

## Volcan Compañía Minera S.A.A. and Subsidiaries Management Discussion and Analysis First Quarter 2025

### Principal Results:

Consolidated Volcan	Jan-Jun 2025	Jan-Jun 2024	var %
<b>Sales Prices<sup>1</sup></b>			
Zinc (USD/MT)	2,907	2,473	17.5
Lead (USD/MT)	1,966	2,099	-6.3
Copper (USD/MT)	9,347	7,794	19.9
Silver (USD/Oz)	31.7	23.2	36.8
Gold (USD/Oz)	2,896	2,069	40.0
<b>Operating Results</b>			
Mineral treatment <sup>2</sup> (thousands MT)	2,291	2,122	7.9
Zinc Production (thousands FMT)	57.4	50.3	14.1
Lead Production (thousands FMT)	16.1	11.2	43.8
Copper Production (thousands FMT)	1.1	0.8	47.6
Silver Production (millions Oz)	3.3	3.1	8.3
Gold Production (thousands Oz)	3.6	2.9	24.9
Unit Cost (USD/TM) <sup>3</sup>	51.7	49.0	5.6
Total Investments (MM USD)	39.7	33.8	17.3
<b>Financial Results (MM USD)</b>			
<b>Sales before adjustments</b>	<b>279.4</b>	<b>180.0</b>	<b>55.2</b>
<b>Sales Adjustments</b>	<b>-1.6</b>	<b>-3.4</b>	<b>-53.8</b>
Settlement of prior period adjustments	-5.5	-0.9	541.8
Adjustments for open positions <sup>4</sup>	3.6	-2.6	
Hedging results	0.4	0.1	169.5
<b>Sales after adjustments</b>	<b>277.8</b>	<b>176.7</b>	<b>57.2</b>
<b>Net profit</b>	<b>34.5</b>	<b>-19.2</b>	
<b>EBITDA</b>	<b>111.7</b>	<b>44.8</b>	<b>149.5</b>

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

<sup>2</sup> Includes treated tons at Oxides Plant.

<sup>3</sup> Unit cost include infill drilling costs.

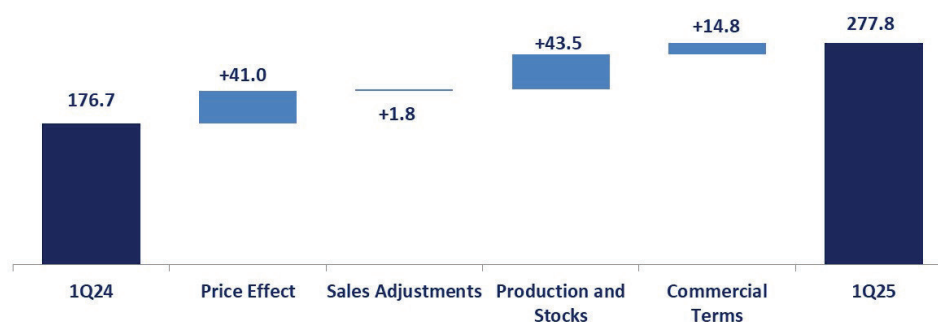
<sup>4</sup> The open comercial positions refer to shipments that don't have final settlements yet, therefore they are exposed to adjustments due to metal prices variations in the future.

Source: Volcan Cia. Minera

## 1. Executive Summary

- In 1Q25, higher production is observed compared to 1Q24, which, added to the better prices of zinc and silver and the improved commercial conditions in the sale of concentrates, has allowed the Company to obtain better financial results, reaching an EBITDA of USD 111.7 MM in 1Q25 versus USD 44.8 MM in 1Q24
- Zinc fine production increased by 14.1%, from 50.3 thousand FMT in 1Q24 to 57.4 thousand FMT in 1Q25. Lead fine production rose by 43.8%, from 11.2 thousand FMT in 1Q24 to 16.1 thousand FMT in 1Q25. Copper fine production increased by 47.6%, from 0.8 thousand FMT in 1Q24 to 1.1 thousand FMT in 1Q25. Silver ounce production grew by 8.3%, from 3.1 MM Oz in 1Q24 to 3.3 MM Oz in 1Q25, and gold ounce production saw a 24.9% increase, from 2.9 thousand Oz in 1Q24 to 3.6 thousand Oz in 1Q25. The increase in production compared to 1Q24 is primarily attributed to the suspension of operations at the Victoria plant in Yauli and the Animón mine in March 2024.
- Consolidated unit costs increased by 5.6%, from 49.0 USD/MT in 1Q24 to 51.7 USD/MT in 1Q25. This increase is primarily explained by the greater development at Chungar and the higher extraction of waste material at Alpamarca, which was necessary to access areas with better ore grades.
- The Company's total investments increased by 17.2%, reaching USD 39.7 MM in 1Q25, compared to USD 33.8 MM in 1Q24. This increase was primarily driven by higher operational investments in the tailings management at Yauli and Cerro de Pasco, pumping systems at Chungar, and increased investments in the Romina project.
- The price of zinc rose by 17.5%, from 2,473 USD/MT in 1Q24 to 2,907 USD/MT in 1Q25, while the price of lead decreased by 6.3%, from 2,099 USD/MT in 1Q24 to 1,966 USD/MT in 1Q25. The price of copper increased by 19.9%, from 7,794 USD/MT to 9,347 USD/MT. The price of silver increased by 36.8%, from 23.2 USD/Oz to 31.7 USD/Oz, and the price of gold rose by 40.0%, from 2,069 USD/Oz to 2,896 USD/Oz.
- Total sales before adjustments increased by 55.2%, from USD 180.0 MM in 1Q24 to USD 279.4 MM in 1Q25. This increase was driven by higher sales volumes, higher zinc and silver prices, and improved commercial conditions for the sale of concentrates. Sales adjustments amounted to USD -1.6 MM in 1Q25, compared to USD -3.4 MM in 1Q24. As a result, sales after adjustments increased by 57.2%, from USD 176.7 MM to USD 277.8 MM.

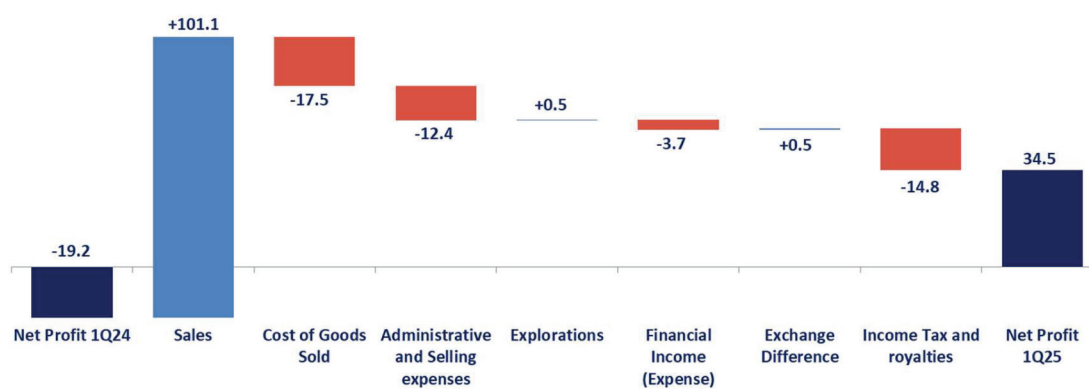
**Graph 1: Variations Impacting Net Sales (MM USD)**



Source: Volcan Cía Minera

- Net profit increased from USD -19.2 MM in 1Q24 to USD 34.5 MM in 1Q25. This improvement of USD 53.7 MM is primarily attributed to the increase in sales of USD 101.1 MM, partially offset by higher costs, expenses, and taxes during the period.

**Graph 2: Variations Impacting Net Profit (MM USD)**



Fuente: Volcan Cía. Minera

## 2. Consolidated Results

### 2.1 Production

**Table 1: Consolidated Production**

Consolidated Production	Jan-Mar 2025	Jan-Mar 2024	var %
<b>Mineral extraction (thousands MT)</b>	<b>2,322</b>	<b>2,293</b>	<b>1.3</b>
Polymetallic ore	2,087	2,058	1.4
Oxides ore	236	236	0.0
<b>Mineral treatment (thousands MT)</b>	<b>2,291</b>	<b>2,122</b>	<b>7.9</b>
Concentrator Plants	2,055	1,887	8.9
Silver Oxides Plant	236	236	0.0
<b>Fine Content</b>			
Zinc (thousands FMT)	57.4	50.3	14.1
Lead (thousands FMT)	16.1	11.2	43.8
Copper (thousands FMT)	1.1	0.8	47.6
Silver (millions Oz)	3.3	3.1	8.3
Gold (thousands Oz)	3.6	2.9	24.9

Source: Volcan Cia. Minera

The ore extraction volume increased by 1.4%, from 2,293 thousand MT in 1Q24 to 2,322 thousand MT in 1Q25, driven by higher extraction volumes at Yauli and Chungar. The treatment volume grew by 7.9%, from 2,122 thousand MT in 1Q24 to 2,291 thousand MT in 1Q25. The increase compared to the previous year is largely explained by the suspension of operations at the Victoria plant in Yauli and the Chungar mine in March 2024. Furthermore, the treatment volume was boosted by the optimisation of the milling process at the Andaychagua plant and the expansion of the daily treatment capacity (TPD) at the Paragsha plant in Cerro de Pasco from 9,000 to 9,500 tonnes.

Zinc fine production increased by 14.1%, from 50.3 thousand FMT in 1Q24 to 57.4 thousand FMT in 1Q25; lead fine production rose by 43.8%, from 11.2 thousand FMT in 1Q24 to 16.1 thousand FMT in 1Q25; copper fine production grew by 47.6%, from 0.8 thousand FMT in 1Q24 to 1.1 thousand FMT in 1Q25; silver ounce production increased by 8.3%, from 3.1 MM Oz in 1Q24 to 3.3 MM Oz in 1Q25; and gold ounce production rose by 24.9%, from 2.9 thousand Oz in 1Q24 to 3.6 thousand Oz in 1Q25.

## 2.2 Production Cost

**Table 2: Consolidated Production Cost**

<b>Consolidated Production Cost</b>	<b>Jan-Mar 2025</b>	<b>Jan-Mar 2024</b>	<b>var %</b>
<b>Production Cost (MM USD)</b>			
Mine cost <sup>1</sup>	71.8	65.5	9.6
Plant and Other Cost	29.1	26.0	11.9
Others	18.2	17.2	5.5
<b>Total Production Cost (MM USD)</b>	<b>119.1</b>	<b>108.8</b>	<b>9.5</b>
<b>Unit Cost (USD/MT)</b>			
Mine cost	31.0	28.6	8.6
Plant and Other Cost	12.7	12.2	3.7
Others	7.9	8.1	-2.2
<b>Sub total Unitary Cost (USD/MT)</b>	<b>51.7</b>	<b>49.0</b>	<b>5.6</b>

<sup>1</sup>Mine cost include infill drilling costs

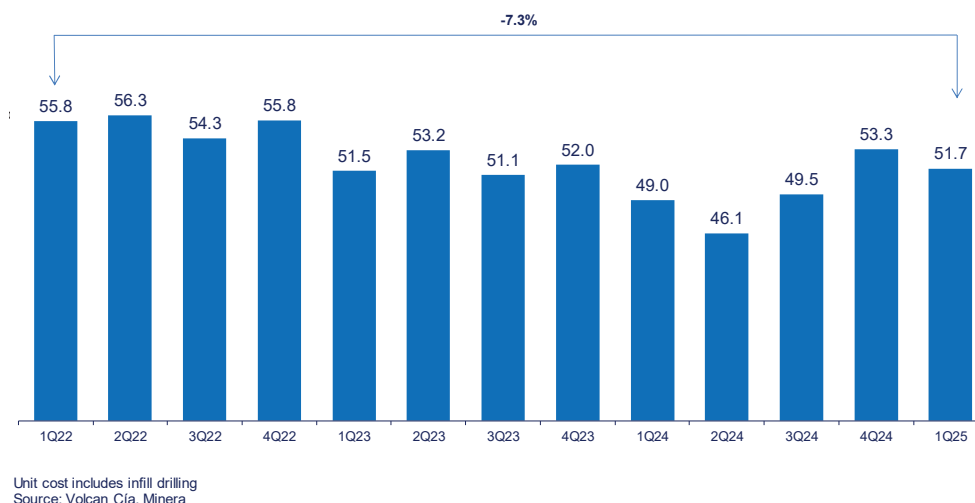
Source: Volcan Cia. Minera

Absolute production costs increased by 9.5%, from USD 108.8 MM in 1Q24 to USD 119.1 MM in the same period in 2025. This increase is primarily due to the higher extraction and treatment volumes recorded in 1Q25, the replacement of components at the Victoria plant, the increased consumption of supplies at the Oxides unit due to the presence of contaminating materials, and the scheduled stoppage at the Alpamarca plant.

Unit costs rose by 5.6%, from 49.0 USD/MT in 1Q24 to 51.7 USD/MT in 1Q25.

The Company continues to make efforts to control and reduce production costs and expenses in its operations and in Lima, while always prioritising the safety of its workers as the Company's core value and ensuring the sustainability of its mining operations. In this regard, new cost-reduction initiatives are being implemented, and a new corporate area for productivity and process control has been established.

The following chart shows the evolution of unit costs over the past three years.

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


## 2.3 Investments

**Table 3: Consolidated Investments**

Consolidated Investment (MM USD)	Jan-Mar 2025	Jan-Mar 2024	var %
<b>Mining</b>	<b>39.7</b>	<b>33.8</b>	<b>17.4</b>
<b>Mining Units</b>	<b>36.0</b>	<b>33.1</b>	<b>8.7</b>
Local Exploration	1.6	2.0	-22.5
Development	15.8	17.6	-10.2
Plants and Tailings Facilities	11.3	7.0	62.9
Mine and Infrastructure	5.9	5.5	7.0
Electrical Infrastructure in Units	0.7	0.1	385.0
Support and Others	0.8	0.9	-15.8
<b>Regional Explorations</b>	<b>0.0</b>	<b>0.0</b>	<b>-71.9</b>
<b>Growth and Others</b>	<b>3.6</b>	<b>0.7</b>	<b>452.0</b>
<b>Energy</b>	<b>0.0</b>	<b>0.0</b>	<b>-100.0</b>
<b>Other</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total</b>	<b>39.7</b>	<b>33.8</b>	<b>17.3</b>

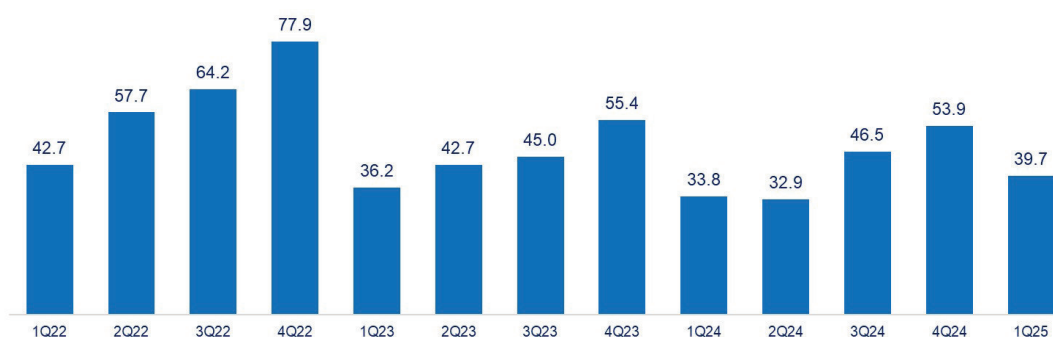
Source: Volcan Cia. Minera

Investments in operational units increased by 8.7%, from USD 33.1 MM in 1Q24 to USD 36.0 MM in 1Q25. This increase was primarily due to investments in the replenishment of the Rumichaca tailings dam in Yauli and the Ocroyoc tailings dam in Cerro de Pasco, as well as the expansion of the pumping system at Chungar. However, this increase was partially offset by lower investment in primary developments at Andaychagua and Ticlio, with a shift in priority towards secondary developments.

Investment in the Romina growth project, which is already under construction and progressing according to plan, rose significantly to USD 3.6 MM in 1Q25, compared to USD 0.7 MM in 1Q24.

As a result, total investments grew by 17.3%, from USD 33.8 MM in 1Q24 to USD 39.7 MM in 1Q25.

**Graph 4: Evolution of Consolidated Investments**



Source: Volcan Cia. Minera

## 2.4 Income Statement

**Table 4: Income Statement**

Income Statement (MM USD)	Jan-Mar 2025	Jan-Mar 2024	var %
<b>Sales before adjustments</b>	<b>279.4</b>	<b>180.0</b>	<b>55.2</b>
Sett. of prior periods adjustments	-5.5	-0.9	541.8
Adj. open positions	3.6	-2.6	
Hedging	0.4	0.1	169.5
<b>Sales after adjustments</b>	<b>277.8</b>	<b>176.7</b>	<b>57.2</b>
<b>Cost of Goods Sold</b>	<b>-176.9</b>	<b>-159.4</b>	<b>11.0</b>
<b>Gross Profit</b>	<b>100.9</b>	<b>17.3</b>	<b>482.8</b>
<b>Gross Margin</b>	<b>36%</b>	<b>10%</b>	<b>27 pp</b>
Administrative Expenses	-14.8	-9.5	56.5
Exploration Expenses	-2.0	-2.4	-18.8
Sales Expenses	-7.8	-7.1	10.4
Other income (Expenses) <sup>1</sup>	-6.6	-0.3	
<b>Operating Profit</b>	<b>69.7</b>	<b>-2.0</b>	
<b>Operating Margin</b>	<b>25%</b>	<b>-1%</b>	<b>26 pp</b>
Financial income (expense)	-21.6	-18.0	20.3
Exchange difference (net)	0.5	0.0	
Royalties	-5.0	-2.2	124.5
Income Tax	-9.0	3.0	
<b>Net Profit</b>	<b>34.5</b>	<b>-19.2</b>	
<b>Net Margin</b>	<b>12%</b>	<b>-11%</b>	<b>23 pp</b>
<b>EBITDA</b>	<b>111.7</b>	<b>44.8</b>	<b>149.5</b>
<b>EBITDA Margin</b>	<b>40%</b>	<b>25%</b>	<b>15 pp</b>

<sup>1</sup> Includes sales and cost of sales of the energy division

Source: Volcan Cia. Minera

- Sales Analysis

**Table 5: Average Sales Prices**

Sales Prices	Jan-Mar 2025	Jan-Mar 2024	var %
Zinc (USD/MT)	2,907	2,473	17.5
Lead (USD/MT)	1,966	2,099	-6.3
Copper (USD/MT)	9,347	7,794	19.9
Silver (USD/Oz)	31.7	23.2	36.8
Gold (USD/Oz)	2,896	2,069	40.0

Source: Volcan Cia. Minera

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

**Table 6: Fines Sales Volume**

Fines Sales	Jan-Mar 2025	Jan-Mar 2024	var %
Zinc (thousands FMT)	63.4	52.5	20.7
Lead (thousands FMT)	16.6	11.8	40.7
Copper (thousands FMT)	1.4	0.9	51.6
Silver (millions Oz)	3.3	3.1	6.4
Gold (thousands Oz)	3.4	2.8	21.9

Source: Volcan Cia. Minera

**Table 7: Sales in USD**

Sales (millions USD)	Jan-Mar 2025	Jan-Mar 2024	var %
Zinc	145.5	91.7	58.6
Lead	31.1	22.3	39.8
Copper	9.1	4.5	100.5
Silver	86.1	57.4	49.9
Gold	7.6	4.1	85.1
<b>Sales before adjustments</b>	<b>279.4</b>	<b>180.0</b>	<b>55.2</b>
Adjustments	-1.6	-3.4	-53.8
Sett. of prior period adjust.	-5.5	-0.9	541.8
Adjust. for open positions	3.6	-2.6	
Hedging results	0.4	0.1	169.5
<b>Sales after adjustments</b>	<b>277.8</b>	<b>176.7</b>	<b>57.2</b>

Source: Volcan Cia. Minera



Sales before adjustments increased by 55.2%, from USD 180.0 MM in 1Q24 to USD 279.4 MM in 1Q25. This increase was driven by higher volumes sold, the rise in zinc and silver prices, and improved commercial conditions for the sale of concentrates. Sales adjustments amounted to USD -1.6 MM in 1Q25, compared to USD -3.4 MM in 1Q24. In 1Q25, the sales adjustments were composed of an open position provision of USD 3.6 MM, negative final settlement results of USD -5.5 MM, and positive hedge results of USD 0.4 MM. As a result, sales after adjustments increased by 57.2%, from USD 176.7 MM in 1Q24 to USD 277.8 MM in 1Q25.

- **Cost of Goods Sold**

**Table 8: Cost of Goods Sold**

<b>Costo de Ventas (MM USD)</b>	<b>Ene-Mar 2025</b>	<b>Ene-Mar 2024</b>	<b>var %</b>
<b>Producción Volcan</b>	<b>173.3</b>	<b>159.2</b>	<b>8.8</b>
Costo Propio de Producción	119.1	108.8	9.5
D&A del Costo de Producción	40.5	44.9	-9.7
Otros gastos	6.1	9.2	-33.6
Variación de Inventarios	7.5	-3.6	
<b>Participación de Trabajadores</b>	<b>3.6</b>	<b>0.2</b>	
<b>Total</b>	<b>176.9</b>	<b>159.4</b>	<b>11.0</b>

Fuente: Volcan Cía. Minera

Total cost of sales increased by 11.0%, from USD 159.4 MM in 1Q24 to USD 176.9 MM in 1Q25. This increase is primarily attributed to the higher production costs, increase in inventories, and a greater share of workers' compensation due to better results. This increase was partially offset by lower depreciation and amortisation and reduced stoppage expenses.

- **Gross Margin and Gross Profit**

The Company's gross margin increased from 10% in 1Q24 to 36% in 1Q25, driven by higher zinc and silver prices and more favourable terms for the sale of concentrates. As a result, gross profit rose by 482.8%, from USD 17.3 MM in 1Q24 to USD 100.9 MM in 1Q25.

- **Administrative Expenses**

Administrative expenses increased by 56.5%, reaching USD 14.8 MM in 1Q25 compared to USD 9.5 MM in the same period in 2024. This increase was primarily due to higher personnel-related expenses and provisions, increased insurance premiums, and external advisor fees.

- **Sales Expenses**

Sales expenses increased by 10.4%, compared to the same period last year, reaching USD 7.8 MM in 1Q25, up from USD 7.1 MM in 1Q24. This increase was explained by the higher sales volume during the period.

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- **Exploration Expenses**

Exploration expenses decreased by 18.8%, from USD 2.4 MM in 1Q24 to USD 2.0 MM in 1Q25. This decrease is due to more intensive drilling programmes being planned for the second half of the year. The exploration plan for 2025 is larger than the one for 2024.

- **Other Income and Expenses**

In 1Q25, the net amount of other income/expenses was USD -6.6 MM, compared to USD -0.3 MM in 1Q24. This change was primarily due to lower income from the energy business and higher expenses for various provisions, partially offset by a reduction in expenses related to non-operating units.

- **Financial Expenses and Exchange Rate Differences**

Net financial expenses grew by 20.3%, from USD 18.0 MM in 1Q24 to USD 21.6 MM in the same period in 2025. This increase was due to the rise in the average interest rate on the Company's debt, partially mitigated by the reduction in total debt following amortisations totalling USD 82.9 MM in 2024.

On the other hand, the effect of exchange rate fluctuations changed from USD 0.03 MM in 1Q24 to USD 0.52 MM in 1Q25.

- **Royalties and Income Tax**

Royalties increased from USD 2.2 MM in 1Q24 to USD 5.0 MM in 1Q25. Similarly, income tax shifted from a credit of USD 3.0 MM in 1Q24 to a charge of USD -9.0 MM in 1Q25. These increases are explained by improved financial results.

- **Net Profit and EBITDA**

Net profit increased from USD -19.2 MM in 1Q24 to USD 34.5 MM in 1Q25. This USD 53.7 MM increase was primarily driven by higher sales and gross margin growth.

EBITDA grew by 149.5%, from USD 44.8 MM in 1Q24 to USD 111.7 MM in 1Q25, in line with higher sales and operational margins.

## 2.5 Liquidity and Solvency

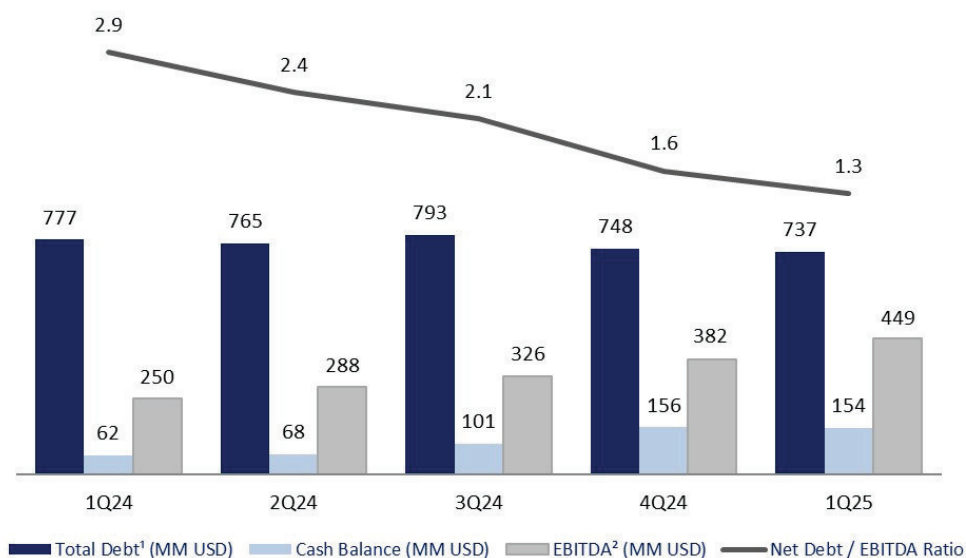
During 1Q25, operations generated positive cash flow of USD 28.0 MM, after reducing trade payables by nearly USD 20 MM and other payables by more than USD 14 MM.

The financing cash flow was negative at USD 30.1 MM, composed of amortisations totalling USD 8.9 MM and interest payments of USD 21.2 MM.

As a result, the net cash flow for 1Q25 was negative at USD 2.1 MM, leaving a cash balance at the end of 1Q25 of USD 153.7 MM, higher than the cash balance of USD 62.2 MM recorded at the end of 1Q24.

The Net Debt/EBITDA ratio as of 31 March 2025 was 1.3 times, reflecting a significant reduction compared to previous periods, due to the higher EBITDA accumulated over the last 12 months and the decrease in net debt.

**Graph 5: Evolution of the Net Debt / EBITDA Ratio**



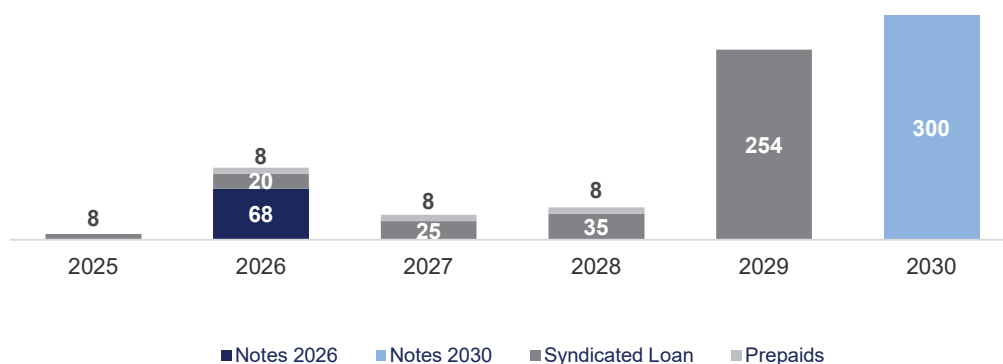
<sup>1</sup> Debt does not include the operating leases fee according to NIIF16 nor the current interest.

<sup>2</sup> Last twelve month EBITDA.

Source: Volcan Cia. Minera

As of the end of March 2025, the Company holds a syndicated loan of USD 341.8 MM, bonds maturing in 2026 amounting to USD 68.0 MM, and bonds maturing in 2030 totalling USD 299.9 MM. Both the syndicated loan and the 2030 bonds are secured by most of the assets of the Company and its subsidiaries.

**Graph 6: Debt Maturity Profile**



Fuente: Volcan Cía. Minera

Finally, it is important to highlight the ongoing implementation and continuous review of our zinc and silver price hedging strategy. This allows us to mitigate market volatility and ensure stability in our cash flow for 2025.

### 3. Results by Operating Unit

#### 3.1 Operating Results - Yauli Unit

**Table 9: Yauli Production**

<b>Yauli Production</b>	<b>Jan-Mar 2025</b>	<b>Jan-Mar 2024</b>	<b>var %</b>
<b>Mineral extraction (thousands MT)</b>	<b>749</b>	<b>682</b>	<b>9.9</b>
<b>Mineral treatment (thousands MT)</b>	<b>763</b>	<b>636</b>	<b>20.0</b>
<b>Fines Content</b>			
Zinc (thousands FMT)	39.5	34.3	15.2
Lead (thousands FMT)	6.5	5.1	26.7
Copper (thousands FMT)	0.7	0.3	88.9
Silver (millions Oz)	1.7	1.4	15.2
Gold (thousands Oz)	1.2	0.8	38.8

Source: Volcan Cia. Minera

In Q1 2025, ore extraction at Yauli grew by 9.9% and the treatment volume by 20% compared to Q1 2024. This increase is mainly explained by the temporary suspension of operations in San Cristóbal-Carahuacra and Ticlio in March 2024 while the permit for the Rumichaca tailings dam associated with the Victoria plant was being adapted. The production of fine zinc, lead, copper, silver, and gold increased by 15.2%, 26.7%, 88.9%, 15.2%, and 38.8% respectively.

**Table 10: Yauli Production Cost**

<b>Yauli Production Cost</b>	<b>Jan-Mar 2025</b>	<b>Jan-Mar 2024</b>	<b>var %</b>
<b>Production Cost (MM USD)</b>			
Extraction cost <sup>1</sup>	47.8	44.7	7.0
Treatment Cost	8.2	5.9	40.1
Others	9.6	9.3	3.3
<b>Total Production Cost (MM USD)</b>	<b>65.6</b>	<b>59.8</b>	<b>9.6</b>
<b>Unit Cost (USD/MT)</b>			
Extraction Cost			
Treatment Cost	10.8	9.2	16.8
Others	12.5	14.6	-13.9
<b>Total Unitary Cost (USD/MT)</b>	<b>87.1</b>	<b>89.4</b>	<b>-2.5</b>

<sup>1</sup> Mine cost include infill drilling costs

Source: Volcan Cia. Minera

The production cost, in absolute terms, rose from USD 59.8 MM in 1Q24 to USD 65.6 MM in 1Q25. The increase in mining costs is primarily explained by the higher production volume, as well as higher pumping costs and increased usage hours of maintenance equipment for the roads at Ticlio. These increases were partially offset by savings at the San Cristóbal mine, due to reduced transport costs from the greater use of locomotives and improvements in support ratios, as well as optimisations in the mining method at Andaychagua. Regarding plant costs, the increase in 1Q25 was driven by the replacement of components that had reached the end

of their useful life and by a higher need for tailings disposal at the Victoria plant. The increase in the "Other" category was due to higher personnel and housing costs. The internal efficiencies achieved, and the higher volume produced allowed for a 2.5% reduction in unit costs in 1Q25 compared to the same period last year.

**Table 11: Yauli Operating Investments**

Yauli Operating Investment (MM USD)	Jan-Mar 2025	Jan-Mar 2024	var %
Local Exploration	1.1	1.5	-24.1
Mine Development	11.3	13.8	-17.9
Plants and Tailings Dams	5.5	2.7	103.9
Mine and Infrastructure	3.9	3.8	5.1
Electrical Infrastructure	0.7	0.1	385.0
Support and Others	0.3	0.7	-56.0
<b>Total</b>	<b>22.9</b>	<b>22.6</b>	<b>1.2</b>

Source: Volcan Cia. Minera

In 1Q25, operating investments at the Yauli unit amounted to USD 22.9 MM, a 1.2% increase from the USD 22.6 MM in 1Q24. This increase was mainly due to investments made in the raising of the Rumichaca tailings facility, partially offset by lower investments in primary developments.

### 3.2 Chungar Unit Operating Results

**Table 12: Chungar Production**

Chungar Production	Jan-Mar 2025	Jan-Mar 2024	var %
<b>Mineral extraction (thousands MT)</b>	<b>262</b>	<b>243</b>	<b>8.0</b>
<b>Mineral treatment (thousands MT)</b>	<b>251</b>	<b>230</b>	<b>9.2</b>
<b>Fines Content</b>			
Zinc (thousands FMT)	10.6	10.1	5.5
Lead (thousands FMT)	5.0	3.3	52.6
Copper (thousands FMT)	0.2	0.1	67.4
Silver (millions Oz)	0.4	0.3	22.7
Gold (thousands Oz)	0.2	0.2	-27.9

Source: Volcan Cia. Minera

In 1Q25, the ore extracted at Chungar increased by 8% and the treated ore rose by 9.2% compared to 1Q24, primarily due to the stoppage of operations in March 2024. Fine production of zinc, lead, copper, and silver increased by 5.5%, 52.6%, 67.4%, and 22.7%, respectively, while gold production decreased by 27.9%, as a result of the lower grade of this metal.

**Table 13: Chungar Production Cost**

Chungar Production Cost	Jan-Mar 2025	Jan-Mar 2024	var %
<b>Production Cost (MM USD)</b>			
Extraction cost <sup>1</sup>	18.4	15.8	17.1
Treatment Cost	3.1	3.0	5.4
Others	4.4	3.9	12.5
<b>Total Production Cost (MM USD)</b>	<b>25.9</b>	<b>22.6</b>	<b>14.8</b>
<b>Unit Cost (USD/MT)</b>			
Extraction Cost	70.4	64.9	8.4
Treatment Cost	12.4	12.8	-3.5
Others	17.5	17.0	3.1
<b>Sub total Unitary Cost (USD/MT)</b>	<b>100.2</b>	<b>94.7</b>	<b>5.9</b>

<sup>1</sup> Mine cost include infill drilling costs

Source: Volcan Cia. Minera

The total cost increased by 14.8%, from USD 22.6 MM in 1Q24 to USD 25.9 MM in 1Q25. This increase is mainly due to the higher production volume and mining developments in 1Q25. The increase in the "Other" category was due to higher housing costs for personnel.

The unit cost increased by 5.9%, from USD 94.7/MT in 1Q24 to USD 100.2/MT in 1Q25, primarily explained by higher mining costs. However, plant costs decreased by 3.5% due to the higher tonnage processed.

**Table 14: Chungar Operating Investments**

Chungar Operating Investment (MM USD)	Jan-Mar 2025	Jan-Mar 2024	var %
Local Exploration	0.4	0.6	-23.3
Mine Development	4.4	3.8	17.9
Plants and Tailings Dams	0.2	0.0	
Mine and Infrastructure	1.9	1.5	22.8
Electrical Infrastructure	0.0	0.0	
Support and Others	0.1	0.2	-28.3
<b>Total</b>	<b>7.1</b>	<b>6.0</b>	<b>16.7</b>

Source: Volcan Cia. Minera

Operating investments at Chungar increased by 16.7%, from USD 6.0 MM in 1Q24 to USD 7.1 MM in 1Q25, mainly due to the expansion of the pumping system and higher primary mining developments.

### 3.3 Alparmarca Unit Operating Results

**Table 15: Alparmarca Production**

Alparmarca Production	Jan-Mar 2025	Jan-Mar 2024	var %
<b>Mineral extraction (thousands MT)<sup>1</sup></b>	<b>251</b>	<b>259</b>	<b>-2.9</b>
<b>Mineral treatment (thousands MT)</b>	<b>243</b>	<b>259</b>	<b>-6.1</b>
<b>Fines Content</b>			
Zinc (thousands FMT)	1.4	1.2	13.0
Lead (thousands FMT)	1.2	1.2	6.2
Copper (thousands FMT)	0.1	0.1	16.2
Silver (millions Oz)	0.2	0.2	27.1

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

In 1Q25, ore extraction decreased by 2.9% compared to the same quarter of the previous year. This reduction was due to the exclusive exploitation of open-pit ore, which led to higher waste extraction and, therefore, required more extensive preparation work. Treatment volume also decreased by 6.1%, due to scheduled plant maintenance in 1Q25.

Despite the lower extraction and treatment, the fine production of zinc, lead, copper, and silver increased by 13%, 6.2%, 16.2%, and 27.1%, respectively. This increase is explained by the treatment of fresh ore from the pit with higher grades compared to the stockpile ore used in 1Q24.

**Table 16: Alparmarca Production Cost**

Alparmarca Production Cost	Jan-Mar 2025	Jan-Mar 2024	var %
<b>Production Cost (MM USD)</b>			
Extraction cost <sup>1</sup>	2.3	1.9	21.6
Treatment Cost	1.8	1.5	24.0
Others	1.0	1.3	-17.9
<b>Total Production Cost (MM USD)</b>	<b>5.2</b>	<b>4.6</b>	<b>11.7</b>
<b>Unit Cost (USD/MT)</b>			
Extraction cost <sup>2</sup>	9.5	7.3	29.5
Treatment Cost	7.6	5.8	32.1
Others	4.2	4.8	-12.5
<b>Sub total Unitary Cost (USD/TM)</b>	<b>21.3</b>	<b>17.9</b>	<b>19.0</b>

<sup>1</sup> Mine cost include infill drilling costs

<sup>2</sup> Mine unit cost adjusted using treated tonnage

Source: Volcan Cia. Minera

The absolute production cost increased by 11.7%, from USD 4.6 MM in 1Q24 to USD 5.2 MM in 1Q25. This increase was due to the higher waste extraction from the pit to access areas with higher metal content, and the increase in plant costs due to the scheduled stoppage in March.



Unit cost increased by 19%, from USD 17.9/MT in 1Q24 to USD 21.3/MT in 1Q25, due to the lower tonnage processed and the increases mentioned above.

**Table 17: Alparamarca Operating Investments**

<b>Alparamarca Operating Inv. (MM USD)</b>	<b>Jan-Mar 2025</b>	<b>Jan-Mar 2024</b>	<b>var %</b>
Local Exploration	0.0	0.0	
Plants and Tailings Dams	0.0	0.0	
Mine and Infrastructure	0.0	0.1	-100.0
Energy	0.0	0.0	
Support and Others	0.1	0.0	
<b>Total</b>	<b>0.1</b>	<b>0.1</b>	<b>-53.6</b>

Source: Volcan Cia. Minera

Operating investments decreased by 53.6%, from USD 0.12 MM in 1Q24 to USD 0.06 MM in 1Q25. The investment amounts are in line with the short-term horizon of the Alparamarca unit, which will be replaced by the Romina project.

### 3.4 Cerro de Pasco Unit Operating Results

**Table 18: Cerro de Pasco Production**

<b>Cerro de Pasco Production</b>	<b>Jan-Mar 2025</b>	<b>Jan-Mar 2024</b>	<b>var %</b>
<b>Mineral extraction (thousands MT)</b>	<b>824</b>	<b>874</b>	<b>-5.7</b>
<b>Mineral treatment (thousands MT)</b>	<b>798</b>	<b>762</b>	<b>4.7</b>
<b>Fines Content</b>			
Zinc (thousands FMT)	5.8	4.7	24.7
Lead (thousands FMT)	3.4	1.6	106.5
Copper (thousands FMT)	0.2	0.2	-17.5
Silver (millions Oz)	0.4	0.4	5.2

Source: Volcan Cia. Minera

The volume of stockpiled ore processed increased by 4.7%, from 762 thousand MT in 1Q24 to 798 thousand MT in 1Q25. This increase was due to improvements implemented at the Paragsha plant, which raised the daily treatment capacity (TPD) from 9 thousand to 9.5 thousand MT.

The production of fine zinc, lead, and silver in 1Q25 increased by 24.7%, 106.5%, and 5.2%, respectively, compared to 1Q24. This result is attributed to the higher tonnage treated, better ore grades, and higher metallurgical recoveries, thanks to the contribution from new ore zones.

**Table 19: Cerro de Pasco Production Cost**

Cerro de Pasco Production Cost	Jan-Mar 2025	Jan-Mar 2024	var %
<b>Production Cost (MM USD)</b>			
Extraction cost <sup>1</sup>	1.6	1.8	-10.7
Treatment Cost	7.0	7.3	-4.7
Others	1.7	1.4	15.9
<b>Total Production Cost (MM USD)</b>	<b>10.3</b>	<b>10.6</b>	<b>-2.9</b>
<b>Unit Cost (USD/MT)</b>			
Extraction Cost	1.9	2.1	-5.3
Treatment Cost	8.8	9.6	-9.0
Others	2.1	1.9	10.7
<b>Sub total Unitary Cost (USD/TM)</b>	<b>12.8</b>	<b>13.6</b>	<b>-5.7</b>

<sup>1</sup> Mine cost include infill drilling costs

Source: Volcan Cia. Minera

The absolute cost decreased by 2.9%, from USD 10.6 MM in 1Q24 to USD 10.3 MM in 1Q25, due to lower mining costs from mining a single pit area in 1Q25, compared to two areas mined in 2024, lower plant supply consumption, and a lower price of key reagents. However, this decrease was partially offset by provisions for permit management expenses.

The unit cost decreased by 5.7%, from USD 13.6/MT in 1Q24 to USD 12.8/MT in 1Q25, due to the higher production and lower costs explained above.

**Table 20: Cerro de Pasco Operating Investments**

Cerro de Pasco Operating Inv. (MM USD)	Jan-Mar 2025	Jan-Mar 2024	var %
Local Exploration	0.0	0.0	
Plants and Tailings Dams	5.6	4.3	31.4
Mine and Infrastructure	0.0	0.1	
Support and Others	0.2	0.0	
<b>Total</b>	<b>5.8</b>	<b>4.3</b>	<b>34.1</b>

Source: Volcan Cia. Minera

Operating investments increased by 34.1%, from USD 4.3 MM in 1Q24 to USD 5.8 MM in 1Q25, primarily due to increased investment in the Ocroyoc tailings facility.

### 3.5 Oxides Plant Operating Results

**Table 21: Oxides Plant Production**

Oxides Plant Production	Jan-Mar 2025	Jan-Mar 2024	var %
Mineral extraction (thousands MT)	236	236	0.0
Mineral treatment (thousands MT)	236	236	0.0
<b>Fines Content</b>			
Silver (millions Oz)	0.6	0.7	-15.5
Gold (Oz)	2,173	1,686	28.9

Source: Volcan Cia. Minera

The volume of processed ore remained consistent with 1Q24, totalling 236 thousand MT.

Silver production decreased by 15.5%, driven by a lower silver grade in the open-pit ore. In contrast, gold production increased by 28.9%, driven by an increase in the gold grade of the treated ore.

**Table 22: Oxides Production Cost**

Oxides Plant Production Cost	Jan-Mar 2025	Jan-Mar 2024	var %
<b>Production Cost (MM USD)</b>			
Extraction cost <sup>1</sup>	1.7	1.4	19.2
Treatment Cost	8.9	8.3	6.8
Others	1.5	1.4	11.1
<b>Total Production Cost (MM USD)</b>	<b>12.1</b>	<b>11.1</b>	<b>8.9</b>
<b>Unit Cost (USD/MT)</b>			
Extraction Cost	7.0	5.9	19.2
Treatment Cost	37.7	35.3	6.8
Others	6.5	5.8	11.1
<b>Sub total Unitary Cost (USD/TM)</b>	<b>51.3</b>	<b>47.1</b>	<b>8.9</b>

<sup>1</sup> Mine cost include infill drilling costs

Source: Volcan Cia. Minera

In 1Q25, the production cost in absolute terms was USD 12.1 MM, 8.9% higher than the USD 11.1 MM in 1Q24, explained by higher consumption of plant supplies (cyanide, peroxide, and sulphuric acid) due to the presence of contaminating material in the processed ore, and the increase in mining costs due to a higher contribution of ore from the pit.

Unit cost increased by 8.9%, from USD 47.1/MT in 1Q24 to USD 51.3/MT in 1Q25, due to the lower volume treated and the higher costs explained above.

**Table 23: Oxides Plant Operating Investments**

<b>Oxides Plant Operating Inv. (MM USD)</b>	<b>Jan-Mar 2025</b>	<b>Jan-Mar 2024</b>	<b>var %</b>
Local Exploration	0.0	0.0	
Mine Development	0.0	0.0	
Plants and Tailings Dams	0.1	0.0	
Mine and Infrastructure	0.1	0.0	163.8
Energy	0.0	0.0	
Support and Others	0.1	0.0	83.6
<b>Total</b>	<b>0.2</b>	<b>0.1</b>	<b>285.2</b>

Source: Volcan Cia. Minera

Operating investments in 1Q25 amounted to USD 0.2 MM, corresponding to the acquisition of equipment for the plant, diamond drilling, and support area equipment.

## 4. Energy

**Table 24: Electric Balance Volcan**

Electric Balance (GWh)	Jan-Jun 2025	Jan-Jun 2024	var %
<b>Energy generation</b>	<b>43.8</b>	<b>126.0</b>	<b>-65.3</b>
Chungar	42.2	42.6	-0.9
Tingo	1.6	1.7	-7.7
Huanchor	0.0	39.4	-100.0
Rucuy	0.0	42.4	-100.0
<b>Energy consumption</b>	<b>218.7</b>	<b>207.6</b>	<b>5.3</b>
<b>Energy purchase</b>	<b>174.9</b>	<b>163.4</b>	<b>7.1</b>

Source: Volcan Cia. Minera

During 1Q25, the total electricity consumption of the Company was 218.7 GWh, with a peak demand of 113 MW. The consumption in 1Q25 was 5.3% higher than in 1Q24, due to the higher demand from pumping systems and the stoppages at San Cristóbal-Carahuacra, Ticlio, and Animón in March 2024.

The ten hydroelectric plants at Chungar together generated 42.2 GWh, a figure similar to the same period last year. Self-generation represented 19% of consolidated consumption, at an average cost of USD 21/MWh, including operation, maintenance, and transmission costs.

To cover its total energy consumption, the Company purchased 174.9 GWh from the National Interconnected Electric System (SEIN) at an average cost of USD 78/MWh.

On the other hand, the Tingo hydroelectric plant generated 1.6 GWh, 8% less than in the same period last year, due to lower availability of water resources. This energy was sold entirely to the Chungar mining operation.

It is worth recalling that, in line with its strategic plan to focus on the mining business and strengthen its balance sheet, the Company finalized the sale of the Rucuy and Huanchor hydroelectric plants during the year 2024.

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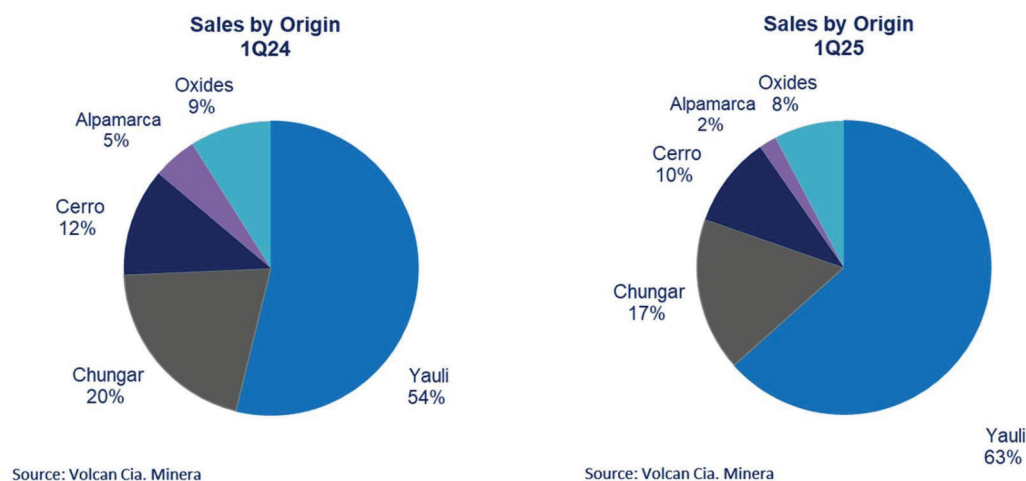
## 5. Final Comments

- Higher production, increased metal prices, and favourable commercial terms in the sale of concentrates drove the Company's financial results in 1Q25, achieving a Net Profit of USD 34.5 MM and an EBITDA of USD 111.7 MM.
- The Company's financial situation shows visible improvement, where the higher EBITDA over the last 12 months, the increase in cash balance, and the reduction in total debt have significantly improved the Net Debt/EBITDA ratio to 1.3 times.
- The Company continues to focus on controlling its costs and improving productivity. Additionally, it is important to mention that a zinc and silver price hedging programme is being implemented to mitigate the impact of price volatility for these metals on our 2025 cash flow, allowing the Company to focus on optimising operations and developing its projects.
- The Romina project is progressing as planned. The construction of the tunnel and ramp, key elements of the project, began in December 2024 and has reached a combined progress of 500 metres. The preliminary works and essential construction facilities for the next stages of the project have been completed, including the setup of the powder magazine, construction of the waste dump, maintenance workshop, administrative offices, sedimentation ponds, electrical substations, work platforms, and vehicle access roads.
- In parallel, upgrading works are underway at the Alpamarca Plant, and the construction of the Industrial Wastewater Treatment Plant (PTARI) is ongoing.
- A significant milestone for the Romina project was the approval of the Detailed Environmental Impact Study (EIA) in March 2025. This environmental certification paves the way for the exploitation permit application, which is expected to be approved by the end of 2025.
- Finally, as part of the Company's new growth strategy, studies and exploration will be carried out in 2025 to develop various high-potential projects, such as Santa Bárbara de Carhuacayán (copper), Palma, Zoraida, Esperanza, Santa, Romina Central, among others.

## Annexes

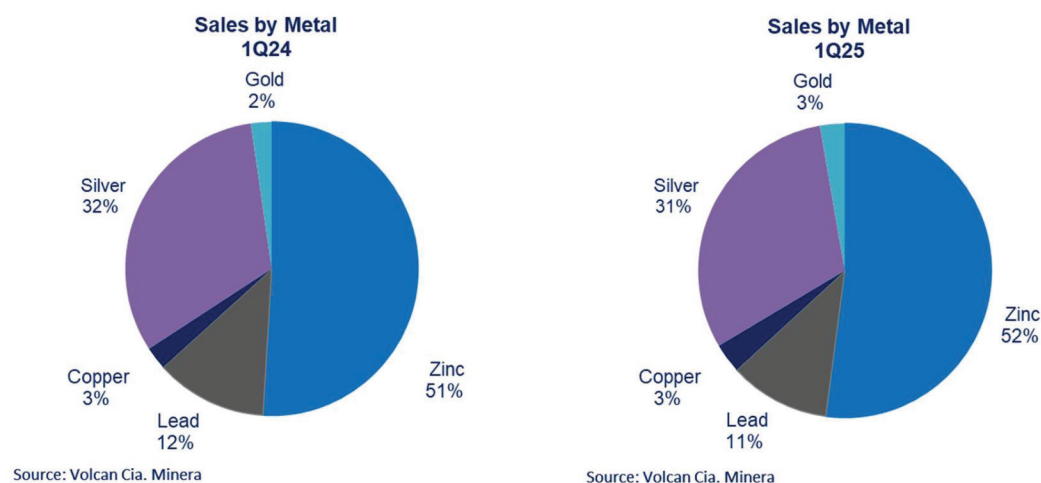
### Annex 1: Sales Details

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



The distribution of sales value by operating unit between 1Q24 and 1Q25 shows an increase in Yauli's share. This is due to Yauli's higher production volume in 1Q25 compared to 1Q24, a period affected by stoppages both at Yauli and Chungar.

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



The distribution of sales value by metal in 1Q24 compared to 1Q25 reflects a similar pattern to the same period last year.

## Annex 2: Average Spot Prices

Spot Prices	Jan-Mar 2025	Jan-Mar 2024	var %
Zinc (USD/MT)	2,838	2,449	15.8
Lead (USD/MT)	1,970	2,076	-5.1
Copper (USD/MT)	9,346	8,444	10.7
Silver (USD/Oz)	31.9	23.4	36.6
Gold (USD/Oz)	2,862	2,073	38.1

Source: London Metal Exchange

## Annex 3: Macroeconomic Indicators

Macroeconomic Indicators	Jan-Mar 2025	Jan-Mar 2024	var %
Exchange Rate (S/ x USD)	3.70	3.76	-1.6
Inflation <sup>1</sup>	1.54	3.12	-50.7

<sup>1</sup> Inflation of the last 12 months

Source: Central Reserve Bank of Peru

## Annex 4: National Production of Major Metals

National Production	Jan-Feb 2025	Jan-Feb 2024	var %
Zinc (FMT)	201,304	214,924	-6.3
Lead (FMT)	44,787	46,120	-2.9
Copper (FMT)	436,605	422,127	3.4
Silver (thousands Oz)	18,320	16,480	11.2
Gold (thousands Oz)	518	588	-11.9

Source: Ministry of Energy and Mines