



2021 ANNUAL
SUSTAINABILITY REPORT



THE KEYS TO OUR
RESILIENCE



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RESILIENCE



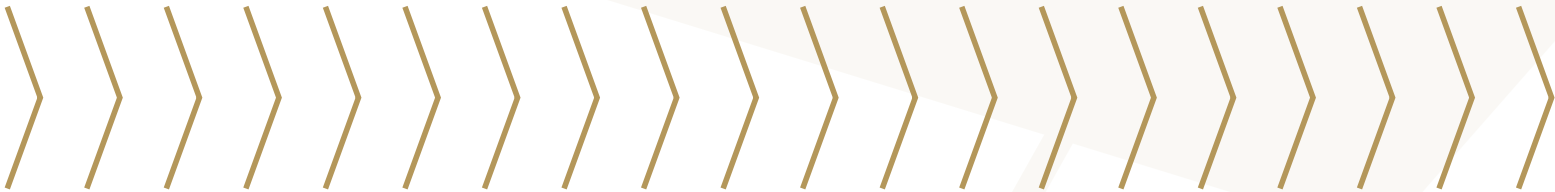
THE UNCERTAINTY, DISRUPTION AND CRISIS CAUSED BY THE COVID-19 PANDEMIC HAVE TAUGHT US A GREAT LESSON: IF WE CHANGE THE WAY WE PERCEIVE PROBLEMS, WE CAN TURN THE MOST COMPLICATED SITUATION INTO A VALUABLE OPPORTUNITY FOR GROWTH. DURING THE PRECEDING YEARS, OUR ABILITY TO LEARN, CHANGE AND ADAPT WAS TESTED. OUR ENTREPRENEURIAL RESILIENCE WAS CHALLENGED.

THE KEYS TO OUR RESILIENCE

This context posed a challenge we had never faced before. But we were confident in the ability of our people and the strength of our organization to respond and adapt to change. And so, with great expectation and motivation, we activated the keys to our resilience.

- STRENGTHENING OUR RISK MANAGEMENT
- WORKING TOGETHER
- OPTIMIZING PROCESSES
- INNOVATING AND USING NEW TECHNOLOGIES

The four keys interlock and form a flexible but firm network, capable of adapting quickly to any external circumstance. However, resilience is a continuous process. Therefore, in order to continue developing, we must strengthen the entrepreneurial skills in each one of our team members at all times.



INNOVATING
AND USING NEW
TECHNOLOGIES



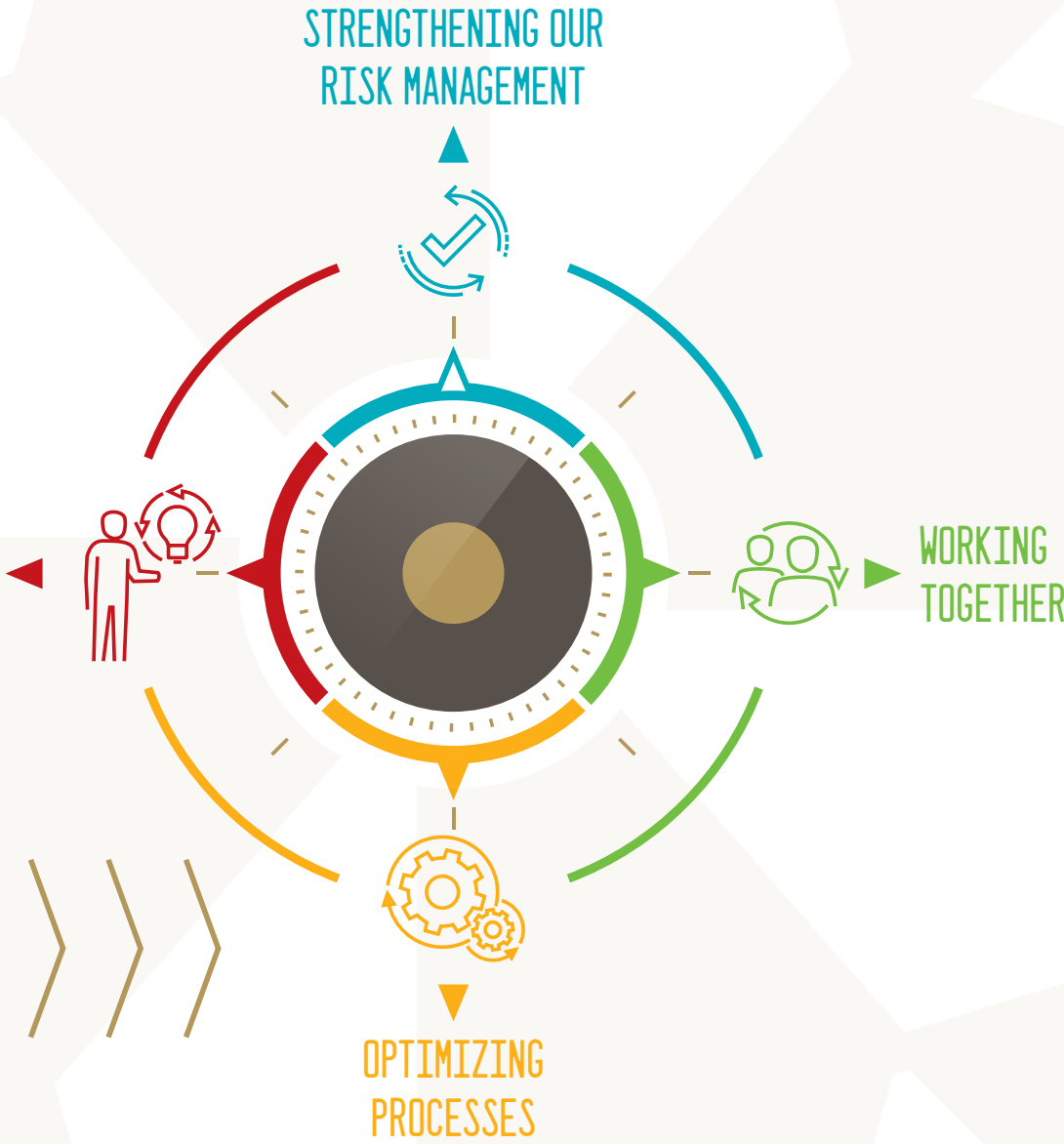
STRENGTHENING OUR
RISK MANAGEMENT



WORKING
TOGETHER



OPTIMIZING
PROCESSES



CREDITS

2021 Annual Sustainability Report

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DISCLAIMER

This 2021 Annual Report has been prepared under the principles of good faith and transparency, in accordance with the legal provisions in force and pursuant to the Manual for the Presentation of Annual Reports of the Superintendencia de Mercados de Valores (Peruvian Securities Market Superintendence - SMV); therefore, any deficiency or omission is not voluntary. Pursuant to CONASEV's General Management Order N° 211-98-EF/94.11 and its modifications, we hereby state that "This document contains true and sufficient information regarding the business of Compañía Minera Poderosa S.A. during 2021. Notwithstanding the liability of the persons who have prepared it, the undersigned are liable



for its contents pursuant to the legal provisions in force".

THE INFORMATION CONTAINED
IN THIS ANNUAL REPORT CANNOT
BE USED ALONE FOR INVESTMENT
DECISIONS.



**Evangelina Arias
Vargas de Sologuren**
Executive Chairperson
of the Board of
Directors



**Russell Marcelo
Santillana Salas**
General Manager



**Daniel Ricardo Torres
Espinoza**
Operations Manager



**José Antonio Elejalde
Noya**
Finance and Trade
Manager



**Walter Teodoro
Martín Díaz**
Meyzan Integrated
Management
System and Social
Responsibility



Fausto Cueva Castillo
Geology and
Explorations Manager



**Iván Tomás Asmat
Salazar**
Accountant General



Helena Zuazo Arnao
Head of the Legal
Department

Why do we produce a sustainability report every year? Because it expresses our economic, social, and environmental commitment. Our Annual Sustainability Report is a transparency tool that provides valuable information to our stakeholders; it is a way to be accountable.

For the past twelve years, we have designed our sustainability reports pursuant to the Global Reporting Initiative (GRI) methodology. Our former annual reports (2010 - 2013) were based on the GRI version GR3.1; between 2014 and 2019, we applied the criteria of the GRI G4 version to the annual reports. The 2020 report and this edition comply with the GRI Standard parameters.

This report has been produced pursuant to the GRI Standards Core Option. The 2021 Report was published in November 2021.

THE RELEVANCE OF THIS REPORT



The information contained in this report corresponds to the period between January 1st to December 31st, 2021, it covers the operations in Peru of the Marañon and Santa Maria production units in the Pataz district, La Libertad Region, and includes the work of the administrative offices and warehouses located both in Lima and in Trujillo. During this period, the significant changes that have taken place regarding the size, structure, and ownership of the company are the following:

The General Shareholder meeting held on March 9, 2021, approved by majority vote profits distribution for a total of USD 62,436,000, to be debited from the 2018 and 2019 accrued results.

The meeting unanimously approved the capital stock increase from PEN 363'000,000 to PEN 453,750,000, through the capitalization of PEN 90,750,000, that came from the accrued results of 2019. Therefore, 90,750,000 shares were issued and released for a nominal value of PEN 1 each, which represent 25% of the shares released.

In 2021 the work to expand the Santa Maria Beneficiation plant to 1,000 MTD continued. The assembly of thickeners No. 13 and 14 was completed. In the first months of 2022 the tests with loads will be performed. At the refinery, we completed the installation of a precipitates chemical refining module, that will allow defining the operation parameters of this plant at an industrial scale.

In this report there are no changes or restatements related to mergers or purchases, changes in the years or base periods, business nature or measurement methods. There are no significant changes with respect to the former reporting periods or in the list of material topics and their scope.

It is worth mentioning that in 2016, the Board of Directors approved our Sustainability Statement, which we updated in July 2021. This document reflects the Senior Management's commitment with our stakeholders.

The electronic version of this 2021 Annual Sustainability Report can be found in 2021 www.poderosa.com.pe

For further information about this report please contact

Compañía Minera Poderosa SA
Social Responsibility and
Communications Deputy
Management Office
Address: Avenida Los Faisanes, manzana G, lote 16-A-1, Fundo San Sebastian, Zona II, Chorrillos, Lima, Perú
Telephone: (511) 617-2727, extension 4107
E-mail: responsabilidadsocial@poderosa.com.pe

MATERIALITY PRINCIPLE

The material topics developed in this report reflect the most significant economic, environmental, and social impacts of our activities or that could substantially influence the assessments and decisions of our stakeholders. Assessing materiality allows us to manage issues efficiently, set objectives and prioritize our actions with emphasis on sustainability. The materiality of this report is based on the GRI guidelines and publishes the topics considered to be of utmost importance to our stakeholders.

and relevant to achieving our strategic objectives.

This report is based on the most important topics for our management in the social, environmental and governance fields. We prioritize them along two axes:

- **Internal Relevance:** The last verification of the material aspects was in 2020. At the time, we identified new material aspects that were validated in 2021 by the Senior Management and the General Management.
- **External Relevance (stakeholders):** In the same way, we obtained information about the most important topics for our stakeholders.



MATERIALITY ANALYSIS AND VALIDATION

The first materiality analysis was carried out in 2014 and validated in 2020. In this last update, the perception of stakeholders was evaluated for each material aspect, and included the development of focus groups, in-depth interviews with representatives of our stakeholders and the analysis of various studies and reports, such as

the study of community perception of our performance, the validation of the principles of good corporate governance 2020, the procedure for recruitment, selection and hiring of personnel; the annual report 2020 together with the Responde report on that document; the report on the audited financial statements and the annual plan for the current year. In both cases, a thorough process was developed with the participation of senior management, line executives and stakeholders, and it consisted in the following four phases:

1 >>>>>>> 2 >>>>>>> 3 >>>>>>> 4

REVIEW

Information from the mining sector and relevant to the industry was analyzed and compared. Several documents related to our social responsibility strategy such as the Code of Conduct of the Sociedad Nacional de Minería, Petróleo y Energía (National Mining, Oil and Energy Association— SNMPE), Internal Work Regulation, General Policies, Integrated Management System Policies (SIG), and Mission, Vision and Values statement were also reviewed.

IDENTIFICATION

Under the materiality principle the list of the most relevant topics included in the 2014 was reviewed, and other relevant aspects that could cause significant impacts on the stakeholders or in the company's value chain were included.



PRIORITIZATION

A preliminary list containing the material aspects was produced establishing scope and coverage through the application of the inclusiveness principle and responding to the expectations of the stakeholders.

VALIDATION

The preliminary list was validated by officers, workers and stakeholder representatives who participated in workshops and responded to surveys. This way, a final list of the material aspects was completed.

This report presents a detailed description of the way in which we have responded to each one of these materials topics, which are part of the interests and concerns of our stakeholders.

By overlapping these two dimensions, we have produced the material topics matrix (page 12).

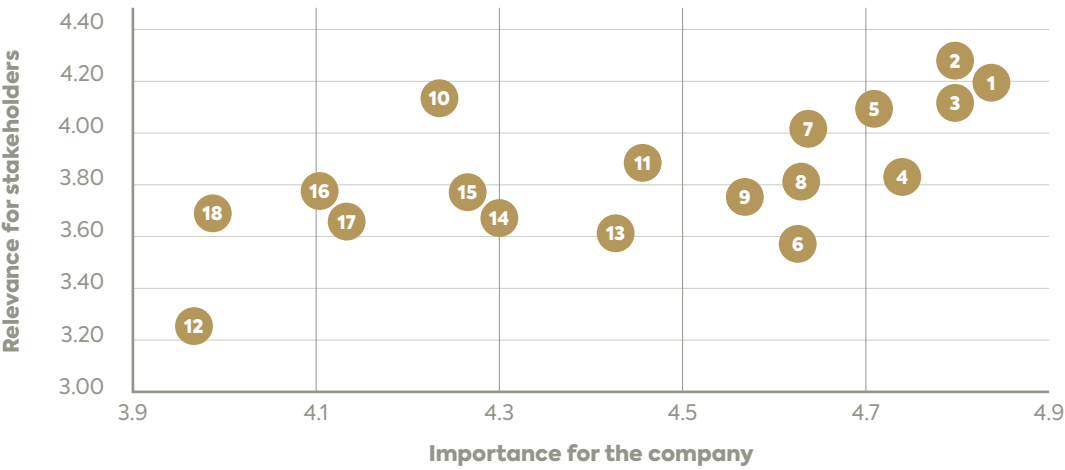
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MOST RELEVANT
MATERIAL ASPECTS (SCOPE AND COVERAGE)

	MATERIAL ASPECTS	COVERAGE	STAKEHOLDER GROUP	SIGNIFICANT IMPACT
1	Occupational Health and Safety	Internal	Shareholders and directors, workers, suppliers, contractors, Government	Occupational health, labor accidents
2	Economic Performance	Internal	Shareholders and directors, workers, community, Government, suppliers, contractors	Financial results, business opportunities, direct and indirect economic impact
3	Operations Management: Production	Internal	Shareholders and directors, workers, contractors, Government	Operational efficiency, sustained production in ounces, environmental impacts
4	Community relations	External	Community, suppliers, artisanal miners, Government	Sustainable development promotion in our area of influence
5	Water Management	Internal and external	Government, community	Possible impact on quality and quantity of water used for the operation's activities
6	Anticorruption	Internal	Shareholders, workers, Government, suppliers	Reputational damage
7	Labor practices and decent work	Internal	Shareholders, workers, Government	Safe and healthy environment, compliance of occupational health and safety, staff turnover, job opportunities, diversity and gender equality, child labor, human rights
8	Mine closure plan	Internal and external	Government, community	Process that may affect people's health and safety, the environment, the surrounding ecosystem, and property

	MATERIAL ASPECTS	COVERAGE	STAKEHOLDER GROUP	SIGNIFICANT IMPACT
9	Energy Management	Internal	Government, Shareholders	Operations continuity, costs reduction
10	Asset security	Internal	Workers Contractors	Possible damage to property by persons from outside the company
11	Formalization of artisanal miners	External	Artisanal miners, Government, community, suppliers	Environmental impact reduction, formalization of the economy, economic results
12	Innovation	Internal	Workers, Government, suppliers, contractors	Operational efficiency and cost reduction
13	Gas Emissions Management	Internal	Government, community	Greenhouse gas emissions, solids in suspension in the air
14	Materials Management	Internal	Government, community	Possible impact on people's health and on the environment
15	Respect for biodiversity	External	Government, community	Cooperation with public policies for the Abiseo River National Park conservation
16	Participative monitoring	External	Government, community	Transparency and dialog opportunities to prevent environmental impacts on water sources
17	Suppliers, Supply chain	External	Suppliers	Efficient supply chain, with product and service quality. Boosting of the local economy through job creation, demand for local services and procurement
18	Forestation	External	Government, community	Fostering productive activities, ensure timber supply, mitigation of carbon footprint

PODEROSA MATRIX



Learn more about material issues, their importance to us and our response to the challenges they represent:

ORGANIZATION:		PAGE
Economic performance		98
Operations Management		74
Suppliers: Supply Chain		184
Anticorruption		52
Innovation		46
Asset Security		34
WORKERS:		
Occupational Health and Safety		170
Labor practices and decent work		146
SOCIAL:		
Participative monitoring		112
Community relations		192
Formalization of artisanal miners		228
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CONTENT



PART 1

WE ARE MINERA
PODEROSA



CHAIRPERSON’S LETTER



As in 2020, this year we had to overcome many challenges, testing our resilience and our ability to adapt quickly to new, unfamiliar, and changing situations. Faced with this circumstance, we acted always with solidarity and empathy.

During this second year of the covid-19 pandemic, scientific advances gave us new guidelines to better understand the behavior of the virus variants and provided us with more tools to control the disease. Thanks to this and to the efforts made to prevent infection and to vaccination, we have managed to maintain a low rate of infection. In this regard, we actively seek to protect our personnel and their families. The protocols we established to deal with the pandemic are constantly being reviewed and adapted. We also provide up-to-date information to our workers and their families so that they can better protect themselves at home.

In this regard, I would like to highlight the important role of vaccination, the availability of which, starting in the second quarter of the year, marked a milestone in the fight against covid-19. Since then, we have supported and co-organized, together with the corresponding public health authorities, vaccination campaigns to protect our workers and the population in our area of influence. We reaffirm our willingness to continue supporting all of them and doing everything in our hands, from our role as a private company, to protect our environment from the pandemic. We thank the public institutions and

professionals for their continuous fight against this disease.

As for the sector, gold prices were volatile, particularly because of the new waves of covid-19 variants and global inflation. However, for a second year, the price exceeded estimates: the average was USD 1,798.84/oz, higher than the USD 1,771.22/oz in 2020. The price of gold, as a safe-haven asset, is expected to remain high during 2022 due to persistent global inflationary pressure and the high uncertainty generated by the recent Russian invasion of Ukraine in February 2022.

"FOR A SECOND YEAR, THE PRICE EXCEEDED ESTIMATES: THE AVERAGE WAS USD 1,798.84/OZ, HIGHER THAN THE USD 1,771.22/OZ IN 2020. THE PRICE OF GOLD, AS A SAFE-HAVEN ASSET, IS EXPECTED TO REMAIN HIGH DURING 2022".

During 2021, Peru’s GDP growth was 13.2%, according to BCRP forecasts. This economic rebound highlights the resilience of the Peruvian economy. The trade balance registered a surplus of USD 14,656 million due to the increase in the in the prices of our main export products, especially metals. However, some sectors and vital aspects of the



economy, such as formal employment and inflation levels, have not yet recovered. In addition, the political instability generated by the governments of the previous five-year period has increased, and legal stability is beginning to be threatened. It is necessary to emphasize that the country’s stability is key to generate the confidence required for long-term investments, such as those in the mining sector. Investments are essential for economic growth, the closing of gaps and to achieve the development that our country requires.

At our mining units, we continue to face difficulties in operating with a full staff, mainly due to quarantines and a shortage of housing with the necessary biosafety and quality conditions. To remedy this situation, we continue to work on our camp construction and adaptation program. In terms of safety, we maintained a good performance: the accident rate in 2021 was 0.09. I urge everyone to do their best to continue working safely and taking care of our health, to reach our goal of ZERO accidents.

Our reserves registered a slight variation: 753,038 ounces of gold. We produced 298,444 ounces of gold, 13% higher than in 2020 but lower than the 314,023 ounces produced in 2019. The higher prices and the greater production achieved in 2021 allowed us to have good economic and financial results, and to occupy the first place as gold producing company in the country.

Illegal and informal mining increased significantly, not only in our region but also in the country. The main factors were the high gold prices and the absence of law enforcement. In addition, the expiration of the extraordinary artisanal mining formalization process, initiated in 2002, almost 20 years ago, was again postponed. Unfortunately, under the cover of this process, illegal mining activities hide under a supposed legality and, in many cases, violate the acquired rights of individuals and formal miners; invade operating zones; cause serious damage to property and the environment; affect operating infrastructure; and illegally extract ore from third-party concessions. Likewise, cases of physical aggression and intimidation, even with firearms, have been reported against employees of formal companies, as has occurred with ours. These illegal practices affect private companies and increasingly harm operations every year. It is imperative that the government exercise its role and enforce respect for the rule of law.



FOCUSED ON SUSTAINABILITY

Poderosa is convinced that it is possible to live in a better world. Therefore, we are committed to directing our actions and making decisions from a sustainability perspective. We understand sustainability as an approach that allows us to generate value beyond the operating life of our mine, and to contribute to equitable growth for all our stakeholders. From this approach, we implement plans to mitigate or reduce the possible impacts that our activity may cause to health and the environment. Year after year we work to improve the efficiency of our processes, with the clear purpose of improving the society in which we operate and protecting our environment. Consequently, we are committed to being a sustainable company and to influencing other companies to achieve this status, as we are certain that the sustainability of companies improves the future of all of us.

On the other hand, since its foundation, 15 years ago, our NGO, Asociacion Pataz, has become a key component of sustainable development. It focuses on fostering economic development through projects that promote agricultural and forestry growth and productive chains. We also promote and work in public-private partnerships to close gaps in health, education, and governance. As of this year, we have established the Social Innovation Center of Asociacion Pataz, Rurana, which, through social innovation, will contribute decisively to closing the gaps in our district.

It is with great satisfaction that I can say that, through our entrepreneurial history in Pataz, in the quest for its development, we have forested 4,854 hectares with 6,028,025 trees and we have built around 250 km of public roads. All the same, together with the Sanitation Services Management Boards (JASS), the Community Development Committees (CODECOS), the District Municipality, the Regional Government, and other institutions, we have achieved the following:

- **100% of the communities in the district receive electric energy from the National Interconnected Grid.**
- **100% of the communities have drinking water systems: 15 of them already have micrometers and 4 are undergoing implementation.**
- **15 schools have been equipped and built with brick and mortar. 12 have internet and 3 are undergoing implementation, representing 100% of the schools in the district which are ready to receive the students in the 2022 school year, among other achievements.**

Finally, even though the economic results for 2021 are favorable, we are going through extremely difficult times, both because of the advance of illegal mining and the national and international context. I would like to reiterate that we are firmly committed to making our greatest efforts to overcome them in the best possible way. We will continue to work in accordance with our values and principles, seeking to create development opportunities for everyone in our environment. I am deeply grateful to our shareholders for their trust, to the Board of Directors and to the entire Poderosa team for their permanent support and great commitment.



Yours sincerely,
Evangelina Arias Vargas de Sologuren

“WE FOCUS ON GENERATING POSITIVE SOCIAL IMPACTS AND ADEQUATE ECONOMIC RESULTS, WHILE BEING A GOOD EMPLOYER, A GOOD NEIGHBOR AND RESPECTING THE ENVIRONMENT”



STRENGTHENING OUR RISK MANAGEMENT

INNOVATING
AND USING NEW
TECHNOLOGIES



WORKING
TOGETHER

OPTIMIZING
PROCESSES



NO CALM SEA HAS EVER MADE A SAILOR AN EXPERT



Lorgio del Castillo
Occupational Safety
and Health Assistant
Superintendent

"WE ALL ADD UP TO CONTINUE IMPROVING
SECURITY MANAGEMENT"

"FROM THIS EXPERIENCE,
WE HAVE ACQUIRED NEW
HABITS FOR SAFE CONDUCT,
WHICH HELP US TO IMPROVE
PRODUCTIVITY, TO BE AWARE THAT WE ALL
ADD UP TO CONTINUE IMPROVING SAFETY
MANAGEMENT IF WE RESPONSIBLY REPORT
SUBSTANDARD ACTS AND CONDITIONS"

Something similar happens to companies, as
does to people when they leave their comfort
zone: they begin to encounter unforeseen
situations that test their resilience. In recent
years, due to the world sanitary and economic



crisis, we had to face an unexpected and
critical situation, but we did so with a
clear idea in mind. This is the time to turn
the steering wheel and find new
opportunities for improvement.

Every time we must deal with a crisis, a
rough sea, we know how to learn from it
and find a solution. This was well
understood by those in charge of
steering one of the central keys to our
resilience: risk management. Our team's
efforts have made our response to
change effective and proactive,
increasing the confidence of our
stakeholders and implementing controls
to reduce risks and losses. We have been
able to respond adequately to this
situation and resolve risk factors within
our operation.

In this sense, the leadership of the senior
management and general management
has been evident at all times, thus we
have achieved the action plans to be
executed in an ongoing and adequate
manner by the leaders of each process.
We have emphasized the development
and implementation of the occupational
health and safety management system
elements, such as operational discipline,
risk management, change management,
incident investigation, training and
development, and effective
communication. As a result, we were able
to maintain a good safety performance
despite the limitations and difficulties
**"under strict compliance with the
mobilization and permanence
protocols in the units; zero tolerance
for non-complying with them,"** as
Lorgio del Castillo emphasizes.

Messages and communications were
instrumental to strengthen convictions a
to disseminate good practices. Messages



about personal care, health protocols and protection of
coworkers and family **"are permeating the subconscious of
workers, the broadcasting of spots, the delivery of gifts to
workers with messages encouraging them to maintain
good safety practices, played an important role,"** explains
Lorgio.

In this aspect, we made every effort to face the dangers that
workers could face, and, in this way, we were able to maintain
their integrity and well-being, without negative impacts.

If we work together with a defined course, there is no wave
high enough, that we cannot surf. Every unexpected situation
makes us more experienced.



WHAT DO WE DO AND WHERE DO WE OPERATE?

We are a Peruvian mining company since our establishment in 1980. We are engaged in mineral exploitation, extraction, processing, and trading. Our focus is underground gold mining, with a middle-size mining approach.

We produce dore bars made up of approximately 55% gold, 40% silver and the rest is made up of other metals. We must point out that Argor Heraus Switzerland joined Asahi Refining Canada as our customer and refining service provider. Both refineries are LBMA certified, to obtain bars with the London Good Delivery seal, the most appreciated quality standard in the precious metals market. The gold content of the refined bars is 99.99%. All the same.

both refineries are ranked among the best in the world due to their prestige, the number of years in the industry and to their international certifications.

We run our operations in the Pataz district and province, in La Libertad Region, Peru. Our operation has 3 mining units: Marañon, Santa Maria, and Palca. We do not have assets or affiliates abroad. We have treated gold in this area since 1982 nonstop. Our mining rights comprise 118,355 hectares. We perform out operations in 13,574 hectares, and our prospection and exploration works take place in the rest of the land, especially in La Lima, to the North and Suyubamba, South of the production sites.

LA LIBERTAD REGION

PATAZ

118,355 HECTARES OF MINING RIGHTS



2021 HIGHLIGHTS

717

WORKERS IN PAYROLL



3,266

**WORKERS OF RELATED CONTRACTORS
AND MINING COMPANIES**

SALES >>>>>>>>>>>>>>>>>>>

297,161

OZ GOLD

222,250

OZ SILVER



PEN 2,102'746,925.43

(USD 539'261,709.90)

MAIN INDICATORS >>>>>>>>>>>>>>>>>>

	AS OF DEC. 2020	AS OF DEC. 2021
Net Production (gold ounces)	264,792	298,444
Total Sales (in thousand Soles)	1'663,261	2'102,746
Net profit (in thousand soles)	385,559	552,791
Net assets (in thousand soles)	1'196,379	1'517,920
Assets (in thousand soles)	1' 708,321	2' 072,248
Liabilities (in thousand soles)	511,943	554,328

AWARDS AND RECOGNITIONS

	<p>April 5S National Award Diamond Medal awarded to Marañon and Santa Maria production units. This recognition is awarded to the companies that have received the gold award in three opportunities.</p>
	<p>April 5S National Award Gold Medal for the Marañon and Santa Maria production units. Seventh year</p>
	<p>July Socially Responsible Company Award (SRC)</p>
	<p>July International Quality Competition: Excellency Leaders, awarded to CMC Planning</p>
	<p>Quality Management Committee July National Quality Week For the Project called: Electrical energy savings through innovation in lighting equipment in the Marañon plant and camps, submitted by the Luz y Fuerza Continuous Improvement Circle</p>
	<p>Quality Management Committee July National 5S Award during the National Quality Week For the Project called: Increase of the useful life of the loader pulleys by improving their design in the conveyor belts of the Marañon Plant crushing section, submitted by the Los Tigres Continuous Improvement Circle.</p>

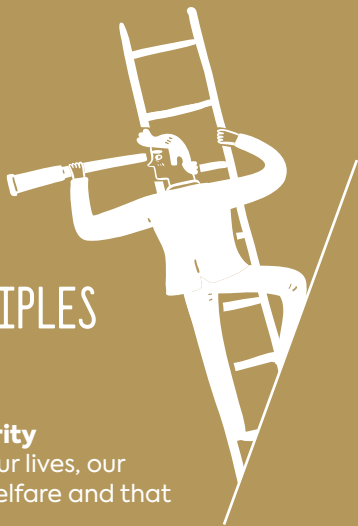
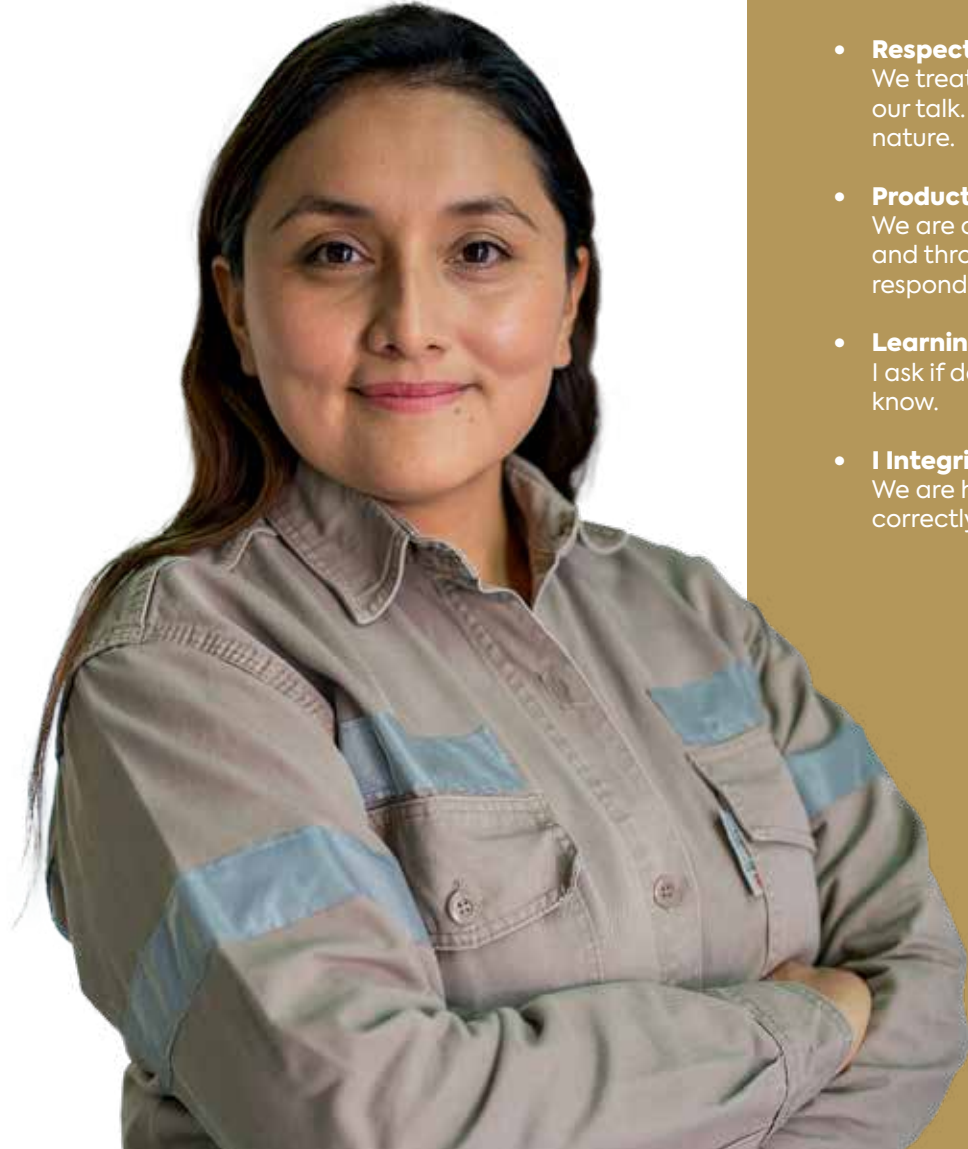


OUR VISION

TO BE THE COMPANY YOU CAN FEEL PROUD OF WORKING WITH

AND MISSION

TO RESPONSIBLY TRANSFORM OUR MINERAL WEALTH INTO DEVELOPMENT OPPORTUNITIES



OUR KEY PRINCIPLES AND VALUES

- Safety and security**
We take care of our lives, our health, and our welfare and that of our colleagues.
- Responsibility**
We are proud of our work, and responsible for our results. We are not afraid of making mistakes, we correct each other, and we improve every day.
- Teamwork**
Together we find the best solution and results. We are not arrogant, and we respect other people's ideas.
- Respect**
We treat others as we want to be treated. We walk our talk. We comply with the law, and we care for nature.
- Productivity**
We are committed to produce more, in a better way and through adequate use of our resources. We respond and adapt easily to change.
- Learning and teaching**
I ask if do not know something, and I share what I know.
- Integrity**
We are honest and fair; we act ethically and correctly.

OUR ORGANIZATIONAL STRUCTURE

GENERAL SHAREHOLDERS MEETING

BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

EVANGELINA ARIAS
President of the Board of Directors with executive functions

MARCELO SANTILLANA
General Manager

HELENA ZUAZO
Institutional Head of the Legal Department

DIEGO SOLOGUREN
Strategic Development Executive Coordinator

JOSÉ ESTELA RAMÍREZ
Energy Projects Superintendent

JULIO ACCINELLI
Lima, Tailings and Dumpsters Projects

ARTURO CERVANTES
Head of Asset Security

LUIS CÁRDENAS
Head of Environmental Permits and Security

MARIANO PACHECO
Head of Mining Properties

BEELER CALLUPE
Public Projects Manager

WALTER DÍAZ
Integrated Management System and Social Responsibility

FAUSTO CUEVA
Geology and Explorations Manager

DANIEL TORRES
Operations Manager

JOSÉ ELEJALDE
Administration, Finance and Trade Manager

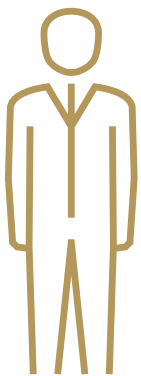
JIMENA SOLOGUREN
Social Responsibility and Communications Deputy Management

ANÍBAL LA PUENTE
Logistics and Cost Deputy Management

YORK DUEÑAS
IT Deputy Manager

DENNIS MARCOS
Collection Superintendent

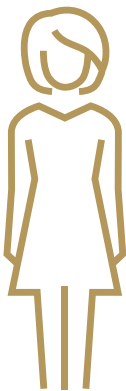
OFFICERS PER GENDER AND AGE



15

30-50 years: 4
Over 50: 11

Lima: 7
Marañón: 7
Santa María: 1



3

30-50 years: 2
Over 50: 1

Lima: 3
Marañón: 1

MAIN IMPACTS, RISKS AND OPPORTUNITIES

Our Integrated Management System and Social Responsibility Manager is responsible for the prevention of compliance risks. All the same, the Board of Directors Auditing Committee assesses any potential risks that may affect the company's operations development.

RISKS >>>>>>>>>>>>

COVID-19 PANDEMIC

We continued to experience difficulties with our workers, particularly with staffing, housing capacity with social distancing and managing isolation times prior to entering the mining unit. We did not have the necessary personnel to operate the mines at maximum capacity. This situation has substantially delayed our operations, regarding our mineral resources and cost reduction plans.

As part of our efforts to overcome this pandemic, we built new camps and promoted the vaccination of personnel entering the mining unit. With these measures, we increased production of fine gold ounces by 12.70% compared to 2020.

In addition, the pandemic caused worldwide logistical problems that resulted in delays in delivery times and shortages of some materials. These problems are expected to persist for the foreseeable future.

POLITICAL AND ECONOMIC CONTEXT

Uncertainty has been generated with respect to the government elected in the 2021 elections, particularly on issues related to capacities, economic direction, tax changes and a possible change of the constitution. This was reflected in the outflow of capital, increase in country risk, increase in the exchange rate and depreciation of the sol. While the fall of the sol has a favorable economic effect for the company in the short term for it reduces some costs in soles, the increase in inflation in the country may cause costs to increase in soles in the future. Also, greater geopolitical risk may make access to capital more expensive. More information can be found in the Country Overview section.

We hope that the government will maintain the economic policies that have governed the country in the past decades, thus allowing the economy to thrive.

ARTISANAL MINING

Artisanal mining operations accounted for 24.27% of annual production; however, as mentioned, the increase in illegal mining and mineral theft have hindered the normal development of activities.

OPPORTUNITIES >>>>>>>>>>>

HIGH PRICE OF GOLD

The average gold price was USD 1,798.84 per ounce. This price increase was due to the uncertainty caused by the pandemic and the increase in inflation (the highest in the last forty years). However, the US Federal Reserve is expected to raise its rates to control inflation, which may have a negative impact on the price during 2022.

RESOURCES

Gold ore resources increased by 2%, representing 1,474,822 MT. Gold fines reduced in 2% (780,703 oz); and the grade reduced in 4% (16.75 grams of gold per ton)

INVESTMENT

Despite the difficulties, we continued expanding the capacity of the Santa Maria I plant. We expect to achieve the target of 1,000 tons/day by the end of 2022. In addition, the improvement of computer and communications systems was promoted, bringing us closer to the automation of our processes.

ENERGY

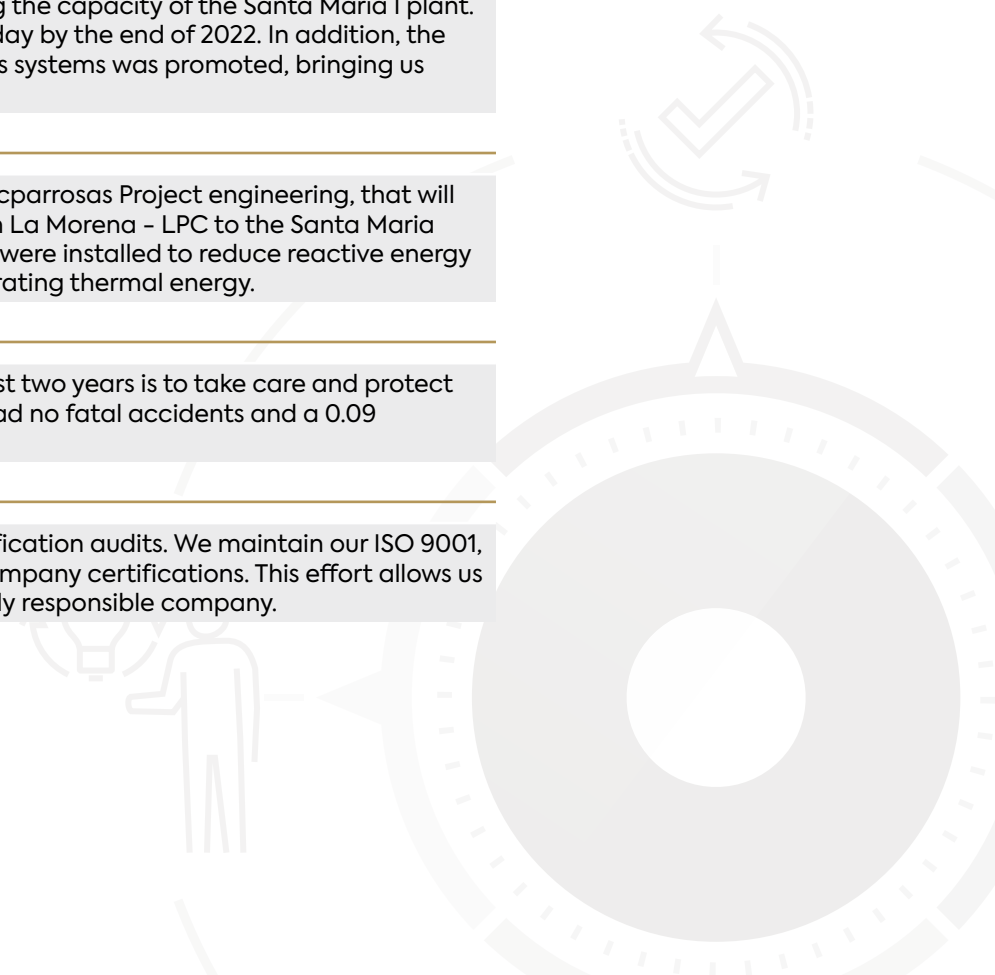
We continued to work to get the permits for Cacparrosas Project engineering, that will enable transportation of 60 kVA electricity from La Morena - LPC to the Santa Maria production unit. All the same, condenser Banks were installed to reduce reactive energy and oil consumption to almost zero, while generating thermal energy.

SECURITY

One of the lessons we have learned over the past two years is to take care and protect each other from hazards. As a result, we have had no fatal accidents and a 0.09 accident rate.

CERTIFICATIONS

Positive results were achieved through our certification audits. We maintain our ISO 9001, 14001, 45001, 37001 and Socially Responsible Company certifications. This effort allows us to be a highly competitive, low-cost, and socially responsible company.





ASSET SECURITY

OUR MOTIVATION

We focus our attention and concern on this issue because illegal mining activities hinder the orderly functioning of the mining operations and put the personnel working in our operations at risk. It also causes the loss of reserves and resources of the concessions where we operate. On the other hand, this dangerous situation also affects small formal miners or artisanal miners in formalization with whom we have been working for many years in a legal and peaceful manner in areas that we have assigned for these tasks. The actions of illegal miners do not discriminate, and impact hundreds of families and individuals who make a living from this type of mining.

During 2021, illegal mining activities expanded in an alarming manner due to the absence of the authority and the increase in the price of gold. This situation has increased the violence of armed robbers and the presence of

organized gangs in different parts of the country, and mainly in our region, which has considerably affected the normal development of our operations and has put the lives and physical integrity of our workers at risk. It has also caused damage to the company's infrastructure and projects, increasing security risk and the stability of the rock wall, loss of mineral resources and generating greater environmental pollution. All the same, we have witnessed that artisanal miners under formalization have organized themselves to take control of certain exploitation sectors within our operations. This represents a significant cost increase, which affects our results, and therefore, the payment of taxes to the government.

OUR EFFORTS

We make our best efforts to control illegal mining, however, this problem exceeds our capabilities and attributions in many aspects.

To counteract this situation, we have redoubled our efforts to contain crime and illegality.

- We increased asset protection through industrial security companies.
- We lifted mining blockades to prevent and recover areas taken over by illegal miners and armed gangs.
- We reported these incidents to the authorities.

OUR ASSESSMENT AND RESULTS

In 2021, we filed 220 complaints with the Public Prosecutor's Office and the Peruvian National Police, which were brought to the attention of the competent authorities of the Regional Government. Unfortunately, our demands have not been met. Another fact that contributes to the advance of illegality has been the extension, of the integral mining formalization process for three additional years. This was approved by the Congress of the Republic at the end of 2021. It is worth mentioning that this process has been extended four times in the last 19 years, distorting the exceptional nature of the procedure and encouraged impunity for illegal mining.

The following tables show the high number of clandestine connections (illegal tunnels that connect to our mining operations) and the alarming increase in criminal acts perpetrated by organized gangs (parqueros), which even have long-range automatic weapons.

YEAR	CONNECTIONS
2017	8
2018	29
2019	36
2020	40
2021	84
Total	197

YEAR	INCIDENTS
2017	11
2018	3
2019	8
2020	47
2021	242
Total	311

There are no signs of change in the short term. However, we act with resilience and optimism, we will continue to deploy all our efforts to ensure the continuity of operations and use all legal and formal mechanisms to protect our mining concessions and enforce the right to property and freedom of enterprise.

WE SUPPORT SOCIAL AND INDUSTRY ORGANIZATIONS

We actively participate in unions, institutions and civil society organizations linked to the mining industry or that share similar objectives to ours, and that fight for the development of our activity and the well-being of society.

As a member of the SNMPE, we actively participate in several of its committees and have adhered to its code of conduct. In addition, we are member of the Peru 20201 Trust, an organization that promotes social responsibility practices at corporate, government, and citizenship level.

- We are also part of the following institutions:
- Peruvian Canadian Chamber of Commerce
 - Mining Safety Institute (ISEM)
 - Lima Chamber of Commerce
 - La Libertad Chamber of Commerce and Production
 - Pro Libertad Business Group
 - Peruvian Mining Engineers Institute
 - Universidad Nacional de Ingenieria (UNI) Trust.
 - Asociacion para el Progreso de la Direccion (APD)
 - Asociacion de Buenos Empleadores (ABE)
 - Soluciones Empresariales contra la pobreza (SEP)
 - Alianza para Obras por Impuestos (ALOXI)
 - Mining Innovation Hub
 - Comite Regional de Empresa, Estado, Academia y Sociedad (Creeas-La Libertad)
 - Sociedad Nacional de Minería, Petróleo y Energía (National Mining, Oil and Energy Association– SNMPE)
 - IPAE –Entrepreneurial Association

At a local level, we participate and work together with the regional government through agreements with its management areas (health, education, etc.) and we conduct works for taxes programs; we work with the provincial government, through a framework agreement and with the district governments through agreements to perform development projects sponsored by Asociacion Patatz or through our Community Relations Office.

Poderosa has not adhered to any external sustainability or social responsibility initiatives. However, our sustainability statement, policies, principles, and management systems are aligned with global initiatives or guidelines in force. Also, Asociacion Patatz works in line with the Sustainable Development Goals established by the United Nations Organization (UN).

WE ARE AN ACTIVE MEMBER OF UNIONS, INSTITUTIONS AND CIVIL SOCIETY ORGANIZATIONS LINKED TO THE MINING INDUSTRY OR THAT SHARE OBJECTIVES SIMILAR TO OURS.

PERMITS, APPROVALS AND AUTHORIZATIONS

We respect the domestic and international standards and regulations that govern our activity. ANNEX 3 includes a list of permits, approvals, and authorizations that we have obtained, and which allow us to operate in harmony with our surroundings, government institutions, society, the environment, and other stakeholders.

MARKETS AND CLIENTS

During 2021, we exceeded the projected production and sale of gold ounces. We produced dore bars made up of approximately 55% gold, 40% silver and 5% of other metals. This year, Argor Heraus Switzerland joined Asahi Refining Canada as our customer, providing refining services. Both refineries are LBMA certified, to obtain bars with the London Good Delivery seal, the most appreciated quality standard in the precious metals market. The gold content of the refined bars is 99.99%. All the same, both refineries are ranked among the best in the world due to their prestige, the number of years in the industry and to their international certifications.

In 2021, 298,444 ounces of gold and 224,665 ounces of silver were produced. Of our total sales in U.S. dollars, 98.97% corresponded to fine ounces of gold and the balance to fine ounces of silver. The gold price during 2021 had a volatile trajectory. Likewise, the markets were attentive to the central banks' announcements to end their stimulus programs due to the threat of rising inflation. All the above plus the U.S. dollar and U.S. Treasury bond yields kept the gold price within a limited range below the highs reached during 2020, but also well above the lows recorded during that period. The average spot gold price during 2021 was USD 1,798.84 per ounce, according to Bloomberg. On the other hand, the average price of gold sold by Poderosa during 2021 was USD 1,796.

IN 2021 WE EXCEEDED THE PROJECTED PRODUCTION AND SALE OF GOLD OUNCES.

USD 1,796

AVERAGE GOLD PRICE SOLD BY PODEROSA DURING 2021



In order to measure customer satisfaction of our clients regarding our service and product, and as a way to listen to their opinions and to adapt to their needs and requirements, we develop annual surveys. We also maintain a close relationship and constant communication with them. The survey results or any other concern or request from our clients are shared with the corresponding areas, to work jointly to respond in a fast and effective manner. The results of the customer satisfaction surveys for 2021 showed 100% satisfaction, which encourage us to continue working to keep our high service and production standards.

INTERNATIONAL OUTLOOK

In 2021, covid-19 outbreaks continued to threaten global health and economic recovery. Developed countries launched massive campaigns to vaccinate their populations, while in developing countries the vaccinated population was much smaller. This situation will continue to affect their health systems and economies. Furthermore, the covid-19 variants generated alarm in global markets, as they put the return to “normality” on hold. In this context, the International Monetary Fund (IMF) reduced its world growth forecast to 5.9%¹. 5.2% for developed economies and 6.4%² for developing economies. On the other hand, inflation increased. Demand began to recover as sanitary restrictions were eliminated, but supply failed to respond at the same speed, due to global trade disruptions. Inflation is expected to reach 2.8% in developed economies and 5.5% in developing economies, according to the IMF.

The prices of most metals and minerals strengthened during 2021, mainly due to supply disruptions in base metals. The World Bank (WB) metals and minerals price index projects 48% growth for 2021³. Among the main metals, prices suffered ups and downs, also because of lower investment expectations and weak demand. Likewise, the WB forecasts that the metal with the highest price growth will be copper, as it projects an appreciation of 51% with respect to the previous year. Copper is expected to be the greatest beneficiary of the global transition to renewable energies. The price of aluminum reached the highest figure in the last 13 years; and the price of zinc is projected to increase by 30%, due to high demand and scarcity of supply. All the same, the World Bank forecasts a 21% increase in the price of lead, supported by the boom in the replacement of used car batteries. As for gold, the price suffered from market volatility due to new waves of covid-19 infections, central banks’ attempts to support their economies and curb inflation, and due to the rise in return rates of ten-year US treasury bonds and the volatility of the US dollar. Despite all this, gold reached an annual average of USD 1,798.84, higher than the previous year’s average.

Volatility in the U.S. dollar did not prevent it from accumulating a 6.37% gain during 2021, according to Bloomberg. The U.S. dollar index, the currency’s measure against a group of six peer currencies, started 2021 down, when President Joe Biden’s economic stimulus plan generated distrust, as some investors thought it could generate an overheating of the economy. Starting in June, when inflation fears began to surface and the FED included it in its speech, the dollar index began to rise. The euro had an opposite performance. The European currency started the year at 1.2349 euros per dollar, but, from the middle of the year, it began a decline that ended at a rate of 1.1329 euros per dollar.

Global stock markets registered double-digit gains for the third year, boosted by central banks’ stimulus packages. In addition, the progress of global vaccination generated optimism among investors. However, the threat of further closures due to the rapid increase in cases of the omicron variant and central banks’ measures to curb inflation generated volatility during the last quarter of the year. The FTSE All World Share Index global equity index rose 16.7% during 2021⁴. The main U.S. market index, the S&P, advanced 27%; the energy sector was the best performer, accumulating a gain of 50%, followed by the housing sector, which rose 40%. In Europe, the Stoxx 600 index had its best performance since 2009, with a 22% increase.

2022 STARTS WITH A MORE
COMPLICATED CONTEXT THAN
EXPECTED, DUE TO THE PERSISTENCE
OF THE PANDEMIC AND ITS VARIANTS.

¹ International Monetary Fund, World Outlook, October 2021
² Ibid.
³ World Bank, Commodity Markets Outlook, October 2021
⁴ Financial Times, <https://www.ft.com/content/e510d763-3864-421c-ba32-8653152c01c6>



In Asia the results were mixed: Japan’s main stock index accumulated a gain of 10.4%, but China’s Hong Kong Zeng index fell 14%.

2022 starts with a more complicated context than expected, due to the persistence of the pandemic and its variants, such as omicron, which threatened the world at the end of the year due to its rapid expansion. Inflation in most economies at the end of 2021 reached highs not experienced for many years. However, it is likely to be contained during 2022, due to progress in economic recovery and central banks’ stimulus withdrawal plans⁵. The IMF’s global growth forecast was revised down to 4.9%. There is still a risk that the return to “normality” may be delayed again, but there is greater optimism about the resumption of world trade, the recovery of employment and the containment of inflation.

DOMESTIC OUTLOOK

During 2021, global challenges impacted Peru’s economic recovery. Input restrictions, the complexity of international trade, labor shortages, new variants of covid-19 and rising inflation impacted both the global and

domestic economy. Despite this, Peru was able to reach pre-pandemic levels and, according to forecasts by the Central Reserve Bank of Peru (BCRP), it registered an accumulated growth of 13.2%⁶. The impact of global inflation generated by supply shocks generated a generalized response from central banks. In August 2021, the BCRP started to withdraw monetary stimulus, rising the reference rate from 0.25% on July to 2.5% on December. On the other hand, the fiscal deficit evolved and continued to decrease to 3.1% of the gross domestic product (GDP). Likewise, net international reserves increased USD 3.818 billion, and continue their upward trend since 2019.

The greatest boost to Peru’s GDP came from the construction, commerce, non-primary manufacturing, telecommunications, financial services, and insurance sectors. On the other hand, the sectors with the worst cumulative results during the year were those associated with greater interpersonal contact, such as transportation, lodging and restaurants.

⁵ Bloomberg Intelligence, Global Economic Outlook 2022
⁶ BCRP, Inflation Report, December 2021, Current Outlook and macroeconomic forecasts 2021-2023

The impact of the new covid-19 waves limited the operating capacity of metallic mining. Conflicts and lower grades also weighed on mining activity, but even so, metallic mining production reported a 9.6% growth during 2021, mainly supported by the results of large and medium mining.

THE GREATEST BOOST TO PERU'S GDP CAME FROM THE CONSTRUCTION, COMMERCE, NON-PRIMARY MANUFACTURING, TELECOMMUNICATIONS, FINANCIAL SERVICES, AND INSURANCE SECTORS.

On the other hand, external and internal factors affected the exchange rate. Political uncertainty caused by the different scandals related to the Government, had a strong impact on the Peruvian foreign exchange market. All the same, the increase in risk aversion brought greater demand for dollars by foreign investors. These reasons pushed the exchange rate to a maximum historic peak, PEN 4.138 per US dollar on October 2021. The BCRP had to intervene several times in the market to maintain the stability of the exchange rate. This volatility peaked in June, when it reached 11.9, and then fell to 6.7 on December. The US dollar closed the year at PEN 4.0015.

The trade balance showed a surplus of USD 14,66 billion during 2021. The biggest driver was traditional exports, given that the higher demand for metals, such as copper and zinc worldwide, caused an increase in their prices, with a positive impact. The BCRP had to adjust the trade balance result downward due to the impact of higher prices of imported goods towards the end of 2021, but the positive effect of metal prices prevailed.

Inflationary pressures in the Peruvian economy had an external component, caused by the increase in the cost of imported goods, such as fuel; and another internal component, caused by the depreciation of the sol against the dollar. These variables affected the family basket. Inflation exceeded its target range in most of the world's economies. In the case of Peru, the BCRP projected inflation to be 6.2% for 2021.

In general, Latin American stock markets had positive accumulated results; in contrast, the Peruvian stock market suffered the consequences of the political crisis. The threat of mine closures, contract reviews and possible nationalizations undermined confidence in the country's stability. The industrial shares sector, which presented the best results during 2021, accumulated an advance of 35.43% ⁷. On the other hand, the worst performing sectors were financial and utilities. The general index accumulated a gain of 1.39% during 2021 and the general index that groups companies with good corporate governance fell 2.79%⁸.

During 2022, economic recovery is expected to continue even though uncertainty factors will remain for some unpredictable time. The BCRP expects spending to normalize, primary activities to recover, and the macroeconomic environment to be stable and favorable. Inflation is also expected to return to its target range in the second half of the year. The BCRP forecasts GDP to grow at a rate of 3.4% during 2022 and to continue around those levels during 2023. On the one hand, vaccination progress in Peru generates some optimism for economic recovery, but on the other hand, the threat of new vaccine-resistant variants generates concern.

⁷ Lima Stock Exchange, Stock Report, December 2021.
⁸ Ibid.



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GRI
102-11

SUSTAINABILITY >>>

OUR COMMITMENT
WITH SUSTAINABILITY

The company's sustainability is our main commitment. In this line, we focus our strategies on maintaining our growth and profitability by working in a safe, ethical, and responsible manner. Our Sustainability Statement, which reflects our policies and our commitment with our stakeholders, aims at achieving positive social impact and adequate economic results.

Our work is based on two pillars: operational excellence and safety. These are performed within the legal framework and with moral solvency, with social and environmental responsibility approach inside and outside our company, allowing us to consolidate the trust of our stakeholders.

All business practices and all our workers or persons representing us in any instance are governed by our code of

ethics and conduct, as well as by our compliance, safety, occupational health, environmental and quality policies, which establish the principles detailed on the following page.

Our sustainability approach is in line with the precautionary principle, defined as the set of measures to prevent or avoid possible negative impacts of our activities on the environment. Therefore, we include efficient policies, procedures, and strategies into our business operations, to help us meet our environmental commitments.



ALL BUSINESS PRACTICES AND ALL OUR WORKERS OR PERSONS REPRESENTING US IN ANY INSTANCE ARE GOVERNED BY OUR CODE OF ETHICS AND CONDUCT.

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SUSTAINABILITY
STATEMENT

PODEROSA IS MAINLY A GOLD PRODUCING MINING COMPANY, COMMITTED TO THE DEVELOPMENT OF ITS STAKEHOLDERS.

To this purpose, we believe that it is our obligation to be a sustainable company, by achieving positive social impacts and adequate economic results. We are committed to working ethically and under the good corporate governance principles, to be a good employer, a good neighbor and to respect the environment.

WE BELIEVE THAT IS URGENT THAT OUR STAKEHOLDERS TRUST US, THEREFORE IT IS NECESSARY THAT WE WORK UNDER THE LEGAL FRAMEWORK AND WITH MORAL SOLVENCY.

We are therefore committed to work transparently, to abide by clear policies, to condemn any kind of corruption, to act against asset laundry, to respect human rights, and to reject forced and child labor.

WE BELIEVE IN BEING A GOOD EMPLOYER.

To achieve this goal, we provide a safe working environment, decent camp sites, adequate infrastructure, competitive salaries, and a healthy working environment. We promote respect, teamwork, productivity, continuous improvement, knowledge exchange and innovation.

WE BELIEVE IN BEING A GOOD NEIGHBOR.

For such purpose, we treat the communities with respect, and we contribute to local development by promoting, within our possibilities, the advancement of the economy, education, health, and governance within our area of influence.



WE BELIEVE IN SUSTAINABLE AND RESPONSIBLE USE OF NATURAL RESOURCES.

Although every human activity has an impact on the environment, we are committed to prevent, reduce, and mitigate any negative impacts that we generate.

WE BELIEVE IN INCREMENTAL AND DISRUPTIVE INNOVATION.

To this end, we constantly promote improvement projects to test and incorporate new technologies in the processes, allowing to give sustainability to the company and to develop a portfolio of projects.



RESPONSIBLE POLICIES

MANAGEMENT POLITY

We are mainly a gold producing mining company, committed to responsibly transform our mineral wealth into development opportunities. We seek the sustainability of our operations, **through an innovation culture in our processes.** In this regard, we are committed to:

- Focus our efforts to fulfill our vision, mission, sustainability statement, established principles and values and the achievement of our strategic objectives.
- Show visible leadership of the line of command with responsibility in safety, health, occupational health, environmental management, and process quality.
- Acknowledge our stakeholders, their needs, and requirements, seeking their satisfaction and helping them to manage their own development.
- Develop teamwork through continuous improvement circles and the practice of the 5S methodology for its application in the daily work.
- Continuously improve the Comprehensive Management Systems' performance.
- Comply with the applicable legal framework and other voluntarily established requirements, in every activity carried out by our organization.
- Communicate and explain our policies to every person working with Poderosa or on its behalf and inform them to our stakeholders.

QUALITY POLICY

To develop efficient processes, products and services that are part of a responsible production chain, together with our workforce, to meet the expectations of our stakeholders, **adapting ourselves to the changes in strategy and management of innovative processes.**

FOSTERING INNOVATION IN OUR ACTIVITIES.

ENVIRONMENTAL POLICY

Protect the environment, preventing, reducing, and mitigating the negative impacts we cause.

Promote responsible and sustainable use of natural resources, for our products' life cycle perspective.

OCCUPATIONAL HEALTH AND SECURITY POLICY

Prevent all type of work-related injuries, illnesses, and accidents, by identifying and **eliminating hazards, as far as possible**, assessing and controlling risks in our processes.

Promote workers' participation and consultation to keep **safe and healthy working conditions and facilities.**

Rev. 07
July 2021

Sra. Evangelina Arias Vargas de Sologuren, Chair of the Board of Directors

Ing. Russell Marcelo Santillana Salas, General Manager

COMPLIANCE POLICY

We are mainly a gold producing mining company, committed to responsibly transform our mineral wealth into development opportunities. We seek the sustainability of our operations, in this regard we reject and prohibit any act of corruption, including bribery, collusion, and the trafficking of influences, as well as any act that qualifies as asset laundering or terrorism financing in any form, whether direct or indirect, through an agent or business partner, whether in relation to a public official or an individual.

We therefore commit to:

- Meet the requirements of the Compliance Management System and seek continuous improvement.
- Comply with the applicable legal framework regarding bribery, collusion, trafficking of influences, asset laundering and terrorism financing prevention.
- Promote ethical behaviors among our stakeholders, according to the Code of Ethics and Conduct and encourage the raising of concerns and complaints in good faith, based on a reasonable belief of confidence and without fear of reprisal, ensuring confidentiality. To refer to the code of ethics, visit <http://www.poderosa.com.pe/Content/descargas/poderosa/codigo-etica-y-conducta-2021.pdf>



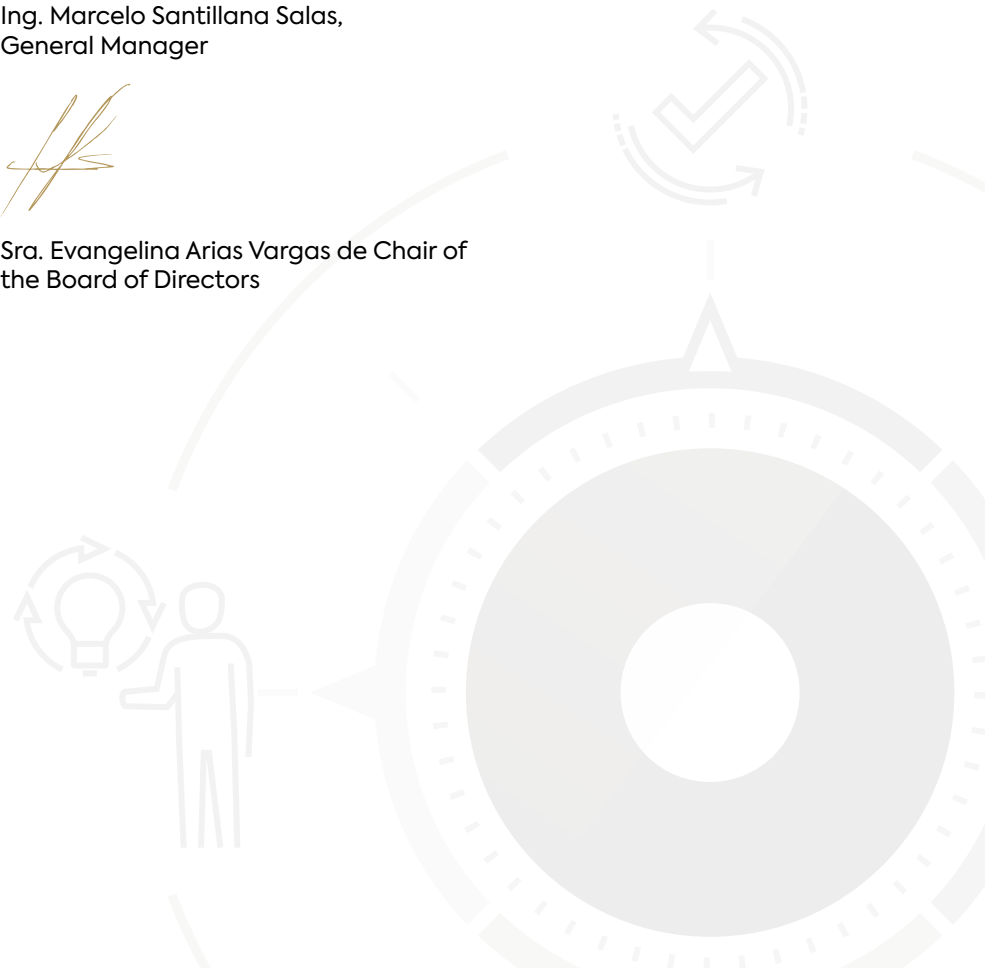
Furthermore, in order to ensure the correct establishment, maintenance and enhancement of the Compliance Management System, the Social Responsibility and Comprehensive Management System Manager has been appointed as Compliance Risk Prevention Officer, with the authority and guarantee of Independence to exercise his functions and reporting to the Ethics Committee and Board of Directors' Good Corporate Governance.

Failure to comply with this policy will result in the application of sanctions included in the disciplinary regime of the Internal Labor Regulations for employees and penalties or commercial termination with contractors and suppliers as appropriate.

January 2020
Rev. 01

Ing. Marcelo Santillana Salas, General Manager

Sra. Evangelina Arias Vargas de Chair of the Board of Directors





INNOVATION THAT DRIVES OUR DEVELOPMENT

OUR MOTIVATION

Developing and implementing an innovation culture in every process and level is the foundation of our sustainable development. The route towards innovation goes through well-defined and systematic fields, which enable us to encourage an innovative, creative, and receptive working environment throughout the organization. We therefore provide our workers with the necessary tools, space, and budget to meet this goal.

OUR EFFORTS

Innovation will enable achieving tangible results in our company. In the analysis we will establish and apply criteria to prioritize the implementation of

the company's innovation strategy (identification of larger potential processes, diagnosis, etc.); which, among other benefits will help us reduce costs through more efficient and agile processes, minimizing environmental impact, improving our (social and environmental) processes' sustainability; and reducing safety and health risks.

OUR ASSESSMENT AND RESULTS

All the same, once the strategy is implemented, we will detail and apply criteria to assess, execute (impact, budget, general company strategy, etc.) and follow-up of innovation projects.



CONNECTING WITH OUR STAKEHOLDERS



Our stakeholders are the entities or individual that receive the impact of our activities, and whose actions have a direct impact of the company's goals. Therefore, stakeholder identification to include their expectations and demands in our corporate strategy is a powerful tool for sustainability.



Sustainability also depends on trust and commitments. In this regard, we involve the stakeholders before the start of a project, and we maintain this relationship throughout the operation's life cycle. We have identified them through an external and internal environment analysis of our organization. To this end, we have used mapping and perception studies, which also provide inputs for adequate relationship management with them.

To connect with the different groups and to deal with their concerns, we promote dialog and communication with them, responding to their expectations and fostering friendly relationships based on trust and transparency.

SHAREHOLDERS >>>> Majority / Minority

DEFINITION	COMMITMENT	COMMUNICATION MEANS	MAIN EXPECTATIONS	COMPANY STRATEGY
They own the company's assets.	To create increased economic value for the majority and minority shareholders.	<ul style="list-style-type: none">• Important events• Annual shareholders meeting• Web site• Annual Report• E-mails• Telephone	Company's economic and sustainable development results, and strict compliance with ethical guidelines.	We work hard to meet the goals set out in the annual plan, even in adverse scenarios such as the one experienced in 2020 and 2021.
			Occupational health and safety approach.	We adapt to changes in an agile manner.
			Exploration, reserves forecast and operations development.	We fully comply with and respect our code of ethics and conduct as well as our compliance policy.
			Anticorruption practices.	

WORKERS >>>> Workmen / Employees/ Officers

DEFINITION	COMMITMENT	COMMUNICATION MEANS	MAIN EXPECTATIONS	COMPANY STRATEGY
Those who carry out daily tasks, from strategic management down to operations.	To respect individuals and their professional development. Furthermore, to provide a safe working environment, to watch over the health of our workers and to voluntarily comply with international standards, such as ISO 45001.	<ul style="list-style-type: none">• Daily intranet• Batolito (biannual) and special newsletter (bimonthly)• E-mails• Periodic meetings• Bulletin boards updated once a week• Suggestion box	Life quality improvement within the company. Pleasant working conditions and an enjoyable corporate environment. Good company economic performance and sustainability. Compliance with occupational health and safety standards, Equal opportunities and transparent promotion processes.	<p>We work hard to meet the goals set in the annual plan to retain talent and generate a sense of belonging to the Poderosa family.</p> <p>We fully comply with and respect our code of ethics and conduct as well as our compliance policy.</p>

SUPPLIERS >>>> Local/ Domestic /Foreign

DEFINITION	COMMITMENT	COMMUNICATION MEANS	MAIN EXPECTATIONS	COMPANY STRATEGY
The companies or organizations providing products or services to the company.	To advise small and the most vulnerable suppliers in business matters, to recognize their right to progress, and to help them become agents of their own development.	<ul style="list-style-type: none">• E-mails• Periodic scheduled meetings• Visits• Telephone	Timely payments. Growth and continuous development opportunities, company innovation practices that can improve goods and services supply and quality.	We consider our suppliers to be our strategic, therefore, we seek to establish long term relations under such conditions that help us develop and grow.
			Transparent and fair selection, assessment and reassessment processes.	We fully comply with and respect our code of ethics and conduct as well as our compliance policy.

COMMUNITY >>>> Communities in the direct / Indirect area of influence

DEFINITION	COMMITMENT	COMMUNICATION MEANS	MAIN EXPECTATIONS	COMPANY STRATEGY
The communities and authorities directly or indirectly related to the company's operations. Civil society organizations and local and regional governments are also included.	To respect people and to contribute, within the scope of our operations, to the development of individuals, communities, and Peruvian progress. To recognize our stakeholder's right to progress, and to help them become agents of their own development.	<ul style="list-style-type: none">• Periodic meetings• Perception studies (biannual)• Community Batolito (quarterly) and special newsletter (annual)• Radio	Community and population development and welfare. Improvement of their roads, entrepreneurial and employment opportunities, increased products yield, and sales, water quality and quantity.	<p>Under our good neighbor approach, our Community Relations team and Asociacion Pataz, NGO founded by Poderosa, execute comprehensive development projects through different modalities (alliances, works for taxes, financing, among other).</p> <p>We fully comply with and respect our code of ethics and conduct as well as our compliance policy.</p>

GOVERNMENT

DEFINITION	COMMITMENT	COMMUNICATION MEANS	MAIN EXPECTATIONS	COMPANY STRATEGY
Group of national, regional, and local organizations directly or indirectly related with our activity	We generate economic value and development for the country through the taxes we pay, and we carry out our activities respecting the laws and regulations that govern our industry	Through the conducts established in the regulation that govern our economic activities.	Compliance with regulations in economic, environmental, and social aspects; compliance with work-related health and safety standards. Multistakeholder dialog and cooperation, synergy generation to drive the community's sustainable development. Fight against corruption. Innovation: technology and know-how transfer.	We strive to strictly comply with the regulations governing our business. We work in synergy with the Government to carry out works and projects that bring development to the region. We are transparent with our actions and information and always act ethically. We fully comply with and respect our code of ethics and conduct as well as our compliance policy.

ARTISANAL MINERS

DEFINITION	COMMITMENT	COMMUNICATION MEANS	MAIN EXPECTATIONS	COMPANY STRATEGY
Formal artisanal miners working within our direct area of influence who deliver the mineral they extract to be processed by Poderosa.	Support them to carry out safe and environmentally friendly work. Be transparent in the analysis, processing, and treatment of the mineral they deliver. Help them become agents of their own development and that of their community	<ul style="list-style-type: none">• E-mails• Periodic scheduled meetings• Technical Visits• Telephone	Transparent and timely liquidation process, ongoing possibility to grow and develop, support in safety and security aspects.	We have a team dedicated to working with artisanal miners under contract with Poderosa for greater work fluidity. We also believe that it is vital to transfer skills in health and safety issues. We fully comply with and respect our code of ethics and conduct as well as our compliance policy.

CUSTOMERS

DEFINITION	COMMITMENT	COMMUNICATION MEANS	MAIN EXPECTATIONS	COMPANY STRATEGY
The buyers of our final product. There is no customer classification or category.	Produce gold in the most efficient, effective, and flexible way. Maintain the quality of our processes and products, including the voluntary international standards, such as ISO 9001, that ensure customer satisfaction	<ul style="list-style-type: none">• E-mails• Periodic scheduled meetings• Biannual Survey• Telephone	A product that meets customer's specifications and standards	Our plant and laboratory teams work with quality to deliver a product that meets customer requirements. We fully comply with and respect our code of ethics and conduct as well as our compliance policy.

STATEMENT
SUPPORTING EITI *

“ Since 2011, Compañía Minera Poderosa represents that it has been actively participating in the process to implement the EITI in Peru. This is because it is convinced that transparency and accountability, fixed components of the EITI Standard, are fundamental and necessary for its activity to be beneficial for the country. All the same, Compañía Minera Poderosa represents that it supports and promotes any public policies and processes implemented by the Government to make licenses and contracts granting transparent, to fight against corruption.”

* The Extractive Industries Transparency Initiative (EITI) is an organization that promotes the open and accountable management of in the public and corporate sector, ant the transparency of natural resources management in the extractive industry.

WE INCLUDE
BEST WORK
PRACTICES

Standard management enables us to have greater control of our processes, through permanent performance review, and therefore, helps up making decisions and acting towards continuous improvement.

RECERTIFICATION OF ISO 9001: 2015, ISO 14001:2015 AND ISO 45001: 2018 SYSTEMS

We are responsible for our quality, safety and security and environmental protection commitments. In this sense, we passed the recertification of our ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015 systems; and we managed to renew our comprehensive management system. These achievements allow us improving our performance as an organization and to generate synergies between the processes and their management systems.





FIGHT AGAINST CORRUPTION

ISO 37001:2016 ANTI-BRIBERY MANAGEMENT
SYSTEM STANDARD
AND ZERO BRIBERY
CERTIFICATION

OUR MOTIVATION

As a responsible organization, we must contribute to fight against corruption. We work purposefully to implement the guidelines and control to ensure ethical performance in every activity of our processes. We keep our commitment to contribute to fight against corruption by acting honestly and ethically.

It is valuable for us to establish and promote a culture of integrity, transparency, compliance, and anti-corruption in all our processes.

OUR EFFORT

We manage this approach through three fundamental pillars: prevention, detection, and reporting. We have a methodology to identify and evaluate

risks and determine the necessary controls to prevent their occurrence.

Our process allows us to detect warning signs in situations or behaviors that deviate from the ethical framework established in our compliance policy and in our Code of Ethics and Conduct. All the same, we have an Ethics Channel, with several contact means such as telephone, e-mail, website, and personal interviews. This channel is managed externally to guarantee the transparency and confidentiality of the data recorded.

In 2019 we obtained the ISO 37001:2016-Anti-Bribery Management System international certificate. We are the first Peruvian mining company to receive this certification granted by BASC Peru, under the Peru Certification brand. All the same, we received the Zero Anti-Bribery Certification, which has the support of Empresarios por la Integridad audited by SGS Peru.

OUR ASSESSMENT AND RESULTS

We have an Ethics Committee that reviews the management system's progress and reviews from time to time, according to the indicators in place, the trainings performed, the due diligence processes, and the Ethics Channel statistics, with respect to clients, suppliers, and workers.

100% OF OUR OPERATIONS ARE
CONSTANTLY EVALUATED TO PREVENT
THESE PRACTICES.

During 2021 audits were performed to maintain both certifications. This was a successful process which reaffirms our commitment with our comprehensive management system's maintenance and continuous improvement.

In addition, we received a recognition of the National Industry Society (SIN) for maintaining our four certifications.



GOOD CORPORATE GOVERNANCE AND LEADERSHIP



GENERAL SHAREHOLDERS' MEETING

BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

- Auditing committee
- Strategy and sustainability committee
- Ethics and good governance committee
- Hedging committee
- Artisanal mining committee
- Innovation working group

GENERAL MANAGEMENT

WORKERS

Our corporate governance requires strong leadership so that our values and vision are integrated into our strategies and daily actions. The General Shareholders Meeting leads our governance structure. It is mainly accountable for the company's social management and annual results; it also elects and promotes the Board of Directors, appoints the external auditors, modifies the by-laws, and restructures the company.

- The Board of Directors is the body responsible for managing the company
- The Executive Committee of the Board of Directors decides on any kind of situations that require an additional decision to the one made by the General Management.
- The Board of Directors' Auditing Committee supervises and ensures integrity and transparency of the corporate information and identifies and assesses risks that could affect the development of our operations.
- The Board of Directors Ethics and Good Corporate Governance Committee oversees the compliance with the Good Corporate Governance guidelines, mechanisms, and procedures.
- The Strategy and Sustainability Committee designs, analyses and reviews strategies and plan for the company's development.
- The General Management is responsible for the correct steering of the company; it executes the policies and decisions of the Board of Directors and General Shareholders Meetings.
- The Administrative, Finance and Trade Management; Operations Management, the Comprehensive Integrated Management, Social Responsibility Management and Geology and Explorations Management are each accountable for their own affairs, to meet the company's annual plan.

Also, our Board of Directors has a Hedging Committee which meets to analyze the situation of prices of the metals we produce.

Our Board of Directors is made up by eleven official members and seven alternate members, elected by the General Shareholders Meeting for a three-year period. From the eleven official members, ten are non-executive Directors; eight are men and three are

women. The Chairperson of our Board of Directors, Mrs. Evangelina Arias Vargas de Sologuren, has been elected as executive chair, and her functions include chairing the Board of Directors and the Senior Management regarding the strategy, goals, and objectives of the entire organization, to guarantee its sustainability, maximization of financial results and production, stakeholder development, and the generation of positive social impacts.

BOARD OF DIRECTORS	POSITION	INDEPENDENCE	YEARS IN THE RULING BODY	MEANINGFUL POSITIONS AND ADDITIONAL INFORMATION
Evangelina Arias Vargas de Sologuren	Chair	Non- independent	1980	 SEE ANNEX 1
José Enrique Juan Picasso Salinas	Vice Chair	Non- independent	2006	
Victoria Isabel Arias Vargas	Official	Non- independent	1991	
Ana Carolina Arias Vargas	Official	Non- independent	1997	
Jorge Alfredo Guillermo Picasso Salinas	Official	Non- independent	2009	
José Nicolás de Bernardis Cuglievan	Official	Non- independent	1998	
Juan Antonio Assereto Duharte	Official	Non- independent	2001	
Walter Eduardo Sologuren Jordan	Official	Non- independent	1987	
Víctor Augusto Cayetano Ostolaza Fernández Prada	Official	Non- independent	1999	
Adolfo Darío Arias Díaz	Official	Non- independent	2009	
José Néstor Marún Sales	Official	Independent	2017	
Juan Antonio Proaño Arias	Alternate	Non- independent	2009	
Fernando A P Cantuarias Alfaro	Alternate	Non- independent	2009	
Eduardo José Ferrero Costa	Alternate	Non- independent	2007	
Ricardo Eleazar Revoredo Luna	Alternate	Non- independent	2007	
Rafael Bernardo Luis Picasso Salinas	Alternate	Non- independent	2009	
Carolina María Castro Quirós	Alternate	Independent	2012	
Carlos Fernando Aranda Arce	Alternate	Independent	2017	

GRI
102-19
102-24
102-26
102-31

The shareholders express their opinions directly during the General Shareholders Meeting. The company has not designed any additional procedure for the shareholders and workers to communicate their recommendations to the Board of Directors.

The Board reviews the company's performance in its monthly meetings or when it decides to hold a meeting. In these meetings, it deals with topics related to the company's strategic vision, as well as to all kinds of matters, from operational, to financial, social, and environmental. The attending officers are responsible for transmitting the relevant information to the other workers and express their concerns to the Board of Directors members. All the same, the Executive Committee reviews the company's performance.



Among its functions, the Board of Directors, together with management, develops and approves or updates the principles, values, strategies, policies, and objectives related to economic, environmental, and social issues. On the other hand, there is no formal procedure to assess the Board of Directors' performance. The shareholders choose the board members based on their capacities and experience. It must be mentioned that during the appointment process, aspects such as diversity and independence of the possible members, are taken into consideration. All the same, they assess the Board of Directors' general performance. In the case of the Committees, the Board as a whole is responsible for appointing its representatives, following the same criteria. The company does not have an established procedure to deal with conflicts of interests within the Board.

The Board of Directors members receive a percentage of the yearly profits, according to the company by-laws, the General Corporate Law and pursuant to the agreement of the general shareholders' meeting.



IN OCTOBER 2020, WE PARTICIPATED IN THE PREPARATION OF THE SEVENTH NATIONAL REPORT ON TRANSPARENCY IN THE EXTRACTIVE INDUSTRIES EITI PERU (2017-2018). THIS WAS THE FIFTH TIME WE PARTICIPATED IN THIS REPORT, WHICH IS PART OF A GLOBAL INITIATIVE COMPRISED OF GOVERNMENT REPRESENTATIVES, EXTRACTIVE INDUSTRY COMPANIES AND CIVIL SOCIETY GROUPS. THIS STUDY PROMOTES TRANSPARENCY AND ACCOUNTABILITY OF PAYMENTS MADE BY COMPANIES (MINING, OIL AND GAS) AND REVENUES RECEIVED BY THE GOVERNMENT, IN ORDER TO CONTRIBUTE TO THE GOVERNANCE OF THESE IMPORTANT ECONOMIC ACTIVITIES.



CORPORATE AND LEGAL INFORMATION

Our purpose is to develop mining activities, in general. This economic activity, according to the International Standard Industrial Classification (ISIC), established by the United Nations, corresponds to section B, division 07, extraction of metallic minerals, group 072, class 0729. It has an indefinite duration.

Poderosa was incorporated before Dr. Gaston E. Barboza Bezada, Notary Public in and for Lima, through a notarial recorded instrument dated May 5, 1980, registered on page 395, volume 24 of the Registry of Mining Corporations of the Public

Registry of Mines. On January 7, 1999, Poderosa adjusted its bylaws to the new General Corporations Act, before Notary Public of Lima, Dr. Ricardo Fernandini Barreda. This adjustment was recorded on entry 75 of file 24395 of the Book of Corporations and Other Legal Entities of the Public Registry of Mines. Later, on June 9, 2008, the bylaws were totally modified before Notary Public of Lima, Dr. Jorge Orihuela Iberico, and registered in page B 0002 of the electronic file 01204769 of the Registry of Legal Entities of the IX Registration Area – Lima Office.

SHAREHOLDERS AND CAPITAL STOCK

The company’s capital stock is registered before the Lima Stock Exchange and the Securities Market Public Record since January 27, 2005.



As of the end of 2021, the company had a capital stock of PEN 453,750,000.00, fully subscribed, and paid. The capital stock is represented by 453,750,000 common shares at a nominal value of PEN 1.00 each, with voting rights. 51.2240% of this stock corresponds to domestic shareholders (accounting for 232,429,175 shares) and 48.7760% are held by non-domiciled shareholders (representing

221,320,825 shares). All the same, we must mention that Poderosa is not a part of any economic group.

Main shareholder number 1 is a non-domiciled legal entity, shareholders 2 and 3 are Peruvian domiciled individuals, shareholder 4 is a Peruvian domiciled legal entity and shareholders 5, 6 and 7 are non-domiciled legal entities.

Shareholder Breakdown

HOLDING	NUMBER OF SHAREHOLDERS	PARTICIPATION (%)
Less than 1%	257	2.30
Between 1% and 5%	1	4.25
Between 5% and 10%	2	19.26
More than 10%	5	74.19
Total	265	100

Participation of the main shareholders

MAIN SHAREHOLDERS	NUMBER OF SHARES	PARTICIPATION (%)
Talingo Corporation	83'926,216	18.50
Arias Vargas Victoria Isabel	72'809,351	16.05
Arias Vargas de Sologuren Luz Evangelina	69'048,335	15.22
Cori Apu SAC	63'341,163	13.96
South America Mining Investment	47'478,150	10.46
Xelor Shipping Limited	43'694,365	9.63
Zulema Invest Limited	43'694,362	9.63

N.º	NAME	NATIONALITY
1	Talingo Corporation	British Virgin Islands
2	Victoria Isabel Arias Vargas	Peruvian
3	Luz Evangelina Arias Vargas de Sologuren	Peruvian
4	Cori Apu SAC	Peruvian
5	South America Mining Investment	British Virgin Islands
6	Xelor Shipping Limited	British Virgin Islands
7	Zulema Invest Limited	British Virgin Islands

DIVIDEND POLICY

On September 30, 2009, the company’s general shareholders’ meeting approved the following dividend policy: “The company shall distribute between 40% and 60% of the annual distributable profits, in cash”.

STOCK EXCHANGE QUOTATION

During 2021, the shares were quoted as follows, in average:

Compañía Minera Poderosa SA. Variable income

ISIN CODE	MNEMONIC	YEAR – MONTH	QUOTATIONS 2021				
			OPENING S/	CLOSE S/	MAXIMUM S/	MINIMUM S/	AVERAGE PRICE
PEP635001006	PODERC1	2021-01	10.80	10.75	11.00	10.75	10.88
PEP635001006	PODERC1	2021-02	10.75	11.50	11.61	10.75	10.98
PEP635001006	PODERC1	2021-03	11.50	11.60	11.70	11.50	11.55
PEP635001006	PODERC1	2021-04	11.00	10.00	11.00	10.00	10.88
PEP635001006	PODERC1	2021-05	10.00	10.50	10.50	10.00	10.11
PEP635001006	PODERC1	2021-06*	10.50	8.00	10.50	8.00	9.40
PEP635001006	PODERC1	2021-07	7.50	7.50	7.50	7.50	7.53
PEP635001006	PODERC1	2021-08	7.49	7.25	7.50	7.25	7.33
PEP635001006	PODERC1	2021-09	7.25	7.50	7.50	7.00	7.20
PEP635001006	PODERC1	2021-10	8.10	9.20	9.20	8.10	8.77
PEP635001006	PODERC1	2021-11	9.05	8.85	9.05	8.76	8.84
PEP635001006	PODERC1	2021-12	9.00	9.20	9.20	8.75	8.79

* Note- In June 2021 we delivered 25% of the paid-up shares.



TAX AND LEGAL CONTINGENCIES

TAX

As of December 31st, 2021, there were several tax proceedings against the Tax Authority pending solution, most of them have been appealed before the Tax Court. The procedures refer to the following periods:

- 2015 Income Tax: Objections were determined for an omitted amount of PEN 1,891 thousand and a PEN 945 thousand fine for omitted taxes, which has been challenged and is pending resolution by the tax court.
- 2015 Special Mining Tax: Objections were determined for an omitted amount of PEN 675 thousand and a PEN 338 thousand fine for omitted taxes, which has been challenged and is pending resolution by the tax court.

LEGAL CONTINGENCIES

As of December 31, 2021, several complaints were pending against the company, including payment of the following: (a) Invalidity of an administrative action for PEN 1,116,000 (b) obligation to pay USD 1,200,000, and (c) social benefits and damages resulting from breach of labor regulations in favor of former company workers for approximately 9’726,215,000.

The management and its legal advisors estimate that given the sound legal arguments to obtain a favorable ruling, the result of these procedures for the company will not have a significant impact in our financial statement.

DIRECTORS RESUME

The professional background of each Director can be found in Annex 1 to this report.

OFFICERS RESUME

The professional background of our Officers can be found in Annex 2 to this report.



PART 1.
WE ARE MINERA
PODEROSA

PART 2.
OPERATIONAL
EXCELLENCE

PART 3.
RESPONSIBLE MANAGEMENT

PART 4.
SUPPLIER
DEVELOPMENT

PART 5.
NEIGHBORING COMMUNITIES

PART 6.
ANNEXES

PART 7.
FINANCIAL STATEMENT

PART 8.
INDEPENDENT EXTERNAL
VERIFICATION

PART 9.
GRI INDEX
CONTENT

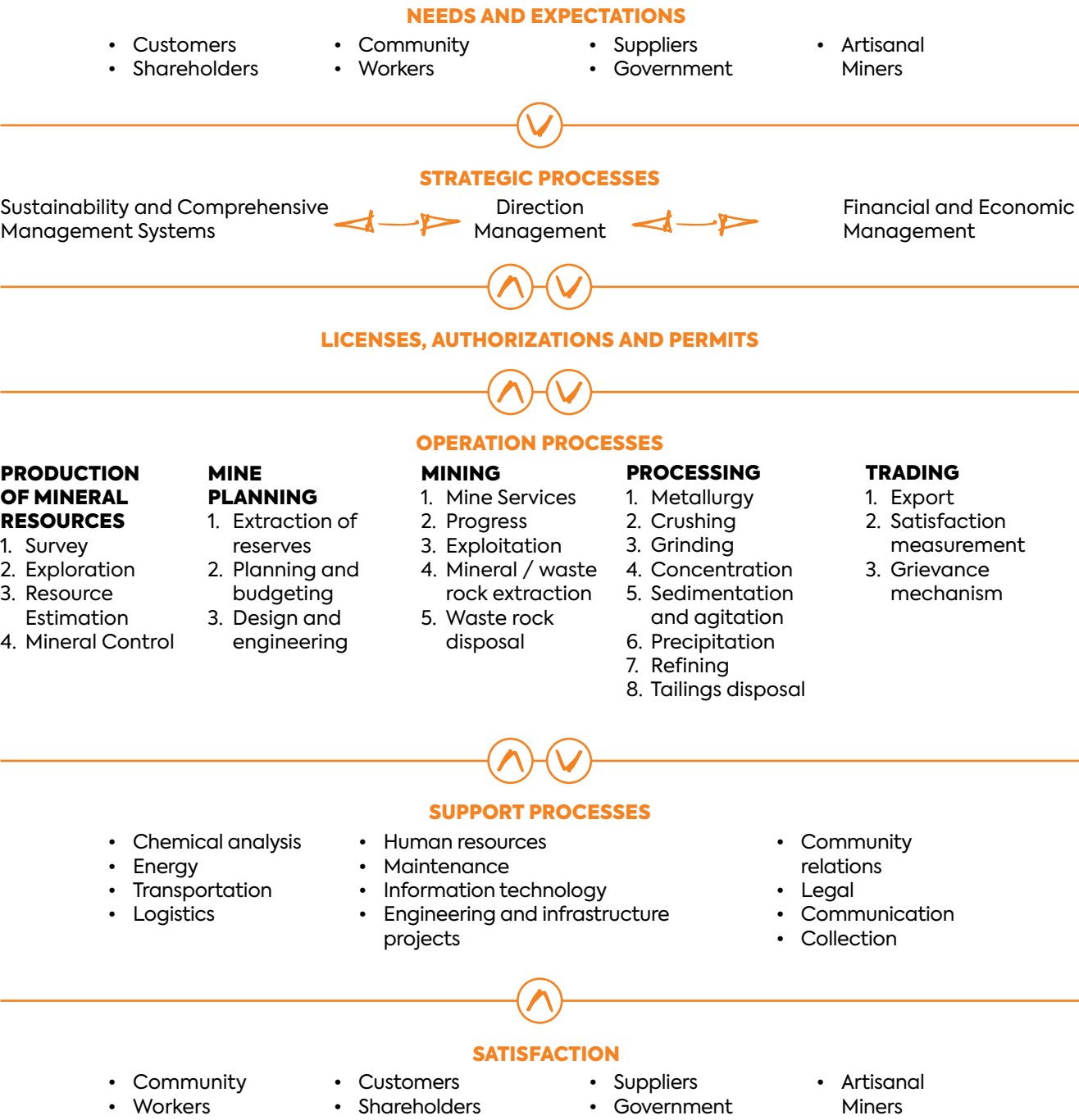


PART 2

OPERATIONAL
EXCELLENCE



PROCESS MAP



✓

STRATEGIC PROCESSES

Sustainability and Comprehensive Management Systems

Direction Management

Financial and Economic Management

^

✓

LICENSES, AUTHORIZATIONS AND PERMITS

^

✓

PRODUCTION OF MINERAL RESOURCES

1. Survey

2. Exploration

3. Resource Estimation

4. Mineral Control

MINE PLANNING

1. Extraction of reserves

2. Planning and budgeting

3. Design and engineering

MINING

1. Mine Services

2. Progress

3. Exploitation

4. Mineral / waste rock extraction

5. Waste rock disposal

PROCESSING

1. Metallurgy

2. Crushing

3. Grinding

4. Concentration

5. Sedimentation and agitation

6. Precipitation

7. Refining

8. Tailings disposal

TRADING

1. Export

2. Satisfaction measurement

3. Grievance mechanism

^

✓

SUPPORT PROCESSES

• Chemical analysis

• Energy

• Transportation

• Logistics

• Human resources

• Maintenance

• Information technology

• Engineering and infrastructure projects

• Community relations

• Legal

• Communication

• Collection

^

SATISFACTION

• Community

• Workers

• Customers

• Shareholders

• Suppliers

• Government

• Artisanal Miners



MANAGEMENT INDEXES

					REALIZED 2020 ACCRUED	PROJ 2021 ACCRUED
SECURITY			Frequency Severity Accidents Near misses		1.30 23 0.03 564	2.21 40.44 0.09 1,031
GEOLOGY	Progress		Progress DDH (m)		47,785	56,255
	Resources		Resource Tons Resource Ounces Resource Grade		1,448,884 796,571 17.10	1,474,822 780,703 16.46
	Reserves		Resource Tons Resource Ounces Resource Grade		1,296,225 743,885 17.85	1,398,736 753,038 16.75
MINE			Mineral sent to plant (Mine+LA) (t) H + V Operation progress (m) Positioning work Development work Mine work Raise boring Progress Raise climber Progress Tmb/Tar_Total TMT/Tar_Total Prepared Mineral - (accessibility 0 - 3 months)		404,045 27,353 6,001 8,456 12,897 312 547 3.63 1.73 4.78	487,920 30,307 5,706 6,981 17,621 119 549 2.53 1.13 4.31
PLANT	Marañon	Resource production	Mine	Treated (Mt)	93,771	126,060
				Estimated mill head grade (gr/MT)	14.15	12.54
		Designa- ted task	Recovery (%)	95.96%	97.56%	
			Production (ounces)	40,516	48,888	
	Potential production	Free ex- ploration	Treated (Mt)	35,828	54,784	
			Estimated mill head grade (gr/MT)	28.27	29.79	
	Santa Maria	Resource production	Mine	Recovery (%)	90.10%	90.36%
				Production (ounces)	29,301	47,610
		Potential production	Free ex- ploration	Treated (Mt)	93,756	82,338
				Estimated mill head grade (gr/MT)	20.97	22.65
Accrued Marañon		Recovery (%)	88.20%	88.50%		
		Production (ounces)	56,579	53,841		
PLANT	Marañon	Resource production	Mine	Treated (Mt)	223,354	263,182
				Estimated mill head grade (gr/MT)	19.28	19.29
		Designa- ted task	Recovery (%)	91.04%	91.92%	
			Production (ounces)	126,396	150,339	
	Potential production	Free ex- ploration	Treated (Mt)	274,976	301,732	
			Estimated mill head grade (gr/MT)	17.00	16.66	
	Santa Maria	Resource production	Mine	Recovery (%)	92.08%	91.71%
				Production (ounces)	138,395	148,105
		Potential production	Free ex- ploration	Treated (Mt)	-	-
				Estimated mill head grade (gr/MT)	-	-
Accrued Santa Maria		Recovery (%)	-	-		
		Production (ounces)	-	-		

			REALIZED 2020 ACCRUED	PROJ 2021 ACCRUED
PLANTA	Collection (cl)	Treated (Mt) Estimated mill head grade (gr/MT) Recovery (%) Production (ounces)	93,756 20.97 88.20% 56,579	82,338 22.65 88.50% 53,841
	Accrued	Treated (Mt) Estimated mill head grade (gr/MT) Recovery (%) Production (ounces)	498,330 18.02 91.58% 264,792	564,914 17.89 91.81% 298,444
MAINTENANCE		Total Energy (MW-h) Hydraulic Energy Cost (USD/kW-h) Thermal Energy Cost (USD/kW-h) SIN Cost (USD/kW-h) Palca Energy (KW-h) Trackless Mechanic Availability Conventional Mechanic Availability kw-h /Gross metric ton Kw -h / TMT	79,047 0.0493 0.2489 0.0649 74.88% 78.77% 87.17 158.62	83,169 0.0705 0.4621 0.0671 95.24% 84.37% 73.99 147.22
HUMAN RESOURCES		Company Staff Specialized company Staff Operating Staff Investment Staff Total staff Total mine staff (28/14) Annual staff turnover (%)	711 2,889 2,808 792 3,600 2,400 43%	717 3,266 3,107 876 3,983 2,655 66%
SALES AND COSTS		Sales Au and Ag (USD) Sales Au (oz.) Average Au sale price (USD/oz.) Production Cost (USD/Mt) Production Cost (USD/oz.) Effective Cost (USD/oz.) Total Cost (USD/oz.) Cubing Cost USD/cubed oz. US\$/Kw-h consolidated	475,188,992 265,157 1,777.0 250.5 486.8 659.2 1,010.7 134.0 0.0945	539,261,710 297,161 1,796.1 292.6 577.3 733.2 1,038.4 132.9 0.0975
INVESTMENT		Investment USD/oz. Normal Investment USD Growth Investment USD	374.80 60,552,894 15,845,855	393.5 79,327,464 15,407,902
FINANCES		EBITDA (USD) NIC 21 (last 12 months) EBITDA (USD) NIC 21 (2021) Coverage Index (EBITDA/interests) Debt service Hedging Ratio Leverage Index (total financial debt / EBITDA (last 12 months) Additional banking financing USD Collateral coverage = collateral / principal balance	243,390,267 243,390,267 99.40 8.42 0.15 34,366,221 69.07	252,281,881 252,281,881 - 38.12 0.12 - -

PRODUCTION HISTORIC EVOLUTION (1982-2021)

As of the closing of operations in 2021, 9,485,347 tons of ore were extracted, which allowed producing 4,170,705 ounces of gold fines with an average grade of 14.78 g Au per ton.

2021 PRODUCTION

The Marañon and Santa Maria I plants worked at a capacity of 800 MTD and treated 564,914 t of gold ore, with a grade of 17.89 grams Au/ton and a recovery ratio f 91,81%. 298,444 oz of gold fines were produced.

GROWTH STRATEGY



PROSPECTION

During 2021 field works were carried out with special protocols in some projects within our mining rights, as well as in other sectors of the Eastern Mountain Range of Peru.

DURING 2021 FIELD WORKS WERE CARRIED OUT WITH SPECIAL PROTOCOLS IN SOME PROJECTS WITHIN OUR MINING RIGHTS

In the Montañitas Project, an area of 1 x 1.2 km with several quartz veins and veinlet systems has been identified, these present gold anomalies. All the same, a diamond drilling campaign was performed at 4,900 m with seven exploration drills, which have cut three structural zones with traces of mineralization in hydrothermal alteration zones, previously identified through geophysical surveys.

A structural study was carried out along the Eastern Mountain Range using satellite images to determine new prospective areas to the south of La Libertad region. Initial field works included sampling of regional structures for geochemical and petrographic studies.

EXPLORATION AND DEVELOPMENT

Due to the sanitary emergency status, surface diamond drilling works were not carried out, but 12,687 m of mining exploration works, and 56,255 m of underground diamond drilling were completed. The estimated gold ounce ratio as of the end of the year was 19.38 oz Au/m (P+D).

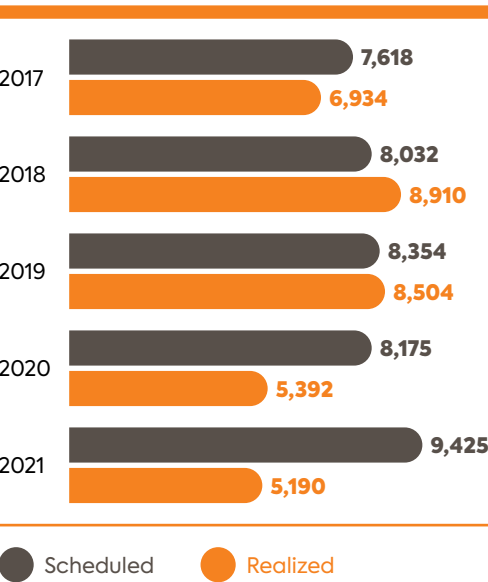
Exploration at Marañon Production Unit

Exploration works took place mainly in the Lola 1, Luz, Arisa, Mercedes, Pajilla, Karola, Techo, Consuelo, Jimena, Pencas, Valdivia and Glorita 2 veins.

34,458 meters of diamond drilling were executed. With respect to mining activities, these comprised 5,190 meters, out of which 2,125 meters corresponded to positioning works and 3,065 meters to development works.

Access and positioning works are being carried out to execute long reach drills at levels 1680 CR SE, 1800 CR NW1 and 2300 CR NE.

Progress 2017-2021 Marañon production unit (m)

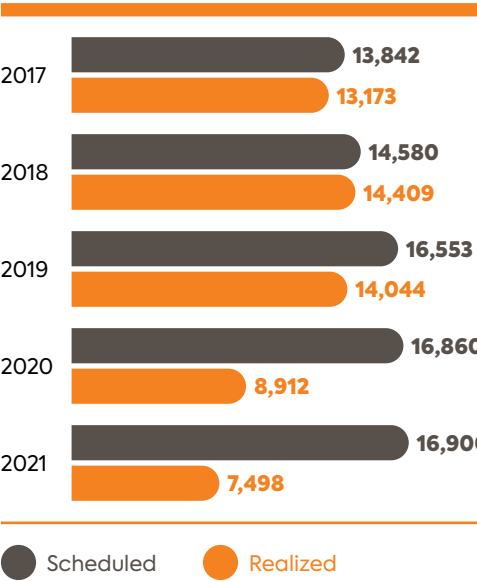


Exploration at Santa Maria Production Unit

Exploration works took place in the Julie, San Vicente, Guadalupe, Briana, Samy and Maren vein systems.

21,797 meters of diamond drilling were executed. With respect to mining activities, these comprised 7,497 meters, out of which 3,581 meters corresponded to positioning works and 3,916 meters to development works.

Progress 2010-2021 Santa Maria production unit (m)



Exploration at Palca Production Unit

In mining works, at level 3190, infrastructure conditioning works were carried out to develop explorations.

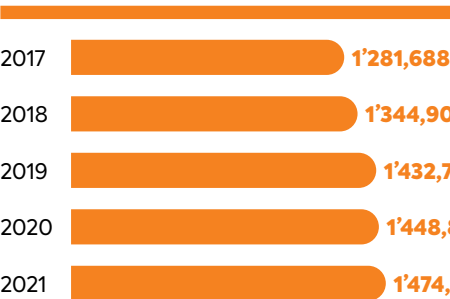
Resources

At the end of the year, the company obtained 780,703 ounces of gold contained in 1,474,822 tons of mineral resources. Currently, the total content of gold in the field (mineral resources, plus mineral extracted) reached 5,011,805 gold ounces.

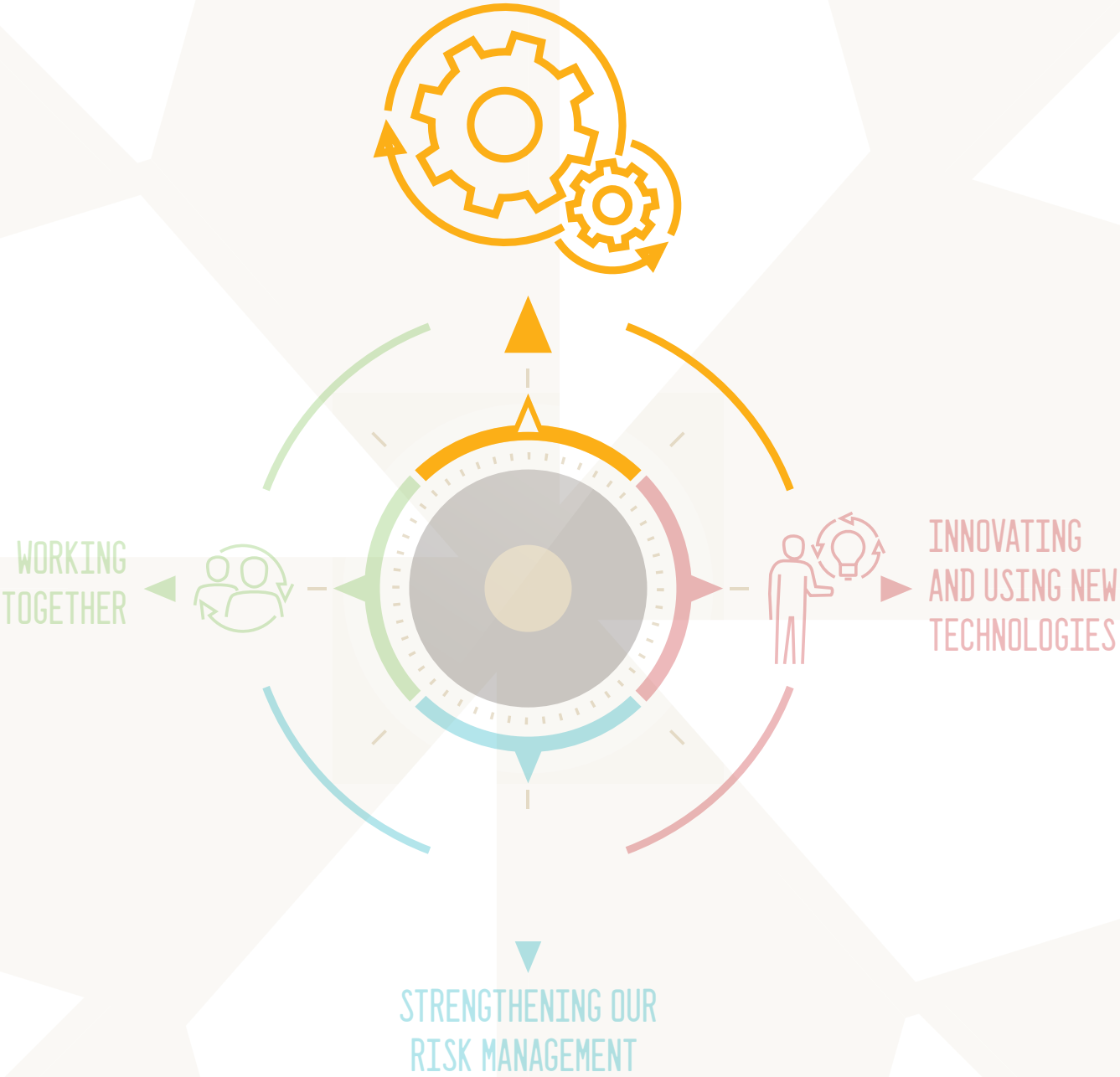
Total contents of gold fines in ounces 2017-2021



Mineral resources in tons 2017-2021



OPTIMIZING PROCESSES



FOR A GOOD INNOVATOR, DIFFICULTIES ARE OPPORTUNITIES TO ACHIEVE MEANINGFUL CHANGES



"WORKERS BECAME
MULTI-TASKING,
SHOWING THEIR
SKILLS AND
COMMITMENT".

Yvonne Lomparte, Head
of Environmental
Management.



The keys to resilience do not operate in isolation. They enhance each other and are supported by leadership and discipline. This enables companies to develop the ability to anticipate, learn and modify themselves to cope with any unforeseen change, be it environmental, social, legal or any other.

At Poderosa, the sudden interruption caused by the covid-19 pandemic triggered the keys to its resilience. Yvonne Lomparte, Head of Environmental Management, tells us that the main reaction of her area was to **"prioritize workers' health as the first action, reviewing, modifying and implementing biosafety controls at the mining unit. Prioritizing that only operational personnel**



remain in the critical treatment processes, and remote work for those who were mainly doing administrative work. Some operational changes were made and the effectiveness of the automation implementation process of the drinking water and domestic wastewater plants in Poderosa's camps was tested, with very favorable results".

Along the same lines, Maximo Simon, Plant Manager, recalls that the first moments of this situation were overcome by **"rescheduling the production program with a realistic perspective of the situation that was being experienced. We considered maintaining key personnel in the main production sub-processes and activities, making the operators multi-functional".**

It is said that innovators find solutions in difficulties. And this phrase was reinforced when Maximo told us that the plant "shutdowns" were used to move forward with repair and maintenance work, so that the time of the scheduled "shutdowns" for maintenance was reduced.

Workers' participation was vital throughout this process. Yvonne says that the workers selected the best quality masks that were best suited to the job and provided greater protection. They adapted to the social distancing, to the virtual training system, as well as to the

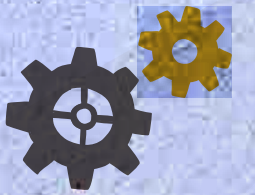
rapid changes in the operation. Given this situation, the staff was willing to avoid stopping work.

Maximo also highlights the commitment of coworkers, their willingness to train and adapt to a new job. He also highlights the installation of measurement and control equipment to reduce process failures, and the systematic and periodic application of 5S (more details about this methodology on page 164).

"The pandemic has taught us that if processes remain largely manual, they can shut down, so they need to be optimized", says Ivonne Lomparte. In this regard, Poderosa continues to implement the automation of the drinking water and domestic residual water plants and mine effluents. All the same, it continues developing trainings and environmental compliance control remotely. The Plant Manager, Maximo Simon, concludes with a lesson learned: **"Automate and instrument process control to ensure and maintain high productivity levels".**

"THE CREATION OF NEW
MULTI TASKING WORK GROUPS
PRODUCED EXCELLENT
RESULTS AND WE WERE ABLE
TO KEEP OUR STAFF
MOTIVATED".

Máximo Simon, Plant
Superintendent





OPERATIONS MANAGEMENT

OUR MOTIVATION

One of the keys to our resilience and to the sustainability of our operations is process optimization, which, as described in our mission, seeks, to responsibly transform our mineral wealth into development opportunities. This statement becomes more significant when we relate it to our vision, principles, policies, plans, and strategies. Consequently, our operations management focuses on producing the greatest amount of gold efficiently, safely for our workers, while taking care of the environment.

OUR EFFORT

One of the main objectives of operations management (on which the sustainability of our operation depends) consists of maintaining or increasing mining

production levels, for production has control over the mining techniques and cost, but not over the prices of the metals or the available ore.

From this perspective, we aim at keeping three years of reserves, because, given the type of field, we would not be using resources efficiently if we kept reserves for more time. Discovering reserves is instrumental to decide production expansion.

Our operations management is based on strategic processes, such as sustainability management, the integrated management system, governance management, quality policy and economic and financial management. The corresponding permits, licenses and authorizations are previously requested to the regulatory agencies, which we strictly comply with during the operation stage, as well as in the progressive and final mine closure processes.

OUR EVALUATION AND RESULTS

We have supporting processes with the corresponding supervisions, assessments and internal audits that are crosscutting. (See Process Map, page 64). On the other hand, a services agreement has been signed for research of refractory minerals (mineral from Santa Filomena and collection) with Cappel Cassiday & Associates (Reno, Nevada), to increase Au and Ag recovery.

Tailings samples were sent to the University of North Carolina (USA) to carry out quartz recovery for trade. We also sent tailings samples to the Universidad de Navarra (Spain) to perform studies to recover gold and silver values. We are making coordinations to recover these resources from refractory ores with Glencore (tailings and ore from Santa Filomena samples).

INNOVATION AND INTERNATIONAL RESEARCH TO OPTIMIZE OUR PROCESSES

We have signed an agreement with the University of Western Australia for the prospection of fields in the Pataz province, as well as a services agreement with Cappel Cassiday & Associates (Reno, Nevada), the University of Queensland (Australia) and the University of North Carolina (EEUU) to carry out metallurgic studies to increase the recovery in mineral processing plants and recover values from our tailings, which have built up during our years of operations.



MINE

MARAÑON PRODUCTION UNIT

Production was 54,588 t and 30,944 ounces of gold, which represented goal compliance of 65% and 81%, correspondingly. 20,736 t and 8,190 ounces of gold were produced in exploitation works; 6,421 t and 2,228 ounces of gold were produced in development and preparation works; in assigned works the total was 27,430 t and 20,526 ounces of gold. Mine recovery was 92.90%. This production deficit was due to staff shortage because of the pandemic and a low grade in exploitation works.

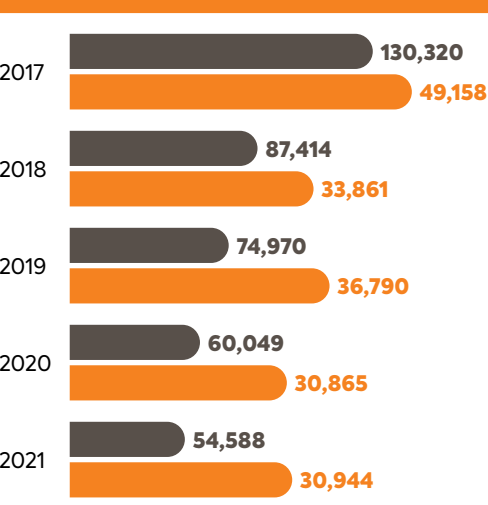
Historic Resource Production (t)

ORIGIN			
MARAÑON MINE			
TREATMENT	MARAÑON PLANT	SANTA MARIA PLANT	TOTAL
2017	130,320	-	130,320
2018	87,414	-	87,414
2019	74,970	-	74,970
2020	60,049	-	60,049
2021	54,588	-	54,588

Historic Resource Production (OZ)

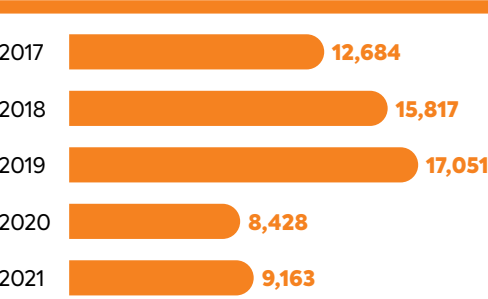
ORIGIN			
MARAÑON MINE			
TREATMENT	MARAÑON PLANT	SANTA MARIA PLANT	TREATMENT
2017	49,158	-	49,158
2018	33,861	-	33,861
2019	36,790	-	36,790
2020	30,865	-	30,865
2021	30,944	-	30,944

Historic resource production



● t ● oz

Annual progress (m)



20,736 TONS AND 8,190 OUNCES OF GOLD WERE PRODUCED IN EXPLOITATION WORKS; 6,421 TONS AND 2,228 OUNCES OF GOLD WERE PRODUCED IN DEVELOPMENT AND PREPARATION WORKS; IN ASSIGNED WORKS THE TOTAL WAS 27,430 TONS AND 20,526 OUNCES OF GOLD. MINE RECOVERY WAS 92.90%.

IMPROVEMENTS IN MINING OPERATIONS

RADIO COMMUNICATION SYSTEM INSIDE KAROLA, PENCAS AND CONSUELO MINES

In 2021 the leaky feeder cable was expanded in Karola, Pencas and Lola mines. It was also installed in the Papagayo zone.

TRACKLESS EQUIPMENT IN ESTRELLA

Two new equipment (dumper and scoop) are operating in RA Estrella level 1400 (Karola vein) and CR SW level 1467 (Choloque vein).

PAJILLA VEIN

278 m (positioning works (were carried out at level 1800 CR NW and the DDH 06 diamond chamber was completed.

LUZ VEIN

496 m CR SE level 1600 were completed, to intercept Luz vein. 139 m of CH RC 62 level 1680 were developed to reach level 1780 and cut Luz vein.

LOLA VEIN

RA Katy progressed in 516 m and is located at level 2090. At level 2540 CR SW Consuelo vein was intercepted.



SANTA MARIA PRODUCTION UNIT

During 2021, 427,988 tons were treated to produce 213,660 oz of gold, with a recovery rate of 92.51%. From the total production of Santa Maria mine, coming from pits, development, and preparation works, 400,635 tons were treated at Santa Maria plant, with a result of 186,575 oz of gold. 27,353 t or ore from assigned works were treated, resulting in 27,085 oz of gold.

Historic Production (t)

ORIGIN SANTA MARIA MINE			
TREATMENT	MARAÑON PLANT	SANTA MARIA PLANT	TOTAL
2017	37,213	219,132	256,346
2018	66,471	229,711	296,182
2019	100,413	266,872	367,285
2020	69,549	274,976	344,525
2021	126,256	301,732	427,988

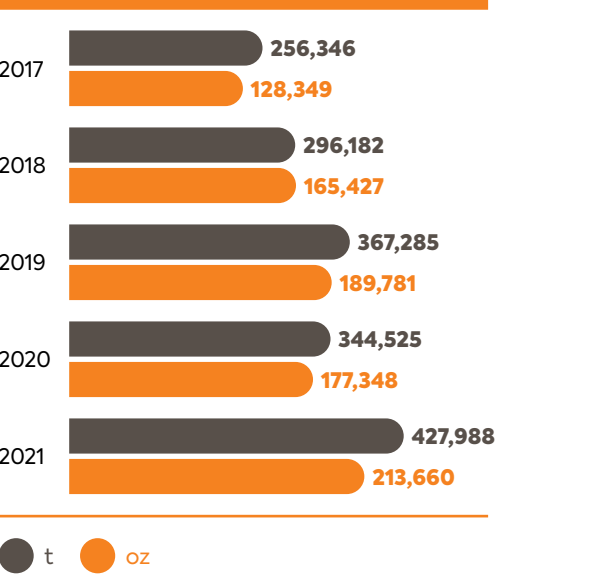
Historic Production (oz)

ORIGIN SANTA MARIA MINE			
TREATMENT	MARAÑON PLANT	TREATMENT	MARAÑON PLANT
2017	14,822	113,527	128,349
2018	40,889	124,538	165,427
2019	51,823	137,957	189,781
2020	38,952	138,395	177,348
2021	65,554	148,105	213,660

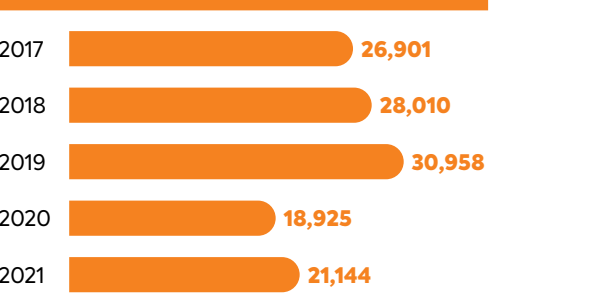
427,988 TONS WERE PROCESSED TO PRODUCE 213,660 OUNCES OF GOLD, WITH A RECOVERY RATE OF 92.51%.

All the same, 21,144 m vertical and horizontal works were executed, out of which 7,497 m correspond to exploration works, 6,279 m to development works and 7,369 m to preparation works.

Historic resource production



Progress evolution (m)



IMPROVEMENTS IN MINE OPERATION

COMPRESSED AIR CIRCUIT

To improve the compressed air pressure at the different work sites, we continued to install 10” diameter Alvenius pipes in the main circuits.

EFFLUENT TREATMENT SYSTEM

Concrete ditches were built to have better control of the concentration of suspended solids and of arsenic in the effluents.

ROAD MAINTENANCE

As to increase mechanic availability of our equipment and prevent economic loss due to failure, we continued to install 60 lb steel reels, and to carry out daily maintenance of the Cauville line, as well as periodic cleaning of the ditches.

COMMUNICATION SYSTEM INSIDE THE MINE

To have timely information in case on an event inside the mine, the radio communication system was expanded further (8,000 m leaky feeder) at the different levels.

RAISE BORING CHIMNEY

To improve the ventilation flow at the different mining sites, we continued to work on the raise boring chimneys

RAISE CLIMBER CHIMNEY

A 430 m RC-CH- 24 was completed to communicate with the surface, together with its surface infrastructure, to improve the ventilation of the different mining works at the lower levels.

HYDRAULIC FILLING

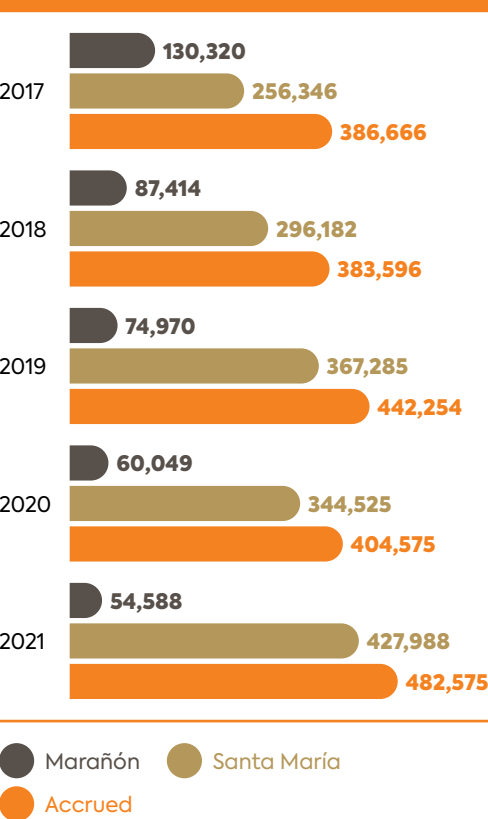
Hydraulic filling was completed in the pits to provide better balance to the rock wall and to control de subsidence of the spaces created by the pit exploitations. This will increase the productivity and safety of the operation.

ASSET SECURITY

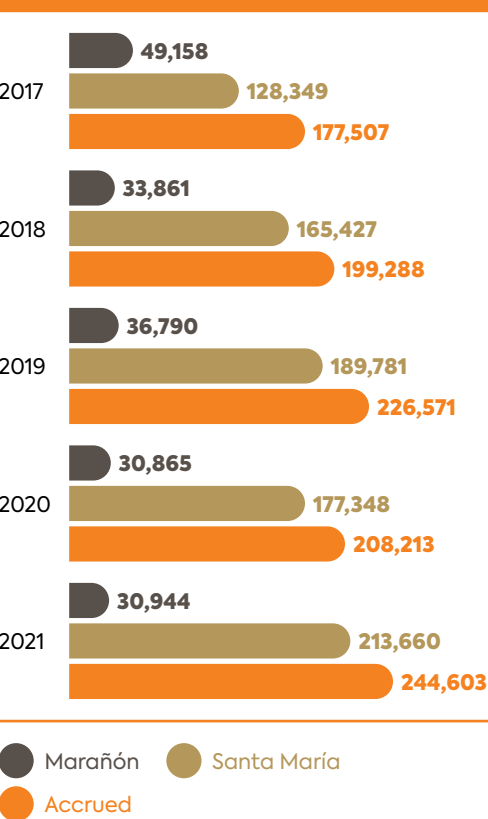
Video surveillance cameras were installed at different points inside the mine and on the surface, a perimeter fence was built in vulnerable areas and plugs were installed in the different tunnels built by informal miners.

Accrued production Marañón/Santa María

In tons



In ounces



PLANT

564,914 t of ore were processed in the Marañón and Santa María I plants, obtaining 298,444 ounces of gold. Out of the total processed, 263,182 t corresponded to the Marañón plant and 301,732 t to the Santa María I plant. Accrued gold recovery at the beneficiation plants was 91.81%. According to the production program, compliance with ore processing was 103.07% and gold production reached 103.89%.

ACCORDING TO THE PRODUCTION PROGRAM, COMPLIANCE WITH ORE PROCESSING WAS 103.07% AND GOLD PRODUCTION REACHED 103.89%.

MARAÑÓN PLANT

The treatment program was complied with. Due to the lack of ore, the number of hours that the plant stopped working were 1,070, mostly between January and April. The plant availability was 87.80%.

In addition, the quality of the crushed product was maintained, on average, above 97.32% under 3/8". Loading of balls into the mills was controlled and monitored, increasing the mil grade in the primary mill from 57.7 to 62% -200 m. The general tailings increased from 81.4 to 81.7% -200 m.

On the other hand, there was an improvement in the operation of the precipitate, with the follow-up and control of the rich solution grades, and the sweeping was carried out with the atomic absorption equipment, resulting in an increase of gold recovery in the precipitate from 98.1 to 99.1%. Finally, we managed to return 1,583 oz from the tailings pond to the recirculating solution.

SANTA MARIA PLANT

In the crushing circuit, we managed to increase the yield by 90.9%, compared to 2020, from 44.3 t/h to 53.1 t/h, through the installation of a speed variator in the reciprocating feeders, and because of the improvement of the feeding into the secondary crusher. The quality of the crushed product was maintained in 98.75% under 3/8".

TREATED TONNAGE

Marañón Plant
Treated Mineral:

263,182 T

out of 256,105 t programmed:
102.76% compliance.

Santa María I Plant:
Treated Mineral:

301,732 T

out of 292,000 t programmed:
103.33% compliance.



Accrued Marañón + Santa María:
El cumplimiento fue de 103.07%.

564,914 T

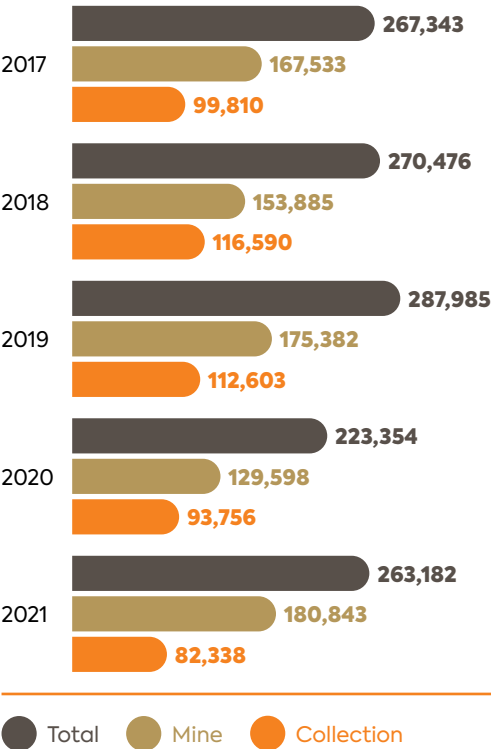
were processed from the 548,105 t
programmed.

The milling grade increased from 56.2% to 58.4%, smaller than the 200 mesh (75 um), the same happened with the regrinding of concentrates from 93.4% to 94.3% smaller than the 400 mesh (38 um).

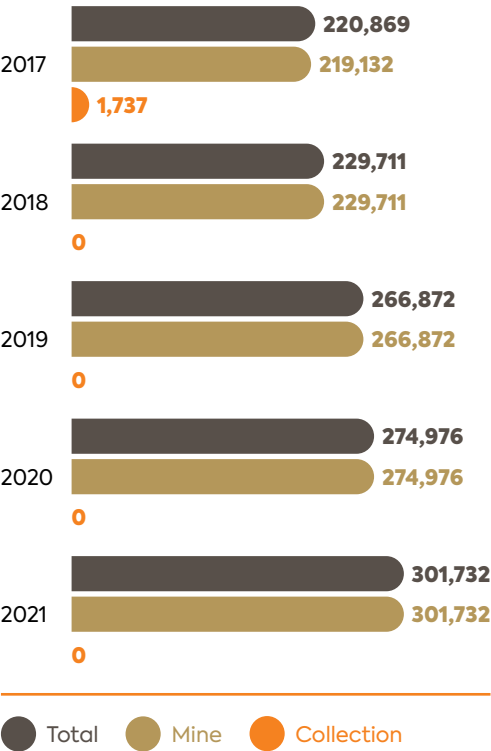
Gold recovery from precipitation was 98.78%, and in turn, the quality of the precipitate was improved regarding the Au + Ag contents compared to 2020, from 46.76% to 51.91%.

In the tailings filtering plant, we managed to filter 90.3% of the tailings produced in the plant, 22.6% more compared to 2020, as a result of the improvements made to the press filter plates supports.

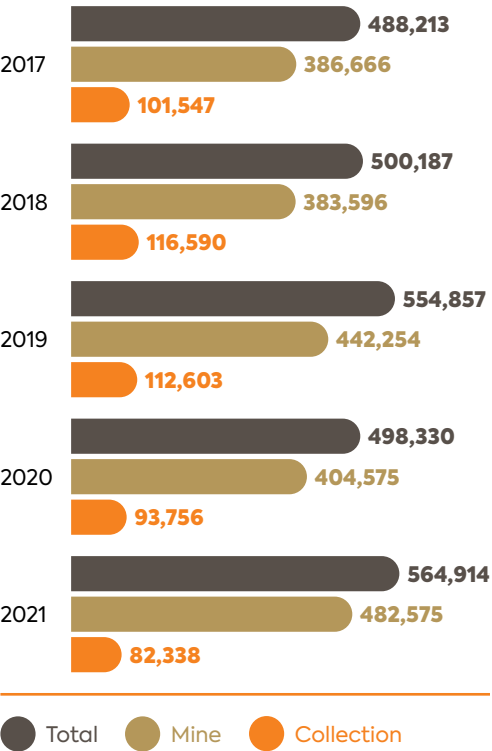
Annual Treated Tonnage Marañon Plant



Annual Treated Tonnage Santa Maria Plant



Accrued Annual Treated Tonnage Marañon Plant + Santa Maria Plant



RECOVERY AT
THE PLANT

Marañon Plant:
Compliance was

101.04%

and gold recovery was 91.92% compared to the 91.08% programmed.

Santa Maria I Plant:
Compliance was

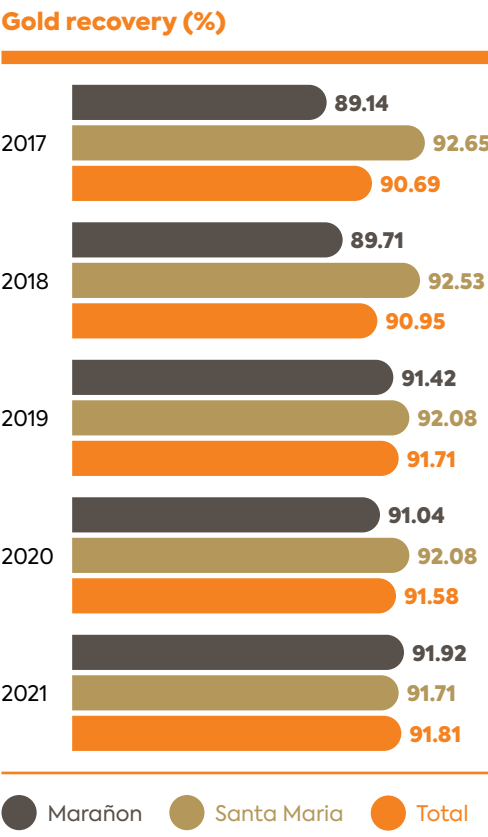
99.94%

and gold recovery was 91.71% compared to 91.76% programmed.

Accrued
Accrued recovery was

91.81%

the programmed recovery was 91.41%, which represents 100.44% compliance.



GOLD
PRODUCTION

Marañon Plant:
Gold production was

150,339 OZ

representing 101.9% of compliance,
with respect to the amount
programmed (147,541 oz).

Santa Maria I Plant:
Fines production was

148,105 OZ

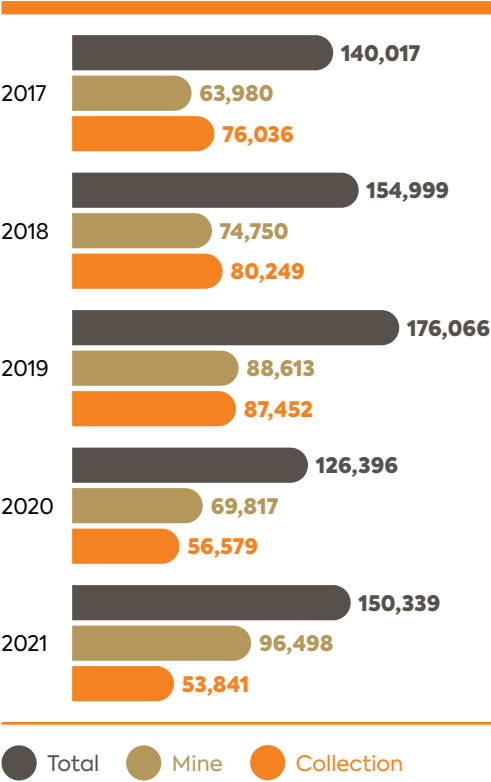
representing 106.0% of
compliance, with respect to the
amount programmed (139,731 oz).

Accrued
The total accrued production of
fines in both plants was

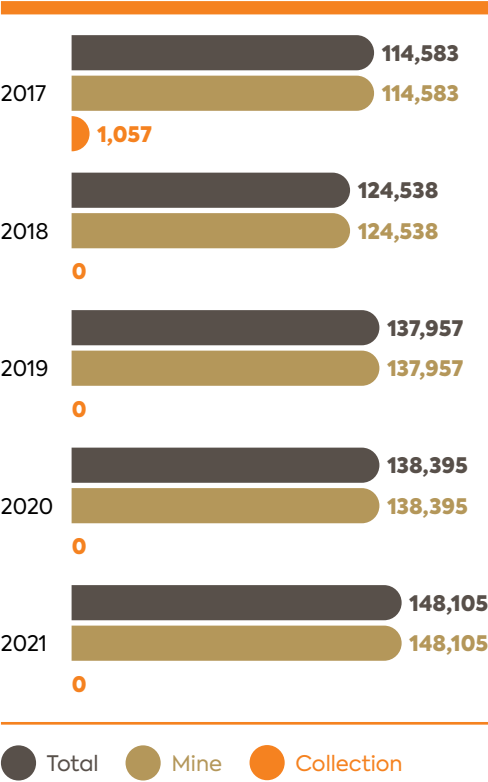
298,444 OZ

the quantity of fines programmed
was 287,273 oz, representing
103.89% of compliance.

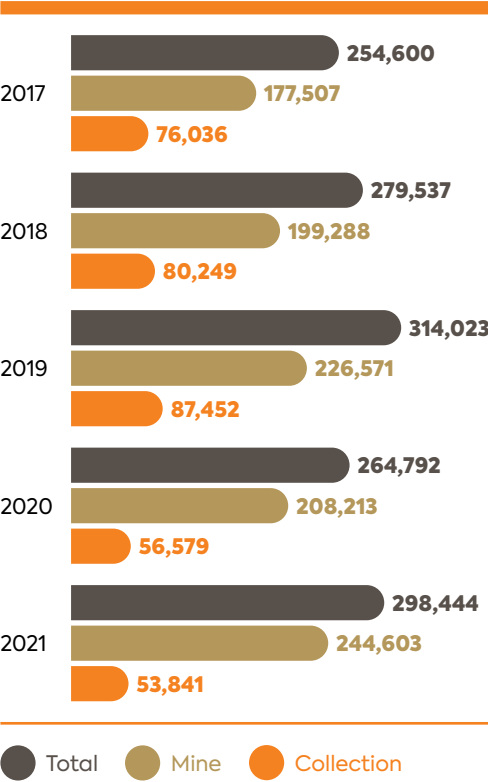
Annual Production Marañon
Plant (ounces)



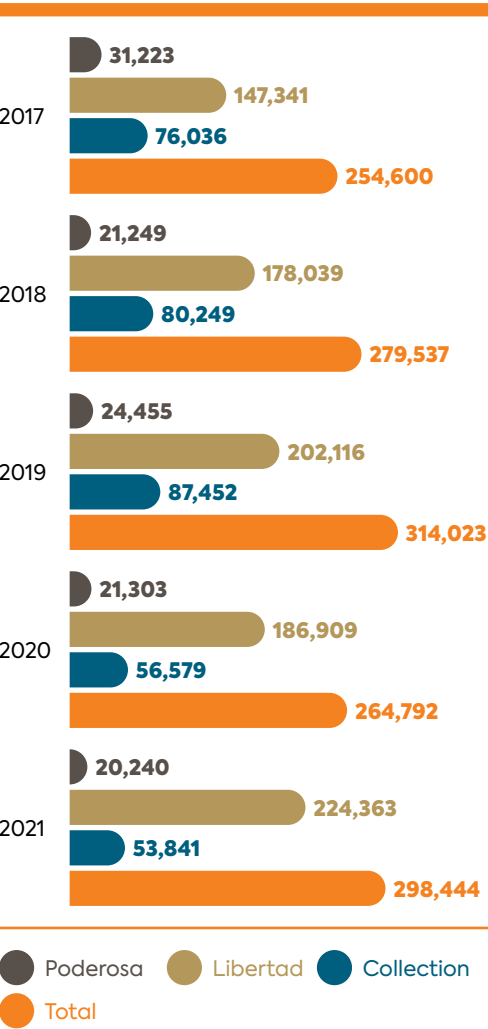
Annual Production Santa
Maria Plant (ounces)



Annual Production (ounces)-consolidated
Marañon + Santa Maria plants



Annual Production (ounces)-consolidated
Poderosa-Libertad-collection

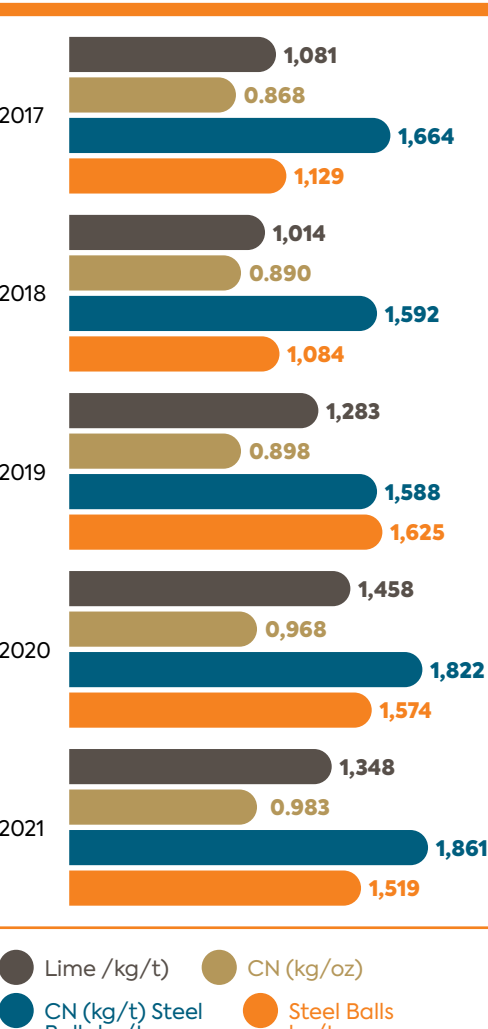


Specific consumption of main inputs

Cyanide consumption was 0.963 kg/t, 1,6% more than in 2020 due to an increase of cyanide concentration in the plants grinding circuits, to ensure maximum gold extraction.

Lime consumption was 1.348 kg/t, 7,5% lower than in 2020, the reduction of lime consumption at the Santa Maria plant was 13,8% and 4,5% in Marañon Plant,

Specific consumption
of main inputs



due to a better control and follow-up of operational parameters.

Steel ball consumption was 1.519 kg/t, 3,5% less than in 2020.

SMELTER

Pollutants in Dore Bars

The two main pollutants in the bars were lead and arsenic. In average, Pb and As

content in the bars from the Marañon plant was 0.32% and 0.06%, and the content in the bars from Santa Maria plant was 0.65% and 0.48%, respectively, a 14.8% reduction in lead and a 12.5% increase in arsenic.

The contents of both metals in the dore bars from the smelter have been kept below 2%, which is the maximum trading limit.

Pollutants in the precipitate

Lead content in the Marañon plant precipitate increased from 6.66% to 8.67% compared to 2020; and in Santa Maria Plant the content was reduced from 2.76% to 1.61%.

The arsenic grade in the precipitate decreased in the Marañon plant from 0.45% to 0.39%, and in the Santa Maria plant in increased from 0.83% to 0.96%.

Pollutant treatment

Lead recovery from the smelter slag was 98.3% and arsenic recovery was 92.8% in the Marañon plant, while the results for Santa Maria were 77.5% and 71.9%, respectively.

Recovery at the smelter

Gold recovery from the precipitate at the smelter increased from 99.78% to 99.84%, despite an increase in lead and arsenic in the precipitate.



MAINTENANCE, ENERGY AND TRANSPORTATION



“TO REACH MAXIMUM AVAILABILITY OF THE COMPANY’S ASSETS, SEEKING A REASONABLE BALANCE BETWEEN MAINTENANCE COSTS AND PRODUCTION, SECURITY, AND ENVIRONMENT GOALS”.

In 2021, the Energy, Maintenance and Transportation Superintendence met the annual policy management plan goals. That is, it achieved optimal supply of energy to the mine, plant, and camps in terms of quantity and cost, within the safety and environmental protection guidelines. These results are in line with the vision of the area:

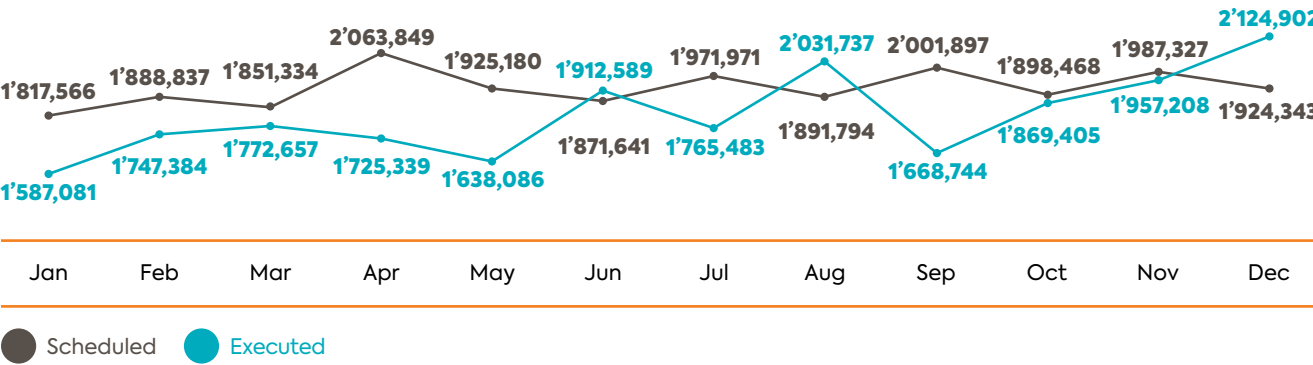
Management Indicators

INDICATOR	PROCESS	EXECUTED	GOAL
USD / TMT	Maintenance	19.77	≤ 21.58
USD / kWh	Energy	0.097	≤ 0.098
kWh / TMT	Energy	148.31	≤ 152.42
USD / TMT	Transportation	5.24	≤ 5.10

Scheduled vs. Executed costs per processes

PROCESS	SCHEDULED	EXECUTED	% EXEC.
Maintenance	11'705,853	11'129,907	95.1
Energy	8'091,593	7'721,772	95.4
Transportation	3'296,765	2'948,936	89.4
Total	23'094,210	21'800,615	94.4

Scheduled versus Executed Costs



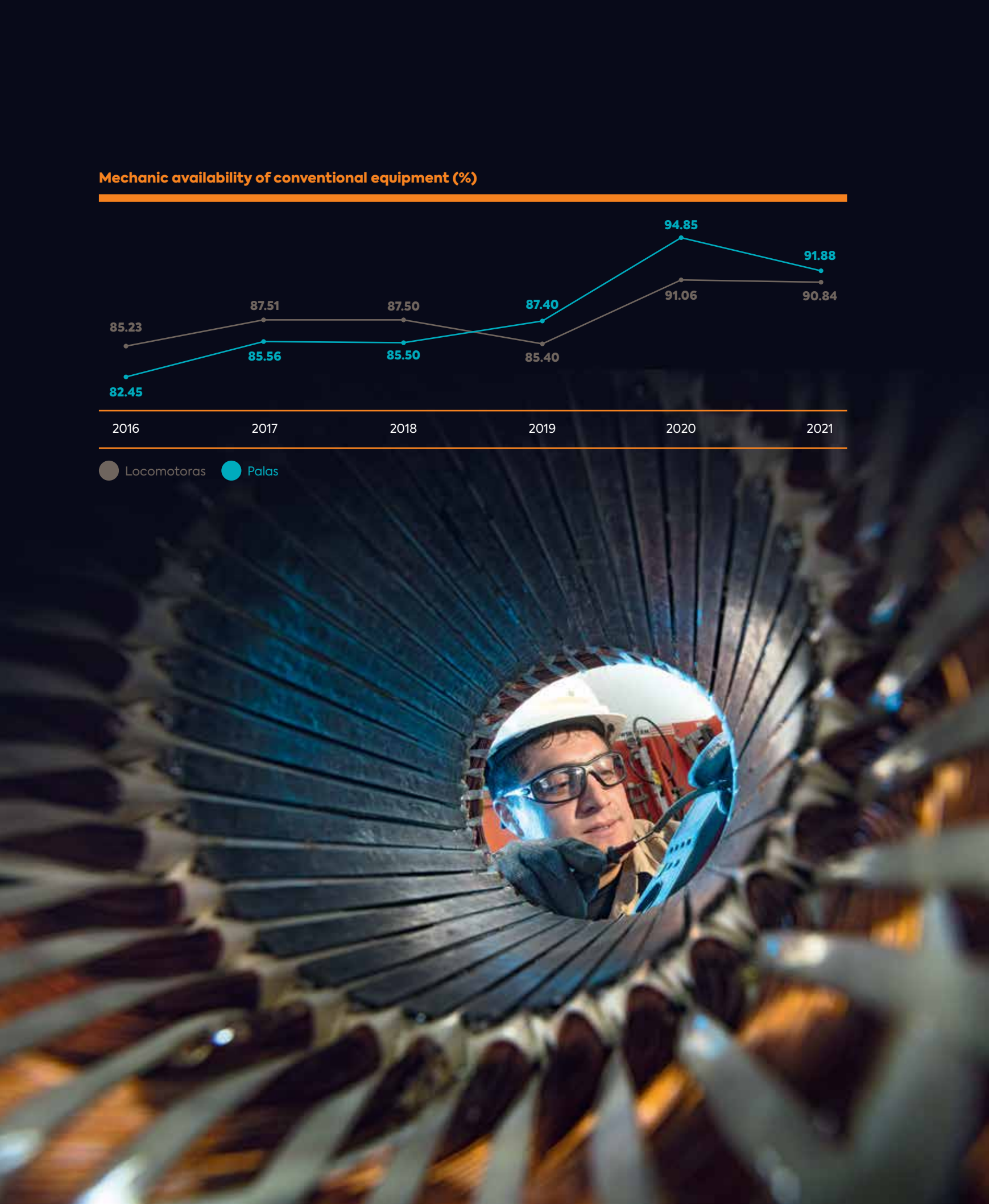
Mechanic Availability (%)

PRO- CESS	INDICATORS	GOAL	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	GEN AVGE
MAINTENANCE	Mechanic Availability Scoops and Locomotives	≥ 90.0%	97.8	92.2	92.1	91.9	93.7	90.6	90.7	89.5	89.3	90.1	90.4	90.3	91.6%
	Mechanic Availability Diamond Drillers	≥ 90.0%	98.5	90.0	94.5	95.1	95.4	95.8	95.2	94.1	88.7	93.2	99.4	91.3	94.3%
	Mechanic Availability Plant Equipment	≥ 96.0%	97.0	95.6	98.2	96.3	97.3	95.4	98.3	96.2	97.9	96.6	94.7	98.2	96.8%
	Mechanic Availability Energy Generation	95.0%	89.3	94.4	89.9	93.2	94.9	92.7	89.4	90.3	94.6	95.8	95.3	92.8	92.7%
	Mechanic Availability Heavy Equipvment and Compressors	≥ 96.0%	96.2	95.4	96.6	98.1	98.9	96.1	98.3	97.2	97.9	99.7	96.8	99.8	97.6%
	Average	≥ 93.4%	95.8	93.5	94.3	94.9	96.1	94.1	94.4	93.5	93.7	95.1	95.3	94.5	94.58%

MECHANIC AVAILABI- LITY PER FLEET	2020	2021 JAN	2021 FEB	2021 MAR	2021 APR	2021 MAY	2021 JUN	2021 JUL	2021 AUG	2021 SEP	2021 OCT	2021 NOV	2021 DEC	TO- TAL	AVGE.
Front loader	91.7	88.8	84.6	94.4	98.9	98.0	93.0	98.5	87.7	94.2	99.8	96.2	99.8	94.5	97.4
Tractors	87.1	100.0	100.0	99.2	99.3	100.0	86.7	93.6	100.0	100.0	100.0	100.0	99.6	98.2	
Compressor	98.1	99.2	100.0	100.0	98.9	99.4	99.9	99.7	99.8	100.0	99.5	99.1	99.8	99.6	
Electric power station	92.3	83.8	90.0	85.6	92.8	97.7	98.5	90.1	90.5	99.9	100.0	99.4	94.7	93.6	82.4
Hydraulic Turbine	96.1	99.2	99.4	90.3	99.3	74.6	49.8	52.9	50.0	51.7	50.0	63.8	74.1	71.3	
Locomotive	91.1	92.4	90.5	91.9	92.0	93.7	90.8	90.3	87.9	86.7	89.4	92.3	92.1	90.8	90.2
Shovel	94.8	97.8	94.1	92.4	91.7	93.7	90.4	91.2	91.3	92.1	90.9	88.4	88.5	91.9	
Ventilator	89.5	89.2	87.5	81.4	89.1	90.1	90.2	91.6	89.0	89.9	86.8	82.8	86.6	87.9	
Winch	90.1	93.0	89.5	70.9	93.4	94.7	92.1	90.9	93.7	96.2	91.4	88.6	90.3	90.4	

ACHIEVED OPTIMAL SUPPLY OF ENERGY TO THE MINE, PLANT, AND CAMPS IN TERMS OF QUANTITY AND COST, WITHIN THE SAFETY AND ENVIRONMENTAL PROTECTION GUIDELINES

Mechanic availability of conventional equipment (%)



INFORMATION TECHNOLOGY

We continued to comply with the sanitary protocols established to fight against the covid-19 pandemic, therefore all projects involving physical and group contact, field work and interaction with the communities were rescheduled. On the other hand, remote work was the option to safeguard our employees' health. This exposed our work to new risks, which we immediately decided to mitigate through cybersecurity projects.

The following is a list of projects developed in 2021.

IT INFRASTRUCTURE

Cibersecurity projects

SonicWall Cloud, cloud security for Office 365 (Outlook, Teams, etc.)	Completed
Cyolo, secure access for remote users and contractors	Completed
Intsights, removes social networks, fake news, and cloned websites	Completed
Segmentation of the IT /OT networks, set up stage	Underway

Backup, recovery and continuity projects

Datto Siris, recovery and continuity of high priority servers (failover on-premises and cloud).	Completed
Datto SaaS Protection O365, cloud-based Office 365 files backup and recovery (Outlook, Teams, etc.)	Completed

REMOTE WORK WAS THE OPTION TO SAFEGUARD OUR EMPLOYEES' HEALTH. THIS EXPOSED OUR WORK TO NEW RISKS, WHICH WE IMMEDIATELY DECIDED TO MITIGATE THROUGH CYBERSECURITY PROJECTS.

Network and communications projects

Aragostay Dark Fiber and managed LAN -Claro, installation of a dark fiber to improve the quality and availability of the data and internet services in the mining units	Underway
Expansion of band width - Claro, band width expansion in all the Company units (from 50/40 Mbps to 150 Mbps)	Pendiente
Redundancy of links - Bitel, implementation of a new private data and internet carrier for redundancy purposes	Completed
SD-WAN groups the links (data and internet) and increased the performance to manage them in an agile manner, with high availability	Underway

DATA CENTER AND SERVERS PROJECTS

Implementation of the San Borja Data Center and activation of the IT services in the new offices	Completed
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IT SOLUTIONS

During 2021 we saw the need to implement a world class ERP. We cancelled the systems development and migration projects to review and implement SAP S/4HANA in 2022.

Systems Development and Migration

Payroll system improvement and migration	Cancelled
Logistics system improvement and migration	Cancelled
Accountancy system improvement and migration	Cancelled
SAP Assessment SAP, process review to determine the scope and cost of SAP S/4HANA implementation	Underway

Improvements and requirements of the existing systems

Optimization of the access control system	Completed
Improvements to the 5S quality app	Completed
Migration of the Slicpro system to the cloud	Completed
Implementation of collections requirements to comply with SUNAT 193	Completed
Security update to all the systems	Completed
Automation of the compliance sworn oath	Completed
Automation of birthday greetings	Completed
Purchase orders follow-up	Completed

IT GOVERNANCE AND MANAGEMENT

To improve the IT governance, in 2021 we decided to continue reviewing the IT internal control by EY consulting company. This meant that all the planned activities had to be suspended, and in 2022 they will be restated according to the result of this process.

Developments and system migration

Help desk service, exclusively dedicated to serve the user and to closing of reported incidents	On hold
Incident reporting procedure	On hold
Procedure to unsubscribe users	On hold
Backup, recovery, and service continuity procedure	On hold
IT internal control review with EY consulting company, evolution of the IT area as per the good governance practices and industry management	Completed
IT governance management assistance with EY consulting company, implementation of point 5 of the roadmap produced from the internal control review	Underway



PART 1.
WE ARE MINERA
PODEROSA

PART 2.
OPERATIONAL
EXCELLENCE

PART 3.
RESPONSIBLE MANAGEMENT

PART 4.
SUPPLIER
DEVELOPMENT

PART 5.
NEIGHBORING COMMUNITIES

PART 6.
ANNEXES

PART 7.
FINANCIAL STATEMENT

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CONTENT



PART 3

RESPONSIBLE
MANAGEMENT





ECONOMIC PERFORMANCE

OUR MOTIVATION

This management approach allows us to identify the economic value generated in 2021 for our stakeholders. Our economic performance allows balancing our financial management with the comprehensive management system, occupational health, environment, quality, and ethical policies, and our 5S business philosophy. All the same, its standing profit-sharing policy allows for a balance between growth and profitability for our shareholders.

OUR EFFORT

In 2021, we treated 564,914 tons of ore; gold production was 298,444 ounces, 13% more than in 2020. This increase is explained by the recovery of the mineral processed, compared to the low figures of the former year because of the

pandemic. The number of ounces sold and dispatched in 2021 was 297,161 (these sales included the initial stock), which meant a 12% increase compared to 2020. With respect to investments, USD 94.7 million were disbursed during 2021, which included investment in maintenance and growth. This represents 24% more than in 2020. The total financial debt (total liabilities) decreased by 2% compared to the previous year, for a total of USD 138.6 million.

OUR ASSESSMENT AND RESULTS

We are committed to operating with transparency and sustainability. To make this measurable, we focus on the bottom line and on measuring and reporting on our performance. Poderosa's internal processes and financial statement were audited in 2021 with favorable opinions of Protiviti and KPMG auditing firms, respectively.

974.99

Ebitda (PEN million)

2,102.7

Net Sales (PEN million)

Main financial indicators

	2021	2020
EBITDA (PEN million)	974.99	855.46
Net Sales (PEN million)	2,102.7	1,663.2
Gross Margin (%)	48	48
Operational Margin (%)	36	37
Profit before taxes (PEN million)	799.68	569.2
Net Profit (PEN million)	552.79	385.56

Direct economic value generated and distributed

The average price for our exports was USD 1,796.07 per ounce of gold and USD 24.93 per ounce of silver. These prices (1% more compared to 2020) allowed for greater sales income than those values forecasted in the annual budget. 100% of the production was exported to our customers Asahi in Canada and Argor-Heraeus in Switzerland.

799.68

Profit before taxes (PEN million)

552.79

Net Profit (PEN million)

Net sales in 2020 added up to PEN 2,102,746,925, which meant an increase in 26% compared to PEN 1,663,261,083 in 2020. Sales cost was PEN 1,101,479,942, that is, a 27% increase compared to PEN 866,319,075 in 2020.

Generation of economic value for stakeholders (PEN)

		2021	2020
Direct Economic Value Generated Income	Net sales and income from financial investments, insurance indemnification and asset sales	2,106'537,085	1,604'750,376
DISTRIBUTED ECONOMIC VALUE			
Supplier payments	Payment to suppliers, royalties, and payments for facilitation or donations	925'414,310	753'768,852
Employee salaries and benefits	Total payments to employees and social contributions. Does not include future payment commitments.	129'621,451	110'539,262
Government payments	Gross taxes and rates	279'099,735	186'384,130
Investment in Communities	Voluntary contribution to and investment in the communities, including donations	17'126,529	10'985,919
Withheld economic value		755'275,059	543'072,213

NET SALES OF THE YEAR ADDED UP TO

PEN 2,102'746,925

The net profit for the period was PEN 552,791,498, which meant 43% more, compared to the 2020 result, which was PEN 385,559,461. The increase in the price of gold favored this result.

Indebtedness

During 2021, short and medium-term bank financing operations were maintained to cover our investment needs, we must note that we were able to access lower interest rates. In this regard, the short-term promissory note was refinanced in August for a total amount of USD 13 million at an EAR of 1.19% (1.75% in 2020).

As of December 31st, 2021, the balance of the financial debt was USD 29.19 million (USD 35.32 million in 2020) with an average annual cost and an EAR of 1.95% (2.32% in 2020).

Hedging and leverage ratios were maintained as follows:

Hedging ratio (EBITDA/ financial expenditure) Leverage ratio (total debt / EBITDA)

= 0.12

Long term debt hedging ratio LP (EBITDA/ (Financial Expenditure + payments Long term debt))

= 38.12

BANK	BALANCE AS OF DEC 31, 2021 (MILLION USD)	TYPE OF INDEBTEDNESS
SCOTIABANK	13.00	Working Capital
	2.69	Financial leasing
SANTANDER	0.95	Financial leasing
BCP	0.26	Financial leasing
BBVA	11.93	Mid-term loan 2020
	0.36	Financial leasing

Cost Evolution

In 2021, there was a 13% increase in ounce production, which meant a recovery compared to the first year of the pandemic. The cash cost per ounce produced was 11% higher than in 2020 (from 659 to 733 USD/oz), while the cash cost in dollars was 31% higher compared to 2020 (from 137.2 MM to 179.3 MM).

The total cost per ounce increased by 3%, compared to 2020: it went from USD 1010.7/oz to USD 1,038.39/oz in 2021.

Average gold price

During 2021, the main economies continued their economic recovery. Employment reactivated and, in general, the markets were more optimistic than in 2020. The average gold spot price for 2021 was USD 1,798.84, higher than the 2020 average (USD 1,771.22), but still far from the peaks reached in March: USD 1,676.89; and the maximum value was

USD 1,959.35, in January, due to the fear of the wholesalers of a new worldwide covid-19 wave.

Average gold price 2014-2021 in USD/OZ

SECURITY PRICING SOURCE	XAUUSD BGN CURNCY BGN
FECHA	PRECIO PROMEDIO ORO
2021	1,798.84
2020	1771.22
2019	1,393.82
2018	1,269.02
2017	1,258.80

Audit Report

The Audit Report can be found in Chapter 7 of this report. The financial statement of Compañia Minera Poderosa S.A. does not include information on other institutions.





ENVIRONMENTAL MANAGEMENT



Our approach and responsibilities



WHY IS ENVIRONMENTAL MANAGEMENT IMPORTANT?

Our commitment consists of developing our mining operations and projects in an environmentally responsible manner. Our environmental management is instrumental to achieve the sustainability we seek, and which is soundly integrated into our vision and mission.

We focus on using natural resources efficiently for the sustainable development of our operations and the environment, on the application of good environmental practices, on the use of clean technologies and innovative solutions to continuously improve the environmental controls.



HOW DO WE MANAGE THIS APPROACH?

We have set up environmental management plans, environmental component monitoring programs, environmental enhancement projects and we use technology and innovation to improve processes and to reduce pollution in every process in the mine. We comply with the regulations; we carry out Environmental Impact Assessments (EIA) to get the certification for new projects and we execute closure plans for those components that will not be used any more. Our Environmental Management System is based on ISO 14001:2015, through which we identify the organization's environmental aspects and establish the controls in every stage of the mining cycle to prevent, control and mitigate the impact of our operations in the environment.



HOW DO WE ASSESS OUR MANAGEMENT APPROACH?

The environmental behavior of every process in the mine is measured monthly using the environmental performance global indicator. Environmental performance is made up by the compliance with environmental programs, commitments and legal requirements based on the EIA, ISO 14001:2015 requirements and applicable regulations. The evidence of compliance is obtained through field inspections, documents, and audits. Every June 5, on World Environment Day, the processes that have achieved the best environmental performance during the former year receive a special prize.

021

MAIN ENVIRONMENTAL INDICATORS

ZERO

significant environmental accidents
in our operations

25%

efficiency improvement in the
water treatment plant

1'339,601M³/YEAR

direct and indirect water footprint

65%

of water used is recycled

Greenhouse gases effect (GHG) below
the maximum permissible limits



EFFICIENT WATER MANAGEMENT

OUR MOTIVATION

Doubtlessly, water management is one of the most relevant topics for our stakeholders, and it is especially sensitive for our neighboring communities. Adequate water management is one factor, which, together with environmental behavior, strengthens positive perception about our company for it impacts both inside as outside the operations. Clean and quality water is essential to all human activities; therefore, it is necessary that we adequately manage the impact of our activities on this resource. Water management is included in our sustainability statement and in the resource management plan as a priority topic.

OUR EFFORT

We meet high water quality and quantity as well as the regulations in force, and

we are constantly working to optimize the use of this resource throughout our operations, improving recirculation of the effluents produced by the filtration of the tailings and comprehensive reuse of the effluents coming from the treatment of the domestic residual plants. We also use underground water and water outcrops for the cyanidation plant and for human consumption, after treating it in ultrafiltration plants. In this regard, we have water use licenses approved by the corresponding authority. We continue to implement water flow meters at the camps, canteens, and production areas to continue with the water use optimization plan. The criteria for the quality of effluent discharge take into consideration the legal framework in force and are established in our IGA and protocols. Internally, we use monitoring procedures and quality assurance tables to measure water quality; all the same, externally, we comply with the legal requirements applicable, such as the ECA category 3 for water (004-2017), and MINAM (010-2010) maximum permissible

limits. Regarding the receiving water mass, for the case of discharges, we work with the mixture area, as required by the ANA. We deploy different strategies. We focus mainly on:

MINIMIZING

preventing the loss of water sources in underground works, we close any filtrations of drills.

REUSING

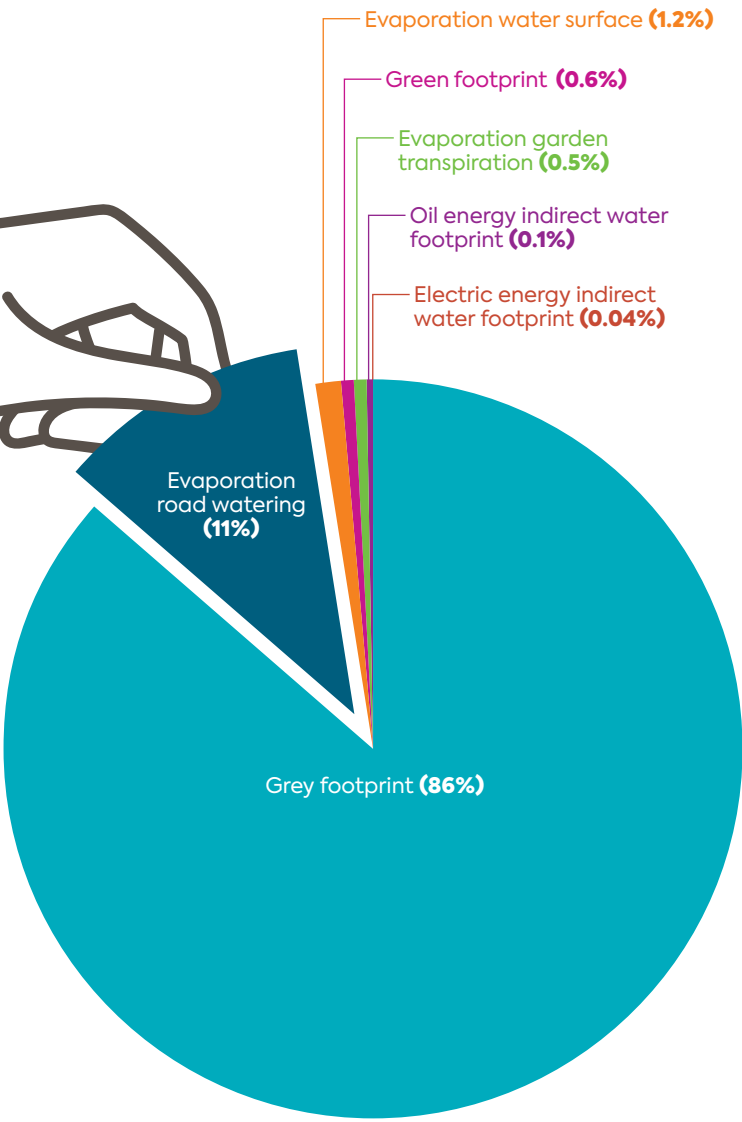
efficient use. We do not generate spillages and we prioritize recirculation in our processes.

OUR ASSESSMENTS AND RESULTS

To contribute to the evaluation and sustainability of our activities, we have prepared the water footprint report for 2019, as a first step to measure this indicator and manage strategies to reduce and optimize water consumption in all our processes, year after year. The result of the measurement was 1,339,601 m³/year, which considers both direct and indirect consumption (virtual water), carried out in the gold bullion production process. We also developed a participatory monitoring program with the communities (more details on participatory monitoring, page 112).

DIRECT AND INDIRECT
WATER FOOTPRINT

1'339,601M³/YEAR



CASE STUDY: WATER SAVINGS IN CANTEENS. AMONG THE VARIOUS ACTIVITIES TO SAVE WATER AND REDUCE THE WATER FOOTPRINT, WE HAVE BEGUN INSTALLING WATER TAPS WITH SENSORS IN THE CANTEENS TO PREVENT WATER WASTE.

Water use

The water we use comes from superficial and underground water. Our water consumption level is below the total volume authorized by the National Water Authority (ANA). The average annual water supply at El Oso and Chorro Blanco is 15,168,816 m³/year. ANA granted a license to use approximately 400l/s; the excess is kept as part of the ecologic flow, and it is used by the community. On the other hand, after generating energy at the Alberto Samaniego hydroelectric power station, the water is discharged to the original river course, El Tingo, except for 25 l/s, authorized by ANA, which are used in our operations at Vijus mining camp.

For our mining operations at La Lima, El Tingo and Papagayo, as for the camps and green areas, we have a license for water use up to 315,360 m³/year. Our operations in Cedro have demanded a mining use license for water of up to 37,843 m³/year, this water is extracted from inside the mine.



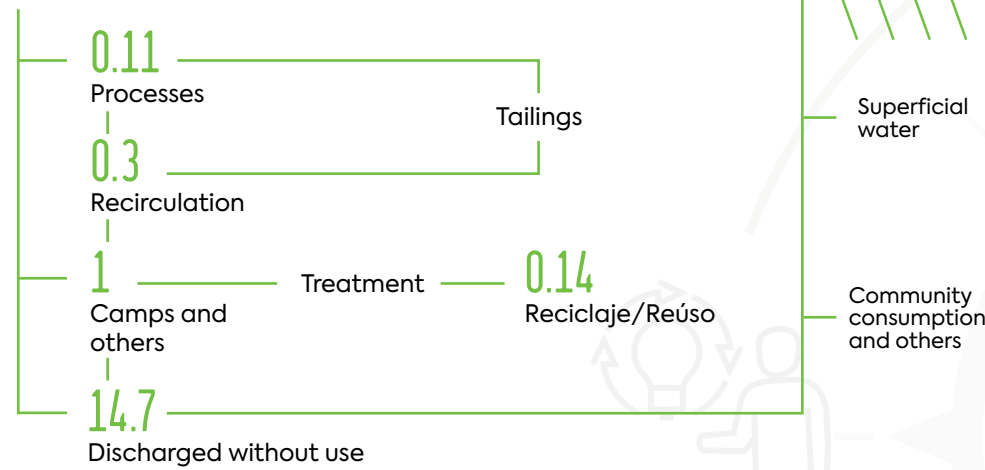
We have managed to reduce natural water consumption through the incorporation of technology at the tailings and residual water plants, which allows recovering water from the processes. All the same, during 2021 digital gauge systems (flowmeters) were installed, and were integrated to the Scada System, allowing for real time information.

Measurement and follow-up are performed considering water quantity and quality. Quantity management corresponds to the continuous measurement of the water flow and volumes consumed, the frequency is daily, and the ANA report is monthly. Measurements in the main water sources within the basin are also taken monthly and are reported quarterly to the competent authority. On the other hand, quality management corresponds to the sampling and analysis of the physical - chemical and biological parameters. The frequency is monthly, and the report is delivered on a quarterly basis to the competent authority.



15.8

Superficial water



PODEROSA GENERAL
BALANCE FOR 2021
(MILLION M³)

Superficial water

Community consumption and others

The impacts identified through continuous monitoring are reported and the corresponding actions plans are executed.

The water management goals and targets are established in the annual plan and are based on the monitoring, follow-up and measurements taken at the water sources. In this regard, we carried out hydrologic and hydrogeologic studies in the operation units to update the water source inventories, measurement and reload of water sources. Also, we align to the basin studies performed by the National Water Authority (ANA) and we meet the legal requirements of the authority.

It is important to mention that the basin where our operations are located is not considered as suffering from hydric stress.



Water consumption authorized by the water authority versus actual consumption 2021

ZONE	ANA AUTHORIZED CONSUMPTION (M³/YEAR)	REAL CONSUMPTION (M³/YEAR)	DIFFERENCE AUTHORIZED VS ACTUAL CONSUMPTION (M³)	% CONSUMED AS PER AUTHORIZED	% CONSUMED FROM THE SOURCE	WATER SOURCE	WATER SOURCE
Vijus	788,400	589,236.8	199,163	74.74	<5	Chorro Blanco and El Oso ravines	Superficial
Paraiso	315,360	161,551.2	153,809	51.23	<5	Lavasen river	Superficial
Cedro	37,843	16,426	21,417	43.41	<5	Marleny	Superficial
Santa Maria	161,149	27,650.9	133,498	17.16	<5	Santa Maria ravine	Superficial
	68,433	48,349.4	20,084	70.65	<5	Virginia	Superficial
	100,915	63,628.1	37,287	63.05	<5	Puquiopata	Superficial
	946,080	26,021.3	920,059	2.75	<5	Frances* river	Superficial

SUPERFICIAL WATER:

15.8

TOTAL WATER CONSUMPTION:

1'100,000 M³

DISCHARGED WITHOUT USE:

14'100,000 M³

Water discharge

We are only authorized to discharge water to superficial water sources. These discharges that come from the mine effluents are treated and monitored daily. In this sense, the two substances that are present in our discharges are arsenic and suspension solids, therefore, we are very strict regarding water treatment in our operation. The treatment method used on the effluent is coagulation and flocculation inside the mine. We focus

on meeting the maximum permissible levels according to the legal provisions in force (DS N° 010-2010 MINAM). Follow up and measurement are daily and monthly, and we request the services of an external laboratory. As of the closing date of this report, we have not had any violations reported regarding external or internal monitoring. On the other hand, we have online water flow gauge systems (automatic), which allow us to perform daily analysis and to have a permanent record.

Percentage and volume of recycled and reused water

PROCESSING PLANT	TREATMENT METHOD	WATER INTAKE TO THE PLANT (M³)	RECIRCULATED LEACHING SOLUTION (M³)	NECESSARY WATER FOR MINERAL PROCESSING (M³)	RESUSE %
Marañon mineral processing plant (789 TMD)	None. Enters to the sol. tank, mill.	16,744.00	169,080.00	185,813.00	91
Santa Maria mineral processing plant (855 TMD)	None. Enters to the sol. tank, mill	84,624.96	105,474.00	190,098.96	55
HOUSEHOLD RESIDUAL WATER PLANT*		INTAKE VOLUME (M³/YEAR)	TREATED VOLUME	REUSED VOLUME (M³/YEAR)	REUSE %
Household residual water plant– MBBR-Vijus	Moving Bed Bioreactor (MBBR) – aerobic biologic process)	18,775.58	18,775.58	1877.58	100
Household residual water plant– Compact Paraiso	Activated sludge	30,792.96	30,792.96	30,792.96	100
Household residual water plant– Conventional Paraiso	Up flow anaerobic sludge blanket (UASB)	17,099.37	17,099.37	17,099.37	100
Household residual water plant– Santa Maria	Moving Bed Bioreactor (MBBR) – aerobic biologic process)	63,500.21	63,500.21	63,500.21	100

+ Water flow (m³) is measured with flowmeters. The water is reused in the plant process. Calculation methodology is through mass balance. Both fresh and recirculated water are measured.
* Water flow (m³) is measured with flowmeters. The quality of the treated water which is reused meets the ECA for risk water (category3): D.S. N° 004-2017-MINAM. Treated water is reused for irrigation of green areas and roads in the different mining units. The calculation methodology is through mass balance.



PARTICIPATORY MONITORING

OUR MOTIVATION

Including the local authorities in our environmental surveillance controls to determine the influence of significant impacts generated by our operations, is a policy we practice since 2018 to promote transparency, and to show the result. The participation of the communities is fundamental to live in harmony and with mutual understanding. As part of our commitments, the Environmental Management and Community Relations department coordinates with the community authorities in the area of influence to carry out this monitoring, which includes water quantity and quality in the ravines, and noise monitoring in the areas of interests of the community, these are performed using monitoring spots approved by an environmental management tool (IGA). The program is held twice a year (in the dry season and in the rainy season).

It must be mentioned that in 2021 we participated in the Mining and Energy Industry Responsible Corporate Conducts Recognition Program (CER award). In this event, our participatory monitoring program was recognized.

OUR EFFORTS

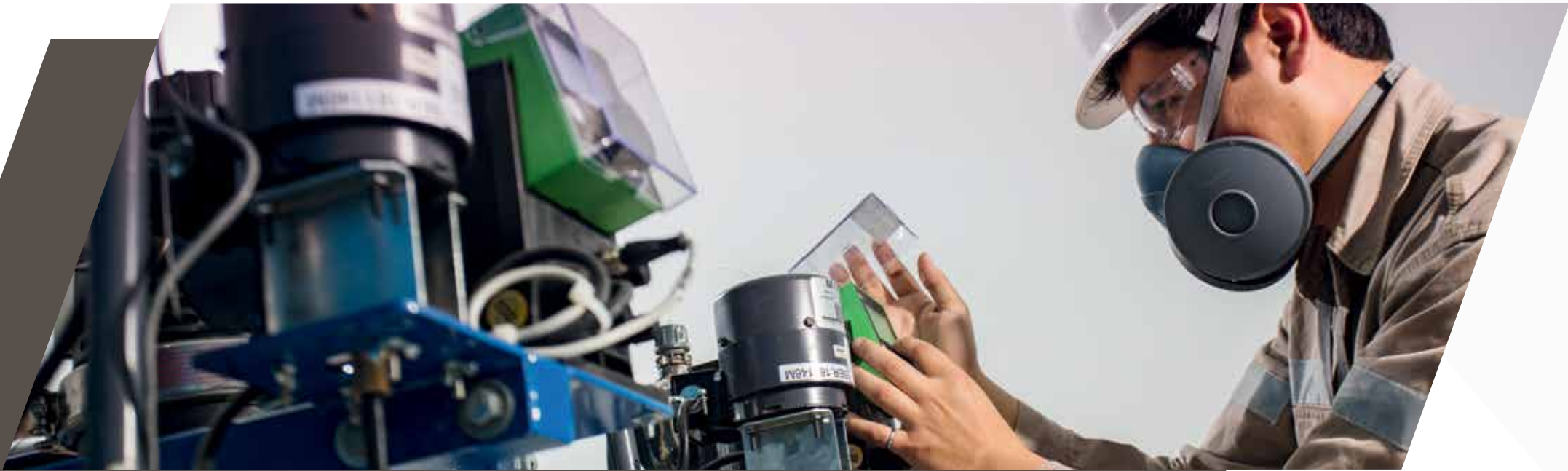
This participatory monitoring starts with previous training. In each training, we explain the purpose and the methodology adopted for the monitoring, the parameters and quality that the water and air environmental components should meet, as well as other aspects of interest, as established in the environmental quality standards (ECA) regulations. Participatory monitoring was performed following the covid-19 prevention protocols, including the use of face masks and social distancing measures.

OUR ASSESSMENTS AND RESULTS

In 2021, participatory monitoring was performed in the Marañon and Santa Maria Production Units, and in the Palca and Montañitas exploration projects. We also took part in the participative monitoring organized by the Local Water Authority (ALA) Huamachucho, together with the local authorities. In these activities, the receiving bodies within our operations are monitored.

On the other hand, through our community relations department, we carry out activities with the communities to improve drinking water quality and empowerment to efficiently manage the communities' water consumption. The Services and Sanitation Management Committees (JASS) are empowered and trained to solve problems in the intakes, water conduction systems, water tank cleaning and consumption measurement. Also, the amount charged for quantity of water used being implemented by the population allows to respond to and solve problems that may occur in any component of their drinking water system (further information in page 202).

THROUGH THE COMMUNITY RELATIONS DEPARTMENT, ACTIVITIES ARE PERFORMED WITH THE COMMUNITIES TO IMPROVE DRINKING WATER QUALITY AND EMPOWERMENT TO EFFICIENTLY MANAGE WATER CONSUMPTION IN THE COMMUNITIES.



EMISSIONS MANAGEMENT

OUR MOTIVATION

The mining industry requires large amounts of energy to extract, smelt, produce, transfer material and for other supporting processes. Energy use causes greenhouse gas (GHG) emissions that contribute to climate change. Therefore, we focus on maintaining an efficient operation and developing projects that provide cost savings and environmental benefits inside and outside our operation, thereby minimizing our footprint.

Through our Sustainability Statement, we commit to use natural resources in a sustainable and responsible manner. All the same, we acknowledge that every human activity has an impact on the environment, and therefore we set up strategies to prevent, reduce and mitigate the negative impact we may cause. This value allows to quantify emissions reduction in the processes, through the implementation of clean technological strategies and innovative applications in the emission generating

processes. The goal is also to reduce the reliance on fossil fuels for direct and indirect processes and which generate GHG emissions. Measuring the carbon footprint will lead to the implementation of strategies towards actions to mitigate the effects of climate change.

OUR CARBON FOOTPRINT

We understand that is urgent to act, in this regard, we have started measuring our carbon footprint, using 2020 as the baseline. This measurement will enable us to have a quantified figure as a starting point, to design measurable strategies and to reduce the emissions we generate. The value of the carbon footprint measured was 41,948.53 tCO₂ eq.

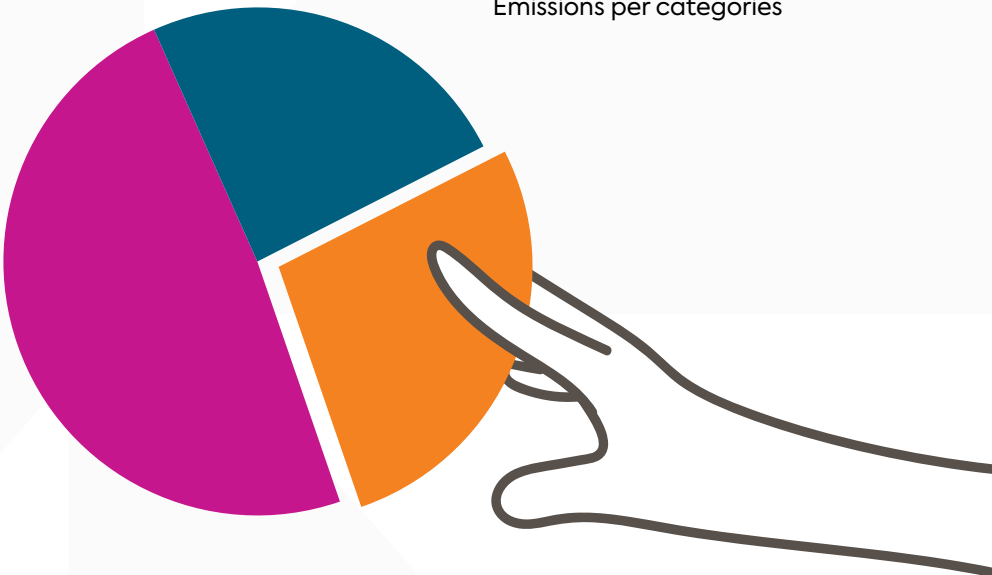
As of the date of this report, the 2021 measurement was in the data collection and analysis stage. The result will be informed in our website and in the following report, and informed to all the interested parties.

THE VALUE OF THE CARBON
FOOTPRINT MEASURED WAS

41,114 TCO₂ EQ

RESULTS FOR THE YEAR
BASELINE 2020

Emissions per categories



Category 1 – Direct
emissions **(24.1%)**
9,911.79 T CO₂ EQ

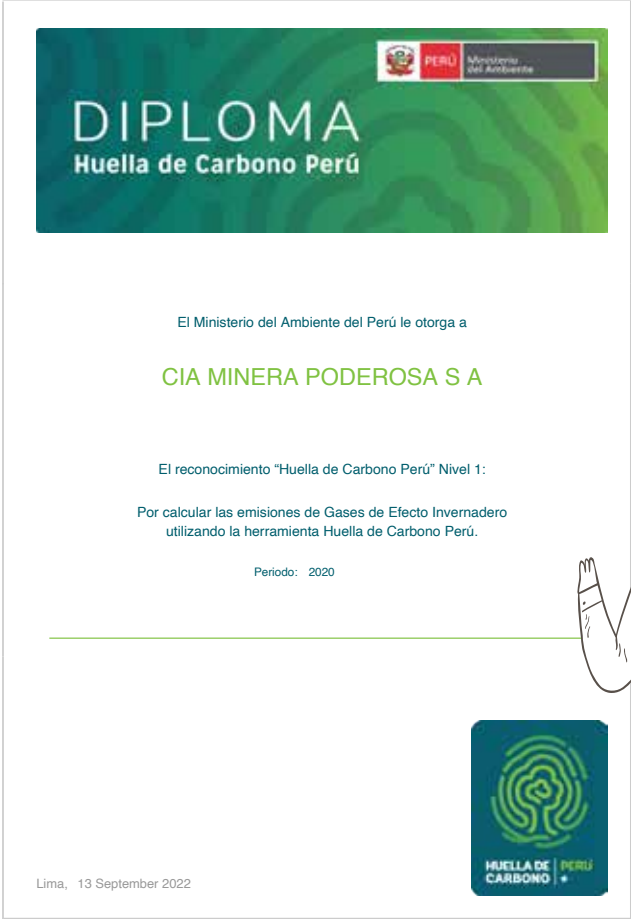
Category 2 – Indirect emissions
due to energy **(27.7%)**
11,400.24 T CO₂ EQ

Other categories – Other
indirect emissions **(48.2%)**
19,801.91 T CO₂ EQ

tCO2e Emissions per source and category Poderosa Mining Company 2020

CATEGORY	CARBON DIOXYDE (TCO2)	METHA-NOL (TCH4)	NITROUS OXYDE (TN2O)	HYDRO-FLUORO-CARBONS (THFC)	PER-FLUORO CARBONS (TPFC)	SULFUR HEXA FLUORIDE (TSF6)	NITRO-GEN TRI-FLUORIDE (TNF3)	GHG EMIS-SIONS (TCO2E)
Category 1– Direct emissions								
Fixed sources combustion	4,092.21	0.15	0.03	0.00	0.00	0.00	0.00	4,104.78
Biogenic fixed sources	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.39
Mobile sources combustion	229.88	0.01	0.01	0.00	0.00	0.00	0.00	233.45
Biogenic mobile sources	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.20
Cooling leaks	0.00	0.00	0.00	0.009618	0.00	0.00	0.00	18.50
Fertilizer application	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Indirect N2O emissions from fertilizer application	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.44
Other sources	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,554.21
Category 2– Indirect emissions from energy								
Electric power consumption	11,355.99	0.70	0.09	-	0.00	0.00	0.00	11,400.24
Other Categories – Other indirect emissions								
Input transportation	329.42	0.00	0.00	0.00	0.00	0.00	0.00	329.42
Air transportation	104.41	0.00	0.00	0.00	0.00	0.00	0.00	104.41
Land transportation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Paper consumption	4.40	0.00	0.00	0.00	0.00	0.00	0.00	4.40
Other sources	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,363.68

Source: Libelula comunicacion ambiente y desarrollo SAC



OUR EFFORTS

Our gas emissions management plan monitors, controls and keeps emissions below the maximum allowed standards, pursuant to the legal provisions in force. Monitoring is performed by a laboratory certified by the Instituto Nacional de Calidad (Inacal). The monitoring frequency is determined as per the EIA’s environmental monitoring plans.

OUR ASSESSMENT AND RESULTS IN THE SMELTER

According to our environmental assessments, a quarterly monitoring of emissions is carried out pursuant to the provisions of Ministerial Resolution N° 315-96-EM/VMM. The main greenhouse gases considered in this environmental instrument are SO2, CO and NOx. The smelting load composition and preventive maintenance of the gas treatment system are important factors to achieve good results in the emission quality.

CASE

REPLACEMENT OF THE ENERGY SOURCE AT THE FURNACE

To improve the quality of emissions, Poderosa has implemented induction furnaces (electric) to replace its oil furnace, thus eliminating a large amount of combustion gas concentration.

Results of smelter emissions in the Marañon production unit per quarter 2021

MONTH	CHIMNEY	PARTICULATE MATERIAL	OTHER GASES				GHG
			LEAD (MG/M³)	ARSENIC (MG/M³)	SULPHUR DIOXIDE (T/D)	CARBON MONOXIDE (MG/M³)	NITROGEN OXIDES (MG/M³)
1T	Smelter	(mg/m³)	Arsenic	0.00535	0.0003	44.68	214.55
	Resmelter	(mg/m³)	0.02262	0.02074	0.0063	93.17	47.22
2T	Smelter	23.77	0.05328	0.04651	0.0037	259.34	321.2
	Resmelter	2.26	0.02714	0.01267	0.0008	73.73	25.54
3T	Smelter	11.52	0.64859	0.30386	0.338	20.24	21.02
	Resmelter	28.64	1.27157	0.5859	0.0021	31.69	20.37
4T	Smelter	34.49	0.84088	0.92327	0.001	14.51	40.89
	Resmelter	60	0.66773	0.20581	0.0006	74.08	120.79
MPL any time (mg/m³)		100	25	25	20	NE	NE

NM: not measured NE: not demanded * Measurement and analysis methodology: EPA CTM 030 (test), October 13, Rev 7, 1997

OUR ASSESSMENT AND RESULTS ON
ELECTRIC POWER GENERATORS

The results of the electric power generator emissions during 2021 were below the MPL. It is important to mention that these generators run to cover the excess demand of energy and when there are power outages in the National

Interconnected Grid (SEIN). Currently, our operation receives energy from the SEIN and it is complemented with the energy produced in our Jose Alberto Samaniego hydroelectric power station. This way, we have significantly reduced the percentage of greenhouse gas emissions released by the electric power generators.



Results of electric power generator emissions in the Marañon production unit 2021

MONTH	CHIMNEY	OTHER GASES		GHG
		CARBON MONOXIDE (MG/M³)	SULPHUR DIOXIDE (MG/M³)	NITROGEN OXIDE (MG/M³)
1T	CAT 3412 N.º 2	407.41	100.43	1,504.46
	CAT 3412 N.º 3	407.8	110.04	1,532.44
	CAT 3516	143.19	326.62	2,315.74
	EMD 1	OUT OF ORDER		
	EMD 2	319.21	47.16	954.39
	White Superior	206.19	143.23	1,409.45
	C-27	176.4	156.33	1,709.54
2T	CAT 3412 N.º 2	934.76	522.73	994.01
	CAT 3412 N.º 3	944.48	944.48	31.99
	CAT 3516	1,553.82	32.75	2,523.97
	EMD 1	191.68	12.23	264.41
	EMD 2	97.75	8.73	239.95
	White Superior	1,984.12	35.81	2208.1
	C-27	1,166.62	10.48	2,523.97
3T	CAT 3516	178.7	54.15	2,783.15
	CAT 3412 N.º 2	OUT OF ORDER – REPAIR		
	CAT 3412 N.º 3	386.8	109.17	1,947.23
	EMD 1	146.62	35.81	1,405.94
	EMD 2	266.14	5.24	1431.71
	White Superior	615.51	26.2	1,997.46
	C-27	157.31	20.96	2,022.74
4T	CAT 3516	103.48	<2.62	938.21
	CAT 3412 N.º 2	OUT OF ORDER – REPAIR		
	CAT 3412 N.º 3	349	<2.62	1642
	EMD 1	271.1	<2.62	1,486.09
	EMD 2	394.05	<2.62	1,344.66
	White Superior	9.73	36.68	1,804.55
	C-27	184.04	<2.62	1,587.68
MPL any time (mg/m3)		4,300	700	3,000

Supreme Decree Project MPL Gas emissions, electricity industry (FEBRUARY 13, 2004) * Measurement and analysis methodology: EPA CTM 030 (test), October 13, Rev 7, 1997



Results of electric power generator emissions in the Santa Maria Production Unit 2021

MONTH	CHIMNEY	OTHER GASES		GHG
		CARBON MONOXIDE (MG/M³)	SULPHUR DIOXIDE (MG/M³)	NITROGEN OXIDE (MG/M³)
2T	GE- C27-02	412.63	29.55	966.62
	GE-C27-03	OUT OF ORDER		
4T	GE-C27-02	RELOCATED MARAÑON		
	GE-C27-03	<1.15	19.21	44.9
MPL any time (mg/m³)		4300	700	3000

SAMPLING METHODOLOGY

- a. Particulate Matter**
USEPA Method 5: Determination of Particulate Matter Emissions from Stationary Source
40 CFR Part 60 USEPA: based on the principle of isokinetic sampling, which consists of capturing the aspiration gases at the same speed as the ones inside the chimney. The particulate matter is determined gravimetrically after the unmixed water has been extracted.
AP-42 Methodology
Stationary Point and Area Sources Factor Emissions Compilation (USEPA 1985), that allows estimating the pollutant emission loads expressed in Kg/h, according to the type and volume of fuel used, as well as the operating period of the source.
- b. Sulphur Dioxide**
US EPA Method 6: Determination of sulfur dioxide emissions from stationary sources. Described in the 40 CODE OF FEDERAL REGULATIONS, Part 60. This measurement
- is performed together with the isokinetic measurement. Sulfuric acid vapor is separated (including sulfur trioxide) from sulfur dioxide. Both fractions are measured separately by the barium-thorin titration method. (Specific for high concentrations of SO2).

c. Metallic Elements lead, arsenic
Analysis in particle sampling filters, according to the method indicated: Lead and Arsenic: CFR Title 40, ANNEX A-8 to part 60, Method 29. 2014. Determination of Metal Emissions from Stationary Sources.

d. Gases and complementary parameters
Gas measurements were performed based on the principle of electrochemical cells according to CTM-030 (EPA) guideline, using TESTO equipment.

e. Gas exit velocity. US EPA Method 1: Localization of sampling points and velocity speed from stationary sources. US EPA Method 2: Determination of velocity and volumetric flow in chimney gases.





MATERIALS MANAGEMENT

OUR MOTIVATION

Sorting and adequate management of the materials we use in all the working areas contributes to reducing the impact on the environment and on human health, both inside and outside our operations. Likewise, tailings facility management is essential to maintain hazardous waste storage facilities in good conditions of physical and chemical stability.

In this sense, as in every other key aspect, the sustainability of activities, neighboring communities and environmental protection are fundamental variables to plan for controls and implement the required process improvements. We produce hazardous and non-hazardous waste; therefore, we establish adequate plans and strategies to ensure their efficient long-term management. These actions are based on our Sustainability Statement.

OUR EFFORTS

To minimize the amount of waste, we promote the practice of the 3R principle: Reducing, Reusing and Recycling. We work on raising awareness among our workers, contractors, and the population, about the importance of reducing waste, and handling it adequately as to reduce soil pollution. Among other actions, in 2021, we decided to replace everyday use materials with those that are eco-friendly, for example, use of LED lamps, water-saving systems, biodegradable detergents, among others.

We continue to work on raising awareness about the importance of adequate hazardous materials handling (fuel, hydrocarbons, chemical reagents, etc.) to prevent pollution. All the same, we have two vehicles that collect the residues and take them to the land fill, industrial fill, hazardous solid residues warehouse or hazardous waste materials pile, according to their classification and type. Water, energy, chemical inputs, minerals, and timber are the most used resources used in our operation processes. As production increases, so does mineral extraction and the use of materials.

To control and reduce the use of timber for mine support purposes, we are using helical bolts, metallic beams, shotcrete, and other accessories. All the same, the newly exploited pits are filled with hydraulic filling.

Cyanide, lime, zinc, sodium carbonate and borax are used in mineral processing and in product production.

CA SE

WASTE FOR FERTILIZERS

In 2019 we set up a plant to produce compost from organic waste, used to fertilize the green areas of our facilities.

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OUR ASSESSMENT AND RESULTS

GRI
103-3
301-1
306-2

Main materials used per type and volume 2016-2021

MATERIAL	RENEWABLE	2016	2017	2018	2019	2020	2021	UNIT
Timber *	Yes	9,794	8,366	6,872	7,687	54,679	51,938	Pieces
Timber (sq ft)**	Yes	577,491	1'801,906	1'800,895	2'464,545	133,176	149,028	Pieces
Fuels	No	1,510	1'628,353	2'037,822	2'024,281	1,563,498	2'223,587	Gallon
Lubricants	No	40,296	45,563	48,438	59,257	32,775	36,902	Gallon
Greases	No	10,600	13,621	12,722	15,851	10,959	11,631	kg
Borax	No	9,600	8.825	9,025	13,664	11,050	13,275	kg
Sodium Carbonate	No	500	400	550	750	400	350	kg
Cyanide	No	401,000	427,000	448,000	500,000	482,000	552,000	kg
Zinc Powder	No	26,500	23,950	24,650	30,600	24,250	30,150	kg
Lime	No	534,090	535,200	507,680	718,833	717,660	772,500	kg
Screws	No		107,298	180,385	196,168	124,388	191,880	sets
Meshes	No		4,931	6,875	7,074	5,529	8,097	rolls

*Timber: Considers round logs.
**Timber (ft²): Considers planks, scantlings, tines

Waste Disposal

Solid waste management is based on disposing waste in authorized platforms inside our operations, which are then stored temporarily (hazardous waste and waste that can be sold) or are disposed of inside our authorized landfills (general and domestic waste).



We work with certified companies, such as OE-RS, that are responsible for transferring hazardous residues and their final disposal in safety landfills or they take them for recycling, as in the case of residual oil. The companies responsible for this management are Gestion de Servicios Ambientales SAC and Green Care.

Waste management is based on the waste disposal hierarchy. First, we opt for prevention and minimization, followed by waste valorization, which includes activities such as recycling, reuse, and waste treatment; in this last aspect we have managed to obtain compost from organic waste. The last step is the final disposal of the waste. Waste management is characterized by differentiation according to the intrinsic characteristics of each type of waste. In general, they are differentiated as hazardous and non-hazardous waste. They are disposed of in the corresponding colored bins according to the type of waste.

GRI
306-2

Summary of the waste generated in 2021, per type and treatment method

	GENERAL/ DOMESTIC (T/YEAR)	INDUSTRIAL HAZARDOUS (T/YEAR)	HOSPITAL (T/YEARS)	RESIDUAL OIL (GL/YEAR)	METALLIC (T/YEAR)
Companies responsible for final disposal	Poderosa	Gestion de Servicios Ambientales SAC, Innova Ambiental SAC, Green Care, Kanay SAC and Petramas	Petramas	Corporacion Medioambiental Ampco Perú SAC	Poderosa
Classification	Non-hazardous	Hazardous	Hazardous	Hazardous	Non-Hazardous
Treatment method	Deposited in a sanitary landfill	Final disposal in security landfills	Security landfill	Recycled and sold	Recycled, recovered, and sold
Total 2021	1,389.51	294.5	4.1	20,076	536.53
Total 2020	1,077.38	47.73	0.80	17,505	439.36
Total 2019	808.59	86.84	0.68	22,356	451.89
Total 2018	1,185.24	74.49	0.59	21,282	422.03
Total 2017	825.23	55.08	1.03	25,320	358.68
Total 2016	965.25	90.60	1.40	15,200	228.60
Total 2015	882.31	102.09	1.26	19,608	152.02

Tailings and waste rock tailings management facilities

We have tailings management facilities to deposit tailings (waste from ore processing) and waste rock (waste from the mining process). These facilities have a detailed engineering file that establishes the dimensions, general design, auxiliary control components, such as coronation channels, geotechnical measuring instruments, operations manual, among other controls that allow reviewing the physical and chemical condition of the waste facility. In this way, we ensure that the tailings and waste rock dumpsters are safe facilities for the process, the environment, and the surrounding community. It is important to mention that the tailings and waste rock dumpsters require approval from the authority (MINEM General Mining Direction - DGM) before

they start operating, all the same, Osinergmin constantly verifies the compliance with the controls established in the files and the approval resolutions.

Tailings generation (quantity t /year)

TAILINGS POND	TOTAL
Marañon tailings	263,172
Santa Maria tailings	301,724
Total	564,896

Waste rock generation amount t/year

DUMPSTER	TOTAL
Marañon	214,651
Santa Maria	219,179
Total	433,830



RESPECT FOR BIODIVERSITY AND CULTURE

OUR MOTIVATION

Protecting our environment is a priority. Therefore, we consider that it is important that our work is carried out with respect, minimizing risks, and generating control mechanisms to preserve our environment. Human activities, especially those that occupy large areas and develop infrastructure, such as the activity we carry out, can have an impact in the habitat of different types of species and can affect the balance of the ecosystem in general. This management approach is external to the company.

OUR EFFORTS

Before the start of our operations, we carry our environmental studies to measure their impact on the environment, according to the legal provisions in force, and we implement

the Environmental Management Plan and Environmental Compensation Plan as mitigation measures to reduce environmental impacts, such as noise, use of land, among other.

According to our environmental management policy, (page 44), we seek to improve our environmental management and we continue to work to optimize the environmental management system based on ISO 14001:2015. These measures, according to the River Abiseo National Park Master Plan, include protecting endangered endemic birds, forests and native plant species protected by domestic laws. Marañon and Santa Maria production units are located within the Abiseo River National Park buffer zone, between 1,200 and 2,900 m.a.s.l. They cover an approximate area of 4,746 hectares; however, direct operations are carried out in 2,500 hectares. Due to the location of our mining operations, there are no possible environmental, cultural,

or social impacts on the National Park natural protected area. All our operations have a biodiversity management plan.

OUR ASSESSMENT AND RESULTS

The purpose of measuring biodiversity before the start of the operations is to understand the characteristics of the biodiversity in the environment and its ecosystems. When the mine is operating at full capacity, biologic monitoring allows to quantify the existing biodiversity and compare it to the measurements taken. All the same, to design realistic conservation or compensation plans, it is necessary to measure and quantify the biodiversity in the area of influence to take actions leading to improve the conditions and to increase biodiversity.

As part of Poderosa’s Environmental Impact Assessments (EIA), environmental management, we perform flora and fauna, and hydrobiological monitoring in our areas of influence.



SPECIES UNDER CONSERVATION AND VULNERABILITY STATUS IN THE PATAZ DISTRICT

As part of Poderosa’s commitment with the zone’s biodiversity, and as established in the Environmental Management Plan included in the Environmental Impact Assessments (EIA), we carry out periodic flora and fauna evaluation and monitoring to have standardized and biological information that allows follow-up of the evolution and regeneration of the wildlife.



FLORA

VULNERABLE

Jacaranda acutifolia
Caesalpinia spinosa
Jatropha macrantha

ALMOST THREATENED

Tecoma sambucifolia
Salvia oppositifolia
Acacia macracantha
Iresine weber

FAUNA

MAMMALS

ENDANGERED

Tremarctos ornatus

ALMOST THREATENED

Phyllotis andium
Eremoryzomys polius
Artibeus fraterculus
Artibeus planirostris

Glossophaga soricina
Micronycteris megalotis
Sturnira oporaphilum
Carollia perspicillata
Lycalopex culpaeus
Puma concolor

REPTILES

ALMOST THREATENED

Flavipunctatus
Sibynomorphus sp.
Micrurus cf. *mertensi*
Epictia sp.
Stenocercus omari

ANPHIBIANS

ALMOST THREATENED

Rhinella gr. *spinulosa*

BIRDS

ALMOST THREATENED

Forpus xanthops
Columba oenops

WE CARRY OUT PERIODIC FLORA AND FAUNA EVALUATION AND MONITORING TO HAVE STANDARDIZED AND BIOLOGICAL INFORMATION THAT ALLOWS FOLLOW-UP OF THE EVOLUTION AND REGENERATION OF THE WILDLIFE.





MINE CLOSURE PLAN

OUR MOTIVATION

Mining activities have a finite life span therefore, we must be very careful and responsible when managing the future impact in our operations area. Therefore, the mine closure plan becomes a valuable environmental management tool. It includes technical and legal actions that enables us to remediate the areas used or disrupted so that they can meet ecosystem characteristics that are compatible with a healthy and suitable environment for the development of life and for landscape preservation. This includes the remediation of the site, and, during the closure process, it ensures that there are no hazards to health, or to the environment left.

OUR EFFORTS

We design mine closure plans at feasibility level, following the industry regulations; we also execute the closure of components that have completed their operation lifespan; establishing financial

guarantees for those components scheduled for the final closure stage and mine post closure maintenance.

OUR ASSESSMENT AND RESULTS

In 2018, the Fourth Modification to Poderosa Mining Unit Closure Plan was approved by RD N° 102-2018-MEM-DGAAM, to modify the life span of the mine and to modify and update the mining component's progressive and final closure. The aim is to guarantee physical, chemical, and hydrologic stability of the components and to restore the disrupted area through revegetation. In 2020, because of the pandemic, we were unable to complete the scheduled projects. All the same, in 2021, the closure activities had to be rescheduled. On the other hand, the assessing authorities did not complete the file reviews in time.

APPROVAL YEAR	MINE CLOSURE PLAN DESCRIPTION	APPROVAL RESOLUTION
2010	Mine closure plan	RD N.° 119-2010-MEM-AAM
2011	1st Modification to Mine Closure Plan	RD N.° 121-2011-MEM-AAM
2013	Mine Closure Plan update	RD N.° 298-2013-MEM/AAM
2016	2nd Modification to Mine Closure Plan	RD N.° 065-2016-MEM-DGAAM
2017	3rd Modification to Mine Closure Plan	RD N.° 093-2017-MEM-DGAAM
2018	4th Modification to Mine Closure Plan	RD N.° 102-2018-MEM-DGAAM
In process	Mine Closure Plan 2nd update	Submitted to DGAAM March-2020

EXECUTED COSTS AS GRADUAL CLOSURE MEASURES IN 2021 (USD)

	EXECUTED BUDGET							
	2007	2008	2009	2010	2011	2012	2013	2014
Total investment	325,224	416,627	180,222	404,287	110,341	408,414	628,426	1'099,312
Total accrued investment	325,224	741,851	922,073	1'326,360	1'436,700	1'845,115	2'473,540	3'572,852
	2015	2016	2017	2018	2019	2020	2021 (JAN.-NOV.)	
Total investment	831,878	1'155,132	1'152,584	1'629,210	192,857	82,248	1'148,720	
Total accrued investment	4'404,730	5'559,862	6'712,446	8'341,656	8'534,513	8'616,761	9'765,481	



FORESTATION MANAGEMENT

OUR MOTIVATION

The benefits of the forestation and reforestation activities carried out by our company are many. They help improve air and soil quality, they create natural flora and fauna habitats and generate productive activities in the communities in our area of influence. All the same, forestation reduces our carbon footprint.

In our case, the purpose of the forestation activities is to compensate the use of timber in our operations. This project, which we carry out voluntarily, contributes to enhance the environment and provide more clean air to the surrounding area.

OUR EFFORTS

Every year we allocate funds to carry out forestation activities in our land, in agreement with the community members as we foster agro-industrial activities through our NGO, Asociacion Pataz. (For further information refer to Asociacion Pataz’ s Annual Report).

OUR ASSESSMENT AND RESULTS

The impact of forestation has been measured, in general, based on the generation of oxygen that each tree returns to the environment and how they absorb CO2. In 2021 we began the process of measuring our Carbon Footprint. These results will also allow us to include forestation as a compensatory measure to reduce our carbon footprint. On the other hand, the impacts of forestation by Asociacion Pataz are aimed at increasing the forestry production profitability in the Huayllillas, Buldibuyo, Ongon and Tayabamba districts, Pataz province.

During 2021, 350,950 plants have been sown in Poderosa lands and in the communities’ territories. Throughout the history of the company, we have forested more than 4,854 hectares, and have planted over 6,028,025 trees.

DURING 2021 350,950 PLANTS HAVE BEEN SOWN IN PODEROSA'S AND COMMUNITY LANDS.

Forestation activities in 2021 financed by Poderosa

COMMUNITY	NO. OF TREES PLANTED	NO. OF HECTARES REFO-RESTED OR FORESTED	TYPE OF TREE	NO. OF TREES PLANTED	NO. OF HECTARES REFORESTED OR FORESTED
Chugay	165,000	150	Pino	Asociacion Pataz	Coopandina
	6,400	8	Quinual	Asociacion Pataz	Coopandina
Tayabamba	127,600	116	Pino	Asociacion Pataz	La Victoria farming community
	30,000	37.5	Quinual	Asociacion Pataz	La Victoria farming community
Suyubamba-Antapita	14,100	8.81	Eucalipto urograndis	Poderosa	Poderosa
	6,350	3.97	High land Cider	Poderosa	Poderosa
	1,400	0.88	Pinus radiata	Poderosa	Poderosa
	100	0.06	Carica papaya	Poderosa	Poderosa
Total	350,950	325.22			



ENERGY MANAGEMENT

OUR MOTIVATION

Energy management allows to respond to the mining operations electric demand in a timely and reliable manner. It is oriented to reduce electricity costs in the generation, transmission, and distribution processes, prioritizing the reliability of the internal grid with a lower social and environmental impact.

OUR EFFORTS

Our approach is based on an analysis of the operational areas, where we assess their future electric energy needs. To this end, electric generation projects are implemented with Renewable Energy Resources (RER) and there are plans in place to have a sound transmission system. To achieve this, the Superintendency of Energy Projects (SPE) has implemented an energy project management procedure involving each project stage (profile, prefeasibility,

feasibility, investment and start up) based on PMI standards.

OUR ASSESSMENT AND RESULTS

The SPE assesses the projects' progress according to the annual program approved by the Senior Management, it reviews any possible deviations, implementing the necessary measures to orient them towards the stated objectives in a timely manner. Therefore, the improvement opportunities identified at the end of last year's internal auditing report, were executed.

During 2021, total energy consumption (the only consumption in our operations) was 299,409 Gj (83,169 MWh). The 5% increase compared to 2020 was the result of the post pandemic recovery, for there was an increase in the operation hours of equipment, in general, compared to the previous year. SEIN

increased its input by 12%. Hydroelectric power generation fell by 28%, due to a landslide caused by heavy rainfall, which affected the El Oso intake. Thermal electric energy fell by 62%, because of the entry of the reactive compensation system at LPC I Substation, which evidence lower oil consumption, a reduction of 88% compared to 2020.

The accrued energy cost in 2021 was 0.097 USD/kW-h. This result is higher than in 2020 (0.095 USD/kW-h), due to greater energy purchase to the National Interconnected Electric Grid (SEIN).

TOTAL ENERGY CONSUMPTION

299,408.4 GJ
(83,169 MWH)

Energy input per type of source (2020-2021) (Gj)

SEIN (87%)
249,007

Thermal (7%)
18,580

Hydroelectric (6%)
16,982



SEIN (94%)
280,082

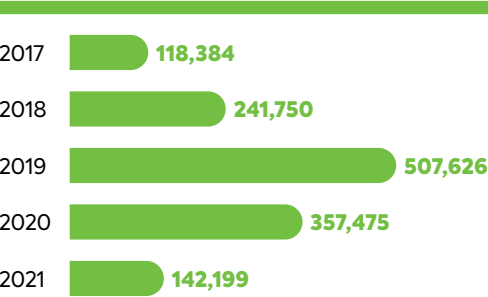
Thermal (2%)
7,023

Hydroelectric (4%)
12,303

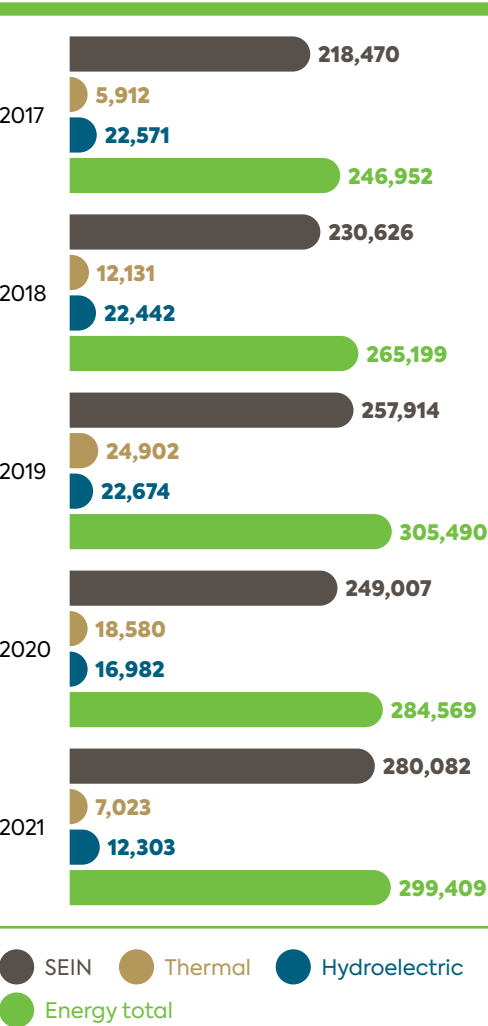


* Out of the three sources of energy, Hydroelectric energy is considered renewable. Conversion Method 1 kilowatt/hour = 0.0036 gigajoules

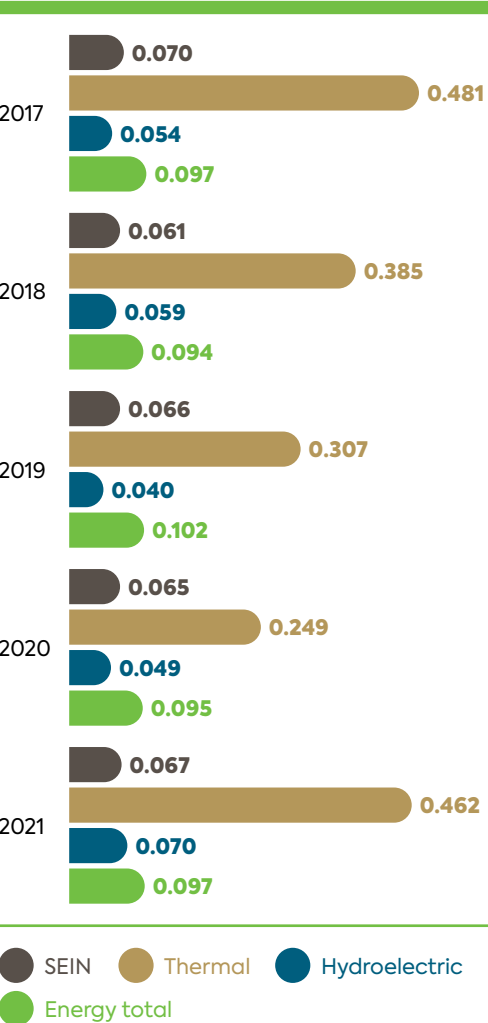
Annual oil consumption (gal) in thermal electric generation



Total electric energy demand 2017-2021 (Gj)



Electric power total cost evolution 2017-2021 (USD/kWh)



THE ACCRUED COST OF ENERGY IN 2021 WAS 0.097 USD/ KW-H

MINE MAINTENANCE

UP Marañón

- Overhaul of the pneumatic scoop loader LM57-04.
- Purchase of triangle star panels with differential potential for winches.
- Purchase of Softstarter control panels with differential protection for fans.
- Expansion of 11,711 m Leaky Feeder, for a total of 38 km.

UP Santa Maria

- Purchase of 15 HP and 30 HP engines for electric winches.
- Purchase of transmissions for 5 t Siton battery operated locomotives.
- Purchase and implementation of fumes extractor for welding workshop.
- Overhaul of 4 t LB4-2 locomotive.
- 100,000 CFM VE RE-188 fan general maintenance.
- Installation of remote-control panels for pneumatic hoppers inside the mine.
- Installation of 12 km Leaky Feeder line in Santa Maria production unit

PLANT MAINTENANCE

Marañón Production Unit

- Purchase and commissioning of 13kW high efficiency electric engines for the Sandvik sifter.
- Purchase and commissioning of a 120,000 BTU air conditioning equipment for the new crusher CCM.
- Installation of the new Rockwell Centerline 2100 CCM in the new electric crusher room.
- Overhaul of the 16” x 24” – CQ4 jaw crusher
- Overhaul of the Derrick ZD1 vibrating sifter.
- Purchase and commissioning of led lighting equipment in the plant and camps.
- Purchase and commissioning of the new electric facilities in the crusher section.

Santa Maria Production Unit

- Purchase and commissioning of the 220-volt panel for grinder, crusher, agitators, thickeners, and precipitator areas.



- Purchase and commissioning of an automatic lighting panel for the grinder, crusher, agitators, thickeners, and precipitator sections.
- Purchase of a speed reducer with parallel axes for the AG6 agitator tank.
- Purchase of a zinc volume doser.
- Purchase and commissioning of the 440-volt distribution panel in the tailings filtering plant.
- Improvements in the electric and lighting facilities in the Santa Maria plant.

INSTRUMENTATION AND PROCESS CONTROL

Marañon Production Unit

The renewal of the N°12 thickener control and power system helped to:

- Reduce unexpected stops of the thickener due to breakdowns in the control equipment, communication systems and power equipment such as speed variators.
- Optimize the alarms due to deviations in the thickener process measurements.
- Update the control logic for its future integration to the Scada system.
- Update the HMI graphic screens for better interaction with the plant operators.
- A level probe was purchased and installed to measure the sludge bed.

The installation of pressure, level, density, and humidity sensors for the milling and remilling plant has allowed reducing the pulp sampling times by the operators and improving the accuracy in the plant monitoring parameters.

The integration of the milling, remilling and precipitate plant to the Scada system contributed to

- trigger alarms to anticipate failures in each process.
- Supervise the operational parameters of the plant and equipment, such as pumps, conveyor belts, agitators, and mills from the control room.
- Provide support to the head of the plant for the reports of the milling metallurgic scales.

The purchase and installation of the fire detection system in the electric rooms of the plant and the electric distribution halls (substations) allow warning the plant and maintenance staff in the event of a fire in the electric halls and substations, caused by a short circuit in the electric actuators or power distribution units.

The purchase and installation of storm detection systems anticipates the presence of electric storms in the site, and triggers automatic alarms through radio communications.

The integration of the EMD-01 and EMD02 power generators located in the JASA Thermal power station to the Scada System allow the Thermal central workers to operate and supervise the electric parameters of the power generators remotely; moreover, to integrate alarms and historic trends to optimize diagnosis for each power generator.

THE INTEGRATION OF THE EMD-01 AND EMD02 POWER GENERATORS LOCATED IN THE JASA THERMAL POWER STATION TO THE SCADA SYSTEM ALLOW THE THERMAL CENTRAL WORKERS TO OPERATE AND SUPERVISE THE ELECTRIC PARAMETERS OF THE POWER GENERATORS REMOTELY.

Santa Maria Production Unit

The installation of pressure, level, flow, and density sensors in the milling and remilling plant has allowed reducing the pulp sampling times by the operators and improving the accuracy in the plant monitoring parameters.

The purchase and installation of the fire detection system in the electric rooms of the plant and the electric distribution halls (substations) allow warning the plant and maintenance staff in the event of a fire in the electric halls and substations, caused by a short circuit in the electric actuators or power distribution units.



The purchase and installation of a storm detection system in Chacparrosas anticipates the presence of electric storms in the site, and triggers automatic alarms through radio communications.

The implementation of a stabilized power distribution system for instrument and control equipment has prevented unexpected failures of the measuring and control devices due to fluctuations in the electric grid.

MECHANIC WORKSHOP

A 780 CFM air dryer was purchased to equip the Marañon filtering plant. Also, a Kaishan KRSP2-300-100 compressor was bought for the compressor house, at level 3100, Chacparrosas.

ELECTRIC WORKSHOP

The following were purchased and installed: A 440 and a 220 volts panel in the human resources substation, a starter panel with VDF for electric engine tests in the electric workshop Vijus, a 440-volt automatic engine dryer oven, and a Megabras digital megohmmeter.s.

POWER GENERATION

- The following improvements were made:
- Change of GE EMD-2 control panel and excitation system board.
 - Installation and commissioning of the GE CAT C27-2 and GE CAT 3516B-2.
 - Reconstruction of the retaining wall.
 - Change of the Scada SYS600 system servers.
 - Installation and commissioning of the 1000 kVA transformer in the transformers room.
 - Installation of auxiliary services panel to control the power generators.
 - Installation and commissioning of the synchronism panel.
 - Change of control and protection panels of the GE CAT C27-3, Escher turbine and Voith turbine.
 - Installation of a new excitation system for the Escher and Voith turbines.



- Modernization of the Escher and Voith turbines protection system and removal of the bar railing and 3 kV disconnectors.

POWER TRANSMISSION

The following activities were executed:

Marañon Production Unit

- LPC Substation: commissioning of the three step capacitors and integration to the Scada System.
- Cajabamba Substation relay set up for 12 MW.
- Change of the transformation ratio of the Cajamarca substation power transformers.
- Change of RTY in Cajabamba Substation.
- Integration of the medium voltage cell relays at Chacparrosas substation.
- Commissioning of the 320 kVA 25/0.46 kV Livias Substation.
- Installation of panels with energy meters for artisanal miners.

Santa Maria Production Unit

- Commissioning of the Chacparrosas substation with two 1500 kVA transformers, 25/4.16 kV each.
- Commissioning of the 25 and 4.16 kV medium voltage cells at Chacparrosas substation to supply energy to levels 3200-3100-3090-2995-2910-2820-RC12 and camps.

- Commissioning of the 440/220 volts auxiliary services board in Chacparrosas substation.
- Lighting of the roads at levels 2670, 2260 and camps at level 2260 with autonomous flood solar panel lights (renewable energy).

HYDRO ELECTRIC PROJECTS AND TRANSMISSION LINE

In 2021, we continued with the development of power transmission projects in our production units and with preliminary studies to reinforce the SEIN power supply.

Engineering and prospection studies for possible renewable energy use were carried out, to prioritize the supply of energy for our operations. The following projects were developed for this purpose:

1. 60 KV transmission line from Chacparrosas-SE LPCI

In 2021, the detail engineering was completed, permits were processed, the project CIRA was obtained, and

the DIA procedure was started, and should be approved at the beginning of 2022. All the same, the camps were implemented to carry out the works in Hualanga and Chacparrosas, and the transmission tower structures construction was completed, as well as manufacturing of the power transmission.

At the end of 2021, an EPC contract was signed with the company in charge of the construction. The works supervision contract was awarded, and we obtained 95% of the transmission line easement.

2. LT 22.9 KV Cajabamba-Huamachuco regulation and compensation system

As expressed in the commitment assumed in the seventh addenda to the power supply contract signed between Poderosa and Hidrandina, we implemented this project to increase power supply to SEIN as well as to improve the power quality to Huamachuco.

The system started operating on December 2021, with the installation of a 752 kVAr reactive compensation bank and three 22.9 kW power regulators in the distribution line that goes from the Cajabamba substation to Huamachuco substation.

3. 138 KV power transmission line. LPC I substation - Nueva Ramada substation - Lagunas Norte substation - 85 KM

On February 9, 2021, the term for the final concession of the 138 kV Lagunas Norte Nueva Substation - LPC Substation - Cativen I Substation - Cativen II Substation transmission project line expired. We have submitted a force majeure request to the Ministry of Energy and Mines, based on social and technical aspects that prevented the project execution.

Also, on June 14, 2021, the term for the final concession of the 138 kV vertex V8D-SE Nueva Ramada transmission line project expired. We have also submitted a force majeure request to the Ministry of Energy and Mines, based on social and technical aspects that prevented the project execution.

In both cases, we are waiting for an answer from MINEM.

4. SEIN power supply management

We approved the development of new projects of the National Interconnected System Economic Operation Committee (COES), as to expand our power transmission system capacity coming from SEIN. We carried out field surveys to start the conceptual engineering development of the different alternatives and we proposed the legal and financial scheme to implement the project through external advisors specialized in energy topics.

5. Non-renewable energy projects

- a. PHOTOVOLTAIC SOLAR PROJECT AND BATTERY ENERGY STORAGE SYSTEM (BESS)
During 2021 we looked for an area to install a 5-7 MW photovoltaic project inside our concession and close to the operations.

As of the end of 2021 a company was selected to develop the feasibility study. All the same, a study was performed for the dimensioning of a Battery Energy Storage System, to cover part of the SEIN demand (3-4 MW/6-8 MWh) during peak hours. With this project, we will reduce energy charges in the supplier's bill, it will partially replace the supply coming from thermal electric generation, and therefore reduce diesel consumption.



As of the end of 2021 the EPC bidding process was started to implement the BESS.

- b. CATIVEN I Y CATIVEN II HYDROELECTRIC POWER STATIONS (29.03 MW)
On July 27, 2021, the term for the final concession of Cativen I and II hydroelectric power generation projects expired. We have submitted a force majeure request to the Ministry of Energy and Mines, based on social and technical aspects that prevented the project execution. We are waiting for an answer.
- c. NIMPANA HYDROELECTRIC POWER STATION (14.08 MW)
The project is under formulation stage due to social, technical, and economic aspects that prevented the execution of the original project. In the second half of 2021 a specialized company was hired to reformulate this project. The final engineering report will be submitted on the first quarter of 2022.
- d. WIND ENERGY PROJECT
With the advice of specialized companies, the study of wind potential in the area of influence of the mining operations was initiated. Nearby areas with good wind potential have been identified for the development of the project and the company was awarded the contract to install an anemometric tower, which will allow us to obtain reliable data for the subsequent development of the prefeasibility study.

FINES AND NON-MONETARY
SANCTIONS FOR VIOLATION OF
ENVIRONMENTAL REGULATIONS

In 2021 we continued with the sanction administrative procedure imposed in 2020 by the Environmental Assessment and Control Agency (OEFA) Incentive Application and Control Direction for three violations detected during the environmental supervision carried out between August 16 and 21, 2017 with respect to the verification of compliance with environmental commitments and obligations established under the regulatory framework, specifically Supreme Decree N° 040-2014-EM and in our environmental instruments approved by Resolutions RD N° 450-2014-MEM/ DGAAM and RD 011-2017-SENACE-JEF/DEAR, and ITS, in force in our Marañon and Santa Maria production units, registered in the environmental management plan, environmental quality standards and regulations. Corrective measures were implemented as ordered, and their compliance was informed to the supervision agency. On the other hand, the results of this supervision confirm our environmental performance and social responsibility; as well as our compliance with the maximum permissible levels of water quality in the effluents of the mining, metallurgy and energy processes as provided for under Supreme Decree N° 010-2010-MINAM. The infractions detected are pending resolution by the OEFA Environmental Audit Court. It must be pointed out that the monetary fines are not significant for the organization (under 100 Tax Units).



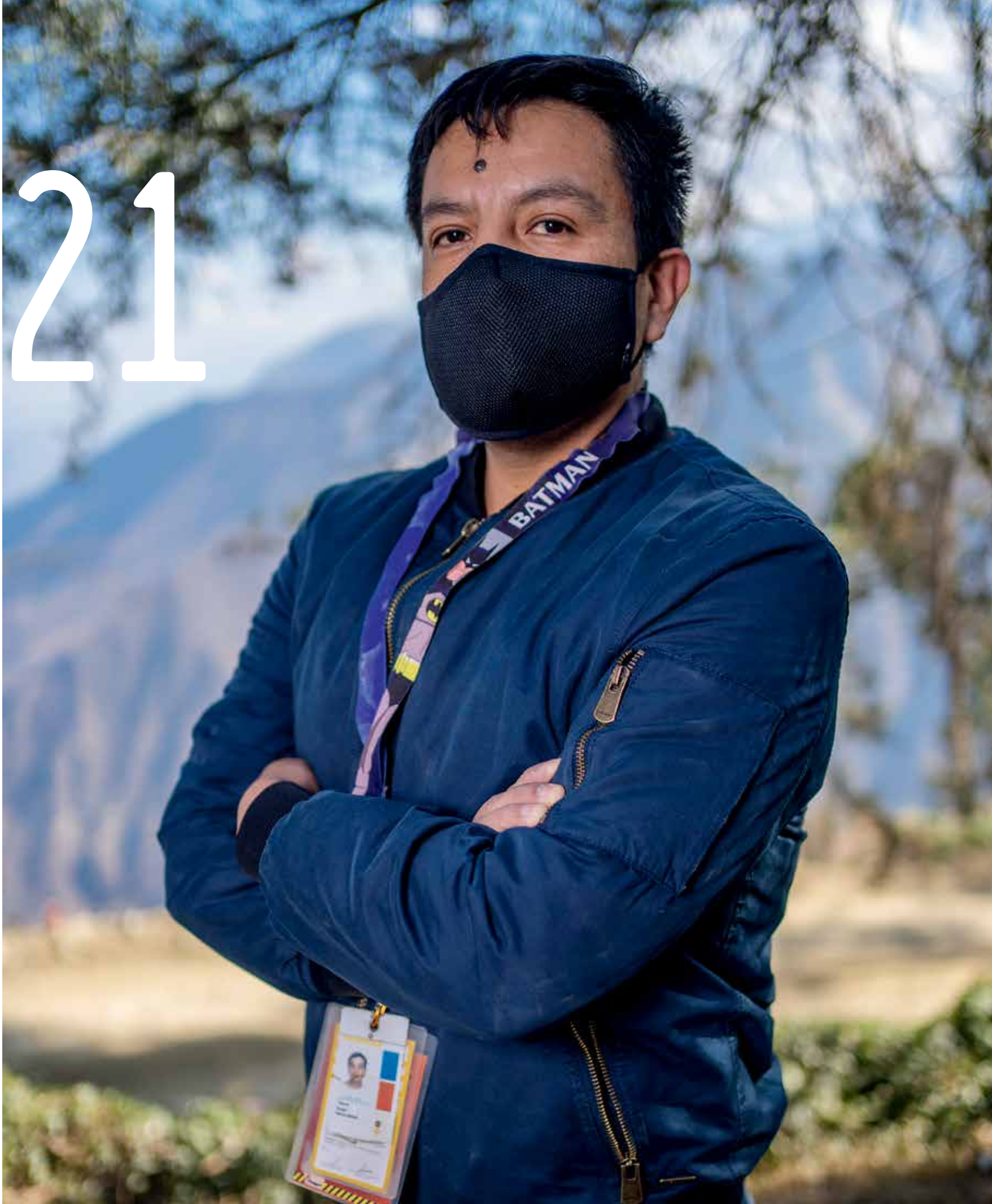
SOCIAL MANAGEMENT 2021

RELEVANT RESULTS

USD 1'177,178 invested in training programs

204,898 hours of training in security and health 717 workers in Poderosa's payroll

3,266 workers of contractor companies 782 suppliers assessed and selected





LABOR PRACTICES AND DECENT WORK

OUR MOTIVATION

Our vision has a different approach from that of other companies, placing our workers’ satisfaction as the main value to achieve sustainability: To be the company in which its employees feel proud to work is a challenge that motivates us every day. In this aspect, for us, people come first; and their safety and well-being, are a commitment that we seek to fulfill every day. Our team brings knowledge, ideas, and energy to continuously improve our operations and performance.

OUR EFFORTS

We always prioritize the safety and health of our workforce. This focus has been evidenced in 2020, due to the covid-19 health crisis. We have deployed several protocols and made investments

to mitigate the health impact on both our staff and their families.

WE ALWAYS PRIORITIZE THE SAFETY AND HEALTH OF OUR WORKFORCE.

We seek to provide professional and personal development opportunities to our employees, and we constantly provide training, so they can improve their performance and grow. All the same we work to provide them with safe and adequate camps and worksites to carry out their activities, promoting wellbeing, good labor environment and granting benefits to them.

Likewise, we fulfill our legal responsibilities in labor aspects and undergo audits carried out by the corresponding entities.

OUR ASSESSMENT AND RESULTS

ORGANIZATIONAL ENVIRONMENT

The organizational climate survey is a tool we use to measure the positive impact of our commitment with our employees. An optimal organizational climate has a positive impact on the perception of our employees. Therefore, taking as a baseline the results of the last organizational climate survey (2020), in 2021 we monitored the compliance with the action plans aligned with our strategic objectives.

The 2021 measurement carried out in April 2021, corresponding to 2020, showed an upward trend. The global satisfaction index by dimension was 69% (support for success) and 63% (commitment).

2020: 64%

2018: 60%

2016: 59%

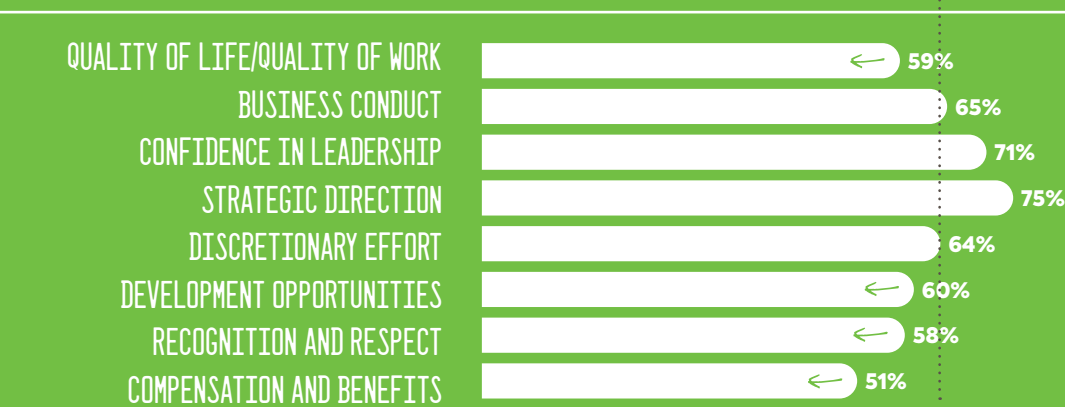
Results of the labor environment measurement



SUPPORT FOR SUCCESS



COMMITMENT



Our workers by type of contract and gender

TYPE OF CONTRACT	GENDER		TOTAL
	MALE	FEMALE	
Temporary	65	8	73
Permanent	572	72	644
General total	637	80	717

Source: Minera Poderosa S.A. Human Resources data base

Workers per job category, gender, and geographic location

OCCUPATION	GENDER				LOCATION					
	MALE	%	FEMALE	%	LA LIBERTAD	%	LIMA	%	OTHER	%
Workmen	293	46	3	4	222	57	14	8	60	41
Employee	329	52	73	91	167	43	149	83	59	59
Officers	15	2	4	5	2	1	17	9	0	0
Total	637	100	80	100	391	100	180	100	119	100
	89%		11%		55%		25%		20%	

Source: Minera Poderosa S.A. Human Resources data base

Workers per age, gender, and geographic location

CATEGORY	GENDER				LOCATION					
	MALE	%	FEMALE	%	LA LIBERTAD	%	LIMA	%	OTHER	%
Under 30	29	4	12	15	17	4	13	8	11	8
Between 31 and 40	169	27	34	42	93	24	56	31	54	37
Between 41 and 50	205	32	24	30	128	33	53	29	48	33
Between 51 and 60	173	27	4	5	117	30	35	19	25	17
Between 61 and 70	61	10	6	8	36	9	23	13	8	5
Total	637	100	80	100	391	100	180	100	146	100
	89%		11%		55%		25%		20%	

Source: Minera Poderosa S.A. Human Resources data base

Workers that joined Poderosa in 2021 per age, gender, and geographic location

CATEGORY	GENDER				LOCATION					
	MALE	%	FEMALE	%	LA LIBERTAD	%	LIMA	%	OTHER	%
Under 30	11	29	6	67	5	45	4	21	3	58
Between 31 and 40	24	63	2	22	9	55	3	62	7	42
Between 41 and 50	2	5	1	11	0	0	2	13	1	0
Between 51 and 60	1	3	0	0	1	0	1	4	0	0
Total	38	100	9	100	15	100	10	100	11	100
	81%		19%		23%		51%		26%	

Source: Minera Poderosa S.A. Human Resources data base

Employees that left Poderosa in 2021 per age, gender, and geographic location

CATEGORY	GENDER				LOCATION					
	MALE	%	FEMALE	%	LA LIBERTAD	%	LIMA	%	OTHER	%
Under 30	4	10	3	60	24	11	0	0	1	9
Between 31 and 40	16	39	2	40	28	21	5	50	6	55
Between 41 and 50	7	17	0	0	8	26	1	10	4	36
Between 51 and 60	6	15	0	0	24	5	0	0	0	0
Between 61 and 70	8	20	0	0	16	37	4	40	0	0
Total	41	100	5	100	100	100	10	100	11	100
	89%		11%		54%		22%		24%	

Source: Minera Poderosa S.A. Human Resources data base



Poderosa payroll annual staff turnover 2021

PAYROLL	WORKMEN	EMPLOYEES	OFFICERS	2021	2020	2019	2018
Active	296	402	19	717	711	707	709
Terminated	3	17	0	20	10	25	95
Rotation	1%	7%	0%	3%	1%	4%	13%

Source: Minera Poderosa S.A. Human Resources data base

Contractor staff annual turnover 2021

PAYROLL	GENDER	WORKMEN	EMPLOYEES	TOTAL
Specialized companies, mine	Femenino	22	38	60
		1,621	197	1,818
Specialized companies, related	Femenino	42	36	78
	Masculino	1,107	203	1,310
Total		2,483	474	3,266

Source: Minera Poderosa S.A. Human Resources data base

LIFE QUALITY

Improving the life quality and wellbeing of our workers is a priority goal for our management. Therefore, every year we implement several changes in our infrastructure and we improve camp management.

All the same, we continue to protect health, by implementing protocols to prevent covid-19 in all the sites:

- Implementation of boot wash stations at the entrance of the camps.
- Implementation of alcohol gel at the entrance of the camps and offices
- Self-service stations, cleaning, and disinfection kits in the bedrooms
- Polycarbonate divisions in bathrooms and laundry rooms.
- Constant room disinfection.

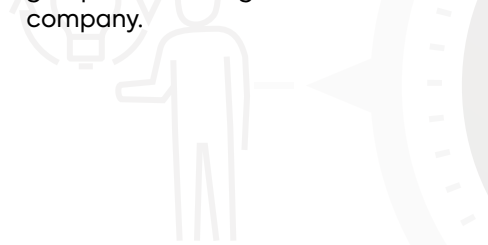
Infrastructure improvement

In 2021 new modules were built, and a comprehensive maintenance of the

existing camps was performed.

Paraiso:

- The K, L, J, and O Camps were conditioned with dry wall divisions to have double rooms.
- Comprehensive maintenance was carried out to the drying areas, gutters and laundries of camps K and I.
- Camp D was recovered, through a comprehensive maintenance of the rooms, bathrooms, laundry and dressing rooms, increasing housing conditions.
- A group of toilets were recovered; comprehensive maintenance and construction of the laundry and drying areas was carried out.
- Camp Ñ underwent comprehensive maintenance (bedrooms and bathrooms), as well as its dressing and drying area.
- The staff was redistributed and grouped according to each contractor company.



- Vijus:
- Comprehensive maintenance of Camp K assigned to the superintendent’s office and replacement of furnishings began.
- Cedro:
- Two new modules were built to replace the deteriorated camps, which resulted in a temporary housing capacity of 216 beds.
 - Three temporary modules were implemented with a capacity of 48 beds.
- Santa Maria:
- At level 2410 two modular units were built, increasing the capacity to 192 people; changing rooms for different shifts, laundry and drying facilities were also built, and module 1 (bathrooms) underwent comprehensive maintenance.
 - At level 2500 Comprehensive maintenance of the bathrooms was carried out at the low Camp, offices, and employee hotel 1. On the other hand, hotel 3 was exclusively assigned to female staff and employee hotel 4 was built, increasing the capacity to 100 people.
 - At level 2670 comprehensive maintenance of workmen hotel 1, camp A and module 1, was carried out.
 - At level 3100 a hotel and a module were built, to house 312 people; all the same, dressing rooms for the different shifts, and laundry facilities were built.

Expansion of housing capacity

UNIT	SITE	LEVEL	EMPLOYEES	OFFICERS	WORKMEN	TOTAL
Marañon	Cedro	Cedro	4	-	388	392
	Paraíso	Paraíso	219	11	1,058	1,288
	Vijus	Vijus	193	13	545	751
Santa Maria	Santa María	Hualanga	16	-	372	388
		Nivel 2260	-	-	230	230
		Nivel 2360	-	-	24	24
		Nivel 2410	-	-	341	341
		Nivel 2500	317	5	958	1,280
		Nivel 2520	-	-	120	120
		Nivel 2670	40	-	316	356
		Nivel 3100	-	-	320	320
		Nivel 3090	-	-	84	84
General total			789	29	4,756	5,574

It is worth noting that together with the contractor companies, we began to raise awareness on the 5S culture among our workers, which they applied in the environments they live in. In addition, the Environmental Management Area helped to design and implement the surrounding green areas.

During 2021, with the construction of new modular units, we were able to expand our housing capacity.

Social Wellbeing

We focused on wellness; therefore, we designed motivation, training, prevention, and health care programs in three areas: employee, family, and work. During their implementation, the plans changed due to the pandemic. In 2021 our efforts were placed on reinforcing the integration with our workers and their families, encouraging physical activities, and recreation (observing the sanitary measures), and, above all, to provide timely and quality social assistance to

those who were infected by covid-19. In this context, the work of Social Wellbeing turned into a scenario focused entirely on healthcare. Therefore, strategies to reduce the physical and psychological impact of the coronavirus were rapidly

MOTIVATION, TRAINING, PREVENTION AND HEALTH CARE PROGRAMS WERE DESIGNED ALONG THREE AXES: WORKERS, FAMILY AND WORK.

implemented, together with an action plan adapted to the new reality which, in turn, contributed to improving working conditions in the units and in the households.

During the crisis we found the opportunity to innovate, to reinvent ourselves and to move forward. We took on the challenge of managing wellbeing through online platforms, working as a team and articulating efforts with other areas to serve all sites and workers.

Worker benefits

We included the following social benefits for our full-time workers.

PRODUCT	DETAIL
Life Insurance	Vida Ley Life Insurance from the first day of work for all employees
Health Insurance	Workmen are covered exclusively by Essalud. Employees and officers can choose between being covered by Essalud or by Pacifico Private Insurance.
Oncology Insurance	The company pays a cancer insurance policy to those employees and officers that chose Private Insurance.
Complementary Labor and Risk Insurance	Insurance for workers engaged in high-risk activities. Covers cases of death, disability, or incapacity due to work-related accidents. Pacifico Insurance company coverage
Economic Benefits for Temporary or Permanent Disability	These subsidies are assumed by Essalud. In case of permanent disability, the coverage is paid by the National Pension Fund or the Private Pension Fund
Maternity Leave	Leave of absence for 98 calendar days
Paternity Leave	Leave of absence for 10 calendar days
Severe Health Condition Family Leave	Leave of absence for 7 calendar days to take care of a relative with severe health condition.
Mas Vida Insurance	Optional insurance that covers common or work-related accidents. Monthly fee is S/5.00
Death Leave	For death of the employee’s relatives up to the second degree of consanguinity or first degree of consanguinity. 5 calendar days are granted if the death occurs within the department of La Libertad and 07 days if it occurs outside of this area. For the staff working in Lima and Trujillo, they are granted 3 days leave.
Death Allowance	Financial assistance of PEN 4,800.00 in the event of death of a worker, death of spouse or children up to 23 years of age.
Extraordinary Financial Assistance to Beneficiaries in the event of the Death of a Worker	PEN 1,500.00 per month for 3 months or until the Intestate Succession is presented.
Education allowance	PEN 1,342.00. Applies to workers who have children in school, and who are between 3 and 22 years and 12 months old.

Administrative procedures (health and wellbeing)

We provided advice and support to employees in the following aspects:

- EsSalud registrations: 25 registrations before EsSalud for rightful beneficiaries, among wives and children; and 42 nursing benefits, which are oriented to care for the newborns.
- Registration with Health Care Providers (EPS): 13 registrations to Healthcare Providers
- 380 medical leaves were processed (corresponding to daily leaves) for their registry in the payrolls within the first 20 days and subsidies
- PEN 253,661 were recovered for sickness allowances, labor accidents, sequels to labor accidents and maternity leaves.
- Most of the subsidies were due to common sicknesses.
- Two maternity cases were solved.

Other actions to control covid-19

- Family workshops on the prevention of covid-19 and life quality improvement were carried out. All the same, in coordination with the quality area, we closed the year with the 5S project, which purpose was to help prevent covid-19 at home by improving cleaning habits at home; we also promoted the program I Teach and I Learn, addressed to the workers and their families.
- Virtual home visits to 62 employees: covid-19 patients, patients with common diseases and in vulnerable conditions, among others.
- 230 covid-19 patients or with common diseases received personalized attention through follow-up and monitoring in coordination with physicians until their discharge or reincorporation to the unit.
- Active breaks program for personnel working remotely and in administrative offices in the mining unit to prevent occupational diseases.

Recreational, social, and cultural activities management

The program of recreational and motivational activities establishes lasting bonds among the staff. In 2021 several holidays were initially celebrated with integration days or recreational events in the units. However, because of the pandemic, we had to reorganize some of them, so we used virtual platforms to connect with our mine workers, and with those who were at home working remotely. Among the celebrations held were a typical dances show on Independence Day, Children's Day, musical festival for Family Day, celebration of masses, anniversary of the Santa Maria Plant, Christmas show, nativity contests, Christmas caroling, among others.

New initiatives and strategies were developed to achieve the established objectives, including the following:

- Health care for remote work
- Information conferences and newsletters on social benefits
- Awareness raising and diffusion campaign
- Virtual ceremony to acknowledge personnel for long service
- 5S project
- Active pauses program

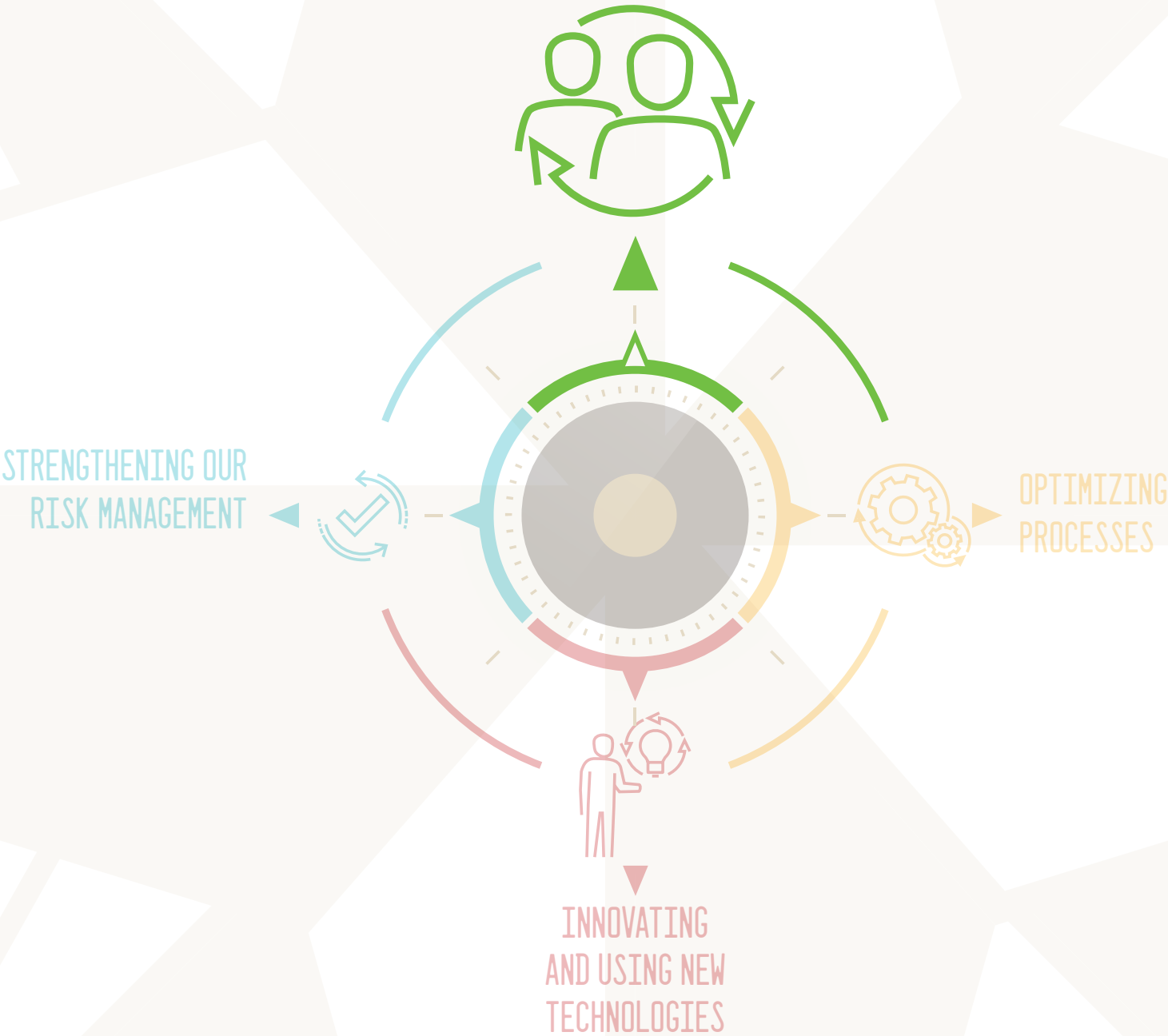
Canteen management

The following activities were carried out:

- Development of and compliance with the inspection program at each unit.
- Compliance and control of significant environmental aspects
- Implementation of protocols in canteens
- Implementation of refreshment stations
- Implementation of canteen equipment.
- Sensitization of diners
- Implementation of paper bag covers for cutlery
- Implementation of acrylic divisions, implementation of alcohol gel dispensers and mask hangers
- Implementation of hand washing stations, alcohol gel dispensers, liquid soap, and electric hand dryers, as well as polycarbonate division in every canteen and internal facilities
- Standardization of water taps with sensors at the entrance of every canteen
- Pest control: compliance with the spraying program
- Inspections and audits
- Construction of temporary dining halls and recreation centers (kiosks).
- At the main levels where the operation is centralized, the construction of definitive canteens was managed, considering the Hazard Analysis and Critical Control Point (HACCP) approach. This project is in progress



WORKING TOGETHER



A PROBLEM IS AN OPPORTUNITY TO BRING OUT THE BEST IN US

"THE GREATEST LESSON IS THE VALUE OF WHAT WE HAVE TODAY AND HOW IMPORTANT IT IS TO COME TOGETHER TO ACHIEVE GOALS FOR THE WELL-BEING OF ALL, AS A FAMILY".
Lourdes Paniora,
Social Welfare Coordinator

The pandemic changed our way of life in every aspect, especially at work. This situation challenged the capacity of everyone at Poderosa and strengthened their resilience. In this context, taking care of health became a permanent priority. The company focused all its efforts on developing and implementing biosafety protocols in record time.



Managing wellness virtually was a challenge. The company always trusted in the capacity of its human group, and thus, with the joint effort of all areas, we were able to move forward.

Teamwork and articulated work were decisive. Raising employee awareness on the use of masks, distancing and hand washing was only possible thanks to the willingness of everyone, to the dissemination by and the supervision of the Mine, Welfare and Safety areas, which were always attentive to reinforce the efforts in the field (canteens, work areas). In a short time, compliance with the protocols became a routine, which allowed us to reduce the number of infections every day. A very active team was the accounting team, as Ivan Asmat told us **"In this new social environment left by the pandemic, the accounting team was empathetic, there was mutual help, we learned to manage adequate dates and working hours, and, in general, coordination, commitments and responsibilities for the fulfillment of tasks by the people in Poderosa were appreciated"**.

Everyone participated in the activities with great expectations. In dining halls and camps, tables were separated, rooms were adapted, hand cleaning and disinfection stations were implemented in all environments, audio, video, and poster messages were distributed in high traffic areas. Health protocols were reinforced in each activity or program. In addition, training and talks were given to employees and their families on protocols at home and at work. According to Lourdes Paniora, **"It was very positive because we never lost contact, we restructured the activities and we saw the participation of the personnel. The work helped them to feel more secure despite the restrictions"**.

One aspect that was not overlooked was the emotional response of workers. For

this reason, Poderosa implemented mental health activities through virtual chats, meditation sessions, active breaks, etc. It also fostered a positive attitude with messages such as "By taking care of ourselves we also take care of our colleagues, yes we can!; Work and health are the most valuable things, let us all take care; In Poderosa, safety and health are the most important aspects; Today we set apart to embrace each other later".

"Reality has shown us that in Poderosa joint work proved to be effective, with some difficulties, but we achieved the objectives. First, Poderosa took care of the most important thing, the health of the workers and their families. It also provided the necessary tools for work, there were active break sessions, virtual talks on family coexistence, management of emotions and stress, among other", Ivan Asmat told us.

Trusting people is Poderosa's greatest asset. Being thanked for our effort and good work has been a great incentive to achieve integration in these changing times. This experience has allowed the members of the Poderosa family to get to know each other better, to be more empathetic, open to change and to improve internal communication. **"Today, the company is gradually reactivating, but the lessons left by the pandemic have generated articulated work at the sites, cleaning protocols in the units, the inclusion of a program to care for the mental health of the people ... today we are stronger because we know that together we can overcome any hardship"**, concluded Lourdes Paniora.



"IN PODEROSA, COLLECTIVE WORK FUNCTIONED WITH EFFICACY"
Iván Asmat, General Accountant

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GRI 404-2

BUILDING TALENT

TRAINING

During 2021 we paid special attention to the development of our workers' potential. We carried out a comprehensive training program in line with the company's strategic objectives. This program has enabled to build or develop workers' skills, enhance employment opportunities, and help with risk prevention. All the same, given the covid-19

Comprehensive Training Program (CTP)

(GIP)	(STP)	(PCI)	(FTP)	(OEP)
INDUCTION PROGRAM	STANDARD TRAINING PROGRAM	IN-HOUSE TRAINING PROGRAM	FUNCTIONAL TRAINING PROGRAM	ONGOING EDUCATION PROGRAM
Aimed at providing information or general guidance regarding the company and in the work area; for all incoming personnel, primarily focused on safety and occupational health issues (Supreme Decree 024-2016-EM and amendments, Supreme Decree 023-2017-EM).)	Aimed at reinforcing knowledge and raising awareness on issues related to IMS (Integrated Management System) (Supreme Decree 024-2016-EM and amendments, Supreme Decree 023-2017-EM).	Aimed at strengthening and/or developing employee's technical skills at his/her workstation, embodied in the PETS*, MSDS** and the area's goals.	Aimed at strengthening and updating technical and managerial skills, based on specific position and strategic goal requirements.	Aimed at specialization and professional development and talent retention
For Poderosa's workers, and personnel from associated companies, contractors, and small-scale businesses				

*PETS: Written Safe Work Procedures ** MSDS: Material Safety Data Sheet

situation, the programs were adapted to modalities that enabled us to reach the end users. Investment in training was USD 1,177,178.08.

We also managed to develop our comprehensive training program, which suffered some variations in the methodology given the world situation; however, these important activities for the personnel were completed.



Average training hours per person

TYPE OF TRAINING	SEX	TOTAL TRAINING HOURS	N° OF PEOPLE	N° TRAINING HOURS PER PERSON
Functional Training Program	F	1,636	36	45
	M	8,010	189	42
In-House Training Program	F	2,747	252	11
	M	72,198	5,293	14
Conferences And Meetings Program	F	7	12	0.6
	M	890	765	1.2
Ongoing Training Program	F	364	12	30
	M	1,357	38	36
General Induction Program	F	1,752	210	8
	M	40,820	3,961	10
Standard Training Program	F	3,356	236	14
	M	71,523	4,618	15
General total	F	9,863	758	13
	M	194,798	14,864	13

Training hours in labor risks and health

TOPIC	HOURS
Training	37,024
Environment	42,357
Labor risks prevention	118,573
Health	6,705



DURING 2021 WE PAID SPECIAL ATTENTION TO DEVELOP OUR PEOPLE'S POTENTIAL.

Training hours per ongoing and functional training program

	NUMBER
University degree	100
Diploma	97
Specialization	553
Refresher course	10,234
Master's degree	383

Number of training hours/ person per type of job position

JOB TYPE	TOTAL HOURS
Employee	49,719
Officer	1,739
Workman	153,424
Trainee	17
Total	204,899

GRI
404-1
404-2

Knowledge Transfer to Contractors

Several training courses were held to reinforce the knowledge of the staff employed by our contractors, as well as associated and small-scale companies regarding standards, procedures and issues of general interest pertaining to Supreme Decree DS 024-2016, published by the Ministry of Energy and Mines and its modification D.S. 023 – 2017 E.M.

Training for Contractors

TYPE OF COMPANY	TOTAL HOURS	NO. OF PEOPLE	HOURS/PERSON
Associated and micro businesses	60,254	3,407	18
Mining	96,372	3,021	32
Artisanal	10,291	1,200	9

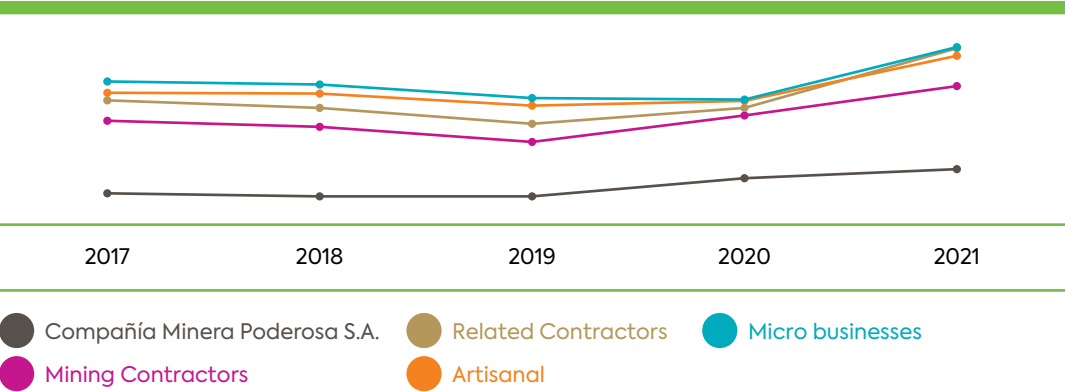
Follow my Development Certification Program

The “Follow my Development” program promotes learning safe working procedures and standards in an andragogical manner, among adults, and fixes knowledge in an interactive manner, it is characterized by measuring theoretical and practical knowledge through JClic program assessments and Planned Work Observations (OPT).

Pets Certification (Safe Work Written Procedure)

SUPPLIER	2017	2018	2019	2020	2021
COMPAÑIA MINERA PODEROSA SA	1,176	827	723	4,058	5,597
MINING CONTRACTORS	14,181	13,860	11,342	13,049	16,948
RELATED CONTRACTORS	4,613	3,762	3,115	1,378	6,941
ARTISANAL	2042	3228	3769	712	21
MICRO BUSINESSES	1,482	1,456	1,234	546	1,180
Total	23,494	23,133	20,183	19,743	30,687

PETS Training effort (number of PETS approved)



ACKNOWLEDGEMENT PROGRAM

Acknowledgement of labor performance promotes positive change, and allows workers to become engaged with our brand, vision, and values, and to increase their commitment level.

We recognized the most outstanding employees in 2021, both from Poderosa as from our contractors, with the Jesus Arias Davila award, which promotes safe behavior and encourages our personnel. This award assesses safe behavior through operational discipline, 5S philosophy, teamwork, initiative, respect, productivity, and safety training.

As part of the celebrations for Miner’s Day, on December 5, 34 workers: 3 workmen, and 16 employees of Poderosa, and 16 contractor workers received this prize.

Continuous Improvement Circles and Teamwork

At the end of September 2021, we took part in the 31st quality assurance meeting in Peru, organized by the National Industries Association (Sociedad Nacional de Industrias – SIN), under the slogan “Building Future Scenarios”. Two projects on maintenance processes and energy improvement were submitted and were recognized nationally as projects for management improvement. These projects were:

- Maintenance Process: reduce maintenance cost by increasing the useful life of the loader pulleys, in the Marañon Plant crushing section.
- Energy Process: reduce power consumption through innovation in lighting equipment in the Marañon plant and camps. This recognition strengthens our commitment to work towards continuous improvement and process innovation.

This recognition strengthens our commitment to work towards continuous improvement and process innovation.



RECOGNITION TO IMPROVEMENT
PROJECTS MANAGEMENT 2021 – SIN



“LUZ Y FUERZA”

Continuous Improvement Circle Project: “Electrical energy savings through innovation in lighting equipment in the Marañon plant and camps” Process: Maintenance – Electric Workshop Impact: Safety, Productivity and Environmental Management Annual Savings: USD 581,208



“LOS TIGRES”

Continuous Improvement Circle Project: “Increase of the useful life of the loader pulleys by improving their design in the conveyor belts of the Marañon Plant crushing section” Process Maintenance Plant Impact: Productivity and Innovation Yearly savings: USD 256,000

GRI
102-41
404-2

Quality week

We held the 20th quality week named, “Innovating from solidarity for a new reality”. In this aspect, we continue to advance our process of implementing the culture of innovation in all areas of the company. All the same we submitted four projects to the CONCYTEC contest:

- Adaptation of the micro seismic monitoring methodology to identify areas with large gold potential – planning and engineering.
- Scale up of the chemical refining pilot to implement Poderosa’s processing – industrial plant.
- Structural behavior methodology related to the Poderosa mineralization – recovery of mineral resources.
- Loader pulleys redesign to double their useful life – maintenance.

5S

5S has been an instrumental tool to face covid-19 spread in our facilities. We quickly updated this culture to the new reality in our administrative sites (Surco and Chorrillos) and in the operations sites (Marañon and Santa Maria).

5S is a Japanese philosophy, which stands for: sort, set in order, shine, sustain and self-discipline. These values go beyond the work environment and can be applied in everyday life.

Encouraging the use of the 5S philosophy has stretched beyond our boundaries.

Number of workers that make up the Sole Labor Union (SLU)

	NUMBER	PERCENTAGE
Workers who are SLU members	243	82%
Workers who are non-SLU members	53	18%
Total workmen	296	41%
Total employees	421	59%
Total poderosa staff	717	

This philosophy has reached our workers, contractors, family members and the mine’s surrounding communities, it is particularly practiced in schools where our employees have led seminars and workshops to teach this method to schoolchildren through the new virtual reality now.

COLLECTIVE BARGAINING AGREEMENTS

Every year, since its establishment On September 29, 2004, the Sole Labor Union (SLU) negotiates its agenda to obtain benefits for the workers, such as salary increases, schooling bonuses, food subsidies, internship plans for the workers’ children, etc.

The benefits agreed upon in the collective bargaining agreements extend to all our workers.

Human Rights

We are a respectful employer, that believes in equal opportunities and does not discriminate based on gender, religion, race, sexual orientation, or HIV condition. Up to date, we have not received any complaints or claims for violating human rights. We have not had any discrimination cases during the present year.

Labor Conflicts: During 2021 no strikes took place due to labor conflicts.

Ethics Channel

We have different channels for our workers and business partners to report any complaints related to Human Rights, ethical behavior, or integrity of the organization.

We have hired the services of BDO Servicio de Linea Etica as an external mechanism. We have also socialized among employees and other stakeholders the mechanisms to use this service, which is available 24 hours a day, throughout the year, and can be accessed from any device via the internet. It should be noted that all complaints or claims are treated confidentially and anonymously, and we firmly maintain our position of zero tolerance for retaliation.

Status of the complaints channel

COMPLAINT CLASSIFICATION	COMP-LAINTS	CLOSED	EVIDENCED	NOT EVI-DENCED	IN INVESTI-GATION
Gifts received or undue benefits	1	1	1	0	0
Other illegal activities/irregular conduct	4	4	0	4	0
Non-compliance with regulations and procedures	1	1	0	1	0
Bribery	2	2	1	0	0
Conflict of interest	4	3	1	2	1
Falsification of documents and signatures	1	1	1	0	0
Use or abuse of company resources	2	2	1	1	0
Workplace harassment	5	5	3	2	0
Alteration or manipulation of information	1	1	0	1	0
Total	21	20	8	11	1

Our employees receive constant training and information on the use of these media and are given advice on ethical and legal conduct and the integrity of the organization.

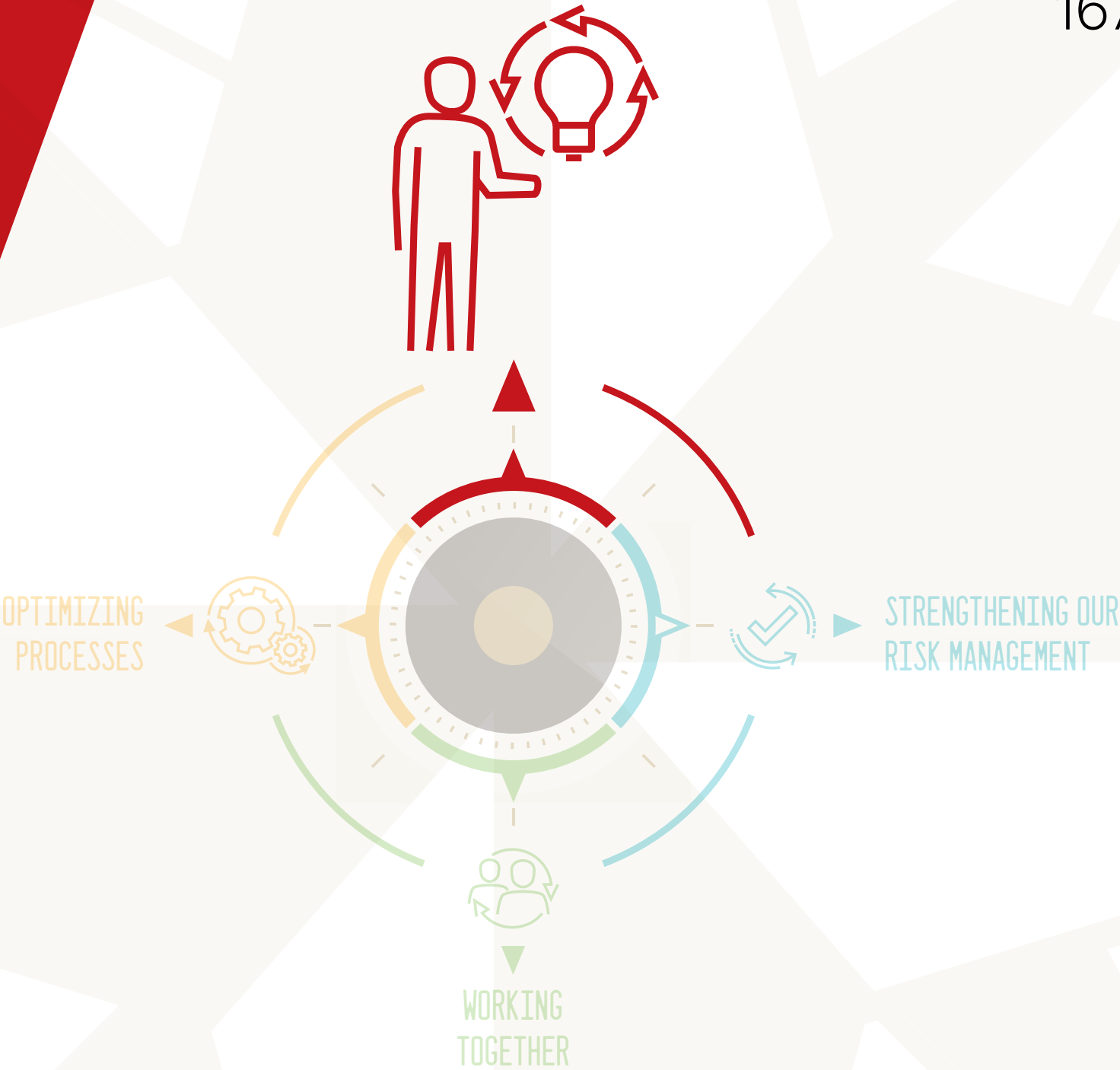
We received 20 requests through our complaint channel, 19 were closed, 40% were solved and 55% were not proven.

Website:
www.bdolineaetica.com/poderosa
Telephone: 0800-00626
E-mail:
lineaetica@bdo.com.pe
Personal appointments:
Av. Antonio Miró Quesada N.° 425 piso 10, oficina 1005 Magdalena del Mar, Lima 17



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INNOVATING AND USING NEW TECHNOLOGIES



IN THE MIDST OF DIFFICULTY LIES THE GERM OF OPPORTUNITY



"PODEROSA IS A SUSTAINABLE COMPANY BECAUSE IT IS AN EXAMPLE IN APPLYING BEST PRACTICES IN ITS PROCESSES, BUSINESS AND BUSINESS STRATEGY. THE CULTURE OF INNOVATION ALLOWS US TO ADAPT, EVOLVE AND FACE NEW CHALLENGES".

Maria Paz. Community Relations Assistant.

By adopting an innovation culture, companies generate changes or develop new forms in their processes, producing a sustainable positive impact. Innovation revitalizes the organization and creates new ways of doing business.

Innovation initiatives must be environmentally, socially, and economically sustainable. They seek to satisfy the needs produced by new demands, generate value, and

promote responsible companies that are not only focused on productivity. Innovation must be adaptable and capable of evolving: **"It is fundamental to any business strategy. It is vital for sustained growth, to be competitive and to adapt to global changes in the face of new needs."**, mentioned Maria Paz.

Poderosa's sustainability statement is committed to incremental and disruptive innovation and promotes continuous improvement projects. Thus, it incorporates new technologies in the processes that enable the sustainability of the organization, which includes respecting the community and contributing to local development, progress, economy, education, health, and governance in its area of influence, and within its possibilities. To adopt the culture of innovation in an organization, it is important that it is promoted in its management policies and strategic direction. In Poderosa, all members of the organization, from the board of directors to the workers, promote the culture of innovation. The aim is to responsibly transform mineral wealth into development opportunities.

"The culture of sustainable innovation and technology will make it possible to solve different problems in the operation and to meet needs in an optimal and environmentally friendly manner", stated Maria Paz. For example, in the social aspect, transferring the innovation culture to the communities allows a more dynamic interaction with them and among them. Not only are their capacities built, but, through technology and innovation, the CODECOS*, JASS*

*Community Development Committees.
**Sanitation Service Management Boards

and the local government can respond to the main needs of the Patataz district communities.

Internally, through the Continuous Improvement Circles (CIC), each area promotes innovation by developing projects to improve their processes. In 2021, CONCYTEC approved four of these projects, which are already showing encouraging results. In this sense, in the work team meetings, through brainstorming, we assess the current situation and chose the five problems of interest, from which we selected the project to be implemented and the corrective measures using the 7-step methodology.

"I believe that all areas of Poderosa are prepared to promote the culture of sustainable innovation, which has a positive impact on production, environmental protection in promoting sustainable development in the communities". Maria Paz pointed out.

Poderosa is prepared for major challenges and demonstrated this by immediately adapting to the global pandemic context, meeting its goals, and protecting its workers by establishing a timely protocol for prevention against covid-19.

"INNOVATION IS A MEANS TO ACHIEVE SUSTAINABILITY"





OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

OUR MOTIVATION

Safety First means prioritizing life over any other goal. The nature of the mining activities entails potential hazards that must be looked at adequately. Our workers perform complex and potentially risky tasks, so they must comply with strict controls and keep a high sense of responsibility. We are committed to protect the health, safety and wellbeing of our work team and the neighboring communities. These efforts are focused on developing a safety culture that allows empowering the work crews, to foster

WE ARE COMMITTED TO PROTECT THE
HEALTH, SAFETY AND WELLBEING
OF OUR WORK TEAM AND THE
NEIGHBORING COMMUNITIES.

mutual help, to anticipate to accidents, to assume responsibilities and to buy-in the security culture.

OUR EFFORTS

We maintained sustainable safety performance because of the visible and active leadership of senior management and general management. As a result, the leaders of each process deployed action plans consistently and appropriately, and subcommittees were held accountable, emphasizing the development and implementation of the elements of the safety and occupational health management system, such as operational discipline, risk management, change management, incident investigation, training and development, and effective communication.

We also continued to reinforce the correct application of principles such as tolerance zero, 9 golden rules for life, base IPERC, No

to unsafe work practices, accountability of contractor companies, and contract review, which entail strict compliance of their procedures, policies and safety standards.

OUR ASSESSMENT AND PERFORMANCE

All areas, including contractors, are subject to internal and external audits that are intended to verify the provisions of the occupational health and safety management system, the results of which have been used to align the processes in a systemic and continuous improvement manner. The management line is accountable for occupational safety and health performance, which in turn, is advised by the safety professionals through field follow-up and guaranteeing the correct application of labor risk prevention techniques such as ongoing IPERC, ATS and PETAR and, STOP and inspections under the framework of the critical risks management, and audits of the occupational health and safety management system.

We have an Occupational Health and Safety Management System that includes 20 elements, as detailed in the Annual Occupational Health and Safety Management Program. All the same, our integrated system is based on ISO 9001, 14001, and 45001. The system fosters the participation of all employees, who report acts/conditions, share opinions and suggestions without any retaliation or sanctions. We respect their right to say “No” to unsafe labor practices and the employees are protected through the practice of the code of ethics and conduct.

It must be mentioned that from March 8 to 17, we had a remote recertification auditing process for ISO 45001 version 2018. We had a positive result and zero nonconformities.

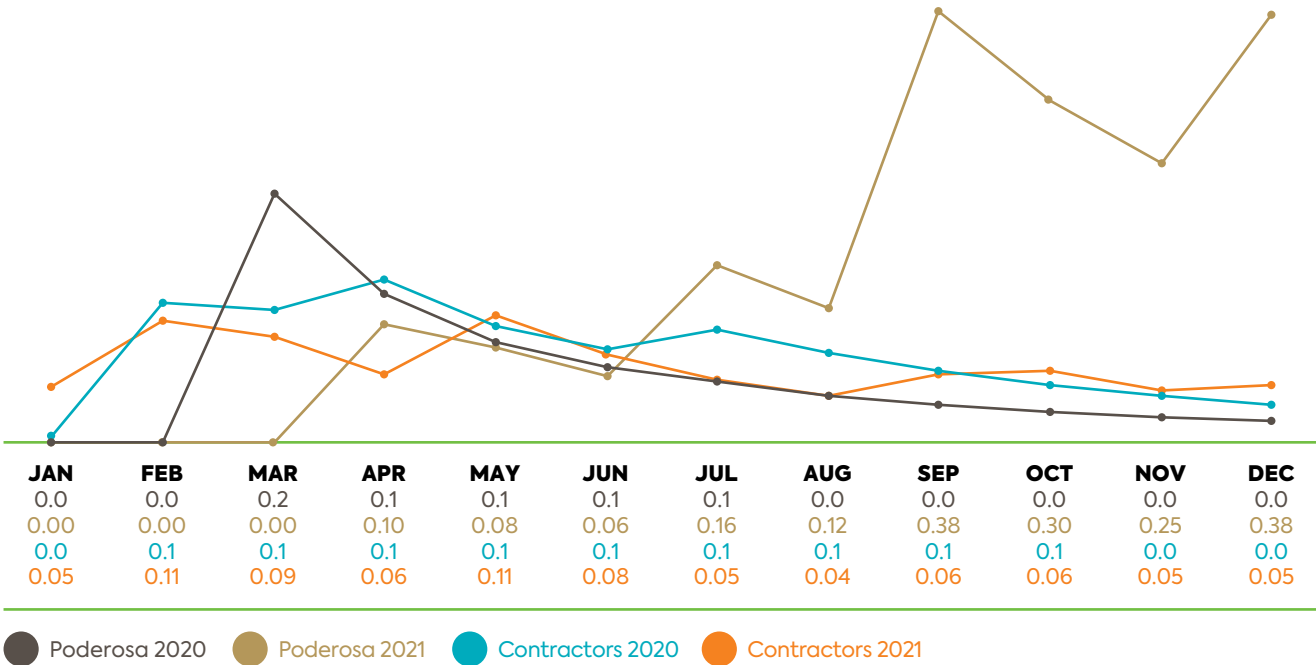
In 2021, we continued to achieve good results. We can highlight three periods with over 1,000,000 hours/person with no disabling accidents, (May – June, July – August and October – December). In the Marañon plant there were no accidents throughout the year. However, 34 accidents happened, which represents a reduction of 55.6% in injuries compared to 2019. From these accidents, 100% were suffered by men; most of the workers injured came from other regions (53%), and the rest from La Libertad (41%), and Lima (6%).

The most frequent injuries from labor accidents were due to material handling, people falling, and serious attacks against life and health due to crimes inside the mine. Also, the number of hours worked was 7,244,852 person / hours worked.

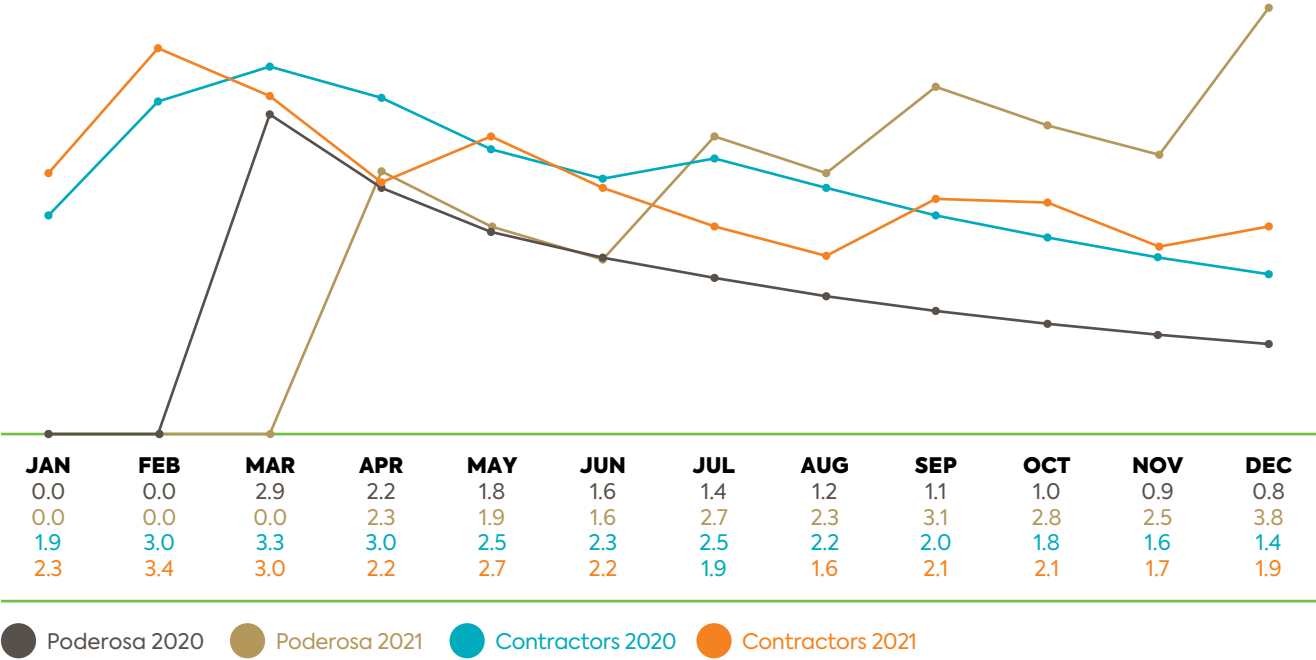
REPORT PER TYPE OF ACCIDENT/
NEAR MISSES -2021

- Near misses: **589 (86%)**
- Minor Accident: **18 (3%)**
- Accident with property damage: **61 (9%)**
- Disabling Accident: **16 (2%)**

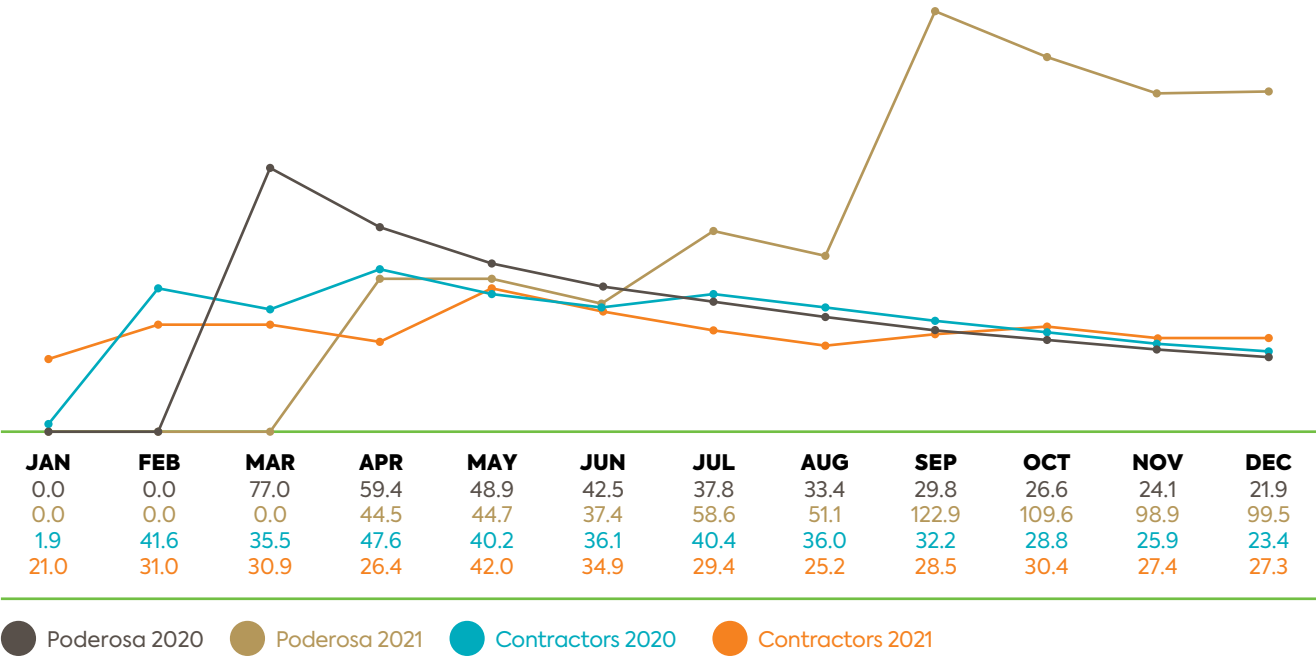
Accident Rate (AR) 2020-2021



Frequency Index (FI) 2020-2021



Severity Index (SI) comparison 2020-2021



Source: Compania Minera Poderosa S.A security system platform. The rates have been calculates per every 1 000 000 hours of work.

Work -related medical surveillance

Health promotion, common and work-related diseases continued as established in the annual program.

The incidence rate for common diseases was 23% (target ≤ 35%), lower than that recorded in 2020, which was 32.65%. Workplace absenteeism due to common illnesses was 4.93 medical leave days on average per month per one thousand workers (target: ≤ 18), lower than the figure recorded for 2020, which was 9.6 days. These results show the effectiveness of complying with the preventive measures, such as respiratory protection and hygiene measures to prevent the spread of covid-19.

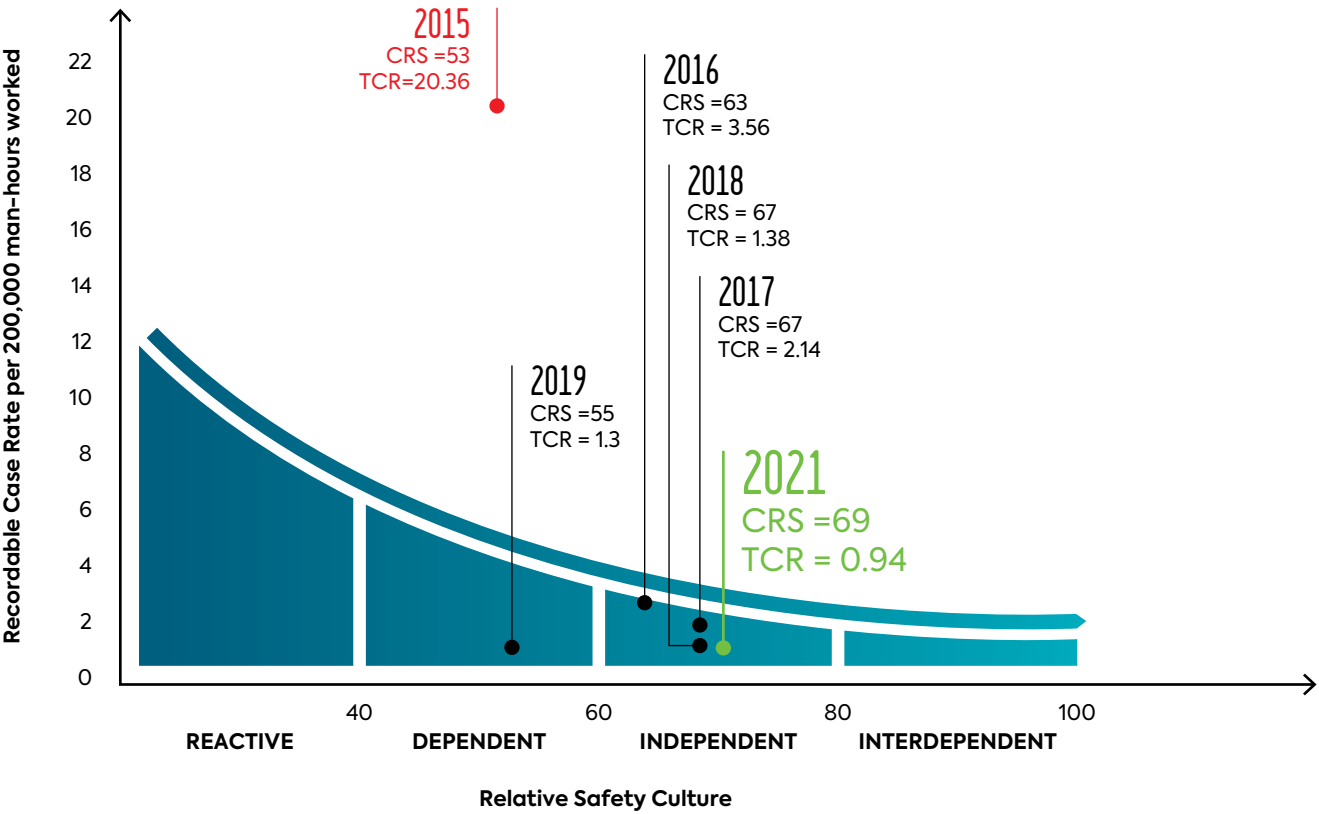
Safety culture reinforcement

The safety culture of an organization is based on values, convictions, standards, and good practices. The evaluation of the safety culture is assessed every two years. In 2021 the Relative Safety Culture (RSC) was 69 and the Recordable Case Rate (RCR) was 0.94. These results show an improvement in the Bradley Curve, compared to the 2019 measurement, and those of previous years

Evolution of the occupational health and safety culture 2015–December 2021. Bradley Curve

	2015	2016	2017	2018	2019	2020	2021	DIFFERENCE COMPARED TO 2015
Relative Safety Culture (RSC)	53	63	67	67	55	-	69	30.20% Increase
Recordable Case Rate (RCR) **	20.36	3.56	2.14	1.38	1.3	-	0.94	95.40% Reduction

** Number of injuries per 200, 000 Men Hours Worked



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IPERC

We consider risk management to be a basic element and a fundamental pillar of any occupational health and safety management system, so we make every effort to act against occupational hazards and to preserve the integrity and well-being of workers, without negative impacts. We were able to maintain a sustainable safety performance by approaching and following-up the different process supervisors on the field and ensuring the correct application of the continuous IPERC methodology, before and during the development of their tasks. This Methodology is a management tool that stands for Identification of Hazards, Risk Assessment and Control Measures. It is a preventive technique is carried out by all the workers before they start their activities.

WE WERE ABLE TO MAINTAIN A SUSTAINABLE SAFETY PERFORMANCE BY APPROACHING AND FOLLOWING-UP THE DIFFERENT PROCESS SUPERVISORS ON THE FIELD.

The strategy of measures to prevent incidents/accidents is carried out as a process of organizational change led by senior management. These measures have engaged the workers at every level, establishing sustainable mechanisms and measuring the results of culture, leadership, and safety performance on an ongoing basis.

Our strategy is to identify and address its precursors. This has been achieved by studying risk exposure data found in accident reports, safety observations and performance audits. These studies

include data from several years where issues, trends and system weaknesses have been found.

As a result of the study, 9 Critical Risks have been identified:

9 CRITICAL RISKS

- 1. ROCK DETACHMENT
- 2. GASSING
- 3. FALLING FROM A DIFFERENT LEVEL
- 4. EXPLOSIONS
- 5. SLIP
- 6. ELECTROCUTION
- 7. ENTRAPMENT
- 8. OVERTURNING
- 9. GETTING HIT / RUNOVER BY A VEHICLE

Our response to coronavirus SARS-CoV-2 (covid-19)

We continue to strive to strictly comply with the established surveillance plan and protocols, which are constantly updated, and thus maintain the proper flow of personnel in and out of the mining unit (mobilization and permanence in the mining unit).

Protocols were updated according to current industry regulations and continuous learning about the disease.



Therefore, the implementation of prevention controls and biological risk mitigators was dynamic. One of the main controls was the taking of antigen screening tests, both at the entrance to the mining unit and in mass or targeted screening. Likewise, the application of epidemiological barriers, when confirmed cases were detected in the mining unit, contained the spread of the virus.

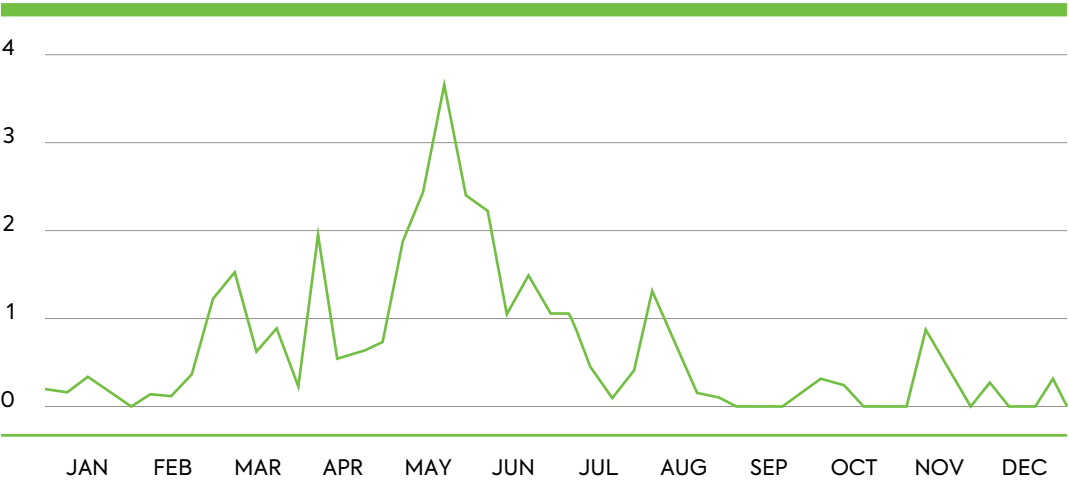
In April, we began vaccinating the population according to exposure risk levels and age groups. This measure, added to our range of controls and

barriers, had a significant impact on the health of our employees and their families. The vaccination of the workers in the mining unit became indispensable. To support this goal, vaccination campaigns were coordinated to achieve greater and more effective protection coverage.

This joint effort, supported by the area leaders, the people responsible for the processes, the management, and the



Monthly Positivity in UM (%)



Board of Directors, resulted in a reduction of detected / confirmed cases in the mining unit as of June. For several weeks, from September to December, we recorded zero positive results, and we applied 52,055 screening tests.

With the establishment and extension of the emergency status ordered by the government, remote work was established and activated for the staff considered in the risk group due to age factors or the presence of one or more comorbidities. This measure is still in force, and we continue to consider important factors of mental health and ergonomics.

REMOTE WORK WAS ESTABLISHED AND ACTIVATED FOR THE STAFF CONSIDERED IN THE RISK GROUP DUE TO AGE FACTORS OR THE PRESENCE OF ONE OR MORE COMORBIDITIES. THIS MEASURE IS STILL IN FORCE, AND WE CONTINUE TO CONSIDER IMPORTANT FACTORS OF MENTAL HEALTH AND ERGONOMY

The support of the communications area has been essential for the rapid and effective dissemination of preventive measures in the event of any symptoms detected by workers. On the other hand, training and awareness on covid-19, prevention of common diseases,

occupational diseases and first aid were developed. Interventions were also carried out on psychosocial risks in specialized mining contractors and vaccination against influenza, hepatitis A and B, tetanus, and typhoid.

Biosafety protocol compliance

Biosafety protocols were strictly complied with. Their violation is reported, and disciplinary measures are imposed according to the covid sanction matrix aligned with the Nine Golden Rules for Life and the internal work regulations.

- Not wearing masks or wearing them incorrectly.
- Failure to respect the physical distance established
- Not washing hands when entering dining rooms or other areas.
- Improper disposal of bio-contaminated waste
- Talking or using cell phones inside the dining room
- Lying in the sworn statement or failure to report covid-19 related symptoms
- Failure to meet the covid-19 screening appointment to enter the mining unit
- Failure to attend the covid-19 screening at the mining unit on the scheduled date
- For suspected cases: failure to comply with the established isolation and leaving the camps/hotels where the quarantine is being carried out.
- Leaving company premises without proper authorization.
- Disseminating information on positive cases
- Having contact with personnel outside the company without authorization or without the corresponding protocol.



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PODEROSA

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PART 4

SUPPLIER
DEVELOPMENT

SUPPLY CHAIN





SUPPLIER DEVELOPMENT

OUR MOTIVATION

The guidelines and demands inherent to our operation and market move us to supply quality goods and services in the time projected and at a competitive price. In this sense, we focus on developing and assessing the suppliers as our business partners.

OUR EFFORTS

We encourage the optimization of our suppliers' quality standards as regards sustainability, quality, safety, and environment throughout the value chain as to minimize risks and develop long-term alliances. This is achieved through supplier standardization, evaluation, and revaluation.

In this regard, our commitment goes beyond an exchange relationship with our suppliers, this way, and by means of different initiatives, they can develop innovative products, provide

increasingly complex services, and improve productivity, making them more competitive.

Our policies are duly defined, and we have procedures on good administrative and operational practices, both internal and external, that seek to maintain and strengthen our long-term commercial relationship, in an integral and loyal manner with our identified strategic partners.

1. FIST GROUP - ELITE CONTRACTORS:

We have noted that these contractors show strong safety performance and effective program compliance, all the same they show strong labor and financial compliance.

2. SECOND GROUP - PROMISING CONTRACTORS:

This group's results vary substantially. These contractors are in the process of standardizing results to become high achievers.

3. LOW PERFORMING CONTRACTORS:

This group has constantly shown a poor performance pattern and so, we need to pay special attention to it.

OUR ASSESSMENT AND RESULTS

We believe in assessing and reassessing our suppliers under a risk-based management approach, considering commercial risk, corporate social responsibility, experience accreditation, financial risk, and management systems criteria. We use the Kraljic Matrix management tool to select critical and non-critical suppliers, to establish a supplier assessment process based on product severity levels and not necessarily related to purchase volumes.

The contract management area uses a tool that can objectively reassess the organizational results of the contractors which are at the core of the business (mining and related contractors). This tool is called Nine Box Performance Evaluation, which has enabled us to segment three performance groups and to learn about the monthly productivity and safety performance, mainly.

Additionally, in 2021, audits were conducted to verify compliance with the obligations stipulated in the contracts on cross-cutting issues such as safety, quality, environment, living conditions and outsourcing. These audits have been conducted initially with mining contractors; in 2022, related contractors will be included.

QUALITY OF SUPPLIERS AND SERVICES
WITH GOOD PRACTICES

In 2021 we had 782 duly evaluated and selected suppliers (excluding contractors), among domestic and foreign. They provided us with goods and services in compliance with the quality standards of our operations, management, and investment projects development. In addition, we have signed 15 supply contracts after establishing partnerships with strategic suppliers and

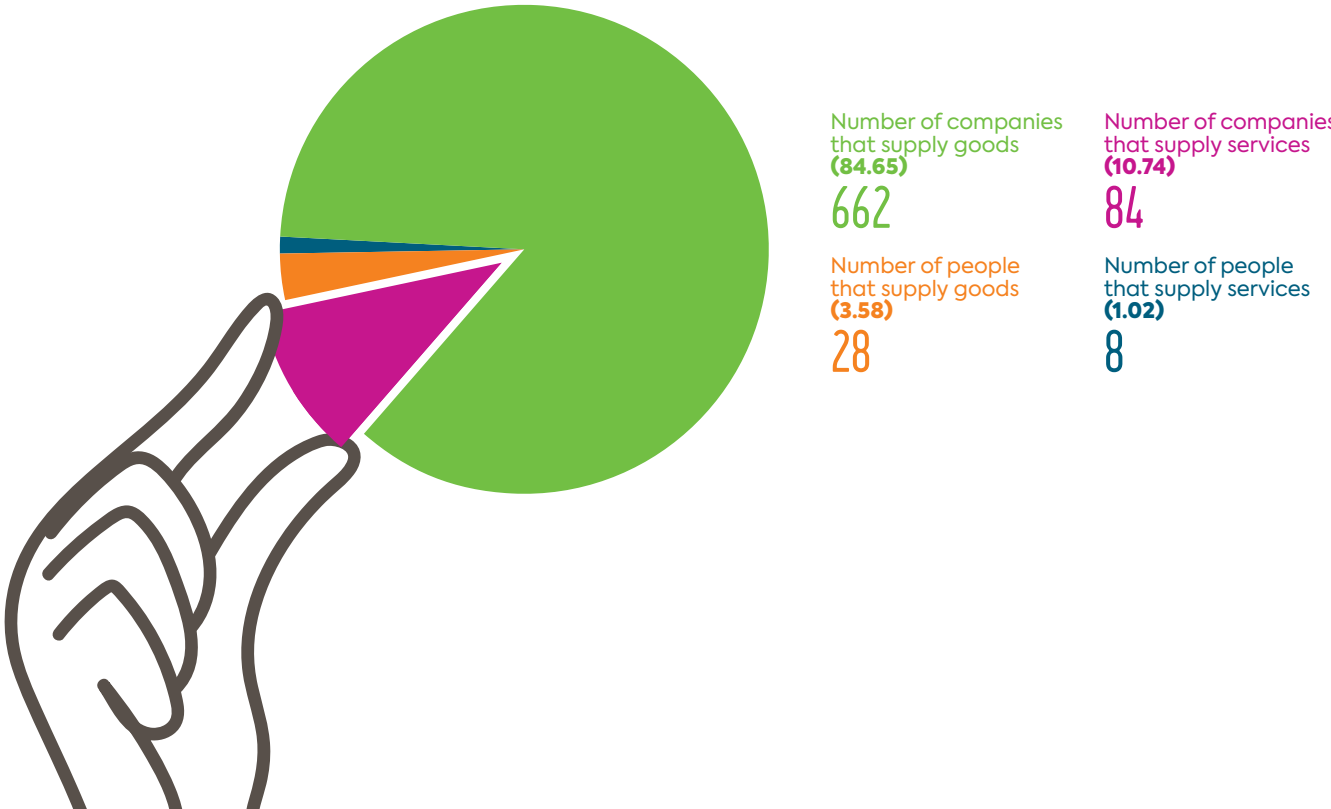
8 contracts for transportation services, technical support for service inspection and complementary logistics operations.

Likewise, to ensure the quality of suppliers and services, we have continued with the standardization and due diligence of suppliers. In this process, we have approved 223 services providers, which have a contract or which will sign a contract soon. In this evaluation, we review variables such as activity, capacity, IMS, and commercial aspects.

Total goods and services in USD

GOODS		SERVICIES		CONTRACTORS		TOTAL	%
Regional (La Libertad)							
8'760,977	17%	7'142,637	44%	23'945,592	47.32%	39'849,206	34%
Other regions							
40'827,683	78%	9'025,188	56%	26'663,366	53%	76'516,237	64%
Imports							
2'500,293	5%		0%			2'500,293	2%
Total USD							
52'088,952	100%	16'167,825	100%	50'608,958	100%	118'865,736	100%

Type of suppliers



Supplier Origin

	2021	PERCENTAGE
La Libertad	125	15.98
Other cities	657	84.02
Total	782	100.0%

782
SUPPLIERS

Origin of suppliers
foreign - domestic

FOREIGN: Germany / Argentina / Australia / Canada / Chile / China / Colombia / USA / Holland / Italy / Japan / Turkey / South Africa

DOMESTIC: Lima / Trujillo / Pacasmayo / Chimbote / Arequipa / Loreto / Ica / Tacna / Lambayeque / Cajamarca

PROCUREMENT OF GOODS AND SERVICES. SUPPLY CHAIN

The logistics department is responsible for supplying goods and services to ensure our production and administrative processes are performed in a timely and efficient manner. Our supply chain considers several processes to help guarantee the supply of these goods and services. The process starts with an internal request order according to the annual investment and costs plan. The Board, managers, superintendents, and department heads, approve these orders.

There are some frequent consumption products are referred to as "automatic replenishment" and include materials such as liquid and gaseous fuels, chemical products, reagents, grinding media, lubricants and oils, explosives and accessories, timber, among others. Many of these products are hazardous, therefore, their procurement is complicated due to legal standards and regulations. Moreover, transportation, storage and handling of these products is very risky because their physical and chemical properties can have adverse effects on people's health as well as on the company's facilities, processes, and the environment. Therefore, these products are extremely critical to the mining operation.

Timely procurement is guaranteed by a logistics planning process, and by a team of buyers and warehouse keepers who carry out domestic purchases and imports. We also have a transit area or in-transit warehouse where materials and equipment are received

CASE

LOCAL SUPPLIERS
UNDER CONTINUOUS
IMPROVEMENT

Local suppliers are individuals or legal entities established and located both in the district of Pataz and in other districts of La Libertad region where we run our operations. The company maintains contractual relations with these goods and services providers. The provision includes supplies per type of material turnover, in other words, supplies that are automatically replaced, charged directly, and for projects; in addition, there are fixed assets and equipment which are purchased according to the annual investment plan.

and dispatched to our mining units, and which are delivered in Chorrillos (Lima) and in Trujillo. The transportation process is carried out by well-known outsourced companies that cover the route Lima-Trujillo-mine.

At the mines, we have two central warehouses, together with storage units, gas stations, timber storage facilities, ammunitions, and heavy and bulky materials warehouses.

Supply chain

1. SUPPLIER
- /
2. TRANSIT WAREHOUSE
- /
3. LAND TRANSPORTATION
- /
4. SUPPLY WAREHOUSE (MINE)
- /
5. EXPLORATION
- /
6. MINING
- /
7. PROCESSING
- /
8. PRODUCT WAREHOUSE
- /
9. CARGO AGENT WAREHOUSE
- /
10. AIR TRANSPORTATION
- /
11. CUSTOMERS

ACCIDENT RATE ALONG CRITICAL ROUTE

The logistics process comprises transportation of materials and equipment from the supplier's plants or warehouses abroad to Lima, Trujillo and Pacasmayo. Hazardous materials, such as liquid and gaseous fuels, lubricants, explosives, sodium cyanide, chemical products, among others, are included in the list of goods transported. Maritime or air freight agents transport imported goods, while domestic transportation is done from the coast through a long route that crosses the harsh geography and climate of the northern mountains, up to our two mining units. Safety and control standards have been set in place to guarantee an adequate transportation service. The accident rate in 2021 along the critical route was zero.

WE HAVE SECURITY AND CONTROL STANDARDS IN PLACE TO ENSURE THIS PROCESS, GUARANTEEING A SAFE TRANSPORTATION SERVICE

THE ACCIDENT RATE IN 2021 ALONG THE CRITICAL ROUTE WAS:

ZERO



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PART 5

SOCIAL
DEVELOPMENT

OUR COMMITTMENT WITH
NEIGHBORING COMMUNITIES





COMMUNITY RELATIONS

OUR MOTIVATION

We are committed to promoting sustainable development in the areas of influence in the Pataz district. We do so through a multistakeholder approach, which drives work in collaboration between the community, the local governments, and the communities. To do so, we promote proactive relationships with the communities to understand what their interests and concerns are, building their capacity and fostering community empowerment so that they can steer their own development.

WE ARE COMMITTED TO PROMOTING SUSTAINABLE DEVELOPMENT IN THE AREAS OF INFLUENCE IN THE PATAZ DISTRICT.

We also promote close relations to prevent social conflicts that could affect our operations. We therefore support community and environmental project management in our area of influence. We want our presence to be a positive factor for the communities.

Our good neighbor policy is expressed through the level of honest and transparent involvement to achieve a shared vision between Poderosa and the community, as well as to promote horizontal communication and the quest for sustainable development.

OUR EFFORT

It is a shared interinstitutional effort between three pillars:

The Government: through the local government which assumes its authority role, promoting and executing social development activities GRI 103-2 GRI

103-1 (improvement of health clinics, infrastructure, roads, schools), providing adequate regulations and compliance to carry out mining activities, environmental protection, etc.

Poderosa: Contributes to local, regional, and national development through investments, foreign currency generation, job generation, improvement of social and productive infrastructure.

The community or social environment: This includes every social, cultural, and political movement, as well as the environment. In this sense, the coexistence rules established as a policy within our community relations plan will allow us to improve our relations with the populations in our intervention area with respect and assuming joint commitments and promoting mutual understanding; these rules take into consideration the social differences of every community.

We prioritize the following axes in our social intervention in the communities:

- Contribution to sustainable development, through the prioritization of health, nutrition, education, and economic development as our social responsibility intervention principles
- We promote community empowerment through the CODECOS and JASS, which, through their strategic plans prioritize their needs and projects selected within the established participatory district budget. With adequate implementation of these plans we seek to match the interests of the population with ours.
- Partnership and joint responsibility, through the combination of contributions and efforts between organizations and existing institutions, both at community and district level together with those outside the area but that also share joint responsibility, to maximize the benefits

OUR ASSESSMENT AND RESULTS

We assess the performance of community relations through management indicators, which are reviewed quarterly at management meetings, as per our policy. These indicators, in turn, are reflected in the 2021 annual plan.

- The results of the 2021 annual plan were:
- 69.1% compliance of purchase and right of use plans.
 - 98% compliance with social and environmental commitments.
 - 19 water intake and conduction systems for drinking water in good conditions.

- 17 communities with water micro measurement systems
- 18 communities meet all the JASS management variables in their drinking water systems.
- 23 families implement the Sanitary Education Project, as healthy families, in their communities.
- 13 Community Development Committees (CODECOS) rated equal to or greater than level III empowerment.

On the other hand, Asociacion Pataz has its own methods to measure the development of its projects. These include process indicator results which are reported on a quarterly basis to the Asociacion Pataz Management Board.



SOCIAL IMPACT AND MAIN INDICATORS

ALL OPERATIONS HAVE LOCAL COMMUNITY INVOLVEMENT PROGRAMS, AND EACH OPERATION CONDUCTS IMPACT ASSESSMENTS AND IMPLEMENTS DEVELOPMENT PROGRAMS DIRECTLY WITH LOCAL COMMUNITIES OR THROUGH ASOCIACION PATAZ, THROUGH IMPACT AND PROCESS MEASUREMENTS



Social impact measurement of the programs implemented through Asociacion Pataz is carried out according to the Human Development Index measurement criteria:

- Gross National Income per capita
- Life Expectancy
- Mean years of schooling of the population

- The results of the impact indicators are measured as follows:
- **Health Program:** reduction of chronic malnutrition and anemia, through hemoglobin tests.
 - **Education Programs:** Results of the tests taken to students in the different schools.
 - **Productive Programs:** Yield results



337	13,236	596	90%	PEN 150,000
people trained in water and sanitation	dweller have access to quality water	people trained in CODECOS community organization	implementation of community development plans	allocated to 3 projects, winners of the 2021 contest

DIRECT AND INDIRECT AREA OF INFLUENCE

The area of influence comprises the territory that, because of the construction, operation, and closure of our projects, is subject to some sort of impact, whether positive or negative, where mitigation or compensation measures need to be implemented.

The Direct Area of Influence (DAI) is defined according to the location of each project. Our different components such as the beneficiation plants, tailing ponds, dumpsters, roads, camps, etc., have different types of impacts and different scopes.

We promote responsible and sustainable mining. In this sense, we aim at generating positive impacts to produce sustainable changes in the direct area of influence, mainly in health, nutrition, and education through a multistakeholder approach

(community, DIRECT AND INDIRECT AREA OF INFLUENCE GRI 102-42 103-2 413-2 local government and Poderosa). We promote local leader capacity building, governance, and empowerment. Other priorities are aimed at minimizing negative impacts on water, air, dust emission, and mitigation of damages to property resulting from our operations, among others.

Our intervention guidelines are in tune with the United Nations Sustainable Development Goals.



In 2007 Poderosa implemented the Pataz District Sustainable Human Development Program, to promote social and economic development, governance, environmental protection, and institutional alliances, which components are assumed by our strategic partner, Asociacion Pataz. The sustainable program has two components: 1) community and local management, and 2) community management of water and sanitation.

Direct and indirect Area of Influence

DIRECT INFLUENCE		INDIRECT INFLUENCE
Marañon PRODUCTION UNIT	Vijuz community, Barrio Chino	Chagualito, Aricapampa, Aragostay
Santa Maria Production Unit	Pataz, Campamento, Pueblo Nuevo, San Fernando, Socorro, Zarumilla Pueblo Nuevo	Los Alisos
Palca Project	Comunidad Campesina Andres Razuri de Suyubamba; Suyubamba, Alacoto , Palca, Pamparacra, Pías.	
Lavasen Project	Comunidad Campesina Sol Naciente; Chuquitambo, Nimpana	Shicún, Santa Clara.
Montañitas Exploration	Comunidad Campesina La Victoria (Tayabamba).	Huaylillas, Ongón.
Santa Filomena Exploration	Pías	
Estrella Dorada Prospection	Huaylillas	
Ariabamba Prospection	Ariabamba	Huicungo, Cruz Colorada, Pías
Uctubamba Prospection	Ongon	

Direct and indirect area of influence Source: Compañía Minera Poderosa S.A Community Relations



GRI
413-1

1. COMMUNITY AND LOCAL MANAGEMENT

Strengthening the management capacities of local authorities and leaders allows increasing and improving their participation level in the sustainable development of their communities. This way, it reduces the possibility of social conflicts with the communities, and improves the integration of the community, the company, and the local government.

This component is based on the joint work between the private companies, the local government, and the Government institutions, as well as the organized population. The Community Development Committee (CODECOS) are a key element. Therefore, we seek to strengthen their capacities and promote community empowerment so that they can participate in their own development, as stated in our management policy:

"ACKNOWLEDGE OUR STAKEHOLDERS, THEIR NEEDS AND REQUIREMENTS, SEEKING THEIR SATISFACTION AND SUPPORTING THEM SO THEY CAN MANAGE THEIR OWN DEVELOPMENT".

The Community Development Committees (CODECOS) represent a local management and governance model. They are an organization, an association made up by individuals and legal entities that represent the dwellers of a village, community, population, or neighborhood. Their purpose is to

supervise and control public expenditure execution in their jurisdiction, and to design and manage their community development plan.

For us, empowering communities has become an important and comprehensive part to achieve development. An empowered community have the capacities, the skills, and resources to meet their needs.

Evaluations

During 2021, trainings were carried out in person, but with some restrictions and respecting the safety protocols to prevent covid-19 infections. 596 CODECOS participants were trained: 93 board members, 76 community leaders or authorities, and 491 community members. The topics addressed were organizational structure, strategic planning, community development plans, leadership, by-laws, project design and management.

Formalization and agreements

As of the closing date of this report, 13 CODECOS were registered in the Public Records, 7 of them have managed to obtain their Taxpayers' Registry Number (Pueblo Nuevo, Suyubamba, Socorro, Zarumilla, Chuquitambo, Vijus and Vista Florida); 4 have modified their by-laws

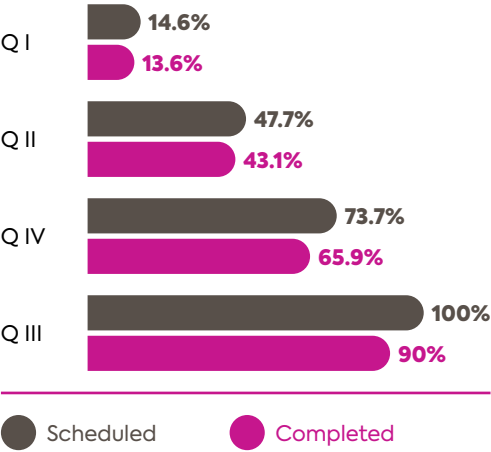
to become a Social Organizations (Chuquitambo, Vista Florida, Pueblo Nuevo and Socorro); 3 (Vista Florida, Pueblo Nuevo, and Socorro) have registered the modification of their by-laws and have applied to become a donor recipient entity before the tax authority (SUNAT).

On the other hand, 13 CODECOS signed agreements with the Pataz District Municipality, 3 have signed a specific agreement with Poderosa (Chuquitambo, Vijus, Pueblo Nuevo); 1 (Socorro) is defining the terms of the agreement with Poderosa and 8 hold agreements signed with con Asociacion Pataz (Chuquitambo, Shicún, Vijus, Chagual, Campamento, Pueblo Nuevo, Los Alisos and Zarumilla).

Community Development Plans

At the beginning of 2021, 13 CODECOS designed their community development plans. These include the activities to be performed to improve the quality of life of each one of the district inhabitants. They also have a specific schedule which is assessed on a quarterly basis. In 2021, the implementation of community development plans was 90% of the scheduled activities.

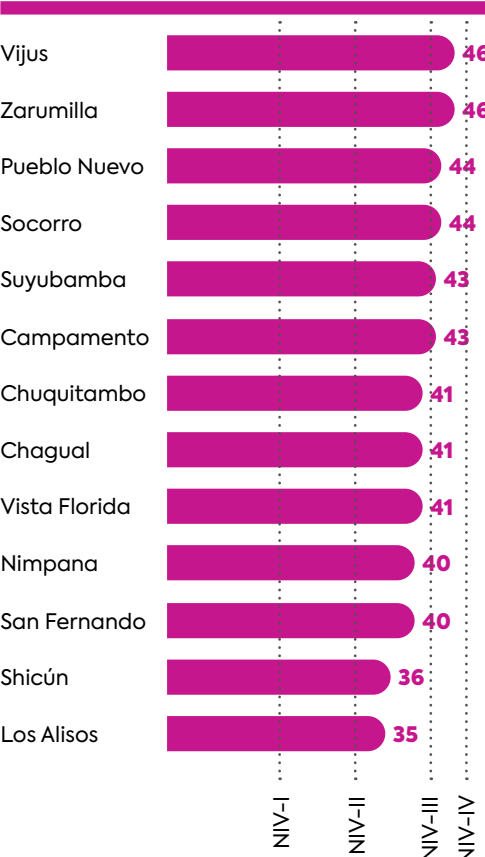
CODECOS Community Development Plans accrued progress in 2021



EMPOWERMENT LEVEL

At the end of 2021, during the empowerment assessment, 13 CODECOS maintained level III, 6 of them reached level IV: Vijus, Zarumilla, Pueblo Nuevo, Socorro, Suyubamba any Campamento.

Empowerment level of the Pataz District CODECOS in the IV Quarter of 2021



CODECOS IN LEVEL IV

6

CODECOS IN LEVEL III

7



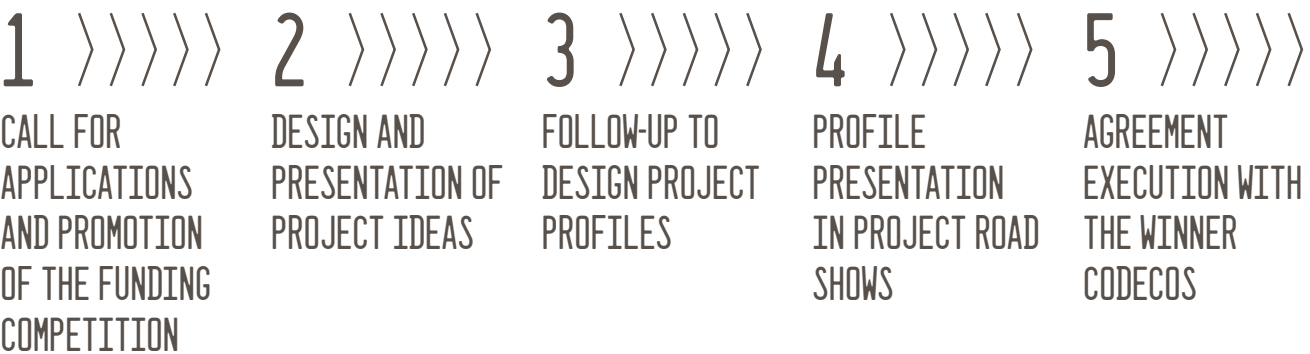
PROJECT COMPETITION

These are mechanisms to allocate funds which give the citizens the responsibility to define and implement what they consider necessary to improve their life quality. For social organizations, access to funding is an important tool for it involves them in the country's development processes.

As of December 2021, 25 projects on education, drinking water, sanitation, landfills, and road infrastructure were implemented.



THE PURPOSE OF THE COMPETITIVE FUNDS IS TO STRENGTHEN THE CAPACITIES OF THE CODECOS IN THE ADMINISTRATION AND EXECUTION OF WORKS RELATED TO THE DEVELOPMENT OF THEIR COMMUNITY.



Winners of the funding competition 2021 (PEN)

CODECO	PROJECT WINNERS OF THE FUNDING COMPETITION	FUND	COMPANIES	PATAZ DISTRICT MUNICIPALITY	BUDGET
San Fernando	Improvement of the drinking water system through the construction of a new intake and conduction line in San Fernando community, Pataz district, La Libertad Region	50,000.00	19,220.00	15,516.19	84,736.19
Vista Florida	Implementation of a clothes workshop to produce work uniforms and quality garments for the mining, construction, and other industries in Vista Florida community, Pataz, La Libertad	50,002.70	44,090.00	-	94,092.70
Nimpana	Improvement of the comprehensive health services through the implementation of a health clinic in Nimpana community	50,000.00	4,776.00	57,935.00	112,711.00

Follow up to previous years projects

2019	2020
CODECO Pueblo Nuevo: Construction and Implementation of School Cafeteria PROGRESS: 95%.	CODECO Chagual. Improvement of the education system at School I.E. N° 80746- Warehouse – Kitchen – School Cafeteria with 5S approach – Chagual Community. PROGRESS: 100%.
CODECO Campamento. Improvement of the education system at Pre-school N° 1768- Implementation of the area with psychomotor materials and multiple use room. PROGRESS: 100%.	CODECO Vijus. Improvement of the water supply system to Vijus community, in Pataz district, through the installation of household water meters in Vijus, Pataz District, for the control of water use. PROGRESS: 252 METERS ARE BEING INSTALLED.
CODECO Zarumilla. Expansion of the drinking water service and improvement of the sewerage system. Zarumillita Sector. PROGRESS: 100%.	CODECO Pueblo Nuevo. Expansion and improvement of the sewerage system of Pueblo Nuevo. PROGRESS: PROCEDURES UNDERWAY



2. WATER AND SANITATION COMMUNITY MANAGEMENT

In the Pataz district, water and sanitation management is a concern because the resource is scarce generating conflicts between the different villages which can hinder the normal development of our operations. Therefore, we are working together with the Sanitation Services Management Boards (JASS) to build their organizational and management skills to run these institutions, this will bring about a real change in water use and payment. This capacity building will provide efficient and well managed quality water services for human consumption to the population, through the formalization of this service, which will ensure its sustainability, by strengthening their capacities and management skills.

WE FOCUS ON BUILDING THE ORGANIZATIONAL AND MANAGEMENT SKILLS OF THE SANITATION SERVICES MANAGEMENT BOARDS (JASS).

During 2021, trainings were carried out in person, but with some restrictions and respecting the safety protocols to prevent covid-19 infections. 337 participants were trained, to develop their capacities on the administration, operation, and maintenance of the drinking water systems. Out of the total participants, 80 were members of the JASS boards, 50 were community leaders or authorities, and 207 were community members. The topics were addressed to build the organization capacities of the JASS (formalization, roles, and functions), management (working plan and budget, family quota), and operation, and maintenance of the water system, (water consumption control, water measurement reading, water cleaning, disinfection, and chlorination).

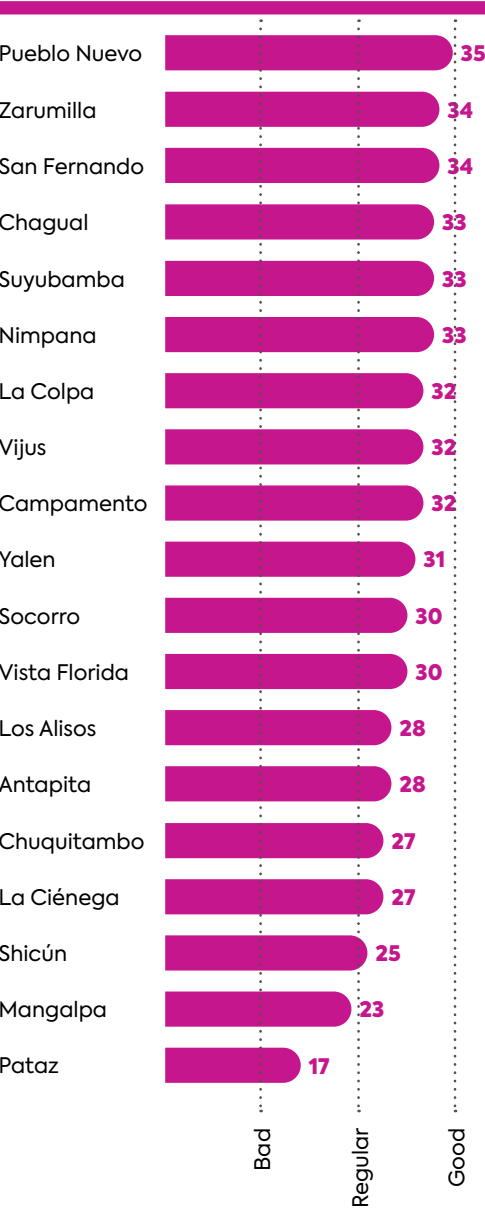
Evaluation

Monitoring of the drinking water system in Pataz is carried out monthly, through participatory community monitoring, involving the JASS members, local authorities, and representatives from the district municipality, health clinic and Poderosa.

In 2021 an indicator matrix was implemented to measure JASS management. This matrix assesses 12 indicators,

grouped under four variables: organization, administration, quality, and sustainability. As a result of this management assessment, it was found out that 18 JASS are carrying out good management practices, and one is still underperforming (Pataz capital), as we can see in the following graph:

JASS management level as
of quarter II of 2021



JASS management is related to the operation, administration, and maintenance of the water systems. In this regard, the results of infrastructure, water flow and quality monitoring are shown below.

Regarding infrastructure and flow, two monitoring activities have been performed on the 19 drinking water systems. The first one was between April and May, and the second one between October and November. The chart shows the results of the infrastructure condition of the drinking water systems in the Pataz district as of the end of 2021.

Infrastructure evaluation

The consolidated evaluation of the infrastructure shows 19 water systems in good conditions. However, we can see specifically that at a component

level there are two systems which intake infrastructure is in regular condition (Mangalpa water system) and in bad condition (Zarumilla water system), which was destroyed by a landslide produced in March (the municipality is designing a technical file for its rehabilitation). However, the JASS made provisional connections from the water intake with its own funds, allowing the population to have water on a continuous basis, and thus it was not affected during the health emergency status. All the same, other two JASS (Pataz and Vijus) have their distribution network and house connections in regular conditions. The water system at Vista Florida evidenced house connections in regular conditions. Each one of these components does not affect the final condition of the drinking water system, therefore the 19 JASS have a good result.



Evaluation of the drinking water system infrastructure in the Pataz district communities by the end of 2021

N°	DRINKING WATER SYSTEM/ COMMUNITY	INTAKE RATING	CONDUCTION LINE RATING	RESERVOIR RATING	DISTRIBUTION NETWORK RATING	HOUSE CONNECTION RATING	DRINKING WATER SYSTEMS GENERAL RATING
1	Chuquitambo	G	G	G	G	G	G
2	Nimpana	G	G	G	G	G	G
3	Shicún	G	G	G	G	G	G
4	Vijus	G	G	G	G	R	G
5	Chagual	G	G	G	G	G	G
6	Suyubamba	G	G	G	G	G	G
7	Vista Florida	G	G	G	G	R	G
8	San Fernando	G	G	G	G	G	G
9	Campamento	G	G	G	G	G	G
10	Pataz	G	G	G	R	R	G
11	Pueblo Nuevo	G	G	G	G	G	G
12	Los Alisos	G	G	G	G	G	G
13	Zarumilla	B	G	G	G	G	G
14	Socorro	G	G	G	G	G	G
15	Mangalpa	R	G	G	G	G	G
16	Yalen	G	G	G	G	G	G
17	La Ciénega	G	G	G	G	G	G
18	Colpa	G	G	G	G	G	G
19	Antapita	G	G	G	G	G	G
Good		17	19	19	18	16	19
Regular		1	0	0	1	3	0
Bad		1	0	0	0	0	0
Total		19	19	19	19	19	19



Flow evaluation

As regards flow evaluation, the following chart shows that Campamento village has water supply problems, for in November it reported water flow of 2.93 l/s, below the current demand which is 4.06 l/s to meet the population’s consumption. When the December monitoring was carried out, this flow fell to 2.55 l/s, despite the rainfall, which did not raise the level at the water intakes.

All the same, the drinking water systems at La Colpa and San Fernando have suffered flow reduction. Flow reports were 0.039 l/s and 0.35 l/s, correspondingly, while the current demand is 0.13 l/s and 0.33 l/s. Flow at La Colpa is slowly recovering with the beginning of the rainy season, from 0.039 to 0.043 l/s; also, in San Fernando, the rainfall has increased

Water Flow monitoring 2021

N°	DRINKING WATER SYSTEM/ COMMUNITY	POPULATION	CURRENT DEMAND (LT/S)	FUTURE DEMAND 20 YEARS (LT/S)	WATER OUTCROP (LT/S)	WATER OUTCROP (LT/S) OCT - 2020	WATER OUTCROP (LT/S) DEC - 2021
1	Chuquitambo	486	0.66	0.92	1.03	0.70	
2	Nimpana	730	1.32	1.85	2.07	5.05	4.49
3	Shicún	384	0.69	0.97	2.05	1.06	
4	Vijus	3,000	5.42	7.58	10.99	13.33	
5	Chagual	495	0.89	1.25	4.75	4.15	
6	Suyubamba	678	0.92	1.29	2.77	2.58	
7	Vista Florida	925	1.25	1.75	2.77	3.15	
8	San Fernando	300	0.41	0.57	0.73	0.35	
9	Campamento	2,250	4.06	5.69	2.72	2.93	4.88
10	Pataz	4,230	7.64	10.69	7.13	7.04	10.35
11	Pueblo Nuevo	1,200	2.17	3.03	6.60	7.52	
12	Los Alisos	120	0.16	0.23	1.40	1.07	
13	Zarumilla	1,750	3.16	4.42	4.47	4.12	
14	Socorro	1,200	2.17	3.03	2.23	2.05	
15	Mangalpa	140	0.19	0.27	0.44	0.47	
16	Yalen	224	0.30	0.42	6.02	3.64	
17	La Ciénega	150	0.20	0.28	1.29	2.21	
18	La Colpa	70	0.13	0.18	0.06	0.039	0.085
19	Antapita	195	0.26	0.37	1.45	0.87	
		18,527	32.00	44.43	59.54	62.33	

water flow from 0.35 to 0.68 l/s, representing a 94.29% flow increase in December.

Water quality assessment

Because of the sanitary emergency, only one water quality monitoring was performed during the dry season, in October and November. The table shows the results of the water quality monitoring for 2021. Regarding water quality monitoring, the results show that 14 drinking water systems quality as being in good bacteriologic, physical, and chemical conditions, while five systems

(San Fernando, Pataz, La Cienaga, Antapita, and Campamento) show evidence of metal presence, such as arsenic and iron. These systems are in the Pataz Batholith, which is a mineralized zone, therefore these minerals occur in natural conditions.

With respect to bacteriologic analysis, we can observe that they are all in good conditions. This is because

most of the systems have chlorination systems, providing clean water, free of microbiologic bacteria and does not affect the dwellers health, especially in the case of boys and girls under the age of 5. On the other hand, chlorination ensures that surface water and water exposed to animal pollution are free of pathogens.

Water quality monitoring 2021

		BACTERIOLOGIC ANALYSIS RESULT AT HOUSE CONNECTION	PHYSICAL ANALYSIS RESULT	CHEMICAL ANALYSIS RESULT	BACTERIOLOGIC AND PHYSICAL AND CHEMICAL QUALITY
N°	WATER SYSTEM N°/ COMMUNITY	CONDITION	CONDITION	CONDITION	CONDITION
1	Chuquitambo	G	G	G	G
2	Nimpana	G	G	G	G
3	Shicún	G	G	G	G
4	Vijus	G	G	B	B
5	Chagual	G	G	G	G
6	Suyubamba	G	G	G	G
7	Vista Florida	G	G	G	G
8	San Fernando	G	G	B	B
9	Campamento	G	G	G	G
10	Pataz	G	G	B	B
11	Pueblo Nuevo	G	G	G	G
12	Los Alisos	G	G	G	G
13	Zarumilla	G	G	G	G
14	Socorro	G	G	G	G
15	Mangalpa	G	G	G	G
16	Yalen	G	G	G	G
17	La Ciénega	G	B	B	B
18	La Colpa	G	G	G	G
19	Antapita	G	G	B	B
Good		19	18	14	14
Regular		0	0	0	0
Bad		0	1	5	5
Total		19	19	19	19

Integral Evaluation

When consolidating the integral evaluation of the Pataz drinking water systems (infrastructure, flow, and water quality) according to the 2021 monitoring report, we observe that 19 water systems are in good conditions.

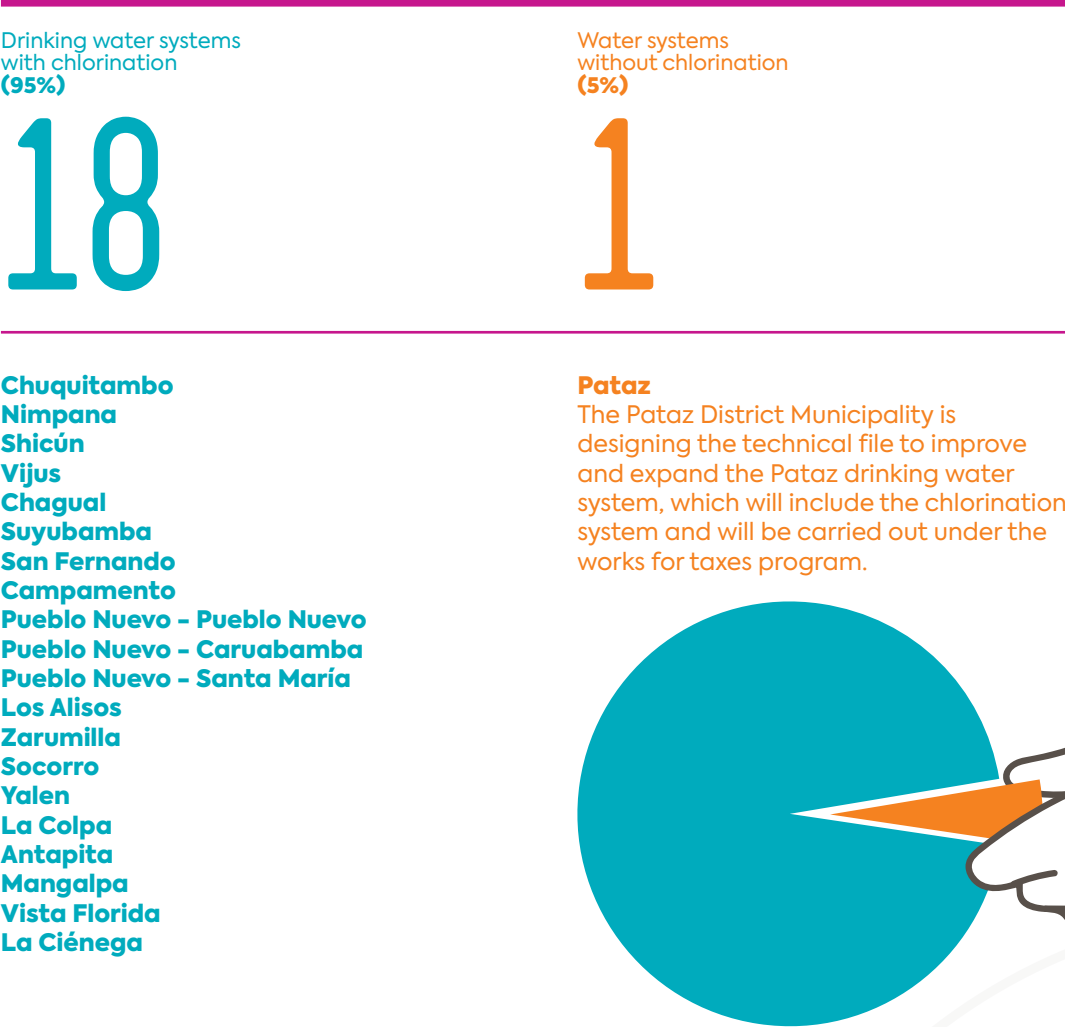
Integral Evaluation, as of November 2021 (second monitoring)

N°	COMMUNITY/ WATER SYSTEMS	INFRASTRUCTURE	FLOWL	QUALITY	CONDITION
1	Chuquitambo	G	G	G	G
2	Nimpana	G	G	G	G
3	Shicún	G	G	G	G
4	Vijus	G	G	B	G
5	Chagual	G	G	G	G
6	Suyubamba	G	G	G	G
7	Vista Florida	G	G	G	G
8	San Fernando	G	G	B	G
9	Campamento	G	G	G	G
10	Pataz	G	G	B	G
11	Pueblo Nuevo	G	G	G	G
12	Los Alisos	G	G	G	G
13	Zarumilla	G	G	G	G
14	Socorro	G	G	G	G
15	Mangalpa	G	G	G	G
16	Yalen	G	G	G	G
17	La Ciénega	G	G	B	G
18	La Colpa	G	R	G	G
19	Antapita	G	G	B	G
Good		19	18	14	19
Regular		0	1	0	0
Bad		0	0	5	0
Total		19	19	19	19

Drinking water systems with chlorination

By the end of 2021, from the 19 drinking water systems, 18 had chlorination systems, which represents 89%. This means that approximately 13,236 dwellers have access to quality water. The implementation of chlorination systems is pending in one community. In this case, the municipality is designing the technical file to improve and expand the system, which will be carried out under the works for taxes program and will include the chlorination system.

Water systems with chlorination, as of Quarter IV of 2021





Drinking water system with micro metering

We continue to make efforts to equip all water systems in the annexes of the Pataz district with household meters, as this mechanism has become a fundamental tool for controlling the rational use of water for human consumption.

As of the end of 2021, 15 drinking water systems were implemented with micro measurement, 2 systems were being completed (Mangalpa and Vijus). This means 17 systems implemented out of the 19 existing ones. In the case of Vista Florida and Pataz, the district municipality is designing the technical files, which include improvement and expansion of the drinking water systems, including micro measurement.

Drinking water system with micro measurement, as of December 2021

N°	COMMUNITY	DRINKING WATER SYSTEMS WITH MI- CRO MEASUREMENT	JASS USERS	METERS PURCHASED		TOTAL METERS	METERS TO BE MANA- GED	OBSERVATIONS
				PROJECT	JASS			
1	Chuquitambo	IMPLEMENTED	81	72	0	72	9	The Drinking Water System enhancement project implemented new meters.
2	Shicún	IMPLEMENTED	64	45	0	45	19	The JASS will expand the installation of meters to 19 new users
3	Chagual	IMPLEMENTED	110	80	0	80	30	The JASS will expand the installation of meters to 30 new users
4	Suyubamba	IMPLEMENTED	113	105	0	105	8	The JASS will expand the installation of meters to 8 new users
5	San Fernando	IMPLEMENTED	60	51	0	51	9	The JASS will expand the installation of meters to 7 new users
6	Campamento	IMPLEMENTED	250	250	0	250	0	
7	Pueblo Nuevo	IMPLEMENTED	200	140	40	200	0	
8	Zarumilla	IMPLEMENTED	184	130	44	174	10	The JASS has 25 meters in the warehouse for new users
9	Socorro	IMPLEMENTED	156	146	10	156	0	The JASS has 10 meters in the warehouse for new users
10	Antapita	IMPLEMENTED	39	42	0	42	0	The JASS has 3 meters in the warehouse for new users
11	Los Alisos	IMPLEMENTED	25	25	0	25	0	
12	Yalen	IMPLEMENTED	24	24	0	24	0	
13	La Ciénega	IMPLEMENTED	30	25	0	25	5	The JASS will expand the installation of meters to 5 new users
14	La Colpa	IMPLEMENTED	14	14	0	14	0	
15	Nimpana	IMPLEMENTED	146	126	50	176	0	The JASS will expand 30 new meters through the purchase of new meters for new users and replacement of deteriorated ones
16	Mangalpa	UNDERWAY	20	20	0	20	0	20 meters are available for installation
17	Vijus	UNDERWAY	504	252	0	252	252	CODECO Vijus together with the JASS purchased 252 meters with the budget of the contest for funds 2020. Currently, they are installing the domicile connections for the installation of the meters. Also, CODECO is working with the PDM and with local companies to obtain co financing.
18	Vista Florida	In process of being negotiated with the Pataz District Municipality	165	--				CODECO, submitted a project profile for the installation of house meters before the PDM. The Municipality has considered the enhancement of the drinking water system, including the installation of meters.
19	Pataz	In process of being negotiated with the Pataz District Municipality	470	--				The Pataz District Municipality has been working on a technical file to improve the Pataz drinking water system, including micro measurement through the works for taxes program.

Drinking water systems
implemented with micro
measurement
(89%)

17

Drinking water systems without
micro measurement
(11%)

2



Pias district JASS

In the third quarter a diagnosis was made regarding the situation of the Alacoto and Pamparacra JASS with the support of the Pias municipal technical area. They received training on the technique to determine water flows and the water systems were revised to determine their optimal operation.

With respect to the Pamparacra system, the intake is in bad conditions and the house connections are in regular conditions. As regards the Alacoto water system, only house connections are in regular conditions.

Pamparacra and Alacoto communities drinking water system infrastructures 2021

N°	SISTEMA DE AGUA /ANEXO	EVALUATION OF THE DRINKING WATER SYSTEM INFRASTRUCTURE IN THE PIAS DISTRICT COMMUNITIES, BASELINE					WATER SYSTEM INFRASTRUCTURE
		INTAKE RATING	CONDUCTION LINE RATING	RESERVOIR RATING	DISTRIBUTION NETWORK RATING	HOUSE CONNECTION RATING	DRINKING WATER SYSTEMS RATING
1	Pamparacra	B	G	G	G	R	R
2	Alacoto	G	G	G	G	R	G
Good		1	2	2	2	0	1
Regular		0	0	0	0	2	1
Bad		1	0	0	0	0	0
Total		2	2	2	2	2	2



CASE

A SUCCESSFUL CASE

Progress in JASS capacity building for the management, administration, operation, and maintenance of their drinking water systems, have contributed to solving water supply problems which their communities experienced in the past and which caused conflicts with our company. All the same, this capacity building plan has made Pueblo Nuevo JASS be considered in 2020 as a model JASS in La Libertad region by SUNASS.



HEALTHY HOUSES

The Healthy House Project promotes the change of conduct among the families regarding house organization and adequate practices for the use and care of water, personal hygiene, adequate disposal of garbage and of grey and black waters. We expect to improve the health and life quality of the population with active participation of the families to achieve healthy habits and lifestyles.

WE EXPECT TO IMPROVE THE HEALTH AND LIFE QUALITY OF THE POPULATION WITH ACTIVE PARTICIPATION OF THE FAMILIES TO ACHIEVE HEALTHY HABITS AND LIFESTYLES.

This project started as a pilot plan in 2020 in the Chuquitambo community, and in the second quarter of 2021 the Nimpana community was included.

23 families are taking part in this pilot. The implementation process follows three stages: intensive, follow-up, and reinforcement, as we can see in the scheme.

The entry assessment showed that most of the participant families did not pass the three evaluation points according to the matrix designed to evaluate certain aspects of a healthy house.

- The evaluation criteria shown are focused on the following:
- House surroundings
 - Safe water management
 - Use and maintenance of the Basic Sanitation Unit (BSU)
 - Kitchen improvement
 - Lavatory area
 - Personal Hygiene

During 2021 awareness raising and training workshops were held to include healthy habits practices. As a result of these trainings, the families have adopted new habits and behaviors to manage the housing surroundings and hygiene.

The exit evaluation shows the development of the families, which have included healthy practices to improve their livelihoods, empowering females, improving self-esteem of the couples and their children. This proves that the families are willing to make positive changes towards healthier lifestyles, but they need orientation, motivation, and greater participation of the health sector.

Healthy houses development scheme

INTENSIVE PHASE:



STEP 1
BASELINE

STEP 2

MOTIVATING THE COMMUNITY
TO LIVE BETTER

STEP 3

KITCHEN IMPROVEMENT

STEP 4

HOUSE SURROUNDINGS
IMPROVEMENT

STEP 5

TAKING CARE OF EACH OTHER
TO LIVE A BETTER LIFE

FOLLOW-UP PHASE:



FOLLOW-UP
DOMICILE VISITS

REINFORCEMENT PHASE:

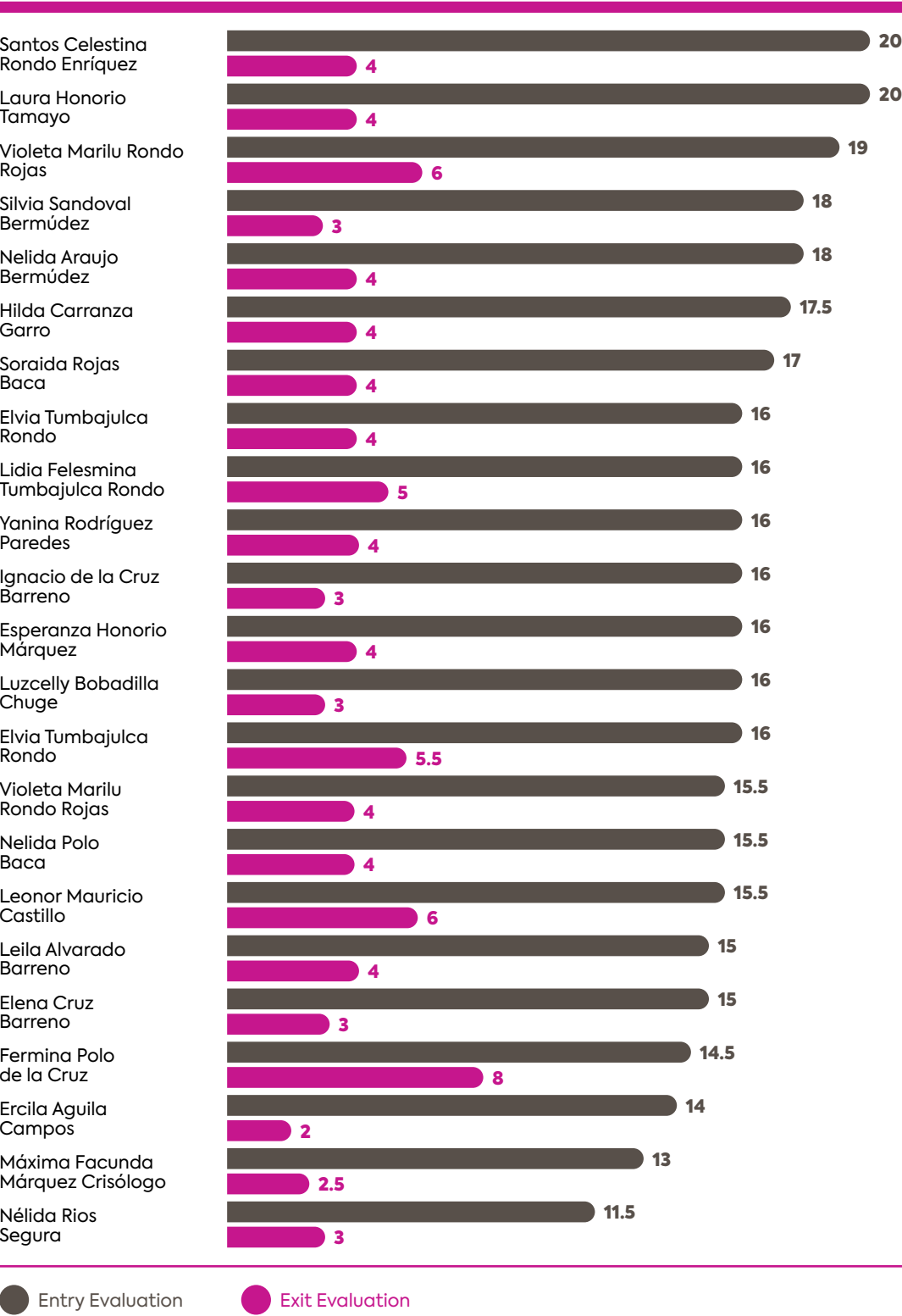


SPECIFIC DOMICILE
VISITS

EFFECT
EVALUATION



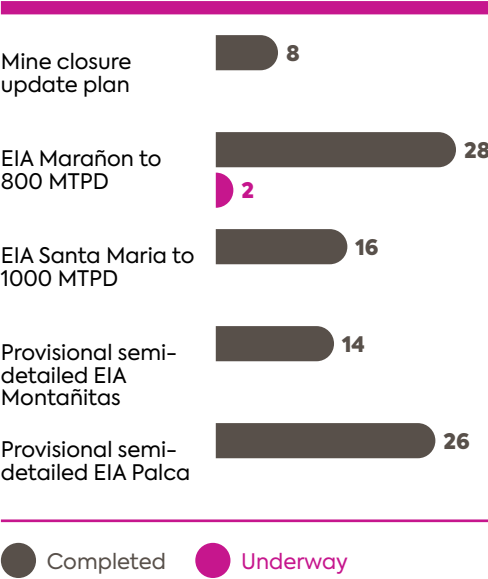
Entry and exit evaluation score of the Healthy Houses Implementation 2021



SOCIAL AND ENVIRONMENTAL COMMITMENTS

These correspond to the obligations we assumed with the authorities, and well as other voluntary commitments, which are included in the Social Environmental Impact Assessments (EIAS). In 2021, 92 out of 94 social and environmental commitments were met. The two remaining commitments were CODECOS and JASS internships, were not carried out due to covid-19 restrictions.

Social and Environmental Commitments as of Quarter IV 2021



HANDLING OF GRIEVANCES AND COMPLAINTS

The implementation of this subprocess for mitigation and compensatory damages is important for us and its purpose is to guarantee and implement safe operations, controlling the social and environmental risks and impacts on the communities.

Through our procedure for handling grievances, complaints, and compensation for damages we strengthen our relations with the population through proper and satisfactory resolution of claims and disputes. In the mitigation process of damages, as a preventive action, we focus on minimizing negative impacts and on promoting positive changes among the population, as well as on settling disputes for property damages.

WE STRENGTHEN OUR RELATIONS WITH THE POPULATION THROUGH PROPER AND SATISFACTORY RESOLUTION OF CLAIMS AND DISPUTES.

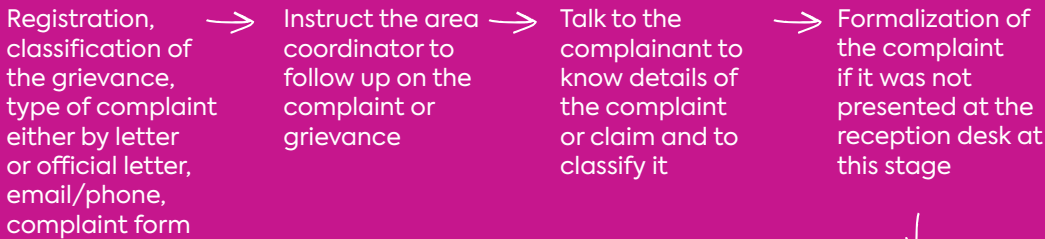
The procedure for social grievances and complaints for damages is assessed through the PDVA methodology: Plan: we identify and channel grievances and complaints; Do: We hear the cases immediately. Verify: we determine our responsibility through a technical evaluation. Act: We sign a compensation agreement if we are considered responsible.

As of December 2021, we have had no cases of mitigation for compensatory damages. From 2011 to 2021 we have solved 45 complaints or grievances.

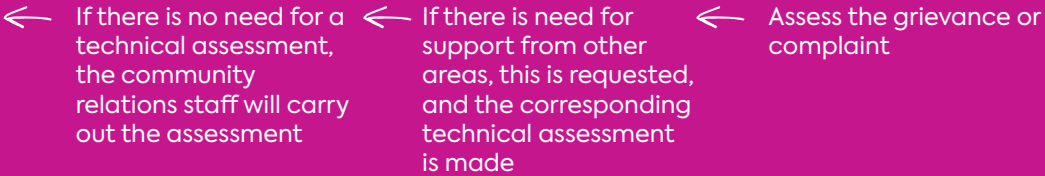
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GRIEVANCE AND COMPLAINT PROCEDURE FLOWCHART

RECEPTION OF
GRIEVANCES OR
COMPLAINTS

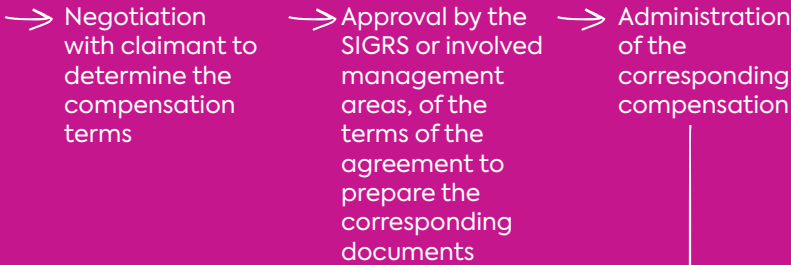


Issuance of the corresponding report establishing the damages and concluding Poderosa's responsibility level



If Poderosa is not responsible, the SIG-RS management and involved areas must be informed

If Poderosa is responsible, then this must be informed to the SIG-RS management and to the areas involved



If non-monetary agreements are reached, these will be met and followed up

Execution of an agreement and compensation payment, if applicable

RESPOND IN WRITTEN TO THE CLAIMANT THAT FILED THE COMPLAINT AND PERSONALLY EXPLAIN THE REASONS WHY THE COMPLAINT HAS NOT BEEN ADMITTED

CLOSE THE GRIEVANCE OR COMPLAINT FILE



Conflict Matrix from 2017 to 2021

	2017	2018	2019	2020	2021	TOTAL GENERAL
Property dispute			1			1
High traffic impact			1			1
Property trespassing			2			2
Artisanal mining		1	1			2
Illegal miners /gangs					4	4
Invasion of plot	1	3	5	1	1	11
Heavy vehicle traffic		1				1
Complaint for traffic on Poderosa's private road			1			1
Protest against Poderosa for reporting the invasion of the plot by the Castillo brothers.					1	1
Total	1	5	11	1	6	24

ACQUISITION OF REAL
AND SURFACE RIGHTS

According to our goal, we intend to acquire properties and easements for our operations at the appropriate times as scheduled in the annual plan. In 2021 we acquired 24 real surface rights, 8 purchases and 7 easements for the mining operations; with a total of 43.96 hectares of land for the construction of the components and 9 easement permits for mining exploration activities.

SITUATION	CLOSED	TOTAL
Purchase	8	8
Easements	9	9
Easement Operation	7	7
Total	24	24



All the same, the easement agreements for the mining operations, for a total of 11,567 hectares were destined to the construction of the Chacparrosas line project, 3100 road construction and road connection to the Palca camp.

In the case of the easements for exploration and prospection activities, we acquired 9 permits for these activities in the Huancaspata and Ongon communities, Pias farming community, Cocachacra, Pampas, Frayletambo,

El Laurel and El Piso communities, and the agreement with La Victoria farming community was renewed.



Social Conflicts from 2009 to 2021

	PURCHASES CLOSED	EASEMENT CLOSED	OPERATION EASEMENT CLOSED
Montañitas Project		7	
Palca Project			2
Santa Maria P.U.	1		2
Marañon P.U.	2		
Palca P.U.	5		2
Huacrachuco Survey		1	
Pias Prospection		2	

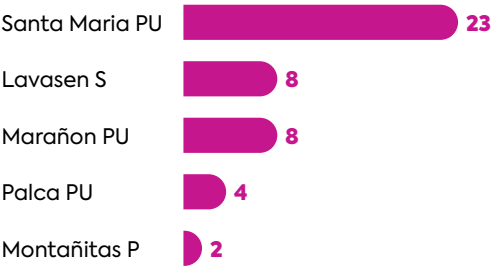
MITIGATION OF SOCIAL AND ENVIRONMENTAL IMPACTS

The purpose of the subprocess for mitigation and compensatory damages is to guarantee and implement safe operations, controlling the social and environmental risks and impacts on the communities.

Through our procedure for handling grievances, complaints, and compensation for damages we hope to maintain and to strengthen our relations with the population.

In 2021 we did not receive any complaints for property damage resulting from our operations.

Remediation of damages report from 2011 to 2021



COMMUNICATION MANAGEMENT TO FIGHT AGAINST COVID-19 AND WEATHER EVENTS

The covid-19 pandemic represented a complex challenge to maintain our communication with the surrounding populations. Preventive measures, such as physical distancing and restricting contact with people outside the operation, led us to rethink the way we communicate with our stakeholders and help them cope with the pandemic.

PREVENTIVE MEASURES, SUCH AS PHYSICAL DISTANCING AND RESTRICTING CONTACT WITH PEOPLE OUTSIDE THE OPERATION, LED US TO RETHINK THE WAY WE COMMUNICATE WITH OUR STAKEHOLDERS AND HELP THEM COPE WITH THE PANDEMIC.

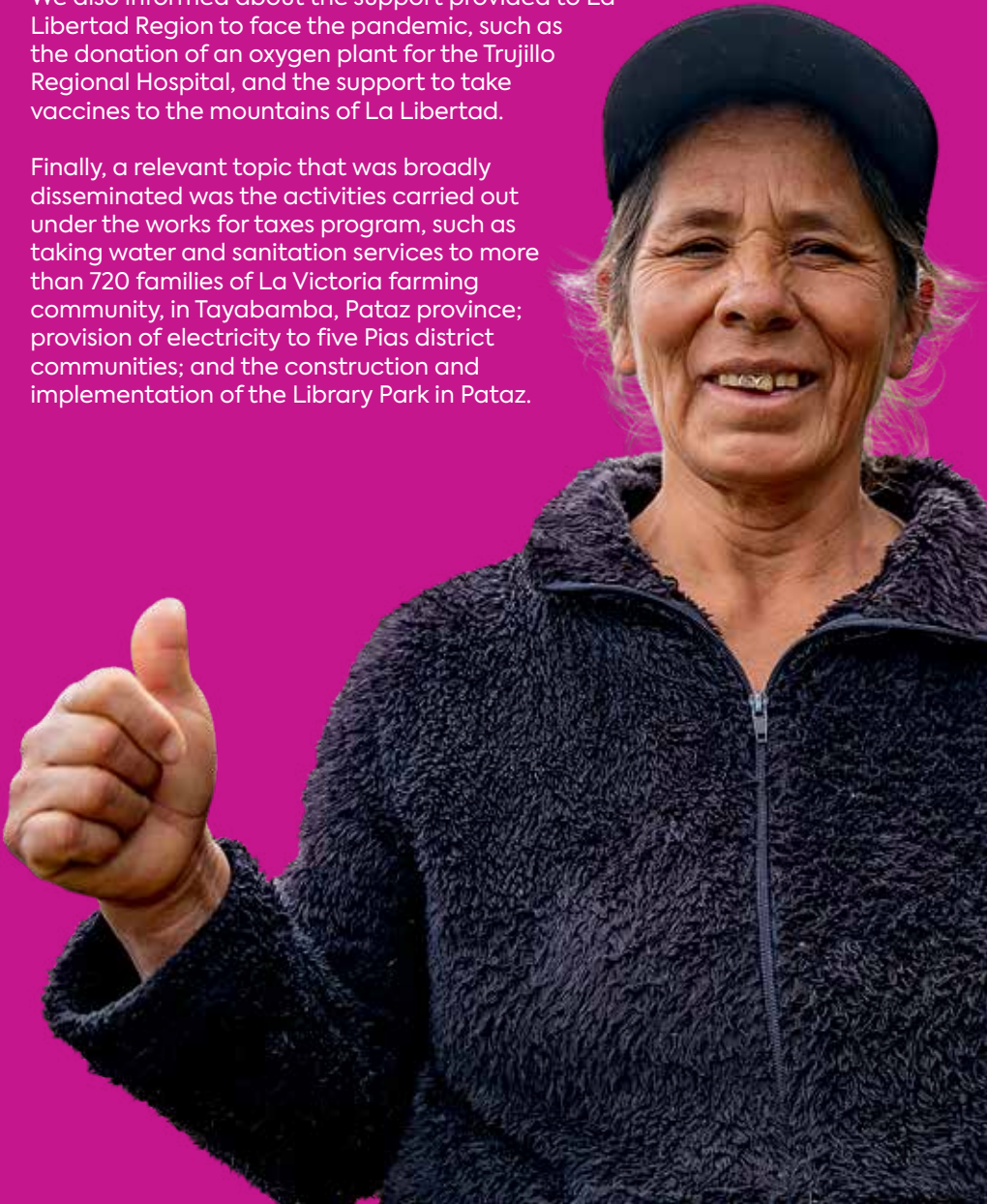
We successfully implemented the use of social networks and virtual communication systems, and we also used the local radio with greater

emphasis. Campaigns were broadcasted to prevent the spread of covid-19. These were complemented by the program Everyone United for Pataz, which also included tropical diseases prevention.

Later, we continued to distribute the Batolito Comunitario newsletter through "Las Batolitas", females trained and responsible for distributing this printed material in their communities. We edited and distributed all the biosafety measures, three editions of Batolito Comunitario and the prevention calendar. Through these media, we disseminated useful information to prevent the spread of covid-19 and tropical diseases, we reported on the electricity works in Pias, on the water and sanitation services in Tayabamba, the Social Innovation Festival in Pataz, the supplier development program, the contest for funding in the Pataz district communities and the promotion of territorial development in the scope of Poderosa, among other important matters.

We also informed about the support provided to La Libertad Region to face the pandemic, such as the donation of an oxygen plant for the Trujillo Regional Hospital, and the support to take vaccines to the mountains of La Libertad.

Finally, a relevant topic that was broadly disseminated was the activities carried out under the works for taxes program, such as taking water and sanitation services to more than 720 families of La Victoria farming community, in Tayabamba, Pataz province; provision of electricity to five Pias district communities; and the construction and implementation of the Library Park in Pataz.



ASOCIACION PATAZ

We seek to develop our projects and activities in harmony with the natural wealth and with the strength and desire to thrive of the neighboring populations. We are part of a broader and complex territory inhabited by peoples with different development levels. Therefore, we organized and set up an intervention strategy to enable us to make the best possible use of available resources, both our own and from third parties, specifically through Asociacion Pataz established on December 30, 2004, by Compañía Minera Poderosa S.A. and Compañía Aurífera Suyubamba S.A. and which started operating on August 21, 2006.

WE ORGANIZED AND SET UP AN INTERVENTION STRATEGY TO ENABLE US TO MAKE THE BEST POSSIBLE USE OF AVAILABLE RESOURCES.

Asociacion Pataz fosters cooperation between the public and private sectors through programs, projects, and activities to support the communities and villages in Pataz, Pias, Chilia, Chugay, Tayabamba, Huaylillas, Ongon, Bulbibuyo, Huamachuco, Cochorco, Chugay, Sartimbamba, Curgos, Julcan, Condormarca, and Bambamarca. To carry out this task, Asociacion Pataz is always looking for domestic and international cooperation allies.

We need to become stronger and to innovate. To do so, we understand the need to transform the communities and population in our intervention scope, so we established the Rurana Social

Innovation Center. This initiative is organized under a mission approach, with the purpose of closing social, economic and environmental gaps. To enhance the life quality of scarce economic resources communities, it uses science, technology, innovation, and entrepreneurship. The topics of the missions are:

- 1. HEALTH, PHYSICAL AND MENTAL WELL-BEING
- 2. EDUCATION AND SOCIAL MOBILITY
- 3. ECONOMIC DEVELOPMENT AND WEALTH GENERATION
- 4. NUTRITION AND FOOD SOVEREIGNTY
- 5. ENVIRONMENTAL AND ECOSYSTEM STEWARDSHIP
- 6. COMMUNITIES, CULTURE, AND SUSTAINABILITY
- 7. INSTITUTIONALITY.

In the 2021 Sustainability Report, prepared according to the Global Reporting Initiative (GRI) guidelines, attached to this document, we publish the achievements of the projects carried out by Asociacion Pataz per goals and institutional lines of action. The Report is also available at the following web site www.asociacionpataz.org.pe



SUPPORT DURING THE PANDEMIC

Together with Asociacion Pataz, we decided to make donations based on four pillars: humanitarian aid, medical inputs, front-line and prevention to support the public health system.

The most important one was the delivery of two oxygen plants, that enabled to set up 26 ICU beds in La Libertad, Hospital Regional Docente, which only had 23 of them, and we also donated oxygen cylinders to other hospitals in the region.

PREVENTION

- 300 liters of alcohol
- 2,000 disposable suits
- 1,650 aprons
- 4,800 gloves
- 12,843 face masks

FRONT LINE

- 24,605 face masks
- 600 liters of alcohol
- 500 facial protectors
- 500 aprons
- 500 pairs of boots

MEDICAL INPUTS

- 40,000 rapid tests (Regional Government, Health Networks)
- 75 oxygen cylinders (Iquitos, Chepen, Regional Government, Health Clinics)
- Support to buy oxygen plants (Pataz, Tayabamba, Respira Perú and Respira Trujillo)
- 5,000 KN95 face masks
- 16 oxygen flow regulators “Wayrachis”
- 2 oxygen plants for Trujillo Regional Hospital

HUMANITARIAN AID

- 1,410 grocery bags, 2 tons of potato (vulnerable and low-income population)
- Transportation of health workers to nearby communities
- Fe y Alegria computer equipment



TOGETHER WITH ASOCIACION PATAZ, WE DECIDED TO MAKE DONATIONS BASED ON FOUR PILLARS: HUMANITARIAN AID, MEDICAL INPUTS, FRONT LINE AND PREVENTION.

WORKS FOR TAXES 2021

The Works for Taxes mechanism represents an important contribution of our company to the wellbeing of our stakeholders, and mainly, of the neighboring communities to our mining project. This mechanism allows us to contribute to local development and to improve living conditions of the population. Works for Taxes (OxI) is an instrument which develops different areas of the country from an economic and social aspect, and it brings together companies, authorities, and the population.

In 2021 we doubled our efforts due to the covid-19 situation. Thus, we applied the virus prevention, mitigation, and control protocols and procedures to carry out articulated work between our staff, executors, private institutions, supervisors, and officers from public agencies to promote and set up high impact projects in the water and sanitation, energy, and education sectors, which are key for the territorial activation which diversifies job opportunities and income generation.

As a result of the joint work with the Pataz Provincial Municipality, we signed an investment agreement to execute sanitation projects in five communities of Tayabamba district, which are scheduled for March 2022. GRI 203-1 The

approximate investment amount is PEN 16,000,000. We must point out that this project represents Poderosa’s largest investment through this mechanism as of today.

PEN 16'000,000

APROXIMATELY FOR SANITATION PROJECT EXECUTION IN TAYABAMBA DISTRICT

On the other hand, to close infrastructure gaps and to promote a better quality of life, water and sewerage pre-investment studies were initiated for the Pataz district, for an approximate investment of PEN 10,000,000. All the same, two important projects were delivered: Pias Rural electrification and the Pataz district Library Park. Both projects were received very enthusiastically by the population.

Finally, we consider that the articulation between the public and private sector, through the works for taxes mechanism is key to diversify and to close social and production gaps. Therefore, we will continue to work for the wellbeing of La Libertad region, the Pataz province and its municipalities.





FORMALIZATION PROGRAM FOR ARTISANAL MINERS

OUR MOTIVATION

We seek to support them in the development of safe and environmentally friendly operations, being transparent with the analysis, processing and treatment of the ore delivered, helping them to manager their development and that of their community: all these motivations allow us to contribute to the development of our activities in harmony with our stakeholders.

Artisanal formal miners are those within our direct area of influence and who deliver Poderosa the ore they extract to be treated.

OUR EFFORTS

We have a team dedicated to work with artisanal miners who have signed

a contract with Poderosa. This allows to work with greater seamlessness with them. All the same, we consider that it is fundamental to build their capacities regarding safety and health. We are committed to deliver a transparent and timely liquidation process, to provide them with the possibility to grow and develop constantly and to support them in safety aspects.

OUR ASSESSMENT AND RESULTS

As of the end of 2021, 283 artisanal miners were working with us under exploration and exploitation contracts, out of which 41 are already formal and 242 are undergoing formalization.

With the support of our program, 155 of them have filed their environmental

management instruments before the competent authority as of December 31, 2021. 27 of them have developed the corresponding instruments on their own.

Finally, 60 artisanal miners work under DS N° 001-2020-MINEM regime, which modified Article 18 Regulation of the Formalization and Promotion of Small and Artisanal Mining Law which was approved by DS N° 013-2002-EM.

AS OF THE END OF 2021, 283
ARTISANAL MINERS WERE WORKING
WITH US UNDER EXPLORATION AND
EXPLOITATION CONTRACTS

PART 1.
WE ARE MINERA
PODEROSA

PART 2.
OPERATIONAL
EXCELLENCE

PART 3.
RESPONSIBLE MANAGEMENT

PART 4.
SUPPLIER
DEVELOPMENT

PART 5.
NEIGHBORING COMMUNITIES

PART 6.
ANNEXES

PART 7.
FINANCIAL STATEMENT

PART 8.
INDEPENDENT EXTERNAL
VERIFICATION

PART 9.
GRI INDEX
CONTENT



PART 6

ANNEXES



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ANNEX 1

GRI
102-22

DIRECTORS PROFESSIONAL BACKGROUND

Evangelina Arias Vargas de Sologuren, Executive Chair of the Board of Directors. She graduated as an architect from Universidad Nacional de Ingenieria (UNI).

Currently, she is also the chair of the Board of Directors of Asociacion Pataz, Director of Compañia Minera San Ignacio de Morococha (Simsa), she is a director and member of Sociedad Nacional de Minería, Petroleo y Energia (Peruvian National Mining, Oil and Energy Association– SNMPE) consultative board, deputy vice president and member of the Board of Directors of Patronato de la UNI (ProUNI), member of the Canadian Peruvian Chamber of Commerce mining committee (CCCCP), member of the steering committee of Asociacion para el Progreso de la Direccion (APD), member of the business advisory board of Fundacion Internacional para La Libertad (FIL), member of mining management engineering career advisory board at Universidad Peruana de Ciencias Aplicadas (UPC), member of the PAS – CARD mining consulting council, Universidad de Piura Directors School, Member of the Comité Consultivo del Comité Regional de Empresa, Estado, Academia y Sociedad Civil Organizada (CREEAS), founding Member of Empresarios por la Integridad (ExI), honorary member of the Peruvian Engineer Association (SIP), honorary member of Women in Mining (WIM), member of Women Corporate Directors (WCD), member of the advisory committee and honorary member of the Asociacion de Mujeres Empresarias del Peru (Peruvian Businesswomen Association – AMEP), among others.

She was the Director of the Peruvian Mining Engineer Institute (IIMP), (2018 – 2020), Chairperson of the Inter American Mining Society (Sociedad Interamericana de Minería – SIM) (2014–2016), Chairperson of the SNMPE (2013–2015), Director of CONFIEP (2013–2015), Chair of the Mining Sector Committee; Vice Chair of the Peruvian National Mining, Oil and Energy Association (2011–2013); Alternate Director of CONFIEP (2011–2013 and 2015–2017), member of CEAL (2013–2017), among other.

She was awarded the Doctor Honoris Causa title by UNI (2014), and the School of Architecture of this university granted her the Habich Torch (2013). El Comercio newspaper and EY recognized her as Entrepreneurial Leader for Change in 2016 (LEC); Consejo Empresarial Alianza por Ibero–America (CEAPI) awarded her the Woman, Company and Leadership distinction in Ibero–America, (2019); Asociacion de Mujeres Empresarias del Peru (AMEP) awarded her the Price Inspiring Women: Drivers of Change 2019; in 2020, Women in Mining UK included

her in the list of 100 inspiring women in global mining; and CONFIEP recognized her in the Great Company Category, on International Women Day (March 2021), among others.

Mrs. Evangelina Arias Vargas de Sologuren is a shareholder with representative stock in the company.

José Enrique Juan Picasso Salinas official director since November 2006 and Vice Chairperson of the Board of Directors since April 2009. Businessman, Chairman of the Board of Directors of Volcan Compañia Minera S.A.A., Chairman of the Board of Directors of Reactivos Nacionales S.A., Vicepresident of Cosco Shipping Ports Chancay, Director of Bodegas Vista Alegre S.A., and Director of Cementos Polpaico S.A. Chile. Director of the Peruvian National Mining, Oil and Energy Association. Member of Consejo Empresarial Chileno Peruano (Chile – Peru Business Council – CEChP).

Previously, Mr. Jose Picasso was Vice-president for Embotelladora Latinoamericana S.A.A. (Coca Cola) and was a Director for Compañia Minera Atacocha S.A.A., Castrovirreyna Compañia Minera S.A., Corporacion Minera Castrovirreyra S.A., EXSA S.A., Compañia Molinera del Peru S.A., Compañia de Seguros La Fenix Peruana S.A., Lima Stock Exchange S.A., and Accion Comunitaria. Mr. Jose Picasso is married to Mrs. Carolina Arias Vargas.

Victoria Isabel Arias Vargas official director since 2009. She was also an official director between 1991 and 1995, and alternate director between 2004 and 2009. She holds a licentiate degree in Business Administration by Universidad de Lima, with an MBA by the European Institute of Business Administration (Insead), Fontainebleau, France. She has been Commercial Manager and Director of Industrias Alimentarias S.A (Indalsa) and Deputy General Manager of Compañia Minera San Ignacio de Morococha S.A, General Manager of Servicios Pachachaca S.A. and Cleighdan Trading

Inc., and Director of Sociedad Minera Gran Bretaña, and Asinde.

Member of the Peruvian National Mining, Oil and Energy Association Advisory Board, Expomina 2018, and Vice Chair of Cedro board of directors. At present, she is Official Director of Compañia Minera Poderosa S.A., Chairperson of the board of directors of Compañia Minera San Ignacio de Morococha S.A.A., official director of Compañia Minera Galaxia Dorada de Pataz SA, Director of Compania Minera San Valentin SA, Director of the Club de la Banca y Comercio and Honorary Member of WOMEN CEO Peru, member of the OMA, Amautas Mineros Consulting Councils and director of the Canada Peru Chamber of Commerce board of directors. Mrs. Isabel Arias Vargas is a representative shareholder of the company.

Ana Carolina Arias Vargas official director since March 2004, she was also an official director from 1997 to April 2001. She graduated as an economist from Universidad de Lima, and holds a Master´s degree on Shipping, Trade and Finance by The City University of London; she pursued the Top Management Program “PAD” at Universidad de Piura. Between 1982 and 1999 she was an advisor to the trade management area of Compañia Minera San Ignacio de Morococha S.A. In 2001 she became director of the Peruvian National Mining, Oil and Energy Association. From 2001 to 2006 she was vice chair of the Board of Directors of Compañia Minera San Ignacio de Morococha S.A.

Jorge Alfredo Guillermo Picasso Salinas official director since 2009. He is a lawyer by the Universidad Catolica school of law, and a businessman. He is currently a director of several companies such as Inversiones en Turismo S.A. and Vida Camara Peru S.A. He has been the President of the Peruvian Bank Association and of the Peruvian National Confederation of Private Business Institutions (CONFIEP).

José Nicolás de Bernardis Cuglievan official director since March 1998. He was Executive Director of Poderosa from 2005 to 2007. Industrial Engineer graduated from the Universidad Nacional de Ingenieria with a master’s degree by ESAN and MBA by Texas University and completed the Harvard Management Development Program (MDP). He has been a director of several companies, with broad experience in executive and managerial positions in important companies, such as Cervecería Backus & Johnston, Compañia Nacional de Cerveza S.A., Quimpac S.A., Volcan Compañia Minera S.A.A., Compañia Minera Atacocha S.A.A., and Compañia Minera San Ignacio de Morococha S.A. until November 2010. He is a director of LHH-DBM Peru.

Since august 2019, he is a director of Compañia Minera San Ignacio de Morococha.

Juan Antonio Assereto Duharte official director since 2001. He graduated as a geologist engineer from Universidad Nacional Mayor de San Marcos, pursued studies in the Top Management Program – PAD at Universidad de Piura and the CEOs Program at Kellogg, Northwestern University. He is currently an alternate member of the board of directors of Compañia Minera San Ignacio de Morococha S.A., and Vice President of the board of directors of Asociacion Pataz. He is Director-Treasurer of the Silver Board of Peru and chair of the Organizing Committee of the following events: a) National Silver Contest, 24 editions carried out since 1997; the 2020th edition was held virtually; b) Hispanic American Silver producer meeting, in its eight versions held since 2001. In 2016 he was a member of the board of directors of Petroperú SA. He was formerly Executive Director of Comision de Promocion de la Inversion Privada (Private Investment Promotion Commission– COPRI), Chairman of the Board of Directors and of the Special Privatization Committee (CEPRI) of Centromin Peru, S.A., General Manager and then Chairperson of the Board of Directors and member of the Special

Privatization Committee (CEPRI) for Tintaya S.A., Chairperson of the Board of Directors of Perupetro S.A., Director of Refinería La Pampilla, Director of Empresa Eléctrica de Piura S.A. and Compañía Minera Iscaycruz. In 1997 he received the Engineer of the Year award from the Sociedad de Ingenieros del Perú (Peruvian Engineers’ Association).

Walter Eduardo Sologuren Jordan official director since 2009. He was also an official director between 1987 and 1997 and an alternate director from 2004 to 2008. He studied geology at Universidad Nacional de Ingeniería and holds a master’s degree in Business Administration by ESAN.

He has worked as a geologist consultant, and, as such, in 1977, he visited the province of Pataz to explore prospects for the Arias family, among other activities. In 1978, when he was Exploration Manager of Agessa, he took part in the construction of the Poderosa Project. In 1984, he assumed the position of Operations Manager of Poderosa and in 1987, he became General Manager. During his office, he was responsible for the growth from 120 to 650 tons per day; he pushed the project for the second plant of 200 t/d and decided the issuance of corporate bonds. He has also been General Manager of other companies of the Arias family as well as of Barrick Misquichilca S.A., where he oversaw the design and commissioning of the Pierina mine and became Manager of Corporate Affairs.

Later, he was appointed Executive Director of Compañía Aurífera Real Aventura S.A.C. His work within this industry includes chairing the Peruvian National Association of Mining, Oil and Energy (SNMPE) and has been President and founder of the Gold Committee and the Environmental Affairs Committee. He has been a professor at Universidad Nacional de Ingeniería and Pontificia Universidad Católica del Perú. In 2000, he was elected Businessman of the Millennium by Universidad Nacional de Ingeniería. Currently, he is a director of Corporación Minera Ccoriorcco SAC. He is also a member of the External Consultative Committee at the School of Engineering, Mining Section at Pontificia Universidad Católica del Perú. He is a member of the Consulting Committee at the SNMPE. Mr. Walter Sologuren is married to Executive Chairperson Evangelina Arias Vargas de Sologuren.

Víctor Augusto Cayetano Ostolaza Fernández Prada official director since 2000. He was alternate director from 1999 to 2000. He pursued studies at Universidad de Lima School of Law and Political Sciences where he graduated as a lawyer. He works with the Rossello Law Firm. He is responsible for the corporate and financial legal area at the firm. He has broad experience in tax regulation and corporate structure, including tax, corporate, commercial, civil, and contract areas, specialized in company reorganization and restructuring. He is a director of several corporations, including Compañía Minera San Ignacio de Morococha and Empresa Editora La Industria

de Chiclayo where he works as a legal advisor.

Adolfo Darío Arias Díaz official director since December 2015. He was also an alternate director from 1999 to 2015. He studied at Fairleigh Dickinson University, Teaneck New Jersey, U.S.A. where he received a bachelor’s degree of science in Electrical Engineering and a Master of Administrative Science degree. He currently acts as General Manager of Cultivos Organicos S.A.C. Mr. Adolfo Arias is son to the main shareholder of the company, Mr. Agustín Arias Davila.

José Néstor Marún Sales official director since 2017. He is a mining engineer, graduated from Universidad Nacional de San Juan, Argentina, with more than 37 years of experience in copper and gold mining operations. He has pursued specialization courses in international business at the London Business School Global Business Consortium. He worked as Operations Manager at Ernest Henry Mine, in Australia, from 2001 to 2004, he was also operations manager at Minera Alumbrera in Argentina from 2005 to 2006. He was General Manager at Xstrata Tintaya, Executive Vice President of Operations for South America at Xstrata Copper, for Peru, Chile and Argentina, and he was responsible for the operations at Tintaya, Antapaccay, Las Bambas, in Peru; Minera Alumbrera, in Argentina, and Lomas Bayas, in Chile, between 2007 and 2013. From 2007 to 2010 he was also a member of the Antamina partners advisory committee. He was Executive General Manager of Operations for Argentina and Chile at Glencore (2013–2015).

From 2015 until June 2018, he was General Manager and CEO of Komatsu Mitsui Maquinarias de Perú S.A. Currently, he is a non –executive director in that company and an official director of San Ignacio de Morochocha S.A. Mr. Marun is an independent director.

Juan Antonio Proaño Arias alternate director since 2009. He was an official

director between 2001 and 2003, and an alternate director from 2004 to 2007. Mr. Proaño studied Mining Engineering at Universidad Nacional de Ingeniería; Economic Geology at Stanford University, California, USA; and completed the High Management Program at Universidad de Piura. He was Director of Cerro Grande Mining Corporation, a company with mining operations in Chile. He was vice-president of Compañía Minera El Indio and Compañía Minera San José, both in Chile, as well as of Compañía Minera San Ignacio de Morococha S.A.A. He was General Manager of Sociedad Minera El Brocal S.A.A.; International Officer at the Interamerican Development Bank; Chief Engineer of Corporación Interamericana de Inversiones, both based in Washington, D.C. U.S.A.; geologist at Cerro de Pasco Corporation, International Officer for Rio Doce Geologia e Mineração, subsidiary of Companhia Vale do Rio Doce, in Brazil, and St. Joe Minerals Corporation, in New York, USA. He was Chair of the Peruvian Geology Association; Director of the National Mining, Oil and Energy Association; and Chair of the Peruvian Mining Producers Committee; Founder Director of the Mining Security Institute; Director of the Peruvian Mining Engineer Institute, among other.

Fernando A P Cantuarias Alfaro is an alternate director since 2009. He was also an official director between 1980 and 1995, and alternate director from 2004 to 2007. He was founding partner and is senior partner of the Cantuarias, Garrido Lecca y Mulanovich Abogados SCRL law firm, which merged with the Rossello Abogados Law Firm. He is currently a consulting partner of the law firm. He studied at Pontificia Universidad Católica del Perú and graduated as a lawyer at Universidad Nacional Mayor de San Marcos. He has worked mainly in the private sector as an expert in commercial law, in contract and tax aspects of the mining and industrial sectors, as well as in bids and public tenders. He works abroad as an advisor to domestic and foreign clients on contractual aspects and is an advisor to government entities on bids and tenders.

He is a consultant for different business groups and a member of the board of directors of most of the companies he advises. On several occasions he has been invited to be an arbitrator in some of the most important arbitration courts in Lima. From 2006 to 2007 he was the chief of the advisory board to the Minister of Housing and Construction and in 2008 he worked as the chief of the advisory board to the Ministry of Public Health. Between 2011 and 2014 he worked as deputy chief and chief advisor to the Ministry of Foreign Trade and Tourism. Currently, Mr. Cantuarias works as legal advisor for Estudio Rosello Law Firm.

Eduardo José Ferrero Costa alternate director since 2007. He is a lawyer and doctor in law by Pontificia Universidad Católica del Perú. He has been senior partner at Estudio Echeopar Law Firm and head of its International area. Currently, he is the chair of the Peruvian chapter of the Paris International Chamber of, he is a senior professor at Pontificia Universidad Católica del Perú and member of the Hague Permanent Arbitration Court; he is alternate director of Compañía Minera San Ignacio de Morococha (SIMSA). He is engaged in international affairs, international arbitration, and corporate matters and he is part of the board of directors of several companies and private institutions.

He was Minister of Foreign Affairs of Peru and Ambassador of Peru to the United States of America and the Organization of American States (AOS). He was chair of Centro Peruano de Estudios Internacionales (Cepei). During three periods, he was a member of the United Nations Committee on the Elimination of Racial Discrimination (CERD), chair of the Arbitration Court on Racial Discrimination of the Peruvian American Chamber of Commerce and dean of the Law School and senior professor at Universidad del Pacífico. He has acted as Peru’s General Attorney in international proceedings, such as the negotiations of Peru with Ecuador about territorial delimitation, the free trade negotiation with the United States of America, and the proceedings against Chile on the maritime delimitation before the International Court of Justice. He has published several articles in his area of expertise.

Ricardo Eleazar Revoredo Luna alternate director, business consultant, and holds a licentiate degree in Business Administration by Universidad Nacional Federico Villarreal in Lima, Peru, with post graduate studies at the Brazilian Institute of Capital Markets (Ibmec), RJ Brazil and specialization studies in finance at ESAN, Lima. He has been Vice Chairman of the board of directors at the Lima Stock Exchange and at Cavalli ICLV. He is currently a director of the Bolsa SAA group and of the Lima Stock Exchange SA, director of Volcan Compañía Minera SAA, director of Compañía Minera Chungar SAC, director of Proyectos Médicos SA, alternate director of Compañía Minera San Ignacio de Morococha SAA and member of the Universidad San Ignacio de Loyola (USIL) Corporate Management and Finance advisory council.

Rafael Bernardo Luis Picasso Salinas alternate director since April 2009. He graduated in 1986 as a Lawyer from Pontificia Universidad Catolica del Peru and obtained his title in 1987. He works with Estudio Echecopar Law firm since 1990 where he is a partner since 2004. He is the Chairman of the board of directors of Invertur, Director of Reactivos Nacionales S.A. (Renasa), Director of Granja Azul S.A., and Chairman of the board of directors of AFP Habitat.

Carolina María Castro Quirós alternate director since 2012. She studied at Universidad de Lima School of Law and Political Sciences where she graduated as a lawyer. She is a partner at Estudio Rosello law firm in the corporate and finance law area. She is an alternate director of Compañía Minera San Ignacio de Morococha SAA. She has broad experience in business and financial structure, including corporate, trade and civil law areas. Mrs. Castro is an independent director.

Carlos Fernando Aranda Arce alternate director since 2017. He holds a master’s degree in Biologic Sciences, and graduated from Universidad de Puerto Rico, Recinto de Rio Piedras. He is Technical Services Manager at Southern Peru Copper Corporation, Peru branch. He is a member of the Extractive Industries Transparency Initiative (EITI) International Board of Directors and official mining company representative before the EITI Peru Permanent Multisector National Committee. Chair and director of the Instituto de Estudios Energetico Mineros

(IDEM). SNMPE advisor of the Peruvian Delegation before the International Maritime Organization (IMO). He is Vice chair of Citizen Participation before the Consejo de Cooperacion con la Direccion Ejecutiva de Turismo de la Policia Nacional del Peru (Cooperation Council with the National Police Tourism Executive Board). He was director of the SNMPE between 1998 and 2001. Between 1995 and 2016 he chaired the SNMPE Environment Issues Committee. In 2008 he was invited to be part of the working team that drafted the Law to create the Ministry of the Environment and was later member of the Advisory Board of this Ministry until 2012. He was a member of the Board of Directors of Fondo de Promocion de las Areas Naturales Protegidas del Peru (Peruvian Natural Protected Areas Trust –PROFONANPE) between 2009 and 2013 representing CONFIEP. Between 2009 and 2011, he was Chair of the AmCham Sustainable Development Committee. Mr. Aranda is an independent director.



ANNEX 2

OFFICERS PROFESSIONAL BACKGROUND

Russell Marcelo Santillana Salas is the General Manager of Compañía Minera Poderosa S.A. He graduated in 1973 as a mining engineer from Universidad Nacional de Ingenieria. He was worked for 48 years in different mining companies and has worked for 36 years with Compañía Minera Poderosa S.A., which he joined as Operations Deputy; In 1986 he was promoted to Operations Manager and in December 2001 he was appointed General Manager. He has pursued post graduate courses at ESAN and Universidad de Lima. He was part time professor at Universidad Nacional de Ingenieria; and has been a speaker in several specialized mining congresses. He was a member of the Peruvian Association of Engineers, Mining Chapter Governing Board. He is currently a director of the Instituto de Seguridad Minera (Mining Safety and Security Institute – ISEM), member of the Peruvian National Mining, Oil and Energy Association Governing Board and member of Mining Sector Committee. He is a Member of the Board of Directors of the Peruvian Mining Engineers Institute. In 2018, KPMG and ESAN recognized him as the Most Profitable CEO in 2018 in the Mining Sector.

In 2019 he was recognized by Semana Economica as the most profitable CEO in Peru and the most profitable CEO in the mining industry, for second consecutive year

In 2021 he was appointed as member of the Mining Technology and Innovation Congress, promoted by the Society for Innovation in Mining Perú SAC. All the same, in 2021, he participated as a mentor in the XII Mentoring Program of the Peruvian Mining Engineer Institute –IIMP.

Daniel Torres Espinoza Operations Manager since January 2, 2017. Mining engineer graduated from Universidad Nacional de Ingenieria, ranking first in his class. He then pursued a Quick MBA at Gerens. He has taken part in several specialization programs at Universidad del Pacifico, Yale (SEL), Wharton– Universidad in Pennsylvania (CBS) and AOTS (Japan). He has 31 years of experience in underground, gold, tin, and polymetallic mining. Between 2014 and 2017 he worked as Operations Manager for Minsur S.A. Unidad San Rafael (Breca Grupo Empresarial Mining Division). Between 2011 and 2014 he was Operations Manager at Andaychagua, San Cristobal and Operations Manager for Unidad Yauli (interim) from Volcan Compañía Minera. Before that, from 2004 to 2011, he worked as Planning Superintendent for Unidad Yauli and for Empresa Administradora Chungar property of Volcan Compañía Minera. From 2000 to 2004 he worked as Mining and Planning Superintendent at Compañía Minera Huaron, property of Pan American Silver SRL. Before 2000, he was Mine Project and Planning Head at Empresa Minera Yauliyacu (now, Quenuales) property of Glencore, and in Centromin Peru as Area Chief, Section Chief, and Guard Chief. It must be mentioned that engineer Torres started his career as Mine Planning Assistant in Compañía Minera Poderosa. He has also been guest speaker at the XX Peruvian Mining Engineers Convention held in Arequipa.

Walter Díaz Meyzan eHead of the Integrated Management and Social Responsibility System since 2018. He graduated as an industrial engineer in 1993 from Universidad de Lima. He pursued post graduate studies, holds an MBA by Universidad del Pacifico and an Executive Master’s degree in Comprehensive Quality Management, Environment and Labor Risk Management by Escuela de Negocios de Madrid (EOI). He is certified as Lean Six Sigma Black Belt. Ex participant of AOTS (Japan), in

2018 and 2019, with specialization in energy savings, 5S and innovation. He is an expert in anti-bribery management systems in LMS CERT Latam. He has 29 years of experience. From 2005 to 2010 he worked for Glencore – Xstrata, Swiss as Deputy Operations Manager, in Perubar (2005–2007), and was Quality, Safety and Security and Environmental Comprehensive Management System Corporate Coordinator (2007–2010). Between 2010 and 2017 he was Quality Management Manager (Safety and Security and Environment) at Corporacion Aceros Arequipa. He is currently director of AOTS – Peru for the period 2020-2022.

José Antonio Elejalde Noya Management, Finances and Trade Manager. Economist graduated from Universidad de Lima. He holds an MBA from Incae Business School and Universidad Adolfo Ibañez. He has participated in several specialization programs at Universidad de Piura, ESAN, Chicago University, Harvard University, Kellog Uiversity, INCAE and AOTS, Japan. He holds a Comprehensive Ontological Coach certificate, and he is also a member of the John Maxwell Team. Since July 2003, he works as Management, Finance and Trade Manager at Compañía Minera Poderosa and General Manager at Compañía Aurífera Suyubamba S.A., related to Poderosa until August 2011. He worked as Sales and Marketing Manager for Volvo Finance Peru S.A., a company of the Volvo Group which he worked with for 11 years.

Fausto Cueva Castillo Geology and Explorations Manager. He graduated as a geology engineer from Universidad Nacional de Ingenieria, in 1987 and holds registry number 34903 in the Peruvian Engineer Association. He has worked for 36 years as Explorations Geologist. He worked for Compañía Minera Pativilca during the copper explorations in the Mala district in Lima. He also worked as a High School teacher in Colegio La Inmaculada Concepcion Pataz district, where he was born. Before joining Poderosa, he carried out geology surveys in Suyubamba as an independent geologist. He has worked for Compañía Minera Poderosa for 37 years, since 1985, when he joined the Universidad Heidelberg PHD student team to carry out the Pataz Batholith Metallogenetic Study. In 1986 he started working as Section Geologist in Papagayo. In 1987 he is awarded the Geologist Engineer degree with the thesis titled “Economic Geology of the Pataz District”. In 1991 he is appointed as Geology Superintendent in Poderosa. In 1989 he carried out a guided visited to several industrial plants and mines in Sudbury, Canada, and in the same year he attended the World Gold Congress in Reno, after which he visited two of Newmont’s gold mines in Nevada – U.S.A. In 1996 he participated in a guided visit organized by SONAMINPET to several mines and projects in the Nevada belt, U.S.A. In 2002, through an agreement with the Quebec University,School of Geology in Chicoutimi, he took part in a tour to nine mines in

the Abitibi gold belt, Valdor, Canada. That same year, he visits the Teck Cominco POGO gold project in Alaska, U.S.A. In 2004 he takes part on a guided tour to 4 gold mines in Harmony, South Africa. In 2006 he studied a course in Total Quality in Yokohama – Japan, called Latin American Quality Management. In 2009 he takes part in the assessment team to observe the application of an Ore Sorter in Poderosa, which took place in Hamburg, Germany. He has participated in several courses and important mine related events as an assistant and a speaker. In 2016 he was appointed Geology and Explorations Manager.

Helena Zuazo Arnao Head of the Legal Department. EMBA candidate at Universidad Adolfo Ibañez. She completed a Master’ s degree in Mining Law at Universidad Peruana de Ciencias Aplicadas (UPC) in 2014. She is an attorney by Universidad de Lima since 2005, with more than 15 years of experience as a corporate attorney in the mining industry. She has participated in several specialized mining, environmental and business law programs at ESAN, UPC, and Pontificia Universidad Catolica del Peru. Since April 2015 se holds the position of Head of the Legal Department at Poderosa.

Iván Asmat Salazar chartered public accountant, graduated from Universidad Nacional de Trujillo, with 23 years of experience in the mining industry. He pursued post graduate studies at ESAN in the High Specialization Program in International Financial Reporting Standards, Financial Accountability Management, and Advanced Accountability Management. All the same, he pursued studies at Peruvian National Mining, Oil and Energy Association– SNMPE with specialization in Taxation and International Financial Reporting Standards, and Leadership Management studies at Universidad INCAE, Costa Rica. He also holds a master’s degree in Auditing by Universidad del Pacifico.

ANNEX 3

Permits, approvals, and authorizations

COMPONENTS	AUTHORIZATION/PERMIT	RESOLUTION N.º	DATE
MARAÑON PRODUCTION UNIT			
Beneficiation concession	Marañon Beneficiation Concession on 6 ha. Marañon Plant	RD N.º 313-90-EM-DGM/DCM	9/05/1990
	Authorization for the expansion of the Marañon Beneficiation concession to 269.09 ha and operation of the Livias tailings deposit.	RD N.º 1315-2015-MEM-DGM	17/08/2015
Marañon beneficiation plant	Operation authorization for Marañon Beneficiation plant to 700 TMD	R N.º 028-2011-MEM-DGM-V	24/01/2011
	Authorization for the construction of a chemical refinery. Implementation on technological enhancement in the recovery process	R N.º 399-2013-MEM-DGM-V	17/10/2013
	Authorization to expand the treatment capacity from 700 MTD to 800 MTD Marañon plant	RD N.º 0851-2016-MEM-DGM	31/12/2016
	Communication about replacement of sifters in the crushing process. Marañon plant	R Nº 1118-2017-MEM-DGM/V	29/11/2017
	Communication about equipment replacement due to technological enhancement of the collection belts and special ore transfer system in Marañon Plant	R N.º 0511-2019-MINEM-DGM-V	19/06/2019
	Communication about equipment replacement due to Technological Enhancement of the Smelting Process in the Marañon Beneficiation Plant to 800 MTD	R 0065-2018-MEM-DGM-V	1/02/2018
	Communication about equipment replacement due to Technological Enhancement of the Milling process (replacement of 8 x 10 mill for a 9.5 x 12 mill and a 6 x 6 mill for an 8 x 10 mill) Marañon Benefit plant to 800 MTD	R N.º 0605-2018-MEM-DGM/V	11/07/2018
	Communication about equipment replacement due to Technological Enhancement of the primary crusher in the Marañon primary plant	R N.º 0605-2018-MEM-DGM/V	20/11/2020
	Communication about equipment replacement due to Technological Enhancement at the smelter – replacement of 50 kg refusion furnace -Marañon		19/04/2021
	Operation authorization for the Marañon plant tailings pond N°6 up to level 1,270 m.a.s.l.	AD N.º 224-2003-MEM-DGM/PDM	07/11/2003
Tailings ponds	Operation authorization for the Asnapampa tailings pond up to a 1200 m.a.s.l. maximum level	RD N.º 993-2009-MEM-DGM-V	21/12/2009
	Technical Mining Report ITM for the construction and operation of the Asnapampa expansion from level 1200 to 1204 m.a.s.l.	R N.º 0403-2015-MEM-DGM/V	10/09/2015
	Operation authorization for the Livias ravine filtered tailings pond, level 1504 m.a.s.l. 1st Stage	R N.º 0360-2015-MEM-DGM/V	17/08/2015
	Operation authorization for the Quebrada Livias filtered tailings pond, level 1504 m.a.s.l. 1st stage 1531 m.a.s.l. 2nd stage	R N.º 0008-2017-MEM-DGM/V	10/01/2017

COMPONENTS	AUTHORIZATION/PERMIT	RESOLUTION N.º	DATE
Tailings ponds	Tailings deposits 1 to 6 physical stabilization and protection from water and wind erosion – river defense	RD N.º 0869-2021-ANA-AAA.M	21/09/2021
	Authorization for Estrella 2 and Estrella 3 dumpster construction	RD N.º 0086-2015-MEM-DGM	30/03/2015
Dumpsters	Operation authorization for Estrella 2 dumpster	R N.º 0359-2016-MEM-DGM/V	30/06/2016
	Operation authorization for Estrella 3 dumpster	R N.º 1043-2017-MEM-DGM/V	12/08/2017
	Certificate of Absence of Archaeologic Remains – (CIRA) -Revolcadero waste rock deposit	CIRA 58-2020-DDC-LIB/MC	29/07/2020
	Technical Mining Report (ITM) for the construction and operation of the Revolcadero waste rock deposit -ITM	RD N.º 317-2021-MINEM-DGM	1/10/2021
	Revolcadero waste rock deposit – archaeological monitoring plan	R N.º 000704 -2021-DDC-LIB/MC	22/12/2021
	Revolcadero waste rock deposit - Certificate of Absence of Archaeologic Remains – (CIRA) Additional areas	CIRA 157 -2021-DDC-LIB/MC	9/07/2021
Water use	License for 10 l/s water use from the Chorro Blanco and El Oso gorge for the Marañon Plant, camp sites and Vijus village	RA N.º 319-2009-ANA-ALA	17/09/2009
	400 l/s water use license from the El Tingo gorge, to generate energy for mining and metallurgic purposes	RD N.º 0062-91-AG.DGAS	5/08/1991
	Surface water use license from Lavasen river for mining purposes	RD N.º 1451-2014-ANA-AAA.M	31/12/2014
	Authorization to reuse of the Paraiso II domestic residual water treatment plant effluents	RD N.º 298-2019-ANA-AAA-M	23/04/2019
Residual water reuse and discharge	Reuse of domestic residual water treated at Paraiso camp	RD N.º 577-2019-ANA-AAA.M	20/08/2019
	Renewal of the Authorization for the disposal of industrial residual water treated at Estrella mineshaft level 1467.B, Marañon tailings pond E and Vijus domestic residual water treatment plant	RD N.º 160-2016-ANA-DGCRH	12/07/2016
	Reuse of the Vijus domestic residual water treatment plant effluents for irrigation	RD N.º 1791-2017-ANA-AAA-M	17/08/2017
	Sanitary Authorization for a septic tank and infiltration in the Papagayo field – septic tank	RD N.º 1722-2017-DCEA-DIGESA-SA	27/06/2017
	Sanitary Authorization for a septic tank and infiltration in the loading chamber field	RD N.º 0752-2017-DCEA-DIGESA-SA	2/05/2017
	Sanitary Authorization for a septic tank and infiltration in the LPC field	RD N.º 0828-2017-DCEA-DIGESA-SA	4/05/2017
	File to authorize the reuse of the Vijus compact domestic residual water treatment plant effluents	RD N.º 1791-2017-ANA-AAA.M	7/08/2017
	Sanitary Authorization for a septic tank and infiltration in the Trocha field – septic well	RD N.º 1725-2017-DCEA-DIGESA-SA	27/06/2017
Power generation	Authorization for 6.915 Mw electric power generation activities at A. Samaniego Alcantara thermal power station	RG N.º 0108-2012-GR/GEMH-LL	17/08/2012
	Authorization for 1.05 Mw electric power generation activities at Santa Maria thermal power station.	RM N.º 034-94-EM/DGE	20/06/1994

COMPONENTS	AUTHORIZATION/PERMIT	RESOLUTION N.º	DATE
Power generation	Authorization for electric power generation at El Tingo.	RM 099-94-EM/DGE	6/08/1994
Power transmission	EIA of the 60 kv Santa Monica substation (Cajabamba)- Morena substation (Pataz) power transmission line	RD N.º 208-2004-MEM/AAE	28/11/2004
	Final concession for the 60 kv Cajabamba - Morena power transmission line	RS N.º 042-2005-EM	14/07/2005
Direct LPG Consumer and liquid fuel	Registry of Poderosa Mining Unit as a consumer of liquid fuels	Registro N.º 1281-051-040619	4/06/2019
	Operation authorization for the bulk LPG facility for direct consumer at Paraiso II camp site.	RG N.º 13171-2014-OS/OMR III	4/10/2014
	Operation authorization for the bulk LPG facility for direct consumer at Vijus camp site.	RG N.º 13168-2014-OS/OMR III	4/10/2014
	Operation authorization for the bulk LPG facility for direct consumer at Vijus camp site.	RG N.º 13166-2014-OS/OMR III	4/10/2014
Explosives	Main type A powder magazine for blasting accessories at level 2,450- blasting accessories	RD N.º 03134-2019-SUCAMEC-GEPP	27/11/2019
	Main type A powder magazine for blasting accessories at level 2,450-explosives	RD N.º 03136-2019-SUCAMEC-GEPP	27/11/2019
	Main type A powder magazine for blasting accessories at level 2,450-anfo	RD N.º 03137-2019-SUCAMEC-GEPP	27/11/2019
	Renewal for underground type A powder magazine for explosives and accessories in Piñuto -accessories	RG N.º 3337-2021-SUCAMECGEPP	12/11/2021
	Renewal for underground type A powder magazine for explosives and accessories in Piñuto-anfo	RG N.º 3338-2021-SUCAMECGEPP	12/11/2021
	Renewal for underground type A powder magazine for explosives and accessories in Piñuto-explosives	RG N.º 3332-2021-SUCAMECGEPP	12/11/2021
	Underground type A powder magazine for explosives and accessories in Jimena mine (Papagayo) – explosives	RG N.º 3331-2021-SUCAMECGEPP	12/11/2021
	Underground type A powder magazine for explosives and accessories in Jimena mine (Papagayo) – accessories	RG N.º 3336-2021-SUCAMECGEPP	12/11/2021
	Authorization for purchase and use of explosives and related materials 2021 UEA La Poderosa - Trujillo	RG N.º 967-2021-SUCAMEC-GEPP	1/03/2021
	Authorization for purchase and use of explosives and related materials -modification Famecorte	RG N.º 02807-2021-SUCAMEC/GEPP	9/09/2021
Environmental instruments	Approval of the Environmental Adjustment and Management Program (PAMA) execution for the Marañon Production Unit.	RD N.º 028-2003-EM/DGM	27/01/2003
	Approval of the EIA for Asnapampa I tailings deposits project	RD N.º 022-2006-MEM/AAM	20/01/2006
	Supporting Technical Report (ITS) approval for the disposal of filtered tailings at Asnapampa-ITS Asnapampa tailings pond	RD N.º 148-2014-MEM-DGAAM	26/03/2014
	Approval of the EIA for the Expansion of the Mining Operations and Beneficiation Plant to 800 MTD	RD N.º 450-2014-MEM-AAM	1/09/2014
	Approval of the Expansion of the Asnapampa Tailings Dam at 1204 m.a.s.l. - ITS Marañon to 800 MTD.	RD N.º 236-2014-MEM-DGAAM	31/12/2014
	ITS approval for the drying ponds of tailings pond N 6, PTARD Vijus and other components	RD N.º 461-2015-MEM-DGAAM	26/11/2015

COMPONENTS	AUTHORIZATION/PERMIT	RESOLUTION N.º	DATE
Environmental Instruments	Environmental Impact Statement	RGR N.º 085-2017-GRLL-GGR/GREMH	17/09/2017
	Soil EQS Marañon Production Unit	RD N.º 294-2017-MEM-DGAAM	12/10/2017
	Terms of Reference and Preliminary Assessment for the EIA modification for the expansion of the mining operations and concession of Marañon beneficiation to 800 MTD	RD N.º 113-2017-SENACE/DCA	8/05/2017
	Fourth Modification of the Poderosa Mining Unit Mine Closure Plan Schedule and Budget update	RD N.º 102-2018-MEM-DGAAM	17/05/2018
	3rd ITS Poderosa Mining Unit-change of use of Revolcadero tailings to waste rock deposit, and other	RD N.º 00021_2020_SENACE_PE_DEAR	30/01/2020
	PPC during the design of the EIA modification for the expansion of Marañon mining operations and beneficiation to 1000 MTD	RD N.º 00119_2021_SENACE_PE_DEAR.1	7/09/2021
Exploration	Environmental Impact Statement Exploration La Lima	RD N.º 039-2019-MEM-DGAAM	12/03/2019
	Authorization for the start of La Lima mining exploration activities	Constancia de aprobación automática 0009-2019-DGM	2/07/2019
Use of gorge water sides	Authorization for infrastructure construction on water source La Brava gorge, Transportation of waste rock from dumpster 2080 to Estrella 2 dumpster	RD N.º 2786-2017-ANA.AAA.M	6/12/2017
	Authorization for infrastructure construction on water source El Tingo. Transportation of waste rock from Karola dumpster to Estrella 2 dumpster	RD N.º 2785-2017-ANA.AAA.M	5/12/2017
Certificate of Absence of Archaeologic Remains - CIRA	Authorization for infrastructure construction on water source El Tingo. Transportation of waste rock from Karola dumpster to Estrella 2 dumpster	RD N.º 2785-2017-ANA.AAA.M	5/12/2017
SANTA MARIA PRODUCTION UNIT			
Benefit concession	Approval of the concession title for the expansion of the Santa Maria I benefit concession to 21.60 ha.	RD N.º 171-2010-MEM/DGM	8/09/2010
	Expansion of the Santa Maria I benefit concession to 399.39 ha and operation authorization for Hualanca – Stage I tailings deposit.	RD N.º 260-2016-MEM-DGM	26/09/2016
Santa Maria I beneficiation plant I	Operation Authorization for the Santa Maria I Beneficiation Plant to 600 MTD. Stage II.	R N.º 0370-2016-MEM-DGM-V	5/07/2016
	Installation of additional equipment in the crushing, grinding and liquid separation circuits at Santa Maria Plant.	R N.º 0178-2015-MEM-DGM/V	8/05/2015
	Communication of Press Filter installation in the tailings filtering circuit at Santa Maria Plant.	R N.º 0428-2017-MEM-DGM/V	15/05/2017
	Communication of replacement of the secondary crusher due to obsolescence and efficiency	Informe 214-20178-MEM-DGM-DTM-PB	18/07/2018
	Authorization for the construction of the Santa Maria I beneficiation plant to 1000 MTD.	R N.º 0542-2018-MEM-DGM/V	15/06/2018
	Operation Authorization for the Santa Maria I Beneficiation Plant to 1,000 MTD, stage 1	R N.º 0591-2019-MINEM-DGM	9/12/2019
Tailings pods	Authorization for the operation of the expansion of the Santa Maria I tailings pond at 2,464.5 m.a.s.l.	RD N.º 1071-2009-MEM-DGM/V	30/12/2009

COMPONENTS	AUTHORIZATION/PERMIT	RESOLUTION N.º	DATE
Tailings	Operation Authorization of the Santa Maria tailings pond 2, up to level 2,412 m.a.s.l.	R N.º 0140-2015-MEM-DGM-V	13/04/2015
	Technical Mining Report (ITM) for the construction and operation of the filtered tailings plant and disposal of tailings in Santa Maria 2 tailings pond at 2415 m.a.s.l.	RD N.º 0319-2015-EM-DGM/V	27/07/2015
	Waste rock deposits		
	Approval for the construction of filtered tailings pond in Hualanga to a maximum level of 1490 m.a.s.l.	RD N.º 0120-2015-MEM-DGM-V	6/04/2015
	Operation Authorization for the filtering tailings pond in Hualanga to a maximum level of 1360 m.a.s.l.	R N.º 0582-2016-MEM-DGM/V	26/11/2016
	Operation Authorization of the Santa Maria 2 tailings pond. Stage II. Phase 3. 2412 – Modification of the Operation Manual	Informe N.º 349-2018-MEM-DGM-DTM-PB	18/12/2018
	Authorization for tailings deposits at Hualanga. -Stage II and auxiliary components	R N.º 294-2020-MEM-DGM/V	18/12/2018
Waste rock deposits	Authorization for construction of Chunturco waste rock deposits 1 and 2	R N.º 0096-2020-MINEM-DGM/V	18/02/2020
	CIRA- waste rock deposit 2 Santa Maria – El Hueco, additional areas	CIRA 55-2020-DDC-LIB/MC	21/07/2020
	CIRA- La Tuna waste rock deposit	CIRA 61-2020-DDC-LIB/MC	30/07/2020
Water Use	Administrative Authorization for 7 l/sec water use for domestic purposes from Frances gorge	RA N.º 187-96-DRA-LL-AASC/ATDRH	19/12/1996
	1.20 l/s superficial water use permit for mining purposes from Marleny	RD N.º 352-2014-ANA-AAA.M 9-04-2014	9/04/2014
	Water use license from Virginia for mining purposes	RD N.º 1169-2016-ANA-AAA.M	6/09/2016
	Water use license from Santa Maria gorge for mining purposes	RD N.º 1172-2016-ANA-AAA.M	6/09/2016
	Water use license from Puquiopata gorge for mining purposes	RD N.º 1192-2016-ANA-AAA.M	6/09/2016
Residual water reuse and discharge	Authorization for Industrial Residual Water disposal, Consuelo, Atahualpa, and Santa Maria mines	RD N.º 105-2020-ANA-DCERH	5/01/2020
	Authorization for level 2120 effluent disposal	RD N.º 134-2018-ANA-DCERH	23/08/2018
	Authorization for reuse of domestic residual water for irrigation from the Santa Maria Residual Water Treatment Plant.	RD N.º 1809-2017-ANA-AAA.M	28/08/2017
	Septic tanks in camp at level 2410	RD N.º 2552-2019/DCEA/DIGESA/SA	14/04/2019
	Septic tanks in camp at level 2520	RD N.º 2550-2019/DCEA/DIGESA/SA	14/04/2019
	Septic tanks in camp at level 2670	RD N.º 2553-2019/DCEA/DIGESA/SA	14/04/2019
Direct LPG consumer	Authorization to reuse the Hualanga compact Residual Water Treatment Plant effluents	RD N.º 1791-2017-ANA-AAA.M	14/05/2021
	Operation authorization for the bulk LPG facility for direct consumer at Cedro camp site	RG N.º 13167-2014-OS/OMR III	4/10/2014
	Operation authorization for the bulk LPG facility for direct consumer at Santa Maria camp site	RG N.º 13169-2014-OS/OMR III	4/10/2014

COMPONENTS	AUTHORIZATION/PERMIT	RESOLUTION N.º	DATE
Explosives	Main type A powder magazine for blasting accessories at level 2450-blasting accessories	RG N.º 03852-2021-SUCAMEC/GEPP	28/12/2021
	Main type A powder magazine for blasting accessories at level 2450-explosives	RG N.º 03847-2021-SUCAMEC/GEPP	28/12/2021
	Main type A powder magazine for blasting accessories at level 2450-anfo	RG N.º 03856-2021-SUCAMEC/GEPP	28/12/2021
	Authorization for purchase and use of explosives and related materials 2021 UEA Libertad.	RG N.º 997-2021-SUCAMEC-GEPP	2/03/2021
	Authorization for purchase and use of explosives and related materials -modification Famecorte	RG N.º 02625-2021-SUCAMEC/GEPP	18/08/2021
Landfill	Technical mining report for the modification of the Santa Maria I beneficiation concession to 33.03 Ha and construction and operation permit for the domestic and industrial landfill at Cedro.	RD N.º 1781-2015-MEM/DGM	30/09/2015
Environmental instruments	EIA Modification for mining activities and expansion of the Santa Maria I beneficiation plant to 1000 MTD. Filtering and other components	RD N.º 011-2017-SENACE-JEF-DEAR	28/11/2017
	Detailed Technical Memoir of the Santa Maria 2410, 2520, 2670 Camps. (Order 2504589 dated 06-09-2015).	RD N.º 278-2017-MEM-DGAM	3/10/2017
	First ITS for Santa Maria mining unit (new components and modification)	RD N.º 00077-2019-SENACE-PE-DEAR.2	7/05/2019
	Fourth Modification of the Poderosa Mining Unit Mine Closure Plan, Schedule, and Budget update.	RD N.º 102-2018-MEM-DGAAM	17/05/2018
PALCA PRODUCTION UNIT			
EIA- sd Palca Explorations Project		RD N.º 0035-2016-MEM-DGAAM	29/01/2016
Water use license from Carrizal gorge for non- mining activities in Suyubamba 10 l/s		RA N.º 007-01-DRA-LL-AASC/ATDRH	12/01/2001
Water use license from Carrizal gorge and Laguna Negra with mining purposes for Palca Project		RD N.º 1165-2018-ANA-AAA-M	3/09/2018
Authorization to start exploration activities		RD N.º 167-2017-MEM-DGM	7/02/2017
CIRA 2016-073-DDC-CIB/MC		CIRA SUYUBAMBA- PALCA	7/04/2016
CIRA 2016-073-DDC-LIB/MC		CIRA LT 22 KV PAMPARACRA -SUYUBAMBA	25/10/2016
MONTAÑITAS PRODUCTION UNIT			
0.10 l/s water use authorization - Montañitas Project -renewal		RD N.º 784-2017-ANA-AAA-Huallaga	2/11/2017
Authorization to start Montañitas project exploration activities		RD N.º 1782-2015-MEM/DGM	5/10/2015
Start of exploration operations stage II (platforms 1-7 y 15-17)		Constancia de aprobación automática 0003-2019-DGM	12/03/2019
Renewal for underground type A powder magazine for explosives and accessories in Tayabamba-explosives		RG N.º 3421-2021-SUCAMEC/GEPP	17/11/2021
Renewal for underground type A powder magazine for explosives and accessories in Tayabamba-explosives		RG N.º 3420-2021-SUCAMEC/GEPP	17/11/2021
ITS Modification of the Montañita Mining Exploration Projects (6 platforms and 24 months of expansion)		RD N.º 046-2021-MINEM-DGAAM	15/03/2021
Start of exploration operations stage III (6 additional platforms ITS- 24 -month schedule)		Comunicación de inicio de exploraciones	3/07/2021

COMPONENTS	AUTHORIZATION/PERMIT	RESOLUTION N.º	DATE
PRODUCTION UNIT MISQUICHILCA			
DIA approval for Misquichilca exploration activities		R N.º 278-2012-MEM_AAM	3/09/2012
Authorization for start of exploration at Misquichilca.		RD N.º 107-2013-MEM-DGM	22/04/2013
PRODUCTION UNIT LAVASEN ENERGY			
Studies for electric power generation in Quishuar, Lavasen, Nimpana, Cativen and Piñuto cascades.		RM N.º 144-2008-MEM_DM	14/03/2008
		RD N.º 188-2011-MEM_AAM	20/06/2011
Hydro energy use of the Lavasen and Quishuar for Cativen I and Cativen II hydroelectric power stations.		RD N.º 0250-2011-ANA-AAA VI MARAÑÓN	19/11/2020
Hydrologic and water use study for non-mining purposes from Lavasen Paraiso basins		RD N.º 0316-2010-ANA-DARH	1/10/2010
Hydrologic study as part of the water use from Lavasen and Quishuar basins		RS N.º 109-2012-EM	13/11/2012
PRODUCTION UNIT AIRDROME			
Chagual – La Libertad Airdrome operation authorization		RD N° 894-2019-MTC-12	14/11/2019





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PART 7

FINANCIAL

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KPMG en Perú
Torre KPMG, Av. Javier Prado Este 444, Piso 27
San Isidro, Lima 27, Perú

Teléfono: 51 (1) 811 3000
Fax: 51 (1) 421 8943
Internet: www.kpmg.com/pe

INDEPENDENT AUDITORS' REPORT

**To the Stockholders and Directors of
Compañía Minera Poderosa S.A.**

We have audited the accompanying separate financial statements of Compañía Minera Poderosa S.A., which comprise the separate statement of financial position as of December 31, 2021 and 2020, and the separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the years then ended, and notes to the separate financial statements, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility


Our responsibility is to express an opinion on these separate financial statements based on our audits. We conducted our audits in accordance with the International Standards on Auditing approved for its application in Peru by the Dean's Council of the Peruvian Professional Associations of Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

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

Capo y Asociados S.Ciudad de R.L. sociedad civil peruana de responsabilidad limitada y firma miembro de la red de firmas miembro independientes de KPMG afiliadas a KPMG International Cooperative ("KPMG International"), una entidad suiza.

Inscrito en la partida N° 001881798 del Registro de Personas Jurídicas de Lima.



Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the non-consolidated financial position of Compañía Minera Poderosa S.A. as of December 31, 2021 and 2020, and its non-consolidated financial performance and its non-consolidated cash flows for the years then ended, in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board.

Emphasis of Matter

We draw attention to Note 2.D to the financial statements, which describes that functional and presentation currency of the Company is Soles, the procedure followed by the Company in order to translate the separate financial statements for the year ended December 31, 2021 and 2020 from Soles into US Dollars and the purpose of the financial statements in US Dollars in compliance with IFRS. As a result, these separate financial statements may not be suitable for another purpose. Our opinion is not modified related to these matters.

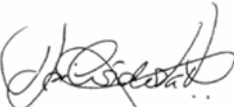
Other Matters

- The separated financial statements of Compañía Minera Poderosa S.A. in soles (functional and presentation currency) as of December 31, 2021 and 2020 have been prepared and presented separately; and in our report, dated January 31, 2022, we expressed an unqualified opinion on those financial statements.
- The consolidated financial statements of Compañía Minera Poderosa S.A. and its subsidiaries as of December 31, 2021 and 2020, have been prepared and presented separately; and in our report, dated February 22, 2022, we expressed an unqualified opinion on those financial statements. The accompanying separate financial statements have been prepared in compliance with existing regulations in Peru for the presentation of financial reporting and reflect the value of investments in subsidiaries using the cost model.

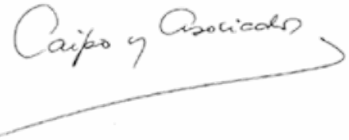
Lima, Peru


May 18, 2022

Countersigned by:



Juan José Córdova (Partner)
Peruvian CPA Registration 18869





(Translation of Financial Statements originally issued in Spanish)

Compañía Minera Poderosa S.A.
Separate Statement of Financial Position
As of December 31, 2021 and 2020

In thousands of U.S. dollars	Note	2021	2020
Assets			
Current assets			
Cash and cash equivalents	6	155,590	101,018
Trade accounts receivable	7	2,547	3,528
Other accounts receivable	8	4,150	4,605
Inventories	9	14,971	13,820
Prepaid expenses	10	3,346	5,380
Total current assets		180,604	128,351
Non-current assets			
Investments in subsidiaries and associates	11	6,368	7,025
Prepaid expenses	10	4,648	5,632
Property, plant and equipment	12	190,414	184,513
Right-of-use assets	13	7,530	6,066
Intangible assets	14	128,756	139,803
Total non-current assets		337,716	343,039
Total assets		518,320	471,390

In thousands of U.S. dollars	Note	2021	2020
Liabilities			
Current liabilities			
Trade accounts payable	15	21,521	23,623
Other accounts payable	16	39,139	30,332
Other financial liabilities	17	17,142	18,115
Lease liabilities	13	2,881	2,999
Employee benefits	18	17,890	14,440
Provisions	19	571	1,108
Derivative instruments	21	-	1,862
Current portion of provision for environmental rehabilitation	20	937	937
Total current liabilities		100,081	93,416
Non-current liabilities			
Other accounts payable	16	415	734
Other financial liabilities	17	7,854	11,927
Lease liabilities	13	4,307	3,023
Provision for environmental rehabilitation	20	16,871	20,433
Deferred tax liabilities	22	9,122	11,730
Total non-current liabilities		38,569	47,847
Total liabilities		138,650	141,263
Equity			
Issued capital	23	113,494	100,166
Other capital reserves	24	22,699	20,033
Retained earnings	25	243,477	209,928
Total equity		379,670	330,127
Total equity and liabilities		518,320	471,390

The accompanying notes on pages 5 to 73 are an integral part of these separate financial statements.

(Translation of Financial Statements originally issued in Spanish)

Compañía Minera Poderosa S.A.
Separate Statement of Changes in Equity
For the years ended December 31, 2021 and 2020

In thousands of U.S. dollars	Note	2021	2020
Revenue	28	539,262	475,189
Cost of sales	29	(293,272)	(252,544)
Gross profit		245,990	222,645
Operating income (expenses)			
Selling expenses	30	(13,996)	(10,263)
Administrative expenses	31	(41,585)	(36,496)
Other operating income	35	4,418	2,221
Other operating expenses	35	(377)	(1,610)
Operating profit		194,450	176,497
Finance income (borrowing costs)			
Finance income	33	286	290
Borrowing costs	33	(2,096)	(19,253)
Finance cost, net		(1,810)	(18,963)
Profit before tax		192,640	157,534
Tax expense	27	(61,959)	(50,842)
Profit for the period		130,681	106,692
Cummulative traslation adjustment		7,815	(22,596)
Total other comprehensive income		138,496	84,096
Basic earnings per share (in dollars)	34	0.288	0.294

The accompanying notes on pages 5 to 73 are an integral part of these separate financial statements.

(Translation of Financial Statements originally issued in Spanish)

Compañía Minera Poderosa S.A.
Separate Statement of Changes in Equity
For the years ended December 31, 2021 and 2020

	Number of ordinary shares	Issued capital note 23)	Other capital reserves note 24)	Retained earnings note 25)	Total equity
<i>In thousands of U.S. dollars</i>					
Balance as of January 1, 2020	363,000,000	109,436	21,887	160,178	291,501
Profit of the period	-	-	-	106,692	106,692
Total other comprehensive income	-	-	-	106,692	106,692
Dividend distribution	-	-	-	(45,470)	(45,470)
Total transactions with stockholders	-	-	-	(45,470)	(45,470)
Cummulative traslation adjustment	-	(9,270)	(1,854)	(11,472)	(22,596)
Balance as of December 31, 2020	363,000,000	100,166	20,033	209,928	330,127
Balance as of January 1, 2021	363,000,000	100,166	20,033	209,928	330,127
Profit of the period	-	-	-	130,681	130,681
Total other comprehensive income	-	-	-	130,681	130,681
Dividend distribution	-	-	-	(62,433)	(62,433)
Dividends not distributed	-	-	-	(3)	(3)
Issuance of treasury shares	-	-	-	(26,517)	(26,517)
Establishment of legal reserve	-	-	-	-	-
Total transactions with stockholders	-	-	-	(88,953)	(88,953)
Cummulative traslation adjustment	-	13,328	2,666	(8,179)	7,815
Balance as of December 31, 2021	363,000,000	113,494	22,699	243,477	379,670

The accompanying notes on pages 5 to 73 are an integral part of these separate financial statements.

(Translation of Financial Statements originally issued in Spanish)

Compañía Minera Poderosa S.A.
Separate Statement of Cash Flows
For the years ended December 31, 2021 and 2020

<i>In thousands of U.S. dollars</i>	Note	2021	2020
Cash flows from operating activities			
Profit or loss		130,681	106,692
Debit (credit) to non-cash items (profit or loss)			
Depreciation	12 & 13	12,924	10,498
Amortization	14	62,444	63,167
Loss allowance for other accounts receivable	8 & 31	281	409
Provision for litigations	19 & 31	(330)	440
Deferred tax	22	(1,547)	(731)
Costs of upgrading the provision for mine closure	20 & 33	225	246
Loss on sale of property, plant and equipment	35	377	1,610
Income tax		63,471	51,573
Exchange difference		(989)	(807)
Finance charge, net	33	1,429	2,261
Charges and credits for net changes in assets and liabilities			
Increase (decrease) in trade accounts receivable	7	981	(628)
Increase in other accounts receivable	8	455	2,546
Decrease in inventories	9	(1,151)	(449)
Increase (decrease) in prepaid expenses	10	3,019	906
Increase in trade accounts payable	15	(2,101)	2,224
Increase in other accounts payable		6,678	8,794
Cash paid for liabilities for mine closure	20	(1,263)	(107)
Cash flows from operating activities		275,584	248,644
Cash paid for interest		(1,652)	(2,202)
Cash paid for income tax		(60,387)	(46,128)
Net cash from operating activities		213,545	200,314
Cash flows from investing activities			
Cash receipts for sale of property, plant and equipment		165	-
Acquisition of intangible assets	14	(54,200)	(52,247)
Acquisition of property, plant and equipment	12	(35,170)	(24,455)
Net cash used in investing activities		(89,205)	(76,702)
Cash flows from financing activities			
Loans received	17	-	29,000
Cash paid for short-term loans	17	-	(11,500)
Cash paid for long-term loans	17	(5,073)	(26,455)
Cash paid for finance leases	13 & 17	(3,251)	(4,801)
Cash paid for dividends	17	(62,433)	(45,470)
Net cash used in financing activities		(70,757)	(59,226)
Net increase in cash and cash equivalents		53,583	64,386
Cash and cash equivalents at the beginning of the year	6	101,018	35,825
Effects of changes in exchange rates on cash held		989	807
Cash and cash equivalents at the end of the year	6	155,590	101,018
Non-cash transactions			
Increase (decrease) in costs for mine closure		(539)	13,112
Increase (decrease) in liabilities for mine closure	12	539	(13,112)
Increase in right-of-use assets	13i.	4,521	1,260
Acquisition of fixed assets		-	(79,953)
Capital increase due to capitalization of results	23	26,517	-

The accompanying notes on pages 5 to 73 are an integral part of these separate financial statements.

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PART 8

EXTERNAL
INDEPENDENT
VERIFICATION





External Verification Letter–
Poderosa Sustainability Annual Report

Lima, July 11, 2022

Compañía Minera Poderosa S.A.
Santiago de Surco
Lima.-

Through this letter, Responde carries out external verification to confirm that Company Minera Poderosa’s Sustainability Annual Report 2021 (hereinafter "the Report") has been prepared under the Global Reporting Initiative (GRI) Standards in its Core option.

This verification is based on:

- 1. Reading and analysis of the Report according to the "Reporting Principles" for the definition of the content and its quality described in "GRI 101: Fundamentals" of the GRI Standards.
- 2. Exhaustive verification of the GRI index and compliance with the Universal Standars, Management approach disclosures and Topic-specific disclosures.
- 3. Identification of strengths and opportunities for improvement in the reporting process and deployment of the contents.
- 4. Issuance of comments and pertinent recommendations to resolve them.
- 5. Review of the final version of the Report.

In the following paragraphs we describe the analysis and the recommendations for future Sustainability Reports:

A. Elements that define the content of the report

The Report describes the materiality review process in 2020, whose main input was the list of material topics obtained from the materiality matrix developed during the same year. Therefore, the organization is encouraged to update its Materiality and report it instead of a thematic list, taking into account the events of the last two years.

B. Elements that define the quality of the report

The Report adequately presents the goals achieved and lessons learned to improve its management. This information can be contrasted with previous Reports because it provides systematized data that indicates the evolution of the company's performance. The emphasis on the issue of occupational health and safety is highlighted.

C. In compliance with Universal Standards and Management Approaches disclosures and Topic-specific disclosures:



The Report complies with the principles of the GRI Standards for using the GRI Standards for sustainability reporting, including those regarding to the definition of content and those related to the quality of the document.

The General Disclosures of the Report is developed under the GRI Standards: Core option report. Also, the document establishes the Topic-specific disclosures according to the materiality analysis, which includes the following topics:

- | | |
|------------------------------------|--|
| • Economic performance | • Forestation |
| • Operation management: production | • Participatory monitoring |
| • Occupational health and safety | • Labor practices and decent work |
| • Materials management | • Relationships with local communities |
| • Water management | • Formalization of artisanal mining. |
| • Emissions management | • Supply Chain |
| • Energy management | • Anticorruption |
| • Respect for biodiversity | • Innovation |
| • Mine closure plan | |

Moreover, there is extensive information related to each of the management indicators at an economic, social and environmental level. The Report is situated in the context of current Sustainability, so it allows stakeholders to visualize the relationship between the performance of the company, its main initiatives and the situation of the sector/country. In addition, it is highlighted that it disseminates sufficient information about the corporate governance system and the professional history of its directors and main officers.

D. Improvement opportunities for future processes and publication of reports

Regarding the contents of the GRI 102 Standard, it is recommended to organize the extensive information reported according to each material topic, so that any initiative aligned with each topic management is ordered sequentially. Recommendations have been left at the level of essential content.

E. Relevant recommendations

- As a GRI recommended practice, the reported contents must be referenced in a maximum of 3 pages. It is recommended to follow the structure indicated in the GRI Standard that organizes the presentation of indicators according to the material topics, which allows visualizing the relationship of the management approach (103-1,103-2,103-3) with the material topic and the contents.



- Regarding the Thematic Contents. It is suggested to align to the Recommendations, Guidelines of the Standards, and the Requirements (mandatory instructions of each Thematic Content).

F. Final review of the report

The company has made the essential changes in terms of specifying the geographic location, the sectors served, the types of clients, improving the presentation structure indicated in the GRI standard that organizes the presentation of indicators according to the material topics and detailing information on thematic indicators exhaustively.

Gaps have been identified regarding the presentation of management approaches for the material topics. In this sense, it is requested that the organization manage these for the next report. Finally, as part of the recommendations to be addressed in next year's report, a Materiality update is expected that incorporates the relevant trends and issues of the current year.

It should be noted that our firm has not participated in the preparation of this Report.

After the arguments presented, we confirm that the Minera Poderosa's Sustainability Annual Report 2021 meets the necessary conditions to comply with a report in accordance with the Standards of the Global Reporting Initiative (GRI) in its Core option.

Sincerely,

Jorge Melo Vega Castro
Presidente

About **Responde**

We are a consulting company with 17 years of experience, which works with organizations in the main sectors of the Peruvian economy intending to encourage companies to integrate sustainable management into their strategy and operations and establish trust relationships with their stakeholders.



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In this way, we help to protect and maintain biodiversity and the forests' ecologic processes, besides showing our respect for the communities.



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Av. La Floresta No 497. Int. 501.
Urb. Chacarilla del Estanque, San Borja, Lima.
Telephone: (01) 617-2727.

www.poderosa.com.pe