HOCHSCHILD

28 August 2024

Hochschild Mining PLC

Interim Results

Six months ended 30 June 2024

Delivering Low-Cost Growth

Hochschild Mining PLC ("Hochschild" or the "Company") (LSE: HOC) (OTCQX: HCHDF) is pleased to announce its Interim Results for the six months ended 30 June 2024.

Financial Highlights

- Revenue up 25% at $391.7 million (H1 2023: $314.0 million)[1]
- Adjusted EBITDA up 78% at $177.1 million (H1 2023: $99.5 million)[2]
- Profit before income tax (pre-exceptional) of $83.1 million (H1 2023: $0.8 million)
- Profit before income tax (post-exceptional) of $69.4 million (H1 2023: loss of $66.1 million)
- Basic earnings per share (pre-exceptional) of $0.10 (H1 2023: loss per share of $0.004)
- Basic earnings per share (post-exceptional) of $0.08 (H1 2023: loss per share of $0.09)
- Cash and cash equivalents balance of $89.1 million as at 30 June 2024 (31 December 2023: $89.1 million)
- Net debt of $271.2 million as at 30 June 2024 (31 December 2023: $257.9 million)[2]
- Net debt to EBITDA decreased from 0.9x on 31 December 2023 to 0.8x on 30 June 2024[3]

Operational Highlights [4]

- H1 2024 attributable production of 152,792 gold equivalent ounces or 12.7 million silver equivalent ounces (H1 2023: 136,878 gold equivalent ounces or 11.4 million silver equivalent ounces)
- All-in sustaining costs (AISC) from operations of $1,510 per gold equivalent ounce (H1 2023: $1,572) or $18.2 per silver equivalent ounce (H1 2023: $18.9)[5]
- Mara Rosa mine achieved commercial production on 13 May 2024
- Optimisation projects ongoing at all operations to maximise throughput and mitigate ongoing inflationary pressures

Project & Exploration Highlights

- 2024 Brownfield drilling programme commenced with encouraging early results from Inmaculada, Mara Rosa and San Jose
- Cerrado Gold Inc. shareholders approved Hochschild's purchase of an option to acquire Monte do Carmo project
  - $15 million paid to date; remaining $45 million to be paid in instalments if the option is exercised
  - Exploration and technical work ongoing
- Completed the sale of Crespo project for $15 million cash, and a 1.5% Royalty Net Smelter Return (NSR)

Sustainability highlights

- Continued strong performance across all key metrics
- Lost Time Injury Frequency Rate of 1.08 (FY 2023: 0.99)[6]
- Accident Severity Index of 62 (FY 2023: 37)[7]
- Water Consumption of 136lt/person/day (FY 2023: 163lt/person/day)
- Domestic waste generation of 0.94 kg/person/day (FY 2023: 0.93kg/person/day)
- ECO score of 5.85 out of 6 (FY 2023: 5.76)[8]
- Recent entry into the FTSE4Good Index Series

Outlook and 2024 overall full year guidance unchanged

- Production target:
  - 343,000-360,000 gold equivalent ounces
- All-in sustaining costs target:
  - $1,510-$1,550 per gold equivalent ounce
- Total sustaining and development capital expenditure expected to be approximately $171-178 million
- Board expects to reevaluate the potential for capital returns at the full year results in early 2025

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[1]Revenue presented in the financial statements is disclosed as net revenue and is calculated as gross revenue less commercial discounts plus services revenue.
[2]Please see the Financial Review pages 10-16 for a definition and calculation of Adjusted EBITDA, net debt and AISC
[3]Net debt to EBITDA is a non-GAAP measure and is calculated as net debt divided by Adjusted EBITDA over the preceding 12 month period. H2 2023 Adjusted EBITDA was $174.9 million.
[4]All equivalent figures calculated using the Company's 2023 average gold/silver ratio of 83:1.
[5]Please see the Financial Review on page 13 for the AISC calculation and reconciliation.
[6]Calculated as total number of accidents per million labour hours.
[7]Calculated as total number of days lost per million labour hours.
[8]The ECO Score is an internally designed Key Performance Indicator measuring environmental performance in one number and encompassing numerous fronts including management of waste water, outcome of regulatory inspections and sound environmental practices relating to water consumption and the recycling of materials.

Eduardo Landin, Chief Executive Officer of Hochschild, commented:

"I am pleased to report on an encouraging first half performance. We are delighted to have brought Mara Rosa into commercial production, an asset which underpins our strategy of increasing production and lowering costs. With Inmaculada enjoying a strong 2024 so far, as well as higher underlying commodity prices, we have delivered substantial improvements in our financial metrics compared to last year. We continue to focus on our extensive brownfield exploration programme, with encouraging progress being made across our portfolio, and are pleased to reiterate our full year 2024 guidance of producing 343,000-360,000 gold equivalent ounces at an AISC of $1,510-$1,550 per gold equivalent ounce."

$000 unless stated	Six months to 30 June 2024	Six months to 30 June 2023	% change
Attributable silver production (koz)	4,070	4,442	(8)
Attributable gold production (koz)	104	83	25
Revenue	391,740	314,023	25
Adjusted EBITDA	177,141	99,497	78
Profit/(loss) from continuing operations (pre-exceptional)	64,026	(4,357)	1,569
Profit/(loss) from continuing operations (post-exceptional)	51,486	(52,685)	198
Basic earnings/(loss) per share (pre-exceptional) $	0.10	(0.004)	2,600
Basic earnings/(loss) per share (post-exceptional) $	0.08	(0.09)	189

A live conference call and audio webcast will be held at 2.30pm (London time) on Wednesday 28 August 2024 for analysts and investors.
For a live webcast of the presentation please click on the link below:

https://brrmedia.news/HOC_IR24

Conference call dial in details:
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UK Toll Free: 0808 109 0700
US Toll Free: 1 866 580 3963
Canada Toll Free: 1 866 378 3566
Pin: **Hochschild - Interim Results**

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Non-IFRS Financial Performance Measures

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

About Hochschild Mining PLC:

Hochschild Mining PLC is a leading precious metals company listed on the London Stock Exchange (HOCM.L / HOC LN) and crosstrades on the OTCQX Best Market in the U.S. (HCHDF), with a primary focus on the exploration, mining, processing and sale of silver and gold. Hochschild has over fifty years' experience in the mining of precious metal epithermal vein deposits and operates two underground epithermal vein mines: Inmaculada, located in southern Peru; and San Jose in southern Argentina, and an open pit gold mine, Mara Rosa, located in the state of Goiás, Brazil. Hochschild also has numerous long-term projects throughout the Americas.

A year on from being appointed CEO of Hochschild Mining and entrusted to lead this Company, I believe that our team has made highly encouraging progress by setting the Company on a new strategic path which aims to focus on the core business and deliver long-term low-cost growth. We prioritise listening to and engaging with our employees, communities, suppliers and shareholders and believe that understanding what they care about enables us to create long-term sustainable value.

Whilst the second half of 2023 was about setting the strategic vision, the first half of 2024 has seen the first stages in the delivery of that strategy with Brazil being a considerable focus. We completed the construction of our new Mara Rosa mine, with commercial production being achieved in May, whilst our purchase of an option to acquire the Monte do Carmo project in a neighbouring state, demonstrates that assessing value accretive opportunities remains a priority. We also produced a solid operational performance in the first half and have made a good start to our 2024 exploration programmes as well as completing the sale of our non-core Crespo project.

ESG

Our ESG performance remains strong. In H1 2024, our social indicators highlighted further improvement versus 2023 with the local workforce now constituting 61% of our total staff, up from 59% in 2023, whilst local procurement has increased to 23% from 17% in 2023. I am also pleased that, with regards to our people KPIs, our employee turnover rate has improved to 3.5% from 4.5% in 2023, well within our target of less than 5% by 2030, and the percentage of women in our workforce is currently almost at 9%.

Our environmental performance also continues to improve, with our ECO Score at 5.85 (out of 6) in the first half of 2024. This reflects, among other things, potable water consumption, which has been reduced to an average of 136 lt/person/day from 163 in 2023. Finally, safety remains a top priority, with zero fatalities recorded in H1 2024, and our lost time injury frequency rate of 1.08 continuing to be within our 2030 target of 1.2.

This ongoing positive performance is reflected in our ratings in several ESG indices. We are now a constituent company in the FTSE4Good Index Series, with a score of 3.4 and MSCI has issued a BB rating to Hochschild in June 2024 whilst our current Sustainalytics score (from April 2024) is 29.6. We can looking forward to incorporating our new Mara Rosa mine into our corporate ESG assessment on January 1st 2025.

Operations

Hochschild delivered a solid first half of production in 2024 and we are on track to meet our overall output and cost targets for the year. Overall attributable production was 152,792 gold equivalent ounces (12.7 million silver equivalent ounces), which was higher than the first half of 2023 due to a better-than-expected performance at Inmaculada and the first contribution from the new Mara Rosa operation. Production in the period was at an all-in sustaining cost ("AISC") of $1,510 per gold equivalent ounce ($18.2 per silver equivalent ounce). As mentioned, Inmaculada had a good H1 2024 with production of 109,502 gold equivalent ounces (H1 2023: 92,856 ounces) and AISC at $1,349 per gold equivalent ounce (H1 2023: $1,272 per ounce).

Mara Rosa commenced commercial production in May following a successful first gold pour in March. Output from the mine was 14,354 ounces of gold with the mine's AISC unsurprisingly reflecting the ramp-up process at $1,495 per ounce. Although in the last few months there have been a number of minor ramp-up issues involving the mechanical availability in the plant as well as the performance of the mining contractor, we can look forward to a stronger second half of production and a resulting fall in costs.

In Argentina, the annual holidays impacted the first quarter but the second quarter was stronger, leading to production of 4.7 million silver equivalent ounces in the first half of the year (H1 2023: 4.9 million ounces). AISC was $21.8 per silver equivalent ounce (H1 2023: $21.5 per ounce).

Optimisation projects have started at all our operations, with the main focus at Immaculada and San Jose, where we are aiming to maximise throughput capacity and deliver savings to help offset ongoing inflationary pressures.

Projects

As noted above, the Mara Rosa project, in the state of Goias in Brazil, was completed on time and on budget and ramped-up during the first half of the year. At the same time, the business development team continued to focus on Brazil and the acquisition of an option for the Monte do Carmo project presents a potential opportunity to repeat the successful Mara Rosa developmental process, in the neighbouring business friendly state of Tocantins. Technical and drilling work at the project has started and we are aiming to make a decision on the option in the near future. The team was also able to complete the sale of our non-core Crespo project for a cash consideration of $15 million and a 1.5% NSR royalty. Finally, we have continued with work on the Modified Environmental Impact Assessment for our exciting Royropata project near Pallancata in southern Peru.

Exploration

Exploration remains a key focus and, after a disrupted exploration programme in 2023, our brownfield team has made a good start to this year's plans with almost 10,000 metres drilled at Inmaculada and some exciting results indicating that we are on track to add substantially to our resource base at the mine. We have also begun exploration work in at Mara Rosa, where early drill holes show resources below the existing Posse pit and, also as mentioned above, at the Monte do Carmo project.

Financial results

Strong financial results reflect the increased production and improved pricing in the period versus H1 2023. Gold production was higher versus H1 2023 and therefore, when combined with a 13% increase in the average gold price achieved, revenue increased by 25% to $391.7 million (H1 2023: $314.0 million). AISC was $1,510 per gold equivalent ounce (H1 2023: $1,572 per ounce) with the reduction due to increased production at Inmaculada and the absence of a contribution from the high cost Pallancata mine, which was placed on care and maintenance towards the end of 2023. Adjusted EBITDA of $177.1 million (H1 2023: $99.5 million) mostly reflects the increased production levels, higher precious metal prices and lower costs. Pre-exceptional earnings per share was $0.10 (H1 2023: $0.004 loss per share) and post-exceptional earnings per share was $0.08 (H1 2023: loss per share of $0.09). Finally, in terms of the balance sheet, cash and cash equivalents was $89.1 million at the end of June (31 December 2023: $89.1 million) and net debt was $271.2 million (31 December 2023: $257.9 million). Indebtedness ratios started to improve with net debt to EBITDA decreasing from 0.9x at 31 December 2023 to 0.8x at 30 June 2024.

Outlook

Third quarter production at Mara Rosa is currently behind schedule due to recent mechanical availability issues at the plant and the mining contractor's delayed ramp-up, as mentioned above. However, with Inmaculada delivering better-than-expected output due to the Company's optimisation projects helping to increase tonnage, the Company reiterates that overall 2024 production and cost guidance will not be impacted. Any required updates to the mine-by-mine split of production and costs will be provided in the Q3 production release in October. We are confident that we will generate substantial cashflow in the second half to finance further expenditure on our brownfield exploration programme, potentially repay some of our debt and continue to advance our growth projects in Brazil and Peru. The Board also expects to reevaluate the scope for capital returns at the full year results in early 2025.

While we are still in the early days of executing our strategic plan, we are pleased with the progress achieved to date. I congratulate and thank my many colleagues in all the countries we operate in for their efforts in helping to achieve our targets.

Eduardo Landin, Chief Executive Officer
27 August 2024

OPERATING REVIEW

OPERATIONS

Note: All 2024 and 2023 silver/gold equivalent production figures assume a gold/silver ratio of 83:1.

Production

In H1 2024, Hochschild delivered attributable production of 152,792 gold equivalent ounces or 12.7 million silver equivalent ounces (on an attributable basis), with the increase resulting from Inmaculada's recovery from the H1 2023 delay in the approval of the MEIA. The Company was also boosted by the contribution from the new Mara Rosa mine in Brazil, which reached commercial production in May 2024. The Company remains on track to meet its overall 2024 attributable production target of 343,000-360,000 gold equivalent ounces or 28.0-29.9 million silver equivalent ounces.

Total group production

	Six months to 30 June 2024	Six months to 30 June 2023
Silver production (koz)	**5,016**	5,393
Gold production (koz)	**120.16**	100.55
Total silver equivalent (koz)	**14,989**	13,739
Total gold equivalent (koz)	**180.59**	165.53
Silver sold (koz)	**5,114**	5,425
Gold sold (koz)	**118.25**	99.79

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

Attributable group production

	Six months to 30 June 2024	Six months to 30 June 2023
Silver production (koz)	**4,070**	4,442
Gold production (koz)	**103.75**	83.36
Silver equivalent (koz)	**12,682**	11,361
Gold equivalent (koz)	**152.79**	136.88

Attributable production includes 100% of all production from Inmaculada and Mara Rosa and 51% from San Jose. H1 2023 includes 100% of all production from Pallancata.

Costs

AISC from operations in H1 2024 was $1,510 per gold equivalent ounce or $18.2 per silver equivalent ounce (H1 2023: $1,572 per gold equivalent ounce or $18.9 per silver equivalent ounce), slightly lower than H1 2023 mainly due to the absence of high-cost production from Pallancata which was put into care & maintenance in Q4 2023, as well as cost control initiatives in all our operating units.

The Company reiterates that its all-in sustaining cost for the full year 2024 is expected to be in line with the guidance of between $1,510 and $1,550 per gold equivalent ounce (or $18.2 and $18.7 per silver equivalent ounce).

Inmaculada

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

Inmaculada summary	Six months to 30 June 2024	Six months to 30 June 2023	% change
Ore production (tonnes)	**537,774**	535,905	-
Average silver grade (g/t)	**190**	178	7
Average gold grade (g/t)	**4.25**	3.85	10
Silver produced (koz)	**3,086**	2,573	20
Gold produced (koz)	**72.32**	61.85	17
Silver equivalent produced (koz)	**9,089**	7,707	18
Gold equivalent produced (koz)	**109.50**	92.86	18
Silver sold (koz)	**3,032**	2,561	18
Gold sold (koz)	**71.19**	61.39	16
Unit cost ($/t)	**144.6**	140.5	3
Total cash cost ($/oz Au co-product)	**739**	808	(9)
All-in sustaining cost ($/oz Au Eq)	**1,349**	1,272	6

Production
Inmaculada's first half production was 72,317 ounces of gold and 3.1 million ounces of silver, which amounts to a gold equivalent output of 109,502 ounces (H1 2023: 92,856 ounces), which is an 18% improvement on the first half of 2023 when the mine was impacted by permit delays. There was also a boost in grades and tonnage from the implementation of continuous improvement initiatives at site.

Costs
AISC was $1,349 per gold equivalent ounce (H1 2023: $1,272 per ounce). The increase versus the same period of 2023 was forecasted and is mainly the result of scheduled catch-up in deferred mine development capex resulting from the MEIA delay in the first half of 2023, although this was partially offset by higher grades. The result is lower than the guided cost for the year mainly due to temporary lower capex that will be spent in the second half of 2024.

San Jose

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

San Jose summary (100%)	Six months to 30 June 2024	Six months to 30 June 2023	% change
Ore production (tonnes)	268,853	272,063	(1)
Average silver grade (g/t)	255	254	-
Average gold grade (g/t)	4.47	4.68	(4)
Silver produced (koz)	1,930	1,941	(1)
Gold produced (koz)	33.49	35.09	(5)
Silver equivalent produced (koz)	4,709	4,854	(3)
Gold equivalent produced (koz)	56.74	58.48	(3)
Silver sold (koz)	2,079	1,941	7
Gold sold (koz)	35.29	34.66	2
Unit cost ($/t)	268.4	270.1	(1)
Total cash cost ($/oz Ag co-product)	17.1	15.9	8
All-in sustaining cost ($/oz Ag Eq)	21.8	21.5	1

Production
The first half of the year at San Jose in Argentina is traditionally a shorter operational period due to the scheduled hourly workers' holiday, which occurs in the first quarter. The operation delivered a strong second quarter with higher-than-forecast grades resulting in the H1 total of 4.7 million silver equivalent ounces (H1 2023: 4.9 million ounces).

Costs
AISC was $21.8 per silver equivalent ounce (H1 2023: $21.5 per ounce), in line with the same period of 2023. The effect of slightly lower gold grades and local inflation was offset by lower capex and devaluation of the local currency.

Mara Rosa

The Mara Rosa gold mine is located in Brazil, in the province of Goias, 320km northwest of Brasilia. Mara Rosa reached commercial production in mid-May 2024.

Mara Rosa summary	Six months to 30 June 2024	Six months to 30 June 2023	% change
Ore production (tonnes)	552,744	-	-
Average silver grade (g/t)	-	-	-
Average gold grade (g/t)	1.28	-	-
Silver produced (koz)	-	-	-
Gold produced (koz)	14.35	-	-
Silver equivalent produced (koz)	1,191	-	-
Gold equivalent produced (koz)	14.35	-	-
Silver sold (koz)	2	-	-
Gold sold (koz)	11.84	-	-
Unit cost ($/t)	66.6	-	-
Total cash cost ($/oz Au co-product)	2,622	-	-
All-in sustaining cost ($/oz Au Eq)	1,495	-	-

Production
The Mara Rosa mine produced 14,354 ounces of gold in H1 2024 and reached commercial production in mid-May. There were a number of minor ramp-up issues involving the mechanical availability in the plant as well as the performance of the mining contractor. The plant has already reached nominal capacity of 7,000 tonnes per day and ongoing optimisation initiatives are currently in place with the aim of reaching a stable throughput of 8,000 tonnes per day.

Costs
AISC was $1,495 per ounce with the high costs reflecting the mine being in commissioning and ramp-up phase and only reaching commercial production in mid-May. The costs are expected to decrease during the second half.

BROWNFIELD EXPLORATION

Inmaculada
During the first half of the year, the team carried out 10,000m of drilling for potential and resources in the Tesoro, Nicolas, Andrea, Josefa, Rita, Split Josefa, Laura and Sara vein structures with the key results coming from the Tesoro and Nicolas veins.

Vein	Results (potential)
Tesoro	IMM23-361: 2.0m @ 21.4g/t Au & 1,284g/t Ag IMM24-375: 5.0m @ 13.9g/t Au & 1,036g/t Ag IMS24-213A: 3.2m @ 4.0g/t Au & 53g/t Ag IMS24-216: 1.3m @ 1.2g/t Au & 216g/t Ag IMS24-217: 1.5m @ 0.6g/t Au & 85g/t Ag IMS24-231A: 7.1m @ 7.6g/t Au & 794g/t Ag IMS24-221: 1.0m @ 8.8g/t Au & 27g/t Ag IMS24-222: 38.8m @ 5.1g/t Au & 303g/t Ag IMS24-227A: 3.1m @ 6.4g/t Au & 141g/t Ag IMM24-380: 4.6m @ 3.5g/t Au & 242g/t Ag IMS24-219: 3.3m @ 0.3g/t & 21g/t Ag
Sara	IMM24-386: 1.2m @ 3.2g/t Au & 250g/t Ag IMM24-384: 1.6m @ 2.8g/t Au & 164g/t Ag IMM24-390: 1.0m @ 2.9g/t Au & 123g/t Ag IMM24-388: 1.3m @ 1.8g/t Au & 115g/t Ag IMM24-389: 1.2m @ 1.8g/t Au & 111g/t Ag
Nicolas	IMS24-213A: 23.5m @ 4.8g/t Au & 164g/t Ag *Including* 5.6m @ 16.0g/t Au & 409g/t Ag IMS24-216: 0.8m @ 1.4g/t Au & 199g/t Ag IMM24-380: 1.2m @ 0.7g/t Au & 12g/t Ag
Andrea	IMS24-375: 0.9m @ 2.3g/t Au & 102g/t Ag IMS24-213A: 1.7m @ 2.6g/t Au & 120g/t Ag IMM24-380: 0.9m @ 3.5g/t Au & 223g/t Ag IMS24-221: 2.3m @ 1.7g/t Au & 60g/t Ag
Josefa	IMS24-213A: 0.8m @ 2.5g/t Au & 99g/t Ag IMM24-380: 1.5m @ 11.0g/t Au & 885g/t Ag
Rita	IMS24-375: 0.9m @ 4.1g/t Au & 27g/t Ag
Split Josefa	IMM23-212: 0.9m @ 5.0g/t Au & 5g/t Ag
Laura	IMS24-215: 1.6m @ 3.3g/t Au & 3g/t Ag
Juliana NE piso	IMS24-218: 2.6m @ 8.2g/t Au & 184g/t Ag
Split Juliana NE	IMS24-375: 1.8m @ 2.8g/t Au & 293g/t Ag
Juliana NE	IMS24-218: 0.8m @ 3.4g/t Au & 116g/t Ag

During the third quarter, the Company expects to carry out four potential drill holes in the Kary vein (approximately 2,500m of drilling) as well as 12,000m of resource drilling in the Tesoro and Nicolas veins.

San Jose
During the first half of the year, the team carried out a further 4,460m of drilling for potential and resources in the Dalia, Emilia, Sigmoide Odin Sur and Frea vein structures.

Vein	Results (potential)
Dalia	SJD-2775: 2.8m @ 1.1g/t Au & 221g/t Ag SJD-2776: 2.6m @ 2.0g/t Au & 513g/t Ag SJD-2777: 3.5m @ 1.3g/t Au & 86g/t Ag SJD-2778: 1.7m @ 0.5g/t Au & 19g/t Ag SJD-2788: 1.5m @ 4.8g/t Au & 51g/t Ag SJD-2789: 0.9m @ 1.4g/t Au & 125g/t Ag SJD-2795: 0.9m @ 0.6g/t Au & 90g/t Ag SJD-2800: 1.5m @ 30.8g/t Au & 66g/t Ag

	SJD-2801: 0.8m @ 0.1/t Au & 3g/t Ag
Majo	SJD-2771: 0.9m @ 1.0g/t Au & 173g/t Ag SJD-2772: 2.7m @ 1.5g/t Au & 161g/t Ag SJD-2774: 1.1m @ 0.3g/t Au & 14g/t Ag
Odin	SJD-2775: 1.0m @ 1.9g/t Au & 216g/t Ag SJD-2776: 1.3m @ 0.4g/t Au & 12g/t Ag SJD-2777: 2.3m @ 5.5g/t Au & 70g/t Ag SJD-2778: 1.4m @ 0.3g/t Au & 54g/t Ag SJD-2788: 2.7m @ 7.6g/t Au & 360g/t Ag SJD-2789: 1.6m @ 3.2g/t Au & 287g/t Ag SJD-2795: 1.7m @ 2.8g/t Au & 137g/t Ag
Sigmoide Odin Sur	SJD-2775: 1.5m @ 1.8g/t Au & 166g/t Ag SJD-2776: 0.9m @ 0.1g/t Au & 13g/t Ag SJD-2777: 0.9m @ 0.2g/t Au & 43g/t Ag SJD-2778: 1.0m @ 1.4g/t Au & 70g/t Ag SJD-2788: 6.2m @ 23.3g/t Au & 314g/t Ag SJD-2789: 1.5m @ 3.5g/t Au & 281g/t Ag SJD-2795: 4.7m @ 2.6g/t Au & 60g/t Ag SJD-2801: 0.9m @ 1.0g/t Au & 11g/t Ag SJD-2802: 0.9m @ 0.2g/t Au & 47g/t Ag
Saavedra	SJD-2773: 1.1m @ 0.2g/t Au & 1g/t Ag
Emilia	SJM-664: 1.0m @ 6.5g/t Au & 47g/t Ag SJM-669: 0.8m @ 1.6g/t Au & 108g/t Ag SJM-663: 0.8m @ 1.0g/t Au & 74g/t Ag SJM-666: 0.9m @ 0.4g/t Au & 6g/t Ag SJM-668: 0.8m @ 0.1g/t Au & 4g/t Ag
Frea	SJD-2844: 3.9m @ 31.6g/t Au & 1,809g/t Ag SJM-663: 12.1m @ 12.4g/t Au & 94g/t Ag SJM-666: 12.0m @ 5.8g/t Au & 45g/t Ag SJM-673: 3.6m @ 3.4g/t Au & 50g/t Ag SJM-669: 2.9m @ 0.9g/t Au & 15g/t Ag SJM-670: 1.0m @ 0.3g/t Au & 8g/t Ag SJD-2847: 1.1m @ 0.3g/t Au & 3g/t Ag SJD-2846: 3.0m @ 0.3g/t Au & 7g/t Ag SJM-668: 4.9m @ 0.2g/t Au & 3g/t Ag SJM-664: 6.2m @ 0.1g/t Au & 5g/t Ag

Mara Rosa
The Mara Rosa brownfield programme commenced in the second quarter and 137m of potential drilling was executed in the Caxias-Anglelim target as well as 2,800m of resource drilling below the existing Posse pit, which confirmed economic mineralisation.

Vein	Results (resources)
Posse	24POSP_003: 14.2m @ 0.8g/t Au *Including:* 9.2m @ 1.1g/t Au 24POSP_004: 35.7m @ 1.4g/t Au *including: 9.2m @ 2.4g/t Au* *11.0m @ 2.1g/t Au* *1.1m @ 15.1g/t Au*

The plan for the third quarter of 2024 is to carry out six holes of resource drilling once 2,495m of drilling has been completed below the Posse pit

FINANCIAL REVIEW

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

Revenue

Gross revenue[9]

Gross revenue from continuing operations increased by 24% to $399.8 million in H1 2024 (H1 2023: $321.9 million) due to higher silver and gold production resulting from the first contribution from the Mara Rosa mine and a more normalised period for Inmaculada versus H1 2023 when the operation was impacted by permit delays. Revenue was also boosted by higher average realised precious metal prices. These were partially offset by the absence of revenue from the Pallancata mine which was placed on care and maintenance towards the end of 2023.

Gold

Gross revenue from gold in H1 2024 increased to $261.3 million (H1 2023: $195.3 million) due to higher gold produced at Inmaculada and a first contribution from the Mara Rosa gold mine in Brazil as well as a higher average realised gold price.

Silver

Gross revenue increased in H1 2024 to $138.2 million (H1 2023: $126.3 million) due to a 16% rise in the higher average realised silver price which offset the absence of silver production from the Pallancata mine.

Gross average realised sales prices

The following table provides figures for average realised prices (before the deduction of commercial discounts) and ounces sold for H1 2024 and H1 2023:

Average realised prices	Six months to 30 June 2024	Six months to 30 June 2023
Gold ounces sold (koz)	118.25	99.79
Avg. realized gold price ($/oz)	2,210	1,957
Silver ounces sold (koz)	5,114	5,425
Avg. realized silver price ($/oz)	27.0	23.3

Hedges

H1 2024 realised prices and revenue include the effect of the following hedges: forwards for 27,600 gold ounces of 2024 production at a price of $2,100 per ounce, and zero cost collars for 100,000 gold ounces of 2024 production at a strike put of $2,000 per ounce and a strike call of $2,252 per ounce, the impact of which was a loss of $4.2 million in H1 2024. H1 2023 includes forwards for 29,250 gold ounces of 2023 production at a price of $2,047 per ounce, and for 3.3 million silver ounces of 2023 production at a price of $25 per ounce, the impact of which was a gain of $3.4 million in H1 2023.

Commercial discounts

Commercial discounts refer to refinery treatment charges, refining fees and payable deductions for processing concentrate, and are deducted from gross revenue on a per tonne basis (treatment charge), per ounce basis (refining fees) or as a percentage of gross revenue (payable deductions). In H1 2024, the Group recorded commercial discounts of $8.0 million (H1 2023: $7.8 million). The ratio of commercial discounts to gross revenue in H1 2024 was 2.0% (H1 2023: 2.4%).

Net revenue

Net revenue was $391.7 million (H1 2023: $314.0 million), comprising net gold revenue of $256.6 million (H1 2023: $192.1 million) and net silver revenue of $134.8 million (H1 2023: $121.6 million). In H1 2024, gold accounted for 66% and silver for 34% of the Company's consolidated net revenue (H1 2023: gold 61% and silver 39%).

Reconciliation of gross revenue by mine to Group net revenue

$000	Six months to 30 June 2024	Six months to 30 June 2023	% change
Gold revenue			
Inmaculada	154,364	118,764	30
Pallancata	(185)	7,488	(102)
San Jose	81,671	69,031	18
Mara Rosa	25,430	-	-
Commercial discounts from concentrates	(4,635)	(3,159)	47
Net gold revenue	256,645	192,124	34
Silver revenue			
Inmaculada	79,715	60,047	33
Pallancata	(59)	21,650	(100)
San Jose	58,521	44,621	31

[9]Includes revenue from services

Mara Rosa	**59**	-	-
Commercial discounts from concentrates	**(3,394)**	(4,684)	(28)
Net silver revenue	**134,842**	121,634	11
Other revenue	**253**	265	(5)
Net revenue	**391,740**	314,023	25

Costs

Total cost of sales before exceptional items was $248.1 million in H1 2024 (H1 2023: $250.9 million). The direct production cost excluding depreciation was higher at $194.9 million (H1 2023: $170.1 million) mainly due to higher production in Inmaculada and the commencement of production in Mara Rosa, partially offset by no production in Pallancata. Depreciation in production cost decreased to $68.6 million (H1 2023: $71.9 million) mainly due to the absence of production in Pallancata, partially offset by higher depreciation in Inmaculada due to higher production. Fixed costs incurred during total or partial production stoppages in San Jose (due to bad weather) were $1.1 million in H1 2024 (H1 2023: $3.0 million). Increase in inventories was $17.2 million in H1 2024 (H1 2023: decrease in inventories of $4.7 million) mainly due to higher products in process of $12.0 million, and higher finished products of $4.5 million in Mara Rosa.

$000	**Six months to 30 June 2024**	Six months to 30 June 2023	% change
Direct production cost excluding depreciation	**194,850**	170,072	15
Depreciation and amortisation in production cost	**68,612**	71,903	(5)
Other items and workers profit sharing	**853**	1,174	(27)
Fixed costs during operational stoppages and reduced capacity	**1,062**	3,005	(65)
Change in inventories	**(17,237)**	4,716	(466)
Cost of sales	**248,140**	250,870	(1)

Fixed costs during operational stoppages and reduced capacity:

$000	**Six months to 30 June 2024**	Six months to 30 June 2023	% change
Personnel	**703**	2,410	(71)
Third party services	**301**	1,030	(71)
Supplies	**33**	34	(3)
Others	**25**	(469)	(105)
Cost of sales	**1,062**	3,005	(65)

Unit cost per tonne

The Company reported unit cost per tonne at its operations of $128.8 per tonne in H1 2024, a 25% decrease versus H1 2023 ($170.6 per tonne). This was mainly due to the commencement of production in Mara Rosa with a lower cost per tonne than the other operations.

Unit cost per tonne by operation (including royalties)[10]:

Operating unit ($/tonne)	**Six months to 30 June 2024**	Six months to 30 June 2023	% change
Peru	**144.6**	138.3	5
Inmaculada	**144.6**	140.5	3
Pallancata	**-**	133.8	-
Argentina			
San Jose	**268.4**	270.1	(1)
Brazil			
Mara Rosa	**66.6**	-	-
Total	**128.8**	170.6	(25)

[10] *Unit cost per tonne is calculated by dividing mine and treatment production costs (excluding depreciation) by extracted and treated tonnage respectively*

Cash costs

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

Cash cost reconciliation[11]

Six months to 30 June 2024

$000 unless otherwise indicated	Inmaculada	Pallancata	San Jose	Mara Rosa	Total
(+) Cost of sales[12]	122,593	-	92,217	32,268	247,078
(-) Depreciation and amortisation in cost of sales	(44,704)	-	(22,225)	(1,498)	(68,427)
(+) Selling expenses	286	14	7,042	273	7,615
(+) Commercial deductions[13]	1,614	11	8,302	73	10,000
Gold	*1,167*	*1*	*4,807*	*73*	*6,048*
Silver	*447*	*10*	*3,495*	*-*	*3,952*
Group cash cost	**79,789**	**25**	**85,336**	**31,116**	**196,266**
Gold	154,364	(186)	77,037	25,430	256,645
Silver	79,715	(69)	55,137	59	134,842
Revenue	**234,079**	**(255)**	**132,174**	**25,489**	**391,487**
Ounces sold					
Gold	71.2	(0.1)	35.3	11.8	118.3
Silver	3,032.4	0.5	2,079.2	2.0	5,114.1
Group cash cost ($/oz)					
Co product Au	739	(230)	1,409	2,622	1,088
Co product Ag	8.96	14.94	17.12	35.67	13.22
By product Au	(5)	(1,058)	757	2,623	486
By product Ag	(24.98)	463.91	1.68	2,779.59	(12.99)

Six months to 30 June 2023

$000 unless otherwise indicated	Inmaculada	Pallancata	San Jose	Total
(+) Cost of sales[14]	110,688	45,374	91,047	247,109
(-) Depreciation and amortisation in cost of sales	(37,677)	(11,588)	(23,440)	(72,705)
(+) Selling expenses	230	249	6,415	6,894
(+) Commercial deductions[15]	1,476	2,125	5,871	9,472
Gold	*994*	*406*	*2,846*	*4,246*
Silver	*482*	*1,719*	*3,025*	*5,226*
Group cash cost	**74,717**	**36,160**	**79,893**	**190,770**
Gold	118,764	7,082	66,278	192,124
Silver	60,047	19,931	41,656	121,634
Revenue	**178,811**	**27,013**	**107,934**	**313,758**
Ounces sold				
Gold	61.4	3.7	34.7	99.8
Silver	2,561.1	923.2	1,940.7	5,425.0
Group cash cost ($/oz)				
Co product Au	808	2,531	1,416	1,171
Co product Ag	9.8	28.9	15.89	13.63
By product Au	231	3,874	1,016	640
By product Ag	(17.59)	31.06	5.55	(1.03)

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

[11] *Cash costs are calculated to include cost of sales, commercial discounts and selling expenses items less depreciation included in cost of sales*
[12] *Does not include unallocated fixed costs accumulated during operational stoppages and reduced capacity*
[13] *Includes commercial discounts from the sales of concentrate and commercial discounts from the sale of dore*
[14] *Does not include unallocated fixed costs accumulated during operational stoppages and reduced capacity*
[15] *Includes commercial discounts from the sales of concentrate and commercial discounts from the sale of dore*

All-in sustaining cost reconciliation [16]

All-in sustaining cash costs per silver equivalent ounce

Six months to 30 June 2024

$000 unless otherwise indicated	Inmaculada	Mara Rosa[17]	San Jose	Main operations	Corporate & others	Total
(+) Direct production cost excluding depreciation	75,884	46,444	72,522	194,850	-	194,850
(+) Other items and workers profit sharing in cost of sales[18]	853	(30,403)	(8,399)	(37,949)	-	(37,949)
(+) Operating and exploration capex for units	62,149	968	16,604	79,721	39	79,760
(+) Brownfield exploration expenses	1,374	-	4,489	5,863	1,346	7,209
(+) Administrative expenses (excl. depreciation)	2,382	580	3,003	5,965	14,747	20,712
(+) Royalties and special mining tax[19]	3,178	-	-	3,178	3,151	6,329
Sub-total	**145,820**	**17,589**	**88,219**	**251,628**	**19,283**	**270,911**
Au ounces produced	72,317	11,937	33,491	117,745	-	117,745
Ag ounces produced (000s)	3,086	-	1,930	5,016	-	5,016
Ounces produced (Ag Eq 000s oz)	9,089	991	4,709	14,789	-	14,789
Sub-total ($/oz Ag Eq)	**16.0**	**17.8**	**18.7**	**17.0**	**1.3**	**18.3**
(+) Commercial deductions	1,614	11	8,302	9,927	-	9,927
(+) Selling expenses	286	190	7,042	7,518	-	7,518
Sub-total	**1,900**	**201**	**15,344**	**17,445**	**-**	**17,445**
Au ounces sold	71,194	9,464	35,293	115,951	-	115,951
Ag ounces sold (000s)	3,032	2	2,079	5,113	-	5,113
Ounces sold (Ag Eq 000s oz)	8,942	787	5,008	14,737	-	14,737
Sub-total ($/oz Ag Eq)	**0.2**	**0.3**	**3.1**	**1.2**	**-**	**1.2**
All-in sustaining costs ($/oz Ag Eq)	**16.3**	**18.0**	**21.8**	**18.2**	**1.3**	**19.5**
All-in sustaining costs ($/oz Au Eq)[20]	**1,349**	**1,495**	**1,809**	**1,510**	**109**	**1,619**

Six months to 30 June 2023

$000 unless otherwise indicated	Inmaculada	Pallancata	San Jose	Main operations	Corporate & others	Total
(+) Direct production cost excluding depreciation	73,869	31,163	65,040	170,072	-	170,072
(+) Other items and workers profit sharing in cost of sales	732	441	-	1,173	-	1,173
(+) Operating and exploration capex for units	37,642	2,384	20,197	60,223	61	60,284
(+) Brownfield exploration expenses	368	591	4,213	5,172	1,446	6,618
(+) Administrative expenses (excl. depreciation)	1,950	291	2,744	4,985	14,981	19,966
(+) Royalties and special mining tax[21]	1,850	280	-	2,130	618	2,748
Sub-total	**116,411**	**35,150**	**92,194**	**243,755**	**17,106**	**260,861**
Au ounces produced	61,852	3,607	35,095	100,554	-	100,554
Ag ounces produced (000s)	2,573	879	1,941	5,393	-	5,393
Ounces produced (Ag Eq 000s oz)	7,707	1,179	4,854	13,740	-	13,740
Sub-total ($/oz Ag Eq)	**15.1**	**29.8**	**19.0**	**17.7**	**1.2**	**18.9**
(+) Commercial deductions	1,476	2,125	5,871	9,472	-	9,472
(+) Selling expenses	230	249	6,415	6,894	-	6,894
Sub-total	**1,706**	**2,374**	**12,286**	**16,366**	**-**	**16,366**
Au ounces sold	61,389	3,746	34,656	99,791	-	99,791
Ag ounces sold (000s)	2,561	923	1,941	5,425	-	5,425
Ounces sold (Ag Eq 000s oz)	7,656	1,234	4,817	13,707	-	13,707
Sub-total ($/oz Ag Eq)	**0.2**	**1.9**	**2.5**	**1.2**	**-**	**1.2**
All-in sustaining costs ($/oz Ag Eq)	**15.3**	**31.7**	**21.5**	**18.9**	**1.2**	**20.1**
All-in sustaining costs ($/oz Au Eq)[22]	**1,272**	**2,635**	**1,788**	**1,572**	**103**	**1,675**

Administrative expenses

Administrative expenses were up by 13% to $23.6 million (H1 2023: $20.9 million) mainly due to higher personnel expenses arising from a higher performance bonus provision.

Exploration expenses

In H1 2024, exploration expenses increased to $13.5 million (H1 2023: $11.5 million) mainly due to higher exploration expenses at Inmaculada of $1.4 million (H1 2023: $0.4 million), higher expenses at Pallancata of $1.3 million (H1 2023: $0.6 million) and

[16] *Calculated using a gold/silver ratio of 83:1.*
[17] *Includes post-commercial production and costs*
[18] *Other items include costs incurred before the declaration of commercial production in Mara Rosa and the gain in San Jose resulting from the government's export incentive programme*
[19] *Royalties arising from revised royalty tax schemes introduced in 2011 and included in income tax line*
[20] *Calculated using a gold silver ratio of 83:1*
[21] *Royalties arising from revised royalty tax schemes introduced in 2011 and included in income tax line*
[22] *Calculated using a gold silver ratio of 83:1*

expenditure on exploration at Monte do Carmo ($1.6 million). These were partially offset by the absence of exploration expenses in Canada from the Snip project which was terminated in 2023 (H1 2023: $2.3 million).

In addition, the Group capitalises part of its brownfield exploration, which mostly relates to costs incurred converting potential resources to the Inferred or Measured and Indicated categories. In H1 2024, the Company capitalised $0.9 million relating to brownfield exploration (H1 2023: $0.4 million), bringing the total investment in exploration for H1 2024 to $14.4 million (H1 2023: $11.9 million).

Selling expenses

Selling expenses slightly increased slightly to $7.6 million (H1 2023: $6.9 million) mainly due to higher precious metal prices and its impact on Argentina export taxes.

Other income/expenses

Other income was $12.4 million (H1 2023: $4.9 million) with the increase mainly due to a gain in Argentina of $8.4 million resulting from the government's export incentive programme.

Other expenses before exceptional items were $14.8 million (H1 2023: $12.8 million) with the increase mainly due to care and maintenance expenses at Pallancata of $3.7 million and higher termination benefits in San Jose of $1.5 million (H1 2023: $0.4 million). These were partially offset by a lower provision for obsolescence of supplies of $0.3 million (H1 2023: $1.7 million), and no increases in the provision for mine closure in H1 2024 (H1 2023: $1.3 million).

Adjusted EBITDA

Adjusted EBITDA increased by 78% to $177.1 million (H1 2023: $99.5 million) mainly due to the increase in revenue resulting from higher gold production and increased precious metal prices.

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

$000 unless otherwise indicated	**Six months to 30 June 2024**	Six months to 30 June 2023	% change
Profit from continuing operations before exceptional items, net finance income/(cost), foreign exchange loss and income tax	**96,272**	14,222	577
Depreciation and amortisation in cost of sales	**68,427**	72,705	(6)
Depreciation and amortisation in administrative and other expenses	**1,433**	978	47
Exploration expenses	**13,509**	11,515	17
Personnel and other exploration related fixed expenses	**(2,560)**	(2,922)	(12)
Other non-cash income, net [23]	**60**	2,999	(98)
Adjusted EBITDA	**177,141**	99,497	78
Adjusted EBITDA margin	***45%***	*32%*	

Finance income

Finance income was $7.3 million (H1 2023: $2.6 million), mainly due to the gain on Argentinean mutual funds of $4.6 million (H1 2023: $nil).

Finance costs

Finance costs increased from $11.0 million in H1 2023 to $15.2 million in H1 2024, principally due to a $2.4 million increase in losses on changes in the fair value of financial instruments (H1 2023: $nil), and higher interest expenses which totalled $9.6 million (H1 2023: $8.6 million). Higher interest expense mainly explained by lower capitalisation of interest expenses that are directly attributable to the construction of Mara Rosa of $5.9 million (H1 2023: $7.1 million), and a higher average medium-term loan balance.

Foreign exchange losses

The Group recognized a foreign exchange loss of $4.6 million (H1 2023: $4.3 million) as a result of exposures in currencies other than the functional currency, mainly in Argentina of $3.8 million (H1 2023: $3.8 million), Brazil of $0.9 million (H1 2023: $nil), and Peru of $0.1 million (H1 2023: $0.5 million).

Income tax

The Company's pre-exceptional income tax charge was $19.1 million (H1 2023: $5.1 million) and includes royalties and special mining tax of $6.3 million (H1 2023: $2.7 million). Includes deferred income tax of $8.7 million mainly due to the impact of net inflation in San Jose, and the recognition of a deferred tax asset of $3.7 million related to the energy transmission line of Mara Rosa.

[23] Adjusted EBITDA has been presented before the effect of significant non-cash (income)/expenses related to changes in mine closure provisions and the write-off of property, plant and equipment

Exceptional items

Exceptional items in H1 2023 totalled a $12.5 million loss after tax (H1 2023: $48.3 million loss after tax) related to impairment charges at the Azuca and Arcata projects of $13.7 million. H1 2023 include impairment losses at the Azuca and Crespo projects of $42.3 million, the San Jose mining unit of $17.4 million, and the investment in Aclara Resources Inc. of $7.2 million.

The tax effect of the exceptional items was a tax gain of $1.2 million (H1 2023: $18.6 million). The total effective tax rate was 25.8% (2023: 20.3%).

Cash flow and balance sheet review

Cash flow

$000	Six months to 30 June 2024	Six months to 30 June 2023	% Change
Net cash generated from operating activities	**100,795**	86,374	17
Net cash used in investing activities	**(112,141)**	(134,448)	(17)
Cash flows generated (used in)/from financing activities	**11,799**	(178)	(6,729)
Foreign exchange adjustment	**(441)**	(2,014)	(78)
Net increase/(decrease) in cash and cash equivalents during the period	**12**	(50,266)	(100)

Net cash generated from operating activities increased from $86.4 million in H1 2023 to $100.8 million in H1 2024 mainly due to increased cash generation at the operations partially offset by lower cash inflows from working capital changes and increased interest paid.

Net cash used in investing activities decreased to $112.1 million in H1 2024 from $134.4 million in H1 2023 mainly due to lower capex in Mara Rosa of 18.3 million (H1 2023: $57.5 million), the consideration received for the sale of Crespo project net of transaction costs of $13.9 million, and lower capex in San Jose of $18.8 million (H1 2023: $21.5 million). These were partially offset by higher capex in Inmaculada of $62.1 million (H1 2023: $37.6 million), and the cash paid for Monte do Carmo´s option cost of $15 million.

Cash generated from/(used in) financing activities changed from an outflow of $0.2 million in H1 2023 to an inflow of $11.8 million in H1 2024 mainly due to the $65.0 million withdrawal from the $200 million medium-term facility in H1 2024 (H1 2023: $nil), partially offset by the repayment of $50 million of the $300 million medium-term facility (H1 2023: $nil).

Working capital

$000	As at 30 June 2024	As at 31 December 2023
Trade and other receivables	**96,457**	80,456
Inventories	**89,715**	68,261
Derivative financial assets/(liabilities)	**(20,744)**	(344)
Income tax receivable (payable), net	**(8,491)**	1,734
Trade and other payables	**(137,513)**	(135,839)
Provisions	**(19,879)**	(26,741)
Working capital	**(455)**	(12,473)

The Group's working capital position in H1 2024 increased by $12.0 million from $(12.5) million to $(0.5) million. The key drivers of the increase were: higher inventories of $21.5 million; higher trade and other receivables of $16.0 million; and lower provisions of $6.9 million. These were partially offset by higher derivative financial liabilities of $20.4 million and higher income tax payable of $10.2 million.

Net cash/ (debt)

$000 unless otherwise indicated	As at 30 June 2024	As at 31 December 2023
Cash and cash equivalents	**89,138**	89,126
Non-current borrowings	**(229,165)**	(234,999)
Current borrowings[24]	**(131,140)**	(112,064)
Net debt	**(271,167)**	(257,937)

The Group's reported net debt position was $271.2 million as at 30 June 2024 (31 December 2023: $257.9 million). Net debt to EBITDA was 0.8x (31 December 2023: 0.9x)[25].

[24] *Includes pre-shipment loans and short term interest payables*
[25] *Net debt to EBITDA is a non-GAAP measure and is calculated as net debt divided by Adjusted EBITDA over the preceding 12 month period.H2 2023 Adjusted EBITDA was $174.9 million*

Capital expenditure[26]

$000	Six months to 30 June 2024	Six months to 30 June 2023
Inmaculada	**62,149**	37,642
San Jose	**18,767**	21,487
Mara Rosa	**24,175**	64,591
Operations	**105,091**	123,720
Monte do Carmo	**16,200**	-
Pallancata	**6,897**	3,108
Other	**1,112**	1,646
Total	**129,300**	128,474

H1 2024 capital expenditure increased slightly from $128.5 million in H1 2023 to $129.3 million in H1 2024 mainly due to a scheduled increase in capex at Inmaculada resulting from the need to execute development capex deferred in 2023 due to the MEIA permit delays, and the cash paid for Monte do Carmo option. These were mainly offset by reduced capex at Mara Rosa of $18.3 million (H1 2023: $57.5 million), and lower capitalised interest expenses that are directly attributable to the construction of Mara Rosa of $5.9 million (H1 2023: $7.1 million).

Non-IFRS Financial Performance Measures

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

Forward looking statements

This announcement contains certain forward looking statements, including such statements within the meaning of Section 27A of the US Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In particular, such forward looking statements may relate to matters such as the business, strategy, investments, production, major projects and their contribution to expected production and other plans of Hochschild Mining PLC and its current goals, assumptions and expectations relating to its future financial condition, performance and results.

Forward-looking statements include, without limitation, statements typically containing words such as "intends", "expects", "anticipates", "targets", "plans", "estimates" and words of similar import. By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results, performance or achievements of Hochschild Mining PLC may be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Factors that could cause or contribute to differences between the actual results, performance or achievements of Hochschild Mining PLC and current expectations include, but are not limited to, legislative, fiscal and regulatory developments, competitive conditions, technological developments, exchange rate fluctuations and general economic conditions. The Company cautions against undue reliance on any forward looking statement or guidance, particularly in light of the current economic climate. Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

The forward looking statements reflect knowledge and information available at the date of preparation of this announcement. Except as required by the Listing Rules and applicable law, Hochschild Mining PLC does not undertake any obligation to update or change any forward looking statements to reflect events occurring after the date of this announcement. Nothing in this announcement should be construed as a profit forecast.

[26] *Includes additions in property, plant and equipment and evaluation and exploration assets (confirmation of resources) and excludes increases in the expected closure costs of mine asset*

RISKS

The principal risks and uncertainties facing the Company in respect of the year ended 31 December 2023 are set out in detail in the Risk Management section of the 2023 Annual Report and in Note 39 to the 2023 Consolidated Financial Statements.

The key risks disclosed in the 2023 Annual Report (available at hochschildmining.com) are categorised as:

- Financial risks comprising commodity price risk and, commercial counterparty risk;
- Operational risks including the risks associated with operational performance, business interruption/supply chain, information security and cybersecurity, exploration & reserve and resource replacement, personnel and project development, and political, legal and regulatory risks; and
- Sustainability risks including risks associated with health and safety, environmental, climate change and community relations.

The risks referred to above continue to apply to the Company in respect of the remaining six months of the financial year.

RELATED PARTY TRANSACTIONS

Related party transactions are disclosed in Note 23 to the interim condensed consolidated financial statements.

GOING CONCERN

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the duration of the Going Concern Period until 31 August 2025. Accordingly, the Directors continue to adopt the going concern basis in preparing the interim condensed set of financial statements. For further detail, refer to the Going concern disclosure in Note 2 "Significant Accounting Policies" of the interim condensed consolidated financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that, to the best of their knowledge, the interim condensed consolidated financial statements have been prepared in accordance with UK adopted International Accounting Standard 34 "Interim Financial Reporting" and that the interim management report includes a fair review of the information required by Disclosure Guidance and Transparency Rules 4.2.7R and 4.2.8R.

A list of current Directors and their functions is maintained on the Company's website.

For and on behalf of the Board

Eduardo Landin
Chief Executive Officer
27 August 2024

INDEPENDENT REVIEW REPORT TO HOCHSCHILD MINING PLC

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024, which comprises the interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of financial position, the interim condensed consolidated statement of cash flows, the interim condensed consolidated statement of changes in equity and the related notes 1 to 24. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE) issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP
London
28 August 2024

Interim condensed consolidated income statement
Six month ended 30 June 2024

	Notes	Six months ended 30 June 2024 (Unaudited) Before exceptional items US$000	Exceptional items (Note 9) US$000	Total US$000	Six months ended 30 June 2023 (Unaudited) Before exceptional items US$000	Exceptional items (Note 9) US$000	Total US$000
Continuing operations							
Revenue	4	391,740	—	391,740	314,023	—	314,023
Cost of sales	5	(248,140)	—	(248,140)	(250,870)	—	(250,870)
Gross profit		143,600	—	143,600	63,153	—	63,153
Administrative expenses		(23,649)	—	(23,649)	(20,884)	—	(20,884)
Exploration expenses	6	(13,509)	—	(13,509)	(11,515)	—	(11,515)
Selling expenses	7	(7,615)	—	(7,615)	(6,894)	—	(6,894)
Other income	8	12,402	—	12,402	4,863	—	4,863
Other expenses	8	(14,781)	—	(14,781)	(12,817)	—	(12,817)
Impairment and write-off of non-financial assets	12	(176)	(13,732)	(13,908)	(1,684)	(59,719)	(61,403)
Profit/(loss) from continuing operations before net finance cost, foreign exchange loss and income tax		96,272	(13,732)	82,540	14,222	(59,719)	(45,497)
Share of loss of an associate	14	(668)	—	(668)	(785)	(7,183)	(7,968)
Finance income	10	7,263	—	7,263	2,628	—	2,628
Finance costs	10	(15,179)	—	(15,179)	(11,010)	—	(11,010)
Foreign exchange loss		(4,596)	—	(4,596)	(4,268)	—	(4,268)
Profit/(loss) from continuing operations before income tax		83,092	(13,732)	69,360	787	(66,902)	(66,115)
Income tax (expense)/benefit	11	(19,066)	1,192	(17,874)	(5,144)	18,574	13,430
Profit/(loss) for the period from continuing operations		64,026	(12,540)	51,486	(4,357)	(48,328)	(52,685)
Attributable to:							
Equity shareholders of the parent		52,058	(12,540)	39,518	(1,927)	(42,787)	(44,714)
Non-controlling interests		11,968	—	11,968	(2,430)	(5,541)	(7,971)
		64,026	(12,540)	51,486	(4,357)	(48,328)	(52,685)
Basic earnings/(loss) per ordinary share from continuing operations for the period (expressed in U.S. dollars per share)		0.10	(0.02)	0.08	(0.004)	(0.083)	(0.087)
Diluted earnings/(loss) per ordinary share from continuing operations for the period (expressed in U.S. dollars per share)		0.10	(0.02)	0.08	(0.004)	(0.081)	(0.085)

Interim condensed consolidated statement of comprehensive income
Six month ended 30 June 2024

	Notes	Six months ended 30 June 2024 (Unaudited) US$000	Six months ended 30 June 2023 (Unaudited) US$000
Profit/(loss) for the period		**51,486**	(52,685)
Other comprehensive income that might be reclassified to profit or loss in subsequent periods; net of tax:			
Net (loss)/gain on cash flow hedges	15	**(52,458)**	4,113
Deferred tax credit/(charge) on cash flow hedges		**17,218**	(1,269)
Exchange differences on translating foreign operations[1]		**(22,250)**	22,554
Share of other comprehensive gain reclassified to profit and loss		**(2)**	—
Share of other comprehensive (loss)/gain of an associate	14	**(1,560)**	1,058
		(59,052)	26,456
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods; net of tax:			
Net loss on equity instruments at fair value through other comprehensive income ("OCI")		**(151)**	(106)
		(151)	(106)
Other comprehensive (loss)/income for the period, net of tax		**(59,203)**	26,350
Total comprehensive loss for the period		**(7,717)**	(26,335)
Total comprehensive loss attributable to:			
Equity shareholders of the parent		**(19,685)**	(18,364)
Non-controlling interests		**11,968**	(7,971)
		(7,717)	(26,335)

1 Foreign exchange effect generated in the Group´s companies when the functional currency is the local currency, mainly generated by the increase (2023: decrease) of the US$ exchange rate in Brazil.

Interim condensed consolidated statement of financial position
As at 30 June 2024

	Notes	As at 30 June 2024 (Unaudited) US$000	As at 31 December 2023 US$000
ASSETS			
Non-current assets			
Property, plant and equipment	12	**1,039,509**	1,018,853
Evaluation and exploration assets	13	**69,501**	67,322
Intangible assets		**27,826**	29,983
Investment in an associate	14	**22,562**	22,927
Financial assets at fair value through OCI	15	**309**	460
Trade and other receivables		**22,529**	12,438
Deferred income tax assets	16	**24,430**	763
		1,206,666	1,152,746
Current assets			
Inventories		**89,715**	68,261
Trade and other receivables		**96,457**	80,456
Derivative financial assets	15	**—**	846
Income tax receivable		**99**	4,713
Other financial assets	15	**2,485**	2,264
Cash and cash equivalents	17	**89,138**	89,126
Assets held for sale	18	**12,720**	17,398
		290,614	263,064
Total assets		**1,497,280**	1,415,810
EQUITY AND LIABILITIES			
Capital and reserves attributable to shareholders of the Parent			
Equity share capital	20	**9,068**	9,068
Other reserves		**(298,818)**	(234,837)
Retained earnings		**874,729**	834,231
		584,979	608,462
Non-controlling interests		**71,702**	60,122
Total equity		**656,681**	668,584
Non-current liabilities			
Trade and other payables		**1,590**	1,711
Derivative financial liabilities	15	**48,175**	16,581
Borrowings	19	**229,165**	234,999
Provisions	20	**156,110**	147,372
Deferred income tax liabilities	16	**78,005**	67,039
		513,045	467,702
Current liabilities			
Trade and other payables		**137,513**	135,839
Derivative financial liabilities	15	**20,744**	1,190
Borrowings	19	**131,140**	112,064
Provisions	20	**19,879**	26,741
Income tax payable		**8,590**	2,979
Liabilities directly associated with assets held for sale	18	**9,688**	711

	Notes	As at 30 June 2024 (Unaudited) US$000	As at 31 December 2023 US$000
		327,554	279,524
Total liabilities		840,599	747,226
Total equity and liabilities		1,497,280	1,415,810

Interim condensed consolidated statement of cash flows
Six month ended 30 June 2024

		Six months ended 30 June	
	Notes	2024 (Unaudited) US$000	2023 (Unaudited) US$000
Cash flows from operating activities			
Cash generated from operations	24	119,336	99,810
Interest received		1,725	2,333
Interest paid	19	(13,577)	(11,139)
Payment of mine closure costs		(3,414)	(3,046)
Income tax paid		(3,275)	(1,584)
Net cash generated from operating activities		100,795	86,374
Cash flows from investing activities			
Purchase of property, plant and equipment		(105,930)	(133,817)
Purchase of evaluation and exploration assets		(18,156)	(1,828)
Purchase of intangibles		—	(123)
Proceeds from sale of financial assets at fair value though profit and loss		—	723
Purchase of Argentinian bonds		(5,838)	—
Proceeds from sale of Argentinian bonds		3,472	—
Proceeds from sale of assets held for sale	18	13,890	—
Proceeds from sale of property, plant and equipment	12	421	597
Net cash used in investing activities		(112,141)	(134,448)
Cash flows from financing activities			
Proceeds from borrowings	19	65,965	12,560
Repayment of borrowings	19	(52,193)	(11,682)
Payment of lease liabilities		(1,585)	(730)
Dividends paid to non-controlling interests	22	(388)	(326)
Cash flows generated from/(used in) financing activities		11,799	(178)
Net increase/(decrease) in cash and cash equivalents during the period		453	(48,252)
Impact of foreign exchange		(441)	(2,014)
Cash and cash equivalents at beginning of period	17	89,126	143,844
Cash and cash equivalents at end of period	17	89,138	93,578

Interim condensed consolidated statement of changes in equity
Six month ended 30 June 2024

			Other reserves											
	Notes	Equity share capital US$000	Dividends expired US$000	Unrealised gain/ (loss/gain on hedges US$000	Share of other compre-hensive gain of an associate US$000	Fair value reserve of financial assets at fair value through OCI US$000	Cumulative translation adjustment US$000	Merger reserve US$000	Share-based payment reserve US$000	Total other reserves US$000	Retained earnings US$000	Capital and reserves attributable to shareholders of the Parent US$000	Non-controlling interests US$000	Total equity US$000
Balance at 1 January 2024		**9068**	**—**	**(11,546)**	**419**	**(127)**	**(20,180)**	**(210,046)**	**6,643**	**(234,837)**	**834,231**	**608,462**	**60,122**	**668,584**
Other comprehensive loss		—	—	(35,240)	(1,562)	(151)	(22,250)	—	—	(59,203)	—	(59,203)	—	(59,203)
Profit for the period		—	—	—	—	—	—	—	—	—	39,518	39,518	11,968	51,486
Total comprehensive (loss)/income for the period		**—**	**—**	**(35,240)**	**(1,562)**	**(151)**	**(22,250)**	**—**	**—**	**(59,203)**	**39,518**	**(19,685)**	**11,968**	**(7,717)**
Dividends paid to non-controlling interest	22	—	—	—	—	—	—	—	—	—	—	—	(388)	(388)
Change of ownership in associate		—	—	—	1,865	—	—	—	—	1,865	—	1,865	—	1,865
Modification of share based payment awards		—	—	—	—	—	—	—	(7,415)	(7,415)	980	(6,435)	—	(6,435)
Accrual of share-based payment awards		—	—	—	—	—	—	—	772	772	—	772	—	772
Balance at 30 June 2024 (unaudited)		**9,068**	**—**	**(46,786)**	**722**	**(278)**	**(42,430)**	**(210,046)**	**—**	**(298,818)**	**874,729**	**584,979**	**71,702**	**656,681**
Balance at 1 January 2023		**9061**	**99**	**1,541**	**1,274**	**(78)**	**(37,902)**	**(210,046)**	**6,312**	**(238,800)**	**886,980**	**657,241**	**65,475**	**722,716**
Other comprehensive income/(loss)		—	—	2,844	1,058	(106)	22,554	—	—	26,350	—	26,350	—	26,350
Loss for the period		—	—	—	—	—	—	—	—	—	(44,714)	(44,714)	(7,971)	(52,685)
Total comprehensive income/(loss) for the period		**—**	**—**	**2,844**	**1,058**	**(106)**	**22,554**	**—**	**—**	**26,350**	**(44,714)**	**(18,364)**	**(7,971)**	**(26,335)**
Dividends paid to non-controlling interest	22	—	—	—	—	—	—	—	—	—	—	—	(326)	(326)
Cancellation of dividends expired		—	(99)	—	—	—	—	—	—	(99)	152	53	—	53
Exercise of share based payment awards		7	—	—	—	—	—	—	(584)	(584)	577	—	—	—
Accrual of share-based payment awards		—	—	—	—	—	—	—	1,261	1,261	—	1,261	—	1,261
Forfeiture of share options		—	—	—	—	—	—	—	(1,528)	(1,528)	1,528	—	—	—
Balance at 30 June 2023 (unaudited)		**9,068**	**—**	**4,385**	**2,332**	**(184)**	**(15,348)**	**(210,046)**	**5,461**	**(213,400)**	**844,523**	**640,191**	**57,178**	**697,369**

Notes to the interim condensed consolidated financial statements

1 Corporate Information

Hochschild Mining PLC (hereinafter the "Company" and together with its subsidiaries, the "Group") is a public limited company incorporated on 11 April 2006 under the Companies Act 1985 as a limited company and registered in England and Wales with registered number 05777693. The Company's registered office is located at 17 Cavendish Square, London W1G 0PH, United Kingdom. Its ordinary shares are traded on the London Stock Exchange.

The Group's principal business is the mining, processing and sale of gold and silver. The Group has one operating mine (Inmaculada) located in southern Peru, one operating mine (San Jose) located in Argentina, and one operating mine (Mara Rosa) located in Brazil. The Group´s previously operating Pallancata mine went into care and maintenance in November 2023. The Group also has a portfolio of projects located across Peru, Argentina, Brazil and Chile at various stages of development.

These interim condensed consolidated financial statements were approved for issue on behalf of the Board of Directors on 27 August 2024.

2 Material Accounting Policies

Basis of preparation
These interim condensed consolidated financial statements set out the Group's financial position as at 30 June 2024 and 31 December 2023 and its financial performance and cash flows for the six months ended 30 June 2024 and 30 June 2023.

These interim condensed consolidated financial statements have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and UK adopted International Accounting Standard 34, "Interim Financial Reporting". Accordingly, the interim condensed consolidated financial statements do not include all the information required for full annual financial statements and therefore, should be read in conjunction with the Group's 2023 annual consolidated financial statements as published in the 2023 Annual Report. The annual financial statements of the Group will be prepared in accordance with UK adopted IFRS.

The interim condensed consolidated financial statements do not constitute statutory accounts as defined in the Companies Act 2006. The financial information for the full year is based on the statutory accounts for the financial year ended 31 December 2023. A copy of the statutory accounts for that year, which were prepared in accordance with UK adopted International Accounting Standards has been delivered to the Registrar of Companies. The auditor's report under section 495 of the Companies Act 2006 in relation to those accounts was unmodified and did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report and did not contain a statement under s498(2) or s498(3) of the Companies Act 2006.

The impact of the seasonality or cyclicality of operations is not regarded as significant on the interim condensed consolidated financial statements.

The interim condensed consolidated financial statements are presented in US dollars ($).

Critical accounting estimates and judgements
Many of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimates is contained in the accounting policies and/or the notes to the financial statements.

The significant accounting judgements, estimates and assumptions remain consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2023. The most significant are:

Critical judgements:

- Assessment of impairment indicators for the Group's CGUs – notes 12 and 13

Assessment of impairment indicators are performed during the period and they were identified in certain of the CGUs - refer to notes 12 and 13 for details

Significant estimates:

- Recoverable values of mining assets – note 12

  The values of the Group's mining assets are sensitive to a range of characteristics unique to each mine unit. Key sources of estimation for all assets include uncertainty around ore reserve estimates and cash flow projections. In performing impairment reviews, the Group assesses the recoverable amount of its operating assets principally with reference to fair value less costs of disposal ("FVLCD"), assessed using discounted cash flow models. The recoverable values of the CGUs and advanced exploration projects are determined using a FVLCD methodology. FVLCD for CGUs was determined using a combination of level 2 and level 3 inputs. The FVLCD of the producing and developing stage mine assets is determined using a discounted cash flow model and for the advanced exploration projects is determined using a discounted cash flow model or the value-in-situ methodology, which applies a realisable 'enterprise value' to unprocessed mineral resources per ounce of resources, to estimate the amount that would be paid by a willing third party in an arm's length transaction.

  For the CGU´s discounted cash flow model, the Group uses two approaches, depending on the circumstances: (i) the traditional approach, which uses a single cash flow projection, and (ii) the expected cash flow approach, which uses multiple, probability-weighted cash flow projections. As at 30 June 2024, the impairment reviews for the Group´s operating assets were performed using a traditional approach.

There is judgement involved in determining the assumptions that are considered to be reasonable and consistent with those that would be applied by market participants. Significant estimates used include future gold and silver prices, future capital requirements, reserves and resources volumes, production costs and the application of discount rates which reflect the macro-economic risk in Peru, Brazil and Argentina, as applicable. Judgement is also required in determining the risk factor that will be applied by market participants to take into account the water restrictions imposed by the Chilean government over the Volcan cash-generating unit. Changes in these assumptions will affect the recoverable amount of the property, plant and equipment, evaluation and exploration assets, and intangibles.

Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group.

- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current

Going concern

The Directors have reviewed the Group's liquidity, including cash resources and borrowings and related covenant forecasts to assess whether the Group is able to continue in operation for the period to 31 August 2025 (the "Going Concern Period") which is at least 12 months from the date of these interim condensed consolidated financial statements. The Directors also considered the impact of a severe but plausible downside scenario on the Group's future cash flows and liquidity position as well as debt covenant compliance.

For purposes of the going concern review, the base case scenario reflects life-of-mine plans and latest production forecasts for Inmaculada, San Jose and Mara Rosa, and assumes average precious metal prices of US$2,207.9/oz for gold and US$26.8/oz for silver (the "Assumed Prices"), based on analysts' consensus prices as of July 2024 for the period to 31 August 2025. The Directors also considered a severe but plausible downside scenario ("the Severe scenario"), taking into account, the combined impact of a four-week suspension of all operations, community relations-related cost increases, precious metal prices which are 10% lower than the Assumed Prices, and the deferral of discretionary exploration expenditures. Even in the Severe scenario it has been assumed that all employees remain on full pay and that additional mitigating actions such as the deferral of additional investments and capital expenditure, which are under the Group's control, would be available to maintain a comfortable level of liquidity. Moreover, the Group is well progressed with refinancing its US$300m medium-term facility, expected to be completed in the second half of 2024. This refinancing will reschedule a portion of the quarterly debt payments otherwise required during the going concern period to future periods, if needed. The forecasts do not consider the refinancing under any of the scenarios modelled.

Under both of the above scenarios, the Group's liquid resources remained more than adequate for the Group's forecast expenditure and the quarterly payments of the outstanding amounts on its medium term loans of US$300m and US$200m, maturing in 2026 and 2027, respectively (as set out in Note 18), with sufficient headroom maintained to comply with debt covenants. The results of reverse stress tests were also considered in the Directors´ assessment.

After their review, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence during the Going Concern Period. Accordingly, they continue to adopt the going concern basis of accounting in preparing the interim condensed consolidated financial statements.

3 Segment reporting

The following tables present revenue and profit/(loss) information for the Group's operating segments for the six months ended 30 June 2024 and 30 June 2023 and asset information as at 30 June 2024 and 31 December 2023, respectively:

Six months ended 30 June 2024 (Unaudited)	Inmaculada US$000	San Jose US$000	Mara Rosa US$000	Exploration US$000	Other[3] US$000	Adjustments and eliminations US$000	Total US$000
Revenue from external customers	**234,081**	**125,909**	**25,555**	**—**	**(63)**	**—**	**385,482**
Inter segment revenue	—	—	—	—	1,843	(1,843)	—
Total revenue from customers	**234,081**	**125,909**	**25,555**	**—**	**1,780**	**(1843)**	**385,482**
Provisional pricing **adjustments**	(2)	6,265	(5)	—	—	—	6,258
Total revenue	234,079	132,174	25,550	—	1,780	(1,843)	391,740
Segment profit/(loss)	**110,297**	**31,853**	**(7,354)**	**(13,622)**	**979**	**323**	**122,476**
Others[1]							(53,116)
Profit from continuing operations before income tax							**69,360**
As at 30 June 2024 (Unaudited)							
Assets							
Capital expenditure	62,149	18,767	24,175	17,273	6,936	—	129,300
Current assets	17,419	64,437	27,636	5,356	9,810		124,658
Other non-current assets	550,522	132,763	350,629	55,402	47,520	—	1,136,836
Total segment assets	**567,941**	**197,200**	**378,265**	**60,758**	**57,330**	**—**	**1,261,494**
Not reportable assets[2]	—	—	—	—	235,786	—	235,786
Total assets	**567,941**	**197,200**	**378,265**	**60,758**	**293,116**	**—**	**1,497,280**

1 Comprised of administrative expenses of US$23,649,000, other income of US$12,402,000, other expenses of US$14,781,000, impairment and write off of non-financial assets of US$13,908,000, share of losses of an associate of US$668,000, finance income of US$7,263,000, finance costs of US$15,179,000 and foreign exchange loss of US$4,596,000.

2 Not reportable assets are comprised of financial assets at fair value through OCI of US$309,000, other receivables of US$93,310,000, income tax receivable of US$99,000, deferred income tax asset of US$24,430,000, deferred income tax assets in assets held for sale of US$3,453,000, investment in associate of US$22,562,000, other financial assets of US$2,485,000 and cash and cash equivalents of US$89,138,000.

3 Pallancata mine went into care and maintenance in November 2023 and consequently it is not an operating segment and is reported in others. Segment revenue is US$(255,000), segment loss is US$269,000, capital expenditure is US$6,897,000, current assets US$2,067,000, other non-current assets US$16,974,000, total segment assets US$19,041,000.

Six months ended 30 June 2023 (Unaudited)	Inmaculada US$000	San Jose US$000	Mara Rosa US$000	Exploration US$000	Other[3] US$000	Adjustments and eliminations US$000	Total US$000
Revenue from external customers	**178,772**	**107,964**	**—**	**—**	**27,488**	**—**	**314,224**
Inter segment revenue	—	—	—	—	4,669	(4,669)	—
Total revenue from customers	**178,772**	**107,964**	**—**	**—**	**32,157**	**(4,669)**	**314,224**
Provisional pricing adjustments	39	(30)	—	—	(210)	—	(201)
Total revenue	178,811	107,934	—	—	31,947	(4,669)	314,023
Segment profit/(loss)	**62,447**	**9,297**	**—**	**(11,593)**	**(15,485)**	**78**	**44,744**
Others[1]							(110,859)
Profit from continuing operations before income tax							**(66,115)**
As at 31 December 2023							
Assets							
Capital expenditure	86,031	47,682	145,804	2,320	6,555	—	288,392
Current assets	23,703	63,795	1,734	14,980	8,450	—	112,662
Other non-current assets	524,504	135,680	349,920	60,150	45,904	—	1,116,158
Total segment assets	**548,207**	**199,475**	**351,654**	**75,130**	**54,354**	**—**	**1,228,820**
Not reportable assets[2]	–	–	—	–	186,990	—	186,990
Total assets	**548,207**	**199,475**	**351,654**	**75,130**	**241,344**	**—**	**1,415,810**

1 Comprised of administrative expenses of US$20,884,000, other income of US$4,863,000, other expenses of US$12,817,000, impairment and write off of non-financial assets of US$61,403,000, share of losses of an associate of US$7,968,000, finance income of US$2,628,000, finance costs of US$11,010,000 and foreign exchange loss of US$4,268,000.

2 Not reportable assets are comprised of financial assets at fair value through OCI of US$460,000, other receivables of US$63,473,000, income tax receivable of US$4,713,000, deferred income tax asset of US$763,000, investment in associate US$22,927,000, derivative financial assets of US$846,000, other financial assets of US$2,264,000, assets held for sale of US$2,418,000, and cash and cash equivalents of US$89,126,000.

3 Pallancata mine went into care and maintenance in November 2023 and consequently it is not an operating segment since 2024. For comparative purposes, Pallancata is reported in others. Segment revenue is US$27,013,000, segment loss is US$19,501,000, capital expenditure is US$6,428,000, current assets US$4,125,000, other non-current assets US$10,325,000, total segment assets US$14,450,000.

4 Revenue

	Six months ended 30 June 2024 (unaudited)[1]					Six months ended 30 June 2023 (unaudited)[1]				
	Revenue from customers					Revenue from customers				
	Goods/ services sold US$000	Shipping services US$000	Total US$000	Provisional pricing US$000	Total US$000	Goods/ services sold US$000	Shipping services US$000	Total US$000	Provisional pricing US$000	Total US$000
Gold (from dore bars)	206,225	371	206,596	(1)	206,595	142,854	321	143,175	21	143,196
Silver (from dore bars)	98,072	257	98,329	(17)	98,312	77,055	226	77,281	(3)	77,278
Gold (from concentrate)	46,159	1,290	47,449	2,601	50,050	46,796	1,871	48,667	261	48,928
Silver (from concentrate)	31,916	939	32,855	3,675	36,530	43,293	1,543	44,836	(480)	44,356
Services	253	-	253	-	253	265	-	265	-	265
Total	382,625	2,857	385,482	6,258	391,740	310,263	3,961	314,224	(201)	314,023

1 Includes commercial discounts (refinery treatment charges, refining fees and payable deductions for processing concentrate), and are deducted from gross revenue on a per tonne basis (treatment charge), per ounce basis (refining fees) or as a percentage of gross revenue (payable deductions). In 2024, the Group recorded commercial discounts for concentrates of US$8,029,000 (2023: US$7,843,000).

5 Cost of sales before exceptional items

Cost of sales comprises:

	Six months ended 30 June	
	2024 (Unaudited) US$000	2023 US$000
Direct production costs excluding depreciation and amortisation	194,850	170,072
Depreciation and amortisation in production costs	68,612	71,903
Other items and workers profit sharing	853	1,174
Fixed costs during operational stoppages and reduced capacity[1]	1,062	3,005
Change in inventories	(17,237)	4,716
Cost of sales	**248,140**	**250,870**

1 Corresponds to the fixed cost at the operations during stoppages of US$1,062,000 in San Jose (2023: Corresponds to the fixed cost at the operations during stoppages of US$905,000, net of the income for the insurance of US$486,000, in San Jose, and the incremental idle capacity costs of US$2,586,000 in Pallancata and Inmaculada mines).

The main components included in cost of sales are:

	Six months ended 30 June	
	2024 (Unaudited) US$000	2023 (Unaudited) US$000
Depreciation and amortisation in cost of sales[1]	68,427	72,705
Personnel expenses[2]	58,119	58,905
Mining royalty	3,481	2,844
Change in products in process and finished goods[3]	(17,237)	4,716
Fixed costs during operational stoppages and reduced capacity[4]	1,062	3,005

1 The depreciation and amortisation in production cost is US$68,612,000 (2023: US$71,903,000).
2 Includes workers' profit sharing of US$853,000 (2023: US$1,173,000).
3 Corresponds to the difference between the beginning and ending balance of the finished products and products in process included in the production cost during the period.
4 Corresponds to the fixed cost at the operations during stoppages of US$1,062,000 in San Jose (2023: Corresponds to the fixed cost at the operations during stoppages of US$905,000, net of the income for the insurance of US$486,000, in San Jose, and the incremental idle capacity costs of US$2,586,000 in Pallancata and Inmaculada mines).

6 Exploration expenses

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	US$000	US$000
Mine site exploration [1]		
Arcata	**42**	40
Ares	**241**	13
Inmaculada	**1,374**	368
Pallancata	**1,261**	591
San Jose	**4,489**	4,213
	7,407	5,225
Prospects [2]		
Canada	**—**	2,308
Peru	**27**	114
Brazil	**1,581**	—
Chile	**(14)**	(24)
	1,594	2,398
Generative [3]		
Peru	**717**	(206)
Mexico	**—**	7
USA	**—**	1
Brazil	**1,209**	1,120
	1,926	922
Personnel	**2,510**	2,502
Depreciation right-of-use	**22**	48
Others	**50**	420
Total	**13,509**	11,515

1 Mine-site exploration is performed with the purpose of identifying potential minerals within an existing mine-site, with the goal of maintaining or extending the mine's life.

2 Prospects expenditure relates to detailed geological evaluations in order to determine zones which have mineralisation potential that is economically viable for exploration. Exploration expenses are generally incurred in the following areas: mapping, sampling, geophysics, identification of local targets and reconnaissance drilling.

3 Generative expenditure is early-stage exploration expenditure related to the basic evaluation of the region to identify prospects areas that have the geological conditions necessary to contain mineral deposits. Related activities include regional and field reconnaissance, satellite images, compilation of public information and identification of exploration targets.

7 Selling expenses

	Six months ended 30 June	
	2024 (Unaudited) US$000	2023 (Unaudited) US$000
Personnel expenses	96	78
Warehouse services	669	743
Taxes[1]	5,837	5,143
Other	1,013	930
Total	7,615	6,894

1 Corresponds to the export duties in Argentina calculated as a fixed amount in pesos per US$ of export.

8 Other income and expenses before exceptional items

	Six months ended 30 June	
	2024 (Unaudited) US$000	2023 (Unaudited) US$000
Other income		
Logistic services	616	712
Gain on recovery of expenses[1]	—	2,414
Decrease in provision for mine closure	116	—
Income from export programme in Argentina[2]	8,399	—
Others[3]	3,271	1,737
Total	12,402	4,863
Other expenses		
Increase in provision for mine closure	—	(1,315)
Depreciation right-of-use assets	(156)	(54)
Corporate social responsibility contribution in Argentina	(1,907)	(1,696)
Care and maintenance expenses of Pallancata mine unit	(3,662)	—
Care and maintenance expenses of Ares mine unit	(1,166)	(1,355)
Care and maintenance expenses of Arcata mine unit	(1,774)	(1,808)
Provision of obsolescence of supplies[4]	(282)	(1,730)
Others[5]	(5,834)	(4,859)
Total	(14,781)	(12,817)

1 This is primarily the insurance collected in 2023 due to the damage of the Inmaculada machine belt in 2022 of US$2,620,000, net of the loss on recovery of expenses of US$206,000.

2 Benefit arising from being able to access the Argentina government's Export Incentive Programme, allowing certain companies to translate a certain proportion of US dollar sales at a preferential market exchange rate.

3 Mainly includes the profit for sale of the Crespo project of US$1,170,000 and the revaluation of the contingent consideration of US$478,000, gain on sale of property, plant and equipment of US$417,000, lease rentals of US$165,000, and the gain on sale of supplies of US$146,000 (2023: this mainly includes the sale of mine concessions in Chile of US$1,150,000, and gain on sale of supplies US$204,000).

4 In 2023 mainly includes the provision for obsolescence of supplies related to the ore sorting project amounting to US$1,713,000.

5 This is primarily the termination benefits of the San Jose mine unit of US$1,460,000 (2023: the termination benefits of the Pallancata mine unit of US$400,000), the contingencies of US$924,000 mainly explained by labour claims in Argentina (2023: US$956,000), the tax penalties of US$296,000 (2023: US$2,069,000), cost of recovery of expenses of US$1,234,000 (2023: US$nil) and the loss on sale of property, plant and equipment of US$nil (2023: US$409,000).

9 Exceptional items

Exceptional items are those significant items which, due to their nature or the expected infrequency of the events giving rise to them, need to be disclosed separately on the face of the income statement to enable a better understanding of the financial performance of the Group and facilitate comparison with prior years. Unless stated, exceptional items do not correspond to a reporting segment of the Group.

	Six months ended 30 June	
	2024 (Unaudited) US$000	2023 (Unaudited) US$000
Share of loss on an associate		
Impairment of Aclara Resources Inc.	—	(7,183)
Total	—	**(7,183)**
Impairment and write-off of non-financial assets		
Impairment of non-current assets[2]	(13,732)	(59,719)
Total	(13,732)	**(59,719)**
Income tax expense		
Income tax credit	1,192	18,574
Total	1,192	**18,574**

The exceptional items for the period ended 30 June 2023 correspond to:

1 Corresponds to the impairment charge of US$7,183,000 based on the updated valuation of the investment in Aclara Resources Inc. as at 30 June 2023 (see note 14).

2 Corresponds to the impairment charge related to Azuca project and Arcata mine (US$13,732,000) (see note 13). June 2023: Corresponds to the impairment charge related to San Jose (US$17,398,000) and Azuca and Crespo (US$42,321,000) projects (see note 12).

10 Finance income and finance cost before exceptional items

The Group recognised the following finance income and finance costs before exceptional items:

	Six months ended 30 June	
	2024 (Unaudited) US$000	2023 (Unaudited) US$000
Finance income:		
Interest on deposits and liquidity funds	1,427	2,313
Interest on loans	100	126
Changes in the fair value of financial instruments through profit or loss[1]	4,611	—
Others[2]	1,125	189
Total finance income	7,263	2,628
Finance cost:		
Interest on bank loans	(7,065)	(5,468)
Other interest	(2,530)	(3,125)
Total interest expense	(9,595)	(8,593)
Loss on discount of other receivables[3]	(623)	(349)
Loss from changes in the fair value of financial assets at fair value through profit and loss[4]	(2,366)	—
Loss on sale of financial assets at fair value through profit and loss	—	(292)
Unwind of discount on mine rehabilitation	(1,494)	(791)
Others	(1,101)	(985)
Total finance costs	(15,179)	(11,010)

1 Income generated by the mutual funds in Argentina.

2 Mainly due to the debit valuation adjustment of the hedges of US$465,000 and other finance income related to taxes in Argentina of US$303,000.

3 Mainly corresponds to the loss on discount of tax credits in Argentina.

4 Foreign exchange effect of US$2,366,000 related to the bonds in Argentina.

11 Income tax expense

	Six months ended 30 June	
	2024 (Unaudited) US$000	2023 (Unaudited) US$000
Current corporate income tax		
Current income tax expense	11,359	7,405
Withholding tax	(157)	297
	11,202	7,702
Deferred taxation		
Origination and reversal of temporary differences	343	(23,880)
	343	(23,880)
Corporate income tax	11,545	(16,178)
Current mining royalties		
Current mining royalty charge	3,178	2,130
Current special mining tax charge	3,151	618
Total	6,329	2,748
Total taxation expense/(benefit) in the income statement	17,874	(13,430)
Deferred taxation in Other comprehensive income		
Origination and reversal of temporary differences	(17,218)	1,269
Total taxation expense/(benefit) in Other comprehensive income	656	(12,161)

The pre-exceptional tax charge for the period was US$19,066,000 (2023: US$5,144,000).

The weighted average statutory income tax rate was 33.0% for 2024 and 31.5% for 2023. This is calculated as the average of the statutory tax rates applicable in the countries in which the Group operates, weighted by the profit or loss before tax of the Group companies in their respective countries as included in the consolidated financial statements. The interim income tax rate calculation is based on the estimated average annual effective tax rate of the Group.

The change in the weighted average statutory income tax rate is due to a change in the weighting of profit or loss before tax in the various jurisdictions in which the Group operates.

The profit before income tax (pre-exceptional) excluding the exchange difference of US$4,596,000 was US$87,688,000 (2023: US$5,055,000). The weighted average effective annual income tax rate expected for the full financial year is 38.6% generating an income tax expense of US$33,880,000 (2023: US$2,401,000). The lower tax in H1 2024 versus US$33,880,000 is due to the one-time effect that occurred in the half year related to the impact of inflation and exchange rate fluctuations on deferred taxes of US$8,657,000 (net inflation in Argentina of US$7,443,000, local currency devaluation in Brazil of US$2,957,000, and Peru of -US$1,743,000), the recognition of a deferred tax asset related to the energy transmission line of Mara Rosa of US$3,708,000, the tax loss of the sale of the Crespo project of US$1,915,000 and the adjustment of 2023 current income tax of Minera Santa Cruz of US$534,000 (2023: local currency revaluation of US$1,906,000 and non-deductible loss on the sale of C3 Metals Inc. shares of US$837,000).

12 Property, plant and equipment

During the six months ended 30 June 2024, the Group acquired and developed assets with a cost of US$111,106,000 (2023: US$126,523,000). The additions for the six months ended 30 June 2024 relate to:

	Mining properties and development (Unaudited) US$000	Other property plant and equipment (Unaudited) US$000	Total additions of property plant and equipment (Unaudited) US$000
San Jose	14,124	4,643	18,767
Pallancata	6,897	—	6,897
Inmaculada	43,554	17,722	61,276
Mara Rosa	5,800	18,327	24,127
Others	—	39	39
Total	**70,375**	**40,731**	**111,106**

Assets with a net book value of US$4,000 were disposed of by the Group during the six month period ended 30 June 2024 (30 June 2023: US$1,006,000) resulting in a net gain on disposal of US$417,000 (30 June 2023: loss of US$409,000).

For the six months ended 30 June 2024, the depreciation charge on property, plant and equipment was US$69,197,000 (30 June 2023: US$74,429,000).

There were borrowing costs capitalised in property, plant and equipment amounting to US$6,105,000 (31 December 2023: US$18,790,000).

In June 2024, management determined that there was a trigger of reversal of impairment in the San Jose mine unit due to the increase in gold and silver prices. The impairment test resulted in no impairment, or impairment reversal, being recognised as the positive effect of the increased prices was mainly offset by lower estimated mineral grades. The recoverable value of San Jose was determined using a FVLCD methodology.

No impairment or reversal of impairment was recognised as at 30 June 2024.

The key assumptions on which management has based its determination of FVLCD and the associated recoverable values calculated for the San Jose CGU are gold and silver prices, future capital requirements, production costs, reserves and resources volumes (reflected in the production volume), and the discount rate.

Real prices US$ per oz.	2024	2025	2026	2027	Long-term
Gold	2,226	2,198	2,002	1,959	1,875
Silver	26.6	26.9	25.5	25.1	24.0

	San Jose
Discount rate (post-tax)	22.1%

The period of 5 years was used to prepare the cash flow projections of San Jose mine unit which was in line with its respective life of mine.

No indicators of impairment or reversal of impairment were identified in the other CGUs, which includes other exploration projects, except as noted below.

The estimated recoverable values of the Group's CGUs are equal to, or not materially different than, their carrying values.

Sensitivity analysis

Other than as disclosed below, management believes that no reasonably possible change in any of the key assumptions above would cause the carrying value of any of its cash generating units to exceed its recoverable amount.

A change in any of the key assumptions would have the following impact:

US$000	San Jose
Gold and silver prices (decrease by 10%)	(41,209)
Gold and silver prices (increase by 10%)	41,209
Production costs (increase by 10%)	(22,967)
Production costs (decrease by 10%)	22,967

Production volume (decrease by 10%)	(17,826)
Production volume (increase by 10%)	17,826
Post tax discount rate (increase by 3%)	(4,397)
Post tax discount rate (decrease by 3%)	4,757
Capital expenditure (increase by 10%)	(5,149)
Capital expenditure (decrease by 10%)	5,149

2023

In June 2023, management determined that there was a trigger of impairment in the San Jose mine unit due to the increase in the discount rate from 19.8% to 21.7% mainly explained by the rise in country risk premium in Argentina, and higher costs than expected due to local inflation. The impairment test performed over the San Jose CGU resulted in an impairment recognised as at 30 June 2023 of US$17,398,000 (US$16,588,000 in property, plant and equipment, US$376,000 in evaluation and exploration assets and US$434,000 in intangibles).

As at 30 June 2023, the Group conducted a sales process for its Azuca and Crespo projects. This decision to evaluate the sale of these assets is part of the Group´s strategy to focus its capital on larger-scale projects.

Based on preliminary discussions with interested parties on the investment and costs required for these projects, given their operational capabilities, management determined that there were triggers of impairment in both the Azuca and Crespo projects. An impairment test was carried out, adjusting the key inputs used to determine the projects recoverable value, resulting in an impairment charge of US$42,321,000 (US$15,898,000 in property, plant and equipment, US$26,420,000 in evaluation and exploration assets and US$3,000 in intangibles) for Azuca, and Crespo.

The recoverable values of the San Jose CGU, and the Crespo and Azuca assets were determined using a FVLCD methodology.

The key assumptions on which management has based its determination of FVLCD and the associated recoverable values calculated for the San Jose CGU and Crespo assets are gold and silver prices, future capital requirements, production costs, reserves and resources volumes (reflected in the production volume), and the discount rate.

Real prices US$ per oz.	2024	2025	2026	2027	Long-term
Gold	1,850	1,735	1,582	1,557	1,600
Silver	24.3	22.6	21.4	21.8	22.0

	San Jose	Crespo
Discount rate (post-tax)	21.7%	6.0%

The period of 7 years and 9 years was used to prepare the cash flow projections of San Jose mine unit and Crespo, respectively, which were in line with their respective life of mines.

With respect to Azuca, given its early stage, the Group applied a value-in-situ methodology, which applies a realisable ´enterprise value´ to unprocessed mineral resources. The methodology is used to determine the fair value less costs of disposal of the Azuca assets. The enterprise value used in the calculation performed as at 30 June 2023 was $0.095 per silver equivalent ounce of resources. The enterprise value figure is based on observable external market information.

On 28 December 2023, the Group entered into an agreement with a third party whereby the third party acquired the assets and liabilities of the Crespo project from Compañia Minera Ares (refer to note 18). The closing of the transaction occurred in March 2024, the assets and liabilities were classified at 31 December 2023 as assets and liabilities related to assets held for sale, respectively. The Group recognised an additional impairment of US$21,124,000 (US$13,405,000 in property, plant and equipment, US$7,718,000 in evaluation and exploration assets and US$1,000 in intangibles) as at 31 December 2023. The recoverable amount of the Crespo project was determined using a FVLCD methodology, based on the economic terms of the sale agreement.

As at 31 December 2023, Azuca did not meet the conditions to be classified as an asset held-for sale under IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

No indicators of impairment or reversal of impairment were identified in the other CGUs. The estimated recoverable values of the Group's CGUs are equal to, or not materially different than, their carrying values.

13 Evaluation and exploration assets

During the six months ended 30 June 2024, the Group capitalised evaluation and exploration costs of US$18,194,000 (30 June 2023: US$1,828,000). The additions correspond to the following mine units:

	Unaudited US$000
Monte do Carmo[1]	16,200
Inmaculada	873
Azuca	366
Volcan	707
Mara Rosa	48
Total	**18,194**

1 On 4 March 2024, the Group entered in an option agreement pursuant to which Cerrado Gold Inc. has granted Amarillo Mineracao do Brasil Ltd., a brazilian subsidiary of the Group, the option to acquire a 100% interest in the Monte do Carmo project located in the state of Tocantins, Brazil. The Group has paid US$16,200,000, that were capitalised as evaluation and exploration assets in accordance with the Group´s policy of capitalisation of exploration expenses.

There were no transfers from evaluation and exploration assets to property, plant and equipment during the period (30 June 2023: US$nil, 31 December 2023: US$2,499,000).

At 30 June 2024, the Group recorded an impairment with respect to evaluation and exploration assets of the Arcata mine and the Azuca project of US$13,732,000, which takes into consideration the ongoing sell process (see note 18).

At 31 December 2023, the Group recorded an impairment with respect to evaluation and exploration assets of the San Jose mine unit of US$376,000, the Crespo project of US$17,584,000 and the Azuca project of US$16,554,000 (refer to note 12).

There were borrowing costs capitalised in evaluation and exploration assets of US$38,000 (31 December 2023: US$95,000).

In June 2024, management determined that there was a trigger of reversal of impairment in Volcan project due to the increase in gold prices. The impairment test resulted in no impairment, or impairment reversal being recognised as the positive effect of the increased long term prices was offset by local inflation and an increase in the discount rate from 8.3% to 9.0%. The recoverable value of the Volcan project was determined using a FVLCD methodology.

The key assumptions on which management has based its determination of FVLCD and the associated recoverable values calculated for the Volcan project are gold prices, capital requirements, production costs, reserves and resources volumes (reflected in the production volume), and the discount rate. The period of 14 years was used to prepare the cash flow projections of Volcan.

Sensitivity analysis
Other than as disclosed below, management believes that no reasonably possible change in any of the key assumptions above would cause the carrying value of any of its cash generating units to exceed its recoverable amount.

A change in any of the key assumptions would have the following impact:

US$000	**Volcan**
Gold prices (decrease by 10%)	(39,202)[1]
Gold prices (increase by 10%)	42,408[2]
Production costs (increase by 10%)	(39,202)[1]
Production costs (decrease by 10%)	42,408[2]
Production volume (decrease by 10%)	(39,202)[1]
Production volume (increase by 10%)	42,408[2]
Post tax discount rate (increase by 3%)	(39,202)[1]
Post tax discount rate (decrease by 3%)	42,408[2]
Capital expenditure (increase by 10%)	(39,202)[1]
Capital expenditure (decrease by 10%)	42,408[2]

1 This represents the maximum impairment loss that could be recognised, as it represents the carrying value of the CGU as at 30 June 2024.
2 This represents the maximum impairment loss that could be reversed, as it represents the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

14 Investment in an associate

As at 30 June 2024 the Group retains a 19.6% (31 December 2023: 20%) interest in Aclara Resources Inc. ("Aclara"), a listed company involved in the exploration of rare-earth metals in Chile. The company was incorporated under the laws of British Columbia, Canada, where the principal executive offices are located. The operations are conducted through one wholly-owned subsidiary named REE UNO SpA, located in Chile.

Upon Aclara´s Initial Public Offering ('IPO') on 10 December 2021, HM Holdings retained 20% of Aclara shares. The investment was recorded at initial recognition at fair value, based on the IPO´offering price, and is accounted for using the equity method in the consolidated financial statements.

The following table summarises the financial information of the Group's investment in Aclara Resources Inc:

	As at 30 June 2024 (Unaudited) US$000	As at 31 December 2023 US$000
Current assets	**44,815**	34,945
Non-current assets	**117,610**	112,064
Current liabilities	**(3,377)**	(6,048)
Non-current liabilities	**(2,609)**	(2,600)
Equity	**156,439**	138,361
Group's share in equity 19.6% (2023: 20%)	**30,662**	27,672
Non-controlling interest[1]	**(3,795)**	-
Accumulated adjustments for non-attributable changes to equity[2]	**12,801**	12,361
Impairment of non-current assets[3]	**(17,106)**	(17,106)
Group´s carrying amount of the investment 19.6% (2023: 20%)	**22,562**	22,927
Summarised consolidated statement of profit and loss		
Revenue	**–**	–
Administrative expenses	**(4,112)**	(6,815)
Exploration expenses	**(213)**	(6,991)
Other income	**135**	59
Share of loss in joint venture	**(10)**	–
Finance income	**846**	2,338
Finance cost	**(30)**	(59)
Foreign exchange (loss)/gain	**(80)**	85
Loss from continuing operations for the period	**(3,464)**	(11,383)
Loss from continuing operations attributable to shareholders	**(3,418)**	(11,383)
Group's share of loss for the period	**(670)**	(2,277)
Other comprehensive profit that may be reclassified to profit or loss in subsequent periods, net of tax		
Exchange differences on translating foreign operations	**(7,957)**	(4,273)
Total comprehensive loss for the period	**(7,957)**	(4,273)
Group´s share of comprehensive loss for the period	**(1,560)**	(855)

1 On April 17, 2024 Aclara closed a strategic financing of US$29,027,000 by the company CAP S.A. in Aclara´s Chilean subsidiary which owns the Penco Module and all of Aclara´s mining concessions in Chile in exchange for 20% equity participation in REE UNO Spa.

2 Includes the 20% of the fair value adjustment, estimated by the Group, of Aclara´s exploration and evaluation asset on initial recognition of US$12,307,000, and other non-attributable changes to equity of US$494,000 (31 December 2023: US$54,000).

3 This represents the 19.6% share in the total impairment, estimated by the Group, of Aclara´s exploration and evaluation assets of US$85,530,000 (2023: 20% share in the total impairment of US$85,530,000).

The movement of investment in associate is as follows:

	Period ended 31 December	
	30 June 2024 US$000	31 December 2023 US$000
Beginning balance	**22,927**	33,242
Impairment	–	(7,183)
Share of loss for the period	(670)	(2,277)
Share of comprehensive loss for the period	(1,560)	(855)
Equity increase in Aclara from CAP strategic financing	1,865	–
Ending balance	**22,562**	**22,927**

30 June 2024
No indicators of impairment or reversal of impairment were identified in Aclara as of 30 June 2024.

2023
On 4 July 2023, Aclara announced the receipt of a notice from the Environmental Service Assessment in Chile of its decision to terminate the review of Aclara´s application for an environmental impact assessment of the Penco Module due to the finding of trees considered as ´vulnerable species´ in the area of the project. Aclara is working to refile a revised application.

Aclara´s announcement and the impact that it could have in the first production date of Penco project, were considered as indicators of impairment. Therefore, in compliance with IAS 36, the Group performed a valuation on Aclara, and determined an impairment charge of US$7,183,000.

The recoverable value of Aclara was determined using a value-in-use methodology. The key assumptions on which management has based its valuation of Aclara´s shares are the independent technical report of Penco module issued in September 2021, adjusted by: a 3-year delay in the first production date, local inflation and additional risk impacting costs; latest forecast prices; and a discount rate of 9.6%.

Sensitivity analysis
An increase of 1% in the discount rate and a delay of one additional year in the first production date would have the following impact in the Group´s investment in Aclara:

	US$000
Discount rate (increase by 1%)	(3,578)
Delay in first production date (1 additional year)	(2,551)

The carrying amount of the investment recognised the changes in the Group's share of net assets of the associate since the acquisition date. The balance as at 30 June 2024, after recognising the changes in the Group´s share of net assets of the associate and the impairment charge is US$22,562,000 (31 December 2023: US$22,927,000).

Aclara´s fair value based on share price as of 30 June 2024 was US$12,595,000 (31 December 2023: US$12,296,000).

No dividends were received from the associate during 2024 and 2023.

The associate had no contingent liabilities or capital commitments as at 30 June 2024 and 31 December 2023.

15 Financial instruments

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

At 30 June 2024, the Group held the following financial instruments measured at fair value:

	As at 30 June 2024 (Unaudited) US$000	Level 1 US$000	Level 2 US$000	Level 3 US$000
Assets measured at fair value				
Equity shares[1]	309	309	–	–
Contingent consideration (note 18)	4,445	–	–	4,445
Trade receivables	25,676	–	–	25,676
Mutual funds	12,570	12,570	–	–
Other financial assets[2]	2,485	2,485	–	–
Liabilities measured at fair value				
Derivative financial liabilities[3]	(68,919)	–	(68,919)	–
	(23,434)	**15,364**	**(68,919)**	**30,121**

1 These investments were classified as financial assets at fair value through OCI.
2 Other financial assets are as follows:

	As at 30 June 2024 (Unaudited) US$000	As at 31 December 2023 US$000
Bonds in Minera Santa Cruz S.A.	**2,485**	2,264
Total	**2,485**	2,264

3 Derivative financial liabilities – Gold forward and collars. The increase in the price of gold over the prices agreed in the contracts determined the significant increase of the derivative financial liabilities.

On 10 November 2021, the Group signed agreements with JP Morgan to hedge the sale of 3,300,000 ounces of silver at US$25.0 per ounce for 2023. The result was a gain of US$5,324,000 recognised as revenue in 2023.

On 12 April 2023, the Group signed agreements with Citibank to hedge the sale of 27,600 ounces of gold at US$2,100 per ounce for 2024.

On 20 April 2023, the Group signed agreements with JP Morgan to hedge the sale of 29,250 ounces of gold at US$2,047 per ounce for 2023. The result was a gain of US$2,522,000 recognised as revenue in 2023.

On 19 June 2023, the Group signed agreements with Citibank to hedge the sale of 150,000 ounces of gold (50,000 ounces per year) at US$2,117.05, US$2,166.65 and US$2,205.50 per ounce in 2025, 2026 and 2027 respectively.

On 14 December 2023, the Group signed a gold collar agreement with JP Morgan of 99,999.96 ounces of gold at strike put of US$2,000 and strike call of US$2,252 per ounce for 2024.

On 14 February 2024, the Group signed a gold collar agreement with JP Morgan of 60,000 ounces of gold at strike put of US$2,000 and strike call of US$2,485 per ounce for 2025.

The gold and silver hedges contracts are being used to hedge exposure to changes in cash flows from gold and silver commodity prices. There is an economic relationship between the hedged item and the hedging instruments due to a common underlying. In accordance with IFRS 9, the derivative instruments are categorised as cash flow hedges at the inception of the hedging relationship and, on an ongoing basis, the Group assesses whether a hedging relationship meets the hedge effectiveness requirements. The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the silver and gold forwards is identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the gold and silver forwards against the changes in fair value of the hedged item attributable to the hedged risk. That said, it is observed that the effectiveness tests comply with the requirements of IFRS 9 and that the hedging strategy is highly effective.

The fair values of the gold and silver forwards were calculated using a discounted cash flow model applying a combination of level 1 (USD quoted market commodity prices) and level 2 inputs. The models used to value the commodity forward contracts are standard models that calculate the present value of the fixed-legs (the fixed gold and silver leg) and compare them with the present value of the expected cash flows of the flowing legs (the London metal exchange "LME" gold and silver fixing). In the case of the commodity forward contracts, the models use the LME AU and AG forward curve and the US SOFR swap curve for discounting.

This approach results in the fair value measurement categorised in its entirety as level 2 in the fair value hierarchy. The fair values of the gold forwards and collars as at 30 June 2024 are as follows:

	US$000
Current liabilities	(20,744)
Non-current liabilities	(48,175)

The effect recorded is as follows:

	US$000
Income statement – revenue	(4,286)
Equity - Unrealised loss on hedges	(52,458)

The sensitivity to a reasonable movement in the commodity prices, with all other variables held constant, determined as a +/-10% change in prices -US$54,734,000 / -US$48,508,000 effect on OCI.

	As at 31 December 2023 US$000	Level 1 US$000	Level 2 US$000	Level 3 US$000
Assets measured at fair value				
Equity shares[1]	460	460	–	–
Derivative financial assets[2]	846	–	846	–
Trade receivables	29,421	–	–	29,421
Mutual funds	10,849	10,849	–	–
Other financial assets	2,264	2,264	–	–
Liabilities measured at fair value				
Derivative financial liabilities[3]	(17,771)	–	(17,771)	–
	26,069	13,573	(16,925)	29,421

1 These investments were classified as financial assets at fair value through OCI.
2 Derivative financial assets – Gold forward and collars.
3 Derivative financial liabilities – Gold forward and collars.

During the six months ended 30 June 2024 and the year, ended 31 December 2023 there were no transfers between these levels.

The reconciliation of the financial instruments categorised as Level 3 is as follows:

	Trade receivables subject to price adjustments US$000	Other non-current receivables US$000
Balance at 1 January 2023	42,364	–
Net change in trade receivables from goods sold	(8,644)	–
Changes in fair value of price adjustments	1,174	–
Realised price adjustments during the year	(5,473)	–
Balance at 31 December 2023	29,421	–
Net change in trade receivables from goods sold	(2,689)	–
Changes in fair value of price adjustments	6,258	–
Realised price adjustments during the period	(7,314)	–
Initial recognition of contingent consideration of Crespo sale (note 18)	–	3,967
Revaluation of contingent consideration of Crespo sale (note 18)	–	478
Balance at 30 June 2024 (Unaudited)	**25,676**	**4,445**

The Group has price adjustments arising from the sale of concentrate and dore which were provisionally priced at the time the sale was recorded. The sensitivity of the fair value to an immediate 10% favourable or adverse change in the price of gold and silver (assuming all other variables remain constant), is as follows:

Period	Increase/ decrease in price of ounces of:	Effect on profit before tax US$000
30 June 2024	Gold +/-10%	+/-261
	Silver+/-10%	+/-368
31 December 2023	Gold +/-10%	+/-127
	Silver+/-10%	+/-45

16 Deferred income tax assets and liabilities

The changes in the net deferred income tax assets/(liabilities) are as follows:

	As at 30 June 2024 (Unaudited) US$000	As at 31 December 2023 US$000
Beginning of the period	(66,276)	(75,832)
Income statement (expense)/benefit	(343)	4,560
Other comprehensive credit	16,497	7,414
Deferred tax recognised in assets held for sale	(3,453)	(2,418)
End of the period	(53,575)	(66,276)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to the same fiscal authority.

The amounts after offset, as presented on the face of the consolidated statement of financial position, are as follows:

	As at 30 June 2024 (Unaudited) US$000	As at 31 December 2023 US$000
Deferred income tax assets[1]	24,430	763
Deferred income tax liabilities	(78,005)	(67,039)
Net deferred income tax liabilities	(53,575)	(66,276)

1 The decrease of the net liability is driven principally by the recognition of the market value of the hedge of the period (US$17,218,000).

17 Cash and cash equivalents, and other financial assets

	As at 30 June 2024 (Unaudited) US$000	As at 31 December 2023 US$000
Cash in hand	725	782
Current demand deposit accounts[1]	24,731	40,311
Time deposits[2]	51,112	37,184
Mutual funds[3]	12,570	10,849
Cash and cash equivalents	89,138	89,126

1 Relates to bank accounts, which are readily accessible to the Group and bear interest.
2 These deposits have an average maturity of 5 days (as at 31 December 2023: 9 days).
3 Corresponds to common investment funds that are assets that are formed with the contributions made by the Group, consequently, becoming beneficiary of the fund in which they decide to invest. As at 30 June 2024 the balance of US$12,570,000 (31 December 2023: US$10,849,000) are deposited in Banco Santander and BBVA in Argentina.

Cash and cash equivalents comprise cash on hand and deposits held with banks that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

The fair value of cash and cash equivalents approximates their book value.

18 Assets held for sale

The Group is in an ongoing sale process that includes the assets and liabilities of the Arcata mine and Azuca project. Prior to classifying Arcata and Azuca disposal group as assets and liabilities related to asset held for sale, the Group recognised an impairment of US$13,732,000. The recoverable value of the Azuca and Arcata project was determined using a FVLCD methodology, based on the proposed economic terms of sale.

The major classes of assets and liabilities classified as assets held for sale as at 30 June 2024 are as follows:

	US$000
Assets	
Transfer from evaluation and exploration assets, net of impairment	4,722
Transfer from property, plant and equipment	4,179
Transfer from deferred tax asset	3,453
Total non-current assets	**12,354**
Transfer from inventory-supplies	366
Total current assets	**366**
Liabilities	
Transfer from provision for mine closure (note 20)	(9,688)
Total liabilities directly associated with assets held for sale	**(9,688)**
Net assets directly associated with assets held for sale	**3,032**

In 2023, the Group entered into an agreement with a third party whereby the third party would acquire the assets and liabilities of the Crespo project from Compañia Minera Ares which resulted in the assets and liabilities of project Crespo being classified as held for sale at 31 December 2023. In March 2024, the Group received US$15,000,000 as a non-refundable cash payment at closing, and a 1.5% Royalty Net Smelter Return (NSR) over the Crespo project, recognised as a contingent consideration within non-current other receivables with a fair value of US$3,967,000 at initial recognition and revalued to US$4,445,000 at 30 June 2024. The buyer also took over the environmental liabilities of the project amounting to US$711,000. Upon completion of sale, the Group derecognised the asset held for sales amounting to US$17,398,000 and the liabilities directly associated with assets held for sale amounting to US$711,000. A profit on sales of asset of US$1,170,000 was recognised as other income (note 8).

The net cash received for the sale of Crespo is as follows:

	US$000
Cash received	15,000
Transaction costs	(1,110)
Net cash received	**13,890**

19 Borrowings

	As at 30 June 2024 (Unaudited)			As at 31 December 2023		
	Effective interest rate	Non-current US$000	Current US$000	Effective interest rate	Non-current US$000	Current US$000
Secured bank loans						
• Pre-shipment loans in Minera Santa Cruz	8.45% to 15%	–	3,947	12% to 15%	–	3,977
• Medium-term Bank loans	6.24% to 9.15%	229,165	126,193	8.91% and 9.09%	234,999	106,087
Other loans						
• Stock market promissory notes in Minera Santa Cruz	–	–	1,000	–	–	2,000
Total		229,165	131,140		234,999	112,064

Effective interest rate includes the amortisation of the capitalised transaction costs.

The movement in borrowings during the six-month period to 30 June 2024 is as follows:

	As at 1 January 2024 US$000	Additions US$000	Repayments US$000	Reclassifications US$000	As at 30 June 2024 (Unaudited) US$000
Current					

Pre-shipment loans[1]	3,870	965	(1,193)	–	**3,642**
Medium-term Bank loans[2]	100,001	–	(50,000)	70,834	**120,835**
Stock market promissory notes[3]	2,000	–	(1,000)	–	**1,000**
Accrued interest	6,193	7,065	(13,577)	5,982	**5,663**
	112,064	**8,030**	**(65,770)**	**76,816**	**131,140**
Non-current					
Medium-term Bank loans [2]	234,999	65,000	–	(70,834)	**229,165**
	234,999	**65,000**	–	**(70,834)**	**229,165**
Total current and non-current borrowings	**347,063**	**73,030**	**(65,770)**	**5,982**	**360,305**

1 As at 30 June 2024, Minera Santa Cruz has five (December 2023: seven) loans with Citibank amounting to US$2,352,000 (December 2023: US$2,815,000) plus interests of US$247,000 (December 2023: US$82,000), two loans (December 2023: One loan) with ICBC amounting to US$862,000 (December 2023: US$447,000) plus interests of US$53,000 (December 2023: US$16,000), and two loans (December 2023: one loan) with Santander of US$428,000 (December 2023: US$608,000) plus interests of US$5,000 (December 2023: US$9,000).

2 In December 2019, a five-year credit agreement was signed between Minera Ares and Scotiabank Peru S.A.A., The Bank of Nova Scotia and BBVA Securities Inc, with Hochschild Mining PLC as guarantor. The US$200,000,000 medium term loan was payable in equal quarterly instalments from the second anniversary of the loan with an interest rate of 3-month USD Libor plus 1.15% payable quarterly until maturity on 13 December 2024. In September 2021, the Group negotiated with the same counterpart a US$200,000,000 loan to replace the original loan, plus an additional US$100,000,000 optional loan. US$200,000,000 was withdrawn on 21 September 2021, and the optional US$100,000,000 loan was withdrawn on 1 December 2021. The maturity was extended until September 2026, and the interest rate increased to 3-month USD Libor plus a spread of 1.65%. A structuring fee of US$900,000 was paid to the lender and additional US$193,000 was incurred as transaction costs. In addition, a commitment fee of US$120,000 was paid for the period that the optional US$100,000,000 loan remained undrawn. This was considered a substantial modification to the terms of the loan, and consequently, it was treated as an extinguishment of the loan which resulted in the derecognition of the existing liability and recognition of a new liability. The associated costs and fees incurred have been recognised as part of the loss on the extinguishment. From 18 September 2023, the Libor was replaced by the 3-month SOFR plus a spread of 1.91%. The Group repaid US$25,000,000 of the loan in December 2023, and repaid US$50,000,000 of the loan during the first half of 2024. Financial covenants under the agreement are: (i) Consolidated Leverage Ratio <= 3 and (ii) Consolidated Interest Coverage Ratio ≥ 4.00.

In December 2022, a credit agreement for up to US$200,000,000 was signed between Amarillo Mineracao do Brasil Ltd and The Bank of Nova Scotia and BBVA Securities Inc, with Hochschild Mining PLC as guarantor. The medium-term facility can be withdrawn until December 2024, and is payable in equal quarterly instalments from February 2025 through November 2027, with an interest rate of 3-month SOFR plus a spread of 2.05%. US$60,000,000 was withdrawn on 9 August 2023, US$65,000,000 was withdrawn in the first half of 2024, and the remaining balance of US$75,000,000 was undrawn as at 30 June 2024. Financial covenants under the agreement are: (i) Consolidated Leverage Ratio <= 3 and (ii) Consolidated Interest Coverage Ratio ≥ 4.00.

3 From January to May 2023 Minera Santa Cruz signed 4 stock market promissory notes with Max Capital, a finance advisory company located in Argentina, amounting to US$3,907,000. The expiration date of the notes is from July 2023 to August 2024. During the year 2023, the Group repaid the balance as at 31 December 2022 of US$14,500,000 plus US$1,907,000. The balance as at 31 December 2023 is US$2,000,000. During the first half of 2024, the Group repaid US$1,000,000.

The carrying amount of the pre-shipment and short-term loans approximates their fair value. The carrying amount and fair value of the medium-term loans are as follows:

	Carrying amount		Fair value	
	As at 30 June 2024 (Unaudited) US$000	As at 31 December 2023 US$000	As at 30 June 2024 (Unaudited) US$000	As at 31 December 2023 US$000
Bank loans	**355,358**	341,086	**331,519**	335,899
Total	**355,358**	341,086	**331,519**	335,899

20 Provisions

	As at 30 June 2024 (Unaudited)		As at 31 December 2023	
	Non-current US$000	**Current US$000**	Non-current US$000	Current US$000
Provision for mine closure[1]	**147,188**	**11,166**	143,660	19,056
Workers' profit sharing[2]	**–**	**2,155**	–	3,426
Provision for contingencies[3]	**6,689**	**3,278**	3,712	4,259
Provision for long term incentive plan (LTIP)[4]	**2,233**	**3,280**	–	–
Total	**156,110**	**19,879**	147,372	26,741

1 The provision represents the discounted values of the estimated cost to decommission and rehabilitate the mines at the expected date of closure of each of the mines. The present value of the provision has been calculated using a real pre-tax annual discount rate, based on a US Treasury bond of an appropriate tenure adjusted for the impact of inflation as at 30 June 2024 and 31 December 2023 respectively, and the cash flows have been adjusted to reflect the risk attached to these cash flows. Uncertainties on the timing for use of this provision include changes in the future that could impact the time of closing the mines, as new resources and reserves are discovered. The pre-tax real discount rate used was 1.91% (December 2023: 1.25%). Movement in the provision mainly relates to an increase resulting from the change in estimate of US$8,863,000 due to the new activities performed in the mines (mainly in the mine unit Inmaculada US$6,619,000 and San José US$2,299,000) and related to the unwind of discount on mine rehabilitation of US$1,494,000, net of payments of US$3,414,000, and the decrease related to change in discount rate of US$1,617,000. The mine closure provision for the Azuca project and the Arcata unit was reclassified to liabilities directly associated with assets held for sale (see note 18).

A change in any of the following key assumptions used to determine the provision would have the following impact:

	US$000
Closure costs (increase by 10%) increase of provision	16,804
Discount rate (increase by 0.5%) (decrease of provision)	(10,254)

2 Corresponds to worker's profit sharing in Compania Minera Ares.
3 Mainly corresponds to a labour contingency in Minera Santa Cruz of US$6,689,000.
4 Corresponds to the LTIP 2022 of US$3,280,000, LTIP 2023 of US$1,720,000 and LTIP 2024 of US$513,000. On 22 May 2024, beneficiaries of LTIPs were communicated of a change in the payment mechanism resulting in a modification of the LTIP from an equity settled to a cash settled transaction. This resulted in a recognition of liability based on the fair valuation of the cash settled LTIPs as at the date of modification and reversal of the share-based payment reserves, the incremental fair value of the cash-settled award over that of the equity-settled award as at the modification date amounting to US$405,000 is expensed to the profit and loss. The liability is remeasured as of 30 June 2024.

21 Equity

Share capital

The movement in share capital of the Company from 31 December 2022 to 30 June 2024 is as follows:

	Number of ordinary shares	Share capital US$000
Shares issued as at 31 December 2022	513,875,563	9,061
Issuance of shares for bonus payment on 12 May 2023	582,869	7
Shares issued as at 31 December 2023	514,458,432	9,068
Shares issued as at 30 June 2024	514,458,432	9,068

22 Dividends paid and declared

Dividends declared and paid to non-controlling interests in the six months ended 30 June 2024 were US$388,000 (2023: US$326,000).

There were no final or interim dividends in respect of the six months ended 30 June 2024 and year 2023.

23 Related party transactions

There were no significant transactions with related parties during the six months period ended 30 June 2024.

24 Notes to the statement of cash flows

	Six months ended 30 June	
	2024 (Unaudited) US$000	2023 (Unaudited) US$000
Reconciliation of profit for the period to net cash generated from operating activities		
Profit/(loss) for the period	**51,486**	(52,685)
Adjustments to reconcile Group profit to net cash inflows from operating activities		
Depreciation	**69,643**	72,513
Amortisation of intangibles	**424**	416
Impairment of non-financial assets	**13,732**	59,719
Write-off of non-financial assets, net	**176**	1,684
Impairment of an associate	**–**	7,183
Share of loss of an associate	**668**	785
(Gain)/loss on sale of property, plant and equipment	**(417)**	409
(Decrease)/increase of provision for mine closure	**(116)**	1,315
Loss from changes in the fair value of financial assets at fair value through profit and loss	**–**	292
Finance income	**(7,263)**	(2,628)
Finance costs	**15,179**	11,010
Income tax expense	**17,874**	(13,430)
Other	**(2,662)**	12,924

Increase/(decrease) of cash flows from operations due to changes in assets and liabilities		
Trade and other receivables	(22,046)	(4,177)
Income tax receivable	(1,120)	(1,174)
Other financial assets and liabilities	1,680	–
Inventories	(23,782)	7,347
Trade and other payables	2,166	(1,457)
Provisions	3,714	(236)
Cash generated from operations	119,336	99,810

Profit by operation[1]

(Segment report reconciliation) as at 30 June 2024:

Group (US$000)	Inmaculada	San Jose	Mara Rosa	Consolidation adjustment and others	Total/HOC
Revenue	**234,079**	**132,174**	**25,550**	**(63)**	**391,740**
Cost of sales (pre consolidation)	(123,496)	(93,279)	(32,631)	1,266	(248,140)
Consolidation adjustment	903	–	363	(1,266)	–
Cost of sales (post consolidation)	**(122,593)**	**(93,279)**	**(32,268)**	**–**	**(248,140)**
Production cost excluding depreciation	(75,884)	(72,522)	(46,444)	–	(194,850)
Depreciation in production cost	(42,839)	(23,472)	(2,301)	–	(68,612)
Workers profit sharing	(853)	–	–	–	(853)
Other items	–	(1,062)	–	–	(1,062)
Change in inventories	(3,017)	3,777	16,477	–	17,237
Gross profit	**110,583**	**38,895**	**(7,081)**	**1,203**	**143,600**
Administrative expenses	–	–	–	(23,649)	(23,649)
Exploration expenses	–	–	–	(13,509)	(13,509)
Selling expenses	(286)	(7,042)	(273)	(14)	(7,615)
Other expenses, net	–	–	–	(2,379)	(2,379)
Operating profit/(loss) before impairment	**110,297**	**31,853**	**(7,354)**	**(38,348)**	**96,448**
Impairment and write-off of non-financial assets, net	–	–	–	(13,908)	(13,908)
Share of post-tax losses from associate	–	–	–	(668)	(668)
Finance income	–			7,263	7,263
Finance costs	–	–	–	(15,179)	(15,179)
Foreign exchange loss	–	–	–	(4,596)	(4,596)
Profit/(loss) from continuing operations before income tax	**110,297**	**31,853**	**(7,354)**	**(65,436)**	**69,360**
Income tax	–	–	–	(17,874)	(17,874)
Profit/(loss) for the period from continuing operations	**110,297**	**31,853**	**(7,354)**	**(83,310)**	**51,486**

1 On a post-exceptional basis.

SHAREHOLDER INFORMATION

Company website
Hochschild Mining PLC Interim and Annual Reports and results announcements are available via the internet on our website at www.hochschildmining.com. Shareholders can also access the latest information about the Company and press announcements as they are released, together with details of future events and how to obtain further information.

Registrars
The Registrars can be contacted as follows for information about the AGM, shareholdings, dividends and to report changes in personal details:

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(+44 (0)) 371 664 0300 (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9am – 5:30pm, Monday to Friday excluding public holidays in England and Wales)

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