Technical Report on the Condestable Mine, Lima Department, Peru

Report for NI 43-101

Ariana Management Corporation S.A.C.

SLR Project No.: 233.03903.R0000

Effective Date:

December 31, 2022

Signature Date:

April 12, 2024

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Making Sustainability Happen

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1.0 Summary

1.1 Executive Summary

SLR Consulting (Canada) Ltd. (SLR) was retained by Compañía Minera Condestable S.A. (CMC) for the completion of a Mineral Resource and Mineral Reserve audit and an independent Technical Report for the Condestable and Raúl operation (the Condestable Mine or the Mine), located in Lima Department, Peru. The purpose of this Technical Report is to support the disclosure of Mineral Resource and Mineral Reserve estimates with an effective date of December 31, 2022. This Technical Report conforms to NI 43-101 Standards of Disclosure for Mineral Projects (NI 43-101). SLR visited the property in June and July 2023.

The Mine is located in the community of Mala in the Mala District, Cañete Province, Lima Department, Peru, approximately 90 km south of Lima and four kilometres east of the Pacific Ocean. The Mine is operated by CMC, a 99.1% owned subsidiary of Ariana Management Corporation S.A.C. (AMC). The remaining 0.89% is owned by LS Nikko Copper Inc. and minority shareholders. Southern Peaks Mining LP (SPM) acquired AMC and CMC from Iberian Minerals Corp. in July 2013.

The Mine commenced production in the 1960s. The term Mine in this Technical Report is used for the underground operation, which consists of two contiguous mines, the Condestable mine and the Raúl mine, feeding an 8,400 tonnes per day (tpd) conventional sulphide flotation plant (the Condestable plant) to produce a filtered copper concentrate with gold and silver credits. CMC expanded the Condestable plant to 8,400 tpd in 2021. The Mine is forecast to produce approximately 24,000 tonnes of payable copper equivalent per year.

1.1.1 Conclusions

The Qualified Persons (QP) make the following conclusions by area.

1.1.1.1 Geology and Mineral Resources –

- Total December 31, 2022 Condestable Mine Mineral Resources, inclusive of Mineral Reserves, are as follows:
  - Measured and Indicated Mineral Resources are estimated at 83.7 million tonnes (Mt) averaging 0.66% Cu, 0.13 g/t Au, and 3.65 g/t Ag and containing 553,300 tonnes of copper, 346,000 ounces of gold, and 9.82 million ounces (Moz) of silver.
  - Inferred Mineral Resources are estimated at 12.9 Mt averaging 0.77% Cu, 0.07 g/t Au, and 2.28 g/t Ag and containing 98,800 tonnes of copper, 31,000 ounces of gold, and 947,000 ounces of silver.
- Mineral Resource classifications follow Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves dated May 10, 2014 (CIM (2014) definitions).
- Review of the data collection, sampling, sample preparation, assay quality assurance/quality control (QA/QC), and data verification showed no material issues.
- The CMC database workflows and verification procedures for Condestable comply with industry standards, and are adequate for the purposes of Mineral Resource estimation.
- The Mineral Resource database is reliable and is of sufficient quality to support Mineral Resource estimation.

- The geology of the region and the deposit are well understood.
- The exploration methods described herein are performed according to industry standards, and are sufficient to support the disclosure of mineral resources and reserves.
- The underground exploration program is well thought out, and should support the expansion of mineral resources in future models.
- The drilling, surveying, logging, sampling, and transport workflows are performed according to industry standards, and are sufficient to support the estimation and disclosure of Mineral Resources.
- The geological model was generated according to the geological understanding of CMC underground geological staff, is well in accordance with drill and mapping data as well as underground workings, is of sufficient resolution to reflect the realities of grade distribution underground, and is of sufficient quality to support the estimation of Mineral Resources.
- The capping procedures implemented are sufficient to support the estimation of Mineral Resources. The capping levels applied by CMC are also reasonable and probably somewhat conservative, given that high grade assays are already limited to 8% Cu due to restrictions in the original assay results from the laboratory. The QP is also of the opinion that the capping procedures implemented are sufficient to support the estimation of Mineral Resources.
- The current domaining supports the Mineral Resource estimate.
- Overall, the procedures followed by CMC for variographic analyses, and the resulting variograms, are sufficient to support the estimation of Mineral Resources. Variogram models generated for “mineralized” composites are applied to both “ore” and “waste” subdomains. CMC considers that this simplified approach would impart less continuity to Cu grades in the “waste” domains, since lower grades tend to be more continuous. However, the QP has observed some volumes where unconstrained high grades are extrapolated unreasonably far.
- Overall, CMC’s approach used to estimate copper grades is well designed, according to industry practice, and sufficient to support the estimation of Mineral Resources.
- There are some local aberrations in co-kriged Au grades where Cu data is also sparse, which may produce isolated grades that are locally biased higher than the complete geological picture would suggest. These local artifacts may be exaggerated in waste domains. Manual validation and review of the Deswik panels should mitigate these effects, which are likely not material to the global Mineral Resource estimate.
- To satisfy Reasonable Prospects for Eventual Economic Extraction, the QP used Deswik Stope Optimizer (DSO) to generate the constraining shapes for the Mineral Resource estimate, sterilizing material by discarding some Deswik panels manually, and setting resource sterilization buffers of varying ranges around stopes, raises, ramps, and levels.
- SLR observed that CMC's indicator kriging (IK) smoothing technique was leading to some high grade intervals falling within low grade/waste domains, resulting in some overestimation of material above the cut-off due to the lack of constraints for these grades. Upon analysis of the local and global impacts, SLR removed over-extrapolated

grades from the Mineral Resource classification. This primarily affected the Inferred Mineral Resource category.

- The QP is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate.

1.1.1.2 Mining and Mineral Reserves

- The Condestable Mine site consists of two underground mines, namely Condestable and Raúl. Both mines are in operation, with Raúl contributing to approximately 80% of total ore production.
- Total Condestable and Raúl Proven and Probable Mineral Reserves as of December 31, 2022 are estimated to be 39.5 Mt at grades averaging 0.75% Cu, 0.13 g/t Au, and 4.13 g/t Ag.
- Mining operations are well established and carried out by an experienced workforce. The Mineral Reserves will be mined using sublevel stoping (SLS) mining methods.
- Mine designs, consisting of development and production panels, and mine planning were completed by SLR based on inputs from CMC.
- A net smelter return (NSR) cut-off value was estimated for the Condestable mine, while a copper cut-off grade was estimated for the Raúl mine due to the gold and silver contributing to approximately 25% of the total value at Condestable while only contributing to approximately 10% at Raúl.
- Ore is mined by a fleet of 4 cubic yard (yd^3) and 6 yd^3 scoops and hauled from the mines to the process plant by 30 t capacity trucks which are loaded by 4 yd^3 or 6 yd^3 scoops.
- The Raúl and Condestable Mineral Reserve estimates support a 13.2 year mine life.
- A streaming agreement is in place with Franco-Nevada (Barbados) Corporation (Franco-Nevada) in relation to gold and silver production from the mine. In exchange for an upfront cash consideration Franco-Nevada receives a varying portion of gold and silver from the mine. The intent of the agreement is for the parties to act as long-term partners, and specifies that Mineral Resource and Mineral Reserve estimation, as well as operational procedures, are to be carried out without consideration of the delivery terms. Per those terms, SLR notes that cut-off grades, Mineral Resource and Mineral Reserve estimates, and cash flow analyses in this Technical Report do not include any reductions due to gold and silver ounces to be delivered to Franco-Nevada.

1.1.1.3 Mineral Processing

- Test work programs and studies, both internal and external, continue to be performed to support current operations and potential improvements.
- The current process facilities are appropriate for the mineralization types provided from the mines. The flowsheet, equipment, and infrastructure are expected to support the current life of mine (LOM) plan.
- Laboratory testing of coarse particle flotation using HydroFloat® technology demonstrated potential economic value from additional copper and gold recovery from Condestable tailings.

1.1.1.4 Infrastructure

- The Condestable Mine has been in operation for many decades and the surface infrastructure is well established. The site consists of a camp, administrative and technical buildings, a clinic, mechanical maintenance and wash bays, warehouses, and various miscellaneous buildings.
- CMC purchases electricity from StatKraft Peru. Electrical power is delivered from the Bujuma supply point located in the town of Mala via 22.9 kV power lines.

1.1.1.5 Environmental, Permitting, and Social Considerations

- No known environmental issues were identified from the documentation available for review to SLR. CMC has the permits required to continue the mining operations at the Mine, which comply with applicable Peruvian permitting requirements associated with the protection of the environment.
- Usual components of the environment that could potentially be affected by the Condestable Mine operations such as water resources, air quality, ambient noise, flora and fauna, have been evaluated through various instruments of environmental management according to the Peruvian environmental legislation.
- There is an Environmental Management Plan in place, which includes a monitoring program for groundwater quantity and quality, potable water quality, sanitary wastewater treated effluent quality, air quality, ambient noise, and terrestrial flora and fauna. CMC reports the results of the monitoring program to the authorities according to the frequency stated in the approved resolutions and no known compliance issues have been raised by the authorities. Surface water quality monitoring is not applicable since there are no surface water bodies within the area of influence of the mine operation.
- Currently approximately 60% to 65% of the mill make up water demand is obtained through water recirculation whereas the remaining 35% to 40% is obtained from groundwater wells. The implementation of a new filtered tailings plant is expected to result in a significant optimization of water management, increasing the volume of water recovered for use in the ore processing (the water recirculation is anticipated to increase to approximately 90%).
- Tailings disposal facility expansion is achieved by downstream raises using tailings cyclone underflow. Displacement measurements from survey monuments and inclinometers indicates that dam movements are surficial and within normal ranges. CMC is implementing plans to change the tailings management strategy from the current classification by cyclone to filtration and filter cake stacking. CMC informed SLR that it is advancing the procurement process for constructing a new tailings filtration plant on site in 2024.
- A number of actions to improve governance of the tailings storage facilities (TSFs) have been advanced by CMC such as the development of an Operations, Maintenance and Surveillance Manual, a Dam Breach Study, dam instrumentation, conducting regular inspections (including an annual dam safety inspection) and the plan to appoint an Engineer of Record in 2024. Furthermore, CMC has established a voluntary commitment to comply with the Global Industry Standard for Tailings Management (GISTM) and in 2022 initiated a process of becoming compliant with GISTM.

- The review of social aspects indicates that at present, CMC's plans and current programs at the Condestable Mine site are a positive contribution to sustainability and community well-being.
- Since 2012, social risks and potential impacts have been identified and progressively refined in the environmental studies and the social management plans. These risks and impacts have been and continue to be systematically managed by CMC over the life of the mine.
- Although there is no written commitment from CMC to ensure local procurement and hiring, the company hires local workforce to fill vacancies, retains services from contractors that employ local workforce, and prioritizes local procurement.
- The Mine Closure Plan (MCP) is periodically updated. The latest MCP update was approved by the Peruvian Ministry of Energy and Mines in January 2024.

1.1.1.6 Capital and Operating Costs and Economics

- The LOM production schedule in the Condestable Mine after-tax cash flow model prepared by SLR is based on the December 31, 2022 Mineral Reserves. All costs in this Technical Report are expressed in Q4 2023 US dollars.
- The operating costs developed for the LOM are based on actuals of 2023 and budgeted amounts for 2024.
- While operating costs have increased slightly over the past few years, CMC staff have continually assessed operating efficiencies and successfully implemented them to maintain costs at a steady level.
- The economic analysis demonstrates that Condestable Mine Mineral Reserves are economically viable at a LOM average realized copper price of US$3.97/lb, realized gold price of US$1,824/oz, and realized silver price of US$23.28/oz, respectively. The Condestable Mine Base Case undiscounted pre-tax net cash flow is approximately US$983 million, and the undiscounted after-tax net cash flow is approximately US$642 million. The pre-tax NPV at an 8% discount rate is approximately US$601 million and the after-tax NPV at an 8% discount rate is approximately US$386 million. The QP has also confirmed the economic viability of the Life of Mine Plan using flat reserve metal prices.

1.1.2 Recommendations

The QPs make the following recommendations by area.

1.1.2.1 Geology and Mineral Resources –

Based on the SLR QP's review of the Mineral Resource estimate for the Condestable Mine, the following recommendations are presented:

1 The QP agrees with incorporating more sectional interpretations into the geological model in future updates to complement the 2D mapping, as it would be especially useful for interpretations at depth.

2 Investigate ways of generating a geological model in Leapfrog where modelled solids do not overlap. This would preclude the need for hierarchical flagging or make it a redundant safety procedure.

3 Investigate the use of High Yield Restriction (HYR) in order to ensure that local high grade samples are spatially limited to local influence, especially in waste domains and in volumes with lower drill density, in conjunction with minor modification to the estimation passes which would ensure that high grade blocks are locally adjacent to high grade samples.

4 If adjacent domains are determined to be part of the same stationary geochemical populations across structural boundaries, then domain boundaries should be simplified accordingly.

5 Although the current 0.25% Cu global indicator threshold is appropriate to support the estimation of Mineral Resources, revisit the threshold by estimation domain in the next Mineral Resource update. The present indicator methodology does not take into consideration the different grade ranges and degree of mineralization of each separate lithostratigraphic domain. If the estimation domains are reviewed and grouped according to similar geological and mineralization characteristics, the model could be simplified and spatially correlate better to actual mineralization at the same time.

6 Review the IK smoothing methodology to avoid incorporating high grade intervals in low grade indicator domains. Consider changing the methodology or incorporating grade domain solids at a 0.25 % Cu thresholds.

7 Run grade estimates in a block model which does not exclude blocks in mined tonnages. Re-estimating through extant stope volumes and then comparing the model result to the extant mining would help the Mineral Resource modeller calibrate the estimation parameters to closely match the actual mined results in each (grouped) domain.

8 Investigate the Au estimation in cases where the value in the blocks defaults to 0.006 g/t Au, despite the presence of samples in the surrounding drill holes with assayed Au grades.

9 For the purposes of Mineral Resource estimation, two separate smaller models could be produced with minimum predicted mining extents around the drilled volumes, using a buffer envelope where unestimated country rock could be set at large block dimensions, and a smaller block size than 4 m x 4 m x 4 m could be utilized to capture Deswik panels with more precision to the expected minimum stope volumes underground.

10 Review significant large new tonnages in volumes not sampled for Au and Ag, and assay any available unsampled core, pulps, or coarse rejects, and send reject or pulp samples from selected drill holes to be analyzed for gold and silver and perform additional drilling to obtain gold and silver related to the Mineral Resource shapes.

   a) The QP accepts that using the co-kriging methodology is acceptable for determining new stopes proximal to extant mined volumes, where Au and Ag sampling is incomplete and Cu sampling is complete, as it is based on real-world correlations between those metals and copper in the Condestable Mine, as a temporary solution to a historical problem.

   b) The QP understands the predicament of having no historical sampling for gold until recently, and that some volumes are bereft of information where CMC mining has produced gold in the mill at known grades despite the lack of sampling.

   c) The QP suggests that metal grades should be estimated using only the samples for that metal.

11 Complete the proposed 2024 exploration drilling, consisting of 4,900 m, with a goal of intercepting new veins, mantos and breccias at the margins of the deposit where accessible from existing levels. The QP is of the opinion that the underground exploration program is well thought out, and should support the expansion of Mineral Resources in future models.

12 CMC resource geologists should work together with the metallurgists to take representative metallurgical samples and ensure the oxide-sulphide limit criteria are in alignment with processing requirements, and update the oxidation surface to better reflect processing realities.

1.1.2.2 Mining and Mineral Reserves

1 Investigate stope and development status in the older areas of the mines to assess accessibility and mineability of remnants and unmined areas.

2 Review stopes available to be mined on the whole level rather than individually to avoid mining being constrained due to stope being mined out of sequence or cutting off development access.

1.1.2.3 Mineral Processing

1 Coarse particle flotation pilot scale test program and results on Condestable tailings should be used to validate the results obtained during previous laboratory testing of HydroFloat® technology and to size the equipment for industrial scale circuit design.

2 The extent to which the metallurgical recoveries will be improved from coarse particle flotation of Condestable tailings is not clearly defined. Additional work is needed to develop the flowsheet drawings, process design criteria, and equipment list that will feed into a more detailed capital and operating cost estimate and economic model.

1.1.2.4 Environmental, Permitting and Social Considerations

1 Continue to implement the Environmental Management Plan, which monitors and manages potential environmental impacts resulting from the mine operations to inform future permit applications and the MCP.

2 Develop a plan to carry out a self-assessment to evaluate the status of progress towards full compliance with the GISTM.

3 As stated in RPA (2018) and in the Environmental Impact Assessment, there is a risk to the local community surrounding the job expectations of the project and surrounding the effects of the eventual mine closure. It is recommended that CMC further develop its closure plan to mitigate socio-economic impacts and explore mitigation measures in addition to providing job skill transfer training and technical skills training to employees and workers. CMC has been a very visual and active partner in the community and, upon mine closure, there is the potential for major gaps in employment as well as services.

1.2 Economic Analysis

The economic analysis contained in this Technical Report is based on the Condestable Mine Mineral Reserves on a 100% basis, economic assumptions provided by CMC, and capital and operating costs developed by SLR and reviewed by CMC. All costs are expressed in Q4 2023

US dollars. Unless otherwise indicated, all costs are expressed without allowance for escalation, currency fluctuation, or interest.

The QP notes that gold grades have not been estimated in all mineralized areas of the resource block model, particularly in the older parts of the mines. In these areas, only copper was estimated, and these blocks were assigned a gold grade of zero or a low value close to zero due to poor assay support. This has the effect of not fully recognizing the precious metal value of these blocks. SLR has reviewed the average grades in assay supported areas, historical production data, and mined gold grades to apply a gold credit to the LOM average gold gross revenue in the after tax-cash flow model. The credit applied represents an increase of 56% in gold gross revenue and approximately 4% in total gross revenue. In the QP's opinion, this is a reasonable approach to assigning credit to CMC's precious metal by-products.

A summary of the key criteria is provided below.

1.2.1 Economic Criteria

1.2.1.1 Production Physicals

- Mine Life: 13.1 years (between Q1-2023 and Q1-2036)
- Underground mining rate: Average LOM underground mining rate of 8,400 tpd
- Total Ore Feed to Process: 39,549 thousand tonnes (kt) ore over the LOM
    - Copper grade: 0.75% Cu,
    - Gold grade: 0.13 g/t Au
    - Silver grade: 4.13 g/t Ag
- Contained Metal
    - Copper 297,824 tonnes of Cu
    - Gold: 170,446 oz of Au
    - Silver: 5,253 koz of Ag
- Copper Concentrate: 1,167 thousand dry metric tonnes (kdmt) of concentrate at 23.30% Cu grade
- Concentrate moisture: 10% moisture
- Average LOM Process Recovery:
    - Copper Recovery: 91.3%
    - Gold Recovery: 73.7%
    - Silver Recovery: 82.8%
- Total Recovered Metal
    - Copper 271,850 tonnes of Cu
    - Gold: 125,629 oz of Au
    - Silver: 4,348 koz of Ag

1.2.1.2 Revenue

- Over the LOM, payable metals are estimated to be 95.7% for copper, while gold and silver are estimated at 91% and 90% respectively.
- Exchange rate of US$/PEN: 3.86.
- The metal prices are based on analysts market consensus forecast prices as of February 2024 provided to SLR by CMC Senior Management; the LOM average realized copper price of US$3.97/lb Cu, gold price of US$1,824/oz Au, and realized silver price of US$23.28/oz Ag.
- Transportation, Treatment and Refining charges of:
  - Freight: US$74.13/wet metric tonne (wmt) of Cu concentrate
  - Insurance: 110% * Cu concentrate value * 0.0303%
  - Cu concentrate treatment: $80.00/dmt of Cu concentrate
  - Cu refining: US$0.08/lb of payable Cu
  - Au refining: US$6.00/oz of payable Au
  - Ag refining: US$0.35/oz of payable Ag
- There are no third party royalties applicable to Condestable Mine operations.
- Gold and silver production to be delivered to Franco-Nevada under the streaming agreement has not been deducted from this analysis.
- LOM net revenue is US$2,455 million (after Treatment Charges).
- Revenue is recognized at the time of production.

1.2.1.3 Capital Costs

- Total LOM sustaining capital costs of US$103 million.
- Estimated salvage value due to resale of processing plant at the end of the LOM of US$10 million.
- Closure costs and concurrent reclamation have been estimated and adjusted for this technical report Reserves LOM plan between years 2023 and 2036, and total US$14.7 million. The QP notes that this closure plan differs from the one presented in section 20.5.2 Closure Costs Estimate and Financial Assurance in this report, given the latter is based in a shorter LOM plan. The breakdown of the concurrent reclamation and closure costs used for the economic analysis in this technical report is as follow:
  - Concurrent reclamation between 2023 and 2036 of US$5.1 million.
  - Mine closure costs between 2037 and 2038 of US$9.5 million.
  - Post-closure costs between 2039 and 2043 of US$0.2 million.

1.2.1.4 Operating Costs

- Total unit operating costs US$32.36/t ore milled
  - Underground mining operating costs: US$15.95/t milled
  - Processing operating costs: US$9.90/t milled

    - Tailings incremental costs: US$2.11/t milled
    - Site general and administrative (G&A) costs: US$4.40/t milled
- LOM site operating costs of $1,280 million.
- Off-site selling expenses: US$0.038/lb
- Off-site Corporate G&A: LOM average of US$3.8 million per year

1.2.1.5 Taxation and Royalties

- Corporate income tax rate in Peru is 29.50%.
- Special Mining Tax Contribution (IEM) LOM average rate: 3.5%.
- Government Mining Tax Royalty LOM average rate: 3.4%.
- Employees' profit sharing participation: 8%.
- Corporate taxes total $217 million over the LOM.
- SLR has relied on CMC and their tax advisors for the assessment of all taxes related to the Mine.

1.2.2 Cash Flow Analysis

SLR prepared a LOM unlevered after-tax cash flow model to confirm the economics of the Condestable Mine over the LOM (between 2023 and 2036). Economics have been evaluated using the discounted cash flow method by considering LOM production on a 100% basis, annual processed tonnages, and copper, gold and silver grades. The associated copper concentrate grades and recoveries, metal prices, operating costs, copper concentrate transportation, treatment and refining charges, sustaining capital costs, and reclamation and closure costs, and income taxes and government royalties were also considered.

The base discount rate assumed in this Technical Report is 8% as per CMC corporate guidance. Discounted present values of annual cash flows are summed to arrive at the Condestable Mine Base Case NPV. For this cash flow analysis, the internal rate of return (IRR) and payback are not applicable as there is no negative initial cash flow (no initial investment to be recovered).

To support the disclosure of Mineral Reserves, the SLR QP confirms that the economic analysis demonstrates that the Condestable Mine Mineral Reserves are economically viable at a LOM average realized copper price of US$3.97/lb, realized gold price of US$1,824/oz, and realized silver price of US$23.28/oz. The Condestable Mine Base Case undiscounted pre-tax net cash flow is approximately US$983 million, and the undiscounted after-tax net cash flow is approximately US$642 million. The pre-tax NPV at an 8% discount rate is approximately US$601 million and the after-tax NPV at an 8% discount rate is approximately US$386 million. The SLR QP has also confirmed the economic viability of the Life of Mine Plan using flat reserve metal prices.

A summary of the results of the cash flow analysis for the LOM is presented in Table 1-1.

Table 1-1: After-Tax Cash Flow Summary

Description	Units	Value
LOM	Years	13.1

Description	Units	Value
Production		
UG Ore Production	'000 tonnes	39,549
Mill Feed	'000 tonnes	39,549
Au Grade	g/t	0.13
Ag Grade	g/t	4.13
Cu Grade	g/t	0.75%
Cu Concentrate	'000 dmt	1,167
Cu grade in concentrate	%	23.30%
Realized Market Prices		
Cu ($/lb)	US$/lb	$3.97
Au ($/oz)	US$/oz	$1,824
Ag ($/oz)	US$/oz	$23.28
Payable Metal		
Cu (Mlb)	Mlb	574
Au (koz)	koz	114
Ag (koz)	koz	3,913
Total Gross Revenue	**US$ million**	**2,693**
Mining Cost	US$ million	(631)
Processing Cost	US$ million	(392)
Tailings Incremental Cost	US$ million	(83)
Site Support and G&A Cost	US$ million	(174)
TC / RC Charges	US$ million	(239)
NSR Third Party Royalties	US$ million	-
Off-site Admin costs	US$ million	(71.0)
Total Operating Costs	**US$ million**	**(1,589)**
Operating Margin (EBITDA)	**US$ million**	**1,104**
Working Capital	US$ million	(13)
Salvage Value	US$ million	10
Sustaining Capital	US$ million	(103)
Total Closure/Reclamation Capital	US$ million	(15)
Total Capital	**US$ million**	**(121)**
Project Economics		
Pre-tax Free Cash Flow	**US$ million**	**983**
Pre-tax NPV @ 8%	**US$ million**	**601**

Description	Units	Value
Special Mining Tax + Gov. Mining Royalty	US$ million	(60)
Workers' Participation	US$ million	(64)
Corporate Income Tax	US$ million	(217)
After-tax Free Cash Flow	**US$ million**	**642**
After-tax NPV @ 8%	**US$ million**	**386**

1.2.3 Sensitivity Analysis

Key economic risks were examined by running cash flow sensitivities on after-tax NPV at an 8% discount rate. The sensitivity analysis at the Condestable Mine shows that the after-tax NPV at an 8% base discount rate is most sensitive to metal prices, head grades, and metallurgical recoveries, followed by operating costs and capital costs. The QP notes that a 10% reduction in metal prices reduces the after-tax NPV at 8% by 26% for the Condestable Mine Base Case.

1.3 Technical Summary

1.3.1 Property Description and Location

The Mine is located in the community of Mala in the Mala District, Cañete Province, Lima Department, Peru, approximately 90 km south of Lima and four kilometres east of the Pacific Ocean. The co-ordinates of the main infrastructure are 76° 35” 30” west and 12° 42’ 02” south and the elevation is 100 m above sea level (MASL) to 200 MASL.

1.3.2 Land Tenure

AMC, through CMC, has 99.1% ownership in the Mine, with the remaining 0.89% owned by LS Nikko Copper Inc. and minority investors. There are no royalties.

CMC holds 13 mineral concessions covering a total area of 45,407.67 ha and one beneficiation concession covering an area of 245.60 ha for a processing facility with an approved capacity of 8,400 tpd. CMC is obligated to make annual payments to the government at a rate of approximately $3.00/ha.

All mining rights were granted by the appropriate mining authority and are duly registered in the Public Registry. The beneficiation concession was granted by the Ministry of Energy and Mines (MEM) and is duly registered in the Public Registry.

1.3.3 History

The Nippon Mining Company (Nippon) began exploration in 1961 and production began in 1964 at 600 tpd grading 2.5% Cu. In 1976, the Peruvian government took over the operation.

The operation was privatized and taken over by the Servin – Cormin Group.

In 1997, the operation was taken over by CMC, which in turn was indirectly owned by Trafigura Beheer B.V. (Trafigura).

In 1998, Iberian Minerals Corp. (Iberian), a wholly owned subsidiary of Trafigura, acquired 92% of the outstanding CMC shares from Trafigura.

In 1999, CMC started the Raúl Mine by means of a concession contract and in 2010 purchased the Raúl Mine.

In July 2013, SPM acquired 98.68% of the CMC stock from Iberian. The remaining 1.32% is owned by LS Nikko Copper Inc. and minority investors. Subsequently, SPM’s holdings were increased to 99.1%.

1.3.4 Geology and Mineralization

The regional geology of the Condestable deposit is characterized by a Cretaceous volcano-sedimentary belt that appears along the central coast of Peru and is divided into five basins. At the Mine, the Lower Cretaceous – Upper Cretaceous volcano-sedimentary rocks hosting the mineralization belong to the Cañete Basin, which conformably overlies the Lower Cretaceous Morro Solar Formation. The Mine is located in the northern part of the Cañete Marginal Basin, near the southern limit of the Huarmey Basin. The sequence includes basaltic to rhyolitic lavas, pyroclastic deposits, tuffs, limestone, shale, sandstone, and locally, evaporites.

The deposit is an iron oxide copper gold (IOCG) type of deposit. It is located within volcano-sedimentary sequences that filled the Cañete Marginal Basin towards the end of the Jurassic and into the Early Cretaceous period. The mineralization occurs in a complex sequence of basalt-andesite, volcanic breccia, lapilli-stone, sandstone, limestone, and shale. The accumulated volcano-sedimentary layers in the basin are over six kilometres thick and are divided into five units: Unit I to Unit V, of which only Unit III, known as the Copara Group, hosts the mineralized strata of the Mine. Its thickness ranges between 1.1 km and 1.4 km.

The Raúl-Condestable Mining District has recorded at least five major phases of intrusive magmatic activity. The earliest, dating between 116 ± 0.4 Ma and 114.5 ± 1 Ma, involves the Raúl-Condestable super-unit (group of formations), characterized by felsic rocks, followed by the emplacement of the Coastal Batholith between 100 to 55 Ma, and later, intrusions of microdiorite (dolerite) dike swarms.

Lithological units such as Calicantro, Apolo, Actinolite, Intermediate, Polvorín, Chicharrón, as well as the Condestable Breccia, are the primary lithological controls for mineralization, where hydrothermal alteration has developed extensively and pervasively. However, it generally does not obliterate the original rock texture, with occasional exceptions due to proximity to some porphyries. The mineralized bodies are typically elongated and mineralization types include replacement, dissemination, fault-controlled veins and veinlets, and breccias. The mineralized zone at the Mine extends approximately three kilometres in a north-northeast to south-southwest direction and has a width of 0.45 km, with the deepest diamond drilling showing the extension of the mineralization below level -1000.

The economic mineralization is primarily represented by chalcopyrite with subordinate and local bornite, and gold (microscopic) and silver are obtained as by-products. There are also galena, sphalerite, and molybdenite, which are not of economic importance in the concentrates.

1.3.5 Exploration Status

The Condestable mining operation, as part of normal activities, conducts surface and underground exploration for production planning, resource exploration, and conversion of Mineral Resources to Mineral Reserves. Historically, the mines have been able to replace production and maintain the greater capacity of the operations. Exploration works are normally included in the operation’s budget.

1.3.6 Mineral Resources

The Mineral Resource estimates for the Condestable and Raúl mines were prepared by CMC using Datamine Studio software. The geological models were prepared by CMC staff. For each mine, CMC used underground and surface mining and mapping information in conjunction with the drill hole data to model lithology, structure, alteration, veining, and mineralization in Leapfrog Geo software, and then validated the work before incorporation into 22 lithostructural domains in the block models. These domains were further subdivided in the block models using indicator kriging (IK) to generate high and low grade estimation subdomains based on a 0.25% Cu threshold.

CMC applied capping for Cu, Au, and Ag to assay data in each estimation domain. Incorporating the results of experimental variography, CMC then interpolated 2 m composites of Cu with OK. To compensate for un-assayed Au and Ag intervals in older areas of the Mine, CMC interpolated Au and Ag using an ordinary co-kriging method which utilizes their correlation with Cu. CMC interpolated Fe and in-situ bulk density using simple kriging (SK) using a three-pass approach.

Blocks were classified as Measured, Indicated, and Inferred based on average distances from block centroids to the nearest five holes, and then smoothed through a reblocking and inverse distance cubed (ID^3) interpolation methodology. Mineral Resources were constrained within underground shapes generated using DSO to meet the CIM (2014) requirement of Reasonable Prospects for Eventual Economic Extraction.

The QP has audited and accepts the Mineral Resource model generated by CMC. The QP carried out model validation and coordinated improvements with CMC. The December 31, 2022 MRE, inclusive of Mineral Reserves, for Condestable and Raúl are presented in Table 1-2.

CIM (2014) definitions were used for Mineral Resource classification. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The QP is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate.

Table 1-2: Mineral Resource Statement: Raúl and Condestable Mines – December 31, 2022

Category	Tonnes	Grade			Contained Metal		
	(Mt)	(% Cu)	(g/t Au)	(g/t Ag)	(kt Cu)	(koz Au)	(koz Ag)
Measured (M)	40.3	0.63	0.15	4.18	253.3	192	5,419
Indicated (I)	43.4	0.69	0.11	3.15	300	153	4,396
M+I	83.7	0.66	0.13	3.65	553.3	346	9,815
Inferred	12.9	0.77	0.07	2.28	98.8	31	947

Notes:

1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources for the Condestable mine are constrained within DSO panels above an NSR cut-off value of $33.00/t.
3. Mineral Resources for the Raúl mine are constrained within DSO panels above a cut-off grade of 0.4% Cu.
4. Mineral Resources are estimated using long term metal prices of $4.81/lb for copper, $2,145/oz for gold, and $28.60/oz for silver.
5. Metallurgical recoveries of 91.5%, 75.0%, and 82.0% were used for copper, gold, and silver, respectively.
6. Bulk density was interpolated into blocks. The mean density is 2.85 t/m^3 for Condestable mine, and 2.83 t/m^3 for Raúl mine.
7. A minimum mining width of 1.5 m was used for DSO panels.
8. Mineral Resources are reported inclusive of Mineral Reserves.
9. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
10. Numbers may not add due to rounding.

1.3.7 Mineral Reserves

The operation consists of the Condestable and Raúl mines which are both currently in operation. The combined production averaged 8,000 tpd in 2022 of which approximately 80% of total production originated from the Raúl mine and 20% from the Condestable mine. Mining operations are currently ramping up to a targeted production rate of 8,400 tpd.

An NSR cut-off value was estimated for the Condestable mine while a copper cut-off grade was estimated for the Raul mine. Gold and silver content at Condestable contribute approximately 20% of the total value, therefore a NSR cut-off value was used for both Mineral Resource and Mineral Reserves estimates. Copper content at the Raúl mine makes up approximately 90% of the total value.

The NSR cut-off values and copper cut-off grades were determined from long term metal prices, metal recoveries, transport, treatment, and refining costs, as well as mine operating cost. CMC sourced long term metal price market consensus forecasts from CIBC for Mineral Reserve estimates. SLR has reviewed the proposed metal prices, comparing them against forecasts provided by financial institutions and lenders involved in the mining industry, and finds these prices to be compatible with forecasts. The metal prices used to estimate Mineral Reserves are US$3.70 per pound copper, US$1,650 per ounce gold, and US$22.00 per ounce Ag.

Mine designs, consisting of development and production panels, and mine planning were completed by SLR based on inputs from CMC. A LOM plan targeting 8,400 tpd was generated and a cash flow analysis completed on the LOM production schedule.

A summary of the estimated Mineral Reserves for the Mine is presented in Table 1-3.

Table 1-3: Mineral Reserves for Condestable and Raúl – December 31, 2022

Category	Tonnes	Grade			Contained Metal		
	(Mt)	(% Cu)	(g/t Au)	(g/t Ag)	(kt Cu)	(koz Au)	(koz Ag)
Proven	18.8	0.72	0.16	4.82	135	94	2,919
Probable	20.7	0.79	0.11	3.50	163	76	2,333
P+P	**39.5**	**0.75**	**0.13**	**4.13**	**298**	**170**	**5,252**

Notes:

1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Reserves are estimated at an NSR break-even cut-off value of $33.00/t and an NSR marginal cut-off value of $20.00/t for Condestable, and at a break-even cut-off grade of 0.55% Cu and marginal cut-off grade of 0.45% Cu for Raúl.
3. Mineral Reserves are estimated using long term metal prices of US$3.70/lb for copper, US$1,650/oz for gold, and US$22.00/oz for silver.
4. Metallurgical recoveries of 91.5%, 75.0%, and 82.0% were used for copper, gold, and silver, respectively.
5. Bulk density was interpolated into blocks. The mean density is 2.85 t/m^3.
6. A minimum mining width of 1.5 m was used for stopes.
7. A dilution equivalent linear overbreak/slough (ELOS) of 0.6 m was applied to footwall and hanging wall of all stopes.
8. A mining recovery factor of 90% and 100% was applied to stopes and development in ore, respectively. An additional mining recovery factor of 80% was applied to stopes with sill pillars for Raúl.
9. Numbers may not add due to rounding.

The QP is not aware of any mining, metallurgical, infrastructure, permitting, or other relevant factors that could materially affect the Mineral Reserve estimate.

1.3.8 Mining Method

The Raúl and Condestable mines are polymetallic mines that have been in operation for more than 60 years. The mines are accessed via mine portals and ramps which extend to approximately 800 m below surface. CMC has historically utilized three different stoping methods in the Condestable and Raúl mines including longhole stoping, shrinkage stoping, and room and pillar stoping, however, over the past few years the majority of ore production has been from longhole stoping. The current LOM Mineral Reserves have been evaluated considering only longhole stoping as mining method.

Mine designs for the Raúl and Condestable mines were prepared by SLR. Stopes were designed using Deswik Stope Optimizer (DSO) and the optimizer was run on Measured and Indicated material only. Resulting stope shapes were reviewed by SLR with support from CMC for inclusion in Mineral Reserves. The Raúl and Condestable Mineral Reserve estimates support a 13.2 year mine life. The LOM plan targets a combined production rate of 8,400 tpd. The production split is approximately 20% and 80% between Condestable and Raúl, respectively.

1.3.9 Mineral Processing

The CMC ore is being processed in an 8,400 tpd capacity flotation concentrator. The plant capacity was expanded from 7,000 tpd to 8,400 tpd through an Expansion Project undertaken by CMC, which included some modifications to equipment in crushing, milling, flotation, tailings pumping, and tailings thickening. The ore is treated using a conventional four-stage crushing and ball milling process and flotation circuit to produce a copper concentrate containing approximately 23% Cu, 150 g/t Ag, and 5 g/t Au. Copper recoveries average 90% for the CMC ore. The copper concentrates are thickened and filtered before loading into a covered trailer and are transported to the port of Callao for shipment overseas.

Tailings from the plant are deposited in a tailings dam situated north of the plant. Decant water from the tailings is pumped back to the plant as recycle process water.

1.3.10 Project Infrastructure

The infrastructure at the Mine includes:

- Two underground mines, accessed by two portals and three ramps.
- Crushing plant and 8,400 tpd flotation mill
- Tailings storage facility (TSF)
- Administration buildings
- Kitchen complex for staff
- Warehouse
- A well maintained road network connecting the Pan-American highway to all the mine facilities
- Historic and current TSFs

CMC purchases electricity from StatKraft Peru. Electrical power is delivered from the Bujuma supply point located in the town of Mala via 22.9 kV power lines.

1.3.11 Market Studies

The principal commodities at Condestable are copper, gold, and silver contained in copper concentrate. These products are freely traded at prices that are widely known; therefore, prospects for sale of any production are virtually assured.

Metal prices for Mineral Resource and Mineral Reserve estimation, and for economic analysis, are based on analyst street consensus commodity price forecasts prepared by independent financial institutions. For the economic analysis, the latest price forecast report is dated February 1, 2024, which was approved and provided by CMC Senior Management. For the economic analysis in this Technical Report, the prices used from the analyst consensus forecast vary year by year between 2023 and 2028.

Currently, CMC is under a long term contractual relationship with a commodity trading house for the sale of its copper concentrate. In addition to copper concentrate sales, CMC has numerous contracts with suppliers for the majority of the operating activities and special projects that are required at the mine site, such as: Mine power supply, mine development contractors, material transport, suppliers for consumables, reagents, maintenance and general services to support the mine operations.

1.3.12 Environmental, Permitting and Social Considerations

The first Modification of the Environmental Impact Assessment (MEIA) for the Integration of Condestable and Raúl Mining Units and Expansion of Process Plant from 3,000 tpd to 6,000 tpd was approved in 2012. CMC prepared a second amendment of the Environmental Impact Assessment (EIA) to expand the process plant capacity to 10,000 tpd. The EIA file for the second amendment will undergo review by the environmental authority in 2024.

An Environmental Management Plan and an Environmental Monitoring Program were prepared as part of the EIA and have been revised in the four Supporting Technical Reports prepared to date. The monitoring program presented in the EIA and the Supporting Technical Reports includes groundwater quantity and quality, potable water quality, sanitary wastewater treated effluent quality, air quality, ambient noise, and terrestrial flora and fauna. A program for management and disposal of hazardous and non-hazardous waste (solid and liquid) has been developed for the mine operation. The final disposal of hazardous and non-hazardous solid waste takes place outside of the mine site in landfills authorized by the Ministry of the Environment.

Quarterly reports summarizing results of the environmental monitoring are presented to the Agency for Environmental Assessment and Enforcement (OEFA for its acronym in Spanish) for gas emissions (one location at the chemical laboratory), groundwater quality (five locations), air quality (seven locations), ambient noise (five locations), and non-ionizing radiation (one location). CMC informed SLR that irrigation of the TSF surfaces with a special additive is regularly conducted at the Mine site to control dust and prevent adverse effects to air quality. CMC also informed SLR that bi-annually biology monitoring is conducted.

CMC maintains an up to date record of the legal permits obtained to date, documenting the approval document ID (which includes the approving authority), the subject of the licence and the approval date, the status and the expiration date.

Tailings produced from the process plant are stored in TSF 1 through TSF 6. Tailings deposition is currently active in TSF 5B. TSFs 1, 2, and 3 are adjacent and inactive and TSF 4 is also inactive and adjacent to TSF 5.

Presently, the whole tailings leaving the tailings thickener are approximately 47% solids by mass. Supernatant water is reclaimed from the active tailings facility for use in the process plant. Foundation drains under tailings dam 4 (and future tailings dams) collect water and drain to a collection pond downstream of the dam where the water is pumped back to the process plant.

A tailings filtration plant is planned for procurement and construction in 2024 after which tailings deposition in the remainder of TSF 5B and the future TSF 6 will be carried out by stacking tailings filter cake with compaction and moisture controls.

The area of influence (AOI) or the area where the social effects and benefits occur related to Condestable encompasses the Mala District in the Cañete Province and Lima Region. The direct AOI comprises the Comunidad Campesina de Mala and its six villages situated less than 6 km from Condestable. There is a land easement and surface rights agreement over 500 ha between the Comunidad Campesina de Mala (the lands owner) and CMC.

To address social aspects to be managed, CMC has developed and implemented the 2022-2026 Strategic Community Relations Plan with annual plans and budgets. CMC also recently developed a new Social Management and Community Relations Policy, and a Sustainable Development Policy in 2022. The most recent Community Relations Plan was developed in 2023.

CMC maintains a database of relevant stakeholders, a matrix/listing of interactions with each stakeholder, and a social risk register. CMC has opened a Permanent Information Office in San Marcos de la Aguada, the largest village. This office maintains a formal procedure that guides how visitors should be received, and how comments and complaints should be logged (either verbally or in writing). CMC has also implemented a grievance mechanism tailored to its stakeholders, including an online platform and in-person delivery.

An MCP has been developed for all the approved Mine components within the context of Peruvian legislation and gets periodically updated. The latest MCP update was approved by the Peruvian Ministry of Energy and Mines in January 2024.

1.3.13 Capital and Operating Cost Estimates

The capital and operating costs required to achieve the Condestable Mine Mineral Reserve LOM production were estimated by SLR, based on CMC's historical costs and current 2024 operational budget and have been reviewed by CMC Senior Management.

Condestable is an operating mine; therefore, all capital costs are categorized as sustaining. The sustaining capital costs have been estimated to meet the required targeted underground mine and mill production rate of 8,400 tpd between years 2023 and 2036.

The estimated sustaining capital costs summary breakdown is shown in Table 1-4.

Table 1-4: Sustaining Capital Costs Summary

Cost Component	Value (US$ millions)
Mine Sustaining	45.3
Plant Sustaining	28.7

Tailings Sustaining	2.0
Other Sustaining	5.9
Expansion and Growth Projects	18.3
Contingency (5%)	2.9
Total Sustaining Capital Cost	**103.0**

The operating costs developed for the LOM are based on actuals of 2023 and budgeted amounts for 2024. A summary of the LOM operating costs for mining, processing, and G&A is provided in Table 1-5.

Table 1-5: Summary of LOM Operating Costs

Description	Total LOM	Cost/Yr.(avg.) [1]	Cost/t Milled
	US$ million	US$ million	US$ million
UG Mining	630.8	48.3	15.95
Processing	391.5	29.9	9.90
Dry Stack Tailings Incremental Cost	83.3	7.5	2.11
Site G&A	174.0	13.3	4.40
Total Operating Cost	**1,279.7**	**97.8**	**32.36**

Notes:

1. For fully operational years (2023 – 2035)
2. Sum of individual values may not match total due to rounding.

2.0 Introduction

SLR Consulting (Canada) Ltd. (SLR) was retained by Compañía Minera Condestable S.A. (CMC) for the completion of a Mineral Resource and Mineral Reserve audit and an independent Technical Report (the Technical Report) for the Condestable and Raúl operation (the Condestable Mine or the Mine), located in Lima Department, Peru. The purpose of this Technical Report is to support the disclosure of Mineral Resource and Mineral Reserve estimates with an effective date of December 31, 2022. This Technical Report conforms to NI 43-101 Standards of Disclosure for Mineral Projects (NI 43-101).

The Mine is located in the community of Mala in the Mala District, Cañete Province, Lima Department, Peru, approximately 90 km south of Lima and four kilometres east of the Pacific Ocean. The Mine is operated by CMC, a 99.1% owned subsidiary of Ariana Management Corporation (AMC). The remaining 0.89% is owned by LS Nikko Copper Inc. and minority shareholders. Southern Peaks Mining LP (SPM) acquired AMC and CMC from Iberian Minerals Corp. in July 2013.

The Mine commenced production in the 1960s. The term Mine in this Technical Report is used for the underground operation, which consists of two contiguous mines, hereinafter referred to as the Condestable mine and the Raúl mine, feeding an 8,400 tonnes per day (tpd) conventional sulphide flotation plant to produce a filtered copper concentrate with gold and silver credits. CMC expanded the Condestable plant to 8,400 tpd in 2021. The Mine is forecast to produce approximately 24,000 tonnes of payable copper equivalent per year.

2.1 Sources of Information

The SLR Qualified Persons (QP) visited the Condestable Mine on the following dates:

- June 7 to 8, 2023 (R. Cardenas and B.J.Y. Scholey)
- June 17 to July 7, 2023 (V. Bhundhoo)
- June 27, 2023 (L. Vasquez)

Rosmery J. Cárdenas Barzola, P.Eng., examined drill holes and mineralized underground exposures, reviewed interpreted plans and sections, core logging, sampling, quality assurance and quality control (QA/QC), modelling procedures and grade control, discussed the geological setting of the deposit as well as the geological interpretations and mineralization control with the CMC geology staff. Ms. Cárdenas Barzola, visited the core shed, the laboratory and reviewed the sample preparation and assaying procedures.

Brenna J.Y. Scholey, P.Eng., visited the CMC mill operations and supporting surface infrastructure, including the laboratory, workshops, and tailings dam. Ms. Scholey met with administrative and mill personnel to discuss metallurgical testing, ongoing research initiatives, and mill production.

Varun Bhundhoo, ing, visited the Raúl and Condestable mines including active mining areas, areas with historical mining operations, equipment workshop, main haulage ramps, and general underground infrastructure. Mr. Bhundhoo has had discussions with mine technical personnel regarding supporting infrastructure for mine operations, review of short term planning mine designs and mine planning, reconciliation approach, and areas of the mine where access or mining would be challenging.

Luis Vasquez, P. Eng., visited the CMC tailings storage facilities and met with CMC staff responsible for environmental and social management, and the management of the tailings storage facilities.

Discussions were held with the following personnel from CMC:

- Javier Caceres, Manager of Operations
- Miguel Paucar, Superintendent of Planning and Engineering
- Enrique Ramirez, Chief Operating Officer
- Mariano Alarco, Vice President of Business Development
- Rover Olazabal, Geology Superintendent
- Giancarlo Ramirez, Chief Resource Geologist
- Delbi Molina Guillen, Plant Superintendent
- Teofilo Pereda Vargas, Assistant Plant Superintendent
- Wilberto Cespedes Mogollon, Senior Metallurgist
- Isaac Liberato Eusebio, Head of Metallurgy
- Cecilia Rabitsch, Vice President of Environmental Affairs and Sustainability
- Nicolás Saldaña, Mine Waste Management and Governance Manager

- Table 2-1 lists the QPs and their responsibilities for this Technical Report.

Table 2-1: Qualified Persons and Responsibilities

QP, Designation, Title	Responsible for
Rosmery J. Cárdenas Barzola, P.Eng.	Sections 1.1.1.1, 1.1.2.1, 1.3.1 to 1.3.6, 2 to 12, 14, 23, 24, 25.1, and 26.1
Philip A. Geusebroek, M.Sc., P.Geo.	Sections 11 and 12 and related information in Sections 1.1.1.1, 1.1.2.1, 25.1, and 26.1
Varun Bhundhoo, ing.	Sections 1.1.1.2, 1.1.1.4, 1.1.2.2, 1.3.7, 1.3.8, 1.3.10, 1.3.11, 15, 16, 18 (except 18.4), 19, 25.2, 25.4, and 26.2
Brenna J.Y. Scholey, P.Eng.	Sections 1.1.1.3, 1.1.2.3, 1.3.9, 13, 17, 25.3, and 26.3
Luis Vasquez, M.Sc., P.Eng.	Sections 1.1.1.5, 1.1.2.4, 1.3.12, 18.4, 20, 25.5, and 26.4
Jason J. Cox. P.Eng.	Sections 1.1.1.6, 1.2, 1.3.13, 21, 22, and 25.6

The documentation reviewed, and other sources of information, are listed at the end of this Technical Report in Section 27 References.

2.2 List of Abbreviations

Units of measurement used in this Technical Report conform to the metric system. All currency in this Technical Report is US dollars (US$) unless otherwise noted.

μ	micron
μg	microgram
a	annum
A	ampere
bbl	barrels
Btu	British thermal units
°C	degree Celsius
C$	Canadian dollars
cal	calorie
cfm	cubic feet per minute
cm	centimetre
cm^2	square centimetre
d	day
dia	diameter
dmt	dry metric tonne
dwt	dead-weight ton
°F	degree Fahrenheit
ft	foot
ft^2	square foot
ft^3	cubic foot
ft/s	foot per second
g	gram
G	giga (billion)
Gal	Imperial gallon
g/L	gram per litre
Gpm	Imperial gallons per minute
g/t	gram per tonne
gr/ft^3	grain per cubic foot
gr/m^3	grain per cubic metre
ha	hectare
hp	horsepower
hr	hour
Hz	hertz
in.	inch
in^2	square inch
J	joule
k	kilo (thousand)
kcal	kilocalorie
kdmt	thousand dry metric tonnes
kg	kilogram
km	kilometre
km^2	square kilometre
km/h	kilometre per hour
kPa	kilopascal
kt	thousand tonnes
kVA	kilovolt-amperes
kW	kilowatt
kWh	kilowatt-hour
L	litre
lb	pound
L/s	litres per second
m	metre
M	mega (million); molar
m^2	square metre
m^3	cubic metre
MASL	metres above sea level
m^3/h	cubic metres per hour
mi	mile
min	minute
μm	micrometre
mm	millimetre
mph	miles per hour
Mt	million tonnes
MVA	megavolt-amperes
MW	megawatt
MWh	megawatt-hour
oz	Troy ounce (31.1035g)
oz/st, opt	ounce per short ton
ppb	part per billion
ppm	part per million
psia	pound per square inch absolute
psig	pound per square inch gauge
RL	relative elevation
s	second
st	short ton
stpa	short ton per year
stpd	short ton per day
t	metric tonne
tpa	metric tonne per year
tpd	metric tonne per day
US$	United States dollar
USg	United States gallon
USgpm	US gallon per minute
V	volt
W	watt
wmt	wet metric tonne
wt%	weight percent
yd^3	cubic yard
yr	year

Rock and Mineral Abbreviations Used by the Mine:

Ab – albite

Act – actinolite

Ap – apatite

Ccp – chalcopyrite

Chl – chlorite

Hem – hematite

Mag – magnetite

Mol – molybdenite

Na – sodium

Py – pyrite

Pyh – pyrrhotite

Qz – quartz

Scp – scapolite

Sp – sphalerite

3.0 Reliance on Other Experts

This Technical Report has been prepared by SLR for CMC. The information, conclusions, opinions, and estimates contained herein are based on:

- Information available to SLR at the time of preparation of this Technical Report.
- Assumptions, conditions, and qualifications as set forth in this Technical Report.

For the purpose of this Technical Report, SLR has relied on ownership information provided by CMC in an internal legal opinion by Elvis Ray Salazar Niño, Legal Counsel dated November 24, 2023 and the legal opinion by Garcia Sayan abogados dated February 22, 2021. SLR has relied on these legal opinions in Section 4 Property Description and Location and the Summary. SLR has not researched property title or mineral rights for the Mine and expresses no opinion as to the ownership status of the property.

SLR has relied on CMC for guidance on applicable taxes, royalties, and other government levies or interests, applicable to revenue or income from the Mine in Section 22 and the Summary of the Technical Report.

Except for the purposes legislated under provincial securities laws, any use of this Technical Report by any third party is at that party's sole risk.

4.0 Property Description and Location

4.1 Location

The Mine is located in the community of Mala in the Mala District, Cañete Province, Lima Department, Peru, approximately 90 km south of Lima and four kilometres east of the Pacific Ocean. The co-ordinates of the main infrastructure are 76° 35" 30" west and 12° 42' 02" south and the elevation is 100 MASL to 200 MASL. The Mine location is illustrated in Figure 4-1.

4.2 Land Tenure

4.2.1 Peruvian Mining Law

4.2.1.1 Mineral Rights

The term "mineral rights" refers to mineral concessions and mineral claims. Other rights under the General Mining Law, such as beneficiation concessions, mineral transportation concessions, and general labour concessions, are not considered under said term.

According to Peruvian General Mining Law (the Law):

1 Mineral concessions grant their holder the right to explore, develop, and mine metallic or non-metallic minerals located within their internal boundaries.

2 A mineral claim is an application to obtain a mineral concession. Exploration, development, and exploitation rights are obtained once title to concession has been granted, except in those areas that overlap with pre-existing claims or concessions applied for before December 15, 1991. Upon completion of the title procedure, resolutions awarding title must be recorded with the Public Registry to create enforceability against third parties and the State.

3 Mineral rights are separate from surface rights. They are freely transferable.

4 A mineral concession by itself does not authorize to carry out exploration or exploitation activities, but rather the titleholder must first:

   a) Obtain approval from the Culture Ministry of the applicable archaeological declarations, authorizations, or certificates.

   b) Obtain the environmental certification issued by the competent environmental authority, subject to the rules of public participation.

   c) Obtain permission for the use of land (i.e., obtain surface rights) by agreement with the owner of the land or the completion of the administrative easement procedure, in accordance with the applicable regulation.

   d) Obtain the applicable governmental licences, permits, and authorizations, according to the nature and location of the activities to be undertaken.

   e) Carry out consultations with Indigenous Peoples under the Culture Ministry, should there be any communities affected by potential exploitation of the mineral concession, as per International Labour Organization (ILO) Convention 169.

5 Mineral rights holders must comply with the payment of an annual fee equal to $3.00 per hectare per year, on or before June 30 of each year.

6 Holders of mineral concessions must meet a Minimum Annual Production Target or spend the equivalent amount in exploration or investments before a statutory deadline. When such deadline is not met, a penalty must be paid as described below:

Mineral concessions must meet a statutory Minimum Annual Production Target of 1 Tax Unit (Unidad Impositiva Tributaria, or UIT) per hectare per year for metallic concessions, within a statutory term of ten years since the concession is titled. The applicable penalty is 2% of the Minimum Annual Production Target per hectare per year as of the 11th year until the 15th year. Starting in the 16th year and until the 20th year, the applicable penalty is 5% of the Minimum Annual Production Target per year, and starting in the 21st year and until the 30th year the applicable penalty is 10% of the Minimum Annual Production Target per year. After the 30th year, if the Minimum Annual Production Target is not met, the mineral concession will lapse automatically.

7 Mineral concessions may not be revoked as long as the titleholder complies with the Good Standing Obligations according to which mineral concessions will lapse automatically if any of the following events take place:

a) The annual fee is not paid for two years.

b) The applicable penalty is not paid for two consecutive years.

c) A concession expires if it does not reach the minimum production in the year 30, and cannot justify the non-compliance up to five additional years due to reasons of force majeure described in the current legislation.

8 Agreements involving mineral rights (such as an option to acquire, a mining lease or the transfer of a mineral concession) must be formalized through a deed issued by a public notary and must be recorded with the Public Registry to create enforceability against third parties and the Peruvian State.

4.2.1.2 Beneficiation Concessions

According to the Law:

1 The beneficiation concession grants the right to use physical, chemical, and physical-chemical processes to concentrate minerals or purify, smelt, or refine metals.

2 As from the year in which the beneficiation concession was requested, the holder shall be obliged to pay the Mineral Concession Fee in an annual amount according to its installed capacity, as follows:

a) 350 tpd or less: 0.0014 of one UIT per tpd.

b) from more than 350 tpd to 1,000 tpd: 1.00 UIT

c) from 1,000 tpd to 5,000 tpd: 1.5 UIT

d) for every 5,000 tpd in excess: 2.00 UIT

e) “tpd” refers to the installed treatment capacity. In the case of expansions, the payment that accompanies the application is based on the increase in capacity.

4.2.1.3 Surface Rights and Easements

According to the General Mining Law and related legislation, surface rights are independent of mineral rights.

The Law requires that the holder of a mineral concession either reach an agreement with the landowner before starting relevant mining activities (i.e., exploration, exploitation, etc.) or complete the administrative easement procedure, in accordance with the applicable regulation.

Surface property is acquired through

1 The transfer of ownership by agreement of the parties (derivative title), or
2 Acquisitive prescription of domain (original title).

Temporary rights to use and/or enjoy derived powers from a surface property right may be obtained through usufruct (a right to temporarily use and derive revenue) and easements.

4.2.2 CMC Mineral Concessions

SPM, through AMC and CMC, has 99.1% ownership in the Mine, with the remaining 0.89% owned by LS Nikko Copper Inc. and minority investors. There are no royalties.

CMC holds 13 mineral concessions covering a total area of 45,407.67 ha and an effective are of 44,611.67 ha, and one beneficiation concession covering an area of 245.60 ha for a processing facility with an approved capacity of 8,400 tpd. CMC is obligated to make annual payments to the government at a rate of approximately $3.00/ha. The total area indicated is an actual area of a concession, however, as some concessions overlap with each other, the effective area of a concession may be smaller.

All mining rights were granted by the appropriate mining authority and are duly registered in the Public Registry. The beneficiation concession was granted by the Ministry of Energy and Mines (MEM) and is duly registered in the Public Registry.

The mineral concessions are summarized Table 4-1 and Table 4-2 and illustrated in Figure 4-2.

Table 4-1: Mineral Concessions

Concession Name	Titleholder	Registration No.	Registration Date	Presidential Resolution No.	Area (ha)
Condestable Accumulation	CMC	010000810L	12/10/2011	4494-2011-INGEMMET/PCD/PM	41,040.0700
Condestable 17	CMC	010492106	07/03/2007	000795-2007-INACC/J	732.9700
Condestable 18	CMC	010492206	14/02/2008	000058-2008-INGEMMET/PCD/PM	142.4220
Condestable 45	CMC	010510806	09/03/2009	000685-2009-INGEMMET/PCD/PM	792.2117
Condestable 51	CMC	010492206a	09/08/2007	000312-2007-INGEMMET/PCD/PM	100.0000
Condestable 52	CMC	010153407	14/06/2007	002431-2007-INACC/J	800.0000
Condestable 53	CMC	010153507	31/07/2007	000157-2007-INGEMMET/PCD/PM	600.0000
Pieroch	CMC	010099206	18/04/2006	001618-2006-INACC/J	100.0000

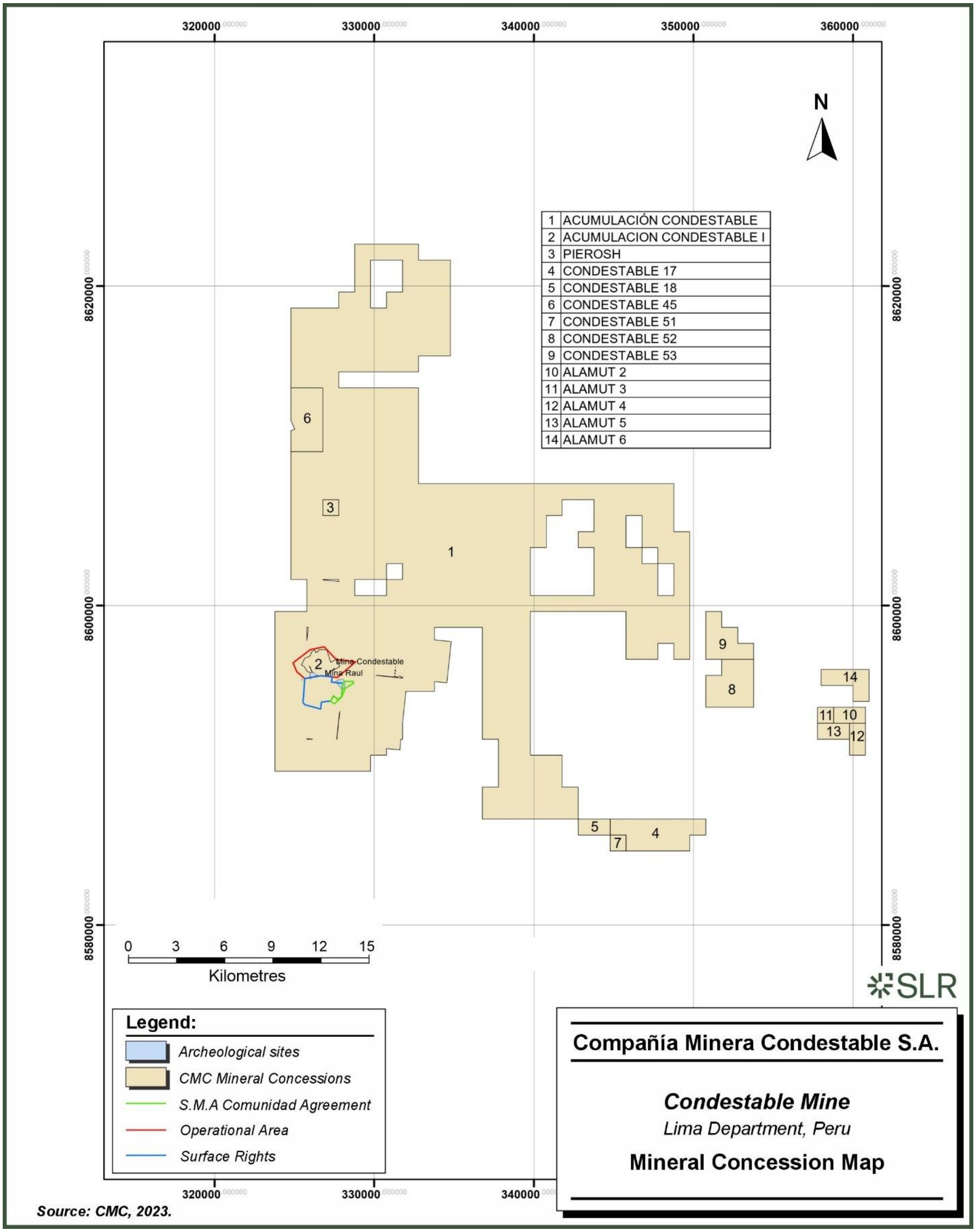
Concession Name	Titleholder	Registration No.	Registration Date	Presidential Resolution No.	Area (ha)
Alamut 2	CMC	010349714	31/12/2014	004063-2014-INGEMMET/PCD/PM	200.0000
Alamut 3	CMC	010413814	19/03/2015	000533-2015-INGEMMET/PCD/PM	100.0000
Alamut 4	CMC	010401414	27/02/2015	000350-2015-INGEMMET/PCD/PM	200.0000
Alamut 5	CMC	010401514	31/08/2015	002644-2015-INGEMMET/PCD/PM	200.0000
Alamut 6	CMC	650000118	28/04/2021	103-2021-GRL-GRDE-DREM	400.0000
Total		**13**			**45,407.67**

Table 4-2: Beneficiation Concession

Concession Name	Titleholder	Registration No.	Registration Date	Directoral Resolution No.	Area (ha)
Condestable Accumulation I	CMC	P150000218	12/02/2018	0033-2018-MEM/DGM	245.60

Figure 4-1: Location Map

Figure 4-2: Mineral Concession Map



Source: CMC, 2023.

4.2.3 Annual Fees and Penalties

As per the Law, annual fees (Validity Fee) for the mining rights shall be paid in US dollars on or before June 30. The beneficiation concession fees and penalties shall be paid in Peruvian Sol (PEN S). Penalties are paid in the event if the provisions of the Law for Minimum Annual Production Target (see subsection 4.2.1.1) have not been met.

CMC has paid in full all applicable fees and penalties as of the date of this Technical Report (Table 4-3 to Table 4-5).

Table 4-3: Annual Fees (US$)

Registration Number	Concession Name	Payment Period	Amount (US$)
010000810L	Condestable Accumulation	2023	123,120.21
010492106	Condestable 17	2023	3,000.00
010492206	Condestable 18	2023	600.00
010510806	Condestable 45	2023	2,376.64
010492206A	Condestable 51	2023	300.00
010153407	Condestable 52	2023	2,400.00
010153507	Condestable 53	2023	1,800.00
010099206	Pieroch	2023	300.00
010349714	Alamut 2	2023	600.00
010413814	Alamut 3	2023	300.00
010401414	Alamut 4	2023	600.00
010401514	Alamut 5	2023	600.00
650000118	Alamut 6	2023	869.11
Total		**2023**	**136,865.96**

Table 4-4: Beneficiation Annual Fee (Peruvian Sol)

Registration Number	Concession Name	Payment Period	Amount (PEN S)
010000810L	Condestable Accumulation I	2023	21,532.50

Table 4-5: Penalties (PEN S)

Registration Number	Concession Name	Payment Period	Amount (PEN S)
010492106	Condestable 17	2023	92,000.00
010492206	Condestable 18	2023	18,400.00

Registration Number	Concession Name	Payment Period	Amount (PEN S)
010510806	Condestable 45	2023	72,883.48
010492206A	Condestable 51	2023	9,200.00
010153407	Condestable 52	2023	73,600.00
010153507	Condestable 53	2023	55,200.00
010099206	Pieroch	2023	920.00
Total		**2023**	**322,203.48**

4.3 Franco-Nevada Streaming Agreement

On March 11, 2021, SPM announced the completion of a streaming agreement with Franco-Nevada (Barbados) Corporation (Franco-Nevada) in relation to gold and silver production from the mine. In exchange for an upfront cash consideration of US$165 million, and following a subsequent amendment, Franco-Nevada will receive gold and silver ounces for 20% of spot price, on the following schedule:

- Phase 1 – 2021 to 2025, 8,760 ounces of gold and 291,000 ounces of silver.
- Phase 2 – 63% of gold and silver production, until a total of 87,600 ounces of gold and 2,910,000 ounces of silver (inclusive of Phase 1) is reached.
- Phase 3 – 37.5% of gold and silver production for the remainder of the mine life.

The intent of the agreement is for the parties to act as long-term partners, with provisions for Franco-Nevada to participate in the funding of certain Environmental, Social, and Governance initiatives. The agreement specifies that Mineral Resource and Mineral Reserve estimation, as well as operational procedures, are to be carried out without consideration of the delivery terms. Per those terms, SLR notes that cut-off grades, Mineral Resource and Mineral Reserve estimates, and cash flow analyses in this Technical Report do not include any reductions due to gold and silver ounces to be delivered to Franco-Nevada.

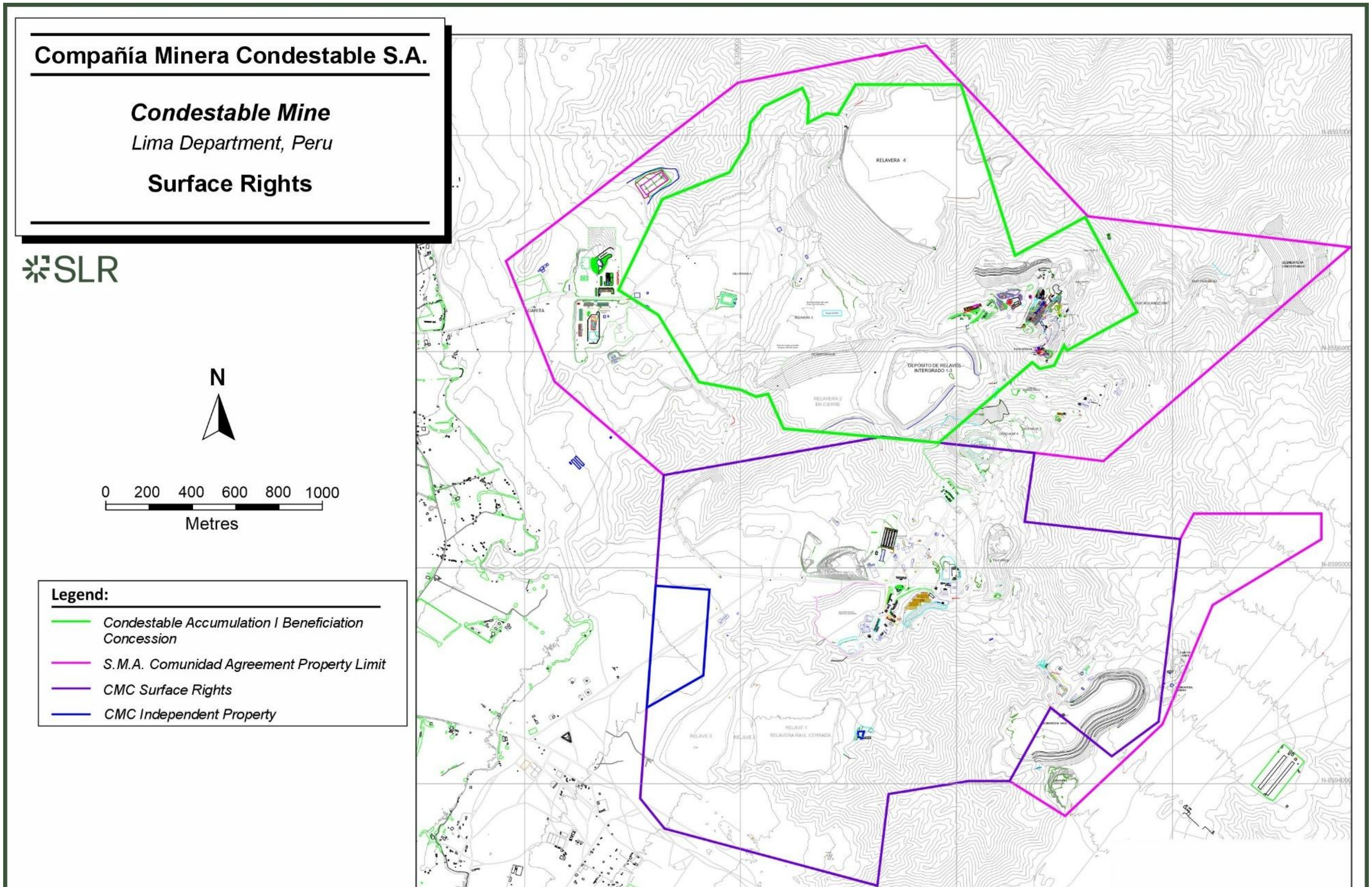
4.4 Surface Rights

CMC's surface rights cover a total area of 857.21 ha and are summarized in Table 4-6 and illustrated in Figure 4-3. Title has only been recorded for three areas, two of which are subject to a "Trust Guarantee Agreement" ("Fideicomiso en Garantía") granted by CMC in favour of La Fiduciaria by Public Deed dated December 17, 2019 executed with Notary Public Alfredo Paino.

Table 4-6: Surface Rights

Name	Available Area (ha)	Titleholder	Title	Date	Register Office	File	Liens or Encumbrances
Lote De Terreno Eriazo Comunidad Campesina De Mala	500	CMC	Usufruct and Easement – 30 Years Granted by Comunidad Campesina de Mala	August 31, 2005 Public Deed Notary Public Hugo Salas Zuñiga	Lima	90165062	N.A.
Terreno Superficial Mina Raúl	344.754	CMC	Property Acquired from Corianta S.A.	March 29, 2010 Public Deed Notary Luis Dannon	Lima	21000375	Entry: C0005 I To La Fiduciaria Through "Trust Guarantee Agreement", Public Deed Dated December 17, 2019, Notary Public Alfredo Paino.
Predio Eriazo – Parcela 1a	12.05	CMC	Property (Spinned of Terreno Superficial Mina Raúl)	September 22, 2014	Lima	21196524	Entry: C0002 Transferred To La Fiduciaria Through "Trust Guarantee Agreement", Public Deed Dated December 17, 2019, Notary Public Alfredo Paino.
Terreno Pozo 1	0.05	CMC	Property Acquired from Corianta S.A.	March 29, 2010 Public Deed Notary Luis Dannon	Not Registered	Not Registered	N.A.
Terreno Pozos 2 Y 3	0.0625	CMC	Property Acquired from Corianta S.A.	March 29, 2010 Public Deed Notary Luis Dannon	Not Registered	Not Registered	N.A.
Parcela 74	0.2894	CMC	Property Acquired from Felix Coronel Carnica and Wife Celia Torres	February 24, 2003 Public Deed Notary Hugo Salas	Transfer Not Registered	Transfer Not Registered	N.A.

Figure 4-3: Surface Rights



Source: CMC, 2023.

The Peasant Community Campesina de Mala (CCM) owns the surface rights to the 500 ha that cover the main infrastructure of the Mine. CMC has an agreement with the owners which was initiated in 2005 and is valid for 30 years beginning in August 31, 2005, ending in August 31, 2035. This contract allows CMC to build and maintain camps, tunnels, plants, workshops, offices, tailing dams, waste dumps, roads, and any other works related to mine development and operations. The annual cost paid to CCM was $18,000 in 2005 escalating at 2.25% annually. In 2011 an addendum to the contract was signed that doubled the annual cost paid to the community. In 2017, CMC paid CCM $55,481. Additionally, Condestable invests US$500k/year in a Community Investment Fund for development programmes in Mala.

4.5 Liens and Encumbrances

All the mining rights and two of the surface rights are subject to a "Trust Guarantee Agreement" ("Fideicomiso en Garantía") granted by CMC in favour of La Fiduciaria by Public Deed dated December 17, 2019 executed with Notary Public Alfredo Paino.

4.6 Environmental Liabilities and Permits

There are no environmental liabilities on the property. None of CMC's mineral concessions or beneficiation concession are included in the MEM's preliminary list of mineral concessions with environmental liabilities ("*Inventario Inicial de Pasivos Ambientales Mineros*") approved by Resolution No. 335-2022-MEM/DM, published on September 7, 2022.

CMC has all required permits to conduct the proposed work on the property (see Section 20 of this Technical Report). SLR is not aware of any other significant factors and risks that may affect access, title, or the right or ability to perform the proposed work program on the property.

5.0 Accessibility, Climate, Local Resources, Infrastructure and Physiography

5.1 Accessibility

The Mine is located in Mala District, Cañete Province, Lima Department, Peru, approximately 90 km southeast of Lima. The property is accessed from Lima by 90 km of paved highway No. 1S to Bujama, then 0.5 km of dirt road to the Mine.

5.2 Climate

The temperature in summer, January to March, ranges from 20°C to 30°C with relative humidity approximately 75% and no precipitation. In winter, July to August, the temperature ranges from 11°C to 18°C with relative humidity as high as 100% with light rainfall. The average annual temperature in Mala is 19.5°C.

The climate allows for year round mining and processing operations.

5.3 Local Resources

The Mine has access to electrical power from COELVISAC, water, and communications. The Mine is 90 km from Lima where there is a supply of personnel, contractors, and transportation.

5.4 Infrastructure

The infrastructure at the Mine includes:

- Two underground mines, accessed by two portals and three ramps.
- Crushing plant and 8,400 tpd flotation mill
- Tailings storage facility (TSF)
- Administration buildings
- Warehouse
- A well maintained road network connecting the Pan-American highway to all the mine facilities

Much of the underground mining is done by contractors, however, CMC owns a small fleet of underground mining equipment.

The power supply of the site is provided by StatKraft. The current capacity is between 14 MW and 15 MW to manage peak and minimum consumption.

There are no surface waters within the property footprint. Water for the operation is provided by a well system, comprising three wells pumped to two surge tanks, located at the southwest end of the Mine site, near the entry to the site. One of the wells is for exclusive use of the mine campsite. The site water balance is such that water discharged to tailings is recycled. There are no project discharges.

5.5 Physiography

The Mine is located in a hilly region on the fringe of the Peruvian Pacific coast. Elevation varies between 80 MASL and 800 MASL.

The area surrounding the Mine is covered with vegetation suitable for nomadic pasturing of goats and cattle. The immediate lands around the Mine are largely unused. There are only scarce small stemmed plants encountered in the area with vegetation suitable for nomadic pasturing of goats and cattle. In the vicinity of the operational facilities and the perimeter of the tailings deposits, tufts of natural brush vegetation can be observed, specifically reeds sustained by the local moisture.

At the foothills, some lichen growth can be observed as well as spots of blue algae and cacti. Artificial flora, introduced by humans, can be observed towards Mala. Noteworthy are the orchards of apples, cotton, corn and banana, with other areas producing oranges, quince, pacae, and avocado.

6.0 History

6.1 Prior Ownership

The Nippon Mining Company (Nippon) began exploration in 1961 and production began in 1964 at 600 tpd grading 2.5% Cu. In 1976, the Peruvian government took over the operation.

The operation was privatized and taken over by the Servin – Cormin Group.

In 1997, the operation was taken over by CMC, which in turn was indirectly owned by Trafigura Beheer B.V. (Trafigura).

In 1998, Iberian Minerals Corp. (Iberian), a wholly owned subsidiary of Trafigura, acquired 92% of the outstanding CMC shares from Trafigura.

CMC entered into a concession agreement for the Raúl mine in 1999 and purchased it in 2010.

In July 2013, SPM acquired 98.68% of the CMC stock from Iberian. The remaining 1.32% was owned by LS Nikko Copper Inc. and minority investors. Subsequently, SPM's holdings were increased to 99.1%.

6.2 Exploration and Development History

Nippon began exploration in 1961 and production began in 1964. Exploration continued sporadically to establish mineral resources and mineral reserves. SLR has reviewed only the exploration drilling undertaken by SPM since the purchase in 2013, which is summarized in Section 10 Drilling. Table 6-1 summarizes the history of the exploration, mine development, and process capacity.

Table 6-1: Exploration and Development History

Year	Owner	Work
1961-1964	Nippon	Geological reconnaissance and mine development of Condestable Mine
1976	Nippon	Ownership transferred to Peru Government
1997	Peru Gov't	Surface stripping to open pit underground pillars
1978-1997	Peru Gov't	Operation of Condestable open pit mine
1986	Peru Gov't	Plant capacity increased to 1,350 tpd
1992	CMC	Condestable taken over by CMC which was indirectly owned by Trafigura
1995	CMC	Plant capacity increased to approximately 1,500 tpd
1998	CMC	Condestable closed due to lack of reserves
1998	CMC	Lease and rehabilitation of the Raúl Mine
2000-2005	CMC	Plant capacity increased gradually to 4,100 tpd
2007	CMC	Expansion plan to 7,000 tpd was initiated
2008	Iberian	Iberian acquired 92% of CMC from Trafigura
2009	CMC	Purchased remaining interest in Raúl Mine
2013	SPM/CMC	SPM acquired 98.68% of the CMC stock from Iberian. The remaining 1.32% is owned by LS Nikko Copper Inc.

6.3 Historical Resource and Reserve Estimates

Table 6-2 summarizes the historical resource estimates. From 2008 to 2016 the MREs were prepared internally by CMC and validated by BO Consulting, Lima, Peru. In 2010, SRK Consulting (U.S.) Inc. (SRK) estimated Mineral Resources for Iberian Minerals Corp. The 2018 and 2020 Mineral Resource estimates were prepared by Roscoe Postle Associates Inc. (RPA) and BISA, respectively, for internal use, but endeavoured to satisfy Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (CIM (2014) definitions) for Mineral Resource classification, and the content requirements of NI 43-101.

The estimates reported in this subsection are considered to be historical in nature and should not be relied upon. The QP has not done sufficient work or review to classify the historical estimate as current Mineral Resources or Mineral Reserves; and CMC is not treating any of the historical estimates as current Mineral resources or Mineral reserves. The QP notes that all of the Mineral Resource and Mineral Reserve estimates described in this subsection are superseded by the current Mineral Resource and Mineral Reserve estimates, as described in Sections 14 and 15 of this Technical Report.

Table 6-2: Mineral Resource History – Measured + Indicated

Year End	Tonnes	Grade	Cont. Cu
	(t millions)	(%Cu)	(lb millions)
2008	8.1	1.71	305
2009	7.6	1.71	286
2010[1]	7.7	1.71	290
2011	7.8	1.60	275
2012	7.8	1.53	263
2013	7.8	1.69	291
2014	8.4	1.48	274
2015	8.5	1.46	274
2016	9.0	1.35	268
2018[2]	20.79	1.07	491
2020[3]	18.04	1.03	408

Note.

1. Source: SRK, 2011
2. Source: RPA, 2018
3. Source: Bisa, 2021 (Measured + Indicated Resources)

Table 6-3 summarizes the mineral reserve estimates from 2008 to 2016 as prepared internally by CMC.

Table 6-3: Mineral Reserve History – Proven + Probable

Year End	Tonnes (t millions)	Grade (% Cu)	Cont. Cu (lb millions)
2008	10.5	1.23	285
2009	9.8	1.23	266
2010[1]	10.7	1.10	259
2011	10.7	1.04	245
2012	10.4	0.97	222
2013	10.2	0.99	223
2014	11.3	0.93	232
2015	10.4	1.06	243
2016	10.0	1.06	234
2018[2]	21.9	0.83	401
2020[3]	27.9	0.78	480

Note.

1. Source: SRK, 2011
2. Source: RPA, 2018
3. Source: BISA, 2021

6.4 Past Production

Table 6-4 summarizes the production from the Mine since 2004.

Table 6-4: Production History

Year	Owner	Ore Milled (000 t)	Head Grade (% Cu)	Cu Recovery (%)	Cu Concentrate (t)	Concentrate Grade (% Cu)	Copper Produced (t)
2004	Trafigura	1,006	1.42	88.4	48,254	25.9	12,498
2005	Trafigura	1,320	1.35	89.3	60,815	26.1	15,873
2006	Trafigura	1,500	1.33	90.8	69,082	26.1	18,030
2007	Trafigura	1,686	1.27	89.5	75,569	25.3	19,119
2008	Trafigura	2,214	1.23	90.2	99,367	24.8	24,643
2009	Trafigura	2,160	1.22	91.4	95,339	25.0	23,835
2010	Trafigura	2,234	1.16	90.0	92,429	25.1	23,200
2011	Trafigura	2,364	1.06	90.0	94,412	24.0	22,659
2012	Trafigura	2,485	0.93	90.4	89,795	23.2	20,832
2013	CMC	2,446	0.85	88.7	82,870	22.2	18,397
2014	CMC	2,417	0.84	90.6	80,557	22.7	18,286
2015	CMC	2,449	0.86	90.0	82,287	23.2	19,091

Year	Owner	Ore Milled (000 t)	Head Grade (% Cu)	Cu Recovery (%)	Cu Concentrate (t)	Concentrate Grade (% Cu)	Copper Produced (t)
2016	CMC	2,434	0.91	90.0	86,643	23.0	19,928
2017	CMC	2,432	0.91	89.7	85,927	23.2	19,935
2018	CMC	2,417	0.87	89.5	81,321	23.0	18,704
2019	CMC	2,376	0.85	89.7	78,649	23.1	18,168
2020	CMC	2,233	0.82	90.0	70,750	23.2	16,414
2021	CMC	2,362	0.72	89.3	66,534	22.9	15,236
2022	CMC	2,733	0.69	89.5	72,693	23.3	16,937
Total		**41,268**	**0.98**	**89.9**	**1,513,293**	**23.9**	**361,785**

7.0 Geological Setting and Mineralization

7.1 Regional Geology

The Condestable deposit is located within the Central Andes of Peru. The structural style in this region ranges from the island arc sequence at the Pacific coast across the deformed marginal basins in the interior of the chain to the Amazon foreland basin. The tectono-stratigraphic evolution of the Central Andes spans from the Proterozoic until the Quaternary. The Andean orogeny began in the late Triassic and was marked by the formation of the Coastal Batholith of Peru in the early Cretaceous. The geology of western Peru is complex, with strong lateral facies changes, and the literature dedicated to this sequence is fragmentary and often contradictory.

The regional geology of the Condestable deposit is characterized by a Cretaceous volcano-sedimentary belt that appears along the central coast of Peru and is divided into five basins. At the Condestable operation, the Lower Cretaceous – Upper Cretaceous volcano-sedimentary rocks hosting the mineralization belong to the Cañete Basin, which conformably overlies the Morro Solar Formation (also from the Lower Cretaceous). The Condestable operation is located in the northern part of the Cañete Marginal Basin, near the southern limit of the Huarmey Basin (Figure 7-1). The sequence includes basaltic to rhyolitic lavas, pyroclastic deposits, tuffs, limestone, shale, sandstone, and locally, evaporites.

Along the Huarmey-Cañete basin, episodes of marine transgressions and regressions are widely represented, recorded, and grouped in geological formations (with notable variations in their lateral and vertical projections), as well as in magmatic activity (intrusions and volcanism) from the Late Jurassic to the present (Pitcher, 1977). During the Early-Late Cretaceous, a tectonic reversal occurred that affected southern Peru (Benavides-Cáceres, 1999), causing the uplift of the Cañete Basin (Cobbing, 1985), and the retreat of the Cretaceous Sea.

The entire volcano-sedimentary belt is intersected by the Coastal Batholith, which outcrops over 1,600 km by 65 km and comprises a series of telescoped tabular intrusions that were located in a high level of the crust. The Coastal Batholith of Peru is composed of multiple intrusions of gabbro, tonalites, and granites. Its emplacement was controlled by deep fractures that served as channels for the ascent of magmas to the surface levels of the crust (Pitcher, 1977). The batholith has been subdivided into several units based on mineralogy and chemistry, and U-Pb dating indicates that in the Raúl-Condestable area, magmatic activity occurred between approximately 116 ± 0.4 Ma and 114.5 ± 1 Ma, contemporaneous with the oldest super-unit (group of formations) of the Coastal Batholith. This super-unit is located west of the Coastal Batholith core and includes domes of volcanic dacite-andesite and subvolcanic porphyry complexes, and quartz-diorite and tonalite dikes.

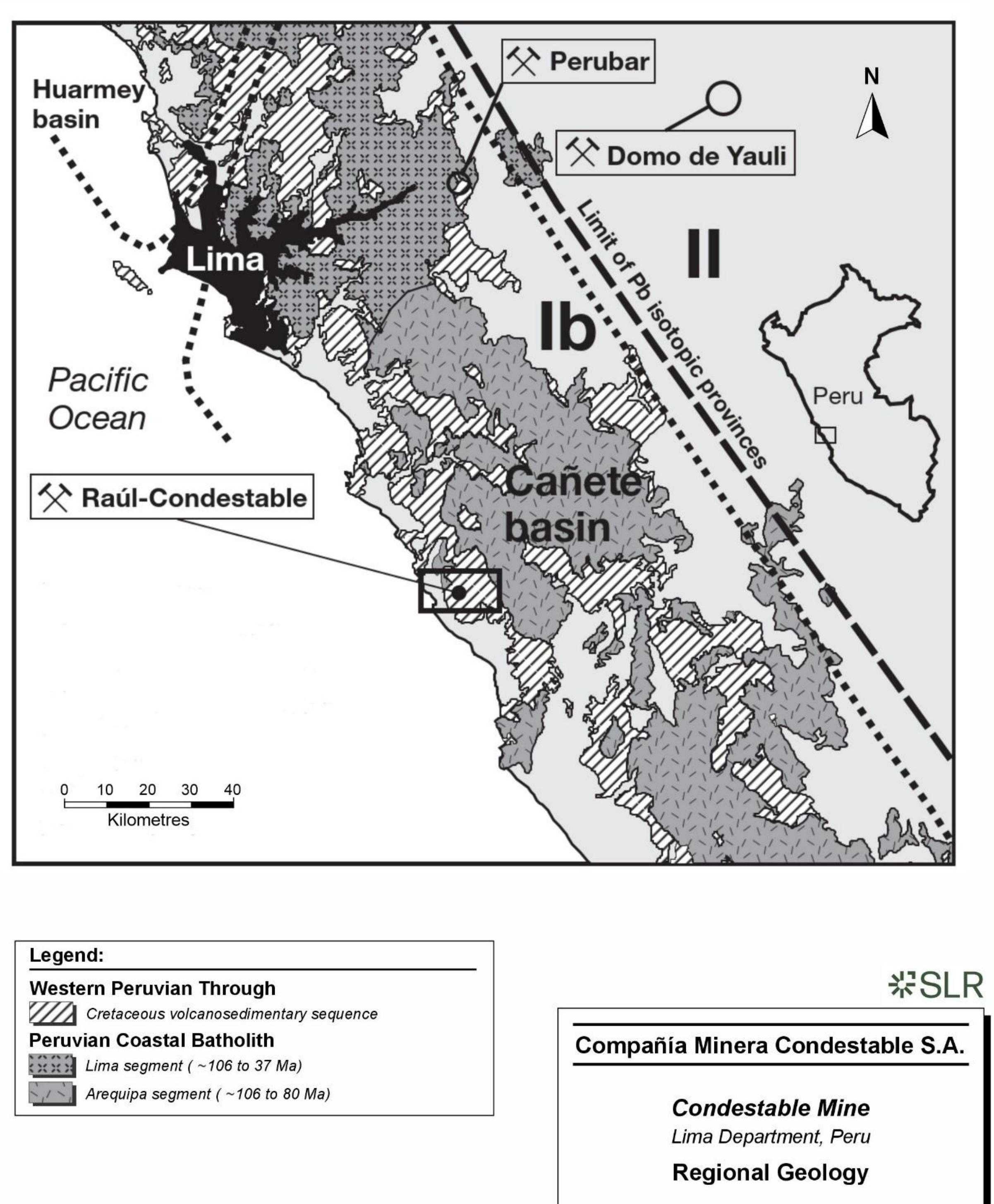
All these rocks contain hornblende and/or biotite but not pyroxene and correspond to magmas rich in silica and water following a tendency to calcium differentiation. The isotopic data combined with lithogeochemical results suggest that magmas were generated by partial melting of the upper mantle, enriched during the hydration of metasomatism and/or fusion of subducted pelagic sediments.

At the regional scale, the structural framework remains inadequately defined, with numerous scholars suggesting the presence of lineaments running parallel to the coastline within the Cañete Basin (Sillitoe, 2003). These features are hypothesized to have functioned as normal faults during the terminal phase of the Jurassic and throughout the Cretaceous period, facilitating the development of the volcano-sedimentary Cañete Basin. Subsequently, a tectonic inversion occurring between the Early and Late Cretaceous (Benavides-Cáceres, 1999) led to the extinction of the Cañete Basin.

Overall, structural geological mapping primarily depicts Andean strike-slip faults, aligned parallel to the coastline. These faults are intersected and offset by cross faults, which, in some instances, have induced the rotation of grabens (INGEMMET, 2003).

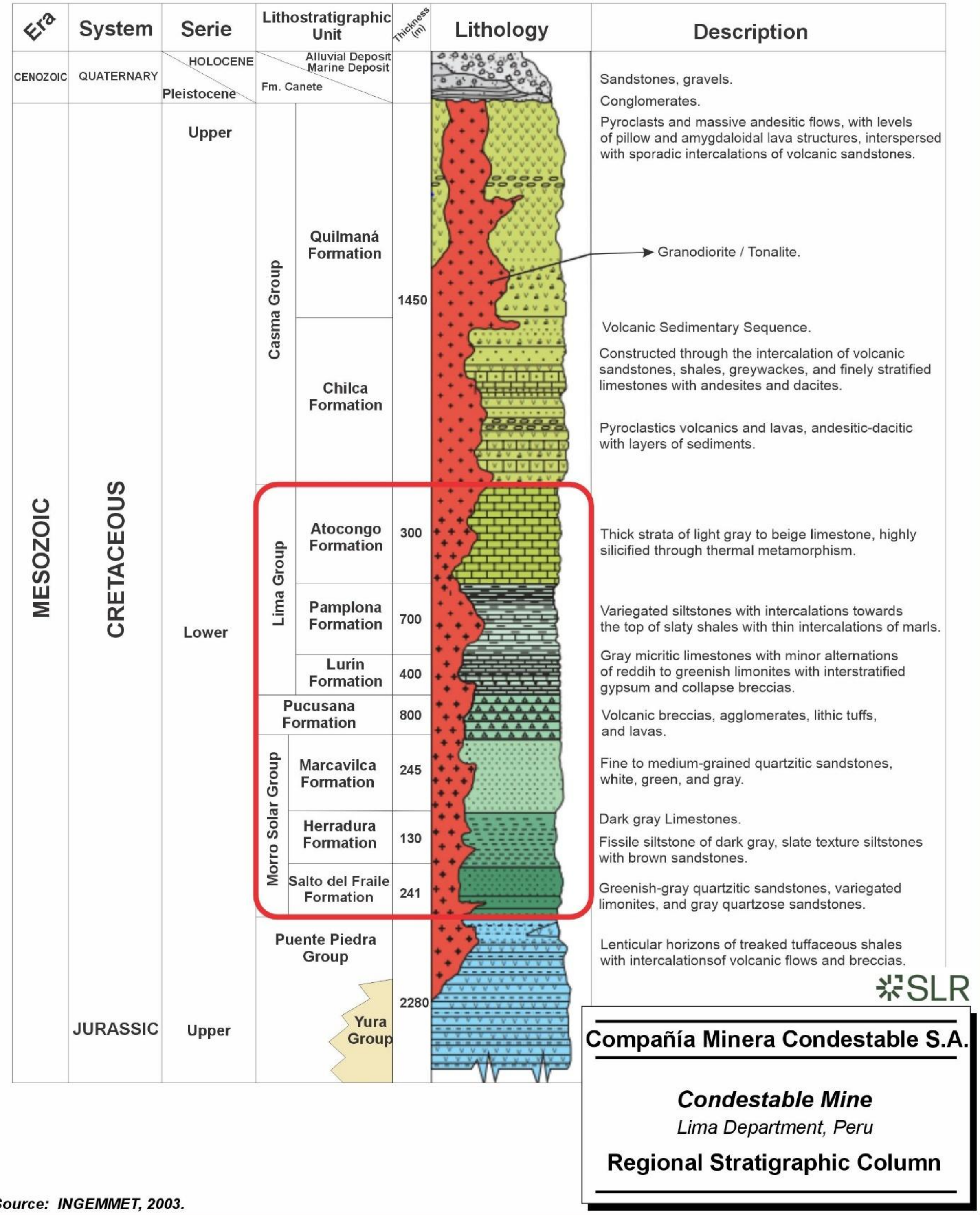
The regional geology is shown in Figure 7-1 and the regional stratigraphy is illustrated in Figure 7-2.

Figure 7-1: Regional Geology



Source: Compiled by Haller, 2006.

Figure 7-2: Regional Stratigraphic Column



Source: INGEMMET, 2003.

7.2 Local Geology

Since its inception in 1961, the Raúl-Condestable Mining District has been a focal point of academic and industrial research (Ripley and Ohmoto, 1977), sparking debates over its formation, developmental history, and deposit classification. Recent investigations by de Haller et al. (2002, 2006), de Haller and Fontboté (2009), and Sillitoe (2003) have categorized the project as an iron oxide copper gold (IOCG) deposit. This deposit type is situated within volcano-sedimentary sequences that filled the Cañete Marginal Basin towards the end of the Jurassic and into the Early Cretaceous period.

According to de Haller et al. (2006), the accumulated volcano-sedimentary layers in the basin are over six kilometres thick and are divided into five distinct units. From the base upwards, these include Unit I; Unit II, which is locally referred to as Apolo and Juanita; Unit III, known as the Copara Group and subdivided into the Actinolite and Intermediate sections; Unit IV, known as Polvorín; and Unit V, termed Chicharrón. Studies by Injoque et al. (1983) and later by de Haller et al. (2006), along with de Haller and Fontboté (2009), have built upon this initial framework, introducing some revisions to the classification. These modifications aimed to refine the understanding of the mine's geology, taking into account new data and insights gained from ongoing research and exploration within the district. Of these, only Unit III (the Copara Group encompassing the Pamplona, Atocongo, and Chilca formations), hosts the mineralized strata of the Raúl and Condestable mines, with a thickness ranging between 1.1 km and 1.4 km. Uranium-lead (U-Pb) dating by de Haller et al. (2006) positions these units within the Valanginian to Aptian stages of the Lower Cretaceous. Ripley and Ohmoto (1977) previously estimated the mineralized stratigraphic sequence to be 800 m thick. The mineralization occurs in a complex sequence of basalt-andesite, volcanic breccia, lapilli-stone, sandstone, limestone, and shale. Fossils and oolitic beds found within Unit III are consistent with deposition under shallow seawater conditions and corresponds to a succession of superposed volcanic edifices developed within a presumed coastal or island arc setting.

The volcano-sedimentary rocks are intruded by a wide range of intrusive rocks. The main intrusion is a quartz-diorite porphyry forming a sill-dike complex that is interpreted as a feeder for younger overlying volcanic rocks of Unit IV. Northeast, north-northeast, and northwest trending dikes define a 5.3 km diameter intrusive complex. Northeast and northeast trending dikes are mostly subvertical to steeply east dipping, whereas northwest trending dikes dip moderately to the east and were intruded into active normal faults. The sill component intrudes mostly the upper sequence of Unit III forming a large laccolitic structure.

Three tonalite intrusions are differentiated based on mineralogy and crosscutting relationships. Tonalite 1 forms an oblong stock with minor dikes that crosscut the central part of the quartz-diorite porphyry. Tonalite 2 occupies a 200 m thick dike crosscutting Tonalite 1. Tonalite 3 occurs northwest of the deposit as two northeast trending dikes. A swarm of regional dolerite dikes crosscut all rock types. They occupy fractures subparallel to the northwest-southeast Andean trend diabase, dipping moderately to the northeast within the Mine area.

The lithostratigraphic units form a homoclinal panel trending southeast (N155°) and dipping west at between 30° and 45°. The stratified rocks are locally gently folded near the top of the Chicharrón Unit in proximity to the andesite-dacite porphyry sills.

The volcanic-sedimentary sequence is affected by three important fault systems:

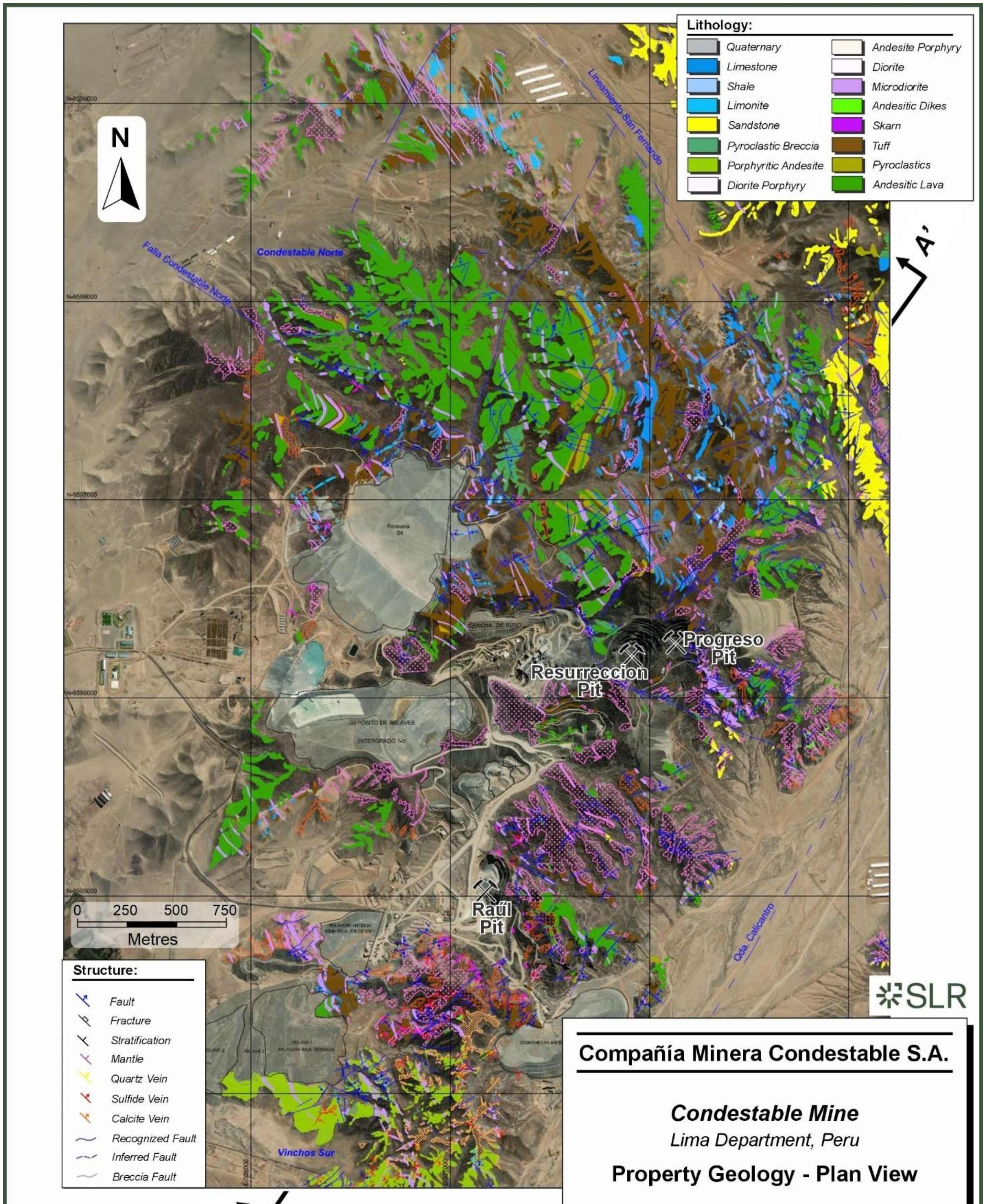
1. N025-045°E, dipping between 75° and 90° to the southeast;
2. N350-355°W, dipping of 65° to the northeast;
3. East-southeast to east-west, dipping between 60° and 90°northeast.

7.3 Property Geology

The Raúl-Condestable Mining District has been divided into two sectors: the Condestable mine, located in the northeast sector, and the Raúl mine, located to the southwest and separated from Condestable by approximately 1.7 km of quartz diorite and tonalitic porphyry intrusives (Figure 7-3 and Figure 7-4).

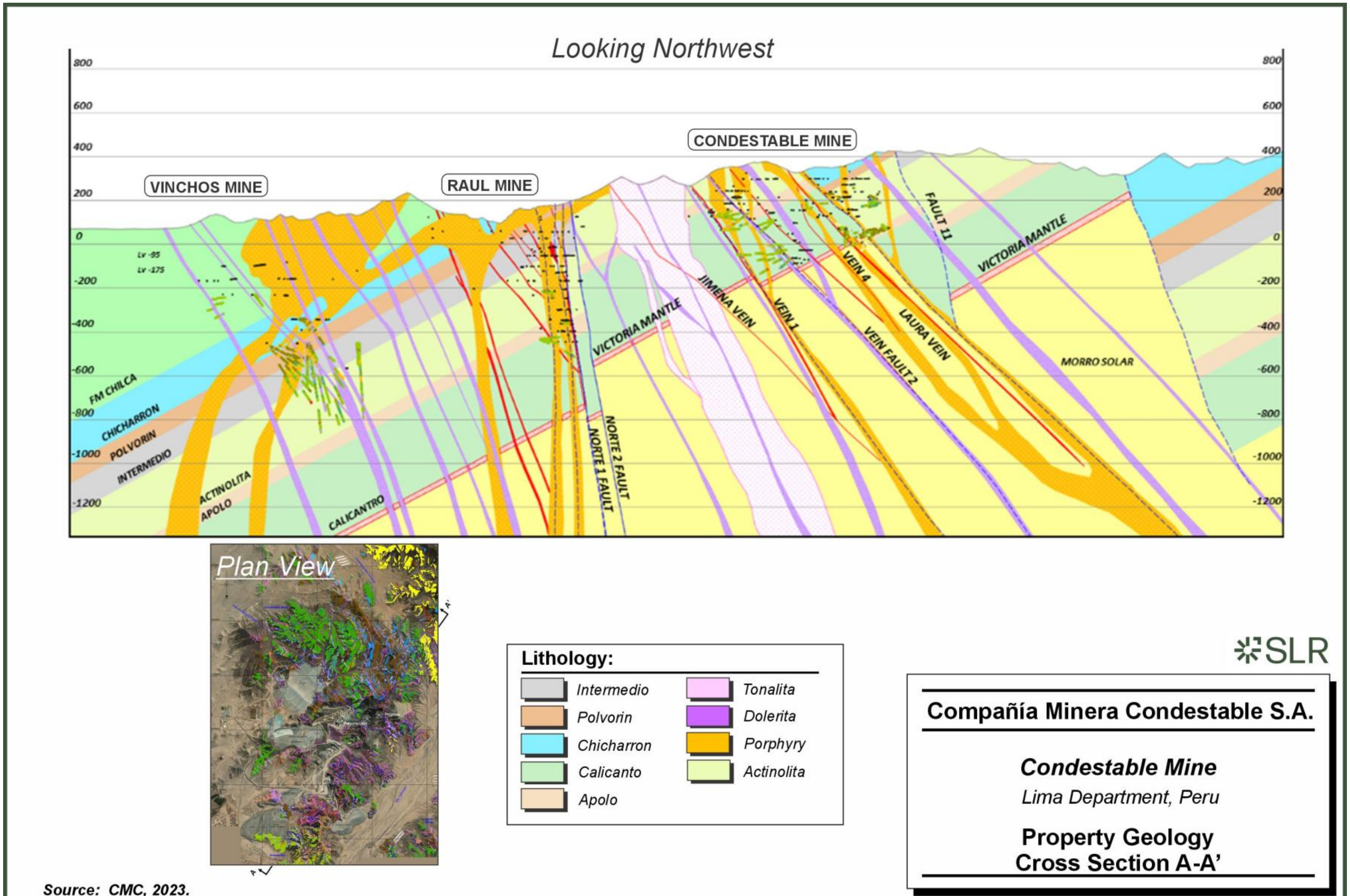
Detailed descriptions of each lithological unit, including their corresponding names in both the Condestable and Raúl mines and their thicknesses, are provided below, based on Yomona and Juarez, 2023, and illustrated in Figure 7-5.

Figure 7-3: Property Geology – Plan View



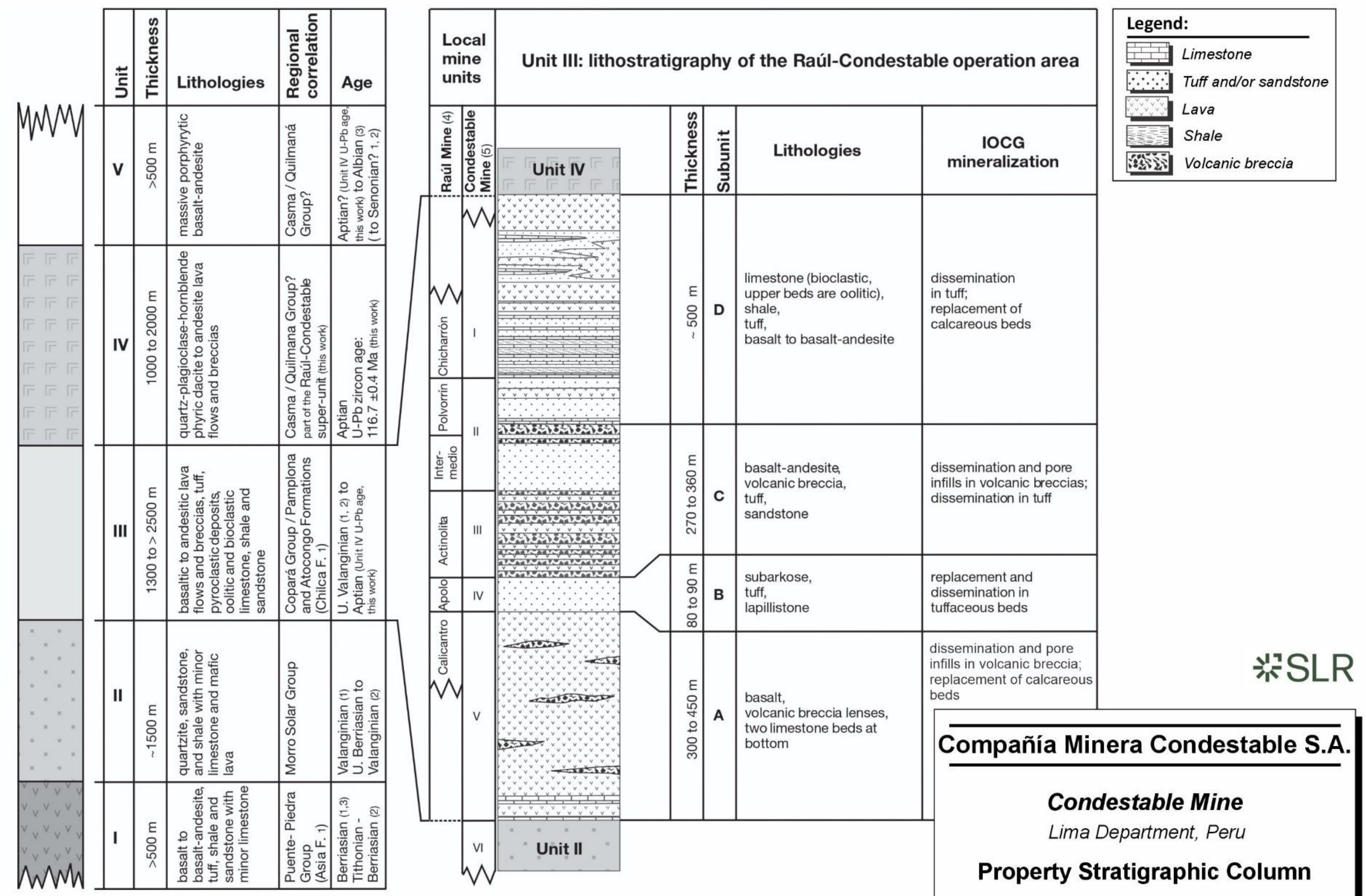
Source: CMC, 2023.

Figure 7-4: Property Geology – Cross Section A-A’



Source: CMC, 2023.

Figure 7-5: Property Stratigraphic Column



Source: Haller et al., 2006.

7.3.1 Volcano-Sedimentary Sequence

Within the Raúl-Condestable Mining District, CMC geologists further subdivide Unit III of the volcano-sedimentary sequence into the following sub-units (Yomona and Juarez, 2023). From bottom (oldest) to top (youngest) these are:

- The **Morro Solar Group**, characterized by its greyish-white and light brown hues, is predominantly composed of quartzite, sandstone, and shale, with occasional minor lava beds interspersed throughout. This geological unit, with a total interpreted thickness of approximately 300–m within the Raúl - Condestable area, is visible on the surface along the right bank of Calicantro Creek and extends between levels +180 and -175 within the Condestable and Raúl mines. Occurring at the base of the economic zone within the district, its composition primarily includes medium and fine grained quartzose sandstones, evident in massive layers that can reach up to one metre in thickness. Near its upper boundary, the presence of andesite sills and limestone layers can be occasionally observed, although the complete thickness of this unit remains undefined beyond the identified 300 m.
- The **Calicantro Unit** is characterized by greenish-brown porphyritic andesitic lava flows that are medium grained, containing plagioclase and mafic phenocrysts within a fine matrix. This unit exhibits moderate to weak magnetism in some outcrops and includes breccia horizons (breccia lava), suggesting the presence of auto-breccias formed during its deposition. It outcrops extensively to the east of the district, particularly around the Calicantro ravine. Within the mine, a flow-banding texture is observable, indicating the dynamic flow and cooling processes of the lava. The estimated thickness of the Calicantro unit ranges from 300 m to 350 m, reflecting its substantial presence in the geological structure of the area.
- The **Apolo Unit** is distinguished by its composition of both coarse and fine pyroclastic material, deposited in a submarine setting and encased within a tuffaceous matrix filled with shattered crystals. This unit, prominently outcropping along the right bank of the Quebrada de Calicantro, is a host for copper mineralization, evident through replacement and disseminated forms, including six identified manto horizons. Notably, manto four features magnetite with a thickness ranging from 1.00 m to 1.50 m. The overall thickness of the Apolo Unit ranges from approximately 80 m to 90 m. Within the Mine, the unit showcases sequences of thick, tuffaceous pyroclastic materials that display a distinct banded texture. These textures are defined by subrounded, albitized fragments, some up to 20 cm in diameter, set within a matrix of fine actinolite crystals and rock dust, variably altered to albite. In contrast, the Raúl Mine's deeper sections reveal a diminution in fragment size, with some fragments completely altered or obliterated due to hydrothermal activities. The unit is noted to overlap the underlying Calicantro Unit, indicating a complex geological relationship between these two formations within the mine's stratigraphy.
- The **Actinolita Unit** is marked by its composition of dark greenish-grey andesites exhibiting a fine porphyritic texture, interlaid with lenticular levels of volcanic breccias. A notable feature of this unit is the development of acicular actinolite crystals within the matrix, closely associated with sulphide mineralization. This unit hosts a total of eight breccia horizons, organized into two subgroups: breccias 1-2 with thicknesses ranging from three to five metres and breccias 3-8 with thicknesses between five and ten metres forming the upper boundary or roof of the Pucusana Formation. The overall thickness of the Actinolita Unit is estimated to be between 240 m and 260 m.

- The **Intermediate Unit** encompasses a significant horizon of fine pyroclastic materials and laminated shales, highlighted by blackish-grey calcareous levels and an off-white chert marker horizon, and greywacke. This unit is structured into two primary layers: an intermediate basal layer and a central intermediate layer, delineated by a layer of fine, brown-coloured pyroclasts. The depth of the pyroclastic layer varies, thinning from 40 m at the -300 level to 15 m at the -700 level. At the summit of the central intermediate layer, brecciated horizons, designated as breccia 9, are observed, coupled with thin stratifications in the shales and calcareous horizons, as well as intercalations of porphyritic andesitic lavas. The overall thickness of the unit is estimated between 120 m and 150 m, aligning it with the lower segment of the Pamplona Formation.
- The **Polvorín Unit** is characterized by thick beds of dark green to blackish aphanitic andesitic lava, altered to chlorite and intersected by calcite veins. The base of the unit is formed by substantial banks of pyroclasts with aphanitic textures, also altered to chlorite. Progressing towards the upper part of the unit, there are intercalations of pyroclastic materials, calcareous horizons, shales, and brown-coloured greywacke. This unit is identified within the upper segment of the Pamplona Formation, with its overall thickness estimated to range between 60 m and 70 m.
- The **Chicharrón Unit** is characterized by a sequence where thin shales and pyroclastics predominate, interspersed with siltstone and limestone horizons, all featuring clear, thin stratification. Fossils located in the lower sections of this unit suggest its paleoenvironmental conditions. This unit is subdivided into seven manto horizons, composed of a mix of shales and pyroclasts. Notably, manto 7 is distinguished by a composition of magnetite, ranging in thickness from 1.50 m to 2.00 m. This unit, with an overall thickness estimated between 180 m and 200 m, is correlated with the Atocongo Formation, indicating a significant geological and stratigraphic relationship with the broader geological features of the area.
- The **Chilca Formation** conformably overlies the Chicharrón Unit, situated approximately 1.3 km to the north-northeast of the Progreso open pit. This unit is primarily composed of pyroclastic breccias at its base, which are interspersed with porphyritic andesitic lavas. Towards the top of the formation, andesitic lavas become more predominant, interspersed with layers of fine pyroclastics and shales, delineating a complex volcanic sequence. Despite its clear geological positioning above the Chicharrón Unit and its identifiable base composition, the complete vertical extent of this unit has not been defined, and it has only been observed across 750 m on surface.

7.3.2 Intrusive Rocks

The Raúl-Condestable Mining District has recorded at least five major phases of intrusive magmatic activity. The earliest, dating between 116 ± 0.4 Ma and 114.5 ± 1 Ma, involves the Raúl-Condestable super-unit, characterized by felsic rocks (de Haller et al., 2006; de Haller and Fontboté, 2006). This was followed by the emplacement of the Coastal Batholith between 100 to 55 Ma (Benavides-Cáceres, 1999), and later, intrusions of microdiorite (dolerite) dike swarms.

1. **Quartz Diorite Porphyry** features light brown porphyritic rocks with zoned plagioclase, hornblende, and eroded quartz crystals in a fine-grained matrix, forming sills, stocks, and dykes in northeast-southwest, north-northeast to south-southwest, and northwest-southeast directions.
2. **Tonalite Porphyries**, initially termed Dacite Porphyry by Cardozo (1976), show whitish colourations and are found in stocks and fault-controlled dikes trending north-northeast

to south-southwest. De Haller et al. (2006) differentiate three subtypes within the tonalite, each characterized by medium to fine grains and specific crystal compositions, showing evidence of moderate silicification and hypogene mineralization in the form of irregular sulphide veins.

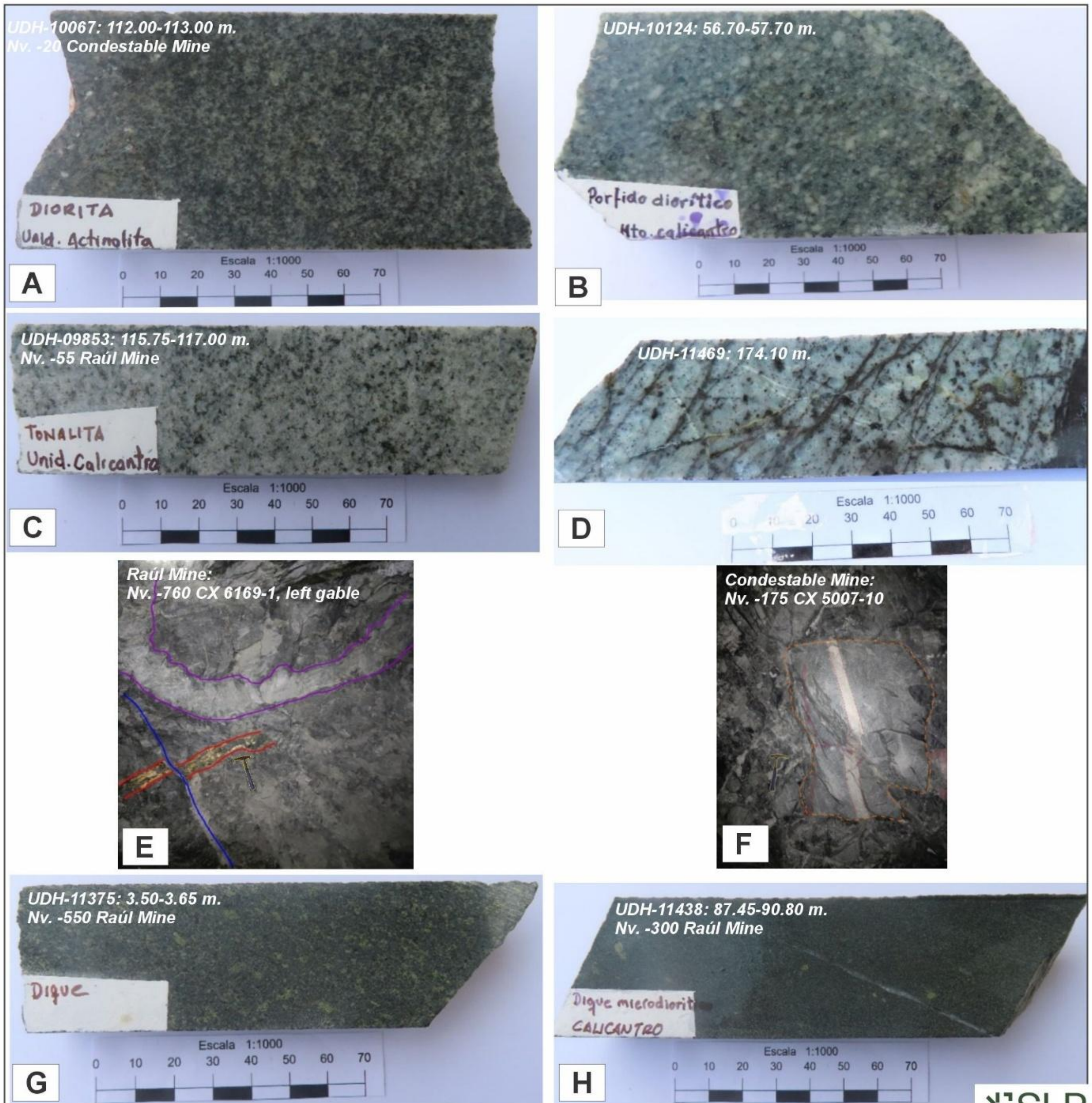
3 The **Coastal Batholith** consists of a sequence of igneous rock placements nearly parallel to the coastline, divided into super-units such as Jecuan (diorites and tonalites to the north, granites to the southwest), Patap (diorites and gabbro-diorites), Tiabaya (granodiorites), and Cochahuasi (monzodiorites, tonalites, and granodiorites), all located to the east of the operations.

4 **Aplitic Dikes** in the Raúl Mine appear as restricted, sinuous, whitish dikes intruding dioritic porphyry, occasionally hosting crosscutting massive chalcopyrite veins (Photo: F-3.13). In the Mine's Brecha Condestable (Condestable Breccia), metric clasts of monzonite and granodiorite, likely part of the Coastal Batholith, are intersected by aplitic dikes, which are in turn cut by doleritic-microdiorite dikes, establishing a sequence of intrusive events.

5 **Doleritic Dikes** form a swarm cutting through the volcanic-sedimentary sequence and earlier intrusion phases, featuring a fine porphyritic texture with plagioclase and mafic minerals, often with propylitic alteration. These dikes generally trend northwest-southeast, with dips between 45º to 72º towards the northeast, occasionally shifting to north-northeast to south-southwest, likely due to structural re-adjustments. Some dike placements are controlled by economically significant faults, such as the Veta Falla 2 in the Mine.

Examples of intrusive rocks are shown in Figure 7-6.

Figure 7-6: Intrusive Rock Examples



Notes:
A. Porphyry quartz diorite
B. Porphyry quartz diorite
C. Tonalite
D. Tonalite
E. Dioritic porphyry cut by aplitic dike
F. Condestable Breccia. Monzonite clast cut by aplitic dike in an Act±Py±Ccp matrix
G. Doleritic dike
H. Doleritic dike with fine texture

Compañía Minera Condestable S.A.

Condestable Mine
Lima Department, Peru
Intrusive Rocks Examples

Source: CMC, 2023.

7.3.3 Structure

The structural geology of the Raúl-Condestable Mining District has been significantly detailed by Nelson (2009), with updates in 2022 by the CMC Geology team, providing insights into the main structural features in the district.

Stratigraphic orientation analysis in both mines shows slight differences, with an average direction calculated by de Haller and Fontboté (2009) for the district being N158°/40°. They proposed that the deposits formed when stratification was subhorizontal and that strata and mineral deposits were later tilted by approximately 40°, likely due to a major, possibly listric fault to the west that has not yet been established.

District-wide lineament orientation and fault analysis reveal dominantly northeast and northwest trending faults and vein-faults (structurally controlled veins),with the northeast group including northeast trending vein-fault subgroups and the north-northeast trending faults F1-F6. Dip analysis indicates that northeast structures are steeply inclined (>80°), while northwest structures are less steeply inclined at 60° to 70°. Rake and movement direction analysis shows that northeast structures are mostly right-lateral strike-slip faults, whereas northwest structures are left-lateral strike-slip faults with a normal displacement component.

Histogram analysis of the main orientations of mineralized and non-mineralized fault-veins suggests that northeast structures are more mineralized with orientations greater than 32°, while northwest structures show better mineralization around N295° to 300°.

Structural modelling suggests the existence of three types of structural traps in Raúl-Condestable: dilatational openings with the long axis perpendicular to vein-strike lines; intersection lines between faults and vein structures; and intersection lines between two faults. Dolerite-microdiorite dikes exhibit consistent directions averaging N330°, importantly influencing some veins, such as the North Fault Vein 1.

CMC proposes at least six sequential deformation and/or faulting events (ED) for Raúl-Condestable, with ED-1 being the earliest and ED-6 the latest. Mineralization events (EM) are associated with these six EDs.

- ED-1: Associated with tectonic extension events linked to the development of the Cañete Basin, where a thick andesitic volcano-sedimentary sequence was deposited during the Early Cretaceous.
- ED-2: Normal faulting with northwest-southeast orientation related to the basin's extension, placing the first subvertical mineralized structures (EM-1) with the same orientation.
- ED-3: Basin tilting of 30° to 45° towards the west, likely due to progressive northwest-southeast faulting.
- ED-4: Northeast-southwest oriented subvertical faulting followed by the placement of subvertical quartz diorite porphyry dikes. Economically, structures such as Fault 6, Fault 5, Fault 7, and Fault 8 control a trend of fertile porphyries with potassic alteration and chalcopyrite and bornite mineralization in the form of subparallel veinlets and veins to these intrusives.
- ED-5: In the Mine, placement of a fault-controlled stock in the north-south and northeast directions, releasing hydrothermal fluids that formed a magmatic-hydrothermal breccia with low Cu contents and Au anomalies, named Condestable Breccia.

- ED-6: Placement of Microdiorite – Dolerite dikes following northwest-southeast oriented structures with dips to the northeast, likely due to a reactivation of tectonic structures inherited from D-2 faulting.

7.3.4 Hydrothermal Alteration

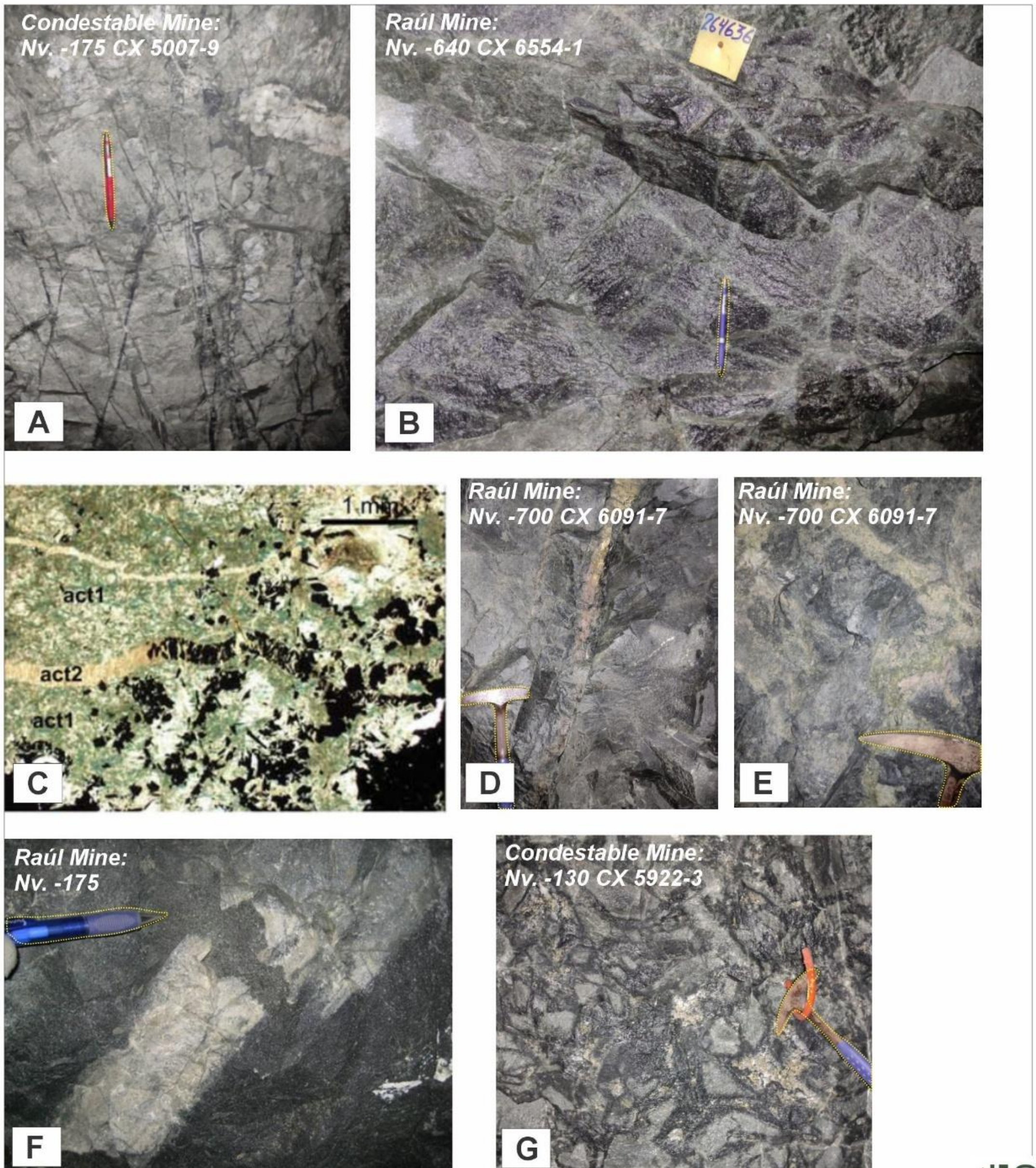
De Haller et al. (2002) indicate that the first hydrothermal alteration event began with the deposition of sodium (Na) and calcium (Ca) silicates in the form of albite (Ab), scapolite (Scp), and actinolite (Act); followed by iron oxides hematite (Hem), magnetite (Mag), and to a lesser extent, titanite and apatite (Ap); and finally, sulphides such as pyrite (Py), chalcopyrite (Ccp), pyrrhotite (Pyh), sphalerite (Sp), and molybdenite (Mol) were deposited, with minor quartz (Qz), chlorite (Chl), and sericite. The hematite (Hem) is widely pseudomorphically altered or transformed into magnetite (mushketovite).

Example images of hydrothermal alteration are shown in Figure 7-7. A spatial and genetic relationship of the hydrothermal alteration is attributed to the various intrusive phases. The lithological units have been subjected to successive alteration events, with varying intensities, in some cases being so intense that it results in the obliteration of the original rock.

The chronological order would begin with an early stage of sodic alteration characterized by the formation of albite and local occurrence of scapolite, which was subsequently overlaid by a calcium–iron alteration dominated by actinolite and magnetite, followed by the local development of potassium alteration with potassium (K)-feldspar (Kfs) and secondary biotite around vein structures and porphyries, respectively. Restricted and incipient hydrolytic alteration associated with the porphyries developed, to which silicification would also be related. Finally, probably related to the cooling of the system and the ingress of meteoric waters, propylitic alteration took place.

The main types of hydrothermal alteration and their zoning in the Raúl–Condestable Mining District, following the criteria established by Barton (2014), are proposed and described in the following sections.

Figure 7-7: Hydrothermal Alteration



Notes:

A. Calicantro unit with generalized sodic (Na) alteration replaced by calcic alteration (Act±Mag of veins)
B. Porphyry quartz diorite altered to secondary biotite, cut by silicic stockwork with Ccp veins.
C. Thin section of Pampa vein.
D. Massive vein of Ccp with gradational halo of Kfs
E. Breccia 9 with Kfs+Ep+Py±Ccp
F. Faults and fractures with calcic alteration (Act) cut by Apolo layers with Ab(?)
G. Condestable Breccia, clast-supported, matrix of Act+Py±Ccp

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Condestable Mine
Lima Department, Peru
Hydrothermal Alteration

Source: SLR, 2023.

7.3.4.1 Sodic Alteration

Sodic alteration corresponds to the initial hydrothermal pulses that led to the formation of the IOCG system in the Raúl–Condestable Mining District. It is characterized by extensive and deep development of albite ± scapolite (?) that pervasively affects mainly the lithological units of the floor (Apolo, and locally Calicantro), in many cases, controlled by stratification planes and associated with fracture systems (Figure 7-7). The associated economic mineralization is very scarce, with occasional veins and dissemination of sulphides (pyrite and chalcocite), which are not economically interesting.

Sodic alteration is defined by the presence of a cream–whitish mineral, which was initially defined as silicification. In the Mine, this alteration affects the clasts of the Condestable Breccia, where its intensity has been very pervasive and the primary mineralogy of the fragments has been almost obliterated by albite, with occasional relics of feldspars observed.

7.3.4.2 Calcic Alteration

Calcic alteration, or calcium-iron type alteration, is marked by the presence of actinolite ± magnetite ± pyrite primarily altering mafic minerals, the rock matrix, and to a lesser extent, feldspars, obliterating the primary mineralogy and giving the rocks a characteristic dark green colouration. This mineralogical association is also observed in the form of veinlets superimposed on the sodic alteration. Based on the occurrence and degree of crystallinity of actinolite, the presence of three hydrothermal events of the calcium-iron type is proposed and established:

1 **Early Event**: Characterized by very fine crystals of actinolite, barely perceptible to the naked eye, pervasively altering certain permeable lithological units (fine pyroclasts and lavas), usually presenting a dark green colouration, in some cases accompanied by magnetite. This phase indicates a high-temperature event, probably exceeding 400°C. This event was also identified by Nelson (2009).

2 **Intermediate Event**: Evidenced by more developed actinolite crystals occupying open spaces (fractures and microfractures). This event would have developed at temperatures between 350° and 400°C, often accompanying the sulphide phase with Cu and Fe ± silica. De Haller and Fontboté (2009) indicate two actinolite veining events superimposed on an early calcium alteration, spatially related to the emplacement of quartz-diorite porphyries and tonalite.

3 **Late Event**: Corresponds to the Condestable Breccia (Mine), located between levels Nv_-55 and NV_-175, presenting a subvertical geometry. This breccia is clast-supported, with no contact between fragments, and is composed of millimetric acicular actinolite crystals, with subordinate pyrite ± chalcopyrite ± silica ± epidote ± K-feldspar ± albite. The fragments are polymictic, angular, belonging to the Apolo and Calicantro units, and granodioritic and monzonitic type porphyries. The latter can exceed two metres in length, with many previously altered to albite (?), and some with reaction rims to K-feldspar. These characteristics indicate that it is a magmatic-hydrothermal breccia, generated by the emplacement of a late porphyry, not yet located, that released hydrothermal fluids rich in vapors, with enough energy for emplacement and the necessary time to develop actinolite crystals, but with low participation of a sulphide phase (pyrite ± chalcopyrite and gold anomalies). The temperature at which this breccia formed would be between 300° and 350°C. The structural control of a north-south direction would have played an important role in the emplacement of this breccia, as it

limits its extension to the west. It appears to be a hidden structure, as it has not been identified in surface mapping.

7.3.4.3 Potassic Alteration

De Haller et al. (2009), and de Haller and Fontboté (2006, 2009) define an alteration pattern consisting of an early biotite core, overprinted by a quartz stockwork, both minerals bordering but not affecting Tonalite 1. Work from the present year has allowed for the identification and establishment of two types of potassium alteration: secondary biotite and K-feldspar.

The first is characterized by the presence of fine secondary biotite altering mainly the rock matrix of some porphyries and surrounding rocks with various intensities, giving a light brown colouration. A clear example of this type of alteration is observed in the deepening of the Raúl Mine, where quartz dioritic porphyry dikes and enclosing andesitic lavas are altered to secondary biotite with moderate intensities. Additionally, the porphyry is cut by a stockwork type veining of silica with the presence of sulphides (bornite + chalcopyrite) on its lateral edges, suggesting that these are fertile magmas probably responsible for the mineralization. Apparently, these intrusions are controlled by Fault 6, Fault 5, and Fault 7 with a northeast-southwest direction.

Secondly, K-feldspar in the Raúl Mine grades laterally into an assemblage of actinolite ± epidote ± chlorite ± scapolite ± albite, and upward into sericite and chlorite. K-feldspar has been identified at Nv_-760_XC_6567, where it is presented in the form of halos around the chalcopyrite and pyrite vein structures, as observed at Nv_-700_CX_6091_7, where semi-massive veins of chalcopyrite with a direction of N313°/68° show extensions of K-feldspars. It also pervasively and irregularly alters, with variable intensities, some lithological units such as Brecha 9 in the Raúl Mine. Its distribution and field evidence indicate that the alteration is associated with fertile intrusions, following some vein-like structures or feeders, making it a proximal alteration to indicate mineralization. In the Condestable mine, this alteration has also been identified locally affecting the Condestable Breccia, in which it appears as halos or alteration crowns with sulphides (mainly pyrite, with occasional chalcopyrite). However, geochemical sampling results indicate that the mineralization in this breccia is primarily Au, with low Cu contents, and is a new style of mineralization in the district.

7.3.4.4 Hydrolytic (Acidic) - Ferric Alteration

The hydrolytic or acidic alteration has been documented by de Haller (2002), and de Haller and Fontboté (2006). It is defined by the presence of clays and sericite altering feldspars and the matrix of some tonalitic porphyries, quartz diorite, lavas, and some breccias with weak to moderate intensities. This alteration has also been reported in petromineralogical studies in Vinchos Sur (BISA, 2014). However, in hand samples, its intensities are not as notable to be classified and mapped within the deposit, though in the corridor of porphyries associated with Fault 6, they typically present veinlets of chalcopyrite and bornite. At the Raúl Mine Nv_-215_CX_6125_3, there is a moderately silicified porphyry with disseminated chalcopyrite and occasional patches, overprinted by a weak sinuous veining of granular quartz with irregular clay-sericite edges. This suggests, at least, the presence of an acid event of overprinting and/or mixing of hydrothermal-meteoric fluids within the system, resulting in a retrograde overprinting event on the mineralized porphyry. This also indicates a distal-upper spatial position of this alteration.

Barton (2014) considers that ferric alteration develops in the upper and distal portions of many IOCG systems, dominated by hematite or a mix of hematite and magnetite. The acidic mineralogical assemblages include sericite and chlorite, being considerably less voluminous than the sodium and calcium alteration. Sequences of fine pyroclasts altered to hematite + magnetite and sericite with strong to moderate intensities locally outcrop at the surface near the access to the Resurrection Pit and on some of its benches. This suggests that ferric alteration corresponds to the distal and upper zoning of the Raúl–Condestable hydrothermal system, as also suggested by de Haller and Fontboté (2009). Moreover, in the Raúl Mine, specifically at Nv_-760_XC_5872_7 and at other deeper levels, occasional veins of massive hematite accompanied by chalcopyrite + pyrite + silica are observed, which, considering their depth of emplacement, mineralogical, and textural characteristics, indicate that it could be an oxidized, late, and deep magmatic hydrothermal event, entirely different from that suggested by Barton (2014).

7.3.4.5 Silicification

Silicification appears to have occurred throughout nearly the entire evolution of the system, albeit with limited and periodic intensities. It began in the early phases as a secondary process alongside the formation of the first mineralized vein-like structures and continued into the later stages of mineralization-alteration (Condestable Breccia). Specifically, in the Raúl Mine, between levels Nv_-300 and Nv_-350, an area known as the Silicified Zone is observed. Within this zone, the original texture of the rocks is often obliterated, with a notable absence of mineralization, rendering the lithological contacts nearly indistinguishable. This is presumed to result from the emplacement of a late-stage porphyry.

7.3.4.6 Propylitic Alteration

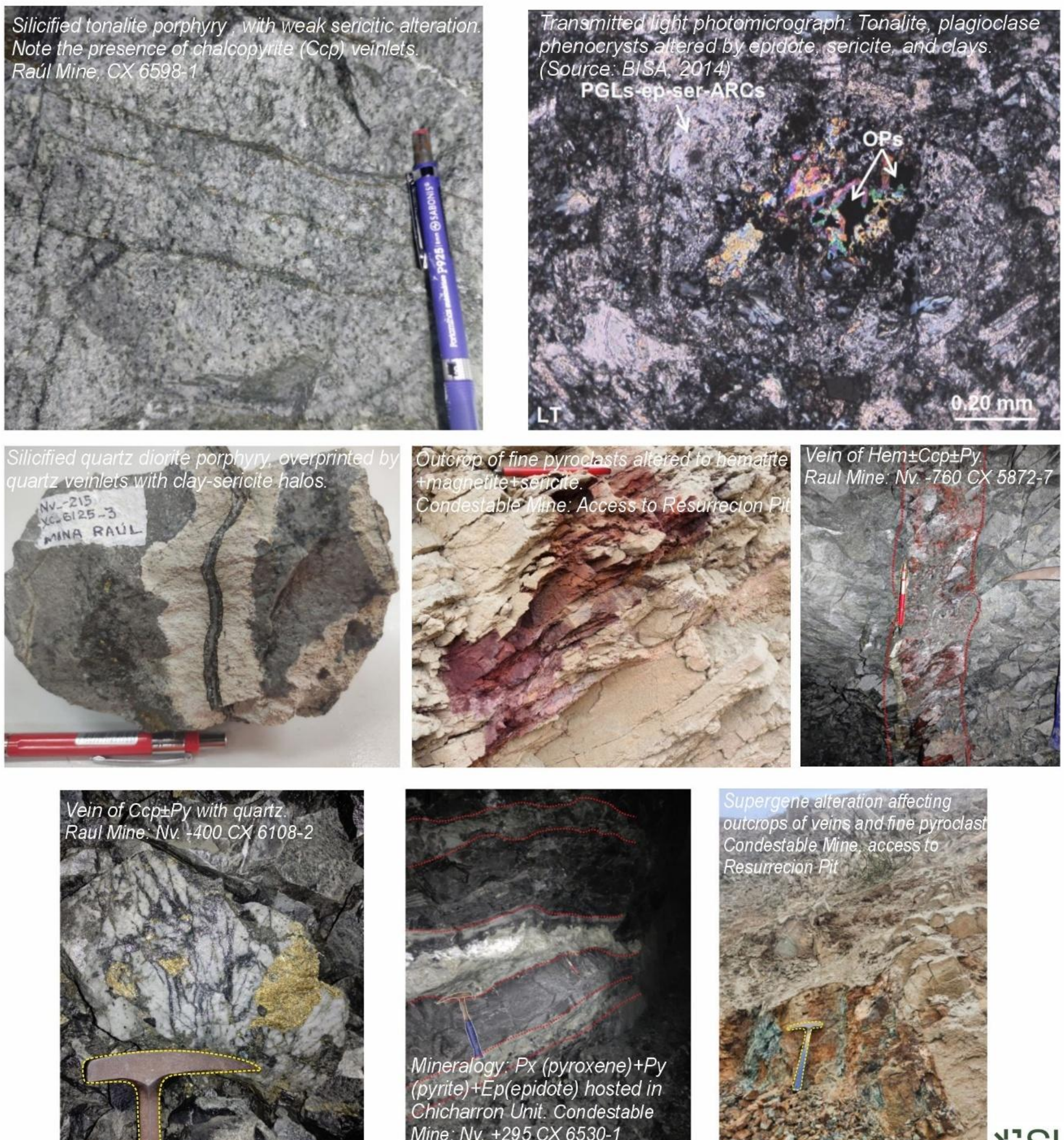
The propylitic alteration is characterized by an assemblage of chlorite + calcite ± epidote affecting previously developed mafic minerals; this assemblage is also present as veinlets cutting through the volcanic units and intrusives. Veins and veinlets of calcite with polymetallic, sphalerite + galena ± pyrite ± chalcopyrite mineralization, whose mineralogy and crosscutting relationships correspond to the latest events of mineralization and hydrothermal alteration, are also present, however, they lack economic importance. Some calcite veinlets are not mineralized, apparently corresponding to the final events of the hydrothermal system.

At Condestable mine level Nv_+295_CX_6530_1, towards the roof of the Condestable Fault, there is a replacement vein of chalcocite hosted in calcareous rocks and fine pyroclasts of the Chicharrón Unit, which branches and grades laterally northward to a mineralogical assemblage of pyroxenes + epidote + pyrite with scarce chalcopyrite. This indicates that it would be the distal manifestations of the Condestable IOCG system; however, this mineralogy is typical of a distal skarn.

7.3.4.7 Supergene Alteration

The effects of supergene alteration are observed near the surface, where oxidation reaches depths of up to 50 m and even deeper in fault zones. Chalcopyrite transforms into chrysocolla and malachite, and pyrite is typically altered to hematite. Several example images of supergene alteration are shown in Figure 7-8.

Figure 7-8: Supergene Alteration



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Condestable Mine

Lima Department, Peru

Supergene Alteration

Source: SLR, 2023.

7.4 Mineralization

Lithological units such as Calicantro, Apolo, Actinolite, Intermediate, Polvorín, Chicharrón, as well as the Condestable Breccia, are the primary lithological controls for mineralization, where hydrothermal alteration has developed extensively and pervasively. However, alteration generally does not obliterate the original rock texture, with occasional exceptions due to proximity to some porphyries. The elongated mineralized bodies occur as replacement and dissemination in permeable units (lithological controls), veins and 'vein-faults' (structurally controlled veins), and the more recently defined breccias (lithological control).

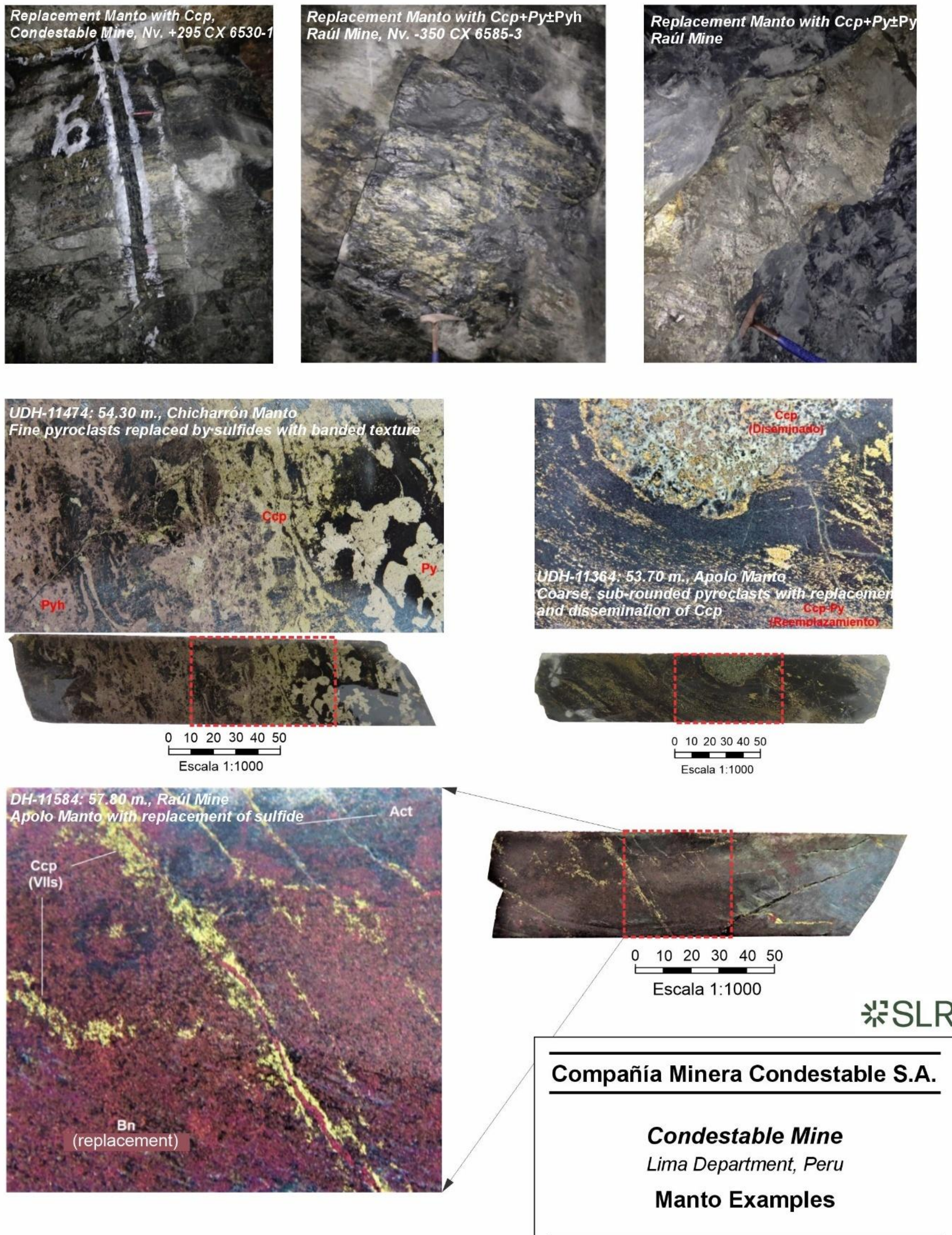
7.4.1 Replacement

Replacement style mineralization mainly occurs within the Apolo and Chicharrón units as a replacement of limestones and fine and coarse pyroclastics. The geometry is typically controlled by the orientation and dip of the host rocks, with thicknesses ranging from several centimetres to several metres(Figure 7-9). Longitudinally and transversely, mineralization is interrupted by faults, porphyries, and dikes. The replacing mineralogy consists of chalcopyrite, bornite, pyrite, pyrrhotite, and magnetite, with higher contents of chalcopyrite and bornite observed in the immediate vicinity of the feeders, grading externally into pyrite, pyrrhotite, and magnetite. Magnetite occurs as massive to semi-massive mantos, and occasionally grades into hematite, as observed in the Resurrection Quarry. Manto 4 of the Apolo Unit and Manto 7 of Chicharrón Unit contain magnetite and their thicknesses range from 0.50 m to 2.00 m.

7.4.2 Disseminated Sulphide Mineralization

Disseminated sulphide mineralization generally occurs in conglomerates and volcanic tuffs within the Apolo, Polvorín, and Intermediate units, and occasionally within some porphyries. It manifests as fine disseminations and veins of chalcopyrite and pyrite, occasionally forming large, irregularly shaped bodies.

Figure 7-9: Manto Examples



Source: CMC, 2023.

7.4.3 Veins, Veins-Faults

Vein-like mineralized structures in the Mine area vary considerably in mineral composition, texture, spatial relationship with intrusives, and orientation and dip. The northwest system veins tend to be quartz-sulphide and the northeast system veins are calcite-sulphide. Several example images of veining are presented in Figure 7-10.

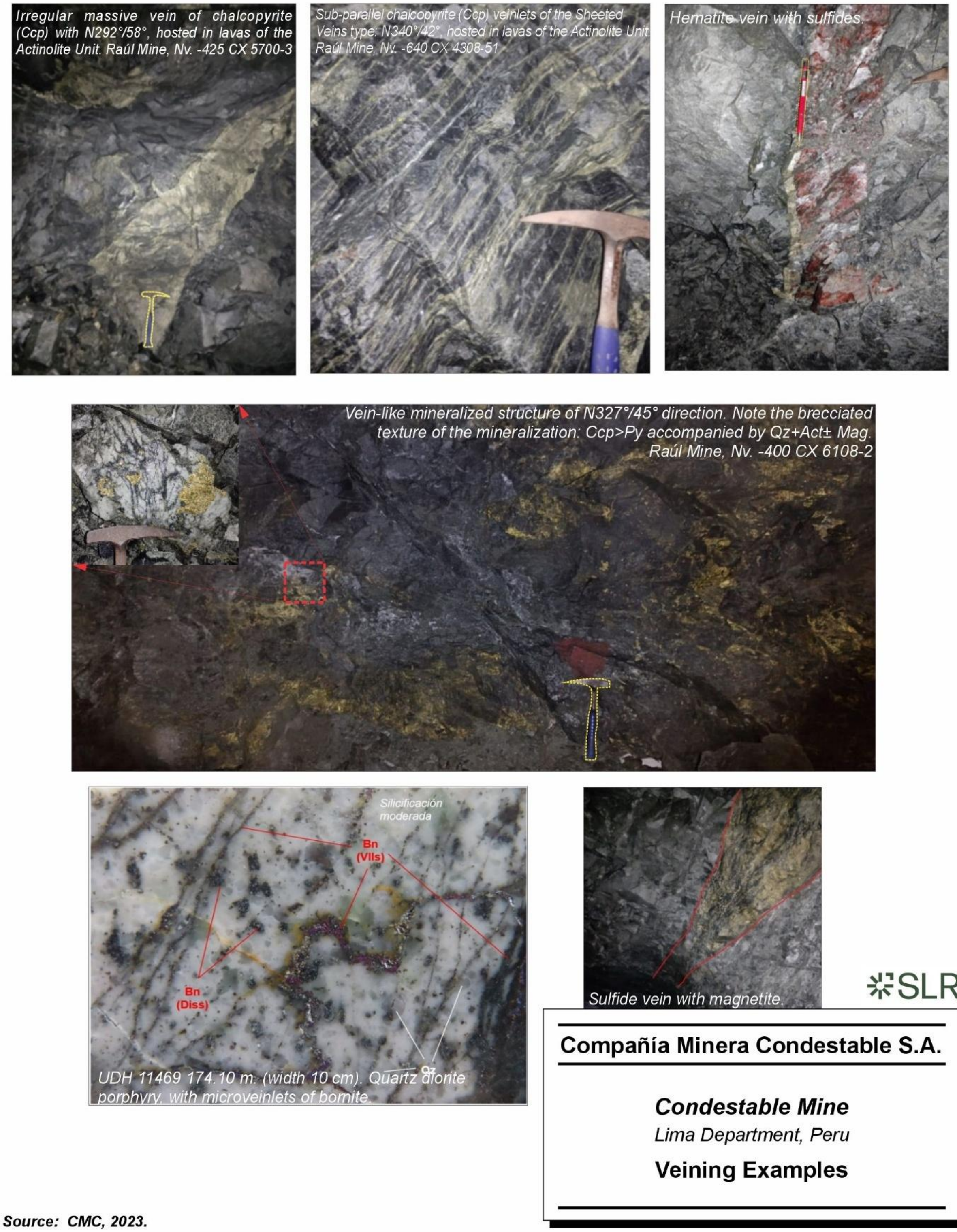
The lack of specific information regarding the cutting and/or superimposition relationship between all the ED and EM events hinders the definitive determination of the structural paragenetic sequence of the deposit. However, it is proposed that EM-1 and EM-2 may belong to the same group, possibly differentiated by the spatial evolution of the hydrothermal fluid, sharing the same structural trend and dip, although their source has not yet been determined. EM-3 to EM-7 correspond to a second group related to the emplacement of porphyries, particularly those located between Fault 5 and–Fault 7 (Raúl mine - Deepening). EM-8 and EM-9 (Raúl mine), although geochemically corresponding to oxidized phases, are mineralogically and texturally distinct, indicating different deep hydrothermal phases, and may also be distinct from the magnetite and hematite manifestations near the surface in the Condestable mine.

Mineralizing hydrothermal fluids, during their ascent, formed other styles of mineralization such as replacement mantos, dissemination, vein-like structures, and breccias when they crossed permeable lithologies (pyroclastics and volcanic breccias). These mineralization styles exhibit a marked zoning, indicating a predominance of chalcopyrite and bornite near the feeder structures, grading laterally into pyrite, and distally into pyrrhotite. In the case of oxidized phases, hematite and magnetite have been identified in the deeper sections of the Raúl mine and also in the distal-surface portions of the Condestable mine, suggesting the presence of at least two separate oxidation events, both temporally and spatially distinct, requiring further investigation.

As mentioned earlier in this section, mineralization at the Mine is related with various deformation events and mineralization episodes. There are at least ten main mineralization events, ranging from the earliest EM-1 to the latest EM-10. The veins and corresponding mineralization events are as follows:

- EM-1: Early Veins: Silica + Calcite + Sulphides. These veins account for a significant portion of mineralization at the Mine.
- EM-2: Sulphide Veins: Chalcopyrite + Pyrite + Pyrrhotite
- EM-3: Actinolite Veins
- EM-4: Veins: Silica + Molybdenite
- EM-5: Veins: Early Biotite + Silica + Chalcopyrite/Bornite
- EM-6: Sulphide Veins: Chalcopyrite and Bornite
- EM-7: Veins: Silica + Sulphide
- EM-8: Sulphide + Magnetite Veins
- EM-9: Hematite + Sulphide Veins
- EM-10: Late Calcite ± Sulphide Veins

Figure 7-10: Veining Examples



Source: CMC, 2023.

7.4.4 Breccias

There are three types of breccias at Condestable:

1. **Actinolite Breccia:** This term refers to mineralization with a brecciated texture hosted in pseudo-stratified units. Its lateral and depth continuity is controlled by its intercalations with andesitic lavas, and primarily by its proximity to the feeders. The thickness of these structures can reach up to four metres. Up to eight structures of this type have been identified hosted within the Actinolite Unit. Economic mineralization occurs in the form of short, irregular veins and veinlets, creating patches that give it a brecciated texture. In some cases, the concentration is so strong that local replacements can occur, and dissemination also extends towards the distal parts and into the host rock.
2. **Breccia 9:** These structures have various shapes and dimensions and are generally found as localized replacements in volcanic breccia levels within the Actinolite and Intermediate units. Mineralization occurs as fine disseminations, filling interstices with chalcopyrite and pyrite.
3. **Condestable Breccia:** Defined as a magmatic-hydrothermal breccia. This mineralized structure has been defined and classified according to its mineralogical characteristics, geometry, contact relationships, alteration, and hydrothermal mineralization as a new style of mineralization present at the Mine. Mineralization mainly occurs as replacement mantos, veins, and veinlets. In the Condestable mine, the Condestable Breccia has been defined as a magmatic-hydrothermal breccia associated with the intrusion of a tonalitic porphyry. Its geometry is subvertical and has been identified between levels Nv_+180 and Nv_-215 (Figure 7-11). This breccia is polymictic and consists of angular fragments of tonalite and host rock (Apolo and Calicantro units). It is matrix-supported with well-developed actinolite crystals and, to a lesser extent, with sulphides (pyrite > chalcopyrite, and limited arsenopyrite). The associated economic mineralization indicates average contents of 0.5 ppm of Au and 0.20% of Cu.

Figure 7-11: Breccia Examples

Note: *Condestable Breccia intercepted with mining work and diamond core.*

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Condestable Mine
Lima Department, Peru

Breccia Examples

Source: CMC, 2023.

8.0 Deposit Types

The Raúl-Condestable deposit is part of the mining district of the same name, where several types of mineral deposits are known including IOCG, iron oxide apatite (IOA, or Kiruna type), and skarn mineralization. At the Mine, the IOCG is the main deposit type, with the economic mineralization primarily represented by copper in chalcopyrite and subordinate local bornite. Gold and silver are obtained as by-products.

The Raúl-Condestable IOCG mineralization is characterized by its placement within the major IOCG deposits formed between 122 and 110 Ma, following the earlier IOA deposits of the Cretaceous period. This timing suggests Raúl-Condestable is part of a later mineralization phase in contrast to some of its contemporaries. Mineralogically, it is distinguished by reduced assemblages featuring pyrrhotite, iron silicates, magnetite, and pyrite, with chalcopyrite as the dominant copper sulphide. Raúl-Condestable falls under the magmatic arc or back-arc-hosted IOCG deposits, exhibiting a reduced to intermediate-redox state within a syn-subduction and extensional tectonic setting. This environment is conducive to brittle deformation. Alteration phases indicate a progression from sodium to iron-potassium and finally to calcium-iron-potassium, associated with copper and, occasionally, gold mineralization. Raúl-Condestable's genesis is classified as hybrid, mainly influenced by intrusion-related magmatic-hydrothermal processes with a minor basinal input, categorizing it within the arc-hosted Andean-type IOCG deposits with a syn-subduction, pre- to early-orogenic timing. This complex interplay of geological factors underlines its significance within the spectrum of reduced, intermediate-redox, and oxidized IOCG and Fe-sulphide Cu-Au (ISCG) deposits (Skirrow, 2021).

The IOA type of mineralization was determined 1.5 km to the northwest of the Mine, at the Loma de Vincho Project hosted within the Chilca Formation, and the skarn type was identified approximately 2.5 km north of the Mine, at San Marcos de la Aguada. Both types were explored as possible extensions of mineralization at the Mine, however, the results were not encouraging.

9.0 Exploration

The Condestable operation, as part of normal activities, conducts surface and underground exploration for production planning, resource exploration, and conversion of Mineral Resources to Mineral Reserves. Historically, the Mine has been able to replace depleted Mineral Reserves and maintain a higher production rate. Exploration work is normally included in the Mine's budget.

Sampling and mapping methodologies are the same as those described for both mines in Section 10 and 11 of this report. Grab and chip samples taken on surface and underground may not be representative of the grades of the material sampled, however, they provide an indication of whether further exploration work is needed at that location. The QP is of the opinion that the exploration methods described herein are performed according to industry standards.

9.1 Surface Exploration Program

This sub-section was adapted from the BISA report (2021).

In addition to exploration at the Mine, CMC conducts regional exploration within a radius of approximately 50 km from the Mine (Figure 4-2). Regional exploration includes surface mapping, rock sampling, trenching, and diamond drilling, with a long-term objective of increasing Mineral Resources. CMC has carried out three stages of surface exploration, as described below.

9.1.1 Stage 1: Pre-Field Analysis

This analysis consists of the review of public information extracted from different sources to obtain the initial information on the area of interest that allows the development of an initial conceptual model. Geological staff construct field maps using satellite images and aerial photographs to interpret lithological, structural, and geomorphology data.

9.1.2 Stage 2: Mapping and Sampling

The CMC staff perform mapping of lithology, alteration and structure, and conduct some field sampling. They create geological maps at a scale of 1:5,000 to 1:10,000, incorporating the field data gathered during the prospecting stage. The collected data is then interpreted to define exploration targets, marking the beginning of an exploration program that aims to obtain detailed geological information, including lithological composition, alteration, and structural characteristics.

To conduct geochemical sampling, pits and/or trenches are excavated, and collected samples are assayed. Assay results determine whether geophysical prospecting or alternative methods should be employed.

9.1.3 Stage 3: Determine Exploration Potential

Based on the field data collected, the study area undergoes evaluation and decision-making processes to determine whether to proceed with or abandon the exploration program in the study area. If positive economic mineralization is detected, the exploration program advances to a diamond drilling program to test the continuity of the identified mineralization at greater depths. As of 2021, CMC is focusing on three main areas (Figure 9-1).

9.1.3.1 Cerro Pacay Project

The Cerro Pacay Project is located 1.9 km to the southeast of the old Raúl-Condestable open pit, in the district of Asia.

Mapping results conclude that some units of Raúl and Condestable are still present, but with much less intense alteration, minor mineralization, hydrothermal alterations and sparse strongly oxidized and leached structures.

The interpretation of the lithological, mineralogical, and structural mapping indicates that the northwest sector is economically attractive in terms of mineralized beds and bodies. It lacks volcano-sedimentary sequences and has limited intrusions, except for the subvolcanic intrusives in the southern sector that contain copper. These intrusives mineralize and alter the surrounding rocks, including disseminated chalcopyrite in the sandstones of the Morro Solar Group. Additionally, remnants of oxidized and leached structures are found in this area, suggesting the presence of veins that may continue from those in the Mine and cross the Calicantro Fault.

There are also favourable volcano-sedimentary sequences (Pucusana and Pamplona) which are restricted to the southwest of the property, while the central part is dominated by the Morro Solar Group sandstones and the north-northeast part is dominated by the shales and siltstones of the Asia Formation.

9.1.3.2 Condestable 10 Project

The Condestable 10 Project is located within the Condestable Accumulation concession nine kilometres north of the Mine, in the western foothills of the Western Peruvian Andes Range with altitudes between 415 MASL and 625 MASL.

Based on the lithological, mineralogical, and alteration characteristics observed during a geological survey conducted in 2016, the Condestable 10 Project has the potential to contain a mineral deposit of the IOCG type.

Lithologically, the volcanic rocks on the property consist of fresh lava flows, with no evidence of hydrothermal alteration or magmatic contribution since mineralization is generally restricted to the zone of supergene alteration.

Mineralization at the Condestable 10 site is restricted to small of quartz-calcite-green copper oxides, calcite-green copper oxides, and occasionally calcite-chalcopyrite-magnetite. Structural control has not been defined, so its importance for mineralization is not yet established.

Geochemical correlations have been observed for copper, which is correlated with Mo, Pb, Zn, and Ag. Gold, although scarce in the area, tends to correlate with Ag, Cu, and Mo.

CMC proposes to continue with exploration work to further define the geoeconomic interest.

9.1.3.3 Condestable Norte Project

Considered to be brownfield exploration target, the Condestable Norte Project is located immediately northeast of the Condestable mine.

Surface mapping has been carried out focusing towards the north of the Condestable mine, with the main objectives to identify and correlate the lithostratigraphic units with those established for the Raúl-Condestable area, to define any structural controls, and to generate exploration targets.

The integration of results of the surface mapping, relogging of diamond drill holes, reconnaissance work at level +180 (Condestable mine), interpretation of geological sections, and analysis of lineaments allowed construction of a geological model which confirms the continuity of some of the lithological units to the north, with notable variations in size and extent, but not in the style of mineralization that is present at the Mine.

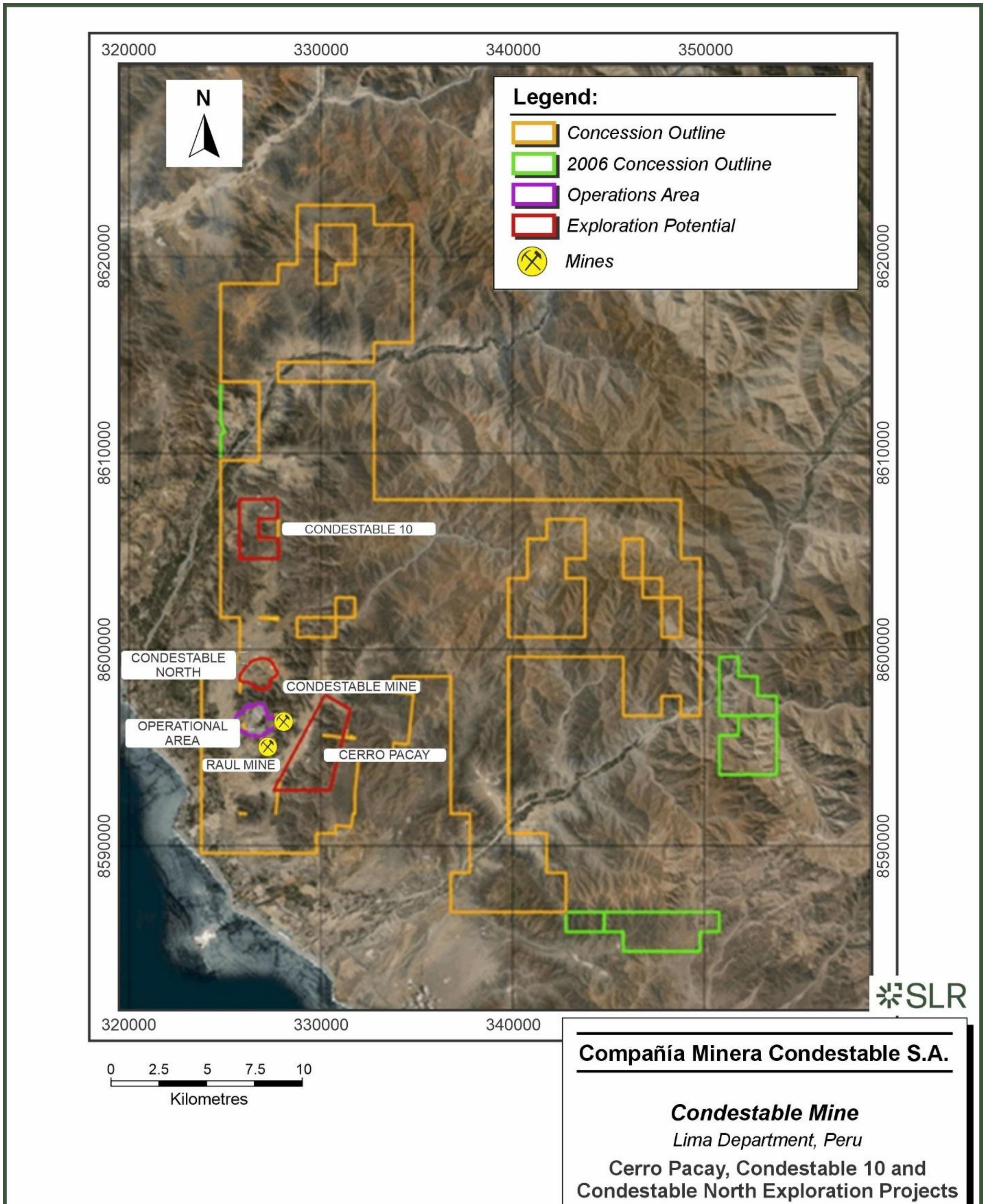
The Condestable Norte Project is located between two types of deposit styles: IOCG mineralization, which is the main type at the Mine, and skarn mineralization, which is the main type at San Marcos de la Aguada, approximately 2.5 km north of the Mine. The main geochemical and alteration anomalies are located to the north in the vicinity of San Marcos de la Aguada, where the Chicharron Unit hosts (1) manto-type structures with iron oxides, which in some cases report incipient copper mineralization; and (2) faults with copper oxide contents .

At Condestable Norte, the mineralogical associations of hydrothermal alteration are restricted to actinolite, chlorite, albite, epidote, and occasionally silicification that weakly affect the volcano-sedimentary units. In San Marcos de la Aguada, outcrops with garnet concentrations indicate a weak to incipient skarn alteration style developed in the Chicharron Unit.

The hydrothermal system in the San Marcos de la Aguada sector is related to the intrusion of a medium-grained dioritic porphyry, which may have created hydrothermal conditions for skarn horizons containing pyrite, pyrrhotite, magnetite, and anomalous values of gold and copper. This type of mineralization may indicate some distance from the most intense parts of the hydrothermal system. The main structural controls include lineaments, faults, and fracturing patterns with mostly northeast-southwest, northwest-southeast, and east-west directions. Northeast-southwest and northwest-southeast directions correspond to dextral faults with normal components (Condestable Fault and Fault 07 projection), while the east-west system is suggested to correspond to the distended manifestations of the previous systems. CMC intends to explore the San Fernando northwest-southeast structural lineament, located within the Condestable fault system, using geophysical methods: induced polarization (IP), magnetometry, and gravimetry. Section lines are planned to be oriented N71° and spaced every 100 m. Based on results of these surveys, CMC will prepare a diamond drilling plan to test this structure.

CMC has submitted internal proposals to carry out exploration drilling that crosses the entire volcano-sedimentary sequence, within the boundaries of the Morro Solar Group.

Figure 9-1: Cerro Pacay, Condestable 10 and Condestable North Exploration Projects



Source: BISA, 2021.

9.2 Underground Exploration

Condestable has an annual underground development and diamond drilling exploration program, with the main objective to increase the Mineral Resource base for the mining operation. Much of the exploration drilling is done from within the mines, which requires significant underground development to provide adequate drill chambers.

9.2.1 2022 Work

In 2022, geological staff reviewed the extant Mineral Resource model for opportunity, and focused on a previously discovered extension of the mantos of the Apolo Unit at level -550 in the deep southeast sector of the Raúl mine. This volume tends to make up for material being lost to a 45° dipping tonalite in the northeast sector of the mine.

After generating geological interpretations on four sections, Raúl mine staff drilled three holes with a total length of 2,761 m. The holes intersected mineralization including quartz chalcopyrite and pyrite material with 2.59% Cu, 1.19 g/t Au, and 13.76 g/t Ag. This mineralization serves to define a new exploration target for Mineral Resources between levels -550 m and -880 m, and fulfilled part of the program objective to define new material between -500 m and -1,000 m RL.

10.0 Drilling

Exploration and mining drilling uses industry standard methods. CMC operates its own drilling equipment capable of drilling HQ (63.5 mm), NQ (47.6 mm), TT46 (46.18 mm), and BQ (36.5 mm) core, depending on the planned length and dip of the holes. CMC has also used drilling contractors to assist in delivering the planned exploration drilling programs, as required. The coordinate system used for collar location is UTM, Datum WGS 1984, Zone 18 South, and Geoid EGM2008 PERU. Drillers recover the core from the drill rod core barrels into the core boxes appropriate for the drill core diameter. The boxes were made of wood until 2018, when CMC changed to plastic. The drillers label the boxes with hole ID and start/end depths, and also mark the end of each run with the depth, length drilled, and length recovered on wooden tags. Core boxes are fixed with a lid at the drill and transported to the facilities of the Cuevas camp for logging and sampling.

Geological supervision of the drilling is continuous in the process. Planned drill holes are entered into the PeopleSoft (Oracle) database software, and are marked in the underground drilling stations by the surveying and planning department. Upon completion, collar and downhole survey pickups are also performed by the surveying and planning department.

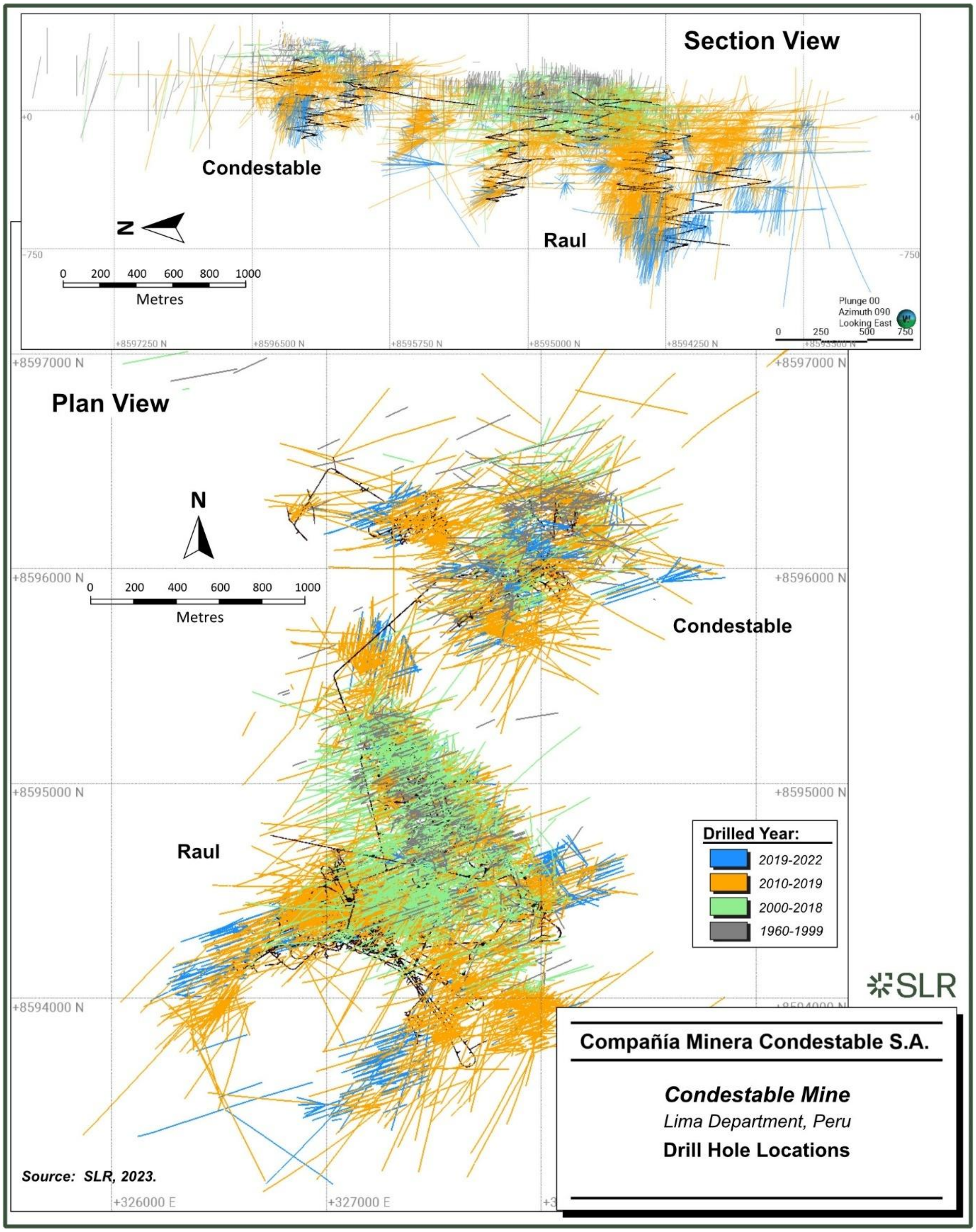
The first recorded drilling on the property was by Nippon in 1961. Drilling from 2007 to 2011 by CMC was described in SRK (2011 and 2012). The drilling on the property since 2007 is summarized in Table 10-1 and illustrated in Figure 10-1. CMC completed 1,317 diamond drill holes (DDH) between 2019 and 2022, in four drilling campaigns totalling 181,332.40 m. Since the last Technical Report (RPA, 2018), CMC has drilled a total of 2,418 holes comprising 357,210.2 m. The current Mineral Resources are based on diamond drilling and underground channel sampling.

Table 10-1: Summary of Drilling – 2007 to 2022

Year	Number of Drill Holes	Metres Drilled
2007	275	38,250
2008	382	50,637
2009	532	61,771
2010	549	71,328
2011	591	79,390
2012	580	90,429
2013	499	66,788
2014	640	80,124
2015	853	81,817
2016	782	78,181
2017	1,170	145,228
2018	896	145,115.65
2019	432	70,036.10
2020	100	13,281.30
2021	351	39,458.50

Year	Number of Drill Holes	Metres Drilled
2022	431	58,162.40
Total	9,063	1,169,997

Figure 10-1: Drill Hole Locations



10.1 Drill Hole Collars and Downhole Surveys

The location data of the drill hole collars are collected by the CMC surveying department with a total station according to an established topographic survey procedure titled "PLA-P-002 Marcado de Proyectos Nuevos en Mina; Pla-P-001 Levantamiento y Actualizacion Topográfica de Labores Hor". The collected data are sent via report document or email to the database administrator for direct import, thus avoiding typing errors. A backup copy of the report document is saved for future audits. There are collar survey certificates only from the year 2021.

The drill hole collar coordinates were reported in a single grid system. The coordinates were converted to WGS 84 UTM Zone 18S using ArcGIS software. The collars were verified by plotting the coordinates against a satellite image involving the CMC concessions.

The downhole surveys in the drilling programs from 2009 to 2018 were carried out with Reflex EZ-Trac (magnetic) equipment via contract. The surveyors used a calibrated receiver configured together with the reflex equipment to obtain measurements sent to the company's system. From 2019 to date, drill hole deviation measurements have been made every 30 m with a Devishot magnetic instrument, an instrument which measures azimuth/dip and inclination angle.

Downhole survey data are available for 1,296 drill holes out of 1,314 drill holes completed in 2019 to 2022. In 2019 and 2020, readings were generally recorded every 15 m using the Devishot magnetic instrument. Starting in 2021, measurements were taken every three metres using a DeviGyro non-magnetic instrument. The DeviGyro is a miniature, non-magnetic measurement sensor based on solid-state technology. As the DeviGyro travels down the hole at a high speed; the gyro sensor detects and quantifies deviations and takes measurements on all diameters with adjustable centralizers. The results are analyzed and processed with an advanced quality control system that ensures the precision and repeatability of the data, regardless of the direction, inclination, and position of drill holes or platforms.

10.2 Drill Core Recovery and Quality

Prior to measuring core recovery parameters and rock quality designation (RQD) data, visual checks are performed to ensure the drill core is correctly put together and labelled. The core recovery and rock quality for each borehole are then measured by geologists or sampling technicians, and recorded into the logging database. The % RQD is automatically calculated from recovery measurements in the database. Recovery is generally measured along the 1.5 m runs. The RQD measurement is taken on fragments greater than or equal to 10 cm along each run.

The average core recovery for diamond drill holes is >99%. The zones with poor recovery are associated with intensely fractured or faulted material. Less than 27% of the values of recovered lengths are less than 1.00 m. Short lengths sometimes reflect problems in 1.50 m or 3.00 m drilling rod penetration, loss of drilling time, increases in cost/metre, or delays in meeting geological objectives.

The core recovery and RQD in each campaign from 2019 to 2022 are summarized in Table 10-2.

Table 10-2: Diamond Drill Core Recovery: 2019 to 2022

Year	Recovered Length Metres (Min-Max)	Mean Recovery %	Mean RQD %	Drilling Diameters
2019	0.10-3.10	99.92	71.29	HQ, NQ, TT46, BQ.

2020	0.20-3.10	99.85	68.59	HQ, NQ, TT46.
2021	0.20-3.10	99.95	77.73	HQ, NQ, TT46, BQ.
2022	0.10-3.10	99.97	77.93	HQ, NQ, TT46.
Total		99.92	73.89	

10.3 Core Logging and Sampling

Mineral Resource estimates for the Mine are based on diamond drill core samples.

Geological logging includes lithology, alteration, mineralization, and structure. Drill samples for assay are selected by a geologist based on lithology and sulphide content. A Quick Log is included for daily reporting. Generally, the sampling intervals are 0.2 m to 2 m maximum in mineralized zones. Mineralized intervals are sampled with ‘shoulders’ of 2.0 m. Geologists also take lithological contacts into account when splitting sample boundaries. Geologists assign a sample ID to the interval using sample ticket books, also entering information on the hole and sample location into the paper ticket book, as well as the logging database. The cut line is marked using a green pencil, and sample intervals are marked with an indelible marker on the box with the beginning and end of each sample.

For insertion of control samples, quality control (QC) consists mainly of duplicates (samples prepared from the same interval including coarse rejects or quarter core). A QC sample is inserted every 20 samples with two labels, one for the original sample and a second for the duplicate sample. Blank and standard QC control samples are also inserted during the logging, with a single sample ticket indicating the original position of the control sample. Overall, QC sample standard, blank, and duplicate insertion represents approximately 16% of the total sampling.

Core boxes are photographed before sampling, prior to storage. The geological assistant is responsible for taking photos using a digital camera in natural light. The photos taken must contain a label with the name of the drill hole, from and to downhole depths, and a scale bar. Photos are taken in the field, uploaded to a computer, and reviewed by the supervising geologist.

The sample cutting process is performed using two automatic electric cutting machines. Once core is cut, samples are placed in previously coded sampling bags (barcode and break-down part of the card), then the bags are sealed to prevent contamination, and the sample data is entered into the sampling book. The other half of the core is returned to the core boxes for storage in CMC’s core storage facility. The boxes are identified with the borehole ID and from and to depths; however, the sample interval and sample code are not marked on the box.

Samples were transported to the CMC laboratory for analysis (including internal laboratory QC) by CMC staff. Approximately 4% of the pulps were selected for reanalysis by an external laboratory.

Batch IDs and shipping orders from log to laboratory are generated in PeopleSoft (Oracle) software, and sent by email to the laboratory prior to sample shipment. Sample batch and shipping order details are encoded onto the plastic shipping bags. The database manager prepares the QC samples, including the blanks, duplicates, and standards into the sample batches. The samples shipments are packed in bags labelled with the information prior to travel to the CMC laboratory.

A summary of the drill logging and sampling workflow is presented in Figure 10-2.

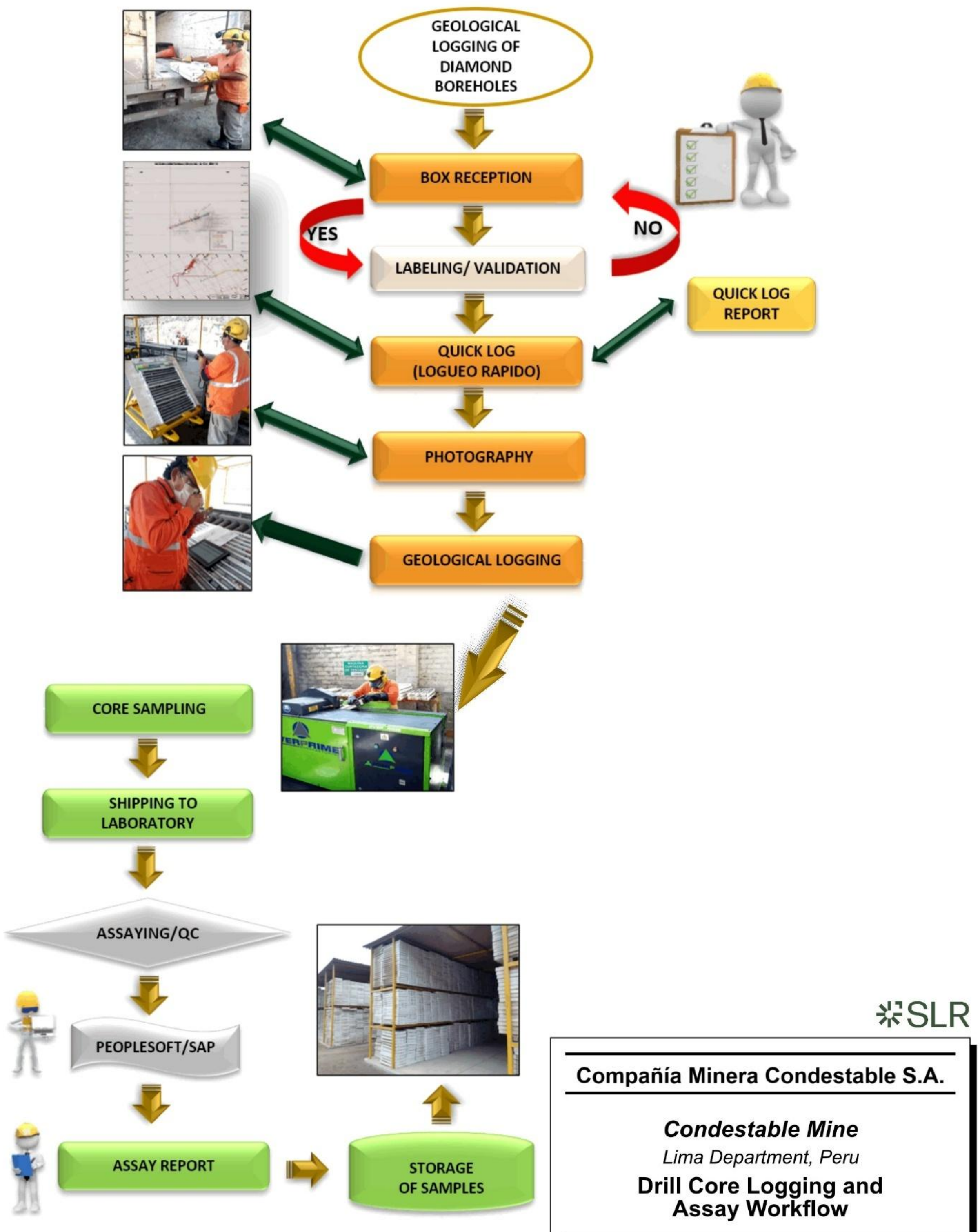
For density measurements, a 10 cm long representative part of the core is taken from each sampling interval for the measurement in the CMC laboratory using the water displacement specific gravity method. Approximately two percent of the total samples are sent to the Bureau Veritas Inspectorate Laboratories in Callao, Peru (BVIL) for external control.

Underground channel samples, which are used for short term models, and not for the Mineral Resource estimate) are taken by making a series of cuts on drift ribs at regular (also maximum) 2.0 m intervals, perpendicular to the sulphide mineralization, using an Atlas Copco Partner K3000 handheld rock saw. Samples where the sulphide zone is thin (less than 0.7 m), the channel width is increased to 20 cm to ensure a minimum sample weight of 2.0 kg.

10.4 Discussion and Recommendations

The QP is of the opinion that the drilling, surveying, logging, sampling, and transport workflows are performed according to industry standards. The QP is not aware of any drilling, sampling, or recovery factors that could materially impact the accuracy and reliability of results.

Figure 10-2: Drill Core Logging and Assay Workflow



Source: SPM, 2023.

11.0 Sample Preparation, Analyses, and Security

11.1 Sample Preparation and Analysis

11.1.1 Preparation and Assay Laboratories

Since 2019, CMC has employed its own laboratory at site for the preparation and analysis of the core samples for copper, silver, iron, soluble copper, and gold. Prior to 2019, gold was analyzed by Bureau Veritas Inspectorate Laboratories in Callao, Peru (BVIL). The CMC laboratory is accredited by National Quality Institute (INACAL) INTP-ISO/IEC 17025:2006 for selected analytical methods.

As part of the QA/QC program, CMC has been using two secondary laboratories, including:

- ALS Limited (ALS), Callao, Peru – up to 2016. Accredited to ISO/IEC 17025:2005 for specific analytical procedures.
- BVIL, in Callao, Peru – 2016 to 2022. It holds certification to ISO 17025:2017 standards for specific analytical procedures.

Both ALS and BVIL are independent of CMC.

11.1.2 Sample Preparation and Analysis Procedures

The sample was logged in the tracking system, weighed, dried, and finally crushed to greater than 75% passing a 2 mm screen. A split of between 150 g and 200 g was taken and pulverized to more than 95% passing a 140 mesh (106 μm) screen. Following preparation, samples were ready for analysis at the same facility at site.

Assays were processed and analyzed by the CMC laboratory at site. Each sample was analyzed by a multi-element procedure which uses HCl and HNO_3 digestion and atomic absorption spectroscopy (AAS) for Cu, Ag, and Fe, H_2SO_4 digestion with an AAS finish for soluble Cu, and fire assay with an AAS finish for Au. All samples returning copper and gold values above the upper detection limit were sent to an external laboratory for reassay and then updated in the database.

Prior to 2019, gold analysis was completed at BVIL by standard fire assay with an AAS finish (FA430). In the cases where the gold AAS upper limit of 10 ppm was reached, the sample was tested using a gravimetric analysis method (FA530_CLL).

11.2 Sample Security

Samples were shipped in rice bags by truck to the CMC laboratory at site. Chain of custody procedures consisted of completing sample submittal forms accompanying the sample shipment sent to the laboratory to ensure the laboratory received all samples. All data from drill programs are centralized and controlled using PeopleSoft (Oracle) software (including collar, survey, assay, geology, geotechnical, and density), and the database is managed by two administrators who register and edit (and the other users can only register) information.

Drill core is stored at the on-site core storage facility, the grounds of which are locked at night and surrounded by a high fence. The storage facility is open at the sides and covered with a corrugated iron roof. A core storage map is maintained by on-site technicians. Pulps and coarse rejects are shipped back to the on-site facility by the laboratory where they are also stored with reference to individual sample locations.

11.3 Quality Assurance and Quality Control

Quality assurance (QA) involves providing evidence that assay data meets accepted precision and accuracy standards for the sampling and analytical methods used. This evidence is crucial for providing confidence in resource estimates or assay results. On the other hand, quality control (QC) encompasses procedures aimed at maintaining a sufficient level of quality throughout the process of collecting, preparing, and assaying exploration drilling samples. Generally, QA/QC programs are designed to prevent or identify contamination and enable the quantification of assay (analytical) precision, repeatability, and accuracy. Additionally, a well-implemented QA/QC program can reveal the overall variability in the sampling and assaying process itself.

The QP reviewed the QA/QC results from all the drilling campaigns to the year 2022 and is of the opinion that the sample preparation, analysis, and security procedures at CMC are adequate and the results are acceptable for use in the estimation of Mineral Resources.

The CMC QA/QC program included the insertion of the following samples into the sample stream:

- Blank samples: fine or coarse blanks to check for contamination;
- Certified reference material (CRM): three different grade standards with known values to check for accuracy;
- Field duplicates, coarse duplicates, and pulp duplicates, to evaluate precision;
- Check assays, to assess accuracy of the primary assay through a third-party laboratory.

11.3.1 QA/QC Protocols

QA/QC protocols involve the insertion of:

- CRMs, with an insertion rate of 4%
- fine and coarse blank samples, each at an insertion rate of 2%, within or immediately after mineralized intervals
- field duplicates of split core, reject duplicates, and pulp duplicates, each at an insertion rate of 2%

In addition, 4% of the pulp duplicate check samples are sent to an external assay laboratory. QA/QC samples represent approximately 16% of the total samples. QC samples are randomly inserted at the primary laboratory (CMC), where laboratory personnel organize the samples in accordance with the sequence specified in the analysis request forms. This facilitates random insertion of QA/QC samples in the sample batch by the geologist.

The database administrator routinely monitors the results and determines whether reanalysis of an entire batch is necessary. Additionally, reports are periodically issued to document the QA/QC results and outline the actions to be taken following the identification of failures.

A total of 931,152 drilling samples were submitted to the CMC laboratory, which included 107,379 QA/QC samples. These comprised 6,450 fine blanks, 16,422 coarse duplicates, 28,867 CRMs, 18,485 field duplicates, 19,114 coarse duplicates, and 18,041 pulp duplicates. Additionally, CMC utilized BVIL as a secondary laboratory, submitting 2,316 pulp samples from the 2020 to 2022 drilling campaigns, accompanied by blanks, standards, and duplicates, for umpire analysis.

Table 11-1: Summary of QA/QC Submittals from 2007 to 2022

QA/QC Sample	Year																Total
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Coarse Blank	125	1,338	1,451	1,127	424	514	816	573	616	1,057	3,354	1,982	1,212	155	776	902	**16,422**
Coarse Duplicate	156	1,456	1,482	1,111	1,337	709	667	552	821	1,841	3,364	2,630	1,216	155	715	902	**19114**
CRM	57	607	791	931	663	716	1,662	1,196	1,218	2,185	2,796	6,789	3,646	465	2,440	2,705	**28,867**
Fine Blank	-	-	-	-	-	-	-	-	-	-	773	2,616	1,230	155	773	903	**6450**
Pulp Duplicate	148	1,803	1,458	1,111	670	722	668	580	894	1,831	2,568	2,604	1,212	155	715	902	**18,041**
Field Duplicate	153	1,199	1,484	1,325	672	584	431	562	1131	2,990	2,963	1,958	1,202	155	774	902	**18,485**
Total	**639**	**6,403**	**6,666**	**5,605**	**3,766**	**3,245**	**4,244**	**3,463**	**4,680**	**9,904**	**15,818**	**18,579**	**9,718**	**1,240**	**6,193**	**7,216**	**107,379**

11.3.1.1 Certified Reference Materials

Results of the regular submission of CRMs (standards) are used to identify issues with specific sample batches and long-term biases associated with the primary assay laboratory. SLR reviewed the results from 19 different standards used from 2007 to 2022.

A total of 28,867 CRMs were prepared from the CMC matrix and certified by ALS (Series N1 – N5), SGS (Series N5-N6), Activation Laboratories Ltd. (Series N7 – N14), or Moncada's Consorcio e Ingeniería (Series N15 – N21). The CRMs were randomly inserted into the stream of samples and consequently submitted to the CMC laboratory. Table 11-2 provides a summary of the analyses of these CRMs.

CMC evaluates accuracy by calculating the mean and standard deviation (SD) of the CRM populations. Samples that exceed ± 2SD limits are considered as failures. SLR concurs that this approach is appropriate for assessing the laboratory's performance.

SLR selected three CRMs for in-depth review, representing the average, low, and high copper grade spectra. These CRMs were chosen based on their extensive sample populations and prolonged usage periods, facilitating a thorough analysis.

Table 11-2: Expected Values and Ranges of CRM

CRM	Element	Period Range	No. Samples	SD	Mean	Expected Value	Num Outliers	Bias (%)	Percentage Outliers (%)
MR2	**Cu**	(2007, 2009)	967	0.20	1.23	1.18	9	4.30	0.93
MR3	**Cu**	(2009, 2015)	2,052	0.11	1.39	1.43	32	-2.98	1.56
MR4	**Cu**	(2009, 2014)	2,455	0.23	1.89	1.93	42	-2.13	1.71
MR5	**Cu**	(2013, 2015)	1,368	0.12	0.95	0.96	7	-1.36	0.51
MR6	**Cu**	(2014, 2017)	1,300	0.06	1.45	1.42	51	1.96	3.92
MR7	**Cu**	(2015, 2017)	1,820	0.04	0.86	0.876	58	-1.72	3.19
MR8	**Cu**	(2015, 2017)	1,667	0.06	2.07	2.053	77	0.84	4.62
	Au	(2017, 2017)	11	37.37	399.64	418	1	-4.39	9.09
	Ag	(2016, 2017)	848	0.63	5.82	6.5	29	**-10.53**	3.42
MR9	**Cu**	(2017, 2018)	1,150	0.06	1.37	1.352	31	1.47	2.70
	Au	(2017, 2018)	351	41.70	326.03	317	25	2.85	7.12
	Ag	(2017, 2018)	1,150	0.76	7.51	7.6	46	-1.17	4.00
MR10	**Cu**	(2017, 2018)	1,127	0.02	0.61	0.615	21	-1.18	1.86
	Au	(2017, 2018)	443	25.13	176.31	177	12	-0.39	2.71
	Ag	(2017, 2018)	1,127	0.68	4.27	4.55	23	-6.18	2.04
MR11	**Cu**	(2017, 2018)	1,144	0.07	1.25	1.262	16	-0.66	1.40
	Au	(2017, 2018)	502	28.43	309.00	302	19	2.32	3.78
	Ag	(2017, 2018)	1,144	0.75	7.10	7.43	47	-4.49	4.11
MR12	**Cu**	(2018, 2019)	2,087	0.07	2.19	2.218	98	-1.42	4.70

CRM	Element	Period Range	No. Samples	SD	Mean	Expected Value	Num Outliers	Bias (%)	Percentage Outliers (%)
	Au	(2018, 2019)	1,758	92.84	581.85	569	67	2.26	3.81
	Ag	(2018, 2019)	2,089	1.10	13.97	15	52	-6.89	2.49
MR13	**Cu**	(2018, 2019)	2,637	0.03	0.59	0.588	45	1.18	1.71
	Au	(2018, 2019)	2,472	41.36	170.01	178	77	-4.49	3.11
	Ag	(2018, 2019)	2,641	0.88	4.49	4.9	26	-8.34	0.98
MR14	**Cu**	(2018, 2020)	2,457	0.03	0.95	0.933	102	1.97	4.15
	Au	(2018, 2020)	2,418	66.48	254.82	262	69	-2.74	2.85
	Ag	(2018, 2020)	2,457	0.46	6.82	6.7	38	1.77	1.55
MR15	**Cu**	(2019, 2022)	2,041	0.06	1.96	1.943	58	0.91	2.84
	Au	(2019, 2022)	2,041	67.15	439.82	454	87	-3.12	4.26
	Ag	(2019, 2022)	2,041	0.60	11.32	11.6	54	-2.37	2.65
MR16	**Cu**	(2019, 2022)	1,661	0.03	0.65	0.64	37	1.64	2.23
	Au	(2019, 2022)	1,660	29.75	151.86	148	65	2.61	3.92
	Ag	(2019, 2022)	1,661	0.33	2.66	2.7	47	-1.39	2.83
MR17	**Cu**	(2021, 2022)	1,574	0.04	0.95	0.936	20	1.02	1.27
	Au	(2021, 2022)	1,574	63.94	227.94	212	53	7.52	3.37
	Ag	(2021, 2022)	1,574	0.62	8.37	8.7	97	-3.83	6.16
MR18	**Cu**	(2022, 2022)	838	0.06	2.00	2.074	37	-3.42	4.42
	Au	(2022, 2022)	838	86.04	481.13	504	36	-4.54	4.30
	Ag	(2022, 2022)	838	0.56	16.71	16.4	38	1.91	4.53
MR19	**Cu**	(2022, 2022)	372	0.01	0.42	0.423	19	-0.69	5.11
	Au	(2022, 2022)	372	18.38	88.36	88	16	0.41	4.30
	Ag	(2022, 2022)	372	0.16	2.02	2	13	1.06	3.49
MR21	**Cu**	(2022, 2022)	150	0.03	0.97	0.95	5	1.89	3.33
	Au	(2022, 2022)	150	25.64	178.70	161	5	**10.99**	3.33
	Ag	(2022, 2022)	150	0.27	6.21	6.3	9	-1.40	6.00

Notes:

1. Cu in %, Au in ppb, and Ag in ppm.

Figure 11-1 and Figure 11-2 illustrate results for copper and silver for CRM MR 8 for a total of 1,667 and 848 samples, respectively, analyzed between 2016 and 2017. Overall, the copper results are close to the expected value, while silver shows up to 10% of variability between the mean and the expected value, which is slightly exceeding the acceptance limit (±10%). Historical analysis suggests that the CMC laboratory initially showed a moderate degree of dispersion, which has seen an improvement over the observed period.

Figure 11-3 to Figure 11-5 present the results for CRM MR14 with a moderate copper grade, analyzed for copper, silver, and gold over the period from 2018 to 2020. The results indicate a consistent level of dispersion for all three elements, with a bias of up to 3% from the expected value. In a number of instances, assay failures exceeded the ±2SD limits. Copper exhibited most of these outliers, accounting for a 4.2% bias, which is still considered within acceptable limits.

The analysis of CRM MR17 samples for copper from 2021 to 2022, presented in Figure 11-6, shows acceptable scatter with a reduced number of failures. In addition, the silver assays, as shown in Figure 11-7, display a minor negative bias during the first quarter of 2021, while the gold assay results, as shown in Figure 11-8, exhibit a slightly positive bias during the same period. Both biases were corrected starting from March 2021.

Figure 11-1: Control Chart of CRM MR8 for Copper: 2016 to 2017

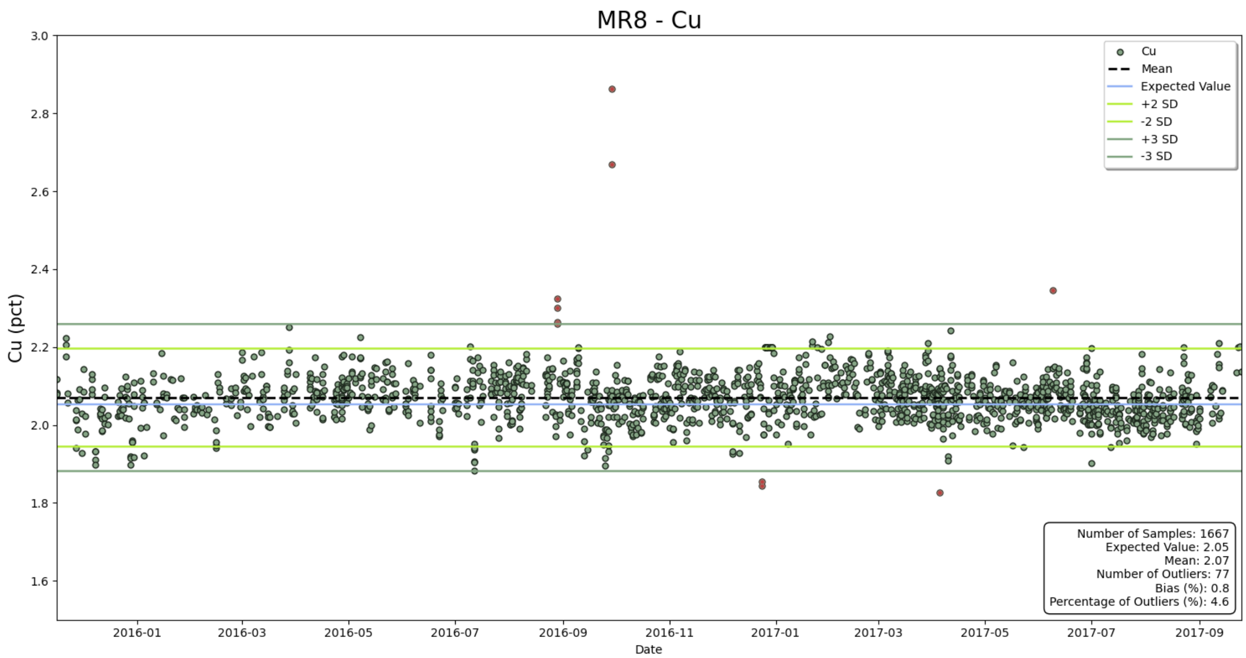


Figure 11-2: Control Chart of CRM MR8 for Silver: 2016 to 2017

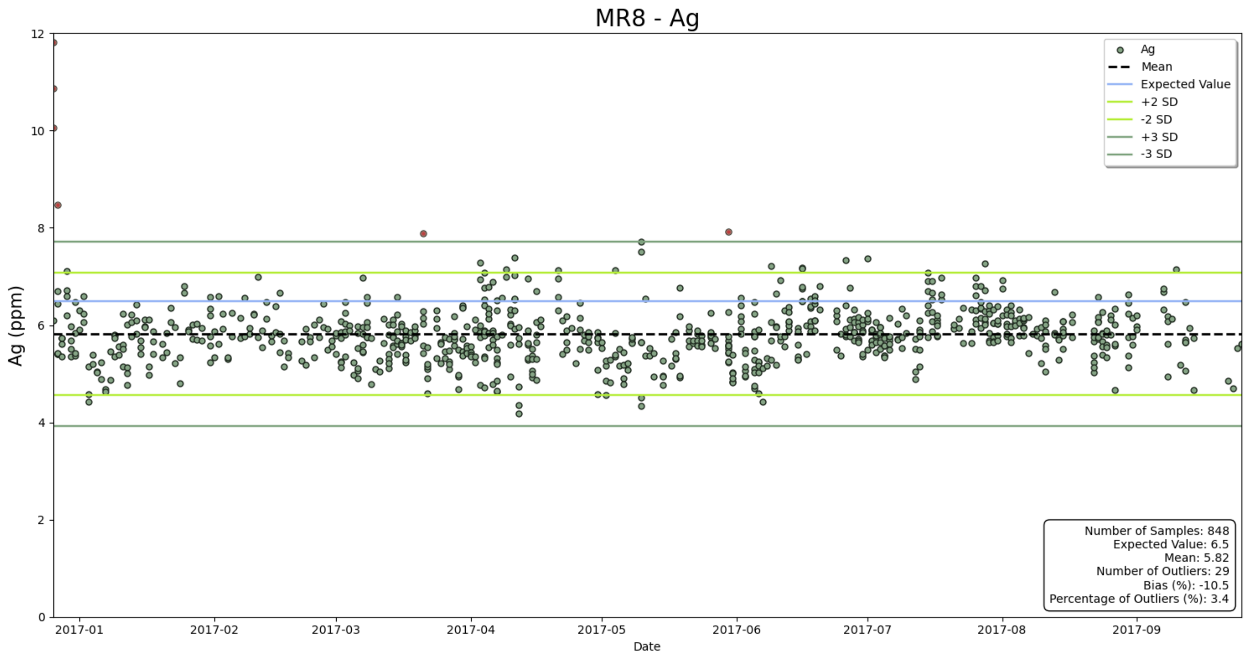


Figure 11-3: Control Chart of CRM MR14 for Copper: 2018 to 2020

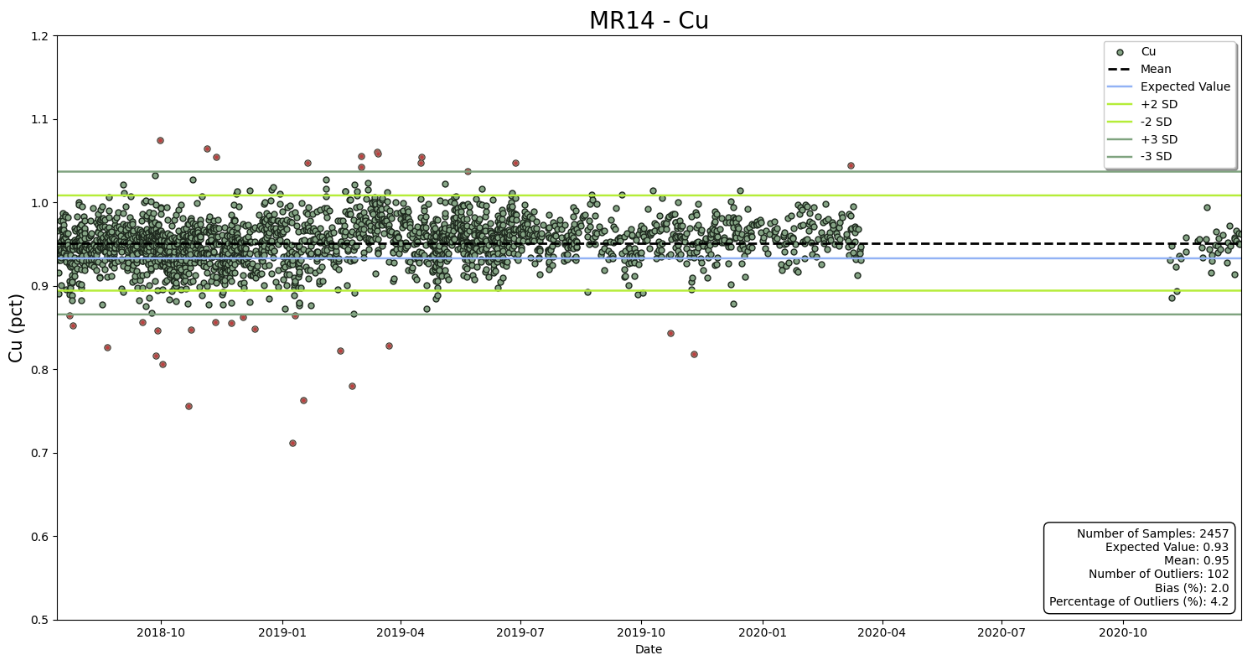


Figure 11-4: Control Chart of CRM MR14 for Silver: 2018 to 2020

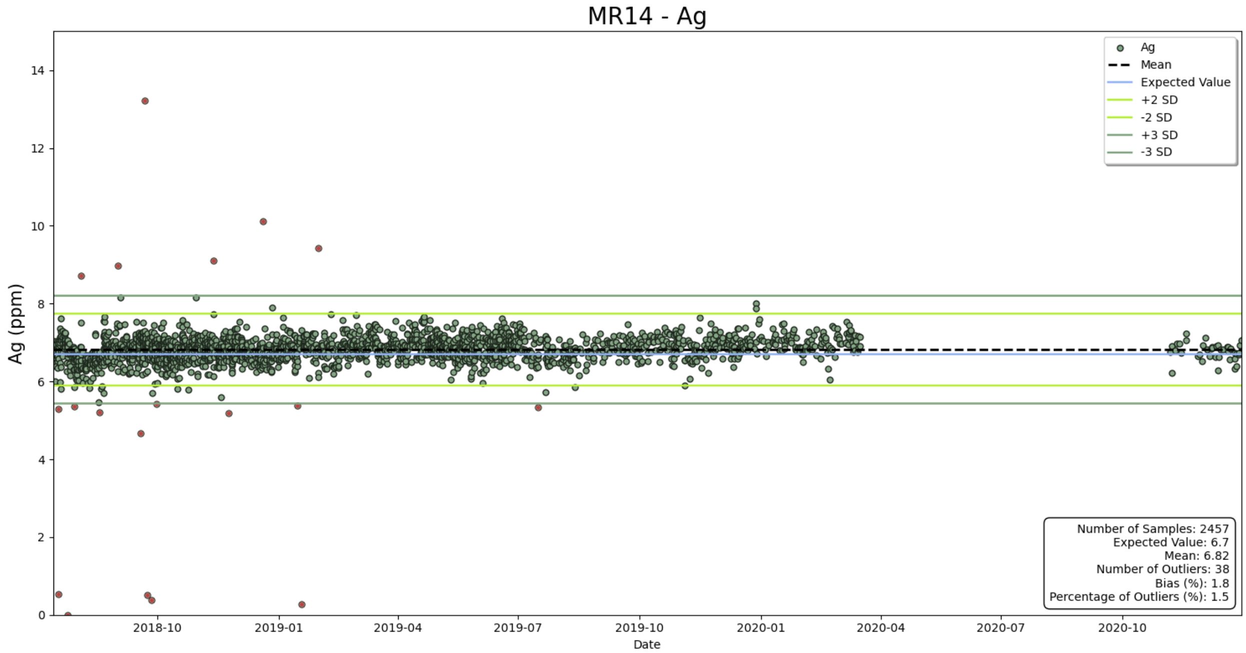


Figure 11-5: Control Chart of CRM MR14 for Gold: 2018 to 2020

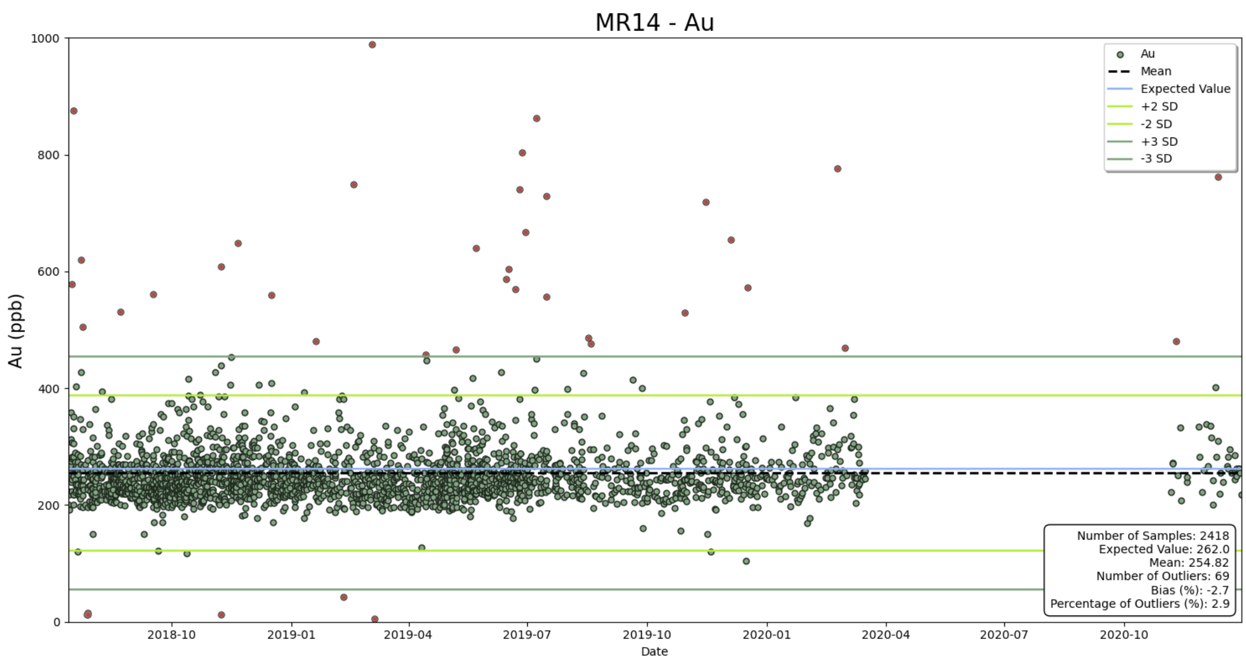


Figure 11-6: Control Chart of CRM MR17 for Copper: 2021 to 2022

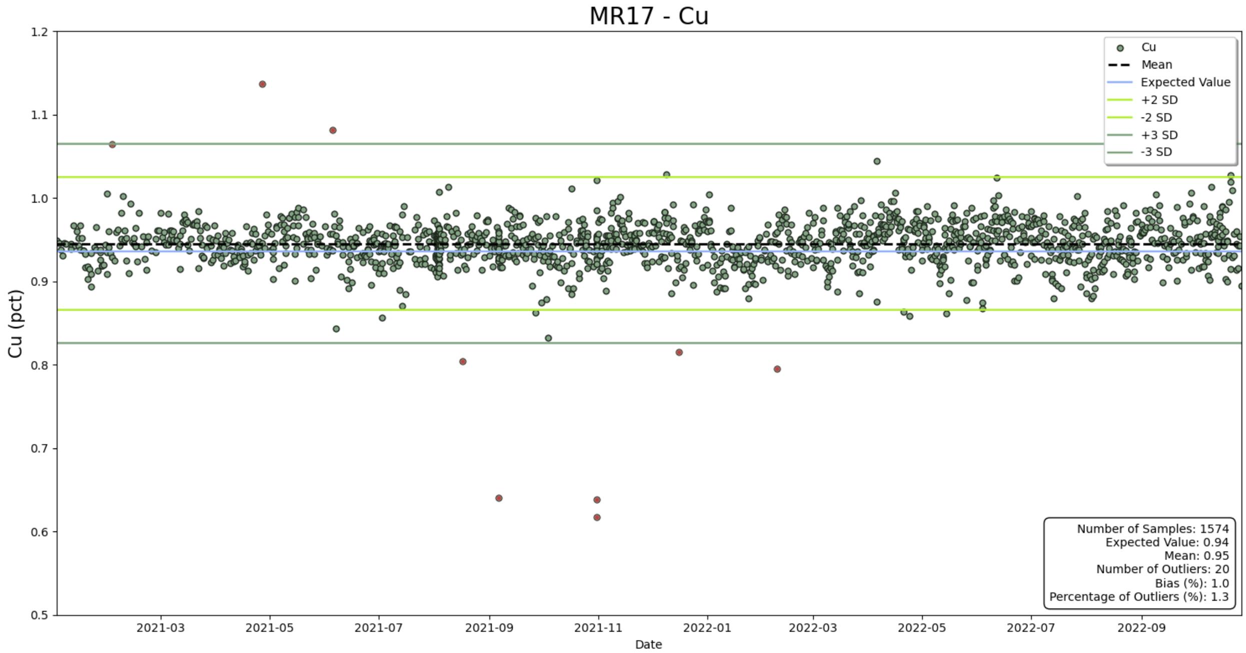


Figure 11-7: Control Chart of CRM MR17 for Silver: 2021 to 2022

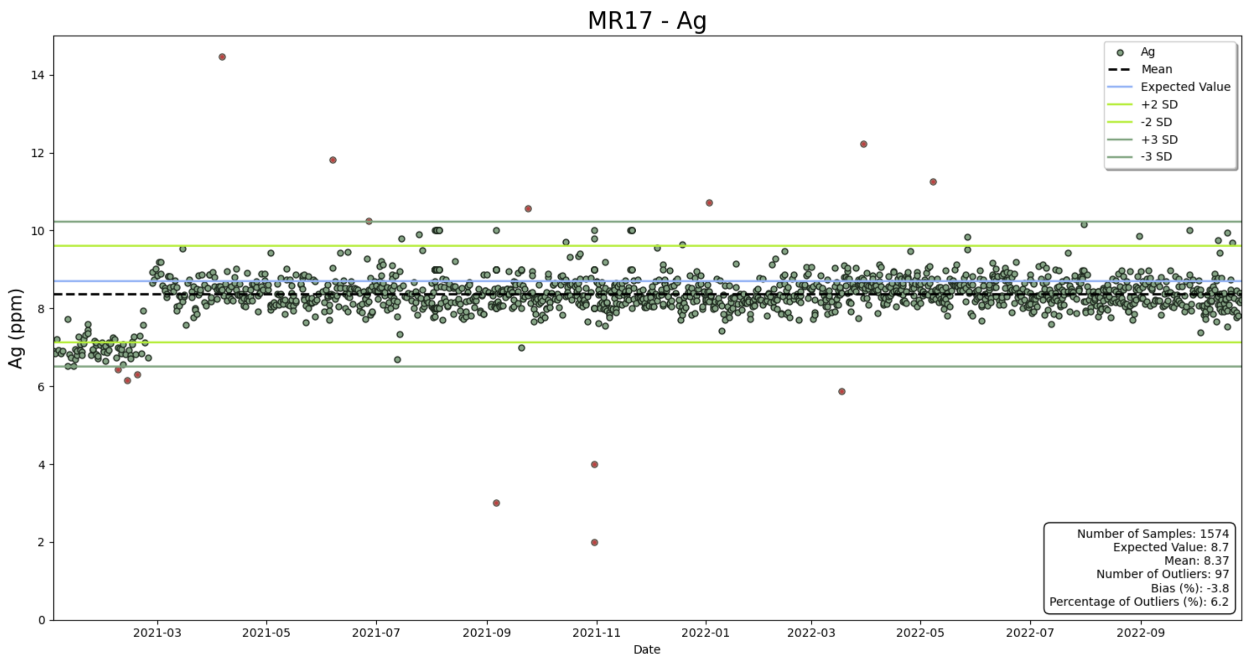
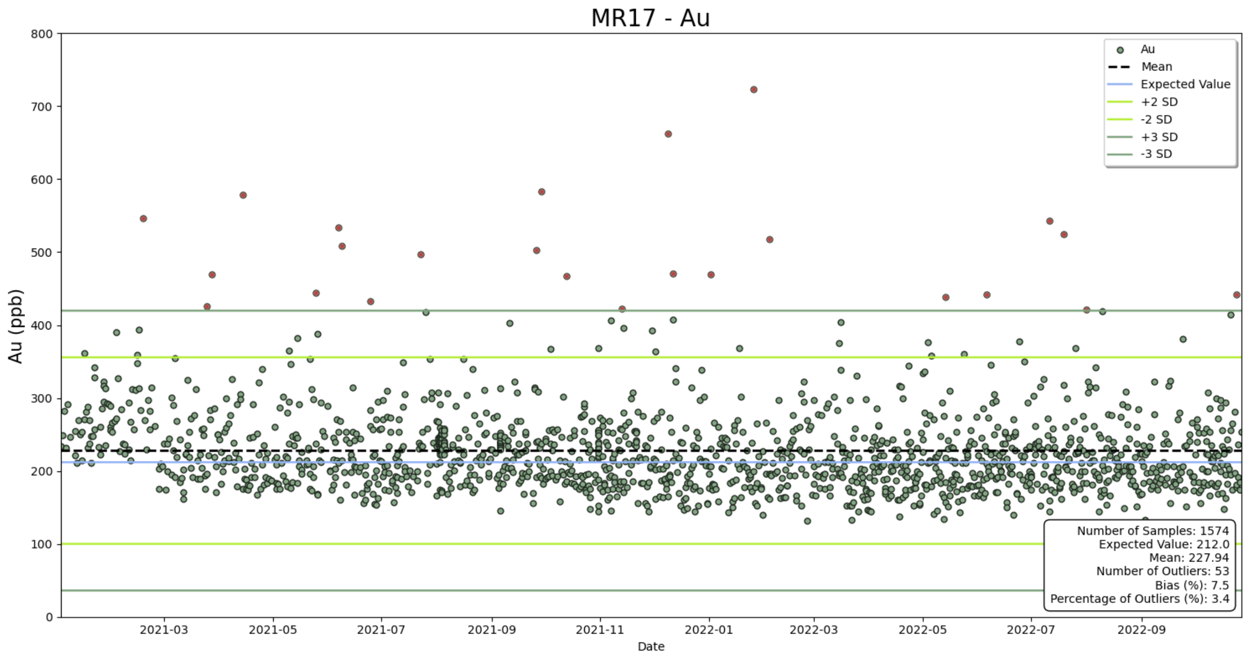


Figure 11-8: Control Chart of CRM MR17 for Gold: 2021 to 2022



SLR recommends continuous monitoring of the CRM data to ensure early detection of potential discrepancies that may require reanalysis, and to promptly identify and rectify any biases that could affect the reliability of the results.

11.3.1.2 Blank Material

The regular submission of blank material is used to assess contamination during sample preparation or analyses, and to identify sample numbering errors. Coarse and fine blank materials, sourced from either quarry materials or pre-prepared pulps with no visible mineralization, were inserted into sample streams at a rate of one in twenty samples.

A total of 16,422 coarse blanks were analyzed by the internal laboratory (CMC) between 2007 and 2022. A total of 6,450 fine blanks, supplied by commercial laboratories, were inserted from 2017 to 2022. Both coarse and fine blanks were inserted immediately after apparent mineralized intervals. Samples were considered as failures if they exceeded 0.03% Cu and 0.05% Cu for coarse and fine blanks, respectively.

Of 16,422 coarse blanks inserted, 3.5% were considered failures for copper, and 10 failures out of 6,450 fine blanks resulted in a failure rate of 0.16% (Figure 11-9 and Figure 11-10). Silver and gold analyses performed from 2017 to 2022 (Figure 11-11 and Figure 11-12) show no major occurrences or failures exceeding the acceptance limits, either for coarse or fine blanks.

In the QP's opinion, the coarse blank failure rate is acceptable, however, can be seen a high number of failures for copper, particularly between 2009 and 2010, and in other instances in 2017, 2019, and 2022 inclusive. Conversely, the fine blanks show no significant occurrences. SLR recommends investigating this contamination occurrences and review the cleaning protocols in the laboratory during crushing stage.

Figure 11-9: 2006 to 2022 Results of Cu Coarse Blank Samples

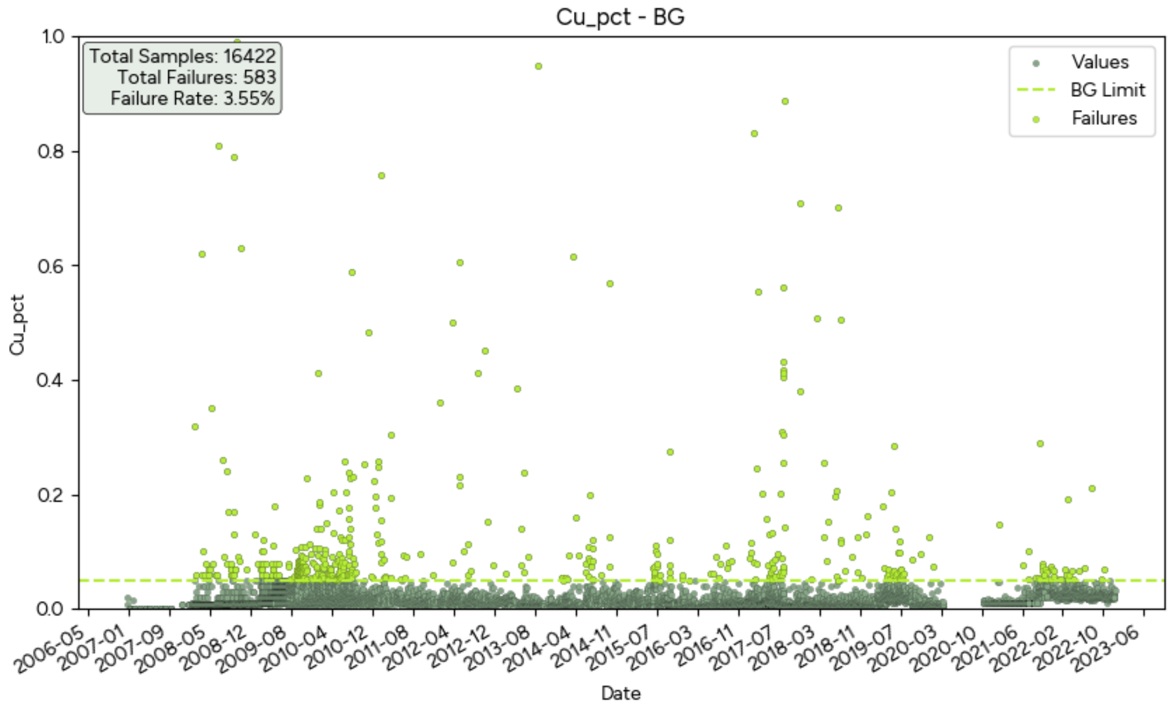


Figure 11-10: 2017 to 2022 Results of Cu Fine Blank Samples

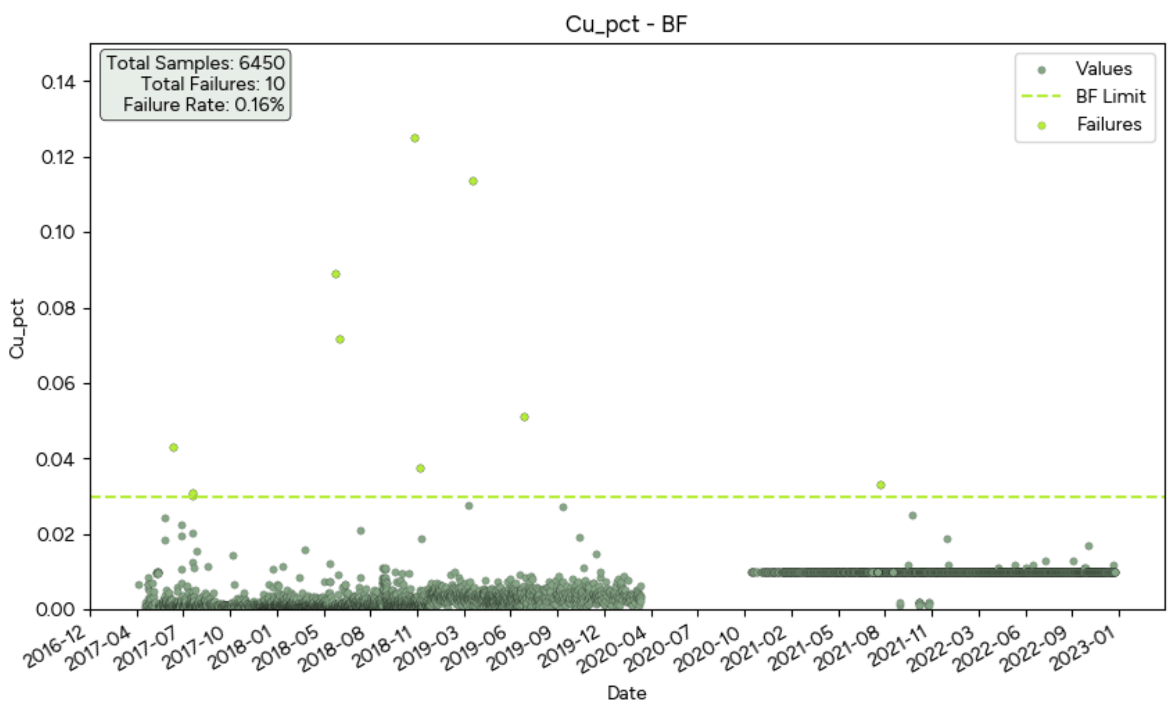


Figure 11-11: 2016 to 2022 Results of Ag Coarse Blank Samples

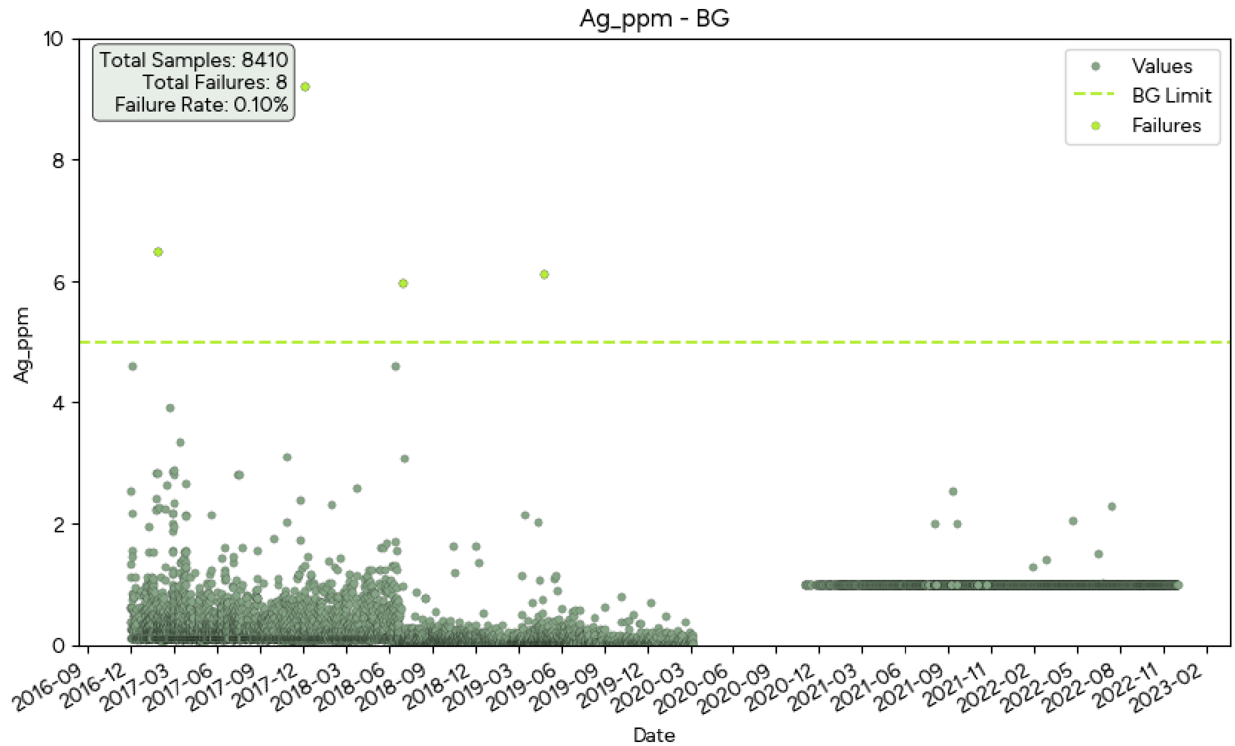
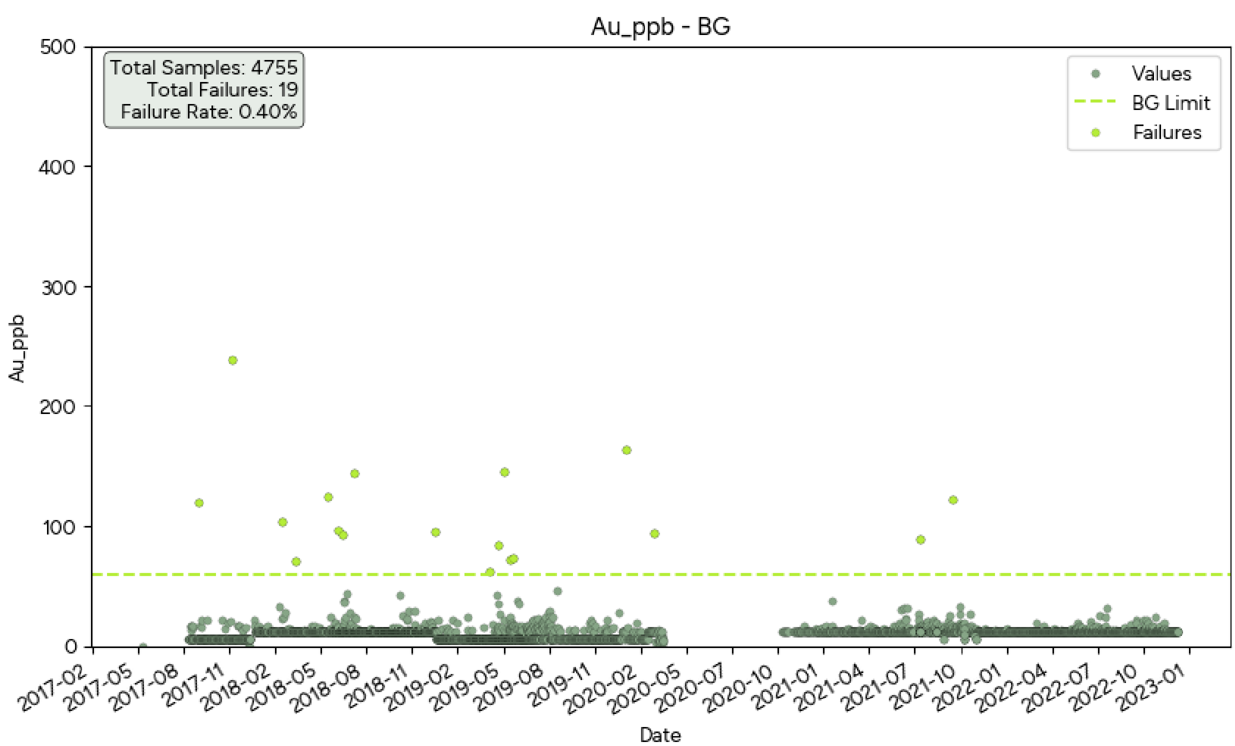


Figure 11-12: 2016 to 2022 Results of Au Coarse Blank Samples



11.3.1.3 Duplicates

Duplicate samples help monitor preparation, assay precision, and grade variability as a function of sample homogeneity and laboratory error. Field duplicates are used to evaluate the natural variability of the original core sample, as well as detect errors at all levels of preparation and analysis including core splitting, sample size reduction in the preparation laboratory, subsampling of the pulverized sample, and analytical error. Coarse reject and pulp duplicates provide a measure of the sample homogeneity at different stages of the preparation process (crushing and pulverizing).

Field duplicates are inserted into sample streams at a rate of 2%. CMC field duplicates consist of half core of any sample included in the sample stream. The duplicate can be based on any grade.

A total of 55,640 field, coarse, and pulp duplicate samples were analyzed from Condestable and Raúl. CMC conducts assessments of duplicate samples using hyperbolic function diagrams and has established a failure criterion whereby no more than 10% of the duplicate pairs evaluated should exceed the pre-determined limit for a specified duplicate type. SLR used this method to evaluate all duplicate samples from the last 15 years and select results are shown in Figure 11-13 to Figure 11-15.

Field duplicates returned acceptable failure rates of 7%, 5%, and 1% for copper, silver, and gold, respectively, where the higher failure rate for copper may be associated with the natural variability of copper in the deposit's mineralization. Coarse and pulp duplicates show good precision rates that do not exceed the 10% failure criterion and the majority of failures appear to occur when grades are close to their detection limits.

Figure 11-13: Analysis of Copper Pulp Duplicates: 2007-2022

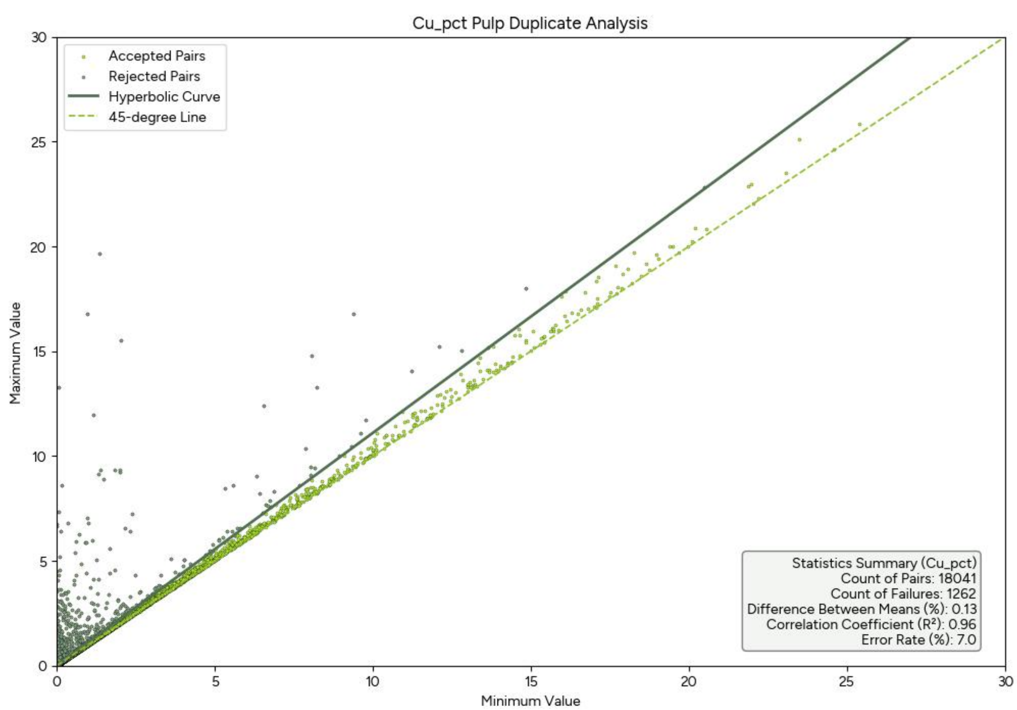


Figure 11-14: Analysis of Gold Coarse Duplicates: 2007-2022

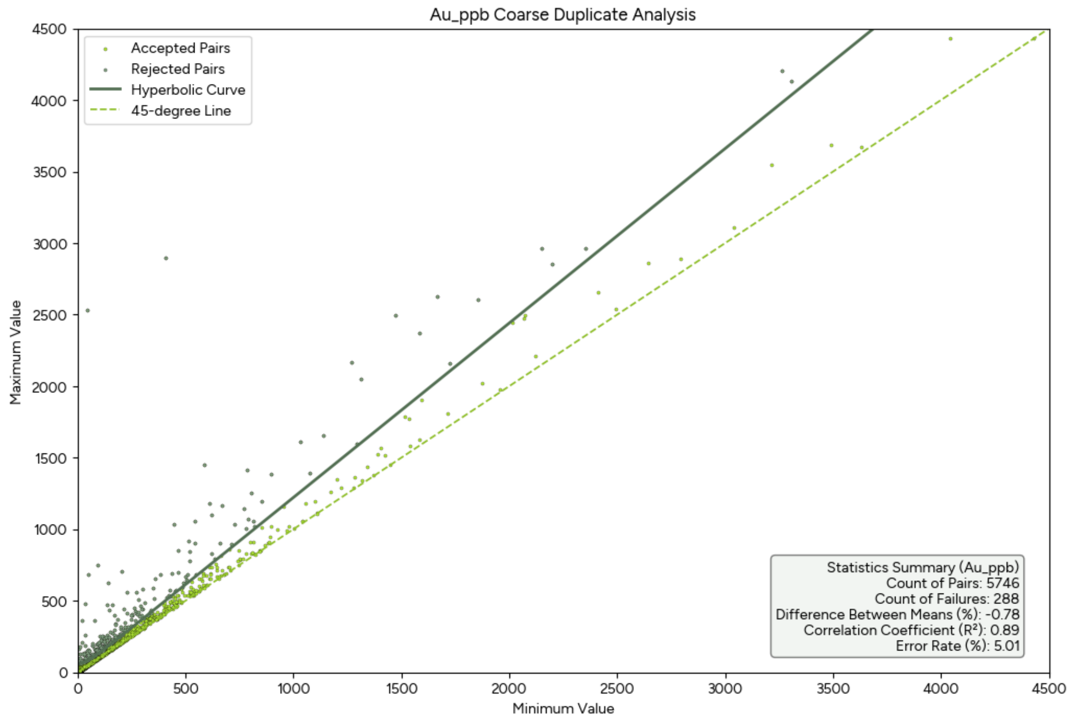
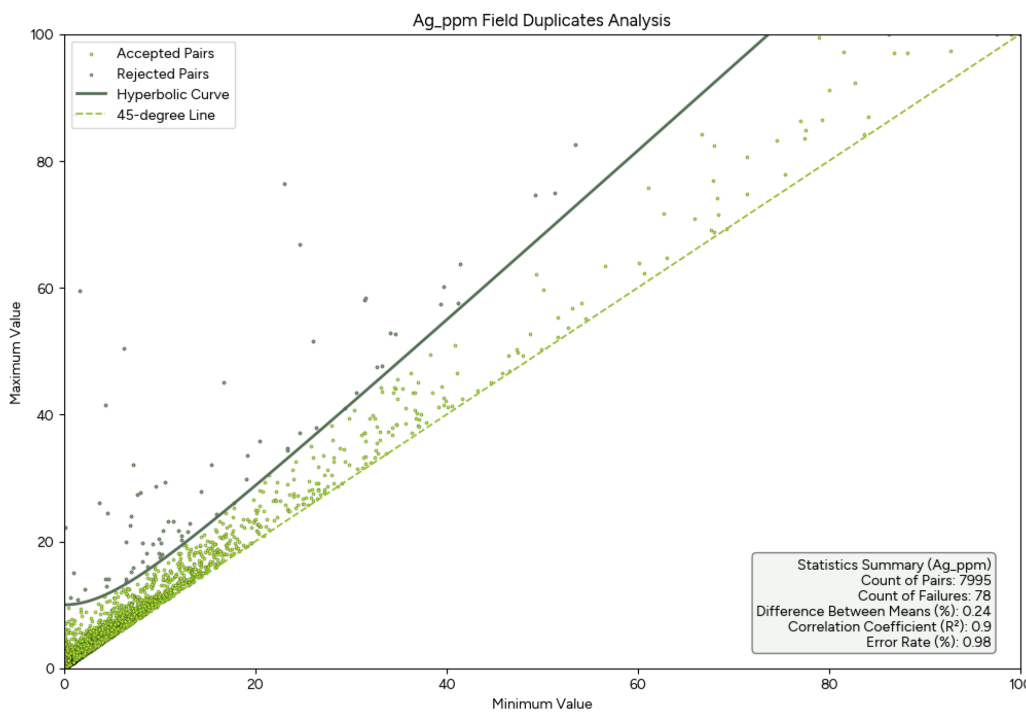


Figure 11-15: Analysis of Silver Field Duplicates: 2007-2022



SLR recommends continued analyses of duplicates. The QP is of the opinion that the duplicate QA/QC protocols meet industry standards, and the results support the use of the assays in the Mineral Resource estimate.

11.3.1.4 External Laboratory Checks

As part of the QA/QC program, sample pulps were submitted to a secondary laboratory for check assays. Check assays consist of submitting pulps that were assayed at the primary laboratory to a secondary laboratory and reanalyzing them by using the same analytical procedures. This is done primarily to improve the assessment of bias in addition to the submission of CRMs and in-house standards to the original laboratory.

From 2007 to 2016, CMC used ALS for check assays, with a total of 6,989 assay samples analyzed at ALS. From 2016 onwards, CMC used BVIL, with 4,469 assay samples analyzed at BVIL between 2016 and 2019 and 2,316 samples analyzed between 2020 and 2022. Duplicates, CRMs, and blanks were submitted with the external check batches for the last three years only.

Figure 11-16 to Figure 11-18 illustrate examples of check assays conducted over the past three years, evaluating the assay performance for copper, silver, and gold for Condestable and Raúl. SLR notes that in 2021 and 2022, overlimit assays for the three elements were not requested as part of the subsequent analysis protocol. Consequently, the partial results obtained were not adequate for assessing accuracy and precision at higher grade levels.

The QP is of the opinion that the high dispersion observed in the gold check assays with BVIL laboratories is not material and should not affect the quality of the Mineral Resource estimate.

Figure 11-16: Scatter Plot for Copper Check Assay Pulps Analyzed by BVIL: 2020-2022

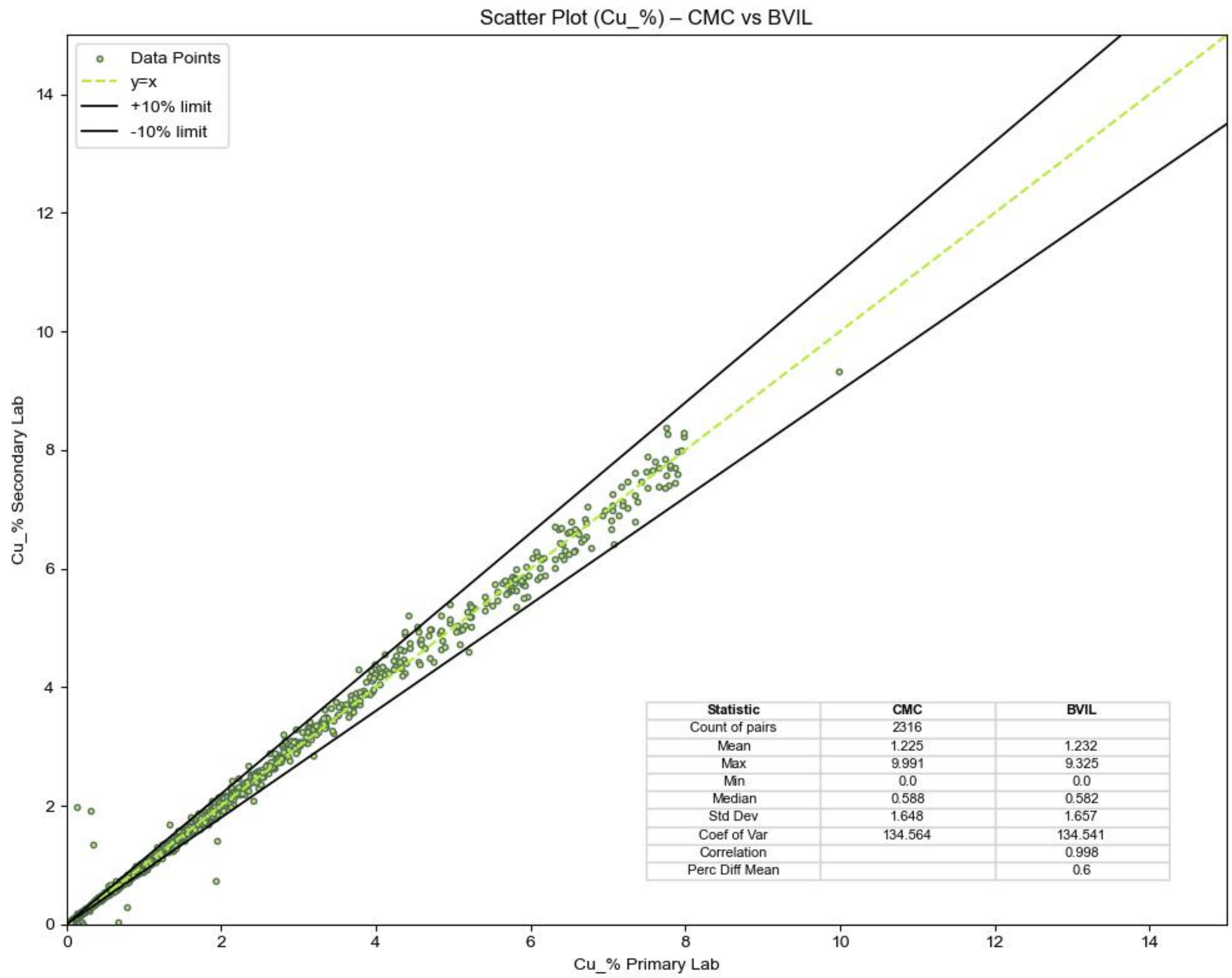
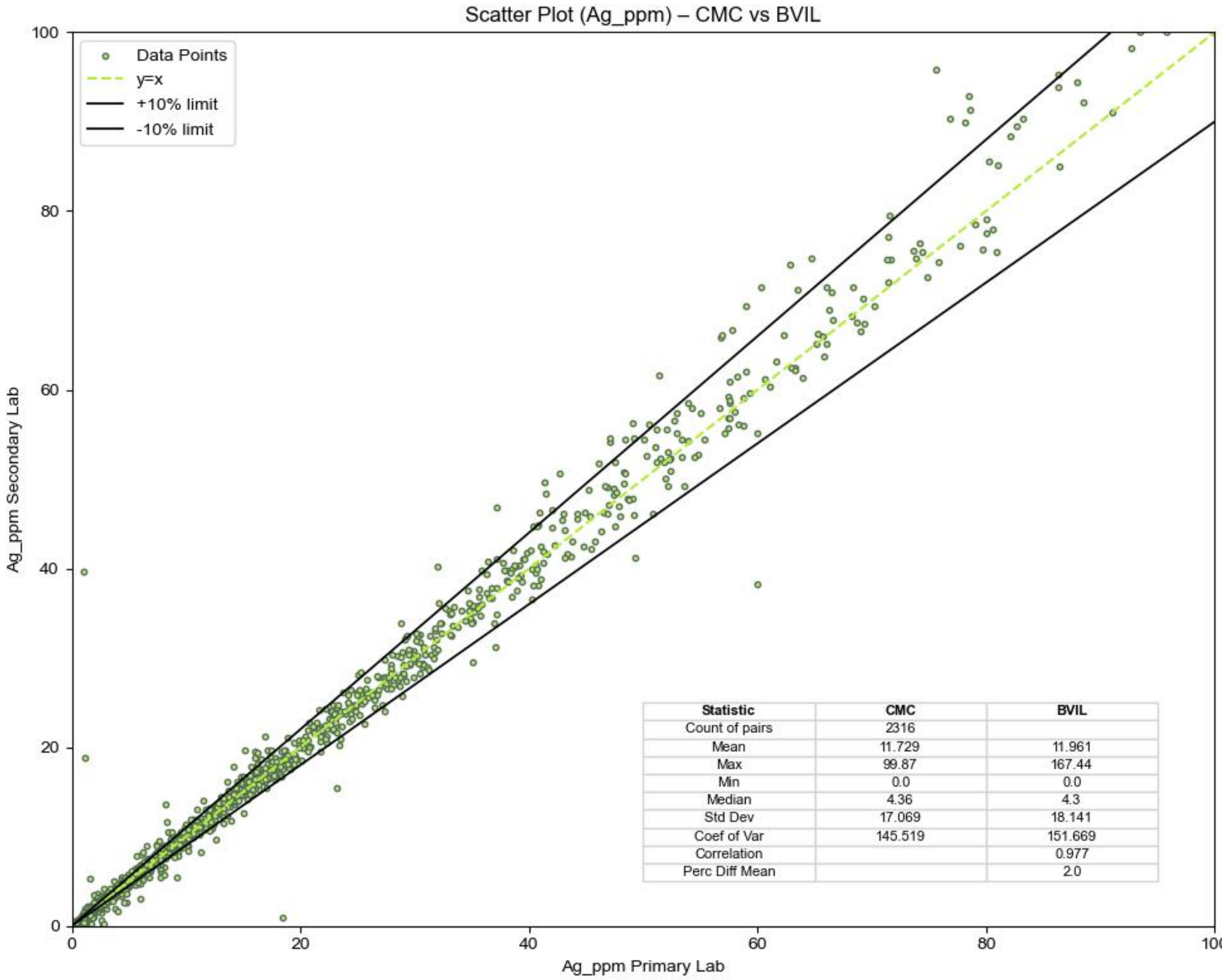
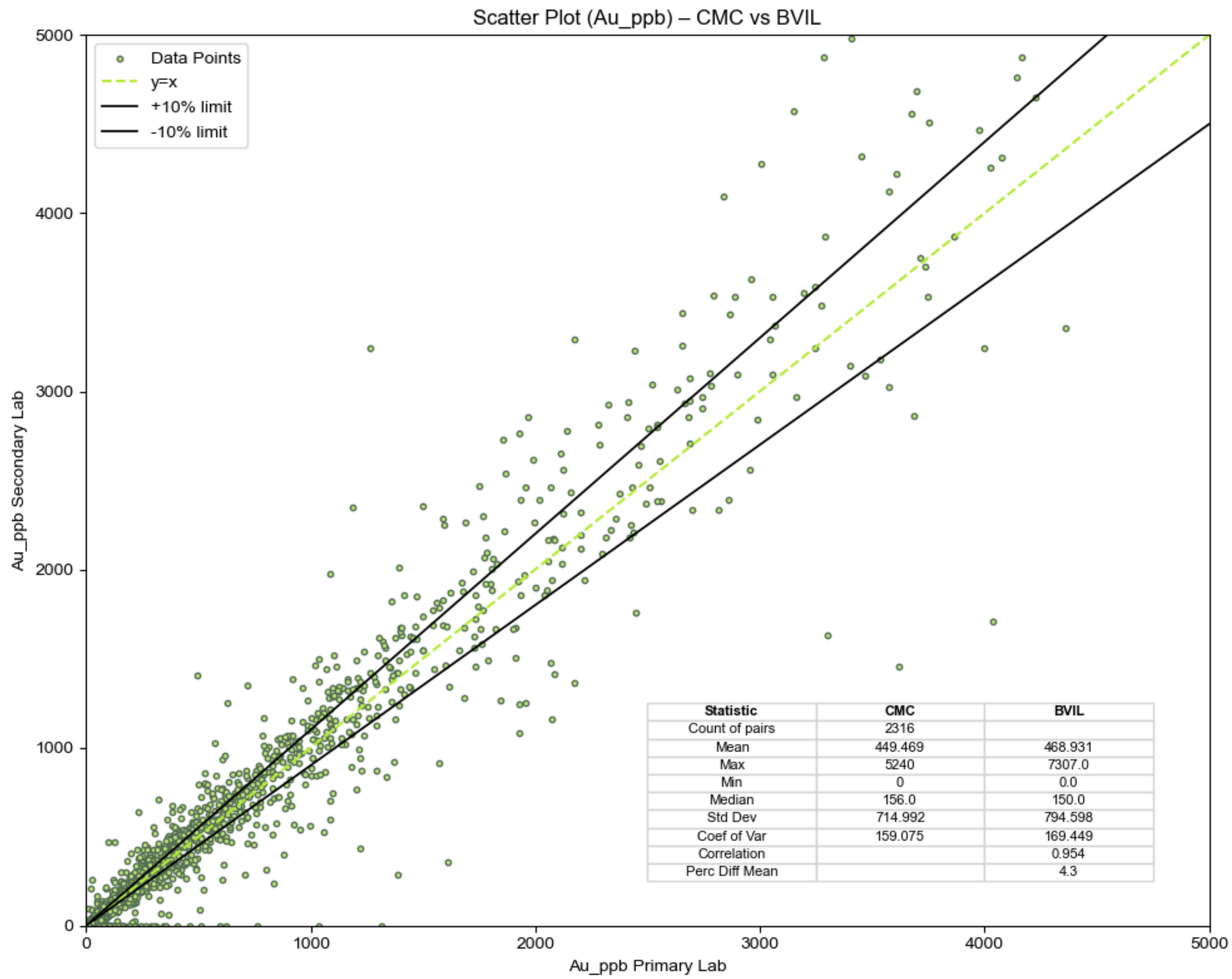


Figure 11-17: Scatter Plot for Silver Check Assay Pulps Analyzed by BVIL: 2020-2022



Statistic	CMC	BVIL
Count of pairs	2316	
Mean	11.729	11.961
Max	99.87	167.44
Min	0.0	0.0
Median	4.36	4.3
Std Dev	17.069	18.141
Coef of Var	145.519	151.669
Correlation		0.977
Perc Diff Mean		2.0

Figure 11-18: Scatter Plot for Gold Check Assay Pulps Analyzed by BVIL: 2020-2022



SLR recommends continued monitoring of the check assays and ensure that overlimit analysis protocols are followed for the secondary laboratory to prevent inconclusive partial results. The QP is of the opinion that the results of the check assays at the external laboratories support the use of the assays in the Mineral Resource estimation.

12.0 Data Verification

Over the life of the property, verification has been undertaken on multiple occasions as described in this section.

12.1 CMC Drill Database Validation and Quality Control

CMC staff enter planned drill holes into the PeopleSoft (Oracle) database software, and the holes are then marked in the UG drill stations by the surveying and mine planning department. Upon completion, the final collar location and downhole surveys are also performed by the surveying and mine planning department. Condestable geological staff use the Datamine and PeopleSoft (Oracle) validation features to check for any errors or potential issues including:

- Sample length issues
- Maximum and minimum
- Negative values
- Detection limit/Zero values
- Borehole deviations
- Gaps
- Overlaps
- Drill hole collar versus topography
- Datum
- Laboratory certificate versus database values

The QP is of the opinion that the CMC database workflows and verification procedures for Condestable comply with industry standards, and are adequate for the purposes of Mineral Resource estimation.

12.2 2019 RPA (Now SLR) Assay Certificate Verification

In 2019, RPA (now SLR) received assay results from CMC geological staff in the form of assay certificate PDF and Excel files for 2018 and 2019. For 2018, there were 1,326 CMC laboratory certificates for Cu-Fe, including 916 certificates that also covered Ag; 177 certificates for CuO_2; and 1,524 certificates for density. In 2019, the CMC laboratory switched from PDF output to 1,533 locked, formatted Excel files variably including all assays of interest.

To perform the verification exercise, RPA developed two separate methodologies to read the data from each page of the variably formatted PDF and locked Excel files, discard information that did not read correctly, and merge the read results. Once merged, the verification results were fed into an SQL database and verified against the Mineral Resource databases for Raúl and Condestable. RPA then reviewed the population of certificate assays where sample IDs matched in both the certificate table and the merged Condestable/Raúl Mineral Resource database assay tables.

12.2.1 Density Verification

In 2019, RPA (now SLR) compiled 46,999 bulk density samples from 1,519 PDF assay certificates for 2018, and 33,505 assay measurements from 1,501 Excel assay certificates for

2019. Of these compiled measurements, there were 74,119 matching sample IDs, including only 405 measurements that differed by more than 0.05 g/cm^3, with 363 of the differences being in density values assigned a minimum of 2.5 g/cm^3 in the database. Of the remaining 42 measurements, 29 differed by more than 0.1, including eight that differed by more than 0.25. As with the assay database verification, some of the remaining discrepancies could be attributed to reassays. RPA considered this to be an excellent result overall.

RPA compared the unweighted average density by domain to the matched sample IDs in the compiled certificate information. RPA noted that the differences between the database and certificates was generally less than 0.5%. RPA was of the opinion that the density database accurately reflected the content of the assay certificates. As with the other certificates, RPA recommended updating the density certificates to a more consistent and readable format to facilitate future verification exercises.

12.2.2 Results

RPA read and compiled 1,495 locked 2019 Excel assay certificates, 518 PDF certificates for 2018, and 204 additional Au certificates for 2018 using custom algorithms to extract the assays from the files. These 2018/2019 certificates represented 9% of the Cu, 8% of the Ag, and 27% of the Au assays in the Mineral Resource database at the time.

RPA then entered the certificate assays to a database to compare them to the Condestable and Raúl Mineral Resource assay tables. RPA noted that not all of the files were read, and not all of the read files were successfully imported, due to variable formatting and likely some file encoding differences that contained hidden characters, and that only re-assays on the same certificate were included in the assay certificate comparisons to the Mineral Resource database i.e. if a sample was re-assayed and reported in another certificate, the method did not supersede the original assay.

Thresholds for failure were chosen by RPA to show how many of the sample mismatches could potentially affect the Mineral Resource estimate. The results showed that only a very small proportion of the assays are mismatches, and some of the mismatches could be re-assays in a different certificate file. RPA did note a number of assays which were present in the certificates but not in the Mineral Resource database, especially for gold. These missing assays were sent to the mine staff and then updated.

12.2.3 Conclusions and Recommendations

With respect to the assay certificate verification work, RPA made the following conclusions and recommendations:

- The results of the verification exercise were very good. The Mineral Resource assay databases (Condestable and Raúl) complied with industry standards and were adequate for the purposes of Mineral Resource estimation.
- There were a few assays missing in the database for Cu and Ag while assay values were found in the certificates, and there was a significant number of Au assays which had certificate assay values but were set to '-' in the database. RPA recommended entering these assay certificate values and updating the databases. Import of all certificate assays would be required to identify all of the assays that have certificate values but are missing in the database.

- The lower detection limit (LDL) for silver assays (1 ppm) was high considering the silver grade population in the deposit. RPA recommended evaluating alternative silver assay methods with a lower LDL.
- The Condestable and Raúl Mineral Resource databases contained columns with varying nomenclature and content. For example, column names in the Condestable database do not have units in their names, and gold assays entitled 'Au' are in ppb, as opposed to Raúl's 'au_ppm' in ppm units. RPA recommended adding the units to the element in every column name, separated by an underscore ('_'). The Raúl assay database was missing a 'year' field, which was present in the Condestable database. The domained 'CMC' Condestable database was missing sample IDs, while the Raúl database did include sample IDs. RPA recommended ensuring that all databases contained consistent and complete fields, including sample ID and year.
- Some field names contain '%' characters. RPA recommended using '_pct' in order to avoid issues with wildcard characters.
- Assay certificate digital file formats available at the time of RPA's review were quite difficult to read and compile to a master table for verification. To facilitate future assay certificate verification work, RPA made the following recommendations:
  - Provide a way to export certificate results directly from the laboratories to auditors, or maintain a set of CSV exports from each assay certificate for easier future compilation and verification.
  - Ensure that sample IDs are always included in exports to the Mineral Resource database (e.g., Vulcan, Leapfrog) from the master (PeopleSoft) database.

12.3 2023 SLR QP Verification

12.3.1 Mineral Resource Database and Assay Certificate Verification

SLR performed checks and validations after importing the drill hole database to Maptek Vulcan software and Seequent's Leapfrog software. The database was queried for overlapping intervals and collar maximum depth exceedances, and collar elevation was compared with topography.

In 2023 CMC recompiled assay certificates into folders containing PDF and Excel files for the period of 2009 to 2022, and provided them to SLR for comparison with the Mineral Resource database. There were two groups of files: a multi-element analysis containing assays for Cu, Au, Fe, and density, and a much smaller set of files containing Au assays with density measurements. Both sets came from the CMC laboratory.

SLR revised and updated the certificate verification methodology from continuous improvement of the technique since the work was last performed. SLR read each file, and compiled and imported the sample information to an SQL database for further processing and final matching by sample ID and year. SLR notes that while this technique captures most of the assay certificate information and directly compares it to the Mineral Resource assay database, there are currently some limitations to this process. For instance, the technique does not replace assays with reanalyses in other certificates. Also due to the changing format of assay information from year to year, SLR was unable to capture the date information for all of the assay certificates, and internal laboratory duplicates may have also been captured from the same file.

12.3.2 Conclusions and Recommendations

Table 12-1 presents the results of SLR's certificate assay matching exercise. Overall, SLR was able to match certificate data to approximately 88% of the sample IDs in the Mineral Resource database and approximately 98.5% of the assay values in the Mineral Resource database matched those in the compiled certificates.

Most of the discrepancies were accounted for by sample upper detection limits (UDL), re-analyses, and slightly different values assigned to the LDLs in the database. CSV exports of the discrepancies were sent to CMC for review and possible upgrades. SLR notes that the original certificate values are retained in the raw original drill database where overlimit values were assigned for the method (e.g. samples assigned to 8 g/t Ag in the Mineral Resource database where certificate values were higher).

For Cu, 1,776 certificate values between 0.005% and 0.2% were set to 0.005% in the drill hole database; 1,630 of the 2,087 over 0.1% absolute difference were samples with over 8% certificate Cu values, that were set to 8% in the drill hole database. Similar overlimit assignments occur for Au, where 163 certificate values over 4.43 g/t Ag were set to 4.43 g/t Ag in the Mineral Resource database. For Fe, 594 of the assay certificate matches are certificate values where the interval is set to zero in the Mineral Resource database. For density, 1,543 of the 1,626 measurements with differences greater than the LDL in the assay certificates were not entered into the Mineral Resource database, indicating that the discrepancies are not material to the Mineral Resource.

The QP is of the opinion that the Mineral Resource database reproduces the assay information reliably and that the Mineral Resource database is of sufficient quality to support Mineral Resource estimation.

Table 12-1: Summary of Assay Certificate Verification – November 2023

Element	Units	Database SampleID Count	Certificate SampleID Count	Cert-DB SampleID Matches	SampleID Matches (%)	Cert-DB Assay Matches	Assay Matches (%)	Diffs > LDL Count	Threshold	Diff > Threshold Count	Diff > Threshold %
Cu	%	787,505	582,230	508,663	87.4%	500,910	98.5%	4,510	0.10	2,087	0.4%
Au	g/t	335,362	277,555	259,279	93.4%	255,901	98.7%	371	0.10	194	0.1%
Ag	ppm	599,556	547,499	488,002	89.1%	460,851	94.4%	1,003	1.00	929	0.2%
Fe	%	730,902	578,630	506,159	87.5%	498,915	98.6%	1,978	1.00	609	0.1%
Dens	g/cm3	635,519	502,362	487,194	97.0%	480,635	98.7%	1,626	0.10	1,606	0.3%

Notes:

1. Table represents only the matches achieved with the methodology.
2. Database counts include duplicated assays in split intervals.
3. Unexplained differences may be re-assays from other certificates.
4. Matches are only by Sample ID and Assay Method.
5. Only the multi-element certificates were compiled.
6. Cu and Fe database values are six decimal place floating point numbers which do not match the certificate displays exactly

13.0 Mineral Processing and Metallurgical Testing

Metallurgical testing of various ores and ore blends in the on-site laboratory is conducted as necessary by CMC to support new projects and plant operations. Since the Mine has been operating for over 50 years, the metallurgical recoveries are based primarily on historical operating data.

SLR reviewed the following data provided by CMC:

- Historical mill production and recovery data
- Production reports
- Metallurgical test reports

13.1 Mill Production

The CMC mill production data from 2009 to 2022 is summarized in Table 13-1. The mill head grade, annual mill feed, and contained copper in the feed for the period 2004 to 2022 are shown in Figure 13-1. Figure 13-2 compares actual vs. available budget data for copper recoveries and copper head grades. Figure 13-3 illustrates the contained metals produced in copper concentrate.

Table 13-1: CMC Mill Production

Year	Ore Milled (000 t)	Head Grade (%Cu)	Concentrate Grade (% Cu)	Recovery (%)	Cu Concentrate (dmt)
2009	2,160	1.22	25.0	91.4	95,339
2010	2,234	1.16	25.1	90.0	92,429
2011	2,364	1.06	23.9	90.1	94,412
2012	2,485	0.93	23.2	90.4	89,862
2013	2,446	0.85	22.2	88.7	82,870
2014	2,417	0.84	22.7	90.2	80,557
2015	2,449	0.87	23.2	90.0	82,287
2016	2,434	0.91	22.9	90.0	86,643
2017	2,432	0.91	22.9	89.7	86,542
2018	2,417	0.87	23.0	89.5	81,321
2019	2,376	0.85	23.1	89.7	78,649
2020	2,233	0.82	23.2	90.0	70,750
2021	2,362	0.72	22.9	89.3	66,534
2022	2,733	0.69	23.3	89.5	72,693

Figure 13-1: Mill Head Grade and Feed Tonnage

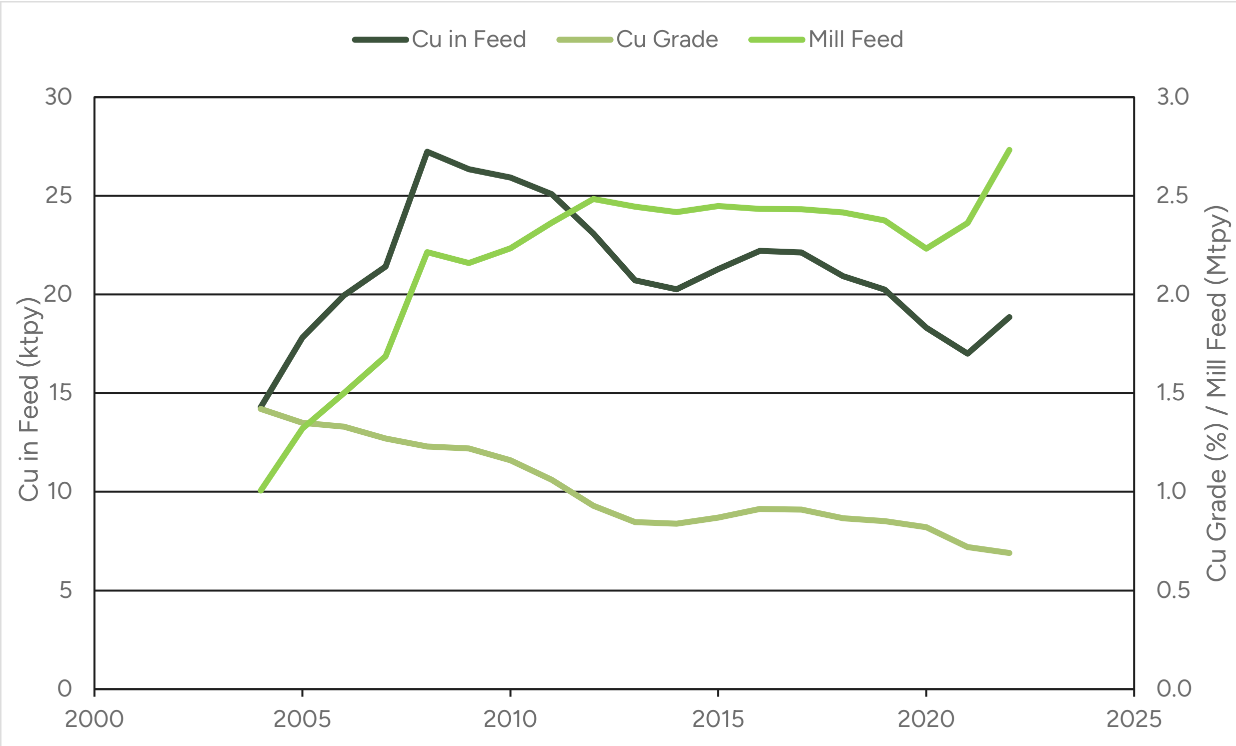


Figure 13-2: Copper Recovery and Cu Head Grade (Actual vs. Budget)

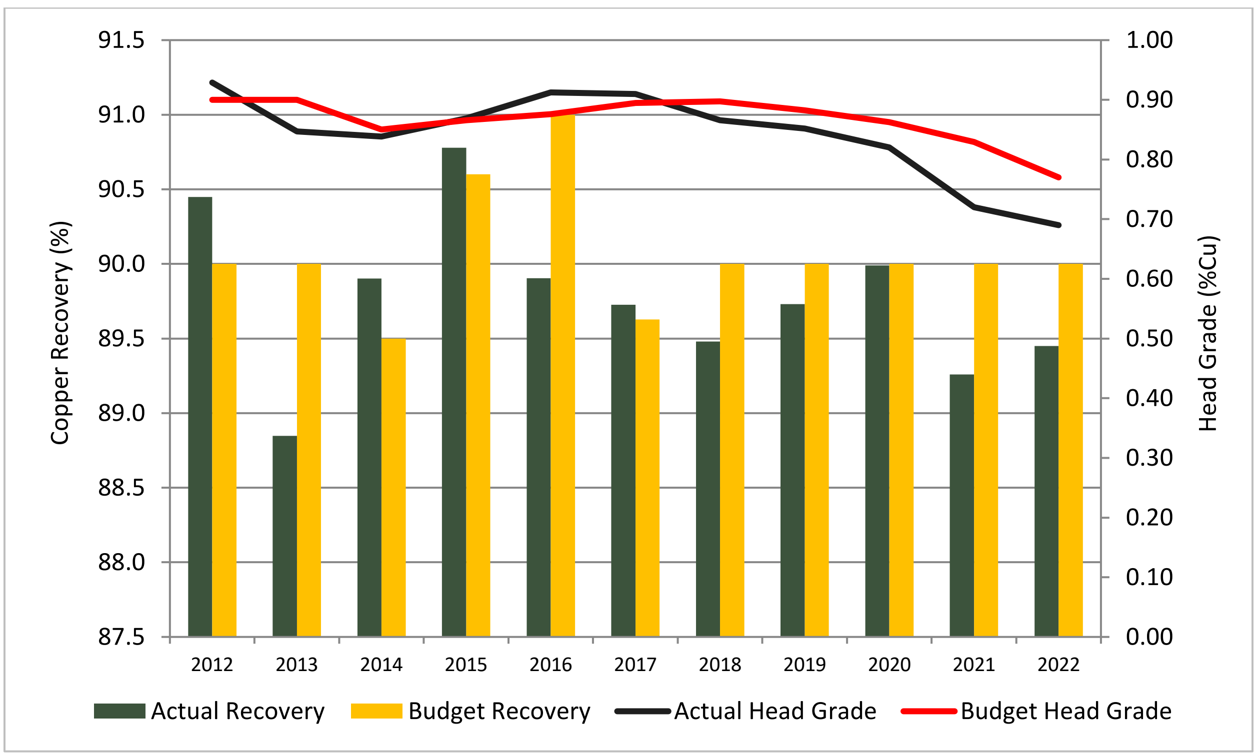
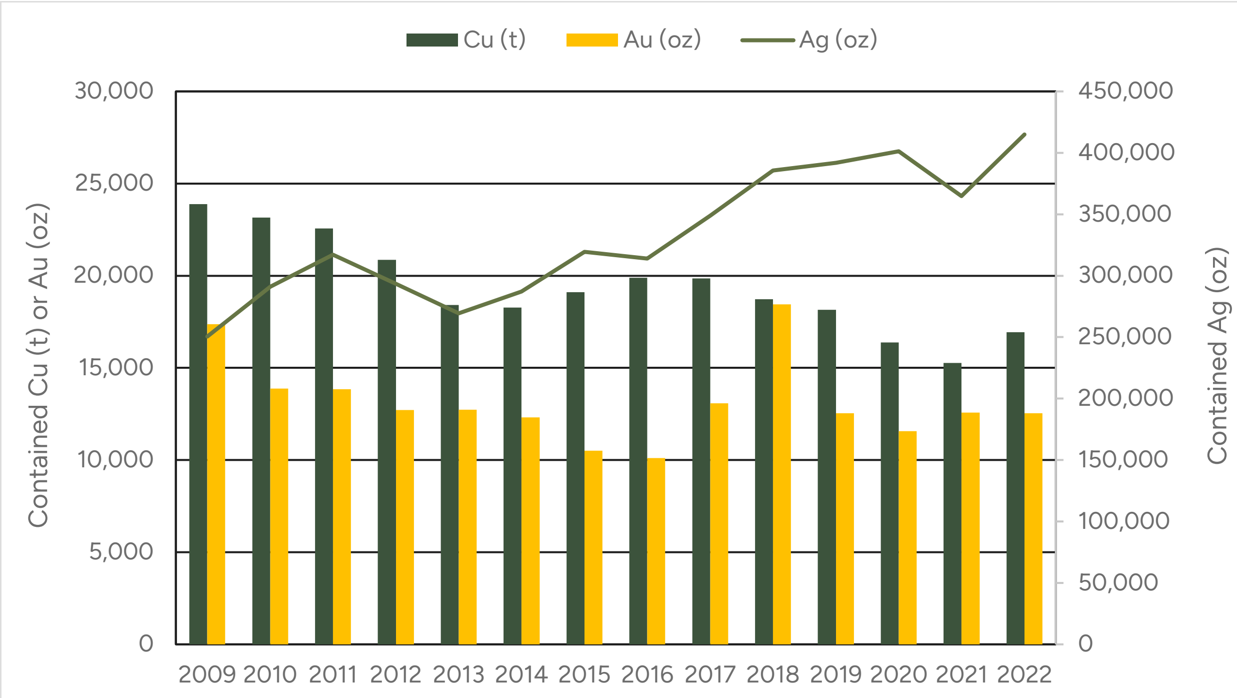


Figure 13-3: Contained Metals in Copper Concentrate



Based on this information, SLR offers the following comments:

- Copper contained in the feed increased with higher production tonnage until 2008, after which the copper production has steadily decreased. Increased dilution due to a shift from a selective mining method (cut and fill) to a bulk method (longhole) for cost reduction purposes has had an impact on run of mine (ROM) grade. SLR notes that the mill feed tonnage was steady between 2012 and 2019, dropped in 2020 due to impacts from COVID-19, and then sharply increased in 2021 and 2022.
- Copper recoveries have been at or slightly below budgeted figures post 2016. Copper grades in mill feed have also decreased gradually since 2016.
- The gold grade appears to follow the copper grade in the concentrate and the quantity of contained gold in the copper concentrate was 12,534 oz in 2022, however, an increase in contained gold in the copper concentrate was observed in 2017 and 2018.
- The quantity of contained silver has increased steadily in copper concentrate. The silver grade appears to be independent of the copper grade.
- The CMC copper concentrate produced appears to be free of any deleterious elements.
- The metals contained in the copper concentrate and the quantity of payable metals are listed in Table 13-2. The metal grades in the copper concentrate ranged from 82 g/t to 169 g/t for silver and 3.6 g/t to 5.7 g/t for gold from 2009 to 2022. The percentages of payable metal averaged 95.4% for copper, 89.9% for silver, and 90.4% for gold.

Table 13-2: Contained and Payable Metal in Concentrate

Year	Contained Metal			Payable Metal		
	Cu (t)	Ag (oz)	Au (oz)	Cu (t)	Ag (oz)	Au (oz)
2009	23,882	250,504	17,361	22,952	226,357	15,764
2010	23,153	291,000	13,881	22,119	265,617	12,249
2011	22,572	317,081	13,850	21,520	283,946	12,540
2012	20,869	293,442	12,715	19,786	263,693	11,494
2013	18,408	269,429	12,731	17,492	242,114	11,508
2014	18,280	287,230	12,311	17,401	258,110	11,129
2015	19,098	319,504	10,509	18,246	287,112	9,500
2016	19,884	313,950	10,103	19,067	282,121	9,133
2017	19,854	348,992	13,085	18,919	313,611	11,828
2018	18,718	385,504	18,444	17,851	346,422	16,672
2019	18,158	391,911	12,540	17,320	352,179	11,336
2020	16,386	401,192	11,572	15,634	360,519	10,461
2021	15,263	364,808	12,574	14,555	327,823	11,366
2022	16,930	414,950	12,534	16,152	372,882	11,330

- The silver and gold assays for the copper concentrate were not available for review prior to 2011 and were estimated by SLR. Systematic assaying of all samples for gold and silver began in 2015. The potential to increase precious metal recovery was reviewed by CMC and the behaviour of the precious metals within the orebody is being examined. Since 2018, the distribution of gold and silver has been reported consistently across different process areas.

13.2 Metallurgical Testing

Metallurgical testing is conducted as necessary by CMC to support new projects and plant operations.

In 2022, CMC supplied a sample of rougher tailings from the Condestable plant to the Eriez Flotation División Perú SA (EFD) in Lima, Peru, to carry out an evaluation of the HydroFloat® cell for recovery of valuable copper sulphide minerals contained in the coarse particles (material greater than 150 µm in size) of the tailings (EFD, 2022). This is material that could not be recovered using conventional flotation cells.

The chemical characterization performed on the plant tailings is presented in Table 13-3.

Table 13-3: Chemical Analysis of the Condestable Plant Tailings Sample

Sample	Cu %	Fe %	Au g/t	Ag g/t	$CuSolH^+$ %	$CuCN^-$ %	CuRes %
Condestable Tailings	0.060	7.861	0.063	0.600	0.003	0.005	0.052

The tailings sample contained 0.06% Cu of which 5% of the copper minerals were found to be copper oxides, 8.3% of the copper minerals were secondary copper sulphides, and 86.7% of the copper minerals were primary copper sulphides (chalcopyrite). The gold and silver assays were 0.063 g/t and 0.6 g/t, respectively.

The metallurgical tests were carried out between October and November 2022. A total of 12 tests were carried out with the HydroFloat® cell and various operating parameters, including air flow, water flow, and reagent dosage (TC-123, A-404, collector, diesel, and frother), were evaluated.

In reagent evaluation, it was determined that the potassium amyl xanthate (PAX) collector, known as Z-6, gave the best results in terms of recovery and selectivity. The frother used was Flotanol C07 (PPG). Diesel was used as a binder in flotation.

In the initial test stage, the tailings sample was classified at 150 µm and 106 µm. The coarse material from the sample (size fractions greater than 150 µm and 106 µm) were conditioned with reagents, prior to flotation in the HydroFloat® cell. The best flotation test results at the different size fractions were as follows:

- Flotation of size fraction > 150 µm:
  - Feed:
    - Weight distribution of +150 µm fraction: 29.5%
    - Recovery: 57.1% Cu and 44.6% Au
  - Recovery: 84.1% Cu and 45.0% Au
  - Concentrate grade: 0.61% Cu and 0.382 g/t Au
  - Mass pull: 14.2%
- Flotation of size fraction > 106 µm:
  - Feed:
    - Weight distribution of +106 µm fraction: 43.9%
    - Recovery: 71.2% Cu and 60.6% Au
  - Recovery: 81.6% Cu and 56.2% Au
  - Concentrate grade: 0.41% Cu and 0.260 g/t Au
  - Mass pull: 17.7%

Additional testing was undertaken to generate a sufficient quantity of HydroFloat® concentrate under optimized conditions, and copper regrinding and selective flotation were carried out in a conventional flotation cell. These test results are summarized in Table 13-4.

Table 13-4: Summary of Conventional Flotation Test Results

Sample	Regrinding Q80 (µm)	Flotation Stage	Metallurgical Balance, Conventional Flotation						
			Concentrate Grade			Mass Pull	Recovery		
			Cu %	Fe %	Au g/t	%	Cu %	Fe %	Au %
Concentrate HF – P11 (> 150 µm)	75	Rougher	5.83	18.07	2.55	8.3	82.3	19.2	59.1
		Scavenger	0.50	13.55	0.61	7.7	6.5	13.3	13.2
Concentrate HF – P12 (> 106 µm)	75	Rougher	6.88	18.09	3.69	4.1	71.4	9.4	50.0
		Scavenger	0.52	18.57	0.67	7.6	10.1	18.0	16.8

Notes: HF - HydroFloat®

For the Concentrate HF – P11 (> 150 µm) sample, the following results were achieved:

- Total Cu recovery: 88.8%
- Total Au recovery: 72.3 %
- Concentrate grades: 5.83% Cu, 2.55 g/t Au (Rougher), 0.50% Cu, 0.61 g/t Au (Scavenger)
- Mass pull: 8.3% (Rougher) and 7.7% (Scavenger)

For the Concentrate HF – P12 (> 106 µm) sample, the following results were achieved:

- Total Cu recovery: 81.5%
- Total Au recovery: 66.8 %
- Concentrate grades: 6.88% Cu, 3.69 g/t Au (Rougher), 0.52% Cu, 0.67 g/t Au (Scavenger)
- Mass pull: 4.1% (Rougher) and 7.6% (Scavenger)

EFD estimated the additional global recovery that the Coarse Particle Flotation (CPF) Plant would provide (based on the day the sample was collected from the plant) and the results were as follows:

- An increase of 3.4% in copper and 3.5% in gold if the size fraction greater than 150 µm is processed.
- An increase of 3.8% in copper and 5.3% in gold if the size fraction greater than 106 µm is processed.

EFD recommended carrying out pilot scale tests to evaluate the variability of the tailings produced from the Condestable concentrator plant and prepared a work proposal for pilot testing of coarse particle flotation for CMC in March 2023 (EFD, 2023a).

At the time of SLR's site visit, pilot scale testing of the HydroFloat® cell by EFD was planned at the Condestable plant site in July 2023. At the time of writing of this report, however, the status of coarse particle flotation testing of the Condestable tailings was not known. SLR recommends that the coarse particle flotation pilot scale test program and results be used to validate the results obtained during laboratory testing and to size the equipment for industrial scale circuit design.

14.0 Mineral Resource Estimate

14.1 Summary

The Mineral Resource estimates (MRE) for the Condestable and Raúl mines were prepared by CMC using Datamine Studio software. The Mineral Resources are based on the complete Condestable database and contains all drill holes up to UDH12063 (Raúl mine) in 2022. The geological models were prepared by CMC staff. For each mine, CMC used underground and surface mining and mapping information in conjunction with the drill hole data to model lithology, structure, alteration, veining, and mineralization in Leapfrog Geo software, and then validated the work before incorporation into 22 lithostructural domains in the block models. These domains were further subdivided in the block models using indicator kriging (IK) to generate high and low grade estimation subdomains based on a 0.25% Cu threshold.

CMC applied capping for Cu, Au, and Ag to assay data in each estimation domain. Incorporating the results of experimental variography, CMC then interpolated 2 m composites of Cu with OK. To compensate for un-assayed Au and Ag intervals in older areas of the Mine, CMC interpolated Au and Ag using an ordinary co-kriging method which utilizes their correlation with Cu. CMC interpolated Fe and in-situ bulk density using simple kriging (SK) using a three-pass approach.

Blocks were classified as Measured, Indicated, and Inferred based on average distances from block centroids to the nearest five holes, and then smoothed through a reblocking and inverse distance cubed (ID^3) interpolation methodology. Mineral Resources were constrained within underground shapes generated using Deswik Stope Optimizer (DSO) software to meet the CIM (2014) requirement of Reasonable Prospects for Eventual Economic Extraction (RPEEE).

The SLR QP has audited and accepts the Mineral Resource model generated by CMC. The SLR QP carried out model validation and coordinated improvements with CMC.

Indicated Mineral Resources are estimated at 83.7 million tonnes (Mt) averaging 0.66% Cu, 0.13 g/t Au, and 3.65 g/t Ag and containing 553,300 tonnes of copper, 346,000 ounces of gold, and 9.82 million ounces (Moz) of silver. The December 31, 2022 MRE, inclusive of Mineral Reserves, for Condestable and Raúl are presented in Table 14-1.

This MRE updates the previous mineral resource estimate (the 2020 MRE), which was published in a report titled "Technical Report NI 43 101 – Feasibility Study Condestable Mine dated October 11, 2021 (BISA, 2021), with a Mineral Resource effective date of December 31, 2020.

Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (CIM (2014) definitions) were used for Mineral Resource classification. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The QP is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate.

Table 14-1: Mineral Resource Statement: Raúl and Condestable Mines – December 31, 2022

Category	Tonnes	Grade			Contained Metal		
	(Mt)	(% Cu)	(g/t Au)	(g/t Ag)	(kt Cu)	(koz Au)	(koz Ag)
Measured	40.3	0.63	0.15	4.18	253.3	192	5,419
Indicated	43.4	0.69	0.11	3.15	300	153	4,396
M+I	83.7	0.66	0.13	3.65	553.3	346	9,815
Inferred	12.9	0.77	0.07	2.28	98.8	31	947

Notes:

1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources for the Condestable Mine are constrained within DSO panels above a net smelter return (NSR) cut-off value of $33.00/t.
3. Mineral Resources for the Raúl Mine are constrained within DSO panels above a cut-off grade of 0.4% Cu.
4. Mineral Resources are estimated using long term metal prices of $4.81/lb for copper, $2,145/oz for gold, and $28.60/oz for silver.
5. Metallurgical recoveries of 91.5%, 75.0%, and 82.0% were used for copper, gold, and silver, respectively.
6. Bulk density was interpolated into blocks. The mean density is 2.85 t/m^3 for Condestable Mine, and 2.83 t/m^3 for Raúl Mine.
7. A minimum mining width of 1.5 m was used for DSO panels.
8. Mineral Resources are reported inclusive of Mineral Reserves.
9. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
10. Numbers may not add due to rounding.

14.2 Mineral Resource Database

CMC staff constructed and validated the Mineral Resource database using Datamine Studio and Leapfrog Geo software. The final Mineral Resource database, as supplied to SLR, is comprised of a total of 1,439,647 drilled metres in 12,818 drill holes (Figure 14-1), and contains all drill holes up to December 31, 2022. (UDH12063 at the Raúl mine). After all exclusions, there is a total of 725,756 m of assayed core included in the Mineral Resource database.

There are 823,990 sampled intervals in the MRE database. Gold and silver assays are significantly less frequent than copper assays, as they were not regularly assayed prior to 2015, and complete coverage was only begun in 2019. The sample composition of the database is shown in Table 14-2.

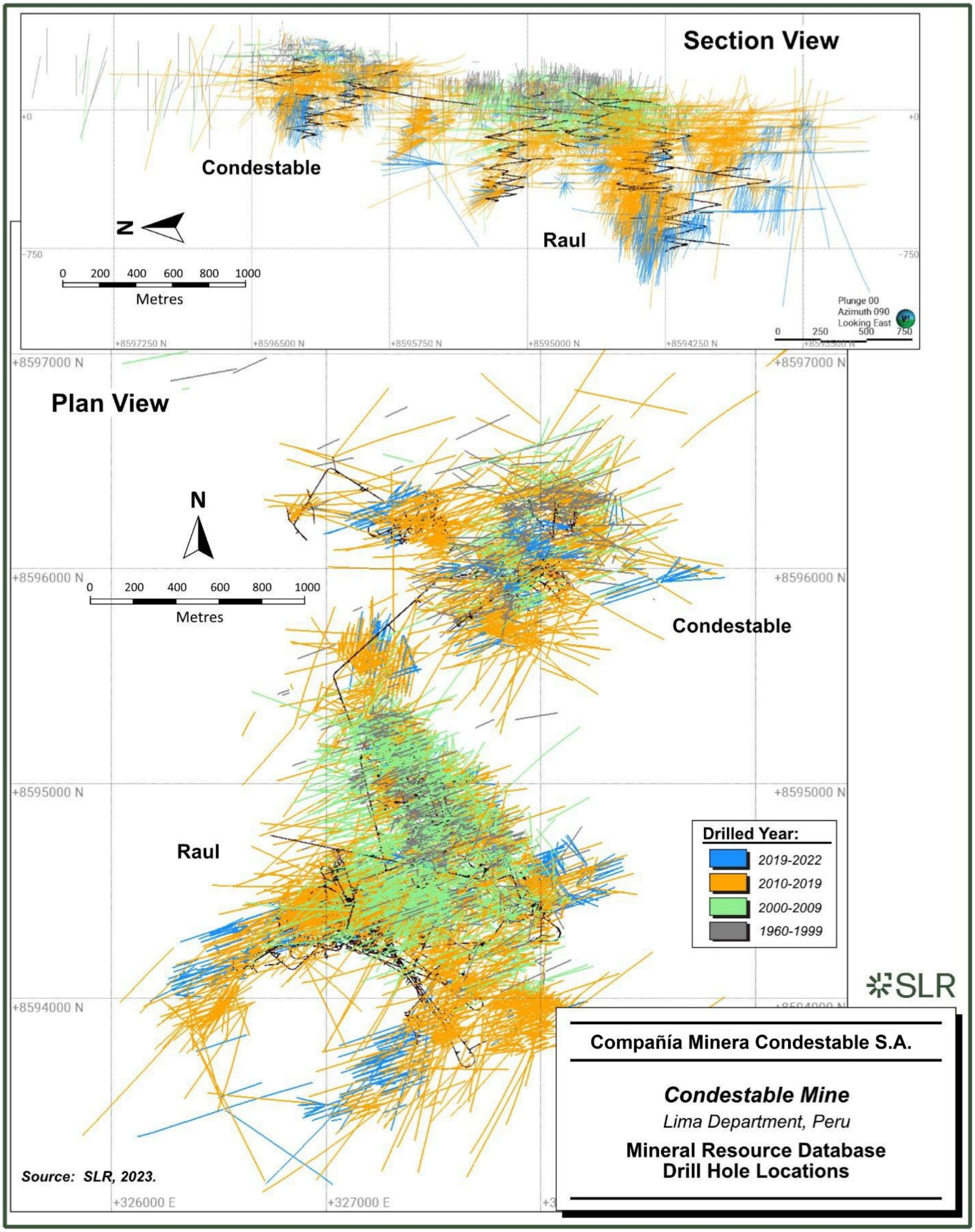
Table 14-2: MRE Database Sample Composition

Element	Sample Count	% of Cu Coverage	% of Total Metres Drilled
Cu	812,874	100%	56%
Au	324,943	40%	23%
Ag	583,465	72%	41%
Fe	706,332	87%	49%
Density	617,556	76%	43%

Unsampled intervals set to LDL values for copper were historically expected to have low copper grades in the 0.2% to 0.5% range. Unsampled core represents approximately 56% of the total drilled length, and may introduce a slightly conservative bias to the MRE.

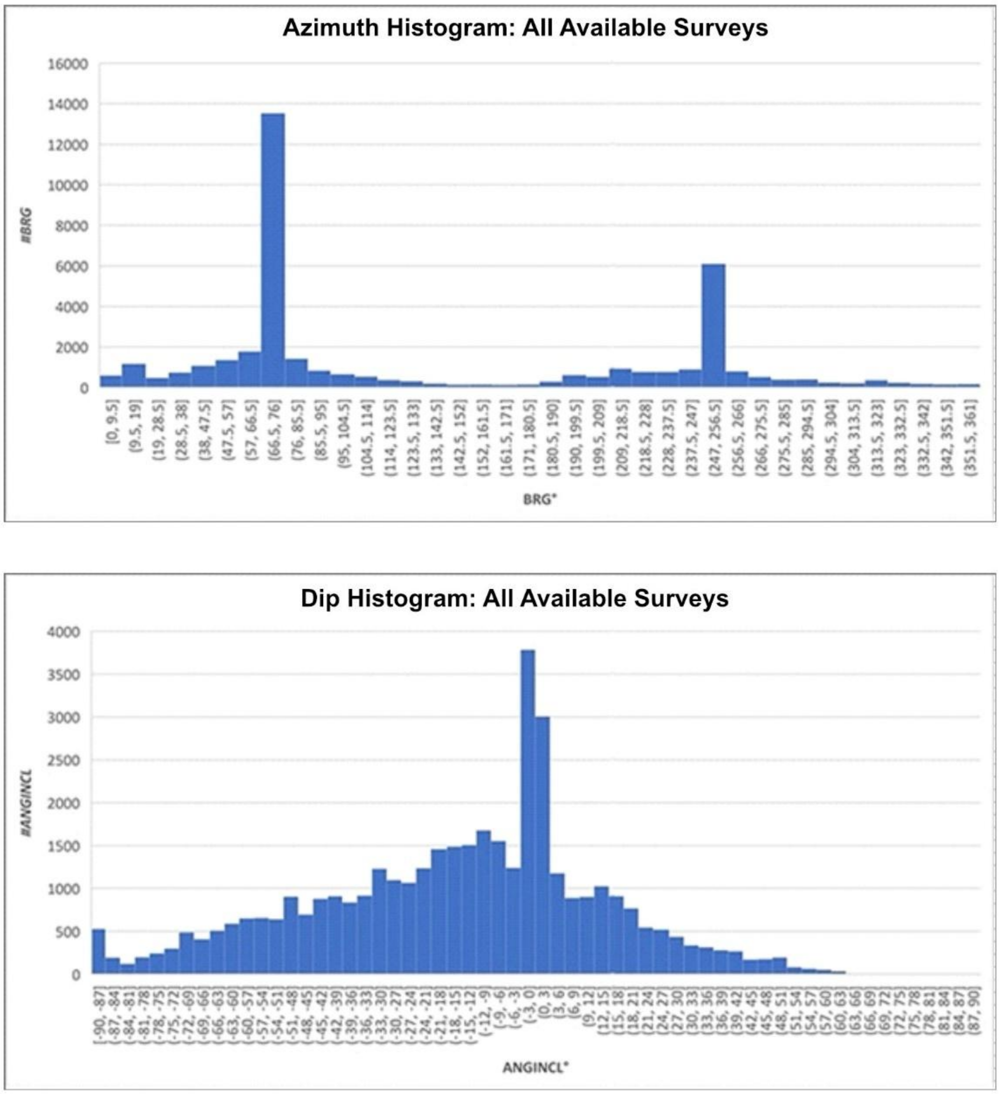
Drill holes were predominantly oriented to intersect the Raúl-Condestable deposits at optimum angles. More than 50% of the intervals trend northeast-southwest, perpendicular to the general dip of the deposit, and 72% of the survey intervals have a subhorizontal dip from -35° to 35° (Figure 14-2).

Figure 14-1: Mineral Resource Database Drill Hole Locations



Source: SLR, 2023.

Figure 14-2: Azimuth and Dip Histograms



SLR

Compañía Minera Condestable S.A.

Condestable Mine

Lima Department, Peru

Azimuth and Dip Histograms

Source: SPM, 2023.

The CMC geology department validates and prepares the Mineral Resource database prior to resource estimation, producing detailed internal documentation recording the process. Drill hole database preparation methods applied to Cu, Au, Ag, Fe, and density include:

- Assignment of minimum and maximum laboratory detection limits.
- Assignment of lower detection limits (LDL) divided by two (LDL/2) in unsampled intervals.
- For Cu, Au, Ag, and Fe, assignment of LDL/2 for flagged unusual length intervals less than 0.10 m long or greater than 3.00 m, regardless of whether they have or have not been assayed.
- Exclusion of drill holes if (1) they are duplicates; (2) they correspond to district exploration; (3) their collars have differences greater than 2 m with surface topography; or (4) they are redrilled.

CMC staff perform 3D geological modelling in Leapfrog using the lithology table, producing final solids as overlapping non-exclusive domains. Since the solids overlap, composite flagging is done by superimposition of codes. Validation of the lithology tables showed minor inconsistencies that do not impact the global resource model, including nine intervals with zero length that do not generate a volume. After solid modelling, drill hole tables were flagged with the corresponding lithology model codes and exported to Datamine. These files were then used for composite flagging and the Mineral Resource block model.

14.2.1 Excluded Holes

Only surface and underground diamond drill holes were used in the MRE. Channel samples were excluded from the Mineral Resource database. Other holes were excluded from the MRE for various reasons including low confidence in collar or downhole survey data. A list of the excluded holes is presented in Table 14-3 below.

Table 14-3: Summary of Discarded Drill Holes

ID	BHID	Length	East	North	Level	Observation	Comment
1	CMJ_153	69.10	328568.50	8595858.05	383.64	Surface survey drilling	Collar >2m different from topography
2	CMJ_008	148.35	328263.93	8595462.82	354.26	Surface survey drilling	Collar >2m different from topography
3	CMJ_018	9.10	327777.73	8595177.07	383.08	Surface survey drilling	Collar >2m different from topography
4	CMJ_017	9.75	327774.05	8595177.45	383.07	Surface survey drilling	Collar >2m different from topography
5	CMJ_111	235.30	328432.91	8595760.26	354.26	Surface survey drilling	Collar >2m different from topography
6	CMJ_063	30.40	327801.46	8595229.45	356.11	Surface survey drilling	Collar >2m different from topography
7	CMJ_062	19.40	327798.87	8595228.71	356.10	Surface survey drilling	Collar >2m different from topography
8	CMJ_065	50.70	327796.27	8595247.57	356.11	Surface survey drilling	Collar >2m different from topography
9	CMJ_064	14.60	327793.23	8595247.38	356.11	Surface survey drilling	Collar >2m different from topography
10	CMJ_066	19.70	327796.84	8595263.09	356.12	Surface survey drilling	Collar >2m different from topography
11	CMJ_067	56.20	327799.38	8595263.34	356.12	Surface survey drilling	Collar >2m different from topography
12	CMJ_014	281.20	327512.40	8596345.42	354.26	Surface survey drilling	Collar >2m different from topography
13	CMJ_020	15.20	327878.97	8596190.13	383.53	Surface survey drilling	Collar >2m different from topography
14	CMJ_021	7.90	327878.39	8596208.18	383.54	Surface survey drilling	Collar >2m different from topography
15	CMJ_019	6.40	327879.99	8596181.38	383.53	Surface survey drilling	Collar >2m different from topography
16	CMJ_023	3.70	327873.33	8596188.09	383.53	Surface survey drilling	Collar >2m different from topography
17	CMJ_022	5.70	327870.84	8596188.34	383.53	Surface survey drilling	Collar >2m different from topography
18	CMJ_025	4.30	327885.93	8596252.64	383.56	Surface survey drilling	Collar >2m different from topography
19	CMJ_026	15.40	327885.00	8596263.29	383.56	Surface survey drilling	Collar >2m different from topography
20	CMJ_024	5.20	327882.94	8596252.95	383.56	Surface survey drilling	Collar >2m different from topography
21	CMJ_230	156.91	327985.04	8595878.10	368.92	Surface survey drilling	Collar >2m different from topography
22	CMJ_059	9.40	327921.55	8596172.94	356.54	Surface survey drilling	Collar >2m different from topography
23	CMP_588	90.56	328243.65	8596397.68	468.38	Surface survey drilling	Collar >2m different from topography and error from survey
24	CMJ_157	308.00	326310.98	8597242.67	226.50	Surface survey drilling	Collar >2m different from topography
25	CMJ_115	289.90	328047.91	8595535.53	287.32	Surface survey drilling	Collar >2m different from topography
26	CMJ_060	26.20	327910.67	8596179.58	356.54	Surface survey drilling	Collar >2m different from topography

ID	BHID	Length	East	North	Level	Observation	Comment
27	CMJ_004	93.63	327978.95	8596129.59	407.54	Surface survey drilling	Collar >2m different from topography
28	CMJ_117	281.90	328456.85	8595870.24	257.61	Surface survey drilling	Collar >2m different from topography
29	SDH-03399	533.10	326729.96	8594953.30	105.00	Surface survey drilling	Collar >2m different from topography, Will search for collar and update survey
30	SDH-03439	183.95	326728.07	8594952.63	103.00	Surface survey drilling	Collar >2m different from topography, Will search for collar and update survey
31	SDH-03455	405.00	326729.01	8594952.96	103.00	Surface survey drilling	Collar >2m different from topography, Will search for collar and update survey
32	UDH-04008	150.10	328215.31	8596185.56	398.00	Surface survey drilling	Collar >2m different from topography, Will search for collar and update survey
33	CMJ_009	182.87	327735.68	8596336.79	354.26	Surface survey drilling	Dip error
34	CMP_364	51.38	328168.21	8596174.18	370.78	Surface survey drilling	Collar >2m different from topography
35	CMP_587	100.68	328179.15	8596301.44	391.51	Surface survey drilling	Dip error
36	CMP_718	109.80	328232.47	8596197.19	366.04	Surface survey drilling	Dip error
37	CMP_877-04	241.50	327016.09	8596059.27	225.00	Surface survey drilling	Collar >2m different from topography
38	UDH-2954-C	150.00	327473.46	8594939.48	182.26	Surface survey drilling	Dip error
39	UDH-03089	140.70	327212.09	8596142.70	214.00	Surface survey drilling	Dip error
40	CMJ_123A	94.00	327919.23	8596214.12	294.05	Duplicate hole	discarded duplicate with CMJ_123B
41	UDH-03001	117.75	327867.58	8595969.45	246.00	Duplicate hole	discarded duplicate with UDH-03101
42	UDH-03442	51.50	327678.59	8594782.36	-133.00	Duplicate hole	discarded duplicate with UDH-03445
43	UDH-03673	205.20	327781.37	8594550.80	56.00	Duplicate hole	discarded duplicate with UDH-03677
44	UDH-05580	81.50	327773.42	8594308.95	22.00	Duplicate hole	discarded duplicate with UDH-05587
45	UDH-05846	95.20	327624.89	8594465.50	-244.00	Duplicate hole	discarded duplicate with UDH-05857
46	UDH-06666	71.00	327176.36	8594422.00	-165.29	Duplicate hole	discarded duplicate with UDH-06673
47	UDH-0984	53.95	327365.90	8594982.56	58.43	Duplicate hole	discarded duplicate with UDH-0986
48	UDH-1311-C	32.40	327369.96	8594721.07	124.75	Duplicate hole	discarded duplicate with UDH-1313-C
49	UDH-1378-C	63.50	327246.93	8595069.58	58.95	Duplicate hole	discarded duplicate with UDH-1711-C
50	UDH-1877-C	43.30	327311.23	8594787.67	87.37	Duplicate hole	discarded duplicate with UDH-1878-C
51	UDH-1990-C	69.35	327421.01	8594819.01	88.35	Duplicate hole	discarded duplicate with UDH-2000-C
52	UDH-2261-C	58.20	327265.29	8594669.27	88.03	Duplicate hole	discarded duplicate with UDH-2264-C

ID	BHID	Length	East	North	Level	Observation	Comment
53	UDH-2504-C	64.80	327442.28	8594530.23	21.02	Duplicate hole	discarded duplicate with UDH-2512-C
54	CMJ_123B	171.80	327919.23	8596214.12	294.05	Duplicate hole	discarded duplicate with CMJ_123A
55	UDH-03101	150.50	327867.58	8595969.45	246.00	Duplicate hole	discarded duplicate with UDH-03001
56	UDH-03445	49.50	327678.62	8594782.38	-133.00	Duplicate hole	discarded duplicate with UDH-03442
57	UDH-03677	91.60	327781.37	8594550.80	56.00	Duplicate hole	discarded duplicate with UDH-03673
58	UDH-05587	81.70	327773.42	8594308.95	22.00	Duplicate hole	discarded duplicate with UDH-05580
59	UDH-05857	117.40	327624.89	8594465.52	-244.00	Duplicate hole	discarded duplicate with UDH-05846
60	UDH-06673	68.50	327176.36	8594422.00	-165.29	Duplicate hole	discarded duplicate with UDH-06666
61	UDH-0986	42.37	327365.90	8594982.56	58.43	Duplicate hole	discarded duplicate with UDH-0984
62	UDH-1313-C	56.90	327369.96	8594721.07	124.80	Duplicate hole	discarded duplicate with UDH-1311-C
63	UDH-1711-C	105.00	327246.93	8595069.58	58.95	Duplicate hole	discarded duplicate with UDH-1378-C
64	UDH-1878-C	33.50	327311.23	8594787.67	87.37	Duplicate hole	discarded duplicate with UDH-1877-C
65	UDH-2000-C	60.00	327421.01	8594819.01	88.35	Duplicate hole	discarded duplicate with UDH-1990-C
66	UDH-2264-C	52.70	327265.29	8594669.27	88.03	Duplicate hole	discarded duplicate with UDH-2261-C
67	UDH-2512-C	73.50	327442.28	8594530.23	21.02	Duplicate hole	discarded duplicate with UDH-2504-C
68	UDH-03267	150.10	327817.82	8594252.53	-57.00	Duplicate hole	discarded duplicate with UDH-03271
69	UDH-03618	81.70	327201.22	8594387.09	-53.00	Duplicate hole	discarded duplicate with UDH-03620
70	UDH-03271	110.60	327817.82	8594252.53	-57.00	Duplicate hole	discarded duplicate with UDH-03267
71	UDH-03620	118.10	327201.22	8594387.09	-53.00	Duplicate hole	discarded duplicate with UDH-03618
72	UDH-08692	25.50	-	-	-	No survey	No collar survey
73	UDH-11644	9.70	327396.09	8593849.67	-420.51	Reported borehole	Reported borehole
74	UDH-11952	6.00	326504.22	8594184.69	-639.29	Reported borehole	Reported borehole
75	UDH-11735	2.40	328092.87	8596057.96	294.45	Halted (mech. Problems)	sterilized by drilling 2.40 m from machine XRD50USS (AVISPON 2) PERF.DIAM that was down due to mech. issues.
76	UDH-10107	237.50	327134.52	8595563.35	-159.90	Resumed hole	redrilled and replaced with UDH-10384.
77	UDH-09826	150.00	327323.68	8596237.69	69.64	Resumed hole	redrilled and replaced with UDH-10414. Assays transferred to new hole ID.
78	UDH-10409	289.00	326461.75	8594183.08	-451.08	Resumed hole	redrilled and replaced withUDH-10469Assays transferred to new hole ID.

ID	BHID	Length	East	North	Level	Observation	Comment
79	UDH-09235	197.10	326790.73	8594442.14	-455.94	Resumed hole	redrilled and replaced withUDH-09675Assays transferred to new hole ID.
80	UDH-09562	200.00	326810.66	8594410.55	-456.29	Resumed hole	redrilled and replaced withUDH-09698Assays transferred to new hole ID.
81	UDH-09232	175.70	326801.79	8594428.47	-456.12	Resumed hole	redrilled and replaced withUDH-09717Assays transferred to new hole ID.
82	UDH-09469	190.30	326810.33	8594410.49	-456.17	Resumed hole	redrilled and replaced withUDH-09773. Assays transferred
83	UDH-09450	258.65	326835.54	8594377.06	-456.37	Resumed hole	redrilled and replaced withUDH-09798Assays transferred to new hole ID.
84	UDH-11042	57.70	326774.41	8594376.29	-567.24	Resumed hole	redrilled and replaced withUDH-11047Assays transferred to new hole ID.
85	UDH-10991	128.00	327395.34	8594680.28	-98.77	Resumed hole	redrilled and replaced withUDH-11067Assays transferred to new hole ID.
86	UDH-10906	201.50	326441.56	8594218.61	-449.02	Resumed hole	sterilized by UDH-10847.
87	UDH-10274	150.70	327473.39	8593729.15	-418.31	Resumed hole	redrilled and replaced withUDH-11043Assays transferred to new hole ID.
88	UDH-08636	138.80	327581.21	8594929.91	-171.50	Resumed hole	redrilled and replaced withUDH-09019Assays transferred to new hole ID.
89	UDH-08639	173.00	326836.08	8594377.91	-455.97	Resumed hole	redrilled and replaced withUDH-09833Assays transferred to new hole ID.
90	UDH-11677	153.00	326995.90	8594304.49	-672.07	Resumed hole	redrilled and replaced withUDH-11698Assays transferred to new hole ID.
91	UDH-11730	89.80	326305.27	8594082.69	-566.73	Resumed hole	redrilled and replaced withUDH-11795Assays transferred to new hole ID.
92	UDH-11792	152.80	328069.03	8594541.87	-286.62	Resumed hole	redrilled and replaced withUDH-11804Assays transferred to new hole ID.
93	UDH-11826	37.10	326779.71	8594356.85	-668.00	Resumed hole	redrilled and replaced withUDH-11836Assays transferred to new hole ID.
94	SDH-04818	327.30	327522.58	8605898.78	480.00	District Exploration Drilling	>10km from Condestable operations
95	SDH-05014	466.10	327549.32	8606138.56	497.00	District Exploration Drilling	>10km from Condestable operations
96	SDH-05795	300.80	344184.42	8603785.55	1820.00	District Exploration Drilling	Punta Colorada Project away from operations

ID	BHID	Length	East	North	Level	Observation	Comment
97	SDH-05807	452.60	344183.54	8603784.99	1821.00	District Exploration Drilling	Punta Colorada Project away from operations
98	SDH-05824	200.40	344316.84	8603750.96	1855.00	District Exploration Drilling	Punta Colorada Project away from operations
99	SDH-05835	449.40	344025.97	8603684.65	1825.00	District Exploration Drilling	Punta Colorada Project away from operations
100	SDH-05855	440.60	345129.85	8604099.58	1889.00	District Exploration Drilling	Punta Colorada Project away from operations
101	SDH-06615	355.50	344044.27	8603884.61	1829.86	District Exploration Drilling	Punta Colorada Project away from operations
102	SDH-06641	351.00	343987.37	8603806.38	1784.74	District Exploration Drilling	Punta Colorada Project away from operations
103	SDH-06656	354.00	343942.96	8603822.68	1778.17	District Exploration Drilling	Punta Colorada Project away from operations
104	SDH-06672	374.00	343838.40	8603987.03	1750.93	District Exploration Drilling	Punta Colorada Project away from operations
105	SDH-06705	207.00	344183.02	8603792.53	1819.90	District Exploration Drilling	Punta Colorada Project away from operations
106	SDH-06720	255.00	344119.08	8603832.80	1821.23	District Exploration Drilling	Punta Colorada Project away from operations

14.3 Geological Interpretation

The Condestable operation in the Raúl-Condestable Mining District is divided into two mines: (1) the Condestable mine, located in the northeast sector, and (2) the Raúl-Vinchos (Raúl) mine, located approximately 1.7 km to the southwest of Condestable and separated from it by a tonalitic porphyry intrusive. The stratigraphy at the Condestable mine is more clastic and calcareous, while volcanic horizons are more dominant in the Raúl mine.

Structural, lithological, and mineralization models created during the geological modelling process are a result of extensive compilation and interpretation of underground and surface geological mapping, drill hole logs, drilling, and occasionally channel sample assays. The information is used to interpret new cross sections which then serve as the basis for the construction of 3D solids.

Based on drill core observations, conversations with site geologists, a review of the data in 3D, and statistical analysis, the copper-gold-silver mineralization at the Mine is considered to be stratigraphically and structurally controlled. The predominant mineralization occurs in the replacement and breccia bodies in the lithological units, and strikes at approximately 340° azimuth and dip 40° towards the southwest. Lesser but higher grade mineralization occurs in the steeply dipping veins crosscutting the units along a northeast or northwest azimuth. Mineralization is hosted mostly in volcaniclastic and volcanic rocks.

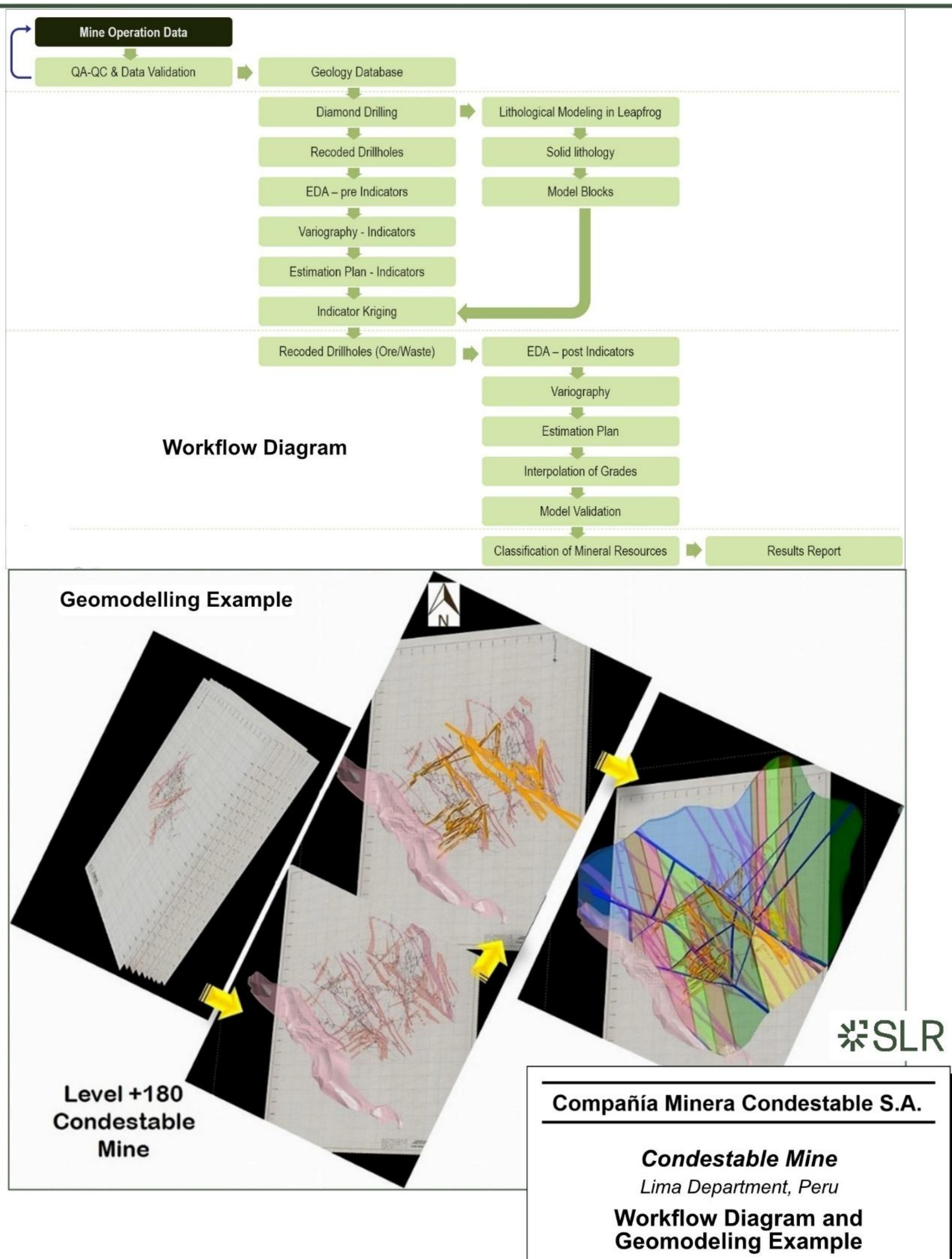
14.3.1 Mapping

CMC has numerous protocols and written procedures related to drilling, logging, and geological modelling workflow. A contextual summary of the MRE workflow is presented in Figure 14-3.

Production geologists carry out surface and level geological mapping and interpretation in the Raúl and Condestable mines, using working scales of 1:500 (to define the mineral resource model) and 1:2,000 for deposit-wide modelling (searching for new potential areas for the development of mineral resources), including lithostratigraphic units, faults, veins, porphyries, and dikes.

Diamond drill hole data (collar, survey, assay, and lithology tables), mine scale 1:500 and exploration 1:2,000 geological mapping, along with surface topography and underground workings of the deposit are imported into Leapfrog Geo software and used to generate the geological models (Figure 14-3). CMC utilizes underground 2D level mapping as the basis for 3D modelling.

Figure 14-3: Workflow Diagram and Geomodelling Example



Source: SPM, 2023.

14.3.2 Geological Modelling

Per the mapping subsection above, CMC staff place emphasis on attaining higher confidence in exploration targeting and Mineral Resources through developing spatially coherent geologic models which honour the information gathered from surface outcrop, mapped underground workings, and diamond drill holes. CMC geologists validate and fine tune the geological models using a series of transverse and longitudinal mapping and interpreted geological sections. The process currently does not fully utilize drill hole cross sections, though CMC intends to interpret more cross sections in future models. There are some gaps in the data at depth which ultimately produce gaps in the interpreted mineralized volume, and which CMC has begun to fill in by interpreting cross sections every 50 m. The QP agrees with incorporating more sectional interpretations into the geological model in future updates to help the geologists build improved models, especially at the margins of the geological dataset where interpretation leans on less information.

CMC first broadly categorized the dataset by lithostructural type, correlating to specific mineralization types such as mantos and breccias, oxides, veins, and porphyries. Geological domains were then identified as either economically valuable or barren. Each domain encapsulates one or more lithostructures exhibiting consistent geological characteristics. For instance, in the Condestable mine, the domain labelled VNW_20 includes six distinct vein lithostructures.

The geological units of the Raúl and Condestable mines are treated as the same lithostratigraphic sequence and thus share identical structure coding. However, even with the same structure code, they are classified under different domains specifying the mine. For instance, the Calicantro unit at both Condestable and Raúl mines is coded as DM_CAL, but it falls into separate domains as CAL_02 for Condestable and CAL_12 for Raúl, respectively.

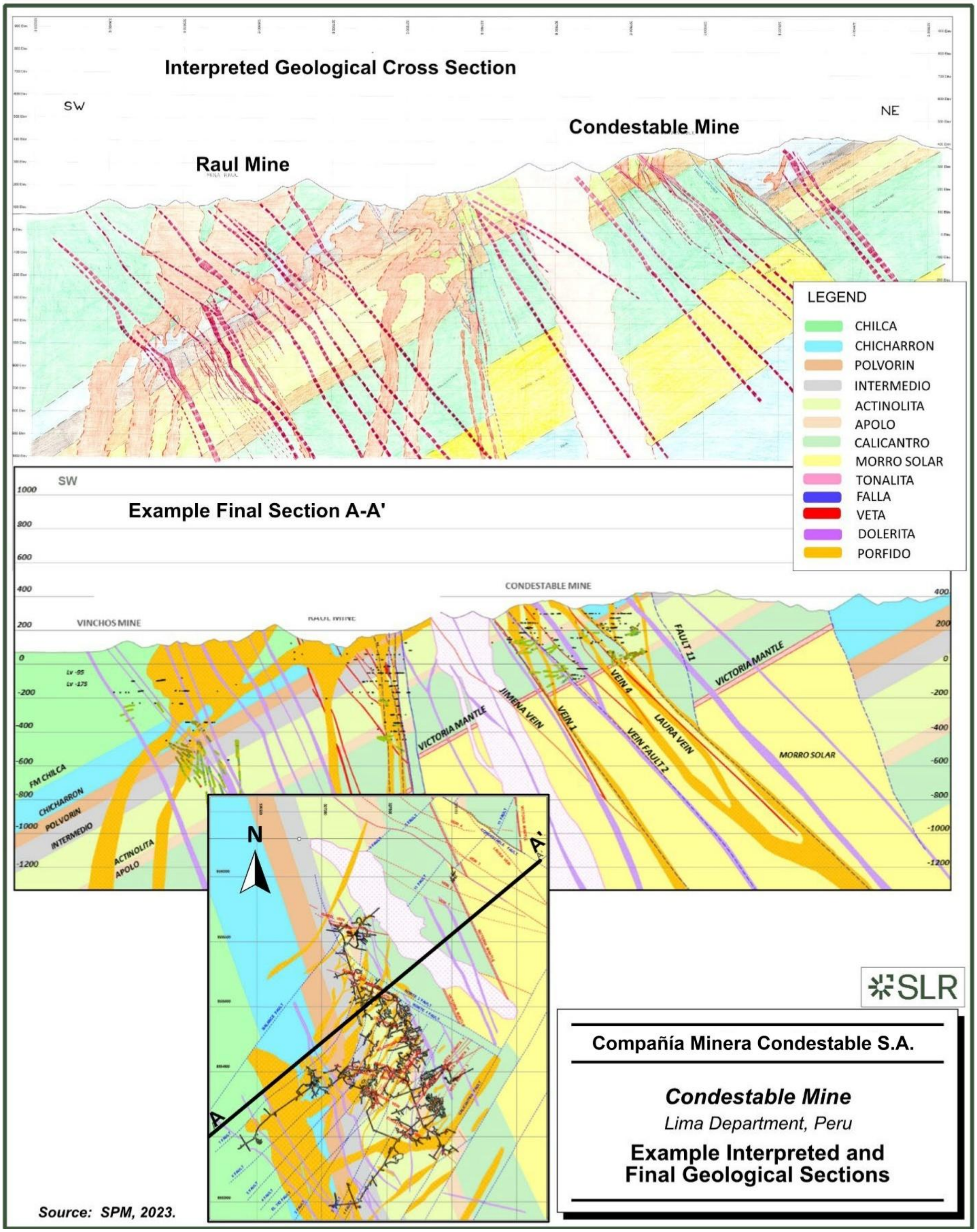
Modelled 3D solids are validated in Leapfrog Geo software to check for snapping to sample or lithological boundaries, geological integrity with interpreted sections, and spatial adherence to raw data. The geological models are then exported from Leapfrog Geo to Datamine software to facilitate the rest of the Mineral Resource estimation process. Example cross sections of the work are shown in Figure 14-4. A summary of the geologic codes used by CMC is shown in Table 14-4.

Table 14-4: Summary of Lithostratigraphic Domains

Mine	Type	Lithostratigraphic Unit	Code Text	Code No.
Condestable	Geological Unit	Morro Solar	MSO_OO	0
		Calicantro	CAL.02	2
		Apolo	MAP_03	3
		Actinolita	ACT_04	4
		Intermedio	INT_05	5
		Polvorin	POL-07	7
		Chicharron	MCH_08	8
	Vein (Veta)/Manto	Manto Victoria	MVI_01	1
		Vetas NW	VNW_20	20
Raúl	Geological Unit	Morro Solar	MSO_10	10

Mine	Type	Lithostratigraphic Unit	Code Text	Code No.
		Calicantro	CAL_12	12
		Apolo	MAP_13	13
		Actinolita	ACT_14	14
		Intermedio	I NT_15	15
		Brecha9	BX9_16	16
		Polvorin	POL-17	17
		Chicharron	MCH_18	18
		Chilca	CHI_19	19
	Vein (Veta)	Veta NW	VNW_21	21
		Veta Isabel	VIS_22	22
		Veta Falla Norte 1	VFN_23	23
		Vetas NE	VNE_26	26

Figure 14-4: Interpreted and Final Geological Cross Sections



CMC's geological modelling identified five distinct structural types within the deposit:

1 **Geological units** are identified as lithostratigraphic segments within a volcano-sedimentary sequence. These units generally present an orientation of 160° and a dip of 40° towards the southwest.

2 **Faults** are the primary structural features that delineate the boundaries of the geological units, essentially dividing the deposit into separate sectors. The fault system present in the deposit further divides the geological units into sectors, leading to the definition of 16 estimation domains within these structures.

3 **Veins** are the next structural type, occurring within the volcano-sedimentary sequence. They are primarily composed of two extensive systems, oriented northeast and northwest. These systems are further categorized into five estimation domains based on their characteristics.

4 **Intrusive structures** include porphyries and subsequent dikes, which are recognized as sterile features that intersect the economic mineralization in the deposit. However, they do not affect the veins in the northeast system, which are interpreted to be formed from a later geological event.

5 **NE Veins** correspond to the last mineralization event after the barren porphyries. the Manto Victoria, an estimation domain in the Condestable mine, is considered similar to vein structure morphology even though it is not a vein, and is thus treated as an additional domain within the model.

Together, these structures comprise a total of 22 estimation domains within the geological model.

There is currently no alteration model, but CMC staff intend to develop one to inform future MREs. To sterilize some Mineral Resource panels generated close to surface, SLR produced a simplified oxidation surface from the previous Mineral Resource oxidation model which covered both Raúl and Condestable. SLR recommends that the new oxide surface be revisited in the context of the updated geological interpretation for the next MRE. SLR observed that in the stratigraphic unit model, there is insufficient data to support the oxide/sulphide boundaries. In addition, no metallurgical tests were performed to support recoveries for oxide mineralization. SLR excluded the material in the oxide domain from the Mineral Resource tonnages for completeness, although the QP is of the opinion that the volume of the oxide domain is likely immaterial to the total Mineral Resources. CMC resource geologists should work together with the metallurgists to take representative metallurgical samples and ensure the oxide-sulphide limit criteria are in alignment with processing requirements, and update the oxidation surface to better reflect processing realities.

The QP is of the opinion that the geological model was generated according to the geological understanding of CMC underground geological staff, is well supported by drilling, mapping, and mined underground workings, is of sufficient resolution to reflect the realities of grade distribution underground, and is of sufficient quality to support the estimation of Mineral Resources.

As a procedural improvement, the QP recommends that CMC investigate ways of generating a geological model in Leapfrog where modelled solids do not overlap. This would preclude the need for hierarchical flagging or make it a redundant safety procedure.

14.4 Resource Assays

The Mineral Resource database is an export of the site database imported into Datamine Studio software. The assay table contains the original assays, assigned lower (LDL) and upper detection limits (UDL), and grade capping applied to final values for Cu, Au, Ag, Fe, and Density. LDL values and assigned values are shown in Table 14-5. Intervals with no assays for Cu were assigned the LDL value of 0.005% Cu. No values were assigned to unsampled intervals for Au, Ag, Fe, and Density. Summary uncapped assay statistics of the are presented for Condestable and Raúl mines in Table 14-7 and Table 14-8, respectively. The seven lithostratigraphic units of the Mine were regrouped into five estimation domains according to statistical similarity of copper grade distributions, and whether the domains were spatially adjacent to each other.

Table 14-5: Summary of Lower Detection Limits and Assigned Values

Metal	Units	Assay Method LDL	Assigned LDL
Cu	%	0.010	0.005
Au	g/t	0.012	0.006
Ag	g/t	1.000	0.500
Fe	%	0.010	0.005

Table 14-6: Summary of Key Database Variables

Variable	Description
BHID	Hole ID
ANO	Year Drilled
COMPANIA	Drilling company
CIA–N	Drilling company - numeric
ESTRUC	Structural domain
ESTRUC_N	Structural domain code - numeric
TIPO	Structure type
TIPO_N	Structure type - numeric
DOMAIN	Domain
DOMAIN.N	Domain - numeric
SECTOR	Sector code for estimation
OBS_LONG	Sample Observed by Sampling length (1 = observed, 0 = not observed)
CERT_CU	Sample with laboratory certificate by Cu (1=Has. 0=Does not have)
CERT_AU	Sample with laboratory certificate by Au (1=Has. 0= Does not have)
CERT_AG	Sample with laboratory certificate by Ag£l=Has. 0= Does not have)
Cu_%	Original Laboratory Samples
Au_ppm	
Ag_ppm	
Re_%	

Variable	Description
Dens_tm3	
Cu_C	LDL value if assigned to sample
Au_C	
Ag_C	
Fe_C	
Dens_C	
Cu_F	Final combined value (original + LDL) before capping.
Au_F	
Ag_F	
Fe_F	
Dens_F	
Cu_A	Final assay values used in grade estimation, capped by domain.
Au_A	
Ag_A	
Fe_A	
Dens_A	
Mis_Cu	Code to show if grade assayed or assigned.
Mis_Au	
Mis_Ag	
Mis_Fe	
Mis Dens	

Table 14-7: Mineral Resource Database Statistics: Condestable Mine

Domain	Element	Count	Min	Max	Mean	CV
MSO_00	Ag (g/t)	5,437	0.50	100.00	2.31	2.49
MVI_01	Ag (g/t)	745	0.50	100.00	4.12	2.19
CAL_02	Ag (g/t)	39,545	0.50	205.00	1.52	2.86
MAP_03	Ag (g/t)	16,984	0.50	100.00	2.04	2.19
ACT_04	Ag (g/t)	21,000	0.50	100.00	1.79	2.12
INT_05	Ag (g/t)	12,270	0.50	100.00	2.09	2.17
POL_07	Ag (g/t)	4,400	0.50	100.00	2.21	2.06
MCH_08	Ag (g/t)	9,907	0.50	100.00	1.82	2.02
VNW_20	Ag (g/t)	3,878	0.50	100.00	7.23	1.89
MSO_00	Au (g/t)	3,227	0.01	4.18	0.05	3.90
MVI_01	Au (g/t)	374	0.01	2.54	0.28	1.56
CAL_02	Au (g/t)	22,341	0.00	8.43	0.06	3.72
MAP_03	Au (g/t)	11,495	0.00	47.49	0.19	2.82
ACT_04	Au (g/t)	12,840	0.00	18.83	0.18	3.47
INT_05	Au (g/t)	6,943	0.00	6.49	0.10	3.60
POL_07	Au (g/t)	2,106	0.01	4.10	0.06	1.98
MCH_08	Au (g/t)	5,272	0.01	4.43	0.06	2.06
VNW_20	Au (g/t)	2,514	0.00	12.77	0.40	2.03
MSO_00	Cu (%)	5,678	0.01	8.00	0.17	2.88
MVI_01	Cu (%)	819	0.01	7.52	0.63	1.19
CAL_02	Cu (%)	46,881	0.00	8.00	0.19	2.40
MAP_03	Cu (%)	26,396	0.00	8.00	0.35	1.54
ACT_04	Cu (%)	25,908	0.00	8.00	0.26	1.92
INT_05	Cu (%)	15,454	0.00	8.00	0.28	1.51
POL_07	Cu (%)	5,287	0.01	8.00	0.31	1.79
MCH_08	Cu (%)	17,615	0.01	8.00	0.45	1.75
VNW_20	Cu (%)	5,096	0.01	8.00	0.88	1.40
MSO_00	Dens (t/m3)	5,535	2.13	4.54	2.73	0.05
MVI_01	Dens (t/m3)	767	2.50	5.00	2.84	0.07
CAL_02	Dens (t/m3)	40,858	2.10	8.21	2.81	0.05
MAP_03	Dens (t/m3)	18,746	2.10	9.36	2.84	0.06
ACT_04	Dens (t/m3)	21,985	2.40	5.90	2.91	0.08
INT_05	Dens (t/m3)	12,955	2.40	5.35	2.95	0.08

Domain	Element	Count	Min	Max	Mean	CV
POL_07	Dens (t/m3)	4,541	2.50	4.92	2.90	0.08
MCH_08	Dens (t/m3)	10,552	2.10	7.65	2.82	0.07
VNW_20	Dens (t/m3)	4,110	2.20	4.50	2.85	0.09
MSO_00	Fe_pct	5,583	0.01	39.17	3.51	0.67
MVI_01	Fe_pct	779	0.52	24.15	5.71	0.44
CAL_02	Fe_pct	44,872	0.01	61.01	3.71	0.70
MAP_03	Fe_pct	23,709	0.12	54.24	3.30	0.83
ACT_04	Fe_pct	24,750	0.01	67.20	5.23	1.05
INT_05	Fe_pct	14,628	0.01	58.17	6.93	0.81
POL_07	Fe_pct	4,952	0.24	52.38	7.46	0.73
MCH_08	Fe_pct	12,667	0.19	81.88	5.49	0.73
VNW_20	Fe_pct	4,657	0.34	56.13	5.42	1.07

Table 14-8: Mineral Resource Database Statistics: Raúl Mine

Domain	Element	Count	Mean	Min	Max	CV
MSO_10	Cu (%)	388	0.15	0.01	4.51	2.54
MSO_10	Au (g/t)	379	0.04	0.01	1.50	2.93
MSO_10	Ag (g/t)	388	1.59	0.50	97.87	2.83
MSO_10	Fe_pct	388	3.70	0.61	34.37	0.72
MSO_10	Dens (t/m3)	388	2.80	2.52	3.52	0.05
CAL_12	Cu (%)	97,062	0.30	0.00	8.00	2.28
CAL_12	Au (g/t)	45,048	0.08	0.00	42.70	4.07
CAL_12	Ag (g/t)	75,857	1.76	0.50	100.00	2.37
CAL_12	Fe_pct	87,356	5.42	0.01	58.48	0.56
CAL_12	Dens (t/m3)	78,388	2.82	1.06	9.68	0.06
MAP_13	Cu (%)	56,338	0.37	0.00	8.00	2.00
MAP_13	Au (g/t)	17,926	0.07	0.00	4.77	2.88
MAP_13	Ag (g/t)	38,270	2.16	0.50	100.00	2.27
MAP_13	Fe_pct	46,911	5.13	0.01	64.18	0.69
MAP_13	Dens (t/m3)	40,533	2.84	2.10	6.73	0.06
ACT_14	Cu (%)	185,558	0.42	0.01	8.00	1.94
ACT_14	Au (g/t)	65,917	0.11	0.00	89.80	4.16
ACT_14	Ag (g/t)	134,755	3.08	0.50	100.00	2.13
ACT_14	Fe_pct	162,276	6.32	0.01	95.60	0.67

Domain	Element	Count	Mean	Min	Max	CV
ACT_14	Dens (t/m3)	142,453	2.83	2.10	9.32	0.06
INT_15	Cu (%)	40,040	0.48	0.00	8.00	1.76
INT_15	Au (g/t)	5,018	0.08	0.00	7.64	2.97
INT_15	Ag (g/t)	16,819	2.64	0.50	100.00	2.04
INT_15	Fe_pct	23,950	6.31	0.01	70.39	0.79
INT_15	Dens (t/m3)	18,889	2.86	2.30	6.49	0.08
BX9_16	Cu (%)	53,407	0.46	0.00	8.00	1.86
BX9_16	Au (g/t)	14,971	0.09	0.00	6.14	2.22
BX9_16	Ag (g/t)	30,714	3.26	0.50	100.00	2.00
BX9_16	Fe_pct	40,455	6.06	0.01	58.56	0.72
BX9_16	Dens (t/m3)	34,709	2.83	2.10	9.18	0.07
POL_17	Cu (%)	33,064	0.38	0.01	8.00	1.85
POL_17	Au (g/t)	6,455	0.06	0.01	59.62	8.52
POL_17	Ag (g/t)	13,418	2.58	0.50	100.00	2.15
POL_17	Fe_pct	23,625	6.59	0.01	61.67	0.70
POL_17	Dens (t/m3)	16,250	2.85	2.10	7.45	0.08
MCH_18	Cu (%)	21,523	0.40	0.01	8.00	2.53
MCH_18	Au (g/t)	8,780	0.06	0.01	4.49	3.68
MCH_18	Ag (g/t)	11,507	3.49	0.50	100.00	2.80
MCH_18	Fe_pct	18,029	8.14	0.02	68.37	0.88
MCH_18	Dens (t/m3)	13,072	2.89	2.00	6.12	0.11
CHI_19	Cu (%)	17,493	0.14	0.01	8.00	2.68
CHI_19	Au (g/t)	11,421	0.06	0.01	17.50	5.06
CHI_19	Ag (g/t)	17,055	1.16	0.50	100.00	2.36
CHI_19	Fe_pct	17,474	6.17	0.03	58.28	0.34
CHI_19	Dens (t/m3)	17,005	2.72	2.01	7.82	0.04
VNW_21	Cu (%)	10,894	0.92	0.01	8.00	1.64
VNW_21	Au (g/t)	2,955	0.19	0.01	37.60	4.17
VNW_21	Ag (g/t)	6,779	6.50	0.50	100.00	2.06
VNW_21	Fe_pct	8,428	8.87	0.12	59.89	0.85
VNW_21	Dens (t/m3)	7,174	2.89	2.50	8.33	0.10
VIS_22	Cu (%)	1,274	0.79	0.01	8.00	1.62
VIS_22	Au (g/t)	979	0.38	0.01	8.00	2.00
VIS_22	Ag (g/t)	1,242	5.40	0.50	100.00	2.06

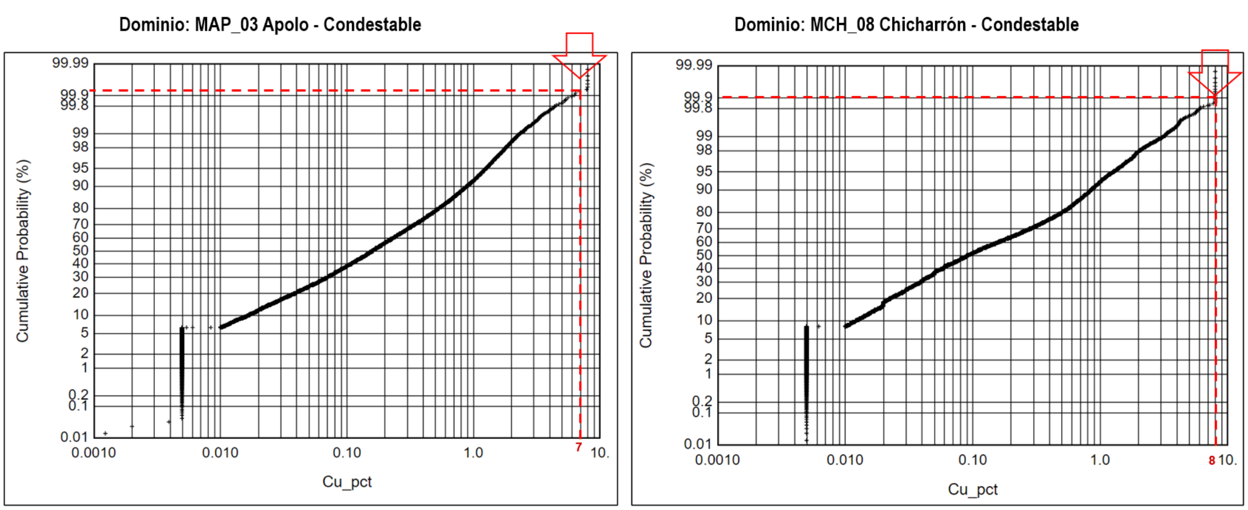
Domain	Element	Count	Mean	Min	Max	CV
VIS_22	Fe_pct	1,274	5.52	0.01	43.81	0.92
VIS_22	Dens (t/m3)	1,234	2.86	2.50	4.48	0.08
VFN_23	Cu (%)	1,362	1.28	0.01	8.00	1.52
VFN_23	Au (g/t)	348	0.45	0.01	12.96	2.37
VFN_23	Ag (g/t)	611	8.35	0.50	100.00	1.64
VFN_23	Fe_pct	971	10.83	0.27	57.31	1.05
VFN_23	Dens (t/m3)	640	2.93	2.50	4.72	0.13
VNE_26	Cu (%)	6,512	0.92	0.01	8.00	1.64
VNE_26	Au (g/t)	1,946	0.38	0.00	106.97	6.10
VNE_26	Ag (g/t)	3,533	5.50	0.50	100.00	2.14
VNE_26	Fe_pct	4,669	5.20	0.12	45.69	0.67
VNE_26	Dens (t/m3)	3,887	2.81	2.20	6.01	0.07

14.5 Treatment of High-Grade Assays

14.5.1 Capping Levels

CMC staff used cumulative distribution frequency plots on original length assays to determine capping levels by domain, as shown in the example in Figure 14-5. Note that most of the domains carry a preliminary UDL 'cap' in the database and all laboratory assayed values above 8% Cu are set to 8% Cu in the database. This implies a preliminary estimated 2% metal loss in the Mineral Resource database which is further capped in the standard workflow capping procedure.

Figure 14-5: Example Probability Plots, Cu (%), Condestable



Capping thresholds for all domains at Condestable are shown in Table 14-9. In the Raúl mine, the capping values are mostly set at the same 8% Cu defined as the UDL in the original database, except for the Morro Solar and Chilca lithostratigraphic units. Additionally at Raúl, there are some instances in the veins and UNI units with up to 15% metal loss between the original and capped Cu data.

The QP reviewed the capping levels in the Mineral Resource database, and is in general accord with the levels chosen. The QP performed capping analyses for Cu, Au, and Ag on several of the largest domains for both mines (ACT, MAP, INT, BX9, and CAL). In general, Cu and Au cumulative plots have long continuous tails, and metal loss at reasonable thresholds chosen were generally less than one percent. Ag tails on cumulative plots are more ragged, but capping levels chosen still resulted in metal losses in the order of one percent.

The QP is of the opinion that the capping levels applied by CMC are also reasonable and probably somewhat conservative, given that high grade assays are already limited to 8% Cu due to restrictions in the original assay results from the laboratory. The QP is also of the opinion that the capping procedures implemented are sufficient to support the estimation of Mineral Resources.

Table 14-9: Capping Values

Condestable mine

Domain	Structure	Description	Cu (%)
Units	MSO_CAL	Morro Solar_Calicantro	5.0
	MAP	Manto Apolo	7.0
	ACT	Actinolita	5.0
	INT_POL	Intermedio_Polvorin	5.0
	MCH	Manto Chicharron	sc
Veins	VNW	Vetas Noroeste	sc
	MVI	Manto Victoria	3.0

Domain	Structure	Description	Au (g/t)	Ag (g/t)	Fe (%)
Units	MSO_CAL	Morro Solar_Calicantro	2.5	60.0	20.0
	MAP	Manto Apolo	3.5	60.0	25.0
	ACT	Actinolita	4.0	50.0	50.0
	INT_POL_MCH	Intermedio, Polvorin and Chicharron	4.0	40.0	40.0
Veins	VNW	Vetas Noroeste	4.0	NA	35.0
	MVI	Manto Victoria	1.5	20.0	10.0

Domain	Structure	Description	SG	Avg (SG)
Sulfuros	Otros	Veins and Units	4.5	2.85

Raúl mine

Domain	Structure	Description	Cu (%)
Units	MSO_10	Morro solar	2.0
	CAL_12	Calicantro	8.0
	MAP_13	Manto Apolo	8.0
	ACT_14	Actinolita	8.0
	INT_15	Intermedio	8.0
	BX9_16	Brecha 9	8.0
	POL_17	Polvorin	8.0
	MCH_18	Manto Chicharon	8.0
	CHI_19	Chilca	5.0
Veins	VNW_21	Vetas Noroeste	8.0
	VIS_22	Veta Isabel	8.0
	VFN_23	Veta falla norte	8.0
	VNE_26	Vetas Noreste	8.0

Domain	Structure	Description	Fe (%)	Au (g/t)	Ag (g/t)	SG
ALL	All	Veins and Units	35.0	4.0	100.0	6.5

Note. SG – specific gravity

Table 14-10: Capped Assay Statistics: Condestable

Domain	Element	Count	Min	Max	Mean	CV
MSO_00	Cu (%)	5,678	0.01	5.00	0.17	2.56
MSO_00	Au (g/t)	3,227	0.01	2.50	0.05	3.57
MSO_00	Ag (g/t)	5,437	0.50	60.00	2.25	2.19
MSO_00	Fe (%)	5,583	0.01	20.00	3.51	0.66
MSO_00	Dens (t/m3)	5,535	2.13	4.50	2.73	0.05
MVI_01	Cu (%)	819	0.01	3.00	0.61	1.10
MVI_01	Au (g/t)	374	0.01	1.50	0.27	1.45
MVI_01	Ag (g/t)	745	0.50	10.00	2.95	0.98
MVI_01	Fe (%)	779	0.52	10.00	5.61	0.39
MVI_01	Dens (t/m3)	767	2.50	4.50	2.84	0.07
CAL_02	Cu (%)	46,881	0.00	5.00	0.19	2.21
CAL_02	Au (g/t)	22,341	0.00	2.50	0.06	3.20
CAL_02	Ag (g/t)	39,545	0.50	60.00	1.49	2.43
CAL_02	Fe (%)	44,872	0.01	20.00	3.70	0.67
CAL_02	Dens (t/m3)	40,858	2.10	4.50	2.81	0.05
MAP_03	Cu (%)	26,396	0.00	7.00	0.35	1.52
MAP_03	Au (g/t)	11,495	0.00	3.50	0.19	2.21
MAP_03	Ag (g/t)	16,984	0.50	60.00	2.01	1.99
MAP_03	Fe (%)	23,709	0.12	25.00	3.29	0.80
MAP_03	Dens (t/m3)	18,746	2.10	4.50	2.84	0.06
ACT_04	Cu (%)	25,908	0.00	5.00	0.25	1.81
ACT_04	Au (g/t)	12,840	0.00	4.00	0.17	3.07
ACT_04	Ag (g/t)	21,000	0.50	50.00	1.77	1.88
ACT_04	Fe (%)	24,750	0.01	50.00	5.23	1.04
ACT_04	Dens (t/m3)	21,985	2.40	4.50	2.91	0.08
INT_05	Cu (%)	15,454	0.00	5.00	0.28	1.47
INT_05	Au (g/t)	6,943	0.00	4.00	0.10	3.46
INT_05	Ag (g/t)	12,270	0.50	40.00	2.03	1.75
INT_05	Fe (%)	14,628	0.01	40.00	6.92	0.81
INT_05	Dens (t/m3)	12,955	2.40	4.50	2.95	0.08
POL_07	Cu (%)	5,287	0.01	5.00	0.31	1.70
POL_07	Au (g/t)	2,106	0.01	4.00	0.06	1.97
POL_07	Ag (g/t)	4,400	0.50	40.00	2.14	1.59

Domain	Element	Count	Min	Max	Mean	CV
POL_07	Fe (%)	4,952	0.24	40.00	7.46	0.73
POL_07	Dens (t/m3)	4,541	2.50	4.50	2.90	0.08
MCH_08	Cu (%)	17,615	0.01	8.00	0.45	1.75
MCH_08	Au (g/t)	5,272	0.01	4.00	0.06	2.04
MCH_08	Ag (g/t)	9,907	0.50	40.00	1.78	1.68
MCH_08	Fe (%)	12,667	0.19	40.00	5.48	0.71
MCH_08	Dens (t/m3)	10,552	2.10	4.50	2.82	0.07
VNW_20	Cu (%)	5,096	0.01	8.00	0.88	1.40
VNW_20	Au (g/t)	2,514	0.00	4.00	0.38	1.82
VNW_20	Ag (g/t)	3,878	0.50	100.00	7.23	1.89
VNW_20	Fe (%)	4,657	0.34	35.00	5.35	0.99
VNW_20	Dens (t/m3)	4,110	2.20	4.50	2.85	0.09

Table 14-11: Capped Assay Statistics: Raúl

Domain	Element	Count	Min	Max	Mean	CV
MSO_10	Cu (%)	388	0.01	2.00	0.14	2.21
MSO_10	Au (g/t)	379	0.01	1.50	0.04	2.93
MSO_10	Ag (g/t)	388	0.50	97.87	1.59	2.83
MSO_10	Fe (%)	388	0.61	34.37	3.70	0.72
MSO_10	Dens (t/m3)	388	2.52	3.52	2.80	0.05
CAL_12	Cu (%)	97,062	0.00	8.00	0.30	2.28
CAL_12	Au (g/t)	45,048	0.00	4.00	0.08	3.30
CAL_12	Ag (g/t)	75,857	0.50	100.00	1.76	2.37
CAL_12	Fe (%)	87,356	0.01	35.00	5.42	0.56
CAL_12	Dens (t/m3)	78,388	1.06	4.50	2.82	0.05
MAP_13	Cu (%)	56,338	0.00	8.00	0.37	2.00
MAP_13	Au (g/t)	17,926	0.00	4.00	0.07	2.82
MAP_13	Ag (g/t)	38,270	0.50	100.00	2.16	2.27
MAP_13	Fe (%)	46,911	0.01	35.00	5.12	0.68
MAP_13	Dens (t/m3)	40,533	2.10	4.50	2.84	0.06
ACT_14	Cu (%)	185,558	0.01	8.00	0.42	1.94
ACT_14	Au (g/t)	65,917	0.00	4.00	0.10	2.35
ACT_14	Ag (g/t)	134,755	0.50	100.00	3.08	2.13

Domain	Element	Count	Min	Max	Mean	CV
ACT_14	Fe (%)	162,276	0.01	35.00	6.31	0.66
ACT_14	Dens (t/m3)	142,453	2.10	4.50	2.83	0.06
INT_15	Cu (%)	40,040	0.00	8.00	0.48	1.76
INT_15	Au (g/t)	5,018	0.00	4.00	0.08	2.81
INT_15	Ag (g/t)	16,819	0.50	100.00	2.64	2.04
INT_15	Fe (%)	23,950	0.01	35.00	6.27	0.75
INT_15	Dens (t/m3)	18,889	2.30	4.50	2.86	0.07
BX9_16	Cu (%)	53,407	0.00	8.00	0.46	1.86
BX9_16	Au (g/t)	14,971	0.00	4.00	0.09	2.18
BX9_16	Ag (g/t)	30,714	0.50	100.00	3.26	2.00
BX9_16	Fe (%)	40,455	0.01	35.00	6.04	0.69
BX9_16	Dens (t/m3)	34,709	2.10	4.50	2.83	0.06
POL_17	Cu (%)	33,064	0.01	8.00	0.38	1.85
POL_17	Au (g/t)	6,455	0.01	4.00	0.05	2.96
POL_17	Ag (g/t)	13,418	0.50	100.00	2.58	2.15
POL_17	Fe (%)	23,625	0.01	35.00	6.56	0.67
POL_17	Dens (t/m3)	16,250	2.10	4.50	2.85	0.07
MCH_18	Cu (%)	21,523	0.01	8.00	0.40	2.53
MCH_18	Au (g/t)	8,780	0.01	4.00	0.06	3.64
MCH_18	Ag (g/t)	11,507	0.50	100.00	3.49	2.80
MCH_18	Fe (%)	18,029	0.02	35.00	8.02	0.82
MCH_18	Dens (t/m3)	13,072	2.00	4.50	2.89	0.11
CHI_19	Cu (%)	17,493	0.01	5.00	0.14	2.44
CHI_19	Au (g/t)	11,421	0.01	4.00	0.06	4.15
CHI_19	Ag (g/t)	17,055	0.50	100.00	1.16	2.36
CHI_19	Fe (%)	17,474	0.03	35.00	6.17	0.34
CHI_19	Dens (t/m3)	17,005	2.01	4.50	2.72	0.03
VNW_21	Cu (%)	10,894	0.01	8.00	0.92	1.64
VNW_21	Au (g/t)	2,955	0.01	4.00	0.17	2.59
VNW_21	Ag (g/t)	6,779	0.50	100.00	6.50	2.06
VNW_21	Fe (%)	8,428	0.12	35.00	8.69	0.77
VNW_21	Dens (t/m3)	7,174	2.50	4.50	2.89	0.09
VIS_22	Cu (%)	1,274	0.01	8.00	0.79	1.62
VIS_22	Au (g/t)	979	0.01	4.00	0.36	1.75

Domain	Element	Count	Min	Max	Mean	CV
VIS_22	Ag (g/t)	1,242	0.50	100.00	5.40	2.06
VIS_22	Fe (%)	1,274	0.01	35.00	5.51	0.92
VIS_22	Dens (t/m3)	1,234	2.50	4.48	2.86	0.08
VFN_23	Cu (%)	1,362	0.01	8.00	1.28	1.52
VFN_23	Au (g/t)	348	0.01	4.00	0.40	1.75
VFN_23	Ag (g/t)	611	0.50	100.00	8.35	1.64
VFN_23	Fe (%)	971	0.27	35.00	10.29	0.96
VFN_23	Dens (t/m3)	640	2.50	4.50	2.93	0.13
VNE_26	Cu (%)	6,512	0.01	8.00	0.92	1.64
VNE_26	Au (g/t)	1,946	0.00	4.00	0.29	2.31
VNE_26	Ag (g/t)	3,533	0.50	100.00	5.50	2.14
VNE_26	Fe (%)	4,669	0.12	35.00	5.19	0.66
VNE_26	Dens (t/m3)	3,887	2.20	4.50	2.81	0.07

14.5.2 High Grade Restriction

No high yield restriction techniques were employed in the MRE. The QP recommends investigating the technique in order to ensure that local high grade samples are spatially limited to local influence, in conjunction with minor modification to the estimation passes which would ensure that high grade blocks are locally adjacent to high grade samples.

14.6 Compositing

CMC combined the individual database tables (collar, survey, lithology, structure, assay) to a single desurveyed table in Datamine, capped and integrated LDL values for Cu, and then later composited the table in Datamine to the final 2 m composite file used in the MRE. The minimum composite length is 0.25 m. The nominally 2 m long composites are cut on the boundaries of the lithostratigraphic domains, except for the veins where a single composite is generated from hanging wall to footwall.

Summaries of composite statistics for Condestable mine and Raúl mine are shown in Table 14-12 and Table 14-13, respectively. Unsampled intervals for the Cu grade estimation are set to LDL/2 values before compositing. These intervals were likely left unsampled because the logging geologist interpreted the intervals not to contain sufficient grade to sample them. CMC's internal review of the unsampled intervals indicates that many of these intervals may have reported between 0.2% Cu and 0.5% Cu if they were assayed. If true, this may result in the MRE being slightly conservative in volumes interpolated as waste material.

Finally, variables are added to the Mineral Resource composite file to flag the composites for structure, sector, and lithostratigraphic domain codes. The lithology domains are flagged to nominal 2.0 m composites, except for full length vein composites.

Table 14-12: Composite Grade Statistics for Cu (%), Condestable mine

Domain	Element	Count	Min	Max	Mean	CV
MSO_00	Cu (%)	2,388	0.01	2.79	0.15	2.03
MSO_00	Au (g/t)	1,455	0.01	1.58	0.05	2.65
MSO_00	Ag (g/t)	2,261	0.50	47.49	2.26	1.70
MSO_00	Fe (%)	2,317	0.63	12.81	3.49	0.59
MSO_00	Dens (t/m3)	2,296	2.32	3.78	2.73	0.04
MVI_01	Cu (%)	73	0.02	1.99	0.61	0.80
MVI_01	Au (g/t)	29	0.01	0.81	0.26	1.03
MVI_01	Ag (g/t)	63	0.50	8.67	2.92	0.68
MVI_01	Fe (%)	68	2.41	8.50	5.63	0.25
MVI_01	Dens (t/m3)	66	2.50	3.25	2.84	0.04
CAL_02	Cu (%)	19,278	0.00	5.00	0.17	1.84
CAL_02	Au (g/t)	10,131	0.00	2.50	0.06	2.60
CAL_02	Ag (g/t)	16,328	0.50	60.00	1.48	1.86
CAL_02	Fe (%)	18,306	0.09	20.00	3.72	0.61
CAL_02	Dens (t/m3)	16,759	2.10	4.08	2.81	0.04
MAP_03	Cu (%)	11,017	0.00	5.43	0.32	1.26
MAP_03	Au (g/t)	5,095	0.00	2.96	0.18	1.82
MAP_03	Ag (g/t)	7,007	0.50	53.38	2.01	1.53
MAP_03	Fe (%)	9,522	0.20	25.00	3.32	0.71
MAP_03	Dens (t/m3)	7,577	2.34	4.24	2.84	0.05
ACT_04	Cu (%)	10,734	0.00	4.89	0.24	1.57
ACT_04	Au (g/t)	5,725	0.00	4.00	0.17	2.74
ACT_04	Ag (g/t)	8,610	0.50	47.53	1.76	1.50
ACT_04	Fe (%)	9,946	0.09	50.00	5.25	0.87
ACT_04	Dens (t/m3)	8,922	2.50	4.36	2.91	0.06
INT_05	Cu (%)	6,051	0.00	4.12	0.26	1.30
INT_05	Au (g/t)	3,002	0.00	3.91	0.10	2.97
INT_05	Ag (g/t)	4,709	0.50	40.00	2.03	1.49
INT_05	Fe (%)	5,472	0.24	36.76	6.89	0.69
INT_05	Dens (t/m3)	4,925	2.50	4.11	2.95	0.07
POL_07	Cu (%)	1,949	0.01	3.66	0.29	1.50
POL_07	Au (g/t)	821	0.01	0.69	0.06	1.41
POL_07	Ag (g/t)	1,553	0.50	29.74	2.12	1.27

Domain	Element	Count	Min	Max	Mean	CV
POL_07	Fe (%)	1,740	0.61	37.69	7.46	0.66
POL_07	Dens (t/m3)	1,598	2.53	4.20	2.90	0.06
MCH_08	Cu (%)	8,192	0.01	8.00	0.41	1.55
MCH_08	Au (g/t)	2,146	0.01	1.34	0.06	1.61
MCH_08	Ag (g/t)	3,831	0.50	40.00	1.77	1.35
MCH_08	Fe (%)	4,971	0.50	40.00	5.53	0.65
MCH_08	Dens (t/m3)	4,044	2.32	4.23	2.82	0.06
VNW_20	Cu (%)	1,031	0.01	8.00	0.90	0.91
VNW_20	Au (g/t)	541	0.00	4.00	0.35	1.26
VNW_20	Ag (g/t)	807	0.50	97.42	7.57	1.23
VNW_20	Fe (%)	926	0.77	35.00	5.28	0.81
VNW_20	Dens (t/m3)	826	2.50	4.01	2.84	0.06

Table 14-13: Composite Grade Statistics for Cu (%), Raul mine

Domain	Element	Count	Min	Max	Mean	CV
MSO_10	Cu (%)	164	0.01	1.67	0.13	1.84
MSO_10	Au (g/t)	161	0.01	0.42	0.04	2.02
MSO_10	Ag (g/t)	164	0.50	25.61	1.61	1.74
MSO_10	Fe (%)	164	0.71	22.61	3.71	0.59
MSO_10	Dens (t/m3)	164	2.55	3.29	2.80	0.04
CAL_12	Cu (%)	40,010	0.00	8.00	0.27	1.75
CAL_12	Au (g/t)	20,141	0.00	4.00	0.07	2.49
CAL_12	Ag (g/t)	31,187	0.50	77.19	1.75	1.68
CAL_12	Fe (%)	34,963	0.01	34.96	5.42	0.50
CAL_12	Dens (t/m3)	31,947	2.36	4.50	2.82	0.04
MAP_13	Cu (%)	24,895	0.01	8.00	0.34	1.61
MAP_13	Au (g/t)	8,073	0.00	3.89	0.07	2.19
MAP_13	Ag (g/t)	15,259	0.50	94.12	2.15	1.69
MAP_13	Fe (%)	18,110	0.18	35.00	5.12	0.61
MAP_13	Dens (t/m3)	15,938	2.25	4.39	2.84	0.05
ACT_14	Cu (%)	74,907	0.01	8.00	0.39	1.58
ACT_14	Au (g/t)	27,798	0.01	3.76	0.10	1.96
ACT_14	Ag (g/t)	51,886	0.50	100.00	3.04	1.71
ACT_14	Fe (%)	61,369	0.06	35.00	6.33	0.59
ACT_14	Dens (t/m3)	54,242	2.40	4.50	2.83	0.05
INT_15	Cu (%)	18,713	0.00	8.00	0.44	1.52
INT_15	Au (g/t)	2,199	0.00	2.45	0.07	2.19
INT_15	Ag (g/t)	6,216	0.50	83.06	2.61	1.56
INT_15	Fe (%)	8,702	0.01	35.00	6.29	0.67
INT_15	Dens (t/m3)	6,858	2.50	4.50	2.86	0.06
BX9_16	Cu (%)	23,178	0.01	8.00	0.43	1.60
BX9_16	Au (g/t)	6,620	0.00	2.68	0.09	1.70
BX9_16	Ag (g/t)	11,818	0.50	100.00	3.22	1.58
BX9_16	Fe (%)	15,232	0.73	35.00	6.06	0.63
BX9_16	Dens (t/m3)	13,051	2.36	4.50	2.83	0.05
POL_17	Cu (%)	14,885	0.01	8.00	0.35	1.61
POL_17	Au (g/t)	2,763	0.01	2.72	0.05	2.32
POL_17	Ag (g/t)	5,059	0.50	100.00	2.58	1.66

Domain	Element	Count	Min	Max	Mean	CV
POL_17	Fe (%)	8,731	0.41	35.00	6.58	0.60
POL_17	Dens (t/m3)	5,925	2.50	4.43	2.85	0.06
MCH_18	Cu (%)	8,740	0.01	8.00	0.36	2.02
MCH_18	Au (g/t)	3,737	0.01	3.05	0.06	2.75
MCH_18	Ag (g/t)	4,659	0.50	95.42	3.42	2.11
MCH_18	Fe (%)	6,850	0.92	35.00	7.95	0.71
MCH_18	Dens (t/m3)	5,147	2.50	4.50	2.89	0.09
CHI_19	Cu (%)	6,384	0.01	4.08	0.13	1.91
CHI_19	Au (g/t)	4,368	0.01	3.96	0.06	3.11
CHI_19	Ag (g/t)	6,194	0.50	60.78	1.15	1.64
CHI_19	Fe (%)	6,372	1.76	18.47	6.15	0.31
CHI_19	Dens (t/m3)	6,176	2.44	3.61	2.72	0.03
VNW_21	Cu (%)	1,227	0.01	8.00	0.90	1.01
VNW_21	Au (g/t)	371	0.01	2.90	0.18	1.50
VNW_21	Ag (g/t)	772	0.50	93.50	6.83	1.12
VNW_21	Fe (%)	942	1.43	35.00	8.58	0.59
VNW_21	Dens (t/m3)	824	2.50	4.08	2.89	0.06
VIS_22	Cu (%)	149	0.01	8.00	0.81	0.80
VIS_22	Au (g/t)	102	0.01	1.65	0.35	0.86
VIS_22	Ag (g/t)	147	0.50	27.88	5.60	0.92
VIS_22	Fe (%)	149	0.97	24.81	5.23	0.58
VIS_22	Dens (t/m3)	145	2.61	3.41	2.86	0.04
VFN_23	Cu (%)	140	0.01	8.00	1.35	0.92
VFN_23	Au (g/t)	33	0.01	1.13	0.40	0.90
VFN_23	Ag (g/t)	65	0.50	41.68	9.20	0.75
VFN_23	Fe (%)	91	0.87	34.55	10.38	0.59
VFN_23	Dens (t/m3)	68	2.62	3.45	2.95	0.07
VNE_26	Cu (%)	887	0.01	7.90	0.88	1.06
VNE_26	Au (g/t)	288	0.01	2.06	0.30	1.25
VNE_26	Ag (g/t)	484	0.50	49.97	5.79	1.23
VNE_26	Fe (%)	584	0.50	26.33	5.08	0.46
VNE_26	Dens (t/m3)	513	2.50	3.78	2.80	0.05

14.7 Trend Analysis

14.7.1 Variography

The construction of variograms involves three key steps using regularized composite data. Initially, experimental variograms are produced in three orthogonal directions, aligning with the main geological continuity planes. Secondly, the main anisotropy directions are chosen from the experimental variograms based on the largest range and smallest nugget effect. The final stage involves fitting these experimental variograms to a theoretical model, typically with two spherical structures, incorporating the nugget effect calculated from the downhole variability within the drill holes.

Different types of variograms and variogram models were utilized as required by the estimation methods applied. Traditional standardized variograms were generated using Supervisor software, developed by lithostratigraphic units without applying the subdivision of structural blocks. In addition, some additional simplification was applied where units were statistically similar. For example, the variograms for Condestable units Intermedio and Polvorín, Morro Solar and Calicantro, were grouped.

The variograms were generated using the 2.0 m run-length composites in three orthogonal directions deemed to be the main directions of anisotropy for each unit. Then, based on the experimental variograms in those three main directions, the anisotropies are defined based on field experience with the range and continuity of mineralization for each unit. Variograms were then modelled (spherical model in all cases) to those three main directions of anisotropy. Nugget effects were defined using the downhole variograms.

CMC generated variogram models for Cu Indicators, Cu (%), Au and Cu-Au cross variograms, Ag and Cu-Ag cross variograms, Fe, and density. All variograms were fitted with spherical structures and, in general, showed expected ranges of at most 50 m to 60 m. For Cu, Au, and Ag, the most continuous variogram corresponds to the Cu Indicator variogram (at 0.25 % Cu threshold), its main variogram parameters shown in Table 14-14 for Condestable. This is expected as the indicator transform is a robust measure of continuity. Figure 14-6 shows an example variogram for Apolo in Condestable. The most continuous variograms are the vein sets (NW in the case of Condestable), which holds true for all metals likely due to the compositing method used for the veins, and the fact that there are multiple composites larger than 2 m within these domains.

Variogram models generated for “mineralized” composites are applied to both “ore” and “waste” subdomains. CMC considers that this simplified approach would impart less continuity to Cu grades in the “waste” domains, since lower grades tend to be more continuous. However, the QP has observed some volumes where unconstrained high grades are extrapolated unreasonably far.

Copper variogram model parameters for mineralized composites are shown by domain for Condestable in Table 14-15, The direct and cross variogram model parameters are shown in Table 14-16. Similar models were developed for the Cu-Ag linear model of coregionalization. Finally, variogram models for the estimation of Fe and in situ bulk density were also developed and are shown in Table 14-17 for Condestable.

The QP is of the opinion that the procedures followed by CMC for variographic analyses, and the resulting variograms, are sufficient to support the estimation of Mineral Resources.

Figure 14-6: Experimental Variogram and Fitted Model: Apolo (MAP_03), Condestable

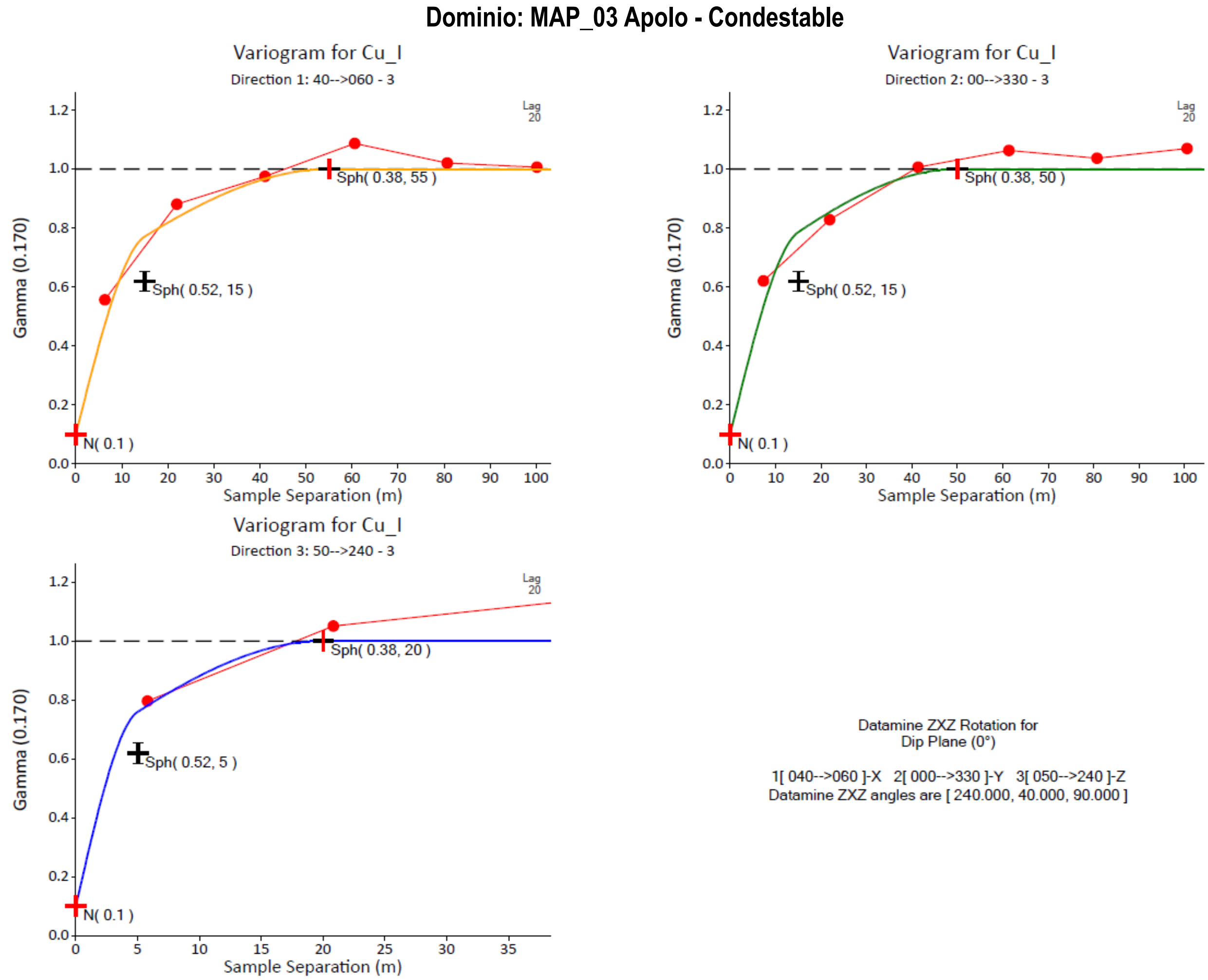


Table 14-14: Example Indicator Variogram Model Parameters by Domains, Condestable Mine

	Element	Cu_pct (Ore=1 & Waste=0)					
	Domain	**MSO_CAL**	**MAP**	**ACT**	**INT_POL**	**MCH**	**VNW**
	1st Rotation (L) in Z	200	240	290	220	220	30
	2d Rotation (L) in X	50	40	30	30	20	40
	3rd Rotation (L) in Z	-170	90	10	170	150	40
	Nugget	0.15	0.1	0.3	0.15	0.15	0.12
1st Structure	**Type**	Spherical	Spherical	Spherical	Spherical	Spherical	Spherical
	Range in X (m)	20	15	25	30	25	30
	Range in Y (m)	20	15	15	20	20	30
	Range in Z (m)	10	5	10	20	20	75
	Spatial Variance (C)	0.37	0.52	0.42	0.56	0.17	0.48

	Element	Cu_pct (Ore=1 & Waste=0)					
	Domain	**MSO_CAL**	**MAP**	**ACT**	**INT_POL**	**MCH**	**VNW**
2nd Structure	**Type**	Spherical	Spherical	Spherical	Spherical	Spherical	Spherical
	Range in X (m)	60	55	45	60	65	150
	Range in Y (m)	40	50	45	40	50	150
	Range in Z (m)	25	20	30	40	40	80
	Spatial Variance (C)	0.48	0.38	0.28	0.29	0.68	0.4

Table 14-15: Example Copper Variogram Model Parameters by Domains, 'Mineralized' Composites, Condestable Mine

	Element	Cu_pct					
	Domain	**MSO.CAL**	**MAP**	**ACT**	**INT.POL**	**MCH**	**VNW**
	1st Rotation (L) in Z	230	230	230	240	210	40
	2d Rotation (L) in X	30	20	60	20	40	30
	3rd Rotation (L) in Z	-160	180	150	100	170	0
	Nugget	0.17	0.1	0.12	0.06	0.2	0.23
1st Structure	**Type**	Spherical	Spherical	Spherical	Spherical	Spherical	Spherical
	Range in X (m)	15	10	20	25	20	50
	Range in Y (m)	10	7	10	25	20	50
	Range in Z (m)	7	5	10	7	7	15
	Spatial Variance (C)	0.32	0.63	0.51	0.62	0.65	0.33
2nd Structure	**Type**	Spherical	Spherical	Spherical	Spherical	Spherical	Spherical
	Range in X (m)	30	35	40	45	70	120
	Range in Y (m)	40	20	20	65	40	100
	Range in Z (m)	25	20	25	45	35	40
	Spatial Variance (C)	0.51	0.27	0.37	0.32	0.15	0.43

Table 14-16: Direct and Cross Variogram Models, Linear Model of Coregionalization, Cu-Au, Condestable Mine

	Element	Au_ppm - Cu_pct				
	Domain	**MSO.CAL**	**MAP**	**ACT**	**INT_POL_MCH**	**VNW**
	1st Rotation (L) in Z	250	220	230	190	40
	2d Rotation (L) in X	40	20	30	90	40
	3rd Rotation (L) in Z	180	170	180	130	0
	Nugget	0.13	0.12	0.11	0.14	0.08
1st Structure	Range in X (m)	25	15	10	40	35
	Range in Y (m)	30	20	30	25	25
	Range in Z (m)	20	10	10	25	25
	Spatial Variance (C)	0.48	0.4	0.32	0.19	0.24
2nd Structure	Range in X (m)	135	40	40	92	100
	Range in Y (m)	150	75	70	80	100
	Range in Z (m)	80	40	40	80	60
	Spatial Variance (C)	0.3	0.34	0.49	0.59	0.56

	Element	Cu_pct				
	Domain	**MSO.CAL**	**MAP**	**ACT**	**INT_POL_MCH**	**VNW**
	1st Rotation (L) in Z	250	220	230	190	40
	2d Rotation (L) in X	40	20	30	90	40
	3rd Rotation (L) in Z	180	170	180	130	0
	Nugget	0.13	0.18	0.2	0.15	0.08
1st Structure	Range in X (m)	25	15	10	40	35
	Range in Y (m)	30	20	30	25	25
	Range in Z (m)	20	10	10	25	25
	Spatial Variance (C)	0.63	0.57	0.29	0.32	0.4
2nd Structure	Range in X (m)	135	40	40	92	100
	Range in Y (m)	150	75	70	80	100
	Range in Z (m)	80	40	40	80	60
	Spatial Variance (C)	0.24	0.25	0.51	0.53	0.52

	Element	Au_ppm				
	Domain	**MSO.CAL**	**MAP**	**ACT**	**INT_POL_MCH**	**VNW**
	1st Rotation (L) in Z	250	220	230	190	40
	2d Rotation (L) in X	40	20	30	90	40
	3rd Rotation (L) in Z	180	170	180	130	0
	Nugget	0.23	0.14	0.16	0.14	0.17
1st Structure	Range in X (m)	25	15	10	40	35
	Range in Y (m)	30	20	30	25	25
	Range in Z (m)	20	10	10	25	25
	Spatial Variance (C)	0.38	0.37	0.36	0.19	0.22
2nd Structure	Range in X (m)	135	40	40	92	100
	Range in Y (m)	150	75	70	80	100
	Range in Z (m)	80	40	40	80	60
	Spatial Variance (C)	0.39	0.49	0.48	0.67	0.61

Note:
All Spherical Type.

Table 14-17: Variogram Model Parameters by Domains, Fe and In Situ Bulk Density, Condestable

	Element	Fe_pct						Density
	Domain	**MSO_CAL**	**MAP**	**ACT**	**INT_POL_MCH**	**VNW**		**ALL**
	1st Rotation (L) in Z	240	220	250	220	30		240
	2d Rotation (L) in X	30	20	30	40	40		30
	3rd Rotation (L) in Z	180	180	180	150	10		180
	Nugget	0.11	0.12	0.12	0.12	0.13		0.11
1st Structure	**Type**	Spherical	Spherical	Spherical	Spherical	Spherical		Spherical
	Range in X (m)	25	15	20	35	60		25
	Range in Y (m)	30	20	10	35	108		30
	Range in Z (m)	25	10	10	25	65		25
	Spatial Variance (C)	0.42	0.31	0.63	0.81	0.79		0.42
2nd Structure	**Type**	Spherical	Spherical	Spherical	Spherical	Spherical		Spherical
	Range in X (m)	290	130	70	75	175		290
	Range in Y (m)	295	125	65	150	240		295
	Range in Z (m)	240	40	30	50	240		240
	Spatial Variance (C)	0.48	0.57	0.25	0.08	0.08		0.48

14.8 Search Strategy and Grade Interpolation Parameters

The interpolation of copper grades is executed using OK within each distinct domain to reduce information processing time. For domains deemed barren, such as porphyries, interpolation is not conducted. Instead, the threshold detection values for variables Cu, Au, Ag, and Fe are provided directly.

For Au and Ag, the values are determined through co-kriging, while Fe and density values are interpolated using simple kriging for each domain on an individual basis.

Overall, the interpolation process takes Domain, Sector, and Subdomain (Mineral and Clearing) into account. This means that composites sharing the same Domain, Sector, and Subdomain codes are interpolated within blocks that are also coded with these same identifiers. This approach ensures that composites from different sectors within the same domain are not mistakenly interpolated with one another.

To prevent the double-counting of resources in areas where the individual models might intersect, merging of Raúl and Condestable models into a consolidated block model is conducted with careful consideration of the geological sequence of events.

The QP recommends that the grade estimate methodology be run in a block model which does not exclude blocks in mined tonnages. Re-estimating through extant stope volumes and then comparing the model result to the extant mining would help the Mineral Resource modeller ‘tune’ the estimation parameters to closely match the actual mined results in each (grouped) domain. This would be complicated by the variable orientation of ore at the mines.

14.8.1 Estimation Domaining

The many estimation domains used to estimate resources at CMC are the cumulative result of many drill holes and mapped underground workings obtained over approximately 60 years' worth of copper, silver, and gold production, producing detailed estimation domains.

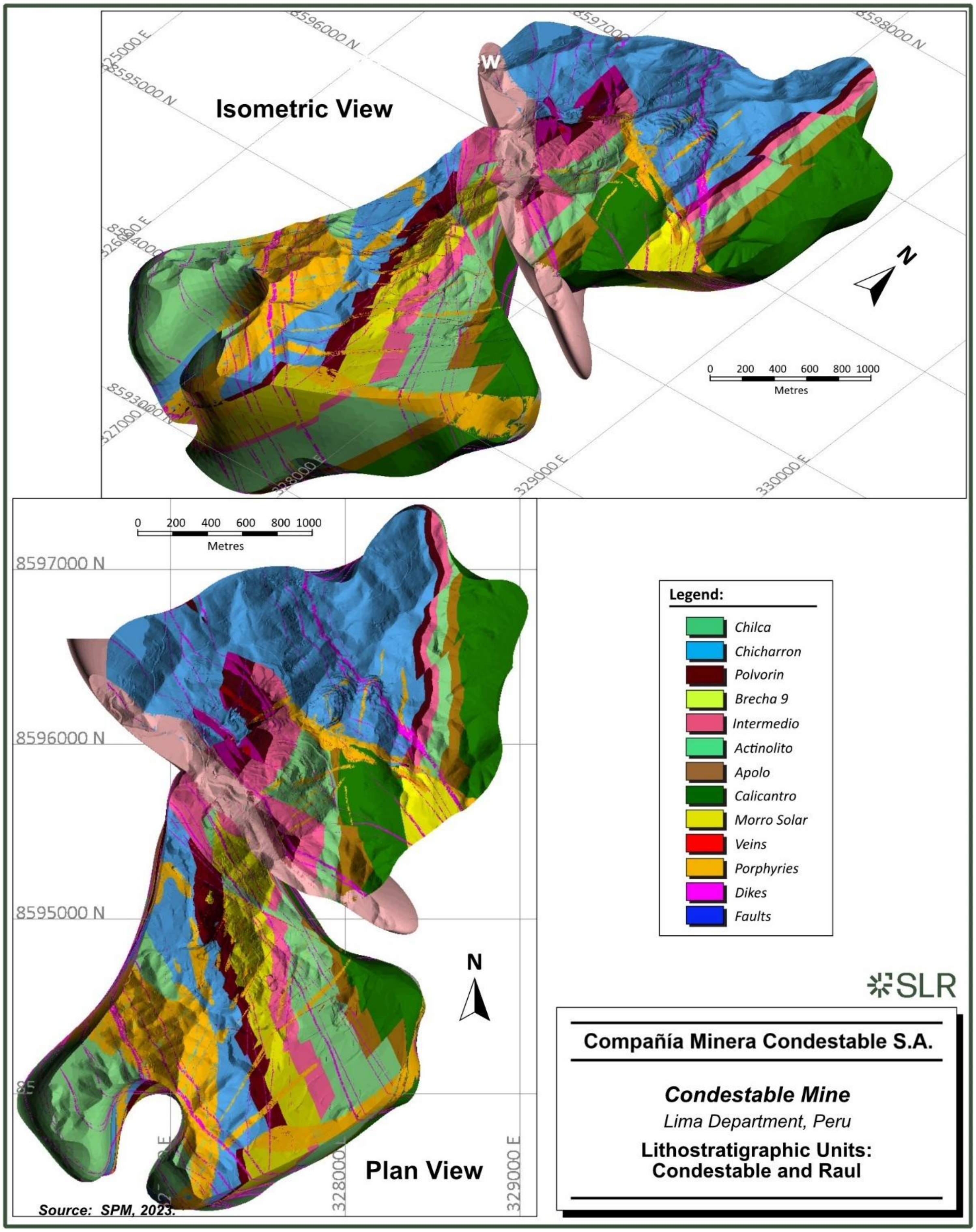
The estimation domains used in the grade interpolation for the December 2022 Mineral Resource Model were based on the interaction of lithostratigraphic units, structural sectors, and ore/waste indicators. A total of 22 lithostratigraphic domains have been modelled, shown in Figure 14-7. Note that the veins (and Victoria, a narrow manto in Condestable modelled as a vein) are treated and estimated differently than the mantos, which are most of the estimation domains. Structural blocks are used to derive the final estimation domains (shown in Figure 14-8 and Figure 14-9 for Raúl and Condestable, respectively). The lithostratigraphic units are split at contacts of the structural blocks for all the mantos of both Condestable and Raúl. Veins and Manto Victoria are not split at contacts of the structural blocks.

Note that it is not evident that there are always significant differences in the spatial distribution of mineralization across structural boundaries. Therefore, the impact (other than local displacements of mantos and veins) that structural blocks may have on estimated grades is not yet completely understood. Simplification/amalgamation of some of the estimation domains may be possible in future models.

The Mineral Resource composite database is then tagged as mineralized or waste, per manto/vein and sector. Blocks within each domain are estimated using only data within the corresponding domain, with no soft boundaries or sharing of composites across estimation domain boundaries.

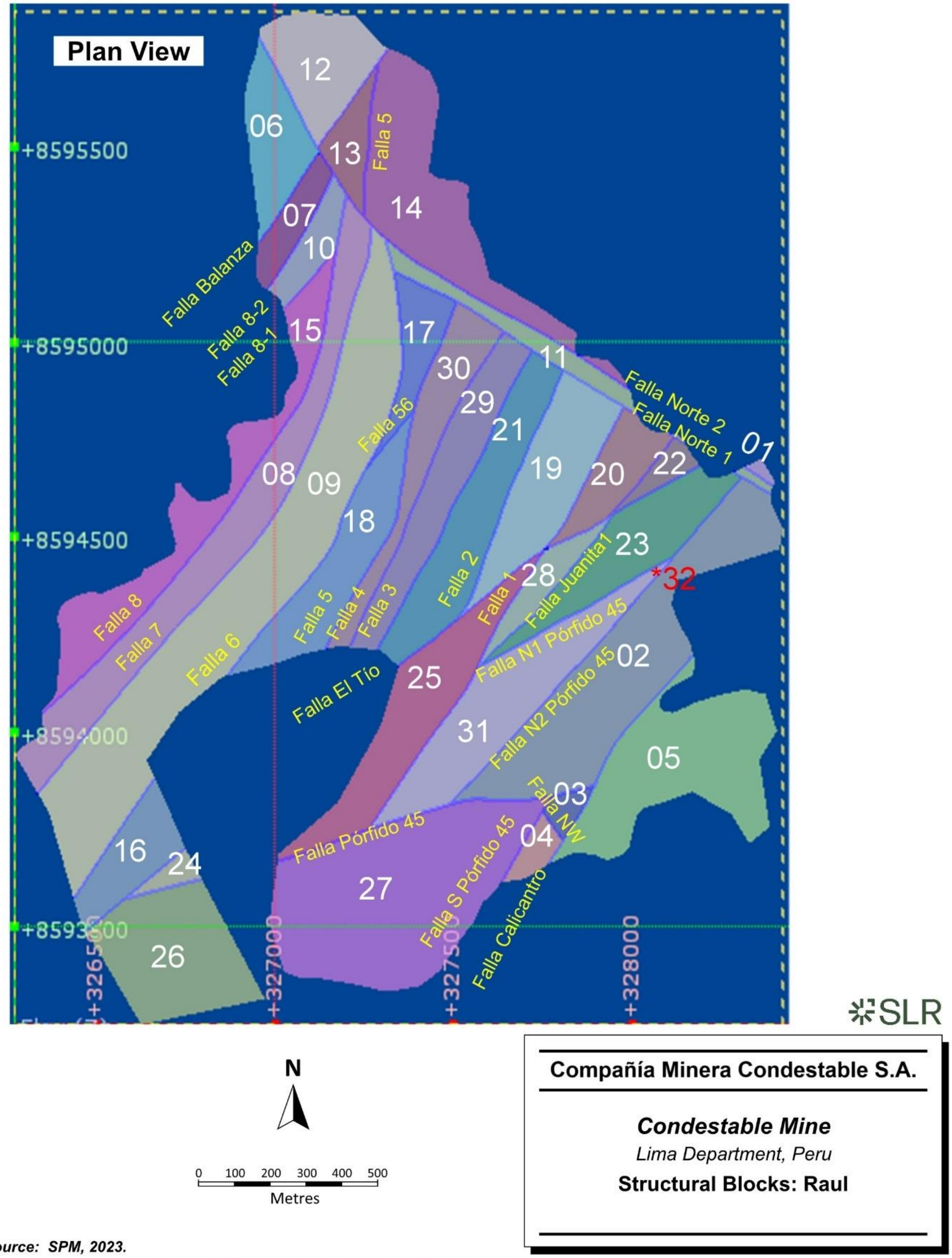
The QP is of the opinion that the current domaining supports the Mineral Resource estimate, but if adjacent boundaries are determined to be part of the same stationary geochemical populations across structural boundaries, then domain boundaries should be simplified accordingly.

Figure 14-7: Lithostratigraphic Units: Condestable and Raúl



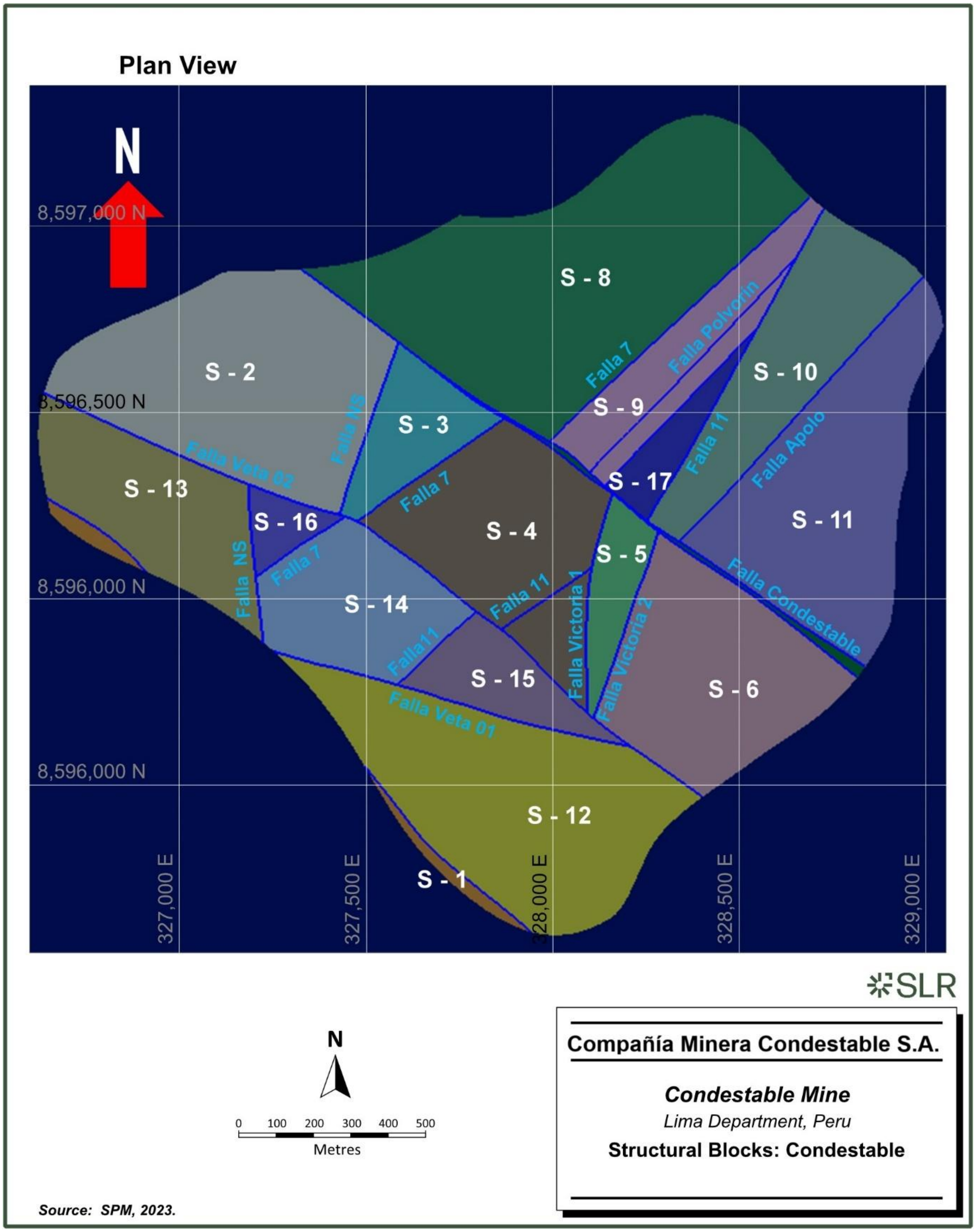
Source: SPM, 2023.

Figure 14-8: Structural Blocks: Raúl



Source: SPM, 2023.

Figure 14-9: Structural Blocks: Condestable



Source: SPM, 2023.

14.8.2 Indicator Kriging

Once the lithostratigraphic units and structural blocks were established, CMC used IK estimation to define the mineralized estimation domains. IK estimation is a well-known, standardized kriging procedure. The IK estimate was used in the 2022 Mineral Resource model to control overestimation by partitioning material types more effectively. The concept of the IK is to define “mineralized” and “waste” zones by estimating the probability of each model block of being above or below a chosen grade threshold.

At CMC, Cu grades of an indicator threshold greater than or equal to 0.25% are transformed to “1” in the database, and if below 0.25%, the indicator is set to “0”. The 0.25% Cu indicator was selected using a modified cluster analysis technique which confirms that approximately 71% of the total Cu data is below that threshold. CMC defined the indicator threshold using the entire dataset (globally). CMC expects that the 0.25% threshold will result in less mineralized tonnage than actual, per observation of previous mining, with the medium-to-lower grade units being the most conservative. Variograms are then generated from ore indicator assays and used to interpolate indicator values into the block model. A 50% estimated probability or greater in each block is required to tag the block as “mineralized”. If less than 50% probability, the block is tagged as “waste”. All subdomains defined previously (mantos within sectors, and veins) are subsequently split into “mineralized” and “waste” subdomains. CMC manually reviewed the indicator results and incorporate consideration of block grades in the indicator domains to further modify which blocks were assigned to mineralized material. The smoothed volumes of blocks flagged as “mineralized” or “waste” are used as domains to help define economic volumes above cut-off grade.

Example estimation parameters used for Condestable are shown in Table 14-18, and vary by lithostratigraphic domain according to the corresponding variogram parameters. The estimation parameters used are restrictive in terms of search radii, particularly in the Z (thickness) direction for the mantos, fixed at 4 m. The estimation strategy is designed to avoid extrapolation at the end of some drill holes (“blow outs”), but constrains mineralized tonnages that could eventually be converted to resources.

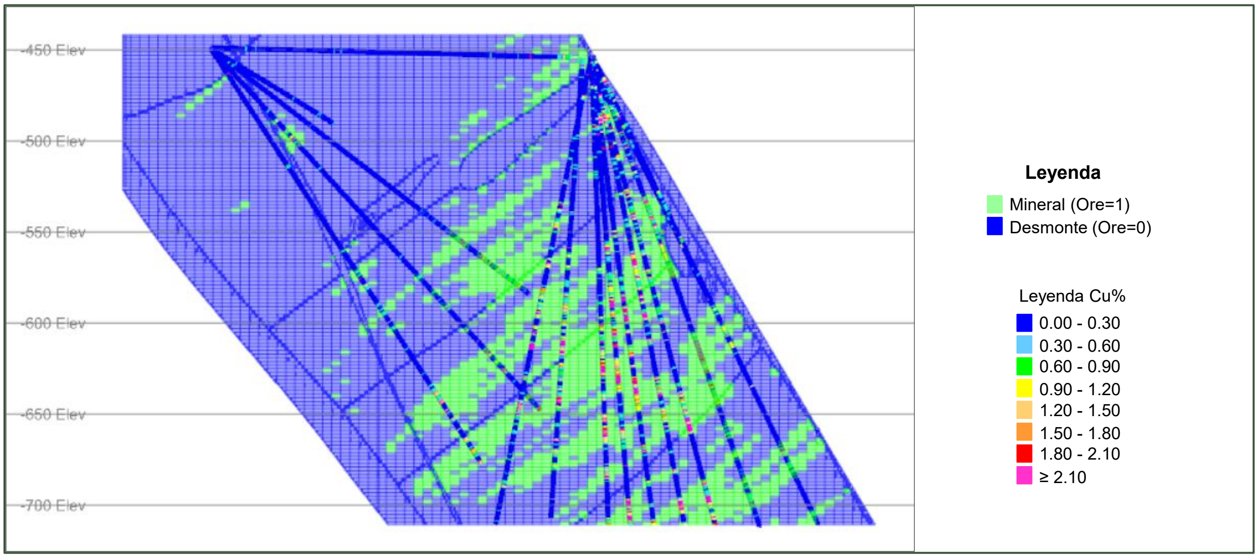
Figure 14- shows a long section with blocks estimated as “ore” (“mineralized”) in green, and “waste” in blue. Also, drill holes coming across the section with Cu grades coloured according to the legend shown illustrate that, while the IK captures the high grade mineralization, marginal or lower grades are left out in the “waste” domain. Conversely, few waste intervals (< 0.25% Cu) are seen within the mantos.

The QP is of the opinion that the current 0.25% Cu global threshold is appropriate to support the estimation of Mineral Resources, and also recommends that the threshold be revisited by estimation domain in the next Mineral Resource update. The present indicator methodology does not take into consideration the different grade ranges and degree of mineralization of each separate lithostratigraphic domain. If the estimation domains are reviewed and grouped according to similar geological and mineralization characteristics, the model could be simplified and be more faithful to actual mineralization at the same time.

Table 14-18: Indicator Kriging Estimation Parameters by Domains, Condestable

	Domain	MSO.CAL	MAP	ACT	INT.POL	MCH	VNW	*MVI
1st Rotation (L) in Z (deg)		200	240	290	220	220	30	250
2d Rotation (L) in X (deg)		50	40	30	30	20	40	40
3rd Rotation (L) in Z (deg)		-170	90	10	170	150	40	180
1st Structure	Range in X (m)	45	SS	45	45	50	40	30
	Range in Y (m)	30	50	45	30	40	40	30
	Range in Z (m)	4	4	4	4	4	20	10
	Min Comp (count)	6	6	8	6	8	4	4
	Max Comp (count)	14	14	14	14	14	12	10
	Max Comps/DH (count)	2	2	3	2	3	2	2
2nd Structure	Range in X (m)	45	SS	45	45	50	40	30
	Range in Y (m)	30	50	45	30	40	40	30
	Range in Z (m)	4	4	4	4	4	20	10
	Min Comp (count)	4	4	6	4	6	3	3
	Max Comp (count)	14	14	14	14	14	12	10
	Max Comps/DH (count)	2	2	3	2	3	2	2
3rd Structure	Range in X (m)	45	SS	45	45	50	40	30
	Range in Y (m)	30	50	45	30	40	40	30
	Range in Z (m)	4	4	4	4	4	20	10
	Min Comp (count)	2	2	3	2	3	2	2
	Max Comp (count)	14	14	14	14	14	12	10
	Max Comps/DH (count)	2	2	3	2	3	2	2

Figure 14-10: Longitudinal Section View, Apolo, "Mineral" and "Waste" Blocks, Condestable



14.8.3 Copper Grade Interpolation

Cu grade estimation was done on domains and subdomains as described before using OK. For both Raúl and Condestable, the main estimation domains are the lithostratigraphic domains, subdomained by structural blocks (only for mantos and not for vein domains). Lithostratigraphic domains and structural subdomains are further divided into "ore" ("mineralized") and "waste" subdomains based on the IK estimation. Composites are back-flagged as "mineralized" ("ore") or "waste" based on the block model IK codes, and then Cu grades are estimated only using those composites flagged as "mineralized" within the "mineralized" zone, and "waste" composites are used to estimate "waste" blocks.

To account for gradual changes in the orientation of the mineralization, CMC applied a technique in Datamine called local anisotropy kriging, or LAK (see Isaaks, 2014, and Rossi and Deutsch, 2014, p. 44, among others). Similar to dynamic anisotropy, LAK aids in estimating local trends based on a prior processing of the local continuity (local grade variances and trends). LAK has been applied across all domains to modify the orientation of the search ellipsoids. This adjustment allows the ellipsoid to follow the orientations of the structures more accurately, thereby enhancing control during the interpolation of both the indicators and the grades.

An example OK estimation plan for Cu in Condestable is shown in Table 14-19. CMC used a multiple-pass approach, usually in three passes. Search ellipsoids are coincidental with the variogram model anisotropy axes, while search radii are proportional to the variogram model ranges for each axis. The same approach was used for the Raúl mine.

CMC performed OK estimation on a domain basis, using only the composites residing inside each domain (hard boundaries). No composites were shared across domain and subdomain boundaries. The OK estimation plan has limited searches and, overall, uses a fairly restrictive number of composites to estimate each block.

Table 14-19: Ordinary Kriging Estimation Parameters by Domains, Condestable

	Domain	MSO	CAL	MAP	ACT	INT	POL	MCH	VNW	MVI
1st Rotation (L) in Z (deg)		230	230	230	230	240	240	210	40	250
2d Rotation (L) in X (deg)		30	30	20	60	20	20	40	30	40
3rd Rotation (L) in Z (deg)		-160	-160	180	150	100	100	170	0	180
1st Structure	Range in X (m)	45	45	35	40	45	45	70	60	30
	Range in Y (m)	60	60	20	20	65	65	40	50	30
	Range in Z (m)	40	40	20	25	45	45	35	20	10
	Min Comp (count)	6	8	8	9	8	6	9	4	3
	Max Comp (count)	14	14	14	14	14	14	14	12	10
	Max Comps/DH (count)	3	3	3	3	3	3	3	2	2
2nd Structure	Range in X (m)	45	45	35	40	45		70	60	30
	Range in Y (m)	60	60	20	20	65		40	50	30
	Range in Z (m)	40	40	20	25	45		35	20	10
	Min Comp (count)	3	6	6	7	3		3	2	2
	Max Comp (count)	14	14	14	14	14		12	12	10
	Max Comps/DH (count)	3	3	3	3	3		3	2	2
3rd Structure	Range in X (m)		45	35	40				60	30
	Range in Y (m)		60	20	20				50	30
	Range in Z (m)		40	20	25				20	10
	Min Comp (count)		3	3	3				1	1
	Max Comp (count)		14	14	14				12	10
	Max Comps/DH (count)		3	3	3				2	2

By using a large number of domains and subdomains in conjunction with set LDL/2 Cu grades in unsampled intervals, and hard boundaries, CMC intended to ensure that the Mineral Resource model would be conservatively biased to a tighter definition of grades around nearby composites. The same geological team builds both the Mineral Resource model and the production (short term or local) models on a monthly basis. It is inevitable that some of the practices in high resolution, short term production modelling have been incorporated into the Mineral Resource estimate.

The QP is of the opinion that CMC's approach used to estimate copper grades is well designed, according to industry practice, and sufficient to support the estimation of Mineral Resources.

14.8.4 Gold and Silver Grade Co-Kriging Interpolation

Significant portions of both the Condestable and Raúl deposits lack Au or grade representation in the assays and composites, resulting in unestimated Au grades when estimates are run in conventional fashion. Similarly, Ag lacks assayed grades in some areas, albeit to a lesser extent than Au, as Ag was more thoroughly sampled. To address the absence of Au and Ag samples, CMC employed ordinary co-kriging for the estimation of both Au and Ag. This method leverages the correlations between Au and Cu, and between Ag and Cu measured in the original assay intervals and composites.

CMC generated correlation coefficient matrices to demonstrate that the linear relationships among Cu, Au, and Ag differ across lithostratigraphic units; a variation also evident in the cross-variograms presented in Section 14.71. For illustration, Figure 14-11 displays the correlation matrices for Cu, Au, and Ag for three distinct units in Raúl and Condestable: a) Manto Apolo (Raúl), top left; b) NE Veins set (Raúl), top right; and c) Manto Victoria (Condestable), bottom left. Warmer colours indicate stronger correlations. In general, the highest Cu-Au correlation occurs in Condestable's Manto Victoria, whereas the NE veins in Raúl exhibit the lowest.

Longitudinal sections oriented southwest-northeast displaying estimated block and drilled grades of Au (g/t) and Ag (g/t), colour-coded according to the legend, are presented for Condestable in Figure 14- and Figure 14-13, respectively. The spatial distribution of Au grades, as expected, shows considerable variability, heavily influenced by the presence of Au grades in the composites. Although the co-kriging method utilizes the Au-Cu cross correlation to mitigate the relative scarcity of Au composites, it is necessary for some composites containing both Au and Cu to fall within the search radii during the estimation process to derive Au grade estimates for each block.

The domained co-kriging estimation parameters, including variogram parameters and sample counts, are shown for Au-Cu and Ag-Cu in Table 14-20 and Table 14-21, respectively. Both estimations generally use two structures with a maximum range of 60 m. CAL and ACT use three structures for both estimates, and MAP uses three structures only for Ag. All estimates use a minimum of three and a maximum of 14 composites, and require three composites per hole except for VNW and MVI. Rotations intend to follow the trend of the mineralization for each domain.

As a general principle, the QP suggests that metal grades should be estimated using only the samples for that metal. The QP understands the predicament of having no historical sampling for gold until recently, and that some volumes are bereft of information where CMC mining has produced gold in the mill at known grades despite the lack of sampling. The QP accepts that using the co-kriging methodology is acceptable for determining new stopes proximal to extant mined volumes, where Au and Ag sampling is incomplete and Cu sampling is complete, as it is based on real-world correlations between those metals and copper in the Condestable and Raul deposits, as a temporary solution to a historical problem.

However, the QP recommends that CMC review significantly large new tonnages in volumes not sampled for Au and Ag, and assay any available unsampled core, pulps, or coarse rejects where appropriate. Eventually the co-kriging method would be discarded as no volumes would exist without thorough Au and Ag sample coverage. The QP's validation also indicates that there are some aberrations in grade where Cu data is also sparse, which may produce isolated grades that are locally biased higher than the complete geological picture would suggest. These local artifacts may be exaggerated in waste domains. In any case, manual validation and review of the Deswik panels should mitigate these effects, which are likely not material to the global Mineral Resource estimate.

For the Condestable mine, CMC is adding gold to the NSR calculations in an effort to obtain a more accurate picture of the expected returns for new mining volumes proximal to older workings in older drilled volumes. In the newer mining areas where most of the new mineable tonnage is likely to be, gold sampling is complete where gold is a more important component of the NSR value of the rock. This alleviates concern about using co-kriging in volumes where gold is important enough to push the value of the rock over the cut-off grade. At Raúl mine, the cut-off grade is based only on Cu grade, so co-kriged Au values would not impact ore and waste tonnages.

Figure 14-11: Example Correlation Matrices

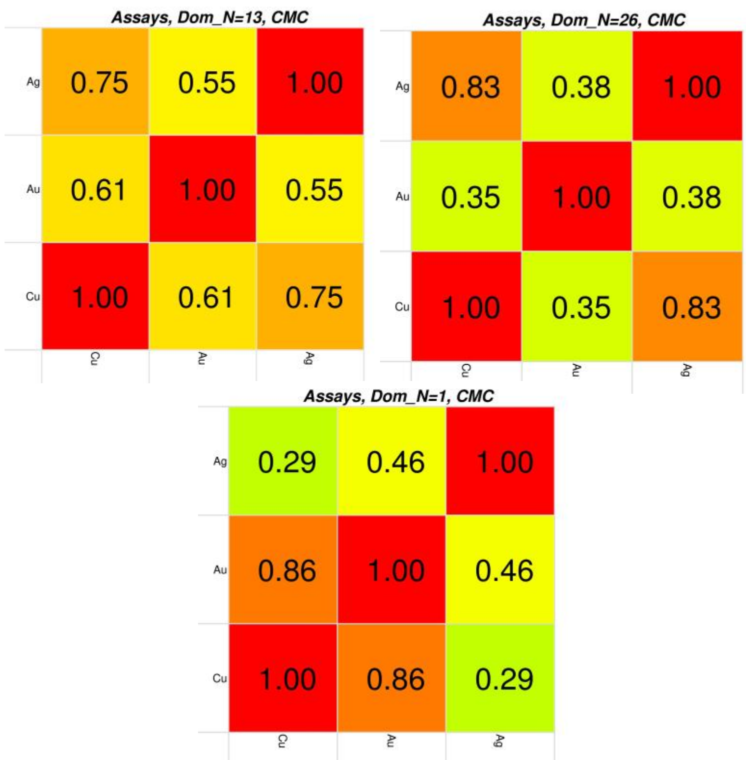


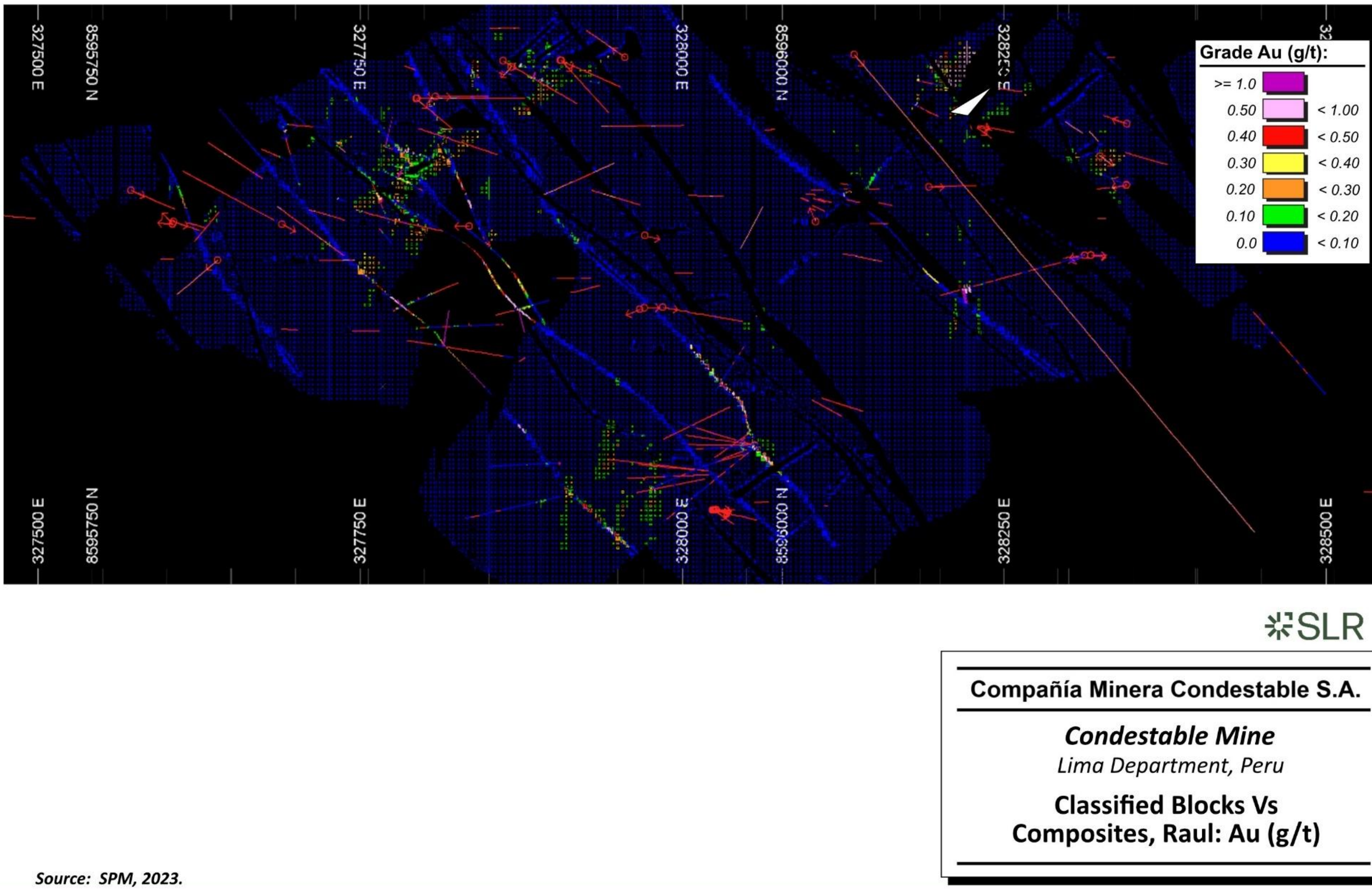
Table 14-20: Co-kriging Estimation Parameters, Au-Cu, Condestable

	Domain	MSO	CAL	MAP	ACT	INT	POL	MCH	VNW	MVI
1st Rotation (L) in Z (deg)		250	250	220	230	190	190	190	40	250
2d Rotation (L) in X (deg)		40	40	20	30	90	90	90	40	40
3rd Rotation (L) in Z (deg)		180	180	170	180	130	130	130	0	180
1st Structure	Range in X (m)	50	50	20	20	45	45	45	50	30
	Range in Y (m)	60	60	35	35	40	40	40	50	30
	Range in Z (m)	30	30	20	20	40	40	40	30	10
	Min Comp (count)	6	8	6	9	8	4	9	4	3
	Max Comp (count)	14	14	14	14	14	14	14	12	10
	Max Comps/DH (count)	3	3	3	3	3	3	3	2	2
2nd Structure	Range in X (m)	50	50	20	20	45		45	50	30
	Range in Y (m)	60	60	35	35	40		40	50	30
	Range in Z (m)	30	30	20	20	40		40	30	10
	Min Comp (count)	3	6	3	6	3		3	2	2
	Max Comp (count)	14	14	14	14	14		14	12	10
	Max Comps/DH (count)	3	3	3	3	3		3	2	2
3rd Structure	Range in X (m)		50		20					
	Range in Y (m)		60		35					
	Range in Z (m)		30		20					
	Min Comp (count)		3		3					
	Max Comp (count)		14		14					
	Max Comps/DH (count)		3		3					

Table 14-21: Co-kriging Estimation Parameters, Ag-Cu, Condestable

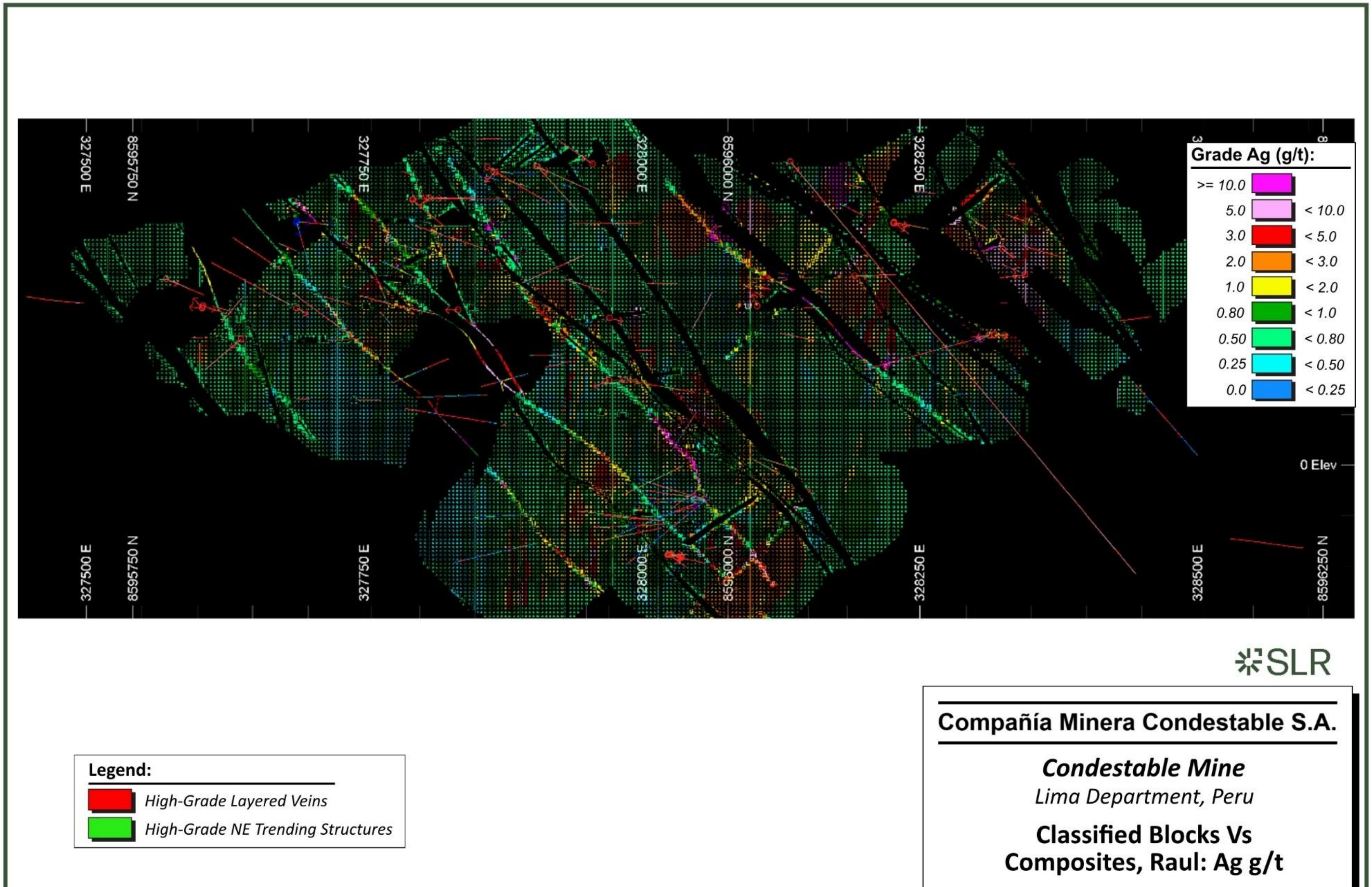
	Domain	MSO	CAL	MAP	ACT	INT	POL	MCH	VNW	MVI
1st Rotation (L) in Z (deg)		240	240	240	240	250	250	250	40	250
2d Rotation (L) in X (deg)		30	30	30	40	50	50	50	30	40
3rd Rotation (L) in Z (deg)		180	180	180	180	150	150	150	10	180
1st Structure	Range in X (m)	60	60	55	50	50	50	50	50	30
	Range in Y (m)	45	45	40	45	30	30	30	40	30
	Range in Z (m)	40	40	30	40	40	40	40	25	10
	Min Comp (count)	8	8	7	9	8	4	9	4	3
	Max Comp (count)	14	14	14	14	14	14	14	12	10
	Max Comps/DH (count)	3	3	3	3	3	3	3	2	2
2nd Structure	Range in X (m)	60	60	55	50	50		50	50	30
	Range in Y (m)	45	45	40	45	30		30	40	30
	Range in Z (m)	40	40	30	40	40		40	25	10
	Min Comp (count)	4	6	4	6	3		3	2	2
	Max Comp (count)	14	14	14	14	14		14	12	10
	Max Comps/DH (count)	3	3	3	3	3		3	2	2
3rd Structure	Range in X (m)		60	55	50					
	Range in Y (m)		45	40	45					
	Range in Z (m)		40	30	40					
	Min Comp (count)		3	3	3					
	Max Comp (count)		14	14	14					
	Max Comps/DH (count)		3	3	3					

Figure 14-12: Classified Blocks vs. Composites Example, Raul: Au g/t



Source: SPM, 2023.

Figure 14-13: Classified Blocks vs. Composites Example, Raul: Ag g/t



Source: SPM, 2023.

14.8.5 Iron and Bulk Density

Iron and in situ bulk density have been estimated using simple kriging (SK) using a three-pass approach. This method is different than OK in that it requires that the user provides the average value of the variable for each domain. The search radii used and the orientations of the searches (Table 14-22) generally follow the main anisotropy axes of the variogram models. Density must be estimated or assigned to every block in the model, regardless of estimation method, domains, or whether it is waste or mineralized. CMC applied the average in situ density for each lithostratigraphic domain to remaining unestimated blocks after interpolation.

Table 14-22: Iron and In Situ Density Simple Kriging Estimation Parameters, Condestable

		Fe_Pct									Density
	Domain	MSO	CAL	MAP	ACT	INT	POL	^{M}CH	VNW	MVI	ALL
1st Rotation (L) in Z (deg)		240	240	220	250	220	220	220	30	250	240
2d Rotation (L) in X (deg)		30	30	20	30	40	40	40	40	40	30
3rd Rotation (L) in Z (deg)		180	180	180	180	150	150	150	10	180	180
1st Structure	Range in X (m)	70	70	65	70	40	40	40	50	30	70
	Range in Y (m)	70	70	60	65	60	60	60	65	30	70
	Range in Z (m)	60	60	20	30	25	25	25	65	10	60
	Min Comp (count)	6	8	8	9	8	6	9	4	3	6
	Max Comp (count)	14	14	14	14	14	14	14	12	10	14
	Max Comps/DH (count)	3	3	3	3	3	3	3	2	2	3
2nd Structure	Range in X (m)	70	70	65	70	40	40	40	50	30	70
	Range in Y (m)	70	70	60	65	60	60	60	65	30	70
	Range in Z (m)	60	60	20	30	25	25	25	65	10	60
	Min Comp (count)	3	6	6	7	3		3	2	2	3
	Max Comp (count)	14	14	14	14	14		12	12	10	14
	Max Comps/DH (count)	3	3	3	3	3		3	2	2	3
3rd Structure	Range in X (m)		70	65	70			50	30		
	Range in Y (m)		70	60	65			65	30		
	Range in Z (m)		60	20	30			65	10		
	Min Comp (count)		3	3	3			1	1		
	Max Comp (count)		14	14	14			12	10		
	Max Comps/DH (count)		3	3	3			3	2		

14.9 Block Model

The Raúl-Condestable resource block model was developed in Datamine's Studio RM software, with the block model geometry in Table 14-23. It features a parent cell size of 4 m x 4 m x 4 m, including sub-cells as small as 0.5 m x 0.5m x 0.5m, tailored to the size of the mineralized structures. Additionally, there is a 160° rotation along the Z-axis to align with the strike of the main mineralized mantos, then coded using the geological solids, structural zones, and the two mining sectors (Raúl and Condestable). After estimation of the mineralized/waste indicator, each block was coded with a "mineralized" or "waste" flag. Blocks were not created above topography or in mined-out volumes. To better reflect the geology, the model is sub-blocked to the geologic wireframes using a 0.5 m resolution at the contacts in all three block axes.

The QP notes that both the Condestable and Raúl mines occur in the same model extent, though the two mines are separated by a barren porphyry. The QP understands and endorse the use of one large model for explorations purposes, but the large extent does present additional challenges for visualization, validation, file input/output. Further, the QP suggests that, for the purposes of Mineral Resource estimation, two separate smaller models be produced with minimum predicted mining extents around the drilled volumes, using a buffer envelope where unestimated country rock could be set at much larger block dimensions. The QP recommends that the block dimensions inside mineralized domains be reviewed and, if necessary, changed to a smaller maximum size to better reflect expected minimum mineable stope dimensions and consequent minimum panel extents required for Mineral Resource volumes.

Table 14-23: Raúl-Condestable Resource Block Model Geometry

Variable	Value
Easting, Origin (UTM)	326,300
Northing, Origin (UTM)	8,592,750
Elevation, Origin (UTM)	-1,100
Parent Block Size, Easting (m)	4
Parent Block Size, Northing (m)	4
Parent Block Size, Elevation (m)	4
Minimum Subblock, Easting (m)	0.5
Minimum Subblock, Northing (m)	0.5
Minimum Subblock, Elevation (m)	0.5
Number of blocks, Easting	1,050
Number of blocks, Northing	950
Number of blocks, Elevation	425
Rotation in the X-Y Plane (deg)	340°

14.10 Net Smelter Return and Cut-off Grade

An NSR cut-off value was estimated for the Condestable mine, while a copper cut-off grade was estimated for the Raúl mine. Gold and silver content at the Condestable mine contribute approximately 20% of the total value, therefore an NSR cut-off value was used for both Mineral

Resource and Mineral Reserves estimates. Copper content at the Raúl mine makes up approximately 90% of the total value.

The NSR and copper cut-off values were calculated from long term metal prices, metal recoveries, transport, treatment, and refining costs, as well as mine operating cost. Metal prices used for estimating Mineral Resources are based on Mineral Reserve prices to which a factor of 1.3 was applied. Metal recoveries, off-site costs, and operating costs were estimated from 2022 actuals.

The break-even NSR and cut-off grade calculations are presented in Table 14-24.

Table 14-24: NSR and Cut-off Grade Calculation

	Units	Reserves
Metal **Prices**		
Cu	US$/lb	4.81
Au	US$/oz	2,145
Ag	US$/oz	28.60
Recovery		
Cu Recovery	%	75.0%
Au Recovery	%	82.0%
Ag Recovery	%	91.5%
Copper Concentrate Payable %		
Au	%	91%
Ag	%	95%
Cu	%	96%
Transport		
Cu Concentrate	US$/wmt conc	73.50
Treatment		
Cu Concentrate	US$/dmt conc	65.00
Refining cost		
Cu	US$/lb Cu	0.07
Au	US$/oz Au	6.00
Ag	US$/oz Au	0.35
Insurance CPT-FOB	%	0.110%
Expenses	US$/wmt conc	20.72
NSR Factors		
Cu	$ per % Cu	84.36
Au	$ per g Au	46.80
Ag	$ per g Ag	0.71

	Units	Reserves
Operating Costs		
Mine	US$/t milled	19.25
Processing	US$/t milled	8.91
G&A	US$/t milled	4.00
Total Operating Cost	US$/t milled	32.16
Condestable Break-Even NSR Cut-off Value	US$/t	33.00
Raúl Break-Even Cu Cut-off Grade	%Cu	0.40

14.10.1 Reasonable Prospects for Eventual Economic Extraction

The QP has constrained the Mineral Resource model within underground shapes generated using DSO to satisfy the CIM (2104) requirement of Reasonable Prospects for Eventual Economic Extraction (RPEEE). This process converts the mineralized inventory developed by CMC to the Mineral Resources as reported in this section.

A summary of inputs to the DSO is presented in Table 14-25. The inputs assume that mining will be exclusively via sublevel stoping (SLS) mining methods. The optimizer was run on break-even cut-off grades of the respective mine.

Table 14-25: Optimizer Inputs

	Unit	Value
Stope - SLS		
Width	m	3-30
Height	m	8
Length	m	5
ELOS Dilution		
Strike	°	200 - 340
Dip	°	Min 50
Condestable Break-Even NSR Cut-off Value	US$/t	33.00
Raúl Break-Even Cu Cut-off Grade	%Cu	0.40

The initial shapes as optimized by DSO were visually inspected for accessibility, and were also classified using nearby drill hole logs as potentially having Cu oxide minerals or not. A python program was used to find nearest drill hole to optimized stopes with potential oxide Cu mineralization, and these were deleted from the resource. SLR generated ‘buffer volumes’ around stopes, raises, ramps and levels with expanded solids within 2 m to 10 m radii about the mine workings, then manually discarded unreasonable panels from the MRE.

14.11 Classification

Definitions for resource categories used in this report are consistent with those defined by CIM (2014) and adopted by NI 43-101. According to CIM, a **Mineral Resource** is a concentration or occurrence of solid material of economic interest in or on the earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are classified into Measured, Indicated, and Inferred categories per CIM (2014) definitions as follows:

- An **Inferred Mineral Resource** is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity.

  • An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

- An **Indicated Mineral Resource** is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.

  • Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation.

  • An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

- A **Measured Mineral Resource** is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.

  • Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation.

  • A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.

A **Mineral Reserve** is the economically mineable part of a measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a Pre-Feasibility Study or Feasibility Study. Mineral Reserves are classified into Proven and Probable categories.

CMC applied Mineral Resource classification criteria based on historic drilling and mining experience, and checked the classification results through the independent method described further below. The criteria used, applicable to Cu grades, are:

- **Measured Mineral Resource:** the five nearest composites occur at an average distance of 20 m or less from the block centroid, with at least four of the composites drilled on or after 2009.
- **Indicated Mineral Resource:** the five nearest composites occur at an average distance between 20 m and 35 m from the block centroid, with at least four of the composites drilled on or after 2009.
- **Inferred Mineral Resource:** the five nearest composites at an average distance between 35 m and 60 m from the block centroid, regardless of when they were drilled and assayed.

The classification workflow is as follows:

1 Identification of the five composites closest to the cell to be estimated. Composites from recent data are assigned a value of 1, while composites from old data (pre-2009) are assigned a value of 0.

2 The categorization of resources is based on the average distance from the composites to the point of estimation, denoted by the 'Dmean' field. Resources with an average distance of 20 m or less are classified as Measured. If the distance ranges from 20 m to 35 m, the resource falls into the Indicated category, and distances from 35 m to 60 m place the resource in the Inferred category. These classifications are recorded in the 'CATEGOR1' field.

3 The 'Sum' field holds the aggregate of the five composites based on their recency. A sum of 5 indicates that all composites are from recent data, while a sum of 0 signifies that they are all from older data. When the sum reflects two or more historical samples among the five (with 'Sum' field values of 3 or less), the classification of resources is downgraded by one level of certainty. Measured Mineral Resources are reclassified as Indicated, and Indicated Mineral Resources are downgraded to Inferred. However, Inferred Mineral Resources retain their classification regardless of the sum. These adjustments are recorded in the 'CATEGOR2' field.

4 To avoid abrupt category shifts—specifically, a direct downgrade from Measured to Inferred without passing through Indicated, due to data age recategorization in 'CATEGOR2', a smoothing process is applied to the resource categories. This moderated categorization is documented in the 'CATEGORY' field.

5 The categorization process was refined by reblocking to 8 m x 8 m x 8 m blocks, where each block is labelled with the majority resource category from the 'CATEGOR2' field. In this process, new centroids are marked with a value of 1 for Measured, 0 for Indicated, and -1 for Inferred. These values are then interpolated using ID^3 with a search radius of 12 m x 12 m x 12 m in the 4 m x 4 m x 4 m primary model. Cells with interpolated values within the range of [-0.5, 0.5] are designated as Indicated, those with values less than -0.5 as Inferred, and values greater than 0.5 as Measured. The final step involves assigning these smoothed categories back to the block model using nearest neighbour

(NN) methodology, which is recorded in the 'CATEGORY' field as the final categorization.

6 CMC validated the implementation of the Mineral Resource categorization process. For example, Figure 14-15 shows an example of the Mineral Resource classification for the December 2022 Mineral Resource model at the Condestable mine before and after adjusting categories according to whether historic or new drill holes were used in grade estimation.

7 CMC staff worked with SLR engineering staff to review Deswik panels created from the initial classification, and reclassify or discard panels according to agreed upon confidence for those panels during validation. Deswik panels created within or adjacent to buffer volumes around extant workings are discarded where appropriate, and groups of isolated panels in waste volumes are reclassified or discarded.

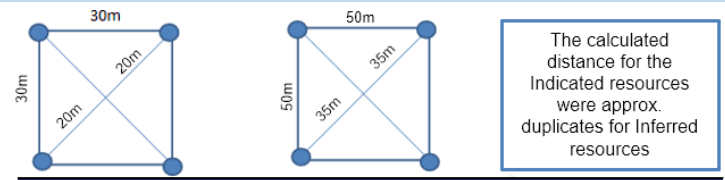
SLR observed that CMC's IK smoothing technique was leading to some high grade intervals falling within low grade/waste domains, resulting in some overestimation of material above the cut-off due to the lack of constraints for these grades. Upon analysis of the local and global impacts, SLR removed over-extrapolated grades from the Mineral Resource classification. This primarily affected the Inferred Mineral Resource category.

The QP is of the opinion that the classification methodology which includes the initial categorization method described here, used in conjunction with fairly extensive manual review and reclassification of Deswik panels, follows industry standards and is of sufficient quality to support the disclosure of Mineral Resources.

A summary of the drill hole spacing study results supporting the average distances used for each resource category is provided in Figure 14-15. An example showing the initial and final classification is shown in Figure 14-16.

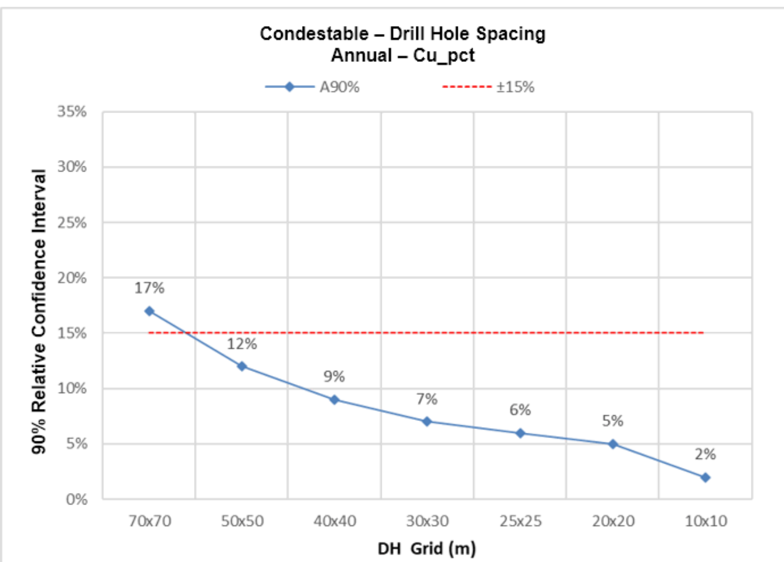
Figure 14-14: Summary Results, Drill Hole Spacing Parameters for Resource Classification

Spacing (m)	CV Comp	KV	RSE	A90%	Q90%
70x70	0.691	0.2405	0.34	17%	33%
50x50	0.691	0.1162	0.24	12%	23%
40x40	0.691	0.0612	0.17	9%	17%
30x30	0.691	0.0354	0.13	7%	13%
25x25	0.691	0.0250	0.11	6%	11%
20x20	0.691	0.0182	0.09	5%	9%
10x10	0.691	0.0028	0.04	2%	4%



Measured Resource	Indicated Resource	Inferred Resource
DIST <= 20 m	DIST = 20 - 35 m	DIST = 35 - 60 m

* DIST: Average distance of 5 drillholes



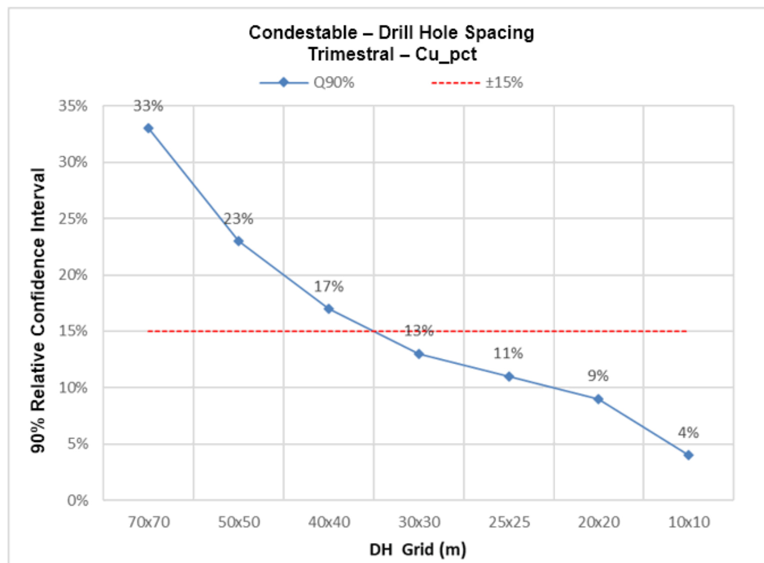
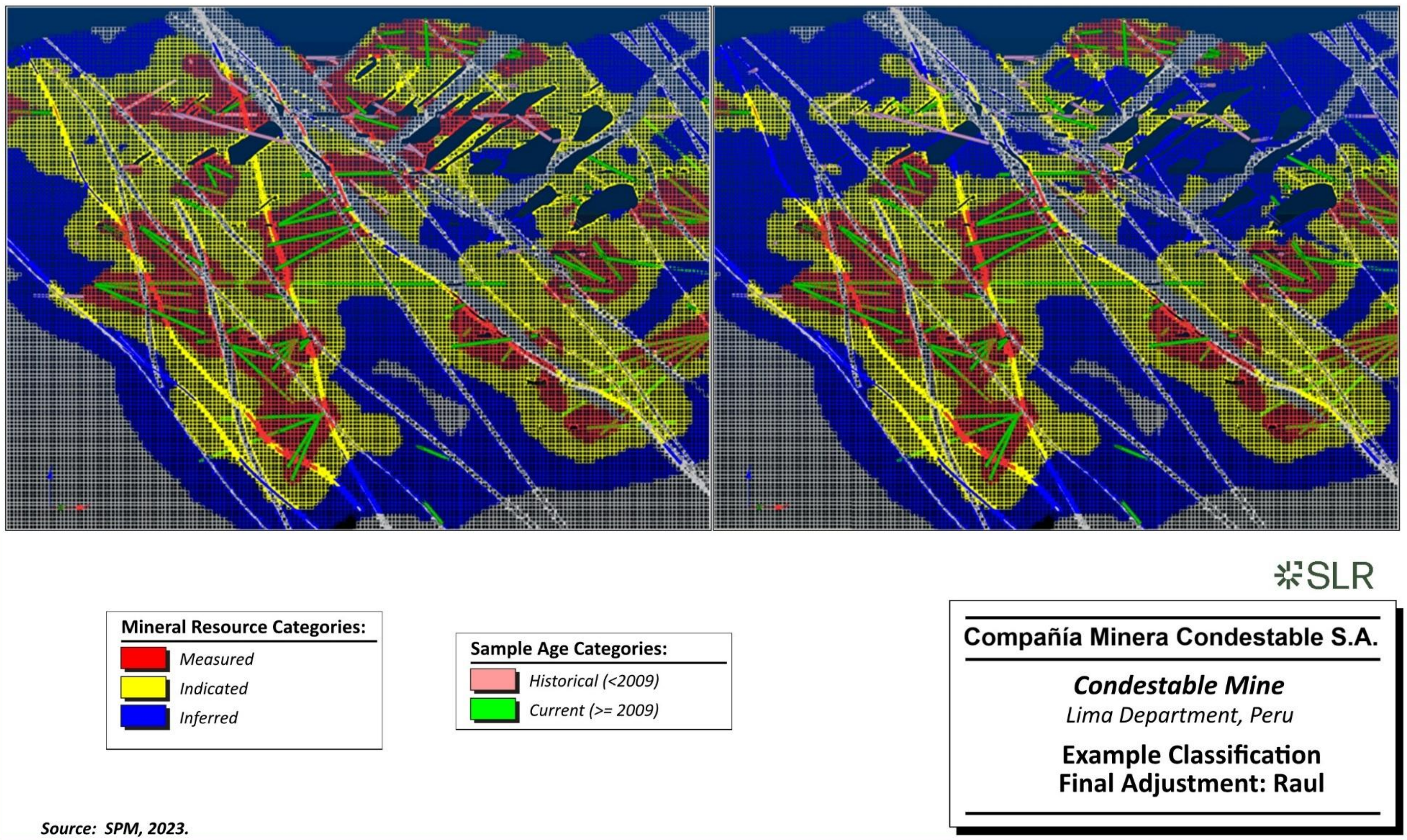


Figure 14-15: Example of Initial (Left) and Final (Right) Classification



Source: SPM, 2023.

14.12 Block Model Validation

14.12.1 CMC Validation

CMC performed its own internal validation of the Mineral Resource estimate through generating tables of uncapped and capped composites at each stage, and validating the geological model as described above. CMC visually examined the block estimate results before and after IK and LAK to determine whether the changes in estimation technique produced the desired effects in domaining and grade interpolation directions, respectively. CMC validated the grade estimate by generating global mean checks, and swath plots of kriged estimates versus NN using the NN estimate as a proxy for declustered composites, reviewing comparative statistics, and visually validating the block grades relative to composite grades (Figure 14-16).

The overall bias was evaluated by comparing the statistics of the model estimated by OK and co-kriging against the values of the NN model. This comparison was performed in the mineralized ("ore") zone for each of the estimation domains. Table 14-26 shows the results of global mean checks, which show acceptable variations of less than 5%.

The local precision of the estimation was assessed through swath plots, a method of validation where nodes compare the average grades of the estimated block model with those of the NN model. This comparison is performed by slicing the model in X, Y, and Z directions at 20 m intervals. These plots were produced for Cu, Au, Ag, and density. Analysis of these graphs shows relative smoothing of block grades relative to composites, but block grades are generally faithful to those of the composites.

CMC validated the initial smoothed classification results by comparing them with the results of a spacing method originally proposed by Parker (Parker and Dohm, 2014). In this method, large blocks used to obtain kriging variances (Davis and Grivet, 1984) are assumed to represent production periods. This method uses production rate assumptions to relate drill hole spacing and resource classification to mining risk in an operation. A drill spacing that ensures an error margin of ±15% for the estimation of Measured and Indicated Mineral Resources for quarterly and annual periods, respectively, is necessary. This equates to a 90% reliability level, indicating a high level of confidence in 9 out of 10 predictions. Using ±15% for Indicated Mineral Resources on an annual basis means that most mining operations can accommodate these variations within their production plans. Larger variances would not be manageable. In feasibility studies where planning periods are annual, a ±15% error level is often applied to capital and operating costs. Measured Mineral Resources require a higher confidence level, which is ±15% over a shorter time frame; therefore, a quarterly period is considered appropriate. CMC's geological staff applied the technique and found that the average distances used to define Measured, Indicated, and Inferred mineralization were in general agreement with the smoothed classification result, assuming a production rate of 7,500 tpd.

SLR reviewed the validation documentation produced by CMC during their work on the model, and found it thorough and appropriate. Swath results showed that the metals were closely correlated with the NN estimates. The results of the global mean checks are also acceptable.

Overall, the QP is of the opinion that CMCs internal validation workflows follow standard industry practices, the results of the validation fall well within bias tolerances overall, and the resultant model is sufficient to support the disclosure of Mineral Resources.

Figure 14-16: Swath Plots: East; North; and Elevation (left to right), Cu %, OK and NN, Actinolite Domain, Condestable

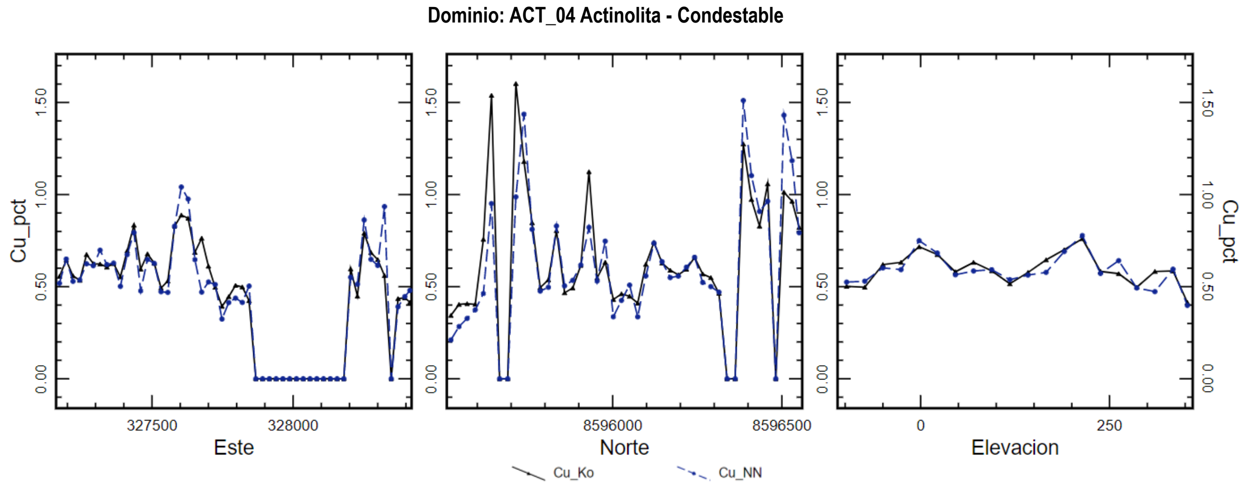


Table 14-26: Global Mean Checks by Lithostratigraphic Domains by Kriging Estimation Pass, for "Mineralized" ("Ore") Zone Only

Domain	Description	Block Count	Cu_OK	Cu_NN	Global Bias
Global Copper Section – Domains (Ore Zone - Pass 1)					
MSO	Morro Solar	1,035	0.51	0.48	6.75%
CAL	Calicantro	7,696	0.69	0.7	-1.70%
MAP	Manto Apolo	30,598	0.59	0.6	-1.89%
ACT	Actinolita	9,267	0.66	0.68	-2.18%
INT	Intermedio	19,319	0.59	0.59	0.09%
POL	Polvorín	10,554	0.75	0.79	-4.09%
MCH	Manto Chicharrón	48,104	0.61	0.6	1.01%
VNW	Vetas Noroeste	1,131,972	1.07	1.06	0.62%
MVI	Manto Victoria	22,939	0.75	0.74	0.77%
Global Copper Section – Domains (Ore Zone - Pass 2)					
MSO	Morro Solar	995	0.76	0.79	-4.07%
CAL	Calicantro	3,990	0.68	0.67	1.61%
MAP	Manto Apolo	6,792	0.58	0.58	1.35%
ACT	Actinolita	1,806	0.59	0.59	0.75%
INT	Intermedio	7,652	0.53	0.52	3.25%
POL	Polvorín	1,512	0.67	0.67	
MCH	Manto Chicharrón	17,185	0.71	0.7	1.70%
VNW	Vetas Noroeste	467,585	1.04	1.03	0.70%
MVI	Manto Victoria	12,861	0.83	0.82	1.36%
Global Copper Section – Domains (Ore Zone - Pass 3)					
MSO	Morro Solar				
CAL	Calicantro	12,971	0.73	0.73	0.84%
MAP	Manto Apolo	11,108	0.64	0.64	0.80%
ACT	Actinolita	8,687	0.62	0.61	1.64%
INT	Intermedio				
POL	Polvorín				
MCH	Manto Chicharrón				
VNW	Vetas Noroeste	249,985	0.94	0.94	0.00%
MVI	Manto Victoria	19,751	0.81	0.81	0.00%

14.12.2 SLR QP Validation

SLR received the block model, drill hole database, and composites in Datamine format and imported the data into Vulcan and Leapfrog for visualization, exploratory data analysis, and validation of the block results against the composited drill information. Condestable and Raúl were imported to two separate models which shared the same extents.

SLR reviewed CMCs validation procedures described above, and then performed its own series of analyses to ensure that the methodology was producing results within expected grades and extents. The QP focused on

- Comparing the ordinary kriged Au estimate to the co-kriged Au estimate at Condestable for extents and substantial differences, and then examining volumes where there were significant discrepancies,
- Reviewing the implementation and domain results of the copper Indicator methodology,
- Examining the net tonnage effects of changing to NSR cut-off values at Condestable, where the largest changes happened with respect to coverage by gold sampling, and the panels at risk which did not meet the copper cut-off grade of 0.4% but had sufficient gold to classify the blocks as Mineral Resources.
- Performing systematic visual validations of Cu_OK, Au_COK, Ag_COK, and Density in several cross sections across each mine.
- Examining the directions of estimation relative to the linework provided by CMC that was used in the LAK part of the grade estimate.
- Visually reviewing the Datamine search ellipsoids for the indicator, Cu, and Au estimates in context of the block estimates and geological domains.
- Reproducing the engineering NSR Excel spreadsheet in a Python script and generating the same figures for the same input numbers. This procedure was meant to prepare for an NSR block calculation script in Vulcan, and served as an internal cross check on the NSR work.
- Reviewing the block model framework and its suitability to the underground model.

14.12.3 Observations and Recommendations

For Condestable, SLR observed that the change to NSR resulted in approximately 10% more tonnage before engineering validation and discard of unreasonable Deswik panels. Copper block grades showed very good spatial correlation with composite grades, especially in well-drilled volumes. However, there was local smearing and over-extrapolation especially in waste indicator domains. This was likely due to using the same interpolation parameters and ranges for both ore and waste subdomains. SLR also observed some stepped sawtooth patterns in a number of veins which likely does not affect the grade of each vein overall. The QP recommends review of the vein estimates and adjustments to the methodology to prevent this behaviour.

SLR does not generally agree with creating grades in blocks using other correlatable elements as proxy samples, however, the technique as implemented by CMC does not produce material issues. Also, because many of the newer mine volumes are adequately sampled for Au and Ag, the co-kriging methodology mainly produces these artifacts in volumes of historical production. The QP recommends that the co-kriging methodology be used only as necessary, and avoided in volumes which are adequately represented by Au assays.

In examining the results of co-kriging for Condestable, SLR focused on gold as it has the most potential economic impact on the Mineral Resources. Overall, Au_OK and Au_COK grades were reasonably close, however, SLR observed a few local areas where Au_COK grades which extended beyond the Au_OK estimated volumes appeared unreasonably high. There is also some local overestimation of Au_COK relative to Au_OK, which appears to be a combination of (1) high Cu grades with low Au composites nearby and (2) local over-smoothing of Au grades in general. SLR also observed a few cases where the Au_COK estimate for the blocks did not correlate very well with observed gold grades in surrounding composites. This occurred as both positive and negative biases, and the QP is of the opinion that the global result would be balanced overall.

The QP's analysis of Condestable 'panels at risk' identified the Deswik panels where the reported Au_COK was more than 15% of the NSR value, Cu was less than the previous 0.4% cut-off grade, and the Au_COK value was >0.1 g/t Au more than the OK estimate. Only 1.3% of the panel tonnages satisfied these conditions, which suggests that the panels deemed to be at risk with this methodology are not material to the Mineral Resource estimate.

The indicator subdomains appear to be reasonably well constructed overall. For both Condestable and Raúl, the QP observed some smearing in waste volumes where economic block values were overly extrapolated. The panels generated from these blocks were reviewed by SLR and selectively removed from the Mineral Resources. The QP recommends that high yield restriction be employed in waste indicator domains to limit over-extrapolation of isolated high grade samples. The QP recommends that the IK domaining methodology be run in a block model which does not exclude blocks in mined tonnages. Re-estimating through extant stope volumes and then comparing the model result to the extant mining would help the Mineral Resource modeller 'tune' the estimation parameters to closely match the actual mined results in each (grouped) domain.

The LAK linework provided in section view orientations appears to control the estimation directions reasonably well. The QP recommends going to a full dynamic anisotropy technique using surfaces generated in Leapfrog, and retaining the DA angles inside the model for later validation of the results.

For the Cu estimates in both mines, the QP concurs that block grades closely adhere to drilled grades, and that extrapolation is well controlled if not conservative.

- SLR observed frequent instances of high grade material interpolated into the walls of extant mined-out stope volumes where high grade samples were still flagged as rock. Most of these edge effects are likely waste or mined out already. This phenomenon is mostly resolved by a 2 m to 5 m thick sterilizing buffer set to enclose every stope. Main ramps are assigned a 10 m buffer, and vertical raises, a 5 m buffer.
- The QP recommends using high yield restriction volumes to control occasional approximately 50 m extrapolation of isolated higher grade samples in unmineralized subdomains. Currently, these volumes are being controlled by manual review and selective exclusion of Deswik panels.
- SLR observed instances where low grade blocks were averaged through high grade composites. The QP suggests that a very limited one-hole pass could be introduced to honour the composite grades and extrapolate them from the composite location, using parameters which fit CMC staff observations of isolated grades in holes underground.
- SLR observed cases where the apparent 2 m composite grades appeared to be lower than the grades of the blocks in the vein proximal to the hole. Since the vein estimates

used full-width composites, this may have been a combination of viewing off-section intercepts which were not composited for the vein material.

The QP notes that both the Condestable and Raúl mines occur in the same model extent, though the two mines are separated by a barren porphyry. The QP understands and endorse the use of one large model for explorations purposes, but notes that the large extent presents additional challenges for visualization, validation, and file input/output

14.13 Mineral Resource Reporting

CIM (2014) definitions were used for Mineral Resource classification.

The December 31, 2022 MRE updates a fundamental change in the MRE methodology first introduced in 2019. Mineral Resources up to and including the 2018 MRE produced by RPA were the result of combining many small block models, and emphasized new material at the margins of each mine. For example in the 2018 MRE, separate mineralization wireframes resulted in a total of 297 measured, 442 indicated, and 158 inferred block models, each oriented to the lithological unit that hosted them. In 2019, CMC changed to a global model approach which encapsulated all the mined and unmined material into a single block model for each mine. SLR reviewed the new methodology in 2020, producing an extensive list of conclusions and recommendations for data management and Mineral Resource estimation. CMC implemented most of the recommendations into the global methodology for the current MRE. The QP notes that these changes result in a more robust MRE relative to previous work.

The December 31, 2022 MRE, inclusive of Mineral Reserves, are presented in Table 14-27 and Table 14-28 for Condestable and Raúl mines, respectively. The Mineral Resource cut-off date is December 31, 2022, and the MRE utilizes drilling up to diamond drill hole UDH12063 (Raúl mine) in 2022.

Mineral Resources are constrained by optimized mining shapes generated in Deswik software, assuming an SLS mining method. The reported Mineral Resources is the total diluted tonnage within the stopes as defined by the DSO method.

For the Condestable mine, CMC elected to change to an NSR calculation which includes Au and Ag, due to a growing importance of gold in the Condestable mill feed from newer and deeper parts of the mine, and consequent complete assays for gold since 2019. Applying the NSR cut-off value to Condestable results in approximately 30% more tonnage than simply applying a copper cut-off grade.

For the Raúl mine, CMC applied a straight cut-off grade of 0.4% Cu, since gold concentrations in the mine remain immaterial to its economic viability.

The Mineral Resources presented in this December 2022 MRE update are not Mineral Reserves, as they do not have demonstrated economic viability.

Table 14-27: Condestable Mine Mineral Resource Statement – December 31, 2022

Category	Tonnes	Grade			Contained Metal		
	(Mt)	(% Cu)	(g/t Au)	(g/t Ag)	(kt Cu)	(koz Au)	(koz Ag)
Measured	7.7	0.54	0.25	3.07	41.3	62	760
Indicated	6.2	0.65	0.21	3.23	40.0	41	641
M+I	**13.9**	**0.59**	**0.23**	**3.14**	**81.3**	**103**	**1,401**

Category	Tonnes	Grade			Contained Metal		
	(Mt)	(% Cu)	(g/t Au)	(g/t Ag)	(kt Cu)	(koz Au)	(koz Ag)
Inferred	2.5	0.67	0.13	2.54	16.8	10	204

Notes:

1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources are constrained within DSO panels above an NSR cut-off value of $33.00/t.
3. Mineral Resources are estimated using long term metal prices of $4.81/lb, $2,145/oz, and $28.60/oz for copper, gold, and silver, respectively.
4. Metallurgical recoveries of 91.5%, 75.0%, and 82.0% were used for copper, gold, and silver, respectively.
5. Bulk density was interpolated into blocks. The mean density is 2.85 t/m^3.
6. A minimum mining width of 1.5 m was used for DSO panels.
7. Mineral Resources are reported inclusive of Mineral Reserves.
8. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
9. Numbers may not add due to rounding.

Table 14-28: Raúl Mine Mineral Resource Statement – December 31, 2022

Category	Tonnes	Grade			Contained Metal		
	(Mt)	(%Cu)	(g/t Au)	(g/t Ag)	(kt Cu)	(koz Au)	(koz Ag)
Measured	32.6	0.65	0.12	4.45	212	130	4,659
Indicated	37.2	0.70	0.09	3.14	260	112	3,755
M+I	**69.8**	**0.68**	**0.11**	**3.75**	**472**	**243**	**8,414**
Inferred	10.4	0.79	0.06	2.22	82	21	743

Notes:

1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources are constrained within DSO panels above a cut-off grade of 0.4% Cu.
3. Mineral Resources are estimated using long term metal prices of $4.81/lb, $2,145/oz, and $28.60/oz for copper, gold, and silver, respectively.
4. Metallurgical recoveries of 91.5%, 75.0%, and 82.0% were used for copper, gold, and silver, respectively.
5. Bulk density was interpolated into blocks. The mean density is 2.83 t/m^3.
6. A minimum mining width of 1.5 m was used for DSO panels.
7. Mineral Resources are reported inclusive of Mineral Reserves.
8. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
9. Numbers may not add due to rounding.

The QP is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate.

The QP is of the opinion that the Mineral Resource is well supported by the data and the methodologies used to interpolate grades and classify the material. The QP also considers that the Raúl and Condestable mines have been in constant operation for approximately 60 years, providing additional confidence in the MRE.

To gain an understanding of the material which was estimated for gold grade through the COK interpolation method, SLR reported the Mineral Resources according to whether the tonnage was supported by Au assays in the estimate.

The QP notes that gold represents approximately 16% of the total economic value to the overall Mineral Resources at the Condestable mine, and is much less of a contributor (approximately 7%) at the Raúl mine. At the Condestable mine, approximately 71% of the M+I material, and 34% of Inferred Resource is supported by Au samples in the Mineral Resource (Table 14-29). Unsupported blocks at Condestable mine are mainly in volumes internal to the Mineral Resource rather than the newer volumes. For Raúl (where gold is a minor contributor, and Mineral Resources are defined by Cu cutoff grades rather than NSR), approximately 47% of the M+I material, and 27% of Inferred Resource is supported by Au and Cu samples in the Mineral Resource at the Condestable mine (Table 14-30). Thus this is not a material concern to the Mineral Resources at the Raúl mine.

Table 14-29: Mineral Resources by Au Sample Support: Condestable Mine – December 31, 2022

Supported By Au and Cu Assays

Category	Tonnes	Tonnes	Grade			Contained Metal		
	(Category %)	(Mt)	(% Cu)	(g/t Au)	(g/t Ag)	(kt Cu)	(koz Au)	(koz Ag)
Measured	78	6.0	0.53	0.32	3.13	32	62	601
Indicated	62	3.8	0.62	0.33	4.04	24	41	496
M+I	71	**9.8**	**0.57**	**0.33**	**3.49**	**56**	**103**	**1,097**
Inferred	34	0.8	0.63	0.36	4.61	5	10	125

Not Supported By Au Assays

Category	Tonnes	Tonnes	Grade			Contained Metal		
	(Category %)	(Mt)	(% Cu)	(g/t Au)	(g/t Ag)	(kt Cu)	(koz Au)	(koz Ag)
Measured	22	1.7	0.55	0.01	2.87	9	0.3	159
Indicated	38	2.3	0.69	0.01	1.92	16	0.4	145
M+I	29	**4.1**	**0.63**	**0.01**	**2.32**	**26**	**0.7**	**304**
Inferred	66	1.7	0.69	0.01	1.49	11	0.3	79

Note: Minimum of four Au assays required to perform Cokriging with Cu

Table 14-30: Mineral Resources by Au Sample Support: Raul Mine – December 31, 2022

Supported By Au and Cu Assays

Category	Tonnes	Tonnes	Grade			Contained Metal		
	(Category %)	(Mt)	(% Cu)	(g/t Au)	(g/t Ag)	(kt Cu)	(koz Au)	(koz Ag)
Measured	56	18.3	0.65	0.22	4.84	118	128	2,843
Indicated	39	14.6	0.64	0.23	4.25	93	108	1,994
M+I	47	**32.9**	**0.64**	**0.22**	**4.58**	**211**	**236**	**4,837**
Inferred	27	2.8	0.68	0.22	4.41	19	20	402

Not Supported By Au Assays

Category	Tonnes	Tonnes	Grade			Contained Metal		
	(Category %)	(Mt)	(% Cu)	(g/t Au)	(g/t Ag)	(kt Cu)	(koz Au)	(koz Ag)
Measured	44	14.3	0.65	0.01	3.95	94	2.5	1,816
Indicated	61	22.6	0.74	0.01	2.42	167	3.9	1,761
M+I	53	**36.9**	**0.71**	**0.01**	**3.01**	**261**	**6.4**	**3,577**
Inferred	73	7.6	0.83	0.01	1.40	62	1.3	340

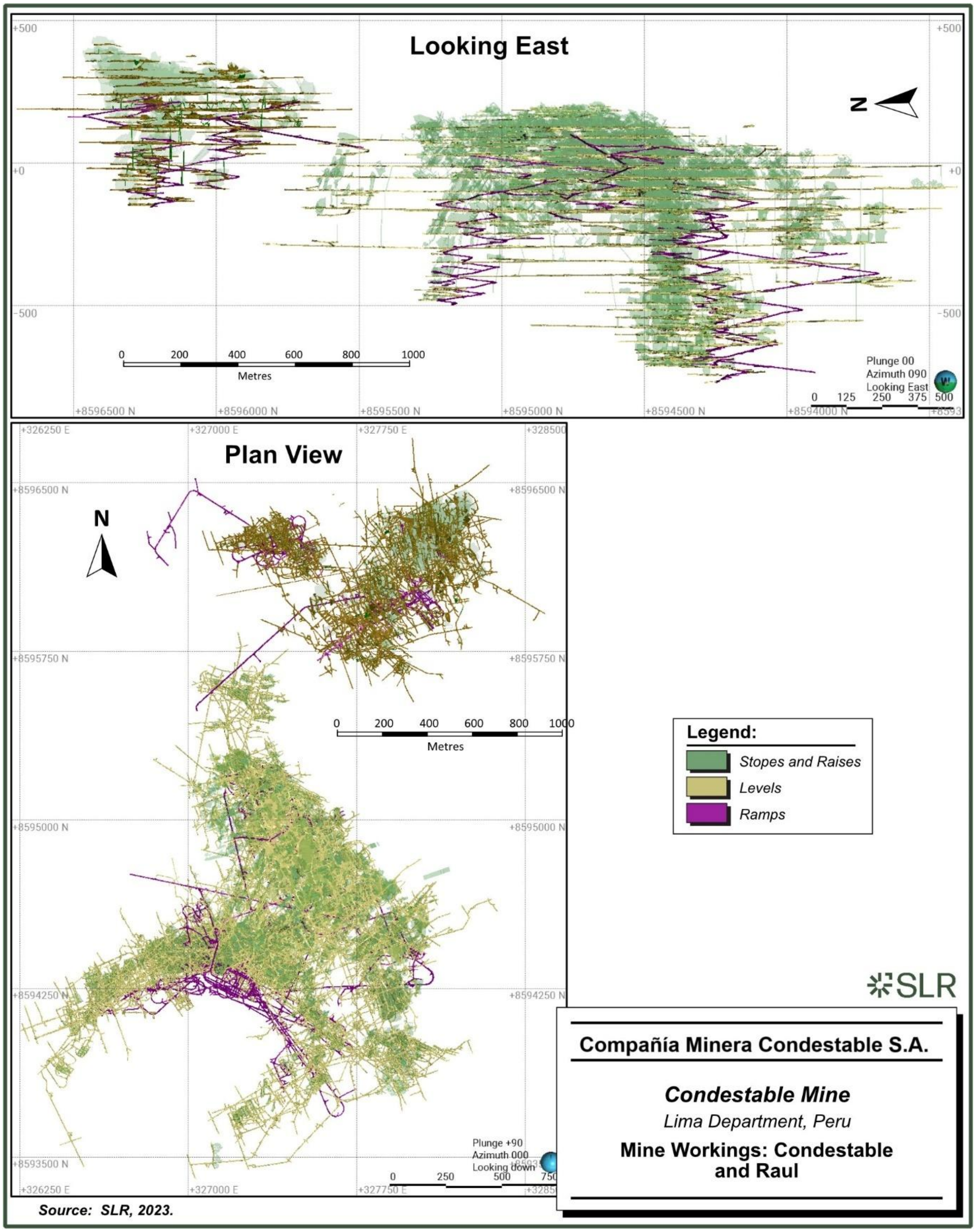
Note: Minimum of four Au assays required to perform Cokriging with Cu

14.13.1 Mine Depletion

Mine infrastructure and stope solids representing over 60 years of mining were constructed from surveyed mine data and were removed from the block model in Deswik software, along with the buffers around workings and stopes intended to support RPEEE. SLR used a combination of Vulcan and Leapfrog software to audit ramp, level and stope wireframes, repairing solids and merging until they were suitable for depletion in Deswik software. A section and plan view of the extant mine workings is shown in Figure 14-17.

The QP is of the opinion that the depletion practice currently performed for Mineral Resources at Raúl and Condestable are run according to industry practice, and are of sufficient quality to support the disclosure of Mineral Resources.

Figure 14-17: Mine Workings: Condestable and Raúl



Source: SLR, 2023.

15.0 Mineral Reserve Estimate

15.1 Summary

The Mine consists of the Condestable and Raúl mines which are both currently in operation. The combined production averaged 8,000 tpd in 2022 of which approximately 80% of total production originated from the Raúl mine and 20% from the Condestable mine. Mining operations are currently ramping up to a targeted production rate of 8,400 tpd.

Mine designs, consisting of development and production panels, and mine planning were completed by SLR based on inputs from CMC. A life of mine (LOM) plan targeting 8,400 tpd was generated and a cash flow analysis was completed on the LOM production schedule.

A summary of the estimated Mineral Reserves for the Mine is presented in Table 15-1.

Table 15-1: Mineral Reserves for Condestable and Raúl – December 31, 2022

Category	Tonnes	Grade			Contained Metal		
	(Mt)	(% Cu)	(g/t Au)	(g/t Ag)	(kt Cu)	(koz Au)	(koz Ag)
Proven	18.8	0.72	0.16	4.82	135	94	2,919
Probable	20.7	0.79	0.11	3.50	163	76	2,333
P+P	**39.5**	**0.75**	**0.13**	**4.13**	**298**	**170**	**5,252**

Notes:

1. CIM (2014) definitions were followed for Mineral Reserves.
2. Mineral Reserves are estimated at an NSR break-even cut-off value of $33.00/t and an NSR marginal cut-off value of $20.00/t for Condestable, and at a break-even cut-off grade of 0.55% Cu and marginal cut-off grade of 0.45% Cu for Raúl.
3. Mineral Reserves are estimated using long term metal prices of $3.70/lb Cu, $1,650/oz Au, and $22.00/oz Ag.
4. Metallurgical recoveries of 91.5%, 75.0%, and 82.0% were used for copper, gold, and silver respectively.
5. Bulk density was interpolated into blocks. The mean density is 2.85 t/m^3.
6. A minimum mining width of 1.5 m was used for stopes.
7. A dilution equivalent linear overbreak/slough (ELOS) of 0.6 m was applied to footwall and hanging wall of all stopes.
8. A mining recovery factor of 90% and 100% was applied to stopes and development in ore respectively. An additional mining recovery factor of 80% was applied to stopes with sill pillars for Raúl.
9. Numbers may not add due to rounding.

The QP is not aware of any mining, metallurgical, infrastructure, permitting, or other relevant factors that could materially affect the Mineral Reserve estimate.

15.2 Dilution and Mining Recovery

Planned or internal dilution is included within the stope designs while unplanned or external dilution represents the material mined beyond stope designs limits due to overbreak. Unplanned dilution is applied as an equivalent linear overbreak/slough (ELOS) of 0.6 m to hanging wall and footwall to all stope shapes during the stope optimization process.

The stope shapes generated from the optimization process average 10 m in width including unplanned dilution, representing approximately 15% dilution. SLR reviewed stope reconciliation data provided by CMC for stopes mined during April and May 2023. Surveyed stopes were compared against planned stope designs. Unplanned dilution is represented by overbreak while mine recovery is represented by underbreak. Stope reconciliation is presented in Table 15-2.

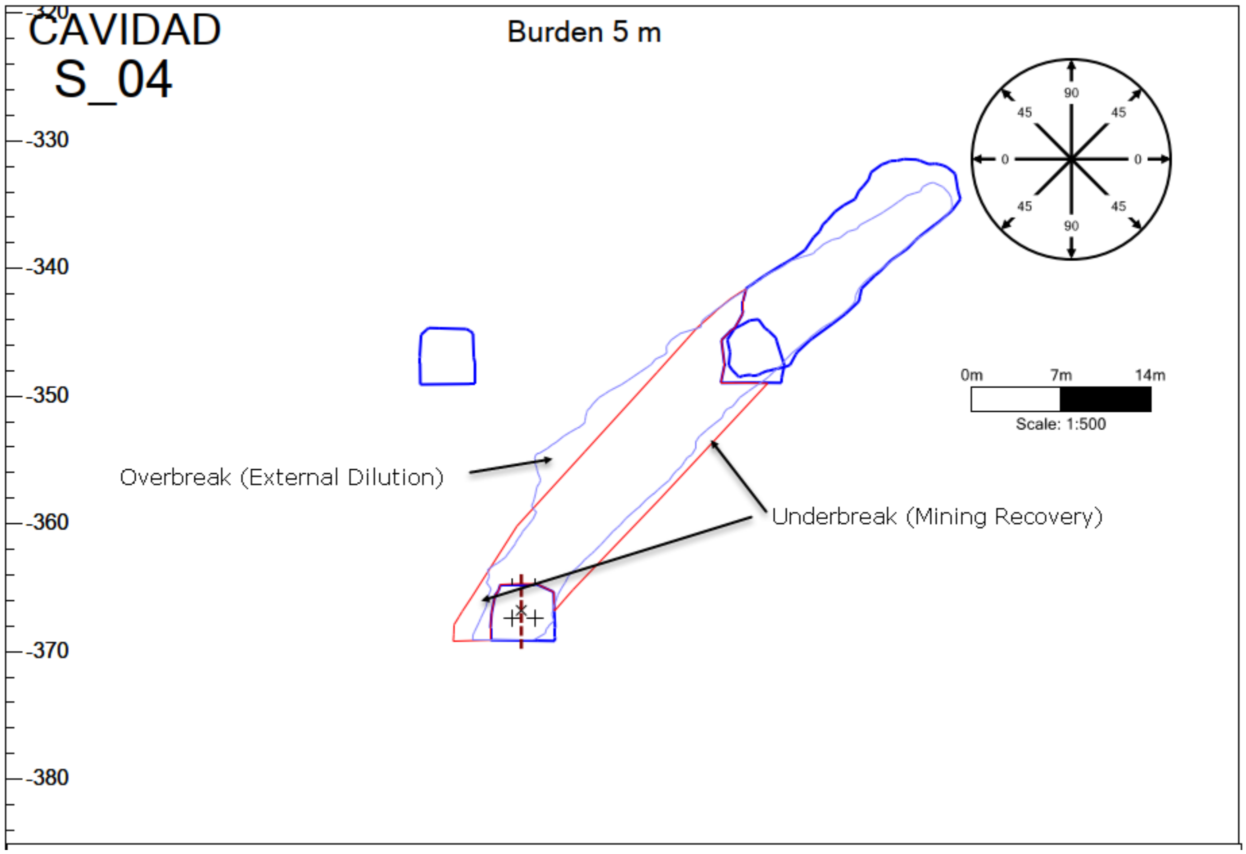
Table 15-2: Measurement of Stope Dilution

Stope	Level	Type	CMS Total (t)	Planned (t)	Overbreak %	Underbreak %
TJ_6512_2_TL	-670	Main Body	40,370	42,257	13%	83%
TJ_6602_2_TL	-350	Manto	11,425	12,122	20%	79%
TJ_6785_1_TL	-400	Vein	14,783	19,667	2%	74%
TJ_6759_1_TL	-400	Vein	6,075	6,220	13%	85%
TJ_5757_1_TL	-460	Vein	5,033	4,670	18%	89%
TJ_6425_3_TL	-255	Vein	5,190	4,821	24%	82%
TJ_6555_2_TL	-700	Main Body	14,628	13,482	16%	91%
TJ_6024_2_TL	-760	Main Body	218,125	189,204	16%	96%
TJ_5914_2_TL	-400	Vein	4,349	5,254	6%	70%
TJ_5756_4_TL	-460	Manto	28,066	20,061	37%	94%
TJ_6517_1_TL	-610	Manto	20,099	23,117	7%	80%
TJ_5700_3_TL	-425	Main Body	22,303	23,286	10%	84%
Total			**390,446**	**364,161**	**16%**	**91%**

A mining recovery factor of 90% was applied to all stopes and 100% to ore development. An additional factor of 80% was applied to stopes with sill pillars.

An example of the planned mining shape, estimated dilution, and mining recovery is illustrated in Figure 15-1.

Figure 15-1: Dilution and Mining Recovery



15.3 Net Smelter Return and Cut-off Grade

An NSR cut-off value was estimated for the Condestable mine, while a copper cut-off grade was estimated for the Raúl mine. Gold and silver content at Condestable contribute approximately 20% of the total value, therefore an NSR cut-off value was used for both Mineral Resource and Mineral Reserves estimates. Copper content at the Raúl mine makes up approximately 90% of the total value.

The NSR cut-off values and copper cut-off grades were determined from long term metal prices, metal recoveries, transport, treatment, and refining costs, as well as operating costs. CMC sourced long term metal price market consensus forecasts from CIBC for Mineral Reserve estimates. SLR has reviewed the proposed metal prices, comparing them against forecasts provided by financial institutions and lenders involved in the mining industry, and finds these prices to be compatible with forecasts. Metal recoveries, offsite costs, and operating costs were estimated from 2022 actuals.

The marginal and break-even cut-off values were estimated based on actual operating costs and operational parameters from 2022. The NSR and cut-off grade calculations are presented in Table 15-3.

Table 15-3: NSR and Cut-off Grade Calculation

	Units	Reserves
Metal **Prices**		
Cu	US$/lb	3.70
Au	US$/oz	1,650
Ag	US$/oz	22.00
Recovery		
Cu Recovery	%	75.0%
Au Recovery	%	82.0%
Ag Recovery	%	91.5%
Copper Concentrate Payable %		
Au	%	91%
Ag	%	95%
Cu	%	96%
Concentrate Costs		
Transportation	US$/wmt conc	73.50
Treatment	US$/dmt conc	65.00
Refining - Cu	US$/lb Cu	0.07
Refining - Au	US$/oz Au	6.00
Refining - Ag	US$/oz Au	0.35
Insurance CPT-FOB	%	0.110%
Other Expenses	US$/wmt conc	20.72
Operating Costs		
Mine	US$/t milled	19.25
Processing	US$/t milled	8.91
G&A	US$/t milled	4.00
Total Operating Costs	US$/t milled	32.16
Condestable NSR Cut-off Values		
Break-even	US$/t	33
Marginal	US$/t	20
Raúl Cu Cut-off Values		
Break-even (Calculated)	%Cu	0.51
Break-even (Used)	%Cu	0.55
Marginal	%Cu	0.45

15.4 Mineral Reserve Estimation

Stope designs were completed using DSO. The optimizations were run on Measured and Indicated Mineral Resources only for both mines. Inputs to the optimizer include dilution parameters discussed in section 15.2, stope dimensions, and cut-off grade or NSR cut-off value. Marginal cut-off grade and value were used for the optimization and the results were reviewed against development designs for inclusion of marginal stopes in Mineral Reserves. The majority of stopes generated by the optimizer are located between or around mined-out stopes. The current condition of the mined-out stopes and backfill status is not entirely known. To account for pillar requirements that would be needed, a buffer extending five metres laterally was applied to mined-out stope wireframes. A ten metre buffer was also added to main infrastructure wireframes such as main ramps and ventilation raises. Stope shapes were then trimmed to the buffers and reviewed for slivers or unmineable shapes. Mineral Reserves were estimated by applying mining recovery factors to the trimmed stope shapes and included ore development above marginal cut-off grades.

15.5 Mineral Reserve Estimates

The Condestable and Raúl Mineral Reserve estimates are presented in Table 15-4.

Table 15-4: Condestable and Raúl Mines Mineral Reserve Estimates – December 31, 2022

Mine	Category	Tonnes	Grade			Contained Metal		
		(Mt)	(% Cu)	(g/t Au)	(g/t Ag)	(kt Cu)	(koz Au)	(koz Ag)
Condestable	Proven	2.7	0.70	0.28	4.16	19	24	355
	Probable	2.3	0.73	0.26	4.50	17	19	333
	Sub-total	**5.0**	**0.71**	**0.27**	**4.32**	**35**	**43**	**688**
Raúl	Proven	16.2	0.72	0.14	4.93	116	70	2,564
	Probable	18.4	0.79	0.10	3.38	146	57	2,001
	Sub-total	**34.6**	**0.76**	**0.11**	**4.10**	**262**	**127**	**4,564**
Total	Proven	18.8	0.72	0.16	4.82	135	94	2,919
	Probable	20.7	0.79	0.11	3.50	163	76	2,333
	P+P	**39.5**	**0.75**	**0.13**	**4.13**	**298**	**170**	**5,252**

Notes:

1. CIM (2014) definitions were followed for Mineral Reserves.
2. Mineral Reserves are estimated at an NSR break-even cut-off value of $33.00/t and an NSR marginal cut-off value of $20.00/t for Condestable, and at a break-even cut-off grade of 0.55% Cu and marginal cut-off grade of 0.45% Cu for Raúl.
3. Mineral Reserves are estimated using long term metal prices of $3.70/lb Cu, $1,650/oz Au, and $22.00/oz Ag.
4. Metallurgical recoveries of 91.5%, 75.0%, and 82.0% were used for copper, gold, and silver respectively.
5. Bulk density was interpolated into blocks. The mean density is 2.85 t/m^3.
6. A minimum mining width of 1.5 m was used for stopes.
7. A dilution ELOS of 0.6 m was applied to footwall and hanging wall of all stopes.
8. A mining recovery factor of 90% and 100% was applied to stopes and development in ore respectively. An additional mining recovery factor of 80% was applied to stopes with sill pillars for Raúl.
9. Numbers may not add due to rounding.

As discussed in section 14.13, in order to quantify the tonnages where gold grades were estimated through COK interpolation method, SLR reported the Mineral Reserves by block supported and unsupported by Au assays. The breakdown is presented in Table 15-5 and Table 15-6 for Condestable and Raul respectively.

Table 15-5: Mineral Reserves by Au Sample Support: Condestable Mine – December 31, 2022

Supported By Au and Cu Assays

Category	Tonnes	Grade			Contained Metal		
	(Mt)	(% Cu)	(g/t Au)	(g/t Ag)	(kt Cu)	(koz Au)	(koz Ag)
Proven	2.1	0.71	0.36	4.30	15	24	285
Probable	1.6	0.77	0.37	5.36	13	19	280
P+P	**3.7**	**0.74**	**0.36**	**4.77**	**27**	**43**	**565**

Not Supported By Au Assays

Category	Tonnes	Grade			Contained Metal		
	(Mt)	(% Cu)	(g/t Au)	(g/t Ag)	(kt Cu)	(koz Au)	(koz Ag)
Proven	0.6	0.63	0.00	3.45	4	0	68
Probable	0.7	0.68	0.00	2.59	4	0	54
P+P	**1.3**	**0.66**	**0.00**	**3.01**	**8**	**0**	**123**

Note: Minimum of four Au assays required to perform Cokriging with Cu

Table 15-6: Mineral Reserves by Au Sample Support: Raul Mine – December 31, 2022

Supported By Au and Cu Assays

Category	Tonnes	Grade			Contained Metal		
	(Mt)	(% Cu)	(g/t Au)	(g/t Ag)	(kt Cu)	(koz Au)	(koz Ag)
Proven	8.8	0.73	0.25	5.54	64	69	1,561
Probable	6.5	0.73	0.26	4.89	47	55	1,017
P+P	**15.2**	**0.73**	**0.25**	**5.26**	**112**	**124**	**2,578**

Not Supported By Au Assays

Category	Tonnes	Grade			Contained Metal		
	(Mt)	(% Cu)	(g/t Au)	(g/t Ag)	(kt Cu)	(koz Au)	(koz Ag)
Proven	7.3	0.71	0.01	4.27	52	1	1,002
Probable	12.1	0.82	0.01	2.54	99	2	984
P+P	**19.4**	**0.78**	**0.01**	**3.19**	**151**	**3**	**1,986**

Note: Minimum of four Au assays required to perform Cokriging with Cu

16.0 Mining Methods

The Raúl and Condestable mines are polymetallic mines that have been in operation for more than 60 years. The mines are accessed via mine portals and ramps which extend to approximately 800 m below surface. CMC has historically utilized three different stoping methods in the Condestable and Raúl mines including longhole stoping, shrinkage stoping, and room and pillar stoping, however, over the past few years the majority of ore production has been from longhole stoping. The current LOM Mineral Reserves have been evaluated considering only longhole stoping as mining method.

The combined production rate from both mines currently averages 8,400 tpd with approximately 80% of production coming from Raúl. Mining operations are undertaken by a mixed fleet of owner operated equipment and personnel and contractors. Development advances are primarily completed by contractors, while CMC is responsible for part of development and stope preparation and mining. All technical support and supervisory is provided by CMC.

16.1 Geomechanics and Ground Support

There is minimal ground support installed in the Condestable and Raúl mines. Ground conditions appeared to be generally good and scaling bars are present in numerous locations.

Geomechanical studies were carried out in 2001, 2008, and 2012 to assess the potential geotechnical risk associated with deepening the Raúl mine. The study concluded that geotechnical risk would increase to moderate as the mine is deepened and higher stresses are encountered. SVS Ingenieros S.A.C. (SVS), which completed a 2012 report entitled "Asesoria Geomecánica Para la Profundizacion de la Mina Raúl", proposed risk mitigation measures including backfilling empty stopes with waste rock, adhering to stope and pillar dimensions guidelines, and installing adequate ground support. The dimensions of the pillars and stopes proposed by SVS are summarized in Table 16-1. These are based on a stope width of approximately three metres.

Table 16-1: Summary of Dimensions for Pillars and Stopes

Rock Type	Sill Pillar	Stope Height	Stope Length	Rib Pillar	Backfill Thickness
	(m) Min.	(m) Max.	(m) Max.	(m) Min.	(m) Min.
Good	6	40	60	8	10
Fair	6	40	60	8	10
Poor	8	38	60	8	10

Servicios De Geologia Aplicada EIRL (SDGA) completed a report entitled "Estudio de Estabilidad Geomecanica Integral de Las Minas Condestable y Raúl" dated December 2016. SDGA also completed a study in January 2016 entitled "Evaluacion Geomencanica Del Minado Del Cuerpo 4495 (Nivel -400) y Profundizacion de la Mina Raúl" and carried out stability analysis for access ramp 78 from which the lower levels including the -350, -375, -400, and lower would be accessed. The studies included determination of the rock mass characteristics, strength characteristics, number of major discontinuities, stability of planned mine openings, and ground support requirements. The main mining method considered was the sublevel longhole stoping and the Mathews Graphical Stability Method was used in evaluating the stability of the proposed stope openings. The following conclusions and recommendations were made, as referenced from the December 2016 SDGA report.

The analysis of the stability of large excavations is based on the geomechanical characteristics of the rock mass at Raúl, consisting of lavas and breccias composed of andesitic rock with aphanitic and porphyritic texture, which is present in five of the six lithologies existing in the mine.

The rock mass of the Raúl mine has a geological strength index (GSI) of four to five per metre, a uniaxial compressive strength (UCS) of 140 MPa to 200 MPa, a basic rock mass rating (RMR) of 68 to 75, a Q' index of 20 to 46, and a quantitative GSI of 63 to 70. These values were obtained from the January 2016 SDGA study. The values were based on information from 27 lineal records of discontinuities, 14 geomechanical stations, and seven diamond drill holes and rock mechanics tests.

Three main systems of fractures were observed including: 1) N48°W/55°NE; 2) N42°E/78°SE; and 3) N25°W/40°SW. The principal rock properties taken from the intact rock samples (breccias and andesitic lavas) are shown in Table 16-2.

Table 16-2: Rock Properties - Raúl

Description	Units	Values
Intact Rock		
Density	g/cc	2.8 to 3.0
Porosity	%	.17 to .62
Absorption	%	.012 to .21
Uniaxial Resistance	MPa	155 to 230
Tensile Resistance	MPa	15 to 21
Constant mi Intact Rock		18 to 20
Elastic Modulus E	GPa	13 to 18
Poisson's Constant (v)		.24 to .32
Internal Friction Angle	Degree	37 to 42
Cohesion 'C	MPa	.05 to .16
Fragility Index (IF)		8.1 to 12.8
Rock Mass		
RMR Index		70 to 75
GSI index		63 to 70
Constant "mb"		4.9 to 5.24
Constant "s"		0 to .02
Constant "a"		0.50
Rock Mass Resistance	MPa	16.82 to 26.17
Modulus of Deformation	MPa	18.97 to 25.29
Poisson to Rock Mass Relationship		0.30

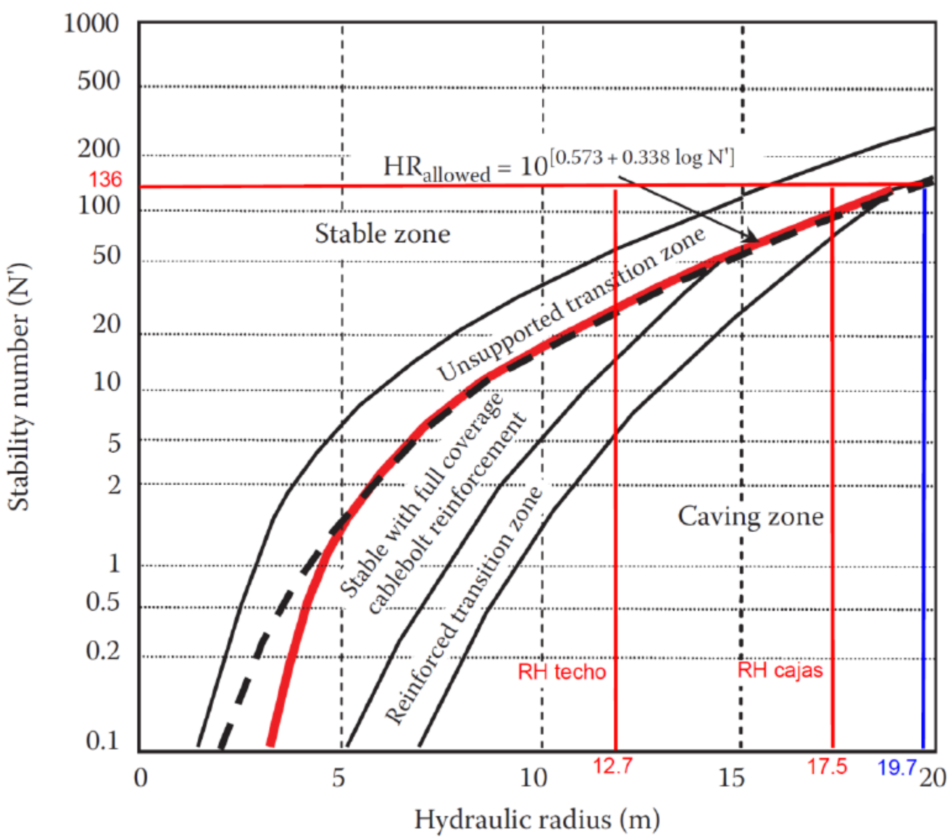
The methods used in the analysis of the stability of large excavations of the Condestable mine (bodies and mineralized mantos) include Grafico Múltiples – GDE (Russo, 2014), structural control (Unwedge), stresses (Phase 2), and Graphical Stability Method (Potvin, 1988, and Nickson, 1992).

The Grafico Múltiple method of analysis indicates a high to moderate probability of "relaxation" or loosening of the rock in large openings starting at the -400 m (600 m depth) level of the mine operations. The analysis of structurally controlled excavations indicates some instability of areas in the walls and back (roof) less that one cubic metre in dimension. Based on the analysis of excavations under stress conditions, critical displacement occurs at safety factors less than one.

With the Mathews Stability Graph method of analysis, the values of hydraulic radius (H_r) were determined to be 17.5 for the walls and 12.7 for the backs (roofs) for maximum opening dimensions of 70 m high by 60 m long and 40 m wide for sublevel stopes being mined with large diameter blast holes and remote mucking equipment. The stability graph is shown in Figure 16-1. The results of mining of the 4495 stope were reported as being very good and mining was followed by backfilling with loose waste rock fill. Based on the estimated stability number, the stope size falls within the area of stable zone to unsupported transition zone.

The Condestable geotechnical staff also produce internal memoranda regarding the stability analysis of various stopes, calculation of pillar and stope sizes, safety factors and other information required by the mine operators. SLR examined some of these memoranda and found them to be thorough and informative for the mine operations.

Figure 16-1: Stability Curve for 4495 Stope



SLR's visit to the Raúl and Condestable underground workings confirmed that ground conditions observed appeared to be good, with very limited ground support installed. The stope dimensions discussed herein are considered reasonable in SLR's opinion.

A thorough stability analysis of access ramp 78 was also completed including assessment of discontinuities, determination of RMR value of 45 (rock type IIIB), and measurements taken from geomechanical stations established underground. The rock types, support types, and details are shown in Table 16-3.

Table 16-3: Ground Support Types for Condestable

Rock Type	Support Type	RMR	Bolts/Rebar (m)	Pattern (m)	Screen	Shotcrete
IIB	A	61-80	2.1 Grout	Occasional	na	na
IIIA	B	51-60	2.1 Grout	1.5 x 1.5	na	na
IIIB	C	41-50	2.1 Grout	1.2 x 1.2	3" x 3"	na
IVA	D	31-40	2.1 Grout	1.0 x 1.0	3" x 3" overlap	2" t fibre reinf.
IVB	E	21-30	2.1 Grout + spiling 2 x length of round.	1.0 x 1.0	3" x 3" overlap 20 cm	2" t fibre reinf.

The support in access ramp 78 to date has varied from Type A to Type C. Conditions observed by SLR underground confirm this level of ground support.

16.2 Mine Design

The Raúl and Condestable mines are polymetallic mines that have been in operation for more than 60 years. The mines are accessed via mine portals and ramps which extend to approximately 800 m below surface. Mine designs for the Raúl and Condestable mines were prepared by SLR. Stopes were designed using Deswik Stope Optimizer (DSO) using the design parameters presented in Table 16-4. The optimizer was run on Measured and Indicated Mineral Resources only.

Table 16-4: Longhole Stoping Design Parameters

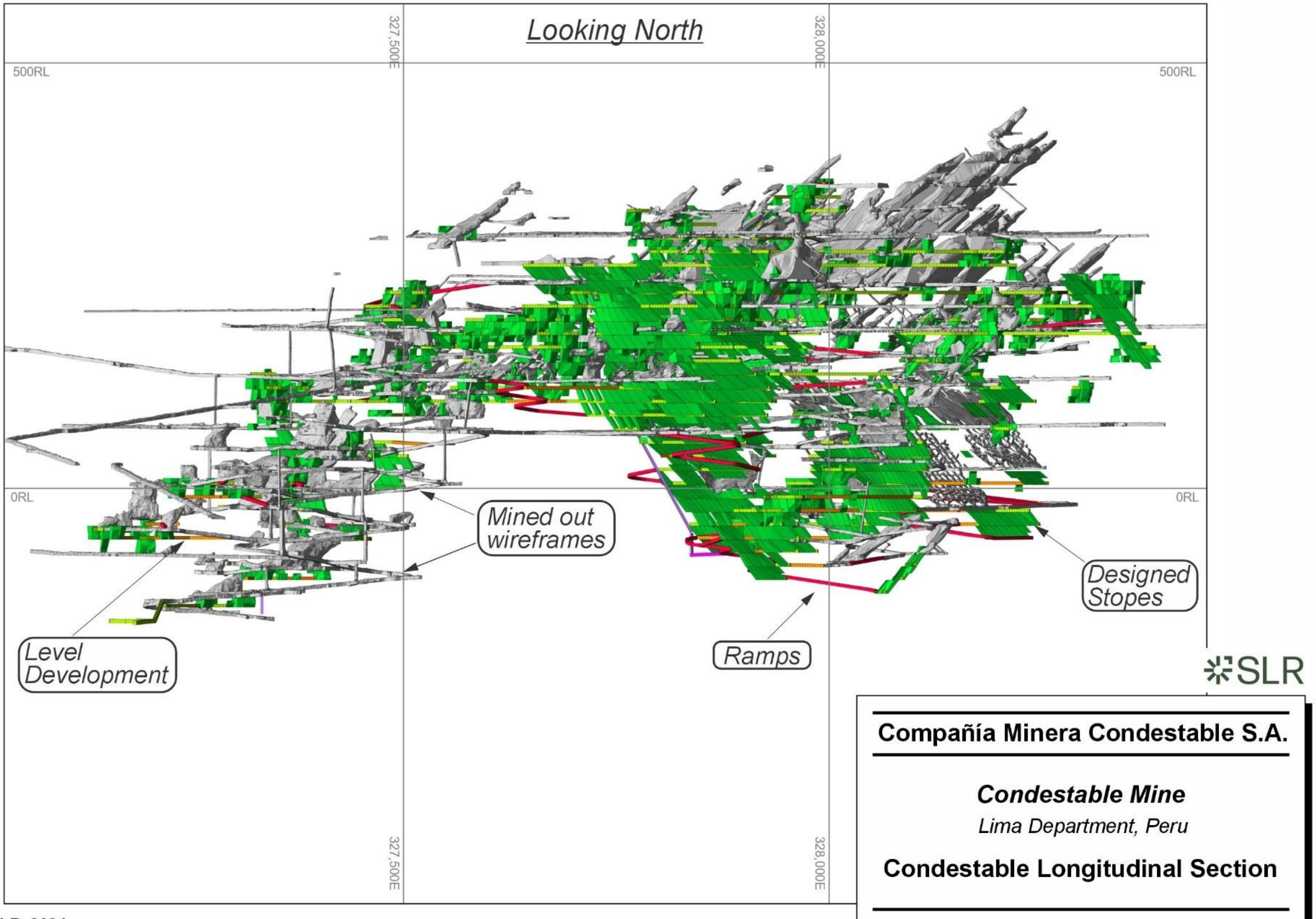
Parameter–Units	Unit	Inputs
Stope - SLS		
Width	m	Min 3.0
Height	m	20-Aug
Length	m	5
ELOS Dilution		
HW/FW	m	0–6/0.6
Strike	°	Variable according to orebody
Dip	°	Min 50

The optimizer was run on the entire resource model including the older parts of the mine where there has been significant stoping activities. Since the current condition of the mined-out stopes and backfill status is not entirely known, SLR has prepared buffer zones to account for pillar requirements that would be needed around mined-out stopes and main infrastructure such as primary ramp and ventilation raises. A buffer extending five metres laterally was applied to mined-out stope wireframes and a 10 m buffer was added to main infrastructure wireframes such as main ramps and ventilation raises. The optimizer shapes were trimmed to the buffers and the resulting shapes were reviewed and shapes with low volumes or slivers, unmineable shapes, and shapes below cut-off grade were excluded. Further review by SLR with support from the CMC technical team resulted in the exclusion of stopes that cannot be realistically accessed, mined, or located in areas with poor rock stability. SLR understands that CMC reviews recovery of pillars or mineralization around mined-out stopes on a case by case basis with geotechnical analysis support for short term mine planning.

Development designs were laid out to provide access to the resulting stopes wireframes and connect to existing development wireframes. To account for rehabilitation or widening of existing development in older areas of the mines, a factor of 30% was added to development designs.

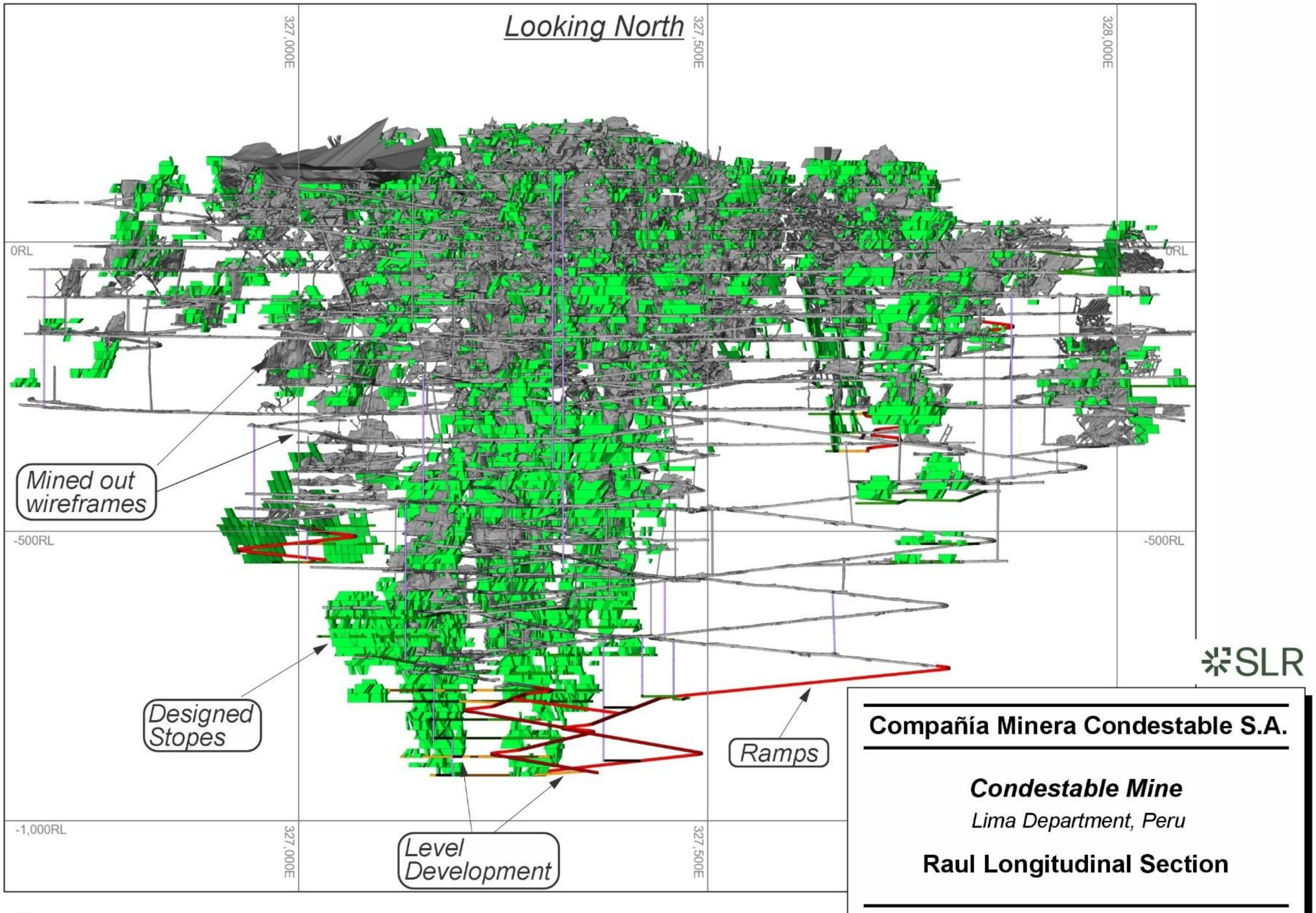
A longitudinal view of the Raúl and Condestable mines is illustrated in Figure 16-2 and Figure 16-3.

Figure 16-2: Condestable Longitudinal View



Source: SLR, 2024.

Figure 16-3: Raúl Longitudinal View



Source: SLR, 2024.

16.3 Mining Method

CMC has historically utilized three different stoping methods in the Condestable and Raúl mines including longhole stoping, shrinkage stoping, and room and pillar stoping depending on whether the orebody is a manto, vein, or breccia. Since 2017, greater than 90% of the stoping is by the longhole method with the shrinkage and room and pillar only used to a lesser degree. The current LOM Mineral Reserves have been evaluated considering only longhole stoping as mining method.

16.3.1 Longhole Stoping

Longhole stoping design parameters are summarized in Table 16-4. This method is applied to mineralized bodies with cuts with lengths of up to 100 m, and stope heights typically range from 20 m to 40 m and widths vary depending on the type of mineralization.

CMC currently operates a fleet of seven production drills which provide all the required drilling capacity at the Condestable and Raúl mines. The production drill holes are 64 mm in diameter and drilled using the Simba type drills. Ore is mined by a fleet of 4 yd^3 and 6 yd^3 scoops. CMC currently operates ten 6 yd^3 and three 4 yd^3 scoops to cover both stoping and development operations. Ore is then loaded onto trucks at loading points located on each operating level and transported from the mine to the plant via the main haulage ramp. Ore and waste haulage is carried out by contractors using 35 t and 50 t trucks (reinforced loading trucks). Over the last several years, CMC has successfully implemented ore haulage using tandem trucks having an overall capacity of 80 t.

Stopes are typically accessed in a transverse manner from a footwall drive and mined in a retreat. Production drilling is typically undertaken using down holes from a top sill, however, CMC also utilizes a combination of down holes, uppers, and lateral drilling to mine out pillars adjoining mined-out stopes. Production rates in 2022 averaged 8,000 tpd from both mines ramping up to 8,400 tpd.

16.3.2 Mine Development

Mine development is undertaken by contractors and the CMC workforce. Ramps and level accesses are driven at 5.0 m x 4.0 m, while all other lateral development is driven at 4.0 m x 4.0 m. CMC operates a fleet of four jumbos consisting of three single boom jumbos and one double boom jumbo.

SLR has applied development designs to connect existing development and provide access to designed stopes in the undeveloped areas which is mainly below the -700 elevation at Raul and below the -30 m elevation at Condestable. The development metres were factored to account for miscellaneous development such remucks, sumps and electrical bays, or refuges. In already developed areas, a factored development quantity was applied to cover any rehabilitation required or new development requirement.

CMC currently budgets approximately 20,000 m of operating development per year which is equivalent to approximately 110 tonnes of ore mined per metre. The budgeted development consists primarily of accessing mineralization in undeveloped areas. The development quantities in terms of tonnes to development ratio average 126 t/m and 354 t/m at Condestable and Raul respectively. Approximately 35% of the Mineral Reserves from the Condestable mine are from narrow stopes which have a lower tonnes to development ratio of 62 t/m. Development ratios below -700 elevation at Raul mine averages 140 t/m and 700 t/m in the developed areas above the -700 elevation.

The development requirements were based on mining planned reserves only. SLR understands that CMC will continuously target areas outside of Mineral Reserves and continue to develop at a rate of 20,000 metres per year. The LOM plan envisages an average yearly development rate of 17,600 m for the first four years and 8,800 m after. In SLR's opinion these rates are achievable based on actual rates over the past few years.

The development planned over the LOM period is shown in Table 16-5.

16.4 Life-of-Mine Plan

A LOM plan and production schedule were prepared based on the underground mine designs and Mineral Reserve estimates. The Raúl and Condestable Mineral Reserve estimates support a 13.1 year mine life. The LOM plan targets a combined production rate of 8,400 tpd. The annual production split between the two mines is approximately 20% and 80% between Condestable and Raúl, respectively. The LOM production assumes production rates based on actuals from 2022. Development advance rates of 3.5 m/day/face and a stope production rate of 1,400 tpd per scoop was used.

The LOM plan includes a total of 39.5 Mt of ore with average grades of 0.75% Cu, 0.13 g/t Au, and 4.13 g/t Ag. Approximately 87% of the ore will come from the Raúl mine and 13% from the Condestable mine.

The mine development over the LOM is presented in Table 16-5 and the LOM production plan is presented in Table 16-6.

Table 16-5: Mine Development in LOM

Item	Unit	Total	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Condestable + Raúl														
Operating	m	**121,906**	13,851	14,255	14,729	14,023	10,887	8,911	8,760	8,760	8,760	8,784	8,760	1,426
Capital	m	**15,371**	3,739	3,750	3,212	3,071	1,599	-	-	-	-	-	-	-
Vent Raises	m	**4,042**	1,023	1,000	1,027	408	155	-	-	274	-	-	139	17
Condestable														
Operating	m	**34,762**	8,833	9,231	9,181	5,263	2,127	127	-	-	-	-	-	-
Capital	m	**4,670**	-	-	-	3,071	1,599	-	-	-	-	-	-	-
Vent Raises	m	**178**	23	-	-	-	155	-	-	-	-	-	-	-
Raúl														
Operating	m	**87,144**	5,018	5,024	5,548	8,760	8,760	8,784	8,760	8,760	8,760	8,784	8,760	1,426
Capital	m	**10,701**	3,739	3,750	3,212	-	-	-	-	-	-	-	-	-
Vent Raises	m	**3,864**	1,000	1,000	1,027	408	-	-	-	274	-	-	139	17

Table 16-6: LOM Plan

	Units	Total	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Condestable + Raúl Production																
Tonnes	kt	39,549	3,180	3,077	3,042	3,047	3,026	2,977	3,175	3,110	3,087	3,018	2,942	2,979	2,591	297
Cu	%	0.75	0.84	0.76	0.73	0.69	0.68	0.76	0.82	0.77	0.79	0.80	0.68	0.70	0.75	0.78
Au	g/t	0.13	0.12	0.17	0.12	0.15	0.15	0.17	0.15	0.17	0.13	0.08	0.11	0.11	0.10	0.23
Ag	g/t	4.13	3.68	3.60	3.64	3.93	3.25	4.92	4.56	5.93	4.60	3.13	4.24	4.21	3.70	6.38
Condestable																
Tonnes	kt	4,959	601	627	613	595	559	527	529	538	369					
Cu	%	0.71	0.73	0.73	0.70	0.67	0.66	0.71	0.68	0.76	0.84					
Au	g/t	0.27	0.25	0.26	0.22	0.29	0.31	0.26	0.30	0.25	0.31					
Ag	g/t	4.32	4.96	3.59	3.49	3.79	3.64	5.08	3.97	4.73	6.55					
Raúl																
Tonnes	kt	34,591	2,579	2,450	2,429	2,452	2,467	2,450	2,647	2,571	2,718	3,018	2,942	2,979	2,591	297
Cu	%	0.76	0.86	0.77	0.74	0.69	0.69	0.77	0.85	0.77	0.78	0.80	0.68	0.70	0.75	0.78
Au	g/t	0.11	0.09	0.14	0.10	0.12	0.11	0.15	0.12	0.15	0.10	0.08	0.11	0.11	0.10	0.23
Ag	g/t	4.10	3.38	3.60	3.67	3.96	3.16	4.89	4.68	6.18	4.34	3.13	4.24	4.21	3.70	6.38

16.5 Mine Infrastructure

16.5.1.1 Access Ramps

The Raúl mine has two main ramps, Rampa Fico and Rampa Principal. The upper levels (Levels +180, +160, and +125) have direct access from the surface. Access to the mine is mainly through Rampa Fico and exit is through Rampa Principal.

The cross section of the main ramps is 4.0 m x 4.0 m, which is sufficient for the transit of haulage trucks (30 t trucks). The maximum gradient on the main ramps is 12%, which allows for the operation of transport equipment without restriction. Ramps with steeper gradients (up to 18%) are used for short accesses between levels and for transit of 4 yd^3 and 6 yd^3 scoops.

16.5.1.2 Ventilation

Mine ventilation is well established, and additional auxiliary ventilation will be added as required to meet the government regulations for the operating equipment, personnel, and installations underground. The ventilation circuit for the Raúl mine is shown in Figure 16-4.

The ventilation system is designed as a push-pull system to aid in ventilating the various area of the mine. Mining is carried out in three areas including the Raúl (Upper and Lower), Raúl deep, and Condestable. The ventilation system consists of five principal exhaust fans and three intake fans to ensure an adequate distribution of ventilating air. The intake and exhaust air measured recently showed only a difference of 2%, indicating there is little air loss and is well within the required ten percent stated in Article 252 (DS-023-EM-2017) of the current regulations.

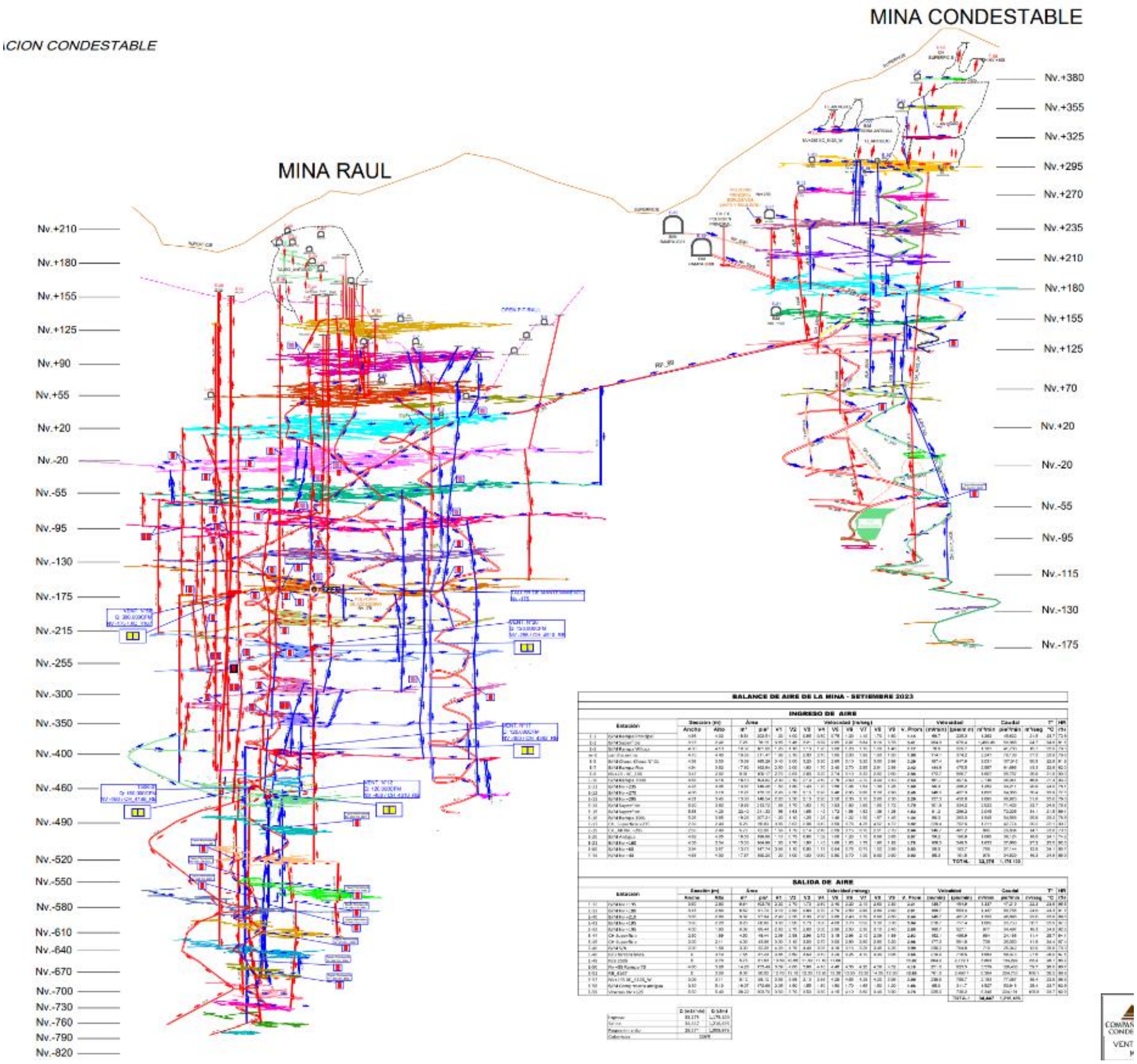
Improvement projects are planned also to improve and maintain the required ventilation underground, including the recommended flow for each piece of equipment and all personnel working underground. CMC plans to install two additional principal fans increasing the total number to 10 in 2024.

Table 16-7 shows the current fan installations and the capacity of each.

Table 16-7: Mine Ventilation Fans

Fan	Type	Capacity (kCFM)	Condition
Vent. No. 58	Exhaust	300	Operating
150K-01	Intake	150	Operating
150K-02	Exhaust	150	Operating
150K-03	Intake	150	Operating
Vent. No. 12	Exhaust	120	Operating
Vent. No. 16	Exhaust	120	Operating
Vent. No. 26	Intake	120	Operating
Vent. No. 27	Exhaust	120	Operating
Total	**8**	**1,230**	

Figure 16-4: Ventilation Circuit



Source: CMC

16.5.1.3 Power

CMC purchases electricity from StatKraft Peru. Electrical power is delivered from the Bujuma supply point located in the town of Mala via 22.9 kV power lines. The power lines feed into two main substations which have a transformation ratio of 22.9 kV to 10 kV. To support underground operations the voltage is further stepped down to 440 V by secondary substations strategically located underground. All installed equipment was designed to satisfy a demand of approximately 18 MW for the whole site. The underground mining operations consumption in 2022 averaged 3 MWhr per month.

16.5.1.4 Mine Communication Systems

The underground mine communications system comprises of a combination of fibre optic, leaky feeders, and analog phones. Fibre optic coverage is operational between levels -120 to -580 at Raúl. The leaky feeder system is installed primarily in ramps and main level accesses at both mines and operates from levels -79 to -490 at Condestable and from levels +55 to -760 at Raúl. Analog phones connected by wires are placed strategically in both mines and amount to 12 and 64 for Condestable and Raúl respectively.

16.6 Mine Equipment

The ore and waste are hauled out of the mine by 30 t capacity trucks which are loaded by 4 yd^3 or 6 yd^3 scoops. Ore is hauled directly from the portal to the Condestable processing plant by haul trucks over approximately 3.5 km from Raúl and 2.6 km from Condestable. All haulage activities are undertaken by contractors, and currently three contractors provide all the required haulage units including CN Sac, BJ Grupo, and Acoinsa with the plan for additional units as required.

In SLR's opinion, the current fleet will be sufficient to maintain required production levels over the LOM. The equipment fleet operated by CMC is listed in Table 16-8.

Table 16-8: CMC Primary Equipment Fleet

Item	LOM 8,400 tpd
Scoops 6 $yd.^3$	10
Scoops 4 $yd.^3$	3
Development Jumbo drill	4
Simba Production drill	7

16.7 Personnel

The Mine workforce is made up of the mine employees and staff as well as a significant number of contract employees. The total CMC personnel count and contractors in 2022 including plant and administration are presented in Table 16-9 and Table 16-10, respectively. In SLR's opinion the personnel requirements will not change significantly over the LOM.

Table 16-9: Site Personnel

Department	Personnel Count
Geology	106
Mine	419
Mine Maintenance	130
Plant	97
Plant Maintenance	43
Operations	104
Site Admin.	67
Lima Admin.	17
Total	**983**

Table 16-10: Site Contract Personnel

Contractors	Personnel Count
Opermin SAC	130
BJ S.R.L.	47
Acoinsa Trans.	50
CN Construction	139
Rock Drill Contratistas	48
Grupo ATHOQ	49
S.I.G Service Gen.	66
Standar S.A.C.	24
Confipetrol Andina	56
MGA Ingenieros	23
Topacio Const.	29
Union de Concreteras	37
Others	156
Total	**854**

17.0 Recovery Methods

17.1 Process Description

The CMC ore is being processed in an 8,400 tpd capacity flotation concentrator located on a steep hillside above the administration offices and warehouse facilities. With the assistance of Holland & Holland Consultants, CMC undertook modifications to the design of the CMC concentrator and expanded the capacity from 7,000 tpd to 8,400 tpd (Holland & Holland Consultants, 2017 and 2021). The Expansion Project included some modifications to equipment in crushing, milling, flotation, tailings pumping, and tailings thickening. The recovery process used at CMC is a conventional four stage crushing, grinding, and flotation circuit to produce a filtered copper concentrate for sale on the open market. The major components of the process are:

- Crushing
- Grinding
- Flotation
- Dewatering
- Tailings Disposal

A simplified process flowsheet is provided in Figure 17-1 and the legend is shown in Figure 17-2.

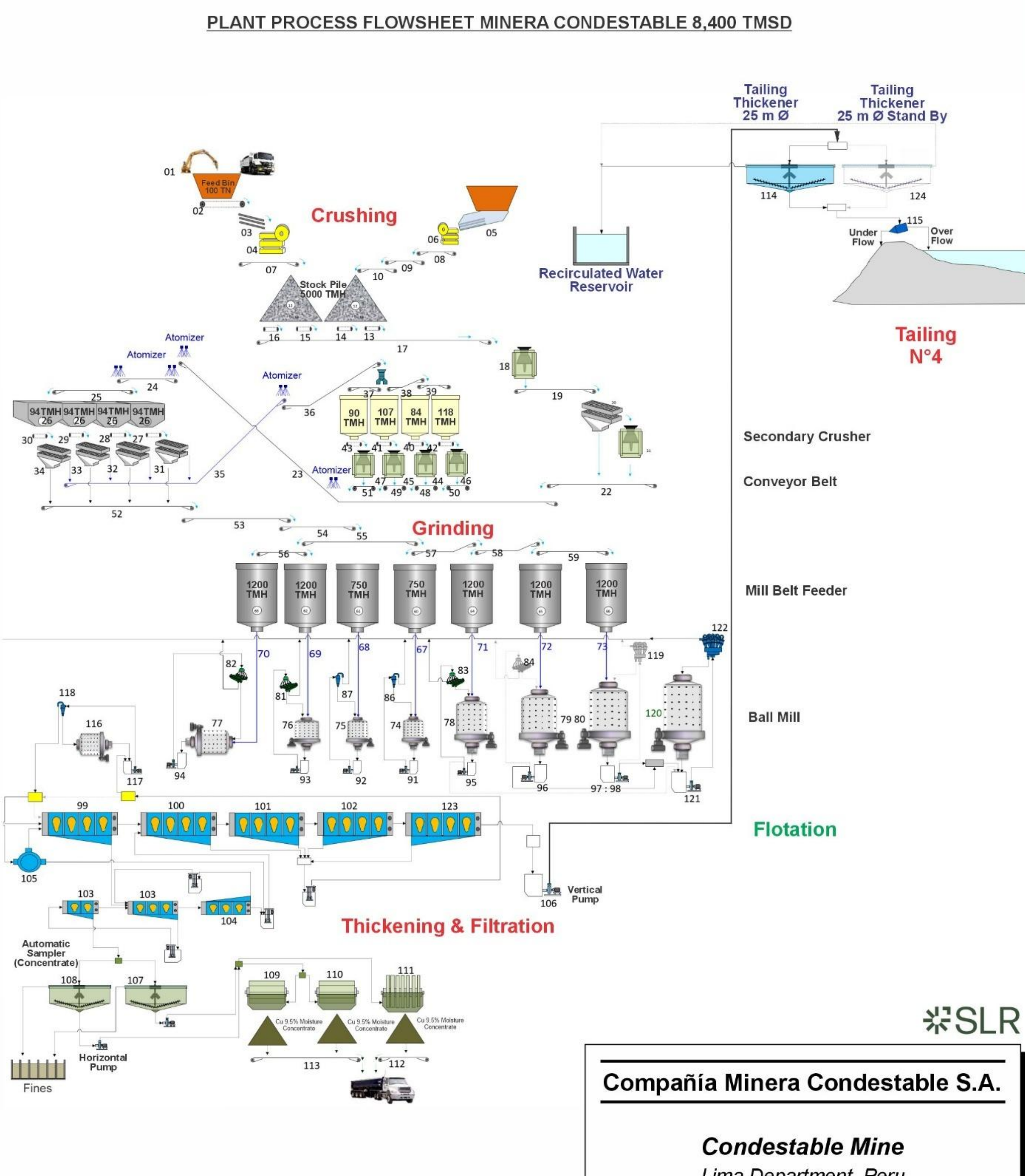
17.1.1 Crushing

Ore from the Condestable and Raúl underground mines is trucked approximately three kilometres to the concentrator plant where it is transferred to one of two primary jaw crushers.

Material at a nominal 200 mm size is discharged from the primary crushers and placed in one of two coarse ore stockpiles. Ore from the stockpiles is recovered and transferred by belt feeders to a secondary HP500 standard cone crusher and reduced to a nominal 70 mm size. A tertiary HP400 standard cone crusher, which reduced the ore to approximately 35 mm in size to feed the quaternary crushing system, was replaced by an HP500 standard cone crusher as part of the Expansion Project.

The product from tertiary crushing is fed to the screening plant where the ore is separated into fine ore at a nominal 3.5 mm size and the oversize material passes to the quaternary crusher bins. Four HP400 short head crushers reduce any oversize material to a nominal 3.5 mm size to feed the milling circuit. The quaternary crushers operate in closed circuit with four 2.44 m x 6.10 m screens to control the size of the fine ore.

Figure 17-1: Plant Process Flowsheet 2022-2023



Note: Refer to figure 17-2 for Plant Process Flowsheet Legend.

Source: SPM, 2023.

Figure 17-2: Plant Process Flowsheet Legend

ITEM	EQUIPMENT	ITEM	EQUIPMENT
1	SANDVICK Rock Breaker, BB 7600	62	Capacity 1000 TMH Mill No. 3 Fine Ore Bin
2	KOLBERG-PIONER Apron Feeder XHD, 60"x20'	63	Capacity 1200 TMH Mill No. 4 Fine Ore Bin
3	SANDVICK Vibrating Feeder, SG-1851, 48" x 60"	64	Capacity 1200 TMH Mill No. 5 Fine Ore Bin
4	SANDVICK Primary Jaw Crusher, CJ-615, 40" x 60"	65	Capacity 1200 TMH Mill No. 6 Fine Ore Bin
5	NORBERG Vibrating Feeder, MV 40120	66	Capacity 1200 TMH Mill No. 7 Fine Ore Bin
6	NORBERG-METSO Primary Jaw Crusher, C110, 34" x 44"	67	Mill No. 01 Belt Feeder, 24" width and 23 m lenght (Stand By)
7	Conveyor Belt No. 1; 48" width and 104 m lenght	68	Mill No. 02 Belt Feeder, 24" width and 23 m lenght
8	Conveyor Belt No. 1A; 36" width and 32.5 m lenght	69	Mill No. 03 Belt Feeder, 24" width and 23 m lenght
9	Conveyor Belt No. 1B; 36" width and 19 m length	70	Mill No. 04 Belt Feeder, 24" width and 23 m lenght
10	Conveyor Belt No. 1C; 36" width and 71 m lenght	71	Mill No. 05 Belt Feeder, 24" width and 23 m lenght
12	5000 TM Capacity Stockpile	72	Mill No. 06 Belt Feeder, 24" width and 23 m lenght
13	Feeding Belt A; 48" width and 12 m lenght	73	Mill No. 07 Belt Feeder, 24" width and 23 m lenght
14	Feeding Belt B; 48" width and 12 m lenght	74	Ball Mill No. 01, KURIMOTO, 8' x 7' (Stand By)
15	Feeding Belt C; 48" width and 12 m lenght	75	Ball Mill No. 02, KURIMOTO, 8' x 7'
16	Feeding Belt D; 48" width and 12 m lenght	76	Ball Mill No. 03, COMESA, 8' x 10'
17	Conveyor Belt No 1D; 36" width and 140 m lenght	77	Ball Mill No. 04, ALLIS CHALLMERS, 9' x 12'
18	Secondary Crusher NORBERG-METSO HP 500	78	Ball Mill No. 05, ALLIS CHALLMERS, 12' x 14'
19	Conveyor Belt No.1E; 36" width and 43 m lenght	79	Ball Mill No. 06, NORBERG, 12.5' x 15.5'
20	TYCAN F-1100 Vibrating Screen No. 05, 8' x 20'	80	Ball Mill No. 07, FUHLER, 13' x 17'
21	NORBERG-METSO Tertiary Cone Crusher HP 500	81	Derrick High-Frequency Screen, 2SG48-60W (mill No. 2 & No. 3)
22	Conveyor Belt No 3A; 48" width and 18 m lenght	82	Derrick High-Frequency Screen, 2SG48-60W (mill No. 4)
23	Conveyor Belt No 3; 48" width and 213 m lenght	83	Derrick High-Frequency Screen, 2SG48-60W (mill No. 5)
24	Conveyor Belt No 4; 48" width and 83 m lenght	84	Derrick High-Frequency Screen, 2SG48-60W (mill No. 6)
25	Conveyor Belt No. 4A; Tripper Car, 48" width and 70 m lenght	86	Hydrocyclone Krebs gMAX 15
26	94TMH Capacity Transfer Hopper	87	Hydrocyclone Krebs gMAX 15
27	Feeding Belt to Screen No1, 48" width and 16 m lenght	91	Horizontal Pump Warman Model 8"x 6" (Mill No.1) - Stand By
28	Feeding Belt to Screen No2, 48" width and 16 m lenght	92	Horizontal Pump Warman Model 8"x 6" (Mill No. 2)
29	Feeding Belt to Screen No3, 48" width and 16 m lenght	93	Horizontal Pump Warman Model 8"x 6" (Mill No. 3)
30	Feeding Belt to Screen No4, 48" width and 16 m lenght	94	Horizontal Pump Warman Model 8"x 6" (Mill No. 4)
31	TYCAN F-1100 Vibrating Screen No 01, 8' x 20'	95	Horizontal Pump Espiasa Model 10"x 8" (Mill No. 5)
32	TYCAN F-1100 Vibrating Screen No 02, 8' x 20'	96	Horizontal Pump Warman Model 10"x 8" (Mill No. 6)
33	TYCAN F-1100 Vibrating Screen No 03, 8' x 20'	97	Horizontal Pump Warman Model 12"x 10" (Mill No. 7) - Stand By
34	TYCAN F-1100 Vibrating Screen No 04, 8' x 20'	98	Horizontal Pump Espiasa 12"x 10" (Mill No. 7)
35	Conveyor Belt No 5; 36" width with 85 m lenght	99	Flotation Cell OK-38 (Rougher Circuit), OUTOKUMPU
36	Conveyor Belt No 6; 36" width with 140 m lenght	100	Flotation Cell OK-38 (Scavenger I Circuit), OUTOKUMPU
37	Conveyor Belt No 6A; 36" width with 16 m lenght	101	Flotation Cell OK-38 (Scavenger II Circuit), OUTOKUMPU
38	Conveyor Belt No 6B; 36" width with 16 m lenght	102	Flotation Cell OK-38 (Scavenger III Circuit), OUTOKUMPU
39	Conveyor Belt No 6C; 36" width with 16 m lenght	103	Flotation Cell OK-38 (Cleaner I y II Circuit), OUTOKUMPU
40	Feeding Belt HP No. 01; 48" x 5.50 m	104	Flotation Cell OK-38 (Scavenger Cleaner Circuit), OUTOKUMPU
41	Feeding Belt HP No. 02; 48" x 5.50 m	105	Flotation Cell OK20 (Main Flotation)
42	Feeding Belt HP No. 03; 48" x 5.50 m	106	Horizontal Pump Wet Seal Model 12" x 10" (Two on stand by)
43	Feeding Belt HP No. 04; 48" x 5.50 m	107	Concentrate Thickener No. 1, 25' x 10'
44	NORBERG-METSO Quaternary Cone Crusher HP 400 SX, No. 01	108	Concentrate Thickener No. 2, 25' x 10'
45	NORBERG-METSO Quaternary Cone Crusher HP 400 SX, No. 02	109	Drum Filter No. 1 DORR OLIVER Model 8' x 8'
46	NORBERG-METSO Quaternary Cone Crusher HP 400 SX, No. 03	110	Drum Filter No. 2 DORR OLIVER Model 8' x 8'
47	NORBERG-METSO Quaternary Cone Crusher HP 400 SX, No. 04	111	Disc Filter No. 3 Fima Model 9'Ø & 7 Discs
48	Conveyor Belt FDC No. 1, 36" x 4.16 m, 10 HP.	112	Dispatch Conveyor Belt No. 1; 30" width and 28 m lenght
49	Conveyor Belt FDC No. 2, 36" x 4.16 m, 10 HP.	113	Dispatch Conveyor Belt No. 2; 36" width and 35 m length
50	Conveyor Belt FDC No. 3, 36" x 4.16 m, 10 HP.	114	Tailing Thickener High-Rate 25mØ
51	Conveyor Belt FDC No. 4, 36" x 4.16 m, 10 HP.	115	Hydrocyclones D-20 Espiasa Model
52	Conveyor Belt No. 08; 30" width and 100 m lenght	116	Ball Mill No. 08, Fima 8' x 10'
53	Conveyor Belt No. 09; 30" width and 67 m lenght	117	Horizontal Pump Warman Model 8"x6" (Mill No. 8)
54	Conveyor Belt No. 10; 30" width and 73 m lenght	118	Hydrocyclones Krebs gMAX 15
55	Conveyor Belt No. 11; 30" width and 32 m lenght	119	Hydrocyclones D-20 Espiasa Model
56	Conveyor Belt No. 12; 30" width and 32 m lenght	120	Ball Mill No. 09, 13.5' x 28'
57	Conveyor Belt No. 13; 36" width and 39 m lenght	121	Horizontal Pump Model 14"x12" (Mill No. 9)
58	Conveyor Belt No. 14; 36" width and 36 m lenght	122	Hydrocyclones Nest D-20
59	Conveyor Belt No. 15; 36" width and 35 m lenght	123	Flotation Cell OK-38 (Scavenger IV Circuit)
60	Capacity 750 TMH Mill No. 1 Fine Ore Bin	124	Tailing Thickener High-Rate 25mØ - Stand By
61	Capacity 750 TMH Mill No. 2 Fine Ore Bin		

Compañía Minera Condestable S.A.

Condestable Mine

Lima Department, Peru

Plant Process Flowsheet Legend

Source: SPM, 2023.

17.1.2 Grinding

The fine ore from the crushing plant is stored in six bins with a total storage capacity of 6,500 t. Each bin is an individual feed source for one of six primary grinding ball mills. Number 4 mill operates on occasion as a primary mill, with Number 2 and Number 3 mills as secondary ball mills.

The discharge from the bins is controlled by the output from the weightometer situated on each mill feed conveyor. The primary grinding mills are all operating with a combination of cyclones and Derrick screens to generate a flotation feed product of 80% passing 200 µm.

The mills in use are as follows:

- Number 1 mill – R/G Kurimoto 2.13 m x 2.44 m, 255 HP motor
- Number 2 mill – Kurimoto 2.13 m x 2.44 m, 255 HP motor
- Number 3 mill – Comesa 2.44 m x 3.05 m, 422 HP motor
- Number 4 mill – Allis Chalmers 2.74 m x 3.66 m, 500 HP motor
- Number 5 mill – Allis Chalmers 3.66 m x 4.27 m, 1,000 HP motor
- Number 6 mill – Nordberg 3.81 m x 4.72 m, 1,250 HP motor
- Number 7 mill – Fuller 3.96 m x 5.18 m, 1,850 HP motor
- Number 8 mill – Comesa 2.44 m x 3.05 m., 255 HP motor
- Number 9 mill – Metso 4.11 m x 8.53 m, 3,077 HP motor

Number 4, 5, 6, and 7 mills operate with Derrick screens to control the mill circuit product. Number 1 mill is a regrind unit operating with 25.4 cm cyclones. All products are combined to form the flotation feed with a size of 80% passing 200 µm.

In October 2017, installation of Number 8 ball mill for regrinding was completed to increase process flexibility when encountering harder ore and/or for additional regrind capacity.

As part of the Expansion Project, Number 9 ball mill was installed with a nest of eight hydrocyclones and two horizontal pumps. Minor modifications were required to the electrical supply system to accommodate the new Number 9 ball mill in grinding. The replacement of the starter panel for Number 9 ball mil was completed in July 2022.

Also, Number 6 mill was placed into operation in an open circuit and the discharge is delivered to the pump box of Number 9 ball mill, eliminating classification with a high-frequency sieve.

17.1.3 Flotation

Product from the grinding circuit contains approximately 32% solids and feeds the copper rougher-scavenger circuit. The rougher-scavenger circuit consists of 16 cells (four banks of four cells) and each OK 38 cell is 38 m^3 in size. The first four OK 38 cells operate as a high grade rougher, while the remainder of the bank operates as a three stage scavenger circuit. Concentrate from the first four-cell scavenger bank passes to the cleaner scavenger for upgrading prior to recycling to the cleaner feed. The final two scavenger banks produce a scavenger concentrate as feed to the regrind circuit, which recycles back to the flotation feed. As part of the Expansion Project, a new bank of four OK 38 cells was installed in the flotation circuit to operate as a fourth stage scavenger circuit.

The primary cleaner consists of two banks of three OK 8 type flotation cells. The primary cleaner concentrate passes to a two-cell OK 8 secondary cleaner with secondary cleaner tailings passing directly to the primary cleaner feed.

Primary cleaner scavenger concentrate recirculates back as primary cleaner flotation feed and the tailings from primary cleaner flotation passes to the regrind circuit, if sufficient capacity is available or else the material passes directly to plant feed. An OK 20 cell was added to process the regrind overflow to reduce the recirculation of iron in the circuit. This promotes flotation time in the rougher stage and concentration and copper recovery.

Automatic samplers collect samples of the feed, concentrate, and tailings streams for analysis and metallurgical accounting. An Outotec Courier on-line analyzer provides on-stream analysis of copper, iron, and % solids for control of plant operations at three points: mill feed, concentrate, and final tailings.

17.1.4 Dewatering

Concentrate from the cleaner circuit passes to one of two 7.62 m diameter thickeners for thickening and water from the thickener overflow is recycled. The underflow at 60% solids feeds two 2.44 m x 2.44 m Dorr Oliver drum filters and one Fima disc filter. The concentrate is dewatered to a final moisture content of approximately 9.5%. No changes were required in concentrate filtration to accommodate the higher production in the Expansion Project.

The filter product discharges by gravity to a storage hopper and the material is loaded onto trucks using a scraper.

Covered trailers containing the concentrate are weighed on the plant weighbridge prior to shipment. The concentrate is transported by truck to the port of Callao on a daily basis.

17.1.5 Tailings Disposal

Tailings from the rougher-scavenger bank are pumped to a 25 m diameter high rate thickener with an underflow density of a nominal 45% solids. The tailings slurry discharges by gravity into the tailings dam situated north of the plant. The coarse fraction of the tailings is recovered by hydrocyclone classification. Coarse tailings are deposited on the wall of the dam, while the fines are impounded. Decant water from the tailings is pumped back to the plant as recycle process water.

As part of the Expansion Project, existing pumps were replaced by larger capacity horizontal pumps in the final tailings pumping station and a new 25 m diameter tailings thickener was also installed. Installation of the second tailings thickener was completed in April 2022.

17.1.6 Services

A dedicated wet chemical assay laboratory operating 24 hours per day supports the plant operation. A fully equipped metallurgical laboratory is also available on site.

18.0 Project Infrastructure

The infrastructure at the Mine includes:

- Two underground mines, accessed by two portals and three ramps.
- Crushing plant and 8,400 tpd flotation mill
- Tailings storage facility (TSF)
- Administration buildings
- Kitchen complex for staff
- Warehouse
- A well maintained road network connecting the Pan-American highway to all the mine facilities
- Historic TSFs

A surface plan is provided in Figure 18-1.

18.1 Power

CMC purchases electricity from StatKraft Peru. Electrical power is delivered from the Bujuma supply point located in the town of Mala via 22.9 kV power lines. The power lines feed into two main substations which have a transformation ratio of 22.9 kV to 10 kV. One 10 kV line feeds both underground mines and primary crusher while the other feeds the mill, concentrator, and other surface infrastructure. The lines are connected to transformers with a power of 300 kVA and a transformation ratio of 10 kV to 440 V.

The current installed equipment supports a supply of 18 MW. The power usage in 2021 and 2022 is presented in Table 18-1. The power source is reliable and renegotiated with the power authorities on a regular basis. Power consumption increased by approximately 18% in 2022, however, it is still within the available power supply for the site operations.

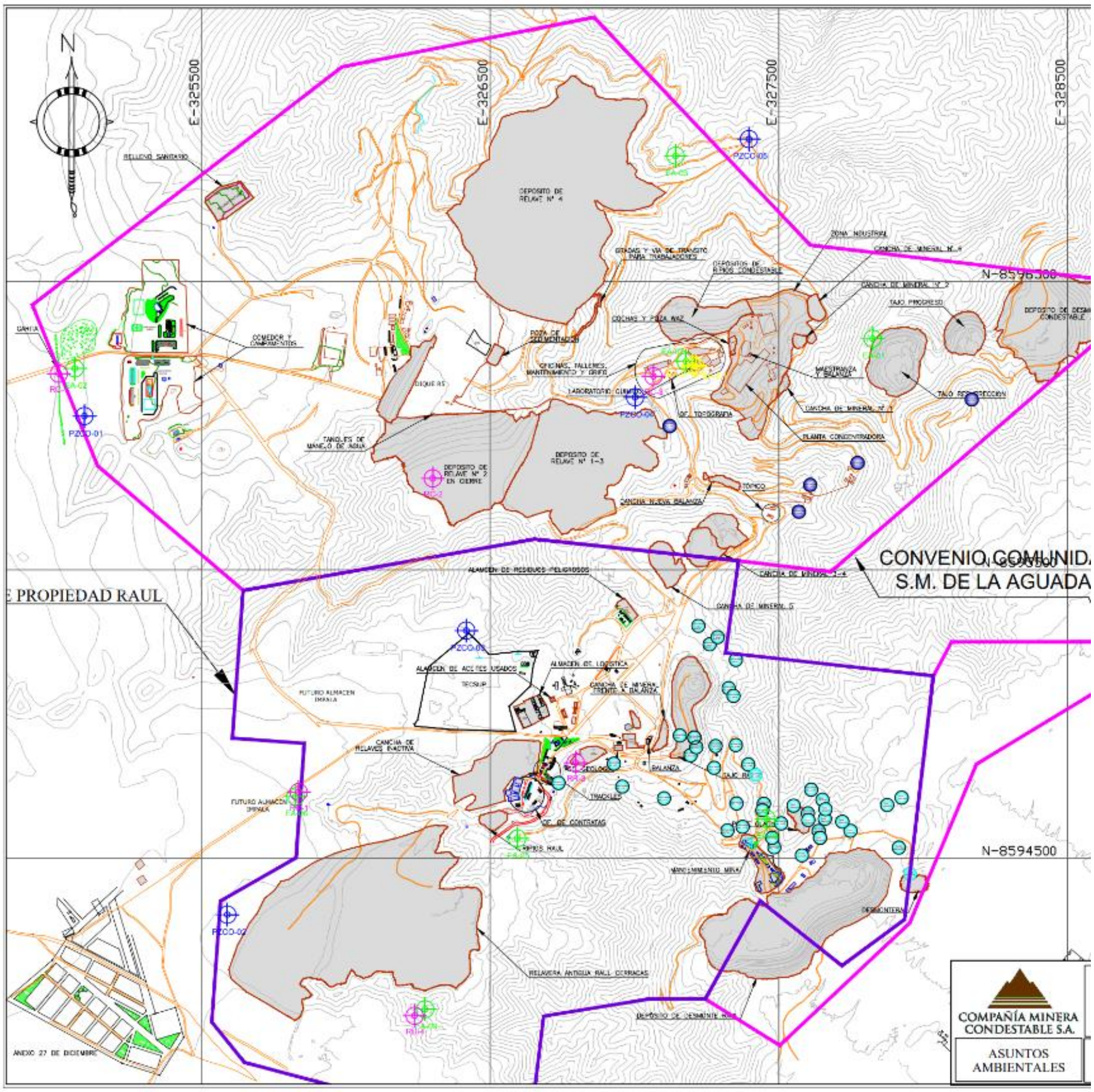
Table 18-1: Power Consumption

Area	Consumption KWH/Month		Variance %
	Avg. 2021	Avg. 2022	
Mine	2,729,533	3,032,285	11%
Plant	6,501,960	7,896,174	21%
Administration	106,496	119,169	12%
Total	**9,337,989**	**11,047,628**	**18%**

18.2 Camp

A new camp was constructed for the superintendents and staff at the Mine which has a capacity of 150 people. The existing camp was moved to make room for TSF 5.

Figure 18-1: Surface Plan



18.3 Transportation

The camp accommodations eliminated the bus transportation for administration personnel to and from Lima to the site on a daily basis. The majority of the mine personnel and contractor personnel come from the local surrounding areas of Mala and Bujama, within a 5 km radius of the mine and commute on their own for their daily shifts.

18.4 Tailings Storage Facilities

Prior to about 2010, TSF 1 through TSF 3 were utilized for tailings disposal. These were merged into a single facility and have been decommissioned and are being rehabilitated. From 2010 onward tailings deposition occurred sequentially in TSF 4 then TSF 5A and currently in TSF 5B. TSF 4 is now inactive and TSF 5A will eventually be encompassed by TSF 5B. The approximate TSF footprints, planned and existing, are shown in Figure 18-2.

Tailings from the concentrator are currently discharged by gravity to TSF 5B. The tailings are classified using cyclones. Cyclone underflow (sands) comprising approximately 50% of tailings is used to construct the perimeter containment dams and the cyclone overflow (fines and water) is discharged into the contained area. Supernatant water is recirculated back to the plant as mill make-up. Freshwater is sourced from a battery of groundwater wells.

However, CMC is implementing plans to change the tailings management strategy from the current classification by cyclone to filtration and filter cake stacking. CMC informed SLR that it is advancing the procurement process for constructing a new tailings filtration plant on-site in 2024 with a throughput capacity sufficient for processing all of the tailings for the remainder of the life of mine. The tailings filtration plant will have capacity to dewater all of the tailings produced by the mine to a moisture content of 16-20% (mass of water per mass of solids). Once the filtration plant is operational, TSF 5B will continue to be built using filtered tailings cake instead of cycloned tailings. CMC anticipates making TSF 5B inactive by the end of 2025 with a crest elevation of approximately 148 MASL and continuing filter stacking in TSF 6. The future TSF 6 will be constructed in an adjacent valley in Phases 1A, 1B, 1C, and 2 (Figure 18-3 shows TSF 6 development at the end of Phase 2).

A contingency containment dam was constructed downstream of TSF 5 to arrest any mass slides resulting form a failure of TSF 4 or TSF 5.

Table 18-2 summarizes the tailings storage capacities of recent and current facilities at Condestable. TSF 5B has been designed to a maximum crest elevation of 176 MASL for an ultimate storage capacity of approximately 25.1 Mt. The current crest elevation of TSF 5B is 135 MASL with storage capacity remaining for more than two years at a plant production rate of 8,400 tpd until the planned activation of TSF 6 in 2026. Of note, although TSF 5B has storage capacity for more than two years of tailings production, CMC's plan is to interrupt tailings disposal at TSF 5B by the end of 2025 and initiate tailings disposal at TSF 6 in 2026.

Table 18-2: TSF Characteristics

Characteristics	TSF 5		TSF 6
	A	B	
Dam type	Starter dams constructed from mine waste overburden, dam raises constructed using		Filtered tailings cake stack with four different structural zones with varying compaction and moisture controls

Characteristics	TSF 5		TSF 6
	A	B	
	cyclone sand in the downstream manner		
Downstream slope	3H:1V		3.25H:1V
Ultimate dam crest (MASL)	170.0	176.0	220.0
Highest contained tailings elevation (MASL)	168.5	174.5	220.0
Total tailings storage capacity (Mt)	10.6	25.1	172.5
Duration	5 years until 2028[1]		Minimum of 14 years[1]

[1] According to information provided by CMC staff during the site visit on June 27, 2023.

All of the existing TSF facilities are designed with coarse tailings sand dams that are raised in the downstream construction methodology with foundation excavation and preparation works. Additionally, TSFs 4, 5A, and 5B were constructed with seepage collection systems (subdrains) reportedly constructed beneath the sand containment dams. The subdrains for TSFs 4, 5A, and 5B all report to a single geomembrane lined collection pond, from where the water is pumped to the mill for reuse. All TSF dams are equipped with a combination of survey monuments and piezometers and TSF 4 also has inclinometers. All monitoring instruments indicate that the dams are performing within the expected parameters and that the phreatic surface is very low (CMC, 2022a). Furthermore, no issues were identified during the last dam safety inspection in April 2023 (Sinco Ingenieria y Construccion, 2023).

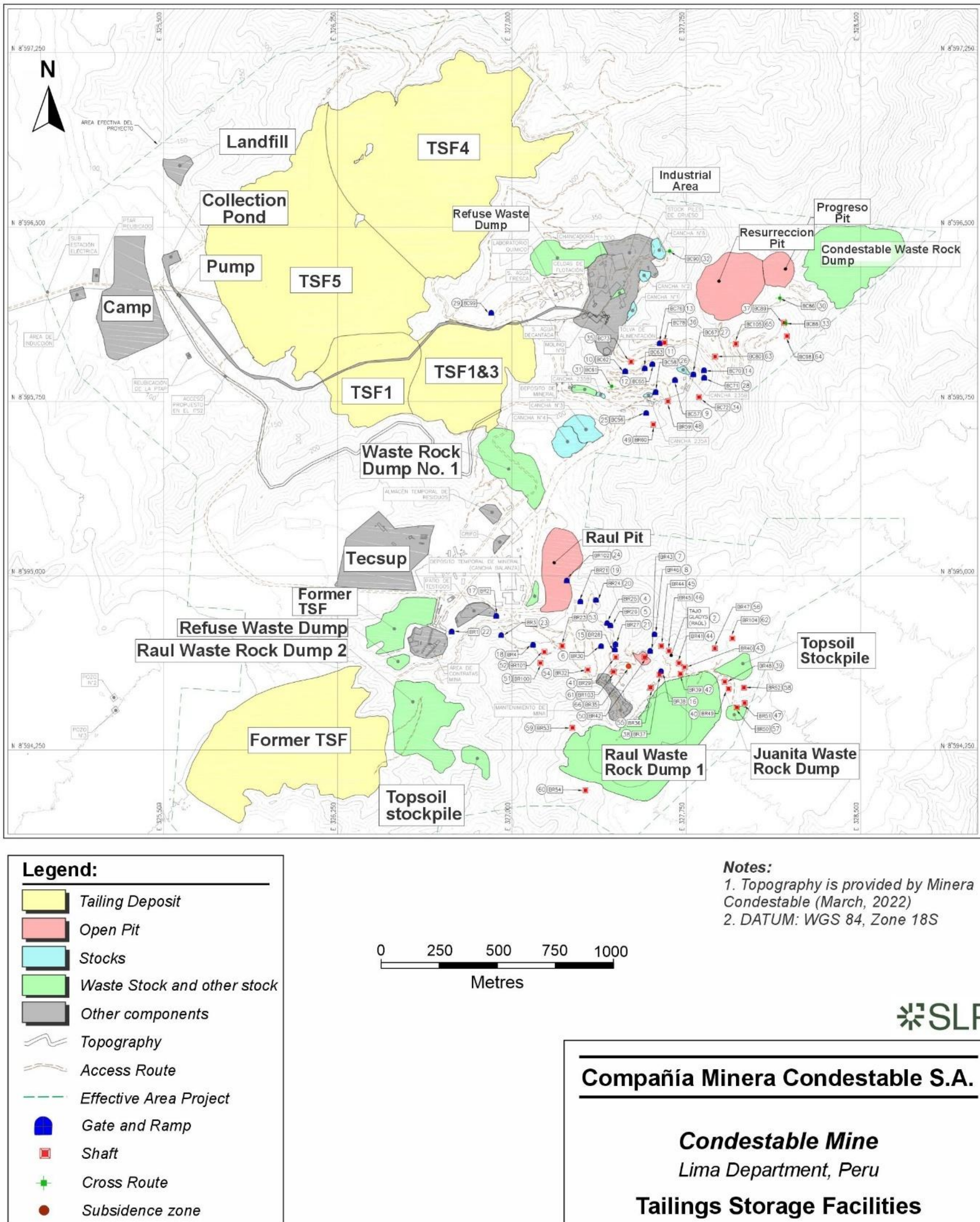
TSF 6 has been designed as a filtered tailings cake stack with structural zones around the exterior with varying degrees of compaction (Anddes, 2021). These zones are: type A outer 25 to 30 m at 95% standard proctor density, type B adjacent 50 to 60 m at 90% standard proctor density, type C adjacent 100 to 180 m of 16% or less moisture content, and type D confined in the centre of the filter stack with 20% or more moisture content. The filtered tailings produced by the filter plant are expected to have a water content in the range of 16% to 20% by mass.

SLR relies on the conclusions of Sinco Ingenieria y Construccion (2023) and provides no conclusions or opinions regarding the stability of the listed dams and impoundments.

All existing dams reviewed (TSFs 4, 5A, and 5B) were designed with factors of safety of 1.5 against static slope stability failure with steady-state seepage. The design criterion adopted for assessing seismic stability was a minimum pseudostatic factor of safety of 1.0 using a seismic coefficient of 0.2g, or half of the peak ground acceleration estimated during a 475-year return earthquake (0.4 g). Pseudostatic analyses are only appropriate if the tailings are non-liquefiable or drained as the piezometers currently indicate. Ongoing piezometric readings can be used by CMC to confirm that the downstream shell of the dams remains in a drained condition (as operations progress).

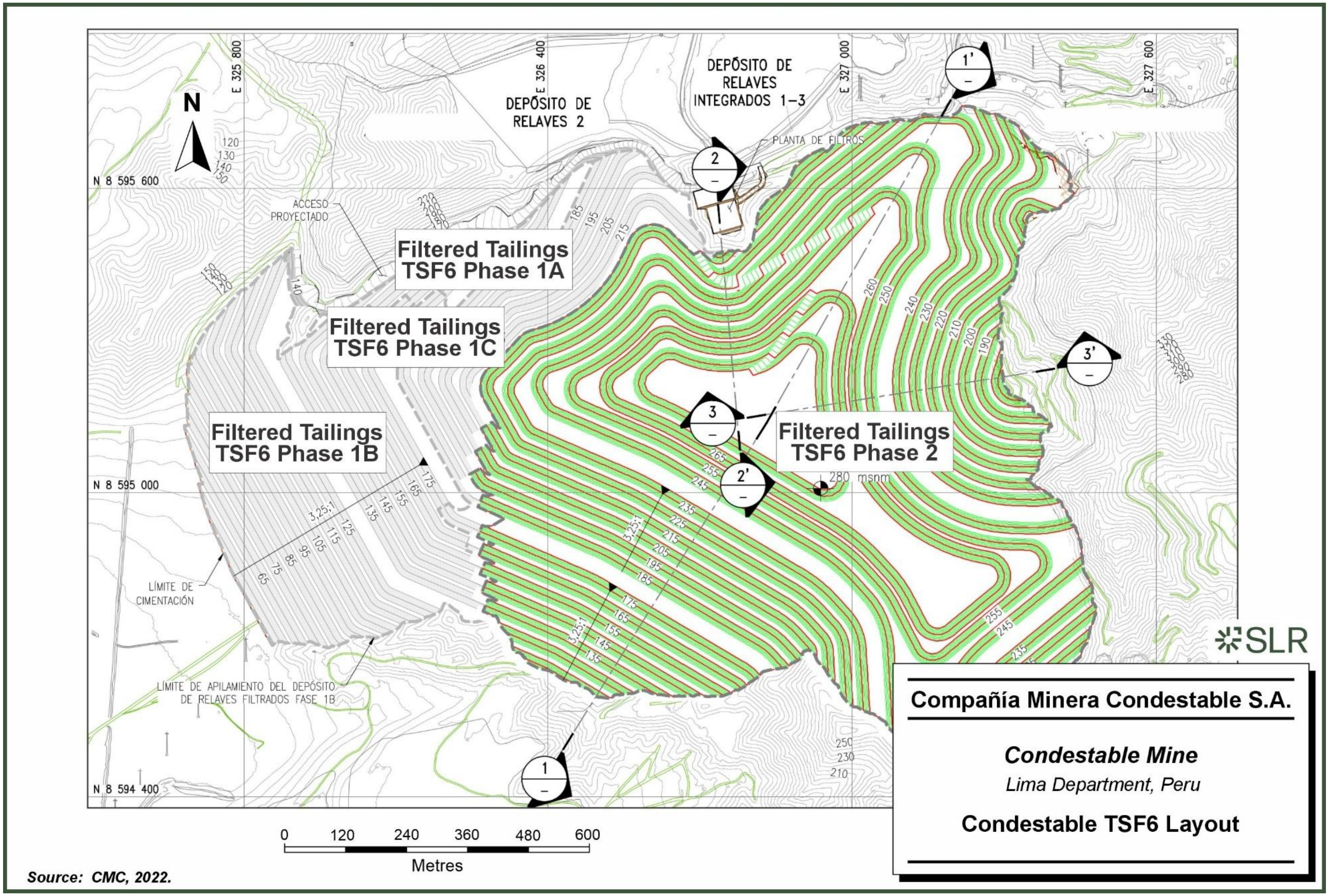
TSF 6 was designed with factors of safety of 1.5 against static slope stability failure. The design criterion adopted for assessing seismic stability was a minimum post-seismic factor of safety of 1.2 and a maximum permissible deformation during seismic events of 1.5 m for a 1:1000 year seismic event (Anddes, 2021).

Figure 18-2: Tailings Storage Facilities



Source: CMC, 2022.

Figure 18-3: Ultimate Configuration of Filtered Tailings Stack TSF 6



Source: CMC, 2022.

19.0 Market Studies and Contracts

19.1 Markets

The principal commodities at the Mine are copper, gold, and silver contained in copper concentrate. These products are freely traded at prices that are widely known, so that prospects for sale of any production are virtually assured.

Metal prices for Mineral Resource and Mineral Reserve estimation, and for economic analysis, are based on Analyst Street Consensus Commodity Price Forecasts prepared by independent financial institutions. For the economic analysis, the latest price forecast report is dated February 1, 2024, which was approved and provided by CMC Senior Management.

For the economic analysis in this Technical Report, the prices used from the analysts market consensus forecast vary year by year from 2023 to 2028 and are shown in Table 19-1.

Table 19-1: Economic Analysis Copper, Gold and Silver Price Assumptions

Commodity	Unit	2023	2024	2025	2026	2027	2028 and Long-Term
Copper	$/lbs	3.86	3.95	4.12	4.23	4.26	3.91
Gold	$/oz	1,917	1,998	1,971	1,882	1,857	1,754
Silver	$/oz	23.46	24.17	24.55	23.90	23.40	22.95

Currently, CMC is under a long term contract with Trafigura (a commodity trading company) for the sale of its copper concentrate. The sale of Condestable Mine copper concentrate and the precise terms of the offtake agreement are a function of the concentrate quality and the level of impurities in the concentrate. The copper concentrate is of clean quality with low levels of impurities. The SLR QP agrees with the economic assumptions and projections provided by CMC Senior Management, as the contract terms are within industry norms.

19.2 Contracts

In addition to copper concentrate sales, the Mine has numerous contracts with suppliers for the majority of the operating activities and special projects that are required at the mine site, such as:

- Mine power supply
- Mine development contractors
- Material transport
- Suppliers for consumables, reagents, maintenance and general services
- General and administrative (G&A) requirements, and other services to support the Mine operations

SLR has not reviewed the various support service contract details at the Mine, however, the Mine has used these contractors in the past and continues to do so.

20.0 Environmental Studies, Permitting, and Social or Community Impact

20.1 Environmental Aspects

20.1.1 Environmental Setting

The information presented in this section is based on documentation provided by CMC, a site visit conducted by SLR's QP on June 27, 2023, and meetings held with CMC staff on June 27 and 28, 2023.

The Condestable Mine is located in Mala District, Cañete Province, Lima Department, Peru, approximately 90 km southeast of Lima. The Mine area is located in a strip portion of the Peruvian coastal region with topographic relief comprised of hills and plains in the lower parts. Elevation varies from 60 MASL to 520 MASL. The underground operation consists of two contiguous mines, Condestable and Raúl.

The average annual temperature at the mine site is 20.7ºC and average monthly temperatures fluctuate from approximately 15.4ºC (August) to 26.6ºC (March) based on data from La Capilla meteorological station for the period 2007 to 2021, operated by the Peruvian National Service of Meteorology and Hydrology (SENAMHI for its acronym in Spanish). The total annual rainfall for the same period of record varied from 2.8 mm in 2013 and 24.4 mm in 2017 (Klohn Crippen Berger [KCB], 2023). However, an average annual rainfall of 46.4 mm was reported in the 2012 Environmental Impact Assessment (EIA) (SVS, 2012b) based on data from the Condestable meteorological station for the period 2006 to 2011. The annual average evaporation is 1,212 mm, which is much higher than the average annual rainfall. Average annual relative humidity is 81.5%.

There are no surface water bodies located close to the Mine site that could be impacted by mine operation activities.

The rural community of Mala is the local community potentially impacted by the Mine activities. It is comprised of San Marcos de la Aguada, Anexo San Juan, Anexo 27 de Diciembre, Anexo Cerro La Libertad, Anexo Señor de Cachuy and Anexo Buenavista.

Exploration activities at the Condestable mine started in 1961 and production commenced in 1964 with a production rate of 600 tpd. Exploration activities at the Raúl mine started in the 1950s and production commenced in 1960 with a production rate of 100 tpd (SVS, 2014). Both mines have been operated as one mining unit since 2010. CMC expanded the Condestable plant to 8,400 tpd in 2021 and a Feasibility Study was completed in the fourth quarter (Q4) of 2021 for a further expansion to 10,000 tpd. The current mine life is approximately 13 years based on the current Condestable and Raúl Mineral Reserve.

The Condestable operation includes the following main facilities:

- Two underground mines (active)
- Open pits (inactive)
- Process plant
- Ore stockpiles
- Tailings storage facilities

- Waste rock dumps
- Landfill
- Ancillary buildings (camp and administration, storage, vehicle maintenance, solid residue disposal facilities, chemical laboratory, gas station, magazine, etc.)
- Transmission lines and electrical substations

Baseline data have been collected during the development of the environmental impact studies for the Mine and baseline characterizations have been completed for the following disciplines:

- Topography and landscape
- Climate and meteorology
- Geology and geomorphology
- Hydrology and hydrogeology
- Groundwater quality
- Air quality
- Ambient noise
- Soils and land use
- Terrestrial biology (flora and fauna)
- Social

20.1.2 Environmental Studies and Management Plans

According to the Law of the National System of Environmental Impact Assessment (Law No. 27446, 2021), any activity that can cause significant negative environmental and socio-economic impacts must be evaluated before execution. Management and/or mitigation measures shall be developed to avoid, minimize, mitigate, or compensate for adverse impacts and enhancement measures to maximize positive impacts. Once the EIA study gets approved, commitments established in the management plans or other parts of the EIA, including conditions resulting from EIA's approval, become environmental and socio-economic binding obligations that can be audited, and non-compliance is sanctionable.

Similarly, the national regulation requires the mining company to make a technical and economic proposal for rehabilitating the intervened areas to ensure compatibility with the surrounding ecosystem when mining activity ends. Such proposal is the Mine Closure Plan (MCP), which must be implemented during the mine's life cycle (progressive closure) and at the end of operations (final closure and post-closure).

The tools indicated above also consider approaches for managing socio-economic impacts/effects resulting from mining projects. Regulations require the mining proponent to have a Social Management Plan, which is a set of strategies, programs, plans, and social management measures designed to avoid, minimize, mitigate, or compensate for negative social impacts and enhance positive social impacts resulting from the mining project in the respective area of influence. The Social Management Plan(s), Environmental Management Plan(s), and Monitoring Plans are integral parts of the EIA and are approved as part of it.

The Peruvian regulatory framework also requires other sectorial permits before the commencement and development of mining activities, such as permits for using natural resources and protecting natural heritage or culture (as applicable).

SLR has been provided with the following documents to conduct its review:

- First Modification of the Environmental Impact Assessment (MEIA) for the Integration of Condestable and Raúl Mining Units and Expansion of Process Plant from 3,000 tpd to 6,000 tpd (SVS, 2012b)
- First Supporting Technical Report for the first MEIA (Anddes, 2017b)
- Second Supporting Technical Report for the for the first MEIA (Anddes, 2018a)
- Third Supporting Technical Report for the first MEIA (Anddes, 2018c)
- Report on Environmental Management Strategy (CMC, 2019)
- Fourth Supporting Technical Report for the first MEIA (KCB, 2023b)

CMC is in the process of preparing a second amendment of the EIA to expand the process plant capacity to 10,000 tpd. The Terms of Reference were approved by SENACE in April 2023 and CMC prepared the EIA file with support of the consulting firm KCB. The EIA file for the second amendment will undergo review by SENACE in 2024.

The first MEIA prescribes annual environmental audits to be performed by the Environmental Superintendent to evaluate the environmental performance and determine corrective actions to address identified issues or deficiencies.

The key potential effects and associated management strategies are shown in Table 20-1. An Environmental Management Plan and an Environmental Monitoring Program were prepared as part of the EIA and have been revised in the four Supporting Technical Reports prepared to date. The monitoring program presented in the EIA and the Supporting Technical Reports includes groundwater quantity and quality, potable water quality, sanitary wastewater treated effluent quality, air quality, ambient noise, and terrestrial flora and fauna. Surface water quality monitoring is not applicable since there are no surface water bodies within the area of influence of the mine operation. A program for management and disposal of hazardous and non-hazardous waste (solid and liquid) has been developed for the mine operation. The final disposal of hazardous and non-hazardous solid waste takes place outside of the mine site in landfills authorized by the Ministry of the Environment.

The Environmental Management Plan establishes three strategies for environmental management:

- Preventive measures, which involve planning practices and training;
- Mitigation and/or control measures; and
- Environmental monitoring.

CMC prepared a strategic environmental management plan (CMC, 2019) that indicates the plans, procedures and directives to be followed during the mine operation, in order to mitigate and/or minimize environmental impacts. The environmental performance is documented in the annual sustainability reports.

Quarterly reports summarizing results of the environmental monitoring are presented to the Agency for Environmental Assessment and Enforcement (OEFA for its acronym in Spanish) for gas emissions (one location at the chemical laboratory), groundwater quality (five locations), air quality (seven locations), ambient noise (five locations), and non-ionizing radiation (one location). The field monitoring activities are conducted by the consulting firm SGS del Perú, also responsible for preparation of individual quarterly reports for each of these five environmental components. SLR was provided with the reports for the four quarters of 2022.

Monitoring results from 2022 indicate compliance with applicable national standards and maximum permissible limits for gas emissions, air quality, ambient noise, and non-ionizing radiation. There are no national groundwater quality standards. Groundwater monitoring results are discussed in Section 20.2.4.

CMC informed SLR that irrigation of the TSF surfaces with a special additive is regularly conducted at the Mine site to control dust and prevent adverse effects to air quality. CMC also informed SLR that bi-annually biology monitoring is conducted but no reports were included within the documentation made available to SLR for review.

CMC has a Preparedness and Emergency Response Plan maintained by the Occupational Health and Safety Department with the most recent version issued in 2021. The Plan is supported by a series of 15 emergency protocols outlining the process to be followed in the event of specific emergencies.

Table 20-1: Summary of Key Environmental Effects and Management Strategies

Environmental Component	Potential Impact	Management Strategies
Soils	Changes to soil uses Changes to soil quality	Stockpiling of excess soil for use during closure activities Appropriate handling of oils, lubricants, paint, etc.to prevent accidental spills Appropriate management and disposal of domestic and industrial waste Appropriate disposal of construction debris Removal and adequate disposal of soils contaminated with oil and lubricants Maintenance of vehicles and equipment in designated areas
Groundwater	Changes to groundwater quality	Proper use of potable water Avoid unnecessary consumption of water, mainly for activities with high evaporation losses Reuse of water Implementation of sanitary wastewater treatment Bi-annual monitoring comparing results using D.S. No. 002-2008-MINAM for Category 3 as reference values
Air quality	Changes from dust generation and gas emissions	Regular preventive maintenance of vehicles and motorized equipment Regular irrigation of access roads with tanker trucks Speed limit for vehicles circulating within the Mine site Planning activities to minimize equipment required Quarterly monitoring evaluating results based on the national environmental quality standards according to D.S. No. 074-2001-PCM, D.S. No. 069-2003-PCM, and D.S. No. 003-2008-MINAM (recently updated in D.S. No. 003-2017-MINAM)
Noise	Disturbances resulting from changes to ambient noise levels	Planification of activities to limit the generation of disturbing noises and increment in noise levels Regular maintenance of vehicles and equipment Controlling use of vehicle horns

Environmental Component	Potential Impact	Management Strategies
		Vehicle circulation though established routes Use of personal protective equipment Quarterly monitoring evaluating results based on the national environmental quality standards for noise
Terrestrial flora	Changes to population and habitat of local species	Protect the integrity of the flora in the surrounding area of the Mine site Protect endemic and endangered species Appropriate disposal of waste materials Rescue and relocation of flora specimens Avoid introduction of non-native species Personnel training Bi-annual monitoring (dry and wet seasons)
Terrestrial fauna	Changes to population and habitat of local species	Disturbing, stalking and chasing wild fauna is prohibited Hunting and capturing of fauna specimens are prohibited Use and commercialization of fauna specimens is prohibited Avoid introduction of non-native species Minimizing areas for transport of materials to prevent displacement of fauna Noise control Speed limit for vehicles circulating within the Project area Personnel training Bi-annual monitoring (dry and wet seasons)
Landscape	Changes in landscape's visual quality	Mine planning to minimize and control relief alterations Minimizing land disturbance to the extent possible Mimicking the natural landscape at closure

20.1.3 Key Environmental Issues

According to the meetings held with CMC staff on June 27 and 28, 2023, no environmental compliance issues have been registered by CMC or raised by the environmental authorities. CMC informed SLR about concerns expressed recently by the community Anexo 27 de Diciembre regarding vibrations. In response to the concerns, CMC commissioned a vibrations study conducted by a specialized consultant. No adverse effects associated with vibrations were identified in the study. SLR is not aware of any recent or ongoing environmental issues taking place.

In the SLR QP's opinion, there are no environmental issues that could materially impact the ability to extract the Mineral Reserves based on the review of the available documentation and the discussions held with CMC staff.

20.1.4 Environmental Management System

CMC uses an ISO 14001 (2015) compliant environmental management system at Condestable to support environmental management, monitoring and compliance with applicable regulatory requirements during operation. Environmental objectives, targets and operational controls are identified to prevent or reduce impacts of the mine operation.

During the site visit on June 27, 2023, the SLR QP observed integration between areas of the CMC operation including environmental management, TSF management, social management, Health and Safety, and human resources.

In 2021, the CMC operation undertook an audit under the Copper Mark assurance system in response to a SPM corporate initiative. According to the International Council on Mining and Metals (ICMM) website, the Copper Mark is an assurance framework to demonstrate the copper industry's responsible production practices and industry contribution to the United Nations Sustainable Development Goals. The assessment methodology typically involves data gathering, worker and management interviews, and extensive document review of policies, procedures, documents, and records related to each of the specific Copper Mark criteria. As a result of the audit, CMC was awarded the Copper Mark certification. According to SPM's website, "to obtain the certification, the mining company went through an exhaustive process, in which environmental criteria – such as reducing its carbon footprint and the sustainable use of water – as well as social and corporate governance criteria, were reviewed".

20.2 Waste and Water Management

20.2.1 Environmental Geochemistry

The geochemistry studies indicate that the tailings are non-acid generating (CMC 2014, Anddes 2018d). The waste rock has also been described as non-acid generating (Anddes, 2018e). It is noted that, given the climatic characteristics of the Mine site with very low annual rainfall and very high annual evaporation, development of Acid Rock Drainage (ARD) is unlikely under such a dry environment.

20.2.2 Waste Rock Management

Two waste rock dumps (Condestable and Raúl dumps) have been established, but the Condestable dump is no longer in use and therefore inactive. Waste rock is also used for backfilling underground workings. The Raúl dump is being built with benches to improve the facility's long-term stability and is being expanded. CMC is planning the development of a second Raúl dump.

No major re-grading works are planned for closing the waste rock dumps, however, they will be covered with a 0.3 m layer of sorted cobbles and boulders (100 mm to 250 mm diameter) to mitigate erosion. Furthermore, drainage channels will be constructed as needed.

20.2.3 Tailings Management

Tailings produced from the process plant are stored in TSF 1 through TSF 6. Tailings deposition is currently active in TSF 5B. TSFs 1, 2, and 3 are adjacent and inactive and TSF 4 is also inactive and adjacent to TSF 5. TSF 5 and the planned TSF 6 can provide tailings storage capacity for more than 50 years based on the opportunities that both facilities offer for progressive expansion. The tailings management plans and facilities (TSF 1, 2, 3, 4, 5A, 5B, and 6) are described in Section 18.4.

Presently, the whole tailings leaving the tailings thickener are approximately 47% solids by mass. Supernatant water is reclaimed from the active tailings facility for use in the process plant. Foundation drains under tailings dam 4 (and future tailings dams) collect water and drain to a collection pond downstream of the dam where the water is pumped back to the process plant.

A tailings filtration plant is planned for procurement and construction in 2024 after which tailings deposition in the remainder of TSF 5B and the future TSF 6 will be carried out by stacking tailings filter cake with compaction and moisture controls.

TSF 5 (active facility) has an Operation, Maintenance, and Surveillance (OMS) Manual. The TSFs are regularly inspected by a third-party engineer as part of a Dam Safety Inspection (DSI) and CMC produces an annual TSF monitoring report from the mix of piezometers (Casagrande and vibrating wire type), survey monuments, geophones, and inclinometers installed through the TSFs. CMC informed SLR that it has engaged an Engineer of Record for their TSFs as of 2024.

A Dam Breach Study was completed for TSFs 4 and 5 in 2023 (SRK, 2023a). Either because of or in unison with this study, a contingency containment dam was constructed downstream of TSF 5 to arrest any mass slides resulting form a failure of TSF 4 or TSF 5. The contingency containment dam is immediately upstream from the relocated mine camp. A Failure Mode and Effect Analysis (FMEA) was also completed for TSF 5 (SRK, 2023b) and a risk register along with mitigation measures were developed.

Geochemical testing was conducted on samples of tailings from TSF 3 and TSF 4 and the potential for ARD was found to be improbable and uncertain, respectively (SRK, 2011). Foundation drains in TSF 4 and TSF 5 that lead to a lined collection pond collect seepage from the newer TSFs and the water is pumped back to the mill for reuse. Annual precipitation for the project site is typically below 50 mm, which reduces the long-term risk of ARD.

Upon closure, the TSFs will be covered with local borrow fill at an angle of 2% across their top to reduce erosion from surface runoff and ponding. During post-closure, the covers will be inspected annually for damage from the wind, and if necessary repaired. To verify chemical stability, bi-annual monitoring of surface water in the tailings area will be conducted. During post-closure, annual inspections will be carried out during the first five years to verify that the phreatic surface in the TSF has stabilized. The closure strategy for TSF 6 was not found within the documentation made available to SLR for review.

CMC has established a voluntary commitment to comply with the Global Industry Standard for Tailings Management (GISTM) (ICMM, UNEP, PRI, 2020) and in 2022 initiated a process of becoming compliant with GISTM. SLR understands that CMC tracks regularly the progress made towards compliance with the 15 principles outlined in the GISTM. As part of this process, CMC has retained the services of an external consulting company to receive support to achieve compliance with the outstanding items identified by the management staff responsible for the TSFs. The 15 principles outlined in the GISTM address the following six topics:

1 Affected communities,
2 Integrated knowledge base,
3 Design, construction, operation and monitoring of the TSF,
4 Management and governance,
5 Emergency response and long-term recovery, and
6 Public disclosure and access to information.

20.2.4 Water Management

The fresh water supply source is comprised of four groundwater wells identified as Nos. 1, 2, 3, and 5, located in the Bujama Alta area. The maximum installed pumping rates are 40 L/s, 16 L/s, 60 L/s, and 50 L/s, respectively. Well No. 3 provides water for domestic use, and wells Nos. 1, 2, and 5 provide water for industrial use. Water collected in the active TSF, mostly from tailings slurry discharged from the process plant, is pumped back to the process plant. The overflow from the tailings thickener is conveyed to the process plant. Seepage from the tailings storage facilities is collected in a network of subdrains. Approximately 60% to 65% of the mill make-up water demand is obtained through water recirculation, whereas the remaining 35% to 40% is obtained from the groundwater wells (SVS, 2012b and Anddes, 2018c). CMC informed SLR that there is no discharge of industrial water to the environment.

According to information provided by CMC, SLR understands that the underground mine dewatering is conveyed to sedimentation ponds on surface before being pumped back underground for drilling activities.

Through the implementation of the new filtered tailings plant and auxiliary facilities, CMC anticipates achieving a significant optimization of water management, increasing the volume of water recovered for use in the ore processing. The water recirculation is expected to increase to approximately 90% with the implementation of the filtered tailings plant. The introduction of the filtered tailings plant is one of the main actions from CMC to meet its corporate policies regarding efficiency in the use of water resources.

The water management infrastructure includes a potable water treatment plant (reverse osmosis), wastewater septic tanks and infiltration system, and a sanitary wastewater treatment plant. The treated effluent from the sanitary wastewater treatment plant, which is monitored monthly, is used for irrigation of approximately 8.0 ha of grassed areas and approximately 3.6 ha of access roads (dust suppression).

It is inferred that a site water balance has been developed for the operation based on flow diagrams included in the documentation available for review to SLR. According to the meeting held with CMC staff on June 27, 2023, the process water balance associated with the thickener and water recirculation is updated weekly.

Quarterly groundwater quality monitoring at five locations is conducted by an external consultant, SGS del Peru. In the absence of national groundwater quality standards, the national environmental quality standards for surface water for Category 3 (sub-categories D1 [crop irrigation] and D2 [animal beverage]) are used as a reference for comparison purposes but not to evaluate compliance. According to monitoring campaigns from 2022, in general the results are similar to baseline conditions, and below the surface water reference values except for some parameters (conductivity, sulphate, aluminum, boron, cadmium, copper, chromium, iron, magnesium, manganese, mercury, selenium), which occasionally exceed the reference values at some monitoring locations.

20.3 Environmental Permitting

20.3.1 Current Permits, Approvals, and Authorizations

The Mine operation is managed according to the environmental and closure considerations presented in three types of documents, which must be approved by directorial resolutions from the Peruvian government:

- EIA and subsequent amendments and modifications

- Supporting Technical Reports (ITS for its acronym in Spanish)
- Mine Closure Plan

The Mine complies with applicable Peruvian permitting requirements. The permits are Directorial Resolutions (RD for its acronym in Spanish) issued by the Peruvian authorities upon approval of mining environmental management instruments filed by the mining companies such as EIAs, ITS, and Mine Closure Plans.

CMC maintains an up to date record of the legal permits obtained to date, documenting the approval document ID (which includes the approving authority), the subject of the licence and the approval date, the status, and the expiration date. The approved environmental permits are listed in Table 20-2.

Table 20-2: Current Environmental Permits, Authorizations and Approvals

Type	Date	Authorization/Licence/Certificate	Approval Name and Type
Environmental	9/20/2007	Approval of the Environmental Impact Study for the Expansion Project of the Beneficiation Plant from 3,000 to 6,000 TPD. *(Aprobación del Estudio de Impacto Ambiental del Proyecto Ampliación de la Planta de Beneficio de 3,000 a 6,000 TMD.)*	Directorial Resolution No 298-2007-MEM-AAM
Environmental	11/25/2013	Approval of the Modification of the Environmental Impact Study for the Incorporation and / or Expansion of Components and Integration of Condestable and Raúl Mining Units. *(Aprobación de la Modificación del Estudio de Impacto Ambiental para la Incorporación y/o Ampliación de Componentes e Integración de las Unidades Mineras Condestable y Raúl.)*	Directorial Resolution No. 421-2013-MEM-AAM
Environmental	7/12/2017	Approval of the Report on Identification of Contaminated Sites of the Condestable Mining Unit *(Aprobación del Informe de Identificación de Sitios Contaminados de la Unidad Minera Condestable)*	Directorial Resolution No. 186-2017-MEM-DGAAM, Report No. 293-2017-MEM-DGAAM / DNAM / DGAM / C
Environmental	9/25/2017	First Supporting Technical Report for the Condestable Mining Unit *(Primer Informe Tecnico Sustentatorio para la Unidad Minera Acumulación Condestable)*	Directorial Resolution No. 263-2017-SENACE / DCA, Report No. 231-2017-SENACE-J-DCA / UPAS-UGS
Environmental	1/22/2018	Second Supporting Technical Report for the Condestable Mining Unit *(Segundo Informe Tecnico*	Directorial Resolution No. 016-2018-SENACE-JEF/DEAR, Report No. 035-2018-SENACE-JEF/DEAR

Type	Date	Authorization/Licence/Certificate	Approval Name and Type
		Sustentatorio para la Unidad Minera Acumulación Condestable)	
Environmental	5/29/2018	Third Supporting Technical Report for the Condestable Mining Unit *(Tercer Informe Tecnico Sustentatorio para la Unidad Minera Acumulación Condestable)*	Directorial Resolution No. 071-2018-SENACE-JEF/DEAR, Report No. 309-2018-SENACE-JEF/DEAR
Environmental	10/18/2023	Fourth Supporting Technical Report for the Condestable Mining Unit *(Cuarto Informe Tecnico Sustentatorio para la Unidad Minera Acumulación Condestable)*	Directorial Resolution No. 00143-2023-SENACE-PE/DEAR
Environmental	10/16/2020	Approval of Detailed Environmental Management Plan for the Condestable Mining Unit *(Aprobación del Plan Ambiental Detallado de la Unidad Minera Acumulación Condestable)*	Directorial Resolution No. 139-2020/MINEM-DGAAM, Report No. 398 - 2020/MINEM-DGAAM-DEAM-DGAM
Mine Closure	8/18/2004	Approval of Temporary Closure Plan for the Oxide Plant for the Condestable Mining Unit *(Aprobación Plan de Cierre Temporal de la Planta de óxidos de la UEA Condestable)*	Directorial Resolution No. 390 - 2004-MEM/AAM
Mine Closure	4/30/2009	Approval of Mine Closure Plan for the Condestable Mining Unit *(Aprobación del Plan de Cierre de la Unidad Minera Condestable)*	Directorial Resolution No. 095 - 2009-MEM/AAM
Mine Closure	9/29/2009	Approval of Mine Closure Plan for the Raúl Mining Unit *(Aprobación del Plan de Cierre de la Unidad Minera Raúl)*	Directorial Resolution No. 298-09-MEM-AAM
Mine Closure	3/22/2013	Approval of the Update of the Mine Closure Plan for the Condestable Mining Unit *(Aprobación de la Actualización del Plan de Cierre de la Unidad Minera Condestable)*	Directorial Resolution No. 102-2013-MEM/AAM, Informe N°437-2013-MEM
Mine Closure	4/9/2013	Approval of the Update of the Mine Closure Plan for the Raúl Mining Unit *(Aprobación de la Actualización del Plan de Cierre de la Unidad Minera Raúl)*	Directorial Resolution No. 082-2013-MEM/AAM, Informe N°357-2013-MEM
Mine Closure	7/15/2014	Approval of the First Modification of the Mine Closure Plan for the Condestable Mining Unit *(Aprobación de la Primera Modificación del Plan de Cierre de*	Directorial Resolution No. 362-2014-MEM-DGAAM, Informe N°766-2014-MEM

Type	Date	Authorization/Licence/Certificate	Approval Name and Type
		la Unidad Minera Acumulación Condestable)	
Mine Closure	12/18/2015	Approval of the Second Modification of the Mine Closure Plan for the Condestable Mining Unit *(Aprobación de la Segunda Modificación del Plan de Cierre de la Unidad Minera Acumulación Condestable)*	Directorial Resolution No. 487-2015-MEM, Informe N°1114-2015-MEM
Mine Closure	8/11/2017	Approval of the Third Modification of the Mine Closure Plan for the Condestable Mining Unit *(Aprobación de la Tercera Modificación del Plan de Cierre de la Unidad Minera Acumulación Condestable)*	Directorial Resolution No. 229-2017-MEM / DGAAM, Report No. 350-2017-MEM-DGAAM / DGAM / DNAM / PC
Mine Closure	2/17/2020	Approval of the Fourth Modification of the Mine Closure Plan for the Condestable Mining Unit *(Aprobación de la Cuarta Modificación del Plan de Cierre de la Unidad Minera Acumulación Condestable)*	Directorial Resolution No. 042-2020/MINEM-DGAAM, Informe N°089-2020/MINEM-DGAAM-DEAM-DGAM
Mine Closure	01/26/2024	Approval of the Fifth Modification of the Mine Closure Plan for the Condestable Mining Unit *(Aprobación de la Quinta Modificación del Plan de Cierre de la Unidad Minera Acumulación Condestable)*	Directorial Resolution No. 0018-2024/MINEM-DGAAM
Water Use	11/7/1974	Licence to use groundwater extracted from tubular wells No.1 and No.2 *(Licencia de uso aguas subterránea extraidos de dos pozos tubulares denominados 1 y 2)*	Authorization well Nº1 and Nº 2 certificate nº 9477-74 -OGA .DAD. DT, RS No. 0917-74-AG
Water Use	12/30/2004	Licence to use groundwater extracted from tubular well No.3 *(Licencia de uso aguas subterránea pozo tubular denominado 3)*	Administrative Resolution No. 242-2004- AG-DRA-LC / ATDR-MOC
Water Use	11/14/2008	Licence to use groundwater extracted from tubular well "Hacienda No. 5" for mining and agricultural uses *(Licencia de uso de agua Subterránea que proviente del Pozo "Hacienda N° 5", para uso Minero y uso agrícola)*	Administrative Resolution No. 151-2008-GRL-DRA.L / ATDR MOC
Water Use	11/13/2009	Authorizes the increase of the licenced quantity for use of groundwater from wells No. 3 and	Administrative Resolution No. 220-2009-ANA-ALA.MOC

Type	Date	Authorization/Licence/Certificate	Approval Name and Type
		No. 5 *(Autoriza el Incremento de Licencia de uso de agua subterránea de los pozos N°3 y N°5)*	
Water Use	2/21/2017	Modification of licence RS N°0917-74-AG to use groundwater for mining *(Modificación de Licencia de Uso de Aguas Subterráneas RS N°0917-74-AG para fines mineros)*	Administrative Resolution No. 347-2017-ANA-AAA-CAÑETE-FORTALEZA
Water Use	11/22/2019	Licence to use groundwater for tubular well IRHS-258 for mining *(Licencia de uso de aguas subterránea para pozo tubular IRHS-258 para uso minero)*	Administrative Resolution No. 1623-2019-ANA-AAA-CAÑETE-FORTALEZA
Potable Water Treatment	6/13/2014	Sanitary Authorization for the Potable Water Treatment System for the Condestable Mining Unit *(Autorización Sanitaria del Sistema de Tratamiento de Agua Potable para la UEA Acumulación Condestable)*	Directorial Resolution No. 252-2014 / DSB / DIGESA / SA Report No. 01633-2014/DSB/DIGESA
Potable Water Treatment	9/19/2016	Sanitary Authorization for the Drinking Water Treatment System for the Condestable Mining Unit [58.5 m^3/día] *(Autorización Sanitaria Sistema de Tratamiento de Agua de Consumo Humano para la Unidad Minera para UM Acumulacion Condestable [58.5 m^3/día])*	Directorial Resolution No. 1738-2016/DSA/DIGESA/SA Report No. 4874-2016/DSA/DIGESA
Potable Water Treatment	10/17/2016	Data Rectification for Directorial Resolution No. 1738-2016/DSA/DIGESA/SA *(Rectificación datos de la Resolución Directoral No. 1738-2016/DSA/DIGESA/SA)*	Directorial Resolution No. 2075-2016/DSA/DIGESA/SA
Potable Water Treatment	4/11/2018	Sanitary Authorization for the Drinking Water Treatment System for the Condestable Mining Unit [60m^3/day; 0.69 l/s] *(Autorización Sanitaria del Sistema de Tratamiento de Agua de Consumo Humano de la UM Acumulación Condestable [60m^3/dia; 0.69 l/s])*	Directorial Resolution No. 1941-2018/DCEA/DIGESA/SA Report No. 002608-2018/DCEA/DIGESA
Potable Water Treatment	6/15/2020	Extension of Sanitary Authorization for the Drinking Water Treatment System for the Condestable Mining Unit for one year *(Prorroga de Autorización Sanitaria Sistema de Tratamiento de Agua de Consumo*	Certificate No. 1771-2020/DCEA/DIGESA

Type	Date	Authorization/Licence/Certificate	Approval Name and Type
		Humano para la Unidad Minera para UM Acumulación Condestable [Resolución Directoral No. 1738-2016/DSA/DIGESA/SA] de acuerdo con DL 1497, por un año)	
Potable Water Treatment	10/15/2021	Renewal of Sanitary Authorization for the Drinking Water Treatment System for the Condestable Mining Unit Plant C-2 *(Renovación de la Autorización Sanitaria del Sistema de Tratamiento de Agua de Consumo Humano de la Unidad Minera Acumulación Condestable Planta C-2)*	Directorial Resolution No. 6155-2021/DCEA/DIGESA/SA Report No. 8449-2021/DCEA/DIGESA
Potable Water Treatment	3/23/2022	Renewal of Sanitary Authorization for the Drinking Water Treatment System for the Condestable Mining Unit Plant C-3 (Renovación de la Autorización Sanitaria del Sistema de Tratamiento de Agua de Consumo Humano de la UM Acumulación Condestable Planta C-3)	Directorial Resolution No. 2263-2022/DCEA/DIGESA/SA Report No. 3282-2022/DCEA/DIGESA
Registration of Water Source	6/4/2016	Registration of Water Source for Human Consumption from Well No. 3 *(Registro de Fuente de Agua para Consumo Humano del Pozo No. 3)*	Registration No. 001-2016, Exp No. 1171615
Registration of Water Source	11/23/2020	Registration of Water Source for Human Consumption from Well No. 3 *(Registro de Fuente de Agua para Consumo Humano del Pozo No. 3)*	Registration No. 005-2020
Effluent Discharge (Domestic)	9/1/2006	Sanitary Authorization of Domestic Wastewater Treatment System for the Mining Camp of the Condestable Mining Unit *(Autorización Sanitaria para el sistema de Tratamiento de Aguas Residuales Domésticas para el Campamento Minero de la UEA Condestable)*	Directorial Resolution No. 1435-2006-DIGESA-SA
Effluent Discharge (Industrial)	9/21/2006	Sanitary Authorization of Industrial Wastewater Treatment System for Zero Discharge from the Concentrator Plant of the Condestable Mining Unit [1,346,677.2 m^3] *(Autorización Sanitaria para el Sistema de Tratamiento y Disposición Sanitaria*	Directorial Resolution No. 1506-2006-DIGESA-SA

Type	Date	Authorization/Licence/Certificate	Approval Name and Type
		de Aguas Residuales Industriales para Vertimiento con Descarga Cero de la Planta Concentradora de la U.E.A. Condestable [1,346,677.2 m^3])	
Effluent Discharge (Industrial)	3/25/2008	Sanitary Authorization of Industrial Wastewater Treatment System and Water Reuse for Irrigation of Forest Species and Green Areas *(Autorización Sanitaria del Sistema de Tratamiento y Disposición Sanitaria de Aguas Residuales Industriales y Reuso para el Riego de Especies Forestales y Áreas Verdes)*	Directorial Resolution No. 1282-2008-DIGESA-SA Report No. 0438-2008/DSB/DIGESA
Effluent Discharge (Industrial)	12/16/2008	Sanitary Authorization of Industrial Wastewater Treatment System for Zero Discharge from the Concentrator Plant of the Condestable Mining Unit [4,484,419.2 m^3] *(Autorización Sanitaria para el Sistema de Tratamiento y Disposición Sanitaria de Aguas Residuales Industriales para Vertimiento con Descarga Cero de la Planta Concentradora de la U.E.A. Condestable [4,484,419.2 m^3])*	Directorial Resolution No. 5245-2008-DIGESA-SA
Effluent Discharge (Septic Tank)	2/14/2014	Sanitary Authorization of Septic Tank and Infiltration in Land of the Condestable Mining Unit *(Autorización Sanitaria de Tanque Septico e Infiltración en el Terreno en la Unidad Minera Condestable)*	Directorial Resolution No. 042-2014/DSB/DIGESA/SA Report No. 00174-2014/DSB/DIGESA
Effluent Discharge (Septic Tank)	2/25/2016	Sanitary Authorization of Septic Tank and Infiltration in Land No. 16 *(Autorización Sanitaria de Tanque Séptico e Infiltración en el Terreno No. 16)*	Directorial Resolution No. 207-2016/DSB/DIGESA/SA Report No. 973-2016/DSB/DIGESA
Effluent Discharge (Septic Tank)	2/25/2016	Sanitary Authorization of Septic Tank and Infiltration in Land No. 5 *(Autorización Sanitaria de Tanque Séptico e Infiltración en el Terreno No. 5)*	Directorial Resolution No. 208-2016/DSB/DIGESA/SA Report No. 873-2016/DSB/DIGESA
Effluent Discharge (Septic Tank)	2/26/2016	Sanitary Authorization of Septic Tank and Infiltration in Land No. 4 *(Autorización Sanitaria de Tanque Séptico e Infiltración en el Terreno No. 4)*	Directorial Resolution No. 221-2016/DSB/DIGESA/SA Report No. 972-2016/DSB/DIGESA

Type	Date	Authorization/Licence/Certificate	Approval Name and Type
Effluent Discharge (Septic Tank)	4/13/2021	Sanitary Authorization for Domestic Wastewater Treatment and Final Disposal with Infiltration in Land of the Raúl II Camp *(Autorización Sanitaria del Sistema de Tratamiento y Disposición Final de Aguas Residuales domesticas con Infiltración en el Terreno para el Campamento Obreros Raúl II)*	Directorial Resolution No. 2038-2021/DCEA/DIGESA/SA Report No. 1189-2021/DCEA/DIGESA
Effluent Discharge (Septic Tank)	6/2/2021	Sanitary Authorization for Domestic Wastewater Treatment and Final Disposal with Infiltration in Land of the New Raúl Zone Camp *(Autorización Sanitaria del Sistema de Tratamiento y Disposición Final de Aguas Residuales domesticas con Infiltración en el Terreno para el Nuevo Campamento en la Zona Raúl)*	Directorial Resolution No. 2960-2021/DCEA/DIGESA/SA Report No. 862-2021/DCEA/DIGESA
Effluent Discharge (Septic Tank)	10/19/2021	Sanitary Authorization for Domestic Wastewater Treatment and Final Disposal with Infiltration in Land of the New Concentrator Plant Camp *(Autorización Sanitaria del Sistema de Tratamiento y Disposición Final de Aguas Residuales domesticas con infiltración en el Terreno para el Nuevo Campamento para Obreros del área de planta concentradora)*	Directorial Resolution No. 6197-2021/DCEA/DIGESA/SA Report No. 8359-2021/DCEA/DIGESA

20.3.2 Future Permits and Authorizations

CMC currently has environmental permits for the operation of the mine and process plant, up to a processing capacity of 8,400 tpd. CMC is soon to present for approval a second amendment of the EIA, as well as other environmental authorizations, to permit the following main changes:

- Production increase from 8,400 tpd to 10,000 tpd, and
- Construction of TSF 6 (filter cake stacking).

- A new update of the MCP will have to be submitted within one year following approval of the second amendment of the EIA by SENACE.
- A modification of the beneficiation concession for the filter plant (filtered tailings production) will undergo approval process in 2024 and CMC anticipates that approval will be granted before the end of the year.

20.4 Social and Community Impacts

20.4.1 Social Setting

The area of influence (AOI) or the area where the social effects and benefits occur related to Condestable encompasses the Mala District in the Cañete Province and Lima Region.

The direct AOI comprises the Comunidad Campesina de Mala (CCM) and its six villages situated less than 6 km from the Mine. Due to the proximity to the Mine facilities these communities are expected to be directly impacted by the Mine operation. While the population of CCM is over 11,000, the population of its villages ranges from 600 to 10,000 people. These villages include San Marcos de la Aguada, 27 Deciembre, Cerro la Libertad, San Juan, Señor de Cachuv, and Buena Vista.

CCM is not an agricultural community. Its population mainly engages in artisanal activities, civil construction, metal mechanic, carpentry, plumbing, mining, cleaning, trades, and bird farming among others.

The indirect AOI include three villages, namely, San Pedro de Mala, Bujama Alta, and Bujama Baja. These villages are not directly affected by the Mine operation but may experience indirect economic and social impacts.

Other relevant stakeholders include the Local Police Office in Mala, the Health Centre in Chilca, the District, Regional and Provincial Government (CMC, 2022b).

20.4.2 Key Social Issues

Since 2012, social risks and impacts have been identified and progressively refined in the EIA and the social management plans. These risks and impacts have been and continue to be systematically managed over the life of the mine. CMC has identified the following social aspects to be managed:

- employment expectations among the population of the surrounding areas and impacts on income;
- perceptions about environmental contamination;
- expectations among the population for land and facility transfer to the local communities upon Mine closure;
- concerns on loss of jobs upon Mine closure;
- impacts on migration and urban growth that lead to changes in demography and cultural aspects (SVS, 2012b and CMC, 2022b); and
- CMC's budget constraints to meet larger expectations from local communities (according to the meeting held with CMC staff on June 28, 2023).

To address these aspects, CMC has developed and implemented the 2022-2026 Strategic Community Relations Plan with annual plans and budgets. CMC also recently developed a new Social Management and Community Relations Policy, and a Sustainable Development Policy in 2022. The 2023 Community Relations Plan is founded on the following three pillars: i) building and maintaining good relationships with AOI's communities, ii) providing socio-economic benefits to local communities, and iii) preventing conflict and managing social impacts. CMC is implementing the social programs listed in Table 20-3.

Table 20-3: CMC Social Programs

2023 Programs	Objectives
Employment	Training opportunities though the Technical and Production Education Center (CETPRO for its acronym in Spanish) to local communities to facilitate new employment opportunities
Local purchasing	Local purchases from CCM's stores and commercial businesses
Strengthening community capacity	Training and technical assistance directed to strengthening community leadership
Environmental Management	Capacity development on good practices for environmental management, community cleanliness and tidiness in partnership with the Municipality of Mala, schools and local population Support to CCM to prevent flooding when extreme rainfall events take place up in the mountains
Institutional Support	Institutional support to the AOI local institutions (i.e., Municipality of Mala, Local Police, Local Fire Department, schools, health centres)
Education	Educational development for students, teachers, and parents by improving skills and technical competences
Health and Nutrition	Health campaigns to educate and prevent health and nutrition issues, organized in partnership with the health authorities
Communication	Delivery of brochure/pamphlets and other communication materials to share with the affected communities information about the social programs undertaken by CMC
Infrastructure	Implementation of basic infrastructure for CCM's villages in alignment with the urban development plan
Public Safety	Training/workshop delivery and logistic support to the public safety committees from the CCM's villages

Source: CMC, 2022b

CMC employs approximately 30% of the economically active population from local communities. CMC has a procedure in place to promote and prioritize local contracting and purchases from the AOI's businesses (CMC, 2022b).

According to the meeting held with CMC on June 28, 2023, overall, the relationship between CMC and CCM are positive and based on cooperation with leadership, the community and grassroots organizations (e.g., community dining centers and mother's committees). CMC meets regularly with CCMs leadership, who have been in office for more than 10 years, as well as other local authorities such as the mayor, local police, regional education principal, representatives of the regional health directorate, and emergency response, among others.

Since 2021, CMC and CCM have been working together on the APELL program (Awareness and Preparedness for Emergencies at the Local Level) and the TRANSAPELL program (Dangerous Goods Handling and Transportation), which seek to integrate local communities, authorities, and other stakeholders in managing and preventing risks. A committee has been established with representatives from CCM, CMC, Mala Municipality, the fire department, and the civil defence committee to manage disasters, infectious diseases such as dengue, crime and assault, and other health and safety-related risks. CMC's Health and Safety team leads these programs with the support of the Community Relations and Environmental teams.

CMC has signed a five-year agreement with PROFONANPE early in 2023. PROFONANPE is a local non-government organization that coordinates sustainable development projects related to the conservation of terrestrial ecosystems and climate change management and mitigation in the AOI. The development projects to be undertaken by PROFONANPE seek to meet and align with the United Nations Sustainable Development Objectives.

20.4.3 Social Management System

The Social Management Systems of CMC comprise a series of key governance documents, such as their Vision and Mission Statements, Policies, Plans, and other documents that guide how they deliver social programs and manage community health and safety.

The EIA and its amendments include a comprehensive description of the social baseline, potential impacts of the Mine and mitigation and enhancement measures.

CMC has committed to respecting the social and cultural environment and creating a culture of ongoing communication with the AOI's communities, based on trust, providing local benefits, and preventing and managing social impacts. These strategic pillars have associated objectives, actions, and measures to monitor and evaluate CMC's performance (CMC, 2022b).

CMC maintains a database of relevant stakeholders, a matrix/listing of interactions with each stakeholder, and a social risk register. CMC has opened a Permanent Information Office (the Office) in San Marcos de la Aguada, the largest CCM village. It operates six days per week with regular office hours. The Office maintains a formal procedure that guides how visitors should be received, and how comments and complaints should be logged (either verbally or in writing). During the site visit, SLR's representative visited the Office and collected flyers and communication materials prepared for the local communities.

CMC has also implemented a grievance mechanism tailored to its stakeholders, including an online platform and in-person delivery. This tool can be used by CMC staff, contractors, communities, local authorities, and the public in general. The online platform is named "SPM Contigo ¡Te Escucha!" and can be easily accessed from the SPM website, WhatsApp, text message and QR code, managed by a third company provider to maintain confidentiality. Complainants can also handle their concerns/claims in person and drop them at the Office (CMC, 2022b). The most recent concerns and comments from community members are related to job opportunities, community development projects, implementation of the agreement with CCM, and water quality. CMC also has detailed plans and protocols to communicate information to the public, offers scheduled mine site tours to members of the communities, and seeks to remain active and visible to community members.

In 2022, CMC launched the program Zero is Possible to improve the Health and Safety culture among its workers and promote the prevention of accidents and fatalities at the workplace. SLR understands that as part of this initiative the Preparedness and Emergency Response Plan will be revised, and a full-time response brigade has been appointed at the Mine site. The findings of the Dam Breach Study (SRK, 2023a) will be considered to update the Preparedness and Emergency Response Plan.

The key governance documents that guide CMC on how to manage and oversee their project impacts on the social environment and community health and safety are outlined in Table 20-4.

Table 20-4: SPM and CMC Vision and Mission Statements

SPM Vision	CMC Vision (2026)
"We will be a benchmark in mining that operates safely, innovatively and efficiently, generating profit and well-being."	"Be considered a socially responsible company and a sustainable development strategic partner for CCM and communities within the area of influence."
SPM Mission	**CMC Mission**
"We responsible transform mineral resources into prosperity and development for our stakeholders"	"Contribute to the development of CCM by implementing programs and projects progressively or simultaneously and by establishing adequate communication and community relations mechanisms."

Source: CMC, 2021 and SPM's website

Code of Business Conduct – Developed to demonstrate integrity with respect to confidentiality, legal compliance, anti-bribery, and anti-corruption. Compliance with this code is mandatory, and assessment of compliance is evaluated by a committee of company executives.

Human Rights Policy – Developed to protect, respect and promote human rights of all people involved in SMC's value chain, including staff, contractors, and communities. It aligns with International Human Rights Standards, including the Universal Declaration of Human Rights, and applies to all SPM operations.

Health and Safety, Environment and Sustainability Policy (2022) – Seeks to maintain high standards of safety, health, environmental and sustainability performance, and assures compliance with applicable Peruvian legislation. This Policy includes the implementation of an Integrated Risk Management System, continuous improvement in productive activities and management, mitigation of environmental impacts, and ongoing training for health and safety.

Community Health and Safety Policy (2022) – Establishes guidelines and commitments to maintain the health and safety of the communities where SPM operates. It seeks to mitigate any adverse effects on the health and safety of AOI's communities resulting from SPM's activities.

Social Management, Community Relations and Sustainable Development Policy (2022) – Establishes guidelines on engaging and managing relationships with communities in the AOI. It includes a declaration of public commitments regarding respecting local communities, their culture, and values and protecting cultural heritage. This Policy applies to all CMC's staff, including employees, workers and contractors. It states that each SPM operation has a Community Relations Plan as a social management tool to fulfill the commitments established in the EIA (and its modifications) approved by the environmental authorities. The Community Relations Plans include programs that respond to the needs and expectations of the local communities.

Community Relations Plan – Developed to manage and address the needs of nearby communities and anticipating changing socio-economic conditions. This includes several social and community programs and sustainable development projects.

Policy for providing feedback, resolving grievances and protecting whistle-blowers and victims from SPM (2021) – Establishes guidelines to follow when receiving feedback and resolving grievances from SPM's staff, nearby communities and their members, and the public in general. This Policy aligns with the International Human Rights Principles and applies to all SPM operations.

SPM's Sustainability Reports – SPM documents its sustainability performance on an annual basis. It includes environmental, social, health and safety, and governance indicators.

20.4.4 Community Engagement and Agreements

CMC has engaged the AOI's communities since 2013. CMC identifies local communities within its AOI and key stakeholders through stakeholder mapping. It has a 2022-2026 Strategic Community Plan with annual plans and budgets that guide its activities towards building trust, maximization of socio-economic benefits for the local communities, and prevention and management of social impacts. Each of these strategic pillars has programs that aim to achieve these goals (Table 20-3). CMC has a grievance mechanism tailored to its stakeholders to address and manage complaints that appear commensurate to its level of risks and impacts.

The social team comprises the Operations Manager, Operations Manager Superintendent, Head of Community Relations, and a Community Relations Assistant. Both the Head of Community Relations and the Assistant Community Relations have critical roles in implementing the community relations plan and, ultimately, in building and maintaining good working relationships with the communities in the AOI (CMC, 2023).

CCM and its six villages are the directly impacted communities within CMC's AOI. CMC's predecessor (Nippon) and CCM entered into a land easement and surface rights agreement over 500 ha of CCM-owned lands in July 2005. Trafigura, a former owner of Condestable Mine, transferred this agreement to CMC in 2013. By this 30-year agreement, CMC is committed to making financial contributions totaling US$400,000 to be paid within the three years after the execution of the agreement, with annual payments that range from US$18,000 to US$34,000 for the duration of the agreement. These financial contributions are for funding sustainable development projects benefiting CCM. CMC is also committed to maximizing benefits to the communities through employment opportunities and providing technical assistance by hiring an engineer for three years to help CCM formulate sustainable development projects seeking funding from government agencies.

SLR understands that CMC compiles all the social commitments resulting from its approved EIA and modifications, agreements, and other sources in a document/tool that is being updated.

According to the meeting held with CMC on June 28, 2023, CMC employs approximately 800 direct employees and provides work to approximately 1,200 people through sub-contractors. Approximately 60% of the workforce is from CCM. The labour workers employed directly by CMC are unionized. Although the Mine operation prioritizes local hiring and procurement according to employment opportunities and type of services offered locally, there is no formal commitment established by CMC for local hiring and procurement.

A few years ago, one of the CCM's villages, San Marcos de la Aguada, expressed concern about potential arsenic contamination. CMC worked with this village and undertook a community monitoring campaign in addition to the ones established by the EIA. CMC also explained that arsenic is not used in its operations and worked with the respective supervisory authorities and an accredited laboratory to demonstrate that the concern was unfounded. CMC also developed informative materials and distributed them to the monitoring committees and community members.

According to the meeting held with CMC on June 28, 2023, no conflict or protest had occurred during the period CMC has been operating the Mine.

20.4.5 Indigenous Peoples

There are no Indigenous Peoples or communities residing near the Mine footprint or impacted by the Mine operation (CMC, 2022b).

20.4.6 Archaeology and Cultural Heritage

CMC holds five certificates of Non-Existence of Archaeological Remains issued by the Peruvian Ministry of Culture between 2011 and 2018. During construction in 2019, no archaeological remains were found, and in the same year, the Ministry of Culture issued the final archaeological monitoring report certifying no archaeological evidence had been discovered.

20.5 Mine Closure Requirements

20.5.1 Mine Closure Plan and Regulatory Requirements

In 2007, the original closure plans for the Condestable and Raúl mines were developed, following the requirements of the Peruvian legislation for mine closure, "Ley de Cierre de Minas", Law No. 28090 and its Regulation, Supreme Decree No. 033-2005-EM, and based on the content recommended by the Dirección General de Asuntos Ambientales Mineros (DGAAM) in the Guideline for Preparation of Mine Closure Plans approved by Resolution R.D. No. 130-2006-AAM, dated April 2006. The following is a summary of the Condestable and Raúl Mines Closure Plan updates to date:

- First amendment of the Closure Plan from 2014 approved by R.D. No. 362-2014-MEM-DGAAM, which addressed the merging of the mine closure plans for the Condestable mine and the Raúl mine.
- Second amendment of the Closure Plan from 2015 approved by R.D. No. 487-2015-MEM-DGAAM, which addressed a revision of the closure schedule and some closure activities.
- Third Closure Plan amendment from 2017 approved by R.D. No. 229-2017-MEM/DGAAM, which addressed changes to financing schedule, closure budget and financial assurance due to a revision to the progressive closure plan. The changes to the closure plan are documented in the supporting technical assessment report No. 350-2017-MEM-DGAAM/DGAM/DNAM/PC.
- Fourth amendment of the Closure Plan from 2020 approved by R.D. No. 042-2020/MINEM-DGAAM, which addressed changes captured in the Supporting Technical Reports for expansion of the process plant capacity, and closure activities associated with TSF5, the potable water treatment plant, the sanitary wastewater treatment plant and other infrastructure.
- Fifth update and amendment of the Closure Plan from 2023 (KCB, 2023a) approved by R.D. No. 0018-2024/MINEM-DGAAM.

The specific objectives of the Mine Closure Plan for the Condestable and Raúl mines are as follows:

- Health and safety – The closure activities should substantially eliminate or reduce the risks associated with public health and safety within the Mine site area. In the event of residual risks, appropriate controls must be implemented to minimize the exposure. The closure activities should guarantee the health and safety of the workers.

- Physical stability – Identify and evaluate technical and environmental measures to maintain the physical stability of mine components in the short and long term (for example, resilience against seismic events and extreme hydrologic events).
- Geochemical stability – Long term closure design and measures to prevent acid rock drainage and/or metal leaching that could impact natural water bodies in compliance with requirements of the Peruvian environmental legislation related to effluents from mine facilities. The closure measures must protect human health and prevent migration of mine effluents that are not in compliance with the national legislation requirements.
- Physical stability – Identify and evaluate technical and environmental measures to maintain the physical stability of mine components in the short and long term (for example, resilience against seismic events and extreme hydrologic events).
- Hydrological stability – Consider storm events with return period of 200 years for design of drainage channels required during the post-closure phase.
- Land use – Consider possible uses of the Mine site area during post-closure.
- Water body use – Prevent degradation of water quality and reduction of water quantity of water bodies taking into consideration the existing conditions of receiving water bodies as the referential baseline.
- Social objectives – Develop social programs for post-closure that mitigate social effects resulting from cessation of mine operations. Measures to mitigate socio-economic effects should be addressed during the mine life. The program for community development should reinforce skills development and sustainable projects without mine support to the extent feasible. The closure plan should be aligned with local land uses and development objectives.
- Consultation – Document the consulting process conducted according to the applicable regulations on public participation for the mining sector.
- Other – Implement closure activities aimed to passive care where active treatment, maintenance, and monitoring are not required in the long term.

In general, closure activities include mobilization of equipment, machinery and personnel; physical, geochemical and hydrological stabilization; dismantling of surface components; demolition, removal and disposal; and levelling and contouring of ground surface. Waste materials will be decontaminated (if required), recycled when cost effective, and disposed of at a licensed facility. Facilities containing petroleum products, chemicals, solid waste, hazardous waste, and/or contaminated soil or materials will be dismantled and managed according to regulatory requirements. All hazardous waste will need to be managed according to existing laws and regulations and will be transported off site.

The geographical area where the mine facilities are located is arid, characterized by very low precipitation and high evaporation. Development of vegetation is difficult in these conditions. Accordingly, no re-vegetation of the disturbed areas is proposed although a topsoil layer will be placed at closure on the TSFs surface.

A number of social programs related to sawing and dressmaking training, agricultural crops training, strengthening the community organization among others have been identified as part of the mine closure activities to be carried out. The training programs for the staff working directly for the Mine operation are focused on providing new skills for other economic activities.

A summary of the main proposed closure activities is presented in Table 20-5.

Table 20-5: Summary of Main Mine Closure Activities

Mine Component		Closure Activities
ine	Underground mine (portals, shafts and drilling platforms)	• Dismantling and removal of equipment • Removal of contaminated soils • Installation of concrete plugs • Structural reinforcement with shotcrete where required • Recontouring of terrain at ground surface level to match original surface and promote adequate natural drainage
	Open pits	• Construction of perimeter fencing • Stability analysis shows that pit slopes are safe for closure • Due to the high evaporation rate, direct rainfall on the pit footprint is evaporated • There is no presence of groundwater above the pit bottom (i.e. phreatic level below the pit)
Waste disposal facilities	Waste rock dumps	• Installation of cover comprised of 0.3 m of waste rock from the mine for protection against wind erosion • Construction of drainage channels
	Tailings storage facilities	• Levelling and recontouring • Installation of cover comprised of 0.3 m of waste rock from the mine for protection against wind erosion, and 0.2 m of material from the excess soil stockpile • Construction of drainage channels
Other infrastructure	Process plant Conveyors Water management infrastructure Shops Transmission lines and electrical substations Warehouse and auxiliary buildings Laydown areas Access roads Desalination plant	• De-energization and cleaning • Removal of equipment • Dismantling, demolition, salvaging, and disposal of structures • Demolition of concrete structures • Transportation to authorized disposal or collection areas • Recontouring of terrain and placement of thin waste rock cover (0.2 m) • Implementation of natural drainage and/or construction of drainage channels as applicable • Removal of contaminated soils • Cleaning and purification of tanks and deposits
Staff facilities	Mine camp Administrative buildings Potable water and sewage systems	• Dismantling and removal of structures and equipment to authorized disposal areas • Removal of prefabricated elements • Demolition of concrete slabs • Recontouring of terrain and placement of thin waste rock cover (0.2 m)

Mine Component		Closure Activities
		• Implementation of natural drainage

Physical, chemical and hydrological stability conditions following closure will be verified through implementation of the post-closure maintenance and monitoring program. Monitoring will also support the evaluation and verification of compliance with closure activities, and the identification of deviations leading to the adoption of corrective measures. The monitoring activities will be carried out considering the Peruvian Environmental Quality Standards and Maximum Permissible Limits, as well as criteria set in the Mine Closure Plan for physical, chemical, biological, and social stability.

Post-closure monitoring activities involve the following:

- Physical – Inspection of mine facilities, mainly the tailings dams and waste rock dumps to identify cracking, displacements, and settlements on slopes; the monitoring frequency will be biannually for five years.
- Hydrological – Technical inspections of the drainage systems and slopes exposed to surface runoff to identify possible erosion, settlement, collapses and obstructions; the monitoring frequency will be at least once annually for five years (before the rainy season).
- Air Quality – Monitoring of particulate matter (PM10 and PM2.5), lead and gases (SO_2, CO and NO_2); the monitoring frequency will be biannually for five years.
- Biological – Monitoring of terrestrial fauna and flora in the surrounding areas of locations of mine components; the monitoring frequency will be biannually for five years (dry and wet season).
- Social – Development of a set of actions that will allow to verify the efficiency and effectiveness of the social programs at mine closure in accordance with established objectives and indicators.

20.5.2 Closure Cost Estimate and Financial Assurance

A closure cost estimate was developed and included in the MCPs. The total value estimated in 2023 for the remaining LOM presented in the fifth modification of the MCP is as follows (excluding local taxes):

- Progressive Closure (until 2025) US$3,022,355
- Final Closure (2026 to 2027) US$9,322,348
- Post-Closure (2028 to 2032) US$294,025
- Total US$12,638,728

Of note, the closure cost estimate outlined above based on KCB (2023a) differs from the one presented in section 22.1.3 Costs in this Technical Report, which is based on a longer LOM plan as follows:

- Progressive Closure until 2036
- Final Closure in 2037 and 2038
- Post-Closure from 2039 to 2043

According to Supreme Decree D.S. N° 262-2012-MEM/DM, the financial assurance is calculated based on inflation and discount rates in order to estimate the net present value (NPV) for the mine closure cost. The total financial assurance (progressive closure, final closure, and post-closure) calculated in 2023 considering an inflation rate of 3.25% and a discount rate of 2.95%, is US$5,472,203, increasing to US$9,888,821 in 2025 (including local taxes). The closure cost estimate was not reviewed by SLR for this Technical Report. A detailed breakdown of the cost estimate is provided in the fifth amendment to the Condestable MCP (KCB, 2023a).

21.0 Capital and Operating Costs

The capital and operating costs required to achieve the Condestable and Raúl Mineral Reserves LOM production were estimated by SLR, based on CMC historical costs and current 2024 operational budget and have been reviewed by CMC Senior Management. Based on the SLR QP's review, the capital costs are estimated to the equivalent of an Association for the Advancement of Cost Engineering (AACE) Class 2 estimate with an accuracy range of -15% to +20%.

All costs in this section are expressed in Q4 2023 US dollars and are based on an exchange rate of US$/PEN 3.86, as per the CMC 2024 Operational Budget.

21.1 Capital Costs

Condestable is an operating mine; therefore, all capital costs are categorized as sustaining The sustaining capital costs have been estimated to meet the required targeted underground mine and mill production rate of 8,400 tpd between years 2023 and 2036.

The sustaining capital costs include:

- Mine underground development costs developed by SLR based on the production schedule lateral and vertical capital development metres
- Mine equipment replacement schedule developed by SLR based on equipment overhaul hours and equipment replacement hours
- Plant improvements and tailings lift costs based on the Mine's historical costs and the current CMC operational budget
- Filter plant growth project, based on current project budget provided by CMC
- Other sustaining costs including items such as: IT, laboratory, logistics, and geology, based on Condestable historical costs and current CMC operational budget
- Sustaining capital contingency: SLR is assuming a 5% contingency for the items it has developed

The estimated sustaining capital costs summary breakdown is shown in Table 21-1.

Table 21-1: Sustaining Capital Costs Summary

Cost Component	Value (US$ millions)
Mine Sustaining	45.3
Plant Sustaining	28.7
Tailings Sustaining	2.0
Other Sustaining	5.9
Expansion and Growth Projects	18.3
Contingency (5%)	2.9
Total Sustaining Capital Cost	**103.0**

21.2 Operating Costs

Historical actual operating costs are summarized in Table 21-2. Operating costs have steadily increased since 2020 due to deepening of the mine and increased mining costs. The increase in costs were partially mitigated by higher mining and milling rates in 2022 and 2023 where the mill capacity was increased from 7,000 tpd to 8,400 tpd. The current Mineral Reserves do not extend significantly further at depth from current operations. While operating costs have increased slightly over the past few years, CMC staff have continually assessed operating efficiencies and successfully implemented them to maintain costs at a steady level.

Table 21-2: Summary of Historical Operating Costs

Area	Units	2020	2021	2022	To May 2023
Geology	US$/t	1.50	1.80	2.28	2.27
Mine	US$/t	11.34	12.84	13.88	13.74
Mine Maintenance	US$/t	2.60	3.34	3.64	3.58
Plant	US$/t	2.53	2.58	2.87	2.81
Plant Maintenance	US$/t	2.79	3.81	3.95	3.88
Operations support	US$/t	1.86	2.34	2.27	2.11
Site Administration	US$/t	2.37	2.40	2.06	2.13
Energy	US$/t	3.33	3.25	3.41	3.64
Total Operating Cost	**US$/t**	**28.32**	**32.37**	**34.36**	**34.16**

The operating costs developed for the LOM are based on actual costs for 2023 and budgeted costs for 2024. A summary of LOM operating costs for mining, processing, and G&A are shown in Table 21-3.

Table 21-3: Summary of LOM Operating Costs

Description	Total LOM	Average Annual[1]	Unit Cost
	US$ million	US$ million	US$/t milled
UG Mining	631	48.3	15.95
Processing	392	29.9	9.90
Site G&A	174	13.3	4.40
Total Operating Cost	**1,280**	**97.8**	**32.36**

Notes:

1. For fully operational years (2023 – 2035)
2. Sum of individual values may not match total due to rounding.

The mining operating costs include geology, underground mine operations, mine maintenance costs, and mine planning and engineering costs. The mining costs were developed using a development cost of $1,500/m and a stoping cost of $11.5/t. The costs are based on 2023 actual data including a 5% markup to account for inflation and rising costs. Plant operations and services, plant maintenance, wet tailings deposition, and energy costs are grouped under processing. Tailings incremental costs cover the incremental costs of dry tailings stacking which is planned from year 2025 until the end of the LOM. G&A cover operations support and site administration costs. The geology costs from 2023 onwards were reduced in comparison with 2022 and 2023 actual amounts as a portion of that cost represents the exploration costs of replacing reserves that are mined out in the same year.

22.0 Economic Analysis

The economic analysis contained in this Technical Report is based on the Condestable and Raúl Mineral Reserves on a 100% basis, economic assumptions provided by CMC, and capital and operating costs developed by SLR and reviewed by CMC. All costs are expressed in Q4 2023 US dollars. Unless otherwise indicated, all costs in this section are expressed without allowance for escalation, currency fluctuation, or interest.

The QP notes that gold grades have not been estimated in all mineralized areas of the resource block model, particularly in the older parts of the mines. In these areas, only copper was estimated, and these blocks were assigned a gold grade of zero or a low value close to zero due to poor assay support. This has the effect of not fully recognizing the precious metal value of these blocks. SLR has reviewed the average grades in assay supported areas, historical production data, and mined gold grades to apply a gold credit to the LOM average gold gross revenue in the after tax-cash flow model. The credit applied represents an increase of 56% in gold gross revenue and approximately 4% in total gross revenue. In the QP's opinion, this is a reasonable approach to assigning credit to CMC's precious metal by-products.

A summary of the key criteria is provided below.

22.1 Economic Criteria

22.1.1 Production Physicals

- Mine Life: 13.1 years (between Q1-2023 and Q1-2036)
- Underground mining rate: Average LOM underground mining rate of 8,400 tpd
- Total Ore Feed to Process: 39,549 kt ore over the LOM
    - Copper grade: 0.75% Cu
    - Gold grade: 0.13 g/t Au
    - Silver grade: 4.13 g/t Ag
- Contained Metal
    - Copper 297,824 tonnes of Cu
    - Gold: 170,446 oz of Au
    - Silver: 5,253 koz of Ag
- Copper Concentrate: 1,167 kdmt of concentrate at 23.30% Cu grade and 10% moisture
- Average LOM Process Recovery:
    - Copper Recovery: 91.3%
    - Gold Recovery: 73.7%
    - Silver Recovery: 82.8%
- Total Recovered Metal
    - Copper 271,850 tonnes of Cu
    - Gold: 125,629 oz of Au

- Silver: 4,348 koz of Ag

22.1.2 Revenue

- Over the LOM, payable metals are estimated to be 95.7% for copper, while gold and silver are estimated at 91% and 90% respectively.
- Exchange rate of US$/PEN: 3.86.
- The metal prices used in this Technical Report are based on analysts' market consensus prices as of Q1-2024, as defined in Table 22-1.

Table 22-1: Economic Analysis Copper, Gold and Silver Price Assumptions

Commodity	Unit	2023	2024	2025	2026	2027	2028 and Long- Term
Copper	$/lbs	3.86	3.95	4.12	4.23	4.26	3.91
Gold	$/oz	1,917	1,998	1,971	1,882	1,857	1,754
Silver	$/oz	23.46	24.17	24.55	23.90	23.40	22.95

- Transportation, Treatment and Refining charges of:
  - Freight: US$74.13/wmt of Cu concentrate
  - Insurance: 110% * Cu concentrate value * 0.0303%
  - Cu concentrate treatment: $80.00/dmt of Cu concentrate
  - Cu refining: US$0.08/lb of payable Cu
  - Au refining: US$6.00/oz of payable Au
  - Ag refining: US$0.35/o of payable Ag
- There are no third party royalties applicable to Condestable Mine operations.
- Gold and silver production to be delivered to Franco-Nevada under the streaming agreement has not been deducted from this analysis.
- LOM net revenue is US$2,455 million (after Treatment Charges).
- Revenue is recognized at the time of production.

22.1.3 Costs

- Total LOM sustaining capital costs of $103 million.
- Estimated salvage value due to resale of processing plant at the end of the Condestable LOM of US$10 million.
- Closure costs and concurrent reclamation have been estimated and adjusted for this technical report Reserves LOM plan between years 2023 and 2036, and total US$14.7 million. The SLR QP notes that this closure plan differs from the one presented in section 20.5.2 Closure Costs Estimate and Financial Assurance in this report, given the latter is based in a shorter LOM plan. The breakdown of the concurrent reclamation and closure costs used for this economic analysis is as follow:
  - Concurrent reclamation between 2023 and 2036 of US$5.1 million.

- Mine closure costs between 2037 and 2038 of US$9.5 million.
- Post-closure costs between 2039 and 2043 of US$0.2 million.

- Total unit operating costs US$32.36/t ore milled
  - Underground mining operating costs: US$15.95/t milled
  - Processing operating costs: US$9.90/t milled
  - Tailings incremental costs: US$2.11/t milled
  - Site G&A: US$4.40/t milled
- LOM site operating costs of $1,280 million.
- Off-site selling expenses: US$0.038/lb
- Off-site Corporate G&A: LOM average of US$3.8 million per year

22.1.4 Taxation and Royalties

- Corporate income tax rate in Peru is 29.50%.
- Special Mining Tax Contribution (IEM) LOM average rate: 3.5%.
- Government Mining Tax Royalty LOM average rate: 3.4%.
- Employees' profit sharing participation: 8%.
- Corporate taxes total $217 million over the LOM.
- SLR has relied on CMC and their tax advisors for the assessment of all taxes related to the Mine.

22.2 Cash Flow Analysis

SLR prepared a LOM unlevered after-tax cash flow model to confirm the economics of the Mine over the LOM (between 2023 and 2036). Economics have been evaluated using the discounted cash flow method by considering LOM production on a 100% basis, annual processed tonnages, and copper, gold, and silver grades. The associated copper concentrate grades and recoveries, metal prices, operating costs, copper concentrate transportation, treatment and refining charges, sustaining capital costs, and reclamation and closure costs, and income taxes and government royalties were also considered.

The base discount rate assumed in this Technical Report is 8% as per CMC corporate guidance. Discounted present values of annual cash flows are summed to arrive at the Condestable Mine Base Case NPV. For this cash flow analysis, the internal rate of return (IRR) and payback are not applicable as there is no negative initial cash flow (no initial investment to be recovered).

To support the disclosure of Mineral Reserves, the economic analysis demonstrates that the Mine's Mineral Reserves are economically viable at a LOM average realized copper price of US$3.97/lb, realized gold price of US$1,824/oz, and realized silver price of US$23.28/oz. The Condestable Mine Base Case undiscounted pre-tax net cash flow is approximately US$983 million, and the undiscounted after-tax net cash flow is approximately US$642 million. The pre-tax NPV at an 8% discount rate is approximately US$601 million and the after-tax NPV at an 8% discount rate is approximately US$386 million. The SLR QP has also confirmed the economic viability of the Life of Mine Plan using flat reserve metal prices.

The annual after-tax cash flow summary is presented in Table 22-2

Table 22-2: Annual After-Tax Cash Flow Summary

Economic Model Annual Summary

SLR

Company	**Southern Peaks Mining LP**
Project Name	**Condestable Mine**
Scenario Name	**Condestable Reserves LT Prices - Cu $3.70/lb, Au $1,650/oz, Ag $22/oz**
Analysis Type	**2022 YE MRMR Audit & NI 43-101 TRS**

Calendar Year				**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039 to 2043**
Project Timeline in Years				1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17 to 21
Time Until Closure In Years		US$ & Metric Units	LoM Avg / Total	14	13	12	11	10	9	8	7	6	5	4	3	2	1	-1	-2	-3 to -7
Market Prices																				
Copper, Forecast		US$/lb	**$3.97**	$3.86	$3.95	$4.12	$4.23	$4.26	$3.91	$3.91	$3.91	$3.91	$3.91	$3.91	$3.91	$3.91	$3.91	$3.91	$3.91	$3.91
Gold, Forecast		US$/oz	**$1,824**	$1,917	$1,998	$1,971	$1,882	$1,857	$1,754	$1,754	$1,754	$1,754	$1,754	$1,754	$1,754	$1,754	$1,754	$1,754	$1,754	$1,754
Silver, Forecast		US$/oz	**$23.28**	$23.46	$24.17	$24.55	$23.90	$23.40	$22.95	$22.95	$22.95	$22.95	$22.95	$22.95	$22.95	$22.95	$22.95	$22.95	$22.95	$22.95
Physicals																				
Total Underground Ore Mined		kt	39,549	3,180	3,077	3,042	3,047	3,026	2,977	3,175	3,110	3,087	3,018	2,942	2,979	2,591	297	-	-	
Total Waste Mined		kt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Material Mined		kt	39,549	3,180	3,077	3,042	3,047	3,026	2,977	3,175	3,110	3,087	3,018	2,942	2,979	2,591	297	-	-	
Total Ore Processed		**kt**	**39,549**	**3,180**	**3,077**	**3,042**	**3,047**	**3,026**	**2,977**	**3,175**	**3,110**	**3,087**	**3,018**	**2,942**	**2,979**	**2,591**	**297**	-	-	-
Copper Grade		**%**	**0.75%**	**0.84%**	**0.76%**	**0.73%**	**0.69%**	**0.68%**	**0.76%**	**0.82%**	**0.77%**	**0.79%**	**0.80%**	**0.68%**	**0.70%**	**0.75%**	**0.78%**	-	-	-
Gold Grade		**g/t**	**0.13**	**0.12**	**0.17**	**0.12**	**0.15**	**0.15**	**0.17**	**0.15**	**0.17**	**0.13**	**0.08**	**0.11**	**0.11**	**0.10**	**0.23**	-	-	-
Silver Grade		**g/t**	**4.13**	**3.68**	**3.60**	**3.64**	**3.93**	**3.25**	**4.92**	**4.56**	**5.93**	**4.60**	**3.13**	**4.24**	**4.21**	**3.70**	**6.38**	-	-	-
Contained Copper		**kt**	**298**	**26.6**	**23.4**	**22.3**	**20.9**	**20.7**	**22.6**	**26.0**	**23.9**	**24.4**	**24.2**	**20.0**	**21.0**	**19.5**	**2.3**	-	-	-
Contained Gold		**koz**	**170**	**12.0**	**16.4**	**12.1**	**15.0**	**14.2**	**16.1**	**15.0**	**16.7**	**12.9**	**8.0**	**10.6**	**10.4**	**8.7**	**2.2**	-	-	-
Contained Silver		**koz**	**5,253**	**376.5**	**355.8**	**355.7**	**385.2**	**316.6**	**471.1**	**465.8**	**592.6**	**456.8**	**303.4**	**401.0**	**403.4**	**308.4**	**61.0**	-	-	-
Average Recovery, Copper		%	91.3%	91.1%	91.3%	91.3%	91.3%	91.3%	91.3%	91.3%	91.3%	91.3%	91.3%	91.3%	91.3%	91.3%	91.3%	-	-	-
Average Recovery, Gold		%	73.7%	74.8%	73.6%	73.6%	73.6%	73.6%	73.6%	73.6%	73.6%	73.6%	73.6%	73.6%	73.6%	73.6%	73.6%	-	-	-
Average Recovery, Silver		%	82.8%	82.6%	82.8%	82.8%	82.8%	82.8%	82.8%	82.8%	82.8%	82.8%	82.8%	82.8%	82.8%	82.8%	82.8%	-	-	-
Recovered Copper		kt	272	24.2	21.4	20.3	19.1	18.9	20.7	23.8	21.9	22.3	22.1	18.3	19.1	17.8	2.1	-	-	-
Recovered Gold		koz	126	9.0	12.1	8.9	11.0	10.5	11.9	11.0	12.3	9.5	5.9	7.8	7.7	6.4	1.6	-	-	-
Recovered Silver		koz	4,348	310.9	294.6	294.5	318.9	262.1	390.0	385.6	490.6	378.2	251.2	331.9	334.0	255.3	50.5	-	-	-
Cu Concentrate (dmt)		**dmt**	**1,166,736**	**103,832**	**91,754**	**87,200**	**82,011**	**80,980**	**88,679**	**101,998**	**93,786**	**95,495**	**94,805**	**78,483**	**82,142**	**76,448**	**9,123**	-	-	-
Au grade in concentrate		g/t	3.35	2.70	4.10	3.19	4.18	4.02	4.16	3.36	4.09	3.09	1.93	3.11	2.90	2.61	5.54	-	-	-
Ag grade in concentrate		g/t	115.91	93.13	99.86	105.03	120.93	100.65	136.78	117.58	162.70	123.17	82.41	131.55	126.45	103.86	172.25	-	-	-
Cu grade in concentrate		**%**	**23.3%**	**23.3%**	**23.3%**	**23.3%**	**23.3%**	**23.3%**	**23.3%**	**23.3%**	**23.3%**	**23.3%**	**23.3%**	**23.3%**	**23.3%**	**23.3%**	**23.3%**	-	-	-
Concentrate Moisture		%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	-	-	-
Cu Concentrate (wmt)		wmt	1,296,374	115,369	101,949	96,888	91,123	89,978	98,532	113,331	104,206	106,106	105,339	87,204	91,269	84,942	10,137	-	-	-
Payable Copper, Total		kt	260.2	23.2	20.5	19.4	18.3	18.1	19.8	22.7	20.9	21.3	21.1	17.5	18.3	17.0	2.0	-	-	-
Payable Copper, Total		**Mlbs**	**573.6**	**51.0**	**45.1**	**42.9**	**40.3**	**39.8**	**43.6**	**50.1**	**46.1**	**46.9**	**46.6**	**38.6**	**40.4**	**37.6**	**4.5**	-	-	-
Payable Gold, Total		**koz**	**114.0**	**8.1**	**11.0**	**8.1**	**10.0**	**9.5**	**10.8**	**10.0**	**11.2**	**8.6**	**5.3**	**7.1**	**6.9**	**5.8**	**1.5**	-	-	-
Payable Silver, Total		**koz**	**3,913.2**	**279.8**	**265.1**	**265.0**	**287.0**	**235.9**	**351.0**	**347.0**	**441.5**	**340.3**	**226.1**	**298.7**	**300.6**	**229.7**	**45.5**	-	-	-
Cash Flow																				
Copper Gross Revenue	85%	$000s	2,277,926	196,954	178,156	176,619	170,537	169,423	170,509	196,118	180,328	183,615	182,288	150,905	157,940	146,992	17,542	-	-	-
Gold Gross Revenue	8%	$000s	208,027	15,541	21,972	16,020	18,902	17,687	18,917	17,609	19,667	15,120	9,300	12,512	12,080	10,109	2,592	-	-	-
Gold grade credit Gross Revenue	4%	$000s	116,381	8,695	12,292	8,962	10,575	9,895	10,583	9,851	11,003	8,459	5,203	7,000	6,758	5,655	1,450	-	-	-
Silver Gross Revenue	3%	$000s	91,086	6,563	6,408	6,505	6,858	5,518	8,056	7,966	10,135	7,812	5,189	6,857	6,899	5,274	1,044	-	-	-
Gross Revenue Before By-Product Credits	**100%**	**$000s**	**2,693,419**	**227,753**	**218,828**	**208,107**	**206,871**	**202,524**	**208,065**	**231,544**	**221,133**	**215,005**	**201,980**	**177,274**	**183,678**	**168,030**	**22,628**	-	-	-
Copper Gross Revenue		$000s	2,277,926	196,954	178,156	176,619	170,537	169,423	170,509	196,118	180,328	183,615	182,288	150,905	157,940	146,992	17,542	-	-	-
Gold Gross Revenue	(by-product)	$000s	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Silver Gross Revenue	(by-product)	$000s	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Revenue After By-Product Credits		**$000s**	**2,277,926**	**196,954**	**178,156**	**176,619**	**170,537**	**169,423**	**170,509**	**196,118**	**180,328**	**183,615**	**182,288**	**150,905**	**157,940**	**146,992**	**17,542**	-	-	-
Mining Cost		$000s	(630,847)	(56,295)	(55,224)	(55,824)	(55,123)	(50,293)	(47,283)	(49,336)	(48,497)	(48,414)	(47,922)	(46,832)	(36,473)	(29,900)	(3,431)	-	-	-
Process Cost		$000s	(391,540)	(31,485)	(30,459)	(30,115)	(30,169)	(29,959)	(29,477)	(31,436)	(30,786)	(30,564)	(29,875)	(29,127)	(29,491)	(25,654)	(2,944)	-	-	-
Tailings Incremental Cost		$000s	(83,340)	-	-	(5,293)	(7,862)	(7,808)	(7,682)	(8,192)	(8,023)	(7,965)	(7,785)	(7,591)	(7,685)	(6,686)	(767)	-	-	-
Site Support G&A Cost		$000s	(174,018)	(13,993)	(13,537)	(13,384)	(13,408)	(13,315)	(13,101)	(13,972)	(13,683)	(13,584)	(13,278)	(12,945)	(13,107)	(11,402)	(1,308)	-	-	-
TC/RC charges		$000s	(238,614)	(21,188)	(18,771)	(17,823)	(16,801)	(16,569)	(18,176)	(20,861)	(19,246)	(19,529)	(19,314)	(16,057)	(16,795)	(15,607)	(1,877)	-	-	-
Third Party Royalty		$000s	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Cash Costs Before By-Product Credits		$000s	(1,518,358)	(122,961)	(117,992)	(122,439)	(123,364)	(117,945)	(115,718)	(123,797)	(120,234)	(120,056)	(118,174)	(112,552)	(103,551)	(89,248)	(10,328)	-	-	-
By-Product Credits		$000s	415,494	30,799	40,673	31,488	36,334	33,101	37,556	35,426	40,805	31,390	19,691	26,369	25,738	21,038	5,086	-	-	-
Total Cash Costs After By-Product Credits		**$000s**	**(1,102,864)**	**(92,162)**	**(77,319)**	**(90,952)**	**(87,030)**	**(84,844)**	**(78,162)**	**(88,371)**	**(79,429)**	**(88,665)**	**(98,482)**	**(86,183)**	**(77,814)**	**(68,210)**	**(5,241)**	-	-	-
Operating Margin	**44%**	**$000s**	**1,175,061**	**104,792**	**100,837**	**85,668**	**83,507**	**84,579**	**92,347**	**107,747**	**100,899**	**94,950**	**83,806**	**64,722**	**80,127**	**78,782**	**12,301**	-	-	-
Off-site Selling Expenses		$000s	(21,661)	(1,928)	(1,703)	(1,619)	(1,523)	(1,503)	(1,646)	(1,894)	(1,741)	(1,773)	(1,760)	(1,457)	(1,525)	(1,419)	(169)	-	-	-
Off-site Admin Expenses (Corporate G&A)		$000s	(49,290)	(4,088)	(3,719)	(3,796)	(3,802)	(3,776)	(3,715)	(3,962)	(3,880)	(3,852)	(3,765)	(3,671)	(3,717)	(3,233)	(314)	-	-	-
EBITDA		**$000s**	**1,104,110**	**98,776**	**95,414**	**80,253**	**78,182**	**79,300**	**86,985**	**101,891**	**95,278**	**89,324**	**78,281**	**59,594**	**74,885**	**74,129**	**11,818**	-	-	-
Depreciation Allowance		$000s	(257,105)	(12,125)	(14,008)	(16,388)	(17,538)	(18,293)	(18,808)	(19,302)	(19,730)	(20,233)	(20,709)	(19,945)	(18,306)	(15,927)	(14,777)	(3,015)	(2,500)	(5,503)
Earnings Before Taxes		**$000s**	**847,005**	**86,651**	**81,406**	**63,866**	**60,645**	**61,006**	**68,177**	**82,589**	**75,548**	**69,092**	**57,572**	**39,649**	**56,578**	**58,203**	**(2,959)**	**(3,015)**	**(2,500)**	**(5,503)**
Special Mining Tax & Mining Royalties		$000s	(60,371)	(6,559)	(6,075)	(4,232)	(3,952)	(4,013)	(4,741)	(5,948)	(5,344)	(4,773)	(3,764)	(2,849)	(3,762)	(4,150)	(208)	-	-	-
Workers' Participation Tax		$000s	(64,065)	(6,407)	(6,027)	(4,771)	(4,535)	(4,559)	(5,075)	(6,131)	(5,616)	(5,145)	(4,305)	(2,944)	(4,225)	(4,324)	-	-	-	-
Peru Corporate Income Tax		$000s	(217,342)	(21,737)	(20,445)	(16,184)	(15,386)	(15,468)	(17,217)	(20,800)	(19,053)	(17,456)	(14,603)	(9,988)	(14,334)	(14,670)	-	-	-	-

Economic Model Annual Summary

SLR

Company	**Southern Peaks Mining LP**
Project Name	**Condestable Mine**
Scenario Name	**Condestable Reserves LT Prices - Cu $3.70/lb, Au $1,650/oz, Ag $22/oz**
Analysis Type	**2022 YE MRMR Audit & NI 43-101 TRS**

Calendar Year			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039 to 2043
Net Income	**$000s**	**505,227**	**51,947**	**48,860**	**38,678**	**36,771**	**36,966**	**41,145**	**49,709**	**45,534**	**41,717**	**34,900**	**23,869**	**34,257**	**35,059**	**(3,166)**	**(3,015)**	**(2,500)**	**(5,503)**
Non-Cash Add Back - Depreciation	$000s	257,105	12,125	14,008	16,388	17,538	18,293	18,808	19,302	19,730	20,233	20,709	19,945	18,306	15,927	14,777	3,015	2,500	5,503
Working Capital	$000s	(13,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13,000)	-	-
Operating Cash Flow	**$000s**	**749,332**	**64,073**	**62,868**	**55,066**	**54,308**	**55,259**	**59,952**	**69,011**	**65,264**	**61,950**	**55,608**	**43,814**	**52,563**	**50,985**	**11,610**	**(13,000)**	-	-
Sustaining Capital	$000s	(103,023)	(11,195)	(18,823)	(23,799)	(11,500)	(7,558)	(5,146)	(4,939)	(4,281)	(5,030)	(4,757)	(3,560)	(2,436)	-	-	-	-	-
Salvage Value	$000s	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,000	-	-
Closure/Reclamation Costs	$000s	(14,723)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(670)	(1,899)	(5,956)	(3,497)	(204)
Total Capital	**$000s**	**(107,745)**	**(11,403)**	**(19,031)**	**(24,007)**	**(11,708)**	**(7,766)**	**(5,354)**	**(5,147)**	**(4,490)**	**(5,238)**	**(4,965)**	**(3,768)**	**(2,644)**	**(670)**	**(1,899)**	**4,044**	**(3,497)**	**(204)**
Cash Flow Adj./Reimbursements	**$000s**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LoM Metrics																			
Economic Metrics																			
a) Pre-Tax																			
Free Cash Flow	**$000s**	**983,365**	**87,373**	**76,383**	**56,246**	**66,474**	**71,534**	**81,631**	**96,744**	**90,788**	**84,087**	**73,316**	**55,826**	**72,241**	**73,460**	**9,919**	**(8,956)**	**(3,497)**	**(204)**
Cumulative Free Cash Flow	$000s		87,373	163,756	220,002	286,477	358,011	439,642	536,386	627,174	711,260	784,577	840,402	912,643	986,103	996,022	987,066	983,569	983,365
NPV @ 8%	**$000s**	**600,673**																	
b) After-Tax																			
Free Cash Flow	**$000s**	**641,587**	**52,670**	**43,837**	**31,059**	**42,600**	**47,493**	**54,598**	**63,864**	**60,774**	**56,712**	**50,644**	**40,046**	**49,920**	**50,315**	**9,711**	**(8,956)**	**(3,497)**	**(204)**
Cumulative Free Cash Flow	$000s		52,670	96,507	127,565	170,166	217,659	272,257	336,121	396,896	453,608	504,252	544,297	594,217	644,532	654,244	645,288	641,791	641,587
NPV @ 8%	**$000s**	**385,889**																	
Operating Metrics																			
Mine Life	Years	**13.1**																	
Average Daily Mining Rate	t/d moved	**8,190**	8,713	8,429	8,334	8,349	8,291	8,157	8,700	8,520	8,458	8,267	8,061	8,161	7,100	7,100	-	-	-
Average Daily Processing Rate	t/d processed	**8,190**	8,713	8,429	8,334	8,349	8,291	8,157	8,700	8,520	8,458	8,267	8,061	8,161	7,100	7,100	-	-	-
Mining Cost	$ / t moved	**$15.95**	17.70	17.95	18.35	18.09	16.62	15.88	15.54	15.60	15.68	15.88	15.92	12.24	11.54	11.54	-	-	-
Processing Cost	t/d processed	**$9.90**	9.90	9.90	9.90	9.90	9.90	9.90	9.90	9.90	9.90	9.90	9.90	9.90	9.90	9.90	-	-	-
Tailings Incremental Cost	t/d processed	**$2.11**	-	-	1.74	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58	-	-	-
Site Support G&A Cost	t/d processed	**$4.40**	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	-	-	-
Subtotal Direct Operating Costs	**t/d processed**	**$32.36**	**32.00**	**32.25**	**34.39**	**34.97**	**33.50**	**32.76**	**32.42**	**32.48**	**32.56**	**32.76**	**32.80**	**29.12**	**28.42**	**28.42**	-	-	-
TC / RC Charges	t/d processed	$6.03	6.66	6.10	5.86	5.51	5.48	6.10	6.57	6.19	6.33	6.40	5.46	5.64	6.02	6.31	-	-	-
NSR Royalty	t/d processed	$0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Cost Before By-Product Credits	**t/d processed**	**$38.39**	**38.66**	**38.35**	**40.25**	**40.48**	**38.97**	**38.87**	**38.99**	**38.66**	**38.89**	**39.16**	**38.26**	**34.76**	**34.44**	**34.73**	-	-	-
Total Operating Cost After By-Product Credits	**t/d processed**	**$27.89**	**28.98**	**25.13**	**29.90**	**28.56**	**28.04**	**26.25**	**27.83**	**25.54**	**28.72**	**32.64**	**29.29**	**26.12**	**26.32**	**17.63**	-	-	-
Off-site Admin Expenses	t/d processed	**$1.25**	1.89	1.76	1.78	1.75	1.74	1.80	1.84	1.81	1.82	1.83	1.74	1.76	1.80	1.62	-	-	-
Sales Metrics																			
Cu Sales	M lbs	**573.6**	51.0	45.1	42.9	40.3	39.8	43.6	50.1	46.1	46.9	46.6	38.6	40.4	37.6	4.5	-	-	-
Au Sales	koz	**114.0**	8.1	11.0	8.1	10.0	9.5	10.8	10.0	11.2	8.6	5.3	7.1	6.9	5.8	1.5	-	-	-
Ag Sales	koz	**3,913.2**	279.8	265.1	265.0	287.0	235.9	351.0	347.0	441.5	340.3	226.1	298.7	300.6	229.7	45.5	-	-	-
Total C1 Cash Cost (After by-product credits)	$ / lb Cu	**1.92**	1.81	1.71	2.12	2.16	2.13	1.79	1.76	1.72	1.89	2.11	2.23	1.93	1.81	1.17	-	-	-
Total AISC (After Ag by-product credits)	$ / lb Cu	**2.25**	2.15	2.26	2.81	2.58	2.46	2.04	1.98	1.94	2.12	2.34	2.46	2.12	1.96	1.70	-	-	-
Avg. LOM Annual Au Sales (incl. rinsing phase)	M lb / yr	**43.8**																	

22.3 Sensitivity Analysis

Project risks can be identified in both economic and non-economic terms. Key economic risks were examined by running cash flow sensitivities on after-tax NPV at an 8% discount rate. The following items were examined:

- Copper, gold, and silver prices
- Copper, gold, and silver head grades
- Copper, gold, and silver metallurgical recoveries
- Operating costs
- Capital costs (sustaining and closure)

After-tax NPV 8% sensitivities over the Condestable Mine Base Case has been calculated for -20% to +20% (for head grade), -5% to +5% (for metallurgical recovery), -20% to +20% (for metal prices), and -10% to +15% (for operating costs and capital costs) variations, to determine the most sensitive parameter for the Condestable Mine.

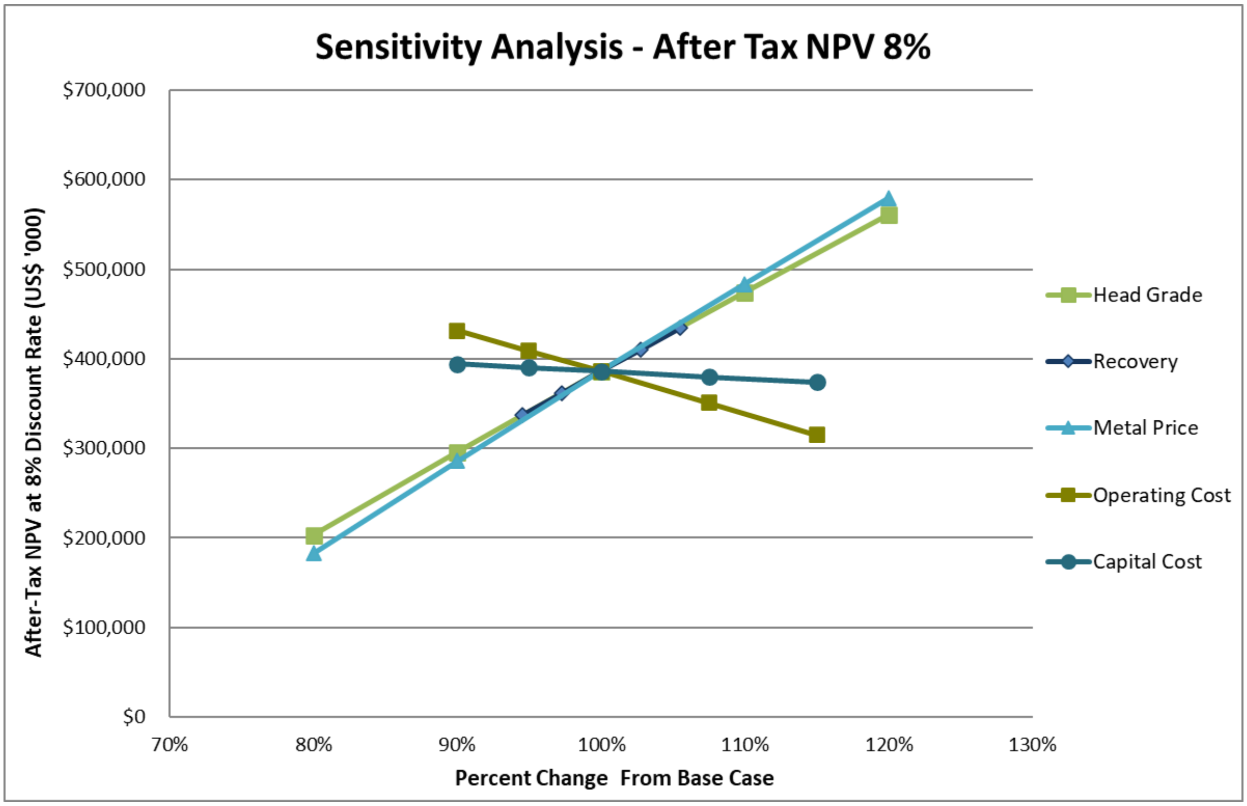
The sensitivity analysis at Condestable shows that the after-tax NPV at an 8% base discount rate is most sensitive to metal prices, head grades, and metallurgical recoveries, followed by operating costs and capital costs. The QP notes that a 10% reduction in metal prices reduces the after-tax NPV at 8% by 26% for the Condestable Mine Base Case.

The sensitivities are shown in Figure 22-1 and Table 22-3.

Table 22-3: After-Tax NPV 8% Sensitivity Analyses

Variance	Head Grade (% Cu grade)	NPV at 8% (US$ million)
80%	0.60%	203
90%	0.68%	295
100%	**0.75%**	**386**
110%	0.83%	474
120%	0.90%	561
Variance	**Recovery (% Cu)**	**NPV at 8% (US$ million)**
95%	86.3%	337
97%	88.8%	361
100%	**91.3%**	**386**
103%	93.8%	410
105%	96.3%	434
Variance	**Metal Prices (US$/lb Cu)**	**NPV at 8% (US$ million)**
80%	3.18	183
90%	3.57	286
100%	**3.97**	**386**
110%	4.37	483
120%	4.77	580
Variance	**Operating Costs (US$/t)**	**NPV at 8% (US$ million)**
90%	29.12	432
95%	30.74	409
100%	**32.36**	**386**
108%	34.78	351
115%	37.21	315
Variance	**Capital Costs (US$ million)**	**NPV at 8% (US$ million)**
90%	109	394
95%	115	390
100%	**121**	**386**
108%	130	380
115%	139	374

Figure 22-1: After-Tax NPV 8% Sensitivity Analysis



23.0 Adjacent Properties

There are no properties adjacent to the Condestable and Raúl mines that are relevant to this report.

24.0 Other Relevant Data and Information

No additional information or explanation is necessary to make this Technical Report understandable and not misleading.

25.0 Interpretation and Conclusions

The Qualified Persons (QP) make the following conclusions by area.

25.1 Geology and Mineral Resources –

- Total December 31, 2022 Condestable Mine Mineral Resources, inclusive of Mineral Reserves, are as follows:
    - o Measured and Indicated Mineral Resources are estimated at 83.7 million tonnes (Mt) averaging 0.66% Cu, 0.13 g/t Au, and 3.65 g/t Ag and containing 553,300 tonnes of copper, 346,000 ounces of gold, and 9.82 million ounces (Moz) of silver.
    - o Inferred Mineral Resources are estimated at 12.9 Mt averaging 0.77% Cu, 0.07 g/t Au, and 2.28 g/t Ag and containing 98,800 tonnes of copper, 31,000 ounces of gold, and 947,000 ounces of silver.
- Mineral Resource classifications follow Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves dated May 10, 2014 (CIM (2014) definitions).
- Review of the data collection, sampling, sample preparation, assay quality assurance/quality control (QA/QC), and data verification showed no material issues.
- The CMC database workflows and verification procedures for Condestable comply with industry standards, and are adequate for the purposes of Mineral Resource estimation.
- The Mineral Resource database is reliable and is of sufficient quality to support Mineral Resource estimation.
- The geology of the region and the deposit are well understood.
- The exploration methods described herein are performed according to industry standards, and are sufficient to support the disclosure of mineral resources and reserves.
- The underground exploration program is well thought out, and should support the expansion of mineral resources in future models.
- The drilling, surveying, logging, sampling, and transport workflows are performed according to industry standards, and are sufficient to support the estimation and disclosure of Mineral Resources.
- The geological model was generated according to the geological understanding of CMC underground geological staff, is well in accordance with drill and mapping data as well as underground workings, is of sufficient resolution to reflect the realities of grade distribution underground, and is of sufficient quality to support the estimation of Mineral Resources.
- The capping procedures implemented are sufficient to support the estimation of Mineral Resources. The capping levels applied by CMC are also reasonable and probably somewhat conservative, given that high grade assays are already limited to 8% Cu due to restrictions in the original assay results from the laboratory. The QP is also of the opinion that the capping procedures implemented are sufficient to support the estimation of Mineral Resources.

- The current domaining supports the Mineral Resource estimate.
- Overall, the procedures followed by CMC for variographic analyses, and the resulting variograms, are sufficient to support the estimation of Mineral Resources. Variogram models generated for "mineralized" composites are applied to both "ore" and "waste" subdomains. CMC considers that this simplified approach would impart less continuity to Cu grades in the "waste" domains, since lower grades tend to be more continuous. However, the QP has observed some volumes where unconstrained high grades are extrapolated unreasonably far.
- Overall, CMC's approach used to estimate copper grades is well designed, according to industry practice, and sufficient to support the estimation of Mineral Resources.
- There are some local aberrations in co-kriged Au grades where Cu data is also sparse, which may produce isolated grades that are locally biased higher than the complete geological picture would suggest. These local artifacts may be exaggerated in waste domains. Manual validation and review of the Deswik panels should mitigate these effects, which are likely not material to the global Mineral Resource estimate.
- To satisfy Reasonable Prospects for Eventual Economic Extraction, the QP used Deswik Stope Optimizer (DSO) to generate the constraining shapes for the Mineral Resource estimate, sterilizing material by discarding some Deswik panels manually, and setting resource sterilization buffers of varying ranges around stopes, raises, ramps, and levels.
- SLR observed that CMC's indicator kriging (IK) smoothing technique was leading to some high grade intervals falling within low grade/waste domains, resulting in some overestimation of material above the cut-off due to the lack of constraints for these grades. Upon analysis of the local and global impacts, SLR removed over-extrapolated grades from the Mineral Resource classification. This primarily affected the Inferred Mineral Resource category.
- The QP is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate.

25.2 Mining and Mineral Reserves

- The Condestable Mine site consists of two underground mines, namely Condestable and Raúl. Both mines are in operation, with Raúl contributing to approximately 80% of total ore production.
- Total Condestable and Raúl Proven and Probable Mineral Reserves as of December 31, 2022 are estimated to be 39.5 Mt at grades averaging 0.75% Cu, 0.13 g/t Au, and 4.13 g/t Ag.
- Mining operations are well established and carried out by an experienced workforce. The Mineral Reserves will be mined using sublevel stoping (SLS) mining methods.
- Mine designs, consisting of development and production panels, and mine planning were completed by SLR based on inputs from CMC.
- A net smelter return (NSR) cut-off value was estimated for the Condestable mine, while a copper cut-off grade was estimated for the Raúl mine due to the gold and silver contributing to approximately 25% of the total value at Condestable while only contributing to approximately 10% at Raúl.

- Ore is mined by a fleet of 4 cubic yard (yd^3) and 6 yd^3 scoops and hauled from the mines to the process plant by 30 t capacity trucks which are loaded by 4 yd^3 or 6 yd^3 scoops.
- The Raúl and Condestable Mineral Reserve estimates support a 13.2 year mine life.
- A streaming agreement is in place with Franco-Nevada (Barbados) Corporation (Franco-Nevada) in relation to gold and silver production from the mine. In exchange for an upfront cash consideration Franco-Nevada receives a varying portion of gold and silver from the mine. The intent of the agreement is for the parties to act as long-term partners, and specifies that Mineral Resource and Mineral Reserve estimation, as well as operational procedures, are to be carried out without consideration of the delivery terms. Per those terms, SLR notes that cut-off grades, Mineral Resource and Mineral Reserve estimates, and cash flow analyses in this Technical Report do not include any reductions due to gold and silver ounces to be delivered to Franco-Nevada.

25.3 Mineral Processing

- Test work programs and studies, both internal and external, continue to be performed to support current operations and potential improvements.
- The current process facilities are appropriate for the mineralization types provided from the mines. The flowsheet, equipment, and infrastructure are expected to support the current life of mine (LOM) plan.
- Laboratory testing of coarse particle flotation using HydroFloat® technology demonstrated potential economic value from additional copper and gold recovery from Condestable tailings.

25.4 Infrastructure

- The Condestable Mine has been in operation for many decades and the surface infrastructure is well established. The site consists of a camp, administrative and technical buildings, a clinic, mechanical maintenance and wash bays, warehouses, and various miscellaneous buildings.
- CMC purchases electricity from StatKraft Peru. Electrical power is delivered from the Bujuma supply point located in the town of Mala via 22.9 kV power lines.

25.5 Environmental, Permitting, and Social Considerations

- No known environmental issues were identified from the documentation available for review to SLR. CMC has the permits required to continue the mining operations at the Mine, which comply with applicable Peruvian permitting requirements associated with the protection of the environment.
- Usual components of the environment that could potentially be affected by the Condestable Mine operations such as water resources, air quality, ambient noise, flora and fauna, have been evaluated through various instruments of environmental management according to the Peruvian environmental legislation.
- There is an Environmental Management Plan in place, which includes a monitoring program for groundwater quantity and quality, potable water quality, sanitary wastewater treated effluent quality, air quality, ambient noise, and terrestrial flora and fauna. CMC reports the results of the monitoring program to the authorities according to the

frequency stated in the approved resolutions and no known compliance issues have been raised by the authorities. Surface water quality monitoring is not applicable since there are no surface water bodies within the area of influence of the mine operation.

- Currently approximately 60% to 65% of the mill make up water demand is obtained through water recirculation whereas the remaining 35% to 40% is obtained from groundwater wells. The implementation of a new filtered tailings plant is expected to result in a significant optimization of water management, increasing the volume of water recovered for use in the ore processing (the water recirculation is anticipated to increase to approximately 90%).
- Tailings disposal facility expansion is achieved by downstream raises using tailings cyclone underflow. Displacement measurements from survey monuments and inclinometers indicates that dam movements are surficial and within normal ranges. CMC is implementing plans to change the tailings management strategy from the current classification by cyclone to filtration and filter cake stacking. CMC informed SLR that it is advancing the procurement process for constructing a new tailings filtration plant on site in 2024.
- A number of actions to improve governance of the tailings storage facilities (TSFs) have been advanced by CMC such as the development of an Operations, Maintenance and Surveillance Manual, a Dam Breach Study, dam instrumentation, conducting regular inspections (including an annual dam safety inspection) and the plan to appoint an Engineer of Record in 2024. Furthermore, CMC has established a voluntary commitment to comply with the Global Industry Standard for Tailings Management (GISTM) and in 2022 initiated a process of becoming compliant with GISTM.
- The review of social aspects indicates that at present, CMC's plans and current programs at the Condestable Mine site are a positive contribution to sustainability and community well-being.
- Since 2012, social risks and potential impacts have been identified and progressively refined in the environmental studies and the social management plans. These risks and impacts have been and continue to be systematically managed by CMC over the life of the mine.
- Although there is no written commitment from CMC to ensure local procurement and hiring, the company hires local workforce to fill vacancies, retains services from contractors that employ local workforce, and prioritizes local procurement.
- The Mine Closure Plan (MCP) is periodically updated. The latest MCP update was approved by the Peruvian Ministry of Energy and Mines in January 2024.

25.6 Capital and Operating Costs and Economics

- The LOM production schedule in the Condestable Mine after-tax cash flow model prepared by SLR is based on the December 31, 2022 Mineral Reserves. All costs in this Technical Report are expressed in Q4 2023 US dollars.
- The operating costs developed for the LOM are based on actuals of 2023 and budgeted amounts for 2024.
- While operating costs have increased slightly over the past few years, CMC staff have continually assessed operating efficiencies and successfully implemented them to maintain costs at a steady level.

- The economic analysis demonstrates that Condestable Mine Mineral Reserves are economically viable at a LOM average realized copper price of US$3.97/lb, realized gold price of US$1,824/oz, and realized silver price of US$23.28/oz, respectively. The Condestable Mine Base Case undiscounted pre-tax net cash flow is approximately US$983 million, and the undiscounted after-tax net cash flow is approximately US$642 million. The pre-tax NPV at an 8% discount rate is approximately US$601 million and the after-tax NPV at an 8% discount rate is approximately US$386 million. The QP has also confirmed the economic viability of the Life of Mine Plan using flat reserve metal prices.

26.0 Recommendations

The QPs make the following recommendations by area.

26.1 Geology and Mineral Resources –

Based on the SLR QP's review of the Mineral Resource estimate for the Condestable Mine, the following recommendations are presented:

1 The QP agrees with incorporating more sectional interpretations into the geological model in future updates to complement the 2D mapping, as it would be especially useful for interpretations at depth.

2 Investigate ways of generating a geological model in Leapfrog where modelled solids do not overlap. This would preclude the need for hierarchical flagging or make it a redundant safety procedure.

3 Investigate the use of High Yield Restriction (HYR) in order to ensure that local high grade samples are spatially limited to local influence, especially in waste domains and in volumes with lower drill density, in conjunction with minor modification to the estimation passes which would ensure that high grade blocks are locally adjacent to high grade samples.

4 If adjacent domains are determined to be part of the same stationary geochemical populations across structural boundaries, then domain boundaries should be simplified accordingly.

5 Although the current 0.25% Cu global indicator threshold is appropriate to support the estimation of Mineral Resources, revisit the threshold by estimation domain in the next Mineral Resource update. The present indicator methodology does not take into consideration the different grade ranges and degree of mineralization of each separate lithostratigraphic domain. If the estimation domains are reviewed and grouped according to similar geological and mineralization characteristics, the model could be simplified and spatially correlate better to actual mineralization at the same time.

6 Review the IK smoothing methodology to avoid incorporating high grade intervals in low grade indicator domains. Consider changing the methodology or incorporating grade domain solids at a 0.25 % Cu thresholds.

7 Run grade estimates in a block model which does not exclude blocks in mined tonnages. Re-estimating through extant stope volumes and then comparing the model result to the extant mining would help the Mineral Resource modeller calibrate the estimation parameters to closely match the actual mined results in each (grouped) domain.

8 Investigate the Au estimation in cases where the value in the blocks defaults to 0.006 g/t Au, despite the presence of samples in the surrounding drill holes with assayed Au grades.

9 For the purposes of Mineral Resource estimation, two separate smaller models could be produced with minimum predicted mining extents around the drilled volumes, using a buffer envelope where unestimated country rock could be set at large block dimensions, and a smaller block size than 4 m x 4 m x 4 m could be utilized to capture Deswik panels with more precision to the expected minimum stope volumes underground.

10 Review significant large new tonnages in volumes not sampled for Au and Ag, and assay any available unsampled core, pulps, or coarse rejects, and send reject or pulp samples from selected drill holes to be analyzed for gold and silver and perform additional drilling to obtain gold and silver related to the Mineral Resource shapes.

a) The QP accepts that using the co-kriging methodology is acceptable for determining new stopes proximal to extant mined volumes, where Au and Ag sampling is incomplete and Cu sampling is complete, as it is based on real-world correlations between those metals and copper in the Condestable Mine, as a temporary solution to a historical problem.

b) The QP understands the predicament of having no historical sampling for gold until recently, and that some volumes are bereft of information where CMC mining has produced gold in the mill at known grades despite the lack of sampling.

c) The QP suggests that metal grades should be estimated using only the samples for that metal.

11 Complete the proposed 2024 exploration drilling, consisting of 4,900 m, with a goal of intercepting new veins, mantos and breccias at the margins of the deposit where accessible from existing levels. The QP is of the opinion that the underground exploration program is well thought out, and should support the expansion of Mineral Resources in future models.

12 CMC resource geologists should work together with the metallurgists to take representative metallurgical samples and ensure the oxide-sulphide limit criteria are in alignment with processing requirements, and update the oxidation surface to better reflect processing realities.

26.2 Mining and Mineral Reserves

1 Investigate stope and development status in the older areas of the mines to assess accessibility and mineability of remnants and unmined areas.

2 Review stopes available to be mined on the whole level rather than individually to avoid mining being constrained due to stope being mined out of sequence or cutting off development access.

26.3 Mineral Processing

1 Coarse particle flotation pilot scale test program and results on Condestable tailings should be used to validate the results obtained during previous laboratory testing of HydroFloat® technology and to size the equipment for industrial scale circuit design.

2 The extent to which the metallurgical recoveries will be improved from coarse particle flotation of Condestable tailings is not clearly defined. Additional work is needed to develop the flowsheet drawings, process design criteria, and equipment list that will feed into a more detailed capital and operating cost estimate and economic model.

26.4 Environmental, Permitting and Social Considerations

1 Continue to implement the Environmental Management Plan, which monitors and manages potential environmental impacts resulting from the mine operations to inform future permit applications and the MCP.

2 Develop a plan to carry out a self-assessment to evaluate the status of progress towards full compliance with the GISTM.

3 As stated in RPA (2018) and in the Environmental Impact Assessment, there is a risk to the local community surrounding the job expectations of the project and surrounding the effects of the eventual mine closure. It is recommended that CMC further develop its closure plan to mitigate socio-economic impacts and explore mitigation measures in addition to providing job skill transfer training and technical skills training to employees and workers. CMC has been a very visual and active partner in the community and, upon mine closure, there is the potential for major gaps in employment as well as services.

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28.0 Date and Signature Date

This report titled "Technical Report on the Condestable Mine, Lima Department, Peru" with an effective date of December 31, 2022 was prepared and signed by the following authors:

(Signed & Sealed) ***Rosmery J. Cárdenas Barzola***

Dated at Toronto, ON
April 12, 2024

Rosmery J. Cárdenas Barzola, P.Eng.
Principal Geologist

(Signed & Sealed) ***Philip A. Geusebroek***

Dated at Toronto, ON
April 12, 2024

Philip A. Geusebroek, M.Sc., P.Geo.
Consultant Geologist

(Signed & Sealed) ***Varun Bhundhoo***

Dated at Toronto, ON
April 12, 2024

Varun Bhundhoo, ing.
Senior Mining Engineer

(Signed & Sealed) ***Brenna J.Y. Scholey***

Dated at Toronto, ON
April 12, 2024

Brenna J.Y. Scholey, P.Eng.
Principal Metallurgist

(Signed & Sealed) ***Luis Vasquez***

Dated at Toronto, ON
April 12, 2024

Luis Vasquez, P.Eng.
Principal Environmental Consultant -
Water Resource Engineering

(Signed & Sealed) ***Jason J. Cox***

Dated at Toronto, ON
April 12, 2024

Jason J. Cox, P.Eng.
Global Technical Director
Principal Mining Engineer

29.0 Certificate of Qualified Person

29.1 Rosmery J. Cárdenas Barzola

I, Rosmery J. Cárdenas Barzola, P.Eng., as an author of this report entitled “Technical Report on the Condestable Mine, Lima Department, Peru” with an effective date of December 31, 2022 prepared for Ariana Management Corporation S.A.C., do hereby certify that:

1. I am Principal Geologist with SLR Consulting (Canada) Ltd, of Suite 501, 55 University Ave., Toronto, ON M5J 2H7.
2. I am a graduate of Universidad Nacional de Ingenieria, Lima, Peru, in 2002 with a B.Sc. degree in Geological Engineering.
3. I am registered as a Professional Engineer in the Province of Ontario (Reg. #100178079). I have worked as a geologist for more than 22 years since my graduation. My relevant experience for the purpose of the Technical Report is:
   - Resource estimation, geological modelling, and QA/QC experience ranging from greenfield projects to operating mines, including open pit and underground.
   - Review and report as a consultant on numerous exploration, development, and production mining projects around the world for due diligence and regulatory requirements.
   - Evaluation Geologist and Resource Modelling Geologist with Barrick Gold Corporation at Pueblo Viejo Project (Dominican Republic) and Lagunas Norte Mine (Peru).
   - Geologist at a polymetallic underground mine in Peru in charge of exploration and definition drilling.
4. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
5. I visited the Condestable Mine on June 7 and 8, 2023.
6. I am responsible for overall preparation of the Technical Report, and particularly Sections 1.1.1.1, 1.1.2.1, 1.3.1 to 1.3.6, 2 to 12, 14, 23, 24, 25.1, 26.1, and relevant portions of Section 27.
7. I am independent of the Issuer applying the test set out in Section 1.5 of NI 43-101.
8. I have had no prior involvement with the property that is the subject of the Technical Report.
9. I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.
10. At the effective date of the Technical Report, to the best of my knowledge, information, and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 12th day of April, 2024

(Signed & Sealed) ***Rosmery J. Cárdenas Barzola***

Rosmery J. Cárdenas Barzola, P.Eng.

29.2 Philip A. Geusebroek

I, Philip A. Geusebroek, M.Sc., P.Geo., as an author of this report entitled “Technical Report on the Condestable Mine, Lima Department, Peru” with an effective date of December 31, 2022 prepared for Ariana Management Corporation S.A.C., do hereby certify that:

1. I am Consultant Geologist with SLR Consulting (Canada) Ltd, of Suite 501, 55 University Ave., Toronto, ON M5J 2H7.
2. I am a graduate of the University of Alberta, Canada in 1995 with a B.Sc. degree in Geology, and the University of Western Ontario in 2008 with a M.Sc. in Economic Geology.
3. I am registered as a Professional Geologist in the Province of Ontario (Reg. #1938). I have worked as a geologist for a total of 26 years since my B.Sc. graduation. My relevant experience for the purpose of the Technical Report is:
    - Resource estimation, geological modelling, geological database, and QA/QC experience on various gold and base metal projects in several countries.
    - Review and report as a consultant on numerous exploration, development, and production mining projects around the world for due diligence and regulatory requirements.
    - Exploration and mine geologist with Echo Bay Mines Ltd., Kinross Gold Corporation, Western Mining Company, etc.
4. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
5. I did not visit the Condestable Mine.
6. I am responsible for Sections 11 and 12 and related information in Sections 1.1.1.1, 1.1.2.1, 25.1, and 26.1 of the Technical Report.
7. I am independent of the Issuer applying the test set out in Section 1.5 of NI 43-101.
8. I have had no prior involvement with the property that is the subject of the Technical Report.
9. I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.
10. At the effective date of the Technical Report, to the best of my knowledge, information, and belief, Sections 11 and 12 and related information in Sections 1.1.1.1, 1.1.2.1, 25.1, and 26.1 of the Technical report for which I am responsible contain all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 12th day of April, 2024

(Signed & Sealed) ***Philip A. Geusebroek***

Philip A. Geusebroek, M.Sc., P.Geo.

29.3 Varun Bhundhoo

I, Varun Bhundhoo, ing., as an author of this report entitled "Technical Report on the Condestable Mine, Lima Department, Peru" with an effective date of December 31, 2022 prepared for Ariana Management Corporation S.A.C., do hereby certify that:

1. I am a Senior Mining Engineer with SLR Consulting (Canada) Ltd, of Suite 501, 55 University Ave., Toronto, ON M5J 2H7.
2. I am a graduate of the University of Toronto, Lassonde Mineral Engineering Program in 2010 with a B.A.Sc. degree in Mineral Engineering.
3. I am registered as an engineer with Ordre des Ingénieurs du Québec (Reg.# 5048788). I have worked as a mining engineer for more than 13 years since my graduation. My relevant experience for the purpose of the Technical Report is:
   - Pit and underground stope optimizations
   - Open pit and underground mine designs.
   - Production and development schedules
   - Financial modelling.
   - Experienced user of Deswik, Whittle, Mine 2-4D and Studio 5D Planner mine design and scheduling software, AutoCAD, and Amine mining software.
4. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
5. I visited the Condestable on June 17 to July 7, 2023.
6. I am responsible for Sections 1.1.1.2, 1.1.1.4, 1.1.2.2, 1.3.7, 1.3.8, 1.3.10, 1.3.11, 15, 16, 18 (except 18.4), 19, 25.2, 25.4, 26.2, and relevant portions of Section 27 of the Technical Report.
7. I am independent of the Issuer applying the test set out in Section 1.5 of NI 43-101.
8. I have had no prior involvement with the property that is the subject of the Technical Report.
9. I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.
10. At the effective date of the Technical Report, to the best of my knowledge, information, and belief, Sections 1.1.1.2, 1.1.1.4, 1.1.2.2, 1.3.7, 1.3.8, 1.3.10, 1.3.11, 15, 16, 18 (except 18.4), 19, 25.2, 25.4, and 26.2 of the Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 12th day of April, 2024

(Signed & Sealed) ***Varun Bhundhoo***

Varun Bhundhoo, ing.

29.4 Brenna J.Y. Scholey

I, Brenna J.Y. Scholey, P.Eng., as an author of this report entitled “Technical Report on the Condestable Mine, Lima Department, Peru” with an effective date of December 31, 2022 prepared for Ariana Management Corporation S.A.C., do hereby certify that:

1. I am Principal Metallurgist with SLR Consulting (Canada) Ltd., of Suite 501, 55 University Ave., Toronto, ON M5J 2H7.
2. I am a graduate of The University of British Columbia in 1988 with a B.A.Sc. degree in Metals and Materials Engineering.
3. I am registered as a Professional Engineer in the Province of Ontario (Reg. #90503137) and British Columbia (Reg. #122080). I have worked as a metallurgist for a total of 35 years since my graduation. My relevant experience for the purpose of the Technical Report is:
   - Reviews and reports as a metallurgical consultant on numerous mining operations and projects for due diligence and regulatory requirements.
   - Senior Metallurgist/Project Manager on numerous base metals and precious metals studies for an international mining company.
   - Management and operational experience at several Canadian and U.S. milling, smelting and refining operations treating various metals, including copper, nickel, and precious metals.
4. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
5. I visited the Condestable Mine on June 7 and 8, 2023.
6. I am responsible for Sections 1.1.1.3, 1.1.2.3, 1.3.9, 13, 17, 25.3, 26.3, and relevant portions of Section 27 of the Technical Report.
7. I am independent of the Issuer applying the test set out in Section 1.5 of NI 43-101.
8. I have been involved in preparation of a previous internal Technical Report dated June 13, 2018 on the property that is the subject of the Technical Report.
9. I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.
10. At the effective date of the Technical Report, to the best of my knowledge, information, and belief, Sections 1.1.1.3, 1.1.2.3, 1.3.9, 13, 17, 25.3, and 26.3 of the Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 12th day of April, 2024.

(Signed & Sealed) ***Brenna J.Y. Scholey***

Brenna J.Y. Scholey, P.Eng.

29.5 Luis Vasquez

I, Luis Vasquez, M.Sc., P.Eng., as an author of this report entitled “Technical Report on the Condestable Mine, Lima Department, Peru” with an effective date of December 31, 2022 prepared for Ariana Management Corporation S.A.C., do hereby certify that:

1. I am Principal Hydrotechnical Engineer with SLR Consulting (Canada) Ltd, of Suite 501, 55 University Ave., Toronto, ON M5J 2H7.
2. I am a graduate of Universidad de Los Andes, Bogotá, Colombia, in 1998 with a B.Sc. degree in Civil Engineering, and in 1999 with a M.Sc. degree in Water Resources Engineering.
3. I am registered as a Professional Engineer in the Province of Ontario (Reg. #100210789). I have worked as a civil engineer on mining related projects for a total of 24 years since my graduation. My relevant experience for the purpose of the Technical Report is:
    - Reviews and reports as an environmental consultant on numerous mining operations and projects for due diligence and regulatory requirements.
    - Preparation of numerous environmental impact assessments for mining projects located in Canada, and Perú for regulatory approval.
    - Preparation of multiple mine closure plans for mining projects in Canada and Perú.
    - Preparation of several scoping, prefeasibility, feasibility, and detailed design level studies for projects located in North America, South America, the Caribbean and Asia with a focus on planning, design and safe operation of water management systems and waste disposal facilities.
4. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
5. I visited the Condestable Mine on June 27, 2023.
6. I am responsible for Sections 1.1.1.5, 1.1.2.4, 1.3.12, 18.4, 20, 25.5, 26.4, and relevant portions of Section 27 of the Technical Report.
7. I am independent of the Issuer applying the test set out in Section 1.5 of NI 43-101.
8. I have had no prior involvement with the property that is the subject of the Technical Report.
9. I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.
10. At the effective date of the Technical Report, to the best of my knowledge, information, and belief, Sections 1.1.1.5, 1.1.2.4, 1.3.12, 18.4, 20, 25.5, and 26.4 of the Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 12th day of April, 2024

(Signed & Sealed) ***Luis Vasquez***

Luis Vasquez, M.Sc., P.Eng.

29.6 Jason J. Cox

I, Jason J. Cox, P.Eng., as an author of this report entitled “Technical Report on the Condestable Mine, Lima Department, Peru” with an effective date of December 31, 2022 prepared for Ariana Management Corporation S.A.C.., do hereby certify that:

1. I am Global Technical Director – Canada Mining Advisory with SLR Consulting (Canada) Ltd, of Suite 501, 55 University Ave., Toronto, ON M5J 2H7.
2. I am a graduate of the Queen’s University, Kingston, Ontario, Canada, in 1996 with a Bachelor of Science degree in Mining Engineering.
3. I am registered as a Professional Engineer in the Province of Ontario (Reg. #90487158). I have worked as a mining engineer for more than 25 years since my graduation. My relevant experience for the purpose of the Technical Report is:
   - Review and reporting as a consultant on many mining operations and projects around the world for due diligence and regulatory requirements
   - Engineering study work (PEA, PFS, and FS) on many mining projects around the world, including commodities such as precious metals, base metals, bulk commodities, industrial minerals, and rare earths
   - Operational experience as Planning Engineer and Senior Mine Engineer at three North American mines
   - Contract Co-ordinator for underground construction at an American mine
4. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
5. I did not visit the Condestable Mine.
6. I am responsible for Sections 1.1.1.6, 1.2, 1.3.13, 21, 22, and 25.6 of the Technical Report.
7. I am independent of the Issuer applying the test set out in Section 1.5 of NI 43-101.
8. I have been involved in preparation of a previous internal Technical Report dated June 13, 2018 on the property that is the subject of the Technical Report.
9. I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.
10. At the effective date of the Technical Report, to the best of my knowledge, information, and belief, Sections 1.1.1.6, 1.2, 1.3.13, 21, 22, and 25.6 of the Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 12th day of April, 2024

(Signed & Sealed) ***Jason J. Cox***

Jason J. Cox, P.Eng.