

Volcan Compañía Minera

Corporate presentation

August 2022



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Agenda

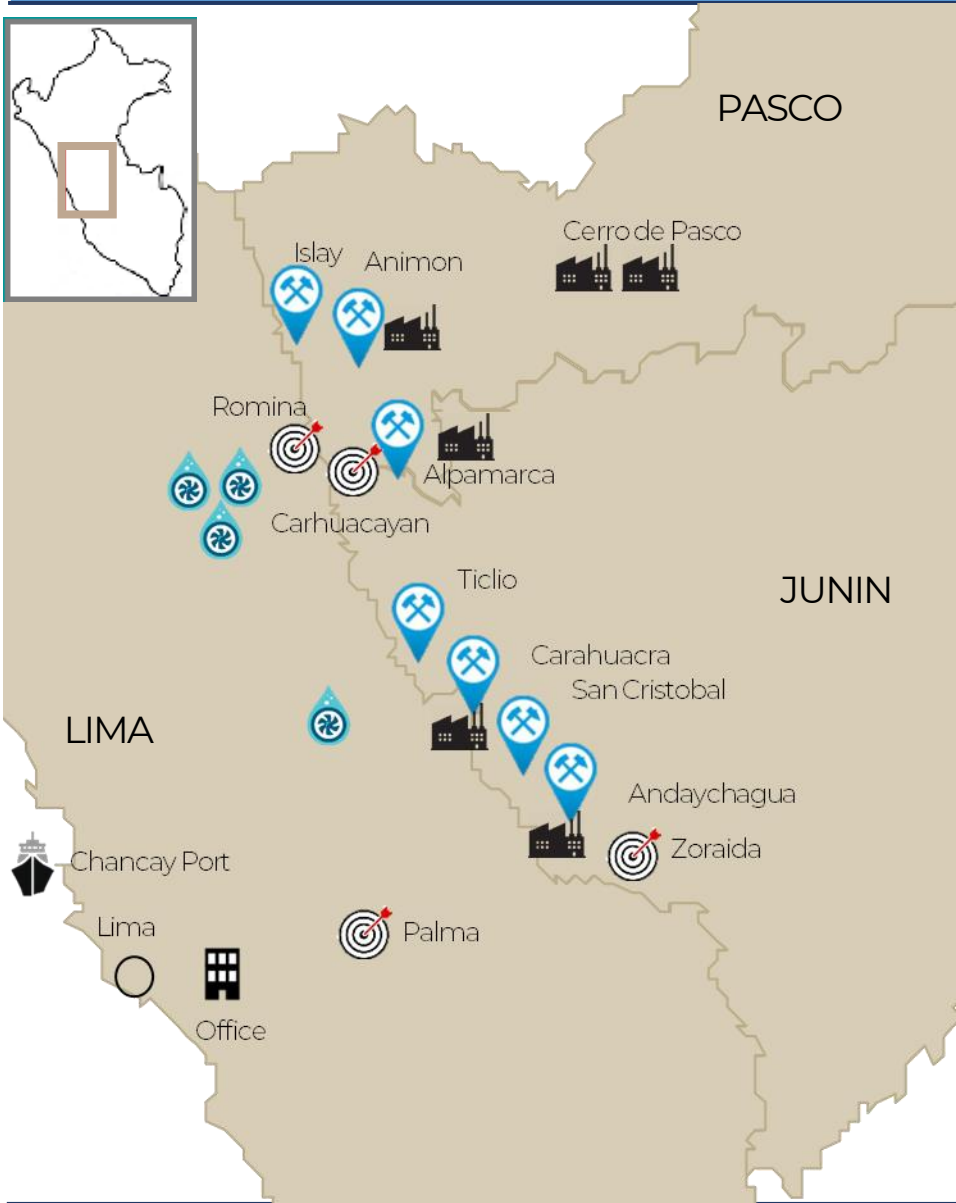
1 Overview

2 Operations & Financial Results

3 Growth Strategy

4 Chancay Port Project

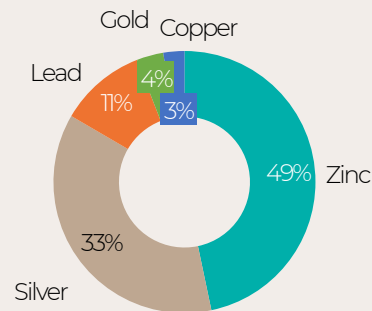
Volcan overview



Volcan is a Leading Producer of Zinc, Silver and Lead

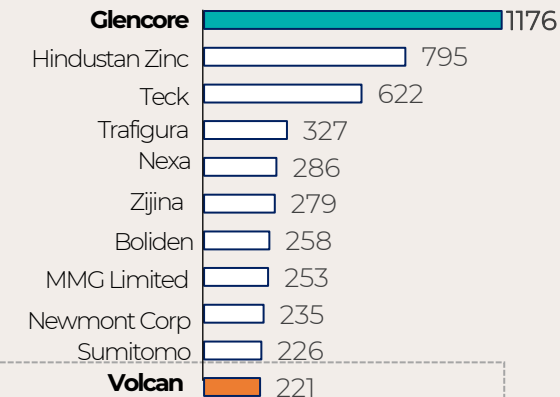
- Operations in most prospective polymetallic region of Peru
- R&R as of December 2021*
 - Reserves: 23 m tonnes
 - Resources: 446 m tonnes
- Mining assets
 - 7 mines
 - 5 concentrate plants & 1 Leach plant
 - 354k hectares of mining concessions
- ~12 k employees and contractors
 - Employees 3,552
 - Contractors 8,261

Mining revenue composition:

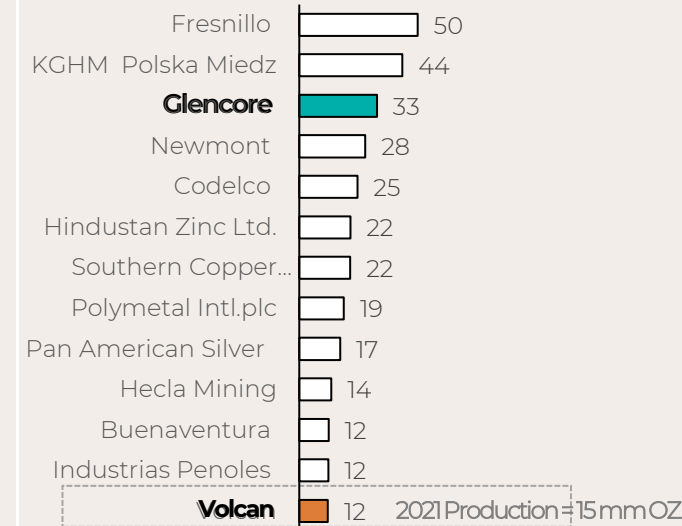


- Hydro electrical generation (63 MW)
- Non core business: Chancay port project and adjacent land

Zinc Metal 2021 (000' MT)



Silver Metal 2020 (mm Oz)

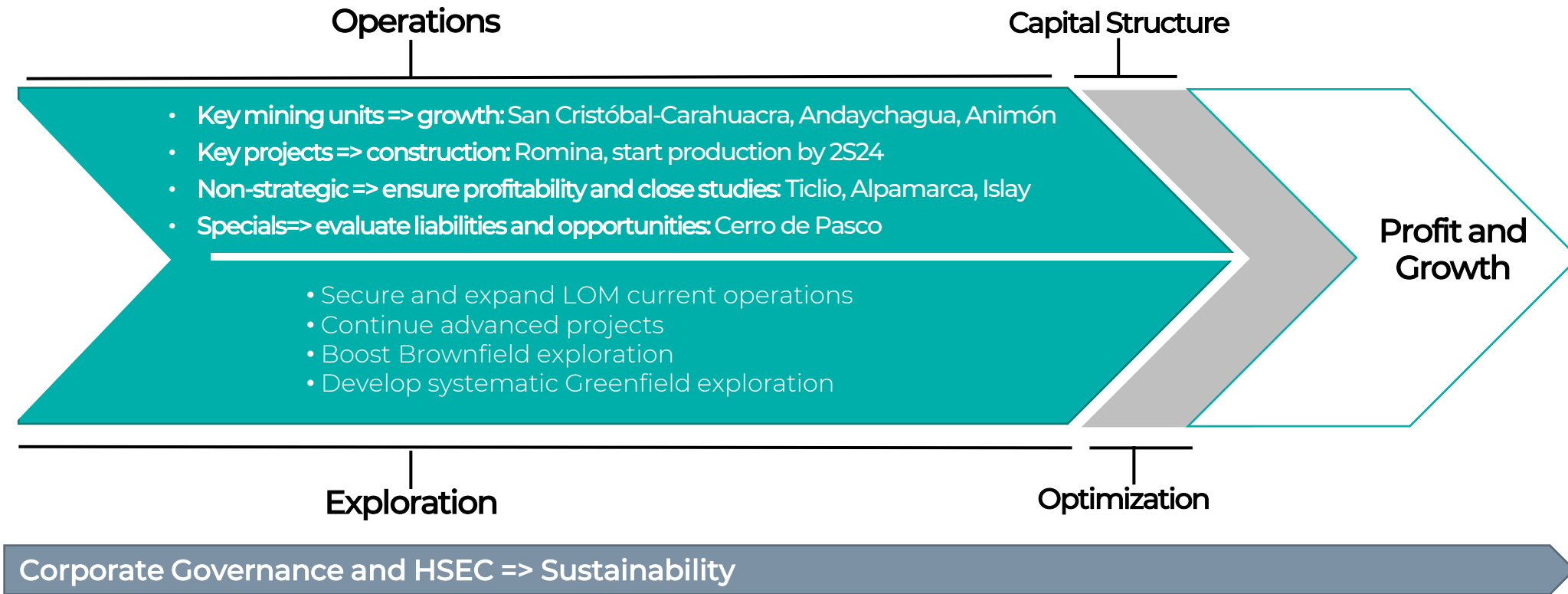


Source: Wood Mackenzie



* Includes Cerro de Pasco & Copper resources

Volcan Strategic Overview



- ESG good practices
- Covid-19 management
- Implementation of Safework 2.0
- Ensure environmental standards
- Mine Closure management
- Community support and development

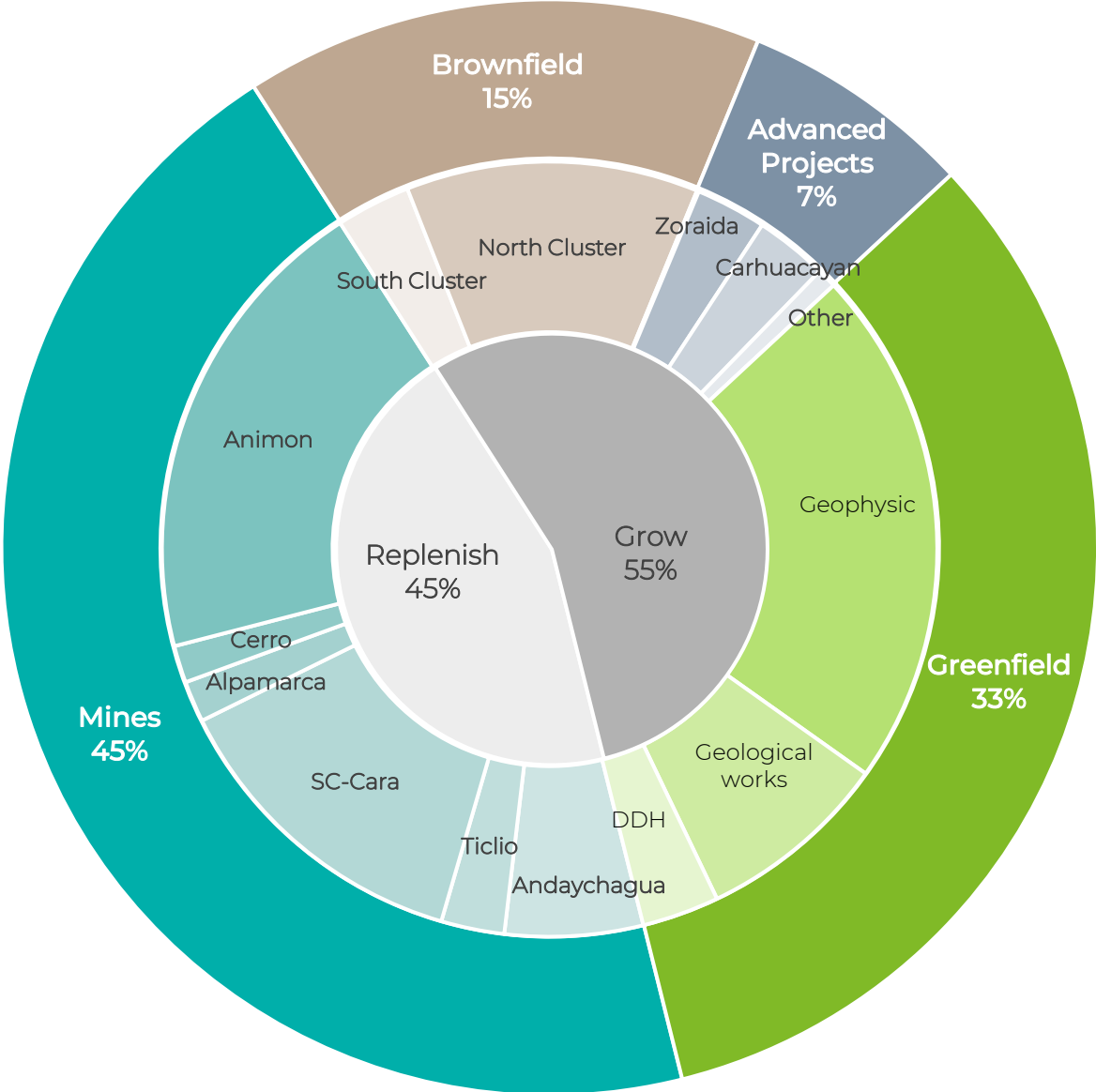
Exploration strategy

Objectives:

- 1. Upgrade Volcan's resource base
- 2. Guarantee the LOA with 2-2-4 drilling strategy:
2 years measured resources, 2 years indicated resources and 4 years inferred resources
- 3. Continue the brownfield exploration with emphasis in Esperanza (Animon), Zoraida and Andaychagua
- 4. Continue advancing projects like Romina and Carhuacayán
- 5. Implement greenfield program to systematically explore the Volcan concessions package

Scope:

- Aggressive drilling program: 301 km ddh totaling USD 64 MM (opex and capex)
- 237 km out of the 301 km of ddh (USD 26 MM) will be allocated to our operating mines
- Brownfield program has an important amount with focus in North cluster (Esperanza in Animon)
- Start greenfield activities – geophysics survey in major Volcan's concessions



SAFE WORK

Program to eliminate fatalities and improving our safety performance.

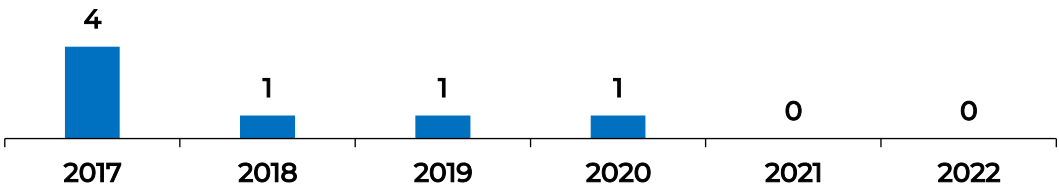
- ✓ Clear standards defined in the Fatal Hazard protocols
- ✓ Life-Saving Behaviors expected from everyone
- ✓ Promoting courage in everyone to make the safe choice
- ✓ Consequence Management for violations of Life-Saving Behaviors

FATAL
HAZARD
PROTOCOLS

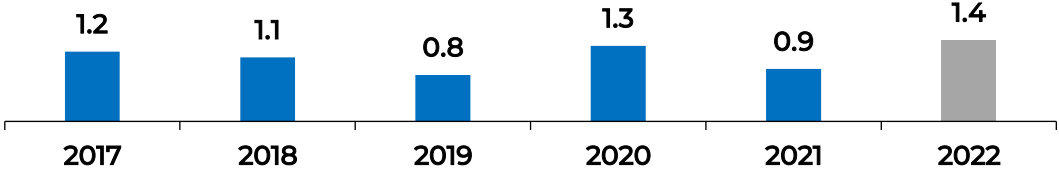
LIFE-SAVING
BEHAVIOURS

GCOM
RISK MANAGEMENT
LEADERSHIP
GEST. OPERACIONAL
ASSURANCE
TRAINING

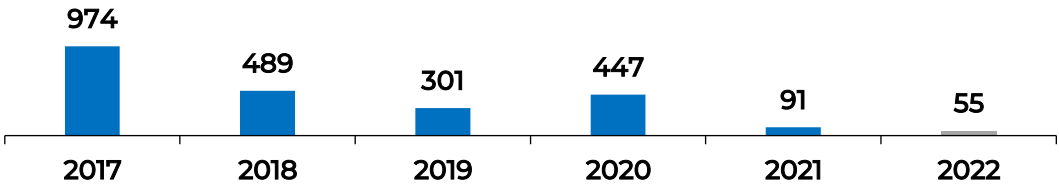
Deadly accidents



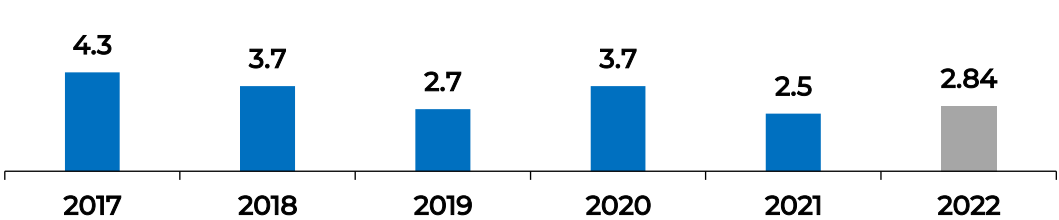
LTIFR (Lost Time Injury Frequency Rate)



DISR (Disabling Injury Severity Rate)



TRIFR (Total Recordable Injury Frequency Rate)



Environmental management

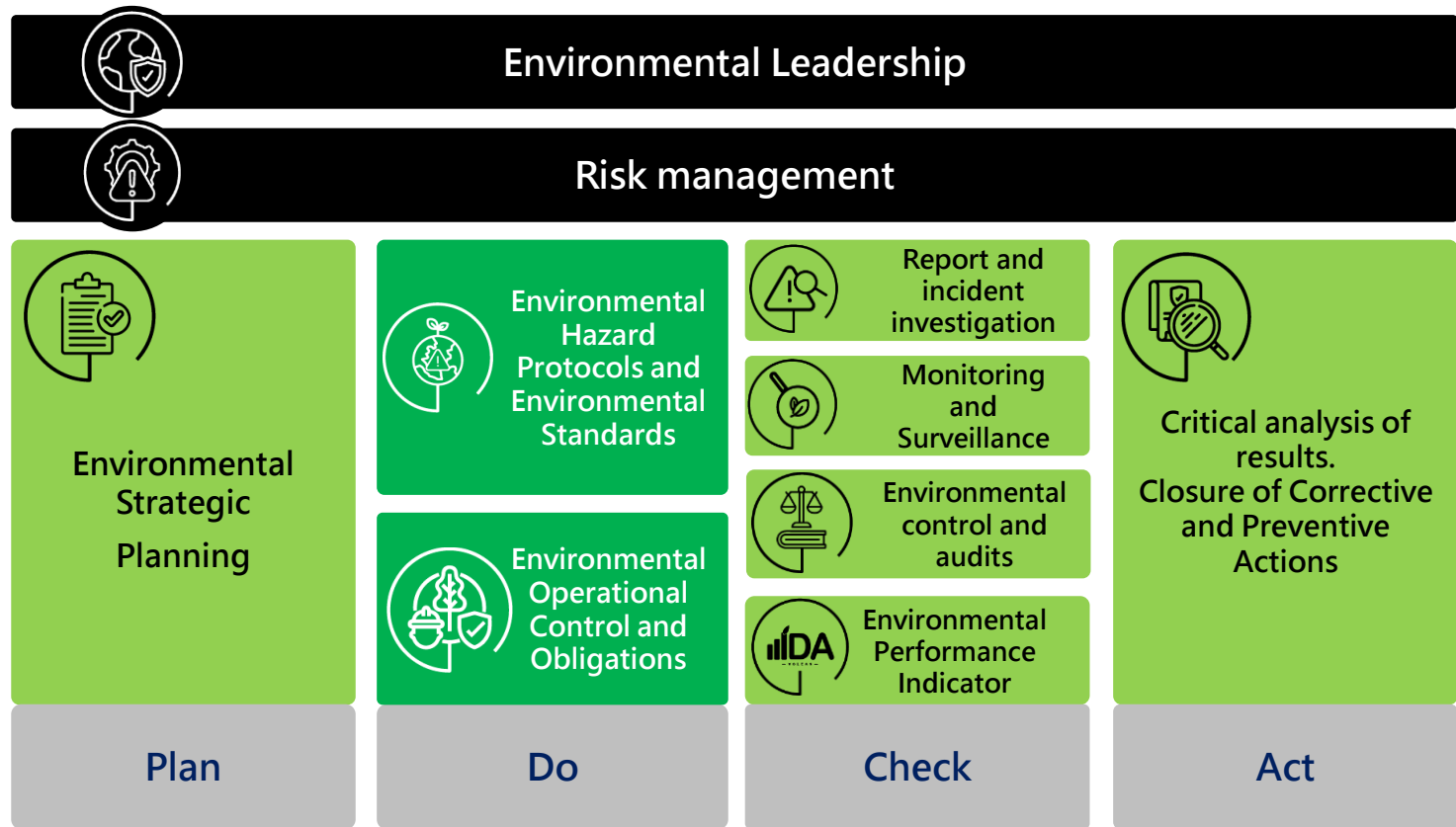
Environmental Management System



¿What is Clean Work?

- It is the guide for the Environmental Management System that defines the expectations of performance and environmental sustainability based on the management of **10 essential elements**.
- EHP (Environmental Hazard Protocols), environmental operational control and compliance with commitments are the central elements that complement and reinforce CLEAN WORK

CLEAN WORK



Communities

25 Communities across 3 territories
and 5 sites

Key Community programs:

HEALTH:

- Anemia prevention
- Medical campaigns
- Oxygen plants

EDUCATION:

- Teachers training programs

ECONOMIC DEVELOPMENT:

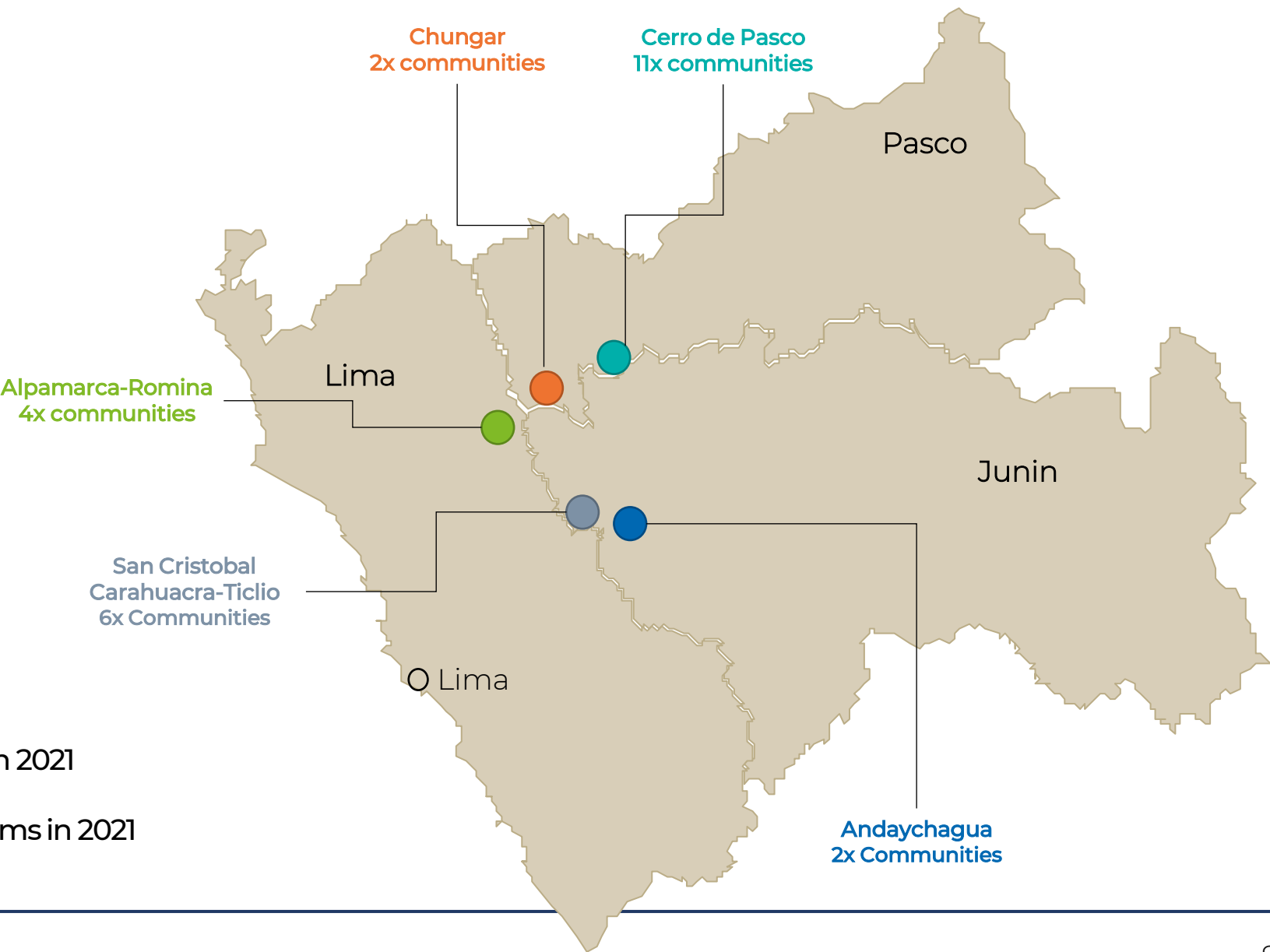
- Cattle farming
- Animal deworming campaigns

OTHER:

- NGO & govt. engagement
- Local procurement
- Company commitments



- USD 47 MM paid to communal enterprises in 2021
- USD 5 MM executed in development programs in 2021



Energy Operations

+100 MW hydroelectric energy portfolio

- 11 Hydroelectric Plants (23 MW) connected to Chungar
- 2 Hydroelectric Plants (40 MW) connected to the national grid
- 45 MW in projects: Tingo expansion (15 MW), CCHHs Chancay (30 MW)

Rucuy Hydroelectric Plant



Electric Balance (GWh)	2019	2020	2021
Energy generation	386.7	332.7	439.4
CH's Chungar	151.2	115.1	150.8
CH Tingo	8.6	1.7	6.6
CH Huanchor	159.1	107.5	145.3
CH Rucuy	67.7	108.3	136.7
Energy consumption	755.6	484.6	764.5
Energy purchase	595.8	367.8	607.1

- Significant savings due to self-generation (around. USD 5 MM/year)

Cost of Energy	USD/MWh
Energy generation	24.5
Energy purchase	59.0

Agenda

1 Overview

2 Operations & Financial Results

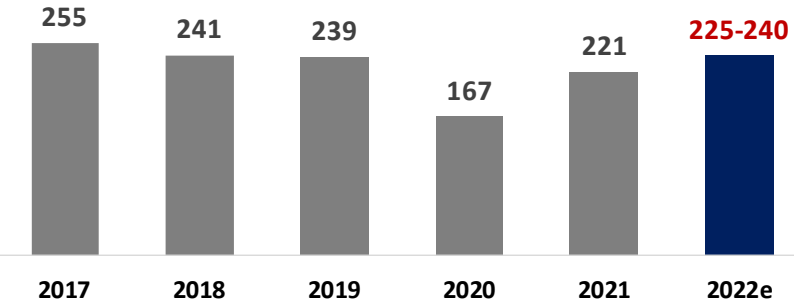
3 Growth Strategy

4 Energy and Chancay Port

Production

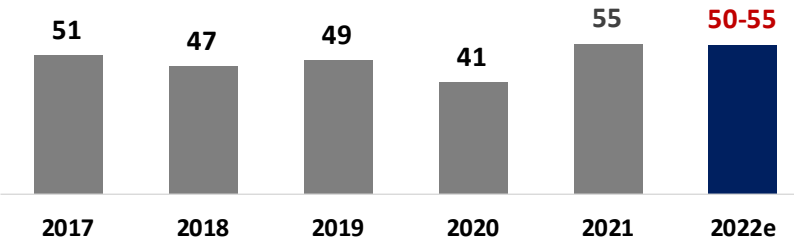
Zinc Production

(k fmt)



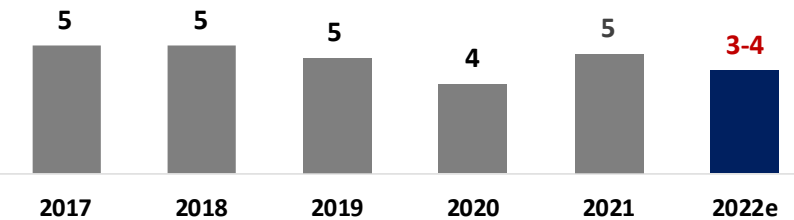
Lead Production

(k fmt)



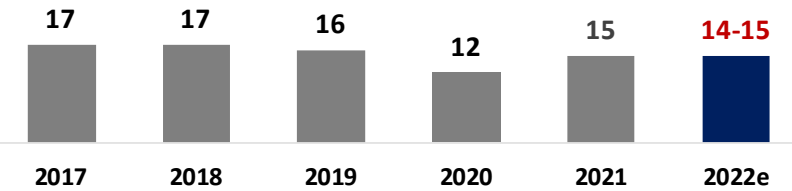
Copper Production

(k fmt)



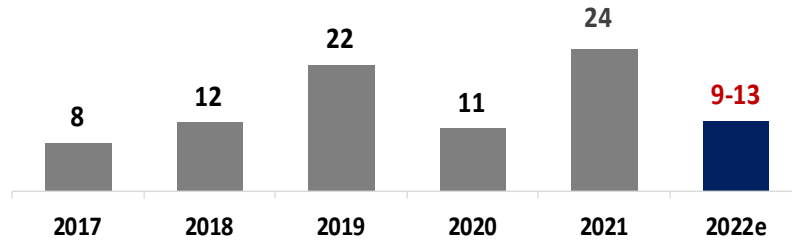
Silver Production

(MM oz)



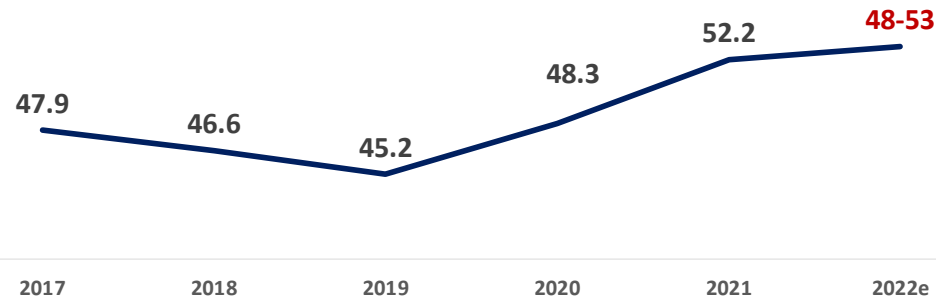
Gold Production

(MM oz)



Production cost and capex

Annual Unit Cost (USD/MT)¹

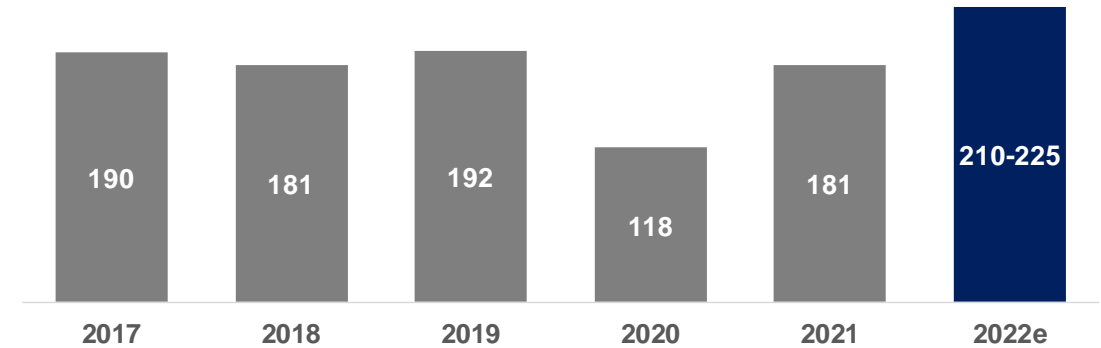


Unit cost increase due to:

- ✓ Increase in mining preparations
- ✓ Greater maintenance of liabilities
- ✓ Increase in the prices of oil and its derivatives, and other important inputs for operations.
- ✓ Protocol costs for Covid-19

The Company has designed and started a project in all operating units to reduce costs and achieve greater productivity. The results of the "Volcan Avanza" project are expected to begin to be observed in the following quarters.

Mining CAPEX (USD MM)



Since 2017, Volcan increased its investments in explorations, mine developments, and mine infrastructure, to ensure sustained growth of its operations

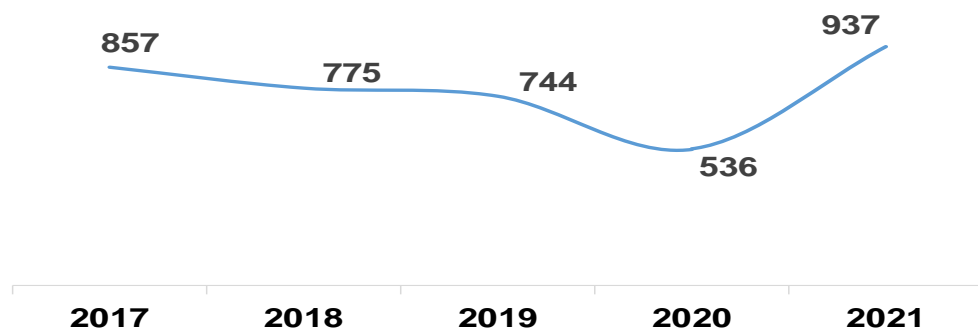


¹ Unit cost of production excludes the following costs: purchases of concentrate or mineral from 3rd-parties, extraordinary costs associated with events such as employee liquidation costs or intercompany mineral purchases.

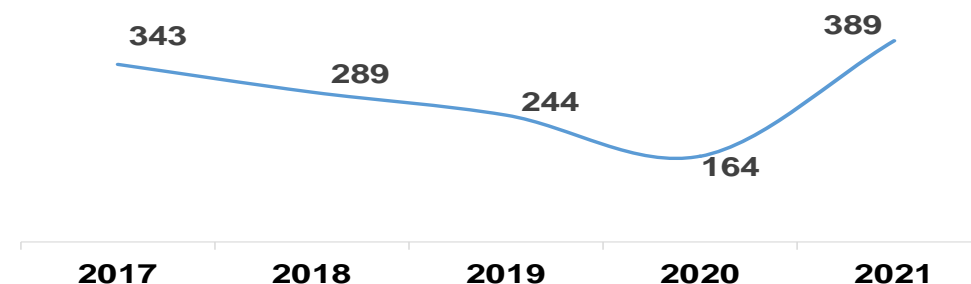
Sales y EBITDA

Sales Prices	2017	2018	2019	2020	2021
Zn (USD/MT)	2,836	2,917	2,539	2,280	2,981
Pb (US\$/TM)	2,311	2,245	1,978	1,855	2,207
Cu (US\$/TM)	6,148	6,464	6,022	6,074	8,268
Ag (USD/Oz)	17.1	15.7	16.1	21.4	25.5
Au (US\$/Oz)	1,262	1,265	1,387	1,773	1,812

Sales (MM USD)



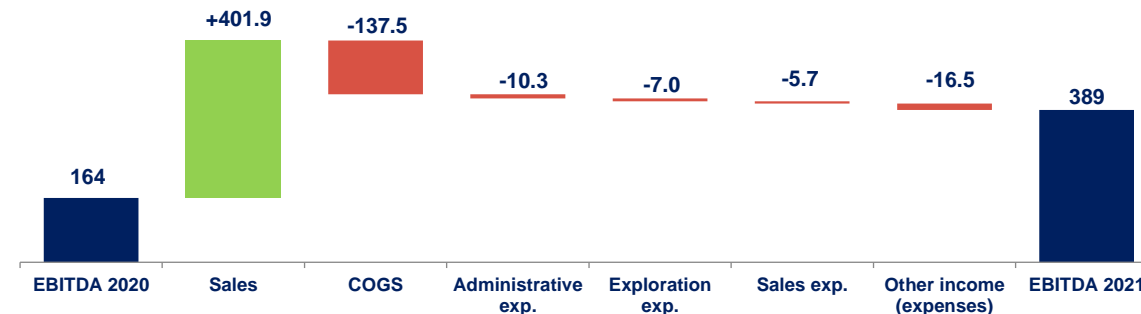
EBITDA¹ (MM USD)



Sales Variation (MM USD)



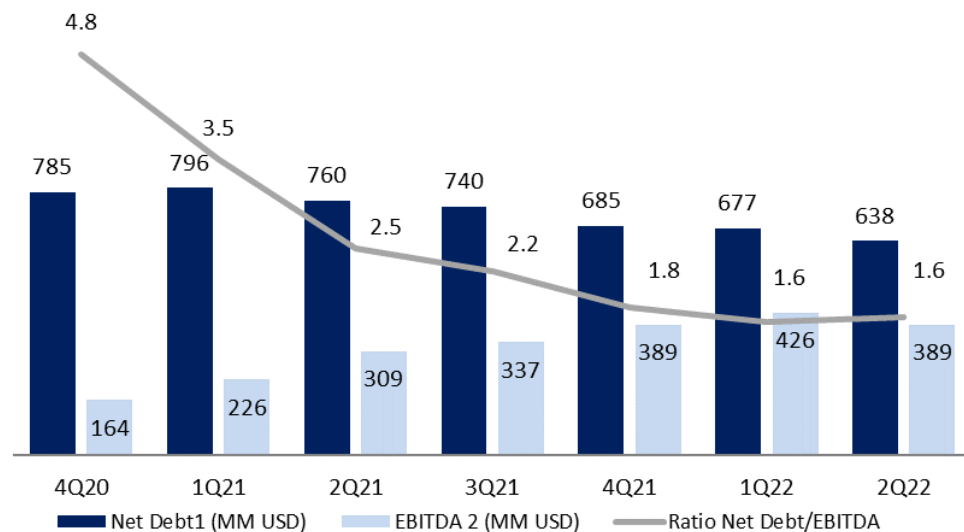
EBITDA Variation (MM USD)



¹ EBITDA does not consider exceptional adjustments

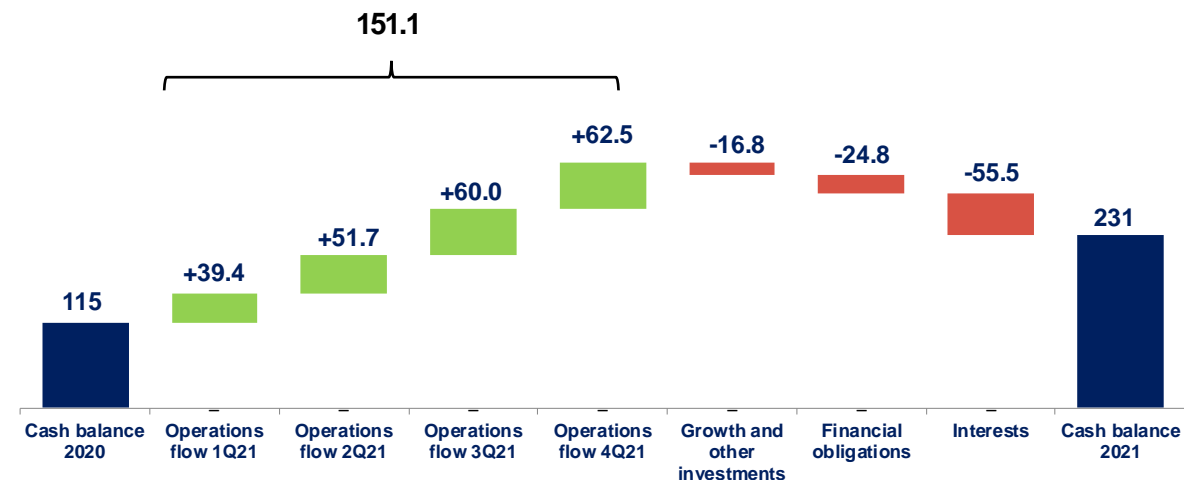
Leverage & Liquidity

Net Debt / EBITDA



1 Debt does not include the operating leases fee according to NIIF16 or the current interest
2 EBITDA for the last 12 months.

Cash Balance (MM USD)



Net Debt/EBITDA Ratio	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Gross Debt (MM USD)	900	917	918	916	916	903	795
Cash Balance (MM USD)	115	121	158	177	231	226	156
Net Debt ¹ (MM USD)	785	796	760	740	685	677	638
EBITDA ² (MM USD)	164	226	309	337	389	426	389
Ratio Net Debt/EBITDA	4.8	3.5	2.5	2.2	1.8	1.6	1.6



¹Total debt does not include operative leasing (IFRS 16) and current interest

² EBITDA from the last 12 months.

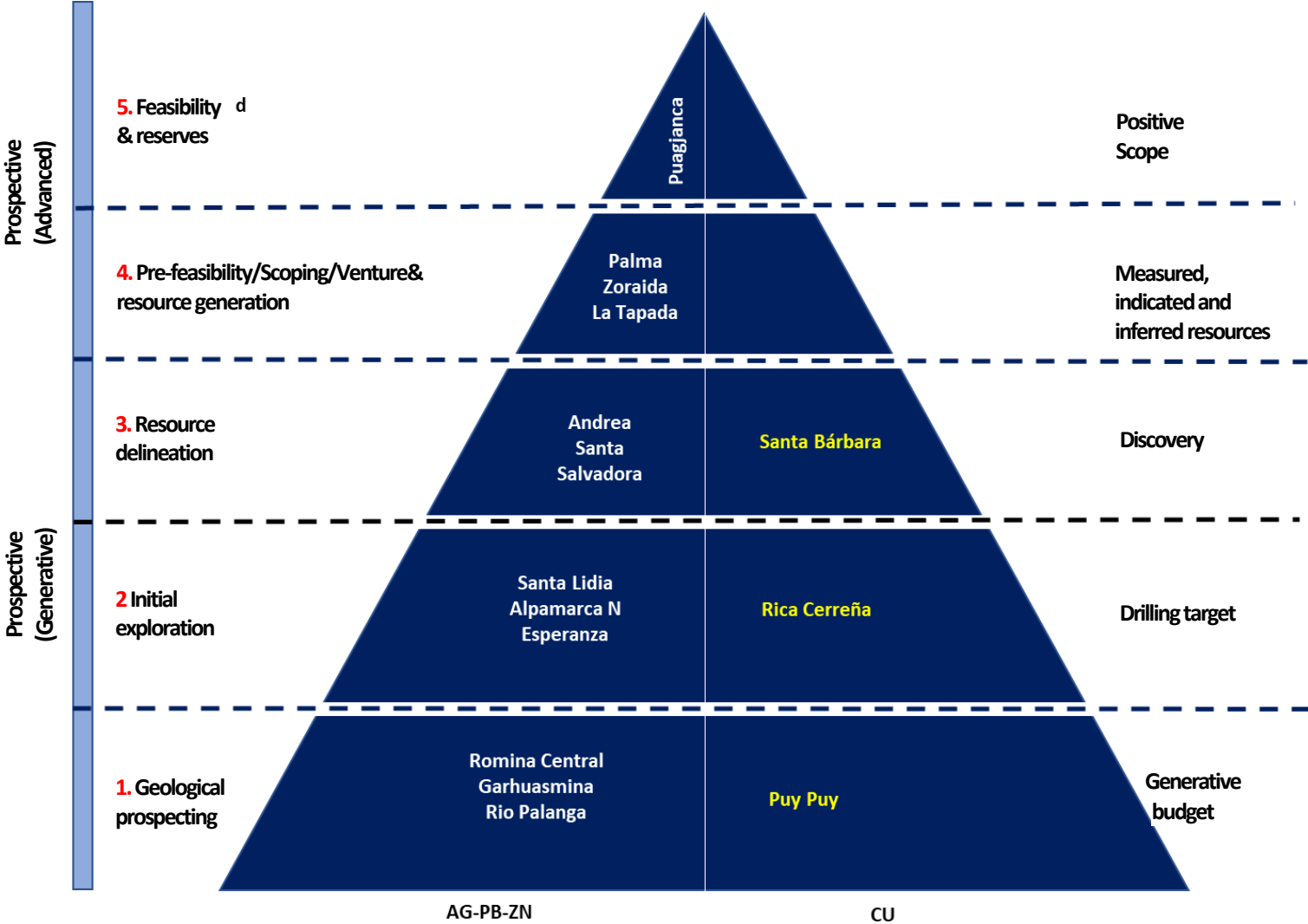
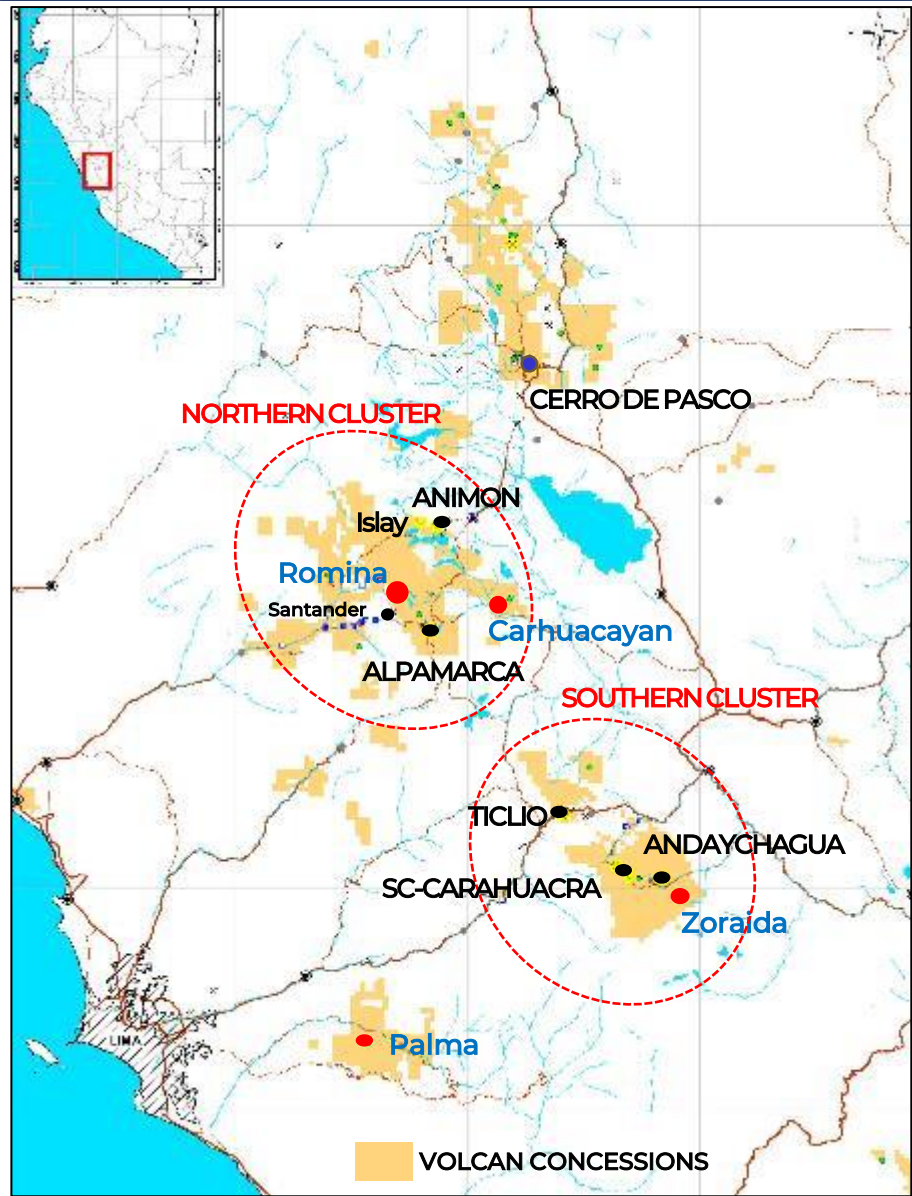
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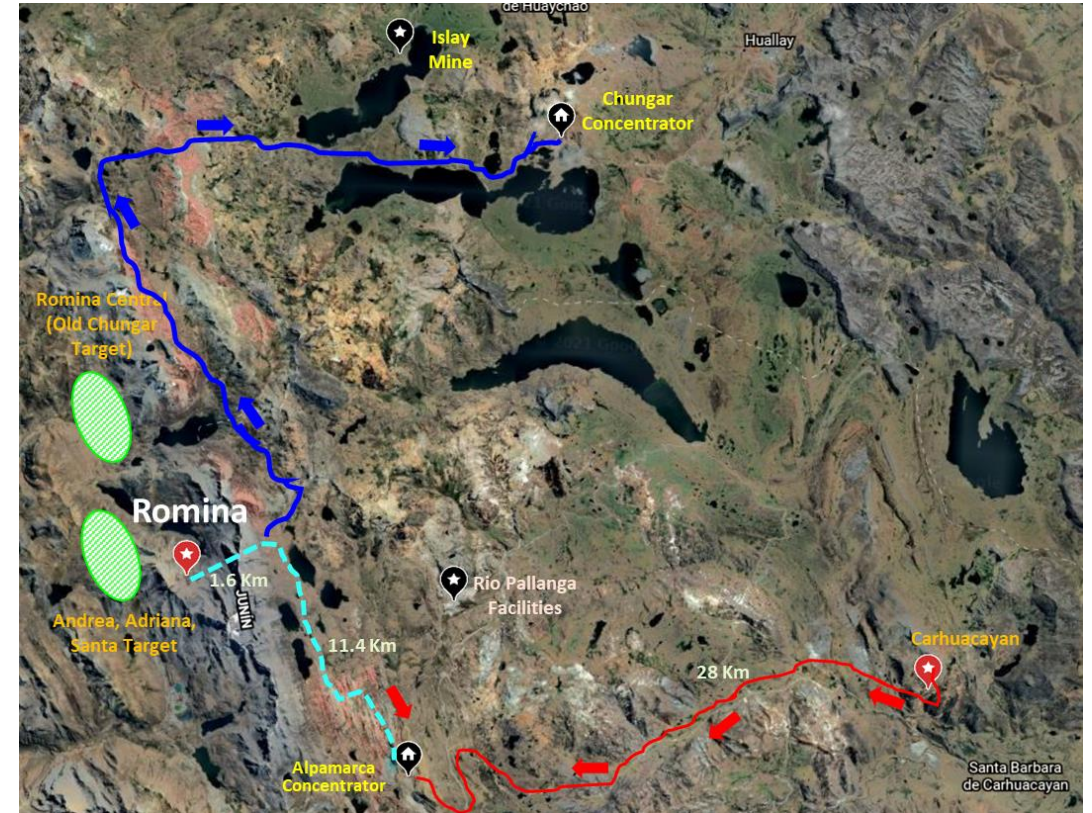
4 Chancay Port Project

Growth Strategy

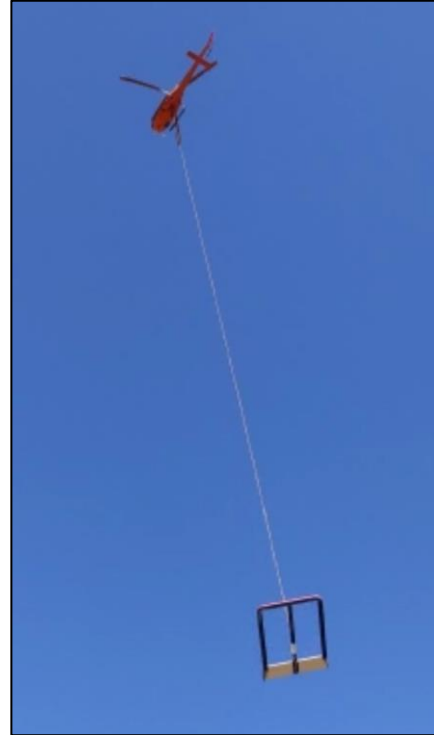
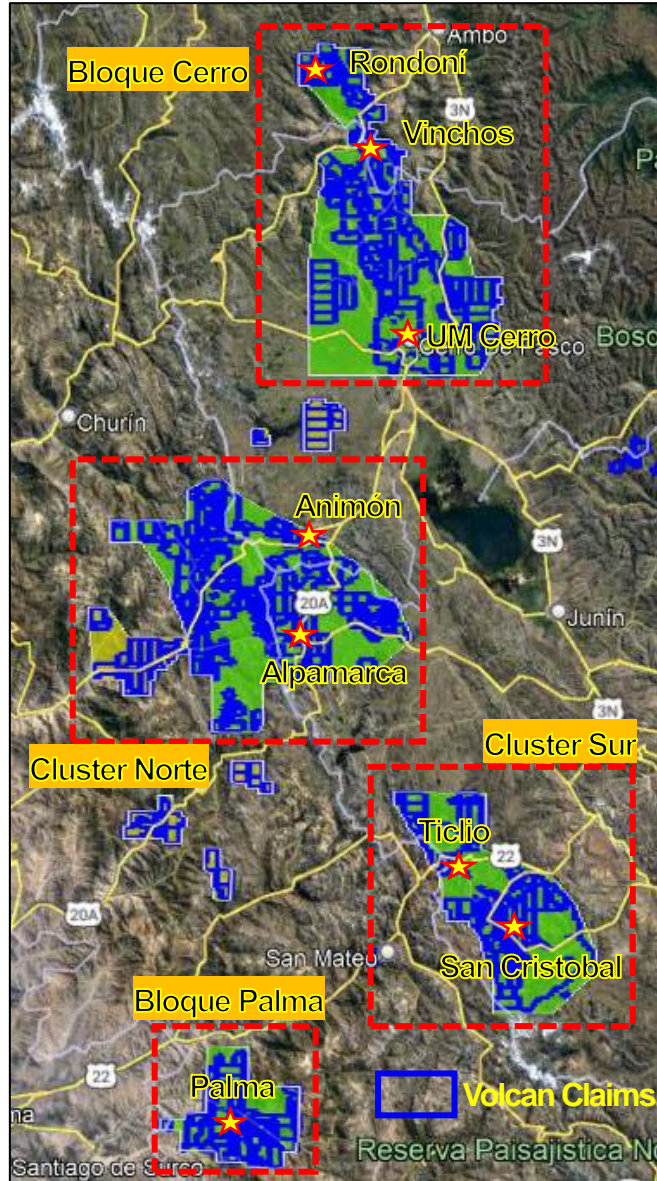


Romina Project

- ✓ Located about 200 km from the city of Lima, very close to the Alpamarca unit
- ✓ R&R of 14.5 m tm only in the Puagjanca body
- ✓ Estimated start of operations by the end of 2024
- ✓ Estimated production for the first 13 years: 442 thousand mt of Zn, 248 thousand mt of Pb and 12.5 million ounces of silver
- ✓ Good relationship and agreements signed with the surrounding communities.
- ✓ ITS approved for the modification of the Alpamarca plant and MEIAsd for the construction of a tunnel, water treatment plant and an underground mine development ramp
- ✓ Detailed exploitation EIA projected for March 2023
- ✓ Bodies (Andrea, Adriana, Santa, Esperanza) and deposits (Carhuacayán, Romina Central) nearby to be evaluated with significant growth potential



Greenfield Exploration



Airborne geophysical survey: All of Volcan's concessions along the Cerro Block, North Cluster, South Cluster and Palma Block are being covered.

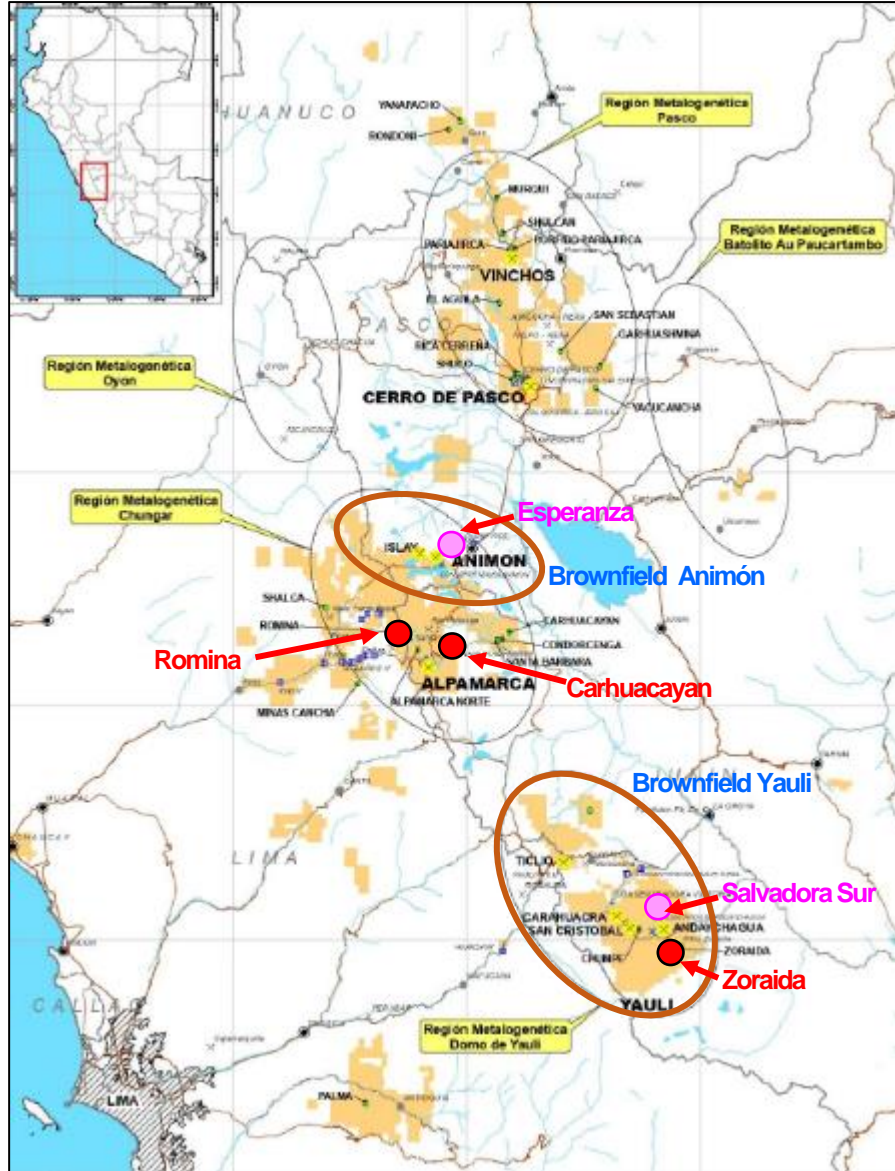
- ✓ 100% in the Palma Block
- ✓ 38% progress in the North Cluster

Land Geophysical Survey: Mainly on prospects with greater geological interest and focusing within smaller areas, the objective is to obtain data with higher resolution. Surveys of Magnetometry, Gravimetry and IP.

- ✓ 25% progress in the gravimetric and magnetometric survey with drones in the Northern Cluster

Geological Mapping: Surface reconnaissance and prospecting with geological mapping and geochemical sampling with reference in 5 areas (2,500 Ha) with high exploration potential (Garhuashmina-Yacucancha, Pariajirca, Don Miguel, Valentino and Minas Cancha).

Brownfield Exploration



Brownfield Animon

- ✓ 8,827m of diamond drilling at Esperanza of 11,200m from the Infill Drilling program, confirming high grade zinc and copper mineralization.

Brownfield Yauli

- ✓ 4,757 m of diamond drilling in Salvadora Sur, Milagros and Martha metavolcanics.
- ✓ Start of the well geophysics program (DHEM) with innovative technology, it will allow redirecting the drilling program.

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Chancay Port Project

- Strategic location: 80 km north from Lima in the bay of Chancay. The bay has exceptional natural features for a port
- Capacity to handle Triple E vessels
- Integration with the Andean Central Railway and the Panamericana Highway
- Areas available to store transshipment cargo
- Potential HUB port in Peru and in the South Pacific Ocean
- Cosco Shipping is the majority partner of the Project. Chinese state-owned company, the world's largest in the integrated port and transport business (+100 million TEU per year)
- Volcan maintains a 40% interest in the Project
- Approved Environmental Impact Studies
- First stage of the Port and the 7 km electric transmission line under construction
- Potential industrial logistics area neighboring the Port Project (>800 hectares 100% Volcan)
- Approximate investment USD 1.3 B
- Construction time 2 – 3 years

First stage of the Chancay Multipurpose Port Terminal:

- ✓ Capacity of 4 docks (2 multi-purpose docks and 2 container docks).
- ✓ The project are under construction:
 - ✓ Underground viaduct tunnel: 280 meters have been completed
 - ✓ Entrance complex: The area has been released to start works
 - ✓ Port operating zone: Advance of more than 20%
 - ✓ The main breakwater
 - ✓ The secondary breakwater has been completed



