

Volcan Compañía Minera S.A.A. and Subsidiaries

Management Discussion and Analysis

First Quarter 2024

Principal Results:

Consolidated Volcan	Jan-Mar 2024	Jan-Mar 2023	var %
Sales Prices¹			
Zinc (USD/MT)	2,473	3,117	-20.7
Lead (USD/MT)	2,099	2,143	-2.1
Copper (USD/MT)	7,794	8,900	-12.4
Silver (USD/Oz)	23.2	22.5	3.3
Gold (USD/Oz)	2,069	1,892	9.4
Operating Results			
Mineral treatment ² (thousands MT)	2,122	2,274	-6.7
Zinc Production (thousands FMT)	50.3	56.5	-10.9
Lead Production (thousands FMT)	11.2	13.2	-15.3
Copper Production (thousands FMT)	0.8	1.3	-39.6
Silver Production (millions Oz)	3.1	3.5	-12.3
Gold Production (thousands Oz)	2.9	3.7	-22.0
Unit Cost (USD/TM) ³	48.0	50.4	-4.8
Total Investments (MM USD)	33.8	36.2	-6.7
Financial Results (MM USD)			
Sales before adjustments	180.0	220.7	-18.4
Sales Adjustments	-3.4	0.4	
Settlement of prior period adjustments	-0.9	8.9	
Adjustments for open positions ⁴	-2.6	-8.5	-68.8
Hedging results	0.1	0.0	
Sales after adjustments	176.7	221.1	-20.1
Net profit before exceptionals	-19.2	1.5	
Exceptional adjustments	0.0	-0.7	-100.0
Net profit	-19.2	0.8	
EBITDA⁵	44.8	71.4	-37.3

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 does not 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.

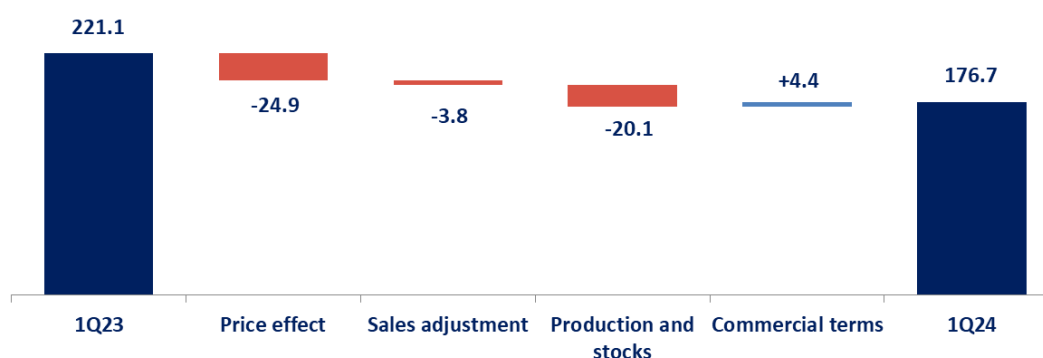
⁵ Does not consider exceptional adjustments

Source: Volcan Cia. Minera

1. Executive Summary

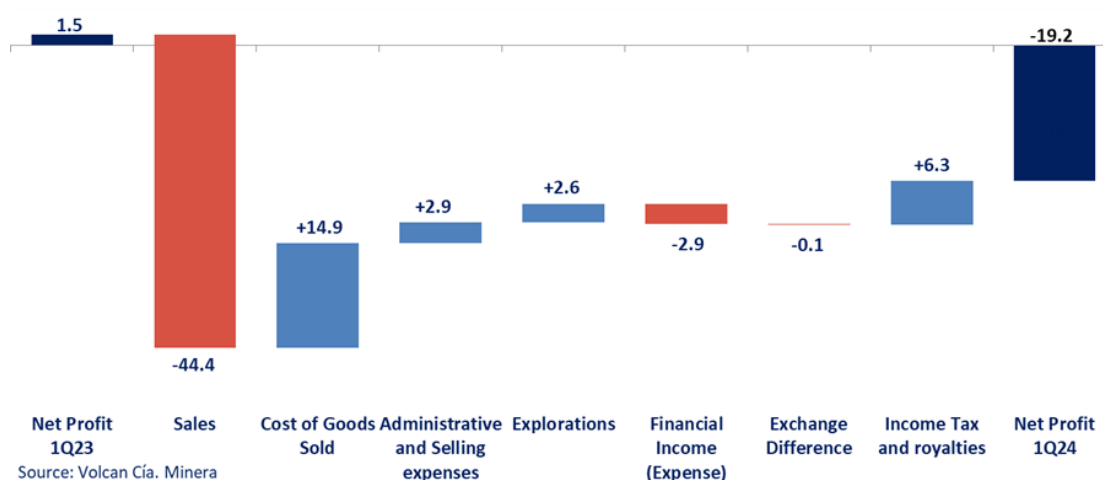
- 1Q24 results were negatively impacted by lower zinc prices and unfortunate and unexpected events that occurred in March that affected production. First, at the Animon mine in Chungar, there was a rock fall accident in which a worker tragically passed away. As safety is the Company's main value, detailed reviews of conditions and procedures were carried out for several days to ensure safe work on all fronts, and production gradually resumed. On the other hand, operations at the San Cristobal, Carahuacra and Ticlio mines in Yauli were paralyzed while the operating 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 19th and operations resumed the following day.
- The impact of these stoppages on March production is estimated at around 7,600 FMT of Zn, 1,600 FMT of Pb and 390 thousands Oz of Ag. As a result, zinc concentrate production decreased by 10.9%, from 56.5 thousands FMT in 1Q23 to 50.3 thousands FMT in 1Q24; lead concentrate production decreased by 15.3%, from 13.2 thousands FMT in 1Q23 to 11.2 thousands FMT in 1Q24; copper concentrate production decreased by 39.6%, from 1.3 thousands FMT in 1Q23 to 0.8 thousands FMT in 1Q24; silver ounce production decreased by 12.3%, from 3.5 MM Oz in 1Q23 to 3.1 MM Oz in 1Q24; and gold ounce production decreased by 22.0%, from 3.7 thousands Oz in 1Q23 to 2.9 thousands Oz in 1Q24.
- Consolidated unit cost decreased by 4.8%, from USD 50.4/MT in 1Q23 to USD 48.0/MT in 1Q24. This was mainly due to cost reduction initiatives and the ongoing pursuit of efficiencies across all operating units.
- Total investments decreased by 6.7%, from USD 36.2 MM in 1Q23 to USD 33.8 MM in 1Q24, as a result of the prioritization of investments in operating units to preserve the Company's liquidity.
- The price of zinc decreased by 20.7%, from USD 3,117/MT in 1Q23 to USD 2,473/MT in 1Q24. The price of lead decreased by 2.1%, from USD 2,143/MT in 1Q23 to USD 2,099/MT in 1Q24, and the price of copper decreased by 12.4%, from USD 8,900/MT to USD 7,794/MT. On the precious metals side, the price of silver increased by 3.3%, from USD 22.5/Oz to USD 23.2/Oz, and the price of gold increased by 9.4%, from USD 1,892/Oz to USD 2,069/Oz.
- The decline in the price of zinc and lower production mainly explained the decrease in sales before adjustments, from USD 220.7 MM in 1Q23 to USD 180.0 MM in 1Q24. This was partially offset by better commercial terms in concentrate sales contracts. Adjustments on sales totaled USD -3.4 MM in 1Q24 compared to USD 0.4 MM in 1Q23, so that sales after adjustments decreased by 20.1%, from USD 221.1 MM to USD 176.7 MM.

Figure 1: 1Q23 vs 1Q24 variations impact on net sales (USD MM)



- Earnings before exceptional items decreased from USD 1.5 MM in 1Q23 to USD -19.8 MM in 1Q24, mainly due to lower sales for the period related to lower zinc prices and lower production, partially offset by lower cost of sales, lower operating expenses and lower tax and royalty payments.

Figure 2: 1Q23 vs 1Q24 variations impact on net profit before exceptionals (USD MM)



- In the analysis period, no exceptional adjustments were recorded, so that net income was USD -19.2 MM in 1Q24 versus USD 1.5 MM in 1Q23.
- EBITDA decreased 37.3%, from USD 71.4 MM in 1Q23 to USD 44.8 MM in 1Q24, mainly due to lower sales due to the lower zinc price and lower production due to the fatal accident at Animon and shutdown of operations at San Cristobal, Carahuacra and Ticlio.

2. Consolidated Results

2.1 Production

Table 1: Consolidated Production

Consolidated Production	Jan-Mar 2024	Jan-Mar 2023	var %
Mineral extraction (thousands MT)	2,154	2,149	0.2
Polymetallic ore	1,918	1,911	0.4
Oxides ore	236	238	-1.1
Mineral treatment (thousands MT)	2,122	2,274	-6.7
Concentrator Plants	1,887	2,035	-7.3
Silver Oxides Plant	236	238	-1.1
Fine Content			
Zinc (thousands FMT)	50.3	56.5	-10.9
Lead (thousands FMT)	11.2	13.2	-15.3
Copper (thousands FMT)	0.8	1.3	-39.6
Silver (millions Oz)	3.1	3.5	-12.3
Gold (thousands Oz)	2.9	3.7	-22.0

Source: Volcan Cia. Minera

1Q24 production was affected by the unfortunate fatal accident at the Animon mine in Chungar, which paralyzed its operations to carry out a thorough assessment of the conditions and procedures, and by the suspension of operations at the San Cristobal, Carahuacra, and Ticlio mines in Yauli, while the operating 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 19th, and operations resumed the following day.

Ore extraction volume increased by 0.2%, from 2,149 thousands MT in 1Q23 to 2,154 thousands MT in 1Q24, due to the higher volume extracted at Cerro de Pasco. Treatment volume decreased by 6.7%, from 2,274 thousands MT in 1Q23 to 2,122 thousands MT in 1Q24, as a result of the lower ore treated in Yauli, Chungar, partially offset by Alpamarca and Cerro.

Zinc concentrate production decreased by 10.9%, from 56.5 thousands MT in 1Q23 to 50.3 thousands MT in 1Q24; lead concentrate production decreased by 15.3%, from 13.2 thousands MT in 1Q23 to 11.2 thousands MT in 1Q24; copper concentrate production decreased by 39.6%, from 1.3 thousands MT in 1Q23 to 0.8 thousands MT in 1Q24; silver ounces production decreased by 12.3%, from 3.5 MM Oz in 1Q23 to 3.1 MM Oz in 1Q24; and finally gold ounces production decreased by 22.0%, from 3.7 thousands Oz in 1Q23 to 2.9 thousands Oz in 1Q24.

2.2 Production Cost

Table 2: Consolidated Production Cost

Consolidated Production Cost	Jan-Mar 2024	Jan-Mar 2023	var %
Production Cost¹ (MM USD)			
Mine Cost	63.4	67.8	-6.5
Plant and Other Cost	26.0	28.6	-9.1
Others	17.2	17.9	-3.5
Sub total Production Cost (MM USD)	106.6	114.3	-6.7
Infill drilling cost	2.2	2.3	-7.9
Total Production Cost (MM USD)	108.8	116.6	-6.7
Unit Cost (USD/MT)			
Mine Cost ²	27.6	30.0	-7.9
Plant and Other Cost	12.2	12.6	-2.6
Others	8.1	7.9	3.4
Sub total Unitary Cost (USD/MT)	48.0	50.4	-4.8
Infill drilling cost	0.9	1.0	-9.2
Total Unitary Cost (USD/MT)	49.0	51.5	-4.9

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

² Mine unit cost adjusted using treated tonnage

Source: Volcan Cia. Minera

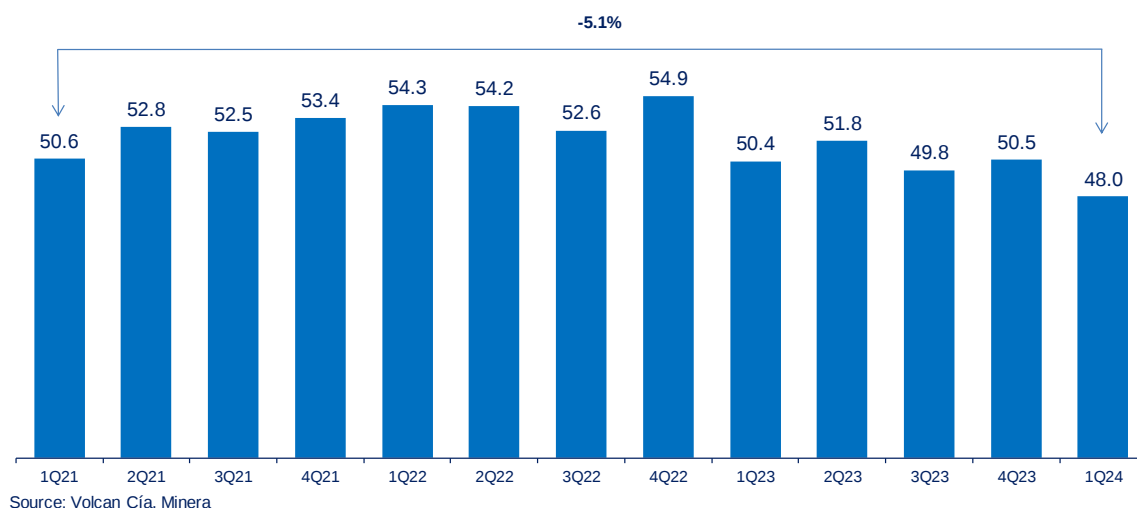
Absolute production cost without considering infill drilling decreased by 6.7%, from USD 114.3 MM in 1Q23 to USD 106.6 MM in 1Q24, mainly due to the suspension of operations at San Cristobal, Carahuacra and Ticlio, and the implementation of improvement initiatives in the operating units. Similarly, the unit cost decreased by 4.8%, from USD 50.4/MT in 1Q23 to USD 48.0/MT in 1Q24.

Work is currently underway to propose and implement initiatives that increase efficiency in the consumption of supplies in all mining cycle activities, mechanical and electrical maintenance, the use of reagents in the plant, energy efficiency, changes in mining methods, among others.

The Company continues to make significant efforts to control and reduce production costs and expenses at all levels. New cost reduction initiatives are being evaluated and implemented in both Lima and all operations, but always maintaining the safety of workers as the Company's main value.

The following graph shows the evolution of the unit cost over the last 3 years.

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



2.3 Investments

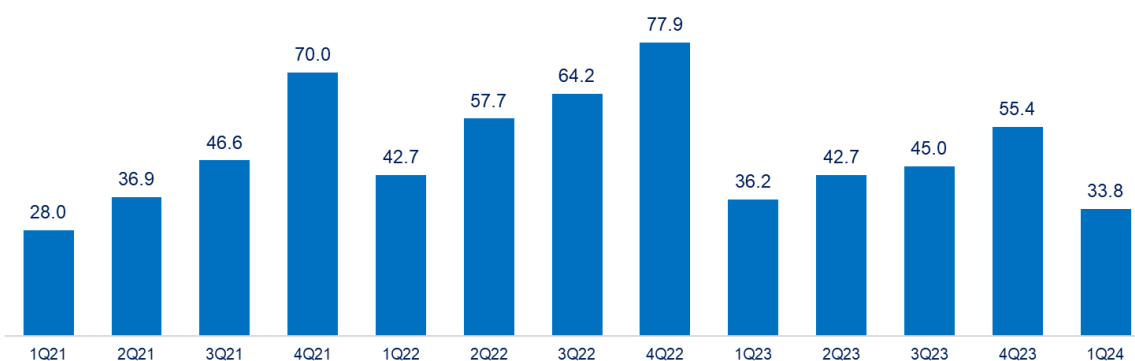
Investment in operating units decreased by 0.7%, from USD 33.4 MM in 1Q23 to USD 33.1 MM in 1Q24. Growth investments related to the Romina project totaled USD 0.7 MM in 1Q24, and as a result, total investments decreased by 6.7%, from USD 36.2 MM in 1Q23 to USD 33.8 MM in 1Q24.

Table 3: Consolidated Investment

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

Source: Volcan Cía. Minera

Figure 4: Evolution of Consolidated Investment



Source: Volcan Cia. Minera

2.4 Income Statement

Table 4: Income Statement

Income Statement (MM USD)	Jan-Mar 2024	Jan-Mar 2023	var %
Sales before adjustments	180.0	220.7	-18.4
Sett. of prior periods adjustments	-0.9	8.9	
Adj. open positions	-2.6	-8.5	-68.8
Hedging	0.1	0.0	
Sales after adjustments	176.7	221.1	-20.1
Cost of Goods Sold	-159.4	-174.3	-8.6
Gross Profit	17.3	46.8	-63.0
Gross Margin	10%	21%	-11 pp
Administrative Expenses	-9.5	-8.7	9.0
Exploration Expenses	-2.4	-5.0	-51.9
Sales Expenses	-7.1	-7.4	-4.6
Other income (Expenses) ¹	-0.3	-3.7	-90.9
Operating Profit	-2.0	22.0	
Operating Margin	-1%	10%	-11 pp
Financial income (expense)	-18.0	-15.1	19.3
Exchange difference (net)	0.0	0.1	-75.0
Royalties	-2.2	-3.3	-31.7
Income Tax	3.0	-2.2	
Net Profit before Exceptionals	-19.2	1.5	
Net Margin	-11%	1%	-12 pp
Exceptional adjustments ²	0.0	-0.7	-100.0
Net Profit	-19.2	0.8	
Net Margin	-11%	0%	-11 pp
EBITDA³	44.8	71.4	-37.3
EBITDA Margin	25%	32%	-7 pp

¹ Includes sales and cost of sales of the energy division² Long term assets deterioration in Cerro de Pasco³ Does not consider exceptional adjustments

Source: Volcan Cia. Minera

- **Sales Analysis**

Table 5: Average Sales Prices

Sales Prices	Jan-Mar 2024	Jan-Mar 2023	var %
Zinc (USD/MT)	2,473	3,117	-20.7
Lead (USD/MT)	2,099	2,143	-2.1
Copper (USD/MT)	7,794	8,900	-12.4
Silver (USD/Oz)	23.2	22.5	3.3
Gold (USD/Oz)	2,069	1,892	9.4

Source: Volcan Cia. Minera

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

Table 6: Fine Contents Sales Volumes

Fines Sales	Jan-Mar 2024	Jan-Mar 2023	var %
Zinc (thousands FMT)	52.5	57.3	-8.3
Lead (thousands FMT)	11.8	12.9	-9.1
Copper (thousands FMT)	0.9	1.3	-27.6
Silver (millions Oz)	3.1	3.4	-10.1
Gold (thousands Oz)	2.8	3.7	-25.3

Source: Volcan Cia. Minera

Table 7: Sales in USD

Sales (millions USD)	Jan-Mar 2024	Jan-Mar 2023	var %
Zinc	91.7	123.0	-25.5
Lead	22.3	24.0	-7.3
Copper	4.5	6.4	-28.8
Silver	57.4	61.8	-7.1
Gold	4.1	5.4	-23.6
Sales before adjustments	180.0	220.7	-18.4
Adjustments ¹	-3.4	0.4	
Sett. of prior period adjust.	-0.9	8.9	
Adjust. for open positions	-2.6	-8.5	-68.8
Hedging results	0.1	0.0	
Sales after adjustments	176.7	221.1	-20.1

Source: Volcan Cia. Minera

The decrease in zinc prices and lower production explain the 18.4% decline in sales before adjustments, from USD 220.7 MM in 1Q23 to USD 180.0 MM in 1Q24. Sales adjustments totaled USD -3.4 MM in 1Q24 compared to USD 0.4 MM in 1Q23. In 1Q24, sales adjustments were comprised of final settlements of USD -0.9 MM, provisions related to open shipments/deliveries of USD -2.6 MM, and positive results from silver hedges of USD 0.1 MM. Consequently, sales after adjustments decreased 20.1%, from USD 221.1 MM in 1Q23 to USD 176.7 MM in 1Q24.

- **Cost of Goods Sold**

Table 8: Cost of Goods Sold

Cost of Goods Sold (millions USD)	Jan-Mar 2024	Jan-Mar 2023	var %
Volcan Production	159.2	173.2	-8.1
Volcan Production Cost	108.8	116.6	-6.7
D&A from Production Cost	44.9	48.4	-7.3
Other expenses	9.2	6.4	43.5
Inventories variation	-3.6	1.7	
Workers Profit Sharing	0.2	1.1	-84.1
Total	159.4	174.3	-8.6

Source: Volcan Cia. Minera

Total cost of sales decreased 8.6%, from USD 174.3 MM in 1Q23 to USD 159.4 MM in 1Q24, mainly due to lower absolute production costs due to plant shutdowns in March, lower depreciation and amortization, and lower other expenses related to personnel exits and non-operating units.

- **Gross Margin and Gross Profit**

Gross margin of the Company decreased from 21% in 1Q23 to 10% in 1Q24, mainly explained by lower sales due to lower zinc prices and lower volume sold due to lower production from the suspension of operations during March at Animon, San Cristobal, Carahuacra and Ticlio. Gross profit decreased 57.3%, from USD 46.8 MM in 1Q23 to USD 17.3 MM in 1Q24.

- **Administrative Expenses**

Administrative expenses totaled USD 9.5 MM in 1Q24, 9.0% above the USD 8.7 MM in 1Q23, mainly due to higher personnel expenses associated with severance payments for labor terminations.

- **Exploration Expenses**

Exploration expenses decreased 51.9%, from USD 5.0 MM in 1Q23 to USD 2.4 MM in 1Q24, in line with the adjusted plan for greenfield and brownfield exploration in a scenario of lower liquidity.

- **Sales Expenses**

Sales expenses decreased by 4.6% compared to the same period of the previous year, reaching a total of USD 7.1 MM in 1Q24 versus USD 7.4 MM in 1Q23, mainly due to lower sales volume.

- **Other Income and Expenses**

In 1Q24, net other income/expenses amounted to USD -0.3 MM, compared to USD -3.7 MM in 1Q23. This was mainly due to lower expenses for closure opportunity studies at Cerro de Pasco and non-operating tailings dam.

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

Net financial expenses increased 19.3%, from USD 15.1 MM in 1Q23 to USD 18.0 MM in 1Q24, due to an increase in the interest rate.

On the other hand, the effect of the change in the exchange rate went from USD 0.10 MM in 1Q23 to USD 0.03 MM in 1Q24.

- **Royalties and Income Tax**

Royalties decreased from USD -3.3 MM in 1Q23 to USD -2.2 MM in 1Q24, as did income tax, which went from USD -2.2 MM in 1Q23 to USD 3.0 MM in 1Q24 due to lower revenue and profits.

- **Net profit and EBITDA**

The net income before exceptionals decreased from USD 1.5 MM in 1Q23 to USD -19.2 MM in 1Q24, mainly due to lower sales during the period. There were no exceptional adjustments for the first quarter of the year, compared to USD -0.7 MM during the same period of the previous year. Therefore, net income after exceptionals was USD -19.2 MM in 1Q24 versus USD 0.8 MM in 1Q23.

EBITDA decreased from USD 71.4 MM in 1Q23 to USD 44.8 MM in 1Q24, mainly explained by lower sales, partially offset by lower cost of goods sold and lower operating expenses. The estimated impact on EBITDA due to the stoppage of operations at San Cristobal, Carahuacra, Ticlio and Animon during March 2024 is estimated to be between USD 15 MM and USD 20 MM.

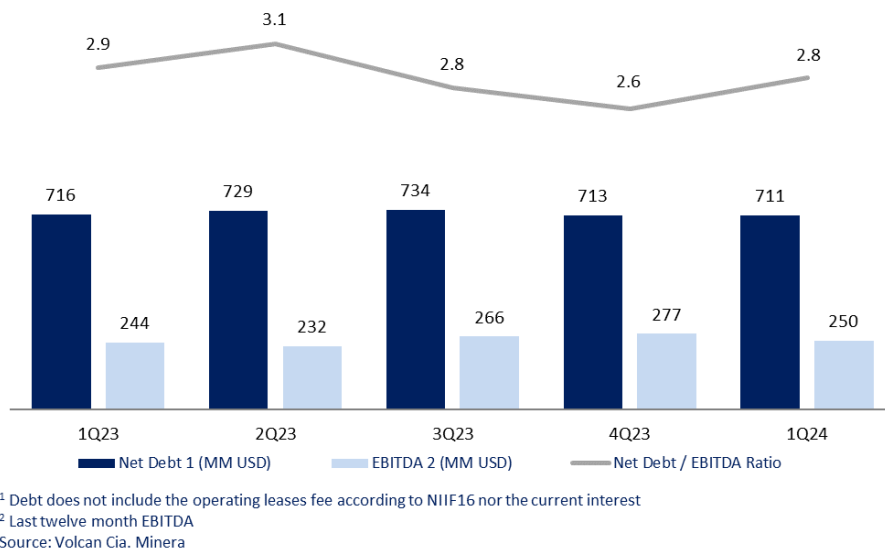
2.5 Liquidity and Creditworthiness

In 1Q24, cash generated by mining operations after operating investments was positive and totaled USD 0.02 MM. Mining growth investments and other investments totaled USD -2.7 MM, while net cash flow was positive by USD 3.3 MM due to the inflow of USD 25.0 MM during 1Q24 corresponding to the prepaid commercial advance agreement signed in December 2023 with a major customer.

As a result, cash flow for 1Q24 was positive USD 0.6 MM and the cash balance at the end of 1Q24 amounted to USD 62.2 MM.

The Net Debt/EBITDA ratio as of March 31, 2024, was 2.8 times, higher than in 4Q23, mainly due to lower EBITDA in March 2024, as a result of the stoppage of San Cristobal, Carahuacra, Ticlio and Animon, which caused a decrease in EBITDA over the last 12 months.

Figure 5: Net Debt / EBITDA Ratio Evolution



3. Results by Operating Unit

3.1 Yauli Unit Operating Results

Table 9: Yauli Production

Yauli Production	Jan-Mar 2024	Jan-Mar 2023	var %
Mineral extraction (thousands MT)	682	705	-3.3
Mineral treatment (thousands MT)	636	713	-10.8
Fines Content			
Zinc (thousands FMT)	34.3	37.2	-7.7
Lead (thousands FMT)	5.1	5.1	0.7
Copper (thousands FMT)	0.3	0.6	-46.0
Silver (millions Oz)	1.4	1.5	0.0
Gold (thousands Oz)	0.8	1.4	-40.0

Source: Volcan Cia. Minera

In 1Q24, ore extraction at the Yauli unit decreased by 3.3% and the processing volume at the Victoria plant showed a 10.8% reduction compared to 1Q23, due to the temporary suspension of operations at the San Cristobal, Carahuacra and Ticlio mining units, while the operating permit for the Victoria plant's Rumichaca tailings dam was being adjusted. The competent

authority authorized the operation of this tailings dam on April 19th and operations resumed the following day. The stoppage of the Victoria plant was partially compensated by increased processing at the Andaychagua plant thanks to optimization of the grinding process. Zinc production decreased by 7.7%; lead increased by 0.7%; copper decreased by 46.0%; silver remained similar; and gold decreased by 40.0%.

Table 10: Yauli Production Cost

Yauli Production Cost	Jan-Mar 2024	Jan-Mar 2023	var %
Production Cost¹ (MM USD)			
Extraction Cost	43.2	42.3	2.0
Treatment Cost	5.9	7.7	-23.4
Others	9.3	9.1	1.9
Sub total Production Cost (MM USD)	58.3	59.1	-1.3
Infill drilling cost	1.5	1.9	-18.8
Total Production Cost (MM USD)	59.8	61.0	-1.9
Unit Cost (USD/MT)			
Extraction Cost	63.3	60.0	5.5
Treatment Cost	9.2	10.7	-14.1
Others	14.6	12.7	14.3
Sub total Unitary Cost (USD/MT)	87.1	83.5	4.3
Infill drilling cost	2.3	2.7	-16.0
Total Unitary Cost (USD/MT)	89.4	86.2	3.7

Source: Volcan Cia. Minera

The absolute cost of production, not considering infill drilling, went from USD 59.1 MM in 1Q23 to USD 58.3 MM in 1Q24. While the unit cost increased by 4.3% over the same period of the previous year, mainly due to the lower volume extracted and treated due to the suspension of San Cristobal, Carahuacra and Ticlio.

In 1Q24, infill drilling costs totaled USD 1.5 MM drilling is used to increase the certainty of reserves and reduce risk in mining plans.

Table 11: Yauli Operating Investment

Yauli Operating Investment (MM USD)	Jan-Mar 2024	Jan-Mar 2023	var %
Local Exploration ¹	1.5	2.2	-31.8
Mine Development	13.8	14.7	-6.1
Plants and Tailings Dams	2.7	3.2	-15.9
Mine and Infrastructure	3.8	5.4	-30.8
Electrical Infrastructure	0.1	0.6	-78.8
Support and Others	0.7	0.2	236.2
Total	22.6	26.3	-14.3

Source: Volcan Cia. Minera

In 1Q24, operating investments in Yauli totaled USD 22.6 MM, 14.3% lower than the USD 26.3 MM in 1Q23, mainly due to lower investments in development, cost optimization in tailings and energy-related constructions, partially offset by higher investment in support activities.

3.2 Chungar Unit Operating Results

Table 12: Chungar Production

Chungar Production	Jan-Mar 2024	Jan-Mar 2023	var %
Mineral extraction (thousands MT)	243	320	-24.1
Mineral treatment (thousands MT)	230	325	-29.1
Fines Content			
Zinc (thousands FMT)	10.1	12.8	-20.9
Lead (thousands FMT)	3.3	5.5	-40.6
Copper (thousands FMT)	0.1	0.3	-59.3
Silver (millions Oz)	0.3	0.6	-43.2
Gold (thousands Oz)	0.2	0.3	-12.3

Source: Volcan Cia. Minera

In 1Q24, ore mined at Chungar decreased by 24.1% and processed ore decreased by 29.1%, compared to 1Q23, due to the shutdown of the Animon mine because of the unfortunate fatal accident that occurred on March 13th, 2024, and the shutdown of the Islay mine since July 2023. Production of zinc, lead, copper, silver, and gold decreased by 20.9%, 40.6%, 59.3%, 43.2% and 12.3%, respectively, as a result of the lower volume processed and lower grades of lead, copper and silver.

Table 13: Chungar Production Cost

Chungar Production Cost	Jan-Mar 2024	Jan-Mar 2023	var %
Production Cost (MM USD)			
Extraction Cost	15.1	19.9	-23.7
Treatment Cost	3.0	3.8	-22.7
Others	3.9	4.5	-12.7
Sub total Production Cost (MM USD)	22.0	28.1	-21.8
Infill drilling cost	0.6	0.4	38.6
Total Production Cost (MM USD)	22.6	28.6	-20.9
Unit Cost (USD/MT)			
Extraction Cost	62.4	62.1	0.5
Treatment Cost	12.8	11.8	9.1
Others	17.0	13.8	23.1
Sub total Unitary Cost (USD/MT)	92.1	87.6	5.2
Infill drilling cost	2.5	1.4	82.6
Total Unitary Cost (USD/MT)	94.7	89.0	6.4

Source: Volcan Cia. Minera

Production cost, excluding infill drilling, decreased in absolute terms by 21.8%, from USD 28.1 MM in 1Q23 to USD 22.0 MM in 1Q24, mainly due to the suspension of operations at the Islay mine since July 2023 and the suspension of operations at the Animon mine in March 2024. The unit cost increased by 5.2%, from USD 87.6/MT in 1Q23 to USD 92.1/MT in 1Q24, due to the effect on the fixed cost of the lower volume extracted and processed.

Table 14: Chungar Operating Investment

Chungar Operating Investment (MM USD)	Jan-Mar 2024	Jan-Mar 2023	var %
Local Exploration	0.6	0.5	16.0
Mine Development	3.8	3.7	2.3
Plants and Tailings Dams	0.0	0.2	-100.0
Mine and Infrastructure	1.5	1.6	-3.6
Electrical Infrastructure	0.0	0.1	-100.0
Support and Others	0.2	0.1	130.3
Total	6.0	6.1	-0.6

Source: Volcan Cia. Minera

Operating investments in Chungar decreased by 0.6%, from USD 6.1 MM in 1Q23 to USD 6.0 MM in 1Q24, mainly due to lower investments in plants and tailings, mine and infrastructure, and electrical infrastructure, which were partially offset by higher investment in local exploration, development work, and support activities.

3.3 Alparamarca Unit Operating Results

Table 15: Alparamarca Production

Alparamarca Production	Jan-Mar 2024	Jan-Mar 2023	var %
Mineral extraction (thousands MT)	120	132	-9.8
Mineral treatment (thousands MT)	259	244	6.1
Fines Content			
Zinc (thousands FMT)	1.2	1.8	-29.7
Lead (thousands FMT)	1.2	0.7	66.4
Copper (thousands FMT)	0.1	0.1	-25.0
Silver (millions Oz)	0.2	0.2	-26.5

Source: Volcan Cia. Minera

In 1Q24, ore mined at Alparamarca decreased by 9.8% compared to the same quarter of the previous year, while the processing volume increased by 6.1%, from 244 thousands MT in 1Q23 to 259 thousands MT in 1Q24.

Production of zinc, copper, and silver fines decreased by 29.7%, 25.0%, and 26.5%, respectively, in Q1 2024 compared to Q1 2023. This was due to lower grades of zinc, copper, and silver in the processed ore. Lead concentrate production increased by 66.4% due to an improvement in the grade and recovery of this metal.

Table 16: Alpacamarca Production Cost

Alpacamarca Production Cost	Jan-Mar 2024	Jan-Mar 2023	var %
Production Cost (MM USD)			
Extraction Cost	1.9	1.5	24.0
Treatment Cost	1.5	1.6	-7.8
Others	1.3	1.4	-9.2
Total Production Cost (MM USD)	4.6	4.5	2.6
Unit Cost (USD/MT)			
Extraction Cost ¹	7.3	6.3	16.9
Treatment Cost	5.8	6.6	-13.1
Others	4.8	5.7	-14.4
Total Unitary Cost (USD/MT)	17.9	18.6	-3.4

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

The absolute cost of production increased by 2.6%, from USD 4.5 MM in 1Q23 to USD 4.6 MM due to higher tonnage of ore processed. The unit cost decreased by 3.4%, from USD 18.6/MT in 1Q23 to USD 17.9/MT in 1Q24.

Table 17: Alpacamarca Operating Investment

Alpacamarca Operating Inv. (MM USD)	Jan-Mar 2024	Jan-Mar 2023	var %
Local Exploration	0.0	0.0	
Plants and Tailings Dams	0.0	0.0	-100.0
Mine and Infrastructure	0.1	0.2	-29.7
Energy	0.0	0.0	
Support and Others	0.0	0.0	
Total	0.1	0.2	-30.8

Source: Volcan Cia. Minera

Operating investments decreased by 30.8%, from USD 0.2 MM in 1Q23 to USD 0.1 MM in 1Q24, due to lower investment in mine and infrastructure.

3.4 Cerro de Pasco Unit Operating Results

Table 18: Cerro de Pasco Production

Cerro de Pasco Production	Jan-Mar 2024	Jan-Mar 2023	var %
Mineral extraction (thousands MT)	874	754	15.9
Mineral treatment (thousands MT)	762	754	1.1
Fines Content			
Zinc (thousands FMT)	4.7	4.8	-2.4
Lead (thousands FMT)	1.6	1.9	-15.1
Copper (thousands FMT)	0.2	0.2	4.0
Silver (millions Oz)	0.4	0.4	-2.8

Source: Volcan Cia. Minera

Ore volume processed from stockpiles at Cerro de Pasco increased by 1.1% from 754 thousands MT in 1Q23 to 762 thousands MT in 1Q24.

However, the production of zinc, lead and silver fines in 1Q24 decreased by 2.4%, 15.1% and 2.8%, respectively, compared to 1Q23, due to lower metallurgical recoveries in the case of zinc and lead; in the case of silver due to a decrease in the grade of the processed ore. In contrast, copper production increased by 4.0% compared to 1Q23, due to a better grade and recovery of this metal.

Table 19: Cerro de Pasco Production Cost

Cerro de Pasco Production Cost	Jan-Mar 2024	Jan-Mar 2023	var %
Production Cost (MM USD)			
Extraction Cost	1.8	2.6	-29.8
Treatment Cost	7.3	6.4	15.3
Others	1.4	1.5	-5.8
Total Production Cost (MM USD)	10.6	10.5	1.2
Unit Cost (USD/MT)			
Extraction Cost	2.1	3.4	-39.5
Treatment Cost	9.6	8.4	14.1
Others	1.9	2.0	-6.8
Total Unitary Cost (USD/MT)	13.6	13.9	-2.0

Source: Volcan Cia. Minera

Absolute cost increased 1.2%, USD 10.6 MM in 1Q24 versus USD 10.5 MM in 1Q23, due to an increase in the volume of ore extracted and processed. The unit cost decreased 2%, from USD 13.9/MT in 1Q23 to USD 13.6/MT in 1Q24.

Table 20: Cerro de Pasco Operating Investment

Cerro de Pasco Operating Inv. (MM USD)	Jan-Mar 2024	Jan-Mar 2023	var %
Local Exploration	0.0	0.0	
Plants and Tailings Dams	4.3	0.7	536.3
Mine and Infrastructure	0.1	0.1	8.8
Support and Others	0.0	0.0	
Total	4.3	0.7	492.0

Source: Volcan Cia. Minera

Operating investments increased 492.0%, from USD 0.7 MM in 1Q23 to USD 4.3 MM in 1Q24, due to the greater investment in Ocroyoc tailings dam within the detailed period.

3.5 Oxides Plant Operating Results

Table 21: Oxides Plant Production

Oxides Plant Production	Jan-Mar 2024	Jan-Mar 2023	var %
Mineral extraction (thousands MT)	236	238	-1.1
Mineral treatment (thousands MT)	236	238	-1.1
Fines Content			
Silver (millions Oz)	0.7	0.7	2.3
Gold (Oz)	1,686	2,069	-18.5

Source: Volcan Cia. Minera

The volume processed at the Oxides Plant decreased by 1.1%, going from 238 thousands MT in 1Q23 to 236 thousands MT in 1Q24. Silver production increased in 2.3%, while gold production decreased by 18.5% due to lower grades of the processed ore.

Table 22: Oxides Plant Production Cost

Oxides Plant Production Cost	Jan-Mar 2024	Jan-Mar 2023	var %
Production Cost (MM USD)			
Extraction Cost	1.4	1.6	-11.0
Treatment Cost	8.3	9.1	-8.7
Others	1.4	1.4	-0.7
Total Production Cost (MM USD)	11.1	12.1	-8.0
Unit Cost (USD/MT)			
Extraction Cost	5.9	6.6	-10.0
Treatment Cost	35.3	38.2	-7.6
Others	5.8	5.8	0.4
Total Unitary Cost (USD/MT)	47.1	50.6	-7.0

Source: Volcan Cia. Minera

In 1Q24, the absolute cost of production was USD 11.1 MM, down 8.0% from USD 12.1 MM in 1Q23. This decrease was due to lower reagent consumption as a result of lower contaminants in the processed ore. The unit cost decreased by 7.0%, from USD 50.6/MT in 1Q23 to USD 47.1/MT in 1Q24.

Table 23: Oxides Plant Operating Investment

Oxides Plant Operating Inv. (MM USD)	Jan-Mar 2024	Jan-Mar 2023	var %
Plants and Tailings Dams	0.0	0.0	-100.0
Mine and Infrastructure	0.0	0.0	-14.6
Support and Others	0.0	0.0	
Total	0.1	0.1	-9.7

Source: Volcan Cia. Minera

Operating investments during 1Q24 totaled USD 0.06 MM, down 9.7% from USD 0.07 MM in 1Q23, due to a reduction in investments in plants and infrastructure.

4. Energy

Table 24: Volcan Electric Balance

Electric Balance (GWh)	Jan-Mar 2024	Jan-Mar 2023	var %
Energy generation	126.0	124.4	1.3
Chungar	42.6	40.0	6.4
Tingo	1.7	1.6	6.5
Huanchor	39.4	40.3	-2.3
Rucuy	42.4	42.5	-0.3
Energy consumption	207.6	208.1	-0.2
Energy purchase	163.4	166.5	-1.9

Source: Volcan Cia. Minera

During 1Q24, the Company's total energy consumption was 207.6 GWh, with a maximum demand of 108.0 MW.

The 10 hydroelectric plants that belong to the Chungar Unit generated a total of 42.6 GWh, 6.4% more than in the same period of the previous year, due to increased water resources. Self-generation accounted 20% of the Company's total consolidated consumption, at an average cost of USD 17.5/MWh, including operation, maintenance, and transmission costs.

The Tingo hydroelectric plant produced 1.7 GWh of energy. All of this power was sold to the Chungar mining operation.

Volcan purchased 163.4 GWh from the national central grid system (the SEIN) in order to meet its total consumption demand, 1.9% less as compared to the same period of the previous year, as a result of higher self-generation at Chungar and the stoppage of the Victoria Plant since March 2024.

During 1Q24, the Huanchor hydroelectric plant produced 39.4 GWh, 2.4% less than in the same period of the previous year, due to the unavailability of the Plant for scheduled maintenance on February 29 and March 1.

The Rucuy hydroelectric plant produced 42.4 GWh in 1Q24, like the same period of the previous year, energy that was destined to fulfill the commitments established in its renewable energy (RER) contract.

5. Final Comments

- The Company's results for Q1 2024 were impacted by lower zinc prices, the unfortunate fatal accident at the Animon mine in March, and the temporary suspension of the San Cristobal, Carahuacra, and Ticlio mines in Yauli while the Rumichaca tailings dam permit for the Victoria plant was being adjusted. The competent authority authorized the operation of this tailings dam on April 19, and operations resumed the following day. Operations are currently making efforts to minimize the impact of these suspensions on annual production.
- The outlook for base metal prices, mainly zinc, continues to be dominated by China's performance and a weakened real estate sector in recent years. However, there has been a significant increase in zinc prices in recent weeks, after China stated a GDP growth target of 5% for this year. Regarding precious metal, primarily, there are three factors that could impact the price of gold in the coming months: Interest rate cuts by major central banks around the world, especially in the United States, global geopolitical instability and gold purchases by central banks as a reserve asset.
- The Company continues to evaluate alternatives to secure financing for the Romina project and meet its financial obligations. Conversations for the refinancing of the syndicated loan and international bonds are on track with the support of advisors hired for this purpose (BofA Securities, Inc., Moelis & Company LLC and Shearman & Sterling LLP). Likewise, the Company continues to evaluate the divestment of non-strategic assets as part of its plan to strengthen its balance sheet.

It is important to note that an agreement has been reached with the syndicate banks to defer the payment of the first amortization installment of the USD 400 MM loan for two months. This installment amounts to USD 34.3 MM and was originally due on April 25th.

Chancay Port Project:

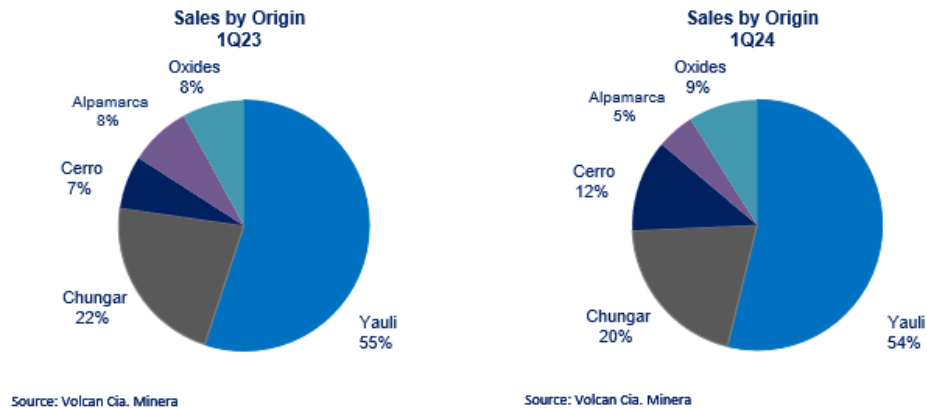
- Cosco Shipping Ports Chancay Perú S.A. (CSPCP), in which Volcan has a 40% stake and Cosco Shipping Ports Ltd. has a 60% stake, continues to make progress on the construction of the first stage of the Chancay Multipurpose Port Terminal.
- The Shareholders' Meeting held on August 24, 2023, approved the segregation of the equity block comprising 40% of shares owned by Volcan in Cosco Shipping Ports Chancay Peru S.A. The incorporation of Inversiones Portuarias Chancay S.A.A., company who receives the segregated equity block, was recorded under Entry No. 15416224 of the Registry Office of Lima of the Superintendency of Public Records on October 03, 2023. The effective date of the spin-off was March 4th, 2024.

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- Construction in the Operational Zone (ZOP) and Access Complex (CI) is showing significant progress on its various work fronts. In the case of dredging, progress to date is: basin and channel for dock 1 (52.7%), basin and channel for docks 2, 3 and 4 (93.0%) and dredging of groynes (100%).
 - Geotube installation for beach protection is 100.0% completed at El Puerto beach, and 100.0% completed at Chorrillos beach.
 - With respect to the primary breakwater, the current length of the breakwater is 2,630.00m (100%), up to elevation +4.8m. Likewise, 16,863 accropodes (71.4%) have been installed out of a total of 18,265.00 units manufactured. In parallel, the contractor continues with the construction of the crown wall with 79.5% progress, which facilitates the total consolidation of the section according to design and subsequently the installation of accropodes.
 - The secondary breakwater was repaired to 100% after the abnormal wave action in April, and the causes are being evaluated so that the necessary corrective measures can be taken within a reasonable period.
 - As for the construction of buildings, the contractor is working on 6 out of 9 buildings in the access complex area that have 78.02% progress. In the Port Operational Zone, the contractor is currently working on 9 out of 18 buildings and has a progress percentage of 44.05%.
 - Regarding the Tunnel and Access Roads, there is a progress of 72.6%. The progress of the tunnel through the entrance portal on the access complex side is 399.80 ml. In the tunnel exit portal on the Port Operational Zone side, the progress is 594.04 ml in the Left Gallery and 543.0 ml in the Right Gallery.

Annexes

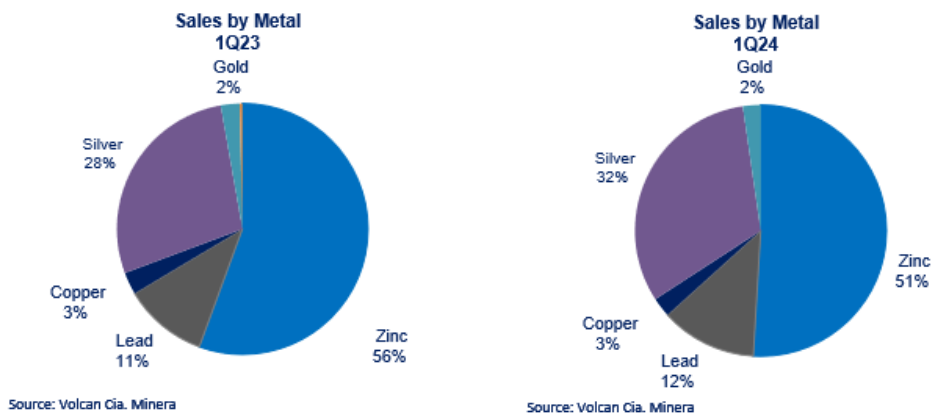
Annex 1: Sales Breakdown

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



The distribution of sales value by operating unit in 1Q24 compared to 1Q23 reflects an increase in the share of Cerro and Oxides, and a decrease in the share of Yauli, Chungar, and Alpamarca.

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



Sales value distribution by metal in 1Q24 compared to 1Q23 reflects an increase in the share of silver and lead, and a decrease in the share of zinc due to the significant decrease in the price of this metal.

Annex 2: Average Spot Prices

Spot Prices	Jan-Mar 2024	Jan-Mar 2023	var %
Zinc (USD/MT)	2,449	3,130	-21.7
Lead (USD/MT)	2,076	2,141	-3.0
Copper (USD/MT)	8,444	8,930	-5.4
Silver (USD/Oz)	23.4	22.6	3.6
Gold (USD/Oz)	2,073	1,888	9.8

Source: London Metal Exchange

Annex 2: Macroeconomic Indicators

Macroeconomic Indicators	Jan-Mar 2024	Jan-Mar 2023	var %
Exchange Rate (S/ x USD)	3.76	3.82	-1.7
Inflation ¹	3.20	8.57	-62.7

¹ Inflation of the last 12 months

Source: Central Reserve Bank of Peru

Annex 2: Domestic Metal Production

National Production	Jan-Feb 2024	Jan-Feb 2023	var %
Zinc (FMT)	214,924	223,637	-3.9
Lead (FMT)	46,120	41,198	11.9
Copper (FMT)	422,127	371,589	13.6
Silver (thousands Oz)	16,480	15,996	3.0
Gold (thousands Oz)	588	478	22.9

Source: Ministry of Energy and Mines