

Volcan Compañía Minera S.A.A. and Subsidiaries Management Discussion and Analysis Third Quarter 2023

Principal Results:

Consolidated Volcan	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Sales Prices¹								
Zinc (USD/MT)	3,117	2,578	2,415	3,299	-26.8	2,693	3,620	-25.6
Lead (USD/MT)	2,143	2,110	2,123	1,959	8.4	2,124	2,140	-0.8
Copper (USD/MT)	8,900	8,491	8,162	7,210	13.2	8,504	8,646	-1.6
Silver (USD/Oz)	22.5	24.0	23.1	19.6	18.3	23.2	22.1	5.2
Gold (USD/Oz)	1,892	1,976	1,916	1,729	10.9	1,933	1,843	4.9
Operating Results								
Mineral treatment ² (thousands MT)	2,274	2,404	2,426	2,352	3.1	7,103	6,631	7.1
Zinc Production (thousands FMT)	56.5	62.6	60.5	58.4	3.5	179.6	163.5	9.8
Lead Production (thousands FMT)	13.2	15.3	16.9	13.2	28.0	45.4	40.1	13.0
Copper Production (thousands FMT)	1.3	1.5	1.3	1.2	12.1	4.1	3.0	34.4
Silver Production (millions Oz)	3.5	3.8	4.2	3.6	16.8	11.5	10.7	8.0
Gold Production (thousands Oz)	3.7	5.5	5.4	4.2	27.9	14.6	17.5	-16.4
Unit Cost (USD/TM) ³	50.4	51.8	49.8	52.6	-5.2	50.7	53.7	-5.5
Total Investments (MM USD)	36.2	42.7	45.0	64.2	-29.8	124.0	164.6	-24.6
Financial Results (MM USD)								
Sales before adjustments	220.7	227.9	224.7	232.5	-3.4	673.2	740.9	-9.1
Sales Adjustments	0.4	-14.6	5.2	-9.7		-9.0	-25.5	-64.9
Settlement of prior period adjustments	8.9	-10.3	-6.1	-17.6	-65.5	-7.5	2.9	
Adjustments for open positions ⁴	-8.5	-4.7	9.3	7.8	18.7	-3.9	-28.4	-86.4
Hedging results	0.0	0.4	1.9	0.0		2.4	0.0	
Sales after adjustments	221.1	213.3	229.8	222.8	3.2	664.3	715.4	-7.1
Net profit before exceptionals	1.5	-10.8	0.8	-18.1		-8.6	16.3	
Exceptional adjustments	-0.7	-1.0	-0.7	-12.3		-2.4	-20.7	-88.5
Net profit	0.8	-11.8	0.1	-30.4		-10.9	-4.5	144.7
EBITDA⁵	71.4	49.3	86.1	52.1	65.4	206.8	239.0	-13.5

¹ These prices are initial invoice prices, which are provisional because they are adjusted when final settlements are issued to the customers

² Includes treated tons at Oxides Plant.

³ Unit cost does not include infill drilling costs.

⁴ The open commercial positions refer to deliveries/shipments that don't have final settlements yet, therefore they are exposed to adjustments due to metal future prices variations

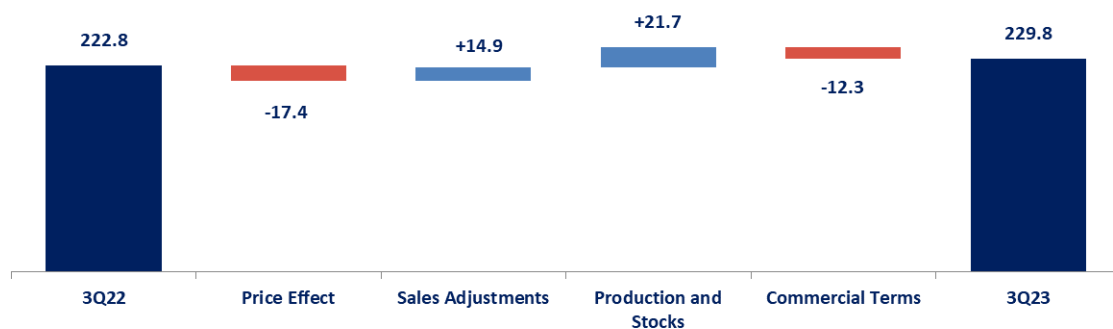
⁵ Does not consider exceptional adjustments

Source: Volcan Cia. Minera

1. Executive Summary

- In 3Q23, operating results were better than in the same period of the previous year. Total processed volumes grew by 3.1% due to increased treated ore volumes at Yauli, Cerro de Pasco and Alpamarca. Zinc fines production increased by 3.5%, from 58.4 thousand FMT in 3Q22 to 60.5 thousand FMT in 3Q23, lead fines production by 28.0%, from 13.2 thousand FMT to 16.9 thousand FMT, copper fines production by 12.1%, from 1.2 thousand FMT to 1.3 thousand FMT, silver by 16.8% from 3.6 MM Oz to 4.2 MM Oz, and gold production by 27.9%, from 4.2 thousand Oz in 3Q22 to 5.4 thousand Oz in 3Q23.
- Consolidated unit cost decreased by 5.2%, from 52.6 USD/MT in 3Q22 to 49.8 USD/MT in 3Q23. This is mainly explained by the implementation of operational improvement initiatives, the suspension of operations at Islay Mine, and greater volumes treated at Yauli, Cerro de Pasco and Alpamarca.
- Total investments decreased by 29.8%, from USD 64.2 MM in 3Q22 to USD 45.0 MM in 3Q23, as a result of investment prioritization in the operating units to preserve the Company's liquidity amidst a challenging environment for metals prices.
- Zinc price decreased by 26.8%, from 3,299 USD/MT in 3Q22 to 2,415 USD/MT in 3Q23, while lead increased by 8.4%, from 1,959 USD/MT to 2,123 USD/MT, and copper increased by 13.2%, from 7,210 USD/MT to 8,162 USD/MT. With regard to precious metals prices, silver price increased by 18.3%, from 19.6 USD/Oz to 23.1 USD/Oz, and gold by 10.9%, from 1,729 USD/Oz to 1,916 USD/Oz.
- Accordingly, total sales before adjustments decreased by 3.4%, from USD 232.5 MM in 3Q22 to USD 224.7 MM in 3Q23. Sales adjustments totaled USD 5.2 MM in 3Q23 as compared to USD -9.7 MM in 3Q22 and as a result, sales after adjustments increased by 3.2%, from USD 222.8 MM to USD 229.8 MM.

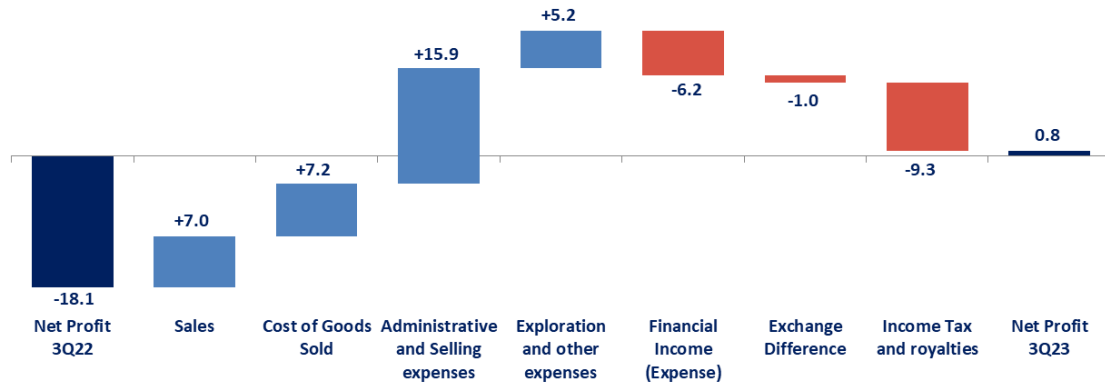
Figure 1: 3Q23 vs 3Q22 variations impact on net sales (USD MM)



Source: Volcan Cía. Minera

- Profit before exceptionals increased from USD -18.1 MM in 3Q22 to USD 0.8 MM in 3Q23, mainly due to higher gross profit, lower exploration costs, and higher other expenses related to recovery of provisions.

Figure 2: 3Q23 vs 3Q22 variations impact on net profit before exceptionals (USD MM)



Source: Volcan Cía. Minera

- Exceptional expenses totaled USD -0.7 MM, mainly related to the impairment of long-term investments in Cerro de Pasco. Net profit amounted to USD 0.1 MM in 3Q23 versus USD -30.4 MM in 3Q22.
- EBITDA increased by 65.4%, from USD 52.1 MM in 3Q22 to USD 86.1 MM in 3Q23, resulting from a higher gross margin, reduced operating costs and expenses, and better results in the energy business explained by higher spot prices.
- Year-to-date (Jan-Sep), sales after adjustments decreased by 7.1%, from USD 715.4 MM in 2022 to USD 664.3 MM in 2023, EBITDA decreased by 13.5%, from USD 239.0 MM in 2022 to USD 206.8 MM in 2023, and net profit decreased from USD -4.5 MM in 2022 to USD -10.9 MM in 2023.
- Year-to-date results are explained by the significant decrease of zinc price. The Company is making its utmost effort to increase production, control and reduce costs, and prioritize investments. The positive results of these efforts have begun to materialize in 3Q23.

2. Consolidated Results

2.1 Production

Table 1: Consolidated Production

Consolidated Production	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Mineral extraction (thousands MT)	2,149	2,406	2,414	2,092	15.4	6,970	6,127	13.8
Polymetallic ore	1,911	2,167	2,166	1,842	17.6	6,244	5,411	15.4
Oxides ore	238	239	248	249	-0.5	726	716	1.3
Mineral treatment (thousands MT)	2,274	2,404	2,426	2,352	3.1	7,103	6,631	7.1
Concentrator Plants	2,035	2,165	2,177	2,102	3.6	6,378	5,915	7.8
Silver Oxides Plant	238	239	248	249	-0.5	726	716	1.3
Fine Content								
Zinc (thousands FMT)	56.5	62.6	60.5	58.4	3.5	179.6	163.5	9.8
Lead (thousands FMT)	13.2	15.3	16.9	13.2	28.0	45.4	40.1	13.0
Copper (thousands FMT)	1.3	1.5	1.3	1.2	12.1	4.1	3.0	34.4
Silver (millions Oz)	3.5	3.8	4.2	3.6	16.8	11.5	10.7	8.0
Gold (thousands Oz)	3.7	5.5	5.4	4.2	27.9	14.6	17.5	-16.4

Source: Volcan Cia. Minera

Extracted ore volumes increased by 15.4%, from 2,092 thousand MT in 3Q22 to 2,414 thousand MT in 3Q23, due to higher extracted volumes at Yauli, Cerro de Pasco and Alpamarca. Treated volumes increased by 3.1%, from 2,352 thousand MT in 3Q22 to 2,426 thousand MT in 3Q23, as a result of increased ore extraction.

Production of zinc fines increased by 3.5%, from 58.4 thousand FMT in 3Q22 to 60.5 thousand FMT in 3Q23, mainly due to greater volumes and grades of the ore treated at Yauli and Alpamarca; lead fines production increased by 28.0%, from 13.2 thousand FMT to 16.9 thousand FMT, due to higher processed ore grades at Yauli; copper production increased by 12.1%, from 1.2 thousand FMT to 1.3 thousand FMT; silver by 16.8% from 3.6 MM Oz to 4.2 MM Oz, mainly due to higher grades in the ore processed at Yauli; and gold production by 27.9%, from 4.2 thousand Oz in 3Q22 to 5.4 thousand Oz in 3Q23.

Year-to-date (Jan-Sep), the extraction volume increased by 13.8% as compared to the same period in the previous year, from 6,127 thousand MT to 6,970 thousand MT. Treated volumes increased by 7.1%, from 6,631 thousand MT to 7,103 thousand MT. Regarding fines, zinc production increased by 9.8%, from 163.5 thousand FMT to 179.6 thousand FMT; lead grew by 13.0%, from 40.1 thousand FMT to 45.4 thousand FMT; copper increased by 34.4%, from 3.0 thousand FMT to 4.1 thousand FMT; and silver increased by 8.0%, from 10.7 MM Oz to 11.5 MM Oz. Gold production decreased by 16.4%, from 17.5 thousand Oz to 14.6 thousand Oz.

2.2 Cost of Production

The absolute cost of production, without infill drilling cost, decreased by 2.1%, from USD 123.6 MM in 3Q22 to USD 121.0 MM in 3Q23. This is mainly explained by the implementation of improvement initiatives in the operating units, and the suspension of operations at Islay Mine. The unit cost decreased by 5.2%, from 52.6 USD/MT in 3Q22 to 49.8 USD/MT in 3Q23, because of improvement initiatives and increased extracted and treated volumes.

Year-to-date, the absolute cost of production, not considering infill drilling, increased by 1.2%, from USD 355.3 MM to USD 359.7 MM, while unit cost decreased by 5.5%, from 53.7 USD/MT to 50.7 USD/MT.

The Company is permanently making its utmost effort to control and reduce production costs and expenses at all levels. New reduction initiatives are currently under assessment and being implemented in Lima and all the operations, always maintaining workers' safety as the main value of the Company.

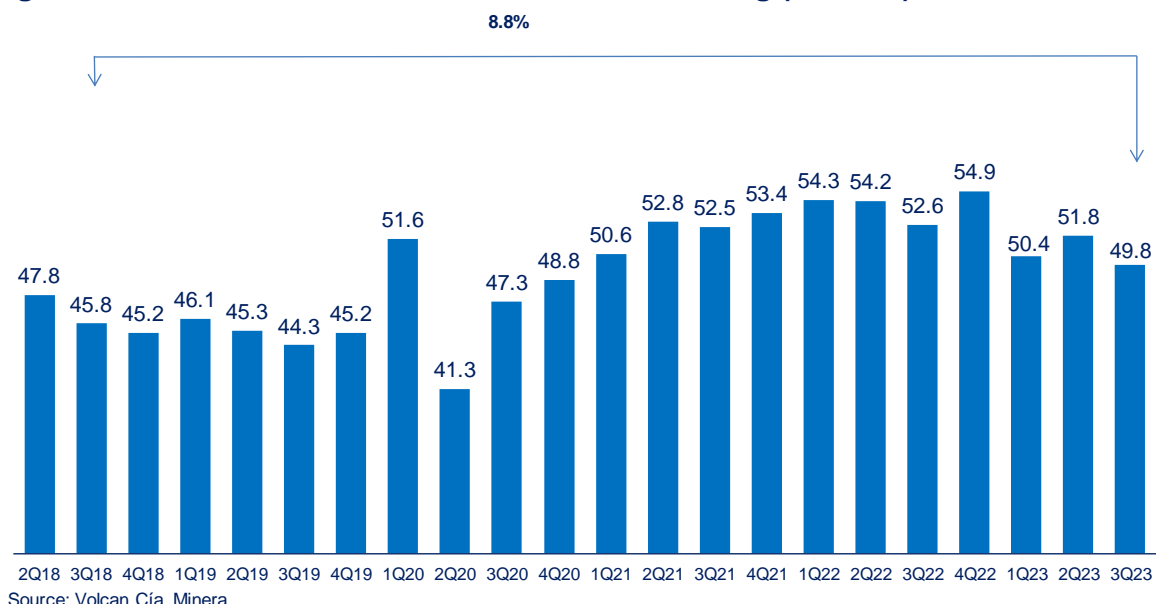
Table 2: Consolidated Cost of Production

Consolidated Production Cost	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Production Cost (MM USD)								
Mine Cost	67.8	73.3	70.7	54.2	30.4	211.9	158.5	33.7
Plant and Other Cost	46.4	51.1	50.4	69.4	-27.4	147.9	196.8	-24.9
Sub total Production Cost (MM USD)	114.3	124.4	121.0	123.6	-2.1	359.7	355.3	1.2
Infill drilling cost	2.3	3.4	3.1	3.6	-12.2	8.8	10.6	-16.7
Total Production Cost (MM USD)	116.6	127.7	124.2	127.2	-2.4	368.5	365.9	0.7
Unit Cost (USD/MT)								
Mine Cost	30.0	30.6	29.1	23.0	26.1	29.9	24.0	24.6
Plant and Other Cost	20.4	21.2	20.8	29.5	-29.7	20.8	29.7	-29.9
Sub total Unitary Cost (USD/MT)	50.4	51.8	49.8	52.6	-5.2	50.7	53.7	-5.5
Infill drilling cost	1.0	1.4	1.3	1.5	-15.1	1.2	1.6	-22.3
Total Unitary Cost (USD/MT)	51.5	53.2	51.1	54.1	-5.5	51.9	55.3	-6.0

¹ Mine unit cost considers the adjustment of Alpacamarca unit cost
 Source: Volcan Cia. Minera

The evolution of the unit cost over the last five years is shown in the figure below. As observed, unit cost in 3Q23 is even lower than in 3Q21.

Figure 3: Evolution of the Unit Cost without Infill Drilling (USD/MT)



2.3 Investments

Operating unit investments fell by 31.1%, from USD 61.0 MM in 3Q22 to USD 42.0 MM in 3Q23.

Growth investments related to the Romina project totaled USD 2.7 MM in 3Q23, and, accordingly, total investments decreased by 29.8%, from USD 64.2 MM in 3Q22 to USD 45.0 MM in 3Q23.

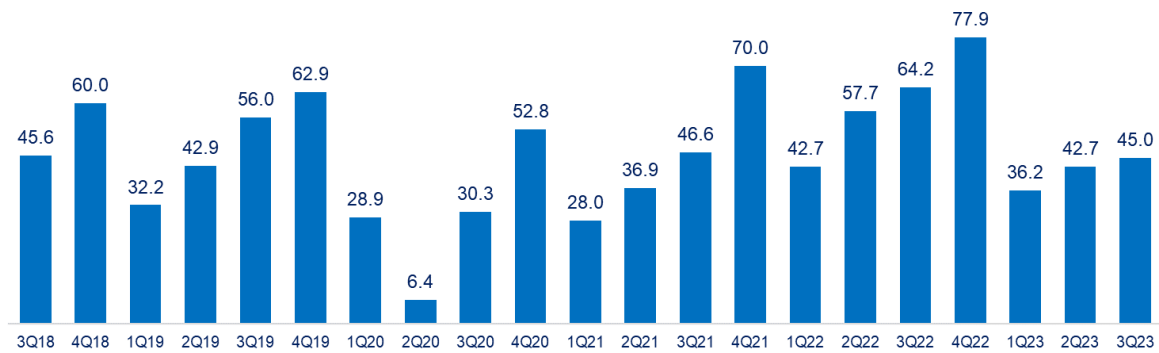
Year-to-date (Jan-Sep), total investments decreased by 24.6%, from USD 164.6 MM to USD 124.0 MM, mainly due to lower investments in plants and tailings dams, electric infrastructure and support areas.

Table 3: Consolidated Investment

Consolidated Investment (MM USD)	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Mining	36.2	42.7	44.7	64.0	-30.1	123.7	164.3	-24.7
Mining Units	33.4	40.3	42.0	61.0	-31.1	115.7	155.2	-25.4
Local Exploration	2.6	3.2	3.8	4.0	-6.3	9.6	8.2	17.0
Development	18.4	19.2	19.7	21.9	-10.2	57.2	59.8	-4.2
Plants and Tailings Facilities	4.1	6.0	7.7	17.5	-55.9	17.7	40.8	-56.6
Mine and Infrastructure	7.3	9.2	8.3	10.9	-24.0	24.8	28.5	-13.0
Electrical Infrastructure in Units	0.7	2.2	1.9	3.7	-47.3	4.9	9.4	-47.9
Support and Others	0.3	0.5	0.7	3.1	-77.8	1.5	8.6	-82.4
Growth and Others	2.9	2.4	2.7	3.0	-9.1	8.0	9.1	-12.1
Energy	0.0	0.0	0.3	0.2	46.1	0.3	0.3	14.0
Total	36.2	42.7	45.0	64.2	-29.8	124.0	164.6	-24.6

Source: Volcan Cia. Minera

Figure 4: Evolution of Consolidated Investment



Source: Volcan Cia. Minera

2.4 Income Statement

Table 4: Income Statement

Income Statement (MM USD)	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Sales before adjustments	220.7	227.9	224.7	232.5	-3.4	673.2	740.9	-9.1
<i>Sett. of prior periods adjustments</i>	8.9	-10.3	-6.1	-17.6	0.0	-7.5	2.9	
<i>Adj. open positions</i>	-8.5	-4.7	9.3	7.8	18.7	-3.9	-28.4	-86.4
<i>Hedging</i>	0.0	0.4	1.9	0.0		2.4	0.0	
Sales after adjustments	221.1	213.3	229.8	222.8	3.2	664.3	715.4	-7.1
Cost of Goods Sold	-174.2	-188.6	-184.3	-191.6	-3.8	-547.1	-563.6	-2.9
Gross Profit	46.9	24.7	45.5	31.2	45.8	117.1	151.8	-22.9
<i>Gross Margin</i>	21%	12%	20%	14%	6 pp	18%	21%	-4 pp
Administrative Expenses	-8.7	-12.8	-9.4	-9.5	-1.5	-30.8	-29.7	3.8
Exploration Expenses	-5.0	-5.2	-3.3	-8.4	-61.3	-13.5	-16.6	-18.2
Sales Expenses	-7.4	-7.1	-6.8	-6.5	4.0	-21.3	-17.9	19.4
Other income (Expenses) ¹	-3.8	-4.0	6.4	-9.7		-1.5	-15.7	-90.8
Operating Profit	22.0	-4.4	32.5	-2.9		50.0	72.0	-30.6
<i>Operating Margin</i>	10%	-2%	14%	-1%	15 pp	8%	10%	-3 pp
Financial income (expense)	-15.1	-15.4	-18.3	-12.1	51.5	-48.9	-31.1	57.1
Exchange difference (net)	0.1	0.8	-1.6	-0.6	162.6	-0.7	-1.3	-45.0
Royalties	-3.3	-2.3	-2.7	-2.3	18.1	-8.3	-10.6	-21.8
Income Tax	-2.2	10.5	-8.9	-0.1		-0.7	-12.8	-94.6
Net Profit before Exceptionals	1.5	-10.8	0.8	-18.1		-8.6	16.3	
<i>Net Margin</i>	1%	-5%	0%	-8%	8 pp	-1%	2%	-4 pp
Exceptional adjustments ²	-0.7	-1.0	-0.7	-12.3	-94.3	-2.4	-20.7	-88.5
Net Profit	0.8	-11.8	0.1	-30.4		-10.9	-4.5	144.7
<i>Net Margin</i>	0%	-6%	0%	-14%	14 pp	-2%	-1%	-1 pp
EBITDA³	71.4	49.3	86.1	52.1	65.4	206.8	239.0	-13.5
<i>EBITDA Margin</i>	32%	23%	37%	23%	14 pp	31%	33%	-2 pp

¹ Includes sales and cost of sales of the energy division

² Long term assets deterioration in Cerro de Pasco

³ Does not consider exceptional adjustments

Source: Volcan Cia. Minera

• Sales Analysis

Table 5: Average Sales Prices

Sales Prices	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Zinc (USD/MT)	3,117	2,578	2,415	3,299	-26.8	2,693	3,620	-25.6
Lead (USD/MT)	2,143	2,110	2,123	1,959	8.4	2,124	2,140	-0.8
Copper (USD/MT)	8,900	8,491	8,162	7,210	13.2	8,504	8,646	-1.6
Silver (USD/Oz)	22.5	24.0	23.1	19.6	18.3	23.2	22.1	5.2
Gold (USD/Oz)	1,892	1,976	1,916	1,729	10.9	1,933	1,843	4.9

Source: Volcan Cia. Minera

The prices shown in the table above are initial invoice prices and they are adjusted when the final invoice is issued. Open commercial provisions at the end of each period estimate adjustments on open shipments/deliveries resulting from future metals prices variations, using a specific forward price curve.

Table 6: Volumes of Fine Contents Sales

Fines Sales	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Zinc (thousands FMT)	57.1	63.7	60.7	57.1	6.4	181.6	160.8	12.9
Lead (thousands FMT)	12.9	15.8	17.0	14.7	15.7	45.8	41.7	9.6
Copper (thousands FMT)	1.3	1.6	1.4	1.5	-4.9	4.3	3.7	17.0
Silver (millions Oz)	3.4	4.0	4.2	3.7	14.5	11.6	10.7	8.6
Gold (thousands Oz)	3.7	5.7	5.8	4.9	19.9	15.3	19.2	-20.2

Source: Volcan Cia. Minera

Table 7: Sales in USD

Sales (millions USD)	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Zinc	123.0	105.1	93.8	136.8	-31.5	321.9	423.3	-24.0
Lead	24.0	28.7	32.6	23.1	41.2	85.4	72.7	17.3
Copper	6.4	8.3	7.1	6.8	3.1	21.7	19.6	10.6
Silver	61.8	76.5	82.0	59.3	38.2	220.3	195.6	12.6
Gold	5.4	9.3	9.2	6.7	38.4	23.9	30.3	-21.3
Sales before adjustments	220.7	227.9	224.7	232.5	-3.4	673.2	740.9	-9.1
Sett. of prior period adjust.	8.9	-10.3	-6.1	-17.6	-65.5	-7.5	2.9	
Adjust. for open positions	-8.5	-4.7	9.3	7.8	18.7	-3.9	-28.4	-86.4
Hedging results	0.0	0.4	1.9	0.0		2.4	0.0	
Sales after adjustments	221.1	213.3	229.8	222.8	3.2	664.3	715.4	-7.1

Source: Volcan Cia. Minera

Company's sales before adjustments decreased by 3.4%, from USD 232.5 MM in 3Q22 to USD 224.7 MM in 3Q23, mainly explained by the significantly decrease of zinc price. Sales adjustments increased from USD -9.7 MM in 3Q22 to USD 5.2 MM in 3Q23. In 3Q23, sales adjustments included final settlements of USD -6.1 MM, provisions related to open shipments/deliveries of USD 9.3 MM, and positive silver hedge results of USD 1.9 MM. As a result, sales after adjustments increased by 3.2%, from USD 222.8 MM in 3Q22 to USD 229.8 MM in 3Q23.

Year-to-date (Jan-Sep), sales after adjustments declined by 7.1%, from USD 715.4 MM in 2022 to USD 664.3 MM in 2023, due to the important decrease of zinc price.

- Cost of Goods Sold**

Table 8: Cost of Goods Sold

Cost of Goods Sold (millions USD)	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Volcan Production	173.0	187.7	184.8	192.2	-3.9	545.5	559.0	-2.4
Volcan Production Cost	116.6	127.7	124.2	127.2	-2.4	368.5	365.9	0.7
D&A from Production Cost	47.6	51.8	51.8	53.5	-3.3	151.1	162.5	-7.0
Other expenses	6.9	5.8	6.3	10.3	-39.0	19.0	26.9	-29.4
Inventories variation	1.9	2.4	2.6	1.2	106.8	6.9	3.6	89.8
Workers Profit Sharing	1.1	0.9	-0.4	-0.6	-32.5	1.6	4.6	-64.8
Total	174.2	188.6	184.3	191.6	-3.8	547.1	563.6	-2.9

Source: Volcan Cia. Minera

Total cost of goods sold decreased by 3.8%, from USD 191.6 MM in 3Q22 to USD 184.3 MM in 3Q23, mainly explained by a lower absolute cost of production, lower depreciation and amortization, and a decrease of other expenses related to employees dismissal and suspension of operations.

Year-to-date (Jan-Sep), the total cost of goods sold declined by 2.9%, from USD 563.6 MM in 2022 to USD 547.1 MM in 2023.

- **Gross Margin and Gross Profit**

The Company's gross margin increased from 14% in 3Q22 to 20% in 3Q23, mainly explained by positive sales adjustments and lower cost of goods sold. Gross profit increased by 45.8%, from USD 31.2 MM in 3Q22 to USD 45.5 MM in 3Q23, due to an improved gross margin and greater volumes sold.

Year-to-date (Jan-Sep), gross margin decreased from 21% in 2022 to 18% in 2023. Gross profit decreased from USD 151.8 MM in 2022 to USD 117.1 MM in 2023, mainly due to the lower zinc price.

- **Administrative Expenses**

Administrative expenses in 3Q23 totaled USD 9.4 MM, similar to the USD 9.5 MM recorded in 3Q22. Year-to-date (Jan-Sep), the administrative expenses increased from USD 29.7 MM in 2022 to USD 30.8 MM in 2023.

- **Exploration Expenses**

Exploration expenses decreased by 61.3%, from USD 8.4 MM in 3Q22 to USD 3.3 MM in 3Q23, in line with the adjusted plan of greenfield and brownfield explorations. Year-to-date (Jan-Sep), the exploration expenses decreased from USD 16.6 MM to USD 13.5 MM.

- **Sale Expenses**

Sale expenses increased by 4.0% as compared to the same period of the previous year, amounting to USD 6.8 MM in 3Q23 versus USD 6.5 MM in 3Q22, due to increased sales volumes. Year-to-date (Jan-Sep), sale expenses increased from USD 17.9 MM to USD 21.3 MM.

- **Other Income and Expenses**

In 3Q23, the net amount of other income and expenses was USD 6.4 MM, as compared to USD -9.7 MM in 3Q22, mainly explained by tax returns in Chungar and Cerro de Pasco, reversal of provisions, and better results in the energy business related to increased spot prices. Year-to-date (Jan-Sep), the net amount of other income and expenses was USD -1.5 MM in 2023 versus USD -15.7 MM in 2022.

- **Financial Expenses and Exchange-Rate Difference**

Net financial expenses increased by 51.5%, from USD 12.1 MM in 3Q22 to USD 18.3 MM in 3Q23, explained by higher interests on the syndicated loan resulting from the increased

reference rates. Year-to-date (Jan-Sep), net financial expenses totaled USD 48.9 MM in 2023, as compared to the USD 31.1 MM reported in 2022.

The exchange-rate difference amounted to USD -0.6 MM in 3Q22 and USD -1.6 MM in 3Q23. Year-to-date (Jan-Sep), the exchange-rate effect was USD -0.7 MM in 2023, as compared to the USD -1.3 MM reported in 2022.

- **Royalties and Income Tax**

Royalties grew from USD -2.3 MM in 3Q22 to USD -2.7 MM in 3Q23 due to better results. Income tax amounted to USD -0.1 MM in 3Q22 and USD -8.9 MM in 3Q23, mainly explained by higher profit in this period and the impact of the depreciation of the national currency at the end of the quarter (USD -5.1 MM).

Year-to-date (Jan-Sep), royalties decreased from USD -10.6 MM in 2022 to USD -8.3 MM in 2023, while income tax decreased from USD -12.8 MM in 2022 to USD -0.7 MM in 2023.

- **Net Profit and EBITDA**

Profit before exceptionals increased from USD -18.1 MM in 3Q22 to USD 0.8 MM in 3Q23, mainly due to higher gross profit, lower exploration costs, and higher recovery related to other income. Exceptional expenses totaled USD -0.7 MM, mainly related to the impairment of long-term investments in Cerro de Pasco. Consequently, net profit after exceptional items amounted to USD 0.1 MM in 3Q23 versus USD -30.4 MM in 3Q22.

EBIDTA increased from USD 52.1 MM in 3Q22 to USD 86.1 MM in 3Q23, mainly explained by higher net sales, lower cost of production, lower operating expenses, and higher other income.

Year-to-date (Jan-Sep), profit before exceptionals decreased from USD 16.3 MM in 2022 to USD -8.6 MM in 2023, net profit after exceptional items decreased from USD -4.5 MM in 2022 to USD -10.9 MM in 2023, and EBITDA decreased from USD 239.0 MM in 2022 to USD 206.8 MM in 2023.

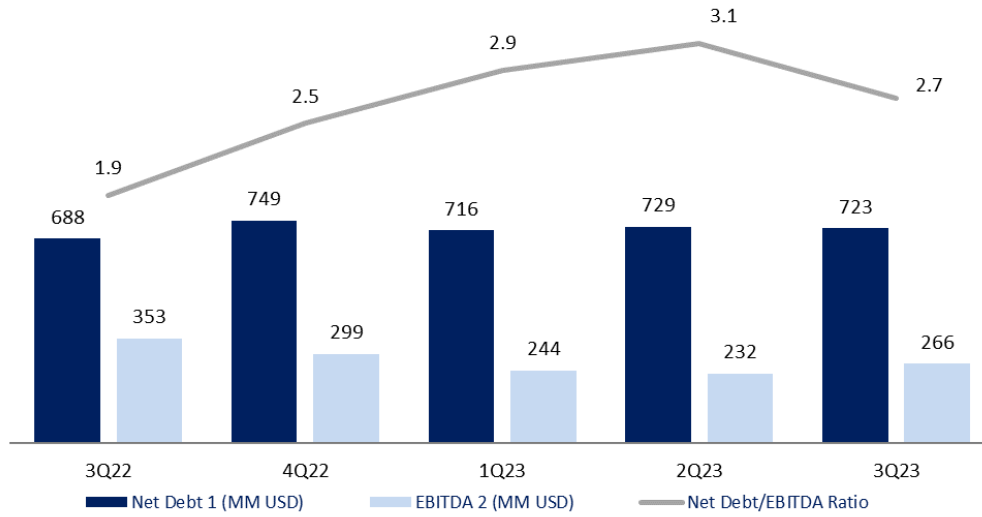
2.5 Liquidity and Creditworthiness

In 3Q23, cash generated by mining operations after operating investments was positive and totaled USD 33.3 MM. Mining growth investments and other miscellaneous investments totaled USD -4.8 MM and the payment of financial obligations and interests amounted to USD -24.2 MM.

Therefore, during 3Q23, the cash flow was positive and amounted to USD 4.4 MM, and the cash balance at the end of 3Q23 totaled USD 54.6 MM.

As of September 30, 2023, the net debt/EBITDA ratio was 2.7, an improvement over 2Q23, mainly due to the higher EBITDA accumulated in the last 12 months.

Figure 5: Net Debt / EBITDA Ratio Evolution



¹ Debt does not include the operating leases fee according to NIIF16 nor the current interest

² Last twelve month EBITDA

Source: Volcan Cia. Minera

3. Results by Operating Unit

3.1 Yauli Unit Operating Results

Table 9: Yauli Production

Yauli Production	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Mineral extraction (thousands MT)	705	792	786	773	1.8	2,283	2,111	8.2
Mineral treatment (thousands MT)	713	789	786	768	2.4	2,288	2,115	8.2
Fines Content								
Zinc (thousands FMT)	37.2	43.7	42.1	39.9	5.5	123.0	107.6	14.3
Lead (thousands FMT)	5.1	6.7	8.2	5.1	61.1	20.0	16.2	23.5
Copper (thousands FMT)	0.6	0.7	0.7	0.8	-12.5	2.1	1.9	7.8
Silver (millions Oz)	1.5	1.9	2.3	1.6	41.1	5.8	5.0	14.9
Gold (thousands Oz)	1.4	1.5	1.4	1.3	5.6	4.2	3.7	12.8

Source: Volcan Cia. Minera

Ore volumes extracted at the Yauli Unit during 3Q23 grew by 1.8%, and treated volumes by 2.4%, as compared to 3Q22. Zinc and gold production increased by 5.5% and 5.6%, respectively, due to increased treated volumes and better grades of the processed ore. Lead and silver fines production rose by 61.1% and 41.1%, respectively, due to better grades and recoveries of these metals at San Cristóbal and Andaychagua. Production of copper decreased by 12.5%, as compared to 3Q22 due to lower grades in the processed ore.

Year-to-date (Jan-Sep), ore extraction grew by 8.2% and treated ore also increased by 8.2% as compared to the previous year. With regard to zinc, lead, copper, silver and gold fines, production increased by 14.3%, 23.5%, 7.8%, 14.9% and 12.8%, respectively.

Table 10: Yauli Cost of Production

Yauli Production Cost	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Production Cost (MM USD)								
Extraction Cost	42.3	45.9	45.0	34.1	32.2	133.2	97.3	36.9
Treatment Cost	16.8	18.5	18.0	29.6	-39.1	53.2	85.0	-37.4
Sub total Production Cost (MM USD)	59.1	64.3	63.0	63.6	-0.9	186.4	182.3	2.3
Infill drilling cost	1.9	2.4	2.1	2.1	1.0	6.4	6.5	-2.2
Total Production Cost (MM USD)	61.0	66.7	65.1	65.7	-0.9	192.8	188.7	2.1
Unit Cost (USD/MT)								
Extraction Cost	60.0	57.9	57.2	44.1	29.9	58.3	46.1	26.6
Treatment Cost	23.5	23.4	22.9	38.5	-40.5	23.3	40.2	-42.1
Sub total Unitary Cost (USD/MT)	83.5	81.3	80.1	82.6	-3.0	81.6	86.2	-5.4
Infill drilling cost	2.7	3.0	2.6	2.7	-0.8	2.8	3.1	-9.6
Total Unitary Cost (USD/MT)	86.2	84.3	82.8	85.3	-2.9	84.4	89.3	-5.5

Source: Volcan Cia. Minera

In 3Q23, the absolute cost of production, not considering infill drilling, declined by 0.9%, from USD 63.6 MM in 2022 to USD 63.0 MM in 2023. Unit cost decreased from 82.6 USD/MT in 3Q22 to 80.1 USD/MT in 3Q23, due to greater volumes processed and optimization of operating costs (ground support, transport, consumables, others).

In 3Q23, infill drilling costs totaled USD 2.1 MM. Infill drilling refers to the fill-in drills conducted to increase the certainty of reserves and reduce risk in mining plans.

Year-to-date (Jan-Sep), the absolute cost of production, without infill drilling, increased by 2.3%, from USD 182.3 MM to USD 186.4 MM in 2023. The unit cost of production decreased by 5.4%, from 86.2 USD/MT to 81.6 USD/MT.

Table 11: Yauli Operating Investments

Yauli Operating Investment (MM USD)	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Local Exploration ¹	2.2	2.5	2.6	1.7	49.4	7.3	3.6	102.0
Mine Development	14.7	15.4	17.1	17.9	-4.3	47.3	48.4	-2.3
Plants and Tailings Dams	3.2	4.5	6.3	9.9	-36.9	14.0	21.4	-34.7
Mine and Infrastructure	5.4	6.3	5.9	6.2	-5.0	17.5	16.5	6.0
Electrical Infrastructure	0.6	1.8	1.8	3.3	-45.5	4.3	8.9	-51.9
Support and Others	0.2	0.3	0.5	1.7	-71.0	1.0	6.1	-82.9
Total	26.3	30.9	34.2	40.7	-16.2	91.4	104.9	-12.9

Source: Volcan Cia. Minera

In 3Q23, operating investments at Yauli Unit totaled USD 34.2 MM, 16.2% lower than the USD 40.7 MM figure for 3Q22, mainly explained by lower investments in developments, cost optimization in tailings dams and energy-related constructions, partially offset by higher investment in local exploration.

Year-to-date (Jan-Sep), as compared to the previous year, operating investments decreased by 12.9%, from USD 104.9 MM to USD 91.4 MM.

3.2 Chungar Unit Operating Results

Table 12: Chungar Production

Chungar Production	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Mineral extraction (thousands MT)	320	331	304	316	-3.7	955	889	7.4
Mineral treatment (thousands MT)	325	341	298	320	-6.8	964	906	6.4
Fines Content								
Zinc (thousands FMT)	12.8	13.0	11.6	11.2	3.4	37.4	32.8	14.0
Lead (thousands FMT)	5.5	5.8	5.2	4.9	6.2	16.4	13.7	20.3
Copper (thousands FMT)	0.3	0.4	0.3	0.3	-11.7	1.0	0.9	8.5
Silver (millions Oz)	0.6	0.7	0.5	0.5	9.0	1.8	1.4	29.6
Gold (thousands Oz)	0.3	0.5	0.4	0.4	0.0	1.2	1.4	-15.5

Source: Volcan Cia. Minera

In 3Q23, ore volumes extracted at Chungar decreased by 3.7%, and treated ore by 6.8%, as compared to 3Q22, due to operations at the Islay Mine being suspended since July 2023. Zinc, lead and silver production increased by 3.4%, 6.2% and 9.0%, respectively, due to better grades and greater extraction using long hole drilling at Animón Mine. In turn, copper production decreased by 11.7% and gold production was similar to the one recorded in 3Q22.

Year-to-date (Jan-Sep), ore extraction grew by 7.4% and treated ore increased by 6.4% as compared to the previous year. The production of zinc, lead, copper and silver fines increased by 14.0%, 20.3%, 8.5%, and 29.6%, respectively, while gold production decreased by 15.5%.

It is worth mentioning that on July 20, 2023, the SMV was informed about the Company's decision to suspend operations at Islay Mine, due to the low metal prices and operational difficulties related to the increased presence of water in the mine-deepening zone, leading to higher costs that make it economically non-viable.

Table 13: Chungar Cost of Production

Chungar Production Cost	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Production Cost (MM USD)								
Extraction Cost	19.9	21.7	19.8	16.5	19.5	61.3	47.6	28.7
Treatment Cost	8.3	9.9	10.1	15.1	-32.9	28.3	43.0	-34.1
Sub total Production Cost (MM USD)	28.1	31.6	29.9	31.6	-5.5	89.6	90.6	-1.1
Infill drilling cost	0.4	1.0	1.0	1.5	-30.6	2.5	4.1	-39.8
Total Production Cost (MM USD)	28.6	32.6	30.9	33.1	-6.6	92.1	94.7	-2.7
Unit Cost (USD/MT)								
Extraction Cost	62.1	65.4	65.0	52.4	24.1	64.2	53.6	19.8
Treatment Cost	25.5	29.1	33.9	47.1	-28.0	29.4	47.4	-38.0
Sub total Unitary Cost (USD/MT)	87.6	94.6	98.9	99.5	-0.6	93.6	101.0	-7.3
Infill drilling cost	1.4	3.0	3.4	4.7	-27.9	2.6	4.6	-43.9
Total Unitary Cost (USD/MT)	89.0	97.5	102.3	104.2	-1.8	96.1	105.6	-8.9

Source: Volcan Cia. Minera

In 3Q23, the absolute cost of production, not considering infill drilling, decreased by 5.5%, from USD 31.6 MM in 3Q22 to USD 29.9 MM in 3Q23, due to the suspension of operations at the Islay Mine and the increased use of the long drill hole mining method at the Animón Mine.

Unit cost decreased by 0.6%, from 99.5 USD/MT in 3Q22 to 98.9 USD/MT in 3Q23, mainly due to operational improvements.

Year-to-date (Jan-Sep), the absolute cost of production, without infill drilling, decreased by 1.1%, as compared to the same period of the previous year, from USD 90.6 MM to USD 89.6 MM. The unit cost of production decreased by 7.3%, from 101.0 USD/MT to 93.6 USD/MT.

Table 14: Chungar Operating Investments

Chungar Operating Investment (MM USD)	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Local Exploration	0.5	0.6	1.2	0.9	28.1	2.3	1.7	32.6
Mine Development	3.7	3.8	2.5	4.0	-36.9	10.0	11.4	-12.6
Plants and Tailings Dams	0.2	0.6	0.5	1.7	-68.4	1.3	4.0	-67.4
Mine and Infrastructure	1.6	2.7	2.2	4.1	-47.3	6.4	9.9	-34.8
Electrical Infrastructure	0.1	0.3	0.1	0.3	-65.0	0.5	0.5	-4.8
Support and Others	0.1	0.2	0.2	1.0	-81.9	0.4	1.5	-71.2
Total	6.1	8.1	6.7	12.1	-44.3	20.9	29.0	-27.9

Source: Volcan Cia. Minera

Operating investments decreased by 44.3%, from USD 12.1 MM in 3Q22, to USD 6.7 MM in 3Q23, mainly explained by lower investments in developments, plants and tailings dams, mine and infrastructure, electric infrastructure, and ground support, partially offset by higher investment in local exploration.

Year-to-date (Jan-Sep), operating investments decreased by 27.9%, from USD 29.0 MM to USD 20.9 MM.

3.3 Alpamarca Unit Operating Results

Table 15: Alpamarca Production

Alpamarca Production	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Mineral extraction (thousands MT)	132	270	263	0		665	250	165.7
Mineral treatment (thousands MT)	244	260	281	261	7.8	785	734	6.9
Fines Content								
Zinc (thousands FMT)	1.8	1.4	1.7	1.1	54.9	4.9	4.5	8.7
Lead (thousands FMT)	0.7	0.9	1.5	0.7	98.8	3.1	3.3	-6.0
Copper (thousands FMT)	0.1	0.1	0.1	0.0	138.4	0.2	0.2	62.5
Silver (millions Oz)	0.2	0.3	0.3	0.2	111.5	0.8	0.5	55.9

Source: Volcan Cia. Minera

In 3Q23, 263 thousand MT of ore were extracted from the Alpamarca open pit. Moreover, treated volumes increased by 7.8%, from 261 thousand MT in 3Q22 to 281 thousand MT in 3Q23, explained by the use of processed ore from the Centro Oeste open pit expansion and ore from stockpiles.

Zinc, lead, copper and silver fines production increased by 54.9%, 98.8%, 138.4%, and 111.5%, respectively, as compared to 3Q22, due to higher grades found in the processed ore from the open pit and greater volumes treated.

Year-to-date (Jan-Sep), ore extraction grew by 165.7% and treated ore increased by 6.9% as compared to the previous year. The production of lead fines decreased by 6.0%, while the production of zinc, copper and silver fines increased by 8.7%, 62.5% and 55.9%, respectively.

Table 16: Alpamarca Cost of Production

Alpamarca Production Cost	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Production Cost (MM USD)								
Extraction Cost	1.5	1.7	1.7	0.0		4.9	4.3	13.6
Treatment Cost	3.0	3.1	3.1	4.8	-36.0	9.1	12.1	-24.9
Sub total Production Cost (MM USD)	4.5	4.8	4.7	4.8	-0.6	14.0	16.5	-14.7
Unit Cost (USD/MT)								
Extraction Cost ¹	6.3	6.6	6.0	0.0		6.3	5.9	6.2
Treatment Cost	12.3	11.8	10.9	18.3	-40.7	11.6	16.5	-29.7
Total Unitary Cost (USD/MT)	18.6	18.4	16.9	18.3	-7.8	17.9	22.4	-20.2

¹ Mine unit cost adjusted using treated tonnage
 Source: Volcan Cia. Minera

The absolute cost of production declined by 0.6%, from USD 4.8 MM in 3Q22 to USD 4.7 MM. Unit cost decreased by 7.8%, from 18.3 USD/MT in 3Q22 to 16.9 USD/MT in 3Q23, due to greater processed volumes.

Year-to-date (Jan-Sep), the absolute cost of production decreased by 14.7%, from USD 16.5 MM to USD 14.0 MM, as compared to the previous year. The unit cost of production decreased by 20.2%, from 22.4 USD/MT to 17.9 USD/MT.

Table 17: Alpacamarca Operating Investments

Alpacamarca Operating Inv. (MM USD)	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Local Exploration	0.0	0.0	0.0	0.0	-100.0	0.0	0.6	-100.0
Plants and Tailings Dams	0.0	0.1	0.1	1.8	-94.1	0.2	3.9	-95.8
Mine and Infrastructure	0.2	0.2	0.2	0.3	-45.5	0.5	0.9	-43.0
Energy	0.0	0.0	0.0	0.0		0.0	0.1	-100.0
Support and Others	0.0	0.0	0.0	0.1	-100.0	0.0	0.1	-100.0
Total	0.2	0.2	0.3	2.2	-87.5	0.7	5.6	-87.7

Source: Volcan Cia. Minera

Operating investments decreased by 87.5%, from USD 2.2 MM in 3Q22 to USD 0.3 MM in 3Q23, due to lower investments in local exploration, plants and tailings dams.

Year-to-date (Jan-Sep), operating investments declined from USD 5.6 MM in 2022 to USD 0.7 MM in 2023.

3.4 Cerro de Pasco Unit Operación Results

Table 18: Cerro de Pasco Production

Cerro de Pasco Production	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Mineral extraction (thousands MT)	754	775	812	754	7.7	2,341	2,160	8.4
Mineral treatment (thousands MT)	754	775	812	754	7.7	2,341	2,160	8.4
Fines Content								
Zinc (thousands FMT)	4.8	4.5	5.0	6.2	-18.8	14.4	18.7	-23.0
Lead (thousands FMT)	1.9	1.9	2.0	2.4	-19.2	5.8	7.0	-16.8
Copper (thousands FMT)	0.2	0.3	0.2	0.0		0.7	0.0	
Silver (millions Oz)	0.4	0.4	0.4	0.3	17.1	1.1	1.0	12.0

Source: Volcan Cia. Minera

Ore volumes from stockpiles processed at Cerro de Pasco increased by 7.7% from 754 thousand MT in 3Q22 to 812 thousand MT in 3Q23, resulting from a series of improvements performed at the concentrator plant to increase its treatment capacity.

However, in 3Q23, zinc and lead fines production decreased by 18.8% and 19.2%, respectively, as compared to 3Q22, due to lower metallurgical recoveries resulting from the presence of iron and copper in the processed ore. Conversely, silver production increased by 17.1% as compared to 3Q22, due to the treatment of new areas with better silver grades in the stockpiles.

Year-to-date (Jan-Sep), the volume of treated ore grew by 8.4% as compared to the previous year. The production of zinc and lead fines decreased by 23.0% and 16.8%, respectively, while silver production increased by 12.0%.

Table 19: Cerro de Pasco Cost of Production

Cerro de Pasco Production Cost	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Production Cost (MM USD)								
Extraction Cost	2.6	2.4	2.0	1.5	28.2	6.9	3.8	82.7
Treatment Cost	7.9	9.4	9.0	8.4	7.3	26.3	24.6	6.8
Sub total Production Cost (MM USD)	10.5	11.8	11.0	9.9	10.6	33.2	28.4	17.0
Unit Cost (USD/MT)								
Extraction Cost	3.4	3.1	2.4	2.0	19.1	3.0	1.8	68.6
Treatment Cost	10.5	12.1	11.1	11.2	-0.3	11.2	11.4	-1.4
Total Unitary Cost (USD/MT)	13.9	15.2	13.5	13.2	2.7	14.2	13.1	8.0

Source: Volcan Cia. Minera

Absolute cost increased by 10.6%, from USD 9.9 MM in 3Q22 to USD 11.0 MM in 3Q23, mainly due to greater processed volumes. Unit cost increased by 2.7%, from 13.2 USD/MT in 3Q22 to 13.5 USD/MT in 3Q23, due to expenses related to improvements made to the plant, waste rock transportation, and transporting ore over longer distances from the stockpile to the plant.

Year-to-date (Jan-Sep), the absolute cost of production increased by 17.0%, from USD 28.4 MM in 2022 to USD 33.2 MM in 2023. The unit cost of production increased by 8.0%, from 13.1 USD/MT in 2022 to 14.2 USD/MT in 2023.

Table 20: Cerro de Pasco Operating Investments

Cerro de Pasco Operating Inv. (MM USD)	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Local Exploration	0.0	0.0	0.0	0.7	-100.0	0.0	1.4	-100.0
Plants and Tailings Dams	0.7	0.8	0.7	4.7	-84.9	2.2	12.8	-83.1
Mine and Infrastructure	0.1	0.1	0.1	0.1	9.9	0.2	0.2	7.3
Support and Others	0.0	0.0	0.0	0.0	-94.6	0.0	0.1	-93.3
Total	0.7	1.0	0.8	5.5	-85.9	2.5	14.4	-82.4

Source: Volcan Cia. Minera

Operating investments decreased by 85.9%, from USD 5.5 MM in 3Q22 to USD 0.8 MM in 3Q23, due to lower investments in local exploration, plants and tailings dams.

Year-to-date (Jan-Sep), operating investments declined from USD 14.4 MM in 2022 to USD 2.5 MM in 2023.

3.5 Oxides Plant Operating Results

Table 21: Oxides Plant Production

Oxides Plant Production	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Mineral extraction (thousands MT)	238	239	248	249	-0.5	726	716	1.3
Mineral treatment (thousands MT)	238	239	248	249	-0.5	726	716	
Fines Content								
Silver (millions Oz)	0.7	0.6	0.7	1.0	-32.9	2.0	2.8	-26.3
Gold (Oz)	2,069	3,557	3,599	2,505	43.6	9,225	12,364	-25.4

Source: Volcan Cia. Minera

Ore volumes treated at the Oxides Plant decreased by 0.5%, from 249 thousand MT in 3Q22 to 248 thousand MT in 3Q23, due to a plant stoppage for scheduled maintenance. The production of silver decreased by 32.9%, due to lower grades in the processed ore, and gold increased by 43.6%, explained by higher grades of the processed ore.

Year-to-date (Jan-Sep), in 2023, ore treatment increased by 1.3%, silver production decreased by 26.3%, and gold production decreased by 25.4%, as compared to the previous year.

Table 22: Oxides Plant Cost of Production

Oxides Plant Production Cost	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Production Cost (MM USD)								
Extraction Cost	1.6	1.7	2.3	2.1	7.6	5.5	5.5	0.4
Treatment Cost	10.5	10.3	10.2	11.6	-12.3	30.9	32.2	-3.9
Sub total Production Cost (MM USD)	12.1	11.9	12.4	13.7	-9.2	36.4	37.6	-3.2
Unit Cost (USD/MT)								
Extraction Cost	6.6	7.0	9.1	8.4	8.1	7.6	7.6	-0.9
Treatment Cost	44.1	42.9	41.0	46.5	-11.9	42.6	44.9	-5.1
Total Unitary Cost (USD/MT)	50.6	49.9	50.0	54.9	-8.8	50.2	52.6	-4.5

Source: Volcan Cia. Minera

In 3Q23, the absolute cost of production totaled USD 12.4 MM, 9.2% lower than the USD 13.7 MM figure in 3Q22, as a result of lower reagent consumption. Unit cost decreased by 8.8%, from 54.9 USD/MT in 3Q22 to 50.0 USD/MT in 3Q23, due to lower reagent consumption resulting from reduced presence of contaminants in the processed ore.

Year-to-date (Jan-Sep), the absolute cost of production decreased by 3.2%, from USD 37.6 MM in 2022 to USD 36.4 MM in 2023. The unit cost decreased by 4.5%, from 52.6 USD/MT to 50.2 USD/MT.

Table 23: Oxides Plant Operating Investments

Oxides Plant Operating Inv. (MM USD)	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Plants and Tailings Dams	0.0	0.0	0.1	-0.7		0.1	-1.3	
Mine and Infrastructure	0.0	0.0	0.0	0.2	-89.4	0.1	0.9	-91.9
Support and Others	0.0	0.0	0.0	0.3	-92.8	0.0	0.8	-95.2
Total	0.1	0.1	0.1	0.5	-78.4	0.2	1.4	-83.2

Source: Volcan Cia. Minera

Operating investments during 3Q23 totaled USD 0.11 MM, 78.4% lower than the USD 0.51 MM figure for 3Q22, mainly due to lower investments in mine and infrastructure, and support and other areas.

Year-to-date (Jan-Sep), total operating investments declined by 83.2%, from USD 1.36 MM in 2022 to USD 0.23 MM in 2023.

3. Energy

Table 24: Volcan's Electric Power Balance

Electric Balance (GWh)	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Energy generation	124.4	95.6	92.5	92.2	0.3	312.5	325.9	-4.1
Chungar	40.0	30.9	30.7	30.9	-0.8	102.5	107.7	-4.8
Tingo	1.6	1.7	1.7	1.7	2.8	5.0	5.0	0.9
Huanchor	40.3	37.3	38.2	37.3	2.5	106.5	118.1	-9.9
Rucuy	42.5	22.3	21.9	22.3	-1.9	98.5	95.1	3.6
Energy consumption	208.1	217.9	212.9	211.6	0.6	638.9	610.4	4.7
Energy purchase	166.5	184.4	180.5	178.9	0.8	531.4	497.8	6.8

Source: Volcan Cia. Minera

During 3Q23, Volcan's total consumption of electric power reached 212.9 GWh, with a maximum demand of 110 MW.

The 10 hydroelectric plants that belong to the Chungar Unit generated 30.7 GWh, a 1% reduction as compared to the previous year, resulting from the reduced availability of water. Self-generation accounted for 14% of the Company's total consolidated consumption, at an average cost of 37 USD/MWh, including operating, maintenance and transmission costs.

The Tingo Hydroelectric Plant produced 1.7 GWh. All of this power was sold to the Chungar mining operation.

Volcan purchased 180.5 GWh from the national central grid system (the SEIN) in order to meet its total consumption demand, at an average unit cost of 68 USD/MWh. Since August 2023, with the suspension of operations at the Islay Mine, the maximum demand is reduced by 5 MW.

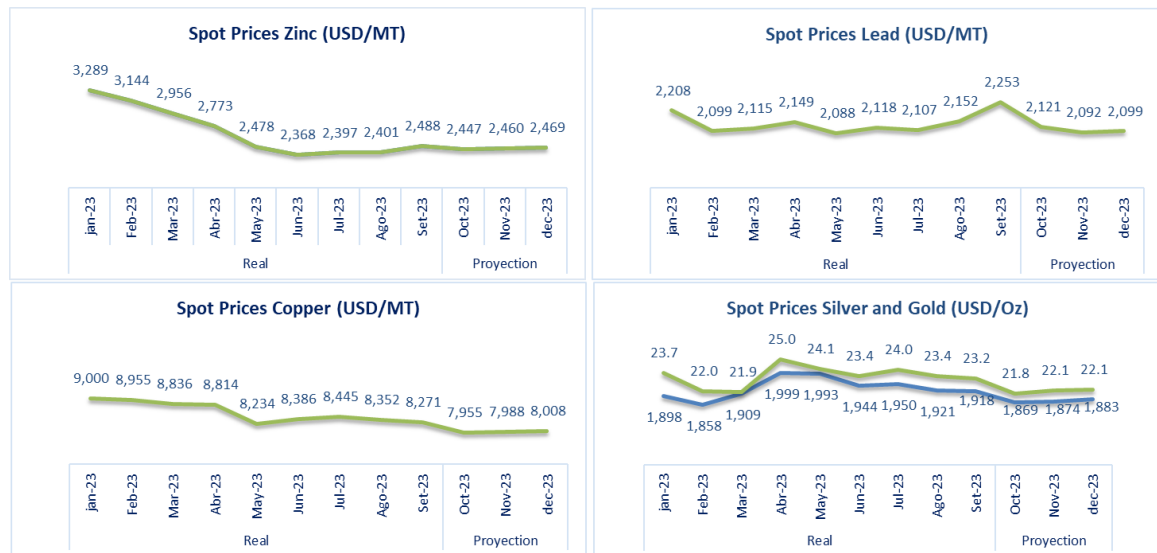
In 3Q23, the Huanchor Hydroelectric Plant produced 38.2 GWh, a 2.5% increase as compared to the same period of the previous year, resulting from increased water availability due to the discharge of the Yuracmayo lake. Since July 2023, 12 MW from previous contracts were released, and this energy is being sold to the spot market.

The Rucuy Hydroelectric Plant produced 21.9 GWh in 3Q23, a decrease of 1.9% as compared to the same period of the previous year resulting from decreased water availability, and the power was used to meet the commitments set forth in its renewable energy agreement (RER).

4. Final Comments

- In 3Q23, operating results were better than in the same period of the previous year. Processed volumes increased by 3.1%, and production of all metals also grew: zinc fines by 3.5%, lead fines by 28.0%, copper fines by 12.1%, silver ounces by 16.8%, and gold ounces by 27.9%. Moreover, unit cost decreased by 5.2% as a result of greater processed volumes and cost reduction initiatives at all operating units. Investments decreased by 29.8%, as a result of their prioritization in the operating units to preserve the Company's liquidity amidst a challenging environment for metals prices.
- The Company obtained better results in 3Q23 as compared to 3Q22, explained by a higher sales volume, reduced production cost, lower operating expenses, and higher other income. EBITDA increased from USD 52.1 MM in 3Q22 to USD 86.1 MM in 3Q23 and net profit increased from USD -30.4 MM in 3Q22 to USD 0.1 MM in 3Q23.
- The outlook for base metals prices, particularly zinc, is still subject to the lower-than-expected growth in China and a weakened real estate sector after the pandemic. As for precious metals prices, there is a lingering uncertainty regarding the continuous increase of interest rates by the main central banks around the world. In addition, a global concern persists due to a potential recession in the United States, the war between Russia and Ukraine, and the recent war in the Middle East.

Figure 6: Metals prices trend



- Faced with an unfavorable prices' scenario, the Company continues to implement cost reduction measures, assessing alternatives to ensure the financing of the Romina project, and the observance of its financial commitments, such as the sale of non-core assets and long-term commercial agreements with advance payments.

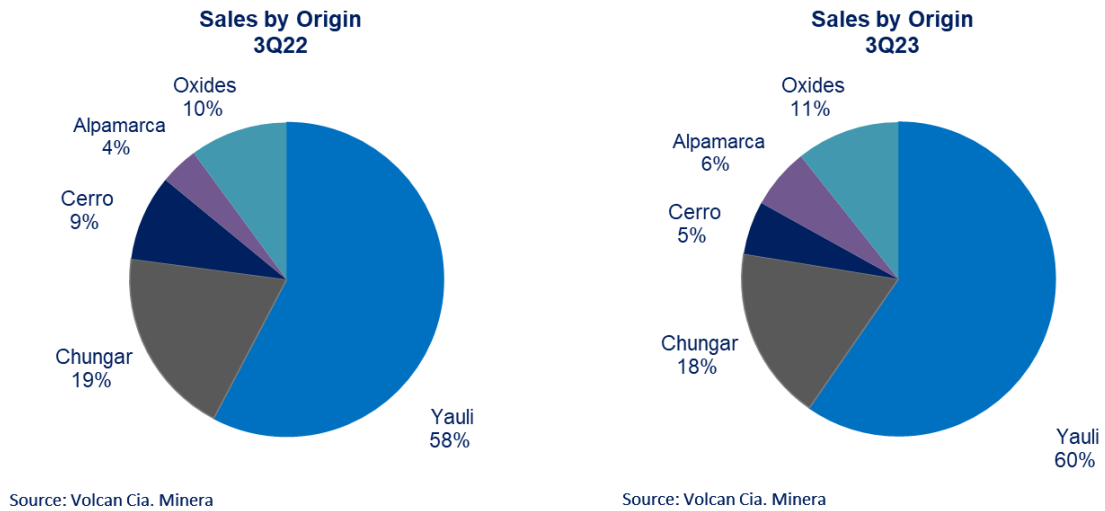
5. Chancay Port Project:

- Cosco Shipping Ports Chancay Perú S.A. (CSPCP), the company where Volcan holds 40% of shares and Cosco Shipping Ports Ltd. holds 60%, continues the construction of the first stage of the Chancay multi-purpose terminal.
- The Shareholders' Meeting held on August 24, 2023, approved the segregation of the block of equity comprising 40% of shares owned by Volcan in Cosco Shipping Ports Chancay Peru S.A. The incorporation of Inversiones Portuarias Chancay S.A.A., company who receives the segregated block of equity, was recorded under Entry No. 15416224 of the Registry Office of Lima of the Superintendency of Public Records on October 03, 2023.
- Significant progress has been made on several work fronts of the operating area and entrance complex. To date, the progress made in the dredging operations is as follows: basin and channel for dock 1 (10.8% completed), basin and channel for docks 2, 3 and 4 (42.9% completed), and dredging of jetties (100% completed).
- Geotube installation for beach protection is 86.6% completed at El Puerto beach, and 26.1% completed at Chorrillos beach.
- The current length of the main breakwater is 2,435 m at an elevation of +4,8 m. In addition, 14,328 accropodes have been installed. At the same time, the construction of the crown wall is still underway and 58.7% completed. This facilitates the full consolidation of this section as per design, and the subsequent installation of accropodes.
- The damage suffered by the secondary breakwater during April's rough seas has been fully repaired and the cause of the damage is under assessment to implement the necessary corrective measures within a reasonable timeframe.
- The administrative building is 56.03% completed. The construction of buildings in the operating area is 12.83% completed in the frontal operation building.
- In the access roads, work was resumed in axes 3, 4 and 9 of the entrance complex. In the tunnel, excavation works were resumed in August in the operating area, while recovery works are still underway in the entrance complex. Completion on the side of the entrance complex is 284.60 m, while on the side of the operating area, 412.95 m have been completed in the left heading, and 398.2 m in the right heading.

Annexes

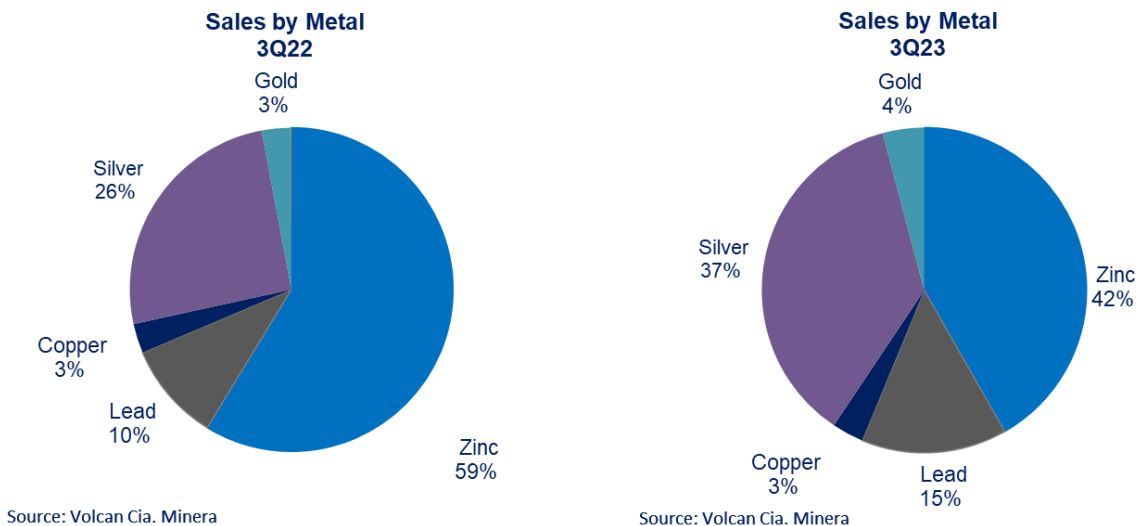
Annex 1: Sales Breakdown

Figure 7: Sales by Operating Unit (percentage of total sales)



The distribution of sales per operating unit in 3Q23, as compared to 3Q22, reflects the increased participation of Yauli, Alpamarca and Oxidos, and a decreased participation of Cerro de Pasco, explained by the lower production of zinc and lead fines in this unit.

Figure 8: Sales by Metal (percentage of total sales)



The distribution of sales by metal in 3Q23, compared to 3Q22, reflects the growth in the contribution of silver and lead to total sales, and a decrease of the contribution of zinc, as a result of its significantly lower price.

Annex 2: Average Spot Prices

Spot Prices	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Zinc (USD/MT)	3,130	2,540	2,429	3,269	-25.7	2,699	3,645	-26.0
Lead (USD/MT)	2,141	2,118	2,170	1,976	9.8	2,143	2,171	-1.3
Copper (USD/MT)	8,930	8,478	8,356	7,742	7.9	8,588	9,084	-5.5
Silver (USD/Oz)	22.6	24.2	23.6	19.2	22.6	23.4	21.9	6.8
Gold (USD/Oz)	1,888	1,978	1,930	1,730	11.5	1,932	1,826	5.8

Source: London Metal Exchange

Annex 3: Macroeconomic Indicators

Macroeconomic Indicators	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Jul-Sep 2022	var %	Jan-Sep 2023	Jan-Sep 2022	var %
Exchange Rate (S/ x USD)	3.82	3.71	3.67	3.88	-5.5	3.73	3.81	-2.1
Inflation ¹	8.57	7.44	5.68	8.56	-33.6	7.23	7.69	-6.0

¹ Inflation of the last 12 months

Source: Central Reserve Bank of Peru

Annex 4: Domestic Metal Production

National Production	Jan-Mar 2023	Apr-Jun 2023	Jul-Ago 2023	Jul-Ago 2022	var %	Jan-Ago 2023	Jan-Ago 2022	var %
Zinc (FMT)	301,675	392,285	262,480	243,184	7.9	956,440	906,444	5.5
Lead (FMT)	58,713	68,475	48,282	45,219	6.8	175,470	168,196	4.3
Copper (FMT)	610,230	698,581	452,906	402,972	12.4	1,761,717	1,499,614	17.5
Silver (thousands Oz)	21,494	24,641	16,367	16,722	-2.1	62,503	64,810	-3.6
Gold (thousands Oz)	704	747	540	515	4.8	1,991	1,980	0.6

Source: Ministry of Energy and Mines