

Mines analysis

Las Bambas

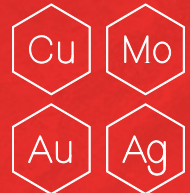
Location

Peru



Products

**Copper concentrate
Molybdenum concentrate**



Revenue (US\$ million)

\$2,977.6



Ore milled (tonnes)

51,586,909



Ownership



MMG Limited	62.5%
CNIC Corporation Limited	22.5%
CITIC Metal Co., Ltd.	15.0%

Copper in copper concentrate produced (tonnes)

322,912

Las Bambas achieved US \$1.6 billion EBITDA, a 14% year on year increase driven by reduced production costs and higher commodity prices.

In the fourth quarter of 2024, the site achieved its highest quarterly production since 2019. This strong result was driven by the commencement of mining at Chalcobamba and made possible by the ongoing focus on community engagement and uninterrupted transportation throughout the year.



Mines Analysis: Las Bambas Continued

Year ended 31 December	2024	2023	Change % Fav/(Unfav)
Production			
Ore mined (tonnes)	63,819,945	46,429,483	37%
Ore milled (tonnes)	51,586,909	52,871,670	(2%)
Waste movement (tonnes)	122,617,927	122,908,814	(0%)
Copper in copper concentrate (tonnes)	322,912	302,033	7%
Payable metal in product sold			
Copper (tonnes)	302,868	374,743	(19%)
Gold (ounces)	56,170	94,925	(41%)
Silver (ounces)	3,534,990	5,361,326	(34%)
Molybdenum (tonnes)	3,138	4,037	(22%)
Year ended 31 December	2024 US\$ million	2023 US\$ million	Change% Fav/(Unfav)
Revenue	2,977.6	3,417.3	(13%)
Operating expenses			
Production expenses			
Mining	(465.4)	(490.4)	5%
Processing	(299.5)	(316.3)	5%
Other	(489.2)	(474.0)	(3%)
Total production expenses	(1,254.1)	(1,280.7)	2%
Freight	(85.2)	(96.2)	11%
Royalties	(90.7)	(104.5)	13%
Other ¹	100.1	(532.3)	119%
Total operating expenses	(1,329.9)	(2,013.7)	34%
Other expenses	(53.4)	(6.9)	(674%)
EBITDA	1,594.3	1,396.7	14%
Depreciation and amortisation expenses	(762.2)	(800.0)	5%
EBIT	832.1	596.7	39%
EBITDA margin	54%	41%	

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

Revenue in 2024 reached US\$2,977.6 million, a decrease of US\$439.7 million (13%) compared to 2023. Lower sales volumes of copper (US\$563.4 million), gold (US\$73.8 million), silver (US\$41.8 million) and molybdenum (US\$39.1 million), along with lower molybdenum prices (US\$8.2 million), drove this decline. The lower sales volumes reflect the impact of significantly higher concentrate shipments in 2023, which depleted inventory accumulated during the 2022 nationwide road blockages. This was partly offset by higher prices for copper (US\$239.8 million), gold (US\$29.4 million) and silver (US\$17.5 million).

Total production expenses for 2024 were US\$1,254.1 million, representing a decrease of US\$26.6 million (2%) compared to 2023. This reduction was primarily attributable to higher deferred mining costs relating to the Chalcobamba pit development (US\$28.6 million) and lower unit prices for diesel (US\$45.0 million), explosives (US\$8.1 million), reagents (US\$4.9 million) and grinding media (US\$2.9 million). Production expenses were also lower due to reduced spending on social conflicts mitigation (US\$17.2 million) and copper concentrate

Mines Analysis: Las Bambas Continued

transportation (US\$8.9 million). This was partly offset by higher material mined volumes (US\$21.0 million), increased maintenance (US\$21.9 million) owing to uninterrupted operations in 2024 and expanded drilling activities at Chalcobamba (US\$18.3 million). Additionally, employee benefits were higher (US\$18.7 million) due to increased profit share incentives for 2024.

Freight and royalty expenses were lower by 11% and 13% respectively, reflecting lower sales volume and revenue.

Operating expenses were favourably impacted by stock movement, with a build-up of concentrate inventory (US\$42.2 million) and ore stockpiles (US\$69.7 million) in 2024, compared to drawdowns of concentrate (US\$468.3 million) and ore (US\$47.0 million) in 2023.

Other expenses totalled US\$53.4 million, a US\$46.5 million increase compared to 2023. The increase is primarily attributable to: (1) foreign exchange losses of US\$6.5 million, contrasting with US\$14.6 million in foreign exchange gains in 2023 due to fluctuations in the Peruvian Sol; (2) higher exploration costs of US\$16.6 million, reflecting expanded land access for drilling activities; and (3) provisions for tax audits in Peru (US\$8.2 million).

Depreciation and amortisation expenses decreased by US\$37.8 million (5%) in 2024 compared to 2023. This reduction reflects the US\$39.7 million amortisation of capitalised mining assets at Ferrobamba Phase 3 following the completion of mining operations and a US\$12.9 million favourable impact from extending the useful life of tailing dam facility assets. These reductions were partly offset by higher ore mined and copper production volumes.

The C1 cost of US\$1.51/lb for 2024 was lower than the 2023 C1 cost of US\$1.60/lb due to higher copper production rates and lower cash production expenses.

2025 Outlook

Las Bambas copper production for 2025 is expected to reach 360,000 - 400,000 tonnes. The higher end of the range represents full-year operation at both the Chalcobamba and Ferrobamba pits, assuming the absence of significant social unrest in Peru. The lower end accounts for conservative assumptions regarding operational disruption days and variations in ore grade.

Las Bambas C1 costs in 2025 are expected to range from US\$1.50 - US\$1.70/lb, exceeding actual 2024 levels. This is primarily due to:

- Higher employee benefits, primarily driven by improved profitability and a one-time collective bargaining agreement payment.
- Reduced capitalised mining costs resulting from a shift to ore mining.
- Increased social program spending related to forthcoming commitments.

These cost increases are partly mitigated by improved operational efficiency resulting from higher production volumes and the ongoing business improvement savings program.