

# Volcan Compañía Minera

1Q2024 Results

April 26<sup>th</sup>, 2024



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1

Highlights

2

Operating Results

3

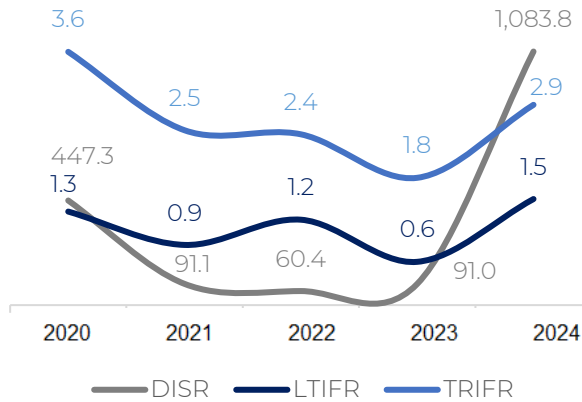
Financial Results

# 1Q 2024 Highlights

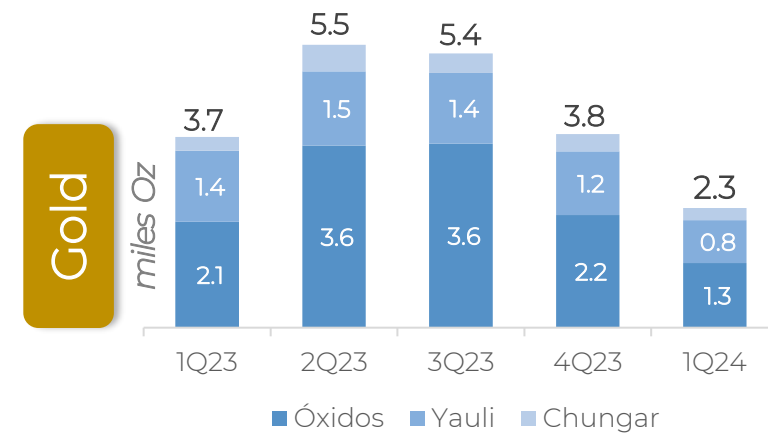
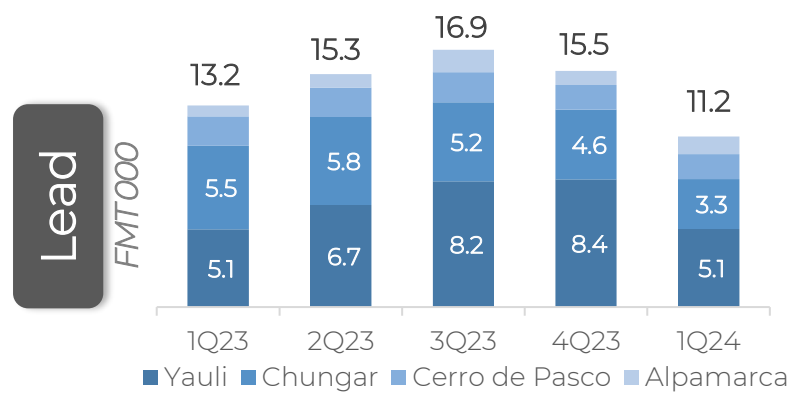
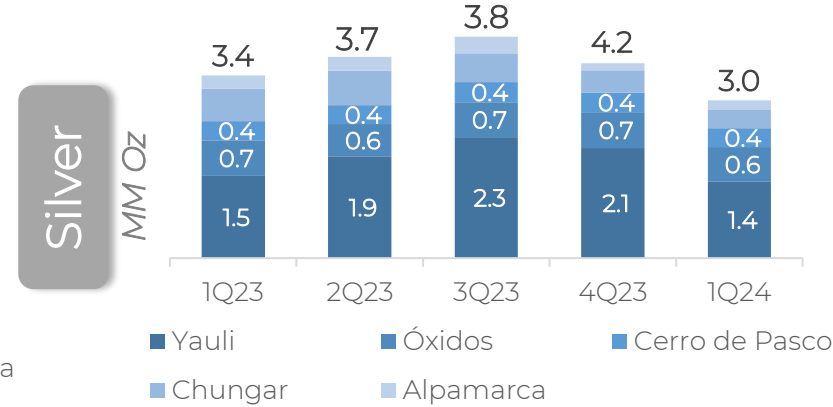
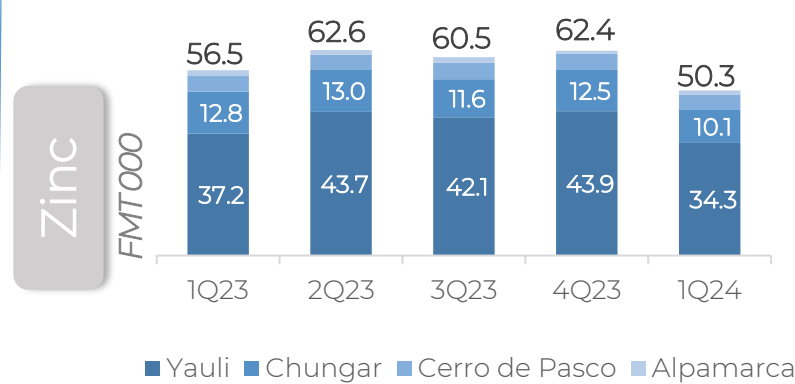
## Safety

### Reinforce safety strategy:

- Empowerment of workers in PARE policy (Stop – Analyze – Solve – Execute)
- Strengthening and verification of the application of OPT and ACS in the field (supervisor to worker)
- Reassessment of geomechanical management in mine operations
- Reinforcement of compliance with operational standards (sustainment, barricades, ventilation) for OCF and SLS exploitation methods
- Reinforcement of critical PPM controls 05 Rock Mass Failure



## Production

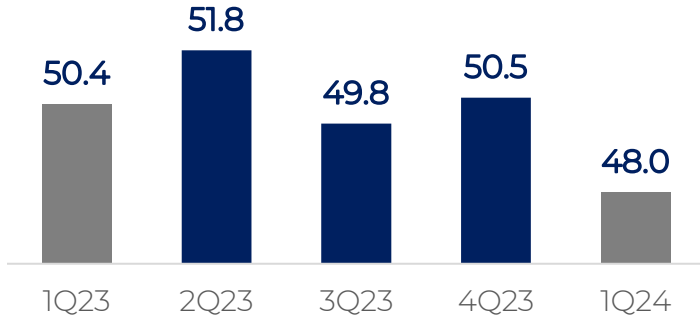


\*LTIFR: Lost Time Injury Frequency Rate, DISR: Disabling Injury Severity Rate, TRIFR: Total Recordable Injury Frequency Rate

\*OCF: Over Cut and Fill / SLS: Sub Level Stopping / PPM: Mortal Danger Protocol / OPT: Planned Work Observation / ACS: Safe Behavior Audit

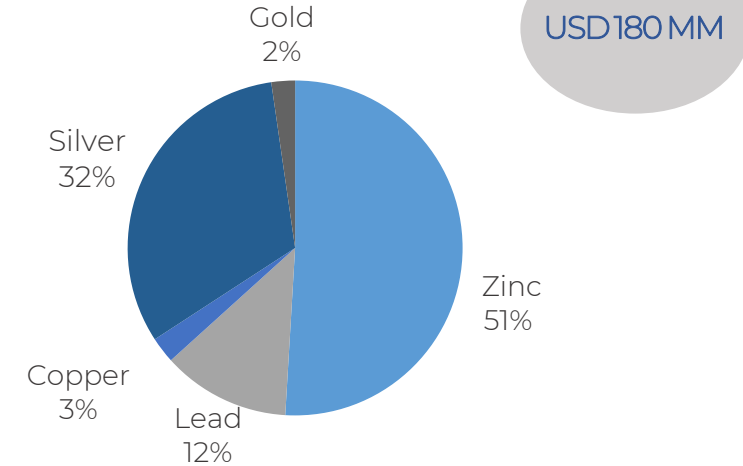
# 1Q 2024 Highlights

Unitary Cost  
\$/t



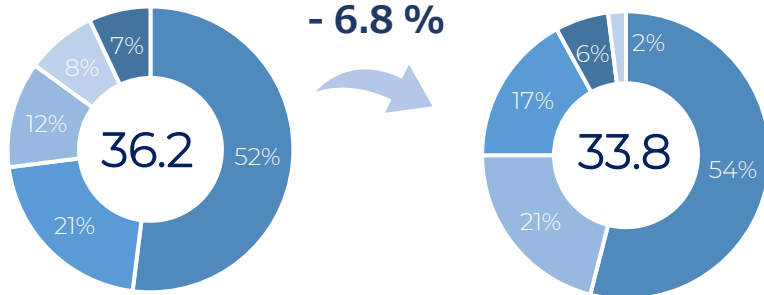
Focus on cost reduction  
- 4.8% from 1Q23 to 1Q24

Sales by Metal



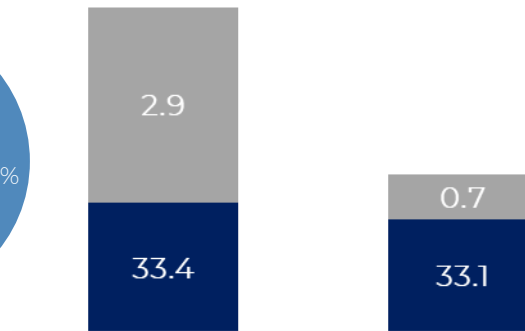
CAPEX  
USDMM

- Development
- Mine and Infrastructure
- Plants and Tailings Facilities
- Growth and Others
- Local Exploration



- 6.8 %

Priorization and control  
- 6.8% from 1Q23 to 1Q24



1Q23 1Q24  
■ Sustaining Capex ■ Growth

# 1Q 2024 Highlights

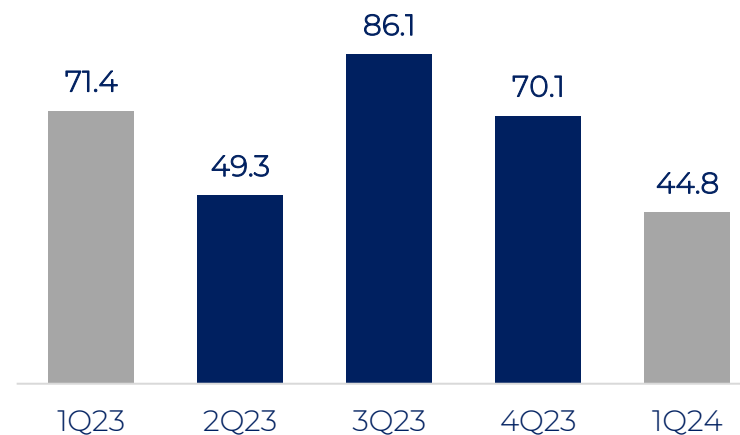
## Approximate impact of March production

Yauli  Zn 6k FMT  
Pb 500 FMT  
Ag 290k Oz

Animón  Zn 1,500FMT  
Pb 1,100 FMT  
Ag 98k Oz

**ΔCASH FLOW:**  
USD -15.0 MM

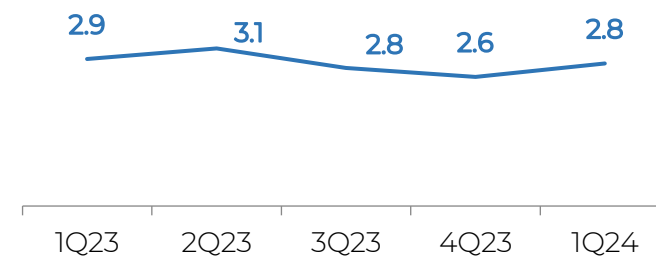
## EBITDA USDMM



Cash Position  
USD 62.2 MM

Net Debt  
USD 711.3 MM

## Net Debt / EBITDA Ratio



# 1Q 2024 Highlights

Hired advisors for refinancing syndicated loan and 2026 notes

BofA Securities, Inc., Moelis & Company LLC, Shearman & Sterling LLP



Syndicated loan (USD 400 MM)

1st quota (USD 34.3 MM) deferred until June 2024



Comprehensive refinancing of financial obligations

Portfolio optimization and disposals (USD 120.0 – 170.0 MM)

- ✓ Hydroelectric plants
- ✓ Shareholding Cementos Polpaico
- ✓ Real state package
- ✓ Exploration packages

## Romina Project:

2024E (USD 20 MM aprox)

- 1Q24:
- ✓ Surface magazine
  - ✓ Access and platforms (underway)

- 2024:
- Roberto Letts tunnel, UG ramp, earthworks (PTARI), waste dump earthworks (tunnel and ramp), stage VI engineering development, installation of spill pipe

2025E (USD 86 MM aprox)

- Construction of components for the development of the UG mine
- Adaptation of existing components for ore treatment

2026E (USD 41 MM aprox)

- Facilities for the transport and accumulation of ore from Romina to Alparmarca
- Ramp up and production

➤ **Spinoff Inversiones Portuarias Chancay (IPCH)<sup>1</sup> in progress.** Tentative date to distribute IPCH shares: May/June 2024

Approvals process (completed)

Register class A shares in the Public Registry of the Securities Market and BVL (completed)

Execution of spinoff public deed (completed - March 4<sup>th</sup>)

Register class B shares in the Public Registry of the Securities Market and BVL (3 weeks)

Process to register, allocate and distribute shares (1 month)

<sup>1</sup>Inversiones Portuarias Chancay: New owner of Chancay Port Investment

1

Highlights

2

Operating Results

3

Financial Results



# Consolidated Operating Results

Consolidated Production	Jan-Mar 2024	Jan-Mar 2023	var %
Mineral extraction (thousands MT)	2,154	2,149	0.2
Mineral treatment (thousands MT)	2,122	2,274	-6.7
<b>Fine Content</b>			
Zinc (thousands FMT)	50.3	56.5	-10.9
Lead (thousands FMT)	11.2	13.2	-15.3
Copper (thousands FMT)	0.8	1.3	-39.6
Silver (millions Oz)	3.1	3.5	-12.3
Gold (thousands Oz)	2.9	3.7	-22.0

## 1Q24 vs 1Q23:

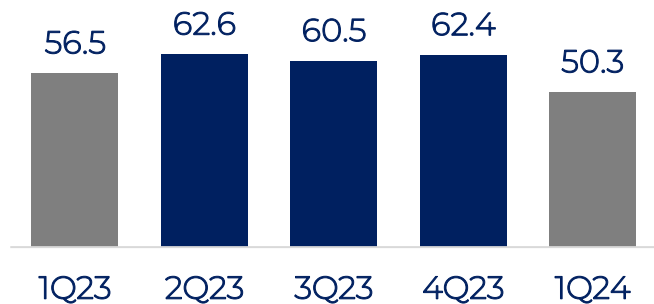
- **19 Mar:** Shutdown of San Cristobal-Carahuacra and Ticlio mine operations (C&M)
- **13 Mar:** Fatal accident at Animon mine, paralyzed from March 14<sup>th</sup> to the 20<sup>th</sup> for safety reasons. Restarted with an extensive support program and implementation of barricades and standards starting March 21<sup>st</sup>

## Operations Restart Plan:

- Victoria Plant restarted treatment on April 20<sup>th</sup> with the accumulated ore stock
- Underground mining operations restarted in San Cristóbal - Carahuacra (April 22<sup>nd</sup>) and Ticlio (April 21<sup>st</sup>). For a period of 5 days of Ramp Up

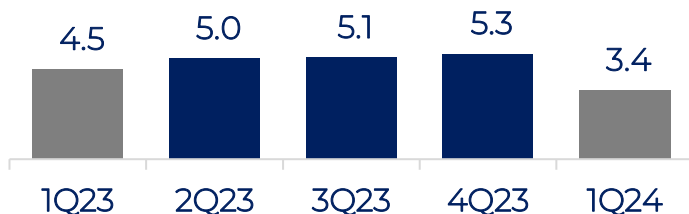
# Quarterly Evolution of Zinc Production (thousand FMT)

## Consolidated



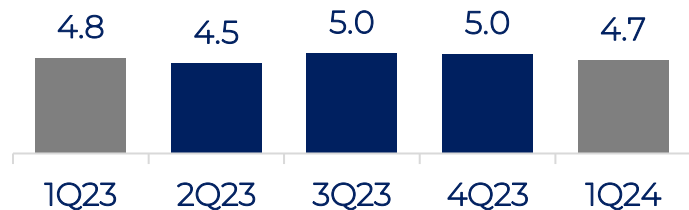
## Ticlio

Δ MT Milled: - 20 kt  
Δ Grade: 0%



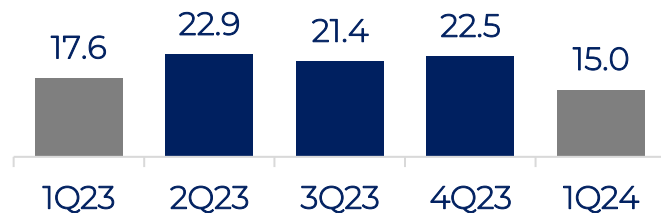
## Cerro

Δ MT Milled: +8 kt  
Δ Grade: + 8%



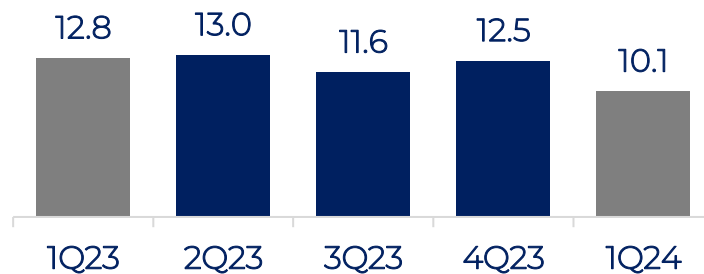
## San Cristóbal/Carahuacra

Δ MT Milled: - 69 kt  
Δ Grade: 3%



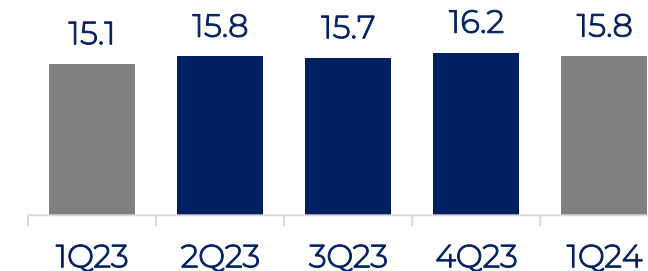
## Chungar

Δ MT Milled: -94 kt  
Δ Grade: + 10%



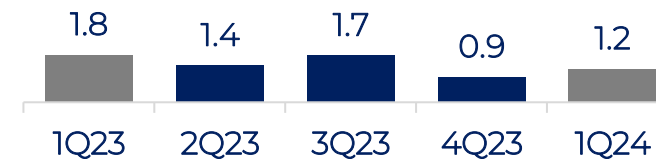
## Andaychagua

Δ MT Milled: +12 kt  
Δ Grade: - 1%



## Alpamarca

Δ MT Milled: +15 kt  
Δ Grade: - 37%

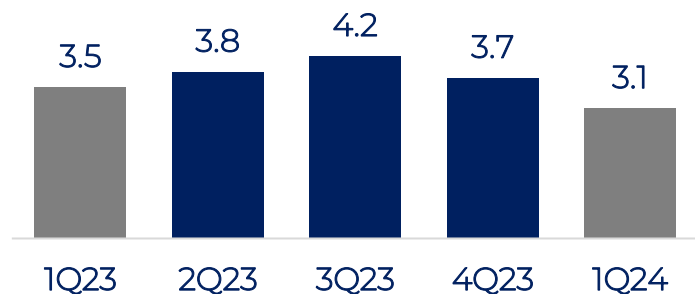


### 1Q24 vs 1Q23:

- San Cristóbal – Carahuacra: lower due to the mine's shutdown due to permits for the Rumichaca tailings dam
- Andaychagua: higher due to increased production in high-grade zinc zones
- Ticlio: lower due to the mine's shutdown due to permits for the Rumichaca tailings dam
- Chungar: lower due to the 10-day shutdown
- Alpamarca: lower due to the treatment of lower-grade stockpile ore
- Cerro: lower due to the impact of metallurgical recoveries

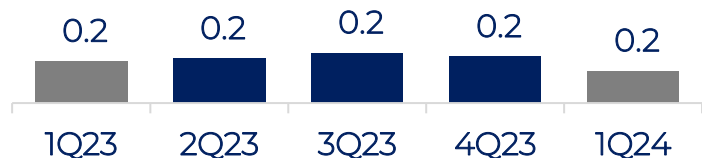
# Quarterly Evolution of Silver Production (MM Oz)

## Consolidated



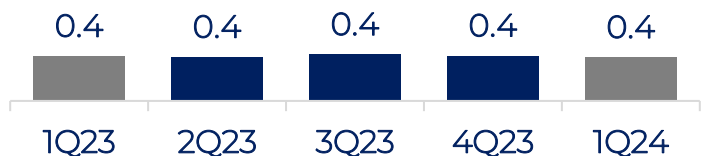
## Ticlio

Δ MT Milled: - 20 kt  
Δ Grade: + 5%



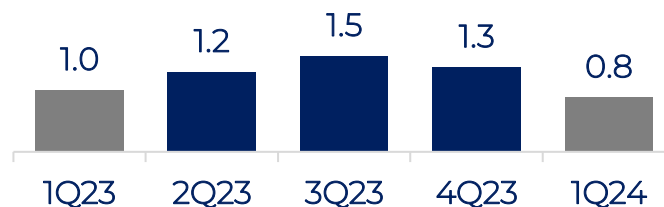
## Cerro

Δ MT Milled: + 8 kt  
Δ Grade: - 4%



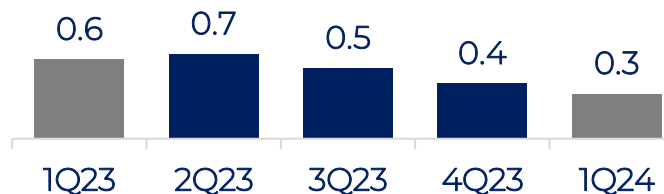
## San Cristóbal/Carahuacra

Δ MT Milled: - 69 kt  
Δ Grade: + 6%



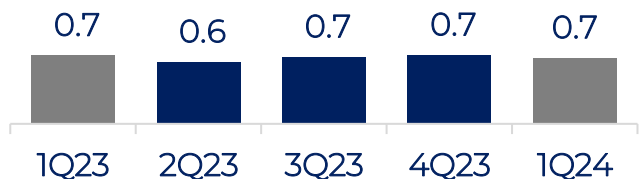
## Chungar

Δ MT Milled: -94 kt  
Δ Grade: - 20%



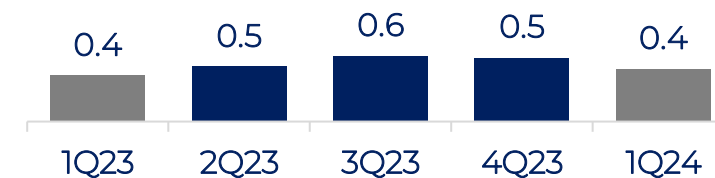
## Óxidos

Δ MT Milled: - 3 kt  
Δ Grade: - 6 %



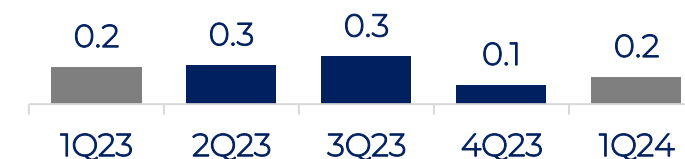
## Andaychagua

Δ MT Milled: +12 kt  
Δ Grade: + 9%



## Alpamarca

Δ MT Milled: +15 kt  
Δ Grade: - 32%

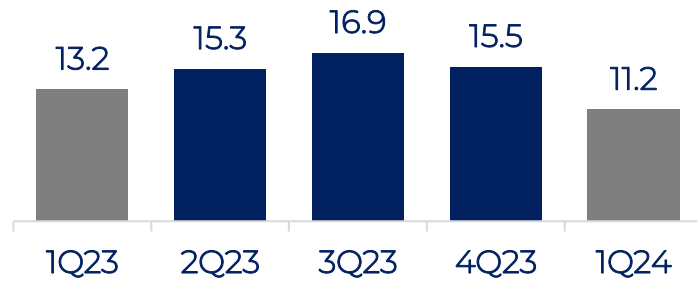


### 1Q24 vs 1Q23:

- **San Cristóbal–Carahuacra:** lower due to the mine's shutdown due to permits for the Rumichaca tailings dam
- **Andaychagua:** aligned with 1Q23
- **Ticlio:** aligned with 1Q23 due to the contribution in areas of higher grades offset by the mine stoppage
- **Chungar:** lower due to the 10-day paralyzation

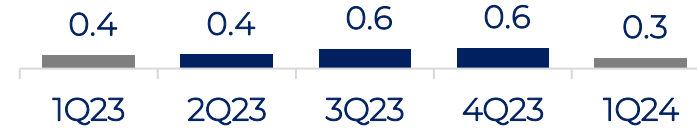
# Quarterly Evolution of Lead Production (thousand FMT)

## Consolidated



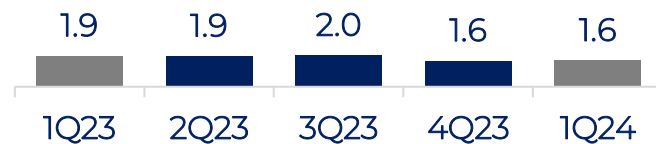
## Ticlio

Δ MT Milled: - 20 kt  
Δ Grade: + 4%



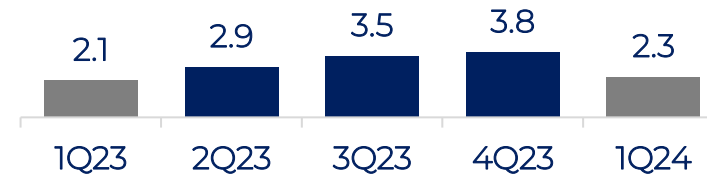
## Cerro

Δ MT Milled: + 8 kt  
Δ Grade: + 10%



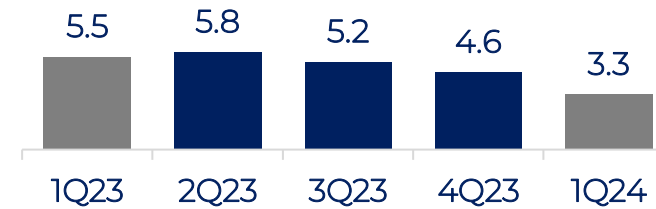
## San Cristóbal/Carahuacra

Δ MT Milled: - 69 kt  
Δ Grade: 32%



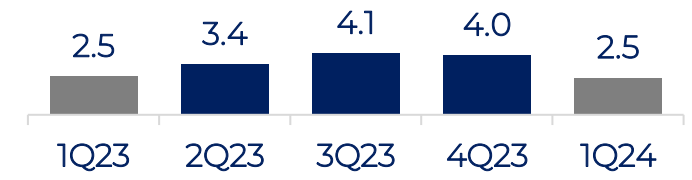
## Chungar

Δ MT Milled: -94 kt  
Δ Grade: - 14%



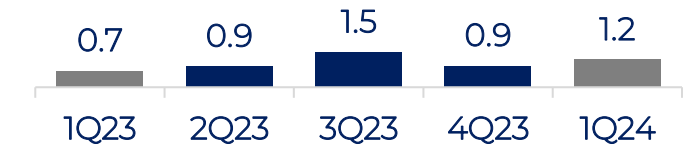
## Andaychagua

Δ MT Milled: +12 kt  
Δ Grade: - 6%



## Alpamarca

Δ MT Milled: +15 kt  
Δ Grade: + 32%

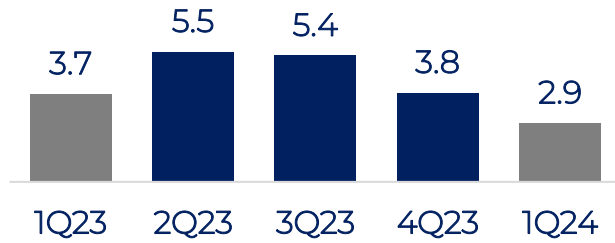


### 1Q24 vs 1Q23:

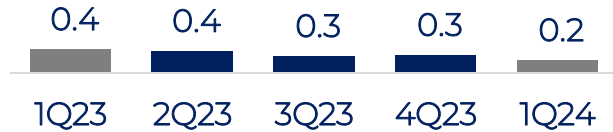
- San Cristóbal – Carahuacra: higher due to the stoppage, offset by higher lead grade in Carahuacra
- Andaychagua: aligned with 1Q23
- Ticlio: lower due to the mine's shutdown due to permits for the Rumichaca tailings dam
- Chungar: lower due to the 10-day stoppage
- Alpamarca: higher lead grade in the south and north pits
- Cerro: lower due to the impact of metallurgical recoveries

# Quarterly Evolution of Gold Production (thousand Oz)

## Consolidated

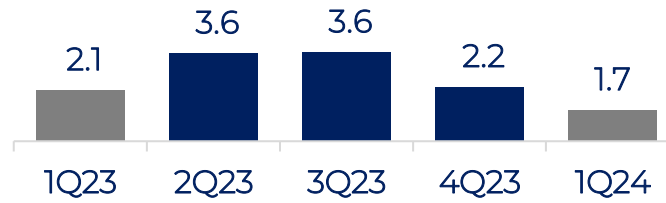


## Ticlio



## Óxidos

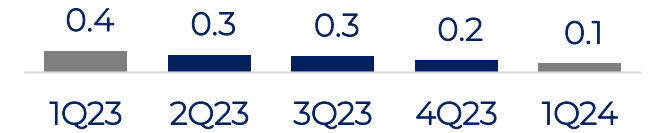
Δ MT Milled: - 3 kt  
Δ Grade: - 29%



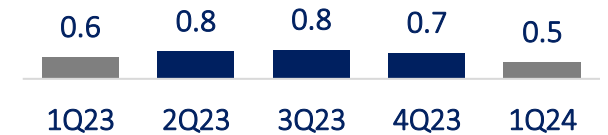
## Chungar



## Andaychagua



## San Cristóbal/Carahuacra

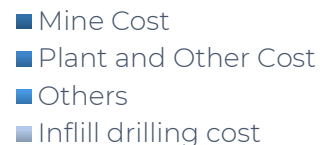
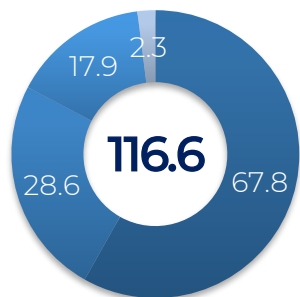


### 1Q24 vs 1Q23:

- Oxides: lower due to lower grades by lower production in the in-situ oxides sector

# Consolidated Production Costs and Unit Costs

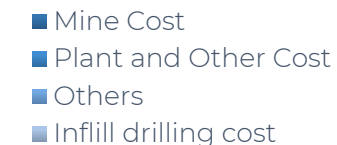
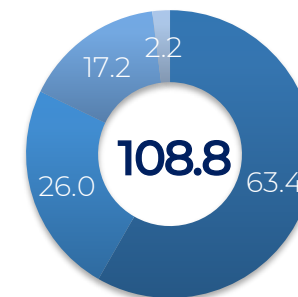
Production Cost (USD MM)  
1Q23



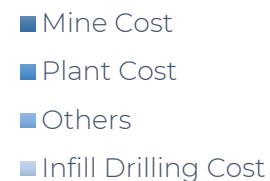
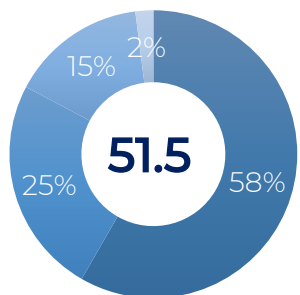
**USD-7.8 MM (-6.7%)**



Production Cost (USD MM)  
1Q24



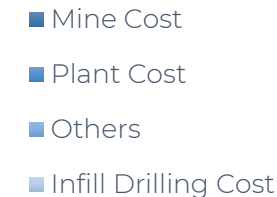
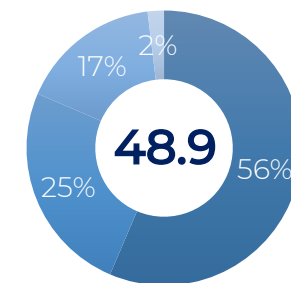
Production Unit Cost (USD/TM)  
1Q23



**-2.51 USD/TM (-4.9%)**



Production Unit Cost (USD/TM)  
1Q24

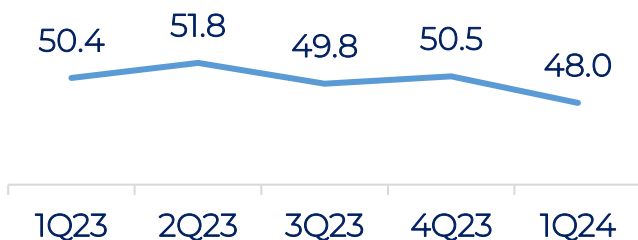


## 1Q24 vs 1Q23:

- ✓ Lower absolute and unit cost explained by:
  - ✓ Execution of improvement initiatives at operating units: improving supply consumption efficiency across all mining cycle activities, mechanic and electric maintenance, use of plant reagents, energy efficiency, change of mining methods, among others
  - ✓ Suspension of operations at Islay Mine since July 2023
  - ✓ Temporary suspension of operations at Yauli and Animon
  - ✓ Higher volume treated at Alpamarca and Cerro

# Production Unit Cost per Unit

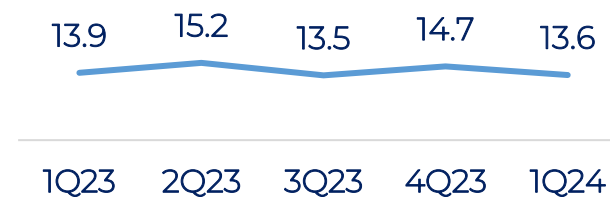
## Consolidated



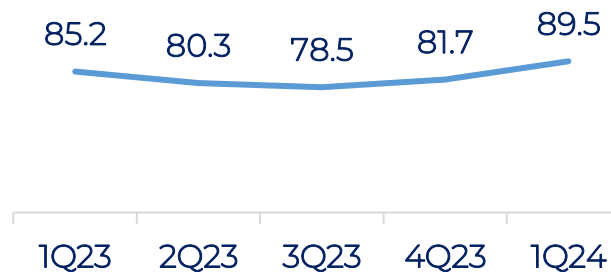
## Ticlio



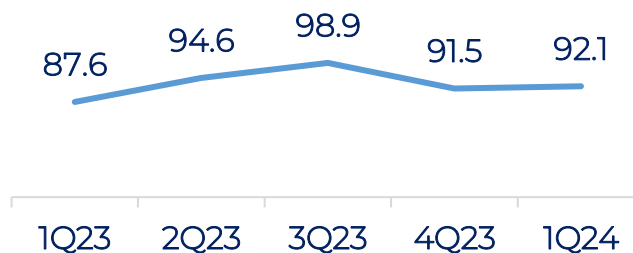
## Cerro



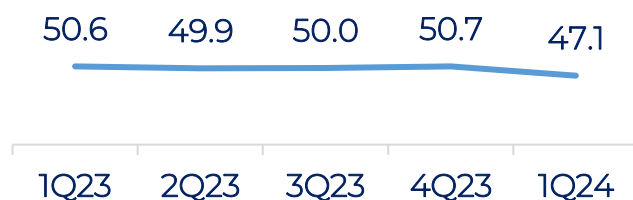
## San Cristóbal/Carahuacra



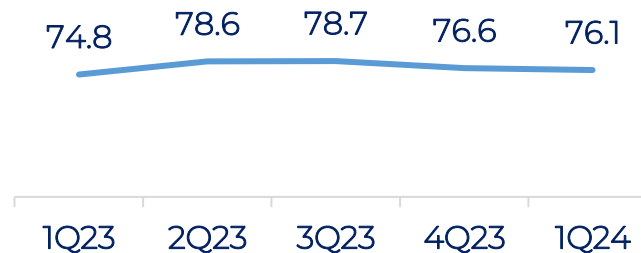
## Chungar



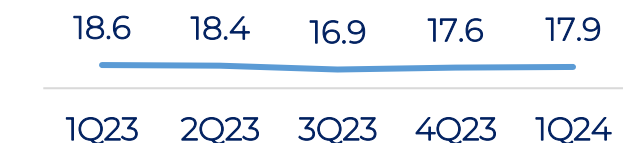
## Óxidos



## Andaychagua

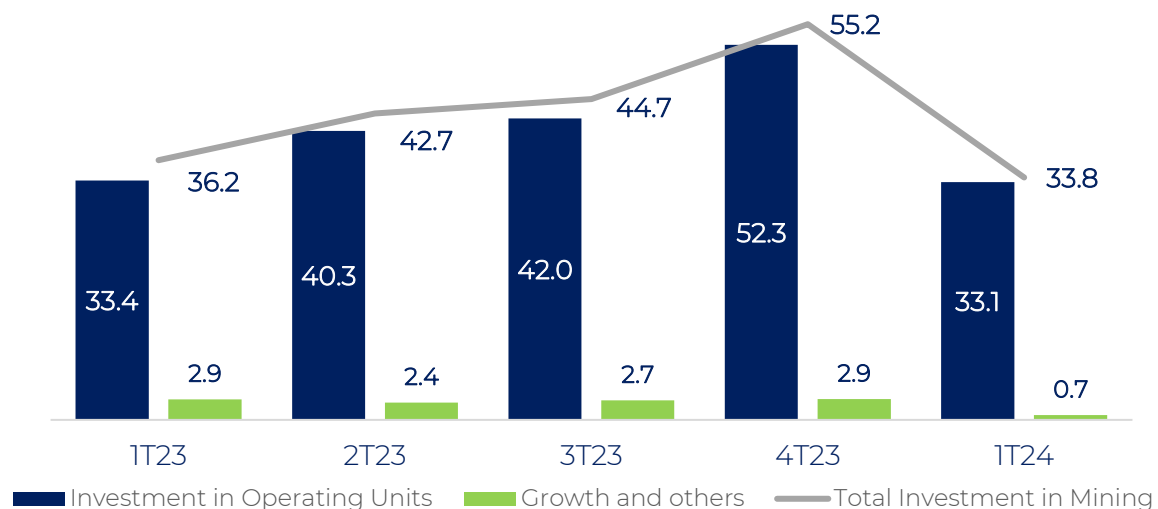


## Alpamarca



- **Chungar:** Higher unit cost due to lower production due to stoppage of operations in March
- **SanCristóbal-Carahuacra and Ticlio:** Increased due to less volume processed as consequence of Rumichaca TSF shut down in March
- **Andaychagua:** Higher due to optimization of design and mining sequence in secondary development and support elements
- **Cerro:** lower due to additional ore production of San Alberto zone and lower maintenance cost due to optimization plan
- **Oxides:** lower due to a better metallurgical performance for in situ pyrites treatment in Oxides

# Evolution of Mining Investments



Consolidated Investment (MM USD)	Jan-Mar 2024	Jan-Mar 2023	var %
<b>Mining</b>	<b>33.8</b>	<b>36.2</b>	<b>-6.7</b>
<b>Mining Units</b>	<b>33.1</b>	<b>33.4</b>	<b>-0.7</b>
Local Exploration	2.0	2.6	-23.1
Development	17.6	18.4	-4.4
Plants and Tailings Facilities	7.0	4.1	71.7
Mine and Infrastructure	5.5	7.3	-24.4
Electrical Infrastructure in Units	0.1	0.7	-81.3
Support and Others	0.9	0.3	224.5
<b>Growth and Others</b>	<b>0.7</b>	<b>2.9</b>	<b>-76.9</b>
<b>Energy</b>	<b>0.0</b>	<b>0.0</b>	<b>142.5</b>
<b>Total</b>	<b>33.8</b>	<b>36.2</b>	<b>-6.7</b>

## 1Q24 vs 1Q23:

Variation in Operating Units (-0.7%):

- **Plants and Tailings Facilities (USD 2.9 MM):** higher investment in tailings facilities due to the execution of the expansion of Ocroyoc tailing dam in Cerro de Pasco
- **Development (USD -0.8 MM):** Lower investment in Yauli due to optimization in ground support
- **Mine and Infrastructure (USD -2.8 MM):** Lower investment in Andaychagua mine, mainly explained by the completion of infrastructure works in pumping systems
- **Support and others (USD 0.6 MM):** higher investments in camps, technology, safety, security and environment



1

Highlights

2

Operating Results

3

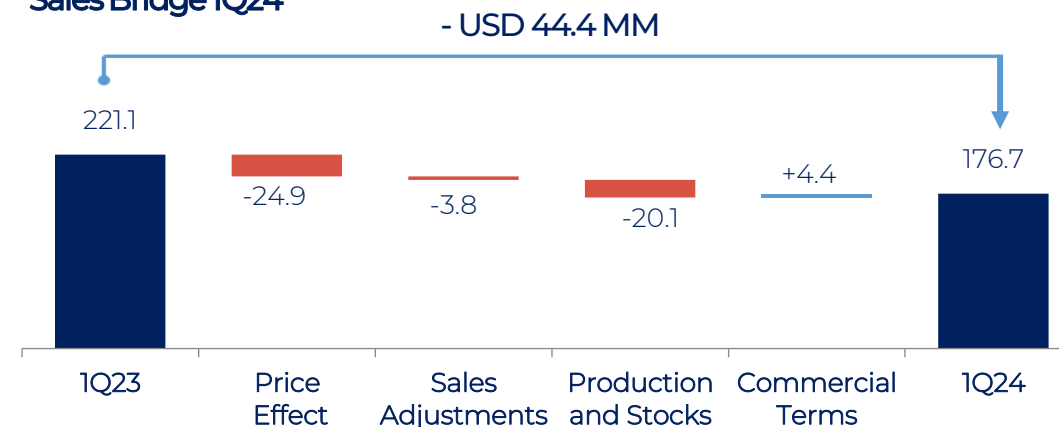
Financial Results

# Profit & Loss Statement

Sales prices	Jan-Mar 2024	Jan-Mar 2023	var %
Zinc (USD/MT)	2,473	3,117	-20.7
Plomo (USD/MT)	2,099	2,143	-2.1
Cobre (USD/MT)	7,794	8,900	-12.4
Plata (USD/Oz)	23.2	22.5	3.3
Oro (USD/Oz)	2,069	1,892	9.4

Income Statement (MM USD)	Jan-Mar 2024	Jan-Mar 2023	var %
<b>Sales before adjustments</b>	<b>180.0</b>	<b>220.7</b>	<b>-18.4</b>
Sett. of prior periods adjustments	-0.9	8.9	
Adj. open positions	-2.6	-8.5	-68.8
Hedging	0.1	0.0	
<b>Sales after adjustments</b>	<b>176.7</b>	<b>221.1</b>	<b>-20.1</b>
<b>Cost of Goods Sold</b>	<b>-159.4</b>	<b>-174.3</b>	<b>-8.6</b>
<b>Gross Profit</b>	<b>17.3</b>	<b>46.8</b>	<b>-63.0</b>
Gross Margin	10%	21%	-11 pp
Administrative Expenses	-9.5	-8.7	9.0
Exploration Expenses	-2.4	-5.0	-51.9
Sales Expenses	-7.1	-7.4	-4.6
Other income (Expenses) <sup>1</sup>	-0.3	-3.7	-90.9
<b>Operating Profit</b>	<b>-2.0</b>	<b>22.0</b>	<b>-11 pp</b>
Operating Margin	-1%	10%	-11 pp
Financial income (expense)	-18.0	-15.1	19.3
Exchange difference (net)	0.0	0.1	-75.0
Royalties	-2.2	-3.3	-31.7
Income Tax	3.0	-2.2	
<b>Net Profit before Exceptionals</b>	<b>-19.2</b>	<b>1.5</b>	
Net Margin	-11%	1%	-12 pp
Exceptional adjustments <sup>2</sup>	0.0	-0.7	-100.0
<b>Net Profit</b>	<b>-19.2</b>	<b>0.8</b>	
Net Margin	-11%	0%	-11 pp
<b>EBITDA<sup>3</sup></b>	<b>44.8</b>	<b>71.4</b>	<b>-37.3</b>
EBITDA Margin	25%	32%	-7 pp

## Sales Bridge 1Q24



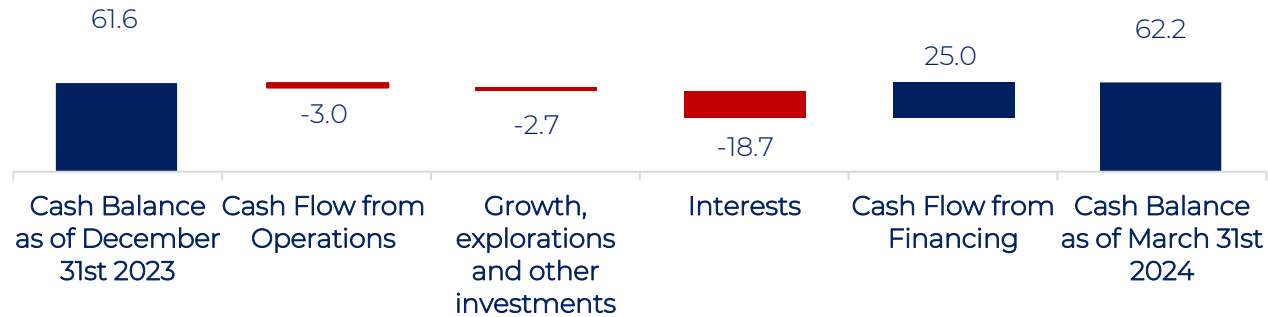
## 1Q24 vs 1Q23 variations:

- Cost of goods sold: Lower production cost, lower depreciation and amortization, and lower cost due to the stoppages
- Administrative expenses: Increase due to severance payments
- Exploration expenses: Decrease in line with Company's expenses streamlining plan
- Sales expenses: Mainly due to lower production because of the stoppages
- Other Income/Expense (net): Mainly due to lower expenses in studies of closure opportunities in Cerro and in non operating units
- Financial Expenses: Higher due to higher loan interests because of increase of international rate reference

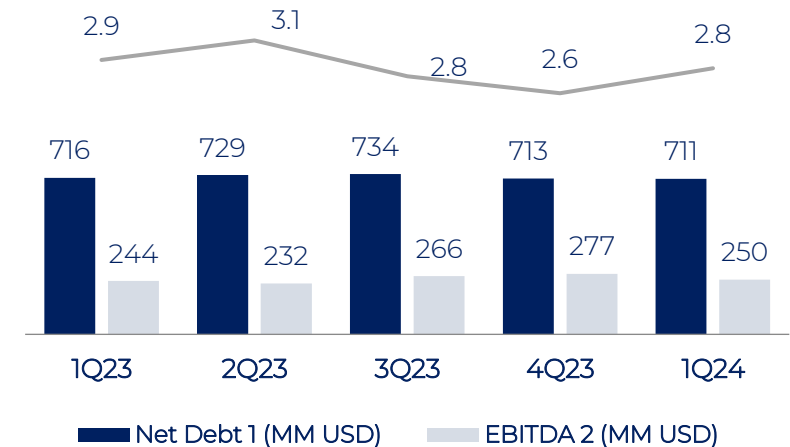
<sup>1</sup> Includes sales and cost of sales of the energy división <sup>2</sup> Long term assets deterioration in Cerro de Pasco <sup>3</sup> Does not consider exceptional adjustments

# Evolution of Net Debt / EBITDA Ratio

## Cash Flow Bridge 1Q24



## Net Debt to EBITDA ratio



Net Debt / EBITDA Ratio	1Q23	2Q23	3Q23	4Q23	1Q24
Gross Debt (MM USD)	783	779	777	775	774
Cash Balance (MM USD)	67	50	44	62	62
Net Debt <sup>1</sup> (MM USD)	716	729	734	713	711
<b>EBITDA <sup>2</sup> (MM USD)</b>	<b>244</b>	<b>232</b>	<b>266</b>	<b>277</b>	<b>250</b>
<b>Net Debt / EBITDA Ratio</b>	<b>2.9</b>	<b>3.1</b>	<b>2.8</b>	<b>2.6</b>	<b>2.8</b>

<sup>1</sup> Debt does not include operating leases associated with IFRS 16 or current interest accumulated in the last 12 months <sup>2</sup> Corresponds to EBITDA

### 1Q24 vs 4Q23:

- Increased Net Debt / EBITDA ratio due to lower EBITDA related to lower sales due to operational stoppages

