

Volcan Compañía Minera S.A.A. and Subsidiaries Management Discussion and Analysis Second Quarter 2024

Principal Results:

Consolidated Volcan	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Sales Prices¹							
Zinc (USD/MT)	2,473	2,770	2,578	7.5	2,624	2,833	-7.4
Lead (USD/MT)	2,099	2,159	2,110	2.3	2,129	2,125	0.2
Copper (USD/MT)	7,794	9,162	8,491	7.9	8,487	8,669	-2.1
Silver (USD/Oz)	23.2	28.1	24.0	17.0	25.7	23.3	10.2
Gold (USD/Oz)	2,069	2,332	1,976	18.0	2,193	1,943	12.9
Operating Results							
Mineral treatment ² (thousands MT)	2,122	2,199	2,404	-8.5	4,321	4,678	-7.6
Zinc Production (thousands FMT)	50.3	52.9	62.6	-15.5	103.2	119.1	-13.3
Lead Production (thousands FMT)	11.2	12.4	15.3	-18.6	23.6	28.5	-17.1
Copper Production (thousands FMT)	0.8	0.8	1.5	-44.7	1.6	2.7	-42.4
Silver Production (millions Oz)	3.1	3.2	3.8	-16.1	6.3	7.3	-14.3
Gold Production (thousands Oz)	2.9	2.9	5.5	-47.7	5.8	9.3	-37.3
Unit Cost (USD/TM) ³	49.0	46.2	53.2	-13.3	47.6	52.4	-9.2
Total Investments (MM USD)	33.8	32.9	42.7	-22.9	66.8	79.0	-15.5
Financial Results (MM USD)							
Sales before adjustments	180.0	213.1	227.9	-6.5	393.1	448.6	-12.4
Sales Adjustments	-3.4	5.2	-14.6		1.8	-14.1	
Settlement of prior period adjustments	-0.9	5.4	-10.3		4.6	-1.4	
Adjustments for open positions ⁴	-2.6	0.0	-4.7	-99.0	-2.7	-13.2	-79.6
Hedging results	0.1	-0.2	0.4		-0.1	0.4	
Sales after adjustments	176.7	218.3	213.3	2.3	395.0	434.4	-9.1
Net profit before exceptionals	-19.2	12.6	-10.9		-6.6	-9.4	-29.2
Exceptional adjustments	0.0	-2.2	-1.0	0.0	-2.2	-1.7	30.2
Net profit	-19.2	10.4	-11.9		-8.8	-11.0	-20.1
EBITDA⁵	44.8	87.2	49.2	77.2	132.0	120.7	9.4

¹ These prices are the initial billing prices, which are provisional, as the adjustments are made when settlements of prior periods are received from customers.

² Includes treated tons at Oxides Plant.

³ Unit cost include infill drilling costs.

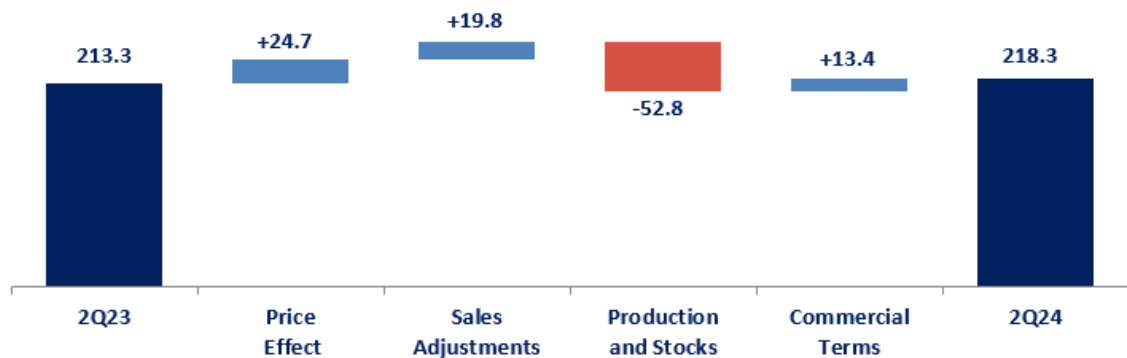
⁴ The open comercial positions refer to shipments that don't have final settlements yet, therefore they are exposed to adjustments due to metal prices variations in the future.

⁵ Does not consider exceptional adjustments

Source: Volcan Cia. Minera

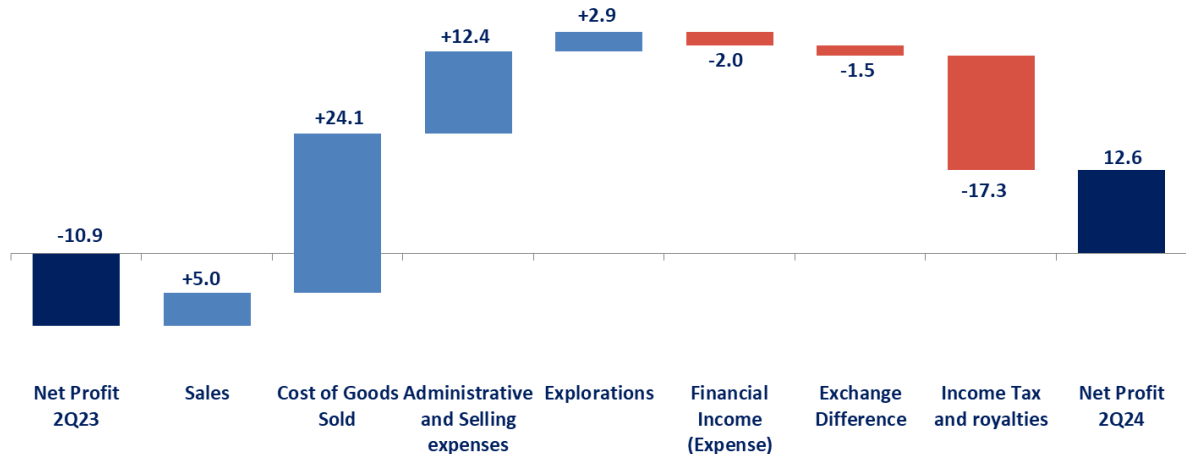
1. Executive Summary

- The financial results for Q2 2024 were superior to those of Q2 2023, mainly due to the improvement in metal prices, favorable commercial terms, and the reduction of costs and operating expenses across the Company.
- The better financial results occurred despite the fact that during Q2 2024, production was affected by the shutdown of the San Cristóbal, Carahuacra, and Ticlio mines in Yauli while the operational permit for the Rumichaca tailings dam at the Victoria Plant was being adjusted. The competent authority authorized the operation of this tailings dam on April 19, and operations were gradually restarted from that date. Additionally, the Animón mine was reviewed in detail to ensure safe working conditions and procedures in all its areas.
- As a result, zinc fine production decreased by 15.5%, from 62.6 thousand FMT in Q2 2023 to 52.6 thousand FMT in Q2 2024; lead fine production decreased by 18.6%, from 15.3 thousand FMT in Q2 2023 to 12.4 thousand FMT in Q2 2024; copper fine production decreased by 44.7%, from 1.5 thousand FMT in Q2 2023 to 0.8 thousand FMT in Q2 2024; silver ounce production decreased by 16.1%, from 3.8 MM Oz in Q2 2023 to 3.2 MM Oz in Q2 2024; and gold ounce production decreased by 47.7%, from 5.5 thousand Oz in Q2 2023 to 2.9 thousand Oz in Q2 2024.
- The consolidated unit cost decreased by 13.3%, from 53.2 USD/MT in Q2 2023 to 46.2 USD/MT in Q2 2024, mainly due to cost reduction initiatives and exceptional savings measures in response to the halting of operations at the San Cristóbal, Carahuacra, and Ticlio mines.
- Total investments decreased by 22.9%, from USD 42.7 MM in Q2 2023 to USD 32.9 MM in Q2 2024, as a result of prioritizing investments in operational units to preserve the Company's liquidity.
- The price of zinc increased by 7.5%, from 2,578 USD/MT in Q2 2023 to 2,770 USD/MT in Q2 2024; the price of lead increased by 2.3%, from 2,110 USD/MT in Q2 2023 to 2,159 USD/MT in Q2 2024; the price of copper increased by 7.9%, from 8,491 USD/MT to 9,162 USD/MT, silver price increased by 17.0%, from 24.0 USD/OZ to 28.1 USD/OZ, and gold price rose by 18.0%, from 1,976 USD/OZ to 2,332 USD/OZ.
- Sales before adjustments decreased by 6.5%, from USD 227.9 MM in Q2 2023 to USD 213.1 MM in Q2 2024, due to lower fine production caused by the shutdowns during the period, offset by better metal prices and commercial terms. Adjustments to sales amounted to USD 5.2 MM in Q2 2024 compared to USD -14.6 MM in Q2 2023. As a result, sales after adjustments increased by 2.3%, from USD 213.3 MM to USD 218.3 MM.

Graph 1: Variations Q2 2024 vs. Q2 2023 that impacted net sales (USD MM)

Source: Volcan Cía. Minera

- Net profit before exceptional items increased from USD -10.9 MM in Q2 2023 to USD 12.6 MM in Q2 2024, due to higher metal prices, improvements in sales terms, and the reduction of costs and operating expenses across the Company.

Graph 2: Variations Q2 2024 vs. Q2 2023 that impacted net income before exceptional items (USD MM)

Source: Volcan Cía. Minera

- Exceptional adjustments for the period totaled USD -2.2 MM, associated with the deconsolidation of Empresa de Generación Eléctrica Río Baños S.A.C. due to the sale of the Rucuy's hydroelectric plant. Consequently, net profit was USD 10.4 MM in Q2 2024 versus USD -11.9 MM in Q2 2023.
- EBITDA increased by 77.2%, from USD 49.2 MM in Q2 2023 to USD 87.2 MM in Q2 2024, mainly due to a higher operating margin from better prices and commercial terms, and lower costs and operating expenses.

- It is important to mention that, as part of the debt refinancing process, the Company entered into an amendment on July 24, 2024, known as the "Amended and Restated Credit Agreement" to the medium-term syndicated loan agreement for USD 400.0 MM signed on December 29, 2021. The modifications include: (i) the extension of the final maturity date to July 24, 2029, (ii) the amortization of the current outstanding amount of USD 369.4 MM in quarterly installments, with a total principal amount of USD 10.0 MM in 2025, USD 20.0 MM in 2026, USD 25.0 MM in 2027, USD 35.0 MM in 2028, and the remaining balance on the final maturity date.

2. Consolidated Results

2.1 Production

Table 1: Consolidated Production

Consolidated Production	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Mineral extraction (thousands MT)¹	2,293	2,269	2,406	-5.7	4,562	4,556	0.1
Polymetallic ore	2,058	2,015	2,167	-7.0	4,073	4,078	-0.1
Oxides ore	236	254	239	6.1	489	477	2.5
Mineral treatment (thousands MT)	2,122	2,199	2,404	-8.5	4,321	4,678	-7.6
Concentrator Plants	1,887	1,945	2,165	-10.2	3,832	4,200	-8.8
Silver Oxides Plant	236	254	239	6.1	489	477	2.5
Fine Content							
Zinc (thousands FMT)	50.3	52.9	62.6	-15.5	103.2	119.1	-13.3
Lead (thousands FMT)	11.2	12.4	15.3	-18.6	23.6	28.5	-17.1
Copper (thousands FMT)	0.8	0.8	1.5	-44.7	1.6	2.7	-42.4
Silver (millions Oz)	3.1	3.2	3.8	-16.1	6.3	7.3	-14.3
Gold (thousands Oz)	2.9	2.9	5.5	-47.7	5.8	9.3	-37.3

¹ Revised mineral production figures for Alparamar in 1Q24

Source: Volcan Cia. Minera

The volume of ore extraction decreased by 5.9%, from 2,406 thousand MT in Q2 2023 to 2,264 thousand MT in Q2 2024, due to the gradual restart of operations at the San Cristóbal, Carahuacra, and Ticlio mining units, which were shut down until April 19; lower production at the Animón mine due to detailed reviews of conditions and procedures to ensure safe work across all areas; and the suspension of operations at the Islay mine since July 2023. This was partially offset by higher production tonnage at Cerro de Pasco.

Consequently, the treatment volume decreased by 8.5%, from 2,404 thousand MT in Q2 2023 to 2,199 thousand MT in Q2 2024.

Zinc fine production decreased by 15.5%, from 62.6 thousand FMT in Q2 2023 to 52.9 thousand FMT in Q2 2024; lead fine production decreased by 18.6%, from 15.3 thousand FMT in Q2 2023 to 12.4 thousand FMT in Q2 2024; copper fine production decreased by 44.7%, from 1.5 thousand FMT in Q2 2023 to 0.8 thousand FMT in Q2 2024; silver ounce production decreased by 16.1%, from 3.8 MM Oz in Q2 2023 to 3.2 MM Oz in Q2 2024; and finally, gold ounce production decreased by 47.7%, from 5.5 thousand Oz in Q2 2023 to 2.9 thousand Oz in Q2 2024.

On a cumulative basis (Jan-Jun), the volume of extraction was slightly higher than the same period of the previous year, increasing from 4,556 thousand MT in 2023 to 4,557 thousand MT in 2024, while the treatment volume decreased by 7.6%, from 4,678 thousand MT to 4,321 thousand MT.

Regarding fine metals, as a consequence of the previously mentioned operational shutdowns, zinc production decreased by 13.3%, from 119.1 thousand FMT to 103.2 thousand FMT; lead production decreased by 17.1%, from 28.5 thousand FMT to 23.6 thousand FMT; copper production decreased by 42.4%, from 2.7 thousand FMT to 1.6 thousand FMT; silver production decreased by 14.3%, from 7.3 MM Oz to 6.3 MM Oz; and gold production decreased by 37.3%, from 9.3 thousand Oz to 5.8 thousand Oz.

2.2 Production Cost

Table 2: Consolidated Production Cost

Consolidated Production Cost	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Production Cost¹ (MM USD)							
Mine cost ²	65.5	58.9	76.7	-23.2	124.5	146.9	-15.2
Plant and Other Cost	26.0	28.9	32.4	-10.9	54.9	61.0	-10.1
Others	17.2	15.2	18.6	-18.3	32.5	36.5	-11.0
Total Production Cost (MM USD)	108.8	103.0	127.7	-19.3	211.8	244.4	-13.3
Unit Cost (USD/MT)							
Mine cost ³	28.6	26.1	32.0	-18.4	27.4	31.5	-13.3
Plant and Other Cost	12.2	13.1	13.5	-2.6	12.7	13.0	-2.7
Others	8.1	6.9	7.7	-10.6	7.5	7.8	-3.7
Sub total Unitary Cost (USD/MT)	49.0	46.2	53.2	-13.3	47.6	52.4	-9.2

¹ Distribution update of production cost by areas (mine, plant, others)

² Mine cost include infill drilling costs

³ Mine unit cost adjusted using treated tonnage

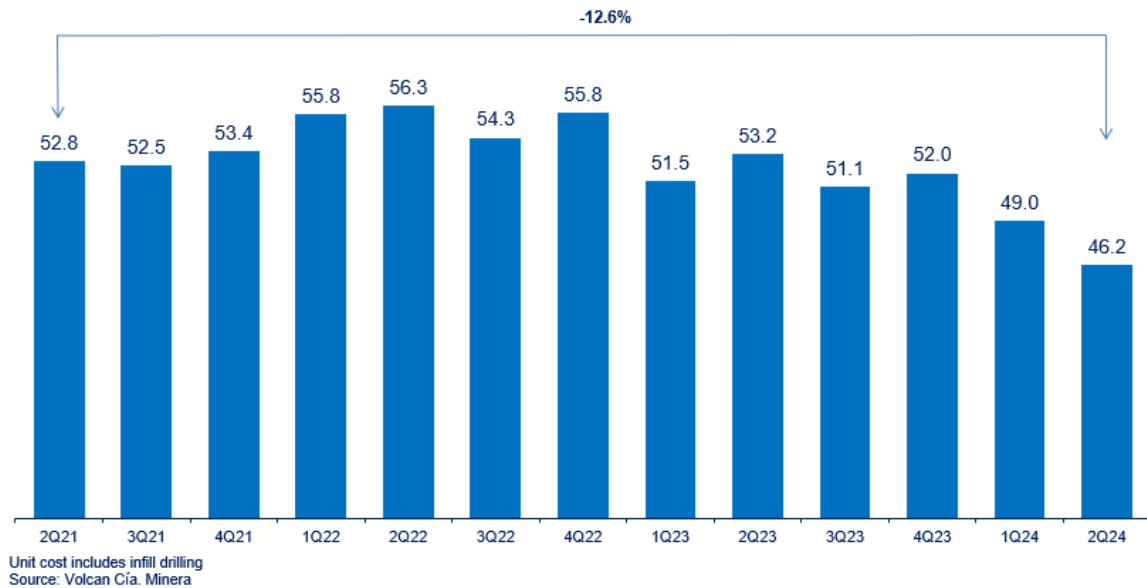
Source: Volcan Cia. Minera

The absolute production cost decreased by 19.3%, from USD 127.7 MM in Q2 2023 to USD 103.0 MM in Q2 2024, primarily due to the shutdown of operations at San Cristóbal, Carahuacra, and Ticlio, and the suspension of operations at the Islay mine since July 2023. Similarly, the unit cost decreased by 13.3%, from USD 53.2/MT in Q2 2023 to USD 46.2/MT in Q2 2024, thanks to the implementation of improvement initiatives in the operational units.

On a cumulative basis (Jan-Jun), the absolute production cost decreased by 13.3%, from USD 244.4 MM to USD 211.8 MM, while the unit cost decreased by 9.2%, from USD 52.4/MT to USD 47.6/MT.

The Company continues to make significant efforts to control and reduce production costs and expenses in its operations and in Lima, while always maintaining worker safety as the Company's primary value.

The following graph shows the evolution of unit costs over the past 3 years.

Graph 3: Evolution of Unit Cost including Infill Drilling (USD/MT)

2.3 Investments

Investments in the operational units decreased by 22.3%, from USD 40.3 MM in Q2 2023 to USD 31.3 MM in Q2 2024. Growth investments related to the Romina project totaled USD 1.6 MM in Q2 2024, and consequently, total investments decreased by 22.9%, from USD 42.7 MM in Q2 2023 to USD 32.9 MM in Q2 2024.

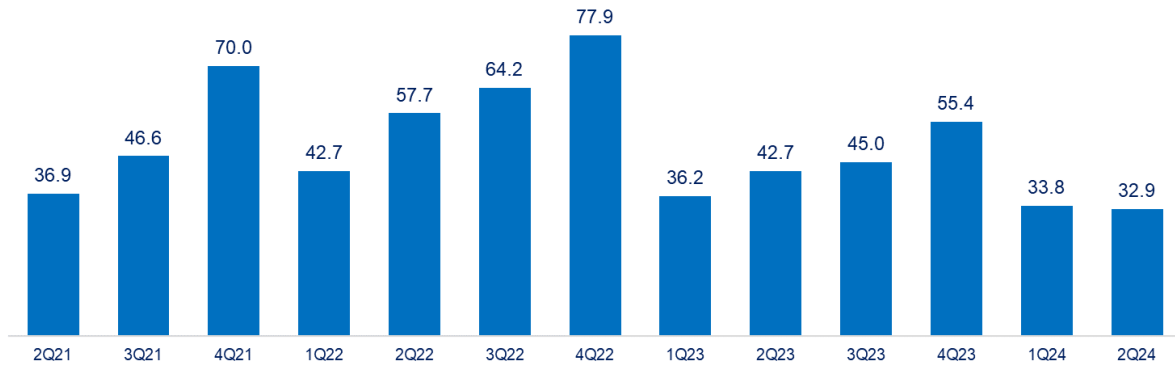
On a cumulative basis (Jan-Jun), total investments decreased by 15.5%, from USD 79.0 MM to USD 66.8 MM, mainly due to lower investments in mining and infrastructure, development, and growth, due to prioritizing these areas to preserve the Company's liquidity.

Table 3: Consolidated Investment

Consolidated Investment (MM USD)	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Mining	33.8	32.9	42.7	-22.9	66.7	79.0	-15.5
Mining Units	33.1	31.3	40.3	-22.3	64.5	73.7	-12.5
Local Exploration	2.0	2.1	3.2	-34.2	4.1	5.8	-29.2
Development	17.6	15.4	19.2	-20.0	32.9	37.6	-12.4
Plants and Tailings Facilities	7.0	6.3	6.0	5.5	13.2	10.0	32.3
Mine and Infrastructure	5.5	5.4	9.2	-41.6	10.9	16.5	-34.0
Electrical Infrastructure in Units	0.1	0.6	2.2	-75.0	0.7	3.0	-76.6
Support and Others	0.9	1.7	0.5	202.5	2.6	0.8	210.1
Regional Explorations	0.0	0.0	0.0	-75.7	0.0	0.0	2.2
Growth and Others	0.7	1.6	2.4	-32.9	2.3	5.3	-56.7
Energy	0.0	0.0	0.0	-9.0	0.0	0.0	75.2
Total	33.8	32.9	42.7	-22.9	66.8	79.0	-15.5

Source: Volcan Cía. Minera

Graph 4: Evolution of Consolidated Investment



Source: Volcan Cia. Minera

2.4 Income Statement

Table 4: Income Statement

Income Statement (MM USD)	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Sales before adjustments	180.0	213.1	227.9	-6.5	393.1	448.6	-12.4
Sett. of prior periods adjustments	-0.9	5.4	-10.3	0.0	4.6	-1.4	
Adj. open positions	-2.6	0.0	-4.7	-99.0	-2.7	-13.2	-79.6
Hedging	0.1	-0.2	0.4		-0.1	0.4	
Sales after adjustments	176.7	218.3	213.3	2.3	395.0	434.4	-9.1
Cost of Goods Sold	-159.4	-164.5	-188.6	-12.8	-323.9	-362.8	-10.7
Gross Profit	17.3	53.8	24.7	117.6	71.1	71.6	-0.7
Gross Margin	10%	25%	12%	13 pp	18%	16%	2 pp
Administrative Expenses	-9.5	-8.3	-12.8	-35.2	-17.8	-21.5	-17.3
Exploration Expenses	-2.4	-2.3	-5.3	-55.7	-4.8	-10.3	-53.7
Sales Expenses	-7.1	-6.9	-7.1	-3.1	-14.0	-14.5	-3.9
Other income (Expenses) ¹	-0.3	3.6	-4.0		3.3	-7.8	
Operating Profit	-2.0	39.9	-4.5		37.9	17.5	115.9
Operating Margin	-1%	18%	-2%	20 pp	10%	4%	6 pp
Financial income (expense)	-18.0	-17.5	-15.4	13.3	-35.5	-30.5	16.3
Exchange difference (net)	0.0	-0.7	0.8		-0.7	0.9	
Royalties	-2.2	-3.4	-2.3	45.7	-5.6	-5.6	0.3
Income Tax	3.0	-5.7	10.5		-2.7	8.3	
Net Profit before Exceptionals	-19.2	12.6	-10.9		-6.6	-9.4	-29.2
Net Margin	-11%	6%	-5%	11 pp	-2%	-2%	0 pp
Exceptional adjustments ²	0.0	-2.2	-1.0	128.3	-2.2	-1.7	30.2
Net Profit	-19.2	10.4	-11.9		-8.8	-11.0	-20.1
Net Margin	-11%	5%	-6%	10 pp	-2%	-3%	0 pp
EBITDA³	44.8	87.2	49.2	77.2	132.0	120.7	9.4
EBITDA Margin	25%	40%	23%	17 pp	33%	28%	6 pp

¹ Includes sales and cost of sales of the energy division² Empresa de Generación Eléctrica Río Baños deconsolidation effect³ Does not consider exceptional adjustments

Source: Volcan Cia. Minera

- Sales Analysis

Table 5: Average Sales Prices

Sales Prices	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Zinc (USD/MT)	2,473	2,770	2,578	7.5	2,624	2,833	-7.4
Lead (USD/MT)	2,099	2,159	2,110	2.3	2,129	2,125	0.2
Copper (USD/MT)	7,794	9,162	8,491	7.9	8,487	8,669	-2.1
Silver (USD/Oz)	23.2	28.1	24.0	17.0	25.7	23.3	10.2
Gold (USD/Oz)	2,069	2,332	1,976	18.0	2,193	1,943	12.9

Source: Volcan Cia. Minera

The prices shown in the previous table correspond to the initial invoice prices, which are provisional and are adjusted when final settlements are issued. The provisions for open positions at the end of each period estimate adjustments on open shipments/deliveries due to future price variations of the metals, using a specific future price curve.

Table 6: Fine Contents Sales Volumes

Fines Sales	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Zinc (thousands FMT)	52.5	54.4	63.7	-14.5	107.0	120.8	-11.5
Lead (thousands FMT)	11.8	12.4	15.8	-21.6	24.1	28.7	-16.0
Copper (thousands FMT)	0.9	0.9	1.6	-43.1	1.8	2.9	-36.4
Silver (millions Oz)	3.1	3.2	4.0	-20.4	6.3	7.4	-15.6
Gold (thousands Oz)	2.8	2.5	5.7	-57.1	5.2	9.4	-44.7

Source: Volcan Cia. Minera

Table 7: Sales in USD

Sales (millions USD)	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Zinc	91.7	107.3	105.1	2.1	199.0	228.1	-12.7
Lead	22.3	24.4	28.7	-15.0	46.7	52.7	-11.5
Copper	4.5	5.7	8.3	-31.5	10.2	14.7	-30.3
Silver	57.4	71.5	76.5	-6.5	129.0	138.3	-6.8
Gold	4.1	4.1	9.3	-55.5	8.2	14.6	-43.8
Sales before adjustments	180.0	213.1	227.9	-6.5	393.1	448.6	-12.4
Sett. of prior period adjust.	-0.9	5.4	-10.3		4.6	-1.4	
Adjust. for open positions	-2.6	0.0	-4.7	-99.0	-2.7	-13.2	-79.6
Hedging results	0.1	-0.2	0.4		-0.1	0.4	
Sales after adjustments	176.7	218.3	213.3	2.3	395.0	434.4	-9.1

Due to lower production, sales before adjustments decreased by 6.5%, from USD 227.9 MM in Q2 2023 to USD 213.1 MM in Q2 2024, partially offset by improved metal prices and commercial terms. Adjustments on sales amounted to USD 5.2 MM in Q2 2024 compared to USD -14.6 MM in Q2 2023. In Q2 2024, the adjustments on sales included final settlements of USD 5.4 MM and negative results from silver hedges of USD -0.2 MM. Consequently, sales

after adjustments increased by 2.3%, rising from USD 213.3 MM in Q2 2023 to USD 218.3 MM in Q2 2024.

In cumulative terms (January-June), sales after adjustments decreased by 9.1%, from USD 434.4 MM in 2023 to USD 395.0 MM in 2024, due to lower production during the period, partially offset by sales adjustments.

- **Cost of Goods Sold**

Table 8: Cost of Goods Sold

Cost of Goods Sold (millions USD)	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Volcan Production	159.2	164.1	187.7	-12.6	323.27	360.8	-10.4
Volcan Production Cost	108.8	103.0	127.7	-19.3	211.8	244.4	-13.3
D&A from Production Cost	44.9	45.6	51.8	-11.9	90.5	99.4	-8.9
Other expenses	9.2	12.5	5.8	115.2	21.7	12.7	70.2
Inventories variation	-3.6	2.9	2.4	23.8	-0.7	4.3	
Workers Profit Sharing	0.2	0.4	0.9	-51.4	0.6	2.0	-69.6
Total	159.4	164.5	188.6	-12.8	323.9	362.8	-10.7

Source: Volcan Cia. Minera

Total cost of sales decreased by 12.8%, from USD 188.6 MM in Q2 2023 to USD 164.5 MM in Q2 2024, primarily due to lower production costs and reduced depreciation and amortization.

In cumulative terms (January-June), the total cost of sales decreased by 10.7%, from USD 362.8 MM in 2023 to USD 323.9 MM in 2024.

- **Gross Margin and Gross Profit**

The Company's gross margin increased from 12% in Q2 2023 to 25% in Q2 2024, mainly due to higher metal prices, favorable commercial terms, and lower cost of sales. Gross profit increased by 117.6%, from USD 24.7 MM in Q2 2023 to USD 53.8 MM in Q2 2024.

On a cumulative basis (Jan-Jun), the gross margin increased from 16% in 2023 to 18% in 2024, while gross profit slightly decreased from USD 71.6 MM in 2023 to USD 71.1 MM in 2024.

- **Administrative Expenses**

Administrative expenses amounted to USD 8.3 MM in Q2 2024, 35.2% below the USD 12.8 MM in Q2 2023, mainly due to lower personnel expenses and provisions.

On a cumulative basis (Jan-Jun), administrative expenses decreased from USD 21.5 MM in 2023 to USD 17.8 MM in 2024.

- **Exploration Expenses**

Exploration expenses decreased by 55.7%, from USD 5.3 MM in 2Q23 to USD 2.3 MM in 2Q24, in line with the adjusted plan for greenfield and brownfield explorations in a scenario of lower liquidity.

In cumulative terms (January-June), exploration expenses decreased from USD 10.3 MM to USD 4.8 MM.

- **Sales Expenses**

Selling expenses decreased by 3.1% compared to the same period last year, totaling USD 6.9 MM in Q2 2024 versus USD 7.1 MM in Q2 2023, primarily due to a decreased volume in sales.

In cumulative terms (January-June), selling expenses decreased from USD 14.5 MM to USD 14.0 MM.

- **Other Income and Expenses**

In Q2 2024, the net amount of other income/expenses was USD 3.6 MM, compared to USD -4.0 MM in Q2 2023. This was mainly due to the accounting impacts of the sale of shares in Empresa de Generación Eléctrica Río Baños S.A.C. (CH Rucuy) in May 2024, lower revenue from energy sales, and reduced expenses for stabilizing the Mahr Tunel tailings deposit.

In cumulative terms (January-June), the net amount of other income/expenses was USD -7.8 MM in 2023, compared to USD 3.3 MM in 2024.

- **Financial Expenses and Exchange Differences**

Net financial expenses increased by 13.3%, from USD 15.4 MM in 2Q23 to USD 17.5 MM in 2Q24, due to the increase in the benchmark interest rate and higher mine closure provisions.

In cumulative terms (January-June), net financial expenses totaled USD -35.5 MM in 2024 versus USD -30.5 MM in 2023.

On the other hand, the effect of the exchange rate variation changed from USD 0.8 MM in Q2 2023 to USD -0.7 MM in Q2 2024.

- **Royalties and Income Tax**

Royalties increased from USD -2.3 MM in Q2 2023 to USD -3.4 MM in Q2 2024. Similarly, income tax changed from USD 10.5 MM in Q2 2023 to USD -5.7 MM in Q2 2024, due to better financial results.

In cumulative terms (January-June), in 2024, royalties remained at USD -5.6 MM, the same as in 2023, while income tax changed from USD 8.3 MM in 2023 to USD -2.7 MM in 2024.

- **Net Profit and EBITDA**

Net profit increased from USD -11.9 MM in Q2 2023 to USD 10.4 MM in Q2 2024, and EBITDA increased from USD 49.2 MM in Q2 2023 to USD 87.2 MM in Q2 2024, mainly due to higher sales after adjustments from better prices and commercial terms, and the reduction of costs and operating expenses.

On a cumulative basis (Jan-Jun), net profit improved from USD -11.0 MM in 2023 to USD -8.8 MM in 2024, and EBITDA increased from USD 120.7 MM in 2023 to USD 132.0 MM in 2024.

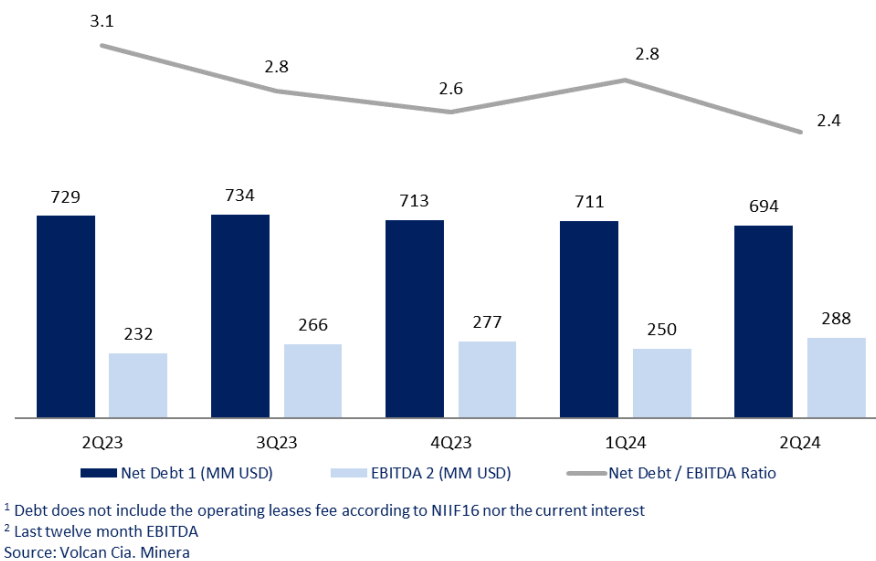
2.5 Liquidity and Creditworthiness

In Q2 2024, cash generation from mining operations after operational investments was positive at USD 38.7 MM. Additionally, USD 26.3 MM net was received from the sale of the CH Rucuy. Disbursements for mining growth investments and other various investments totaled USD -5.9 MM, while net financial flow was USD -52.2 MM, which includes the payment of the first installment of the syndicated loan amounting to USD 34.3 MM made in June.

As a result, cash flow in Q2 2024 was positive at USD 6.4 MM, and cash balance at the end of Q2 2024 amounted to USD 68 MM.

The Net Debt/EBITDA ratio as of June 30, 2024, was 2.4 times, lower compared to Q1 2024 and Q2 2023, due to the reduction in net debt and the increase in EBITDA over the last 12 months.

Graph 5: Net Debt / EBITDA Ratio Evolution



As part of the refinancing process, on July 24, 2024, the Company signed a comprehensive amendment, the "Amended and Restated Credit Agreement," to the medium-term USD 400.0 MM syndicated loan agreement dated December 29, 2021. The modifications include, among others: (i) the extension of the final maturity date to July 24, 2029, (ii) the amortization of the current outstanding amount of USD 369.4 MM in quarterly installments, with a total principal amount of USD 10.0 MM in 2025, USD 20.0 MM in 2026, USD 25.0 MM in 2027, USD 35.0 MM in 2028, and the remaining balance on the final maturity date. The refinanced loan will be secured by the majority of the Company's assets and some of its subsidiaries and will have an interest rate of SOFR+500 bps during years 1-3, with a possible increase to SOFR+550 bps in years 4-5. The new loan terms allow sharing the collateral package pari passu with the new secured notes once the refinancing of the 4.375% Senior Notes due 2026 is completed.

3. Results by Operating Unit

3.1 Yauli Unit Operating Results

Table 9: Yauli Production

	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Mineral extraction (thousands MT)	682	629	792	-20.6	1,311	1,497	-12.4
Mineral treatment (thousands MT)	636	654	789	-17.1	1,290	1,502	-14.1
Fines Content							
Zinc (thousands FMT)	34.3	36.5	43.7	-16.4	70.8	80.9	-12.4
Lead (thousands FMT)	5.1	5.8	6.7	-13.7	10.9	11.8	-7.4
Copper (thousands FMT)	0.3	0.4	0.7	-41.5	0.8	1.4	-43.6
Silver (millions Oz)	1.4	1.5	1.9	-20.2	3.0	3.5	-14.2
Gold (thousands Oz)	0.8	0.8	1.5	-47.0	1.6	2.8	-43.6

Source: Volcan Cia. Minera

In 2Q24, mineral extraction in the Yauli unit decreased by 20.6%, and the treatment volume at the Victoria plant saw a reduction of 17.1% compared to 2Q23, due to the temporary suspension of operations at the San Cristóbal, Carahuacra, and Ticlio mining units while the operating permit for the Rumichaca tailings facility at the Victoria plant was being adjusted. The competent authority authorized the operation of this tailings facility on April 19, and operations resumed gradually. The shutdown of the Victoria plant was partially compensated by increased treatment at the Andaychagua plant thanks to optimization in the milling process. Zinc production decreased by 16.4%; lead by 13.7%; copper by 41.5%; silver by 20.2%; and gold by 47.0%.

In cumulative terms (January-June), compared to the previous year, mineral extraction decreased by 12.7%, and mineral treatment by 14.1%. The production of fine zinc, lead, copper, silver, and gold decreased by 12.4%, 7.4%, 43.6%, 14.2%, and 43.6%, respectively.

Table 10: Yauli Production Cost

Yauli Production Cost	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Production Cost¹ (MM USD)							
Extraction cost ²	44.7	35.7	48.2	-26.1	80.4	92.5	-13.1
Treatment Cost	5.9	6.3	8.9	-29.1	12.2	16.6	-26.5
Others	9.3	7.3	9.5	-23.2	16.6	18.6	-10.9
Total Production Cost (MM USD)	59.8	49.3	66.7	-26.1	109.2	127.7	-14.5
Unit Cost (USD/MT)							
Extraction Cost	65.6	57.1	60.9	-6.3	61.5	61.8	-0.4
Treatment Cost	9.2	9.7	11.3	-14.5	9.5	11.1	-14.4
Others	14.6	11.2	12.1	-7.3	12.9	12.4	3.8
Total Unitary Cost (USD/MT)	89.4	78.0	84.3	-7.5	83.8	85.2	-1.6

¹ Distribution update of production cost by areas (mine, plant, others)

² Mine cost include infill drilling costs

Source: Volcan Cia. Minera

The production cost in absolute terms decreased from USD 66.7 MM in Q2 2023 to USD 49.3 MM in Q2 2024, mainly due to the lower volume extracted and processed caused by the suspension of operations at San Cristóbal, Carahuacra, and Ticlio, continuous improvement initiatives in maintenance and transportation, and other cost-saving measures in response to the stoppage. As a result, the unit cost decreased by 7.5% compared to the same period of the previous year.

In cumulative terms (January-June), the absolute production cost decreased by 14.5%, from USD 127.7 MM to USD 109.2 MM in 2024. The unit production cost decreased by 1.6%, from USD 85.2/MT to USD 83.8/MT.

Table 11: Yauli Operating Investments

Yauli Operating Investment (MM USD)	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Local Exploration ¹	1.5	1.4	2.5	-43.6	2.9	4.7	-38.2
Mine Development	13.8	11.4	15.4	-26.3	25.2	30.1	-16.4
Plants and Tailings Dams	2.7	4.7	4.5	4.3	7.4	7.7	-4.1
Mine and Infrastructure	3.8	3.5	6.3	-43.7	7.3	11.7	-37.7
Electrical Infrastructure	0.1	0.6	1.8	-69.2	0.7	2.4	-71.7
Support and Others	0.7	0.7	0.3	115.8	1.5	0.6	161.9
Total	22.6	22.3	30.9	-27.7	44.9	57.2	-21.5

Source: Volcan Cia. Minera

In Q2 2024, operating investments in Yauli totaled USD 22.3 MM, 27.7% less than the USD 30.9 MM in Q2 2023, mainly due to lower investments in exploration, development, and mine infrastructure, the halt in the construction of the tailings dam while the operating permit was being adjusted, and energy-related constructions.

In cumulative terms (January-June), operating investments decreased by 21.5%, from USD 57.2 MM to USD 44.9 MM compared to the previous year.

3.2 Chungar Unit Operating Results

Table 12: Chungar Production

Chungar Production	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Mineral extraction (thousands MT)	243	210	331	-36.5	453	651	-30.4
Mineral treatment (thousands MT)	230	225	341	-34.0	455	666	-31.6
Fines Content							
Zinc (thousands FMT)	10.1	10.0	13.0	-23.0	20.1	25.8	-22.0
Lead (thousands FMT)	3.3	3.5	5.8	-39.3	6.8	11.3	-39.9
Copper (thousands FMT)	0.1	0.1	0.4	-60.5	0.3	0.7	-59.9
Silver (millions Oz)	0.3	0.4	0.7	-45.4	0.7	1.3	-44.3
Gold (thousands Oz)	0.2	0.2	0.5	-66.2	0.4	0.8	-47.6

Source: Volcan Cia. Minera

In Q2 2024, the ore extracted at Chungar decreased by 36.5% and the ore treated decreased by 34.0% compared to Q2 2023, due to the suspension of operations at the Islay mine since July 2023 and delays in preparing mining work as a result of detailed reviews of conditions and procedures to ensure safe work across all areas. Production of zinc, lead, copper, silver, and gold decreased by 23.0%, 39.3%, 60.5%, 45.4%, and 66.2% respectively, due to the lower treated volume and reduced grades of lead, copper, and silver.

In cumulative terms (January-June), compared to the previous year, mineral extraction decreased by 30.4%, and mineral treatment decreased by 31.6%. Production of fine zinc, lead, copper, silver, and gold decreased by 22.0%, 39.9%, 59.9%, 44.3%, and 47.6%, respectively.

Table 13: Chungar Production Cost

Chungar Production Cost	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Production Cost¹ (MM USD)							
Extraction cost ²	15.8	17.3	22.6	-23.7	33.0	42.9	-23.1
Treatment Cost	3.0	4.0	5.3	-24.4	6.9	9.1	-23.7
Others	3.9	3.9	4.7	-16.7	7.8	9.2	-14.8
Total Production Cost (MM USD)	22.6	25.1	32.6	-22.8	47.8	61.2	-21.9
Unit Cost (USD/MT)							
Extraction Cost	64.9	82.2	68.4	20.2	72.9	66.0	10.5
Treatment Cost	12.8	17.6	15.4	14.6	15.2	13.6	11.6
Others	17.0	17.3	13.7	26.2	17.1	13.8	24.6
Sub total Unitary Cost (USD/MT)	94.7	117.2	97.5	20.1	105.3	93.4	12.8

¹ Distribution update of production cost by areas (mine, plant, others)

² Mine cost include infill drilling costs

Source: Volcan Cia. Minera

The production cost decreased in absolute terms by 22.8%, from USD 32.6 MM in Q2 2023 to USD 25.1 MM in Q2 2024, primarily due to the suspension of operations at the Islay mine since July 2023 and the gradual recovery of production activities in April and May 2024. The unit cost increased by 20.1%, rising from USD 97.5/MT in Q2 2023 to USD 117.2/MT in Q2 2024, due to the fixed cost not being diluted by the lower volume of ore extracted and treated.

In cumulative terms (Jan-Jun), compared to the previous year, the absolute production cost decreased by 21.9%, from USD 61.2 MM to USD 47.8 MM. The unit production cost increased by 12.8%, from 93.4 USD/MT to 105.3 USD/MT.

Table 14: Chungar Operating Investments

Chungar Operating Investment (MM USD)	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Local Exploration	0.6	0.7	0.6	3.1	1.2	1.1	8.6
Mine Development	3.8	4.0	3.8	5.3	7.7	7.5	3.8
Plants and Tailings Dams	0.0	0.0	0.6	-100.0	0.0	0.8	-100.0
Mine and Infrastructure	1.5	1.7	2.7	-37.2	3.2	4.3	-24.6
Electrical Infrastructure	0.0	0.0	0.3	-100.0	0.0	0.3	-100.0
Support and Others	0.2	0.7	0.2	288.5	0.9	0.3	241.8
Total	6.0	7.0	8.1	-13.7	13.1	14.2	-8.1

Source: Volcan Cia. Minera

Operating investments in Chungar decreased by 13.7%, from USD 8.1 MM in Q2 2023 to USD 7.0 MM in Q2 2024, mainly due to lower investment execution because of the partial work stoppage at the Animon mine, as well as the implementation of a savings plan and prioritization of cash flow for investments.

In accumulated terms (Jan-Jun), operating investments decreased by 8.1%, from USD 14.2 MM to USD 13.1 MM.

3.3 Alpamarca Unit Operating Results

Table 15: Alpamarca Production

Alpamarca Production	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Mineral extraction (thousands MT)	259	283	270	5.0	542	402	34.8
Mineral treatment (thousands MT)	259	277	260	6.6	536	504	6.4
Fines Content							
Zinc (thousands FMT)	1.2	1.3	1.4	-3.1	2.6	3.1	-18.1
Lead (thousands FMT)	1.2	1.2	0.9	32.6	2.3	1.6	47.5
Copper (thousands FMT)	0.1	0.1	0.1	-27.8	0.1	0.1	-26.4
Silver (millions Oz)	0.2	0.2	0.3	-14.5	0.4	0.5	-20.4

¹ Revised mineral production figures for Alpamarca in 1Q24

Source: Volcan Cia. Minera

In Q2 2024, the mineral extracted at Alpamarca increased by 5% compared to the same quarter of the previous year, while the treatment volume increased by 6.6%, from 260 thousand tons in Q2 2023 to 277 thousand tons in Q2 2024 due to greater stockpile feeding with lower moisture compared to the tailings fed in 2023.

The production of fine zinc, copper, and silver in Q2 2024 decreased by 3.1%, 27.8%, and 14.5%, respectively, compared to the production in Q2 2023. This is explained by lower grades of zinc, copper, and silver in the processed mineral as a result of greater stockpile feeding replacing material from benches and tailings fed in Q2 2023. The production of fine lead increased by 32.6%, thanks to an improvement in the grade.

In accumulated terms (Jan-Jun), compared to the previous year, the extraction of mineral increased by 34.8%, and the treatment of mineral increased by 6.4%. The production of fine lead increased by 47.5%, while the production of fine zinc, copper, and silver decreased by 18.1%, 26.4%, and 20.4%, respectively.

Table 16: Alpamarca Production Cost

Alpamarca Production Cost	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Production Cost¹ (MM USD)							
Extraction cost ²	1.9	2.2	1.7	29.4	4.1	3.2	26.9
Treatment Cost	1.5	1.8	1.7	5.3	3.3	3.4	-1.0
Others	1.3	1.0	1.3	-23.9	2.3	2.7	-16.3
Total Production Cost (MM USD)	4.6	5.0	4.8	5.9	9.7	9.3	4.3
Unit Cost (USD/MT)							
Extraction cost ³	7.3	8.0	6.6	21.4	7.7	6.4	19.3
Treatment Cost	5.8	6.6	6.7	-1.2	6.2	6.7	-6.9
Others	4.8	3.6	5.1	-28.6	4.2	5.4	-21.3
Sub total Unitary Cost (USD/TM)	17.9	18.2	18.4	-0.6	18.1	18.5	-2.0

¹ Distribution update of production cost by areas (mine, plant, others)

² Mine cost include infill drilling costs

³ Mine unit cost adjusted using treated tonnage

Source: Volcan Cia. Minera

The absolute production cost increased by 5.9%, from USD 4.8 MM in Q2 2023 to USD 5.0 MM due to a higher tonnage of treated ore and increased waste extraction in open pits to prepare the ore areas for Q3 2024 and Q4 2024. The unit cost decreased by 0.6%, from USD 18.4 per ton in Q2 2023 to USD 18.2 per ton in Q2 2024 due to cost optimization in support services.

In accumulated terms (January-June), compared to the previous year, the absolute production cost increased by 4.3%, from USD 9.3 MM to USD 9.7 MM. The unit production cost decreased by 2.0%, from 18.5 USD/MT to 18.1 USD/MT.

Table 17: Alparamarca Operating Investments

Alparamarca Operating Inv. (MM USD)	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Local Exploration	0.0	0.0	0.0		0.0	0.0	
Plants and Tailings Dams	0.0	0.0	0.1	-100.0	0.0	0.1	-100.0
Mine and Infrastructure	0.1	0.1	0.2	-56.9	0.2	0.4	-44.1
Energy	0.0	0.0	0.0		0.0	0.0	
Support and Others	0.0	0.0	0.0		0.0	0.0	
Total	0.12	0.08	0.24	-65.81	0.20	0.42	-51.23

Source: Volcan Cia. Minera

Operating investments decreased by 65.8%, from USD 0.24 MM in Q2 2023 to USD 0.08 MM in Q2 2024, due to the prioritization of investment in maintenance.

In accumulated terms (Jan-Jun), operating investments decreased from USD 0.42 MM in 2023 to USD 0.20 MM in 2024.

3.4 Cerro de Pasco Unit Operating Results

Table 18: Cerro de Pasco Production

Cerro de Pasco Production	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Mineral extraction (thousands MT)	874	893	775	15.2	1,767	1,529	15.6
Mineral treatment (thousands MT)	762	789	775	1.9	1,551	1,529	1.5
Fines Content							
Zinc (thousands FMT)	4.7	5.0	4.5	11.0	9.7	9.3	4.1
Lead (thousands FMT)	1.6	2.0	1.9	2.6	3.6	3.9	-6.3
Copper (thousands FMT)	0.2	0.2	0.3	-36.5	0.4	0.5	-18.1
Silver (millions Oz)	0.4	0.4	0.4	4.3	0.7	0.7	0.7

Source: Volcan Cia. Minera

The volume of stockpiled ore processed at Cerro de Pasco increased by 1.9%, from 775 thousand MT in Q2 2023 to 789 thousand MT in Q2 2024.

The production of fine zinc, lead, and silver in Q2 2024 increased by 11.0%, 2.6%, and 4.3%, respectively, compared to Q2 2023, due to increased processing and better metallurgical recoveries. Conversely, copper production decreased by 36.5% compared to Q2 2023, due to lower grades and recovery of this metal.

In accumulated terms (January-June), compared to the previous year, mineral processing increased by 15.6% in 2023. The production of fine zinc and silver increased by 4.1% and 0.7%, respectively, while lead and copper production decreased by 6.3% and 18.1%, respectively.

Table 19: Cerro de Pasco Production Cost

Cerro de Pasco Production Cost	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Production Cost¹ (MM USD)							
Extraction cost ²	1.8	2.1	2.4	-11.1	3.9	5.0	-20.7
Treatment Cost	7.3	8.0	7.9	2.2	15.4	14.2	8.0
Others	1.4	1.6	1.5	5.9	3.0	3.0	0.0
Total Production Cost (MM USD)	10.6	11.8	11.8	-0.1	22.3	22.2	0.5
Unit Cost (USD/MT)							
Extraction Cost	2.1	2.4	3.1	-22.9	2.2	3.3	-31.4
Treatment Cost	9.6	10.2	10.2	0.3	9.9	9.3	6.5
Others	1.9	2.0	1.9	4.0	1.9	2.0	-1.5
Sub total Unitary Cost (USD/TM)	13.6	14.6	15.2	-4.0	14.1	14.5	-3.1

¹ Distribution update of production cost by areas (mine, plant, others)

² Mine cost include infill drilling costs

Source: Volcan Cia. Minera

The absolute cost decreased by 0.1%, USD 11.76 MM in Q2 2024 versus USD 11.77 MM in Q2 2023, due to lower transportation of waste from stockpiles. The unit cost decreased by 4.0%, from 15.2 USD/MT in Q2 2023 to 14.6 USD/MT in Q2 2024 due to increased treatment and lower transportation of waste.

In cumulative terms (January-June), the absolute production cost increased by 0.5%, going from USD 22.2 MM in 2023 to USD 22.3 MM in 2024. The unit production cost decreased by 3.1%, from 14.5 USD/MT in 2023 to 14.1 USD/MT in 2024.

Table 20: Cerro de Pasco Operating Investment

Cerro de Pasco Operating Inv. (MM USD)	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Local Exploration	0.0	0.0	0.0		0.0	0.0	
Plants and Tailings Dams	4.3	1.6	0.8	103.0	5.9	1.5	302.5
Mine and Infrastructure	0.1	0.1	0.1	17.7	0.1	0.1	13.4
Support and Others	0.0	0.1	0.0	6513.0	0.1	0.0	
Total	4.3	1.8	1.0	77.1	6.2	1.8	250.5

Source: Volcan Cia. Minera

Operating investments increased by 77.1%, from USD 1.0 MM in Q2 2023 to USD 1.8 MM in Q2 2024, due to increased investment for the expansion of the Ocroyoc tailings facility.

In cumulative terms (January-June), operating investments rose from USD 1.8 MM in 2023 to USD 6.2 MM in 2024.

3.5 Oxidos Plant Operating Results

Table 21: Oxidos Plant Production

Oxides Plant Production	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Mineral extraction (thousands MT)	236	254	239	6.1	489	477	2.5
Mineral treatment (thousands MT)	236	254	239	6.1	489	477	2.5
Fines Content							
Silver (millions Oz)	0.7	0.7	0.6	13.8	1.5	1.4	7.8
Gold (Oz)	1,686	1,829	3,557	-48.6	3,515	5,627	-37.5

Source: Volcan Cia. Minera

The treated volume at the Oxides Plant increased by 6.1%, from 239 thousand MT in Q2 2023 to 254 thousand MT in Q2 2024. Silver production increased by 13.8%, while gold production decreased by 48.6% due to the lower grade of this metal in the processed ore.

In cumulative terms (Jan-Jun), in 2024, ore treatment increased by 2.5%, silver production increased by 7.8%, and gold production decreased by 37.5% compared to the previous year.

Table 22: Oxidos Plant Cost of Production

Oxides Plant Production Cost	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Production Cost¹ (MM USD)							
Extraction cost ²	1.4	1.6	1.7	-2.5	3.0	3.2	-6.6
Treatment Cost	8.3	8.7	8.6	0.8	17.0	17.8	-4.1
Others	1.4	1.4	1.6	-11.6	2.8	3.0	-6.6
Total Production Cost (MM USD)	11.1	11.8	11.9	-1.3	22.9	24.0	-4.7
Unit Cost (USD/MT)							
Extraction Cost	5.9	6.5	7.0	-8.1	6.2	6.8	-8.9
Treatment Cost	35.3	34.3	36.1	-5.0	34.8	37.2	-6.4
Others	5.8	5.6	6.7	-16.6	5.7	6.3	-8.8
Sub total Unitary Cost (USD/TM)	47.1	46.4	49.9	-7.0	46.7	50.3	-7.0

¹ Distribution update of production cost by areas (mine, plant, others)

² Mine cost include infill drilling costs

Source: Volcan Cia. Minera

In 2Q24, the production cost in absolute terms was USD 11.8 MM, 1.3% lower than the USD 11.9 MM in 2Q23, due to lower reagent consumption from reduced contaminants in the processed ore and better rates for key reagents. The unit cost decreased by 7.0%, from USD 49.9/MT in 2Q23 to USD 46.4/Mt in 2Q24.

In accumulated terms (Jan-Jun), the absolute production cost decreased by 4.7%, from USD 24.0 MM in 2023 to USD 22.9 MM in 2024. The unit cost of the operation decreased by 7.0%, from USD 50.3/MT to USD 46.7/MT.

Table 23: Oxidos Plant Operating Investments

Oxides Plant Operating Inv. (MM USD)	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Local Exploration	0.00	0.00	0.00		0.00	0.00	
Mine Development	0.00	0.00	0.00		0.00	0.00	
Plants and Tailings Dams	0.00	0.01	0.02	-66.2	0.01	0.05	-87.6
Mine and Infrastructure	0.02	0.02	0.03	-15.4	0.04	0.05	-15.0
Energy	0.00	0.00	0.00		0.00	0.00	
Support and Others	0.04	0.06	0.02	285.6	0.10	0.02	531.8
Total	0.06	0.09	0.06	50.8	0.15	0.12	30.2

Source: Volcan Cia. Minera

Operating investments during Q2 2024 amounted to USD 0.09 MM, down 50.8% from USD 0.06 MM in Q2 2023, due to an increase in investment allocated to support and others.

In cumulative terms (Jan-Jun), operating investments decreased by 30.2%, from USD 0.12 MM in 2023 to USD 0.15 MM in 2024.

4. Energy

Table 24: Volcan Electric Balance

Electric Balance (GWh)	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Energy generation	124.4	108.2	95.6	13.2	232.6	220.0	5.7
Chungar	40.0	31.8	31.8	21.5	78.6	71.8	9.5
Tingo	1.6	1.7	1.7	-1.1	3.3	3.3	-0.5
Huanchor	40.3	27.9	27.9	41.6	79.9	68.2	17.0
Rucuy	42.5	34.2	34.2	-17.2	70.8	76.7	-7.7
Energy consumption	208.1	207.8	217.9	-4.6	415.9	426.0	-2.4
Energy purchase	166.5	167.5	184.4	-9.2	334.0	350.9	-4.8

Source: Volcan Cia. Minera

During Q2 2024, the total energy consumption of the Company was 207.8 GWh, with a maximum demand of 107 MW.

The 10 hydroelectric plants in Chungar generated a total of 38.7 GWh, 21.5% more than the same period last year, due to increased water resources. Self-generation accounted for 19% of consolidated consumption, at an average cost of 22.2 USD/MWh, which includes operating, maintenance, and transmission costs.

The Tingo hydroelectric plant produced 1.7 GWh, all of which was sold to the Chungar mining operation.

To meet its total consumption, the Company purchased 167.5 GWh of energy from the National Interconnected Electrical System (SEIN) at an average cost of 81 USD/MWh. This purchase was 9.2% lower than the same period last year, due to increased self-generation at Chungar and the shutdown of the Victoria Plant in March and April.

During Q2 2024, the Huanchor hydroelectric plant produced 39.5 GWh, 41.6% more than in the same period last year, due to major maintenance carried out in April and May of the previous year. On June 14, 2024, the sale agreement for the Huanchor Hydroelectric Plant was signed with EDF Peru SAC and 3 funds managed by AC Capitaes. The review by the competent authority and the fulfillment of usual requirements for such transactions are expected to close the deal within no more than 90 days.

The Rucuy hydroelectric plant produced 28.3 GWh until May, energy that was used to meet the commitments established in its renewable energy contract (RER). On May 31, the sale process of Empresa de Generación Eléctrica Río Baños S.A.C. to the company Sindicato Energético S.A. was completed as part of the asset divestment plan to strengthen the Company's balance sheet.

5. Investment in the Chancay Port Project:

- In relation to the investment in the Chancay Port project, it should be noted that at the Volcan General Shareholders' Meeting on August 24, 2023, the spin-off of the asset block

consisting of 40% of Volcan's shares in Cosco Shipping Ports Chancay Peru S.A. was approved.

- The incorporation of Inversiones Portuarias Chancay S.A.A, the recipient company of the spun-off asset block, was registered under entry No. 15416224 at the Lima Registry Office of the National Superintendency of Public Registries on October 3, 2023. The effective date of the spin-off was March 4, 2024.

6. Final Comments

- The Company's financial results in the second quarter of 2024 (2Q24) were better than those in the second quarter of 2023 (2Q23) mainly due to higher metal prices and a reduction in costs and operating expenses at all levels.
- Compared to the first quarter of 2024 (1Q24), production results showed a positive trend in 2Q24. This can be explained by the complete normalization of all operations after overcoming the stoppages at the San Cristóbal, Carahuacra, and Ticlio mines in Yauli, while the operating permit for the Rumichaca tailings dam at the Victoria Plant was being adjusted, and the Animón mine underwent detailed reviews of conditions and procedures to ensure safe work in all its areas.
- The outlook for base metal prices, mainly zinc, continues to be dominated by the performance of China and a weakened real estate sector in recent years. The recovery of the Asian country continued to face difficulties, with the most concerning signal being a sharp slowdown in construction, suggesting that government-backed infrastructure spending has lost momentum. Without faster and bolder stimulus delivery, there is an increasing risk that GDP growth will fall below the official 5% target for 2024. However, despite this, zinc prices have recovered in the last quarter due to raw material shortages, with zinc concentrate supply significantly deteriorated due to the price reduction in 2023. Regarding precious metal prices, there is still uncertainty about the next interest rate cuts by major central banks worldwide, especially in the United States, where it is expected to happen in September this year. As a result, silver and gold prices have increased in recent weeks.
- The Company is executing its strategy to refinance its debt and strengthen its balance sheet as planned.
 - In May 2024, the sale of the subsidiary Empresa de Generación Eléctrica Río Baños S.A.C ("Empresa de Generación Eléctrica Río Baños") to the company Sindicato Energético S.A. was completed for a total amount of USD 31.7 MM.
 - Furthermore, in June 2024, a definitive agreement was signed to sell the subsidiary Hidroeléctrica Huanchor S.A.C. ("Huanchor") to a vehicle to be incorporated by EDF Perú S.A.C. and the following funds: (i) AC Captales Infraestructura II L.P., managed by AC Captales Infraestructura II GP LLC; (ii) AC Captales Fondo de Infraestructura II and (iii) AC Captales Fondo de Infraestructura II GP, both managed by AC Captales

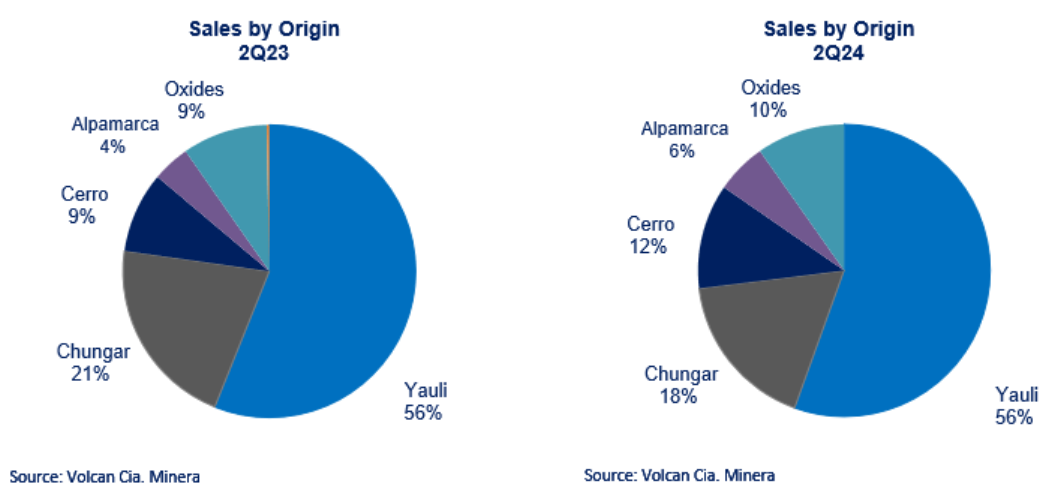
Sociedad Administradora de Fondos de Inversión S.A., for an amount of USD 46.8 MM. The transaction is subject to customary closing conditions and prior regulatory approval by the Peruvian competition regulator, which is expected to be obtained during the third quarter of 2024.

- In June 2024, the first installment of the amortization of the USD 400.0 MM syndicated loan, amounting to USD 34.3 MM, was paid.
- On July 24, 2024, the Company signed a comprehensive amendment, the "Amended and Restated Credit Agreement," to the USD 400.0 MM Syndicated Loan Agreement dated December 29, 2021. The modifications include, among others: (i) the extension of the final maturity date to July 24, 2029, (ii) the amortization of the current outstanding amount of USD 369.4 MM in quarterly installments, with a total principal amount of USD 10.0 MM in 2025, USD 20.0 MM in 2026, USD 25.0 MM in 2027, USD 35.0 MM in 2028, and the remaining balance on the final maturity date. The refinanced loan will be secured by the majority of the Company's assets and some of its subsidiaries and will have an interest rate of SOFR+500 bps during years 1-3, with a potential increase to SOFR+550 bps in years 4-5. The new loan terms allow sharing the collateral package pari passu with the new secured notes once the refinancing of the 4.375% Senior Notes due 2026 is completed.
- The refinancing process of the bonds (4.375% Senior Notes due 2026) is proceeding as planned, and updates are expected in the short term.

Annexes

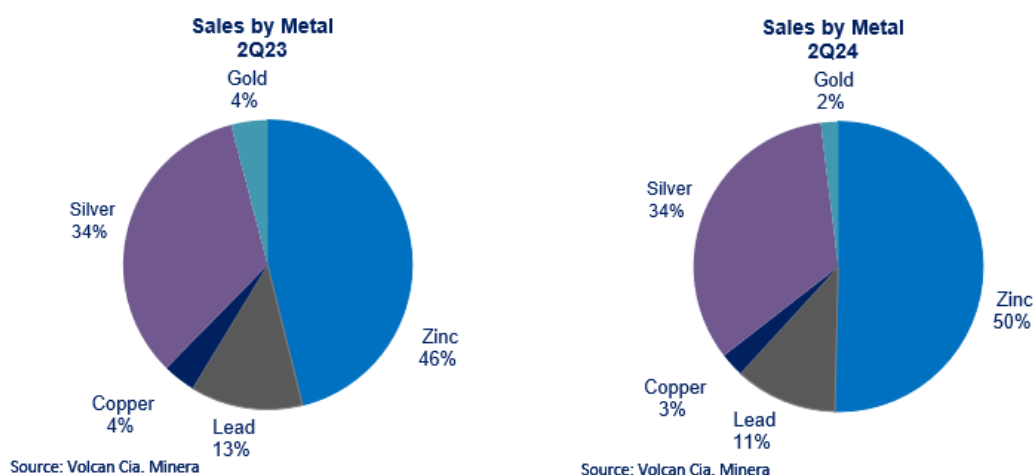
Annex 1: Sales Details

Graph 6: Sales by Operating Unit (percentage of total sales)



The distribution of sales value by operational unit in Q2 2024 compared to Q2 2023 shows an increase in the participation of Cerro, Alpamarca, and Óxidos, while Chungar's participation decreased. Meanwhile, Yauli's participation remained similar to the level of the same period last year.

Graph 7: Sales by Metal (percentage of total sales)



The distribution of sales value by metal in Q2 2024 compared to Q2 2023 shows an increase in the participation of zinc. On the other hand, there is a decrease in the participation of lead, gold, and copper, while the participation of silver remained similar to the level of the same period last year.

Annex 2: Average Spot Prices

Spot Prices	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Zinc (USD/MT)	2,449	2,833	2,540	11.6	2,641	2,835	-6.8
Lead (USD/MT)	2,076	2,166	2,118	2.3	2,121	2,129	-0.4
Copper (USD/MT)	8,444	9,751	8,478	15.0	9,097	8,704	4.5
Silver (USD/Oz)	23.4	28.9	24.2	19.3	26.1	23.4	11.7
Gold (USD/Oz)	2,073	2,337	1,978	18.1	2,205	1,933	14.1

Source: London Metal Exchange

Annex 3: Macroeconomic Indicators

Macroeconomic Indicators	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Exchange Rate (S/ x USD)	3.76	3.74	3.71	1.0	3.75	3.77	-0.4
Inflation ¹	3.12	2.14	7.44	-71.2	2.63	8.00	-67.1

¹ Inflation of the last 12 months

Source: Central Reserve Bank of Peru

Annex 4: Domestic Metal Production

National Production	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-May 2024	Jan-May 2023	var %
Zinc (FMT)	315,409	204,677	257,445	-20.5	520,086	559,120	-7.0
Lead (FMT)	66,563	47,544	43,389	9.6	114,107	102,102	11.8
Copper (FMT)	641,138	435,414	456,780	-4.7	1,076,551	1,067,010	0.9
Silver (thousands Oz)	23,927	17,718	15,824	12.0	41,645	37,318	11.6
Gold (thousands Oz)	858	527	487	8.3	1,385	1,191	16.3

Source: Ministry of Energy and Mines