

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

Principal Results:

Consolidated Volcan	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Sales Prices¹								
Zinc (USD/MT)	2,473	2,770	2,765	2,415	14.5	2,676	2,693	-0.6
Lead (USD/MT)	2,099	2,159	2,068	2,123	-2.6	2,106	2,124	-0.9
Copper (USD/MT)	7,794	9,162	8,558	8,162	4.8	8,517	8,504	0.2
Silver (USD/Oz)	23.2	28.1	29.2	23.1	26.2	27.0	23.2	16.4
Gold (USD/Oz)	2,069	2,332	2,478	1,916	29.3	2,321	1,933	20.0
Operating Results								
Mineral treatment ² (thousands MT)	2,122	2,199	2,472	2,426	1.9	6,793	7,103	-4.4
Zinc Production (thousands FMT)	50.3	52.9	62.9	60.5	4.0	166.1	179.6	-7.5
Lead Production (thousands FMT)	11.2	12.4	15.1	16.9	-10.4	38.7	45.4	-14.6
Copper Production (thousands FMT)	0.8	0.8	1.2	1.3	-8.5	2.8	4.1	-31.4
Silver Production (millions Oz)	3.1	3.2	3.9	4.2	-7.7	10.1	11.5	-11.9
Gold Production (thousands Oz)	2.9	2.9	3.6	5.4	-32.5	9.4	14.6	-35.6
Unit Cost (USD/MT) ³	49.0	46.1	49.5	51.1	-3.2	48.2	51.9	-7.1
Total Investments (MM USD)	33.8	32.9	46.5	45.0	3.3	113.3	124.0	-8.7
Financial Results (MM USD)								
Sales before adjustments	180.0	213.1	272.7	224.7	21.4	665.8	673.2	-1.1
Sales Adjustments	-3.4	5.2	2.2	5.2	-58.3	4.0	-9.0	
Settlement of prior period adjustments	-0.9	5.4	-0.3	-6.1	-95.7	4.3	-7.5	
Adjustments for open positions ⁴	-2.6	0.0	2.4	9.3	-74.0	-0.3	-3.9	-93.0
Hedging results	0.1	-0.2	0.0	1.9	-100.0	-0.1	2.4	
Sales after adjustments	176.7	218.3	274.8	229.8	19.6	669.8	664.3	0.8
Net profit before exceptionals	-19.2	12.6	39.2	0.8		32.5	-8.6	
Exceptional adjustments	0.0	-2.2	0.0	-0.7	0.0	-2.2	-2.4	-8.4
Net profit	-19.2	10.4	39.2	0.1		30.3	-10.9	
EBITDA⁵	44.8	87.2	123.6	86.1	43.4	255.6	206.8	23.6

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 commercial 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.

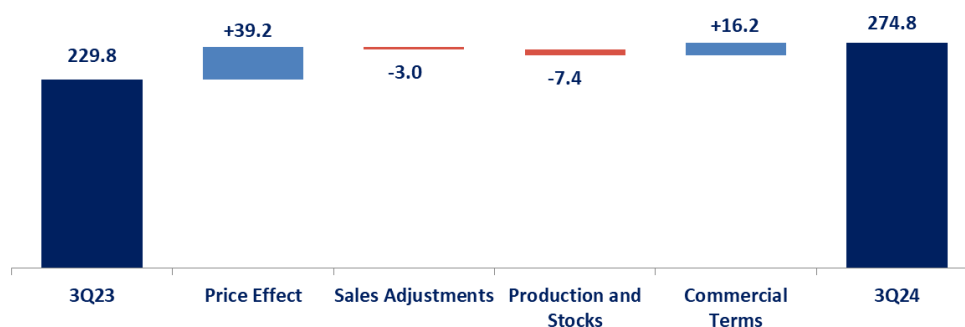
⁵ Does not consider exceptional adjustments

Source: Volcan Cia. Minera

1. Executive Summary

- In 3Q24, a significant improvement in production was observed compared to 1Q24 and 2Q24. This, coupled with higher prices for zinc and silver, along with enhanced commercial conditions in the sale of concentrates, resulted in financial outcomes that surpassed those of the previous quarters and those of 3Q23.
- The price of zinc increased by 14.5%, rising from 2,415 USD/MT in 3Q23 to 2,765 USD/MT in 3Q24. Conversely, the price of lead decreased by 2.6%, from 2,123 USD/MT in 3Q23 to 2,068 USD/MT in 3Q24. The price of copper increased by 4.8%, from 8,162 USD/MT to 8,558 USD/MT. The price of silver experienced an increase of 26.2%, from 23.1 USD/Oz to 29.2 USD/Oz, while the price of gold rose by 29.3%, from 1,916 USD/Oz to 2,478 USD/Oz.
- Fine zinc production increased by 4.0%, from 60.5 thousand FMT in 3Q23 to 62.9 thousand FMT in 3Q24. Fine lead production declined by 10.4%, from 16.9 thousand FMT in 3Q23 to 15.1 thousand FMT in 3Q24. Fine copper production decreased by 8.5%, from 1.3 thousand FMT in 3Q23 to 1.2 thousand FMT in 3Q24. Silver ounce production fell by 7.7%, from 4.2 MM Oz in 3Q23 to 3.9 MM Oz in 3Q24, and gold ounce production decreased by 32.5%, from 5.4 thousand Oz in 3Q23 to 3.6 thousand Oz in 3Q24.
- The consolidated unit cost decreased by 3.2%, from 51.1 USD/MT in 3Q23 to 49.5 USD/MT in 3Q24. This reduction is attributable to the impact on fixed costs resulting from the increased volume extracted and processed.
- Total investments rose by 3.3%, increasing from USD 45.0 MM in 3Q23 to USD 46.5 MM in 3Q24, primarily due to greater investment in the expansion of tailings facilities at Yauli and Cerro.
- Sales prior to adjustments increased by 21.4%, from USD 224.7 MM in 3Q23 to USD 272.7 MM in 3Q24, owing to higher metal prices and improved commercial terms in the sale of concentrates. Adjustments to sales totalled USD 2.2 MM in 3Q24, compared to USD 5.2 MM in 3Q23. Consequently, sales after adjustments rose by 19.6%, from USD 229.8 MM to USD 274.8 MM.

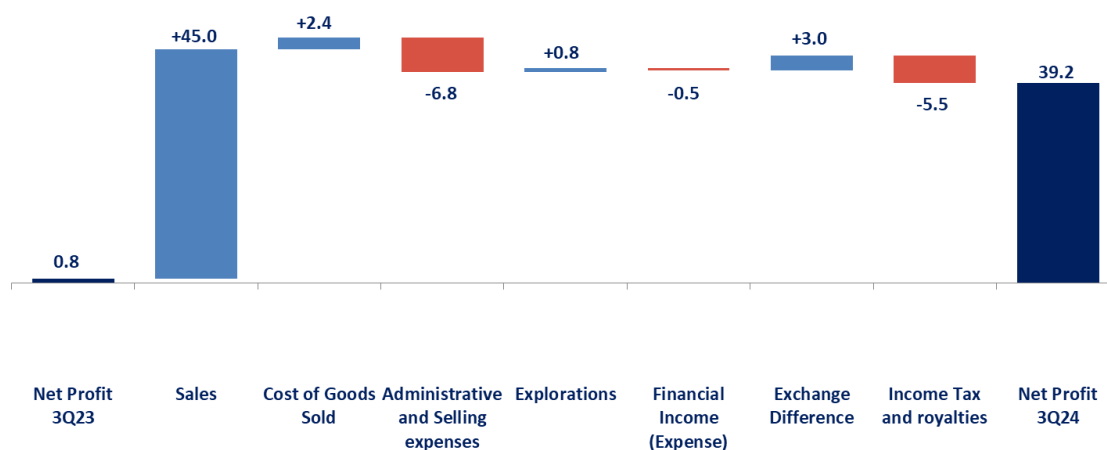
Graph 1: Variations that impacted net sales (MM USD)



Source: Volcan Cia. Minera

- Net profit before exceptional items increased from USD 0.8 MM in 3Q23 to USD 39.2 MM in 3Q24, primarily due to higher metal prices, improvements in sales commercial terms, and a reduction in sales costs.

Graph 2: Variations that Impacted Net Income Before Exceptional Items (MM USD)



Source: Volcan Cia. Minera

- EBITDA increased by 43.4%, rising from USD 86.1 MM in 3Q23 to USD 123.6 MM in 3Q24, aligned with higher sales and improved margins.
- In cumulative terms (Jan-Sep), net sales after adjustments rose from USD 664.3 MM in 2023 to USD 669.8 MM in 2024. The net loss of USD 10.9 MM in 2023 turned into a net profit of USD 30.3 MM in 2024. Finally, EBITDA grew from USD 206.8 MM in 2023 to USD 255.6 MM in 2024.

2. Consolidated Results

2.1 Production

Table 1: Consolidated Production

Consolidated Production	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Mineral extraction (thousands MT)¹	2,293	2,269	2,564	2,414	6.2	7,126	6,970	2.2
Polymetallic ore	2,058	2,015	2,317	2,166	7.0	6,390	6,244	2.3
Oxides ore	236	254	247	248	-0.6	736	726	1.4
Mineral treatment (thousands MT)	2,122	2,199	2,472	2,426	1.9	6,793	7,103	-4.4
Concentrator Plants	1,887	1,945	2,225	2,177	2.2	6,057	6,378	-5.0
Silver Oxides Plant	236	254	247	248	-0.6	736	726	1.4
Fine Content								
Zinc (thousands FMT)	50.3	52.9	62.9	60.5	4.0	166.1	179.6	-7.5
Lead (thousands FMT)	11.2	12.4	15.1	16.9	-10.4	38.7	45.4	-14.6
Copper (thousands FMT)	0.8	0.8	1.2	1.3	-8.5	2.8	4.1	-31.4
Silver (millions Oz)	3.1	3.2	3.9	4.2	-7.7	10.1	11.5	-11.9
Gold (thousands Oz)	2.9	2.9	3.6	5.4	-32.5	9.4	14.6	-35.6

¹ Mineral extraction corrected in Alpamarca in 1Q24 because the stockpile was not being considered.

Source: Volcan Cia. Minera

The volume of ore extraction increased by 6.2%, rising from 2,414 thousand MT in 3Q23 to 2,564 thousand MT in 3Q24, due to higher volumes extracted at Yauli and Cerro. The treatment volume increased by 1.9%, from 2,426 thousand MT in 3Q23 to 2,472 thousand MT in 3Q24, attributed to increased daily tonnage at the Victoria plant and optimisation of the milling process at the Andaychagua plant.

Fine zinc production increased by 4.0%, from 60.5 thousand FMT in 3Q23 to 62.9 thousand FMT in 3Q24. Fine lead production declined by 10.4%, from 16.9 thousand FMT in 3Q23 to 15.1 thousand FMT in 3Q24. Fine copper production decreased by 8.5%, from 1.3 thousand FMT in 3Q23 to 1.2 thousand FMT in 3Q24. Silver ounce production fell by 7.7%, from 4.2 MM Oz in 3Q23 to 3.9 MM Oz in 3Q24. Finally, gold ounce production decreased by 32.5%, from 5.4 thousand Oz in 3Q23 to 3.6 thousand Oz in 3Q24.

In cumulative terms (Jan-Sep), the extraction volume was slightly higher than in the same period of the previous year, increasing from 6,970 thousand MT in 2023 to 7,126 thousand MT in 2024. In contrast, the treatment volume decreased by 4.4%, from 7,103 thousand MT to 6,793 thousand MT. This decline was a consequence of operational stoppages at the San Cristóbal-Carahuacra, Ticlio, and Animón mining units that occurred in 1H24.

Cumulatively, Zinc production decreased by 7.6%, from 179.6 thousand FMT to 166.0 thousand FMT. Lead production fell by 14.6%, from 45.4 thousand FMT to 38.7 thousand FMT. Copper production declined by 31.4%, from 4.1 thousand FMT to 2.8 thousand FMT. Silver production decreased by 11.9%, from 11.5 MM Oz to 10.1 MM Oz, and gold production declined by 35.6%, from 14.6 thousand Oz to 9.4 thousand Oz.

2.2 Production Cost

Table 2: Consolidated Production Cost

Consolidated Production Cost	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Production Cost¹ (MM USD)								
Mine cost ²	65.5	58.9	73.5	73.8	-0.4	198.0	220.7	-10.3
Plant Cost	26.0	28.9	31.7	31.7	-0.1	86.5	92.7	-6.7
Others	17.2	15.2	19.6	18.7	5.0	52.1	55.1	-5.6
Total Production Cost (MM USD)	108.8	103.0	124.8	124.2	0.5	336.6	368.5	-8.7
Unit Cost (USD/MT)								
Mine cost ³	28.6	26.0	28.7	30.4	-5.3	27.8	31.1	-10.6
Plant Cost	12.2	13.1	12.8	13.1	-1.9	12.7	13.1	-2.4
Others	8.1	6.9	7.9	7.7	3.0	7.7	7.8	-1.3
Sub total Unitary Cost (USD/MT)	49.0	46.1	49.5	51.1	-3.2	48.2	51.9	-7.1

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

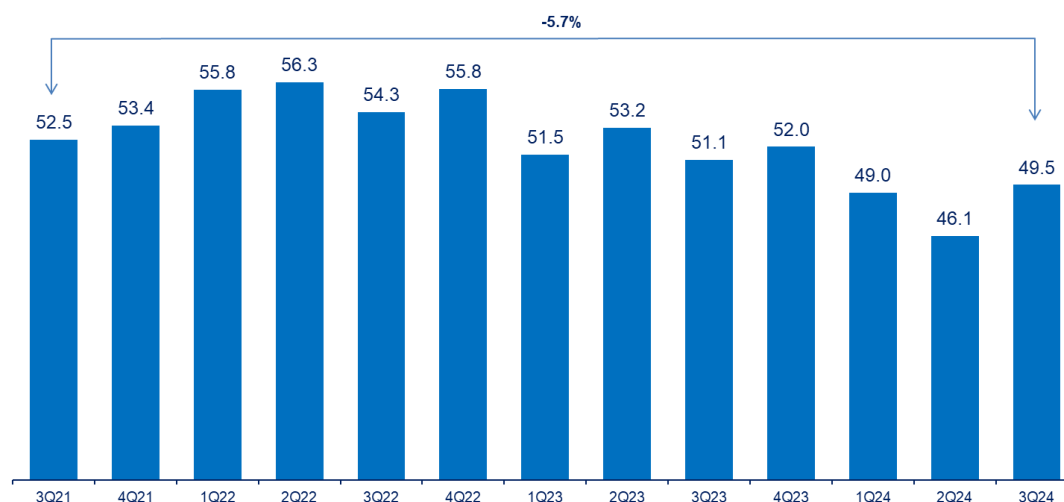
The absolute production cost increased by 0.5%, rising from USD 124.2 MM in 3Q23 to USD 124.8 MM in 3Q24, primarily due to the increase in labour costs at Yauli and Chungar, offset by the suspension of operations at Islay since July 2023. The unit cost decreased by 3.2%, from 51.1 USD/MT in 3Q23 to 49.5 USD/MT in 3Q24, due to the impact of the higher volume extracted and treated on fixed costs.

In cumulative terms (Jan-Sep), the absolute production cost decreased by 8.7%, from USD 368.5 MM to USD 336.6 MM, while the unit cost declined by 7.1%, from 51.9 USD/MT to 48.2 USD/MT.

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

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

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



Unit cost includes infill drilling
Source: Volcan Cia. Minera

2.3 Investments

Investments in the operating units increased by 6.8%, rising from USD 42.0 MM in 3Q23 to USD 44.9 MM in 3Q24. Growth-related investments associated with the Romina project amounted to USD 1.6 MM in 3Q24. Consequently, total investments rose by 3.3%, from USD 45.0 MM in 3Q23 to USD 46.5 MM in 3Q24.

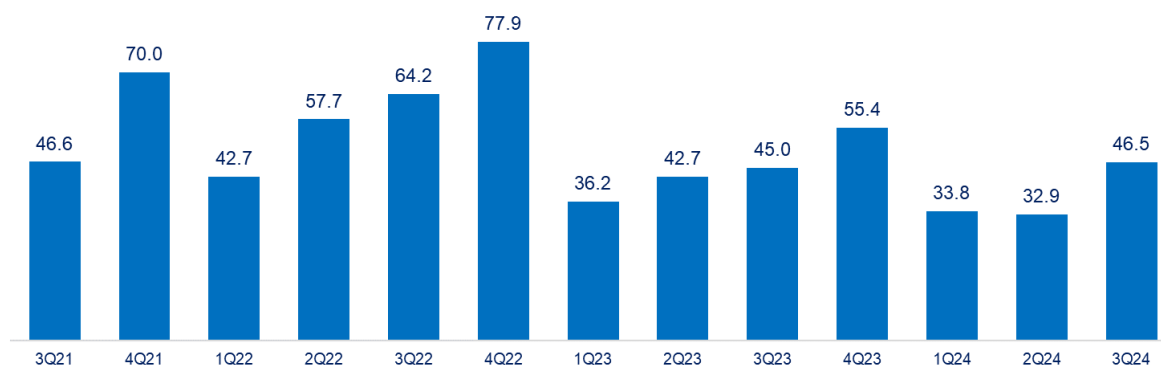
In cumulative terms (Jan-Sep), total investments decreased by 8.7%, from USD 124.0 MM to USD 113.3 MM, primarily due to reduced investments in mining and infrastructure, development, and growth during 1H24, as investments were prioritised to preserve the Company's liquidity.

Table 3: Consolidated Investments

Consolidated Investment (MM USD)	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Mining	33.8	32.9	46.5	44.7	4.0	113.3	123.7	-8.4
Mining Units	33.1	31.3	44.9	42.0	6.8	109.3	115.7	-5.5
Local Exploration	2.0	2.1	2.4	3.8	-35.4	6.6	9.6	-31.7
Development	17.6	15.4	17.7	19.7	-10.1	50.6	57.2	-11.6
Plants and Tailings Facilities	7.0	6.3	12.3	7.7	60.3	25.6	17.7	44.5
Mine and Infrastructure	5.5	5.4	7.8	8.3	-6.1	18.7	24.8	-24.7
Electrical Infrastructure in Units	0.1	0.6	1.5	1.9	-22.5	2.2	4.9	-55.1
Support and Others	0.9	1.7	3.2	0.7	364.3	5.8	1.5	279.1
Regional Explorations	0.0	0.0	0.0	0.0	45.3	0.0	0.0	16.8
Growth and Others	0.7	1.6	1.6	2.7	-39.2	3.9	8.0	-50.8
Energy	0.0	0.0	0.0	0.3	-100.0	0.0	0.3	-93.6
Total	33.8	32.9	46.5	45.0	3.3	113.3	124.0	-8.7

Source: Volcan Cia. 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	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Sales before adjustments	180.0	213.1	272.7	224.7	21.4	665.8	673.2	-1.1
<i>Sett. of prior periods adjustments</i>	-0.9	5.4	-0.3	-6.1	0.0	4.3	-7.5	
<i>Adj. open positions</i>	-2.6	0.0	2.4	9.3	-74.0	-0.3	-3.9	-93.0
<i>Hedging</i>	0.1	-0.2	0.0	1.9	-100.0	-0.1	2.4	
Sales after adjustments	176.7	218.3	274.8	229.8	19.6	669.8	664.3	0.8
Cost of Goods Sold	-159.4	-164.5	-181.9	-184.3	-1.3	-505.8	-547.1	-7.6
Gross Profit	17.3	53.8	92.9	45.5	104.1	164.0	117.1	40.0
<i>Gross Margin</i>	10%	25%	34%	20%	14 pp	24%	18%	7 pp
Administrative Expenses	-9.5	-8.3	-12.9	-9.4	37.5	-30.6	-30.8	-0.7
Sales Expenses	-7.1	-6.9	-7.2	-6.8	6.3	-21.2	-21.3	-0.6
Exploration Expenses	-2.4	-2.3	-2.4	-3.3	-25.7	-7.2	-13.5	-46.9
Other income (Expenses) ¹	-0.3	3.6	3.5	6.4	-45.8	6.7	-1.5	
Operating Profit	-2.0	39.9	73.8	32.5	127.4	111.7	50.0	123.4
<i>Operating Margin</i>	-1%	18%	27%	14%	13 pp	17%	8%	9 pp
Financial Expenses (net)	-18.0	-17.5	-18.9	-18.3	2.9	-54.3	-48.9	11.2
Exchange difference (net)	0.0	-0.7	1.4	-1.6		0.7	-0.7	
Royalties	-2.2	-3.4	-5.2	-2.7	88.1	-10.8	-8.3	29.3
Income Tax	3.0	-5.7	-12.0	-8.9	34.6	-14.8	-0.7	
Net Profit before Exceptionals	-19.2	12.6	39.2	0.8		32.5	-8.6	
<i>Net Margin</i>	-11%	6%	14%	0%	14 pp	5%	-1%	6 pp
Exceptional adjustments ²	0.0	-2.2	0.0	-0.7	-100.0	-2.2	-2.4	-8.4
Net Profit	-19.2	10.4	39.2	0.1		30.3	-10.9	
<i>Net Margin</i>	-11%	5%	14%	0%	14 pp	5%	-2%	6 pp
EBITDA³	44.8	87.2	123.6	86.1	43.4	255.6	206.8	23.6
<i>EBITDA Margin</i>	25%	40%	45%	37%	7 pp	38%	31%	7 pp

¹ Includes sales and cost of sales of the energy division

² Empresa de Generación Eléctrica Río Baños deconsolidation effect

³ Does not consider exceptional adjustments

Source: Volcan Cia. Minera

• Sales Analysis

Table 5: Average Sales Prices

Sales Prices	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Zinc (USD/MT)	2,473	2,770	2,765	2,415	14.5	2,676	2,693	-0.6
Lead (USD/MT)	2,099	2,159	2,068	2,123	-2.6	2,106	2,124	-0.9
Copper (USD/MT)	7,794	9,162	8,558	8,162	4.8	8,517	8,504	0.2
Silver (USD/Oz)	23.2	28.1	29.2	23.1	26.2	27.0	23.2	16.4
Gold (USD/Oz)	2,069	2,332	2,478	1,916	29.3	2,321	1,933	20.0

Source: Volcan Cia. Minera

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

Table 6: Fine Contents Sales Volumes

Fines Sales	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Zinc (thousands FMT)	52.5	54.4	63.5	60.7	4.6	170.5	181.6	-6.1
Lead (thousands FMT)	11.8	12.4	15.0	17.0	-11.6	39.2	45.8	-14.4
Copper (thousands FMT)	0.9	0.9	1.4	1.4	-2.8	3.2	4.3	-25.5
Silver (millions Oz)	3.1	3.2	4.0	4.2	-5.8	10.2	11.6	-12.0
Gold (thousands Oz)	2.8	2.5	4.2	5.8	-27.5	9.5	15.3	-38.1

Source: Volcan Cia. Minera

Table 7: Sales in USD

Sales (MM USD)	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Zinc	91.7	107.3	130.2	93.8	38.8	329.2	321.9	2.3
Lead	22.3	24.4	28.7	32.6	-12.1	75.4	85.4	-11.7
Copper	4.5	5.7	8.5	7.1	20.2	18.7	21.7	-13.9
Silver	57.4	71.5	96.9	82.0	18.1	225.8	220.3	2.5
Gold	4.1	4.1	8.5	9.2	-8.5	16.7	23.9	-30.1
Sales before adjustments	180.0	213.1	272.7	224.7	21.4	665.8	673.2	-1.1
Adjustments ¹	-3.4	5.2	2.2	5.2	-269.7	4.0	-9.0	
Sett. of prior period adjust.	-0.9	5.4	-0.3	-6.1	-95.7	4.3	-7.5	
Adjust. for open positions	-2.6	0.0	2.4	9.3	-74.0	-0.3	-3.9	-93.0
Hedging results	0.1	-0.2	0.0	1.9	-100.0	-0.1	2.4	
Sales after adjustments	176.7	218.3	274.8	229.8	19.6	669.8	664.3	0.8

Source: Volcan Cia. Minera

Sales before adjustments grew by 21.4%, increasing from USD 224.7 MM in 3Q23 to USD 272.7 MM in 3Q24, primarily due to higher prices for zinc and silver, as well as improved commercial terms in the sale of concentrates. Adjustments to sales totalled USD 2.2 MM in 3Q24, compared to USD 5.2 MM in 3Q23. In 3Q24, the adjustments consisted of a provision for open positions amounting to USD 2.4 MM and negative results from settlements of prior periods adjustments of USD -0.3 MM. Consequently, sales after adjustments rose by 19.6%, increasing from USD 229.8 MM in 3Q23 to USD 274.8 MM in 3Q24.

In cumulative terms (Jan-Sep), sales after adjustments increased by 0.8%, from USD 664.3 MM in 2023 to USD 669.8 MM in 2024, driven by higher silver prices, improved commercial terms, and lower sales adjustments, which offset the reduced production resulting from stoppages at San Cristóbal, Ticlio, and Animón during 1H24.

- **Cost of Goods Sold**

Table 8: Cost of Goods Sold

Cost of Goods Sold (MM USD)	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Volcan Production	159.2	164.1	180.5	184.8	-2.3	503.7	545.5	-7.7
Volcan Production Cost	108.8	103.0	124.8	124.2	0.5	336.6	368.5	-8.7
D&A from Production Cost	44.9	45.6	48.2	51.8	-6.9	138.7	151.1	-8.2
Other expenses	9.2	12.5	4.6	6.3	-26.3	26.3	19.0	38.4
Inventories variation	-3.6	2.9	2.9	2.6	10.5	2.1	6.9	-69.0
Workers Profit Sharing	0.2	0.4	1.5	-0.4		2.1	1.6	29.3
Total	159.4	164.5	181.9	184.3	-1.3	505.8	547.1	-7.6

Source: Volcan Cia. Minera

Total cost of sales decreased by 1.3%, from USD 184.3 MM in 3Q23 to USD 181.9 MM in 3Q24. This decline is primarily attributed to lower depreciation and amortization, as well as reduced expenses related to suspended operations.

In cumulative terms (Jan-Sep), the total cost of sales decreased by 7.6%, from USD 547.1 MM in 2023 to USD 505.8 MM in 2024.

- **Gross Margin and Gross Profit**

The Company's gross margin increased from 20% in 3Q23 to 34% in 3Q24, primarily due to higher metal prices, favourable commercial terms, and a lower cost of sales. Consequently, gross profit rose by 104.1%, from USD 45.5 MM in 3Q23 to USD 92.9 MM in 3Q24.

In cumulative terms (Jan-Sep), the gross margin increased from 18% in 2023 to 24% in 2024, while gross profit grew from USD 117.1 MM in 2023 to USD 164.0 MM in 2024.

- **Administrative Expenses**

Administrative expenses amounted to USD 12.9 MM in 3Q24, representing an increase of 37.5% compared to USD 9.4 MM in 3Q23. This rise is primarily attributed to higher personnel expenses and provisions.

In cumulative terms (Jan-Sep), administrative expenses decreased from USD 30.8 MM in 2023 to USD 30.6 MM in 2024.

- **Sales Expenses**

Sales expenses increased by 6.3% compared to the same period of the previous year, reaching a total of USD 7.2 MM in 3Q24, compared to USD 6.8 MM in 3Q23. This rise is primarily due to a greater allocation to exports relative to local deliveries.

In cumulative terms (Jan-Sep), selling expenses decreased from USD 21.3 MM to USD 21.2 MM.

- **Exploration Expenses**

Exploration expenses decreased by 25.7%, from USD 3.3 MM in 3Q23 to USD 2.4 MM in 3Q24, in line with the adjusted greenfield and brownfield exploration plan.

In cumulative terms (Jan-Sep), exploration expenses fell from USD 13.5 MM in 2023 to USD 7.2 MM in 2024.

- **Other Income and Expenses**

In 3Q24, the net amount of other income/expenses was USD 3.5 MM, compared to USD 6.4 MM in 3Q23. This change is primarily attributed to lower income from the sale of energy to third parties due to reduced tariffs and the sale of the Rucuy hydroelectric plant completed in May of this year.

In cumulative terms (Jan-Sep), the net amount of other income/expenses was USD -1.5 MM in 2023, compared to USD 6.7 MM in 2024.

- **Financial Expenses and Exchange Rate Differences**

Net financial expenses increased by 2.9%, from USD 18.3 MM in 3Q23 to USD 18.9 MM in 3Q24, primarily due to the rise in benchmark interest rates.

In cumulative terms (Jan-Sep), net financial expenses totalled USD 54.3 MM in 2024, compared to USD 48.9 MM in 2023.

Furthermore, the effect of currency exchange rate fluctuations changed from a negative value of USD -1.6 MM in 3Q23 to a positive result of USD 1.4 MM in 3Q24.

- **Royalties and Income Tax**

Royalties increased from USD 2.7 MM in 3Q23 to USD 5.2 MM in 3Q24. Similarly, income tax rose from USD 8.9 MM in 3Q23 to USD 12.0 MM in 3Q24, due to improved financial results.

In cumulative terms (Jan-Sep), royalties increased from USD 8.3 MM in 2023 to USD 10.8 MM in 2024, while income tax rose from USD 0.7 MM in 2023 to USD 14.8 MM in 2024.

- **Net Profit and EBITDA**

Net profit increased from USD 0.1 MM in 3Q23 to USD 39.2 MM in 3Q24, while EBITDA rose from USD 86.1 MM in 3Q23 to USD 123.6 MM in 3Q24. This improvement is primarily attributed to higher sales after adjustments due to better prices and commercial terms, as well as a reduction in the cost of sales.

In cumulative terms (Jan-Sep), net profit improved from USD -10.9 MM in 2023 to USD 30.3 MM in 2024, while EBITDA increased from USD 206.8 MM in 2023 to USD 255.6 MM in 2024.

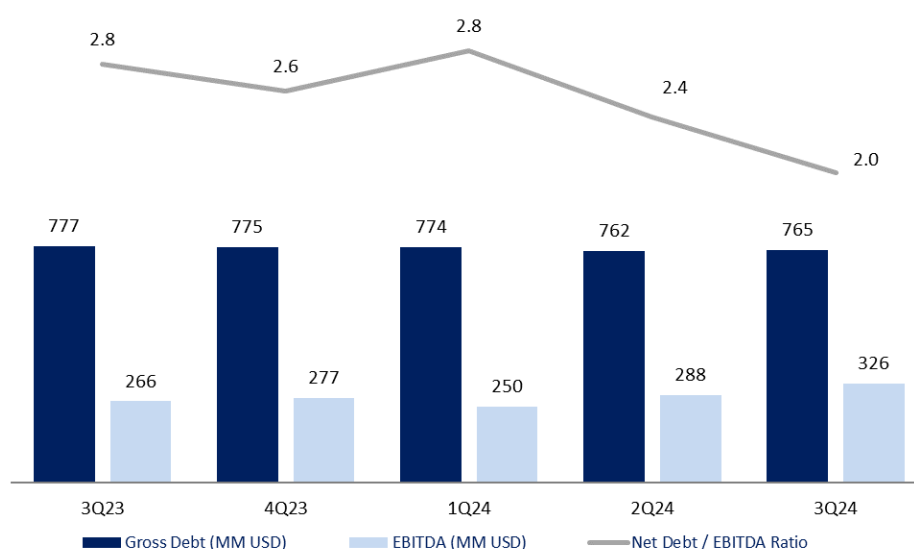
2.5 Liquidity and Solvency

In 3Q24, cash generation from mining operations after operational investments was positive at USD 36.7 MM. Disbursements for growth-related mining investments and other investments totalled USD 3.7 MM, while net financial cash flow amounted to USD 0.1 MM.

Consequently, cash flow for 3Q24 was positive at USD 33.1 MM, and the cash balance at the end of 3Q24 reached USD 101.1 MM.

The Net Debt/EBITDA ratio as of 30 September 2024 was 2.0 times, reflecting a significant reduction compared to previous periods, attributable to the increased accumulated EBITDA over the last 12 months and the decrease in net debt.

Graph 5: Evolution of the Net Debt / EBITDA Ratio



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

The Company successfully completed the refinancing of its debt and continues to focus on strengthening its balance sheet.

On 24 July 2024, a comprehensive amendment to the syndicated loan agreement, originally executed on 29 December 2021 for an original amount of USD 400.0 MM, was signed. This amendment established (i) an extension of the final maturity date to 24 July 2029, (ii) the amortization of the outstanding amount of USD 369.4 MM in quarterly instalments, totalling 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 at the final maturity date; and (iii) an interest rate of SOFR + 500 basis points during years 1-3, with a potential increase in years 4-5 to SOFR + 550 basis points.

On 9 September 2024, the exchange offer for international bonds maturing in 2026 concluded, achieving a participation rate of 81.37%. The new bonds have a maturity extending to 2030, with a fixed interest rate of 8.750%.

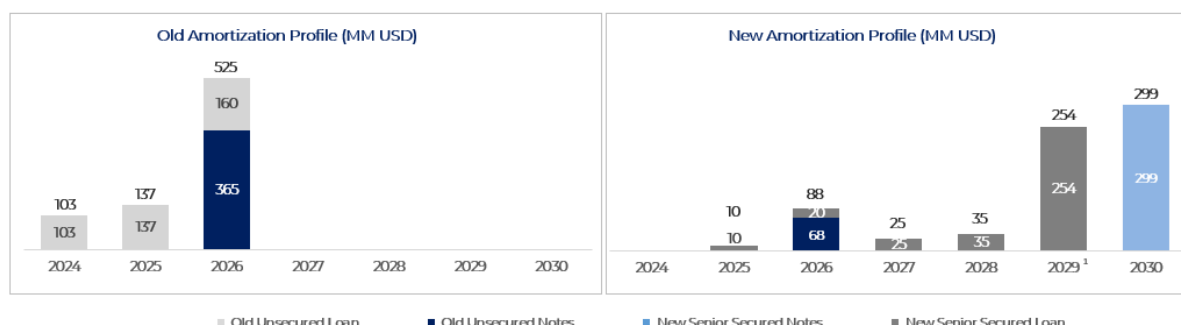
Both the syndicated loan and the 2030 bonds are secured by the majority of the Company's and its subsidiaries' assets.

As a result of the refinancing process, Volcan received upgrades from the risk rating agencies: Fitch upgraded the Company's risk rating by 4 notches to B-, with a stable outlook, and Moody's upgraded it by 2 notches to Caa1 with further upgrade possibilities.

Additionally, it is noteworthy that in May 2024, the sale of the Rucuy hydroelectric plant was executed for USD 31.7 MM, and in October 2024, the sale of the Huanchor hydroelectric plant was completed for USD 49.5 MM. The aforementioned amounts are before expenses, deductions, and taxes.

The cash generated from operations and the sale of the hydroelectric plants has allowed for the amortization of the syndicated loan by USD 59.3 MM, resulting in a current outstanding amount of USD 344.3 MM.

Graph 6: Debt Amortization Schedule for Bonds and Syndicated Loan Before and After Refinancing



¹ The remaining balance in 2029 considers the amortization of USD 25.0 MM made in October 2024.
Source: Volcan Cia. Minera

Finally, it is important to note that through our commercial agreements, additional working capital lines have been secured, allowing us to ensure liquidity and maintain financial flexibility. As of now, we have lines totalling USD 63.0 MM maturing by March 2025 and USD 30.0 MM maturing by June 2025.

3. Results by Operating Unit

3.1 Yauli Unit Operating Results

Table 9: Yauli Production

Yauli Production	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Mineral extraction (thousands MT)	682	629	817	786	3.9	2,128	2,283	-6.8
Mineral treatment (thousands MT)	636	654	814	786	3.5	2,103	2,288	-8.1
Fines Content								
Zinc (thousands FMT)	34.3	36.5	43.8	42.1	4.0	114.6	123.0	-6.8
Lead (thousands FMT)	5.1	5.8	6.9	8.2	-15.9	17.8	20.0	-10.9
Copper (thousands FMT)	0.3	0.4	0.8	0.7	12.0	1.6	2.1	-24.8
Silver (millions Oz)	1.4	1.5	2.1	2.3	-9.7	5.0	5.8	-12.4
Gold (thousands Oz)	0.8	0.8	1.2	1.4	-14.0	2.8	4.2	-33.9

Source: Volcan Cia. Minera

In 3Q24, mineral extraction at the Yauli unit increased by 3.9%, and the treatment volume exhibited a 3.5% increase compared to 3Q23. This growth is attributed to higher treatment per day at the Victoria and Andaychagua plants. Zinc production rose by 4.0%; lead production decreased by 15.9%; copper production increased by 12.0%; silver production declined by 9.7%; and gold production fell by 14.0%.

In cumulative terms (Jan-Sep), compared to the previous year, mineral extraction decreased by 6.8%, and mineral treatment declined by 8.1%, due to the suspension of operations at San Cristóbal-Carahuacra and Ticlio between March and April. Fine production of zinc, lead, copper, silver, and gold decreased by 6.8%, 10.9%, 24.8%, 12.4%, and 33.9%, respectively.

Table 10: Yauli Production Cost

Yauli Production Cost	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Production Cost¹ (MM USD)								
Extraction cost ²	44.7	35.7	48.6	47.1	3.1	128.9	139.6	-7.6
Treatment Cost	5.9	6.3	8.2	8.3	-1.6	20.4	24.9	-18.2
Others	9.3	7.3	10.3	9.7	6.1	26.9	28.3	-5.1
Total Production Cost (MM USD)	59.8	49.3	67.0	65.1	3.0	176.2	192.8	-8.6
Unit Cost (USD/MT)								
Extraction Cost	65.6	56.7	59.4	59.9	-0.8	60.6	61.1	-0.9
Treatment Cost	9.2	9.7	10.0	10.5	-4.9	9.7	10.9	-11.0
Others	14.6	11.2	12.7	12.4	2.5	12.8	12.4	3.3
Total Unitary Cost (USD/MT)	89.4	77.6	82.1	82.8	-0.8	83.1	84.4	-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 increased from USD 65.1 MM in 3Q23 to USD 67.0 MM in 3Q24, primarily due to the rise in labour costs, attributed to increases in SCTR insurance rates and the impact of exchange rate fluctuations. The internal efficiencies achieved allowed for a 0.8% reduction in the unit cost in 3Q24 compared to the same period last year.

In cumulative terms (Jan-Sep), the absolute production cost decreased by 8.6%, from USD 192.8 MM in 2023 to USD 176.2 MM in 2024. The unit production cost decreased by 1.6%, from 84.4 USD/MT to 83.1 USD/MT.

Table 11: Yauli Operating Investments

Yauli Operating Investment (MM USD)	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Local Exploration ¹	1.5	1.4	1.6	2.6	-36.3	4.6	7.3	-37.5
Mine Development	13.8	11.4	13.9	17.1	-18.9	39.1	47.3	-17.3
Plants and Tailings Dams	2.7	4.7	10.6	6.3	68.9	18.0	14.0	28.7
Mine and Infrastructure	3.8	3.5	5.0	5.9	-14.1	12.3	17.5	-29.9
Electrical Infrastructure	0.1	0.6	1.5	1.8	-17.5	2.2	4.3	-48.5
Support and Others	0.7	0.7	1.2	0.5	145.6	2.6	1.0	154.4
Total	22.6	22.3	33.9	34.2	-0.9	78.8	91.4	-13.8

Source: Volcan Cia. Minera

In 3Q24, operational investments in Yauli totalled USD 33.9 MM, a decrease of 0.9% compared to USD 34.2 MM in 3Q23, primarily due to reduced investments in exploration, development, and mine infrastructure, as well as energy-related constructions.

In cumulative terms (Jan-Sep), operational investments decreased by 13.8%, from USD 91.4 MM to USD 78.8 MM compared to the previous year.

3.2 Chungar Unit Operating Results

Table 12: Chungar Production

Chungar Production	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Mineral extraction (thousands MT)	243	210	261	304	-14.0	714	955	-25.2
Mineral treatment (thousands MT)	230	225	265	298	-11.1	720	964	-25.3
Fines Content								
Zinc (thousands FMT)	10.1	10.0	11.1	11.6	-4.2	31.2	37.4	-16.4
Lead (thousands FMT)	3.3	3.5	4.1	5.2	-20.5	10.9	16.4	-33.8
Copper (thousands FMT)	0.1	0.1	0.2	0.3	-38.1	0.5	1.0	-53.6
Silver (millions Oz)	0.3	0.4	0.4	0.5	-17.6	1.2	1.8	-36.3
Gold (thousands Oz)	0.2	0.2	0.1	0.4	-62.4	0.6	1.2	-52.4

Source: Volcan Cia. Minera

In 3Q24, the mineral extracted at Chungar decreased by 14.0%, and the treated mineral fell by 11.1% compared to 3Q23. This decline is attributed to the suspension of operations at the Islay mine since July 2023 and the operational improvement measures implemented to ensure safe working conditions, which have necessitated a temporary adjustment in the pace of mining activities at the Animón mine. The production of zinc, lead, copper, silver, and gold decreased by 4.2%, 20.5%, 38.1%, 17.6%, and 62.4%, respectively, due to the lower treated volume and reduced grades of lead, copper, and silver.

In cumulative terms (Jan-Sep), compared to the previous year, mineral extraction decreased by 25.2%, while mineral treatment declined by 25.3%. Fine production of zinc, lead, copper, silver, and gold decreased by 16.4%, 33.8%, 53.6%, 36.3%, and 52.4%, respectively.

Table 13: Chungar Production Cost

Chungar Production Cost	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Production Cost¹ (MM USD)								
Extraction cost ²	15.8	17.3	18.6	20.8	-10.5	51.6	63.7	-19.0
Treatment Cost	3.0	4.0	5.8	5.7	1.6	12.7	14.7	-13.9
Others	3.9	3.9	4.1	4.4	-6.3	11.9	13.6	-12.0
Total Production Cost (MM USD)	22.6	25.1	28.5	30.9	-7.7	76.3	92.1	-17.2
Unit Cost (USD/MT)								
Extraction Cost	64.9	82.2	71.2	68.4	4.0	72.3	66.8	8.3
Treatment Cost	12.8	17.6	21.8	19.0	14.4	17.6	15.3	15.2
Others	17.0	17.3	15.6	14.8	5.4	16.6	14.1	17.7
Sub total Unitary Cost (USD/MT)	94.7	117.2	108.6	102.3	6.2	106.5	96.1	10.8

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

² Mine cost include infill drilling costs

Source: Volcan Cia. Minera

The total production cost decreased by 7.7%, from USD 30.9 MM in 3Q23 to USD 28.5 MM in 3Q24, primarily due to the suspension of operations at the Islay mine since July 2023. However, the unit cost increased by 6.2%, rising from 102.3 USD/MT in 3Q23 to 108.6 USD/MT in 3Q24, as a result of lower dilution of fixed costs stemming from the reduced volume of extraction and processing.

In cumulative terms (Jan-Sep), compared to the previous year, the absolute production cost decreased by 17.2%, from 92.1 MM to USD 76.3 MM. Nevertheless, the unit production cost increased by 10.8%, from 96.1 USD/MT to 106.5 USD/MT, which can be partly attributed to the suspension of activities in March 2024 and the gradual recovery of production from April to date.

Table 14: Chungar Operating Investments

Chungar Operating Investment (MM USD)	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Local Exploration	0.6	0.7	0.8	1.2	-34.4	2.0	2.3	-13.5
Mine Development	3.8	4.0	3.8	2.5	49.5	11.5	10.0	15.3
Plants and Tailings Dams	0.0	0.0	0.3	0.5	-43.9	0.3	1.3	-76.7
Mine and Infrastructure	1.5	1.7	2.6	2.2	20.1	5.8	6.4	-9.4
Electrical Infrastructure	0.0	0.0	0.0	0.1	-100.0	0.0	0.5	-100.0
Support and Others	0.2	0.7	1.5	0.2	761.3	2.4	0.4	450.0
Total	6.0	7.0	9.0	6.7	33.4	22.0	20.9	5.2

Source: Volcan Cia. Minera

The operational investments in Chungar increased by 33.4%, rising from USD 6.7 MM in 3Q23 to USD 9.0 MM in 3Q24, driven by enhanced execution in mine developments, pumping infrastructure, and tailings facilities.

In cumulative terms (Jan-Sep), operational investments increased by 5.2%, from USD 20.9 MM to USD 22.0 MM.

3.3 Alparmarca Unit Operating Results

Table 15: Alparmarca Production

Alparmarca Production	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Mineral extraction (thousands MT)	259	283	282	263	7.1	824	665	23.8
Mineral treatment (thousands MT)	259	277	277	281	-1.3	813	785	3.6
Fines Content								
Zinc (thousands FMT)	1.2	1.3	1.5	1.7	-16.0	4.0	4.9	-17.4
Lead (thousands FMT)	1.2	1.2	1.2	1.5	-22.0	3.5	3.1	13.8
Copper (thousands FMT)	0.1	0.1	0.0	0.1	-50.4	0.2	0.2	-36.3
Silver (millions Oz)	0.2	0.2	0.2	0.3	-41.6	0.6	0.8	-28.5

¹ Mineral extraction corrected in Alparmarca in 1Q24 because the stockpile was not being considered.
Source: Volcan Cia. Minera

In 3Q24, the mineral extracted at Alparmarca increased by 7.1% compared to the same quarter of the previous year, while the treatment volume decreased by 1.3%, from 281,000 MT in 3Q23 to 277,000 MT in 3Q24, due to a plant shutdown for maintenance work.

The fine production of zinc, lead, copper, and silver in 3Q24 decreased by 16.0%, 22.0%, 50.4%, and 41.6%, respectively, compared to production in 3Q23. This decline is attributed to lower grades of zinc, copper, and silver in the processed ore.

In cumulative terms (Jan-Sep), compared to the previous year, mineral extraction increased by 23.8%, and mineral treatment increased by 3.6%. Fine lead production rose by 13.8%, while fine zinc, copper, and silver production decreased by 17.4%, 36.3%, and 28.5%, respectively.

Table 16: Alparmarca Production Cost

Alparmarca Production Cost	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Production Cost¹ (MM USD)								
Extraction cost ²	1.9	2.2	2.5	1.7	47.3	6.6	4.9	33.9
Treatment Cost	1.5	1.8	1.7	1.8	-6.9	5.0	5.2	-3.0
Others	1.3	1.0	2.0	1.2	63.6	4.3	3.9	8.9
Total Production Cost (MM USD)	4.6	5.0	6.2	4.7	30.9	15.9	14.0	13.3
Unit Cost (USD/MT)								
Extraction cost ³	7.3	8.0	9.0	6.0	49.3	8.1	6.3	29.2
Treatment Cost	5.8	6.6	6.1	6.5	-5.6	6.2	6.6	-6.4
Others	4.8	3.6	7.3	4.4	65.8	5.3	5.0	5.1
Sub total Unitary Cost (USD/TM)	17.9	18.2	22.4	16.9	32.7	19.6	17.9	9.3

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 30.9%, rising from USD 4.7 MM in 3Q23 to USD 6.2 MM in 3Q24. This increase is primarily due to higher stripping activities to prepare areas for exploitation in 4Q24 and provisions for expenses related to the unit's concessions. The unit cost rose by 32.7%, from 16.9 USD/MT in 3Q23 to 22.4 USD/MT in 3Q24, attributed to the increased stripping and lower tonnage processed.

On a cumulative basis (Jan-Sep), compared to the previous year, the absolute production cost increased by 13.3%, from USD 14.0 MM to USD 15.9 MM. The unit production cost increased by 9.3%, from 17.9 USD/MT to 19.6 USD/MT.

Table 17: Alpacamarca Operating Investments

Alpacamarca Operating Inv. (MM USD)	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Local Exploration	0.0	0.0	0.0	0.0		0.0	0.0	
Plants and Tailings Dams	0.0	0.0	0.0	0.1	-100.0	0.0	0.2	-100.0
Mine and Infrastructure	0.1	0.1	0.0	0.2	-92.5	0.2	0.5	-59.4
Energy	0.0	0.0	0.0	0.0		0.0	0.0	
Support and Others	0.0	0.0	0.0	0.0		0.0	0.0	
Total	0.1	0.1	0.0	0.3	-95.5	0.2	0.7	-68.9

Source: Volcan Cia. Minera

Operating investments decreased by 95.5%, from USD 0.28 MM in 3Q23 to USD 0.01 MM in 3Q24, as the focus was solely on components necessary to ensure the continuity of operations in the short term.

On a cumulative basis (Jan-Sep), operating investments fell from USD 0.69 MM in 2023 to USD 0.22 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	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Mineral extraction (thousands MT)	874	893	956	812	17.8	2,723	2,341	16.3
Mineral treatment (thousands MT)	762	789	869	812	7.0	2,420	2,341	3.4
Fines Content								
Zinc (thousands FMT)	4.7	5.0	6.5	5.0	29.5	16.2	14.4	13.0
Lead (thousands FMT)	1.6	2.0	2.9	2.0	47.7	6.5	5.8	12.0
Copper (thousands FMT)	0.2	0.2	0.2	0.2	-15.9	0.6	0.7	-17.4
Silver (millions Oz)	0.4	0.4	0.4	0.4	6.6	1.1	1.1	2.7

Source: Volcan Cia. Minera

The volume of processed stockpiled mineral at Cerro de Pasco increased by 7.0%, from 812,000 MT in 3Q23 to 869,000 MT in 3Q24.

Fine production of zinc, lead, and silver in 3Q24 rose by 29.5%, 47.7%, and 6.6%, respectively, compared to 3Q23, due to higher treatment tonnage and improved metallurgical recoveries from new mineral zones. Conversely, copper production decreased by 15.9% compared to 3Q23, attributed to a lower grade of this metal.

On a cumulative basis (Jan-Sep), mineral treatment increased by 3.4% in 2024. Fine production of zinc, lead, and silver rose by 13.0%, 12.0%, and 2.7%, respectively, while copper production fell by 17.4%.

Table 19: Cerro de Pasco Production Cost

Cerro de Pasco Production Cost	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Production Cost¹ (MM USD)								
Extraction cost ²	1.8	2.1	2.1	2.0	5.2	6.0	6.9	-13.4
Treatment Cost	7.3	8.0	7.1	7.3	-1.9	22.5	21.5	4.7
Others	1.4	1.6	1.6	1.7	-7.4	4.6	4.8	-2.7
Total Production Cost (MM USD)	10.6	11.8	10.8	11.0	-1.5	33.2	33.2	-0.2
Unit Cost (USD/MT)								
Extraction Cost	2.1	2.4	2.2	2.4	-10.6	2.2	3.0	-25.5
Treatment Cost	9.6	10.2	8.2	9.0	-8.3	9.3	9.2	1.2
Others	1.9	2.0	1.9	2.1	-13.4	1.9	2.0	-5.9
Sub total Unitary Cost (USD/MT)	13.6	14.6	12.2	13.5	-9.6	13.4	14.2	-5.4

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 1.5%, from USD 11.0 MM in 3Q23 to USD 10.8 MM in 3Q24, primarily due to better supply rates. The unit cost fell by 9.6%, from 13.5 USD/MT in 3Q23 to 12.2 USD/MT in 3Q24.

On a cumulative basis (Jan-Sep), the absolute production cost reduced by 0.2% compared to the previous year. The unit production cost decreased by 5.4%, from 14.2 USD/MT in 2023 to 13.4 USD/MT in 2024.

Table 20: Cerro de Pasco Operating Investments

Cerro de Pasco Operating Inv. (MM USD)	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Local Exploration	0.0	0.0	0.0	0.0		0.0	0.0	
Plants and Tailings Dams	4.3	1.6	1.4	0.7	96.9	7.3	2.2	235.4
Mine and Infrastructure	0.1	0.1	0.1	0.1	1.7	0.2	0.2	9.4
Support and Others	0.0	0.1	0.4	0.0		0.5	0.0	
Total	4.3	1.8	1.9	0.8	140.0	8.0	2.5	216.7

Source: Volcan Cia. Minera

Operating investments increased by 140.0%, rising from USD 0.8 MM in 3Q23 to USD 1.9 MM in 3Q24, primarily due to higher investment in the Ocroyoc tailings dam expansion and plant equipment.

On a cumulative basis (Jan-Sep), operating investments grew from USD 2.5 MM in 2023 to USD 8.0 MM in 2024.

3.5 Oxides Plant Operating Results

Table 21: Oxides Plant Production

Oxides Plant Production	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Mineral extraction (thousands MT)	236	254	247	248	-0.6	736	726	1.4
Mineral treatment (thousands MT)	236	254	247	248	-0.6	736	726	1.4
Fines Content								
Silver (millions Oz)	0.7	0.7	0.8	0.7	14.8	2.2	2.0	10.1
Gold (Oz)	1,686	1,829	2,184	3,599	-39.3	5,698	9,225	-38.2

Source: Volcan Cia. Minera

The volume processed at the Oxides Plant decreased by 0.6%, from 248,000 MT in 3Q23 to 247,000 MT in 3Q24. Silver production increased by 14.8% due to a higher contribution from Piritas ore, while gold production decreased by 39.3% due to a lower contribution from the pit ore.

On a cumulative basis (Jan-Sep), mineral treatment increased by 1.4% in 2024, silver production rose by 10.1%, and gold production fell by 38.2% compared to the previous year.

Table 22: Oxides Production Cost

Oxides Plant Production Cost	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Production Cost¹ (MM USD)								
Extraction cost ²	1.4	1.6	1.8	2.3	-19.7	4.8	5.5	-12.0
Treatment Cost	8.3	8.7	8.9	8.6	3.2	25.9	26.4	-1.7
Others	1.4	1.4	1.5	1.5	-2.8	4.3	4.5	-5.3
Total Production Cost (MM USD)	11.1	11.8	12.2	12.4	-1.7	35.1	36.4	-3.7
Unit Cost (USD/MT)								
Extraction Cost	5.9	6.5	7.3	9.1	-19.2	6.6	7.6	-13.2
Treatment Cost	35.3	34.3	36.1	34.7	3.8	35.2	36.3	-3.1
Others	5.8	5.6	6.1	6.2	-2.2	5.9	6.3	-6.6
Sub total Unitary Cost (USD/MT)	47.1	46.4	49.5	50.0	-1.1	47.6	50.2	-5.0

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

² Mine cost include infill drilling costs

Source: Volcan Cia. Minera

In 3Q24, the production cost in absolute terms was USD 12.2 MM, a decrease of 1.7% compared to USD 12.4 MM in 3Q23, due to better rates for key reagents. The unit cost reduced by 1.1%, from 50.0 USD/MT in 3Q23 to 49.5 USD/MT in 3Q24.

On a cumulative basis (Jan-Sep), the absolute production cost decreased by 3.7%, from USD 36.4 MM in 2023 to USD 35.1 MM in 2024. The unit cost of operations decreased by 5.0%, from 50.2 USD/MT to 47.6 USD/MT.

Table 23: Oxides Operating Investments

Oxides Plant Operating Inv. (MM USD)	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Local Exploration	0.0	0.0	0.0	0.0		0.0	0.0	
Mine Development	0.0	0.0	0.0	0.0		0.0	0.0	
Plants and Tailings Dams	0.0	0.0	0.0	0.1	-29.1	0.0	0.1	-55.6
Mine and Infrastructure	0.0	0.0	0.1	0.0	146.0	0.1	0.1	39.3
Energy	0.0	0.0	0.0	0.0		0.0	0.0	
Support and Others	0.0	0.1	0.1	0.0	235.2	0.2	0.0	354.7
Total	0.1	0.1	0.2	0.1	79.0	0.3	0.2	53.9

Source: Volcan Cia. Minera

In 3Q24, operational investments totalled USD 0.2 MM, an increase of 79.0% compared to USD 0.1 MM in 3Q23, driven by studies for the infrastructure of the new industrial water treatment plant.

On a cumulative basis (Jan-Sep), operational investments increased by 53.9%, from USD 0.2 MM in 2023 to USD 0.3 MM in 2024.

4. Energy

Table 24: Electric Balance Volcan

Electric Balance (GWh)	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Energy generation	126.0	108.2	76.8	92.5	-17.0	310.9	312.5	-0.5
Chungar	42.6	38.7	35.1	30.7	14.4	116.3	102.5	13.5
Tingo	1.7	1.7	1.7	1.7	-0.5	5.1	5.0	1.4
Huanchor	39.4	39.5	39.9	38.2	4.5	118.8	106.5	11.6
Rucuy	42.4	28.3	0.0	21.9	-100.0	70.7	98.5	-28.3
Energy consumption	207.6	207.8	215.0	212.9	1.0	630.4	638.9	-1.3
Energy purchase	163.4	167.5	178.2	180.5	-1.3	509.0	531.4	-4.2

Source: Volcan Cia. Minera

In 3Q24, the Company's total energy consumption was 215.0 GWh, with a maximum demand of 107 MW. The ten hydroelectric plants in Chungar collectively generated 35.1 GWh, a 14% increase compared to the same period last year, due to improved water resources. Self-generation accounted for 16% of total consolidated consumption, at an average cost of USD 19/MWh, which includes operational, maintenance, and transmission costs.

To meet its total consumption, the Company purchased 178.2 GWh of energy from the National Interconnected Electrical System (SEIN) at an average cost of USD 82/MWh. This consumption was 1% lower than in the same period last year, reflecting the increased self-generation from Chungar.

The Tingo hydroelectric plant produced 1.7 GWh, which was entirely sold to the Chungar mining operation. During 3Q24, the Huanchor hydroelectric plant generated 39.9 GWh, a 4% increase from the same period last year. It is noteworthy that on June 14, 2024, a sale agreement for the Huanchor Hydroelectric Plant was signed with EDF Peru SAC and three funds managed by AC Capitales. This agreement was finalised on October 11 for a total amount of USD 49.5 MM.

Additionally, in May 2024, the sale of the Rucuy hydroelectric plant to Sindicato Energético S.A. was completed for a total of USD 31.7 MM.

Both transactions amounted to USD 81.2 MM before expenses, deductions, and taxes, and are part of the Company's strategy to divest from non-mining-related assets to strengthen its balance sheet.

5. Final Comments

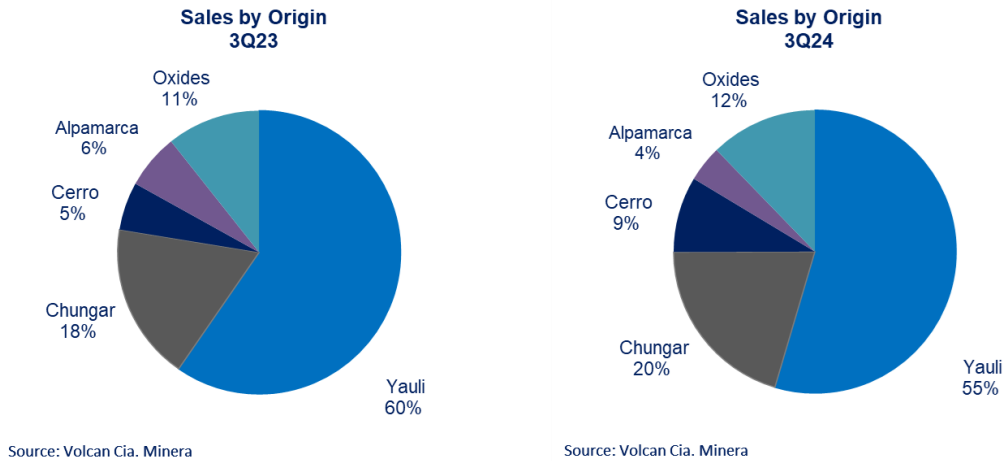
- The Company's financial results in 3Q24 were better than those in 3Q23, primarily due to higher metal prices and improved commercial terms for concentrate sales.
- The highest EBITDA in the last 12 months, an increase in cash balances, and a reduction of USD 59.3 MM in syndicated debt led to a decrease in the Net Debt/EBITDA ratio to 2.0.
- The Company successfully completed the refinancing of its debt, extending the maturity of the syndicated loan to 2029 and most of its international bonds to 2030. This will allow the Company to focus on strengthening its current mining units, developing the Romina project, and exploring further growth opportunities in the future.
- Since July 2024, Volcan received upgrades from the risk rating agencies: Fitch upgraded the Company's risk rating by 4 notches to B-, with a stable outlook, and Moody's upgraded it by 2 notches to Caa1 with further upgrade possibilities.
- In May 2024, the sale of the Rucuy hydroelectric plant was completed, and in October 2024, the sale of the Huanchor hydroelectric plant was finalised, in line with the Company's plan to concentrate on its mining business and strengthen its balance sheet. Both transactions amounted to USD 81.2 MM before expenses, deductions, and taxes.
- The Company has closed commercial contracts for the sale of its entire concentrate production until June 2025 under terms that are significantly better than the average this year, which will have a positive impact on the Company's margins at similar metal prices.
- The outlook for base metal prices, particularly zinc, continues to be influenced by China's performance and the real estate sector. In the past month, zinc prices have shown recovery following the People's Bank of China announcing a comprehensive monetary stimulus package to revitalise the economy, highlighting the government's growing concern over slow growth and investor confidence issues at the beginning of the year. Regarding precious metal prices, the Federal Reserve reduced its benchmark interest rate by half a percentage point in September 2024, marking a shift in monetary policy. As a result, prices for both silver and gold have risen in recent weeks.



Annexes

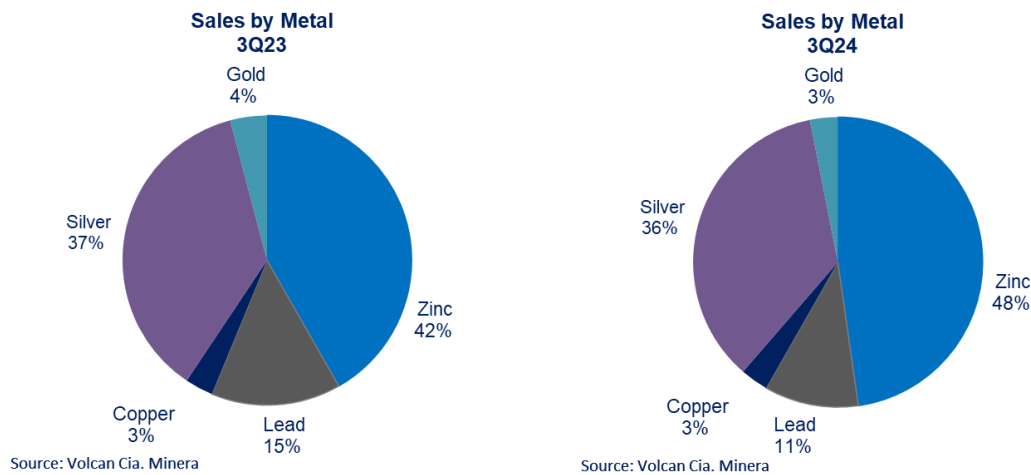
Annex 1: Sales Details

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



The distribution of sales value by operating unit in 3Q24 compared to 3Q23 reflects an increase in the contribution from Cerro, Chungar, Alpamarca, and Oxides, while the contribution from Yauli and Alpamarca has decreased.

Graph 8: Sales by Metal (percentage of total sales value)



The distribution of sales value by metal in 3Q24 compared to 3Q23 shows an increase in the contribution from zinc, while there has been a decrease in the contributions from lead, gold, and silver. The contribution from copper remained similar to the level of the same period last year.

Annex 2: Average Spot Prices

Spot Prices	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Zinc (USD/MT)	2,449	2,833	2,779	2,429	14.4	2,687	2,699	-0.5
Lead (USD/MT)	2,076	2,166	2,041	2,170	-5.9	2,095	2,143	-2.3
Copper (USD/MT)	8,444	9,751	9,204	8,356	10.1	9,133	8,588	6.3
Silver (USD/Oz)	23.4	28.9	29.4	23.6	24.8	27.2	23.4	16.1
Gold (USD/Oz)	2,073	2,337	2,476	1,930	28.3	2,295	1,932	18.8

Source: London Metal Exchange

Annex 3: Macroeconomic Indicators

Macroeconomic Indicators	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Jul-Sep 2023	var %	Jan-Sep 2024	Jan-Sep 2023	var %
Exchange Rate (S/ x USD)	3.76	3.74	3.76	3.67	2.4	3.75	3.73	0.6
Inflation ¹	3.12	2.24	1.98	5.50	-64.0	2.45	7.17	-65.9

¹ Inflation of the last 12 months

Source: Central Reserve Bank of Peru

Annex 4: National Production of Major Metals

National Production	Jan-Mar 2024	Apr-Jun 2024	Jul-Aug 2024	Jul-Aug 2023	var %	Jan-Aug 2024	Jan-Aug 2023	var %
Zinc (FMT)	315,409	311,328	220,209	262,480	-16.1	846,947	956,440	-11.4
Lead (FMT)	66,563	72,555	52,712	48,282	9.2	191,830	175,470	9.3
Copper (FMT)	641,138	648,992	468,957	452,906	3.5	1,759,087	1,761,717	-0.1
Silver (thousands Oz)	23,927	27,083	20,194	16,367	23.4	71,204	62,503	13.9
Gold (thousands Oz)	858	784	549	540	1.7	2,191	1,991	10.0

Source: Ministry of Energy and Mines