

# Mine Analysis

# Las Bambas

## Location

# Peru



## Products

Copper concentrate  
Molybdenum concentrate



## Revenue (US\$ million)

# \$3,417.3

## Ownership



## Ore milled (tonnes)

# 52,871,670

## Copper in concentrate produced (tonnes)

# 302,033

- MMG Limited 62.5%
- Guoxin International Investment Co. Ltd. 22.5%
- Citic Metal Co. Ltd. 15.0%



# Mine Analysis: Las Bambas Continued

Year ended 31 December	2023	2022	Change % Fav/(Unfav)
<b>Production</b>			
Ore mined (tonnes)	46,429,483	43,178,984	8%
Ore milled (tonnes)	52,871,670	44,043,203	20%
Waste movement (tonnes)	122,908,814	116,206,593	6%
Copper in copper concentrate (tonnes)	302,033	254,836	19%
<b>Payable metal in product sold</b>			
Copper (tonnes)	374,743	221,918	69%
Gold (ounces)	94,925	62,901	51%
Silver (ounces)	5,361,326	3,293,364	63%
Molybdenum (tonnes)	4,037	3,156	28%

Year ended 31 December	2023 US\$ million	2022 US\$ million	Change% Fav/(Unfav)
<b>Revenue</b>	<b>3,417.3</b>	<b>2,086.8</b>	<b>64%</b>
<b>Operating expenses</b>			
<b>Production expenses</b>			
Mining	(490.4)	(401.2)	(22%)
Processing	(316.3)	(261.5)	(21%)
Other	(474.0)	(403.5)	(17%)
<b>Total production expenses</b>	<b>(1,280.7)</b>	<b>(1,066.2)</b>	<b>(20%)</b>
Freight (transportation)	(96.2)	(86.1)	(12%)
Royalties	(104.5)	(59.4)	(76%)
Other <sup>1</sup>	(532.3)	263.4	(302%)
<b>Total operating expenses</b>	<b>(2,013.7)</b>	<b>(948.3)</b>	<b>(112%)</b>
Other expenses	(6.9)	(16.6)	58%
<b>EBITDA</b>	<b>1,396.7</b>	<b>1,121.9</b>	<b>24%</b>
Depreciation and amortisation expenses	(800.0)	(665.7)	(20%)
<b>EBIT</b>	<b>596.7</b>	<b>456.2</b>	<b>31%</b>
<b>EBITDA margin</b>	<b>41%</b>	<b>54%</b>	

<sup>1</sup> Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

# Mine Analysis: Las Bambas Continued

Las Bambas produced 302,033 tonnes of copper in 2023, which was 47,197 tonnes (19%) higher than 2022 largely due to uninterrupted operations in 2023 that allowed 20% more ore to be processed compared to a production shutdown of more than 50 days in the second quarter of 2022.

Copper sales volumes were 69% higher compared to 2022 due to stable logistics since March 2023 compared to 173 days of road blockages throughout 2022. Copper concentrate sales of 1.1 million tonnes of concentrate (374,743 tonnes of payable metal) for the year 2023 marks as the second-highest level since the commissioning of the mine. As a result of the stability, on-site concentrate inventory was reduced to the minimal level of around 1,000 tonnes of copper in concentrate at the end of 2023, compared to approximately 85,000 tonnes at the beginning of the year.

Revenue of US\$3,417.3 million was US\$1,330.5 million (64%) higher than 2022 due to higher sales volumes for copper (US\$1,236.8 million), gold (US\$53.8 million), silver (US\$41.4 million) and molybdenum (US\$33.3 million) and higher sales prices for molybdenum (US\$23.3 million). This was partly offset by lower copper prices (US\$94.6 million).

Total production expenses of US\$1,280.7 million were US\$214.5 million or 20% above 2022. This was mainly driven by higher material mined and milled volumes (US\$77.2 million), lower deferred mine capitalisation costs (US\$67.6 million), higher copper concentrate transported (US\$56.8 million) and increased maintenance works previously deferred (US\$50.2 million). Production expenses were also higher due to increased execution of social programs (\$22.5 million). This was partly offset by lower unit prices for diesel (US\$21.1 million), explosives (US\$14.1 million) and grinding media (US\$5.5 million).

EBIT was further impacted by unfavourable stock movement of US\$787.4 million due to a drawdown of concentrate inventory (US\$468.3 million) in 2023, compared to a build-up (US\$235.6 million) in 2022 and a higher drawdown of ore stockpiles (US\$80.7 million). Royalty expenses were also higher by US\$45.1 million reflecting higher revenue.

Depreciation and amortisation expenses were higher than 2022 by US\$134.3 million (20%) due to higher mining and milling volumes.

The C1 costs of US\$1.60/lb for 2023 were below our guidance range of US\$1.65 – US\$1.75/lb, although they were higher than the 2022 C1 costs of US\$1.53/lb. The higher C1 unit costs in 2023 are attributed to higher production costs and the absence of care and maintenance cost exclusions for the period of the shutdown in 2022 (US\$97.4 million), partly offset by increased copper production and higher by-product credits from molybdenum, gold and silver.

## 2024 Outlook

Full-year production for 2024 is expected to be between 280,000 and 320,000 tonnes of copper in concentrate. This is largely in line with 2023 but is subject to the timing of the development of Chalcobamba.

Las Bambas C1 costs in 2024 are expected to be in the range of US\$1.60 – US\$1.80/lb, representing an increase compared to 2023 primarily due to higher ore mined and milled volumes and lower by-product credits related to lower molybdenum price assumptions.