liabilities, finance lease, and due to related parties are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognized in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

Derecognition

A financial liability is derecognised when the associated obligation is discharged, 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 profit or loss and other comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 6 - Summary of significant accounting policies (continued)

I. Financial derivative instruments and hedge

There were no hedging activities for the years ended December 31, 2022 and 2021.

The Company accounts for derivatives and hedging activities in accordance with IFRS 9, Financial Instruments. Derivative instruments are recorded on the statement of financial position at their respective fair value.

Derivatives, including those embedded in other contractual arrangements but separated for accounting purposes because they are not clearly and closely related to the host contract, are initially recognized at fair value on the date the contract is entered into. Subsequent to initial recognition, derivative financial instruments are measured at fair value. The gain or loss arising from changes in the fair value of the new measurement is recognized immediately in the statement of profit or loss and other comprehensive income.

m. Leases

At the beginning of a contract, the Company estimates whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, and leases of low-value assets. For these leases, the Company recognizes the lease payments as an expense in net earnings on a straight-line basis over the term of the lease.

The Company recognizes a lease liability and a right-of-use asset at the lease beginning date. The lease liability is initially measured as the present value of future lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, each operation's applicable incremental borrowing rate.

The incremental borrowing rate is the rate which the operation would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

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

- Fixed payments, including in the contract. - Amounts expected to be paid by the Company under residual value guarantees.
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease if the Company expects to exercise an option to terminate the lease.

The lease liability is subsequently measured by:

- Increasing the carrying amount to reflect interest on the lease liability.
- Reducing the carrying amount to reflect the lease payments made.
- Remeasuring the carrying amount to reflect any reassessment or lease modifications. The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 6 - Summary of significant accounting policies (continued)

The right-of-use asset is initially measured at cost, which comprises the following:

- The amount of the initial measurement of the lease liability.
- Any lease payments made at or before the commencement date, less any lease incentives received.
- Any initial direct costs incurred by the Company
- An estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The right-of-use asset is subsequently measured at cost, less any accumulated depreciation, and adjusted for any remeasurement of the lease liability. It is depreciated in accordance with the Company's accounting policy for plant and equipment, from the beginning date to the earlier of the end of its useful life or the end of the lease term.

Each lease payment is allocated between the lease liability and finance cost. The finance cost is charged to net earnings over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

On the balance sheet, the right-of-use assets are presented in Right of use assets and the lease liabilities are presented in Lease liabilities.

n. Fair value measurements

If applicable the Company measures financial instruments and non-financial assets at fair value annually.

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 Company.

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 economic best 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 Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 6 - Summary of significant accounting policies (continued)

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

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

For the purpose of fair value disclosures, the Company 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.

Note 7 - Revenue

Revenue of the Company for the years ended December 31, 2022 and 2021 is composed as follows:

	2022 ThUS\$	2021 ThUS\$
Sales of copper concentrate	803,878	902,539
Sales of copper cathodes	122,672	138,480
Sales of molybdenum concentrate	108,066	72,032
Mark to market (*)	28,223	(20,725)
Total revenue	1,062,839	1,092,326

(*) Mark to market refers to the embedded derivative the Company re-measures periodically during the respective quotational periods (QP) in order to adjust the provisional selling price to the fair value (estimated price at the settlement date). This adjustment is made based on the forward prices available in the market for the QP agreed upon each sale.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 8 - Expenses by nature

Detail of expenses by nature for the years ended December 31, 2022 and 2021 is as follows:

	2022 ThUS\$	2021 ThUS\$
Remunerations	66,475	66,264
Materials and replacement parts	92,680	79,003
Supplies	103,495	77,340
Energy	93,764	87,707
External services	284,076	249,004
General expenses	45,258	43,681
Depreciation and amortization	215,657	244,810
Change in inventory	(53,422)	(28,605)
Deferred stripping capitalization	(68,834)	(76,055)
Others	31,666	33,677
Total	810,815	776,826
of which		
Cost of sales	667,022	645,157
Selling and distribution expenses	30,296	20,477
Administrative expenses	113,497	111,192
Total	810,815	776,826

Compensation of key management personnel

	2022 ThUS\$	2021 ThUS\$
Remunerations	1,828	1,565
Bonuses	176	145
Other benefits	22	16
Total	2,026	1,726

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 9 - Other expenses

Detail of other expenses for the years ended December 31, 2022 and 2021 is as follows:

	2022 ThUS\$	2021 ThUS\$
Idle capacity (*)	30,047	-
Inventory obsolescence (**)	5,319	-
Negotiation bonus (***)	-	7,157
Loss on disposal of fixed assets	991	6,178
Legal provision	630	-
Other expenses	118	34
Total other expenses	37,105	13,369

(*) During the last days of June and the month of July 2022, the Company was affected by a heavy snowfall, causing operational problems to maintain its normal production level. The Company expensed all fixed costs of production for the period in which the Company could not operate normally.

(**) In December 2022, the Company recognized inventory obsolescence which corresponded to the warehouse spare parts.

(***) During 2021 the Company registered the payment of bonus as a result of new collective agreements with the Mine union, Plant union and Supervisors union.

Note 10 - Other income

Detail of other income for the years ended December 31, 2022 and 2021 is as follows:

	2022 ThUS\$	2021 ThUS\$
Other income (*)	848	494
Total other income	848	494

(*) The other income includes scrap and spare parts sales.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 11 - Financial income and expenses

Detail of financial income and expenses for the years ended December 31, 2022 and 2021 is as follows:

	2022 ThUS\$	2021 ThUS\$
Interest expenses on loans	148,553	97,977
Interest expenses on leases	19,829	19,630
Early payments from related parties	536	1,364
Mine rehabilitation provision	2,427	2,711
Guarantee fees	1,232	1,591
Interest income on time deposits and mutual funds	(4,309)	(215)
Other financial expenses	233	107
Total financial expenses	168,501	123,165

Note 12 - Income taxes

a. Deferred taxes

Deferred tax balances presented in the following table include both temporary differences arising from corporate income tax and the specific mining tax.

	2022 ThUS\$		2021 ThUS\$	
	Assets	Liabilities	Assets	Liabilities
Total	-	-	-	-
Net deferred tax balance	-	-	-	-

In accordance to IAS 12, a deferred tax asset shall be recognized for the accumulated tax losses not yet utilized and deductible temporary differences, as long as it is probable that future tax profits will be generated.

As of December 31, 2022 the copper concentrate production, which started the operation during the first half of 2015, has been improved arriving to reasonable levels but still not to the expected level of capacity in a consistent performance. Due to this fact, the Company has decided to apply the principle of prudence, and therefore, the Company has not recognized a deferred tax asset in the statement of financial position as of December 31, 2022 although the management estimates that tax losses will be recoverable in the long term.

Under the current tax law in Chile, the tax loss carry forwards do not expire. The Company is permanently reassessing the recoverability of the accumulated tax loss carry forwards.

Total amount of tax loss carry forward is ThUS\$3,235,588 and ThUS\$3,285,796 as of December 31, 2022 and December 31, 2021, respectively.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 12 - Income taxes (continued)

b. Tax expense composition

The detail of the tax expense composition recognized in the results for the years ended December 31, 2022 and 2021 is as follows:

	2022 ThUS\$	2021 ThUS\$
Current income tax expense	(5,701)	(10,150)
Total tax expense	(5,701)	(10,150)

c. Effective tax rate reconciliation

The reconciliation between tax expense using the legal rate and tax expense using the effective rate for the years ended December 31, 2022 and 2021 is as follows:

	2022 ThUS\$	2021 ThUS\$
Income before income taxes	30,440	187,767
Current legal tax rate	27.0%	27.0%
Tax expense (benefit) using legal rate	8,219	50,697
Effect for change in legal rate		
Non-deductible tax effect for permanent differences	15,065	15,916
Tax effects of royalty items	-	-
Unrecognized deferred tax assets	(17,583)	(56,463)
Total adjustments to the expense for taxes using legal rate	(2,518)	(40,547)
Income tax expense using effective rate	5,701	10,150
Effective tax rate	18.73%	5.41%

d. Current tax assets and liabilities

As of December 31, 2022 and 2021, the Company determined, pursuant to the tax laws currently in effect, the income tax expense provision for the period and specific royalty on mining activities, to which the monthly provisional income tax payments were credited, detailed as follows:

	2022 ThUS\$	2021 ThUS\$
Income Tax expenses	-	-
Mining royalty tax expense	(4,059)	(9,883)
Other	(232)	(267)
Less:		
Monthly provisional income tax payments	-	-
Monthly provisional specific mining tax payments	7,679	2,644
Total current tax asset (liability)	3,388	(7,506)

NOTES TO FINANCIAL STATEMENTS
As of December 31, 2022 and 2021

Note 13 - Intangible assets

	Software ThUS\$	Water Rights ThUS\$	Easements Mine and Water ThUS\$	Easements Power Line ThUS\$	Mine Properties ThUS\$	Total Intangible Assets ThUS\$
Cost as of January 1, 2021	9,316	59,426	10,794	18,696	8,346	106,578
Finite useful life additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfers from other accounts	-	-	-	-	-	-
Cost as of December 31, 2021	9,316	59,426	10,794	18,696	8,346	106,578
Cost as of January 1, 2022	9,316	59,426	10,794	18,696	8,346	106,578
Finite useful life additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfers from other accounts	1,431	-	-	-	-	1,431
Cost as of December 31, 2022	10,747	59,426	10,794	18,696	8,346	108,009
Amortization and impairment as of January 1, 2021	(7,182)	(38,605)	(7,489)	(13,842)	(5,529)	(72,647)
Amortization charge for the period	(112)	-	(135)	(190)	(17)	(454)
Disposals	-	-	-	-	-	-
Transfers from other accounts	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Amortization and impairment as of December 31, 2021	(7,294)	(38,605)	(7,624)	(14,032)	(5,546)	(73,101)
Amortization and impairment as of January 1, 2022	(7,294)	(38,605)	(7,624)	(14,032)	(5,546)	(73,101)
Amortization charge for the period	(282)	-	(135)	(190)	(20)	(627)
Disposals	-	-	-	-	-	-
Transfers from other accounts	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Amortization and impairment as of December 31, 2022	(7,576)	(38,605)	(7,759)	(14,222)	(5,566)	(73,728)
Net book value as of December 31, 2021	2,022	20,821	3,170	4,664	2,800	33,477
Net book value as of December 31, 2022	3,171	20,821	3,035	4,474	2,780	34,281

As a general rule, water rights and easements are assets with indefinite useful lives, except for certain easements, which have contractually agreed duration and are being amortized over such respective period.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 14 - Property, plant and equipment

	Owne Land ThUS\$	Plant and Equipment ThUS\$	Construction in Progress ThUS\$	Mine Rehab. asset ThUS\$	Pre- Stripping ThUS\$	Stripping ThUS\$	Exploration and Evaluation ThUS\$	Total PP&E ThUS\$
Cost as of January 1, 2021	43,752	5,635,529	102,330	175,784	38,106	414,203	120,507	6,530,211
Additions	-	-	78,646	170	-	76,055	-	154,871
Disposals	-	(26,503)	-	-	-	-	-	(26,503)
Transfers from other accounts	-	62,974	(56,497)	-	-	-	-	6,477
Others	-	-	-	(80,636)	-	-	-	(80,636)
Cost as of December 31, 2021	43,752	5,672,000	124,479	95,318	38,106	490,258	120,507	6,584,420
Cost as of January 1, 2022	43,752	5,672,000	124,479	95,318	38,106	490,258	120,507	6,584,420
Additions	-	-	87,142	136	-	68,834	-	156,112
Disposals	-	(412)	(1,005)	-	-	-	-	(1,417)
Transfers from other accounts	-	165,326	(157,224)	-	-	-	-	8,102
Others	-	(5,680)	-	36,235	-	-	-	30,555
Cost as of December 31, 2022	43,752	5,831,234	53,392	131,689	38,106	559,092	120,507	6,777,772
Depreciation and Impairment as of January 1, 2021	(28,398)	(4,056,361)	(6,797)	(18,859)	(27,607)	(315,464)	(85,655)	(4,539,141)
Depreciation charge for the period	-	(133,525)	-	(5,705)	(382)	(48,136)	(1,267)	(189,015)
Disposals	-	20,217	-	-	-	-	-	20,217
Transfers from other accounts	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Depreciation and Impairment as of December 31, 2021	(28,398)	(4,169,669)	(6,797)	(24,564)	(27,989)	(363,600)	(86,922)	(4,707,939)
Depreciation and Impairment as of January 1, 2022	(28,398)	(4,169,669)	(6,797)	(24,564)	(27,989)	(363,600)	(86,922)	(4,707,939)
Depreciation charge for the period	-	(141,807)	-	(3,166)	(453)	(28,342)	(1,503)	(175,271)
Disposals	-	374	52	-	-	-	-	426
Transfers from other accounts	-	(16,260)	6,727	-	-	-	-	(9,533)
Others	-	1,911	-	-	-	-	-	1,911
Impairment	-	-	-	-	-	-	-	-
Depreciation and Impairment as of December 31, 2022	(28,398)	(4,325,451)	(18)	(27,730)	(28,442)	(391,942)	(88,425)	(4,890,406)
Net book value as of December 31, 2021	15,354	1,502,331	117,682	70,754	10,117	126,658	33,585	1,876,481
Net book value as of December 31, 2022	15,354	1,505,783	53,374	103,959	9,664	167,150	32,082	1,887,366

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 15 - Right of use assets

	Machineries and Vehicles ThUS\$	Buildings structures ThUS\$	Furniture and Accessories ThUS\$	Transmission line ThUS\$	Total Right of use assets ThUS\$
Cost as of January 1, 2021	259,892	27,840	1,926	168,160	457,818
Additions	22,613	696	-	-	23,309
Disposals	(27,523)	(3,298)	(1,926)	-	(32,747)
Transfers from other accounts	(54,312)	-	-	-	(54,312)
Cost as of December 31, 2021	200,670	25,238	-	168,160	394,068
Cost as of January 1, 2022	200,670	25,238	-	168,160	394,068
Additions	12,312	2,926	-	-	15,238
Disposals	(60,987)	(592)	-	-	(61,579)
Transfers from other accounts	(9,533)	-	-	-	(9,533)
Cost as of December 31, 2022	142,462	27,572	-	168,160	338,194
Depreciation as of January 1, 2021	(125,340)	(6,236)	(1,926)	(107,717)	(241,219)
Depreciation charge for the period	(50,700)	(2,444)	-	(2,197)	(55,341)
Disposals	25,319	3,298	1,926	-	30,543
Transfers from other accounts	47,835	-	-	-	47,835
Depreciation as of December 31, 2021	(102,886)	(5,382)	-	(109,914)	(218,182)
Depreciation as of January 1, 2022	(102,886)	(5,382)	-	(109,914)	(218,182)
Depreciation charge for the period	(43,083)	(2,834)	-	(2,607)	(48,524)
Disposals	60,987	592	-	-	61,579
Transfers from other accounts	9,533	-	-	-	9,533
Depreciation as of December 31, 2022	(75,449)	(7,624)	-	(112,521)	(195,594)
Net book value as of December 31, 2021	97,784	19,856	-	58,246	175,886
Net book value as of December 31, 2022	67,013	19,948	-	55,639	142,600

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 16 - Cash and cash equivalents

Detail of cash and cash equivalents is as follows:

	2022 ThUS\$	2021 ThUS\$
Cash at banks and on hand	85,986	192,225
Total Cash and cash equivalents	85,986	192,225

Note 17 - Other receivables

Composition of other receivables is as follows:

	2022 ThUS\$	2021 ThUS\$
Recoverable taxes (*)	14,802	11,074
Short term employee benefits	16,320	19,819
Guarantees (**)	11,279	3,187
Prepaid insurance	803	1,014
Others	724	285
Total other receivables	43,928	35,379

(*) The amount includes value added tax (VAT) receivable.

(**) The amount includes guarantees issued to MOP (from its acronym in Spanish of *Ministerio de Obras Publicas*, Ministry of Public Works), Sernageomin for the mine closure plan and others.

Note 18 - Balances and transactions with related parties

a) Trade receivable from related parties

Detail of trade receivable from related parties as of December 31, 2022 and 2021 is as follows:

Company	Relationship	Transaction description	2022 ThUS\$	2021 ThUS\$
Pan Pacific Copper Co., Ltd.	Common parent	Sales of copper cathodes and concentrate	139,309	60,408
JX Nippon Mining & Metals Chile SpA	Common parent	Sales of copper concentrate	-	1,107
Total trade receivable from related parties			139,309	61,515

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 18 - Balances and transactions with related parties (continued)

b) Accounts payable and other liabilities to related parties

Detail of accounts payable and other liabilities to related parties as of December 31, 2022 and 2021 is as follows:

Company	Relationship	Transaction description	2022 ThUS\$	2021 ThUS\$
Pan Pacific Copper Co., Ltd.	Common parent	Guarantee fees and interest on prepayment	13,976	15,417
JX Nippon Mining & Metals Corporation	Parent	Guarantee fees, interest on prepayment, interest on loan and long-term loan	18,728	27,350
Eneos Holdings, Inc.	Ultimate parent	Guarantee fees	776	875
MLCC Finance Netherlands B.V.	Parent	Interest on loan and long-term loan	2,560,519	2,445,986
Caserones Finance Netherlands B.V.	Common parent	Interest on loan and long-term loan	592,450	570,789
Total accounts payable and other liabilities to related parties			3,186,449	3,060,417

c) Transactions with related parties

Detail of transactions with related parties for the years ended December 31, 2022 and 2021 is as follows:

Company	Relationship	Transaction description	Transactions 2022	
			Amount ThUS\$	Effect on profit or loss (debit) /credit ThUS\$
Pan Pacific Copper Co., Ltd.	Common parent	Sales of copper cathodes and concentrate	850,742	850,742
		Interest on prepayment	442	(442)
JX Nippon Mining & Metals Corporation	Parent	Guarantee fees	260	(260)
		Interest on prepayment	93	(93)
		Interest on loan	673	(673)
Eneos Holdings, Inc.	Ultimate parent	Guarantee fees	972	(972)
JX Nippon Mining & Metals Chile SpA	Common parent	Sales of copper concentrate	345	345
MLCC Finance Netherlands B.V.	Parent	Interest on loan	114,532	(114,532)
Caserones Finance Netherlands B.V.	Common parent	Interest on loan	21,662	(21,662)

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 18 - Balances and transactions with related parties (continued)

Company	Relationship	Transaction description	Transactions 2021	
			Amount ThUS\$	Effect on profit or loss (debit) /credit ThUS\$
Pan Pacific Copper Co., Ltd.	Common parent	Sales of copper cathodes and concentrate	855,812	855,812
		Advance received	68,700	-
		Guarantee fees	22	(22)
		Interest on prepayment	1,273	(1,273)
Mitsui & Co., Ltd. (*)	Parent	Sales of copper cathodes, concentrate and molybdenum concentrate	260	260
		Guarantee fees	31	(31)
		Interest on prepayment	9	(9)
		Interest on loan	42	(42)
Mitsui Mining and Smelting Co., Ltd. (*)	Common parent	Guarantee fees	32	(32)
JX Nippon Mining & Metals Corporation (**)	Parent	Guarantee fees	348	(348)
		Interest on prepayment	82	(82)
		Interest on loan	387	(387)
Eneos Holdings, Inc.	Ultimate parent	Guarantee fees	1,157	(1,157)
JX Nippon Mining & Metals Chile SpA	Common parent	Sales of copper concentrate	27,092	27,092
MLCC Finance Netherlands B.V.	Parent	Interest on loan	76,553	(76,553)
Caserones Finance Netherlands B.V.	Common parent	Interest on loan	12,946	(12,946)

(*) Mitsui & Co., Ltd. and Mitsui Mining and Smelting Co., Ltd. withdrew from Caserones Operation on February 4, 2021 and on February 5, 2021 respectively, and became no longer parent company and common parent company respectively.

(**) JX Nippon Mining & Metals Corporation took over transactions from Mitsui & Co., Ltd. and Mitsui Mining and Smelting Co., Ltd.

Note 19 - Inventories

Detail of inventories as of December 31, 2022 and 2021 is as follows:

	2022 ThUS\$	2021 ThUS\$
Current		
Products in process	137,647	124,253
Finished goods	84,934	53,146
Raw materials	617	417
Supplies	76,724	79,852
Net realizable value	(1,218)	-
Total Current inventories	298,704	257,668
Non-current		
Products in process	86,852	77,395
Total Non-current inventories	86,852	77,395
Total net carrying amount of inventories	385,556	335,063

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 20 - Paid in capital

The information about the number of authorized, issued and paid shares as of December 31, 2022 and 2021 is presented in the following table:

	2022		2021	
	N°	ThUS\$	N°	ThUS\$
Shares authorized	2,827,486,685	3,468,428	2,827,486,685	3,468,428
Shares issued and fully paid	2,827,486,685	3,468,428	2,827,486,685	3,468,428
Value of each share in US\$	-	1.23	-	1.23

Note 21 - Accounts payable and accrued liabilities

The composition of accounts payable and accrued liabilities as of December 31, 2022 and 2021 is as follows:

	2022 ThUS\$	2021 ThUS\$
Accounts payable	123,406	93,425
Accruals	89,137	92,603
Social security and other accounts payable	3,110	2,833
Total accounts payable and accrued liabilities	215,653	188,861

Note 22 - Employee defined benefit liabilities

- a. The movement in the employee defined benefit liabilities during the year ended December 31, 2022 and 2021 is as follows:

	2022 ThUS\$	2021 ThUS\$
Opening balance	602	570
Cost of service	108	95
Payments during the period	-	-
Actuarial variation	6	34
Exchange rate	(9)	(97)
Closing balance	707	602

- b. The principal actuarial assumptions used in determining the defined liability are as follows:

	Units	2022	2021
Average age	Years	59	58
Average company service	Years	9.83	11.58
Discount rate	%	4.00	1.62
Rate of salary increase	%	3.62	3.30
Rate of annual resignation	%	8.70	4.11
Rate of annual layoff	%	7.63	5.44

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 22 - Employee defined benefit liabilities (continued)

- c. The following table presents a quantitative sensitivity analysis for significant assumptions used in the actuarial calculations of the liability:

	+1% ThUS\$	-1% ThUS\$
Discount rate	1	(1)
Rate of salary increase	1	(1)
	+0.5% ThUS\$	-0.5% ThUS\$
Rate of annual lay off	1	(1)
Rate of annual resignation	1	(1)

- d. The liability relates to 5 employees, who - by contract - are entitled to severance compensation at any event for the years of service.

The Company considers legal retirement age of 65 years for men and 60 years for women. For employees older than 60 years it is assumed that they will retire within next 5 years.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 23 - Interest bearing loans and borrowings

The following is a summary of the status of the loans and borrowings as of December 31, 2022 and 2021 the Company has engaged:

Loan/Borrowing Facility	Current Portion				Non-Current Portion				December 31, 2022
	Nominal Credit ThUS\$	Transaction Costs ThUS\$	Accrued Interest ThUS\$	Total Current ThUS\$	Nominal Credit ThUS\$	Transaction Costs ThUS\$	Accrued Interest ThUS\$	Total Non-Current ThUS\$	
a.1) Corporate Loan	52,404	-	263	52,667	77,000	(519)	-	76,481	129,148
a.2) Subordinated Loan with Caserones Finance Netherlands B.V.	-	-	7,373	7,373	430,000	-	155,077	585,077	592,450
b) Subordinated Loan with MLCC Finance Netherlands B.V.	-	-	38,784	38,784	1,900,244	(2,652)	621,491	2,519,083	2,557,867
c) Subordinated Loan with JX Nippon Mining & Metals Corporation	-	-	277	277	13,750	-	1,063	14,813	15,090
d) Revolving credit	-	-	-	-	-	-	-	-	-
Total	52,404	-	46,697	99,101	2,420,994	(3,171)	777,631	3,195,454	3,294,555

Loan/Borrowing Facility	Current Portion				Non-Current Portion				December 31, 2021
	Nominal Credit ThUS\$	Transaction Costs ThUS\$	Accrued Interest ThUS\$	Total Current ThUS\$	Nominal Credit ThUS\$	Transaction Costs ThUS\$	Accrued Interest ThUS\$	Total Non-Current ThUS\$	
a.1) Corporate Loan	75,636	-	54	75,690	129,404	(943)	-	128,461	204,151
a.2) Subordinated Loan with Caserones Finance Netherlands B.V.	-	-	2,607	2,607	430,000	-	138,182	568,182	570,789
b) Subordinated Loan with MLCC Finance Netherlands B.V.	-	-	17,830	17,830	1,900,244	(3,463)	527,912	2,424,693	2,442,523
c) Subordinated Loan with JX Nippon Mining & Metals Corporation	-	-	125	125	13,750	-	542	14,292	14,417
d) Revolving credit	50,000	(12)	28	50,016	-	-	-	-	50,016
Total	125,636	(12)	20,644	146,268	2,473,398	(4,406)	666,636	3,135,628	3,281,896

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 23 - Interest bearing loans and borrowings (continued)

Reconciliation of principal:

<u>Loan/Borrowing Facility</u>	January 1, 2022 ThUS\$	Drawdown ThUS\$	Repayment ThUS\$	Transaction Costs ThUS\$	December 31, 2022 ThUS\$
a.1) Corporate Loan	204,097	-	(75,636)	424	128,885
a.2) Subordinated Loan with Caserones Finance Netherlands B.V.	430,000	-	-	-	430,000
b) Subordinated Loan with MLCC Finance Netherlands B.V.	1,896,781	-	-	811	1,897,592
c) Subordinated Loan with JX Nippon Mining & Metals Corporation	13,750	-	-	-	13,750
d) Revolving credit	49,988	-	(50,000)	12	-
Total	2,594,616	-	(125,636)	1,247	2,470,227

Reconciliation of interest:

<u>Loan/Borrowing Facility</u>	January 1, 2022 ThUS\$	Accrual ThUS\$	Repayment ThUS\$	December 31, 2022 ThUS\$
a.1) Corporate Loan	54	3,748	(3,539)	263
a.2) Subordinated Loan with Caserones Finance Netherlands B.V.	140,789	21,661	-	162,450
b) Subordinated Loan with MLCC Finance Netherlands B.V.	545,742	114,533	-	660,275
c) Subordinated Loan with JX Nippon Mining & Metals Corporation	667	673	-	1,340
d) Revolving credit	28	333	(361)	-
Total	687,280	140,948	(3,900)	824,328

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 23 - Interest bearing loans and borrowings (continued)

Details of Loans

The Caserones project has been financed mainly with loans. The Company has engaged since 2011 in the following loans:

a) Corporate Loan and Subordinated Loan with Caserones Finance Netherlands B.V.

During the second half of 2011 the Company obtained the following loans:

a.1) Corporate Loan (former Senior Loan)

On July 26, 2011 the Company ended the negotiation for the Caserones project financing arrangement referred to as "Senior Loan", which involved the participation of one of the Japanese governmental institutions (Japan Bank for International Cooperation) and four commercial banks (Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Mizuho Bank, Ltd. and The Hongkong and Shanghai Banking Corporation, Ltd.).

On December 26, 2018, after negotiation between lenders, our sponsors (Eneos Holdings Inc., Mitsui & Co., Ltd. and Mitsui Mining & Smelting Co., Ltd.) and the Company, the scheme of the Caserones project financing changed to corporate financing. As a result, the completion guaranty changed to the entire guaranty of the sponsors until the full repayment of the Corporate Loan.

The following table reflects the total capital available amounts under the Corporate Loan:

Loan/Borrowing Facility	Principal ThUS\$	Accumulated Repayment ThUS\$	Outstanding principal amount as of December 31, 2022 ThUS\$
Japan Bank for International Cooperation	770,000	679,417	90,583
Sumitomo Mitsui Banking Corporation	90,000	79,412	10,588
MUFG Bank, Ltd.	90,000	79,412	10,588
Mizuho Bank, Ltd.	90,000	79,412	10,588
Sumitomo Mitsui Trust Bank, Ltd.	60,000	52,943	7,057
Total Corporate Loan	1,100,000	970,596	129,404

The Company pays interests on the Corporate Loan biannually. First interest payment was made in December 2011 and first principal repayment in December 2014. Corporate Loan has payment priority among any other borrowings the Company may obtain.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 23 - Interest bearing loans and borrowings (continued)

The following table presents the drawdowns as of December 31, 2022:

Loan/Borrowing Facility	Drawdown Date	Nominal Credit ThUS\$	Transaction Costs ThUS\$	Interest Current ThUS\$	Nominal Credit Current ThUS\$	Effective Interest rate %	December 31, 2022 ThUS\$
Japan Bank for International Cooperation	09.14.2011	21,560	-	71	14,673	5.40%	36,304
Japan Bank for International Cooperation	01.25.2012	7,056	-	23	4,802	5.40%	11,881
Japan Bank for International Cooperation	03.21.2012	3,773	-	12	2,568	5.40%	6,353
Japan Bank for International Cooperation	04.25.2012	2,965	-	10	2,018	5.40%	4,993
Japan Bank for International Cooperation	06.20.2012	4,851	-	16	3,301	5.40%	8,168
Japan Bank for International Cooperation	07.25.2012	3,234	-	11	2,201	5.40%	5,446
Japan Bank for International Cooperation	08.22.2012	3,234	-	11	2,201	5.40%	5,446
Japan Bank for International Cooperation	09.26.2012	3,773	-	12	2,568	5.40%	6,353
Japan Bank for International Cooperation	10.30.2012	3,454	-	11	2,351	5.40%	5,816
Subtotal		53,900	-	177	36,683		90,760
Sumitomo Mitsui Banking Corporation	09.14.2011	2,520	(57)	9	1,715	7.03%	4,187
Sumitomo Mitsui Banking Corporation	01.25.2012	825	(17)	3	561	6.97%	1,372
Sumitomo Mitsui Banking Corporation	03.21.2012	441	(9)	2	300	6.98%	734
Sumitomo Mitsui Banking Corporation	04.25.2012	346	(8)	1	236	6.99%	575
Sumitomo Mitsui Banking Corporation	06.20.2012	567	(13)	2	386	7.01%	942
Sumitomo Mitsui Banking Corporation	07.25.2012	378	(9)	1	257	7.03%	627
Sumitomo Mitsui Banking Corporation	08.22.2012	378	(9)	1	257	7.03%	627
Sumitomo Mitsui Banking Corporation	09.26.2012	441	(10)	2	300	7.05%	733
Sumitomo Mitsui Banking Corporation	10.30.2012	404	(9)	2	276	7.05%	673
Subtotal		6,300	(141)	23	4,288		10,470
MUFG Bank, Ltd.	09.14.2011	2,520	(57)	9	1,715	7.03%	4,187
MUFG Bank, Ltd.	01.25.2012	825	(17)	3	561	6.97%	1,372
MUFG Bank, Ltd.	03.21.2012	441	(9)	2	300	6.98%	734
MUFG Bank, Ltd.	04.25.2012	346	(8)	1	236	6.99%	575
MUFG Bank, Ltd.	06.20.2012	567	(13)	2	386	7.01%	942
MUFG Bank, Ltd.	07.25.2012	378	(9)	1	257	7.03%	627
MUFG Bank, Ltd.	08.22.2012	378	(9)	1	257	7.03%	627
MUFG Bank, Ltd.	09.26.2012	441	(10)	2	300	7.05%	733
MUFG Bank, Ltd.	10.30.2012	404	(9)	2	276	7.05%	673
Subtotal		6,300	(141)	23	4,288		10,470
Mizuho Bank, Ltd.	09.14.2011	2,520	(57)	9	1,715	7.03%	4,187
Mizuho Bank, Ltd.	01.25.2012	825	(17)	3	561	6.97%	1,372
Mizuho Bank, Ltd.	03.21.2012	441	(9)	2	300	6.98%	734
Mizuho Bank, Ltd.	04.25.2012	346	(8)	1	236	6.99%	575
Mizuho Bank, Ltd.	06.20.2012	567	(13)	2	386	7.01%	942
Mizuho Bank, Ltd.	07.25.2012	378	(9)	1	257	7.03%	627
Mizuho Bank, Ltd.	08.22.2012	378	(9)	1	257	7.03%	627
Mizuho Bank, Ltd.	09.26.2012	441	(10)	2	300	7.05%	733
Mizuho Bank, Ltd.	10.30.2012	404	(9)	2	276	7.05%	673
Subtotal		6,300	(141)	23	4,288		10,470
Sumitomo Mitsui Trust Bank, Ltd.	09.14.2011	1,680	(38)	8	1,143	7.03%	2,793
Sumitomo Mitsui Trust Bank, Ltd.	01.25.2012	550	(12)	2	374	6.97%	914
Sumitomo Mitsui Trust Bank, Ltd.	03.21.2012	294	(6)	1	200	6.98%	489
Sumitomo Mitsui Trust Bank, Ltd.	04.25.2012	231	(5)	1	157	6.99%	384
Sumitomo Mitsui Trust Bank, Ltd.	06.20.2012	378	(8)	1	257	7.01%	628
Sumitomo Mitsui Trust Bank, Ltd.	07.25.2012	252	(6)	1	172	7.03%	419
Sumitomo Mitsui Trust Bank, Ltd.	08.22.2012	252	(6)	1	172	7.03%	419
Sumitomo Mitsui Trust Bank, Ltd.	09.26.2012	294	(7)	1	200	7.05%	488
Sumitomo Mitsui Trust Bank, Ltd.	10.30.2012	269	(8)	1	182	7.05%	444
Subtotal		4,200	(96)	17	2,857		6,978
Total Corporate Loan		77,000	(519)	263	52,404		129,148

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 23 - Interest bearing loans and borrowings (continued)

Liquidity chart for Corporate Loan

The following table shows the undiscounted future payments based on the variables as of December 31, 2022:

Loan/Borrowing Facility	Debtor country	Currency	Up to 1 year ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	After 5 years ThUS\$	December 31, 2022 ThUS\$
Japan Bank for International Cooperation	Japan	USD	41,150	58,103	-	-	99,253
Sumitomo Mitsui Banking Corporation	Japan	USD	4,882	6,859	-	-	11,741
MUFG Bank, Ltd.	Japan	USD	4,882	6,859	-	-	11,741
Mizuho Bank, Ltd.	Japan	USD	4,882	6,859	-	-	11,741
Sumitomo Mitsui Trust Bank, Ltd.	Japan	USD	3,255	4,574	-	-	7,829
Total Corporate Loan			59,051	83,254	-	-	142,305

a.2) Subordinated Loan with Caserones Finance Netherlands B.V.

In addition to the Senior Loan, the Company also ended on July 26, 2011, and on December 17, 2014, two negotiations to obtain Subordinated Loans with Caserones Finance Netherlands B.V. for an amount of ThUS\$300,000 and ThUS\$130,000 respectively. Interests related to this loan accrue biannually in March and September.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 23 - Interest bearing loans and borrowings (continued)

The following table presents the drawdowns as of December 31, 2022:

Loan/Borrowing Facility	Drawdown Date	Nominal Credit	Transaction Costs	Interest Current	Unpaid Interest	Effective Interest rate	December 31, 2022
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	%	ThUS\$
Caserones Finance Netherlands B.V.	08.17.2011	102,000	-	1,692	39,812	5.38%	143,504
Caserones Finance Netherlands B.V.	09.13.2011	78,000	-	1,294	28,253	5.38%	107,547
Caserones Finance Netherlands B.V.	11.15.2011	60,000	-	995	21,445	5.38%	82,440
Caserones Finance Netherlands B.V.	12.15.2011	60,000	-	995	21,299	5.38%	82,294
Caserones Finance Netherlands B.V.	09.22.2014	130,000	-	2,397	44,268	5.98%	176,665
Total Subordinated Loan with Caserones Finance Netherlands B.V.		430,000	-	7,373	155,077		592,450

Liquidity chart for Subordinated Loan with Caserones Finance Netherlands B.V.

The following table shows the undiscounted future payments based on the variables as of December 31, 2022:

Loan/Borrowing Facility	Debtor country	Currency	Up to 1 year	1 to 3 years	3 to 5 years	After 5 years	December 31, 2022
			ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Caserones Finance Netherlands B.V.	Holland	USD	24,179	48,491	12,023	585,077	669,770
Total Sub. Loan with Caserones Finance Netherlands B.V.			24,179	48,491	12,023	585,077	669,770

b) Subordinated Loan with MLCC Finance Netherlands B.V.

To meet the cash needs of the Caserones project, on October 10, 2012, the Company engaged another Subordinated Loan referred to as "Subordinated Loan with MLCC Finance Netherlands B.V.".

The Subordinated Loan with MLCC Finance Netherlands B.V. has the same characteristics as the Subordinated Loan with Caserones Finance Netherlands B.V., including: drawdowns are made in accordance to cash needs and interests accrue biannually in March and September.

On March 31, 2017 the Company implemented a Debt to Equity swap for the purpose of eliminating the Company's excess of debt, which amounted to ThUS\$321,596 as of December 31, 2016. By this Debt to Equity swap, the outstanding principal in the amount of ThUS\$1,417,697 of the loans that had been borrowed from MLCC Finance Netherlands B.V. was converted into 1,942,050,684.93 shares of stock of the Company.

The accrued interest on the loans mentioned above, which was equal to ThUS\$226,794, remained outstanding and was converted to a new principal on the same day.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 23 - Interest bearing loans and borrowings (continued)

The following table presents the drawdowns as of December 31, 2022:

Loan/Borrowing Facility	Drawdown Date	Nominal Credit	Transaction Costs	Interest Current	Unpaid Interest	Effective Interest rate %	December 31, 2022
		ThUS\$	ThUS\$	ThUS\$	ThUS\$		ThUS\$
MLCC Finance Netherlands B.V.	10.17.2012	-	-	-	7,752	-	7,752
MLCC Finance Netherlands B.V.	11.21.2012	-	-	-	1,631	-	1,631
MLCC Finance Netherlands B.V.	12.19.2012	-	-	-	1,908	-	1,908
MLCC Finance Netherlands B.V.	01.16.2013	-	-	-	2,477	-	2,477
MLCC Finance Netherlands B.V.	02.20.2013	-	-	-	1,946	-	1,946
MLCC Finance Netherlands B.V.	03.21.2013	-	-	-	1,746	-	1,746
MLCC Finance Netherlands B.V.	04.17.2013	-	-	-	1,187	-	1,187
MLCC Finance Netherlands B.V.	08.14.2013	-	-	-	2,116	-	2,116
MLCC Finance Netherlands B.V.	09.11.2013	-	-	-	1,205	-	1,205
MLCC Finance Netherlands B.V.	11.05.2013	-	-	-	2,757	-	2,757
MLCC Finance Netherlands B.V.	12.20.2013	-	-	-	645	-	645
MLCC Finance Netherlands B.V.	01.22.2014	-	-	-	559	-	559
MLCC Finance Netherlands B.V.	02.19.2014	-	-	-	68	-	68
MLCC Finance Netherlands B.V.	05.02.2014	100,000	-	2,013	41,212	6.53%	143,225
MLCC Finance Netherlands B.V.	06.05.2014	140,000	-	2,819	57,095	6.53%	199,914
MLCC Finance Netherlands B.V.	07.24.2014	130,900	-	2,636	52,576	6.53%	186,112
MLCC Finance Netherlands B.V.	12.16.2014	76,000	(93)	1,530	29,136	6.57%	106,573
MLCC Finance Netherlands B.V.	12.29.2014	50,000	(60)	1,007	19,088	6.57%	70,035
MLCC Finance Netherlands B.V.	02.03.2015	44,000	(55)	886	16,595	6.57%	61,426
MLCC Finance Netherlands B.V.	03.16.2015	60,000	-	1,208	22,318	6.53%	83,526
MLCC Finance Netherlands B.V.	04.21.2015	60,000	-	1,208	22,043	6.53%	83,251
MLCC Finance Netherlands B.V.	06.16.2015	68,750	(88)	1,384	24,764	6.58%	94,810
MLCC Finance Netherlands B.V.	07.01.2015	40,000	-	805	14,338	6.53%	55,143
MLCC Finance Netherlands B.V.	08.04.2015	30,000	-	604	10,624	6.53%	41,228
MLCC Finance Netherlands B.V.	09.16.2015	30,000	-	604	10,457	6.53%	41,061
MLCC Finance Netherlands B.V.	10.19.2015	30,000	-	604	10,323	6.53%	40,927
MLCC Finance Netherlands B.V.	11.19.2015	20,000	-	403	6,809	6.53%	27,212
MLCC Finance Netherlands B.V.	12.14.2015	68,750	(93)	1,384	23,211	6.58%	93,252
MLCC Finance Netherlands B.V.	12.14.2015	30,000	-	604	10,128	6.53%	40,732
MLCC Finance Netherlands B.V.	01.19.2016	40,000	-	805	13,315	6.53%	54,120
MLCC Finance Netherlands B.V.	02.22.2016	30,000	-	604	9,841	6.53%	40,445
MLCC Finance Netherlands B.V.	03.24.2016	20,000	-	403	6,473	6.53%	26,876
MLCC Finance Netherlands B.V.	04.26.2016	15,000	-	302	4,785	6.53%	20,087
MLCC Finance Netherlands B.V.	05.19.2016	30,000	-	604	9,472	6.53%	40,076
MLCC Finance Netherlands B.V.	06.14.2016	67,100	(197)	1,351	20,946	6.63%	89,200
MLCC Finance Netherlands B.V.	07.06.2016	35,000	-	705	10,814	6.53%	46,519
MLCC Finance Netherlands B.V.	07.20.2016	35,000	-	705	10,749	6.53%	46,454
MLCC Finance Netherlands B.V.	12.14.2016	62,480	(192)	1,258	17,831	6.64%	81,377
MLCC Finance Netherlands B.V.	03.31.2017	226,794	(684)	5,091	60,925	7.45%	292,126
MLCC Finance Netherlands B.V.	06.14.2017	45,430	(146)	915	11,689	6.64%	57,888
MLCC Finance Netherlands B.V.	12.13.2017	42,900	(147)	864	9,879	6.65%	53,496
MLCC Finance Netherlands B.V.	06.14.2018	58,300	(209)	1,174	11,657	6.65%	70,922
MLCC Finance Netherlands B.V.	12.13.2018	58,300	(213)	1,174	9,774	6.66%	69,035
MLCC Finance Netherlands B.V.	06.13.2019	56,210	(226)	1,132	7,463	6.68%	64,579
MLCC Finance Netherlands B.V.	12.13.2019	58,080	(249)	1,169	5,970	6.69%	64,970
MLCC Finance Netherlands B.V.	06.15.2020	41,250	-	829	3,194	6.53%	45,273
Total Sub. Loan with MLCC Finance Netherlands B.V.		1,900,244	(2,652)	38,784	621,491		2,557,867

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 23 - Interest bearing loans and borrowings (continued)

Liquidity chart for Subordinated Loan with MLCC Finance Netherlands B.V.

The following table shows the undiscounted future payments based on the variables as of December 31, 2022:

Loan/Borrowing Facility	Debtor country	Currency	Up to 1 year ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	After 5 years ThUS\$	December 31, 2022 ThUS\$
MLCC Finance Netherlands B.V.	Holland	USD	97,790	139,084	34,485	2,521,735	2,793,094
Total Sub. Loan with MLCC Finance Netherlands B.V.			97,790	139,084	34,485	2,521,735	2,793,094

c) Subordinated Loan with JX Nippon Mining & Metals Corporation

In June, 2020 the Company engaged a new Subordinated Loan referred to as "Subordinated Loan with Mitsui Bussan Copper Investment & Co., Ltd.".

The Subordinated Loan with Mitsui Bussan Copper Investment & Co., Ltd. has the same characteristics as the above-mentioned subordinated loans.

Mitsui & Co., Ltd. withdrew from Caserones Operation on February 4, 2021 and JX Nippon Mining & Metals Corporation took over the loan from Mitsui & Co., Ltd.

The following table presents the drawdown as of December 31, 2022:

Loan/Borrowing Facility	Drawdown Date	Nominal Credit ThUS\$	Transaction Costs ThUS\$	Interest Current ThUS\$	Unpaid Interest ThUS\$	Effective Interest rate %	December 31, 2022 ThUS\$
JX Nippon Mining & Metals Corporation	06.15.2020	13,750	-	277	1,063	6.53%	15,090
Total Subordinated Loan with JX Nippon Mining & Metals Corporation		13,750	-	277	1,063		15,090

Liquidity chart for Subordinated Loan with JX Nippon Mining & Metals Corporation

The following table shows the undiscounted future payments based on the variables as of December 31, 2022:

Loan/Borrowing Facility	Debtor country	Currency	Up to 1 year ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	After 5 years ThUS\$	December 31, 2022 ThUS\$
JX Nippon Mining & Metals Corporation	Japan	USD	908	1,821	451	14,813	17,993
Total Sub. Loan with JX Nippon Mining & Metals Corporation			908	1,821	451	14,813	17,993

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 23 - Interest bearing loans and borrowings (continued)

d) Revolving credit

On December 30, 2013 the Company engaged a working capital loan with Mizuho Bank, Ltd. for a total amount of ThUS\$50,000 under the Revolving credit agreement.

On July 29, 2022 the Company repaid the full principal and interest.

On September 1, 2022 the Company signed a new working capital loan agreement with Mizuho Bank, Ltd. for a total amount of up to the maximum ThUS\$50,000 under the Revolving credit agreement. As of December 31, 2022 the Company has not requested any funds.

It is the Company's major shareholder's (MLCC Finance Netherlands B.V.) intention, subject to the approval by its Board of Directors and any necessary authorizations by its shareholders, to cause the Company to be provided with financing, until such time as the Company will generate sufficient funds to maintain its operations and fulfill its financial obligations on a timely basis. Such financing may be in the form of shareholders' loans or equity contributions, or by other means such as bank loans with or without shareholders' guaranties. This intention is applicable until 31 March 2023, when the Company executes debt to equity swap.

Carrying value versus fair value

Given that the loans are at variable rates based on market conditions, the Company considers that the carrying amount of those instruments is reasonable approximation of their fair values.

Note 24 - Lease liabilities

Future minimum lease payments under contracts are as follows:

	2022 ThUS\$			2021 ThUS\$		
	Current	Non-Current	Total	Current	Non-Current	Total
Total future Payments	53,052	293,695	346,747	62,742	333,511	396,253
Interest	(14,904)	(102,033)	(116,937)	(15,556)	(115,789)	(131,345)
Net Value	38,148	191,622	229,810	47,186	217,722	264,908

a) Former finance leases

Reconciliation of lease liabilities:

	January 1, 2022	Additions	Repayment of capital	Accrued interest	Repayment of interest	December 31, 2022
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Total	164,201	-	(8,052)	17,779	(17,779)	156,149

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 24 - Lease liabilities (continued)

Liquidity chart

The following table shows under the above-mentioned contracts the undiscounted future payments based on the variables as of December 31, 2022:

Entity ID Number	Entities	Debtor country	Currency	Discount rate	Up to 1 year ThUS\$	1 to 5 years ThUS\$	After 5 years ThUS\$	December 31, 2022 ThUS\$
76.248.725-K	CyT Operaciones SpA	Chile	USD	9.10%	16,578	66,312	163,018	245,908
76.366.637-9	Komatsu Finance Chile S.A.	Chile	USD	5.92%	1,466	3,151	-	4,617
94.638.000-8	Compañía Minera del Pacífico S.A.	Chile	USD	10.00%	3,097	12,387	4,645	20,129
Total					21,141	81,850	167,663	270,654

Reconciliation of lease liabilities:

	January 1, 2021 ThUS\$	Additions ThUS\$	Repayment of capital ThUS\$	Accrued interest ThUS\$	Repayment of interest ThUS\$	December 31, 2021 ThUS\$
Total	170,314	5,926	(12,039)	17,108	(17,108)	164,201

Liquidity chart

The following table shows under the above-mentioned contracts the undiscounted future payments based on the variables as of December 31, 2021:

Entity ID Number	Entities	Debtor country	Currency	Discount rate	Up to 1 year ThUS\$	1 to 5 years ThUS\$	After 5 years ThUS\$	December 31, 2021 ThUS\$
76.248.725-K	CyT Operaciones SpA	Chile	USD	9.10%	16,578	66,312	179,596	262,486
99.532.160-2	Komatsu Cummins Chile Arrienda S.A.	Chile	USD	3.30%	1,039	-	-	1,039
76.366.637-9	Komatsu Finance Chile S.A.	Chile	USD	3.62%	1,356	4,307	-	5,663
94.638.000-8	Compañía Minera del Pacífico S.A.	Chile	USD	10.00%	3,097	12,387	7,742	23,226
Total					22,070	83,006	187,338	292,414

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 24 - Lease liabilities (continued)

b) Right-of-use liabilities according to IFRS 16

Reconciliation of lease liabilities:

	January 1, 2022	Additions	Disposals	Exchange rate difference	Repayment of capital	Accrued interest	Repayment of interest	December 31, 2022
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Total	100,707	15,238	-	6,730	(49,014)	2,050	(2,050)	73,661

Liquidity chart

The following table shows the undiscounted future payments based on the variables as of December 31, 2022:

Entity ID Number	Entities	Debtor country	Currency	Discount rate	Up to 1 year ThUS\$	1 to 5 years ThUS\$	After 5 years ThUS\$	December 31, 2022 ThUS\$
7.236.805-3	Cesar Patricio Villegas Urrutia	Chile	UF	1.50%	2,944	-	-	2,944
76.093.123-3	Servicios Integrales Cacciottolo	Chile	CLP	5.24%	634	264	-	898
76.169.119-8	Ruben Cerda E Hijos Ltda.	Chile	CLP	3.15%	154	-	-	154
76.222.412-7	Jofre y Jofre Ltda.	Chile	CLP	4.21%	819	190	-	1,009
76.303.840-8	Transportes Verasay SpA	Chile	CLP	2.50%	449	823	-	1,272
76.366.637-9	Komatsu Finance Chile S.A.	Chile	USD	5.92%	6,260	-	-	6,260
76.380.300-7	SNF Chile S.A.	Chile	CLP	4.00%	10	-	-	10
76.410.374-2	Sist. de Transmision del Norte S.A	Chile	CLP	1.80%	188	172	-	360
76.556.170-1	Consorcio Trepsa Cerro Alto S.A.	Chile	USD	2.02%	1,261	-	-	1,261
76.642.320-5	Compañía de Transportes Ventrosa SpA	Chile	CLP	4.00%	712	-	-	712
76.783.709-7	Atlas Copco Chile SpA	Chile	UF	3.03%	18	17	-	35
76.929.210-1	Empresa de Mantenciones y Servicios Salta S.A.	Chile	CLP	1.80%	443	406	-	849
77.276.280-1	Metso Outotec Industrial Service SpA	Chile	CLP	1.80%	831	762	-	1,593
78.297.220-0	Pedro Misael Cruz Ltda.	Chile	CLP	2.67%	550	865	-	1,415
78.747.740-2	Servicios Industriales Warner y Cía. Ltda.	Chile	UF	3.03%	123	72	-	195
83.547.100-4	Mitta S.A.	Chile	UF	2.82%	286	30	-	316
85.660.800-K	Soc. Comercial Álvarez Y Álvarez Ltda	Chile	UF	4.30%	598	2,192	-	2,790
76.648.270-8	Comercializadora MAD S.A.	Chile	UF	3.03%	40	43	-	83
89.696.400-3	Empresa De Residuos Resiter S.A.	Chile	UF	1.50%	3,488	1,787	-	5,275
76.186.894-2	San Rafael Ingeniería S.A.	Chile	UF	3.93%	955	1,270	-	2,225
96.862.140-8	Ameco Chile S.A.	Chile	UF	1.28%	10,169	34,128	-	44,297
97.004.000-5	Banco de Chile S.A.	Chile	UF	5.70%	26	-	-	26
99.520.000-7	Copco S.A.	Chile	CLP	4.00%	798	1,063	-	1,861
99.593.350-0	Tandem S.A.	Chile	CLP	1.67%	32	47	-	79
99.579.260-5	Empresa de Servicios Externos ACHS	Chile	CLP	1.80%	123	51	-	174
Total					31,911	44,182	-	76,093

Reconciliation of lease liabilities:

	January 1, 2021	Additions	Disposals	Exchange rate difference	Repayment of capital	Accrued interest	Repayment of interest	December 31, 2021
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Total	138,188	23,309	(2,312)	(10,561)	(47,917)	2,522	(2,522)	100,707

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 24 - Lease liabilities (continued)

Liquidity chart

The following table shows the undiscounted future payments based on the variables as of December 31, 2021:

Entity ID Number	Entities	Debtor country	Currency	Discount rate	Up to 1 year ThUS\$	1 to 5 years ThUS\$	After 5 years ThUS\$	Dec 31, 2021 ThUS\$
7.236.805-3	Cesar Patricio Villegas Urrutia	Chile	UF	0.75%	4,514	2,633	-	7,147
76.093.123-3	Servicios Integrales CACCIUTTOLO	Chile	CLP	2.40%	218	-	-	218
76.169.119-8	Ruben Cerda E Hijos Ltda.	Chile	CLP	3.15%	267	156	-	423
76.222.412-7	Jofre y Jofre Ltda.	Chile	CLP	4.14%	612	767	-	1,379
76.303.840-8	Transportes Verasay SPA	Chile	CLP	2.50%	455	1,288	-	1,743
76.366.637-9	Komatsu Finance Chile S.A.	Chile	USD	3.64%	11,599	7,214	-	18,813
76.380.300-7	Snf Chile S.A.	Chile	CLP	4.00%	20	10	-	30
76.410.374-2	Sist. de Transmision del Norte S.A	Chile	CLP	1.80%	191	365	-	556
76.556.170-1	CONSORCIO TREPSA CERRO ALTO S.A.	Chile	USD	2.02%	3,027	1,261	-	4,288
76.642.320-5	Compañía de Transportes Ventrosa SP	Chile	CLP	4.00%	312	-	-	312
76.783.709-7	ATLAS COPCO CHILE SpA	Chile	UF	3.03%	16	31	-	47
76.929.210-1	EMPRESA DE MANTENCIONES Y SERVICIOS SALFA S.A.	Chile	CLP	1.80%	449	861	-	1,310
77.276.280-1	METSO OUTOTEC INDUSTRIAL SERVICE SPA	Chile	CLP	1.80%	585	1,122	-	1,707
78.297.220-0	Pedro Misael Cruz Ltda.	Chile	CLP	2.67%	557	1,434	-	1,991
78.747.740-2	SERVICIOS IND. WARNER Y CIA. LTDA.	Chile	UF	3.03%	110	174	-	284
80.314.700-0	Empresa De Transportes Rurales Limitada (Tur Bus)	Chile	CLP	2.24%	1,631	-	-	1,631
83.547.100-4	Autorentas del Pacifico S.A.	Chile	UF	2.62%	951	78	-	1,029
85.660.800-K	Soc. Comercial Álvarez Y Álvarez Ltda	Chile	UF	3.48%	378	-	-	378
87.049.000-3	Vecchiola SA	Chile	CLP	3.80%	856	-	-	856
89.696.400-3	Empresa De Residuos Resiter S.A.	Chile	UF	1.50%	3,216	4,718	-	7,934
93.545.000-4	S.SERV.TEC.GEOL. GEOTEC BOYLES BROS	Chile	CLP	1.20%	748	-	-	748
96.862.140-8	Ameco Chile S.A.	Chile	UF	1.22%	8,844	38,992	-	47,836
97.004.000-5	Banco de Chile	Chile	UF	0.50%	23	-	-	23
99.520.000-7	Coppec S.A.	Chile	CLP	4.00%	808	1,886	-	2,694
99.579.260-5	EMPRESA DE SERVICIOS EXTERNOS ACHS	Chile	CLP	1.80%	125	177	-	302
99.593.350-0	Tandem S.A.	Chile	CLP	0.90%	160	-	-	160
Total					40,672	63,167	-	103,839

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 25 - Other liabilities

Detail of other liabilities is as follows:

	2022 ThUS\$			2021 ThUS\$		
	Current	Non-Current	Total	Current	Non-Current	Total
Provisional withholding tax	10	44,450	44,460	3	38,415	38,418
Guarantee fees	890	-	890	734	11,528	12,262
Interest on prepayment	17,499	-	17,499	16,964	-	16,964
Others	-	-	-	2	-	2
Total other liabilities	18,399	44,450	62,849	17,703	49,943	67,646

Note 26 - Mine rehabilitation provision

Law No. 20,551, enacted on November 11, 2011, regulates the closure of mining sites and facilities in Chile. The law regulates the preparation of the mining site closure plans that are primarily meant to integrate and execute the collection of measures and actions intended to mitigate the effects on the locations where ore extraction takes place. This is to ensure the physical and chemical stability of these locations in accordance with the applicable environmental standards. The execution of the measures and actions as mentioned above must be delivered with due care for the life, health, and safety of persons and the environment.

The closure plan for ore extraction industry sites is considered part of their useful lifecycle, which is planned and implemented progressively through the mining site's various stages of operation, for its entire useful life. This law establishes requirement of setting guaranties for all actions and closing measures including follow-up and control of post-closing activities.

For companies in operation at the date of the enactment of the law there was a transitional period of two years to perform valuation of all closing activities including measures for post-closing activities in the mine closure plan.

The Company has engaged an external expert to estimate the closing costs of the Company's mine by each one of the activities included in the mine closure plan developed internally by the Company and submitted to the Sernageomin (National Service of Geology and Mining). This closing cost will be incurred to comply with governmental requirements imposed by Sernageomin in order to secure environmental prevention once the Caserones project finishes its operation.

The Company calculates the asset retirement obligation liability according to IAS 37. The recorded liability is expected to differ from the obligation under law 20,551 due to various differences in valuation and obligations. Pursuant to the compliance of the law, the Company presented in November 2014 to Sernageomin its closure plan proposal, which does not include measures of certain facilities closure due to the fact the law allows the Company a five year period to perform more detailed studies, which will conclude on the final closing measure to be executed in these facilities.

The calculation of the mine rehabilitation provision uses as a base the closure plan presented in November 2014, however, in order to keep consistency in the financial statements the Company has decided to estimate certain costs of the closing measures as in the previous closure plan.

The Company has estimated the percentage of the current advance of construction in order to calculate the cost of each item of construction in progress of each activity in the mine closure.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 26 - Mine rehabilitation provision (continued)

The Company used the following parameters in the calculation of the provision:

- Currency of the calculation is UF (Chilean peso based index that considers inflation) as most of the expenditures are expected to be incurred in Chilean peso.
- Discount rate: based on the Chilean BCU bonds for 20 years (Bonds of the Central Bank of Chile in UF); the rate used for the year ended December 31, 2022 was 1.67% (2021: 2.55%).

The following table presents the movement of the provision in the years 2022 and 2021:

	2022 ThUS\$	2021 ThUS\$
Beginning balance	109,021	186,777
Additions	136	170
Adjustments based on the passage of time (interest expense)	2,427	2,711
Discount rate effect	23,357	(61,454)
Exchange rate effect	12,878	(19,183)
Ending balance	147,819	109,021

Note 27 - Impairment test

The Company carried out impairment tests of its property, plant and equipment, and the intangible assets as of December 31, 2022 and 2021 using the methodology described in Note 5c. The recoverable amount was determined based using the FVLCD approach because management considers that a market participant would apply such approach, including taking into account future capital expenditures which are required to terminate the construction of certain production facilities of the Company.

As of December 2022, in order to arrive at FVLCD, future cash flows were discounted using a post-tax discount rate of 13.29% (2021: 8.3%). This discount rate reflects the country, business and other risks related to the Company's operations.

FVLCD was determined by estimating cash flows until the end of the life of the Company mine, based on the long-term life of mine and production plans.

The key assumptions to which the impairment test of the Caserones project was most sensitive are:

- Copper price;
- Discount rates;
- Crude oil price;
- Molybdenum price;
- Other operating costs;
- Future capital expenditure;
- Production volume

These assumptions and the following considerations for the calculation are based on the best estimation of management and market participants' expectations at the time of the impairment test.

The estimations related to economically recoverable reserves are based on reserve and resource data, exploration and evaluation work performed by qualified and experienced personnel, based on the latest and most updated information available as of December 31, 2022.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 27 - Impairment test (continued)

Short-and mid-term copper prices are consistent with observable market prices and estimates, and are then transitioned to a long-term price forecast, which is based on market fundamentals and other input data available in the market. Copper prices and other input data is kept constant from 2026 on. Operating costs estimations are based on management's estimation of future cost development for specific cost generating activities.

The determination of FVLCD is considered to be Level 3 of the hierarchy of fair value measurements, as it is derived from valuation techniques that include inputs that are not based on observable market data. The Company considers the inputs and the valuation approach to be consistent with the approach taken by market participants.

During 2022 the Company evaluated if there were impairment indicator for property, plant and equipment and intangible assets, assessing the main factors that influence the impairment evaluation. The result of the impairment testing is that the recoverable amount supports the carrying value as of December 31, 2022 and therefore there is no need to record an impairment charge or impairment reversal.

The following table presents a quantitative sensitivity analysis for significant assumptions used in the impairment calculations:

	+5.0% ThUS\$	-5.0% ThUS\$
Copper price (short-to-long-term)	381,257	(381,248)
	+0.5% ThUS\$	-0.5% ThUS\$
Discount rate	(48,152)	50,034

Note 28 - Foreign exchange gains (losses)

The following table presents the composition of foreign exchange gains (losses) in the years 2022 and 2021:

	Currency	2022 ThUS\$	2021 ThUS\$
Right of use assets	CLP	6,728	(10,560)
Cash and cash equivalents	CLP	5,823	5,686
Closing exchange rate assets and liabilities	CLP	4,274	(3,433)
Total Foreign exchange gains (losses)		16,825	(8,307)

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 29 - Financial risk management objectives and policies

The Company is exposed mainly to market risk (that includes interest rate risk, foreign currency risk and commodity prices risk), liquidity risk, credit risk and capital risk.

a. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices and rates.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The following table presents a quantitative sensitivity analysis of the debt obligations:

	+0.5% ThUS\$	-0.5% ThUS\$
Interest rate	12,367	(12,367)

Exchange rate risk

Functional currency of the Company is the US dollar. In this sense, the risk the Company is exposed to, is the variation in exchange rates of the dollar and other currencies, principally the Chilean peso.

The following table presents a quantitative sensitivity analysis:

	+10% ThUS\$	-10% ThUS\$
Exchange rate	1,530	(1,869)

Commodity risk

The commodity risk refers to the exposure to the fluctuation in price of the products the Company trades in the market. Copper price determination is subject to several market factors such as supply, demand, market competition, etc.

As of December 31, 2022 the Company has not engaged commodity derivatives contracts and consequently is exposed to copper price changes.

The following table presents a quantitative sensitivity analysis of open sales as of December 31, 2022

	+10% ThUS\$	-10% ThUS\$
Mark to market	36,393	(36,393)

b. Liquidity risk

Liquidity risk is the risk to a shortage of funds to meet the Company's obligations, mainly deriving from loans and borrowings, and capital projects. The Company maintains credit lines and cash on hand in order to fulfill its financial obligations on a timely basis.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 29 - Financial risk management objectives and policies (continued)

Future payments on loans and finance lease liabilities are detailed in Notes 23 and 24 respectively.

As stated in Note 2, it is the Company's parent JX Metals' intention to provide sufficient funds in the form of any kind of loans or capital contributions to maintain the Company's operations and allow it to fulfill its financial obligations on a timely basis until the Company generates sufficient cash flows to sustain independently its operations. This intention is applicable until 31 March 2023, when the Company executes debt to equity swap.

c. Credit risk

Credit risk refers to the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company's exposure to this risk is low since all exports, which are the majority of sales, are engaged only with related companies supported by offtake agreements. Also, those agreements consider fines to be applied in case there is a delay in the collections. The Company considers the related parties to which it sells its products have a low credit risk, which is indicated by the international rating agencies. Consequently, as disclosed in the Note 18, no allowance for doubtful accounts has been recognized in the periods presented in these statements.

Credit risk related with bank balances, financial instruments and trade receivables is managed by the Administration and Finance Management in conformity with the Company policies.

The investments of cash surplus are made only with an approved counterparty and within the credit limits assigned to each entity. The counterparty limits are reviewed on an annual basis and can be utilized throughout the year. The limits are established to reduce the concentration risk of the counterparty.

The Company's maximum exposure to credit risk related to its financial assets is equal to their carrying amounts in the statement of financial position as of December 31, 2022.

d. Capital management

The objective of capital management is to safeguard the Company's ability to continue with its ongoing business in order to give returns to the shareholders and benefits to the interested groups and to maintain an optimal structure that allows for reduction of the cost of capital. The Company manages its capital structure and carries out adjustments to face changes in the market's economic conditions. The Company's policy is to finance all of its projects, long and short-term, with its own operational resources. In order to maintain or adjust the capital structure, the Company can adjust the payment of dividends to shareholders or return capital to its shareholders. There have been no changes in objectives, policies or procedures during the year ended December 31, 2022.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 30 - Contingencies and commitments

Environmental processes and related legal actions

- National Geology and Mining Service (Servicio Nacional de Geología y Minería / SERNAGEOMIN):

On October 5, 2018, areas consisting of concentrator plant, slime and sand deposits, and hydrometallurgical among others were inspected according to a programmed schedule defined by the SERNAGEOMIN. Some questions were done at that time by the authority that were duly answered by the Company. There is no answer yet from the authority regarding the information submitted by the Company. Eventual procedure is still pending.

- Chilean Environmental Superintendence (Superintendencia del Medio Ambiente / SMA):

The SMA notified the Company on February 19, 2019, of environmental charges regarding deviations on its Environmental Qualification Resolution (RCA). As informed on previous reports, during the period 2015-2018 said authority performed several inspections to the mine site. These inspections finally ended on these charges.

In general terms, the notified charges consist of: i) Eleven severe infringements, and; ii) Seven minor infringements. The most important charges are related to Quebrada La Brea and Quebrada Caserones infiltrations, and slime spillages due to slime transportation system failure.

From a theoretical point of view, sanctions for each minor infringement could reach fines up to ThUS\$886 and sanctions for severe infringement could reach fines up to ThUS\$4,500 (and/or –under very specific circumstances– may end with the revocation of the environmental permit by the SMA).

It is important to consider, that the Chilean environmental law states for these cases the right for the Company to submit a Compliance Programme (CP), which could lead to the release of the fines (a CP consists of a set of actions to be taken by the Company to regularize the environmental deviations). If the CP is accepted by the SMA and fulfilled by the Company, the SMA should withdraw the fines. But, if the CP is approved by the SMA and the Company does not fulfil these obligations, fines may be applied doubled. Consequently, in this case, the Company submitted a CP on March 12, 2019.

Regarding the procedure, the CP was subject to three observation rounds performed by the SMA. (The last one was submitted in September 2020). Such rounds included several questions that were duly answered by the Company. Besides, relevant evidence was attached and amending actions were submitted. According to the observation of the SMA, it was instructed to remove from the CP two charges consisting of environmental damage. Hence, these charges will follow a different course and will be seen on the Environmental Court, where discharges will be submitted (Appeal), arguing that there are no parameters to confirm environmental damage.

On February 12, 2021, the SMA approved the CP proposed by the Company for 16 environmental charges (Res. ExN°15/ Rol D-018-2019), suspending the proceeding until the CP execution deadline has finished and the CP execution has been reviewed by the SMA. Additionally, this resolution orders the sanction procedure continue separately with the two charges (N°11 and N°12) that accuse the breach of the environmentally approved design of the “zanjas cortafugas” of Quebrada La Brea and Caserones, allegedly causing environmental damage, for which the Company must present its legal defenses.

Approved CP has 51 actions answering 16 charges, thereof investment is close to ThUS\$39,419, of which approximately ThUS\$36,026 has been already incurred, with the remaining actions being performed in a maximum of 36 months. This means a definitive solution to infringements audited by the authority. Among the actions proposed by the Company a new environmental impact assessment study (EIA) was filed to align Caserones Operational Site and to incorporate a monitoring system for water quality in more than 60 different points. The completion of the CP will be assessed in a separate file and the Company will report advances quarterly through the environmental follow-up system managed by the SMA.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 30 - Contingencies and commitments (continued)

Regarding the continuity of the procedure for those charges labelled as environmental damage, the Company answered in time its discharges for those two charges requesting the acquittal of both or the requalification for non-environmental damage attaching technical files justifying this request. In the meanwhile, an update of the results of water quality has been filed which demonstrates that the creeks are almost in their original level. This independent procedure of discharges for damage may last between 6 to 12 months. It is expected that the sentence could be awarded during first part of 2023.

If the SMA decides that there is environmental damage it charges may consider up to ThUS\$ 4,500 for each infringement. Against the resolution of the SMA that considers damage, the Company may submit a Reparation Programme to fix all those affected components. If this Programme is not fulfilled the State Defense Council could file an environmental damage lawsuit before the Environmental Court.

Please note that all these resolutions taken by the authorities (Compliance Programme approval resolution and/or the one that will decide about the discharges) may be challenged by third parties in administrative and/or judicial courts.

On March 11, 2021 third parties interested (CAS 123 and Apeco) filed a complaint before the Environmental Court regarding the approval of the CP (Rol-41-2021) in which they request to annul the CP since it does not include charges for damage, and that the resolution is only beneficial for the Company. Besides, third parties interested filed an injunction to suspend the execution of the CP while the procedure is active. This injunction was rejected by the Environmental Court on April 7, 2021. Regarding the complaint the Court instructed Oral Pleadings that took place on May 5, 2021. The Company and the SMA defended the CP. On May 13, 2021 all the judges from the Environmental Court visited specific places at Caserones site such as remediation wells, slime deposits, recuperation wells, monitoring points, water cut trenches, among others. On August 31, 2021 the Environmental Court issued a ruling rejecting the complaint filed by third parties. On September 20, 2021 third parties interested, filed an appeal (Recurso de Casación) on the merits with the Supreme Court (Rol 75804-2021), alleging that the ruling violates the law. On April 18, 2022 the Supreme Court rejected the appeal due to lack of formal requirements, meaning that the CP and the proceeding for the two charges has been conducted according to the law.

Considering the situation comprehensively, the Company has decided that there is no necessity of registering any provision as of December 31, 2022, other than the amount presented in Financial Statements.

- Water Bureau Agency (Dirección General de Aguas / DGA):

The DGA notified the Company on February 1, 2019 charges consisting of the non-authorized use of seven wells. The fine established a penalty of ThUS\$500. The Company defense strategy considers the submission of discharges to be released of the fines or to reduce them. On June 18, 2019 the Company submitted a voluntary report regarding some difficulties on the administrative resolution to be reviewed by the authority. The procedure is still pending.

In another proceeding the DGA performed a site visit together with the State Defense Council, the National Agriculture and Livestock Service and CAS123 to audit the infiltration control system of Quebrada la Brea and Caserones. The purpose of this proceeding is to monitor water quality of the aquifer Ramadilla. On September 1, 2022 the DGA, through DGA Atacama Resolution No. 634, terminated the audit procedure and forwarded records to the SMA, due to possible involvement by infiltration of Quebrada Caserones. The resolution accompanies results of water quality parameters taken during the visit and indicates the need for an environmental evaluation of the infiltration system. On the other hand, the resolution orders to present; (1) Long-term Test Pumping Program of the new remediation wells (requested before by the Company) and (2) Plume monitoring plan in Quebrada Caserones. On October 11, 2022 the Company followed the Pumping Test Program and Monitoring Plan. In October a note was filed with observations on the resolution.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and 2021

Note 31 - Subsequent events

On March 28, 2023, JX Nippon Mining & Metals Corporation and Lundin Mining Corporation announced that both parties entered into a binding purchase agreement respectively in which Lundin Mining Corporation will acquire fifty-one per cent (51%) of the issued and outstanding equity of SCM Minera Lumina Copper Chile. JX Nippon Mining & Metals Corporation will receive upfront cash consideration from Lundin Mining Corporation of US\$800 million, and in addition, US\$150 million in deferred cash consideration will be payable by Lundin Mining Corporation in instalments over a six-year period following the closing date. Lundin Mining Corporation will also have the right to acquire up to an additional nineteen per cent (19%) interest in Caserones for US\$350 million over a five-year period commencing on the first anniversary of the date of closing.

On March 31, JX Nippon Mining & Metals Corporation has injected US\$131,818,892.62 into MLCC as a capital increase.

On March 31, 2023, the Board of Directors of the Company made a decision to implement a debt-to-equity swap and capital increase, pending approval at a meeting of the shareholders. This was subsequently unanimously approved.

The purpose of the debt-to-equity swap was to eliminate the Company's excess debt, which was recorded as ThUS\$1,168,615 as of December 31, 2022. The total value of the swap was US\$3,220,053,439.57, consisting of US\$2,343,994,104.58 in principal and US\$876,059,334.99 in interest as of March 31, 2023.

MLCC Finance Netherlands B.V. subscribed and paid US\$2,603,470,604.39 through the capitalization of its credit against the Company, which amounted to US\$1,900,244,104.58 for capital and US\$703,226,499.81 for net interest. Caserones Finance Netherlands B.V. subscribed and paid US\$601,232,782.49, capitalizing its credit of US\$430,000,000 for capital and US\$171,232,782.49 for net interest. JX Nippon Mining & Metals Corporation subscribed and paid US\$15,350,052.69 through the capitalization of its credit of US\$13,750,000 for capital and US\$1,600,052.69 for net interest.

After the the capital increase of US\$131,818,892.62 by the injection from JX Nippon Mining & Metals Corporation and the debt to equity swap of US\$3,220,053,439.57, the Company's capital stock amounted to US\$6,820,299,932.19.

No other significant events have occurred subsequent to December 31, 2022, which might affect the amounts and/or disclosures included in these financial statements.

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