UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended: June 30, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 1-14066

SOUTHERN COPPER CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**13-3849074**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
7310 North 16th St, Suite 135 Phoenix, AZ	**85020**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(602) 264-1375**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbol	Name of each exchange on which registered:
Common stock, par value $0.01 per share	SCCO	New York Stock Exchange Lima Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of July 30, 2024 there were outstanding 781,159,261 shares of Southern Copper Corporation common stock, par value $0.01 per share.

Southern Copper Corporation ("SCC")

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PART I — FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

Southern Copper Corporation

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in millions, except for per share amounts)			
Net sales (including sales to related parties, see note 5)	$ 3,118.3	$ 2,300.7	$ 5,718.1	$ 5,094.6
Operating cost and expenses:				
Cost of sales (exclusive of depreciation, amortization and depletion shown separately below)	1,248.9	1,147.7	2,406.5	2,341.9
Selling, general and administrative	33.9	31.0	64.8	61.4
Depreciation, amortization and depletion	209.6	209.2	418.6	412.9
Exploration	18.6	12.1	31.2	24.0
Total operating costs and expenses	1,511.0	1,400.0	2,921.1	2,840.2
Operating income	1,607.3	900.7	2,797.0	2,254.4
Interest expense	(94.1)	(94.0)	(188.3)	(188.2)
Capitalized interest	10.8	12.4	24.5	23.9
Other income (expense)	(19.9)	5.6	(0.9)	16.1
Interest income	26.5	23.2	53.8	44.5
Income before income taxes	1,530.6	847.9	2,686.2	2,150.7
Income taxes (including royalty taxes, see Note 4)	578.8	294.5	1,002.1	774.9
Net income before equity earnings of affiliate	951.8	553.4	1,684.0	1,375.8
Equity (loss) earnings of affiliate, net of income tax	2.0	(3.8)	8.6	(10.2)
Net income	953.8	549.6	1,692.6	1,365.6
Less: Net income attributable to the non-controlling interest	3.6	2.1	6.4	4.9
Net income attributable to SCC	$ 950.2	$ 547.5	$ 1,686.2	$ 1,360.7
Per common share amounts attributable to SCC:				
Net earnings-basic and diluted	$ 1.22	$ 0.71	$ 2.17	$ 1.76
Weighted average shares outstanding-basic and diluted	777.9	773.1	775.5	773.1

The accompanying notes are an integral part of these condensed consolidated financial statements.

Southern Copper Corporation

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in millions)			
COMPREHENSIVE INCOME:				
Net income and comprehensive income	$ 953.8	$ 549.6	$ 1,692.6	$ 1,365.6
Other comprehensive income (loss) net of tax:				
Total other comprehensive income (loss)	—	—	—	—
Total comprehensive income	953.8	549.6	1,692.6	1,365.6
Comprehensive income attributable to the non-controlling interest	3.6	2.1	6.4	4.9
Comprehensive income attributable to SCC	$ 950.2	$ 547.5	$ 1,686.2	$ 1,360.7

The accompanying notes are an integral part of these condensed consolidated financial statements.

Southern Copper Corporation

CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 2024	December 31, 2023
	(in millions)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,875.3	$ 1,151.5
Short-term investments	329.1	599.3
Accounts receivable trade	1,622.3	1,141.1
Accounts receivable other (including related parties 2024- $16.9 and 2023 - $27.3)	81.7	87.2
Inventories	1,017.2	1,016.9
Prepaid taxes	381.4	395.4
Other current assets	26.7	38.1
Total current assets	5,333.7	4,429.5
Property and mine development, net	9,871.5	9,782.9
Ore stockpiles on leach pads	1,146.4	1,121.7
Intangible assets, net	127.3	130.2
Right-of-use assets	745.4	775.4
Deferred income tax	269.0	256.1
Equity method investment	114.5	108.2
Other non-current assets	169.9	121.3
Total assets	$ 17,777.7	$ 16,725.3
LIABILITIES		
Current liabilities:		
Current portion of long-term debt	$ 499.5	$ —
Accounts payable (including related parties 2024- $61.8 and 2023- $93.6)	647.2	652.6
Accrued income taxes	364.8	278.3
Accrued workers' participation	159.2	245.7
Accrued interest	97.1	97.1
Lease liabilities current	76.9	78.0
Other accrued liabilities	53.5	36.8
Total current liabilities	1,898.2	1,388.5
Long-term debt	5,757.0	6,254.6
Lease liabilities	668.5	697.4
Deferred income taxes	158.8	132.2
Non-current taxes payable	80.7	92.7
Other liabilities and reserves	35.1	66.2
Asset retirement obligation	619.2	612.5
Total non-current liabilities	7,319.3	7,855.6
Commitments and contingencies (Note 10)		
STOCKHOLDERS' EQUITY (NOTE 11)		
Common stock par value $0.01; shares authorized, 2024 and 2023–2,000; shares issued, 2024 and 2023–884.6	8.8	8.8
Additional paid-in capital	4,256.9	3,532.8
Retained earnings	7,180.9	7,033.5
Accumulated other comprehensive income	(8.0)	(8.0)
Treasury stock, at cost, common shares	(2,946.2)	(3,149.0)
Total Southern Copper Corporation stockholders' equity	8,492.5	7,418.1
Non-controlling interest	67.7	63.1
Total equity	8,560.2	7,481.2
Total liabilities and equity	$ 17,777.7	$ 16,725.3

The accompanying notes are an integral part of these condensed consolidated financial statements.

Southern Copper Corporation

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in millions)			
OPERATING ACTIVITIES				
Net income	$ 953.8	$ 549.6	$ 1,692.6	$ 1,365.6
Adjustments to reconcile net earnings to net cash provided from operating activities:				
Depreciation, amortization and depletion	209.6	209.2	418.6	412.9
Equity earnings of affiliate, net of dividends received	(0.6)	4.2	(6.4)	10.6
Loss (gain) on foreign currency transaction effect	(8.1)	4.6	(4.3)	11.1
Provision for deferred income taxes	4.0	24.7	23.2	6.3
Other, net	5.5	7.0	11.1	14.5
Change in operating assets and liabilities:				
Decrease (increase) in accounts receivable	(328.3)	194.7	(481.2)	326.2
(Increase) decrease in inventories	(16.7)	(14.0)	(24.9)	15.6
(Decrease) in accounts payable and accrued liabilities	(145.6)	(185.5)	6.2	(172.8)
Decrease (increase) in other operating assets and liabilities	288.5	2.6	(13.1)	(7.7)
Net cash provided by operating activities	962.1	797.1	1,621.8	1,982.3
INVESTING ACTIVITIES				
Capital expenditures	(331.8)	(252.5)	(545.6)	(490.6)
Proceeds from sale of short-term investments, net	0.1	140.3	270.1	208.0
Other	—	0.1	—	0.1
Net cash used in investing activities	(331.7)	(112.1)	(275.5)	(282.5)
FINANCING ACTIVITIES				
Cash dividends paid to common stockholders	—	(773.1)	(618.5)	(1,546.2)
Other, net	—	(2.7)	(1.6)	(4.3)
Net cash used in financing activities	—	(775.8)	(620.1)	(1,550.5)
Effect of exchange rate changes on cash and cash equivalents	(7.3)	(10.0)	(2.4)	(20.0)
(Decrease) increase in cash and cash equivalents	623.1	(100.8)	723.8	129.3
Cash and cash equivalents, at beginning of period	1,252.2	2,299.8	1,151.5	2,069.7
Cash and cash equivalents, at end of period	$ 1,875.3	$ 2,199.0	$ 1,875.3	$ 2,199.0

The accompanying notes are an integral part of these condensed consolidated financial statements.

Southern Copper Corporation

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
		(in millions)		
TOTAL EQUITY, beginning of period	$ 7,605.9	$ 8,188.4	$ 7,481.2	$ 8,146.9
STOCKHOLDERS' EQUITY, beginning of period	7,541.7	8,124.8	7,418.1	8,084.2
CAPITAL STOCK:				
Balance at beginning and end of period:	8.8	8.8	8.8	8.8
ADDITIONAL PAID-IN CAPITAL:				
Balance at beginning of period	3,541.4	3,497.7	3,532.8	3,489.7
Dividend paid in Common Stock	726.1	—	726.1	—
Other activity of the period	(10.6)	17.1	(2.0)	25.1
Balance at end of period	4,256.9	3,514.8	4,256.9	3,514.8
TREASURY STOCK:				
Southern Copper common shares				
Balance at beginning of the period	(2,766.6)	(2,766.8)	(2,766.7)	(2,766.9)
Dividend paid in Common Stock	199.5	—	199.5	—
Used for corporate purposes	0.2	—	0.2	0.1
Balance at end of period	(2,567.0)	(2,766.8)	(2,567.0)	(2,766.8)
Parent Company common shares				
Balance at beginning of period	(390.6)	(348.3)	(382.3)	(340.7)
Other activity, including dividend, interest and foreign currency transaction effect	11.3	(16.7)	3.1	(24.3)
Balance at end of period	(379.3)	(365.0)	(379.3)	(365.0)
Treasury stock balance at end of period	(2,946.2)	(3,131.8)	(2,946.2)	(3,131.8)
RETAINED EARNINGS:				
Balance at beginning of period	7,156.7	7,742.4	7,033.5	7,702.3
Net earnings	950.2	547.5	1,686.2	1,360.7
Dividends declared and paid, common stock, per share, 2024- '$2.00, 2023– '$2.25	—	(773.1)	(618.5)	(1,546.2)
Dividend paid in Common Stock	(925.6)	—	(925.6)	—
Other activity of the period	(0.4)	—	5.3	—
Balance at end of period	7,180.9	7,516.8	7,180.9	7,516.8
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS):				
Balance at beginning of the period	(8.0)	(9.0)	(8.0)	(9.0)
Other comprehensive income (loss)	—	—	—	—
Balance at end of the period	(8.0)	(9.0)	(8.0)	(9.0)
STOCKHOLDERS' EQUITY, end of period	8,492.5	7,899.6	8,492.5	7,899.6
NON-CONTROLLING INTEREST, beginning of period	64.2	63.6	63.1	62.7
Net earnings	3.6	2.1	6.4	4.9
Distributions paid	(0.1)	(2.7)	(1.8)	(4.6)
NON-CONTROLLING INTEREST, end of period	67.7	63.0	67.7	63.0
TOTAL EQUITY, end of period	$ 8,560.2	$ 7,962.6	$ 8,560.2	$ 7,962.6

The accompanying notes are an integral part of these condensed consolidated financial statements.

Southern Copper Corporation

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1— DESCRIPTION OF THE BUSINESS:

The Company is a majority-owned, indirect subsidiary of Grupo Mexico S.A.B. de C.V. (“Grupo Mexico”). As of June 30, 2024, Grupo Mexico, through its wholly-owned subsidiary Americas Mining Corporation (“AMC”) owned 88.9% of the Company’s capital stock. The condensed consolidated financial statements presented herein consist of the accounts of Southern Copper Corporation (“Southern Copper”, "SCC" or the “Company”), a Delaware corporation, and its subsidiaries. The Company is an integrated producer of copper and other minerals, and operates mining, smelting and refining facilities in Peru and Mexico. The Company conducts its primary operations in Peru through a registered branch (the "Peruvian Branch" or “Branch” or “SPCC Peru Branch”). The Peruvian Branch is not a corporation separate from the Company. The Company's Mexican operations are conducted through subsidiaries. The Company also conducts exploration activities in Argentina, Chile, Ecuador, Mexico and Peru.

In the opinion of the Company, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting only of normal recurring adjustments) necessary to fairly state the Company’s financial position as of June 30, 2024 and the results of operations, comprehensive income, cash flows and changes in equity for the three and six months ended June 30, 2024 and 2023. The results of operations for the three and six months ended June 30, 2024 are not necessarily indicative of the results to be expected for the full year. The December 31, 2023 balance sheet data was derived from audited financial statements, but does not include all disclosures required by generally accepted accounting principles in the United States of America (“GAAP”). The accompanying condensed consolidated financial statements should be read in conjunction with the consolidated financial statements at December 31, 2023 and notes included in the Company’s 2023 annual report on Form 10-K.

NOTE 2 — SHORT-TERM INVESTMENTS:

Short-term investments were as follows (in millions):

	At June 30, 2024	At December 31, 2023
Trading securities	$ 328.9	$ 599.1
Weighted average interest rate	5.5 %	5.7 %
Available-for-sale	$ 0.2	$ 0.2
Weighted average interest rate	0.8 %	0.8 %
Total	$ 329.1	$ 599.3

Trading securities consisted of bonds issued by public companies and were publicly traded. Each financial instrument was independent of the others. The Company had the intention to sell these bonds in the short-term.

Available-for-sale investments consist of securities issued by public companies. Each security is independent of the others and as of June 30, 2024, and December 31, 2023, included asset and mortgage-backed obligations. As of June 30, 2024 and December 31, 2023, gross unrealized gains and losses on available-for-sale securities were not material.

The Company earned interest related to these investments, which was recorded as interest income in the condensed consolidated statement of earnings. Also, the Company redeemed some of these securities and recognized gains (losses) due to changes in fair value, which were recorded as other income (expense) in the condensed consolidated statement of earnings.

The following table summarizes the activity of these investments by category (in millions):

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Trading:				
Interest earned	$ 7.6	$ 3.5	$ 13.7	$ 6.9
Unrealized gain (loss) at the end of the period	$ (*)	$ (*)	$ (*)	$ (*)
Available-for-sale:				
Interest earned	$ (*)	$ (*)	$ (*)	$ (*)
Investment redeemed	$ —	$ —	$ —	$ —

(*) Less than $0.1 million.

NOTE 3 — INVENTORIES:

Inventories were as follows:

(in millions)	At June 30, 2024	At December 31, 2023
Inventory, current:		
Metals at average cost:		
Finished goods	$ 58.9	$ 68.8
Work-in-process	308.4	313.0
Ore stockpiles on leach pads	227.6	230.9
Supplies at average cost	422.3	404.2
Total current inventory	$ 1,017.2	$ 1,016.9
Inventory, long-term:		
Ore stockpiles on leach pads	$ 1,146.4	$ 1,121.7

During the six-month period ended June 30, 2024 and 2023, total leaching costs capitalized as non-current inventory of ore stockpiles on leach pads amounted to $128.8 million and $147.0 million, respectively. Leaching inventories recognized in cost of sales amounted to $107.5 million and $141.4 million for the six months ended June 30, 2024 and 2023 respectively.

NOTE 4 — INCOME TAXES:

The income tax provision and the effective income tax rate for the six-month period ended June 30, 2024 and 2023 consisted of (in millions):

	2024	2023
Statutory income tax provision	$ 852.3	$ 649.2
Peruvian royalty	29.1	18.7
Mexican royalty	75.7	72.3
Peruvian special mining tax	45.0	34.7
Total income tax provision	$ 1,002.1	$ 774.9
Effective income tax rate	37.3 %	36.0 %

These provisions include income taxes for Peru, Mexico and the United States. The Mexican royalty, the Peruvian royalty and the Peruvian special mining tax are included in the income tax provision. The increase in the effective income tax rate in 2024 compared to the same period in 2023 was primarily attributable to a movement in exchange rates of the Mexican peso versus the U.S. dollar.

Peruvian royalty and special mining tax: The Company has accrued $74.1 million and $53.4 million of royalty charge and special mining tax as part of the income tax provision for the first six months of 2024 and 2023, respectively.

Mexican mining royalty: The Company has accrued $75.7 million and $72.3 million of royalty taxes as part of the income tax provision for the first six months of 2024 and 2023, respectively.

Accounting for uncertainty in income taxes: In the first six months of 2024, the Company made payments for uncertain tax positions of $72.5 million and $17.2 million in the Peruvian and Mexican jurisdictions respectively. The Company also recorded current and non-current liabilities for the Peruvian and Mexican jurisdictions that increased the tax expense by approximately $10.0 million and $12.1 million respectively. The Company has a net current liability of $18.3 million and $13.2 million in the Peruvian and Mexican jurisdictions respectively that represents anticipated cash refunds or payments within 12 months.

Tax law updates: On May 31, 2019, the Organization for Economic Cooperation and Development ("OECD") published a two-pillar system that introduces a minimum global tax of 15% and a proposed tax on base eroding payments. Certain aspects of Pillar Two took effect January 1, 2024, while other aspects go into effect January 1, 2025. If jurisdictions want to implement Pillar Two they will need to do so through domestic legislation. The countries in which the Company has significant operations have yet to enact Pillar Two into law and have not formally announced plans to implement these rules. The Company will continue to monitor these developments and analyze the potential impact that Pillar Two will have on future results.

NOTE 5 — RELATED PARTY TRANSACTIONS:

The Company has entered into certain transactions in the ordinary course of business with parties that are controlling shareholders or their affiliates. These transactions include the lease of office space, air and railroad transportation, construction services, energy supply, and other products and services related to mining and refining. The Company lends and borrows funds among affiliates for acquisitions and other corporate purposes. These financial transactions bear interest and are subject to review and approval by senior management, as are all related party transactions. Article Nine of the Amended and Restated Certificate of Incorporation of the Company prohibits the Company from engaging in a Material Affiliate Transaction that was not the subject of prior review by a committee of the Board of Directors with at least three members, each of whom is independent, and defines a Material Affiliate Transaction as a transaction or series of related transactions between Grupo Mexico or one of its affiliates (other than the Company or its subsidiaries), on the one hand, and the Company or one of its subsidiaries, on the other hand, that involves consideration of more than $10.0 million in the aggregate. It is the Company's policy that (i) a Material Affiliate Transaction not be entered into or continued without the review and approval by the Audit Committee or its subcommittee of related party transactions comprised of independent directors,(ii) any potential related party transaction process with aggregate consideration between $8.0 million and $10.0 million be authorized by the General Counsel and Chief Financial Officer of the Company and (iii) that all related party transactions, including any Material Affiliate Transaction, be reported to the Audit Committee of the Board of Directors or to its subcommittee of related party transactions.

Receivable and payable balances with related parties are shown below (in millions):

	At June 30, 2024	At December 31, 2023
Related parties receivable current:		
Grupo Mexico and affiliates:		
Asarco LLC	$ 7.7	$ 9.4
AMMINCO Apoyo Administrativo, S.A. de C.V. (“AMMINCO”)	(*)	(*)
Ferrocarril Mexicano, S.A. de C.V.	(*)	(*)
Mexico Generadora de Energia S. de R.L. ("MGE")	8.1	17.1
Mexico Compania Constructora S.A de C.V.	(*)	(*)
Related to the controlling group:		
Empresarios Industriales de Mexico, S.A. de C.V.	0.6	0.6
Mexico Transportes Aereos, S.A. de C.V. ("Mextransport")	0.4	0.1
Operadora de Cinemas, S.A. de C.V.	0.1	0.1
	$ 16.9	$ 27.3
Related parties payable:		
Grupo Mexico and affiliates:		
AMMINCO	$ 6.2	$ 5.0
Asarco LLC	14.9	13.8
Eolica El Retiro, S.A.P.I. de C.V.	2.6	0.2
Ferrocarril Mexicano, S.A. de C.V.	6.1	7.9
Grupo Mexico Servicios	3.5	2.7
MGE	19.9	50.3
Mexico Compania Constructora S.A de C.V.	7.1	9.5
Grupo Mexico Servicios de Ingenieria, S.A. de C.V.	0.7	3.5
Related to the controlling group:		
Boutique Bowling de Mexico, S.A. de C.V.	0.4	0.3
Mexico Transportes Aereos, S.A. de C.V. (“Mextransport”)	0.1	0.3
Operadora de Cinemas, S.A. de C.V.	0.3	0.1
	$ 61.8	$ 93.6

(*) Less than $0.1 million.

Purchase and sale activity:

Grupo Mexico and affiliates:

The following table summarizes the purchase and sale activities with Grupo Mexico and its affiliates in the six-month period ended June 30, 2024 and 2023 (in millions):

	2024	2023
Purchase activity		
Asarco LLC	$ 2.7	$ 29.5
Eolica El Retiro, S.A.P.I. de C.V.	4.0	1.5
Ferrocarril Mexicano, S.A. de C.V.	24.0	28.9
Grupo Mexico Servicios	10.1	10.1
AMMINCO	5.0	5.0
MGE	92.3	116.4
Mexico Compania Constructora S.A. de C.V.	44.0	24.1
Grupo Mexico Servicios de Ingenieria S. A. de C.V.	9.5	7.9
Total purchases	$ 191.6	$ 223.4
Sales activity		
Asarco LLC	$ 14.3	$ 17.3
AMMINCO	(*)	(*)
Ferrocarril Mexicano, S.A. de C.V.	(*)	—
MGE	23.3	28.3
Total sales	$ 37.6	$ 45.6

(*) Less than $0.1 million.

Grupo Mexico, the parent and the majority indirect stockholder of the Company, and its affiliates provide various services to the Company. These services are primarily related to accounting, legal, tax, financial, treasury, human resources, price risk assessment and hedging, purchasing, procurement and logistics, sales and administrative and other support services. The Company pays AMMINCO and Grupo Mexico Servicios, subsidiaries of Grupo Mexico, for these services and expects to continue requiring these services in the future.

In the first six months of 2024, the Company donated $1.5 million to Fundacion Grupo Mexico, A.C., an organization dedicated to promoting the social and economic development of the communities close to the Company’s Mexican operations. In the same period of 2023, the Company donated $2.0 million to this organization.

The Company’s Mexican operations paid fees for freight services provided by Ferrocarril Mexicano, S.A. de C.V., which is a subsidiary of Grupo Mexico. The Company´s Peruvian and Mexican operations paid fees for engineering services provided by Grupo Mexico Servicios de Ingenieria, S.A. de C.V., and the Company’s Mexican operations paid fees for construction services provided by Mexico Compania Constructora S.A. de C.V. Both companies are subsidiaries of Mexico Proyectos y Desarrollos, S.A. de C.V., which is a subsidiary of Grupo Mexico.

The Company’s Mexican operations purchased copper cathodes, concentrate and starter sheets from Asarco LLC and also paid fees as reimbursement of freight fees. Additionally, the Company´s Mexican operations purchased power from MGE. Both companies are subsidiaries of Grupo Mexico.

In 2012, the Company signed a power purchase agreement with MGE, whereby MGE will supply some of the Company’s Mexican operations with power through 2032. MGE has two natural gas-fired combined cycle power generating units, with a net total capacity of 516.2 megawatts and has been supplying power to the Company since December 2013. Currently, MGE is supplying approximately 7.0% of its power output to third-party energy users, compared to 4.0% as of June 30, 2023.

In 2014, Mexico Generadora de Energia Eolica, S. de R.L. de C.V, an indirect subsidiary of Grupo Mexico, located in Oaxaca, Mexico, acquired Eolica el Retiro. Eolica el Retiro is a windfarm with 37 wind turbines. This company started operations in January 2014 and began to sell power to Industrial Minera Mexico, S.A. de C.V. and subsidiaries (IMMSA) and other subsidiaries of Grupo Mexico in the third quarter of 2014. Currently, Eolica el Retiro supplies approximately 37.0% of its power output to IMMSA and Mexcobre, compared to 18.5% as of June 30, 2023.

The Company sold copper starter sheets, lime and sulfuric acid to Asarco LLC. The Company´s Mexican operations received fees for transportation and administrative services that were provided to Asarco and also received fees for natural gas and services provided to MGE, a subsidiary of Grupo Mexico. Additionally, the Company´s Mexican operations received fees for rental services provided to AMMINCO.

Companies with relationships to the controlling group:

The following table summarizes the purchase and sales activities with other Larrea family companies in the six-month period ended June 30, 2024 and 2023 (in millions):

	2024	2023
Purchase activity		
Boutique Bowling de Mexico S.A. de C.V.	$ 0.3	$ 0.3
Mextransport	1.2	1.3
Operadora de Cinemas S.A. de C.V.	0.2	0.2
Total purchases	$ 1.7	$ 1.8
Sales activity		
Boutique Bowling de Mexico S.A. de C.V.	$ 0.1	$ 0.1
Empresarios Industriales de Mexico, S.A. de C.V.	0.1	—
Mextransport	1.2	1.1
Operadora de Cinemas S.A. de C.V.	0.1	0.1
Total sales	$ 1.5	$ 1.3

(*) amount is lower than $0.1 million

The Larrea family controls a majority of the capital stock of Grupo Mexico and has extensive interests in other businesses, including transportation, real estate and entertainment. The Company engages in certain transactions in the ordinary course of business with other entities controlled by the Larrea family relating to the lease of office space, air transportation and entertainment.

The Company's Mexican operations paid fees for entertainment services provided by Boutique Bowling de Mexico, S.A. de C.V. and Operadora de Cinemas, S.A. de C.V. Both companies are controlled by the Larrea family. Mextransport provides aviation services to the Company´s Mexican operations. This is a company controlled by the Larrea family.

In addition, the Company received fees for building rental and maintenance provided to Boutique Bowling de Mexico, S.A. de C.V. and Operadora de Cinemas, S.A. de C.V. The Company´s Mexican operations received fees from Mextransport for reimbursement of maintenance expenses and for rental services.

Equity Investment in Affiliate: The Company has a 44.2% participation in Compania Minera Coimolache S.A. ("Coimolache"), which it accounts for on the equity method. Coimolache owns Tantahuatay, a gold mine located in the northern part of Peru.

In addition, the Company has a 30.0% participation in Apu Coropuna S.R.L. ("Apu Coropuna"), which it accounts for on the equity method. Apu Coropuna is a company that performs exploration activities in the Pucay prospect, located in Arequipa, Peru. The exploration results were not favorable; consequently, the Company is evaluating liquidating its participation in this company.

It is anticipated that in the future the Company will enter into similar transactions with these same parties.

NOTE 6 — LEASES:

The Company has operating leases for power generating facilities, vehicles and properties. The Company recognizes leasing expenses for these leases on a straight-line basis over the lease term. Some of the Company's leases include both lease and non-lease components which are accounted for separately. The Company's leases have remaining lease terms of one year to nine years, and do not include options to extend the leases. The Company's lease agreements do not contain options to purchase the leased assets or to terminate the leases before the expiration date. In addition, the Company's lease contracts have no material residual value guarantees or material restrictive covenants. As none of the Company's leases stipulates an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments.

The weighted average remaining lease term for the Company's leases is approximately eight years, and the weighted average discount rate for these leases is 4.00%.

The operating lease expense recognized in the six-month period ended June 30, 2024 and 2023 was classified as follows (in millions):

Classification	2024	2023
Cost of sales (exclusive of depreciation, amortization and depletion)	$ 48.7	$ 58.2
Selling, general and administrative	(*)	0.1
Exploration	0.1	(*)
Total lease expense	$ 48.8	$ 58.3

(*) amount is lower than $0.1 million

Maturities of lease liabilities are as follows:

Year	Lease liabilities (in millions)
2024	$ 56.5
2025	106.9
2026	106.7
2027	106.3
2028	106.0
After 2028	422.1
Total lease payments	$ 904.5
Less: interest on lease liabilities	(159.2)
Present value of lease payments	$ 745.4

NOTE 7 — ASSET RETIREMENT OBLIGATION:

Peruvian operations:

The Company maintains an asset retirement obligation for its mining properties in Peru, as required by the Peruvian Mine Closure Law. In accordance with the requirements of this law, the Company's closure plans were approved by the Peruvian Ministry of Energy and Mines ("MINEM"). As part of the closure plans, the Company is required to provide annual guarantees over the estimated life of the mines, based on a present value approach, and to furnish the funds for the asset retirement obligation. This law requires a review of closing plans every five years.

On June 24, 2019, MINEM approved a change to the guarantees required for the mining closure plans. The new regulation specifies that annual guarantees can be secured with real estate up to a maximum of 50% and the remaining amount with credit instruments. Currently, the Company has pledged the value of its Lima office complex for the 50% of the guarantee and with a stand-by letter of credit for the other 50% as a security for this obligation. Through January 2024, the Company has provided total guarantees of $87.7 million.

On July 20, 2021, the Peruvian Government published Law 31347, which requires companies in the production stage to set aside additional guarantees for progressive closure of its operations. The resources that back these guarantees will be returned to the Company when activities cease and the regulatory agency verifies that all closure measures have been satisfactorily completed. Under this Law, companies must include activities for environmental remediation within the closure schedule and assume costs associated with environmental impacts that are identified during audits. As of June 30, 2024, the regulation attached to this Law had yet to be published. The Company is currently evaluating the possible financial impact of the Law but cannot fully estimate the magnitude until the Law's regulation is published.

The closure cost recognized for this liability includes the cost, as outlined in its closure plans, of dismantling the Toquepala and Cuajone concentrators, the Ilo smelter and refinery, and the shops and auxiliary facilities at the three units. In March 2016, MINEM approved the Mining Closure Plan for the Toquepala expansion project and the revised closure plans for the Cuajone mine and the Ilo facilities were approved in January and October 2019, respectively. The closure plan for the Tia Maria project was approved in February 2017. The Company, however, has not recorded a retirement obligation for the project because the work on the project is on hold. The Company believes that under these circumstances, the recording of a retirement obligation is not appropriate.

In the first six months of 2024, the Company adjusted its estimate for the asset retirement obligation due to an update of the closure plan for its Ilo facility. The effect was a decrease in the asset retirement obligation to the order of $3.2 million.

Mexican operations:

The Company has recognized an estimated asset retirement obligation for its mining properties in Mexico as part of its environmental commitment. Even though there is currently no enacted law, statute, ordinance, written or oral contract requiring the Company to carry out mine closure and environmental remediation activities, the Company believes that a constructive obligation presently exists based on the remediation requirements caused by the closure of any facility. The overall cost recognized for mining closure in Mexico includes the estimated costs of dismantling concentrators, smelter and refinery plants, shops and other facilities.

In the first six months of 2024, the Company adjusted its estimate for the asset retirement obligation for its Mexican operations following a detailed review of the closing activities required. The effect was a decrease in the asset retirement obligation to the order of $4.5 million.

The following table summarizes the asset retirement obligation activity for the six-month period ended June 30, 2024 and 2023 (in millions):

	2024	2023
Balance as of January 1	$ 612.6	$ 585.3
Changes in estimates	(7.7)	—
Closure payments	—	(0.3)
Accretion expense	14.3	12.9
Balance as of June 30,	$ 619.2	$ 597.9

NOTE 8 — BENEFIT PLANS:

Post retirement defined benefit plans:

The Company has two non-contributory defined benefit pension plans covering former salaried employees in the United States and certain former expatriate employees in Peru. Effective October 31, 2000, the Board of Directors amended the qualified pension plan to suspend the accrual of benefits. In addition, the Company's Mexican subsidiaries have a defined contribution pension plan for salaried employees and a non-contributory defined benefit pension plan for union employees.

The components of net periodic benefit costs for the six-month period ended June 30, 2024 and 2023 are as follows (in millions):

(in millions)	2024	2023
Service cost	$ 1.3	$ 1.0
Interest cost	2.0	1.7
Expected return on plan assets	(3.2)	(2.7)
Amortization of prior service cost / (credit)	0.2	0.2
Amortization of net loss/(gain)	—	—
Net periodic benefit cost	$ 0.3	$ 0.2

Post-retirement health care plans:

In Mexico, through 2007, the Buenavista unit provided health care services free of charge to employees and retired unionized employees and their families through its hospital at the Buenavista unit. In 2011, the Company signed an agreement with the Secretary of Health of the State of Sonora, which assumed the obligation to provide healthcare services to retired workers and their families. New employees at Buenavista del Cobre will receive health services from the Mexican Institute of Social Security, as is the case for all workers at our Mexican operations.

The components of net periodic benefit cost for the six-month period ended June 30, 2024 and 2023 are as follows (in millions):

(in millions)	2024	2023
Interest cost	$ 1.1	$ 1.0
Amortization of net loss (gain)	—	—
Amortization of prior service cost/ (credit)	—	—
Net periodic benefit cost	$ 1.1	$ 1.0

NOTE 9 — COMMITMENTS AND CONTINGENCIES:

Environmental matters:

The Company has established comprehensive environmental conservation programs at its mining facilities in Peru and Mexico. The Company's environmental programs include water recovery systems to conserve water and minimize the impact on nearby streams, reforestation programs to stabilize the surface of the tailings dams and the implementation of scrubbing technology in the mines to reduce dust emissions, among others.

Environmental capital investments in the six-month period ended June 30, 2024 and 2023 were as follows (in millions):

	2024	2023
Peruvian operations	$ 2.0	$ 3.5
Mexican operations	92.8	43.9
	$ 94.8	$ 47.4

Peruvian operations: The Company's operations are subject to applicable Peruvian environmental laws and regulations. The Peruvian government, through the Ministry of Environment ("MINAM") conducts annual audits of the Company's Peruvian mining and metallurgical operations. Through these environmental audits, matters relating to environmental and legal compliance, atmospheric emissions, effluent monitoring and waste management are reviewed. The Company believes that it is in material compliance with applicable Peruvian environmental laws and regulations. Peruvian law requires that companies in the mining industry provide assurances for future mine closure and remediation. In accordance with the requirements of this law, the Company's closure plans were approved by MINEM. See Note 7 "Asset retirement obligation" for further discussion of this matter.

Air Quality Standards ("AQS"): In June 2017, MINAM enacted a supreme decree which defined new AQS for daily sulfur dioxide in the air. As of June 30, 2024, the Company maintains the daily average level of µg/m3 of SO2, below the requirement of the AQS.

In November 2023, MINAM enacted a new *AQS* for Cadmium, Arsenic and Chromium in particulate matter less than ten microns (PM_{10}). A review of the Company´s chemical monitoring results has determined that the Company´s operations will not be significantly impacted by the new standards and concentration values in place. The Company´s results are expected to continue to fall below regulatory *AQS.*

Soil Environmental Quality Standards ("SQS"): In 2013, the Peruvian government enacted Soil Quality Standards. In accordance with the regulatory requirements of the law, the Company prepared Soil Decontamination Plans ("SDP") for environmentally impacted sites at each of its operation units (Toquepala, Cuajone and Ilo) with the assistance of consulting companies. The costs of these SDPs are not material, either individually or in aggregated form, for the financial statements of the Company.

Climate change: On April 17, 2018, the Peruvian government enacted Law N. 30754, which promotes public and private investments in climate change management and establishes a Climate Change Framework. The law proposes creating an institutional framework to address climate change in Peru and outlines new measures for climate change mitigation, such as provisions to address an increase in carbon capture and use of carbon sinks; afforestation and reforestation practices; land use changes; sustainable systems of transportation, solid waste management, and energy systems. This climate change framework law incorporates obligations from the Paris Agreement. Supreme Decree 013-2019 published on December 31, 2019, enacted statutory regulations, which are applicable to all Peruvian institutions and agencies. It is expected that additional Peruvian regulations will be applicable to non governmental entities. However, no carbon pricing mechanism is currently applicable to the Company's operations in Peru.

Mexican operations: The Company's operations are subject to applicable Mexican federal, state and municipal environmental laws, to Mexican official standards, and to regulations for the protection of the environment, including regulations relating to water supply, water quality, air quality, noise levels and hazardous and solid waste.

The principal legislation applicable to the Company's Mexican operations is the Federal General Law of Ecological Balance and Environmental Protection (the "General Law"), which is enforced by the Federal Bureau of Environmental Protection ("PROFEPA"). PROFEPA monitors compliance with environmental legislation and enforces Mexican environmental laws, regulations and official standards. It may also initiate administrative proceedings against companies that violate environmental laws, which in the most extreme cases may result in the temporary or permanent shutdown of non-complying facilities, the revocation of operating licenses and/or other sanctions or fines.

In 2011, the General Law was amended to provide an individual or entity the ability to contest administrative acts, including environmental authorizations, permits or concessions granted, without the need to demonstrate the actual existence of harm to the environment as long as it can be argued that the harm may be caused. Additionally, amendments to the Civil Federal Procedures Code ("CFPC") were enacted in 2011 and established three categories of collective actions under which a group of 30 or more individuals can be considered sufficient to prove a "legitimate interest" to file civil actions for injuries arising out of alleged violations of environmental, consumer protection, financial services and Antitrust laws. The group can seek restitution or economic compensation for the alleged injuries or suspension of the activities which allegedly caused the injuries in question. The amendments to the CFPC may result in more litigation, with plaintiffs seeking remedies, including suspension of the activities alleged to cause harm.

In 2013, the Environmental Liability Federal Law was enacted. The law establishes general guidelines for actions considered likely to cause environmental harm. If a possible determination regarding harm occurs, environmental clean-up and remedial actions sufficient to restore the environment to a pre-existing condition must be taken. If restoration is not possible, compensation measures should be provided. Criminal penalties and monetary fines can be imposed under this law.

Guaymas sulfuric acid spill: On July 9, 2019, there was an incident at the Company´s Marine Terminal in Guaymas, Sonora, that caused the discharge of approximately three cubic meters of sulfuric acid into the sea in the industrial port area.

On July 10, 2019, PROFEPA made a first inspection of the area, concluding that the Company executed all the appropriate procedures to contain the discharge, and no reference was made to the existence of negative impacts on the environment resulting from the incident. On July 19, 2019, PROFEPA revisited the facilities to carry out a second inspection and declared a partial temporary shutdown that only affected the storage process and transportation of sulfuric acid at the terminal, arguing the absence of an authorization of environmental impact. It is important to note that these facilities have been in operation since 1979, prior to the 1988 Mexican General Law of Ecological Balance and the Protection of the Environment. Companies that were operating before the enactment of the aforementioned law are exempt from the permit requirement. The Company has solved this issue and expect to restart operations soon.

Climate change: Several taxes are applicable to the Company's mining operations in Mexico, including federal and state fossil fuel taxes, and the requirements associated with Mexico's emission trading scheme. These taxes range from $9/tCO2 to $18/tCO2 in 2023, approximately. These regional taxes are applicable in the States of Baja California, Zacatecas and San Luis Potosí, as well as a federal tax linked to the import of fuels. In addition, an emission trading scheme (ETS) in Mexico is currently available to the Company which is only applicable to two business units, the metallurgic and lime plants in Sonora, which both generate annual GHG emissions levels above the threshold of 100,000 tCO2 per year contemplated by the scheme. These two units are required to report and verify their emissions once a year with average costs of less than $6,000 per unit. Units that emit more than 25,000 tonnes CO2 equivalent per year (all our Mexican units) are required to report their emissions to the National Emissions Registry (RENE) every year and to verify the reported emissions every three years. As a result, the total expenses for ensure annual compliance with climate change regulations in Mexico were not material to the Company.

The Company believes that all of its facilities in Peru and Mexico are in material compliance with environmental, mining and other applicable laws and regulations. The Company also believes that continued compliance with environmental laws of Mexico and Peru will have no material adverse effects on the Company's business, properties, or operating results.

On May 09, 2023, Mexican Congress approved several changes effective immediately to the Mining Law, National Waters Law, the General Law of Ecological Balance and Environmental Protection, and the General Law for the Prevention and Integral Management of Waste. The main changes are reducing mining concession terms from 50 to 30 years; new restrictions and conditions on water use; requirements to provide guarantees for closure and remediation of operations; and a requirement to contribute 5% of net earnings to indigenous communities for new projects and significant changes to exploration rules.

These amendments to the law have been challenged and are being reviewed by the Supreme Court. The company is not expecting any negative impacts on its operations.

Litigation matters:

Peruvian operations:

The Tia Maria Mining Project

There are five lawsuits filed against the Peruvian Branch of the Company related to the Tia Maria project. The lawsuits seek (i) to declare null and void the resolution that approved the Environmental Impact Assessment of the project; (ii) the cancellation of the project and the withdrawal of mining activities in the area; (iii) to annul the mining concession application for the Tia Maria project; and (iv) to annul the resolution that approved the construction license. The lawsuits were filed by Messrs. Ernesto Mendoza Padilla (filed May 26, 2015), Juan Alberto Guillen Lopez (filed June 18, 2015), Junta de Usuarios del Valle del Tambo (filed April 30, 2015), Gobierno Regional de Arequipa (filed December 16, 2019) and Municipalidad Distrital de Dean Valdivia (filed in January 2020 but notified in August 2022).

It should be noted that the Supreme Court of Justice of Peru has already issued a final ruling on the Carpio Lazo case challenging the approval of the Environmental Impact Assessment (EIA) of the Tía Maria project (notified on February 22, 2022), which ratified the legality of said Environmental Impact Assessment. The Judiciary recognized SPCC's strict compliance with all applicable environmental regulations during the approval stages of the Tía María EIA. This decision should have a favorable impact on the cases described below:

The Mendoza Padilla case was initially rejected by the lower court on July 8, 2015. This ruling was confirmed by the Superior Court on June 14, 2016. On July 12, 2016, the case was appealed before the Constitutional Court. On November 20, 2018, the Constitutional Court reversed the previous decisions and remanded the case to the lower court for further action. In the third quarter of 2020, the Company was notified that the complaint had been reinstated. The Company answered the complaint on September 15, 2020. On December 2, 2020, the lower court issued a resolution, considering the complaint answered. On September 27, 2021, the Court ordered to temporarily archive the case. As of June 30, 2024, the case remains pending resolution.

The Guillen Lopez case is currently before the lower court. Oral arguments took place on July 19, 2019. On January 7, 2020, the Judge decided to suspend the proceedings until the del Carpio Lazo case is concluded. On March 8, 2022, SCC’s Peruvian Branch informed the Court that the del Carpio Lazo case had concluded. On September 7, 2023, the Judge cancelled the suspension and declared the case ready for a resolution. On May 18, 2024, the Judge declared, once again, that the case was ready for resolution. As of June 30, 2024, the case remains pending resolution.

The Junta de Usuarios del Valle del Tambo case is currently before the lower court. In May 2016, the Company was included in the process after the Ministry of Energy and Mines filed a civil complaint. On March 6, 2019, the Company was formally notified of the lawsuit and answered the complaint on March 20, 2019. On July 8, 2019, the Company requested the suspension of the proceeding until the del Carpio Lazo case is concluded. On March 11, 2022, SCC’s Peruvian Branch informed the Court that the del Carpio Lazo case had concluded. On January 5, 2024, SCC´s Peruvian Branch reiterated its petition to continue the process given that a final decision has already been handed down in Carpio Lazo case. As of June 30, 2024, the case remains pending resolution.

The Gobierno Regional de Arequipa case is currently before the Superior Court. The Company answered the complaint on September 15, 2020. On February 8, 2021, the Judge decided to suspend the proceeding until the del Carpio Lazo case was concluded. On March 24, 2022, SCC’s Peruvian Branch informed the Court that the del Carpio Lazo case had concluded. On March 28, 2022, the Judge cancelled the suspension. On May 24, 2022, the parties presented their closing arguments. On March 15, 2023, the Judge dismissed the lawsuit. The plaintiff missed the chance to appeal the ruling, therefore, the Judge declared the case had concluded in favor of SCC’s Peruvian Branch. On October 20, 2023 the Superior Court declared that the plaintiff had not been properly informed of the ruling and ordered issuance of a new notification of the First Instance ruling. The Superior Court instructed the First Instance Court to inform the *Gobierno Regional de Arequipa* that it must establish a new address to ensure proper notification. On April 16, 2024, the *Gobierno Regional de Arequipa* filed an appeal against the first instance decision. The Superior court notified the Company of the appeal, and SCC responded on June 10, 2024. An oral hearing is scheduled for August 7, 2024. As of June 30, 2024, the case is pending resolution.

The Municipalidad Distrital de Dean Valdivia case is currently before the lower court. On August 17, 2022, the Company was formally notified of the lawsuit and answered the complaint on September 2, 2022. SCC’s Peruvian Branch informed the Court the result of the del Carpio Lazo case. As of June 30, 2024, the case is pending resolution.

The Company asserts that these lawsuits are without merit and is vigorously defending against them. The potential contingency amount for these cases cannot be reasonably estimated by management at this time.

Special Regional Pasto Grande Project (“Pasto Grande Project”)

In 2012, the Pasto Grande Project, an entity of the Regional Government of Moquegua, filed a lawsuit against SCC’s Peruvian Branch alleging property rights over a certain area used by the Peruvian Branch and seeking the demolition of the tailings dam where SCC’s Peruvian Branch has deposited its tailings from the Toquepala and Cuajone operations since 1995. The Peruvian Branch has had title to use the area in question since 1960 and has constructed and operated the tailings dams with proper governmental authorization since 1995. Following a motion filed by the Peruvian Branch, the lower court included MINEM as a defendant in this lawsuit. MINEM has answered the complaint and denied the validity of the claim. On July 2, 2022, the case was temporarily archived. On May 26, 2023, the Judge ordered termination of the proceeding due to the lack of interest of the plaintiff. On June 2, 2023, the plaintiff appealed the termination of the proceeding. On September 18, 2023, the Superior Court reversed the termination and ordered the Judge to continue the proceeding. As of June 30, 2024, the case is pending resolution.

SCC's Peruvian Branch asserts that the lawsuit is without merit and is vigorously defending against it. The amount of this contingency cannot be reasonably estimated by management at this time.

Mexican operations:

The Accidental Spill at Buenavista Mine of 2014

Regarding the 2014 accidental spill of copper sulfate solution at a leaching pond in the Buenavista mine, the following legal procedures are pending against the Company:

On August 19, 2014, PROFEPA, as part of the administrative proceeding initiated after the spill, announced the filing of a criminal complaint against Buenavista del Cobre S.A. de C.V. ("BVC"), a subsidiary of the Company to determine those responsible for environmental damages. During the second quarter of 2018, the criminal complaint was dismissed. This decision was appealed and was pending resolution as of June 30, 2024. On October 12, 2023, SEMARNAT publicly announced the filing of another criminal complaint regarding the Sonora River spill, arguing that remediation of damages to the river was incomplete and compensation for said damages was insufficient. The Company has been directed to provide information regarding remediation activities and compensation for damages. In due course, BVC will analyze this new complaint. Nonetheless, the Company strongly believes that it has duly completed all remediation and compensation-related activities as required by the competent Mexican authorities and as such, this new complaint lacks merit.

Through the first half of 2015, six collective action lawsuits were filed in federal courts in Mexico City and Sonora against two subsidiaries of the Company seeking economic compensation, clean up and remedial activities in order to restore the environment to its pre-existing conditions. Three of the collective action lawsuits have been dismissed by the court. As of June 30, 2024, three lawsuits are still pending: two were filed by Acciones Colectivas de Sinaloa, A.C. and one, by Defensa Colectiva, A.C.; requesting precautionary measures about construction of facilities for monitoring public health services and prohibiting the closure of the Rio Sonora Trust.

Similarly, during 2015, eight civil action lawsuits were filed against BVC in the state courts of Sonora seeking damages for alleged injuries and for moral damages as a consequence of the spill. The plaintiffs in the state court lawsuits are: Jose Vicente Arriola Nunez et al; Santana Ruiz Molina et al; Andres Nogales Romero et al; Teodoro Javier Robles et al; Gildardo Vasquez Carvajal et al; Rafael Noriega Souffle et al; Grupo Banamichi Unido de Sonora El Dorado, S.C. de R.L. de C.V; and Marcelino Mercado Cruz. In 2016, three additional civil action lawsuits, claiming similar damages, were filed by Juan Melquicedec Lebaron; Blanca Lidia Valenzuela Rivera et al and Ramona Franco Quijada et al. In 2017, BVC was served with thirty-three additional civil action lawsuits, claiming similar damages. The lawsuits were filed by Francisco Javier Molina Peralta et al; Anacleto Cohen Machini et al; Francisco Rafael Alvarez Ruiz et al; Jose Alberto Martinez Bracamonte et al; Gloria del Carmen Ramirez Duarte et al; Flor Margarita Sabori et al; Blanca Esthela Ruiz Toledo et al; Julio Alfonso Corral Dominguez et al; Maria Eduwiges Bracamonte Villa et al; Francisca Marquez Dominguez et al; Jose Juan Romo Bravo et al; Jose Alfredo Garcia Leyva et al; Gloria Irma Dominguez Perez et al; Maria del Refugio Romero et al; Miguel Rivas Medina et al; Yolanda Valenzuela Garrobo et al; Maria Elena Garcia Leyva et al; Manuel Alfonso Ortiz Valenzuela et al; Francisco Alberto Arvayo Romero et al; Maria del Carmen Villanueva Lopez et al; Manuel Martin Garcia Salazar; Miguel Garcia Arguelles et al; Dora Elena Rodriguez Ochoa et al; Honora Eduwiges Ortiz Rodriguez et al; Francisco Jose Martinez Lopez et al; Maria Eduwiges Lopez Bustamante; Rodolfo Barron Villa et al, Jose Carlos Martinez Fernandez et al, Maria de los Angeles Fabela et al; Rafaela Edith Haro et al; Luz Mercedes Cruz et al; Juan Pedro Montaño et al; and Juana Irma Alday Villa. In the first quarter of 2018, BVC was served with another civil action lawsuit, claiming similar damages. The lawsuit was filed by Alma Angelina Del Cid Rivera et al. In the last quarter of 2018, BVC was served with other three civil action lawsuits, claiming similar damages, these lawsuits were filed by Los Corrales de la Estancia, S.C. de R.L.; Jose Antonio Navarro; Jesus Maria Peña Molina, et al; these three actions were dismissed by the court, because they have expired. As of June 30, 2024, forty-five cases were pending resolution.

In 2015, four constitutional lawsuits (juicios de amparo) were filed before Federal Courts against various authorities and against a subsidiary of the Company, arguing; (i) the alleged lack of a waste management program approved by SEMARNAT; (ii) the alleged lack of a remediation plan approved by SEMARNAT with regard to the August 2014 spill; (iii) the alleged lack of community approval regarding the environmental impact authorizations granted by SEMARNAT to one subsidiary of the Company; and (iv) the alleged inactivity of the authorities with regard of the spill in August 2014. The plaintiffs of these lawsuits are: Francisca Garcia Enriquez, et al filed two lawsuits, Francisco Ramon Miranda, et al and Jesus David Lopez Peralta et al. In the third quarter of 2016, four additional constitutional lawsuits, claiming similar damages were filed by Mario Alberto Salcido et al; Maria Elena Heredia Bustamante et al; Martin Eligio Ortiz Gamez et al; and Maria de los Angeles Enriquez Bacame et al. In the third quarter of 2017, BVC was served with another constitutional lawsuit filed by Francisca García Enriquez et al. In 2018, BVC was served with two additional constitutional lawsuits that were filed against SEMARNAT by Norberto Bustamante et al. With regard to the constitutional lawsuit filed by Maria Elena Heredia Bustamante et al; in which it was claimed the lack of community approval regarding the authorization granted by SEMARNAT to build the new BVC tailings dam, on September 5, 2018, the Supreme Court of Justice issued a resolution establishing that such authorization was granted to BVC in compliance with the applicable legislation. However, SEMARNAT must carry out a public meeting to inform the community of the technical aspects required to build the dam, potential impacts and prevention measures. This public meeting will have no material effects to BVC’s operations. SEMARNAT has carried out the consultation ordered by the Supreme Court. As a result, it has informed the corresponding Judge about its compliance with the resolution, in which BVC was required to implement additional measures of environmental impact prevention, such as: (i) the building of at least three monitoring wells downstream from the curtain of the contingency dam in a period of six months; (ii) monitoring of the groundwater level and water quality every six months; (iii) carrying out rain collection work in order to restore water to the Sonora River basin, with six months granted to present the execution program; (iv) determine the location of wildlife conservation and protection areas and define the need to establish biological corridors; (v) obtain photographic or videographic evidence every six months; (vi) submitting to SEMARNAT two years before the closure and abandonment of the site, or earlier if necessary, the closure program that includes the cleaning and restoration of the soil including Mexican regulation NOM-141; (vii) include the measures in the Environmental Monitoring Program according to the environmental components impacted; and (viii) hiring an external environmental consultant to validate compliance with the current and new conditions imposed. The foregoing does not impact BVC’s operations. Additionally, the lawsuits filed by Maria de los Angeles Enriquez Bacame and Norberto Bustamante have been dismissed and closed without prejudice to the Company. As of June 30, 2024, the remaining cases were pending resolution.

It is currently not possible to determine the extent of the damages sought in these state and federal lawsuits but the Company believes that these lawsuits are without merit. Accordingly, the Company is vigorously defending against them. Nevertheless, the Company believes that none of the legal proceedings resulting from the spill, individually or in the aggregate, would have a material effect on its financial position or results of operations.

Labor matters:

Peruvian operations: 57.9% of the Company's 5,157 Peruvian employees were unionized as of June 30, 2024. Currently, there are six separate unions, none of which represents the majority of workers, as defined by current Peruvian labor legislation. Currently, the Company has bargaining agreements with the six unions.

In the first quarter of 2023, the Company began applying the terms of the agreement entered into with the six unions pursuant to Law 31632, which stipulates new conditions for compensation of leaves granted during COVID-19. Within the current framework of labor regulations and the agreements with all six unions, this compensation has been adapted to align with current working hours of the mining sector. These conditions were in effect until December 1, 2023.

In June 2023, the Company held two meetings with the unions to discuss different issues of collective interest. In these meetings, the unions expressed concerns regarding the current economic situation, including the rise in the cost of living in Peru, as well as issues related to the provision of services granted by the Company. In this regard, in the third quarter of 2023, the Company released a formal response to each union where it is confirmed that there are collective labor agreements in force with each union. These agreements have regulated all the benefits related to salaries and working conditions. The Company has been complying with all its obligations under such collective labor agreements and guarantees it will continue to maintain on-going communication with the unions to ensure harmony.

In the last quarter of 2023, one of the unions which represents 24.7% of affiliated workers in the Company's three productive units, held elections for 2023-2025. Another union, which represents 25.7% of affiliated workers, is in the process of electing its new representatives.

In the second quarter of 2024, meetings were held with five of the Company's six unions. At the meetings, the unions collectively emphasized their requests petition for a "Productivity Bonus" starting in 2024. Additionally, the unions requested that discussions regarding their collective labor agreements move forward. The Company is still evaluating this request.

The Company maintains permanent communication with union representatives to ensure labor harmony and proper management of labor relations. Southern Peru has collective bargaining agreements with each of the six unions, the earliest expiration of these agreements is in 2024 and the latest, in 2027. These agreements regulate benefits related to remuneration and working conditions.

An important development in labor relations with the Company´s unions stems from a ruling by the Peruvian Supreme Court that was notified to the Company on October 23, 2023. After 12 years of litigation, the Court ruled in favor of the Company to settle a suit involving a worker payment the amount of S/11,000 (approximately $2,866.8) that a lower court had ordered the Company to pay to one of the unions in 2011. The Company had been legally pursuing recovery of the total amount paid to the workers. The union has expressed its intention to comply with the court order and to reach an agreement to return the amount paid by the Company.

Mexican operations: In recent years, the Mexican operations have experienced a positive improvement in their labor environment, as workers opted to change their affiliation from the Sindicato Nacional de Trabajadores Mineros, Metalurgicos y Similares de la Republica Mexicana (the "National Mining Union") to other less politicized unions.

The workers of the San Martin mine were on strike since July 2007. On February 28, 2018, the striking workers of the San Martín mine of IMMSA held an election to vote on the union that would hold the collective bargaining agreement at the San Martin mine. The Federacion Nacional de Sindicatos Independientes (the National Federation of Independent Unions) won the vote by a majority. Nevertheless, the vote was challenged by the National Mining Union. On June 26, 2018, the Federal Mediation and Arbitration Board issued a ruling recognizing the election results. Due to the agreement between workers and the Company to end the protracted strike, on August 22, 2018, the Federal Mediation and Arbitration Board authorized the restart of operations of the San Martin mine. Such authorization was challenged by the National Mining Union. On April 4, 2019, the Federal Mediation and Arbitration Board recognized, once again, the election results from February 28, 2018, by which the National Federation of Independent Unions won by a majority. In the last quarter of 2019, a Federal Court issued a resolution that established that the Labor Court should analyze the list of workers with the right to vote in the union election. The Company and the National Federation of Independent Unions challenged such determination before the Supreme Court of Justice. Such challenges were dismissed by the Supreme Court. Consequently, on September 6, 2021, the Federal Mediation and Arbitration Board issued a new resolution determining that, based on the documents submitted by the National Federation of Independent Unions and given the status of the strike until 2018, it was not possible to create a registry of workers holding a right to vote. Therefore, in case of a strike, any collective bargaining proceedings shall remain suspended. On June 9, 2023, the Federal Mediation and Arbitration Board, in a ruling that veered from its previous stance, did not recognize the common representatives of the coalition workers and consequently ruled that the agreement which such representatives had made with the Company to lift the strike in 2018 lacked validity. Notwithstanding, on June 14, 2023 the Federal Mediation and Arbitration Board handed down a ruling that terminated the strike and ordered workers to resume activities within 15 days. The Mining Union filed a protective action (Amparo) against this resolution, which is pending resolution as of June 30, 2024.

Additionally, the Mining Union filed a complaint before the Government of the United States of America under the rules of the Rapid Response Mechanism contained in the Mexico-United States-Canada Treaty (“T-MEC”), alleging denial of free association rights. On April 26, 2024, the arbitration panel of the Labor Rapid Response Mechanism ruled in favor of the Government of Mexico, determining that they did not have jurisdiction to rule on the denial of union rights at the mine. The Company collaborated by providing background information on the case and followed up every stage of the arbitration.

The Company´s operations at the San Martin unit continue to evolve normally and the conflict is expected to be resolved in accordance with the legal framework set by labor authorities; any actions taken will respect the will of the workers

In the case of the Taxco mine, its workers have been on strike since July 2007. After several legal procedures, in August 2015, the Supreme Court decided to assert jurisdiction over the case and to rule on it directly. As of June 30, 2024, the case was pending resolution without further developments.

It is expected that operations at the Taxco mine will remain suspended until the labor issues are resolved. In view of the lengthy strike, the Company has reviewed the carrying value of the Taxco mine to ascertain whether impairment exists. The Company concluded that there is a non-material impairment of the assets located at this mine.

Other legal matters:

The Company is involved in various other legal proceedings incidental to its operations, but the Company does not believe that decisions adverse to it in any such proceedings, individually or in the aggregate, would have a material effect on its financial position or results of operations.

Other commitments:

Peruvian Operations:

Michiquillay

In June 2018, the Company signed a contract for the acquisition of the Michiquillay copper project in Cajamarca, Peru, at a purchase price of $400 million. Michiquillay is a world-class mining project with estimated inferred mineral resources of 2,288 million tonnes with an estimated copper grade of 0.43%. It is expected to produce 225,000 tonnes of copper per year (along with by-products of molybdenum, gold and silver) for an initial mine life of more than 25 years.

As per the purchase agreement, the Company paid $12.5 million at the signing of the contract and $12.5 million in June 2021. The remaining balance of $375.0 million will be paid if the Company decides to develop the project. Therefore, it is not a present obligation. In June 2022, the Company notified the Peruvian authorities of the end of the suspension period and the start of the preoperational period that lasts 12 years and it can be extended for three more years. The start of the preoperational period does not imply a payment obligation. The Company must support an investment of $20 million in the next five years which includes exploration activities as well as the development of social programs.

In 2021, the Company signed social agreements with the Michiquillay and La Encañada communities. In addition, in October 2021, the Peruvian Ministry of Energy and Mines approved the semi-detailed environmental impact study for the project. In the last quarter of 2022, the Company informed MINEM that exploration activities had begun and that it initiated an in-depth assessment of existing mineral resources. In 2023, in accordance with the social agreements with the Michiquillay and La Encañada communities, the Company has hired unskilled labor and is paying for the use of surface land. The Company is supporting social programs in both communities. Additionally, the Company continues exploration activities on this project and as of June 30, 2024, total advancement on the project stood at 30%. We have drilled 104,000 meters and obtained 33,991 core samples for chemical analysis. Diamond drilling is underway, which will provide data for cross-section interpretation, geological modeling and resource evaluation. We expect to begin hydrogeological and geotechnical studies soon, and will also assess the results of metallurgical testing at the deposit.

Social agreements with the Michiquillay and La Encañada communities represent an opportunity to improve quality of life for their residents through the Company´s strong social programs, backed by a solid framework for technical work at the project level. The main commitments signed by the Company regarding the social agreements are related to providing support for agricultural and livestock activities, financial support for local initiatives, and social programs in favor of education, water management, waste disposal, and healthcare for vulnerable groups.

Corporate Social Responsibility

The Company has a corporate social responsibility policy to maintain and promote the continuity of its mining operations while obtaining the best results. The main objective of this policy is to integrate the Company´s operations with local communities in the areas of influence of its operations by creating permanent positive relationships to develop optimum social conditions and promote sustainable development in the area. Accordingly, the Company has made the following commitments:

Tacna Region: In connection with the Toquepala concentrator expansion, the Company has committed to fund various social and infrastructure improvement projects in Toquepala's neighboring communities. The total amount committed for these purposes is S/445.0 million (approximately $116.0 million). In relation to this commitment, the Company has completed the construction of a school with an investment of S/18.8 million (approximately $4.9 million) and agricultural infrastructure projects and studies with an investment of S/112.0 million (approximately $29.2 million). Among the most important projects are the construction of the Cularjahuira dam for S/15.6 million (approximately $4.1 million) and is preparing the engineering study for the Callazas dam for S/2.6 million (approximately $0.7 million). Aditionally, the Company has committed S/ 60.4 million ($15.7 million) to basic infrastructure projects, including a drinking water project for S/ 9.6 million (approximately $2.5 million) which was recently completed.

As the Toquepala expansion project was completed, the Company considers that these commitments constitute present obligations of the Company and consequently has recorded a liability of $21.4 million in its consolidated financial statements as of June 30, 2024.

In addition, the Company has committed S/102.1 million (approximately $26.6 million) for the construction of a high-achievement school in the Tacna region under the "Works for Taxes" (*obras por impuestos*) program, which allows the Company to use these amounts as an advance payment of taxes..

Moquegua Region: In the Moquegua region, the Company participates in a "development roundtable" with local municipal authorities and community representatives to discuss social needs to determine how the Company can contribute to sustainable development in the region. Although the development roundtable is not currently meeting, during previous sessions it discussed the possibility of creating a Moquegua Region Development Fund, for which the Company has offered a contribution of S/1,000 million (approximately $260.6 million). While the final funding agreement has yet to be signed, the Company has already committed to contributing S/251.3 million (approximately $65.5 million) to different projects, including S/108.4 million (approximately $28.3 million) to fund an educational project for which S/106.7 million (approximately $27.8 million) has already been invested; this project is close to completion. Additionally outlays have begun to build a residual water treatment plant in Ilo, which entails a total investment of S/105.5 million (approximately $27.5 million), as of June 30, 2024, the project had advanced 46%. There are civil works ongoing and the procurement process has already started. Also, sanitation permits are under review by the Municipal authorities and the Company´s legal area. On the education front, S/18.2 million (approximately $4.7 million) has been executed to build three schools in Moquegua, all of which have been completed. Lastly, S/7.0 million (approximately $1.8 million) has been invested to develop agricultural infrastructure projects and S/12.1 million (approximately $3.2 million) has been invested to develop sidewalks in Pacocha and other efforts.

In addition, the Company has committed S/233.0 million (approximately $60.7 million) to build four infrastructure projects in the Moquegua region and has financed pre-investment studies for basic sanitation for S/0.3 million (approximately $0.1 million), all of that under the "Works for Taxes" (obras por impuestos) program, which allows the Company to use these amounts as an advance payment of taxes.

Apurimac Region: The Company has committed S/83.7 million (approximately $21.8 million) to build two educational infrastructure projects under the “Works for Taxes” (obras por impuestos) program, which allows the Company to use these amounts as an advance payment of taxes.

Arequipa Region: The Company has committed S/109.5 million (approximately $28.5 million) to build two educational infrastructure projects and S/ 6.3 million ($1.6 million) to finance previous studies for infrastructure projects, under the “Works for Taxes” (obras por impuestos) program, which allows the Company to use these amounts as an advance payment of taxes.

Power purchase agreements

- *Electroperu S.A.:* In June 2014, the Company entered into a power purchase agreement for 120 megawatts (“MW”) with the state power company Electroperu S.A., under which Electroperu S.A. began supplying energy for the Peruvian operations for twenty years starting on April 17, 2017.

- *Kallpa Generacion S.A. (“Kallpa”):* In July 2014, the Company entered into a power purchase agreement for 120MW with Kallpa, an independent Israeli owned power company, under which Kallpa will supply energy for the Peruvian operations for ten years starting on April 17, 2017 and ending on April 30, 2027. In May 2016, the Company signed an additional power purchase agreement for a maximum of 80MW with Kallpa, under which Kallpa began supplying energy for the Peruvian operations related to the Toquepala Expansion and other minor projects starting on May 1, 2017 and ending on October 31, 2029.

Mexican operations:

Power purchase agreements

- *MGE:* In 2012, the Company signed a power purchase agreement with MGE, an indirect subsidiary of Grupo Mexico, to supply power to some of the Company’s Mexican operations through 2032. For further information, please see Note 5 “Related party transactions”.

- *Eolica el Retiro, S.A.P.I. de C.V.:* In 2013, the Company signed a power purchase agreement with Eolica el Retiro, S.A.P.I. de C.V. a windfarm energy producer that is an indirect subsidiary of Grupo Mexico, to supply power to some of the Company´s Mexican operations. For further information, please see Note 5 “Related party transactions”.

- *Parque Eolico de Fenicias, S. de R.L. de C.V.:* On February 20, 2020, the Company signed a power purchase agreement with Parque Eolico de Fenicias, S. de R.L. de C.V., an indirect subsidiary of Grupo Mexico, to supply 611,400 MWh of power per year to some of the Company´s Mexican operations for 20 years. This agreement is expected to take effect in the second half of 2024.

Corporate operations:

Commitment for capital projects

As of June 30, 2024, the Company had committed approximately $274.7 million to the development of its capital investment projects at its operations.

Tax contingency matters: Tax contingencies are provided for under ASC 740-10-50-15 Uncertain tax position (see Note 4 “Income taxes”).

NOTE 10 — STOCKHOLDERS'EQUITY:

Treasury Stock:

Activity in treasury stock in the six-month period ended June 30, 2024 and 2023 is as follows (in millions):

	2024	2023
Southern Copper common shares		
Balance as of January 1,	$ 2,766.7	$ 2,766.9
Used for corporate purposes	(199.7)	(0.1)
Balance as of June 30,	2,566.9	2,766.8
Parent Company (Grupo Mexico) common shares		
Balance as of January 1,	382.3	340.7
Other activity, including dividend, interest and foreign currency transaction effect	(3.1)	24.3
Balance as of June 30,	379.3	365.0
Treasury stock balance as of June 30,	$ 2,946.2	$ 3,131.8

(*) Less than $0.1 million.

Common Stock:

In September 2022, Grupo Mexico, through its wholly owned subsidiary AMC, purchased 350,000 shares of SCC's Common Stock. With this purchase and the Company's repurchase of shares of its Common Stock, the indirect ownership of Grupo Mexico increased to 88.92% at December 31, 2022.

Southern Copper Common Shares:

On May 23, 2024 the Company paid a dividend of 0.0104 shares per common share which represents a reduction of 8,039,992 shares of common stock in Treasury for a total of $199.5 million

On June 30, 2024 and on December 31, 2023, 103,436,825 and 111,485,617 shares of SCC's common stock were in Treasury, respectively.

Directors' Stock Award Plan:

The Company has established a Director´s Stock Award Plan for certain non-employee directors. Southern Copper has reserved 600,000 shares of common stock for the plan. Under this plan, participants are entitled to an award of 1,600 shares of common stock upon election to the Board of Directors and are eligible to receive 1,600 additional shares of common stock per year thereafter. Commencing with the second quarter of 2021, Directors receive quarterly awards of 400 shares, contingent upon attendance of each quarterly Board meeting. The fair value of the award is measured each year at the date of the grant. On May 27, 2022, the Company's stockholders approved a five-year extension of the Plan until January 27, 2028. The award is not subject to vesting requirements.

For the first six months of 2024 and 2023, the stock-based compensation expense associated with this plan amounted $0.9 million and $0.5 million, respectively.

The activity of this plan for the years ended June 30, 2024 and 2023 was as follows:

	2024	2023
Total SCC shares reserved for the plan	600,000	600,000
Total shares granted at January 1,	(428,800)	(416,800)
Granted in the period	(8,800)	(6,400)
Total shares granted at June 30,	(437,600)	(423,200)
Remaining shares reserved	162,400	176,800

Parent Company common shares:

Total common shares of Grupo Mexico held by the treasury stood at 65,082,830 and 69,277,412 as of June 30, 2024 and June 30, 2023, respectively.

Employee Stock Purchase Plan:

2018 Plan: In November 2018, the Company offered a new stock purchase plan (the "New Employee Stock Purchase Plan") to eligible employees through a trust that acquires series B shares of Grupo Mexico stock for sale to its employees, and employees of subsidiaries, and certain affiliated companies. The purchase price was established at 37.89 Mexican pesos (approximately $1.86) for the initial subscription, which expires in October 2026. Every two years employees will be able to acquire title to 50% of the shares paid in the previous two years. The employees will pay for shares purchased through monthly payroll deductions over the eight-year period of the plan. At the end of the eight-year period, the Company will grant the participant a bonus of 1 share for every 10 shares purchased by the employee. Any future subscription will be at the average market price at the date of acquisition or the grant date.

If Grupo Mexico pays dividends on shares during the eight-year period, the participants will be entitled to receive the dividend in cash for all shares that have been fully purchased and paid as of the date that the dividend is paid. If the participant has only partially paid for shares, the entitled dividends will be used to reduce the remaining liability owed for purchased shares.

In the case of voluntary or involuntary resignation/termination of the employee, the Company will pay to the employee the fair market sales price on the date of resignation of the fully paid shares, net of costs and taxes. When the fair market sales value of the shares is higher than the purchase price, the Company will apply a deduction over the amount to be paid to the employee based on a decreasing schedule specified in the plan.

In case of retirement or death of the employee, the Company will render the buyer or his legal beneficiary, the fair market sales value as of the date of retirement or death of the shares effectively paid, net of costs and taxes.

The stock based compensation expense for the six-month period ended June 30, 2024 and 2023 and the unrecognized compensation expense under this plan were as follows (in millions):

	2024	2023
Stock based compensation expense	$ 0.3	$ 0.3
Unrecognized compensation expense	$ 1.4	$ 2.1

The following table presents the stock award activity of this plan for the six-month period ended June 30, 2024 and 2023:

	Shares	Unit Weighted Average Grant Date Fair Value
Outstanding shares at January 1, 2024	1,962,936	$ 1.86
Granted		—
Exercised	(41,742)	$ 1.86
Forfeited		—
Outstanding shares at June 30, 2024	1,921,194	$ 1.86
Outstanding shares at January 1, 2023	2,754,506	$ 1.86
Granted	—	—
Exercised	(694,565)	1.86
Forfeited	—	—
Outstanding shares at June 30, 2023	2,059,941	$ 1.86

Executive Stock Purchase Plan:

Grupo Mexico also offers a stock purchase plan to certain members of its executive management; to executive management at its subsidiaries; and to certain affiliated companies. Under this plan, participants will receive cash incentive bonuses to purchase shares of Grupo Mexico, which are deposited in a trust.

Non-controlling interest:

The following table presents the non-controlling interest activity the six-month period ended June 30, 2024 and 2023 (in millions):

	2024	2023
Balance as of January 1,	$ 63.1	$ 62.7
Net earnings	6.4	4.9
Dividend paid	(1.8)	(4.6)
Balance as of June 30,	$ 67.7	$ 63.0

NOTE 11 — FAIR VALUE MEASUREMENT:

Subtopic 820-10 of ASC "Fair value measurement and disclosures — Overall" establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under Subtopic 820-10 are described below:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 - Inputs that are observable, either directly or indirectly, but do not qualify as Level 1 inputs. (i.e., quoted prices for similar assets or liabilities).

Level 3 - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The carrying amounts of certain financial instruments, including cash and cash equivalents, accounts receivable (other than accounts receivable associated with provisionally priced sales) and accounts payable approximate fair value due to their short maturities. Consequently, such financial instruments are not included in the following table, which provides information about the carrying amounts and estimated fair values of other financial instruments that are not measured at fair value in the condensed consolidated balance sheet as of June 30, 2024 and December 31, 2023 (in millions):

	At June 30, 2024		At December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Liabilities:				
Long-term debt level 1	$ 6,205.3	$ 6,217.9	$ 6,203.4	$ 6,431.9
Long-term debt level 2	51.2	54.7	51.2	54.0
Total long-term debt	$ 6,256.5	$ 6,272.6	$ 6,254.6	$ 6,485.9

Long-term debt is carried at amortized cost and its estimated fair value is based on quoted market prices classified as Level 1 in the fair value hierarchy except for the case of the Yankee bonds, which qualify as Level 2 in the fair value hierarchy as they are based on quoted prices in markets that are not active.

Fair values of assets and liabilities measured at fair value on a recurring basis were calculated as follows as of June 30, 2024 and December 31, 2023 (in millions):

Description	Fair Value as of June 30, 2024	Fair Value at Measurement Date Using: Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Short term investment:				
—Trading securities	$ 328.9	$ 328.9	$ —	$ —
—Available-for-sale debt securities:				
Asset backed securities	(*)	—	(*)	—
Mortgage backed securities	0.1	—	0.1	—
Accounts receivable:				
—Embedded derivatives—Not classified as hedges:				
Provisionally priced sales:				
Copper	834.0	834.0	—	—
Molybdenum	371.1	371.1	—	—
Total	$ 1,534.2	$ 1,534.0	$ 0.2	$ —

(*) Less than $0.1 million

Description	Fair Value as of December 31, 2023	Fair Value at Measurement Date Using: Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Short term investment:				
—Trading securities	$ 599.1	$ 599.1	$ —	$ —
—Available-for-sale debt securities:				
Asset backed securities	0.1	—	0.1	—
Mortgage backed securities	0.1	—	0.1	—
Accounts receivable:				
—Embedded derivatives-Not classified as hedges:				
Provisionally priced sales:				
Copper	657.5	657.5	—	—
Molybdenum	264.9	264.9	—	—
Total	$ 1,521.7	$ 1,521.5	$ 0.2	$ —

The Company's short-term trading securities investments were classified as Level 1 because they were valued using quoted prices of the same securities as they consisted of bonds issued by public companies and were publicly traded. The Company's short-term available-for-sale investments are classified as Level 2 because they are valued using quoted prices for similar investments.

The Company's accounts receivables associated with provisionally priced copper sales are valued using quoted market prices based on the forward price on the LME or on the COMEX. Such value is classified within Level 1 of the fair value hierarchy. Molybdenum prices are established by reference to the publication Platts Metals Week and are considered Level 1 in the fair value hierarchy.

NOTE 12 — REVENUE:

The Company’s net sales were $3,118.3 million and $5,718.1 million in the three and six-month period ended June 30, 2024, compared to $2,300.7 million and $5,094.6 million in the same period of 2023. The geographic breakdown of the Company’s sales is as follows (in millions):

	Three Months Ended June 30, 2024				
	Mexican Open-Pit	**Mexican IMMSA Unit**	**Peruvian Operations**	**Corporate & Elimination**	**Consolidated**
The Americas:					
Mexico	$ 654.7	$ 121.0	$ 9.3	$ (41.3)	$ 743.8
United States	325.4	0.3	63.5		389.2
Peru	—	10.6	168.2	(10.8)	167.9
Brazil	—	13.1	127.9		141.0
Chile	—	—	131.9		131.9
Other American countries	13.5	—	7.2		20.7
Europe:					
Switzerland	152.3	25.4	196.9		374.6
Italy	—	6.4	108.4		114.8
Spain	131.3	—	25.8		157.1
Other European countries	29.0	4.0	132.5		165.6
Asia:					
China	334.7	2.4	60.2		397.3
Singapore	45.7	2.0	28.6		76.3
Japan	27.2	—	155.3		182.5
Other Asian countries	24.7	—	30.9		55.6
Total	$ 1,738.5	$ 185.2	$ 1,246.7	$ (52.1)	$ 3,118.3

(*) Less than $0.1 million.

	Three Months Ended June 30, 2023				
	Mexican Open-Pit	**Mexican IMMSA Unit**	**Peruvian Operations**	**Corporate & Elimination**	**Consolidated**
The Americas:					
Mexico	$ 529.5	$ 117.9	$ —	$ (32.4)	$ 615.0
United States	237.8	1.3	104.1	—	343.2
Peru	—	6.1	109.0	(6.2)	108.9
Brazil	—	4.4	78.9	—	83.3
Chile	(3.2)	—	63.7	—	60.5
Other American countries	10.7	0.5	8.8	—	20.0
Europe:					
Switzerland	174.5	3.4	181.0	—	358.9
Italy	0.4	3.1	93.3	—	96.8
Spain	88.6	—	19.4	—	108.0
Other European countries	14.1	3.4	43.9	—	61.4
Asia:					
China	139.3	1.0	28.9	—	169.2
Singapore	64.7	—	51.9	—	116.6
Japan	30.1	—	101.7	—	131.8
Other Asian countries	24.7	0.1	2.3	—	27.1
Total	$ 1,311.2	$ 141.2	$ 886.9	$ (38.6)	$ 2,300.7

	Six Months Ended June 30, 2024				
	Mexican Open-Pit	Mexican IMMSA Unit	Peruvian Operations	Corporate & Elimination	Consolidated
The Americas:					
Mexico	$ 1,246.0	$ 227.2	$ 17.2	$ (74.3)	$ 1,416.1
United States	597.6	2.0	102.2		701.8
Peru	—	19.0	334.1	(19.1)	334.0
Brazil	—	22.0	243.9		265.9
Chile	—	—	226.4		226.4
Other American countries	20.7	—	11.3		32.0
Europe:					
Switzerland	314.1	40.7	248.9		603.6
Italy	(*)	12.5	183.7		196.1
Spain	241.6	—	45.7		287.2
Other European countries	87.6	5.4	239.4		332.4
Asia:					
China	510.3	3.5	169.9		683.7
Singapore	63.3	(0.6)	70.9		133.6
Japan	81.3	—	346.2		427.5
Other Asian countries	42.0	—	35.6		77.7
Total	$ 3,204.4	$ 331.6	$ 2,275.4	$ (93.4)	$ 5,718.1

(*) Less than $0.1 million.

	Six Months Ended June 30, 2023				
	Mexican Open-Pit	Mexican IMMSA Unit	Peruvian Operations	Corporate & Elimination	Consolidated
The Americas:					
Mexico	$ 1,190.4	$ 254.9	$ —	$ (68.9)	$ 1,376.4
United States	594.5	8.6	252.4	—	855.5
Peru	—	7.8	273.4	(7.9)	273.3
Brazil	—	15.3	176.1	—	191.4
Chile	(8.4)	—	169.7	—	161.3
Other American countries	20.2	0.6	15.0	—	35.8
Europe:					
Switzerland	311.3	12.0	284.5	—	607.8
Italy	0.2	9.5	210.4	—	220.1
Spain	212.5	—	19.4	—	231.9
Other European countries	73.7	10.8	97.2	—	181.7
Asia:					
China	292.6	1.0	58.6	—	352.2
Singapore	108.8	—	109.2	—	218.0
Japan	92.0	—	239.3	—	331.3
Other Asian countries	50.3	0.2	7.4	—	57.9
Total	$ 2,938.1	$ 320.7	$ 1,912.6	$ (76.8)	$ 5,094.6

The following table presents information regarding the sales value by reporting segment of the Company's significant products for the three and six-month period ended June 30, 2024 and 2023 (in millions):

Three Months Ended June 30, 2024	Mexican Open-pit	Mexican IMMSA Unit	Peruvian Operations	Corporate, Other & Eliminations	Total Consolidated
Copper	$ 1,347.1	$ 41.8	$ 1,001.7	$ (24.0)	$ 2,366.6
Molybdenum	213.3	—	166.0	—	379.2
Silver	91.5	52.1	39.9	(26.3)	157.2
Zinc	44.8	70.1	—	(0.1)	114.9
Other	41.8	21.1	39.2	(1.8)	100.3
Total	$ 1,738.5	$ 185.2	$ 1,246.7	$ (52.1)	$ 3,118.3

Three Months Ended June 30, 2023	Mexican Open-pit	Mexican IMMSA Unit	Peruvian Operations	Corporate, Other & Eliminations	Total Consolidated
Copper	$ 1,042.7	$ 21.9	$ 735.0	$ (17.1)	$ 1,782.5
Molybdenum	170.5	—	83.9	—	254.4
Zinc	54.2	38.2	25.2	(18.9)	98.7
Silver	—	63.3	—	(0.3)	63.0
Other	43.8	17.8	42.8	(2.3)	102.1
Total	$ 1,311.2	$ 141.2	$ 886.9	$ (38.6)	$ 2,300.7

Six Months Ended June 30, 2024	Mexican Open-pit	Mexican IMMSA Unit	Peruvian Operations	Corporate, Other & Eliminations	Total Consolidated
Copper	$ 2,553.3	$ 69.3	$ 1,830.7	$ (42.9)	$ 4,410.3
Molybdenum	357.8	—	295.0	—	652.8
Silver	158.1	87.6	71.0	(48.0)	268.7
Zinc	49.1	135.4	—	0.6	185.0
Other	86.1	39.4	78.8	(3.0)	201.2
Total	$ 3,204.4	$ 331.6	$ 2,275.4	$ (93.4)	$ 5,718.1

Six Months Ended June 30, 2023	Mexican Open-pit	Mexican IMMSA Unit	Peruvian Operations	Corporate, Other & Eliminations	Total Consolidated
Copper	$ 2,383.3	$ 41.4	$ 1,539.9	$ (34.3)	$ 3,930.3
Molybdenum	331.2	—	224.8	—	556.0
Zinc	119.5	81.0	50.7	(37.4)	213.8
Silver	—	154.8	—	0.3	155.1
Other	104.1	43.5	97.2	(5.4)	239.4
Total	$ 2,938.1	$ 320.7	$ 1,912.6	$ (76.8)	$ 5,094.6

The opening and closing balances of receivables by reporting segment of the Company were as follows (in millions):

	Mexican Open-Pit	Mexican IMMSA Unit	Peruvian Operations	Corporate & Elimination	Consolidated
As of June 30, 2024:					
Trade receivables	$ 913.6	$ 71.0	$ 637.7	$	$ 1,622.3
Related parties, current	43.8	25.6	0.3	(52.8)	16.9
As of December 31, 2023:					
Trade receivables	$ 556.3	$ 49.1	$ 535.7	$ —	$ 1,141.1
Related parties, current	25.7	0.9	0.8	(0.1)	27.3

As of June 30, 2024, the Company has long-term contracts with promises to deliver the following products in 2024:

Copper concentrates (in tonnes)	177,500
Copper cathodes (in tonnes)	48,000
Molybdenum concentrates (in tonnes)	23,543
Sulfuric acid (in tonnes)	271,628

Provisionally priced sales: At June 30, 2024, the Company has recorded provisionally priced sales of copper at average forward prices per pound, and molybdenum at the June 30, 2024 market price per pound. These sales are subject to final pricing based on the average monthly London Metal Exchange ("LME"), or New York Commodities Exchange ("COMEX"), copper prices and Dealer Oxide molybdenum prices in the future month of settlement.

Following are the provisionally priced copper and molybdenum sales outstanding at June 30, 2024:

	Sales volume (million lbs.)	Priced at (per pound)	Month of settlement
Copper	190.7	4.37	July 2024 through October 2024
Molybdenum	16.2	22.90	July 2024 through October 2024

The provisional sales price adjustment included in accounts receivable and net sales as of June 30, 2024 incorporates a positive adjustments of 12.2 million for copper and 20.2 million for molybdenum.

Management believes that the final pricing of these sales will not have a material effect on the Company's financial position or on operating results.

NOTE 13 — SEGMENT AND RELATED INFORMATION:

Company management views Southern Copper as having three reportable segments and manages it on the basis of these segments. The reportable segments identified by the Company are: the Peruvian operations, the Mexican open-pit operations and the Mexican underground mining operations segment identified as the IMMSA unit.

The three reportable segments identified are groups of mines, each of which constitute an operating segment, with similar economic characteristics, types of products, processes and support facilities, similar regulatory environments, similar employee bargaining contracts and similar currency risks. In addition, each mine within the individual group earns revenues from similar types of customers for their products and services and each group incurs expenses independently, including commercial transactions between groups.

Financial information is regularly prepared for each of the three segments and the results of the Company's operations are regularly reported to the Chief Operating Decision Maker ("CODM") on the segment basis. The CODM of the Company focuses on operating income and on total assets as measures of performance to evaluate different segments and to make decisions to allocate resources to the reported segments. These are common measures in the mining industry.

Financial information relating to Southern Copper's segments is as follows:

	Three Months Ended June 30, 2024 (in millions)				
	Mexican Open-pit	Mexican IMMSA Unit	Peruvian Operations	Corporate, other and eliminations	Consolidated
Net sales outside of segments	$ 1,738.5	$ 133.1	$ 1,246.7	$ —	$ 3,118.3
Intersegment sales	—	52.1	—	(52.1)	(0.0)
Cost of sales (exclusive of depreciation, amortization and depletion)	663.0	109.9	526.1	(50.1)	1,248.9
Selling, general and administrative	18.1	3.3	9.7	2.8	33.9
Depreciation, amortization and depletion	102.6	18.2	79.8	9.0	209.6
Exploration	2.4	2.6	10.7	2.9	18.6
Operating income	**$ 952.4**	**$ 51.1**	**$ 620.4**	**$ (16.7)**	**1,607.3**
Less:					
Interest, net					(56.8)
Other income (expense)					(19.9)
Income taxes					(578.8)
Equity earnings of affiliate					2.0
Non-controlling interest					(3.6)
Net income attributable to SCC					**$ 950.2**
Capital investment	$ 234.7	$ 29.4	$ 65.9	$ 1.8	$ 331.8
Property and mine development, net	$ 4,687.2	$ 775.0	$ 3,766.7	$ 642.6	$ 9,871.5
Total assets	$ 9,164.4	$ 1,214.7	$ 5,735.6	$ 1,663.0	$ 17,777.7

	Three Months Ended June 30, 2023 (in millions)				
	Mexican Open-pit	Mexican IMMSA Unit	Peruvian Operations	Corporate, other and eliminations	Consolidated
Net sales outside of segments	$ 1,311.2	$ 102.6	$ 886.9	$ —	$ 2,300.7
Intersegment sales	—	38.6	—	(38.6)	—
Cost of sales (exclusive of depreciation, amortization and depletion)	572.0	122.8	470.4	(17.5)	1,147.7
Selling, general and administrative	16.9	2.3	9.5	2.3	31.0
Depreciation, amortization and depletion	115.7	17.3	82.8	(6.6)	209.2
Exploration	1.4	1.7	7.5	1.5	12.1
Operating income	**$ 605.2**	**$ (2.9)**	**$ 316.7**	**$ (18.3)**	**900.7**
Less:					
Interest, net					(58.4)
Other income (expense)					5.6
Income taxes					(294.5)
Equity earnings of affiliate					(3.8)
Non-controlling interest					(2.1)
Net income attributable to SCC					**$ 547.5**
Capital investment	$ 149.1	$ 33.7	$ 66.6	$ 3.1	$ 252.5
Property and mine development, net	$ 4,705.8	$ 704.9	$ 3,636.5	$ 640.9	$ 9,688.1
Total assets	$ 8,976.3	$ 1,130.7	$ 4,648.9	$ 2,183.6	$ 16,939.5

	Six Months Ended June 30, 2024 (in millions)				
	Mexican Open-pit	Mexican IMMSA Unit	Peruvian Operations	Corporate, other and eliminations	Consolidated
Net sales outside of segments	$ 3,204.4	$ 238.2	$ 2,275.4	$ —	$ 5,718.1
Intersegment sales	—	93.4	—	(93.4)	(0.0)
Cost of sales (exclusive of depreciation, amortization and depletion)	1,257.6	239.6	1,000.7	(91.5)	2,406.5
Selling, general and administrative	35.2	5.9	19.1	4.6	64.8
Depreciation, amortization and depletion	202.3	37.4	161.2	17.7	418.6
Exploration	6.0	4.4	16.5	4.4	31.2
Operating income	**$ 1,703.3**	**$ 44.4**	**$ 1,077.9**	**$ (28.7)**	**2,797.0**
Less:					
Interest, net					(109.9)
Other income (expense)					(0.9)
Income taxes					(1,002.1)
Equity earnings of affiliate					8.6
Non-controlling interest					(6.4)
Net income attributable to SCC					**$ 1,686.2**
Capital investment	$ 341.7	$ 61.2	$ 136.4	$ 6.2	$ 545.6
Property and mine development, net	$ 4,687.2	$ 775.0	$ 3,766.7	$ 642.6	$ 9,871.5
Total assets	$ 9,164.4	$ 1,214.7	$ 5,735.6	$ 1,663.0	$ 17,777.7

	Six Months Ended June 30, 2023 (in millions)				
	Mexican Open-pit	Mexican IMMSA Unit	Peruvian Operations	Corporate, other and eliminations	Consolidated
Net sales outside of segments	$ 2,938.1	$ 243.9	$ 1,912.6	$ —	$ 5,094.6
Intersegment sales	—	76.8	—	(76.8)	—
Cost of sales (exclusive of depreciation, amortization and depletion)	1,190.4	278.2	951.7	(78.4)	2,341.9
Selling, general and administrative	32.8	5.3	18.5	4.8	61.4
Depreciation, amortization and depletion	191.2	34.8	164.4	22.5	412.9
Exploration	2.7	3.9	12.1	5.3	24.0
Operating income	**$ 1,521.0**	**$ (1.5)**	**$ 765.9**	**$ (31.0)**	**2,254.4**
Less:					
Interest, net					(119.8)
Other income (expense)					16.1
Income taxes					(774.9)
Equity earnings of affiliate					(10.2)
Non-controlling interest					(4.9)
Net income attributable to SCC					**$ 1,360.7**
Capital investment	$ 264.8	$ 62.5	$ 156.4	$ 6.9	$ 490.6
Property and mine development, net	$ 4,705.8	$ 704.9	$ 3,636.5	$ 640.9	$ 9,688.1
Total assets	$ 8,976.3	$ 1,130.7	$ 4,648.9	$ 2,183.6	$ 16,939.5

NOTE 14 — SUBSEQUENT EVENTS:

On July 1, 2024, Southern Peru Copper Corporation announced that it will restart construction of the Tia Maria project. The decision to restart construction follows discussions with the Peruvian government regarding the best course of action for the project based on the social and political conditions in the province of Islay, in the region, and at the national level.

Dividends:

On July 18, 2024, the Board of Directors authorized a quarterly cash dividend of $0.60 per share of common stock and a stock dividend of 0.0056 shares of common stock per share of common stock, payable on August 26, 2024 for shareholders of record at the close of business on August 9, 2024.

In lieu of fractional shares, cash will be distributed to each shareholder who would otherwise have been entitled to receive a fractional share, based on a share price of $106.54, which is the average of the high and low share price on July 18, 2024.

Shareholders will not be required to take any action to receive the stock dividend. After the payment date, shareholders' book entry accounts will be credited with the additional shares that represent the stock dividend. When shares are held in a brokerage account in the name of a broker, the additional shares will be distributed to the broker on the shareholder's behalf. The stock dividend is administered by Computershare, the Company's transfer agent.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion provides information that management believes is relevant to an assessment and understanding of the condensed consolidated financial condition and results of operations of Southern Copper Corporation and its subsidiaries (collectively, "SCC", "the Company", "our", and "we"). This item should be read in conjunction with our interim unaudited Condensed Consolidated Financial Statements and the notes thereto included in this quarterly report. Additionally, the following discussion and analysis should be read in conjunction with the Management Discussion and Analysis of Financial Condition and Results of Operations and the Consolidated Financial Statements included in Part II of our annual report on Form 10-K for the year ended December 31, 2023.

EXECUTIVE OVERVIEW

Business: Our business is primarily the production and sale of copper. In the process of producing copper, a number of valuable metallurgical by-products are recovered, which we also produce and sell. Market forces outside of our control largely determine the sale prices for our products. Our management, therefore, focuses on value creation through copper production, cost control, production enhancement and maintaining a prudent capital structure to remain profitable. We endeavor to achieve these goals through capital spending programs, exploration efforts and cost reduction programs. Our aim is to remain profitable during periods of low copper prices and to maximize financial performance in periods of high copper prices.

We are one of the world's largest copper mining companies in terms of production and sales and our principal operations are in Peru and Mexico. We also have exploration programs in Chile, Argentina and Ecuador. In addition to copper, we produce significant amounts of other metals, either as a by-product of the copper process or through a number of dedicated mining facilities in Mexico.

Outlook: Various key factors will affect our outcome. These include, but are not limited to, the following:

- Sales structure: In the second quarter of 2024, approximately 75.9% of our revenue came from the sale of copper; 12.2% from molybdenum; 5.0% from silver; 3.7% from zinc; and 3.2% from various other products, including gold, sulfuric acid, and other materials.

- Copper: In the second quarter of 2024, the LME copper price increased from an average of $3.85 per pound in the second quarter of 2023 to $4.42 (+14.8%). Based on the production cuts announced by several producers and other information to date, we anticipate a market deficit of approximately 217,000 tons of copper for 2024. Currently, we estimate that copper supply will increase slightly by 0.6%. Despite weak demand from China, primarily due to its real estate market, the resilience of the US economy and new demand from decarbonization technologies and artificial intelligence are sustaining copper demand and prices.

- Molybdenum: Accounted for 12.2% of our sales in the second quarter of 2024 and is currently our most important by-product. Molybdenum prices averaged $21.69 per pound in the second quarter of 2024, compared to $20.87 in the same period of 2023, reflecting an increase of 3.9%.

  Molybdenum is mainly used in the production of special alloys for stainless steel that require significant hardness and corrosion and heat resistance. New uses for this metal are associated with lubricants, sulfur filtering of heavy oils and shale gas production.

  For the short term, we believe molybdenum prices will have good support due to a market deficit and higher demand coming from the aerospace and defense industries.

- Silver: Represented 5.0% of our sales in the second quarter of 2024. We believe that the prices for silver will be supported by intensive level of industrial use.

- Zinc: Average zinc prices increased 12.2% in the second quarter of 2024 versus the figure in 2023. We believe zinc has very good long-term fundamentals due to high levels of industrial consumption and expected production. Zinc represented 3.7% of our sales in the second quarter of 2024.

- Production: For 2024, we expect to produce 963,200 tonnes of copper, an increase of 6.0% over 2023's final results. This growth will be fueled by recovery at our SX-EW facilities at Buenavista and by the copper production of our new Buenavista zinc concentrator, which is operating at full capacity.

  We also expect to produce 27,400 tonnes of molybdenum, which represents an increase of 2.0% over our 2023 production level. In 2024, we expect to produce 20.6 million ounces of silver, an increase of 12.0% compared to 2023 production results. Additionally, we expect to produce 121,800 tonnes of zinc from our mines, which represents an increase of 86.0% compared to our 2023 production level. This growth will be driven by the Buenavista Zinc concentrator. We expect this facility to produce 55,400 tonnes of zinc in 2024. For 2025 and on, we expect to produce over 178,000 tonnes per year.

- Capital Investments: In the first semester of 2024, we spent $545.6 million on capital investments; this represented 32.2% of net income and an increase of 11.2% compared to the amount registered for the same period in 2023.

KEY MATTERS

Below, we discuss several matters that we believe are important to understand the results of our operations and financial condition. These matters include, (i) our earnings, (ii) our production, (iii) our "operating cash costs" as a measure of our performance, (iv) metal prices, (v) business segments, (vi) the effect of inflation and other local currency issues, and (vii) our capital investment and exploration program.

Earnings: The table below highlights key financial and operational data of our Company for the three and six-month period ended June 30, 2024 and 2023 (in millions, except copper price, percentages and per share amounts):

	Three months ended June 30,				Six months ended June 30,			
	2024	2023	Variance	% Change	2024	2023	Variance	% Change
Copper price LME	4.42	3.85	0.57	14.8 %	4.13	3.95	0.18	4.6 %
Pounds of copper sold	509.3	482.8	26.5	5.5 %	1,027.9	987.1	40.8	4.1 %
Net sales	$ 3,118.3	$ 2,300.7	$ 817.6	35.5 %	$ 5,718.1	$ 5,094.6	$ 623.5	12.2 %
Operating income	$ 1,607.3	$ 900.7	$ 706.6	78.5 %	$ 2,797.0	$ 2,254.4	$ 542.6	24.1 %
Net income attributable to SCC	$ 950.2	$ 547.5	$ 402.7	73.6 %	$ 1,686.2	$ 1,360.7	$ 325.5	23.9 %
Earnings per share	$ 1.22	$ 0.71	$ 0.51	71.8 %	$ 2.17	$ 1.76	$ 0.41	23.3 %
Dividends per share	$ 1.20	$ 1.00	$ 0.20	20.0 %	$ 2.00	$ 2.00	$ —	— %

Net sales in the second quarter of 2024 totaled $3,118.3 million, which represented a substantial increase of 35.5% compared to net sales in the same period of 2023. This increase was influenced by higher prices of copper (+14.8%. LME), molybdenum (+3.9%), zinc (+12.2%) and silver (+18.9%) and was also impacted by growth in the sales volumes of copper (+5.5%), molybdenum (+21.4%), zinc (+78.1) and silver (+31.6%). The increase in the sales volumes of zinc was mainly driven by Buenavista Zinc, which was working at full capacity.

Net income attributable to SCC for the second quarter of 2024 was $950.2 million, representing a significant 73.6% increase compared to the same period in 2023. This notable growth, which was primarily driven by a 35.5% rise in sales due to improved pricing, was slightly offset by a 8.8% growth in the cost of sales and a 96.5% increase in income taxes.

Net sales for the first half of 2024 increased by 12.2% compared to the same period in 2023. This increase was driven by higher prices for copper (+4.6%, LME) and silver (+11.5%), as well as higher sales volumes of copper (+4.1%), molybdenum (+14.8%), zinc (+33.7%), and silver (+12.0%). This was partially offset by a decrease in prices for molybdenum (-21.5%) and zinc (-7.0%).

Net income attributable to SCC in the first six months of 2024 increased by 23.9% compared to the same period in 2023. This rise was primarily driven by a sales increase of 12.2%, but was partially offset by a slight growth in operating costs of 2.8% and a 29.3% increase in income taxes.

Production: The table below highlights our mine production data for the three and six-month period ended June 30, 2024 and 2023:

	Three months ended June 30,				Six months ended June 30,			
	2024	2023	Variance	% Change	2024	2023	Variance	% Change
Copper (in million pounds)	534.6	501.6	33.0	6.6 %	1,064.3	993.9	70.4	7.1 %
Molybdenum (in million pounds)	16.9	14.0	3.0	20.8 %	32.5	28.2	4.3	15.1 %
Silver (in million ounces)	5.2	4.8	0.4	8.0 %	10.0	9.2	0.8	8.2 %
Zinc (in million pounds)	64.9	38.0	26.9	70.8 %	123.0	71.2	51.8	72.7 %

The table below highlights our mine production data for the three and six-month period ended June 30, 2024 and 2023:

	Three Months Ended June 30,				Six Months Ended June 30,			
Copper (in million pounds):	2024	2023	Variance	% Change	2024	2023	Variance	% Change
Toquepala	142.1	117.3	24.8	21.1 %	280.4	230.5	49.9	21.6 %
Cuajone	89.9	83.8	6.1	7.3 %	180.8	163.8	17.0	10.4 %
La Caridad	64.6	60.3	4.3	7.1 %	129.6	117.8	11.8	9.9 %
Buenavista	232.9	234.8	(1.9)	(0.8)%	462.8	471.8	(9.0)	(1.9)%
IMMSA	5.1	5.4	(0.3)	(6.0)%	10.7	10.0	0.7	7.1 %
Total mined copper	534.6	501.6	33.0	6.6 %	1,064.3	993.9	70.4	7.1 %

Second quarter: Copper mine production in the second quarter of 2024 increased by 6.6%, reaching 534.6 million pounds. This growth was primarily driven by higher production levels at Toquepala (+21.1%; due to higher ore grades and recoveries), Cuajone (+7.3%; due to higher recoveries), and La Caridad (+7.1%; due to higher ore grades and recoveries). Growth was slightly offset by reduced production at the Buenavista (-0.8%; due to lower ore grades) and IMMSA (-6.0%; due to lower ore grades) operations

Molybdenum production increased by 20.8% in the second quarter of 2024 compared to the same period in 2023. This rise was mainly due to higher production at our Toquepala (+91.7%), Cuajone (+5.6%), and Buenavista (+14.4%) mines, primarily driven by an increase in ore grades. This was somewhat offset by a reduction in production at our La Caridad (-3.3%) mine, which was due to a decline in ore grades.

Silver mine production increased by 8.0% in the second quarter of 2024 compared to the same period in 2023. This increase was attributable to higher production at our Buenavista (+28.9%), Toquepala (+24.9%), La Caridad (+6.7%), and Cuajone (+0.6%) operations. This was slightly offset by a decrease in production at our IMMSA (-10.1%) mine.

Zinc production increased by 70.8% in the second quarter of 2024 compared to the same period in 2023. This growth was primarily due to the production start-up at the Buenavista zinc concentrator, which produced 13,653 tonnes during the period.

Six months: Mined copper production in the first six months of 2024 rose by 7.1%. This increase was primarily attributable to higher production at our Peruvian operations, with Toquepala up by 21.6% and Cuajone by 10.4%, driven by higher ore grades. Production at our Mexican operations increased by 0.6% during the same period, despite a 1.9% decline at the Buenavista mine due to water supply difficulties.

Molybdenum production increased by 15.1% in the first six months of 2024 compared to the same period in 2023. This rise was mainly due to higher production at our Toquepala mine (+74.2%), reflecting an increase in ore grades. Our

Buenavista (+8.4%) and Cuajone (+5.2%) mines also performed well during this period. Growth, however, was partially offset by lower production at the La Caridad mine, which saw a decrease of 6.9%.

Silver mine production increased by 8.2% in the first six months of 2024, primarily due to higher production at our Toquepala (+25.0%), La Caridad (+14.5%), Buenavista (+9.7%), and Cuajone (+5.9%) operations. This growth was slightly offset by a decline in production at our IMMSA operations (-0.4%).

Zinc production increased by 72.7% in the first six months of 2024. This growth was primarily driven by the production start-up at the Buenavista zinc concentrator, which produced 23,348 tonnes during the period.

Operating Cash Costs: An overall benchmark that we use, which is a common industry metric to measure performance is operating cash costs per pound of copper produced. Operating cash cost is a non-GAAP measure that does not have a standardized meaning and may not be comparable to similarly titled measures provided by other companies. This non-GAAP information should not be considered in isolation or as substitute for measures of performance determined in accordance with GAAP. A reconciliation of our operating cash cost per pound of copper produced to the cost of sales (exclusive of depreciation, amortization and depletion) as presented in the consolidated statement of earnings is presented under the subheading, “Non-GAAP Information Reconciliation” on page 57. We disclose operating cash cost per pound of copper produced, both before and net of by-product revenues.

We define ***operating cash cost per pound of copper produced before by-product revenues*** as cost of sales (exclusive of depreciation, amortization and depletion), plus selling, general and administrative charges, treatment and refining charges net of sales premiums; less the cost of purchased concentrates, workers’ participation and other miscellaneous charges, including royalty charges, and the change in inventory levels; divided by total pounds of copper produced by our own mines.

In our calculation of operating cash cost per pound of copper produced, we exclude depreciation, amortization and depletion, which are considered non-cash expenses. Exploration is considered a discretionary expenditure and is also excluded. Workers’ participation provisions are determined on the basis of pre-tax earnings and are also excluded. Additional exclusions from operating cash costs are items of a non-recurring nature and the mining royalty charge as it is based on various calculations of taxable income, depending on which jurisdiction, Peru or Mexico, is imposing the charge. We believe these adjustments allow our management and stakeholders to more fully visualize our controllable cash cost, which we believe is one of the lowest of all copper-producing companies of similar size.

We define ***operating cash cost per pound of copper produced net of by-product revenues*** as operating cash cost per pound of copper produced, as defined in the previous paragraph, less by-product revenues and net revenue (loss) on sale of metal purchased from third parties.

In our calculation of operating cash cost per pound of copper produced, net of by-product revenues, we credit against our costs the revenues from the sale of all our by-products, including, molybdenum, zinc, silver, gold, etc. and the net revenue (loss) on sale of metals purchased from third parties. We disclose this measure including the by-product revenues in this way because we consider our principal business to be the production and sale of copper. As part of our copper production process, much of our by-products are recovered. These by-products, as well as the processing of copper purchased from third parties, are a supplemental part of our production process and their sales value contribute to covering part of our incurred fixed costs. We believe that our Company is viewed by the investment community as a copper company, and is valued, in large part, by the investment community’s view of the copper market and our ability to produce copper at a reasonable cost.

We believe that both of these measures are useful tools for our management and our stakeholders. Our cash costs before by-product revenues allow us to monitor our cost structure and address areas of concern within operating management. The measure operating cash cost per pound of copper produced net of by-product revenues is a common measure used in the copper industry and is a useful management tool that allows us to track our performance and better allocate our resources. This measure is also used in our investment project evaluation process to determine a project’s potential contribution to our operations, its competitiveness and its relative strength in different price scenarios. The expected contribution of by-products is generally a significant factor used by the copper industry to determine whether to move forward or not in the development of a new mining project. As the price of our by-product commodities can have significant fluctuations from period to period, the value of its contribution to our costs can be volatile.

Our operating cash cost per pound of copper produced, before and net of by-product revenues, is presented in the table below for the three and six-month period ended June 30, 2024 and 2023:

Operating cash cost per pound of copper produced (1)
(In millions, except cost per pound and percentages)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	Variance	% Change	2024	2023	Variance	% Change
Total operating cash cost before by-product revenues	$ 1,105.4	$ 1,059.5	$ 45.9	4.3 %	$ 2,184.4	$ 2,047.2	$ 137.2	6.7 %
Total by-product revenues	$ (716.4)	$ (517.3)	$ (199.1)	38.5 %	$ (1,248.6)	$ (1,147.9)	$ (100.7)	8.8 %
Total operating cash cost net of by-product revenues	$ 389.0	$ 542.2	$ (153.2)	(28.3)%	$ 935.8	$ 899.3	$ 36.5	4.1 %
Total pounds of copper produced(2)	513.2	484.4	28.8	5.9 %	1,024.0	957.4	66.6	7.0 %
Operating cash cost per pound before by-product revenues	**$ 2.15**	**$ 2.19**	**$ (0.04)**	**(1.6)%**	**$ 2.13**	**$ 2.14**	**$ (0.01)**	**(0.3)%**
By-products per pound revenues	**$ (1.40)**	**$ (1.07)**	**$ (0.33)**	**30.5 %**	**$ (1.22)**	**$ (1.20)**	**$ (0.02)**	**1.6 %**
Operating cash cost per pound net of by-product revenues	**$ 0.76**	**$ 1.12**	**$ (0.36)**	**(32.3)%**	**$ 0.91**	**$ 0.94**	**$ (0.03)**	**(2.8)%**

(1) These are non-GAAP measures. Please see page 57 for reconciliation to GAAP measure.
(2) Net of metallurgical losses.

In the second quarter of 2024 there was a slight decrease in operating cash cost per pound before by-product revenues, which fell from $2.19 to $2.15, indicating a minor improvement in production efficiency. By-product revenues per pound significantly increased from $1.07 to $1.40, resulting in a substantial reduction in operating cash cost per pound net of by-product revenues, which fell from $1.12 to $0.76. This reflects improved cost management and operational efficiency, with higher by-product revenues significantly offsetting overall production costs.

For the first six months of 2024, the operating cash cost per pound before by-product revenues slightly decreased from $2.14 to $2.13, a 0.3% improvement, even as total operating cash costs increased by 6.7% to $2,184.4 million. The increase of 1.6% in by-product revenues per pound helped reduce the operating cash cost per pound net of by-product revenues from $0.94 to $0.91, a 2.8% decrease. This growth was supported by a 7.0% increase in copper production, which totalled 1,024.0 million pounds at period-end versus 957.4 million pounds in the same period of 2023, and reflects the positive impacts of improvements in cost management and operational efficiency.

Metal Prices: The profitability of our operations is dependent on, and our financial performance is significantly affected by, the international market prices for the products we produce, and for copper, molybdenum, zinc and silver in particular.

We are subject to market risks arising from the volatility of copper and other metal prices. For the remaining nine months of 2024, assuming that expected metal production and sales are achieved, tax rates remain unchanged and no effects are generated by potential hedging programs, metal price sensitivity factors would indicate the following change in estimated net income attributable to SCC resulting from metal price changes:

	Copper	Molybdenum	Zinc	Silver
Change in metal prices (per pound except silver—per ounce)	$ 0.10	$ 1.00	$ 0.10	$ 1.00
Change in net earnings (in millions)	$ 62.8	$ 16.9	$ 11.3	$ 6.7

Business Segments: We view our Company as having three reportable segments and manage it on the basis of these segments. These segments are (1) our Peruvian operations, (2) our Mexican open-pit operations and (3) our Mexican underground operations, known as our IMMSA unit. Our Peruvian operations include the Toquepala and Cuajone mine complexes and the smelting and refining plants, industrial railroad and port facilities that service both mines. The Peruvian operations produce copper, with significant by-product production of molybdenum, silver and other material. Our Mexican open-pit operations include La Caridad and Buenavista mine complexes, the smelting and refining plants and support facilities, which service both mines. The Mexican open pit operations produce copper, with significant by-product production of molybdenum, silver and other material. Our IMMSA unit includes five underground mines that produce zinc, lead, copper, silver and gold, and several industrial processing facilities for zinc, copper and silver.

Segment information is included in our review of "Results of Operations" in this item and also in Note 13 "Segment and Related Information" of our condensed consolidated financial statements.

Inflation and Exchange Rate Effect of the Peruvian Sol and the Mexican Peso: Our functional currency is the U.S. dollar and our revenues are primarily denominated in U.S. dollars. Significant portions of our operating costs are denominated in Peruvian sol and Mexican pesos. Accordingly, when inflation and currency devaluation/appreciation of the Peruvian currency and Mexican currency occur, our operating results can be affected. In recent years, exchange rate volatility has been high but has had a limited effect on our results. Please see Item 3. "Quantitative and Qualitative Disclosures about Market Risk" for more detailed information.

Capital Investment Programs: We made capital investments of $545.6 million in the first six months of 2024, compared to $490.6 million in the same period of 2023. In general, the capital investments and investment projects described below are intended to increase production, decrease costs or address social and environmental commitments.

Set forth below are descriptions of some of our current expected capital investment programs. We expect to meet the cash requirements for these projects by utilizing cash on hand; internally generated funds and additional external financing. All capital spending plans will continue to be reviewed and adjusted to respond to changes in the economy and market conditions.

Projects in Mexico:

El Pilar - Sonora: This low-capital intensity copper greenfield project is strategically located in Sonora, Mexico, approximately 45 kilometers from our Buenavista mine. Its copper oxide mineralization contains estimated proven and probable reserves of 317 million tonnes of ore with an average copper grade of 0.249%. We anticipate that El Pilar will operate as a conventional open-pit mine with an annual production capacity of 36,000 tonnes of copper cathodes. This operation will use highly cost efficient and environmentally friendly SX-EW technology. The budget for El Pilar is $310 million.

Projects in Peru:

Quebrada Honda dam expansion – Tacna: This project aims to enlarge the main and lateral dams in Quebrada Honda and includes the relocation and repowered of some facilities due to dam growth and implementation of other facilities for water recovery, among other factors. The drainage works and removal of Eolic material for the main and lateral dam, as well as complementary operational works are completed. We have also installed two cyclone nests for the main dam, which are currently operating. Additionally, purchases are pending for equipment for tailings hauling. We intend to build administrative facilities down the line. This project has a total budget of $165.0 million, of which we have invested $152.1 million as of June 30, 2024.

Tia Maria - Arequipa: This greenfield project, located in Arequipa, Peru, will use state of the art SX-EW technology with the highest international environmental standards to produce 120,000 tonnes of SX- EW copper cathodes per year. The Company is currently reviewing its budget of 1.4 billion, we expect to update this budget by year end.

The Company has consistently promoted the welfare of the population of the Islay province and the Arequipa region. As part of these efforts, we have implemented successful social programs in education, healthcare and productive development to improve the quality of life in the region.

Project update: On July 1, 2024, the Company has restarted activities at the Tía María project, which reflects advances on the social and political fronts in the province of Islay, the Arequipa region and at the national level. We reiterate our view that Tia Maria will generate significant economic and social opportunities for the Islay province and the Arequipa region. In 2024, the Company will, among other scheduled activities, install a live fence as well as 1,000 fog catchers. SCC will also roll out digging activities this year. All these activities will generate 350 direct jobs in 2024 for the local population. In 2025, we expect to begin mine construction, which will generate 1,100 direct jobs over the year. To the fullest extent possible, we intend to fill the 9,000 jobs that we expect to generate during Tia Maria's construction with workers from the Islay province. We expect to start operations in 2027, at that time we will generate 600 direct jobs and 4,800 indirect jobs.

Our social programs in Islay totaled $6.3 million in the last two years. Our current programs promote a reduction in the cost of agricultural production by improving productivity with cutting-edge technology. On top of this, we are working to provide internet access to 4,600 school students. In addition to these efforts, we are currently committed to developing health facilities, high performance schools, research centers and roads in the Arequipa region via the "work for taxes" program.

Tia Maria will generate significant revenues for the Arequipa region from day one of its operations. At current copper prices, we expect to export $17.5 billion and contribute $3.4 billion in taxes and royalties during the first 20 years of operation.

Potential projects:

We have a number of other projects that we may develop in the future. We continuously evaluate new projects on the basis of our long-term corporate objectives, expected return on investment, environmental concerns, required investment and estimated production, among other considerations. All capital spending plans will continue to be reviewed and adjusted to respond to changes in the economy and market conditions.

El Arco - Baja California: This is a world-class copper deposit located in the central part of the Baja California peninsula with ore reserves of over 1,230 million tonnes with an average ore grade of 0.40% and 141 million tonnes of leach material with an average ore grade of 0.27%. The project includes an open-pit mine with a combined concentrator and SX-EW operations. Annual production is expected to total 190,000 tonnes of copper and 105,000 ounces of gold.

Project update: The Company has completed the environmental baseline study for the mine, concentrator and industrial facilities and will proceed to submit the Environmental Impact Statement (Manifestacion de Impacto Ambiental "MIA") to the Secretary of Environment and Natural Resources "SEMARNAT" to request the respective environmental impact permits. The Company is currently preparing studies for the port, power lines, townsites and auxiliary facilities.

Los Chancas - Apurimac: This greenfield project, located in Apurimac, Peru, is a copper and molybdenum porphyry deposit. Current estimates of indicated copper mineral resources are 98 million tonnes of oxides with a copper content of 0.45% and 52 million tonnes of sulfides with a copper content of 0.59%. The Los Chancas project envisions an open-pit mine with a combined operation of concentrator and SX-EW processes to produce 130,000 tonnes of copper and 7,500 tonnes of molybdenum annually. The estimated capital investment is $2,600 million and the project is expected to begin operating in 2030. We continue to engage in social and environmental improvements for the local communities and work on the project´s environmental impact assessment.

Project update: The Company continues to engage in coordinated efforts with the Peruvian authorities to eradicate illegal mining activity. Once this process is completed, we will resume the environmental impact assessment and initiate hydrogeological as well as geotechnical studies. We also will conduct a diamond drilling campaign for 40,000 meters to gather additional information on the characteristics of the Los Chancas deposit.

Michiquillay Project - Cajamarca: In June 2018, Southern Copper signed a contract for the acquisition of the Michiquillay project in Cajamarca, Peru. Michiquillay is a world class mining project with inferred mineral resources of 2,288 million tonnes with an estimated copper grade of 0.43%. When developed, we expect Michiquillay to produce 225,000 tonnes of copper per year (along with by-products of molybdenum, gold and silver) at a competitive cash-cost for an initial mine life of more than 25 years. We estimate an investment of approximately $2.5 billion will be required and expect production start-up by 2032. Michiquillay will become one of Peru´s largest copper mines and will create significant business opportunities in the Cajamarca region; generate new jobs for the local communities; and contribute with taxes and royalties to the local, regional and national governments.

Project update: As of June 30, 2024, total advancement on the exploration project stood at 30%. We had drilled 104,000 meters and obtained 33,991 core samples for chemical analysis. Diamond drilling is underway, which will provide data for cross-section interpretation, geological modeling and resource evaluation. We expect to begin hydrogeological and geotechnical studies soon, and will also assess the results of metallurgical testing at the deposit.

The Company continues to work with the Michiquillay and La Encañada communities based on the guidelines of corresponding social agreements.

The aforementioned information is based solely on estimates. We cannot make any assurances that we will undertake any of these projects or that the information noted is accurate.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) PRACTICES

Renewable energy. On August 1, 2024, the Company will start receiving eolic energy from the Fenicias wind park, operated by Grupo Mexico Infraestructura. This will reduce our CO2 emission by approximately 250.000 tons per year, which is a 7% reduction in SCC’s carbon footprint.

Transparency and accountability. SCC recently published its second Sustainability Development Report. This year, we significantly improved the granularity and specificity of information on our commitment to and development of efforts on the environmental, social and governance fronts.

Responsible production. Our Buenavista mine in Sonora, Mexico has received Copper Mark and the Zinc Mark certifications for responsible production following a third-party independent evaluation of our performance in environmental, social and governance (ESG) matters. Consequently, the vast majority of our open pit Mexican copper production now complies with Copper and Zinc Mark standards.

Education. Our IMPULSA program seeks to provide our workers in Mexico with opportunities to qualify for certification of attainment of primary and secondary education and bachelors degrees. From 2022 to date, more than 970 people have participated in this program and 430 have successfully graduated. Currently, there are 540 workers actively participating in the IMPULSA program.

Human Development. Our coach and sports advisor for our swimming team at the Sonora operations, Jorge Iga, has qualified for the Paris 2024 Olympic Games after breaking the Mexican record for the 100-meter freestyle. Thanks to Mr. Iga's support, in 2024, 17 students from our academies participated in 6 top-level competitions.

ACCOUNTING ESTIMATES

Our discussion and analysis of financial condition and results of operations, as well as quantitative and qualitative disclosures about market risks, are based upon our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. Preparation of these consolidated financial statements requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We make our best estimate of the ultimate outcome for these items based on historical trends and other information available when the financial statements are prepared. Changes in estimates are recognized in accordance with the accounting rules for the estimate, which is typically in the period when new information becomes available to management. Areas where the nature of the estimate makes it reasonably possible that actual results could materially differ from amounts estimated include: ore reserves, revenue recognition, ore stockpiles on leach pads and related amortization, estimated impairment of assets, asset retirement obligations, determination of discount rates related to the financial lease liabilities, classification of operating leases versus financial leases, valuation allowances for deferred tax assets, unrecognized tax benefits and fair value of financial instruments. We base our estimates on historical experience and on various other assumptions that we believe reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

NEW ACCOUNTING DISCLOSURE RULES

The U.S. Securities and Exchange Commission released its final climate disclosure rule in March 2024. It requires that, when material, annual reports and registration statements include disclosures about greenhouse gas emissions under Scope 1 and Scope 2 as well as other climate-related subjects. The requirements for disclosure will begin phasing in for fiscal years beginning on or after January 1, 2025. As we examine the new rule's impacts, we anticipate updating the climate-related disclosures in our Form 10-K for the fiscal year of adoption when defined.

RESULTS OF OPERATIONS

The following highlights key financial results for the three and six-month period ended June 30, 2024 and 2023:

Statement of Earnings Data	Three Months Ended June 30, 2024	2023	Variance	% Change	Six Months Ended June 30, 2024	2023	Variance	% Change
Net sales	$ 3,118.3	$ 2,300.7	$ 817.6	$ 35.5 %	$ 5,718.1	$ 5,094.6	$ 623.5	$ 12.2 %
Operating costs and expenses	(1,511.0)	(1,400.0)	(111.0)	7.9 %	(2,921.1)	(2,840.2)	(80.9)	2.8 %
Operating income	1,607.3	900.7	706.6	78.5 %	2,797.0	2,254.4	542.6	24.1 %
Non-operating income (expense)	(76.7)	(52.8)	(23.9)	45.2 %	(110.8)	(103.7)	(7.1)	6.9 %
Income before income taxes	1,530.6	847.9	682.7	80.5 %	2,686.2	2,150.7	535.5	24.9 %
Income taxes	(578.8)	(294.5)	(284.3)	96.5 %	(1,002.1)	(774.9)	(227.2)	29.3 %
Equity earnings of affiliate	2.0	(3.8)	5.8	(152.6)%	8.6	(10.2)	18.8	(184.3)%
Net income attributable to non-controlling interest	(3.6)	(2.1)	(1.5)	71.4 %	(6.4)	(4.9)	(1.5)	30.6 %
Net income attributable to SCC	$ 950.2	$ 547.5	$ 402.7	$ 73.6 %	$ 1,686.2	$ 1,360.7	$ 325.5	$ 23.9 %

NET SALES

In the second quarter of 2024 totaled $3,118.3 million, which represented an increase of 35.5% compared to net sales in the same period of 2023. This increase was influenced by higher prices of copper (+14.8%, LME), molybdenum (+3.9%), zinc (+12.2%) and silver (+18.9%), as well as increase in sales volumes of copper (+5.5%), molybdenum (+21.4%), zinc (+78.1) and silver (+31.6%). The increase in the sales volumes of zinc was mainly driven by Buenavista Zinc, which began operating at full capacity.

For the first half of 2024, net sales increased by 12.2% compared to the same period in 2023. This increase was driven by higher prices for copper (+4.6%, LME) and silver (+11.5%), as well as higher sales volumes of copper (+4.1%), molybdenum (+14.8%), zinc (+33.7%), and silver (+12.0%). This was partially offset by a decrease in prices for molybdenum (-21.5%) and zinc (-7.0%).

The table below outlines the average published market metal prices for our metals for the three and six-month period ended June 30, 2024 and 2023:

	Three Months Ended June 30, 2024	2023	% Change	Six Months Ended June 30, 2024	2023	% Change
Copper price ($per pound—LME)	$ 4.42	$ 3.85	14.8 %	$ 4.13	$ 3.95	4.6 %
Copper price ($per pound—COMEX)	$ 4.55	$ 3.85	18.2 %	$ 4.21	$ 3.97	6.0 %
Molybdenum price ($per pound)(1)	$ 21.69	$ 20.87	3.9 %	$ 20.77	$ 26.45	(21.5)%
Zinc price ($per pound—LME)	$ 1.29	$ 1.15	12.2 %	$ 1.20	$ 1.29	(7.0)%
Silver price ($per ounce—COMEX)	$ 28.84	$ 24.26	18.9 %	$ 26.09	$ 23.40	11.5 %

(1) Platts Metals Week Dealer Oxide

The table below provides our metal sales as a percentage of our total net sales for the three and six-month period ended June 30, 2024 and 2023:

Sales as a percentage of total net sales	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Copper	75.9 %	77.5 %	77.1 %	77.1 %
Molybdenum	12.2 %	11.1 %	11.4 %	10.9 %
Silver	5.0 %	4.3 %	4.7 %	4.2 %
Zinc	3.7 %	2.7 %	3.2 %	3.0 %
Other by-products	3.2 %	4.4 %	3.6 %	4.8 %
Total	100.0 %	100.0 %	100.0 %	100.0 %

The table below provides our copper sales by type of product for the three and six-month period ended June 30, 2024 and 2023. The difference in value between products is the level of processing. At the market price, concentrates take a discount since they require smelting and refining processes, while refined and rod copper receive premiums due to their purity and presentation.

	Three Months Ended June 30,				Six Months Ended June 30,			
Copper Sales (million pounds)	2024	2023	Variance	% Change	2024	2023	Variance	% Change
Refined (including SX-EW)	250.2	254.8	(4.6)	(1.8) %	517.6	535.9	(18.3)	(3.4) %
Rod	88.9	83.9	5.0	6.0 %	180.7	174.1	6.6	3.8 %
Concentrates and other	170.1	144.1	26.0	18.1 %	329.6	277.1	52.5	18.9 %
Total	509.3	482.8	26.5	5.5 %	1,027.9	987.1	40.8	4.1 %

The table below provides our copper sales volume by type of product as a percentage of our total copper sales volume for the three and six-month period ended June 30, 2024 and 2023:

Copper Sales by product type	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Refined (including SX-EW)	49.1 %	52.8 %	50.4 %	54.3 %
Rod	17.5 %	17.4 %	17.6 %	17.6 %
Concentrates and other	33.4 %	29.8 %	32.1 %	28.1 %
Total	100.0 %	100.0 %	100.0 %	100.0 %

OPERATING COSTS AND EXPENSES

The table below summarizes the production cost structure by major components as a percentage of total production cost:

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Power	11.6 %	14.0 %	14.3 %	14.3 %
Labor	11.9 %	11.6 %	11.3 %	11.3 %
Fuel	15.9 %	14.9 %	15.2 %	15.2 %
Maintenance	22.8 %	21.2 %	21.2 %	21.2 %
Operating material	19.2 %	19.9 %	20.3 %	20.3 %
Other	18.6 %	18.4 %	17.7 %	17.7 %
Total	100.0 %	100.0 %	100.0 %	100.0 %

Second quarter: Operating costs and expenses were $1,511.0 million in the second quarter of 2024 compared to $1,400.0 million in the same period of 2023. The increase of $111.0 million was primarily due to:

Operating cost and expenses for the second quarter of 2023		$	1,400.0
Plus:			
• Increase in other cost of sales (exclusive of depreciation, amortization and depletion), which is mainly attributable to:			90.4
- Workers participation	27.5		
- Repairing materials, principally heavy equipment spare parts	26.3		
- Fuel	16.5		
- Operations contractors	14.3		
- Freight	12.0		
- Labor costs	9.8		
- Inventory variance	9.3		
- Sales expenses	8.6		
- Other net	3.3		
This was partially offset by a decrease in:			
- Energy costs	(31.9)		
- Leachable material	(5.3)		
• Increase in the volume and cost of metals purchased from third parties.			10.8
• Increase in exploration expense.			6.5
• Increase in selling, general and administrative expenses.			2.9
• Increase in depreciation, amortization and depletion expense.			0.4
Operating cost and expenses for the second quarter of 2024		$	1,511.0

Six months: Operating costs and expenses were $2,921.1 million in the first six months of 2024 compared to $2,840.2 million in the same period of 2023. The increase of $80.9 million was primarily due to:

Operating cost and expenses for the first six months of 2023		$	2,840.2
Plus:			
• Increase in other cost of sales (exclusive of depreciation, amortization and depletion), which is mainly attributable to:			81.6
- Repairing materials, principally heavy equipment spare parts	58.8		
- Fuel	32.7		
- Labor costs	25.4		
- Operations contractors	22.5		
- Workers participation	14.6		
- Other net	4.0		
This was partially offset by a decrease in:			
- Energy costs	(35.3)		
- Inventory variance	(28.8)		
- Leachable material	(12.3)		
• Increase in exploration expense.			7.1
• Increase in depreciation, amortization and depletion expense.			5.7
• Decrease in selling, general and administrative expenses.			3.4
Less:			
• Decrease in the volume and cost of metals purchased from third parties.			(17.0)
Operating cost and expenses for the first six months of 2024		$	2,921.1

NON-OPERATING INCOME (EXPENSES)

Non-operating income (expense) represented a net expense of $76.7 million and $110.8 million in the three and six months ended on June 30, 2024 compared to a net expense of $52.8 million and $103.7 million in the three and six months ended June 30, 2023.

Second quarter: The $23.9 million increase in the expense level was due to:
- $25.5 million increase in other expenses, which includes a $4.0 million inventory write-off and $4.0 million provision for legal liabilities
- $1.7 million increase in interest expense, net of capitalized interest and
- $3.3 million increase in interest income.

Six months: The $7.1 million increase in the expense level was principally due to:
- $17.0 million increase in other expense expenses,
- $0.6 million decrease in interest expense net of capitalized interest, and
- $9.3 million increase in interest income,

INCOME TAXES

	Six Months Ended June 30,	
	2024	2023
Provision for income taxes ($in millions)	$ 1,002.1	$ 774.9
Effective income tax rate	37.3 %	36.0 %

In addition to the income taxes of Peru, Mexico and the United States, the provision for income taxes also includes the mining royalties from Peru and Mexico and the Peruvian special mining tax.

SEGMENT RESULT ANALYSIS

We have three segments: the Peruvian operations, the Mexican open-pit operations and the Mexican underground mining operations.

The table below presents information regarding the volume of our copper sales by segment for the three and six-month period ended June 30, 2024 and 2023:

	Three Months Ended June 30,				Six Months Ended June 30,			
Copper Sales (million pounds)	**2024**	**2023**	**Variance**	**% Change**	**2024**	**2023**	**Variance**	**% Change**
Peruvian operations	222.6	195.0	27.6	14.2 %	437.6	382.8	54.8	14.3 %
Mexican open-pit	292.1	287.1	5.0	1.7 %	599.2	603.0	(3.8)	(0.6) %
Mexican IMMSA unit	9.7	5.9	3.8	64.4 %	17.6	11.2	6.4	57.1 %
Other and intersegment elimination	(15.1)	(5.2)	(9.9)	190.4 %	(26.6)	(9.9)	(16.7)	168.7 %
Total copper sales	509.3	482.8	26.5	5.5 %	1,027.8	987.1	40.7	4.1 %

The table below presents information regarding the volume of sales by segment of our significant by-products for the three and six-month period ended June 30, 2024 and 2023:

By-product Sales (million pounds, except silver—million ounces)	Three Months Ended June 30, 2024	2023	Variance	% Change	Six Months Ended June 30, 2024	2023	Variance	% Change
Peruvian operations:								
Molybdenum contained in concentrate	7.5	4.9	2.6	53.1 %	14.8	10.3	4.5	43.7 %
Silver	1.5	1.1	0.4	36.4 %	2.9	2.2	0.7	31.8 %
Mexican open-pit operations:								
Molybdenum contained in concentrate	9.4	9.0	0.4	4.4 %	17.6	17.9	(0.3)	(1.7) %
Zinc-refined and in concentrate	39.4	—	39.4	— %	44.2	—	44.2	— %
Silver	3.0	2.2	0.8	36.4 %	5.9	5.1	0.8	15.7 %
IMMSA unit								
Zinc-refined and in concentrate	46.6	48.3	(1.7)	(3.5) %	98.3	106.6	(8.3)	(7.8) %
Silver	1.6	1.6	—	— %	3.3	3.5	(0.2)	(5.7) %
Other and intersegment elimination								
Silver	(0.8)	(0.8)	—	— %	(1.7)	(1.6)	(0.1)	6.3 %
Total by-product sales								
Molybdenum contained in concentrate	16.9	13.9	3.0	21.4 %	32.4	28.2	4.2	14.8 %
Zinc-refined and in concentrate	86.0	48.3	37.7	78.1 %	142.5	106.6	35.9	33.7 %
Silver	5.3	4.1	1.2	31.6 %	10.4	9.2	1.2	12.0 %

Peruvian Open-pit Operations:

	Three Months Ended June 30, 2024	2023	Variance	% Change	Six Months Ended June 30, 2024	2023	Variance	% Change
Net sales	$ 1,246.7	$ 886.9	$ 359.8	40.6 %	$ 2,275.4	$ 1,912.6	$ 362.8	19.0 %
Operating costs and expenses	(626.3)	(570.2)	(56.1)	9.8 %	(1,197.5)	(1,146.7)	(50.8)	4.4 %
Operating income	$ 620.4	$ 316.7	$ 303.7	95.9 %	$ 1,077.9	$ 765.9	$ 312.0	40.7 %

Net sales in the second quarter of 2024 increased $359.8 million compared to the same period in 2023. This remarkable growth was fueled by increased sales volumes of copper (+14.2%), molybdenum (+53.1%), and silver (+36.4%). Higher prices for copper (+14.8%, LME), molybdenum (+3.9%), and silver (+18.9%) also helped boost this performance.

Operating costs and expenses were $626.3 million in the second quarter of 2024 compared to $570.2 million in the same period of 2023. The increase of $56.1 million was primarily due to:

Operating costs and expenses for the second quarter of 2023		$	570.2
Plus			
• Increase in other cost of sales (exclusive of depreciation, amortization and depletion), which is mainly attributable to:			51.3
- Workers participation	30.2		
- Repairing materials, principally heavy equipment spare parts	15.4		
- Fuel	6.9		
- Mining royalties	3.6		
- Labor costs	3.6		
- Other net	3.1		
- Energy costs	2.3		
This was partially offset by a decrease in:			
- Inventory variance	(9.7)		
- Leachable material	(2.7)		
- Sales expenses	(1.4)		
• Increase in cost of metals purchased from third parties.			4.4
• Increase in exploration expenses.			3.2
• Increase in selling, general and administrative expenses.			0.2
Less:			
• Decrease in depreciation, amortization and depletion expense.			(3.0)
Operating costs and expenses for the second quarter of 2024		$	626.3

Net sales in the first six months of 2024 increased by $362.8 million compared to the same period in 2023. This growth primarily reflects positive developments in metal prices for copper (+4.6%, LME) and silver (+11.5%). An uptick in sales volumes of copper (+14.3%), molybdenum (+43.7%), and silver (+31.8%) also played a role in this performance. However, this was partially offset by a decrease in molybdenum prices (-21.5%).

Operating costs and expenses in the first six months of 2024 increased by $50.8 million to $1,197.5 million compared to $1,146.7 million in the same period of 2023. This was primarily due to:

Operating costs and expenses for the first six months of 2023		$	1,146.7
Plus:			
• Increase in other cost of sales (exclusive of depreciation, amortization and depletion), which is mainly attributable to:			36.8
- Repairing materials, principally heavy equipment spare parts	30.5		
- Workers participation	22.4		
- Fuel	7.6		
- Labor costs	7.3		
- Energy costs	4.2		
- Other net	1.9		
This was partially offset by a decrease in:			
- Inventory variance	(21.0)		
- Sales expenses	(11.6)		
- Leachable material	(4.5)		
• Increase in cost of metals purchased from third parties.			12.2
• Increase in exploration expenses.			4.4
• Increase in selling, general and administrative expenses.			0.6
Less:			
• Decrease in depreciation, amortization and depletion expense.			(3.2)
Operating costs and expenses for the first six months of 2024		$	1,197.5

Mexican Open-pit Operations:

	Three Months Ended June 30, 2024	2023	Variance	% Change	Six Months Ended June 30, 2024	2023	Variance	% Change
Net sales	$ 1,738.5	$ 1,311.2	$ 427.3	32.6 %	$ 3,204.4	$ 2,938.1	$ 266.3	9.1 %
Operating costs and expenses	(786.1)	(706.0)	(80.1)	11.3 %	(1,501.1)	(1,417.1)	(84.0)	5.9 %
Operating income	$ 952.4	$ 605.2	$ 347.2	57.4 %	$ 1,703.3	$ 1,521.0	$ 182.3	12.0 %

Net sales in the second quarter of 2024 increased by $427.3 million compared to the same period in 2023. This significant increase was driven by higher prices for copper (+14.8%, LME), molybdenum (+3.9%), zinc (+12.2%), and silver (+18.9%). Growth in sales volumes of copper (+1.7%), molybdenum (+4.4%), and silver (+36.4%) also drove this strong performance. The start-up of the Buenavista zinc concentrator also played a crucial role, with zinc sales volumes reaching 39.4 million pounds for the period.

Operating costs and expenses were $786.1 million in the second quarter of 2024 compared to $706.0 million in the same period of 2023. The increase of $80.1 million was primarily due to:

Operating costs and expenses for the second quarter of 2023		$ 706.0
Less:		
• Decrease in worker participation expense.		(9.6)
• Decrease in cost of metals purchased from third parties.		24.7
Plus:		
• Increase in other cost of sales (exclusive of depreciation, amortization and depletion), which is mainly attributable to:		75.9
- Foreign currency effect	37.8	
- Inventory variance	15.6	
- Freight	11.8	
- Repairing materials	11.5	
- Fuel	9.5	
- Sales expenses	8.1	
- Other net	6.6	
- Operations contractors	6.3	
- Labor costs	3.6	
- Reagents	3.2	
This was partially offset by a decrease in:		
- Energy costs	(35.5)	
- Leachable material	(2.6)	
• Increase in depreciation, amortization and depletion expense.		(13.1)
• Increase in selling, general and administrative expenses.		1.2
• Increase in exploration expenses.		1.0
Operating costs and expenses for the second quarter of 2024		$ 786.1

Net sales in the first six months of 2024 increased by $266.3 million compared to the same period in 2023. This growth primarily reflects positive developments for metal prices, namely copper (+4.6%, LME) and silver (+11.5%). Additionally, growth in the sales volumes of silver (+15.7%) also contributed to this performance. Start-up at the Buenavista zinc concentrator also played a crucial role, with zinc sales volumes reaching 44.2 million pounds for the period. However, this was partially offset by decreases in molybdenum (-21.5%) and zinc (-7.0%) prices, as well as declines in sales volumes of copper (-0.6%) and molybdenum (-1.7%).

Operating costs and expenses in the first six months of 2024 increased by $84.0 million to $1,501.1 million compared to $1,417.1 million in the same period of 2023. This was primarily due to:

Operating costs and expenses for the first six months of 2023		$	1,417.1
Less:			
• Decrease in worker participation expense.			(14.6)
• Decrease in cost of metals purchased from third parties.			0.6
• Decrease in depreciation, amortization and depletion expense.			11.1
Plus:			
• Increase in other cost of sales (exclusive of depreciation, amortization and depletion), which is mainly attributable to:			81.2
- Foreign currency effect	50.9		
- Inventory variance	8.5		
- Repairing materials	28.6		
- Fuel	24.3		
- Sales expenses	8.5		
- Other net	2.5		
- Labor costs	11.1		
This was partially offset by a decrease in:			
- Energy costs	(45.4)		
- Leachable material	(7.8)		
• Increase in selling, general and administrative expenses.			2.4
• Increase in exploration expenses.			3.3
Operating costs and expenses for the first six months of 2024		$	1,501.1

Mexican Underground Operations (IMMSA):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	Variance	% Change	2024	2023	Variance	% Change
Net sales	$ 185.2	$ 141.2	$ 44.0	31.2 %	$ 331.6	$ 320.7	$ 10.9	3.4 %
Operating costs and expenses	(134.1)	(144.1)	10.0	(6.9)%	(287.3)	(322.2)	34.9	(10.8)%
Operating income	$ 51.1	$ (2.9)	$ 54.0	(1,862.1)%	$ 44.4	$ (1.5)	$ 45.9	(3,057.6)%

Net sales in the second quarter of 2024 increased by $44.0 million compared to the same period in 2023. This notable growth was driven by higher prices for copper (+14.8%, LME), zinc (+12.2%), and silver (+18.9%). Growth in sales volumes of copper (+64.4%) as contributed significantly to this performance. However, this was partially offset by a decrease in sales volumes of zinc (-3.5%).

Operating costs and expenses were $134.1 million in the second quarter of 2024 compared to $144.1 million in the same period of 2023. The decrease of $10.0 million was primarily due to:

Operating costs and expenses for the second quarter of 2023		$	144.1
Less:			
• Decrease in other cost of sales (exclusive of depreciation, amortization and depletion), which is mainly attributable to:			(8.9)
- Foreign currency effect	(20.1)		
- Operations contractors	(3.2)		
This was partially offset by an increase in:			
- Workers participation	5.3		
- Inventory variance	3.4		
- Other net	3.1		
- Labor costs	2.6		
• Decrease in cost of metals purchased from third parties.			(3.9)
Plus:			
• Increase in selling, general and administrative expenses.			1.0
• Increase in depreciation, amortization and depletion expense.			0.9
• Increase in exploration expenses.			0.9
Operating costs and expenses for the second quarter of 2024		$	134.1

Net sales in the first six months of 2024 increased by $10.9 million compared to the same period in 2023. This growth primarily reflects positive developments in metal prices, such as copper (+4.6%, LME) and silver (+11.5%). Growth in sales volumes of copper (+57.1%) contributed to this performance. However, this was partially offset by decreases in zinc prices (-7.0%) as well as a decrease in sales volumes of zinc (-7.8%) and silver (-5.7%).

Operating costs and expenses in the first six months of 2024 decreased by $34.9 million to $287.3 million compared to $322.2 million in the same period of 2023. This was primarily due to:

Operating costs and expenses for the first six months of 2023		$	322.2
Less:			
• Decrease in other cost of sales (exclusive of depreciation, amortization and depletion), which is mainly attributable to:			(25.6)
- Foreign currency effect	(25.3)		
- Inventory variance	(16.3)		
This was partially offset by an increase in:			
- Energy costs	5.9		
- Workers participation	5.0		
- Sales expenses	3.7		
- Other net	1.4		
• Decrease in cost of metals purchased from third parties.			(13.0)
Plus:			
• Increase in depreciation, amortization and depletion expense.			2.6
• Increase in selling, general and administrative expenses.			0.6
• Increase in exploration expenses.			0.5
Operating costs and expenses for the first six months of 2024		$	287.3

Intersegment Eliminations and Adjustments:

The net sales, operating costs and expenses and operating income discussed above will not be directly equal to amounts in our condensed consolidated statement of earnings because the adjustments of intersegment operating revenues and expenses must be taken into account. Please see Note 13 “Segment and Related Information” of the condensed consolidated financial statements.

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LIQUIDITY AND CAPITAL RESOURCES

Cash flow:

The following table shows the cash flow for the six-month period ended June 30, 2024 and 2023 (in millions):

	2024	2023	Variance
Net cash provided by operating activities	$ 1,621.8	$ 1,982.3	$ (360.5)
Net cash used in investing activities	$ (275.5)	$ (282.5)	$ 7.0
Net cash used in financing activities	$ (620.1)	$ (1,550.5)	$ 930.4

Net cash provided by operating activities:

The change in net cash from operating activities for the six-month period ended June 30, 2024 and 2023 include, in millions, the following significant items:

	2024	2023	Variance	% Change
Net income	$ 1,692.6	$ 1,365.6	$ 327.0	23.9 %
Depreciation, amortization and depletion	418.6	412.9	5.7	1.4 %
Provision for deferred income taxes	23.2	6.3	16.9	268.3 %
Loss on foreign currency transaction effect	(4.3)	11.1	(15.4)	(138.7)%
Other adjustments to net income	4.7	25.1	(20.4)	(81.3)%
Operating assets and liabilities	(513.0)	161.3	(674.3)	(418.0)%
Net cash provided by operating activities	$ 1,621.8	$ 1,982.3	$ (360.5)	(18.2)%

Six months ended June 30, 2024: Net income was 1,692.6 million, which represented approximately 104.3% of the net operating cash flow. The cash flow from operating assets and liabilities decreased by 513.0 million due to the following:

- $(481.2) million increase in net, accounts payable and receivable at our Peruvian and Mexican operations.
- $(24.9) million net increase in inventory.
- $(6.9) million increase in other operating assets and liabilities, net.

Six months ended June 30, 2023: Net income was $1,365.6 million, which represented approximately 68.9% of the net operating cash flow. The cash flow from operating assets and liabilities increased by $161.3 million due to the following:

- $326.2 million decrease in trade accounts receivable at our Peruvian and Mexican operations. These accounts were affected by the accounting adjustment for price variation on sales made and not yet collected.
- $15.6 million net decrease in inventory; principally at our Mexican operations.
- $(172.8) million decrease in accounts payable and accrued liabilities at our Peruvian and Mexican operations, mainly due to a decrease in accrued income taxes at our Mexican operations and to a decrease in accrued worker's participation at both operations.
- $(7.7) million increase in other operating assets and liabilities, net.

Net cash used in investing activities:

Six months ended June 30, 2024: Net cash used in investing activities included $545.6 million for capital investments. The capital investments included:

- $409.2 million of investments at our Mexican operations:
  - $61.2 million for the IMMSA unit,
  - $73.2 million for the tailing deposits of new concentrator,
  - $37.2 million for Buenavista Zinc project,
  - $13.4 million for Bella Union mine,
  - $219.4 million for replacement and maintenance expenditures, and
  - $4.8 million in capital expenditures incurred but not yet paid.

- $136.4 million of investments at our Peruvian operations:
  - $12.2 million for the HPGR optimization at Cuajone,
  - $4.0 million for the maintenance workshops at Cuajone,
  - $3.0 million for Tia Maria project,
  - $3.0 million for the relocation of the leaching crusher at Toquepala,
  - $2.0 million for the Maintenance workshops at Toquepala concentrator,
  - $1.1 million for the Quebrada Honda filter plant,
  - $104.0 million for replacement and maintenance expenditures, and
  - $7.1 million in capital expenditures incurred but not yet paid.

Investment activities in the first six months of 2024 included $270.1 million of net proceed of short-term investments.

Six months ended June 30, 2023: Net cash used in investing activities included $490.6 million for capital investments. The capital investments included:

- $334.2 million of investments at our Mexican operations:
  - $62.6 million for the IMMSA unit,
  - $38.6 million for Buenavista Zinc project,
  - $35.1 million for Bella Union deposit,
  - $30.1 million for the tailing deposits of new concentrator,
  - $18.8 million for the Pilares project,
  - $16.9 million for El Arco unit,
  - $126.1 million for replacement and maintenance expenditures, and
  - $6.0 million increase in capital expenditures incurred but not yet paid.

- $156.4 million of investments at our Peruvian operations:
  - $33.3 million for the HPGR optimization at Cuajone,
  - $12.9 million for the maintenance workshops at Cuajone,
  - $6.0 million for the Quebrada Honda dam expansion,
  - $4.6 million for the Quebrada Honda filter plant,
  - $0.9 million for the relocation of facilities at Toquepala,
  - $1.2 million for projects at the Ilo facilities,
  - $94.4 million for replacement and maintenance expenditures, and
  - $3.1 million decrease in capital expenditures incurred but not yet paid.

Investment activities in the first six months of 2023 included $208.0 million of net proceed of short-term investments.

Dividends:

On July 18, 2024, the Board of Directors authorized a quarterly cash dividend of $0.60 per share of common stock and a stock dividend of 0.0056 shares of common stock per share of common stock, payable on August 26, 2024 for shareholders of record at the close of business on August 9, 2024.

In lieu of fractional shares, cash will be distributed to each shareholder who would otherwise have been entitled to receive a fractional share, based on a share price of $106.54, which is the average of the high and low share price on July 18, 2024.

Shareholders will not be required to take any action to receive the stock dividend. After the payment date, shareholders' book entry accounts will be credited with the additional shares that represent the stock dividend. When shares are held in a brokerage account in the name of a broker, the additional shares will be distributed to the broker on the shareholder's behalf. The stock dividend is administered by Computershare, the Company's transfer agent.

Capital Investment and Exploration Programs:

A discussion of our capital investment programs is an important part of understanding our liquidity and capital resources. We expect to meet the cash requirements for these capital investments from cash on hand, internally generated funds and from additional external financing if required. For information regarding our capital investment programs, please see the discussion under the caption "Capital Investment Programs" under this Item 2.

Contractual Obligations:

There have been no material changes in our contractual obligations in the first quarter of 2024. Please see item 7 in Part II of our 2023 annual report on Form 10-K.

NON-GAAP INFORMATION RECONCILIATION

Operating cash cost: Following is a reconciliation of "Operating Cash Cost" (see page 40) to cost of sales (exclusive of depreciation, amortization and depletion) as reported in our consolidated statement of earnings, in millions of dollars and dollars per pound of copper in the table below:

	Three Months Ended June 30, 2024		Three Months Ended June 30, 2023		Six Months Ended June 30, 2024		Six Months Ended June 30, 2023	
	$ millions	$ per pound	$ millions	$ per pound	$ millions	$ per pound	$ millions	$ per pound
Cost of sales (exclusive of depreciation, amortization and depletion)	$ 1,248.9	$ 2.43	$ 1,147.7	$ 2.37	$ 2,406.5	$ 2.35	$ 2,341.9	$ 2.45
Add:								
Selling, general and administrative	33.9	0.07	31.0	0.06	64.8	0.06	61.4	0.06
Sales premiums, net of treatment and refining charges	(9.8)	(0.02)	(0.5)	—	(14.8)	(0.01)	(8.1)	(0.01)
Less:								
Workers' participation	(91.2)	(0.18)	(63.7)	(0.13)	(151.1)	(0.15)	(136.5)	(0.14)
Cost of metals purchased from third parties	(49.3)	(0.10)	(40.1)	(0.08)	(83.8)	(0.08)	(102.4)	(0.11)
Royalty charge and other, net	(16.7)	(0.03)	(25.3)	(0.05)	(22.7)	(0.02)	(70.4)	(0.07)
Inventory change	(10.4)	(0.02)	10.4	0.02	(14.5)	(0.01)	(38.7)	(0.04)
Operating Cash Cost before by-product revenues	**$ 1,105.4**	**$ 2.15**	**$ 1,059.5**	**$ 2.19**	**$ 2,184.4**	**$ 2.13**	**$ 2,047.2**	**$ 2.14**
Add:								
By-product revenues(1)	(705.0)	(1.37)	(497.5)	(1.03)	(1,225.4)	(1.20)	(1,118.1)	(1.17)
Net revenue on sale of metal purchased from third parties	(11.4)	(0.02)	(19.8)	(0.04)	(23.2)	(0.02)	(29.8)	(0.03)
Add:								
Total by-product revenues	(716.4)	(1.40)	(517.3)	(1.07)	(1,248.6)	(1.22)	(1,147.9)	(1.20)
Operating Cash Cost net of by-product revenues	**$ 389.0**	**$ 0.76**	**$ 542.2**	**$ 1.12**	**$ 935.8**	**$ 0.91**	**$ 899.3**	**$ 0.94**
Total pounds of copper produced (in millions)	513.1		484.4		1,024.0		957.4	

(1) By-product revenues included in our presentation of operating cash cost contain the following:

	Three Months Ended June 30, 2024		Three Months Ended June 30, 2023		Six Months Ended June 30, 2024		Six Months Ended June 30, 2023	
	$ millions	$ per pound	$ millions	$ per pound	$ millions	$ per pound	$ millions	$ per pound
Molybdenum	$ (379.2)	$ (0.74)	$ (254.4)	$ (0.53)	$ (652.7)	$ (0.64)	$ (556.1)	$ (0.58)
Silver	(139.6)	(0.27)	(99.4)	(0.21)	(241.7)	(0.24)	(211.7)	(0.22)
Zinc	(91.0)	(0.18)	(42.5)	(0.09)	(136.7)	(0.13)	(112.9)	(0.12)
Sulfuric Acid	(63.9)	(0.12)	(73.2)	(0.15)	(133.2)	(0.13)	(162.7)	(0.17)
Gold and others	(31.3)	(0.06)	(28.0)	(0.05)	(61.0)	(0.06)	(74.7)	(0.08)
Total	**$ (705.0)**	**$ (1.37)**	**$ (497.5)**	**$ (1.03)**	**$ (1,225.4)**	**$ (1.20)**	**$ (1,118.1)**	**$ (1.17)**

Item 3. Quantitative and Qualitative Disclosure about Market Risk

Commodity price risk:

For additional information on metal price sensitivity, refer to “Metal Prices” in Part I, Item 2 of this quarterly report on Form 10-Q for the period ended June 30, 2024.

Foreign currency exchange rate risk:

Our functional currency is the U.S. dollar. Portions of our operating costs are denominated in Peruvian soles and Mexican pesos. Given that our revenues are primarily denominated in U.S. dollars, when inflation or deflation in our Mexican or Peruvian operations is not offset by a change in the exchange rate of the sol or the peso to the dollar, our financial position, results of operations and cash flows could be affected by local cost conversion when expressed in U.S. dollars. In addition, the dollar value of our net monetary assets denominated in soles or pesos can be affected by an exchange rate variance of the sol or the peso, resulting in a re-measurement gain or loss in our financial statements. Recent inflation and exchange rate variances are provided in the table below for the three and six-month period ended June 30, 2024 and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Peru:				
Peruvian inflation rate	(0.0)%	0.7 %	1.6 %	2.5 %
Initial exchange rate	3.721	3.765	3.713	3.820
Closing exchange rate	3.837	3.633	3.837	3.633
Appreciation/(devaluation)	(3.1)%	3.5 %	(3.3)%	4.9 %
Mexico:				
Mexican inflation rate	0.4 %	(0.1)%	1.7 %	1.4 %
Initial exchange rate	16.678	18.105	16.894	19.362
Closing exchange rate	18.377	17.072	18.377	17.072
Appreciation/(devaluation)	(10.2)%	5.7 %	(8.8)%	11.8 %

Change in monetary position:

Assuming an exchange rate variance of 10% at June 30, 2024, we estimate our net monetary position in Peruvian sol and Mexican peso would increase (decrease) our net earnings as follows:

	Effect in net earnings ($ in millions)
Appreciation of 10% in U.S. dollar vs. Peruvian sol	$ 27.2
Devaluation of 10% in U.S. dollar vs. Peruvian sol	$ (33.2)
Appreciation of 10% in U.S. dollar vs. Mexican peso	$ (22.3)
Devaluation of 10% in U.S. dollar vs. Mexican peso	$ 18.2

Open sales risk:

Our provisional copper and molybdenum sales contain an embedded derivative that is required to be separate from the host contract for accounting purposes. The host contract is the receivable from the sale of copper and molybdenum concentrates at prevailing market prices at the time of the sale. The embedded derivative, which does not qualify for hedge accounting, is marked to market through earnings each period prior to settlement. See Note 13 to our condensed consolidated financial statements for further information about these provisional sales.

Short-term Investments:

For additional information on our trading securities and available-for-sale investments, refer to “Short-term Investments” in Part I, Item 1 of this quarterly report on Form 10-Q for the period ended June 30, 2024.

Derivative Instruments:

From time to time, we use derivative instruments to manage our cash flows exposure to changes in commodity prices. We do not enter into derivative contracts unless we anticipate that the possibility exists that future activity will expose our future cash flows to deterioration. Derivative contracts for commodities are entered into to manage the price risk associated with forecasted purchases of the commodities that we use in our manufacturing process.

Cash Flow Hedges of Natural Gas

Our objective in using natural gas derivatives is to protect the stability of natural gas costs and manage exposure to natural gas price increases. To protect natural gas costs from estimated price increases in 2021, we acquired two derivative instruments that began in November 2021 and ended in March 2022.

We assessed these derivative instruments as Cash Flow Hedges. As such, the effective portions of said hedges were initially reported in Other Comprehensive Income (OCI) and were reclassified as earnings in the same line item associated with the forecasted transaction and in the same period or periods during which the hedged transaction affected earnings. The Company did not identify any ineffective portions of these derivatives.

As of June 30, 2024, we held no derivative instruments.

Cautionary Statement:

Forward-looking statements in this report and in other Company statements include statements regarding expected commencement dates of mining or metal production operations, projected quantities of future metal production, anticipated production rates, operating efficiencies, costs and expenditures as well as projected demand or supply for the Company’s products. Actual results could differ materially depending upon factors including the risks and uncertainties relating to general U.S. and international economic and political conditions, the cyclical and volatile prices of copper, other commodities and supplies, including fuel and electricity, availability of materials, insurance coverage, equipment, required permits or approvals and financing, the occurrence of unusual weather or operating conditions, lower than expected ore grades, water and geological problems, the failure of equipment or processes to operate in accordance with specifications, failure to obtain financial assurance to meet closure and remediation obligations, labor relations, litigation and environmental risks as well as political and economic risk associated with foreign operations. Results of operations are directly affected by metal prices on commodity exchanges that can be volatile.

Item 4. Controls and Procedures

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

As of June 30, 2024, the Company conducted an evaluation under the supervision and with the participation of the Company's disclosure committee and the Company's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness and the design and operation of the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)). Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective as of June 30, 2024, to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is:

1. Recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and

2. Accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) that occurred during the three months ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Southern Copper Corporation:

Results of Review of Interim Financial Statements

We have reviewed the accompanying condensed consolidated balance sheet of Southern Copper Corporation and subsidiaries (the "Company") as of June 30, 2024, the related condensed consolidated statements of earnings, comprehensive income, cash flows and stockholders' equity for the three-month and six-month periods ended June 30, 2024 and 2023, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2023, and the related consolidated statements of earnings, comprehensive income, cash flows and stockholders' equity for the year then ended (not presented herein); and in our report dated February 29, 2024, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2023, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

This interim financial information is the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our reviews in accordance with standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

Galaz, Yamazaki, Ruiz Urquiza, S.C.
Member of Deloitte Touche Tohmatsu Limited

/s/ Paulina Ramos Ramirez
C.P.C. Paulina Ramos Ramirez
Mexico City, Mexico
August 2, 2024

PART II — OTHER INFORMATION

Item 1. Legal Proceedings:

The information provided in Note 9 “Commitments and Contingencies” to the condensed consolidated financial statements contained in Part I of this Form 10-Q, is incorporated herein by reference.

Item 1A. Risk Factors:

The Company's operations and financial results are subject to various risks and uncertainties, including those described in “Risk Factors” included in Part I, Item 1A of our Annual report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 29, 2024. The following supplements and updates the risk factor previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

Mexican economic and political conditions, as well as drug related violence, may have an adverse impact on our business

On April 29 2023, Mexican Senate approved a fast-track bill that would impact the mining industry. The main aspects that will be affected by the legislation are changes in mining concession period from 50 to 30 years; new restrictions and conditions on water use; provide of guarantees for closure and remediation of operations, sets 5% contribution of net earnings to indigenous communities for new projects and finally significant changes to exploration activities.

In the future, the aforementioned changes could trigger amendments, additions and repeals to provisions of a number of laws, including the Mining Law, the National Water Law, the General Law for Ecological Balance and Environmental Protection and the General Law for the Prevention and Management of Mine Waste.

Although the Company believes that there would be no material impact on the Company's operations or financial condition, we cannot assure you that future developments in these laws will not affect our current business as well as our organic growth portfolio.

Item 2. Unregistered Sale of Equity Securities and Use of Proceeds:

None.

Item 4. Mine Safety Disclosures:

Not applicable.

Item 6. Exhibits

Exhibit No.	Description of Exhibit
3.1	(a) Amended and Restated Certificate of Incorporation, filed on October 11, 2005. (Filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the third quarter of 2005 and incorporated herein by reference). (b) Certificate of Amendment of Amended and Restated Certificate of Incorporation dated May 2, 2006. (Filed as Exhibit 3.1 to Registration Statement on Form S-4, File No. 333-135170) filed on June 20, 2006 and incorporated herein by reference). (c) Certificate of Amendment of Amended and Restated Certificate of Incorporation dated May 28, 2008. (Filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the second quarter of 2008 and incorporated herein by reference).
3.2	By-Laws, as last amended on January 27, 2022. (Filed as Exhibit 3.2 to the Company's Form 8-K filed on January 31, 2022 and incorporated herein by reference).
4.1	(a) Indenture governing $600 million 7.500% Notes due 2035, by and among Southern Copper Corporation, the Bank of New York and The Bank of New York (Luxembourg) S.A. (Filed as Exhibit 4.2 to the Company's Current Report on Form 8-K, filed on August 1, 2005) and incorporated herein by reference). (b) Indenture governing $400 million 7.500% Notes due 2035, by and between Southern Copper Corporation, The Bank of New York, The Bank of New York (Luxembourg) S.A.(Filed as Exhibit 4.2 to the Company's Current Report on Form 8-K, filed on August 1, 2005 and incorporated herein by reference).
4.2	Form of 6.375% Note (included in Exhibit 4.1).
4.3	Form of New 7.500% Note (included in Exhibit 4.2(a)).
4.4	Form of New 7.500% Note (included in Exhibit 4.2(b)).
4.5	Indenture, dated as of April 16, 2010, between Southern Copper Corporation and Wells Fargo Bank, National Association, as trustee, pursuant to which $1.1 billion of 6.750% Notes due 2040 were issued (Filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on April 19, 2010 and incorporated herein by reference).
4.6	Second Supplemental Indenture, dated as of April 16, 2010, between Southern Copper Corporation and Wells Fargo Bank, National Association, as trustee, pursuant to which the 6.750% Notes due 2040 were issued. (Filed as an Exhibit to the Company's Current Report on Form 8-K filed on April 19, 2010 and incorporated herein by reference).
4.7	Form of 6.750% Notes due 2040 (Filed as an Exhibit to the Company's Current Report on Form 8-K filed on April 19, 2010 and incorporated herein by reference).
4.8	Fourth Supplemental Indenture, dated as of November 8, 2012, between Southern Copper Corporation and Wells Fargo Bank, National Association, as trustee, pursuant to which the 5.250% Notes due 2042 were issued. (Filed as an Exhibit to the Company's Current Report on Form 8-K filed on November 9, 2012 and incorporated herein by reference).
4.9	Form of 5.250% Notes due 2042. (Filed as an Exhibit to the Company's Current Report on Form 8-K filed on November 9, 2012, and incorporated herein by reference).
4.10	Fifth Supplemental Indenture dated as of April 23, 2015, between Southern Copper Corporation and Wells Fargo Bank, National Association, as trustee, pursuant to which the 3.875% Notes due 2025 were issued. (Filed as an Exhibit to the Company's Current Report on Form 8-K filed on April 24, 2015, and incorporated herein by reference).

Exhibit No.	Description of Exhibit
4.11	Sixth Supplemental Indenture, dated as of April 23, 2015, between Southern Copper Corporation and Wells Fargo Bank, National Association, as trustee, pursuant to which the 5.875% Notes due 2045 were issued. (Filed as an Exhibit to the Company's Current Report on Form 8-K filed on April 24, 2015, and incorporated herein by reference).
4.12	Form of 3.875% Notes due 2025. (Filed as Exhibit A to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on April 24, 2015 and incorporated herein by reference).
4.13	Form of 5.875% Notes due 2045. (Filed as Exhibit A to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on April 24, 2015 and incorporated herein by reference).
10.1	Directors' Stock Award Plan of the Company, as amended through January 27, 2028. (Filed as an exhibit to the Company's Current Report on Form S-8 filed on January 27, 2023 and incorporated herein by reference). The plan expired by its terms on January 28, 2023. A 5-year extension of the plan was approved by the Company's stockholders at the 2022 Annual Meeting of Stockholders.
10.2	Agreement and Plan of Merger, dated as of October 21, 2004, by and among Southern Copper Corporation, SCC Merger Sub, Inc., Americas Sales Company, Inc., Americas Mining Corporation and Minera Mexico S.A. de C.V. (Filed as an Exhibit to Current Report on Form 8-K filed on October 22, 2004 and incorporated herein by reference).
10.3	Tax Agreement entered into by the Company and Americas Mining Corporation, effective as of February 20, 2017. (Filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the first quarter of 2017 and incorporated herein by reference).
14.0	Code of Business Conduct and Ethics adopted by the Board of Directors on May 8, 2003 and amended on October 20, 2023. (Filed as Exhibit 14.1 to the Company's Current Report on Form 8-K filed October 25,2023 and incorporated herein by reference).
15.0	Consent of Registered Public Accounting Firm (Galaz, Yamazaki, Ruiz Urquiza, S.C. - Member of Deloitte Touche Tohmatsu, Limited) (filed herewith).
23.2	Consent of Qualified Persons for Technical Report Summary of Mineral Reserves and Mineral Resources for the Cuajone Mine. (Filed as an Exhibit to the Company's Current Report on Form 10-K filed on February 28, 2023 and incorporated herein by reference).
23.3	Consent of Qualified Persons for Technical Report Summary of Mineral Reserves and Mineral Resources for the Toquepala Mine. (Filed as an Exhibit to the Company's Current Report on Form 10-K filed on February 28, 2023 and incorporated herein by reference).
23.4	Consent of Qualified Persons for Technical Report Summary of Mineral Reserves and Mineral Resources for the Tia Maria Project. (Filed as an Exhibit to the Company's Current Report on Form 10-K filed on February 28, 2023 and incorporated herein by reference).
23.5	Consent of Qualified Persons for Technical Report Summary of Mineral Resources for the Los Chancas Project. (Filed as an Exhibit to the Company's Current Report on Form 10-K filed on February 28, 2023 and incorporated herein by reference).
23.6	Consent of Qualified Persons for Technical Report Summary of Mineral Resources for the Michiquillay Project. (Filed as an Exhibit to the Company's Current Report on Form 10-K filed on February 28, 2023 and incorporated herein by reference).
23.7	Consent of Qualified Persons for Technical Report Summary of Mineral Reserves and Mineral Resources for Buenavista del Cobre. (Filed as an Exhibit to the Company's Current Report on Form 10-K filed on February 28, 2023 and incorporated herein by reference).
23.8	Consent of Qualified Persons for Technical Report Summary of Mineral Reserves and Mineral Resources for the La Caridad Mine. (Filed as an Exhibit to the Company's Current Report on Form 10-K filed on February 28, 2023 and incorporated herein by reference).

Table of Contents

Exhibit No.	Description of Exhibit
23.9	Consent of Qualified Persons for Technical Report Summary of Mineral Resources for the Pilares Project. (Filed as an Exhibit to the Company's Current Report on Form 10-K filed on February 28, 2023 and incorporated herein by reference).
23.10	Consent of Qualified Persons for Technical Report Summary of Mineral Reserves and Mineral Resources for the El Pilar Project. (Filed as an Exhibit to the Company's Current Report on Form 10-K filed on February 28, 2023 and incorporated herein by reference).
23.11	Consent of Qualified Persons for Technical Report Summary of Mineral Reserves and Mineral Resources for the El Arco Project. (Filed as an Exhibit to the Company's Current Report on Form 10-K filed on February 28, 2023 and incorporated herein by reference).
23.12	Consent of Qualified Persons for Technical Report Summary of Mineral Resources for the Charcas Mine. (Filed as an Exhibit to the Company's Current Report on Form 10-K filed on February 28, 2023 and incorporated herein by reference).
23.13	Consent of Qualified Persons for Technical Report Summary of Mineral Resources for the Santa Barbara Mine. (Filed as an Exhibit to the Company's Current Report on Form 10-K filed on February 28, 2023 and incorporated herein by reference).
23.14	Consent of Qualified Persons for Technical Report Summary of Mineral Resources for the San Martin Mine. (Filed as an Exhibit to the Company's Current Report on Form 10-K filed on February 28, 2023 and incorporated herein by reference).
31.1	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.1	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C., Section 1350. This document is being furnished in accordance with SEC Release No. 33-8238.
32.2	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C., Section 1350. This document is being furnished in accordance with SEC Release No. 33-8238.
96.1	Technical Report Summary of Mineral Reserves and Mineral Resources for the Cuajone Mine. (Filed as an Exhibit to the Company's Current Report on Form 10-K filed on February 28, 2023 and incorporated herein by reference).
96.2	Technical Report Summary of Mineral Reserves and Mineral Resources for the Toquepala Mine. (Filed as an Exhibit to the Company's Current Report on Form 10-K filed on February 28, 2023 and incorporated herein by reference).
96.3	Technical Report Summary of Mineral Reserves and Mineral Resources for the Tia Maria Project. (Filed as an Exhibit to the Company's Report on Form 10-K/A filed on March 7, 2022 and incorporated herein by reference).
96.4	Technical Report Summary of Mineral Resources for the Los Chancas Project. (Filed as an Exhibit to the Company's Report on Form 10-K/A filed on March 7, 2022 and incorporated herein by reference).
96.5	Technical Report Summary of Mineral Resources for the Michiquillay Project. (Filed as an Exhibit to the Company's Report on Form 10-K/A filed on March 7, 2022 and incorporated herein by reference).
96.6	Technical Report Summary of Mineral Reserves and Mineral Resources for Buenavista del Cobre. (Filed as an Exhibit to the Company's Current Report on Form 10-K/A filed on February 28, 2023 and incorporated herein by reference).
96.7	Technical Report Summary of Mineral Reserves and Mineral Resources for the La Caridad Mine. (Filed as an Exhibit to the Company's Current Report on Form 10-K/A filed on February 28, 2023 and incorporated herein by reference).

Exhibit No.	Description of Exhibit
96.8	Technical Report Summary of Mineral Resources for the Pilares Project. (Filed as an Exhibit to the Company's Report on Form 10-K/A filed on March 7, 2022 and incorporated herein by reference).
96.9	Technical Report Summary of Mineral Reserves and Mineral Resources for the El Pilar Project. (Filed as an Exhibit to the Company's Report on Form 10-K/A filed on March 7, 2022 and incorporated herein by reference).
96.10	Technical Report Summary of Mineral Reserves and Mineral Resources for the El Arco Project. (Filed as an Exhibit to the Company's Report on Form 10-K/A filed on March 7, 2022 and incorporated herein by reference).
96.11	Technical Report Summary of Mineral Resources for the Charcas Mine. (Filed as an Exhibit to the Company's Current Report on Form 10-K/A filed on February 28, 2023 and incorporated herein by reference).
96.12	Technical Report Summary of Mineral Resources for the Santa Barbara Mine. (Filed as an Exhibit to the Company's Current Report on Form 10-K/A filed on February 28, 2023 and incorporated herein by reference).
96.13	Technical Report Summary of Mineral Resources for the San Martin Mine. (Filed as an Exhibit to the Company's Current Report on Form 10-K/A filed on February 28, 2023 and incorporated herein by reference).
101.INS	XBRL Instance Document (submitted electronically with this report). The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document (submitted electronically with this report).
101.CAL	XBRL Taxonomy Calculation Linkbase Document (submitted electronically with this report).
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (submitted electronically with this report).
101.LAB	XBRL Taxonomy Label Linkbase Document (submitted electronically with this report).
101.PRE	XBRL Taxonomy Presentation Linkbase Document (submitted electronically with this report).
104	Cover page Interactive Data File (formatted in Inline Extensible Business Reporting Language ("iXBRL")).

Attached as Exhibit 101 to this report are the following documents formatted in Inline XBRL (Inline Extensible Business Reporting Language): (i) the Condensed Consolidated Statement of Earnings for the three and six-month period ended June 30, 2024 and 2023; (ii) the Condensed Consolidated Statement of Comprehensive Income for the three and six-month period ended June 30, 2024 and 2023; (iii) the Condensed Consolidated Balance Sheet at June 30, 2024 and December 31, 2023; (iv) the Condensed Consolidated Statement of Cash Flows for the three and six-month period ended June 30, 2024 and 2023; and (v) the Notes to Condensed Consolidated Financial Statements tagged in detail. Users of this data are advised pursuant to Rule 406T of Regulation S-T that this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

PART II — OTHER INFORMATION

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SOUTHERN COPPER CORPORATION
(Registrant)

/s/ Oscar Gonzalez Rocha
Oscar Gonzalez Rocha
President and Chief Executive Officer

August 2, 2024

/s/ Raul Jacob
Raul Jacob
Vice President, Finance, Treasurer and Chief Financial Officer

August 2, 2024

Exhibit 15.0

August 2, 2024

Southern Copper Corporation
7310 North 16th St, Suite 135
Phoenix, AZ 85020

We are aware that our report dated August 2, 2024, on our review of the interim financial information of Southern Copper Corporation appearing in this Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, is incorporated by reference in Post-Effective Amendment No.3 to Registration Statement No. 333-150982 on Form S-8.

Galaz, Yamazaki, Ruiz Urquiza, S.C.
Member of Deloitte Touche Tohmatsu Limited

/s/ Paulina Ramos Ramirez
C.P.C. Paulina Ramos Ramirez
Mexico City, Mexico

Exhibit 31.1

CERTIFICATION PURSUANT TO
Section 302 of the Sarbanes-Oxley Act of 2002

I, Oscar Gonzalez Rocha, certify that:

1. I have reviewed this report on Form 10-Q of Southern Copper Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15-d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 2, 2024

/s/ Oscar Gonzalez Rocha
Oscar Gonzalez Rocha
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
Section 302 of the Sarbanes-Oxley Act of 2002

I, Raul Jacob, certify that:

1. I have reviewed this report on Form 10-Q of Southern Copper Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 2, 2024

/s/ Raul Jacob
Raul Jacob
Vice President, Finance, Treasurer and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Southern Copper Corporation (the "Company") on Form 10-Q for the period ending June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Oscar Gonzalez Rocha, President and Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Oscar Gonzalez Rocha
Oscar Gonzalez Rocha
President and Chief Executive Officer

August 2, 2024

A signed original of this written statement required by section 906 has been provided to Southern Copper Corporation and will be retained by Southern Copper Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Southern Copper Corporation (the “Company”) on Form 10-Q for the period ending June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Raul Jacob, Vice President Finance, Treasurer and Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Raul Jacob
Raul Jacob
Vice President, Finance, Treasurer and Chief Financial Officer

August 2, 2024

A signed original of this written statement required by section 906 has been provided to Southern Copper Corporation and will be retained by Southern Copper Corporation and furnished to the Securities and Exchange Commission or its staff upon request.