

Annual Report 2022



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Statement of Responsibility

“This document contains accurate and sufficient information on the business activities conducted by Volcan Compañía Minera S.A.A. in 2022. Notwithstanding the issuer’s liability, the undersigned are liable for the content herein, in accordance with applicable legal provisions”.

Lima, March 31, 2023

A handwritten signature in black ink, appearing to read "Picasso", with a large, stylized flourish extending from the end.

José Picasso Salinas
Chairman of the Board of Directors

A handwritten signature in black ink, appearing to read "Fernández", with a large, stylized flourish extending from the end.

Carlos Francisco Fernández Navarro
Chief Executive Officer

Letter to Shareholders

Dear Shareholders,

The year 2022 was marked by several factors, including an adjustment of financial conditions around the world as a consequence of higher interest rates aimed to revert inflationary pressures on purchasing power; the reduction of the private savings surplus generated during the pandemic; the conflict in Ukraine leading to a tight energy market caused by still present geopolitical uncertainty; and China's "Zero COVID" policy.

In 2022, global economy grew by 2.7%. In general, most countries grew. The United Kingdom recorded a GDP growth of +4.1%, Canada +3.3%, the Eurozone +3.0%, the US +1.9%, and Japan +1.6%. Regarding developing economies, India grew +7.0%, China +3.0%, and Latin America +2.9%. In Latin America, Peru recorded a GDP growth of +2.9%, Chile +1.9%, Colombia +7.0%, Argentina +4.0%, Mexico +2.1% and Brazil +2.4%. Russia shrunk by -3.4%. The global economy is expected to grow by 2.3% in 2023, at a slower pace than in 2022.

Regarding stock markets, it should be noted that the stock exchanges of developed and emerging economies showed mixed results: positive results in United Kingdom's FTSE 100 (+2.6%), Peru's SP/BVL Peru General (+6.4%), Brazil's IBOV (+7.3%) and Chile's IPSA (+22.6%); and negative results in S&P 500 of the United States (-14.4%), Colombia's COLCAP (-11.9%), Germany's DAX (-9.4%), France's CAC 40 (-5.8%), Spain's IBEX 35 (-4.0%), Mexico's IPC (-3.0%) and Japan's Nikkei 225 (-2.9%).

In the international political arena, in February 24, 2022, Russia invaded Ukraine after the Russians condemned Ukraine's goal of NATO and European Union membership. For Moscow, this former Soviet republic is part of its identity and well within its sphere of influence; having control over Ukraine is vital for the country's security.

In late August 2022, Ukraine launched a counterattack in territories occupied by Russia at the start of the invasion, and liberated more than 10% of the Russia-occupied territory. In September 2022, Putin threatened the potential use of Russia's nuclear weapons and annexed four Ukrainian regions—Luhansk, Donetsk, Kherson and Zaporizhzhia. Kherson was liberated in November 2022.

The European Union and the United States, among other countries, have imposed sanctions against Russia, targeted at the financial, energy and transportation sectors, and visa policies. This had repercussions for the world economy due to Russia's significant contribution as energy producer (17% of natural gas, 12% of oil and 5% of carbon) and wheat producer (11%).

In February 20, 2023, Ukraine's president, Volodymyr Zelenskyy, traveled to Washington to meet president Joe Biden, who promised to deliver more weapons for Ukraine. He also pledged a USD 500 million military aid package.

As of December 31, 2022, the war has caused 6,884 Ukrainian civilian casualties, 17,800 civilians have been affected and over 10,900 people have been injured, according to the UN.

In addition, as of November, 4.8 million jobs have been lost, according to the International Labor Organization, and economic losses caused by the war are estimated at around USD 500 and USD 600 billion, according to the Kyiv School of Economics.

Regarding the United States, in a context of record inflation and Joe Biden's approval rating lingering at 40%, the midterm elections held in November 2022 resulted in Democrats winning the majority of seats in the Senate after staving off the Republican's "red wave". Defeating Donald Trump's "red wave" granted political legitimacy to Joe Biden.

In June 30, Israel policymakers voted to dissolve the Parliament and held early elections in November, their fifth legislative election in less than four years. The results favored the party of former prime minister Benjamin Netanyahu. In December 2022, Afghanistan banned women from attending university and ordered all NGOs to stop their female employees from working.

Regarding Asia, the presidential elections held in South Korea on March 9 were won by Yoon Suk-Yeol. In addition, in November, protests erupted in China prompted by the stringent anti-COVID measures imposed by president Xi Jinping. Demonstrators demanded Xi Jinping or the Chinese Communist Party to step down.

In Europe, Germany nationalized Uniper, the country's largest gas importer, to ensure power supply for companies, municipal services and consumers. In April, France held presidential elections and Emmanuel Macron was re-elected, becoming the first president to be re-elected in France in 20 years.

In Africa, Somalia saw its worst drought in 40 years, which has caused the deaths of over 40,000 people, according to the World Health Organization (WHO). Moreover, the UN estimates that approximately 8 million people need humanitarian aid in this country due to political instability, lack of safety, extreme weather, and increased food prices.

In Latin America, 2022 was an electoral year: in February, Costa Rica elected economist Rodrigo Chaves as president; in June, Colombia elected left-wing and former guerrilla Gustavo Petro, who became the first left-wing president in the history of the country; and, in October, Brazil elected leftist Luiz Inácio Lula da Silva, who won by a small margin. In 2023, electoral processes will be held in Paraguay, Guatemala and Argentina. The

electoral results across Latin America reflect the dissatisfaction of the general population. Most of them demand better social conditions and adopt radical economic-political stances that historically have been detrimental to the world. It is important to mention that Chile held a referendum to approve the new Constitution proposed by the Constituent Assembly, which was rejected by a vast majority.

The national political sphere in 2022 was marked by permanent instability due to constant improvisation in Pedro Castillo's government plan, which favored anti-market, anti-business and anti-mining policies. During the 16 months he was in office, the former president appointed and changed almost 90 ministers and had five cabinets. In 2022, transport unions in several regions of the country protested against increases in fuel prices, leading to Pedro Castillo's announcement of a state of emergency and curfew in Lima and Callao on April 4, 2022. Additionally, he presented a constitutional reform bill to the Congress, proposing to hold a Constituent Assembly to draft a new Constitution. The project was shelved. During this same period, Castillo faced corruption allegations and other charges related to the appointment of some members of his cabinet.

Finally, on December 7, 2022, in an address to the nation and prior to the debate to discuss the third impeachment against him, the president announced the dissolution of the Congress, the installation of an emergency government of exception, and the reorganization of the judicial system. The president of the Constitutional Court declared this announcement as a coup d'état; the military did not support the breach of the constitutional order. Subsequently, the impeachment against the president on the grounds of permanent moral incapacity was approved, receiving 101 votes in favor. Pedro Castillo was then arrested on charges of rebellion and conspiracy. He is currently serving 18 months of preventive detention. Dina Boluarte, Vice President of the Republic, took over and became the first female president in the history of Peru. Her inauguration as president sparked protests across the country, including roadblocks in several locations, demands for early elections, and a new Constituent Assembly. This resulted in several people injured and 61 fatal casualties, mainly in southern Peru, where protests were larger in scale. The economic recovery expected for 2022 slowed down due to the uncertain political climate.

However, despite this political scenario, the Peruvian GDP increased by 2.9% in 2022 due to higher internal demand, accompanied by greater dynamism of private consumption and public investment. Additionally, the exchange rate recorded at the start of the year was PEN 3.98; it decreased to PEN 3.82 by the end of June 2022; and to PEN 3.80 in December 2022, affected by a reduced demand for dollars in the local currency market, a global weakening of the dollar, increased copper prices, and heightened uncertainty in Peru resulting from the presidential vacancy. Inflation increased from 6.4% in 2021 to 8.5% in 2022, and the balance of trade recorded a USD

9.234 billion surplus with imports amounting to USD 56.681 billion and exports to USD 65.914 billion.

Regarding productive sectors, the highest growth was recorded in the hydrocarbon sector with an annual GDP of 4.2% due to increased oil drilling and greater natural gas production. Annual growth in the farming, fisheries, and manufacturing sectors was 3.5%, -13.4% and -1.8%, respectively. The fisheries sector saw lower availability of giant squid and scallop in a context of negative anomalies in sea temperature. Non-primary sectors recovered by 3.4%. The manufacturing sector was affected by the reduced availability of fisheries products, which resulted in the decreased production of fish meal and fish oil. Refining of hydrocarbons decreased due to a malfunction in the Malvinas Plant and reduced production at La Pampilla, caused by rough seas that led to supply delays.

The mining sector did not record a GDP variation. The higher production of copper, iron and tin was offset by the decrease of zinc resulting from lower production at Los Quenuales explained by the depletion of the Iscaycruz unit, lower grades at Nexa, and reduced production at other companies; and also by lower silver production at Los Quenuales, Ares, Buenaventura and the suspension of operations at Uchucchacua unit. Molybdenum production decreased at Southern, Cerro Verde and Las Bambas.

Metals prices in 2022 recorded an increase in the price of zinc as compared to 2021 mainly explained by Europe's energy crisis, which led to the closure of several smelters where this metal was processed, driving prices higher. However, lead and copper prices did not follow this trend due to China's Zero COVID policy and the expected economic recession in the United States and Europe. Accordingly, in 2022, the price of zinc amounted to USD 4,371 USD/MT in April; and 3,128 USD/MT in December, maintaining an annual average price of 3,485 USD/MT, equal to a 15.98% increase as compared to the average price in the previous year. The average annual price of lead decreased by 2.33% as compared to the previous year, from 2,205 USD/MT to 2,153 USD/MT. The price of silver amounted to 23.24 USD/Oz in December, a 13.56% decrease compared to the previous year, from 25.17 USD/Oz to 21.75 USD/Oz. The price of gold closed at 1,794 USD/Oz in December, recording a year-over-year growth of 0.1%, from 1,800 USD/Oz to 1,802 USD/Oz. The price of copper decreased by 5.37%, from 9,315 USD/MT in 2021 to 8,815 USD/MT in 2022.

The mining sector represented 8.3% of the country's GDP and 58.9% of total exports. This requires public policies to protect and promote this sector. In 2022, radical left-wing power brokers spurred several mining conflicts that flared out mainly in Áncash, Cajamarca, Pasco, provinces of Lima, Ica, Arequipa, Moquegua, Apurímac, Junín, Cuzco and Puno, affecting mining companies such as Compañía Minera Antamina, Nexa Resources Peru (Cerro Lindo and Atacocha), Minera Chinalco Perú S.A, Las Bambas,

Southern Peru Copper Corporation, Hudbay Perú, Minsur and Compañía Minera Antapaccay.

As previously mentioned, Peru has lost positions in the ranking for investment and competitiveness. We must reap Peru's mining potential, facilitate investments, and guarantee the start-up of major projects, such as the expansion of Toromocho (Junín), San Gabriel (Moquegua), and those that continue to be stalled, like Río Blanco (Piura), Conga (Cajamarca), Yanacocha Sulfuros (Cajamarca), Michiquillay (Cajamarca), La Granja (Cajamarca), Galeno (Cajamarca), Zafranal (Arequipa), Tía María (Arequipa), Los Chancas (Apurímac), Corani (Puno), among others. Regrettably, it is important to mention the case of Minera Las Bambas, which is still affected by social conflict. The lack of interest shown by the Peruvian State has led to the suspension of its operations. It is also worth mentioning that a permanent blockage of the southern mining corridor is affecting Las Bambas, Antapaccay, Hudbay, and Southern Copper, which focus on copper production and export approximately 30% of Peru's copper.

As we said years ago, it is our responsibility to stimulate the country's development, since opportunities do not come about every day, and we must remember that we compete to attract new investments in a world where they ultimately go to countries offering the best conditions.

It is also important to reiterate that excessive bureaucratic and supervisory pressures in terms of taxes, labor, environmental, and social issues have limited the opportunities for developing the tremendous potential of the country's mining industry. This, in addition to the damage caused by the Law of Prior Consultation, the presence of political agitators in areas with mining influence, insufficient Government support to this sector, and inefficient use of mining royalties, which should be distributed more efficiently in line with the needs of each region, result in social conflicts that have yet to be resolved. The result is delayed private investment and higher costs overruns faced by local mining companies. The Executive Branch has not taken any step towards any reform to reduce the excessive bureaucratic procedures that are currently required of the mining sector for exploration and project start-up, which are a setback to investment in the country.

During 2022, all Volcan mining units operated observing strict protocols to guarantee our employees' health and safety.

Regarding the corporate policy on safety, the SafeWork 2.0 program was implemented in 2022, strengthening the Company's coordination capacities to enforce safety initiatives in the field. The year ended with zero fatal accidents, a 33% increase of the LTIFR (Lost Time Injury Frequency Rate), a 34% decrease of the DISR (Disabling Injury Severity Rate), and a 4% reduction of the TRIFR (Total Recordable Injury Frequency Rate).

In Volcan, zinc production increased by 1.8%, from 220.7 thousand FMT in 2021 to 224.7 thousand FMT in 2022; lead production decreased by 1.0%, from 55.5 thousand FMT to 54.9 thousand FMT; copper production decreased by 8.8%, from 4.7 thousand FMT to 4.2 thousand FMT; silver decreased by 4.8% from 15.0 million Oz to 14.3 million Oz; and gold production decreased by 14.6%, from 24.3 thousand Oz to 20.8 thousand Oz. This was mainly explained by lower grades of these metals in the ore processed at the plant.

The Company is heightening its efforts to control and reduce costs through several initiatives systematically organized through the Volcan Avanza project. In 2022, savings amounted to USD 28.1 million, mainly at San Cristóbal-Carahuacra, Chungar and Cerro, related to design and shotcrete optimization, reagent consumption optimization at the plant, and mining method optimization, all of which mitigated a higher cost increase. However, it is important to note that this increase is mainly due to the inflation that affected the main supplies and services, increased disposal of tailings filtered at Chungar, expenses arising from improvements to the Paragsha plant in Cerro de Pasco, and increased consumption of reagents at the Oxides Plant related to the type of processed ore. As a result, unit cost in 2022 was 54.0 USD/MT, 3.1% higher than the 52.3 USD/MT seen in 2021.

Investment in our operating units increased 26.4%, from USD 177 million in 2021 to USD 224 million in 2022. This increase is mainly due to increased mine developments at San Cristobal and the expansion of the Ocroyoc (Cerro de Pasco), Rumichaca (San Cristobal and Carahuacra), and Alpamarca tailings dams. Investments in growth projects, regional explorations, and corporate investments amounted to USD 17.3 million, and in the energy business to USD 1.1 million. In 2022, total investment amounted to USD 241 million, a 33.5% increase as compared to USD 181 million in 2021.

In 2022, net sales totaled USD 951.3 million, 1.5% higher than the USD 937.4 million recorded in 2021. The Company's gross margin decreased from 30% in 2021 to 20% in 2022. EBITDA amounted to USD 298.6 million, compared to USD 389.1 million in 2021. Net profit before exceptional items was USD 16.6 million. However, net profit in 2022 amounted to USD -81.4 million due to the impairment of long-term investments in Volcan and Cerro de Pasco, resulting from higher costs and future investments considered in the assessment.

To refinance the payment of bonds that matured in February 2022, Volcan's Board of Directors approved in December 2021 the execution of a 4-year syndicated loan agreement worth USD 400 million. In June 2022, a partial buyback of Bonds 2026 was carried out for a nominal amount of USD 110 million, using the Company's available cash. As part of this buyback operation, the Request for Consent of holders of the Bonds 2026 was approved to allow the spinoff or any distribution of the equity interest held by

Volcan or any of its subsidiaries in Cosco Shipping Ports Chancay Perú S.A. and/or Roquel Global S.A.C.

Volcan holds 355,000 hectares of mining concessions for the development of exploration activities and mining projects. An estimate of total reserves at Volcan was made using best industry practices and international standards defined in the JORC code, and also adjusting it to the guidelines established by the technical area of Glencore.

Our reserves increased by 34% as compared to 2021. In 2022, reserves amounted to 31.4 million MT; with grades of 3.7% zinc, 0.9% lead, 0.1% copper and 2.4 Oz/MT silver; and measured, indicated and inferred resources were 470.3 million MT, with grades of 2.6% zinc, 0.7% lead, 0.3% copper and 1.4 Oz/MT silver.

In 2022, 127,707 meters of diamond drilling were executed at Yauli, 121,532 meters at Chungar, 3,953 meters at Alpamarca open pit, and 12,323 meters of diamond and reverse circulation drilling at Cerro unit.

At San Cristóbal, explorations were carried out at veins Ramal Piso 722, 658, Split 658, and vein K; showing high zinc, lead and silver metal contents. The same result was obtained at Carahuacra in the Paula-Principal layers and the east extension of the Lourdes vein. At Andaychagua, the exploration program showed high zinc, lead, copper and silver metal contents in the Bárbara vein and extensions of the Salvadora, Prosperidad Techo, Andaychagua and Adriana bodies. At Ticlio, the same result was obtained during the explorations of the Ramal Techo vein. At Animón, brownfield exploration in the Esperanza body showed high zinc and copper metal contents. At Islay, exploration of the Islay Piso and Sur veins, and Guadalupe layer, showed economic zinc and silver metal contents.

Volcan also has four projects already underway: Romina, Carhuacayán, Palma and Zoraida. Romina project completed the feasibility stage satisfactorily and started the execution stage by preparing preliminary works. At Carhuacayán, progress was made in geophysical studies to find new exploration targets around the La Tapada body which will be assessed in the next years. The ore produced at Romina and Carhuacayán will be treated in the Alpamarca concentrator plant. In Palma, a greenfield project where a significant mineralization of zinc, lead and silver was defined remains in standby. This project has massive geological potential observed in four areas along a corridor—Kenita, Palma, Santa Lidia and Palmeron—which will allow to start a mining project separate from the other units.

Finally, the Zoraida project was put on standby in 2022. It is important to mention that Zoraida's production will be treated at the Andaychagua concentrator plant.

Regarding the energy business, Volcan continues its strategy to invest in renewable energies and its own transmission system to guarantee permanent and reliable power supply to its operating units, avoiding unnecessary plant stoppages. Volcan has 13 hydroelectric plants, 350 km of transmission lines and 26 electrical substations. Energy generation in 2022 was 419 GWh, reflecting a 5% reduction compared to the previous year. This reduction was mainly explained by the reduced availability of water at the Rucuy Hydroelectric Plant.

Energy consumption rose to 819 GWh, up 7% over the previous year. This was explained by the increase of pumping and ventilation systems in our underground mines. Total energy generation represented 51% of total energy consumption.

With respect to Volcan's corporate social responsibility and care for its surroundings, the Company seeks to engage in dialog and strengthen its relations with community leaders, key authorities and social organizations to generate a positive impact on the development of the communities within its direct sphere of influence. In 2022, USD 4.9 million were invested under agreements held with 39 communities in its direct sphere of influence, mainly focused on educational development through the Enseña Perú program; support to the communities' youths through scholarships; health; and economic development of communities within its area of direct influence in conjunction with Prisma NGO. In addition, various Volcan units provided work to community businesses who supplied services related to civil works, mining operations, and hauling, among others. Six volunteer programs were held, three of them in person. The first one took place at Institución Educativa Fe y Alegría #25 in San Juan de Lurigancho, where a playroom was painted and renovated for the institution's special needs students. The second activity was the "Abrigando Sonrisas" (Warming Up Smiles) campaign. Thanks to donations, blankets were collected and delivered to populations within our areas of influence. Finally, an alliance was formed with the Peruvian Cancer Foundation to make the donation platform available to Volcan's employees at their offices. Regarding culture, we continue supporting the Latin American Lyrical Singing Contest through the Volcan award.

With regard to the return to school, hygiene kits for children were delivered in Cerro, Chungar and Yauli. In Cerro, pest control backpack sprayers were delivered for classroom disinfection to educational institutions in the area of influence. A COVID-19 screening campaign was held in Alpamarca unit. Antigen tests were also performed. The necessary medical care and medicines were provided for patients who tested positive.

Regarding the Chancay Port project, COSCO SHIPPING Ports Chancay PERU S.A. ("CSPCP"), the company that manages the Chancay Port project, and where Volcan holds 40% of shares, continues the construction of the first stage of the Chancay Multipurpose Terminal.

We have a camp built with an investment of USD 7.5 million and capacity for 1500 people.

Works continued at the Underground Viaduct Tunnel, which will have an approximate total cost of USD 125 million. All necessary protocols, permits and licenses have been obtained. All project components are under construction by China Railway N° 10 Engineering Group Co. Ltd. Sucursal del Perú (CREC 10).

It is important to mention that on December 22, 2020, we received the approval of the Modified Environmental Impact Assessment (MEIA) for the operating area, in order to expand port capacities to four berths: two for multiple purposes and two for containers.

On February 11, 2021, the National Port Authority issued the Port Authorization.

The port operating area is still under construction by China Harbor Engineering Company SAC/China Communications Construction Company Fourth Harbor Engineering Co. Ltd. (CHEC), with an approximate investment of USD 610 million.

On the date of this report, 2,435 lineal meters of the main breakwater were built in the operating area (90% completed), and the construction of the 230-meter secondary breakwater was finished. In the entrance complex, construction of the administrative building, complementary services building, and office access area, is underway.

Completion of the tunnel on the side of the entrance complex is 261.9 m, while on the side of the operating area, the entrance is completed by 368.4 m in the left heading, and 323.4 m in the right heading. Access roads are under construction and 33% completed.

With regard to the 220 Kv transmission line, the construction of the substation is 51% completed and still underway.

The Chancay Port works will require an estimated investment of USD 1.3 billion.

It is important to mention that on March 28, 2023, COSCO SHIPPING Ports Chancay Peru S.A., a company where Compañía Minera Volcan S.A. holds 40% of shares, agreed to finance the port's construction for a total amount of USD 975 million. An addendum to the shareholders' agreement was also executed to allow the spinoff or any distribution of the equity interest held by Volcan or any of its subsidiaries in Cosco Shipping Ports Chancay Perú S.A. and/or Roquel Global S.A.C. Commercial operations are expected to start in the last quarter of 2024.

The development of the Chancay port represents a major opportunity for economic development in Peru through a new network of connectivity made up of maritime and terrestrial economic trade routes between China and the rest of the world. Its exceptional characteristics will lead it to become the integrated port and logistical hub of the South Pacific region in the medium term.

Additionally, through its Roquel Global SAC subsidiary, Volcan is currently building the Industrial Logistic Complex of Chancay on a 840 ha area fully owned by the Company. This area is next to the entrance complex of the Chancay Port and it will benefit from the port's new trade routes as it becomes a hub in the South Pacific.

The Chancay Industrial Logistic Complex is built in a strategic location; its excellent road infrastructure connects the project to the main distribution points, and it has comprehensive multifunctional capacity to include logistic and industrial areas, service and technology complexes, and even residential areas.

During its first stage, the Chancay Logistic Complex will focus on supplying services to clients of the Port. It will have an intra-terminal area (rolling, re-export, construction materials, and specialized cargo), containers (distribution, storage, packaging, and value-added), and general logistic services (packaging, quality control, canning/bottling, inspection, assembly, distribution, maintenance and repair).

On February 15, 2023, our major shareholder Glencore International AG announced that in the fourth quarter of 2022 it started to explore the possibility of selling 23.3% of its share in the Company's capital stock.

Finally, I would like to take this opportunity, on behalf of our Board of Directors, to thank all of our employees at the different production units, executives, partners and suppliers for their hard work, dedication, and commitment to the Company's objectives. It is also important to mention that we now have a history of seven decades of investment in mining development in our country's central highlands, with a commitment to sustainable growth in harmony with the surrounding communities and the environment. This has not been an easy undertaking. There have been numerous challenges and difficulties that we were only able to overcome thanks to the hard work of our founders and those who have enabled the Company to continue to grow, namely our workers, engineers, executives and directors.

Finally, I would like to thank you, our shareholders, for your trust, support and interest in Volcan's activities.

A handwritten signature in black ink, appearing to read 'José Picasso Salinas', with a large, stylized flourish extending from the end of the name.

José Picasso Salinas

Chairman of the Board of Directors

CAPÍTULO 1



ENTORNO MACROECONÓMICO

Macroeconomic Environment

International Outlook

During 2022, the global economy expanded 2.8%, as a consequence of higher energy prices, the implementation of China's "Zero COVID" policy, the reduction of private savings surplus generated during the pandemic, geopolitical uncertainty, and the adjustment of monetary conditions resulting from higher interest rates. The geopolitical uncertainty associated to the conflict between Ukraine and Russia also played a role and led to a tight energy market that affects companies' costs and family expenses. Furthermore, several countries stocked up in anticipation of winter shortages. With regard to epidemiological factors, the new outbreak of COVID-19 cases in China led to the implementation of a zero tolerance policy. Other countries like Japan, France and the United States also saw an increase of cases, but the number of hospitalizations and deaths remained stable. With regard to pressures on the supply chain, they decreased but are still above their historical average. However, a decrease of food prices was observed, partially explained by the global economic slowdown and the Black Sea export deal.

The GDP of developed economies increased by 2.4%, mainly in the United Kingdom, Canada and the Eurozone. The United Kingdom's GDP grew by 4.1%, affected by political instability, staff shortage in the labor market, and a reduced productivity level.

Canada's GDP grew by 3.3% as a result of greater stock accumulation in the manufacture, and wholesale and retail sectors, offset by reduced investments in housing, and lower household expenditure.

In the Eurozone, GDP was 3.0%. This result was explained by a slowdown in the climb of energy prices and higher consumer confidence, although the latter remains below the historical average.

On the other hand, the slowdown of emerging economies resulted in a GDP increase of 3.2%; China grew by 3.0%, India by 7.0%, and Latin America by 2.9%. This is explained by high commodities prices, affected by a less dynamic external demand. Meanwhile, Russia shrunk by 3.4%, as future developments of the conflict with Ukraine are uncertain.

Financial markets closed 2022 with widespread increases in the main advanced stock markets, and greater dynamism of loans to new borrowers. This was due to the reduced global risk aversion and the recovery of internal demand. Additionally, the easing of inflationary pressures had an impact on the bond market through the reduction of spread between nominal Treasury Bonds (BTP) and inflation-indexed bonds (VAC) for all

their maturity periods. Advanced economies continued to withdraw their monetary stimulus, and several currencies were appreciated in emerging economies, except some affected by the price reduction of some commodities. This resulted in an increased inflation caused by exchange depreciation. At the end of the year, the US 10-year sovereign bond yield was 3.61%, as compared to 1.51% at the end of 2021. On the other hand, Germany's 10-year sovereign bond closed the year at 1.93%, rising from -0.18% at the end of the previous year. With regard to equity markets, stock markets showed mixed results: positive results in United Kingdom's FTSE 100 (+2.6%), Peru's SP/BVL Peru General (+6.4%), Brazil's IBOV (+7.3%) and Chile's IPSA (+22.6%); and negative results in S&P 500 of the United States (-14.4%), Colombia's COLCAP (-11.9%), Germany's DAX (-9.4%), France's CAC 40 (-5.8%), Spain's IBEX 35 (-4.0%), Mexico's IPC (-3.0%) and Japan's Nikkei 225 (-2.9%).

Peruvian Economy

The Peruvian GDP increased by 2.9% in 2022 due to higher internal demand, accompanied by greater dynamism of private consumption and public investment.

This was mainly underpinned by private consumption, which was driven by a recovering labor market, and banks allowing withdrawals of retirement savings and compensation for time of service (CTS) funds. This was further improved by the progress made in the vaccination process, leading to better sanitary conditions and speeding up the service demand. The sluggish growth of private investment was the result of a loss of business trust, and the self-build slowdown, while public investment recovered in the last months.

Regarding productive sectors, the highest growth was recorded in the hydrocarbon sector with an annual GDP of 4.2% due to increased oil drilling and greater natural gas production. Annual growth in the farming, fisheries, and manufacturing sectors was 3.5%, -13.4% and -1.8%, respectively. The fisheries sector saw lower availability of giant squid and scallop in a context of negative anomalies in sea temperature. Non-primary sectors recovered by 3.4%. The manufacturing sector was affected by the reduced availability of fisheries products, which resulted in the decreased production of fish meal and fish oil. Refining of hydrocarbons decreased due to a malfunction in the Malvinas Plant and reduced production at La Pampilla, caused by rough seas that led to supply delays.

The mining sector's GDP was 0.0%. The higher production of copper, iron and tin was offset by the decrease of zinc resulting from lower production at Los Quenuales, Antamina and Nexa, explained by the depletion of the Iscaycruz unit; lower grades at Nexa; lower production of silver at Los Quenuales, Ares and Buenaventura, resulting from the suspension of operations at the Uchucchacua unit due to the implementation

of measures to improve operational efficiency; and by lower volumes of molybdenum, due to decreased production at Southern, Cerro Verde and Las Bambas.

The increased production of copper was driven by production starting up at Quellaveco, and greater volumes extracted at Cerro Verde, explained by increased ore processing.

Table 1: Domestic Metal Production

Metal	2021	2022	Var%
Zinc (thousands FMT)	1,533	1,370	-10.7
Lead (thousands FMT)	264	255	-3.4
Copper (thousands FMT)	2,326	2,439	4.8
Silver (millions oz)	118	109	-7.6
Gold (thousands oz)	3,439	3,412	-0.8

Source: Ministry of Energy and Mines

Exports of goods and services grew by 5%, less than expected due to lower primary production, and less dynamic exports of non-traditional products (agricultural, fisheries, chemical, textiles and non-metallic mining).

Inflation closed at 8.5%, mainly due to a higher general level of food and energy prices, contributing with 4.8 percentage points to inflation during the year. Food and beverage prices increased significantly. Sectors more closely related to the exchange rate, international quotations, and contracts related to the Wholesale Price Index (WPI) contributed to inflation with 2.1 percentage points. The minimum wage (RMV) increased from PEN 930 to PEN 1025, and affected inflation by 0.6%.

Metals Prices

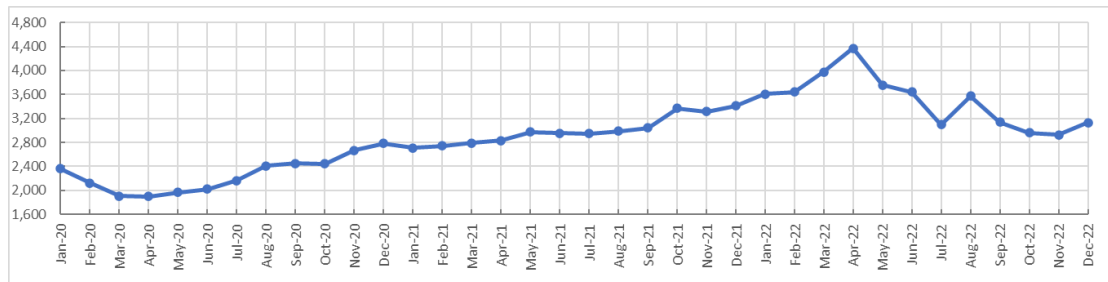
In 2022, metals prices, except zinc, dropped as a result of the global concern for a potential recession in the United States and Europe, further slowdown of China's growth, and the continuous increase of interest rates by the main central banks around the world.

Table 2: Metals Prices Evolution

Metal prices	2016	2017	2018	2019	2020	2021	2022
Zinc (USD/MT)	2,091	2,894	2,925	2,549	2,265	3,005	3,485
Lead (USD/MT)	1,871	2,318	2,244	1,998	1,824	2,205	2,153
Copper (USD/MT)	4,863	6,163	6,525	6,005	6,167	9,315	8,815
Silver (USD/oz)	17.1	17.1	15.7	16.2	20.5	25.2	21.8

A higher zinc price (4,371 USD/MT) was recorded in April 2022 due to Europe's energy crisis, which led to the closure of several smelters where this metal was processed, driving prices higher.

Figure 1: Zinc Price (USD/FMT*)

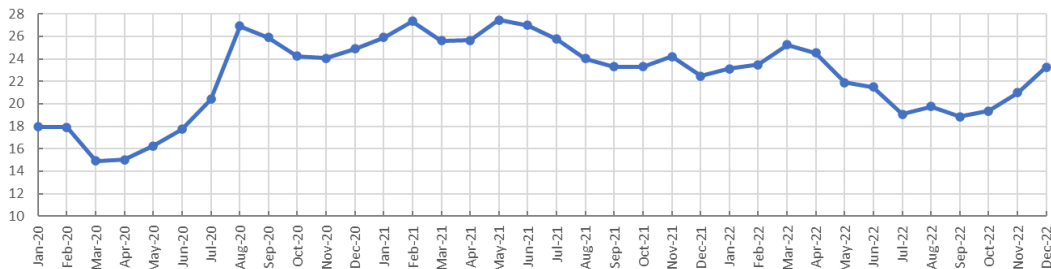


*Fine metric tons.

However, as compared to 2021, the price of lead decreased to 1,976 USD/MT in July 2022. Similarly, copper price decreased to 8,815 USD/MT. Both were lower than in 2021 due to China’s Zero COVID policy and the expected economic recession in the United States and Europe.

The lower price of silver in 2022 is mainly due to continuous increases of interest rates by the FED, and a stronger Dollar, which led to downward pressures as compared to the average price in 2021.

Figure 2: Price of Silver (USD/oz)



CAPÍTULO 2



**NUESTRA
COMPAÑÍA**

Our Company

History

The Company started its mining operations in 1943 in the upper Ticlio pass. Thanks to the hard work and dedication of its directors and employees, Volcan has become one of the leading producers of silver, zinc and lead in Peru and the world.

Volcan operations were initially limited to the Carahuacra and Ticlio mines, which are home to a group of 30 mining concessions. The ore extracted from these sites was sold to the Mahr Túnel concentrator plant, then owned by the Cerro de Pasco Copper Corporation, a U.S. company expropriated by the military government in the early 1970s.

In a context of economic reforms implemented by the government in the 1990s aimed at stimulating private investment in public companies, Volcan expanded its operations through the acquisition of mining areas and their respective assets. The vision of the Board of Directors and the leadership of Dr. Roberto Letts were fundamental to the Company's growth.

Volcan Compañía Minera S.A. acquired Empresa Minera Mahr Túnel S.A., the owner of the Mahr Túnel, San Cristóbal and Andaychagua mining operations and Mahr Túnel and Andaychagua plants, from Centromin Perú at an international public auction in 1997. The acquisition was valued at USD 128 million plus an investment commitment of USD 60 million. One year later, Empresa Minera Mahr Túnel S.A. merged with Volcan Compañía Minera S.A. The resulting company was named Volcan Compañía Minera S.A.A.

In 1999, Volcan acquired Empresa Minera Paragsha S.A.C. from Centromin Perú for USD 62 million plus an investment commitment of USD 70 million, agreeing to take on Centromin's USD 20 million debt with the financial system. This transaction included the Cerro de Pasco mining unit. As a result of this acquisition, Volcan became the largest zinc producer in Peru.

In 2000, Volcan acquired Empresa Administradora Chungar S.A.C. and Empresa Explotadora de Vinchos Ltda. S.A.C., owners of the Animón and Vinchos mines, respectively, in transactions with a total value of USD 20 million in cash and USD 16 million in Volcan Class B shares. This acquisition included the Françoise and San José II hydroelectric plants, with total generation capacity of 2.2 MW. Operations began at the Vinchos silver mine in 2004. Volcan also acquired the Baños I, II, III, and IV and Chicrín hydroelectric plants, with a combined capacity of 7.5 MW.

In 2006, Volcan acquired Minera Santa Clara and Llacsacocha S.A., owner of the Zoraida mine. One year later, Volcan bought Compañía Minera El Pilar, owner of El Pilar mine, adjacent to Cerro de Pasco mine and pit.

In 2009, Empresa Administradora Chungar S.A.C. completed the construction of the Baños IV hydroelectric plant, giving Volcan a total of 13 MW of installed capacity.

Then, in 2010 Volcan acquired Compañía Minera San Sebastián, which has mining concessions near Cerro de Pasco.

In January 2011, the Company approved a simple reorganization of the Cerro de Pasco mining unit. As a result, that unit was renamed Empresa Administradora Cerro S.A.C. and it became a subsidiary of Volcan Compañía Minera S.A.A. The goal of the reorganization was to enable each mine unit to be managed independently.

In January 2012, as part of an international bond issue under Rule 144A and Regulation S of the United States Securities Act of 1933, Volcan placed corporate bonds totaling USD 600 million with a maturity period of ten years at a fixed rate of 5.375%. This bond issue provided financing for the growth projects of Cerro de Pasco's Oxides Plant, and the new Alpamarca operating unit.

Later, in February 2012, Volcan bought Empresa Hidroeléctrica Huanchor S.A.C., with a capacity of 19.6 MW, from Sociedad Minera Corona S.A. for USD 47 million. Also in that year, Empresa Administradora Chungar S.A.C. completed the construction of the Baños V hydroelectric plant and it started operations. The 9.2 MW plant required a total investment of USD 24 million.

In 2013, the Islay mine was consolidated into the Chungar operating unit through the acquisition of two nearby mining concessions, Islay and Islay 4, for a total of USD 17 million. Early that year, the Company completed the expansion of the Animón concentrator plant, increasing its capacity from 4,200 to 5,200 tpd (tons per day). Also in 2013, the Company finished expanding the Victoria and Andaychagua plants in the Yauli unit, increasing capacity to 10,500 tpd.

In 2014, Volcan continued expanding the treatment capacity of the plants in the Yauli unit to 10,800 tpd. Operations began in the Jacob Timmers shaft in the Chungar unit, with a nominal capacity of 4,000 tpd.

In July 2014, Volcan acquired the 1.25 MW Tingo hydroelectric plant and 82 km of 22.9 kV and 50 kV transmission lines for a total of USD 13.5 million. In the future, this plant will be expanded to approximately 15 MW and will be connected to the Chungar and Alpamarca units.

In 2014, the Company started operations at the new Alpamarca unit and the Cerro de Pasco Oxides Plant. The latter reached full capacity in June 2015 with a total investment of USD 280 million.

In 2015, the following company reorganizations were undertaken: the merger by which Chungar absorbed the total assets of El Pilar, Huascarán, Santa Clara, Shalca, and Troy, which took effect on September 1, 2015; the splitting from Empresa Administradora Cerro S.A.C. of a block of equity composed of assets and liabilities related to the Oxides Plant, which took effect on October 1, 2015; and the merger by which Compañía Minera Alpamarca S.A.C. absorbed Empresa Administradora Chungar S.A.C., which took effect on January 1, 2016. Finally, the latter company changed its business name to Compañía Minera Chungar S.A.C.

It is important to note that the Rucuy 20 MW (120 GWh/year) hydroelectric plant began operations in August 2016. This project required a total investment of USD 50 million. With this latest addition, the Company has 13 hydroelectric plants in operation with a total capacity of 63 MW.

Also in 2016, Volcan acquired the Romina polymetallic project from Milpo. From 2008 to 2012, more than 13,000 meters of diamond drilling were carried out at the deposit. This project will provide operational continuity to the Alpamarca unit.

In November 2017, Glencore International AG, subsidiary of Glencore PLC, made a public bid (OPA) for Class A common shares. It acquired a total of 603,077,387 shares. As of the date of the public bid, Glencore International AG and its affiliated companies held 295,754,888 shares. The share acquisition brought their total number of Class A shares to 898,832,275, or 55.028% of Class A shares, and 23.29% of total company equity (considering the Class A shares and Class B shares that the Company has in its portfolio).

By year-end 2018, the New Chancay Food Market project was concluded through the Public Works Tax Credits program, with more than 650 stalls and an investment in excess of PEN 22 million. This is a very important project for the city of Chancay and it will benefit 85,000 people.

In 2019, the Company executed association agreements with China's Cosco Shipping Ports Limited (CSPL) to develop the Chancay Multipurpose Port project, 80 km north of Lima. Through this agreement, Cosco Shipping became a shareholder of Terminales Portuarios Chancay (TPCh) owning 60% of representative shares, while Volcan retains 40% of TPCh's capital stock.

In December 2020, the works of the Underground Viaduct Tunnel began with an initial investment of USD 9 million. All necessary protocols, permits, and licenses were obtained. Similarly, the construction of the camp, with capacity for 1500 people, and

ancillary works, was completed with an investment of USD 7.5 million. On December 22, 2020, the project received the approval for the Modification to the Environmental Impact Assessment (MEIA) for the port’s operating area, in order to expand port capacities to four berths: two for multiple purposes and two for containers.

Since 2021, Cosco Shipping Ports Chancay Perú S.A. continues the construction of the first stage of the Chancay Multipurpose Terminal, which will house four docks. All project components are under construction by China Railway N° 10 Engineering Group Co. Ltd. Sucursal del Perú (CREC 10) and the China Harbor Engineering Company SAC/China Communications Construction Company Fourth Harbor Engineering Co. Ltd. (CHEC) consortium. The project strictly observes all social and environmental obligations that have been approved in the detailed environmental impact assessment and its amendment.

At the end of 2022, 23.3% of the operating area and entrance complex, and 40.0% of the tunnel and access roads had been completed. With regard to the 220 Kv transmission line, the construction of the substation is still underway, and 32.1% has been completed.

Volcan is now 79 years old, and it has become a diversified mining company, and the world leader in zinc, lead and silver. It has over 355,000 hectares of mining concessions, eight active mines, five concentrator plants, one plant under care and maintenance, and a leaching plant—with a total combined capacity of 30,160 tpd—and hydroelectric plants, transmission lines and 40% ownership of the large-scale Chancay port project, among others.

Corporate Structure 2022

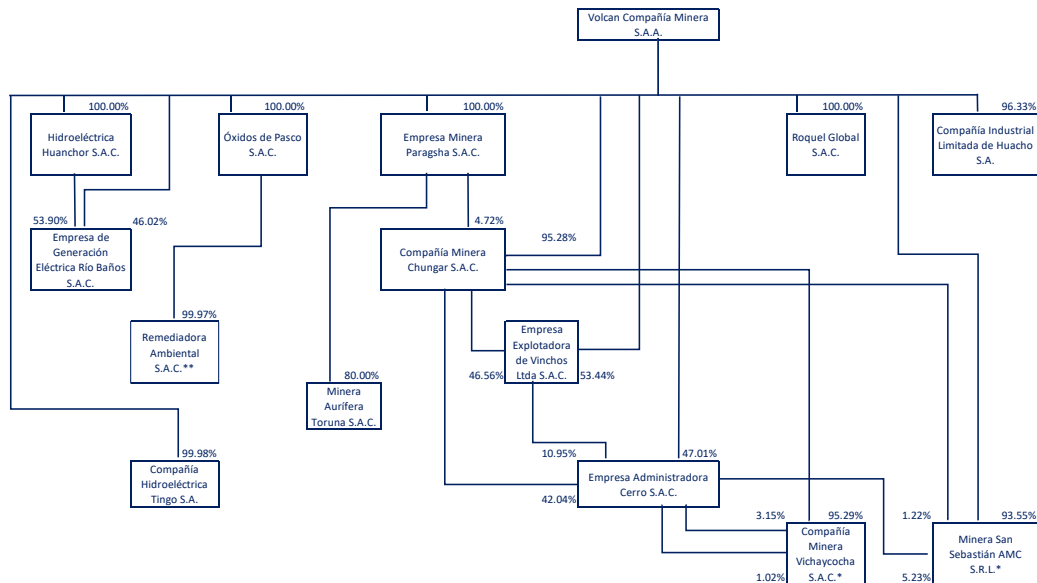


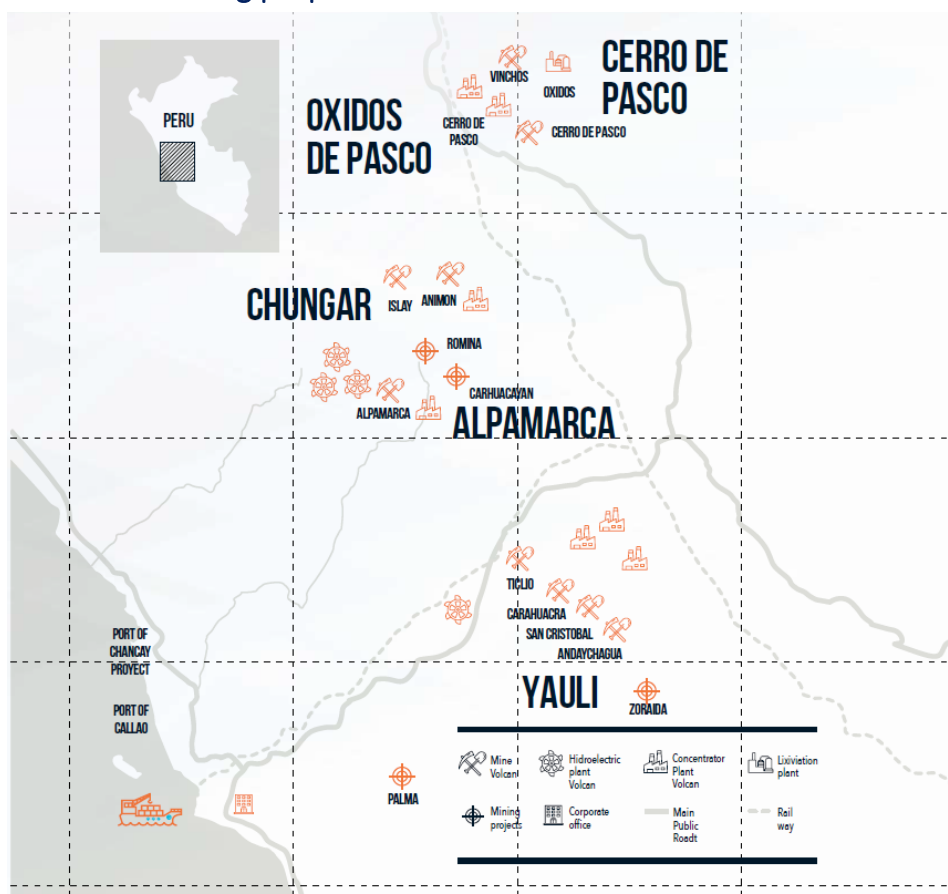
Table 3: Business Group and Corporate Purpose

Business Name	Tax Identification Number	Company Purpose
Volcan Compañía Minera S.A.A.	20383045267	Extraction of non-ferrous metal minerals
Compañía Minera Chungar S.A.C.	20514608041	Extraction of other mines and quarries
Empresa Administradora Cerro S.A.C.	20538848060	Extraction of non-ferrous metal minerals
Óxidos de Pasco S.A.C.	20600715187	Smelting of non-ferrous metals
Empresa Explotadora de Vinchos S.A.C.	20100539439	Extraction of non-ferrous metal minerals
Empresa Minera Paragsha S.A.C.	20347644502	Extraction of metal minerals non-ferrous metals
Minera Aurífera Toruna S.A.C.	20510318227	Extraction of other mines and quarries
Minera San Sebastián AMC S.R.L. (*)	20447348421	Extraction of other mines and quarries
Compañía Industrial Limitada de Huacho S.A.	20102200170	Real state
Compañía Minera Vichaycocha S.A.C. (*)	20504972241	Extraction of other mines and quarries
Hidroeléctrica Huanchor S.A.C.	20546236073	Generation, transmission, and distribution of electric power
Empresa de Generación Eléctrica Río Baños S.A.C.	20537761670	Generation, transmission, and distribution of electric power
Compañía Hidroeléctrica Tingo S.A.	20521371103	Generation, transmission, and distribution of electric power
Roquel Global S.A.C.	20602370748	Other activities related to transportation support
Remediadora Ambiental S.A.C. (**)	20600655133	Other professional, scientific, and technical activities

(*) On December 1, 2022, the merger whereby Compañía Minera Chungar S.A.C. absorbed these subsidiaries became effective. To date, the merger’s formalization is underway.

(*) On December 1, 2022, the merger whereby Óxidos de Pasco S.A.C. absorbed this subsidiary became effective. To date, the merger’s formalization is underway.

Location of main mining properties



CAPÍTULO 3



**DIRECTORIO
Y GERENCIA**

Board of Directors and Management

Board of Directors

Table 4: Board of Directors as of December 31, 2022

Name and surname	Position
José Picasso Salinas	President
José Ignacio de Romaña Letts	Vice Chairman
Victoria Soyer Toche	Director
Abraham Chahuán Abedrabo	Director
Carlos Francisco Fernández Navarro	Director
Ricardo Revoredo Luna	Director
Diego Garrido Lecca González	Director

Professional background of the Company's Directors:

José Picasso Salinas

Director and member of the executive committee since March 1996. He was Vice Chair of the Board of Directors from 2006 to April 2010, when he was appointed Chair of the Board of Directors and the executive committee.

Mr. Picasso is also Chairman of the Board of Compañía Minera Chungar S.A., Reactivos Nacionales S.A., Vice Chairman of the Board of Compañía Minera Poderosa S.A., Alternate Director of Compañía Minera San Ignacio de Morococha S.A.A., Director of Bodegas Vista Alegre S.A.C., Director of Cemento Polpaico S.A.-Chile, Director of the National Society of Mining, Oil and Energy, and member of the Peruvian-Chilean Business Council. He previously served as Vice Chairman of Embotelladora Latinoamericana S.A.A. (Coca-Cola) and Director of Compañía Minera Atacocha S.A., EXSA, S.A., Castrovirreyna Compañía Minera, Compañía Molinera del Perú S.A., Compañía de Seguros La Fénix Peruana S.A., Bolsa de Valores de Lima S.A. and Acción Comunitaria.

José Ignacio de Romaña Letts

Director since 1993 and Vice Chairman of the Board since September 2014. He is a member of the Executive Committee. Mr. de Romaña worked in the Sales Division of Compañía de Minas Buenaventura from 1992 to 1999, and was the head of Volcan's Sales Division from 2000 to 2010. He also served as Director of Castrovirreyna Compañía Minera S.A. and Corporación Minera Castrovirreyna S.A. from 2002 to 2012. Mr. de Romaña holds a Business Administration Degree from Universidad del Pacífico.

Victoria Soyer Toche

Director since November 2017. Mrs. Soyer holds a degree in business administration from Universidad del Pacífico and an MBA from Thunderbird School of Management.

Prior to joining the Glencore Group in 2010, she spent seven years in various positions with Tyco International in the United States, most recently as Finance Director from 2008 until leaving the company in 2010.

Mrs. Soyer is also a Director of Perubar S.A., Transportadora Callao S.A., and Cosco Shipping Ports Chancay Perú S.A..

Abraham Chahuán Abedrabo

Director since July 2020. Mr. Chahuán served as President and CEO of Compañía Minera Antamina S.A. from 2010 to 2020, President and CEO of Compañía Minera Milpo S.A. from 2001 to 2010, and President and CEO of Siderperú S.A.A. from 1996 to 2001.

He has 35 years of experience in the mining-metallurgical sector. He began his career at Southern Peru Copper Corporation and has been the Vice President of the National Society of Mining, Oil and Energy, Director of the Institute of Mining Engineers of Peru in four occasions, and President of Perumin in 2013. Mr. Chahuán is a doctoral candidate in International Finance at the Universidad de Cataluña. He also holds a Graduate Degree from Universidad Politécnica de Madrid and a Degree in Metallurgical Engineering from Universidad Nacional de San Agustín. Mr. Chahuán is Chairman of the Board of Directors of Compañía Minera Antapaccay S.A., Glencore Peru Holding S.A., Glencore Servicios Corporativos Peru S.A.C., Compañía Minera Doña Inés de Collahuasi S.C.M. (Chile) and serves as Director in Compañía Minera Antamina S.A. (Perú).

Carlos Francisco Fernández Navarro

Director since July 2020, Executive Vice President of Volcan since January 2018 and General Manager since July 2021. He has previously served as Manager of Business Development - Zinc Division at Glencore International AG, South American Asset Manager - Zinc Division at Glencore International AG and as Investor Relations Manager for Glencore International AG. He has a Degree in Applied Mathematics from Yale University.

Ricardo Revoredo Luna

Director since November 2019, he is also Alternate Director of Compañía Minera Poderosa S.A., Alternate Director of Compañía Minera San Ignacio de Morococha S.A.A., Director of Grupo Bolsa S.A.A., Director of Bolsa de Valores de Lima S.A., Director of Compañía Minera Chungar S.A.C., Director of Proyectos Médicos S.A. and a member of the Advisory Board of the School of Administration and Corporate Finance of

Universidad San Ignacio de Loyola. He previously served as Vice President of the Board of Bolsa de Valores de Lima S.A. and Director of Cavali ICLV.

Mr. Revoredo holds a Degree in Business Administration from Universidad Nacional Federico Villarreal. He completed Graduate Studies in Capital Markets at the Brazilian Institute of Capital Markets (IBMEC) and Specialization Studies in Finance at Escuela Superior de Administración de Negocios (ESAN).

Diego Garrido Lecca González

Director since November 2022. He holds a degree in industrial engineering from Texas A&M University, United States.

He joined Glencore in 2008, working in the sales department both in Lima and Baar, Switzerland; since 2016 he is responsible for Zinc logistic operations for LatAm. Mr. Garrido-Lecca is General Manager of Perubar Unidad Logística Callao since 2012. He is a member of the Board of Directors of Transportadora Callao S.A., and was appointed Chairman of the Board in 2012. Mr. Garrido-Lecca is also Deputy Director of Cosco Shipping Ports Chancay Peru S.A. since December 2022.

Management

Table 5 Management

Name and surname	Position
Carlos Francisco Fernandez Navarro	Chief Executive Officer
Aldo de la Cruz Peceros	Vice President of Operations
Jorge Leoncio Murillo Núñez	Vice President of Administration and Finance
Alejandro Manuel Baca Menendez	Commercial Manager
Renzo Muenta Barzotti	Corporate Human Development Manager
Roberto Juan Servat Pereira de Sousa	Corporate Social Responsibility and Labor Relations Manager
Juan Alberto Begazo Vizcarra	Audit Manager
Alfonso Rebaza González	Legal Affairs Manager
Ronald Martín Castillo Ángeles	Corporate Logistics Manager
Monica Nicole Danon-Schaffer	Corporate Safety and Occupational Health Manager
Victor Hernan Tipe Quispe	Corporate Planning Manager
James Atalaya Chacón	Mining Unit Operations General Manager - San Cristóbal - Carahuacra
Gabriel Antonio Caceres Oviedo	Andaychagua Mine Operations Manager
Eduardo Enrique Malpartida Espinoza	Ticlio Mine Operations Manager
Francisco Grimaldo Zapata	Chungar Operations General Manager
Nilton Evaristo Apaza Corí	Animón Operations Manager
Jose Francisco Zegarra Carmona	Mine Operations Manager
Edgardo Zamora Pérez	Romina Project Manager
Omar Mora Munares	Corporate Maintenance Manager
Carlos Barrena Chavez	Operational Excellence Manager
Jorge Luis Quispe Cangana	Geology Corporate Manager
Jorge de Olazabal Angulo	Technical Manager of Environmental Permits
Willy Antonio Montalvo Callirgos	Accounting and Tax Manager
Dayan Gustavo Segura Vandervelde	Information Technology Manager
Mauricio Scerpella Iturburu	Budget and Control Manager
Miguel Angel Herrera Quispe	Corporate Maintenance Manager
Eduardo Roque León Vasquez	Regional Project Manager
Cesar Emilio Farfan Bernales	Regional Exploration Manager
Jose Wilfredo Polack Belaunde	Cerro de Pasco Project Manager
Jorge Luis Cotrina Luna	Head of Securities

CAPÍTULO 4



PRINCIPALES INDICADORES

Key Indicators

Market Indicators

Figure 3: Evolution of the average spot price of silver (USD/oz)

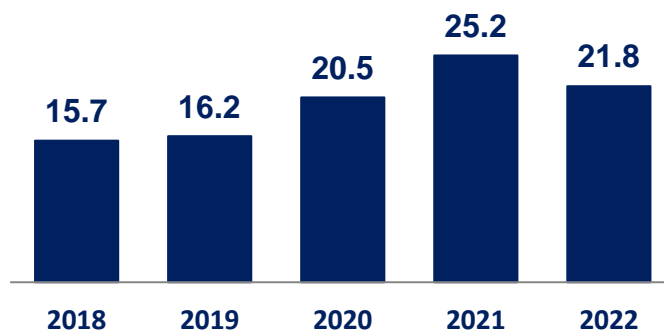


Figure 4: Evolution of the average spot price of zinc (USD/MT)

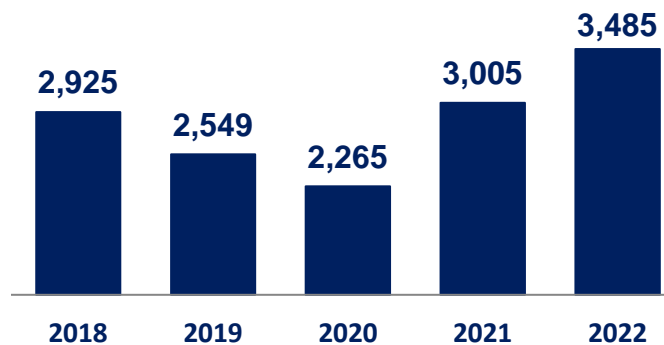
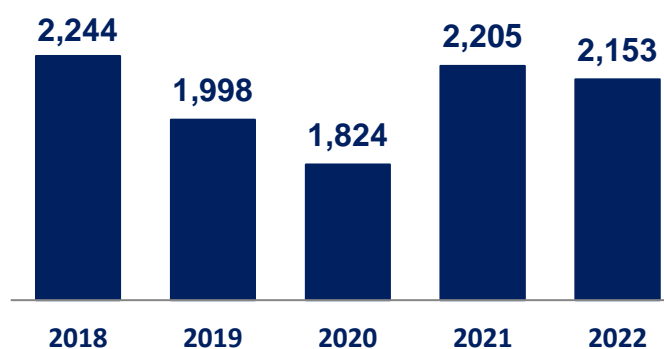


Figure 5: Evolution of the average spot price of lead (USD/MT)



Production Indicators

Figure 6: Evolution of Production and Average Grades

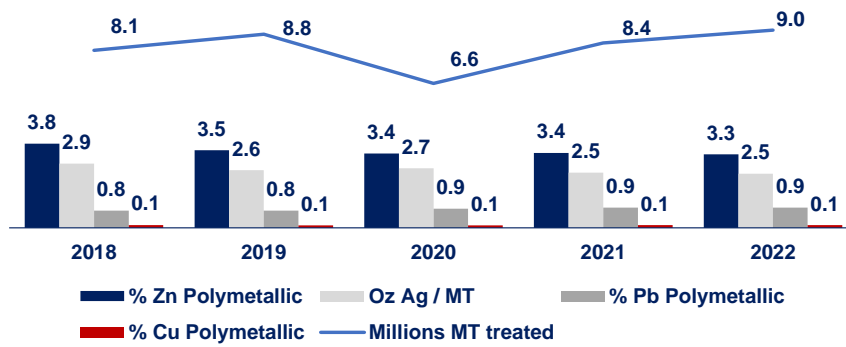
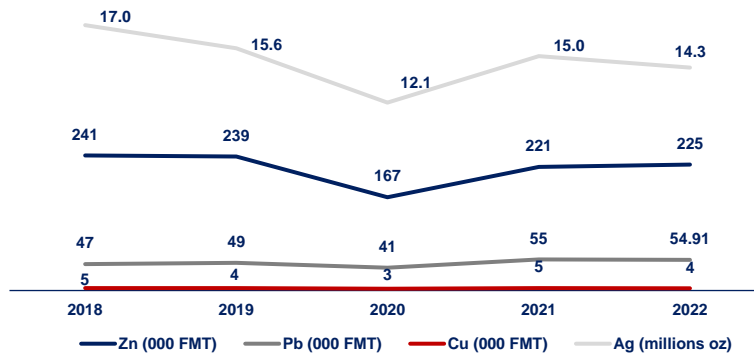


Figure 7: Evolution of Fines Production



Financial Indicators

Figure 8: Evolution of Sales (million USD)

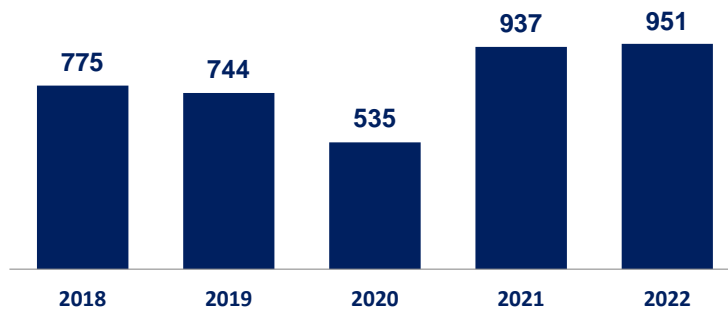


Figure 9: Evolution of EBITDA (million USD)

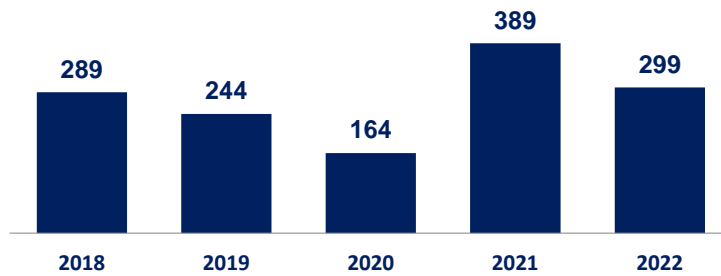
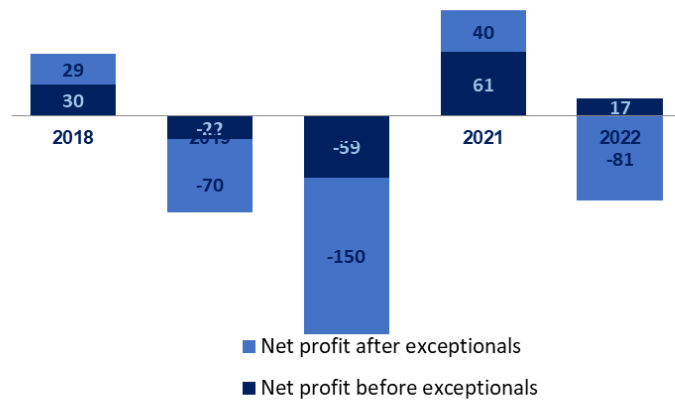


Figure 10: Evolution of Net Profit (million USD)



CAPÍTULO 5



**RESERVAS Y
RECURSOS
MINERALES**

Ore Reserves and Resources

Reserves and resources for Volcan have been estimated as of December 31, 2022 in accordance with best industry practices and the international standards of the JORC Code.¹ This estimate will be part of the official Glencore Zinc report. It is also supported by the good practices established by Glencore Technical Services.

The resources listed in this report also include those that originate the reserves. This reporting method follows the approach that has been used since the December 2018 report.

Specialized software was used for the process of defining resources and reserves (the geology and mining planning areas have licenses for the best software worldwide).

In 2022, drilling programs were strategically subdivided into: (i) exploration drilling, to add new economic inferred resources and assess areas with high geological-economic potential, and, (ii) infill drilling, aimed to reclassify resources from inferred to indicated, and indicated to measured, in order to increase the geological confidence of blocks in the mining plan, and replenish and increase reserves, that is, to dynamically relocate the drilling programs to strategic zones where the greatest volume of resources that could be transferred to reserves can be obtained. The development of the exploration drilling and infill drilling programs allowed to adequately plan production and ensure its sustainability in the long term.

As of December 31, 2022, reserves and resources were calculated using long-term metal price annual projections for the corresponding life of asset of each operating unit. The average projected for 2023 to 2026 was used for the Andaychagua mine (Zn 2697 USD/MT, Pb 1905 USD/MT, Cu 7342 USD/MT, Ag 20 USD/Oz); the average projected for 2023 to 2029 was used for the San Cristobal-Carahuacra mine (Zn 2591 USD/MT, Pb 1869 USD/MT, Cu 7367 USD/MT, Ag 21 USD/Oz); the average projected for 2023 to 2025 was used for the Ticlio mine (Zn 2779 USD/MT, Pb 1933 USD/MT, Cu 7323 USD/MT, Ag 20 USD/Oz); the average projected for 2023 to 2028 was used in the Animón mine (Zn 2614 USD/MT, Pb 1877 USD/MT, Cu 7361 USD/MT, Ag 21 \$/Oz); the average projected for 2023 to 2024 was used in the Islay mine (Zn 2938 USD/MT, Pb 1963 USD/MT, Cu 7199 USD/MT, Ag 20 USD/Oz); and the average projected for 2023 to 2028 was used in

¹ The Zinc Mineral Resources and Ore Reserves Statement as of December 31, 2022 has been compiled in keeping with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition (JORC Code).

The term “ore reserves” as defined in Clause 28 of the JORC Code has the same meaning as “mineral reserves” as defined by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards when defining mineral resources and ore reserves.

the Cerro de Pasco Sulfuros mine (Zn 2614 USD/MT, Pb 1877 USD/MT, Cu 7361 USD/MT, Ag 21 USD/Oz).

In the case of Alparamar and Cerro de Pasco Óxidos, the projected prices for 2023 were used: Zn 3250 USD/MT, Pb 1995 USD/MT, Cu 7200 USD/MT, Ag 20 USD/Oz and Au 1680 USD/Oz.

Table 6: Evolution of Long-Term Metals Prices

Prices	2017	2018	2019	2020	2021	2022
Zinc (USD/MT)	2450	2440	2450	2400	2400	2450
Lead (USD/MT)	2100	2030	1910	1900	1900	1820
Copper (USD/MT)	6400	6500	6460	6250	7000	7400
Silver (USD/oz)	18.5	16.0	17.0	20.0	20.0	22.0
Gold (USD/oz)	1250	1250	1250	1650	1700	1500

Ore Reserves

Ore reserves are the economically extractable part of a measured or indicated mineral resource, where extraction has been demonstrated to be viable based on an assessment where modifying factors have been considered. Reserves include the dilution of material and contingencies for losses that may occur during mining, and costs associated to extraction. Reserves are categorized as proved or probable depending on the confidence level.

Table 7: Evolution of Total Ore Reserves - Volcan and Subsidiaries

Evolution of Ore Reserves	Thousands of MT	Grades				Fines		
		Zn %	Pb %	Cu %	Ag oz/MT	Zn Thousands of MT	Pb Thousands of MT	Ag Millions of oz
2017	50,296	4.1	0.9	0.2	3.6	2,039	465	179
2018	34,300	4.0	0.9	0.1	2.4	1,388	306	81
2019	32,700	4.8	1.1	0.2	3.0	1,565	371	99
2020	27,719	4.6	1.1	0.1	2.7	1,274	299	75
2021	23,526	4.6	1.0	0.1	2.6	1,091	231	61
2022	31,499	3.7	0.9	0.1	2.4	1,162	279	75

This estimate was made by applying the guidelines established under best industry practices and aligning Volcan procedures and methodologies with standards used by Glencore at the corporate level. Procedures have been adapted in all Volcan units.

There was a 34% increase in tonnage of Company reserves as of December 31, 2022 compared to the previous year. Zinc fines increased by +71,000 ton, lead by +48,000 ton and silver by +14 million oz.

Reserves at the Yauli units remained mostly unchanged and decreased 2% as compared to 2021. The most notable change observed was zinc and silver grades decreasing by -9% as compared to 2021.

Reserves at the Chungar units increased by 15% as compared to the previous year. Zinc increased by 7%, lead by 8% and silver by 6%.

Alpamarca unit recorded volumes similar to 2021, with a slight increase of 12% in tonnage.

In Cerro de Pasco, sulfur mineral reserves increased significantly to 7.1 million ton, as a result of including Hanancocha and Rumiallana stocks in the reserve estimation after obtaining extraction permits through a Supporting Technical Report (ITS) in June, in conjunction with the drilling campaign carried out at these two deposits to confirm the tonnages and grades. These stocks contribute with better grades of zinc and lead.

In the Óxidos Open Pit, 0.7 million ton of reserves were obtained, with gold grades of 6.8 Oz/t and 0.7 g/t.

Table 8: Proved and Probable Ore Reserves by Mining Unit

Mineral Reserves	Millions of MT	Grades				Fines			
		Zn %	Pb %	Cu %	Ag Oz/MT	Zn Thousands of MT	Pb Thousands of MT	Cu Thousands of MT	Ag Millions of Oz
Yauli	16.1	4.9	0.8	0.1	2.6	792	134	24	43
Proven	5.5	6.0	1.0	0.1	2.6	331	54	7	14
Probable	10.6	4.3	0.7	0.2	2.7	461	79	17	28
Chungar	4.1	4.6	1.7	0.2	2.2	190	71	6	9
Proven	0.8	4.9	1.9	0.2	2.3	39	15	2	2
Probable	3.3	4.5	1.7	0.1	2.2	150	56	5	7
Alpamarca	0.7	1.0	0.8	0.1	1.4	7	5	0	1
Proven	0.6	1.0	0.8	0.1	1.4	5	4	0	1
Probable	0.1	1.0	1.0	0.1	1.6	1	1	0	0
Cerro de Pasco	9.9	1.8	0.7	0.1	1.7	173	69	8	17
Proven	9.9	1.8	0.7	0.1	1.7	173	69	8	17
Óxidos	0.7	0	0	0	6.8	0	0	0	5
Proven	0.7	0.0	0.0	0.0	6.8	0	0	0	5
Proven	6.9	5.5	1.1	0.1	2.5	376	74	9	17
Probable	24.6	3.2	0.8	0.1	2.3	786	205	29	57
Total	31.5	3.7	0.9	0.1	2.4	1,162	279	38	75

Table 9: Ore Reserves by Mining Method

Mineral reserves by exploitation type		Millions of MT	Leyes			
			Zn %	Pb %	Cu %	Ag oz/MT
Underground mines		20.3	4.8	1.0	0.1	2.6
Yauli	San Cristóbal	10.1	4.5	0.7	0.1	2.8
	Carahuacra	1.5	4.6	0.8	0.1	2.7
	Andaychagua	3.8	6.1	1.1	0.1	2.4
	Ticlio	0.7	5.0	0.7	0.4	1.5
Chungar	Animón	3.8	4.7	1.8	0.2	2.1
	Islay	0.3	3.2	1.4	0.1	3.7
Open pits		11.2	1.6	0.7	0.1	2.0
Alpamarca	Alpamarca	0.7	1.0	0.8	0.1	1.4
Cerro de Pasco	OIS + Sulfuros	10.6	1.6	0.6	0.1	2.1
Total reserves		31.5	3.7	0.9	0.1	2.4

Mineral Resources

The resources presented in the estimate of December 31, 2022 include those that originate the reserves. This resource reporting method differs from the one used by Volcan in previous estimates prior to 2018, which excluded resources that gave rise to reserves.

It is important to point out that both ways of reporting resources are accepted by the JORC Code as long as the method used is clearly stated. This new reporting method was adopted to be aligned with the reporting methodology used by Glencore.

In its operations and projects, Volcan uses a cut-off grade for reporting mineral resources to ensure that mineralized material with no economic interest is eliminated.

Table 10: Evolution of Total Mineral Resources - Volcan and Subsidiaries

Evolution of mineral resources (*)	Thousands of MT	Grades				Fines		
		Zn %	Pb %	Cu %	Ag oz/MT	Zn Thousands of MT	Pb Thousands of MT	Ag Millions of oz
2016	105,983	5.7	1.2	0.2	3.7	6,028	1,268	389
2017	124,694	5.4	1.2	0.2	3.3	6,777	1,488	406
2018	117,985	5.3	1.1	0.1	3.2	6,203	1,302	375
2019	117,573	5.6	1.3	0.2	3.5	6,634	1,516	414
2020	109,520	5.5	1.3	0.2	3.4	6,046	1,392	369
2021	101,161	5.5	1.2	0.2	3.2	5,526	1,262	324
2022	95,648	4.8	1.6	0.1	2.9	4,591	1,530	277

(*) 2022 mineral resources report. This does not include Cerro de Pasco or exploration projects.

Excluding Cerro de Pasco and exploration projects, mineral resources have decreased by 5.5 million, from 101.1 million MT in 2021 to 95.6 million MT in 2022. This is more clearly seen in the San Cristóbal, Carahuacra, Ticlio and Animón mines, where mineral resources have been affected mainly by factors such as the updated land surveying coding (mined depletion), the update to mining concessions, and the reinterpretation of geological models.

Table 11: Measured, Indicated and Inferred Resources by Unit

Resources Measured, indicated* and inferred	Millions of MT	Grades				Fines			
		Zn	Pb	Cu	Ag	Zn	Pb	Cu	Ag
		%	%	%	oz/MT	Thousands of MT	Thousands of MT	Thousands of MT	Millions of Oz
Yauli	63.3	5.4	1.0	0.2	3.1	3,441	613	125	199
Measured	13.1	6.9	1.1	0.2	3.2	902	147	25	42
Indicated	22.7	5.4	1.0	0.2	3.2	1,217	216	45	74
Inferred	27.5	4.8	0.9	0.2	3.0	1,323	251	55	83
Cerro	89.8	3.8	1.5	0.2	3.2	3,425	1,309		286
Measured	0.3	0.0	0.1	0.0	3.2	0	0	0	1
Indicated	17.0	1.3	0.7	0.1	3.2	218	113	20	54
Inferred	72.6	4.4	1.6	0.2	3.2	3,207	1,197	138	231
Chungar	28.4	5.3	1.8	0.2	3.1	1,507	497	43	88
Measured	2.9	6.6	2.1	0.2	4.0	191	61	6	12
Indicated	9.4	6.1	2.0	0.2	3.1	576	189	16	30
Inferred	16.1	4.6	1.5	0.1	2.9	740	247	20	47
Alpamarca	3.9	1.0	0.7	0.1	1.6	40	27	2	6
Measured	1.4	1.1	0.9	0.1	1.7	15	12	1	2
Indicated	0.5	1.0	1.0	0.1	2.0	5	5	0	1
Inferred	2.0	1.0	0.5	0.1	1.4	19	10	1	3
La Tapada	10.3	3.4	1.4	0.0	1.3	350	141	0	14
Indicated	3.7	3.5	1.5	0.0	1.5	131	56	0	5
Inferred	6.6	3.3	1.3	0.0	1.3	219	85	0	8
Zoraida	5.1	4.4	3.2	0.1	4.3	226	165	5	22
Indicated	3.1	4.4	3.1	0.1	4.4	137	96	3	13
Inferred	2.0	4.4	3.4	0.1	4.3	89	69	2	9
Esperanza	27.3	5.2	0.0	0.8	0.6	1,404	7	213	16
Inferred	27.3	5.2	0.0	0.8	0.6	1,404	7	213	16
Palma	24.1	4.3	0.8	0.0	0.7	1,027	196	8	17
Indicated	13.3	4.4	0.9	0.0	0.8	585	114	4	11
Inferred	10.8	4.1	0.8	0.0	0.6	442	81	3	6
Puagjanca	11.9	5.1	2.8	0.1	1.3	611	337	11	16
Measured	4.8	4.9	2.7	0.1	1.3	239	132	4	6
Indicated	4.4	5.8	3.2	0.1	1.5	255	140	5	7
Inferred	2.6	4.5	2.5	0.1	1.1	117	65	2	3
Andrea	5.4	3.9	0.0	0.0	0.2	212	3	2	1
Inferred	5.4	3.9	0.0	0.0	0.2	212	3	2	1
Santa Barbara	140.2	0.0	0.0	0.4	0.0	-	-	533	-
Inferred	140.2	0.0	0.0	0.4	0.0	-	-	533	-
Rondoní	60.5	0.0	0.0	0.5	0.0	-	-	292	-
Measured	18.4	0.0	0.0	0.5	0.0	-	-	88	-
Indicated	34.3	0.0	0.0	0.5	0.0	-	-	168	-
Inferred	7.8	0.0	0.0	0.5	0.0	-	-	36	-
Measured	41.0	3.3	0.9	0.3	1.6	1,347	352	125	64
Indicated	108.4	2.9	0.9	0.2	1.8	3,124	930	262	195
Inferred	321.0	2.4	0.6	0.3	1.3	7,773	2,014	1,007	407
Total resources	470.3	2.6	0.7	0.3	1.4	12,244	3,295	1,393	666

(*) The measured and indicated resources reported include resources modified to generate reserves.

Table 12: Measured and Indicated Resources by Mining Method

Measured and indicated resources by mining method		Millions of MT	Grades			
			Zn %	Pb %	Cu %	Ag oz/MT
Underground mines		48.2	6.0	1.3	0.2	3.3
Yauli	San Cristóbal	17.9	6.1	1.0	0.2	3.8
	Carahuacra	5.0	5.7	0.8	0.1	2.7
	Andaychagua	7.9	6.4	1.2	0.1	3.2
	Ticlio	4.9	4.5	0.9	0.3	1.6
Chungar	Animón	9.4	7.6	2.4	0.2	2.9
	Islay	2.9	1.8	0.8	0.1	4.8
Open pits		4.1	0.5	0.5	0.1	3.3
Cerro	Óxidos <i>in situ</i>	2.1	0.1	0.2	0.0	4.6
Alpamarca	Alpamarca	2.0	1.1	0.9	0.1	1.8
Stockpiles		15.2	1.4	0.7	0.1	3.0
Cerro	SP Óxidos	3.8	0.4	0.8	0.3	6.7
	SP Sulfuros	11.3	1.8	0.7	0.1	1.7
Projects		82.0	1.6	0.7	0.3	0.5
Palma	Palma	13.3	4.4	0.9	0.0	0.8
Romina	Puagjanca	9.3	5.3	2.9	0.1	1.4
Yauli	Zoraida	3.7	3.5	1.5	0.0	1.5
Carhuacayan	La Tapada	3.1	4.4	3.1	0.1	4.4
Rondoní	Rondoní	52.7	0.0	0.0	0.5	0.0
Total measured and indicated resources		149.4	3.0	0.9	0.3	1.7

*The measured and indicated resources reported include resources modified to generate reserves.

Inferred resources are an important indicator of the capacity for growth and future sustainability of operations. A significant portion of the resources mentioned above will become reserves in the short- and medium- term, through the execution of infill drilling programs.

Table 13: Inferred Resources by Mining Method

Inferred mineral resources by exploitation type	Millions of MT	Grade			
		Zn %	Pb %	Cu %	Ag oz/MT
Underground mines	43.6	4.7	1.1	0.2	3.0
Yauli					
San Cristóbal	14.1	4.8	0.8	0.2	2.9
Carahuacra	4.1	5.8	1.0	0.1	3.3
Andaychagua	4.4	4.0	0.8	0.2	3.9
Ticlio	4.9	4.7	1.3	0.3	2.4
Chungar					
Animón	12.7	5.4	1.8	0.2	2.6
Islay	3.4	1.5	0.7	0.0	4.3
Open pits	62.6	4.8	1.8	0.2	3.3
Cerro					
Raúl Rojas	45.0	6.5	2.4	0.2	3.4
Óxidos In Situ	0.2	0.1	0.2	0.1	5.3
Piritas (sulfuros)	15.4	0.3	0.3	0.4	3.4
Alpamarca					
Alpamarca	2.0	1.0	0.5	0.1	1.4
Stockpiles	11.9	1.9	0.7	0.1	2.2
Cerro					
SP Óxidos	1.6	0.4	0.6	0.2	6.7
SP Sulfuros	10.4	2.1	0.7	0.1	1.5
Projects	202.9	1.2	0.2	0.4	0.2
Palma					
Palma	10.8	4.1	0.8	0.0	0.6
Romina					
Puagjanca	2.6	4.5	2.5	0.1	1.1
Andrea	5.4	3.9	0.0	0.0	0.2
Carhuacayán					
La Tapada	6.6	3.3	1.3	0.0	1.3
Yauli					
Zoraida	2.0	4.4	3.4	0.1	4.3
Chungar					
Esperanza	27.3	5.2	0.0	0.8	0.6
Santa Bárbara					
Santa Bárbara	140.2	0.0	0.0	0.4	0.0
Rondoní					
Rondoní	7.8	0.0	0.0	0.5	0.0
Total inferred resources	321.0	2.4	0.6	0.3	1.3

The inferred resources in the polymetallic mines represent 37% of the total, and the projects' inferred resources 63% of the 321.0 million tons.

Table 14: Distribution of Inferred Resources

Inferred mineral resources		Millions of MT	%	Total %
Polymetallic Mines	Yauli	27.5	9%	37%
	Chungar	16.1	5%	
	Cerro	72.6	23%	
	Alpamarca	2.0	1%	
Projects	Palma	10.8	3%	63%
	Romina	8.1	3%	
	Carhuacayan	6.6	2%	
	Zoraida	2.0	1%	
	Esperanza	27.3	8%	
	Santa Bárbara	140.2	44%	
	Rondoní	7.8	2%	
Total inferred resources		321.0	100%	100%

CAPÍTULO 6



OPERACIONES MINERAS

Mining Operations

Volcan’s mining operations are located in the Peruvian Central Highlands. This area has a long mining tradition and is particularly suitable for this sector due to its geological characteristics, its proximity to Lima, and its easy access to key transportation routes.

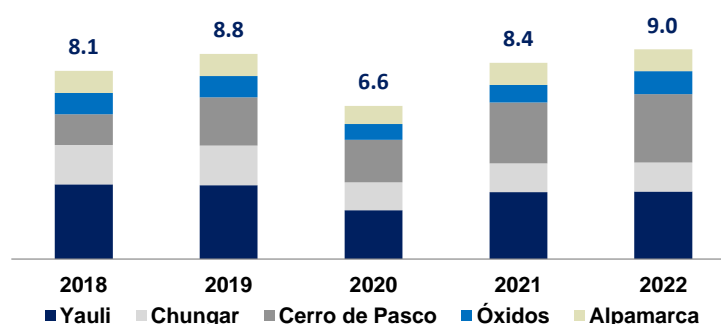
Volcan has five operating units: Yauli, Chungar, Cerro de Pasco, Alpamarca and Óxidos de Pasco; nine underground mines, three open pits, five concentrator plants operating at a 24,710 tpd treatment capacity, one 2,750 tpd plant in care and maintenance (Mahr Túnel), and one 2,700 tpd leaching plant (Oxides).

Table 15: Units and Mines by Type

Mining Unit	Mines			Plants		Explorations and Mining Concessions	
	Name	Type	State	Name	Type	Number	Ha(000)
Yauli	San Cristóbal	Underground	Active	Victoria	Concentrator	144	40
	Andaychagua	Underground	Active	Mahr Túnel	Concentrator		
	Ticlio	Underground	Active	Andaychagua	Concentrator		
	Carahuacra	Underground	Active				
	Carahuacra Norte	Open pit	Suspended				
Chungar	Animón	Underground	Active	Animón	Concentrator	12	14
	Islay	Underground	Active				
Cerro de Pasco	Mina Subterránea	Underground	Suspended	Paragsha	Concentrator	29	18
	Raúl Rojas	Open pit	Suspended	San Expedito	Concentrator		
	Vinchos	Underground	Suspended				
Alpamarca	Río Pallanga	Underground	Suspended	Alpamarca	Concentrator	28	19
	Alpamarca	Open pit	Active				
Óxidos de Pasco	Stockpiles	stockpiles	Active	Óxidos	Leaching	1	0
Greenfield Exploration						628	263
Total concessions						842	355

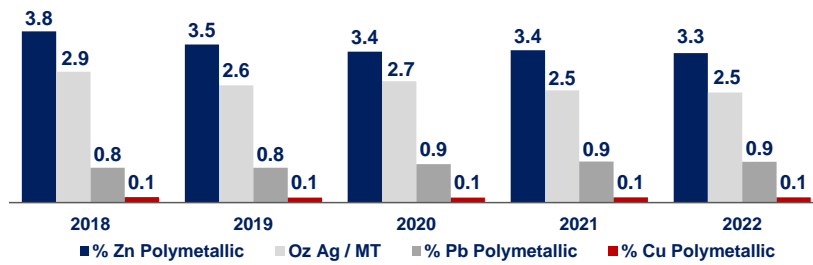
Treated tons increased from 8.4 million in 2021 to 9.0 million in 2022, mainly due to normal operations during 2022.

Figure 11: Evolution of Treated Tonnage (million tons)



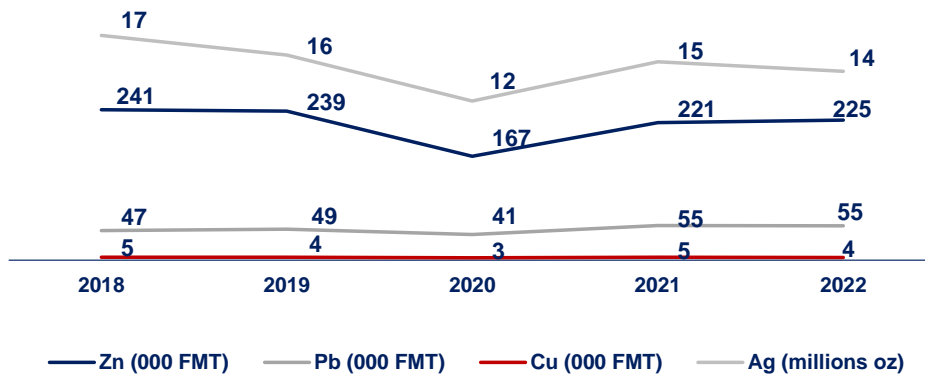
During 2022, the ore grades for Volcan as a whole averaged 3.34% for zinc, 0.91% for lead, 0.12% for copper and 2.46 oz of silver per ton. Compared to 2021, zinc decreased by 1.90%, lead by 0.72%, copper by 1.69%, and silver by 1.93% oz.

Figure 12: Evolution of Average Grades Consolidated for all of Volcan



In terms of fines, in 2022, the Company produced 225,000 tons of fine zinc, 55,000 tons of fine lead, 4,000 tons of fine copper, 14 million ounces of silver and 21,000 ounces of gold. Zinc increased by 2%, while lead decreased by 1%, copper by 9% and silver by 5% as compared to 2021.

Figure 13: Evolution of Fines Production Consolidated for all of Volcan



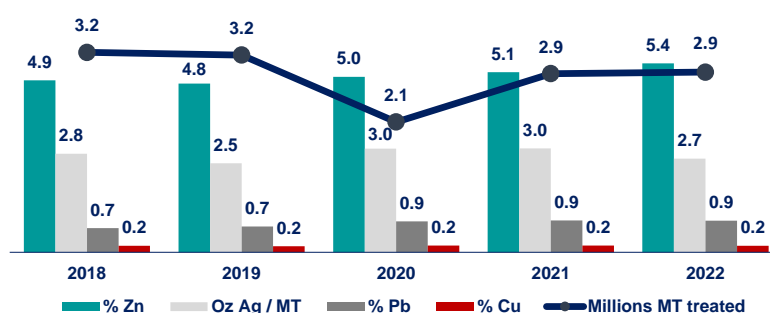
Yauli Unit

The Yauli operating unit is located in the Junín Region, 40 kilometers from the city of La Oroya and 170 kilometers from Lima, which makes it accessible by road and rail.

There are currently four underground mines in operation: San Cristóbal, Carahuacra, Andaychagua and Ticlio. The ore extracted from these sites is treated at the Victoria and Andaychagua concentrator plants, which have an installed capacity of 8,650 tpd. The Mahr Túnel plant, which has a capacity of 2,750 tpd, is undergoing care and maintenance.

The volume of ore treated at its two concentrator plants totaled 2.89 million tons, which is equivalent to 32% of the consolidated ore treated at Volcan. Head grades were 5.39% zinc, 0.90% lead, 0.18% copper and 2.67 Oz/MT silver, as compared to 2021, when 5.15% zinc, 0.91% lead, 0.19% copper and 2.97 Oz/MT silver were obtained.

Figure 14: Evolution of Treated Tonnage and Average Grades
Yauli



The production of fine silver reached 148,000 fine tons, up 6% over 2021; lead production totaled 22,000 fine tons, and silver reached 7 million ounces, down 3% and 10%, respectively, as compared to 2021.

Figure 15: Evolution of Fines Production
Yauli

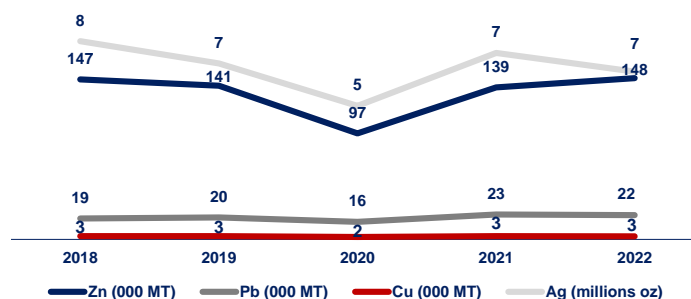


Table 16: Yauli Production by Mine

	Tons treated (000 MT)		Zn grade (%)		Pb grade (%)		Cu grade (%)		Ag grade (oz/MT)	
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
San Cristóbal	1,200	1,315	5.4	5.4	0.7	0.7	0.2	0.2	3.2	3.0
Andaychagua	891	776	5.8	6.1	1.3	1.2	0.1	0.1	2.4	2.1
Ticlio	322	367	4.6	4.9	0.8	0.8	0.4	0.4	2.7	2.4
Carahuacra	456	436	3.7	4.5	0.9	0.9	0.1	0.1	3.8	2.9
Tajo Carahuacra Norte	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Yauli	2,869	2,894	5.1	5.4	0.9	0.9	0.2	0.2	3.0	2.7

Mines

The lifting of sanitary measures and the progress made with vaccination were factors that contributed to normalize activities in 2022, and revert a significant number of challenges to mining operations posed by COVID-19 in the last two years.

We also made improvements to operating processes by strengthening management tools such as the work opening file (technical evaluation and implementation of controls in work areas); the block plan to identify risks within the annual plan; gap management, to ensure a safe and sustainable operation; compliance reports and adherence to budget plans to improve the quality of the mining plans; strengthening of operational controls with database; standardization of external dilution measurement and control; training in specific mining software modules to standardize short-, medium- and large-term planning processes.

During 2022, the units' professional teams were strengthened and aimed toward management of geotechnical risks, liability management, optimization of ground support and standard geomechanical process (data capture, geomechanical modeling, design of extraction units and layout, technical bases of design and operation, and ground control process).

Geotechnical risk management has completed the nine stages of the risk management system (International Council on Mining & Metals, ICMM), significantly decreasing findings and observations in external audits. High Potential Risk Incidents (HPRI) related to strata failure events decreased from 16 events in 2021 to just 6 events in 2022.

We continued the rehabilitation program for infrastructure showing deterioration over time due to presence of water and other factors, successfully rehabilitating 22 km of tunnels and 800 intersections. Additionally, each mine has a detailed inspection program carried out by a specialized team to identify areas that require rehabilitation. The helical bolt equipment was implemented to fortify permanent works in all units. Monthly reporting of progress made in the rehabilitation program is maintained.

Mine designs were optimized, increasing bench height by 40% in Salvadora, Salvadora Norte and Prosperidad Techo, in the Andaychagua unit. The widespread use of the Sublevel Stopping method is under implementation in 23 veins at the Animón unit, which were previously conceptualized as cut and fill. At the open pits, inter-ramp angles were improved by 3° to 6° both at Alpamarca and Cerro de Pasco, reducing waste rock and improving mineral recovery.

San Cristóbal Mine

There was an increase of 1% in zinc head grade and 4% in lead head grade. However, copper head grade decreased by 14%, and silver head grade by 6% due to delays in primary developments in 2021 as a result of the third and fourth waves of COVID-19, in addition to delays in equipment replacement, which caused lag in the exploitation of the pits scheduled for use in 2022. This mainly impacted the Ramal Piso 722 and vein K, which are main contributors in terms of both volume and grade.

Ore production was 10% higher than in 2021. Zinc, lead and silver fine production results increased by 11%, 13% and 2%, respectively, as compared to 2021.

The exploration program focused on increasing geological confidence of mineral resources scheduled for extraction in the next four years, and adding new economic mineral resources to be immediately included in the operational scope. Side areas and deepening of main veins were assessed, as were the areas with high geological-economic potential, such as Ramal Piso 722, 658, Split 658 and vein K; recording high metal contents of zinc, lead and silver.

Andaychagua Mine

Zinc head grade increased by 6% as compared to 2021, and lead head grade decreased by 1% and silver by 12%, due to the higher grade of zinc resulting from the contribution

of the Salvadora Norte body and the reduction of silver grade due to the withdrawal of estimates of the Puca Urco vein reserves.

Ore production was 13% lower than in 2021, and zinc, lead and silver fines were 8%, 15% and 22% lower than in 2021, respectively. The events that influenced this variation were: strike of Andaychagua union workers (70 days), two consecutive High Potential Risk Incidents (HPRI) caused by heat stress and caving in the mine, leading to a suspension of operations to implement corrective action plans and subsequently resume operations under normal conditions.

The exploration program allowed to include new economic mineral resources at the Salvadora, Prosperidad Techo, Andaychagua and Adriana bodies. Positive results were obtained, with high metal contents of zinc, lead, copper and silver.

Ticlio Mine

Compared to 2021, zinc head grade increased by 7% and lead by 2% due to the higher production of the Ramal Techo vein in the west zone. In the east zone, a change in the geological model caused copper grade to decrease by 9% and silver by 11%.

Production increased by 14% as compared to 2021. Similarly, production of zinc, lead and copper fines increased by 22%, 10% and 4%, respectively. However, silver saw a negative variation of 0.5%. The highest production volume occurred at the Ramal Techo vein and in the west zone.

The exploration focused on increasing the geological confidence of the Ramal Techo vein to guarantee compliance with production plans and to include new economic mineral resources on replacement bodies. The results obtained show high metal contents of zinc, lead, copper and silver.

During 2022, the San Nicolás main substation replaced its 4/5 MVA transformer with an 8/10 MVA transformer, installed medium voltage switchgear (11 units), and changed four 600 amp switches for 800 amp switches to increase the power supplied to the mine. Two 3 MVA substations were implemented within the mine to supply higher voltage to mine-deepening activities, the pumping system, the ventilation system, and the operation of trackless equipment.

Carahuacra Mine

Head grades of zinc, lead and copper increased by 19%, 2% and 26%, respectively. However, silver head grade decreased by 22%. The expected grade was not reached due to delays in primary and secondary developments in 2021 resulting from the impact of the third and fourth waves of COVID-19, and the suspension of operations at the Mary vein related to geomechanical support.

Production volume was below 4% as compared to 2021, explained by the lower contribution of the Mary vein. Production of zinc and copper fines were higher than in 2021, at 15% and 42%, respectively. Lead and silver fine production decreased by 3% and 26%, respectively.

Seismic events occurred at the Mary vein, suspending its contribution to production for three months. During this period, cable bolting and additional support was installed to make mining activities safer.

Exploration was directed towards the evaluation of polymetallic layer systems and main veins, and new zones with high geological-economic potential close to the existing operational infrastructure, such as the Paula - Principal layers and Lourdes vein east extension. The results show high metal contents of zinc, lead and silver.

Carahuacra Norte Open Pit

The Carahuacra Norte pit has been inactive since 2018. Conceptual studies are underway to determine whether it can be used as a tailings deposit.

Concentrator plants

Table 17: Volume treated at Yauli by concentrator plant

	Tons treated (000 MT)		Zn concentrated (000 MT)		Pb concentrated (000 MT)		Cu concentrated (000 MT)	
	2021	2022	2021	2022	2021	2022	2021	2022
Victoria	1,870	1,857	167	182	22	23	10	10
Andaychagua	1,000	1,037	102	105	20	19	0	0
Mahr Túnel	0	0	0	0	0	0	0	0
Total Yauli	2,869	2,894	269	287	41	41	10	10

The two concentrator plants achieved an average recovery of 94.7% for zinc, 85.1% for lead, 50.5% for copper and 85.9% for silver. These figures are higher than the increased recoveries recorded in 2021 at 94.4% for zinc, 87.2% for lead, 52.9% for copper and 86.8% for silver.

Victoria Plant

The Victoria concentrator plant has an available processing capacity of 5,200 tpd. During 2022, the zinc flotation flow sheet was modified to implement RCS-30 cells in the Scavenger and Cleaner circuits with the aim of improving recovery and increasing the quality of zinc concentrate.

The following recoveries were achieved in 2022: zinc 95.0%, lead 81.2% and silver 86.0%. These figures are higher for zinc by 1%, and lower for silver by 1%, and for lead by 2%, as compared to 2021.

Also, the level of silica in the zinc concentrate remained below the permissible limits, which decreased the likelihood of penalties in the sale of concentrates.

Andaychagua Plant

The plants in Andaychagua have a treatment capacity of 3,450 tpd (PAND1 2,950 tpd and PAND2 500 tpd).

Laboratory and industrial tests were performed using the zinc activation agent RA 227, partially replacing copper sulfate in a 80:20 ratio. Zinc quality results were maintained at 52.2% and recovery at 94.3%.

The following recoveries were achieved in 2022: zinc 94.3%, lead 90.1% and silver 85.7%. Negative results were obtained for silver at 1%, and lead at 2%, as compared to 2021.

Mahr Túnel Plant

The Mahr Túnel plant, which has a treatment capacity of 2,750 tpd, is undergoing care and maintenance since 2020.

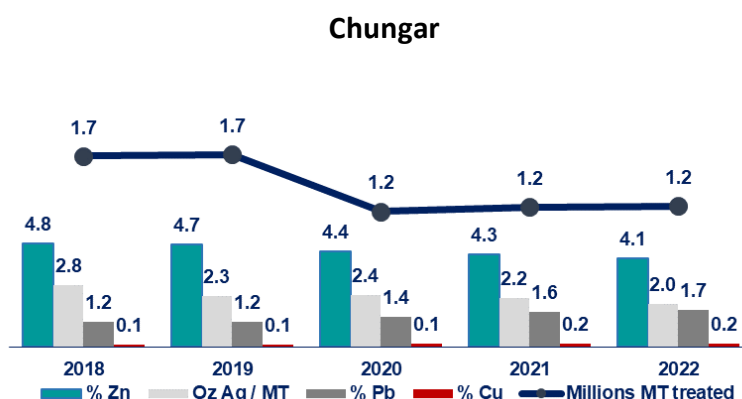
Chungar Unit

The Chungar operating unit is located in the Pasco region, 219 kilometers east of Lima. It consists of two underground mines, Animón and Islay, and the Animón concentrator plant.

The volume of ore treated totaled 1.25 million tons, which represented 14% of the consolidated ore treated at Volcan. Treatment was 0.4% higher in 2022 than in 2021.

The treated ore was processed at the Animón plant and presented grades of 4.07% for zinc, 1.70% for lead, 0.16% for copper and 1.97 Oz/MT for silver; it was lower by 4.7% for zinc, and 12.3% for silver, and higher by 6.0% for lead, and 0.4% for copper, as compared to 2021.

Figure 16: Evolution of Treated Tonnage and Average Grades



The unit produced 47,000 tons of zinc fines, 19,000 tons of lead fines, and 2 million ounces of silver fines. This represents a 4.5% decrease in zinc, a 11.8% decrease in silver, and a 6.0% increase in lead compared to 2021.

Figure 17: Evolution of Fines Production

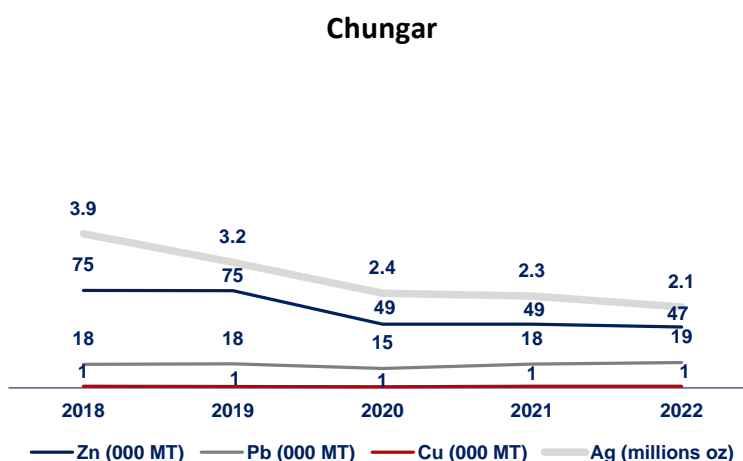


Table 18: Chungar Production by Mine

	Tons treated (000)		Zn grade (%)		Pb grade (%)		Cu grade (%)		Ag grade (Oz/MT)	
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Animón	1,086	1,081	4.6	4.4	1.7	1.8	0.2	0.2	1.9	1.6
Islay	155	165	2.3	2.2	1.0	1.0	0.1	0.1	4.5	4.3
Total Chungar	1,241	1,246	4.3	4.1	1.6	1.7	0.2	0.2	2.2	2.0

Mines

The Chungar unit operates two underground mines: Animón, with a production capacity of 3,200 tpd, and Islay, with a production capacity of 450 tpd. The ore produced by these two mines is treated at the Animón plant.

The implementation of SafeWork 2.0 is still underway, as are the employee empowerment in the application of the PARE policy, the strengthening of the safety culture from a dependent to an independent stage improving the TRIFR indicator from 3.38 in 2021 to 1.39 in 2022, and the management of critical environmental risks and good relations with the communities.

Animón Mine

Total ore production increased by 1% as compared to 2021 (a 15% ramp up was achieved in monthly long hole drilling). Similarly, lead and copper fines production increased by 7% and 1%, respectively, while the production of zinc and silver fines decreased by 5% and 17%, respectively.

In 2022, the implementation of electrical panels with differential protection was completed. The construction of three new electrical substations was started, and three new pumping substations were completed. Ventilation coverage increased from 81% to 91% by drilling 721 m of RBs; 17 mining emergency shelters were implemented; the rockbreaker was repaired, and the cable was changed at the Timmers Shaft. Cable bolting installation was performed at long drill hole cuts to reduce dilution and give stability to production cuts. Cut and fill and sublevel sections were changed from 3.8x4.0 to 3.5x4.0, improving dilution.

The exploration program allowed to include new economic mineral resources in the extensions of the main veins and polymetallic bodies close to the operational infrastructure. The assessed veins include the systems of Andalucía – Vein 3, Andalucía 120 – Gaby, Ofelia – Ramal 85, Carmen – Split 225 – Principal and Ramal Piso 3. The Carmen 3, 4 and 5 bodies were also explored; results show economic metal contents of zinc, lead and silver.

Brownfield exploration in the Esperanza body allowed to add inferred resources and increase potential ore, with high zinc and copper metal contents.

Islay Mine

Ore production increased by 6% as compared to 2021, zinc and silver fines production increased by 4% and 3%, respectively, while the production of lead and copper fines decreased by 0.3% and 1%, respectively.

A fourth line was added to the pumping infrastructure inside the mine, reaching a total capacity of 420 l/s, guaranteeing the deepening of the mine. The operation was focused on the Sur vein, Islay Piso, and Guadalupe layer. Three mining emergency shelters were implemented. The main ventilation circuit was hermetically sealed by changing duct plugs/boards for block plugs, improving airtightness from 96% to 112%.

The exploration aimed to guarantee compliance with production plans and increase the geological confidence for Islay Piso and Sur veins, and Guadalupe layer. The results show high metal contents of zinc and silver.

Table 19: Concentrate Production

Animón Treatment Plant (000 MT)	2021	2022
Treated tonnage	1,241	1,246
Zn concentrated	85	82
<i>Bulk concentrated</i>	35	36

Animón Plant

The Animón concentrator plant achieved recovery results of 91.9% for zinc, 91.8% for lead, 66.0% for copper and 84.3% for silver, as compared to the negative results of 0.1% for zinc, 0.3% for lead, 0.01% for silver, and a positive variation of 0.7% for copper in 2021. The improved control of penalties was explained by increased concentrate grades of 57.2% for zinc and 53.6% for lead.

Blending treatment started in June aiming to increase tailings granulometry and improve the humidity of the filtered tailings.

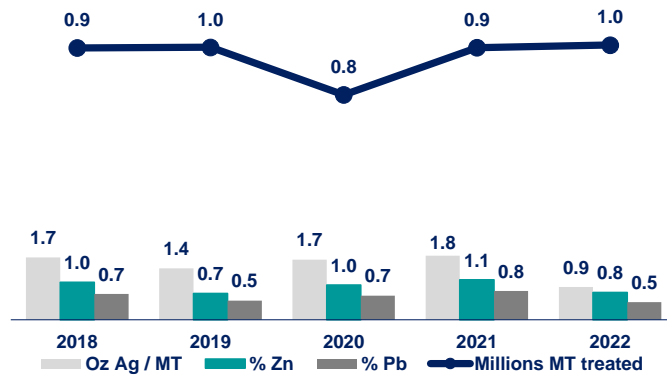
Alpamarca Unit

The Alpamarca operating unit is located in the Santa Bárbara de Carhuacayán District, Yauli Province, Junín Region and sits 182 kilometers east of Lima.

This unit began operations in April 2014 and comprises the Río Pallanga underground mine (temporarily inactive), the Alpamarca open pit, the Alpamarca concentrator plant (with an installed capacity of 2,500 tpd) and the Romina expansion project.

The ore processed at the plant comes from the Alpamarca open pit, stockpiles, and old tailings from DR-01. Treatment totaled 958,000 tons with average grades of 0.76% zinc, 0.49% lead, and 0.91 Oz/MT silver, as compared to 2021, when ore treated totaled 949,000 tons with grades of 1.11% zinc, 0.80% lead, and 1.78 Oz/MT silver.

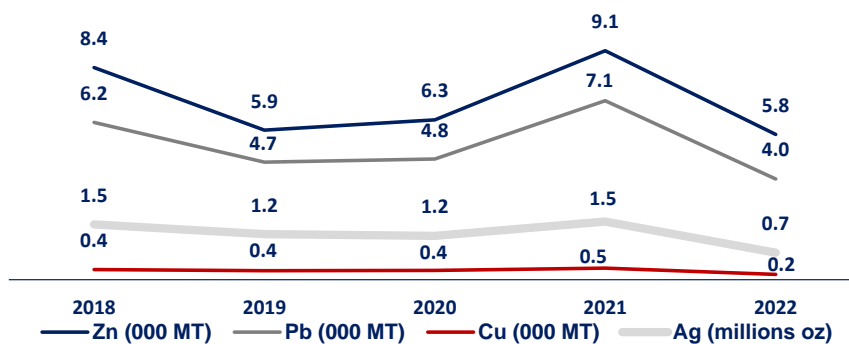
**Figure 18: Treated Ore and Average Grades
Alpamarca**



Fine production totaled 5800 tons of zinc, 3900 tons of lead, which represent a decrease by 37% and 44%, respectively, as compared to 9,000 tons of zinc and 7,000 tons of lead produced in 2021. This decrease was explained by the reinterpretation of reserves at mid-year, which was resumed in 2023. The ore was replaced with low grade stockpiles and old tailings with metallurgical behaviors that were not as favorable due to the presence of a high percentage of clays. Regardless of this, good performance was achieved in the last months of 2022.

Silver fines production was 0.7 million ounces, a 54% decrease as compared to 1.5 million ounces in 2021.

**Figure 19: Fines Production
Alpamarca**



Río Pallanga Mine

Progress in its development and production have been temporarily suspended since December 2015.

Alpamarca Open Pit

Based on updated data regarding reserves as of December 2022, the Company plans to continue to operate the Alpamarca pit until December 2023. The plant will process the

extracted ore, complemented with ore from stockpiles and old tailings.

Production of ore from the pits was 208,000 tons with high grades, 94,000 tons with low grades (stockpiles), and 295,000 tons from old tailings. In addition, 2.22 million tons of waste rock were extracted, including preparation zones, for a stripping ratio of 7.

Alpamarca Plant

Table 20: Concentrate Production

Alpamarca Treatment Plant (000 MT)	2021	2022
Treated tonnage	949	958
Zn concentrated	17	11
<i>Bulk concentrated</i>	12	7

The Alpamarca concentrator plant processed 958,000 tons of polymetallic ore from the Alpamarca pit, stockpiles and old tailings. Its metallurgical performance was adequate, with recoveries of 82.8% for lead, 78.0% for zinc and 80.9% for silver, although lower when compared to recoveries of 86.0% for zinc, 93.0% for lead and 90.7% for silver in 2021.

Cerro de Pasco Unit

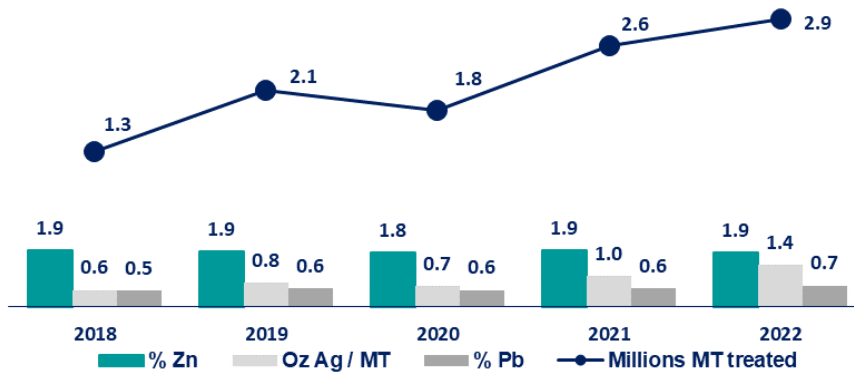
The Cerro de Pasco operating unit is located in the Pasco region, approximately 295 kilometers from Lima. It can be accessed using the Central Highway.

Treatment of ore from stockpiles at the Paragsha-San Expedito plant totaled 2.9 million tons, with grades of 1.86% for zinc, 0.72% for lead and 1.43 Oz/MT for silver. These numbers are up from 2.6 million tons in 2021, with grades of 1.92% for zinc, 0.64% for lead and 1.05 Oz/MT for silver, due to a progressive increase of the plant's treatment volume, which ended in 2022 at 8,700 tpd.

Exploration using reverse circulation (RC) obtained positive results and allowed to update the geological models and reclassify inferred resources to indicated, mainly those in the marginal stockpiles of Hanancocha and Rumiallana.

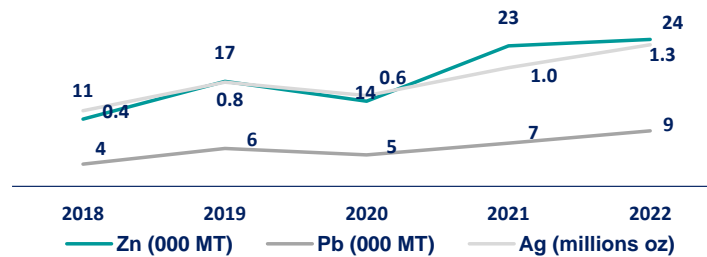
Figure 20: Evolution of Treated Tonnage and Average Grades

Cerro de Pasco



Fines production totaled 24,000 tons of zinc, 9,000 tons of lead and 1.28 million ounces of silver, as compared to 23,000 tons of zinc, 7,000 tons of lead and 0.98 million ounces of silver obtained in 2021.

**Figure 21: Evolution of Fines Production
Cerro de Pasco**



Mines

Paragsha Underground Mine

Operations are still temporarily suspended at the Paragsha mine. However, the infrastructure for the pumping system remains operational and in good condition.

Ore Stockpiles from the Raúl Rojas Pit

Marginal ore stockpiles extracted in previous years, and oxide ore from the Raúl Rojas pit (Santa Rosa zone), On-site Oxides, and Piritas Stockpile have been treated.

Vinchos Mine

The Company is in the process of closing this mine.

Table 21: Concentrate Production

San Expedito Treatment Plant (000 MT)	2021	2022
Treated tonnage	2,610	2,941
Zn concentrated	48	51
Pb concentrated	16	21

Processing Plant

San Expedito/Paragsha Plant

The San Expedito-Paragsha plants operated continuously, treating marginal polymetallic ore from the Miraflores–Hanancoha and Rumiallana stockpiles.

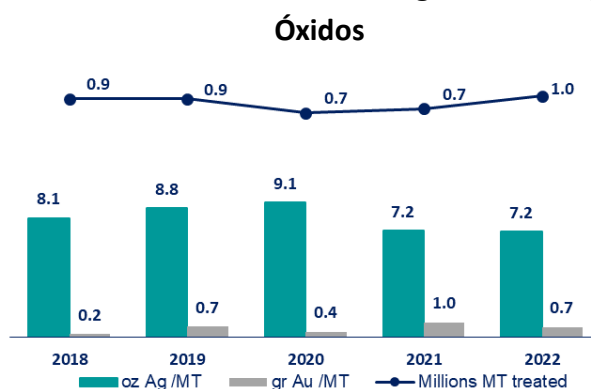
The tonnage was progressively increased from 8,000 tpd (November 2021) to 8,300 tpd (April 2022) and subsequently to 8,500 tpd (June 2022) by changing the chute’s direction and belt size from 32” to 42” to increase the volumes fed into Rod Mill No. 5, and treatment was increased to 8,700 tpd by installing nest of cyclones No. 3 and changing the regrind circuit configuration in late October 2022. The facility has maintained that capacity.

Óxidos de Pasco Unit

The Óxidos de Pasco operating unit is located in the Pasco region, approximately 295 kilometers from Lima. It can be accessed through the Central Highway. This operating unit, which features Volcan’s first leaching plant, began operations in 2014 and reached full production capacity in June 2015.

In 2022, treatment at Óxidos reached 958,000 tons with grades of 7.17 Oz/MT for silver and 0.68 gr/MT for gold.

Figure 22: Evolution of Treated Tonnage and Average Grades

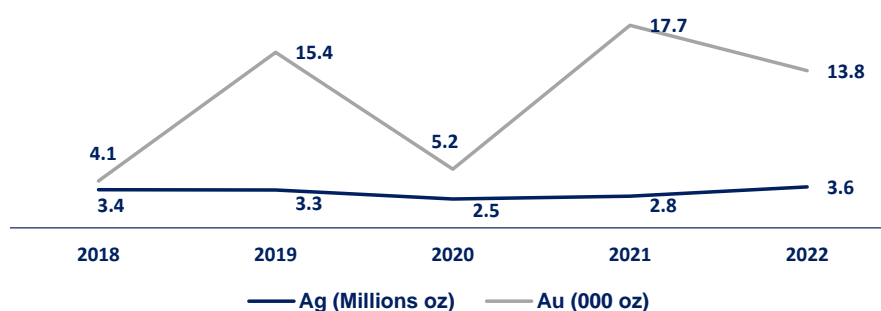


Ore production at Santa Rosa Pit was 429,518 ton, exceeding the estimates for 2022.

Silver fines production was 3.6 million ounces, a 30% increase as compared to 2.8 million ounces in 2021.

In 2022, silver head grade was 7.17 oz/t, lower than 7.24 oz/t in 2021 due to reduced grades in the ore from Piritas stockpile, and lower grades extracted in the Santa Rosa Pit (On-site Oxides) and the contribution of the Hanancocha front.

**Figure 23: Evolution of Fines Production
Óxidos**



Oxides Plant

Ore treatment totaled 2,620 tpd, feeding the Oxides Plant with blended ore from the In Situ Open Pit (43.74%), Hanancocha Stockpile (29.26%) and Piritas Stockpile (26.99%) in the January-December period.

The Oxides Plant achieved a recovery of 51.4% for silver and 61.9% for gold, as compared to a recovery of 50.9% for silver and 73.7% for gold in 2021. The improved metallurgical performance in silver extraction is due to the pit's contribution (Santa Rosa and Py-Oxides contact zones). Gold recovery decreased due to the marginal ore coming from the Hanancocha stockpile. In addition, the ore from Piritas stockpile demanded higher consumption of sodium cyanide due to the presence of zinc, copper, sulfates and traces or carbonaceous ore requiring higher consumption of dissolved oxygen influencing cyanidation.

Table 22: Doré Production

Óxidos Treatment Plant	2021	2022
Treated tonnage (000 MT)	747	958
Dore bars (000 Kg)	101	129

CAPÍTULO 7



EXPLORACIONES Y CRECIMIENTO

Explorations and Growth

Explorations

In 2022, due to the ongoing COVID-19 international health crisis, and the economic crisis, Volcan kept the following advanced exploration projects in standby: Carhuacayán, Zoraida and Palma, and diamond drilling was also suspended. However, progress was made at Romina's advanced exploration in the area known as Santa Noroeste.

Volcan placed emphasis in brownfield exploration, focusing on the Esperanza body in Animón with really encouraging results. It also implemented an aggressive greenfield exploration program in 2022 across more than 355,000 ha of mining properties, finding about a hundred anomalous zones to be studied in the following years.

Table 23: Progress in Regional Explorations

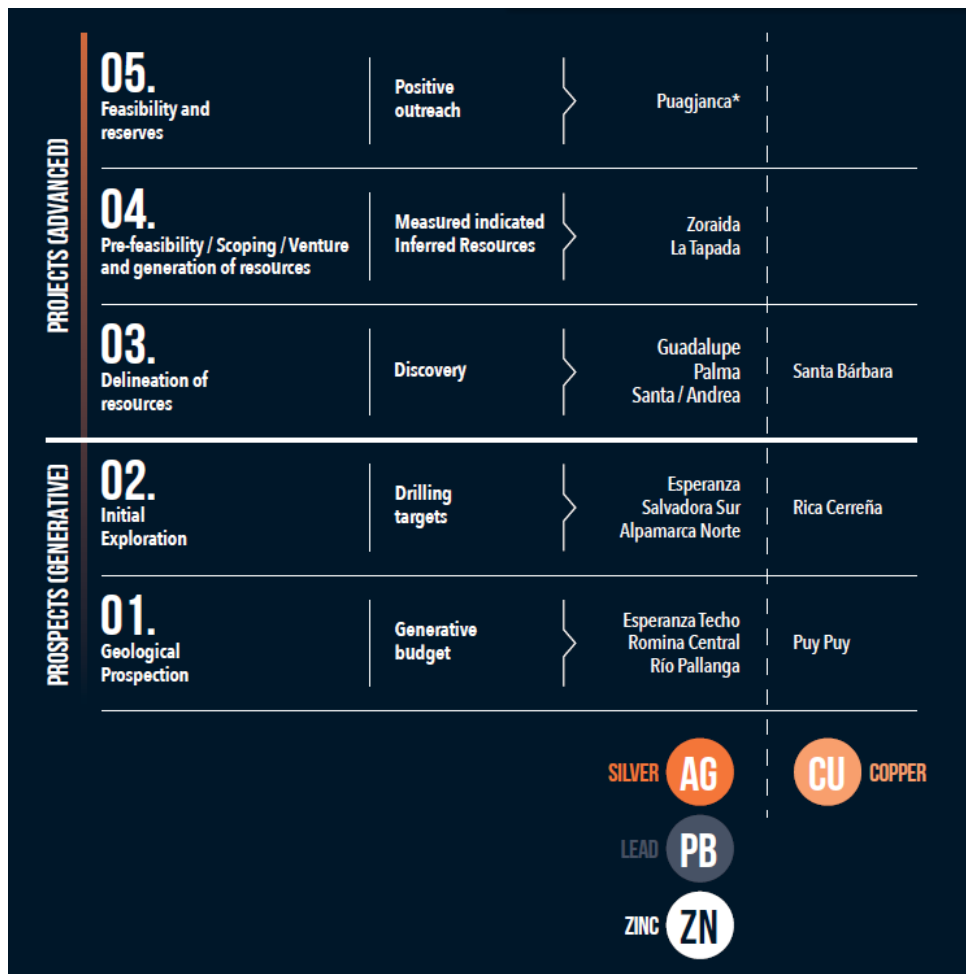
Progress	2019	2020	2021	2022
Regional exploration (mts)				
Carhuacayán	10,359	0	0	0
Puagjanca*	3,994	0	0	5,272
Andrea*	10,170	0	0	0
Santa NO*	0	0	0	5,104
Palma	19,041	0	0	0
Zoraida	10,730	0	4,909	0
Shuco	0	0	0	0
Esperanza**	2,815	837	4,847	32,782
Yauli**	7,019	615	11,593	6,034
DDH	64,128	1,452	21,349	49,192

The feasibility study was completed at the Romina project and was reviewed by independent consultants. The approval of the EIAd expected for 2023 will allow to schedule the detailed engineering, construction and commissioning of the project, aiming to start production in the first quarter of 2025.

At Carhuacayán, geophysical explorations were carried out to locate new exploration targets in the proximity of the La Tapada body. The results are under evaluation and will be extracted in the following years.

Finally, during 2022, significant mineralization of zinc, lead and silver was defined at Zoraida and Palma. The economic feasibility assessment is still underway, which suggests that there is great geological potential to discover.

Progress in Exploration Projects (Puagjanca is part of Romina)



Development of Mining Projects

The project's feasibility study was completed in 2022. It successfully passed an independent peer review (IPR) process in the second half of 2022. Progress was made on geophysical studies around La Tapada body, and new targets for future explorations were assessed at Zoraida.

Romina Project

The Romina Project is located in the District of Huaral, 9 kilometers northwest of the Alpamarca mine. Ore is extracted in an open pit and an underground mine using large-scale high-productivity methods for a total production rate of 2,500 tpd. The project includes two waste dumps, one 120 l/s water treatment plant, one 1,6 km transport tunnel, construction of an ore and supplies transport highway from Romina to Alpamarca (17 km), one maintenance workshop, electric power transmission line,

among other facilities. The Alparmarca concentrator plant will be adapted to receive high grade ore from Romina, and perform tailings disposal in the current dam up to the 12 growth stage. The use of the Alparmarca unit for the operation (accommodation, warehouses, offices, among others) is under consideration.

During the first half of 2022, the Romina Project satisfactorily completed the feasibility stage. The sublevel stoping mining method was assessed during this period, resulting in an improvement to the project's economic result. In addition, an operational sequence was defined to carry out extraction at the open pit almost simultaneously with the underground mine. A reassessment was carried out to modify treatment capacity at the Alparmarca plant, decreasing the capex and increasing the profitability of the project as a whole. Following the completion of the feasibility stage, Glencore Zinc successfully conducted a peer review (IPR) in August. The execution stage started conducting preliminary works in September 2022, building the necessary camps to be used as contractor and staff accommodation facilities during the construction in the Cacray area. The execution stage will start in 2023 and operations are scheduled to start in 2025.

With regard to permits, the semi-detailed environmental impact assessment (EIA-sd) has been approved, allowing to continue the exploration through surface platforms and the construction of an 850 m ramp to continue the in-depth exploration of the Puagjanca body. The changes to the semi-detailed environmental impact study (MEIA-sd) were approved in 2021. This will lead to the construction of the Roberto Letts 1.6 km tunnel. In addition, in June 2022, the detailed EIA for the mining project was admitted by SENACE in October, citizen involvement workshops were held in the communities within the direct and indirect sphere of influence, and it is currently under assessment.

The Romina Project is meeting the commitments undertaken with neighboring communities. In 2022 it reached a major milestone by delivering electricity to the Santa Catalina community to ensure permanent power supply for the residents.

In October, detailed engineering was started for the open pit, underground mine, concentrator plant and infrastructure of project components (PTRI, dump sites, accesses and platforms, etc.)

Carhuacayán Project

Situated on the highlands, 20 kilometers east of the Alparmarca mine, this is a polymetallic zinc, lead, and silver project. The mineralization is observed in veins, breccia bodies, replacement bodies and layers.

Replacement bodies were found in La Tapada in an embedded lime block that had been mined previously. This semi-tabular replacement zone is over 500 meters long and 300 meters deep and 30 to 50 meters wide. It contains very important polymetallic mineralization areas.

Explorations were carried out from 2017 to 2019, mainly in La Tapada, where resources increased to 10.1 million metric tons, and significant mineralization was found in La Tapada Norte and La Tapada Oeste.

The conceptual economic feasibility study was completed in 2020 with positive results. Moreover, the MEIA-sd was presented to the General Department of Environmental Affairs of the Ministry of Energy and Mines, which will allow for expanded exploration on the project.

During 2021, progress was made with the mineralogical characterization studies of the deposit prior to metallurgical testing, which will allow the deposit to be modeled from the geometallurgical side. Similarly, progress was made with the geotechnical record of drilling samples to generate the geomechanical model of the deposit. These studies will allow the next phase of advanced exploration to proceed.

In 2022, progress was made in geophysical studies to find new exploration targets around the La Tapada body which will be assessed in the next years.

Palma Project

Located 60 kilometers southeast of Lima, this project aims to extract volcanogenic massive sulfides (VMS) distributed in mineralized layers of zinc, lead and silver.

Drilling operations performed in previous years made it possible to estimate inferred resources and determine that the ore is structured in layers with optimal thickness and good rock quality. The mineralization is open both at the bottom and to the sides. Indicated and inferred resources increased significantly to 22.7 million metric tons towards the end of 2019.

The scoping study for the project was carried out in 2020. Metallurgical tests are being carried out at SGS Chile to continue with the next phases of the project.

In 2021, an aerial geophysical exploration campaign was conducted at the district level using the Mobile MT (Mobile MagnetoTellurics) method, which allows for 3D modeling of conductive rocks in the subsoil due to their high sulfide content, a common characteristic of volcanogenic deposits, as in the case of Palma. The results will allow us to select new drilling areas.

The project is still in standby.

Brownfield Exploration

Andaychagua-Zoraida Project (Yauli)

Located 7 kilometers south of the Andaychagua mine, this is primarily a silver project with lead and zinc contents. Due to its geological characteristics, it may become the third polymetallic system in the Yauli dome, after the San Cristóbal and the Andaychagua mines.

In 2018, more than 23,000 meters of diamond drill holes that were made from 2007 to 2014 were reviewed and reinterpreted using new standards. This review allowed to define part of the Zoraida vein and replacement layers with significant mineralization of silver, lead and zinc, generating a new geological model with high potential.

In 2019, a 10,730 meter diamond drilling campaign validated the geological model and the diamond drilling operations carried out in previous years, and the indicated and inferred resources of 4 million metric tons with significant silver content.

The conceptual economic feasibility study was completed in 2020 with positive results. Ore from Zoraida would be processed at the Andaychagua concentrator plant.

During 2021, a 4,910 meter diamond drilling campaign was carried out, which made it possible to calculate the southwestern extension of the mineralized layers and identify a new layer with similar characteristics. These results allowed us to estimate mineral resources in the order of 5.5 million tons and to move to the next phase of the project.

In 2022, the project was put on standby.

Andaychagua (Yauli)

The Esther-Gina zone was explored in 2021. It is located 800 meters south of the Andaychagua mine. A total of 9,127 meters were drilled, and two mineralized bodies were intercepted in a corridor of metavolcanic rocks with significant zinc and silver mineralization similar to the mineralized bodies found at the Andaychagua mine and near the surface. It will continue to be explored in the following years.

In 2022, exploration of the Andaychagua metavolcanic corridor continued. A total of 5,166 meters of infill drilling were conducted to estimate inferred resources. Discovery drill holes were also conducted. At Salvadora Sur, a 0.54 MT inferred resource estimated 3.90% of zinc, 0.65% of lead, 0.90 Oz of silver, and 5.31 zinc equivalent, which will continue to be assessed next year to determine its economic feasibility.

The geophysical exploration is still ongoing to determine new drilling targets in this metavolcanic corridor to be explored in the following years.

San Cristóbal-Carahuacra (Yauli)

In 2022, exploration started in the zone known as Techo Pucará to assess the corridor of carbonate rock in contact with the San Cristóbal veins to search for replacement mineralized bodies. In this context, the discovery stage was started in the last months of the year and 868 meters were drilled in the Escondida – San Martín sector.

Results have been very encouraging and intercepted three mineralized structures with significant zinc, lead and silver contents. Accordingly, exploration of this important carbonate corridor will continue in 2023 to search for polymetallic replacement bodies and/or layers.

Animón-Esperanza Body

A replacement mineralized body with high zinc grades was discovered in 2019. It is located 700 meters below the operating area of the Animón mine.

A total of 4,847 meters of diamond drilling operations were carried out in 2021, resulting in important intercepts with high zinc grades on the Esperanza body. Its continuity towards all extensions of the orebody is still open.

Two aggressive diamond drilling campaigns were executed in 2022. The first consisted of infill drilling to assess inferred resources, and the second to demarcate the total reach of the mineralization. The results were very satisfactory and confirmed inferred resources for 27 million tons with grades of 5.2% for zinc, 0.8% for copper, 19 g/t for silver, and, additionally, a potential for 11 million tons with grades of 3.9% for zinc, 0.7% for copper and 17 g/t for silver. The mineralization is still open.

The mineralization found has significant zinc and copper contents. It is a mineralized replacement body with zinc zones and an apparent central copper zone.

During explorations in Esperanza, immediately below this large body, a drill hole cut into a massive skarn and replacement zone additional to Esperanza which exceeds 200 m and has significant copper contents and molybdenum anomalies. This suggests the potential to find significant ore volumes that have yet to be discovered.

In addition, exploration of the Techo Esperanza target began in order to search for replacement polymetallic bodies similar to the Esperanza body, but closer to current mining operations. The findings revealed significant skarn zones, suggesting that we are close to find a new and significant mineralization zone, similar to the one mentioned in the previous paragraph.

Current Operations

Yauli

The drilling campaign carried out in 2022 was mainly aimed to cover the blocks of the mining plan to increase the geological confidence of the indicated and measured categories, through infill drilling programs. Exploration drilling was also conducted to incorporate new economic inferred resources and assess areas with high geological-economic potential to guarantee the operation's longevity.

At Andaychagua, the geological reinterpretation of the deposit characterized mineralization feeders and host rocks (metavolcanic). This resulted in the consolidation of new zones with high grades of zinc, lead and silver, in the extensions of the Salvadora, Salvadora Norte, Prosperidad Techo and Adriana bodies. In addition, the expansion and lateral continuity with copper and silver mineralization was confirmed in the west sector or the Bárbara vein. All together, these new economic mineralization areas guarantee a good operational performance in the next years and the extension of the life of asset (LOA).

A new structural model was generated for the deposit at San Cristóbal. It allowed to incorporate new economic mineral resources on veins Ramal Piso 722, 658, Split 658 and vein K, as main contributors of zinc and silver mineralization. In addition, based on the new structural model, secondary veins were discovered near the operational infrastructure with high zinc and silver grades.

At Carahuacra, mineral resources with high grades of zinc, lead and silver were consolidated in the Principal, Poderosa and Paula layers, and in the east extension of the Lourdes vein. The discovery of the Jovencita layer was confirmed, with significant zinc and silver grades.

At Ticlio, deepening of the Ramal Techo vein confirmed the continuity of the mineralization with high grades of zinc-lead in the west sector, and silver-copper in the east sector. Mineral resources with high zinc and lead grades continue to be incorporated into the Reemplazamiento body, with open mineralization in its extensions. Together with the Ramal Techo vein, they will ensure that Ticlio performs well in the coming years.

In Yauli, 127,707 meters of diamond drilling operation were executed in 2022, an increase of 5% over 2021. They were distributed as shown in the table below.

Table 24: Yauli Drilling

Mine	Meters drilled during 2022				TOTAL (m)
	<i>Brownfield</i> (m)	Potential (m)	Resources (m)	<i>Infill Drilling</i> (m)	
San Cristóbal	868	12,414	5,134	29,332	47,748

Andaychagua	5,166	6,590	11,586	18,801	42,143
Ticlio	0	0	1,002	10,473	11,475
Carahuacra	0	3,091	1,728	21,522	26,341

The results confirmed the depth and lateral continuity of economic mineral resources: (i) at the Andaychagua mine, consolidation of the Salvadora - Prosperidad Techo bodies hosted in metavolcanic rocks, and lateralization of the Barbara vein, with a new copper and silver mineralized zone (oreshoot); (ii) at the San Cristóbal mine, deepening of veins Ramal Piso 722, 658, Split 658 and vein K, lateral continuity of veins 722, 658, San Cristóbal, San Cristobalito, and discovery of secondary veins with high grades of zinc and silver; (iii) at the Carahuacra mine, consolidation of the Principal - Paula layers, discovery of the Jovencita layer in the Pucará corridor; and (iv) at the Ticlio mine, deepening of the Ramal Techo vein, consolidation of Reemplazamiento body, and confirmation of economic mineralization in Ramal Techo vein with high grades of silver and copper.

Chungar

The drilling campaign carried out in 2022 guaranteed the fulfillment of the production plan 2022, allowed to increase the geological confidence of the mining plan 2023, and to reclassify resources in the indicated and measured categories, through infill drilling programs, both at Animón and Islay mines. In addition, exploration drilling programs were conducted, mainly at Animón mine, aimed to incorporate new economic inferred resources and assess zones with high geological-economic potential.

At Animón, an aggressive drilling campaign was executed within and around the operational footprint, aimed to control and revert the reductions of widths and grades of mineralized structures recorded in recent years. Accordingly, mineral resources were reclassified to indicated-measured and new economic inferred mineral resources were incorporated on veins Janeth, Janeth Piso, Ofelia, Ramal 85, Split 225, Carmen, Principal, Ramal Piso 3, Gaby, Andalucía 120, Andalucía and vein 3, obtaining significant zinc, lead and silver grades. The discovery of the NW Carmen 3, 4 and 5 bodies was consolidated, with economic zinc and lead contents. Together, they will ensure a sustained production at Animón in the coming years.

Brownfield exploration continued at the Esperanza body where 22 MT of inferred resources were consolidated and new potential zones with high zinc and copper grades were defined. The new potential zones will be assessed by the drilling program in 2023 and it will allow to continue incorporating economic inferred resources.

At Islay, the drilling program focused on reclassifying inferred resources to indicated and measured on the Guadalupe layer, Islay Piso vein and Sur vein, recording high grades of zinc and economic grades of silver.

In Chungar, 121,532 meters of diamond drilling were executed in 2022, an increase of 81% over 2021. They were distributed as shown in the table below.

Table 25: Chungar Drilling

Mine	Meters drilled during 2022				TOTAL (m)
	Brownfield (m)	Potential (m)	Resources (m)	Infill Drilling (m)	
Animon	32,782	13,463	16,003	50,869	113,117
Islay	0	0	0	8,415	8,415

Results confirmed the lateral continuity and depth of economic mineral resources in the main mineralized structures: (i) at the Animón mine, the discovery of mineralization in the Carmen NW 3, 4 and 5 polymetallic bodies was consolidated, as were the reduced widths and grades of main veins at depth. The Esperanza body is proving to be a discovery of high relevance for the deepening of Animón; and (ii) at Islay mine, the Guadalupe layer contains high zinc and silver grades and guarantees the operational continuity of Islay in the coming years.

Alpamarca

The drilling campaign carried out in 2022 was mainly aimed to cover the blocks of the mining plan to increase the geological confidence of the Alpamarca open pit.

In addition, mineral resources models of the old DR-01 tailings dam and stockpiles were assessed and updated as operational opportunities with low mining costs and significant contents of zinc and silver. This, in addition to the on-site ore of the open pit, will ensure operational continuity in the coming years.

At the Alpamarca open pit, 3,953 meters of diamond drilling were executed in 2022, a decrease of 22% as compared to 2021. They were distributed as shown in the table below.

Table 26: Alpamarca Drilling

Mine	Meters drilled during 2022			TOTAL (m)
	Potential (m)	Resources (m)	Infill Drilling (m)	
Alpamarca	0	0	3,953	3,953

The results confirmed mineral resources in the north and center pits, and the Fortuna sector, with silver, zinc and lead contents. A push back has been planned in this area to extend the life of asset (LOA).

Cerro de Pasco

The 2022 drilling campaign mainly aimed to cover the blocks of the mining plan to increase their confidence, prioritizing the infill drilling program and, to a lower extent, the exploration drilling program, to incorporate economic inferred resources and potential mineral at Cerro Sulfuros and Cerro Óxidos.

In Cerro Sulfuros, mineral resources with zinc, lead and silver economic grades were identified on the Hanancocha and Rumiallana waste dumps, which facilitated compliance with the 2022 production plan, ensuring the plan for 2023, and contributing to operational sustainability in the coming years. Other exploration opportunities included drilling 50 m below the base level of the Rumiallana waste dump and the east wall of Raúl Rojas open pit, in the Chasqui and San Alberto sectors, obtaining significant results of zinc-silver grades allowing to incorporate more mineral resources to Cerro Sulfuros through complementary drilling campaigns.

In Cerro Óxidos, mineral resources with economic grades of silver and gold were incorporated in On-Site Oxides (Santa Rosa pit, located south of Raúl Rojas pit) and Oxides Stockpiles. In addition, the comprehensive geological model of On-Site Oxides was updated, characterizing three gold and silver mineralization domains: (i) Volcanic protolith hydrothermal breccia (BxH-v), sedimentary protolith hydrothermal breccia (BxH-s) and pyrite IV (at the base of the On-Site Oxides deposit with high silver contents). Other operational opportunities explored the south zone of On-Site Oxides known as Cleopatra where a short drilling campaign was conducted, obtaining economic gold-silver results. This is a sector of interest to guarantee the operational continuity of Cerro Óxidos in the coming years.

At the Cerro unit, 12,323 meters of diamond and reverse circulation drilling were executed in 2022 (11% lower as compared to 2021). They were distributed as shown in the table below.

Table 27: Cerro de Pasco Drilling

<i>Mine</i>	<i>Meters drilled during 2022</i>				TOTAL (m)
	<i>Brownfield (m)</i>	<i>Potential (m)</i>	<i>Resources (m)</i>	<i>Infill Drilling (m)</i>	
Cerro Sulfuros	0	1,064	1,811	4,180	7,055
Cerro Óxidos	0	791	1,086	3,391	5,268

The results confirmed economic mineralization in the Cerro unit: (i) economic polymetallic mineralization in the Hanancocha and Rumiallana waste dumps, and the Chasqui and San Alberto sectors for the Paragsha metallurgical plant; and (ii) economic

gold and silver mineralization in the On-Site Oxides and Oxides Stockpile, to extend the life of asset (LOA) and operational continuity of the Óxidos metallurgical plant.

Greenfield Explorations

In cooperation with Glencore, a modern and aggressive regional greenfield exploration program was launched in the second half of 2021 to search for an important new zinc-lead-silver deposit. This effort will include surveying practically all the mining concessions of Volcan and subsidiaries, totaling approximately 355,000 hectares.

The program started in the last quarter of 2021 with high-resolution remote sensing (hyperspectral mineral mapping). Based on the results currently under assessment, this program would be deployed regionally in all the Company and subsidiaries concessions.

In 2022, activities conducted included geological mapping to detect the most relevant geological evidences, airborne geophysical surveys carried out using cutting-edge technology like VTEM (Versatile Time Domain Electromagnetic) and ZTEM (Z-Axis Tipper Electromagnetic) using helicopters to cover large areas, and geophysics on land complemented with drones using gravimetry, magnetometry and induced polarization methods. In addition to this, the spectral image analysis acquisition added mineralogical and structural information for the potential discovery of new deposits.

A geological survey was performed on the prospects with the highest priority at a 1/5000 scale to identify the most significant geological evidence. It covered major areas of the Valentino prospect, located southwest of Zoraida project. In the northern cluster, the prospects that were considered included Don Miguel, on the Romina district corridor, and Santa and Chungar Antiguo. In addition, reviews were conducted on the Minascancha prospect, located in the proximity of Baños V hydroelectric power plant, and the Pillococha prospect, located near the Río Pallanga mine.

At Bloque Cerro, the review covered the Pariajirca prospect, near the old Vinchos mine, and Garhuashmina prospect, east of Pasco city. All the prospects show interesting potential to be assessed in the following years.

The flyover above Volcan's mining concessions used airborne geophysics from helicopters and applied two electromagnetic systems, VTEM (Versatile Time Domain Electromagnetic), used on VMS deposits in the Peruvian coast, and ZTEM (Z-Axis Tipper Electromagnetic) for the other deposits. The final product, magnetometry and electric resistivity models in 3D, identified several significant anomalies that require a field review during future exploration campaigns.

These studies covered an effective area of 263,000 ha belonging to Volcan's mining properties and became an unprecedented achievement in mining exploration in the country.

In addition, geophysical studies were conducted in the field in the different prospects to acquire additional information and find new “blind” deposits that currently have no outcrop. Three types of studies were performed: gravimetry, drone magnetometry, and induced polarization. The additional surface geophysics covered an area of 52,000 ha.

Moreover, the spectral image analysis acquisition in the northern cluster (151,000 ha) and southern cluster (81,000 ha) allowed to add mineralogical and structural information for the potential discovery of new deposits.

Finally, the abovementioned activities located more than a hundred high-priority anomalous areas to be assessed according to priority in the following years.

CAPÍTULO 8



GESTIÓN COMERCIAL

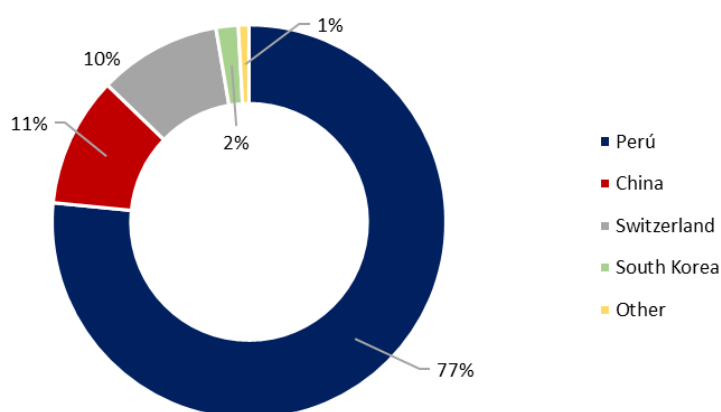
Commercial Management

In 2022, commercial terms for zinc concentrates were unfavorable for mining producers due to the generalized macroeconomic inflation situation, higher interest rates, high energy costs in Europe that led to the closure of smelters, and a higher than expected growth slowdown in China caused by its Zero COVID policy. The average processing spot price of zinc concentrates in 2022 was 221 USD/MT, as compared to 78 USD/MT in 2021, according to Wood Mackenzie, with high volatility levels until August 2022, and remaining above 250 USD/MT from September onwards.

With regard to lead concentrates, in the second half of 2022 the terms were favorable for mining producers, explained by a tight balance between supply and demand. However, despite the average processing spot price of 2022 increasing from 73 USD/MT in 2021 to 103 USD/MT in 2022, the average processing price in the last quarter of 2022 was 63 USD/MT.

Volcan continued its market diversification policy and sought to optimize the value of concentrates to improve commercial conditions. Accordingly, the Company aimed at finding the optimum grade of ore concentrates, and focused on a greater recovery of billable elements, while reducing concentrate impurities to a minimum. Finally, the effort to reduce sale expenses is still in place, and uses new and more efficient logistical strategies.

**Figure 24: Sales by destination
(percentage of value in USD)**



The sale of fines increased across all metals, except silver and gold that decreased by 4.1% and 3.9%, respectively, due to lower production during the year.

Table 28: Sales Volume of Fines

Fines Sales	2021	2022	Var. %
Zinc (thousands FMT)	221.9	223.7	0.8
Lead (thousands FMT)	56.2	56.9	1.1
Copper (thousands FMT)	4.5	5.1	14.5
Silver (millions Oz)	15.0	14.4	-4.1
Gold (thousands Oz)	23.6	22.7	-3.9

The average sales price of zinc rose from 2,981 USD/MT in 2021 to 3,449 USD/MT in 2022 (+15.7%), lead decreased from 2,207 USD/MT to 2,116 USD/MT (-4.1%) and silver from 25.5 USD/Oz to 21.8 USD/Oz (-14.7%).

Table 29: Detail of Sale Price by Metal

Sales prices	2021	2022	Var. %
Zinc (USD/MT)	2,981	3,449	15.7
Lead (USD/MT)	2,207	2,116	-4.1
Copper (USD/MT)	8,268	8,434	2.0
Silver (USD/Oz)	25.5	21.8	-14.7

CAPÍTULO 9



RESULTADOS E INVERSIONES

Results and Investments

Sales

Table 30: Net Sales Breakdown

Sales (millions USD)	2021	2022	Var. %
Zinc	454.8	551.9	21.3
Lead	104.4	98.9	-5.3
Copper	26.6	26.7	0.5
Silver	312.4	257.7	-17.5
Gold	36.4	34.7	-4.9
Total	934.8	969.1	3.7
Adjustments ¹	2.6	-17.8	-786.3
Net Sales	937.4	951.3	1.5

¹ Adjustments: i) final settlements of prior period shipments, ii) adjustments for open positions (implicit derivative and sales adjustment), iii) hedging result

Source: Volcan Cia. Minera

In 2022, total sales before adjustments increased by 3.7%, from USD 934.8 million in 2021 to USD 969.1 million. This is mainly explained by higher zinc prices.

Sales adjustments totaled USD -17.8 million resulting from the following items: final settlements of USD -10.0 million, and adjustments related to provisions for open commercial positions of USD -7.8 million. As a consequence, in 2022, sales after adjustments totaled USD 951.3 million, a 1.5% increase if compared to the USD 937.4 million reported in 2021.

Costs

Since 2022, infill drilling costs are considered as production costs. Infill drilling is used to increase the certainty of reserves and reduce risk in mining plans. In 2022, this cost amounted to USD 12.5 million. It is important to note that infill drilling used to be recorded as local exploration investment in operating units.

The absolute cost of production, not considering infill drilling, increased by 10.4%, from USD 440.1 million in 2021 to USD 485.6 million in 2022, while unit cost grew by 3.1%, from 52.3 USD/MT to 54.0 USD/MT. This increase is mainly explained by the inflation that affected the main supplies and services, increased disposal of tailings filtered at Chungar, expenses arising from improvements to the Paragsha plant at Cerro de Pasco, and increased consumption of reagents at the Oxides Plant due to the type of processed ore.

The Company is heightening its efforts to control and reduce costs through several initiatives systematically organized through the Volcan Avanza project. In 2022, savings amounted to USD 28.1 million which mitigated a higher cost increase.

Table 31: Absolute Costs (million USD)

Mining unit	2021	2022	var %
Yauli	234.2	248.4	6.1
Chungar	113.5	123.7	9.0
Cerro	33.2	40.4	21.6
Óxidos	34.9	52.5	50.5
Alpamarca	24.3	20.7	-15.0
Sub total production cost	440.1	485.6	10.4
Infill drilling cost		12.5	
Total production cost	440.1	498.2	13.2

Source: Volcan Cia. Minera

Table 32: Unit Cost (USD/MT)

Mining unit	2021	2022	var %
Yauli	81.2	85.5	5.3
Chungar	93.3	100.2	7.3
Cerro	12.7	13.7	7.9
Óxidos	46.7	54.8	17.3
Alpamarca	25.6	21.6	-15.6
Sub total unit cost	52.3	54.0	3.1
Infill drilling cost		1.5	
Total unit cost	52.3	55.5	6.0

Source: Volcan Cia. Minera

The total cost of goods sold in 2022 was USD 762.7 million, 16.3% higher than the USD 656.0 million figure for 2021. This is mainly due to higher production cost and higher depreciation and amortization related to the increase of depreciable assets and higher processed volumes.

Table 33: Detail of Sale Costs by Business

Cost of Sales (millones USD)	2021	2022	var %
Own cost of sales	652.2	757.8	16.2
Own Production Cost	440.1	498.2	13.2
Production Cost D&A	187.5	218.9	16.7
Extraordinary costs	26.6	34.4	
Inventory own variation	-1.9	6.4	
Worker participation	3.8	4.9	29.5
Total	656.0	762.7	16.3

Source: Volcan Cía. Minera

Table 34: Income Statement

Income Statement (MM USD)	2021	2022	var %
Sales before adjust.	934.8	969.1	3.7
<i>Sett. of prior periods adjust.</i>	<i>10.0</i>	<i>-10.1</i>	
<i>Adj. open positions</i>	<i>6.2</i>	<i>-7.8</i>	
<i>Hedging</i>	<i>-13.6</i>	<i>0.0</i>	
Sales after adjust.	937.4	951.3	1.5
Cost of Goods Sold	-656.0	-762.7	16.3
Gross Profit	281.4	188.5	-33.0
<i>Gross Margin</i>	<i>30%</i>	<i>20%</i>	<i>-10 pp</i>
Administrative Expenses	-44.3	-38.7	-12.7
Exploration Expenses	-13.4	-30.6	129.4
Sales Expenses	-21.1	-24.9	17.6
Other Income (Expenses) ¹	-7.7	-20.5	164.7
Operating Profit	194.8	73.8	-62.1
<i>Operating Margin</i>	<i>21%</i>	<i>8%</i>	<i>-13 pp</i>
Financial Income (Expense)	-60.5	-43.0	-28.9
Exchange Difference (net)	-6.5	0.0	-100.0
Royalties	-14.4	-13.5	-5.9
Income Tax	-52.3	-0.6	-98.8
Net Profit before Exceptionals	61.1	16.6	-72.8
<i>Net Margin</i>	<i>7%</i>	<i>2%</i>	<i>-5 pp</i>
Exceptional adjustments ²	-21.3	-98.0	
Net Profit after Exceptionals	39.9	-81.4	
EBITDA³	389.1	298.6	-23.2
<i>EBITDA Margin</i>	<i>42%</i>	<i>31%</i>	<i>-10 pp</i>

¹ Includes the sales and cost of sales of the energy division.

² Impairment of long-lived assets in Volcan and Cerro de Pasco

³ Does not consider exceptional adjustments.

Source: Volcan Cia. Minera

Profitability

In 2022, gross margin was 20%, lower than the 30% recorded in 2021. However, this reduced gross margin responded to better metals prices and higher cost of goods sold. Accordingly, gross profit decreased by 33.0%, from USD 281.4 million in 2021 to USD 188.5 million in 2022.

Administrative expenses decreased from USD 44.3 million in 2021 to USD 38.7 million in 2022, mainly due to lower personnel expenses provisions. Exploration expenses increased from USD 13.4 million in 2021 to USD 30.6 million in 2022, in line with the increased brownfield and greenfield exploration plans of the Company, which yielded positive results.

Sale expenses increased from USD 21.1 million in 2021 to USD 24.9 million in 2022, mainly due to increased transportation and freight costs. The net amount of other income and expenses was USD -7.7 million in 2021 versus USD -20.5 million in 2022, mainly due to improved standards at non-operative tailings dams and the execution of more closure studies.

Net financial expenses decreased from USD 60.5 million in 2021 to USD 43.0 million in 2022, due to the reduction of the total debt arising from the partial buyback of bonds carried out in June 2022.

Accordingly, EBITDA decreased from USD 389.1 million in 2021 to USD 298.6 million in 2022.

Exceptional expenses totaled USD -98.0 million, mainly related to the impairment of long-term investments in Volcan and Cerro de Pasco, due to higher future costs and investments considered in the assessment.

Net profit before exceptional items fell from USD 61.1 million in 2021 to USD 16.6 million in 2022.

Liquidity and Creditworthiness

In 2022, cash generated by mining operations and the energy business, after operating and growth investments, totaled USD 45.9 million. Financing for the period was negative and totaled USD 203.5 million, including interests for the amount of USD 53.4 million. The resulting total cash flow during the year was USD 157.6 million, and the cash balance as of December 31, 2022, was USD 73.6 million.

Taking into account the EBITDA, cash balance and debt, the leverage ratio (net financial debt/EBITDA²) was 2.4, higher than 1.8 in 2021.

Investments

Total mining investments increased by 33.6%, from USD 181.6 million in 2021 to USD 242.5 million in 2022. Total investments increased by 26.4%, from USD 177.2 million in 2021 to USD 224.1 million in 2022, due to the increased execution of explorations, developments, tailings dams and mine.

Table 35: Breakdown of Investments

Consolidated Investments (MM USD)	2021	2022	var %
Mining Business	180.7	241.3	33.5
Mining Units	177.2	224.1	26.4
Local exploration	19.9	11.0	-44.4
Development	59.7	82.7	38.5
Plants and TSFs	42.2	62.3	47.6
Mine and Infrastructure	32.5	40.7	25.2
Energy in Mining Units	7.5	12.8	70.7
Support and others	15.4	14.5	-6.0
Growth and others	3.5	17.3	395.1
Energy Business	0.8	1.1	37.0
Total	181.6	242.5	33.6

² EBITDA accumulated in the last 12 months.

CAPÍTULO 10



ENERGÍA

Energy

Volcan has hydroelectric generation plants and electricity transmission infrastructure. As such, it contributes to the supply of energy for its operations and those of third parties using renewable energy sources. This strategy has improved Volcan's operating costs, ensuring that its mining operations will have sufficient energy supply and contributing to efforts to reduce greenhouse gas emissions.

The total installed capacity of the hydroelectric plants is 63 MW. This includes:

- Ten hydroelectric plants in Baños - Chungar (22 MW)
- Tingo Hydroelectric Plant (1 MW)
- Huanchor Hydroelectric Plant (20 MW)
- Rucuy Hydroelectric Plant (20 MW).

The maximum consolidated power demand of Volcan and its subsidiaries was 107 MW.

Energy Generation

During 2022, the Company generated 419 GWh, a 5% reduction compared to 439 GWh the previous year. This reduction was mainly explained by the reduced availability of water at the Rucuy Hydroelectric Plant.

Compañía Hidroeléctrica Tingo S.A.C., the owner of the Tingo Hydroelectric Power Plant, which has an installed capacity of 1.25 MW and 82 km of 50 kV and 22.9 kV transmission lines, generated 7 GWh. This is similar to production in 2021. All of this energy was injected into the Chungar operations. It is important to mention that there is a plan to expand the Tingo plant from 1.25 MW to 15 MW. The generation concession permitting process for this plan is underway.

Hidroeléctrica Huanchor S.A.C. produced 149 GWh in 2022, an increase of 3% over 2021. This result is due to increased availability of water resources in 2022. Huanchor is part of the Economic Operation Committee of the National Interconnected System (COES). It maintained electricity supply contracts with seven clients in 2022.

Finally, Empresa de Generación Eléctrica Río Baños S.A.C., owner of the Rucuy Hydroelectric Plant in 2022, generated 120 GWh, a decrease of 13% as compared to the previous year. This result is due to decreased availability of water resources. This company is a member of the Economic Operation Committee of the National Interconnected System (COES) and has a renewable energy contract with the Peruvian State (RER), for which it receives a guaranteed income for the generation of 110 GWh per year.

Energy Consumption

In 2022, Volcan's consolidated energy consumption totaled 819 GWh, an increase of 7% over 2021, with maximum demand of 107 MW. This was explained by the increase of pumping and ventilation systems in our underground mines.

Energy generated for self-consumption represented 17% of the Company's total energy consumption. It also purchased energy from the electricity generation company Engie Perú S.A.A. through the National Interconnected Electric System (SEIN) through a supply contract in effect since January 1, 2018.

Finally, it is important to mention that in 2022 an annual availability of 99.488% was recorded in Yauli and 99.996% in Chungar-Alpamarca in the high voltage electrical system, not including preventive maintenance. This indicator reflects the degree of continuity and availability of electricity for mining operations.

Table 36: Electricity Balance (GWh)

Electricity Balance (GWh)	2021	2022	Var(%)
Energy Production	439	419	-5%
Chungar HPP	151	143	-5%
Tingo HPP	7	7	0%
Huanchor HPP	145	149	3%
Rucuy HPP	137	120	-13%
Energy Consumption	765	819	7%
Energy Purchase	607	670	10%

CAPÍTULO 11



**SEGURIDAD,
GESTIÓN HUMANA,
RESPONSABILIDAD SOCIAL
Y MEDIOAMBIENTE**

Safety, Human Resources, Social Responsibility and Environment

Safety

In 2022, the implementation plan for SafeWork 2.0 was executed. As a strategy to ensure the quality of the implementation process, the Company strengthened its safety corporate capacities to successfully backstop the initiatives developed to close expectations gaps in the field.

The Safety Leadership element fosters the development of competencies so that each leader multiplies the principles of SafeWork 2.0 to their team, generating the commitment to safety as the first and foremost value across all levels of the organization.



As part of the SafeWork 2.0 implementation plan, systemic actions have been executed to develop a safety culture in the organization, including:

- 1) Full compliance with the Safety Leadership Program by Volcan's chain of command, through cascading of minimum performance expectations principles, identification and management of fatal hazards in their areas, and implementation of adequate controls.



2) Dissemination of the Zero Tolerance Alcohol and Drugs Policy in all operations (contractors and Company).



3) Implementation of the Fatigue and Somnolence Standard, incorporation of the PRISM preventive detection and SAF reactive detection technologies, aimed to prevent risks caused by fatigue and somnolence of all light and heavy vehicle drivers.



4) Rollout of the Matrix of Visible Leadership in the Field, in line with SafeWork 2.0 expectations. It aims to guarantee the best operating practices, and verify, through a formal program targeted at leaders, the conducts, acts and conditions in the field through the following tools:

- GCOM audit,
- Preventive Safety Interactions (PSI),
- Quality of Hazard Identification, Risk Assessment and Control (IPERC),
- Quality of Permit to Work for High-Risk Tasks (PETAR),
- Quality of Safe Work Analysis (SWA),
- Execution of Planned Task Observation (PTO),

- Safety Inspection of Critical Controls,
- Verification of Fatal Hazards Protocols and Safety Standards.

5) Promotion of the incident reporting culture as a preventive tool to ensure that all real and potential incidents are reported and assessed, to identify corrective actions and lessons relevant to the organization, prioritizing High Potential Risk Incidents (HPRI).



6) Through the safety leadership and visible commitment of the organization’s chain of command, the Glencore – HSEC Zinc Assurance Program was implemented to verify controls of critical processes and the implementation of Fatal Hazard Protocol requirements. This program led to the development of 450 actions to maintain a preventive culture that will help us keep workplaces free of fatal and disabling incidents.



7) Implementation of the communication program through weekly safety stand-downs in all Volcan units, as an awareness-raising mechanism that promotes good safety practices, lessons learned from incidents, Life-Saving Behaviors, and fatal hazard protocols.

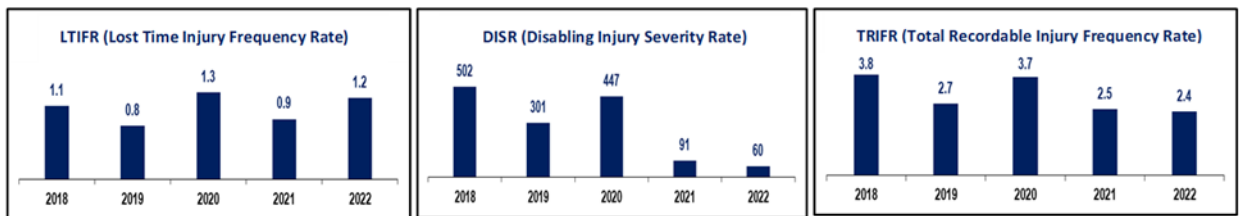


8) Training and certification of internal auditors – Glencore Zinc, attended by corporate personnel and mining unit staff. The objective was to align and strengthen the competencies of work teams at mining units, ensuring the quality and efficacy of the assurance process for the implementation of SafeWork 2.0.



At the end of 2022, the reactive safety indicators were below the established goals, as the year ended with zero fatalities.

Figure 25: Safety Ratings 2022



In 2023, the main challenges are:

1. Zero fatal accidents and reduction of disabling and minor accidents (TRIFR, LTIFR, DISR reduction),
2. Strengthening our leaders’ competencies to ensure their active participation and commitment as process owners, leading to the development of the Safety Culture,
3. Integration of the Occupational Health and Safety (OHS) management system to Glencore’s HSEC & HR management model,
4. Quality assurance for the implementation of SafeWork 2.0,
5. Alignment of and assistance to strategic partners (contractors) to meet the Contractor Management standard in line with SafeWork 2.0 expectations,
6. Have leaders promote visible commitment and responsibility in the Management of Critical Controls to ensure their implementation, efficacy verification, and development of corrective actions to address deviations, aligned to the International Council on Mining & Metals (ICMM) Risk Management model.

Human Resources Management

In 2022, the human resources area learned to adapt to new work modalities and took on the new reality on the wake of the pandemic.

The main challenges faced by human resources management in 2022 were:

1. Reinforcing the organizational culture through its purpose, values, and code of conduct,
2. Strengthening our workforce's skills through training programs,
3. Implementing measures aimed to improve the organizational climate and the commitment of the workforce,
4. Automating human resources management processes and tools,
5. Fostering recognition on matters such as safety, values and time of service,
6. Implementing action plans to foster the satisfaction of professional needs, as well as to encourage workers' to improve their performance, and meet the Company's objectives.

Training

In 2022, as part of the Annual Training Plan, 200 instructional actions were carried out, totaling 638,000 man-hours of training, at an average of 53 hours per capita. The investment over this period was USD 1.3 million.

In the post-pandemic normalization scenario, the training modalities included: in-person (46%), online (38%), and e-learning (16%).

Safety-related courses included training in Fatal Hazard Protocols focused on incidents with high incidence rate, and Life-Saving Behaviors, as well as training in Safety Management Tools targeted at the Supervision area.

With regard to Leadership, the New Leaders Program was carried out. This proposal focuses on key personnel and aims to develop their managerial skills to prepare them for new challenges in the organization.

Performance and Talent Management

In 2022, personnel recruitment and selection, new hires, internal promotions, and personnel rotation procedures were reorganized and communicated, to ensure the quality of the aforementioned processes. The main actions taken were: reducing recruitment times for the Company's critical positions, guaranteeing internal talent promotion, and optimizing personnel hiring times.

The development of the Employer Branding Plan took place and the following pillars were implemented:

- Trainee Program 2022: It was successfully completed by the end of the year with the participation of 30 young talents. More than half of them had their contract extended and were offered the opportunity to be considered for permanent critical positions at the operations.
- Active recruitment – channels and media: The Company’s presence in social and recruiting networks was boosted to reach new professionals. In addition, the business’ critical positions were identified, as were the top scarce occupations in the market. A thorough headhunting process aimed to guarantee the selection of external talent was carried out.
- External communication campaigns: At the end of 2022, our LinkedIn community exceeds 243,000 followers (57,000 gained in 2022), ranking third in followers growth among mining companies in Peru. Posts focused on the Trainee Program, social responsibility actions, strengthening of strategic partnerships, internal activities, recruitment scam warnings, institutional greetings, participation in external events, and corporate awards and prizes.

In addition, Volcan analyzed how diversity fits in the Company’s context, and produced statistics on the supply and demand that exists in the mining sector, identifying the potential to create opportunities. Accordingly, in 2022, Human Resources Management developed the Diversity, Inclusion and Equality strategy, which resulted in two notable actions:

- Preparation and communication of the Policy on Diversity, Inclusion and Equality, and the Intervention Procedure on Sexual Harassment, Diversity and Inclusion, and Non-discrimination.
- Volcan became a partner of Women in Mining (WIM), a not-for-profit organization aiming to highlight women’s involvement in the Peruvian mining sector, promoting their personal and professional growth.

In 2023, the Employer Branding, and Diversity, Inclusion and Equality programs will reach their final stage, fully completing the plan according to the strategies. Additionally, we remain committed to the challenge of increasing the number of female employees in the Company.

Compensation and Benefits

In 2022, as in previous years, a comparative salary analysis was carried out with the mining market to ensure external competitiveness and internal equality. Adjustments

were made as necessary, through salary planning based on the worker's performance and potential.

The variable remuneration program was developed and approved for the different categories in the Company to ensure retention of best talent. Special weight was given to the identification of positions that are critical for the business in order to guarantee control of the voluntary turnover rate reduction.

Additionally, virtual fairs were held and new partnerships were formed with companies in the education and health sectors, and in the travel and entertainment industry, to offer corporate discounts as part of the benefits that contribute to improve the workplace climate.

Workplace Climate

For Volcan, it is of great importance to ensure that the work environment is perceived as adequate by its workers. For this reason, it permanently strives to develop action plans aimed to improve working conditions for its personnel, to create development opportunities for them, and foster their relationship with their coworkers and leaders in each operating unit, achieving a positive impact on their well-being, commitment and satisfaction.

The presentation of results obtained in the Organizational Climate Survey 2022 was complemented by the creation of climate committees at each operating unit to closely analyze the results and identify strengths and improvement opportunities for all aspects addressed in the survey. The results and information gathered per unit and area served as basis for developing specific action plans and plans across areas.

Volcan has also developed several recognition programs to foster identification with the Company and commitment between the Company and employees. Programs focused on recognition of safety behaviors, Company values, and years of service, have allowed us to reinforce key factors of our organizational culture and highlight the individual contributions of each member of Volcan.

In addition, multiple initiatives aimed to improve the work environment in operating units have been strengthened. One of the main initiatives is the "Dialoguemos" (Let's Talk) program, by which Volcan's senior management communicates business results and the Company's future plans to employees, giving them clear information about their steering decisions. Finally, Volcan continues to improve living conditions and nutrition at operating units to provide a better quality of life and work environment to its workers, in accordance with established protocols and standards.

Personnel Management

The Company made numerous improvements to personnel management processes and their automation in 2022. Some key achievements are outlined below:

- Improvements to the payroll outsourcing process for the Lima unit and its employees, and to the self-service portal, which allows employees to manage their pay slips, vacation time, certificates, letters, and other resources.
- Participation in the S/4 HANA migration project in the Organization, Master Data, Time Management and Payroll modules. The project went into the production stage in early 2023.

Internal Communications

In 2022, the internal communications area continued its effort to strengthen Volcan's culture through comprehensive communication of our purpose and corporate values. The return to in-person work allowed us to resume programs and events, such as the IV Office Olympics and year-end recognition award, which were key activities to strengthen ties with our employees.

Moreover, 234 campaigns were held with our corporate managements providing the necessary support to meet the objectives of the different strategies implemented to ensure good communication within our Company.

Health and Social Well-being

Statistically, in 2022, Volcan's prevalence of COVID cases was lower than in the rest of the country. Cases were mildly symptomatic or asymptomatic. This was explained by the enforcement of protocols and strict compliance with biosafety measures in the mining units, such as use of facemasks, social distancing, hand washing, ventilated areas, and getting vaccinated.

Moreover, during 2022, occupational diseases were prevented through coordinated efforts across areas, and all physical, chemical, biological, ergonomic, and psychosocial agents were monitored, with special emphasis on ergonomic agents, as it was observed that several job positions require improvements in order to prevent musculoskeletal issues. Additionally, emphasis was placed on the Heat Stress Control Program aiming to prevent undesired events, such as workers suffering from heatstroke.

Our Workforce

As of December 31, 2022, the Company had a total of 3,637 direct employees in Lima and its operating units. Out of these, 2,569 were permanent workers and 1,068 had fixed-term contracts. In addition, there were 8,466 employees from companies that provide specialized services, making up a total of 12,103 employees.

Table 37: Our Workforce

Workface	Workers			Employees			Officials			Total		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Volcan Cia Minera S.A.A.	366	418	412	1399	1551	1579	29	28	29	1794	1997	2020
Cia. Minera Chungar S.A.C.	403	448	479	629	690	701	2	2	3	1034	1140	1183
Emp. Admin. Cerro S.A.C.	173	163	165	83	111	102	0	1	1	256	275	268
Oxidos de Pasco S.A.C.	35	38	38	85	83	105	0	0	1	120	121	144
Hidroeléctrica Huanchor S.A.C.	-	-	-	23	21	22	-	-	-	23	21	22
Total	977	1067	1094	2219	2456	2509	31	31	34	3227	3554	3637

Social Responsibility

In 2022, Volcan invested USD 4.9 million in the development of 39 communities in our area of direct influence, mainly as a result of agreements and commitments, sustainable development plans, and community relations plans included in the EIAs. Investment focused on five intervention areas: education, health, economic development, promotion of local employment and infrastructure. In an effort to strengthen local economies, Volcan maintained business relationships with community businesses hired to provide different types of services related to construction projects, mining operations, transportation, among others.

To maintain optimum relations with the communities, Volcan fosters the development of a community complaint and grievance procedure. Management is focused on transparency and bidirectional communication with our stakeholders, through physical, virtual and anonymous channels, and is firmly committed to address any complaint or grievance from its stakeholders. Therefore, it has established a response time for areas to internally coordinate the response and solution in a comprehensive and efficient manner.

In 2022, concerns are mainly related to operations (44%), environment (34%), and social (5%), labor and/or commercial (2%) commitments, among other matters (15%).

Volunteer Work

In 2022, as part of Volcan’s culture, three corporate volunteer activities were carried out—two in person and one online. The first one took place at Institución Educativa Fe y Alegría #25 in San Juan de Lurigancho, where a playroom was painted and renovated for the institution’s special needs students. The second activity was the “Abriendo Sonrisas” (Warming Up Smiles) campaign. All employees made voluntary donations—to be deducted from their salary—in amounts equal to the cost of blankets, to provide protection against low temperatures to residents in our areas of influence. We were able to donate 625 blankets thanks to the donations. Finally, for the third activity, we formed an alliance with Peruvian Cancer Foundation to make the donation platform available to Volcan’s employees at their offices.

Volcan Newsletter

Our external communication channels include publications that serve as information sources and aim to reinforce the populations’ basic values, providing health and safety recommendations, discussing topics related to education, highlighting the importance of protecting the environment, reporting on fulfillment of commitments, appreciating culture, and providing information on human rights.

Table 38: Publications

Unit	Number of issues
Yauli	3
Chungar	3
Baños	2
Cerro	3

Corporate Recycling Program

Volcan started the Recycle to Help program in partnership with the NGO ANIQUEM. The goal is to raise awareness on how important it is to handle paper, cardboard, plastic, and electrical waste, and to protect the environment.

Our joint efforts to recycle solid waste at mining units generated a social-environmental impact that allowed us to provide one year of physical therapy for 100 patients, psychological treatment for 25 patients and occupational therapy for 25 second- and third-degree burn survivors. We also saved 97,075 kWh worth of energy, saved 153 trees from being cut down, saved 891.18 m³ worth of landfill space, and 63,000 gallons of water.

Education

Primary and Secondary Education

In 2022, Volcan continued the alliance with the NGO Enseña Peru, an association that promotes a professional movement to transform education. This alliance is present at the Yauli, Chungar and Cerro de Pasco units. A group of 12 Enseña Perú professionals participated and made a positive impact on over 1,562 primary and secondary education students. Improvement indicators were achieved in math, language comprehension, English, and science, technology and environment. Moreover, soft skills were reinforced, according to the Ministry of Education (MINEDU).

Table 39: Communities in the Enseña Perú Program

Department	Unit	Community
Pasco	Cerro	Rancas
	Chungar	Huayllay
Junín	Yauli	Huayhuay
		Morococha
		Suitucancho
		Yauli

Higher Education

Yauli Unit

Under the agreement executed with the Yauli Community, five full SENATI scholarships were awarded to children of community members, who enrolled in technical careers.

Similarly, Volcan awarded one full TECUSP scholarship and one full SENATI scholarship in the Rural Community of San Francisco de Asís de Pucará.

Chungar Unit

In 2022, the Company granted twelve SENATI scholarships to youths of the Huayllay Community, and three scholarships for SENATI, one for TECSUP and three for CETEMIN in the Huaychao Community.

Cerro Unit

In 2022, Volcan granted 33 scholarships for Universidad Nacional Daniel Alcides Carrión (UNDAC), 14 for SENATI and two for TECSUP. All students belonged to the San Antonio de Rancas, Yurajhuanca and Quiulacocha communities.

Alpamarca Unit

In 2022, five students in the Santa Catalina community received full SENATI scholarships. The technical careers they chose are industrial mechatronics, industrial management, maintenance mechanical engineering techniques, automotive mechatronics, and software engineering with artificial intelligence. One full CETEMIN scholarship and one SENCICO scholarship were granted in the Catalina Community. The objective is to enable youths to finish their studies and then work with different contractors, and subsequently work in the Company.

Hydroelectric Plants

In 2022, three youths received full SENATI scholarships for the technical careers of industrial management, industrial mechatronics, and graphic design.

Training

Yauli Unit

- In line with the commitments undertaken through agreements with the Yauli, Pomacocha and Pachachaca communities, and commitments stemming from the roundtable for economic reactivation with the District Municipality of Yauli, Volcan offered an Office training course to young community members through the educational partnership with SENATI.
- In coordination with the District Municipality of Yauli, two talks were held to boost the professional development of youths in the community: Tools to make curriculum vitae, and training in Midot assessments, to improve their chances during selection and hiring processes.
- As part of the Early Warning System (EWS), 181 brigade members received training in the districts of Yauli, Santa Rosa de Sacco and La Oroya, in sessions held by the Rapid LA team, preparing them to be the best prevention and action leaders during a natural disaster.
- The livestock training workshop was held in the Pomacocha Community; attending community members received tools to improve trout farming. The topics covered included: trout farming and production, water quality analysis, cleaning, selection for trout fishing, spawning, incubation, removal of dead eggs, feeding and sanitation.

Cerro Unit

- Sessions were held with pre-school, primary and secondary education students of the Quiulacocha and Yurajhuanca communities, and the Paragsha village and AA.HH. José Carlos Mariátegui, to raise awareness on the “Adequate Use of Water”. In addition, educational sessions on environment protection and conservation were held with 37 residents of C.C. Yurajhuanca, AA.HH. Uliachín and AA.HH. Santa Rosa Sector 2. Informational material on the appropriate segregation of solid waste was distributed during these sessions.
- In coordination with Bureau Veritas Perú and Volcan’s Environmental Affairs Department, four workshops were held to provide training in Participatory Environmental Monitoring with residents of the communities of San Antonio de Rancas, Quiulacocha and Yurajhuanca, Champamarca Urban Community, AA.HH. Uliachín, José Carlos Mariátegui and Buenos Aires, Paragsha Village and the

Regional Directorate of Energy, Mines and Hydrocarbons of Pasco. This activity was outlined by the Participatory Social Environmental Monitoring Program aimed to monitor water, air, noise and vibrations.

- In coordination with residents of the communities of San Antonio de Rancas, Quiulacocha and Yurajhuanca, Champamarca Urban Community, AA.HH. Uliachín, Buenos Aires, José Carlos Mariátegui and Paragsha Village, occupational workshops on Sewing and Dressmaking, and Baking were carried out with the participation of 15 female residents. These actions were aligned with the execution of the Program to Support Local Development Initiatives defined in our Environmental Management Instruments (IGAs).
- Volcan held training workshops on “Technology-assisted Guinea Pig Breeding” in the communities of Tingo Palca, Yurajhuanca and Racracancha, and AA.HH. Uliachín. This activity was aligned with the Program to Support Local Development Initiatives defined in our Environmental Management Instruments (IGAs).
- According to the communications plan, 179 community members, residents and workers of specialized companies in the area of direct influence received training in human rights.
- Training on community relations, code of ethics and conduct was provided to 189 workers of specialized companies and community businesses in the area of direct influence according to the Information and Communication Program of the Community Relations Plan.

Chungar Unit

- The heavy machinery operator training course was held; 25 scholarships were granted to students of the Huayllay Community and 22 to students of the Huaychao Community.
- The basic English course in the Huayllay Community started with the participation of 20 students.

Alpamarca Unit

- Thanks to the support of the Quality Department of the Alpamarca unit, we carried out technical training sessions for the concessionaires’ staff as part of our nutrition training program. In these sessions, we encouraged and taught, through talks and seminars aimed at personnel of Santa Catalina concessionaires, appropriate food management, conservation and handling.
- In view of the psychological risks faced by children in the Santa Catalina Community due to confinement, family and emotional issues, we provided a

professional psychological care program to address this social phenomenon. The psychological program covered different issues:

- Self-esteem,
 - Gender equality,
 - Handling anxiety and depression,
 - Parenting and positive child-rearing,
 - Criteria on good practices during confinement.
- As part of the implementation of the Early Warning System (EWS), a series of training sessions were provided to brigade members and community members of Carhuacayán, such as: signage for hydrological risk management, daily and night preventive drills, first aid, evacuation route identification, etc. Preventive drills were carried in the communities surrounding the EWS flood hazard map (Pilo Pilo, Punta Chica, Huancamachay, Rupahuay, Cashapampa and Tambo sector) to assess the population's response mechanisms and to be prepared if any emergency occurs.

Hydroelectric Plants

- Virtual training sessions were provided on electromechanical maintenance, electric safety, and electric power systems to Viscas community members thanks to the educational partnership with SENATI.

Health

Health Campaigns

The strategic alliance with Prisma NGO was maintained to uphold the improvement of health standards and further impact the communities' quality of life.

The project has identified, through progress and monitoring indicators, prevalent diseases in more than nine specialties. The main conditions identified are respiratory, musculoskeletal and gastrointestinal. In addition, efforts to prevent these diseases are implemented through advocacy meetings, raising awareness among authorities, and through in-person educational sessions on key topics, which are determined by the community's needs: care and personal hygiene, healthy nutrition, anemia prevention, among others. In 2022, the campaigns had a total duration of 20 days, with 5,300 medical examinations performed in the communities found in our sphere of influence. In average, the quality of the medical examinations was satisfactory at 95%.

As the State plays a key role in ensuring the project's sustainability, Volcan seeks to participate in the implementation and execution of these initiatives. In this regard, when patients who required immediate medical attention were detected, assistance was provided to ensure they received adequate treatment at public health institutions, due

to the COVID-19 restrictions, and in coordination with the communities.

Table 40: Medical Campaigns by Community

Department	Unit	Location	Campaing	
Mine	Yauli (Carahuacra-San Cristóbal, Ticlio)	Pachachaca	1	
		Pomacocha	1	
		Yauli	1	
	Cerro	Quiulacocha	2	
		Yurajhuanca	1	
		Paragsha	1	
	Chungar	Huaychao	2	
		Huayllay	1	
		Carhuacayan	1	
		Catalina	2	
Total mining			13	
Energy	CH Baños	Ravira	1	
		Viscas	1	
	Total energy			2
Total				15

Alpamarca / Romina

Multivitamin kits were delivered in view of the high prevalence of osteoporosis issues among senior citizens and anemia in children of the Catalina Community. In total, 70 people received a variety of medicines.

Campaign against Anemia

In parallel, and through the same alliance, since 2018, Prisma has been working to reduce the incidence of anemia syndrome in children under 5 and pregnant mothers in the communities of Cerro (Paragsha and Quiulacocha) and Chungar (Huaychao). The plan identifies the children's nutritional status, their consumption of iron-rich foods and/or supplements, processing of necessary micronutrients, and the severity of the anemia, if detected. In 2022, anemia prevalence was reduced by 9% through screening activities, delivery of iron supplements, training in good practices, cooking workshops, among others. In this second intervention year, beneficiaries totaled 490 boys and girls under 5 years, and six pregnant mothers.

Support Campaign against COVID-19

To ensure the return to school in the context of the sanitary emergency, 6,330 hygiene kits for children were delivered in Cerro, Chungar and Yauli to combat the spread of COVID-19. The kits contained soap, alcohol dispenser, box of face masks, alcohol gel and a pouch.

Additionally, in the area of influence of Cerro unit, 37 backpack sprayers for pest control were delivered to educational institutions to help principals coordinate appropriate classroom disinfection.

In the Alpamarca mining unit, aware of the recurrence of COVID-19 waves, a screening campaign was carried out to establish immediate actions and prevent another significant wave of infection. A total of 134 antigen tests were performed, out of which 125 tested negative and 9 positive. The necessary medical care and medicines were provided for patients who tested positive.

Economic Development

Farming Development

As part of the economic development axis, Volcan and Prisma NGO designed a joint action strategy for preserving and protecting traditional businesses and developing their industry through innovative ideas. The resulting agricultural and livestock campaigns aimed to improve the productive chain, through technical assistance and progress monitoring in the areas of influence. In 2022, 462 members of neighboring communities were benefitted through examination and dosage of 126,481 head of cattle.

Table 41: Campaigns by Location

Department	Unit	Location	Campaign
Mine	Cerro	Quiulacocha	1
		Yurajhuanca	1
		Yanamate	1
	Chungar	Huayllay	1
		Huaychao	2
	Alpamarca	San José de Baños	1
		Catalina	1
		Lote 18	1
	Yauli	Pomacocha	1
		Yauli	1
Total mining			11
Energy	CH Baños	Santa Cruz de Andamarca	1
		San Miguel de Vichaycocha	1
		San Juan de Chauca	1
		Viscas	1
		Pacaraos	1
		Huascoy	1
Total energy			6
Total			17

Local Employment Development

Volcan contributed to increasing income and reducing unemployment in the communities within its sphere of influence. Moreover, we successfully encouraged the improvement of local personnel capabilities to contribute to their human and professional development.

Volcan upholds its policy of hiring local businesses. In 2022, community businesses achieved an aggregate annual turnover of approximately USD 61 million.

Alpamarca Unit

Strengthening Capacities:

Volcan contributed to increasing income and reducing unemployment in the communities within its sphere of influence. Moreover, we successfully encouraged the improvement of local personnel capabilities to contribute to their human and professional development. Through the communities department, contractor companies such as Alquimodul, APT, Secominc, Datco and Solorzano, offered 20 employment opportunities to community members and their relatives in Santa Catalina and Vichaycocha.

Cacray Construction Works

The Company financed five structures and provided the relevant support for their construction: Shepherd's House, pens, right of way markers, and access bridge. These works were executed by members of the Santa Catalina Community, who became economically active through local businesses and their own entrepreneurship. Accordingly, 25 community members received employment opportunities.

Hydroelectric Plants

In 2022, aiming to offer opportunities to community residents in our areas of influence, several positions were opened to allow community members to apply based on their skills. As a result, two members of the Viscas community who fit the profile were successfully recruited. In the Baños and Rucuy Hydroelectric Plants, 20 positions were filled with members of those communities.

Infrastructure

Chungar Unit

In 2022, two villages of the Huayllay Community carried out their productive projects. Andacancha built a synthetic grass field to be used for sports, which will also generate a daily income through the field's rental. In Canchacucho, a metallic roof cover was

installed over the sports field, a project that generates daily rental income for the community.

Alpamarca Unit

A total of 200 pine specimens were delivered to the board of the Carhuacayán Rural Community, to the educational institution of San José de Baños N° 20377, and to the District Municipality of Santa Bárbara de Carhuacayán, to contribute to the locality's landscaping. Through this delivery, the reforestation of this area was completed, creating environment awareness. This action was part of the International Day of Forests celebrations.

In the San José de Baños Community, as part of the commitments and to improve the highway's serviceability, maintenance works were performed on the road that connects San José de Baños Community to the Tingo area.

Additionally, as part of good social responsibility practices, and in line with the Memorandum of Agreement between the communities of San José de Baños and Carhuacayán, Volcan delivered 334 posts and 50 chain-link fences to both communities for the installation of 1,000 lineal meters of fence to complete 4.5 km. These materials will be used to install a boundary fence between both communities to make a more efficient demarcation of the lands to be used for cattle raising.

In the Santa Bárbara de Carhuacayán Community, a motor grader was lent to open a road in the Huancamachay area. The number of beneficiaries was 25, approximately.

As part of the Early Warning System (EWS) implementation and according to the agreement between Volcan and the District Municipality of Santa Bárbara de Carhuacayán, diverse materials were delivered to furnish a temporary shelter for those in a vulnerable situation. The donations mainly included emergency backpacks, personal hygiene items and blankets, among others.

Moreover, technical support was provided to five construction works in Cacray. Volcan's project team provided the necessary support to the population in order to complete the objective.

Finally, with regard to lighting infrastructure, the Shagua – Catalina transmission line was handed over to the Santa Catalina Community, as they lacked self-produced electricity. This industrious effort was rewarded with praise from the community members, who expressed their wish to continue working with the Company and to generate benefits for their community. This work will benefit over 200 people and have a direct impact on the community's sustainable and human development.

Cerro Unit

In the San Antonio de Rancas Rural Community, a safety fence was installed around the Ocroyoc tailings dam to close access to ovines, alpacas and bovines grazing in the surrounding area, and prevent them from falling into the tailings dam. The execution required an investment of over USD 11,400 and it was carried out by Empresa Comunal de Servicios Múltiples Rancas. Other deliveries included round eucalyptus posts, barbed wire rolls, livestock mesh, and 1 m³ water storage containers and tanks to improve animal breeding conditions of land owners located around the Ocroyoc tailings dam and San Antonio de Rancas community members.

As part of the activities to contribute to the educational infrastructure of the Support to Education Program, 70 m³ of agricultural lands were handed over to Colegio Nacional Comercial 39 “Gerardo Patiño López” of AA.HH. Túpac Amaru Sector 3. The goal is to improve the educational institution’s green areas.

Finally, 6.3 tons of Italian and English grass seeds were delivered, and 160 ha of land was plowed to grow pastures in the San Antonio de Rancas Community with a total investment of USD 30,000. Moreover, 3,500 m of 2” HDPE pipe and 100 m of 4” HDPE pipe were delivered to supply water to cattle waterers, for a total value of PEN 30,000, according to programs to support livestock activities and agreed commitments.

Yauli Unit

Yauli Rural Community’s Specialized Technical Education Center (CITE) was improved through a USD 300,000 investment. This infrastructure will be used for technical training to benefit community members and children who are following professional studies. It has two training rooms, electric installations, water, drainage, yard, parking area and green areas.

The road in the Yauli District was recapped, giving maintenance to the asphalt layer to reduce pollution in the district. The investment amounted to approximately PEN 2 million.

The Shepherd’s House was built in the Pomacocha Rural Community, according to the agreement currently in force with Volcan Compañía Minera. This building will be used as shelter for community members that carry out agricultural and livestock activities. The investment amounted to PEN 114,000.

Hydroelectric Plants

As part of the social responsibility policies and at the request of the San Juan de Viscas Rural Community, Volcan financed maintenance works in the access to the Rapacán

area. Maintenance was performed using heavy machinery along 3 km, from November 18 to 28, 2022.

It also contributed to maintain the irrigation system for the Tambillo area of the Ravira Community. Special attention was given to the community's request and 4,000 avocado fields were successfully recovered.

Additionally, as part of the social responsibility policies and aiming to encourage community initiatives focused on local development and improvement of infrastructure, cement bags were delivered to the communities of San José de Baños, Santa Cruz de Andamarca, Viscas and Pirca, who expressed their gratitude to the Company. In these communities, the number of beneficiaries amounted to 307.

Finally, 200 pine specimens were delivered to the Viscas Rural Community as part of our good practices on coexistence and in line with our social responsibility policy. The community was deeply grateful to the Company, as now they can start reforestation activities and contribute to landscaping and environment protection.

Public Works Tax Credits Program

Since 2010, Volcan and its Chungar subsidiary have provided funding in the amount of PEN 122.3 million to finance 16 infrastructure and utilities projects of great social impact that have contributed to reduce the country's infrastructure gap in sectors related to education, water and sanitation, solid waste management, transportation, among others. These projects benefit approximately 530,000 people.

Volcan is permanently participating and promoting the Public Works Tax Credits mechanism through new projects and by approaching the new local, regional and national authorities. Volcan projects primarily benefit nearby communities and align with an internal strategy to invest in crucial sectors to achieve greater social impact.

Moreover, Volcan placed third among mining companies in terms of total funding committed to Public Works Tax Credits. The Company is a founding member of Aloxi, the Alliance for Public Works Tax Credits, which represents the companies responsible for executing more than 80% of investments under this mechanism.

**Table 42: Ranking of Companies by Investment Amount
(Million PEN in the 2009-2022 period)**

N°	Company	Total 2009-2022
1	Compañía Minera Antamina S.A.	1,541.4
2	Banco de Crédito del Perú S.A.A. – BCP	1,129.2
3	Southern Peru Copper Corporation	865.0
4	Optical Technologies S.A.C.	407.8
5	Telefónica del Perú S.A.A.	233.5
6	Banco Internacional del Perú S.A.A. – Interbank	212.5
7	Sheridan Enterprises S.A.C.	206.3
8	Unión de Cervecerías Peruanas Backus y Johnston S.A.A.-Backus	128.0
9	Volcan Compañía Minera S.A.A.*	122.3
10	Ferreyros S.A.	103.2

Volcan plans to continue to engage in community development by investing in new public works for tax credits. Accordingly, in 2022, it started the “Improvement and Expansion of Sports Services at the Municipal Sports Center on Av. 1 de Mayo” project, in the District of Chancay, Province and Department of Lima, together with the Regional Government of Lima, with a total investment of PEN 13.7 million; and the “Improvement of Comprehensive Municipal Solid Waste Management in the District of Huayllay” project, in the Province and Department of Pasco, in conjunction with the District Municipality of Huayllay, with a total investment of PEN 4.3 million.

Environment

Volcan has reaffirmed its commitments to the environment in line with its HSEC policy and Responsibility, one of its most important values, which states that Volcan is responsible for its actions and works to improve its business, social and environmental performance.

On the basis of these commitments, and as part of its sustainability strategy, in 2022 Volcan took on the daunting task of transforming its environmental management to align it with the current global situation that faces great environmental challenges, such as climate change, tailings dam management, water stress, soil degradation, biodiversity, acid drainage generation and treatment, air quality, and waste management, which are some of the most relevant and urgent issues that require a

structure to control, monitor and supervise these risks, and prevent them from materializing.

The transformation of the environmental management was structured through a new management framework based on environmental risk management, known as “CleanWork”. Its objective is to permanently assess sustainable environmental performance expectations by implementing the best environmental practices in the operation, standardizing and maintaining them over time to guarantee the continuity of our Company’s adequate environmental performance, and to contribute to the generation of shared value in the society.

Figure 1: Evolution of Volcan’s environmental management system - CleanWork



CleanWork defines environmental performance and sustainability expectations by managing nine essential elements:

-  **Environmental Leadership**
-  **Environmental Risk Management**
-  **Strategic Environmental Planning**
-  **Environmental Hazards Protocols**
-  **Environmental Responsibility Behaviors**





Environmental Operational Control



Environmental Reporting and Communication



Environmental Compliance Assurance



Critical Analysis of Results and Continuous Improvement

Management of these elements is described in the Manual of Environmental Performance Expectations, which further specifies that the Environmental Hazards Protocols and the Environmental Responsibility Behaviors are key elements to complement and reinforce CleanWork.

The Environmental Responsibility Behaviors are:

- ▲ 1. **I NEVER** run projects or activities without making sure they have all licences.
- ▲ 2. **I ALWAYS** discharge effluents from processes and contact waters complying with the Maximum Permissible Limits and through authorized points.
- ▲ 3. **I ALWAYS** report environmental accidents or near misses regardless of their classification.
- ▲ 4. **I NEVER** use, disturb, intervene or make changes in water sources (lagoons, rivers, wetlands, etc.) without the license of the corresponding authority.
- ▲ 5. **I NEVER** make changes to the structure or operation of Tailing Storage Facilities (TSF) without a change management procedure validated by the Engineer of Record (EoR)
- ▲ 6. **I ALWAYS** work within the operating conditions established in the Operation, Maintenance and Surveillance Manual (OMS) for the TSF (freeboard, beach width, etc.), manage my alert levels and implement the TARPs
- ▲ 7. **I NEVER** dispose of waste rock, tailings, ore or concentrate in unauthorized places that do not have engineering or environmental controls.
- ▲ 8. **I ALWAYS** make sure to comply with the commitments assumed in the environmental management licences (EIA, ITS, Closure Plan and other authorizations).
- ▲ 9. **I NEVER** use areas that were environmentally remediated without having authorization and permission from the authority.

CleanWork’s structure is aligned with the ICMM mining principles, the United Nations’ Sustainable Development Goals (SDG), and the requirements of ISO 14001, and this gives us a broader view of the environmental requirements and demands in the global market, meeting not only the national regulations, but also external criteria and requirements. This proves that Volcan is highly committed to establish ESG management criteria, which are pivotal for the Company and its stakeholders.

CleanWork will help us foster a new environmental culture among our leaders, and it will be reflected on the operating results, leading to a sustainable management where the environmental aspect is embedded in the business model.

Main Environmental Results of 2022

Energy

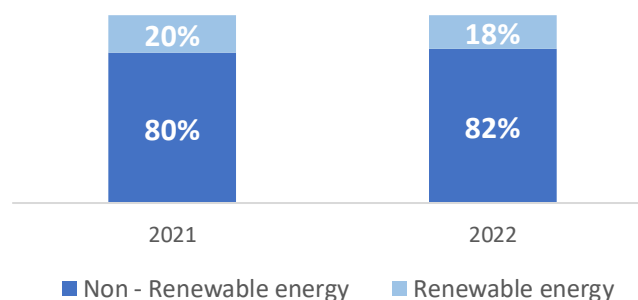
The Company measures its energy consumption based on its use of renewable and non-renewable sources.

The consumption of energy from renewable sources uses hydroelectric power generated by the Company's Chungar and Tingo hydroelectric plants, which represented 18% of Volcan's total energy consumption in 2022. It purchases 82% of the energy that it uses from the National Interconnected Electric System (SEIN). This is considered non-renewable energy.

Table 43: Energy Consumption 2022

Units	Energy consumption (GWh)		
	Non - renewable	Renewable	Total
Alpamarca	28.0	-	28.0
Andaychagua	109.1	-	109.1
Chungar	97.0	149.8	246.7
Cerro- Óxidos	172.2	-	172.2
San Cristóbal -Carahuacra	189.2	-	189.2
Ticlio	75.6	-	75.6
Vinchos	0.4	-	0.4
Total	671.5	149.8	821.3

Figure 26: Energy Consumption



The purchase of non-renewable energy increased by 2% as compared to the previous year due to a reduction of the water flow needed for power generation, resulting from the lack of rain during the year.

In 2022, the Company started to measure its energy intensity to assess the efficiency of its energy consumption in all its operations and similar external operations. The result was 87.8 kWh of consumed energy per each ore ton extracted in the operation.

Table 44: Energy Intensity (EI)

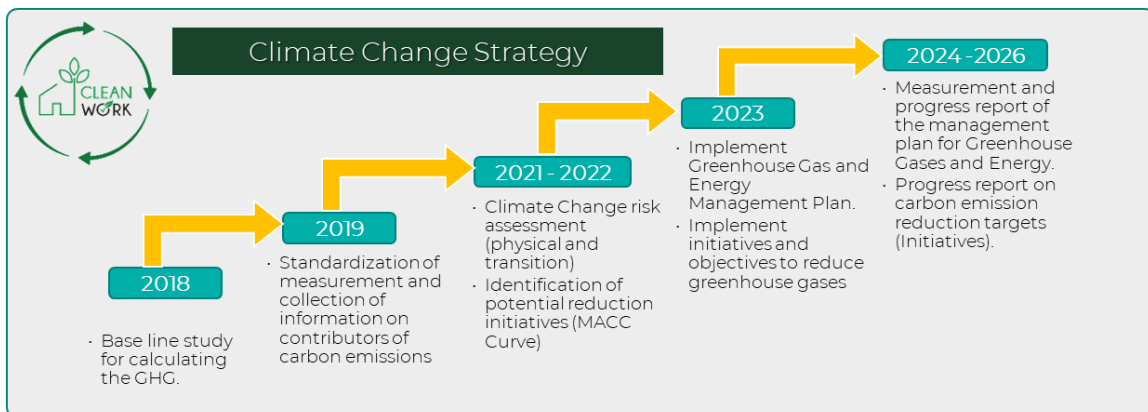
Units	IE (kWh/t) 2022
Alpamarca	48.3
Andaychagua	137.0
Chungar	201.6
Cerro	60.0
San Cristóbal -Carahuacra	105.4
Ticlio	198.7
Total	87.8

To increase operational efficiency, the Company created the Corporate Energy Efficiency Program aimed at maintaining energy costs at 10-12% of mineral production cost. This program seeks to minimize energy consumption during peak hours, turning off equipment and using condenser banks to efficiently compensate for reactive energy.

Through this program, in 2022, power consumption was maintained at 91 KWh/t. Power consumption is permanently monitored and more energy meters are being integrated to each mine and plant process to identify energy efficiency opportunities.

Climate Change and Emissions

Volcan undertakes to contribute to the international effort to meet the objectives of the Paris Agreement, reducing our own operational carbon footprint and defining a strategy to contribute to the reduction of Greenhouse Gases.



In 2022, the Company's climate change risk was assessed and a management structure was established in line with Glencore's Energy and Climate Change Standard. Similarly, the process to identify actions to reduce emissions was started. They will be subsequently calculated in marginal abatement cost (MAC) curves.

We started the process to report carbon emissions to the MINAN platform, Peru Carbon Footprint.

Volcan's corporate carbon footprint is prepared following the Greenhouse Gas Protocol Corporate Standard (GHG Protocol) and the guideline and principles of the ISO 14064 standard.

This calculation is established and defined in Glencore Corporate Practices (GCP) platform, which collects the information reported by each of Volcan's mining units. The following results were obtained:

Table 45: Volcan's GHG 2022

Units	GHG (tCO ₂ e)		Totals
	Scope 1	Scope 2	
Alpamarca	7,376	4,986	12,362
Andaychagua	8,302	19,389	27,691
Chungar	16,682	17,236	33,918
Cerro de Pasco/Óxidos	1,843	30,613	32,456
San Cristóbal -Carahuacra	21,628	33,643	55,270
Ticlio	7,979	13,440	21,419
Centrales hidroeléctricas	217	-	217
Volcan Exploration	105	79	183
Total	64,131	119,385	183,517

Table 46: Volcan's GHG emissions intensity

Units	GHG intensity (tCO ₂ e)/t
Alpamarca	0.01
Andaychagua	0.03
Chungar	0.03
Cerro	0.01
San Cristóbal -Carahuacra	0.03
Ticlio	0.06

Regarding air quality at our operations, in 2022, the quality monitoring networks installed in the areas of influence recorded values below the environmental quality standard (EQS) regulated by Supreme Decree 003-2017-MINAM.

Water management

Water is an essential resource for mining that is used primarily in the operational portion during production as industrial water and, to a lesser extent, as domestic water in camps and auxiliary facilities. Water is obtained primarily from surface and underground water sources, such as rivers and springs, and underground water intercepted during mining operations, previously identified and assessed in the corresponding environmental certifications.

Volcan and its subsidiaries are implementing measures to optimize the efficient use of water resources:

- Recirculation of water in mining processes,
- Detection of leaks and/or poor practices in order to identify improvement opportunities,
- Identification of process improvement opportunities and water consumption reduction,
- Personnel training in rational water use and consumption.

Good practices were followed in the operations and water recirculation increased to 36% in 2022, as shown in the following table:

Table 47: Water Consumption Volumes (m³)

Units	Fresh water	Recirculated water	Used water
Alpamarca	183,813	2,296,858	2,480,671
Andaychagua	209,896	-	209,896
Chungar	18,705,750	1,103,807	19,809,557
Cerro	1,307,481	5,048,921	6,356,401
San Cristóbal - Carahuacra	1,450,976	4,180,097	5,631,072
Ticlio	215,943	-	215,943
Total	22,073,858	12,629,683	34,703,541

Likewise, the Company's annual authorized water intake volume to extract water from surface and underground sources is 48.6 million m³. Volcan and subsidiaries' annual volume of authorized discharge into water bodies is 92.1 million m³.

Table 48: Authorized water intake volumes

Units	Volume (m ³ '000)
Alpamarca	2,140
Andaychagua	2,443
Chungar	3,312
Cerro	30,590
San Cristóbal -Carahuacra	9,446
Ticlio	647

Table 49: Authorized volumes of discharge of effluents

Units	Volume (m ³ '000)
Alpamarca	2,620
Andaychagua	7,122
Chungar	17,171
Cerro	38,699
San Cristóbal -Carahuacra	18,628
Ticlio	7,887

The Ministry of Environment sets forth the discharge criteria. Accordingly, Volcan ensures that water resources are preserved and protected during the discharge through treatment systems that have been implemented across all its units. Likewise, an environmental monitoring program is in place and allows to verify the quality of effluents and the receiving body across the entire water monitoring network implemented in the area of influence, with the aim to identify deviations, assess tendencies, and, based on this, roll out actions to prevent, control and mitigate the impacts that could be caused by the discharges.

As part of the Environmental Standard, Volcan is implementing initiatives to achieve comprehensive water management, including short-, medium- and long-term actions in line with national regulations and also adopting the best practices in the market and the initiatives contained in the ICMC Principles regarding water management and accountable reporting practices.

Volcan is developing predictive water balance models and water management plans in all its mining units to ensure compliance with its obligations and to plan water management on the basis of expected conditions during its mining and beneficiation activities.

Biodiversity

In line with our environmental standard, the implementation of a biodiversity management plan was started pursuant to the commitments defined in our environmental certifications, national regulations, and Glencore standards.

However, it should be noted that none of Volcan’s operations are located within natural areas protected by the National System of State-Protected Natural Areas (SINANPE).

As part of the environmental monitoring plan, monitoring of flora, fauna and hydrobiology is performed periodically.

Waste Management

Waste management is carried out according to our management guidelines and national regulations, without affecting the environment and people’s health. To this effect, adequate controls are applied to generate, segregate, store, transport, and dispose of waste.

Volcan’s solid waste management categorizes waste as mineral and non-mineral waste.

Table 50: Volcan’s Waste Generation 2022

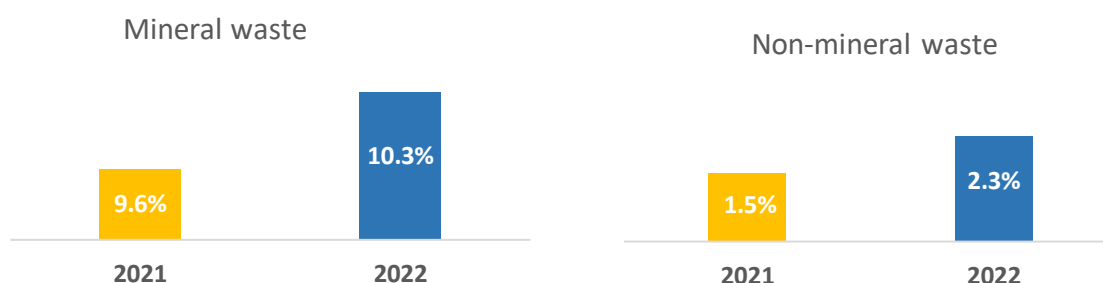
Units	Mineral Waste (t)	Non – mineral Waste (t)	Total
Alpamarca	4,427,183	286	4,427,470
Andaychagua	1,170,843	600	1,171,443
Chungar	1,973,287	2,379	1,975,667
Cerro	5,742,755	1,569	5,744,324
San Cristóbal - Carahuacra	1,686,291	3,235	1,689,526
Ticlio	301,760	212	301,973
Centrales	-	63,351	63,351
Total	15,302,119	71,633	15,373,752

With regard to mineral waste, such as tailings, waste dumps and sludge, the reuse rate was 10.3%, applied to underground operations.

Reused/recycled non-mineral waste amounted to 2.3%.

Table 51: Reused/Recycled Waste 2022

Units	Mineral Waste (t)	Non – mineral Waste (t)	Total
Alpamarca	-	-	-
Andaychagua	-	536	536
Chungar	559,258	61	559,319
Cerro	-	969	969
San Cristóbal - Carahuacra	802,273	6	802,278
Ticlio	208,851	50	208,901
Centrales	-	-	-
Total	1,570,382	1,623	1,572,005

Figure 27: Reused/Recycled Waste

Non-mineral waste is subdivided in:

- Hazardous waste
- Non-hazardous waste

Non-mineral, non-hazardous waste is sold and/or disposed of at landfills implemented in the unit.

Non-mineral, hazardous waste is transported and disposed of at secure landfills outside the units, managed by accredited waste services firms, authorized by the relevant authorities, and the relevant certifications are obtained.

Mine Closure Plans

Mine Closure Plans (MCP) are currently at feasibility level. Accordingly, for the execution of remediation and/or rehabilitation strategies, a detailed engineering for closure is prepared, with the objective of guaranteeing the physical, geochemical and hydrological stability of the disturbed areas for their integration to the environment, preventing the generation of environmental liabilities. To date, all Volcan units have approved mine closure plans in place. The Company obtained its first closure plans starting in 2009, under Law No. 28090 and its regulation, Supreme Decree No. 033-2005, as amended.

As part of the execution of mine closure plans approved by the Peruvian government, Volcan is developing studies and design to execute the progressive closure and to ensure sustainable measures over time. Progress in the activities executed and their results are reported to the Ministry of Energy and Mines; these are then supervised by the Agency for Environmental Assessment and Enforcement.

Table 51: Areas Rehabilitated by Volcan

Units	Rehabilitated	Rehabilitated	Rehabilitated
	Land (Ha)	Land (Ha)	Land (Ha)
	2020	2021	2022
Alpamarca	0.11	0.20	-
Andaychagua	0.16	2.23	5.92
Chungar	-	1.98	0.93
Cerro/Óxidos	1.99	2.96	1.42
San Cristóbal -Carahuacra	-	0.40	25.25
Ticlio	0.25	-	0.01
Exploraciones	2.55	3.35	0.45
Total	5.06	11.12	33.98

Management of Tailings Storage Facilities

Volcan uses tailings storage facilities that have environmental certifications, and construction and operating permits in effect.

Policy and standards on tailings storage facilities are in place and establish and define the key aspects of Volcan's approach and commitment to safe, responsible and sustainable management of our tailings storage facilities, in line with our organization's Code of Conduct.

Our policy and standards are aligned to the Global Industry Standard on Tailings Management.

Our Waste Management System implemented in 2016 is strengthened by our regulatory framework and a continuous improvement process in line with international practices.

The implementation of our standards continued in 2022.

- ✓ Implementation of emergency response plans in conjunction with the communities and completion of the Early Warning System,
- ✓ Drills with communities and authorities simulating a dam failure, putting emergency response plans into practice,
- ✓ Ongoing engineering works to adapt our tailings dams to our standards, with the advice of international experts and reporting to the Company's senior management,

- ✓ Management of key risk indicators (KRI) to monitor performance when facing business risk,
- ✓ Continued satellite monitoring (InSAR) in all the TSFs, aiming to improve management of geotechnical stability risk.

Table 52: Tailings Storage Facilities by Mining Unit

Companies	Units	Tailings deposit	Disposal type
Volcan Compañía Minera S.A.A.	Carahuacra	Rumichaca	Thicken
	Andaychagua	Andaychagua Alto	Cyclone pulp
Compañía Minera Chungar S.A.C.	Alpamarca	Alpamarca	Thicken
	Animón	Animón	Filtered
Empresa Administradora Cerro S.A.C.	Cerro de Pasco	Ocroyoc	Pulp

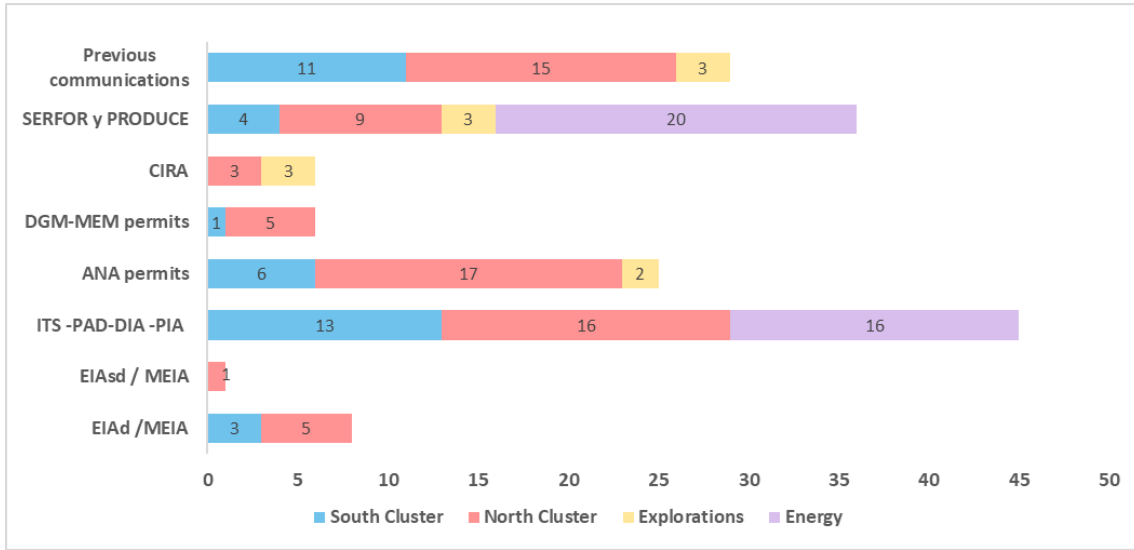
Environmental Certifications and Permits

Management of Environmental Permits

At the end of 2022, Volcan and subsidiaries have requested 155 environmental and operational permits distributed in the Southern and Northern Cluster, explorations and energy, out of which 30 are still pending, 34 under assessment, 62 have been approved, and 29 are prior communications in line with the exploration and exploitation regulations. See Figure 03.

The Southern Cluster comprises the mining units of Carahuacra, San Cristobal- Mahr Túnel, Ticlio and Andaychagua, and the Northern Cluster comprises Animón, Islay, Alpamarca, Vinchos and Romina. Greenfield explorations include exploration projects at Carhuacayan, Palma, Venenococha and Zoraida; and energy projects include the hydroelectric plants of Compañía Minera Chungar SAC (Baños I, II, III, IV, V and San José and Chicrin basins), Central Hidroeléctrica Tingo SAC and Central Hidroeléctrica Huanchor SAC.

Figure 28: Management of Environmental Permits



In line with the growth strategy and operational continuity, in 2022 we started and continued the environmental assessments for new projects, expansions, modifications and technological improvements, which follow the corporate environmental guidelines and technical guides of the Ministry of Energy and Mines (MINEM) and the National Service of Environmental Certification for Sustainable Investments (SENACE).

The following table summarizes the current status of the main growth and business continuity projects managed in 2022.

Table 53: Growth and Operational Continuity Project

Mining Unit	Permit Name	Scope
Business Continuity Projects		
Chungar Mining Company SAC	Second Sustainable Technical Report "Animon Mining Unit"	West Dam expansion and disposal of filtered tailings
	Second Modification of the Environmental Impact Study "Alpamarca Mining Unit"	Tailings disposal in input
Management Company Cerro SAC	First Modification of the Environmental Impact Study "Cerro de Pasco Mining Unit"	Raul Rojas Tagus Expansion
Volcan Mining Company SAA	Integration Study "San Cristobal Mining Unit - Carahuacra"	Rumichaca Tailings Deposit Regrowth
	Sixth Sustainable Technical Report "Carahuacra Mining Unit"	
	Third Modification of the Environmental Impact Study "Andaychagua Mining Unit".	Andaychagua Tailings Deposit Regrowth
Growth Projects		
Chungar Mining Company SAC	Detailed Environmental Impact Study "Romina Exploitation"	Open pit and subway operations

Table 54: Main Environmental and Operational Permits Approved in 2022

Environmental and Operational Permits Approved	
Mining unit	Project
Management Company Cerro S.A.C.	Cerro de Pasco Mining Unit Detailed Environmental Plan
	Fourth Technical Sustainability Report of the Cerro de Pasco Mining Unit "Hanancocha and Rumiallana Reuse".
Chungar Mining Company SAC	Second Modification of the Detailed Environmental Impact Study "New Rinconada Tailings Deposit"
	First Substantive Technical Report "Extension of Tailings Co-disposal at the Esperanza tailings impoundment".
	Authorization to operate "Alpamarca Tailings Deposit".
Mining unit	Project
Huanchor Hydroelectric S.A.C.	Detailed Environmental Plan for the 10KV TL of Huanchor Hydroelectric Power Plant

Compliance with Environmental Regulations

Volcan submitted quarterly monitoring reports to the Ministry of Energy and Mines on water and air quality, and noise levels. By doing so, it has complied with the environmental obligations set forth by the State. Likewise, quarterly monitoring reports on the quality of effluents and water in receiving bodies were submitted to the National Water Authority (ANA).

Reports on environmental obligations were also submitted to the Ministry of Energy and Mines as established by Supreme Decree No. 040-2014-EM, such as the Environmental Sustainability Report, the Environmental Strategy Compliance Report, the Annual Report on Significant Output Reduction, and the Annual Report on Reagents and Operational Inputs.

CAPÍTULO 12



**ESTADOS
FINANCIEROS
AUDITADOS**

Audited Financial Statements

The chief accountant or auditor has not resigned or been removed in the past three years.

VOLCAN COMPAÑÍA MINERA S.A.A.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022 AND 2021

Contents

Consolidated Statement of Financial Position

Consolidated Statement of Comprehensive Income

Consolidated Statements of Changes in Net Equity

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Separate Statement of Financial Position of Volcan Compañía Minera S.A.A.

Separate Statement of Comprehensive Income of Volcan Compañía Minera S.A.A.

Separate Statement of Changes in Net Equity of Volcan Compañía Minera S.A.A.

Separate Statement of Cash Flows of Volcan Compañía Minera S.A.A.

VOLCAN COMPAÑÍA MINERA S.A.A. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022 AND 2021
(In thousands of U.S. dollars (US\$000))**

	Notes	2022 US\$000	2021 US\$000		Notes	2022 US\$000	2021 US\$000
ASSETS				LIABILITIES AND EQUITY			
CURRENT ASSETS:				CURRENT LIABILITIES:			
Cash and cash equivalents	6	73,600	231,187	Bank overdrafts		198	1,168
Trade accounts receivable (net)	9	28,586	43,806	Financial obligations	16	34,697	451,144
Other accounts receivable (net)	10	65,389	55,971	Trade accounts payable	17	251,239	229,693
Inventories (net)	12	57,093	59,824	Other accounts payable	18	74,869	70,688
				Other financial liabilities	11	-	2,241
Total current assets		224,668	390,788	Total current liabilities		361,003	754,934
NON-CURRENT ASSETS:				NON-CURRENT LIABILITIES:			
Other accounts receivable (net)	10	34,262	17,445	Financial obligations	16	776,771	485,311
Investment in associate	7	147,801	149,144	Other accounts payable	18	3,200	6,400
Financial investments	8	38,704	38,607	Provisions	19	323,284	262,370
Inventories (net)	12	6,218	6,642	Deferred income tax	28 (a)	136,277	199,831
Property, plant and equipment (net)	13	812,912	756,519	Total non-current liabilities		1,239,532	953,912
Right-of-use assets (net)	14	11,385	4,385	Total liabilities		1,600,535	1,708,846
Mining concessions, exploration and development costs and other assets (net)	15	699,938	801,983	EQUITY:			
Total non-current assets		1,751,220	1,774,725	Issued capital stock	20 (a)	1,134,300	1,134,300
				Higher value in acquisition of treasury shares	20 (b)	(173,234)	(173,234)
				Treasury shares	20 (c)	(60,934)	(60,934)
				Legal reserve	20 (d)	10,695	10,695
				Accumulated other comprehensive income	20 (e)	(9,436)	(9,504)
				Accumulated losses		(526,038)	(444,656)
				Total equity		375,353	456,667
TOTAL		1,975,888	2,165,513	TOTAL		1,975,888	2,165,513

The accompanying notes are an integral part of these consolidated financial statements.

VOLCAN COMPAÑÍA MINERA S.A.A. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of U.S. dollars (US\$000))**

	<u>Notes</u>	<u>2022</u> US\$000	<u>2021</u> US\$000
Net sales	21	951,266	937,399
Cost of sales	22	<u>(762,743)</u>	<u>(656,031)</u>
Gross profit		188,523	281,368
Administrative expenses	23	(69,346)	(57,680)
Selling expenses	24	(24,852)	(21,125)
Other income	25	60,068	42,505
Other expenses	25	(87,465)	(79,472)
Impairment loss of long-term assets	26	<u>(126,069)</u>	<u>(13,397)</u>
Operating (loss) profit		(59,141)	152,199
Financial income	27	14,751	3,179
Financial expenses	27	<u>(57,124)</u>	<u>(61,591)</u>
(Loss) profit before income tax		(101,514)	93,787
Income tax	28	<u>20,132</u>	<u>(53,913)</u>
Net (loss) profit for the year		<u>(81,382)</u>	<u>39,874</u>
Weighted average of the number of outstanding shares (in thousands)	29	<u>3,857,594</u>	<u>3,857,594</u>
Basic and diluted (loss) earnings per share	29	<u>(0.021)</u>	<u>0.010</u>

The accompanying notes are an integral part of these consolidated financial statements.

VOLCAN COMPAÑÍA MINERA S.A.A. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of U.S. dollars (US\$000))**

	<u>2022</u> US\$000	<u>2021</u> US\$000
Net (loss) profit for the year	(81,382)	39,874
OTHER COMPREHENSIVE INCOME:		
Items that will not be reclassified to profit or loss:		
Unrealized profit (loss) of investments in equity instruments	96	(7,630)
Deferred income tax	<u>(28)</u>	<u>2,251</u>
	68	(5,379)
Items that can be subsequently reclassified to profit or loss:		
Unrealized profit of derivative financial instruments	-	7,290
Deferred income tax	<u>-</u>	<u>(2,150)</u>
Total other comprehensive income that can be subsequently reclassified to profit or loss	<u>-</u>	<u>5,140</u>
Total comprehensive income, net of income tax	<u>(81,314)</u>	<u>39,635</u>

The accompanying notes are an integral part of these consolidated financial statements.

VOLCAN COMPAÑÍA MINERA S.A.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of U.S. dollars (US\$000))

	Issued capital stock	Higher value in acquisition of treasury shares	Treasury shares	Legal reserve	Accumulated other comprehensive income	Accumulated losses	Total equity
	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
	Note 20 (a)	Note 20 (b)	Note 20 (c)	Note 20 (d)	Note 20 (e)		
Balance as of January 1, 2021	1,134,300	(173,231)	(60,930)	11,755	(9,265)	(485,708)	416,921
Comprehensive income							
Net profit for the year	-	-	-	-	-	39,874	39,874
Other comprehensive income for the year	-	-	-	-	(239)	-	(239)
Total comprehensive income for the year	-	-	-	-	(239)	39,874	39,635
Liquidation of subsidiary	-	-	-	-	-	116	116
Other adjustments	-	(3)	(4)	(1,060)	-	1,062	(5)
Balance as of December 31, 2021	<u>1,134,300</u>	<u>(173,234)</u>	<u>(60,934)</u>	<u>10,695</u>	<u>(9,504)</u>	<u>(444,656)</u>	<u>456,667</u>
Comprehensive income							
Net loss for the year	-	-	-	-	-	(81,382)	(81,382)
Other comprehensive income for the year	-	-	-	-	68	-	68
Total comprehensive income for the year	-	-	-	-	68	(81,382)	(81,314)
Balance as of December 31, 2022	<u>1,134,300</u>	<u>(173,234)</u>	<u>(60,934)</u>	<u>10,695</u>	<u>(9,436)</u>	<u>(526,038)</u>	<u>375,353</u>

The accompanying notes are an integral part of these consolidated financial statements.

VOLCAN COMPAÑÍA MINERA S.A.A. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of U.S. dollars (US\$000))**

	2022	2021
	US\$000	US\$000
OPERATING ACTIVITIES:		
Collection from:		
Sales	1,097,004	1,055,522
Return of credit balance of exporter and taxes	33,041	36,477
Payments to/for:		
Suppliers and third parties	(722,309)	(603,750)
Employees	(106,815)	(93,125)
Income tax	(19,857)	(2,946)
Royalties	(15,993)	(12,743)
Hedge transactions, net	-	(13,448)
Net cash and cash equivalents provided by operating activities	265,071	365,987
INVESTMENT ACTIVITIES:		
Collection from:		
Other cash collections related to the investment activity	-	732
Payments for:		
Purchase of property, plant and equipment	(129,346)	(94,094)
Increase of exploration and development costs, and other assets	(92,468)	(80,476)
Net cash and cash equivalents used in investment activities	(221,814)	(173,838)
FINANCING ACTIVITIES:		
Collection from:		
Financial obligations	396,955	469,106
Payments for:		
Financial obligations	(542,673)	(483,328)
Overdrafts and other financial liabilities	(971)	(14,287)
Premium for bond repurchase	(3,300)	(4,967)
Interests	(50,855)	(42,132)
Net cash and cash equivalents used in financing activities	(200,844)	(75,608)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(157,587)	116,541
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	231,187	114,646
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	73,600	231,187

Transactions that do not result in cash flows are described in Note 34.

The accompanying notes are an integral part of these consolidated financial statements.

VOLCAN COMPAÑÍA MINERA S.A.A.SEPARATE STATEMENT OF FINANCIAL RESULTS
AS OF DECEMBER 31, 2022 and 2021
(In thousand of U.S. dollars (US\$000))

	Notes	2022 US\$000	2021 US\$000		Notes	2022 US\$000	2021 US\$000
ASSETS				LIABILITY AND EQUITY			
CURRENT ASSETS:				CURRENT LIABILITIES:			
Cash and cash equivalents	6	39,450	123,174	Banking overdraft		129	539
Trade accounts receivable (net)	7	5,999	8,097	Financial liabilities	16	24,925	437,391
Accounts receivable to related	10	353,056	305,872	Trade accounts receivable	17	134,409	129,103
Other current assets (net)	8	17,770	20,441	Trade accounts receivable to entities related	10	110,432	14,545
Inventories (net)	11	24,070	24,760	Other accounts payable	18	39,630	27,594
				Other financial liabilities	9	-	1,426
		<u>440,345</u>	<u>482,344</u>			<u>309,525</u>	<u>610,598</u>
NON-CURRENT ASSETS				NON-CURRENT LIABILITIES:			
Other accounts receivable	8	12,464	2,287	Other accounts payable	18	3,200	6,400
Investments in subsidiaries and associated	12	1,072,887	1,070,983	Financial obligations	16	771,160	477,864
Property, plant, and equipment (net)	13	317,455	280,939	Provisions	19	150,992	109,944
Right-of-use assets (net)	14	8,179	2,988	Income tax deferred	29(a)	42,256	88,581
Mining concessions, exploration and development costs, and others intangible (net)	15	386,947	487,542			<u>967,608</u>	<u>682,789</u>
		<u>1,797,932</u>	<u>1,844,739</u>	Total non-current liabilities			
Total non-current assets				Total liabilities		<u>1,277,133</u>	<u>1,293,387</u>
				EQUITY:			
				Capital stock issued	20 (a)	1,134,301	1,134,301
				Legal reserve	20 (b)	986	986
				Retained earnings		<u>(174,143)</u>	<u>(101,591)</u>
				Total equity		<u>961,144</u>	<u>1,033,696</u>
TOTAL ASSETS		<u>2,238,277</u>	<u>2,327,083</u>	TOTAL LIABILITY AND EQUITY		<u>2,238,277</u>	<u>2,327,083</u>

VOLCAN COMPAÑÍA MINERA S.A.A.SEPARATE STATEMENT OF FINANCIAL RESULTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousand of U.S. dollars (US\$000))

	<u>Notes</u>	<u>2022</u> <u>US\$000</u>	<u>2021</u> <u>US\$000</u>
Net sales	22	554,513	522,837
Cost of sales	23	<u>(390,669)</u>	<u>(345,999)</u>
Gross profit		163,844	176,838
Administration fees	24	(44,429)	(43,512)
Cost of sales	25	(13,456)	(10,961)
Other income	26	32,121	29,332
Other expenses	26	(40,901)	(22,598)
Loss for impairment of subsidiaries	12	(4,149)	(4,770)
Loss for impairment of long live assets	15	<u>(164,000)</u>	<u>-</u>
Operating Gain (Loss)		(70,970)	124,329
Financial Income	27	36,367	11,524
Financial Expenditure	27	<u>(55,009)</u>	<u>(74,373)</u>
Gain (Loss) before income tax		(89,612)	61,480
Income tax	29	<u>17,066</u>	<u>(23,163)</u>
Gain (Loss) profit for the year		<u>(72,546)</u>	<u>38,317</u>
Average of outstanding stocks (in thousands)	28	<u>3,857,594</u>	<u>3,857,594</u>
Basic and diluted loss per share (in US Dollars)	28	<u>(0.019)</u>	<u>0.010</u>

VOLCAN COMPAÑÍA MINERA S.A.A.

SEPARATE STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousand of U.S. dollars (US\$000))

	<u>Notes</u>	<u>2022</u> <u>US\$000</u>	<u>2021</u> <u>US\$000</u>
Net gain or loss for the year		(72,546)	38,317
OTHER COMPREHENSIVE INCOME:			
Items that may be subsequently reclassified as income:			
Unrealized income or loss on derivative financial instruments	21 (b)	-	5,136
Deferred income tax		-	(1,515)
Total other comprehensive result, that may be subsequently reclassified as income		-	3,621
Total comprehensive income, net income tax		(72,546)	41,938

VOLCAN COMPAÑÍA MINERA S.A.A.SEPARATE STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousand of U.S. dollars (US\$000))

	Capital stock issued US\$000 Note 20 (a)	Legal reserve US\$000 Note 20 (b)	Results not performed US\$000 Note 20 (c)	Retained earnings US\$000	Total US\$000
Balance as of January 1, 2021	1,134,301	986	(3,621)	(139,908)	991,758
Comprehensive result					
Net loss for the year	-	-	-	38,317	38,317
Other comprehensive income	-	-	3,621	-	3,621
Total comprehensive income for the year	-	-	3,621	38,317	41,938
Balance as of December 31, 2021	<u>1,134,301</u>	<u>986</u>	<u>-</u>	<u>(101,951)</u>	<u>1,033,336</u>
Comprehensive result					
Net gain for the year	-	-	-	(72,546)	(72,546)
Other comprehensive income	-	-	-	(6)	(6)
Total comprehensive income for the year	-	-	-	(72,552)	(72,552)
Balance as of December 31, 2022	<u>1,134,301</u>	<u>986</u>	<u>-</u>	<u>(174,143)</u>	<u>961,144</u>

VOLCAN COMPAÑÍA MINERA S.A.A.SEPARATE CASH FLOW STATEMENT
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousand of U.S. dollars (US\$000))

	<u>2022</u> US\$000	<u>2021</u> US\$000
OPERATION ACTIVITIES:		
Collections corresponding to:		
Sales	640,264	601,115
Payments corresponding to:		
Providers and third parties	(390,375)	(266,551)
Workers	(65,023)	(59,671)
Income tax	(3,671)	(462)
Royalties	(10,665)	(8,352)
Hedge operations, net	-	(8,498)
Cash flow and equivalents to net cash from operating activities	<u>174,891</u>	<u>257,581</u>
INVESTMENT ACTIVITIES:		
Collections corresponding to:		
Loans granted to related parties	48,508	6,510
Interest on loans to related entities	2,063	17,809
Payments corresponding to:		
Loans granted to related parties	(53,674)	(35,117)
Purchase of property, plant, and equipment	(79,861)	(60,438)
Increase in exploration and development costs and other intangibles	(73,150)	(59,494)
Cash flow and equivalents to net cash from investment activities	<u>(156,114)</u>	<u>(130,730)</u>
FINANCING ACTIVITIES:		
Collections corresponding to:		
Loans from related	100,214	6,251
Obtaining Financial obligations	399,451	469,106
Payments corresponding to:		
Financial obligations	(527,387)	(470,009)
Overdrafts and other financial liabilities	(408)	(13,308)
Premium payments and bond repurchase expenses	(3,300)	(4,967)
Loans received from related	(21,328)	(6,251)
Interest on loans received from entities related	(13)	(315)
Payment of interest	(49,730)	(41,126)
Cash flow and equivalents to net cash from financing activities	<u>(102,501)</u>	<u>(60,619)</u>
INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>(83,724)</u>	<u>66,232</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>123,174</u>	<u>56,942</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>39,450</u>	<u>123,174</u>

CAPÍTULO 13



LEGAL

Legal Affairs

Based on the opinion of its internal and external legal advisors, the Company and Subsidiaries' Management has reviewed all tax, labor, civil, administrative and other proceedings, and has determined and established a provision for probable contingencies for an amount of USD 25,422, which is presented under Provisions in the consolidated statement of financial position as of December 31, 2022 (USD 25,970 as of December 31, 2021). The Company and Subsidiaries' Management and its legal advisors believe that this provision adequately covers probable contingencies.

In relation to possible contingencies, internal and external legal advisors determined an amount of USD 54,859 (USD 47,438 as of December 31, 2021), which corresponds to several proceedings involving the Company.

The processes are detailed below, for the Company and its Subsidiaries.

Volcan Compañía Minera S.A.A.

Based on the opinion of its internal and external legal advisors, the Company's Management has reviewed all tax, labor, civil, administrative and other proceedings, and has determined and established a provision for probable contingencies for an amount of USD 14,402, which is presented under Provisions in the consolidated statement of financial position as of December 31, 2022 (USD 15,737 as of December 31, 2021). The Company's Management and its legal advisors believe that this provision adequately covers probable contingencies.

In relation to possible contingencies, internal and external legal advisors determined an amount of USD 35,585 (USD 40,128 as of December 31, 2021), which corresponds to several proceedings involving the Company.

Civil and Labor Cases

As of December 31, 2022, certain civil and labor lawsuits have been filed against the Company for USD 6,759 (USD 6,201 as of December 31, 2021), which have been classified as probable and are presented under Provisions in the consolidated statement of financial position. Contingencies classified as possible amount to USD 14,195 (USD 11,467 as of December 31, 2021), for compensation for damages due to occupational disease, reimbursement of social benefits, payment of profit sharing, replacement of employees and others.

Tax Proceedings

As of December 31, 2022, the Company has yet to resolve some administrative proceedings with the National Superintendence of Tax Administration (SUNAT) and the Tax Court for several rulings related to tax determination, fines and interests, that mainly correspond to differences in criteria regarding determination of the tax bases for the payment of the third-category income tax and municipal taxes for the years 2007, 2009 and 2013.

As of December 31, 2022 and 2021, there are tax proceedings classified as possible, which include expenses questioned by the National Superintendence of Tax Administration (SUNAT) for not meeting its criteria to write-off development expenses, among other related items. These possible contingencies amount to USD 8,763 (USD 28,346 as of December 31, 2021).

Administrative sanctions and administrative litigation actions

The Company has yet to resolve several environmental, occupational health and safety, and job security proceedings with the following regulatory entities: National Water Authority - Local Water Authorities, Ministry of Labor and Employment Promotion (National Superintendence of Labor Supervision), Ministry of Energy and Mines, Ministry of Production, Supervisory Entity of Investment in Energy and Mining (OSINERGMIN) and the Agency for Environmental Assessment and Enforcement (OEFA) for alleged violation of several environmental standards and the provisions of the Occupational Health and Safety Regulations. These contingencies are classified as probable are presented under Provisions in the consolidated statement of financial position and amount to USD 7,643 (USD 6,282 as of December 31, 2021) and possible contingencies amount to USD 12,627 as of December 31, 2022 (USD 315 as of December 31, 2021).

Based on factual and legal bases, the Company's Management and its legal advisors are of the opinion that no additional significant liabilities will arise for the Company from the final resolution of these proceedings.

Compañía Minera Chungar S.A.C. (Chungar)

Based on the opinion of its internal and external legal advisors, Management has reviewed all tax, labor, civil, administrative and other proceedings, and has determined and established a provision for probable contingencies for an amount of USD 5,568, which is presented under Provisions in the consolidated statement of financial position as of December 31, 2022 (USD 3,280 as of December 31, 2021). Management and its legal advisors are of the opinion that this provision adequately covers probable contingencies.

In relation to possible contingencies, external legal advisors determined an amount of USD 15,181 as of December 31, 2022 (USD 2,965 as of December 31, 2021), which corresponds to several proceedings involving the Subsidiary.

Civil and Labor Cases

As of December 31, 2022, certain civil and labor lawsuits have been filed against the Subsidiary for USD 645 (USD 491 as of December 31, 2021), which have been classified as probable and are presented under Provisions in the consolidated statement of financial position. Contingencies classified as possible amount to USD 657 (USD 537 as of December 31, 2021), for compensation for damages due to occupational disease, reimbursement of social benefits, and other matters in the appeal and/or sentencing process.

Tax Proceedings

As of December 31, 2022, the Subsidiary has yet to resolve some administrative proceedings with the National Superintendence of Tax Administration (SUNAT) and the Tax Court for several rulings related to tax determination, fines and interests.

The rulings on taxes, fines and interests correspond to differences in criteria regarding determination of the tax bases for the payment of the third-category income tax for the years 2004, and 2017, and, in the opinion of the National Superintendence of Tax Administration (SUNAT), to the failure to pay taxes. To date, these proceedings have been challenged administratively through appeals to the Tax Court, and through judicial proceedings.

Finally, there are other contingencies originating from conceptual discrepancies with the Tax Administration and have been classified as possible for a total USD 13,819 as of December 31, 2022 (USD 2,423 as of December 31, 2021).

Administrative Sanctions and Administrative Litigation Actions

The Subsidiary has yet to resolve several environmental, occupational health and safety, and job security proceedings with the following regulatory entities: National Water Authority - Local Water Authorities, Ministry of Labor and Employment Promotion (National Superintendence of Labor Supervision), Ministry of Energy and Mines, Ministry of Production, OSINERGMIN and OEFA, for alleged violation of several environmental standards and occupational safety and health standards. As of December 31, 2022, contingencies classified as probable are presented in item Provisions of the consolidated statement of financial position for USD 4,923 (USD 2,526 as of December 31, 2021).

Contingencies classified as possible amount to USD 705 (USD 6 as of December 31, 2021)

Empresa Administradora Cerro S.A.C.

Based on the opinion of its internal and external legal advisors, Management has reviewed all tax, labor, civil, administrative and other proceedings, and has determined and established a provision for probable contingencies for an amount of USD 4,375, which is presented under Provisions in the consolidated statement of financial position as of December 31, 2022 (USD 4,974 as of December 31, 2021). Management and its legal advisors are of the opinion that this provision adequately covers probable contingencies.

In relation to possible contingencies, external legal advisors determined an amount of USD 1,651 (USD 2,634 as of December 31, 2021), which corresponds to several proceedings involving the Subsidiary.

Civil and Labor Cases

As of December 31, 2022, labor lawsuits have been filed against the Subsidiary for an amount of USD 2,295 (USD 2,412 as of December 31, 2021), which are classified as probable contingencies and presented under Provisions in the consolidated statement of financial position. Civil and labor contingencies classified as possible amount to USD 1,617 (USD 254 as of December 31, 2021), for compensation for damages due to occupational disease, reimbursement of social benefits and profits, payment of production bonuses, and other matters in the appeal and/or sentencing process.

Tax Proceedings

As of December 31, 2022 and 2021, the Subsidiary has yet to resolve some administrative proceedings with the National Superintendence of Tax Administration (SUNAT), the Tax Court, and local governments for several rulings related to tax determination, fines and interests.

In the opinion of the National Superintendence of Tax Administration (SUNAT), the rulings on tax determination, fines and interests correspond to failure to pay taxes, and differences in criteria regarding the determination of the tax base for the payment of third-category income tax. To date, these proceedings have been challenged administratively.

The Subsidiary also faces administrative tax proceedings classified as probable contingencies presented under Provisions in the consolidated statement of financial position totaling USD 669 as of December 31, 2022 (USD 920 as of December 31, 2021).

Contingencies classified as possible amount to USD 19 (USD 2,315 as of December 31, 2021).

Administrative Sanctions and Administrative Litigation Actions

The Subsidiary has yet to resolve several environmental, occupational health and safety, and job security proceedings with the following regulatory entities: National Water Authority - Local Water Authorities, Ministry of Labor and Employment Promotion (National Superintendence of Labor Supervision), Ministry of Energy and Mines, Ministry of Production, OSINERGMIN and OEFA, for alleged violation of several environmental standards and the provisions of the Occupational Health and Safety Regulations. As of December 31, 2022, these contingencies are classified as probable and presented under Provisions of the consolidated statement of financial position totaling USD 1,411 (USD 1,642 as of December 31, 2021), and contingencies classified as possible total USD 15 (USD 65 as of December 31, 2021).

Empresa Explotadora de Vinchos Ltda S.A.C.

Based on the opinion of its internal and external legal advisors, Management has reviewed all tax, labor, civil, administrative and other proceedings, and has determined and established a provision for probable contingencies for an amount of USD 536, which is presented under Provisions in the consolidated statement of financial position as of December 31, 2022 (USD 1,039 as of December 31, 2021), and contingencies classified as possible totaling USD 2,294 (USD 1,711 as of December 31, 2021). Management and its legal advisors are of the opinion that this provision adequately covers probable contingencies.

Labor Proceedings

As of December 31, 2022, labors lawsuits have been filed against the Subsidiary for USD 8 (USD 10 as of December 31, 2021), which have been classified as probable and are presented under Provisions in the consolidated statement of financial position.

Tax Proceedings

As of December 31, 2022, the Subsidiary faces tax proceedings which include expenses questioned by the National Superintendence of Tax Administration (SUNAT) classified as possible totaling USD 2,294 (USD 1,711 as of December 31, 2021).

Administrative Sanctions and Administrative Litigation Actions

The Subsidiary has yet to resolve several environmental proceedings with the following regulatory entities: National Water Authority - Local Water Authorities, Ministry of Energy and Mines, Ministry of Production, OSINERGMIN and OEFA, for alleged violation of several environmental standards and the provisions of the Safety and Occupational Health Regulations. As of December 31, 2022, contingencies classified as probable are presented under Provisions in the consolidated statement of financial position totaling USD 528 (USD 1,029 as of December 31, 2021).

Hidroeléctrica Huanchor S.A.C.

Based on the opinion of its internal and external legal advisors, Management has reviewed all tax, labor, civil, administrative and other proceedings, and has determined a provision for probable contingencies for an amount of USD 98, which was presented under Provisions in the consolidated statement of financial position as of December 31, 2021. As of December 31, 2022, there are no probable or possible contingencies.

Óxidos de Pasco S.A.C.

Based on the opinion of its internal and external legal advisors, Management has reviewed all tax, labor, civil, administrative and other proceedings, and has determined and established a provision for probable contingencies for an amount of USD 523, which is presented under Provisions in the consolidated statement of financial position as of December 31, 2022 (USD 570 as of December 31, 2021). Management and its legal advisors are of the opinion that this provision adequately covers probable contingencies.

In relation to possible contingencies, external legal advisors determined an amount of USD 145, which corresponds to several proceedings involving the Subsidiary.

Tax Proceedings

The Subsidiary faces tax proceedings which include expenses questioned by the National Superintendence of Tax Administration (SUNAT) classified as possible totaling USD 80 as of December 31, 2022.

Administrative Sanctions and Administrative Litigation Actions

The Subsidiary has yet to resolve several environmental and safety proceedings with the following regulatory entities: OSINERGMIN and OEFA, for alleged violation of several environmental standards and the provisions of the Occupational Health and Safety Regulations. As of December 31, 2021, contingencies classified as probable are presented under Provisions in the consolidated statement of financial position totaling USD 502 (USD 570 as of December 31, 2021), and contingencies classified as possible totaling USD 65.

Labor Proceedings

As of December 31, 2022, labor lawsuits have been filed against the Subsidiary for USD 21, which have been classified as probable and are presented under Provisions in the consolidated statement of financial position.

Generación Eléctrica Rio Baños S.A.C.

Administrative Sanctions and Administrative Litigation Actions

The Subsidiary has yet to resolve environmental proceedings with OEFA for alleged violation of several environmental standards. Contingencies have been classified as probable and are presented under Provisions in the consolidated statement of financial position totaling USD 17 as of December 31, 2022.

CAPÍTULO 14



INFORMACIÓN BURSÁTIL

Stock Information

Shares of Volcan Compañía Minera S.A.A. are traded on the Lima Stock Exchange, the Santiago de Chile Stock Exchange, and the Latibex in Madrid.

Volcan Compañía Minera S.A.A. Share Tickers

Stock	Lima Stock Exchange	Santiago Stock Exchange	Latibex (Madrid)
Volcan class A Common	VOLCAAC1	VCMAC1	
Volcan class B Common	VOLCABC1	VCMB1	XVOLB.MC

Stock	Lima Stock Exchange	Santiago Stock Exchange	Latibex (Madrid)
Volcan class A Common	VOLCAAC1	VCMAC1	
Volcan class B Common	VOLCABC1	VCMB1	XVOLB.MC

The subscribed, paid-in and registered capital as of December 31, 2022, is PEN 3,546,617,792, represented by 1,633,414,553 Class A common shares and 2,443,157,622 Class B common shares, each with a nominal value of PEN 0.87. The subsidiary Empresa Minera Paragsha S.A.C. is the owner of 182,994,435 Class A common shares and 12,234,901 Class B common shares. The subsidiary Compañía Minera Chungar S.A.C. is the owner of 23,442,345 Class A common shares. The subsidiary Compañía Industrial Limitada de Huacho S.A. owns 306,283 Class A common shares.

Stock Composition

As of December 31, 2022, the shareholding structure is as follows:

Class A Common Shares

Percentage Held	Number of shareholders	% share
Less than 1%	501	1.40
Between 1% and 4%	4	9.05
Between 4% and 10%	3	26.10
More than 10%	3	63.45
Total	511	100.00

Class B Common Shares

Percentage Held	Number of shareholders	% share
Less than 1%	7,359	27.41
Between 1% and 4%	8	16.94
Between 4% and 10%	8	55.65

More than 10%	0	0.00
Total	7,375	100.00

Domestic shareholders own 66.33% of total company stock representing 2,704,177,920 shares. The remaining 33.67% is held by foreign shareholders representing 1,372,394,255 shares.

Shareholders owning more than 4% of the company's stock are listed below:

Class A Common Shares

Main shareholders	%	Person/ Entity	Nationality	Corporate group
Glencore International AG (*)	41.91	Legal entity	Swiss	Glencore
Empresa Minera Paragsha S.A.C.	11.20	Legal entity	Peruvian	Volcan
De Romaña Letts José Ignacio	10.34	Individual	Peruvian	Does not apply
Letts Colmenares de De Romaña Irene Florencia	9.90	Individual	Peruvian	Does not apply
Blue Streak International N.V.	8.38	Legal entity	Netherlands Antilles	Does not apply
Sandown Resources S.A.	7.81	Legal entity	Panamanian	Glencore

(*) The Glencore group, including all of its subsidiaries, holds 55.03% of the shares.

Class B Common Shares

Shareholder	(%)	Person/Entity	Nationality	Corporate group
RI - Fondo 2	8.97	Legal entity	Peruvian	Does not apply
Profuturo AFP-PR Fondo 2	8.41	Legal entity	Peruvian	Does not apply
Profuturo AFP-PR Fondo 3	8.33	Legal entity	Peruvian	Does not apply
HA - Fondo 2	8.30	Legal entity	Peruvian	Does not apply
HA - Fondo 3	6.06	Legal entity	Peruvian	Does not apply

RI - Fondo 3	6.02	Legal entity	Peruvian	Does not apply
IN - Fondo 3	5.14	Legal entity	Peruvian	Does not apply
López de Romaña Dalmau Hernando Diego Francisco	4.43	Individual	Peruvian	Does not apply

Share Structure per Type of Investor

Holding by type of shareholder of the stock or representative share value that makes up the S & P Peru Selective Index (at fiscal year-end)	Stock:	VOLCAAC1
	Number of shareholders	% share (3)
1. Members of the board and senior management of the company, including relatives (1)	2	10.34%
2. Company employees not included in point 1 above	2	0.00%
3. Individuals not included in points 1 and 2 above	466	10.40%
4. Pension funds managed by the Pension Fund Administrators under the supervision of the Superintendency of Banking, Insurance and AFP	5	0.00%
5. Pension funds managed by the Pension Office (Oficina de Normalización Previsional, ONP)		0.00%
6. Entities associated with the Peruvian government, with the exception of those included in point 5 above		0.00%
7. Banks, financial institutions, municipal savings banks, SME development agencies, rural savings banks and credit unions under supervision of the Superintendency of Banking, Insurance and AFP		0.00%
8. Insurance companies under the supervision of the Superintendency of Banking, Insurance and AFP	1	0.00%
9. Brokers under the supervision of the Superintendency of Securities Market (SMV)	3	0.00%
10. Investment funds, mutual funds and trust funds under the scope of the Securities Market Law and Investment Funds Law and banking trusts under the scope of the General Law of the Financial System	4	0.00%
11. Autonomous assets and bank trusts from abroad, where these can be identified		0.00%
12. Foreign depositories that appear as shareholders in the framework of ADR or ADS programs		0.00%
13. Foreign depositories that appear as shareholders and are not included in point 12		0.00%
14. Foreign trustees listed as shareholders		0.00%
15. Entities not included in the points above (2)	28	79.26%
16. Shares owned by the S&P/BVL Peru Select Index or representative value of these shares in the company's portfolio		0.00%
TOTAL:	511	100.00%
Holding by type of stock or representative share value that makes up the S&P/BVL Peru Selective Index based on residence (at fiscal year-end)	Number of shareholders	% of Share
Resident	476	33.57%

Non-resident	35	66.43%
TOTAL:	511	100.00%

Holding by type of shareholder of the stock or representative share value that makes up the S & P Peru Selective Index (at fiscal year-end)	Stock:	VOLCABC1
	Number of shareholders	% share (3)
1. Members of the board and senior management of the company, including relatives (1)	3	0.35%
2. Company employees not included in point 1 above	24	0.04%
3. Individuals not considered in points 1 and 2 above	7,202	27.42%
4. Pension funds managed by the Pension Fund Administrators under the supervision of the Superintendency of Banking, Insurance and AFP	12	59.05%
5. Pension funds managed by the Pension Office (Oficina de Normalización Previsional, ONP)		0.00%
6. Entities associated with the Peruvian government, with the exception of those included in point 5 above	2	0.11%
7. Banks, financial institutions, municipal savings banks, SME development agencies, rural savings banks and credit unions under supervision of the Superintendency of Banking, Insurance and AFP	2	0.01%
8. Insurance companies under the supervision of the Superintendency of Banking, Insurance and AFP		0.00%
9. Brokers under the supervision of the Superintendency of Securities Market (SMV)	2	0.01%
10. Investment funds, mutual funds and trust funds under the scope of the Securities Market Law and Investment Funds Law and banking trusts under the scope of the General Law of the Financial System	8	0.51%
11. Autonomous assets and bank trusts from abroad, where these can be identified		0.00%
12. Foreign depositories that appear as shareholders in the framework of ADR or ADS programs		0.00%
13. Foreign depositories that appear as shareholders and are not included in point 12	4	1.07%
14. Foreign trustees listed as shareholders		0.00%
15. Entities not included in the points above (2)	116	11.43%
16. Shares owned by the S&P/BVL Peru Select Index or representative value of these shares, in the company's portfolio		0.00%

TOTAL: 7,375 100.00%

Holding by type of stock or representative share value that makes up the S&P/BVL Peru Select Index, based on residence (at year-end)	Number of shareholders	% share
Resident	7,185	88.24%
Non-resident	190	11.76%

TOTAL: 7,375 100.00%

(1) The term "relatives" is defined according to the regulation on indirect ownership, relationship and economic groups.

(2) The term "entities" is defined according to the regulation on indirect ownership, relationship and economic groups.

(3) Dos decimales.

Dividends

No cash dividends were distributed in 2022.

Stock Prices on the Lima Stock Exchange

In 2022, the stock market prices of Class A and Class B common shares expressed in nuevos soles presented the following evolution:

Class A Common Shares

Month	Opening PEN	Closing PEN	Maximum PEN	Minimum PEN	Price Average PEN
January	-.-	-.-	-.-	-.-	3.210
February	-.-	-.-	-.-	-.-	3.060
March	2.990	2.990	2.990	2.990	2.990
April	2.900	2.900	2.900	2.900	2.900
May	-.-	-.-	-.-	-.-	-.-
June	-.-	-.-	-.-	-.-	2.850
July	2.840	2.840	2.840	2.840	2.840
August	2.850	2.850	2.850	2.850	2.850
September	-.-	-.-	-.-	-.-	2.850
October					2.850
November	-.-	-.-	-.-	-.-	2.880
December	1.500	1.500	1.500	1.500	1.500

Source: Lima Stock Exchange

Class B Common Shares

Month	Opening PEN	Closing PEN	Maximum PEN	Minimum PEN	Price Average PEN
January	0.600	0.700	0.750	0.600	0.720
February	0.690	0.750	0.770	0.670	0.730
March	0.760	0.870	0.940	0.750	0.860
April	0.880	0.860	0.920	0.750	0.860
May	0.820	0.600	0.850	0.590	0.700
June	0.600	0.500	0.630	0.500	0.590
July	0.500	0.580	0.580	0.455	0.500
August	0.580	0.540	0.700	0.540	0.620
September	0.530	0.550	0.660	0.500	0.580
October	0.550	0.499	0.570	0.499	0.530
November	0.495	0.490	0.550	0.490	0.520
December	0.510	0.510	0.530	0.460	0.500

Source: Lima Stock Exchange

Latibex Prices 2022

Month	Euro exchange rate	Opening PEN	Closing PEN	Maximum PEN	Minimum PEN	Average price PEN
January	4.710	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
February	4.549	0.63	0.63	0.63	0.63	0.63
March	4.280	0.59	0.82	0.88	0.82	0.84
April	4.370	0.84	0.87	0.92	0.84	0.85
May	5.085	1.01	0.78	0.99	0.54	0.65
June	4.179	0.64	0.50	0.61	0.50	0.51
July	4.327	0.52	0.52	0.52	0.52	0.52
August	4.259	0.52	0.60	0.65	0.40	0.57
September	4.167	0.58	0.58	0.58	0.58	0.58
October	4.309	0.38	0.47	0.65	0.47	0.51
November	4.331	0.61	0.56	0.56	0.56	0.56
December	4.360	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -

Sources: Madrid Stock Exchange, Peruvian Superintendence of Banking, Insurance and Private Pension Funds.

Corporate Bonds

On January 26, 2012, as part of an international bond issue under Rule 144A and Regulation S of the United States Securities Act of 1933, Volcan placed corporate bonds for up to USD 600 million with a 10-year term and a fixed annual interest rate of 5.375%. The bonds were fully paid on maturity.

On February 11, 2021, as part of an international bond issue under Rule 144A and Regulation S of the United States Securities Act of 1933, Volcan placed corporate bonds for up to USD 475 million with a 5-year term and a fixed annual interest rate of 4.375%.

In 2022, the Company obtained a USD 400 million syndicated loan maturing in 2026, which was used in February to pay USD 410 million plus outstanding interests corresponding to the bonds issued in 2012 (the original amount of these bonds was USD 600 million). This transaction and the Bonds 2026 issuance of USD 475 million, executed in February 2021, are part of the financial restructuring plan allowing to extend most of the Company's debt until 2026 and reduce the average annual cost of debt.

In June 2022, a partial buyback of Bonds 2026 was carried out for a nominal amount of USD 110 million, using the Company's available cash, and the Request for Consent of holders of the Bonds 2026 was approved to allow the spinoff or any distribution of the shares held by Volcan or any of its subsidiaries in Cosco Shipping Ports Chancay Perú S.A. and/or Roquel Global S.A.C.

CAPÍTULO 15



INFORMACIÓN CORPORATIVA

Corporate Information

Professional Background of Senior Management

Carlos Francisco Fernández Navarro

General Manager since July 2021. He served as Executive Vice President since January 2018. He has previously served as Manager of Business Development - Zinc Division at Glencore International AG, South American Asset Manager - Zinc Division at Glencore International AG and as Investor Relations Manager for Glencore International AG. He has a Degree in Applied Mathematics from Yale University.

Aldo de la Cruz Peceros

Vice President of Operations since January 2018. He previously served as Vice President of Operations for Mina Sinchy Wayra Glencore Zinc from October 2015 to December 2017. He was also Senior Technical Advisor at Glencore Zinc South America from August 2012 to October 2015. He was Vice President of Operations at Mopani Copper Mines Plc Zambia of Glencore Copper from April 2010 to June 2012. He was Senior Technical Advisor at Glencore Copper from November 2009 to March 2010.

From 1999 to 2003, he served as mine supervisor in Mina Yauliyacu, Peru. From 2003 to 2009 he worked in different positions at Glencore as General Manager at Kamoto Underground Mine Congo DRC, General Manager at Mufulira Mine Zambia, Project Manager at Nkana Mine for Mopani Copper Mines Plc Zambia.

Mr. de la Cruz has a Degree in Mining Engineering from Universidad Nacional de Ingeniería and holds a Master's Degree in Mining Management from GERENS. He has a Graduate Certificate in Mining Management from Universidad del Pacífico.

Jorge Leoncio Murillo Núñez

Vice President of Administration and Finance since January 2018. He served as Central Financial Manager since December 2013 and as Financial Planning and Management Control Manager from January 2011 until December 2013.

His previous positions included Financial Consultant for KPMG Consulting, Financial Controller for Peru and Colombia at Bearing Point, Assistant Manager of Corporate Financial Planning at Grupo Gloria and Budget Manager at Hochschild Mining Plc.

Mr. Murillo has an Industrial Engineering Degree from Pontificia Universidad Católica de Perú, a Certificate in Finance from the same university, and an MBA from Universidad ESAN.

Alejandro Manuel Baca Menendez

Commercial Manager since August 2022. He joined Volcan in April 2014, where he served as Contract Manager from July 2015 to December 2017. He was then appointed Head of Commercial Planning from January 2018 to February 2020. He then served as Assistant Manager of Commercial Planning since February 2020.

Mr. Baca has a Degree in Administration from Universidad del Pacífico and holds a Certificate in Mining Management from the Postgraduate School of Universidad ESAN.

Renzo Muenta Barzotti

Corporate Human Resources Manager since May 2019. Mr. Muenta joined the Company in April 2011 as Corporate Assistant Manager of Human Development, and in 2014, he became Corporate Manager in Human Development.

Previously, he served as Human Resources Manager at Unilever Perú, Training Manager for Unilever-Andean Region, and Human Resources Manager for the Food Products Division of Unilever Colombia.

He has a Degree in Industrial Engineering from Universidad de Lima and a Master's Degree in Strategic Management of Human Capital from Universidad Peruana de Ciencias.

Roberto Juan Servat Pereira de Sousa

Corporate Social Responsibility and Labor Relations Manager since December 2010. He began working with Volcan in January 2007 as legal advisor to the Chairman of the Board of Directors. He previously served as Deputy Minister of Labor, Deputy Minister of Social Promotion, an advisor to the Minister's Office, General Director of Legal Counsel, and member of the Advisory Commission of Peru's Ministry of Labor and Employment Promotion, a judge in the Bankruptcy Division in Matters of Fair Competition and Intellectual Property of INDECOPI, and member of the Board of the Superintendence of Healthcare Service Providers.

He is currently a member of the Labor Affairs Commission of the Lima Chamber of Commerce and the Board of the Peruvian Society of Labor and Social Security Law. He is a professor at Universidad de Lima.

Mr. Servat holds a Law Degree from Universidad de Lima and a Master's Degree in Public Administration from the Instituto Ortega y Gasset, which is affiliated with Universidad Complutense de Madrid.

Juan Alberto Begazo Vizcarra

Audit Manager since July 2010. He joined Volcan in December 2008 as Administration and Control Manager. He previously served as CFO at Gold Fields, General Controller at Doe Run, and Accounting Manager at Centromin.

Mr. Begazo is a Certified Public Accountant and member of the Committee of Experts in Mining Accounting. He also teaches in the Mining Management Certificate Program at Universidad de Lima.

Alfonso Rebaza González

Legal counsel since September 2010. He has experience in corporate and mining law, arbitration and contracts. He was previously a partner with Estudio Osterling and professor of civil law at Pontificia Universidad Católica del Peru.

Mr. Rebaza holds a Law Degree from Pontificia Universidad Católica del Peru.

Ronald Martín Castillo Ángeles

Logistics Manager since November 2019. Since he returned to the Company in February 2011, he has served as Manager, Assistant Manager and Head of Contracts. He previously served as Corporate Head of Contracts at Compañía Minera Milpo. He was also Head of Logistics-Contracts at Compañía Minera Atacocha.

He began his career in 1997 as Mine Administrator at the Chungar unit, which was later acquired by Volcan. He subsequently transferred to the Cerro de Pasco unit where he oversaw corporate contracts until May 2008.

Mr. Castillo holds a Public Accounting Degree from Universidad Nacional Daniel Alcides Carrión and an MBA from Universidad del Pacífico and Esade Business School.

Monica Nicole Danon-Schaffer

Corporate Manager of Occupational Health and Safety since January 2022. She served as HSEC Senior Manager - Americas Mining Leader for Glencore's Zinc business. Previously, she was Safety Integration Leader - Newmont, Cerro Negro, Argentina. She holds a Doctoral Degree in Chemical Engineering from University of British Columbia.

Victor Hernan Tipe Quispe

Corporate Planning Manager since July 2021. He previously worked as Corporate Planning Assistant Manager since June 2018. Mr. Tipe has served as Operations Manager at Kolpa Mining Company, Engineering Manager at Goldcorp Marlin Mine Guatemala, Assistant Technical Manager at Mopani Copper Mines Mufulira Mine Zambia, Head of

Planning at San Ignacio de Morococha Mining Company and Head of Planning at Consorcio Minero Horizonte.

Mr. Tipe holds a Degree in Mining Engineering from Universidad Nacional de Ingeniería, Lima, Peru, and holds a Master's Degree in Business Administration - MBA from Pontificia Universidad Católica del Perú – CENTRUM PUCP.

James Atalaya Chacón

General Operations Manager at San Cristóbal-Carahuacra since May 2021. Previously, he served as General Operations Manager at Chungar starting in February 2016. Mr. Atalaya joined the Company in February 2015 as Planning Superintendent at the Chungar unit.

Previously, he had served as Planning Superintendent at Compañía Minera Ares S.A. and as Mining Superintendent at Minsur S.A.

Mr. Atalaya has a Degree in Mining Engineering from Pontificia Universidad Católica del Perú, a Certificate in Mining Company Management from Universidad del Pacífico, a Certificate in Finance from the Monterrey Institute of Technology and Higher Education, Mexico, and he also graduated from the Master's Program in Strategic Company Management at Centrum Católica.

Gabriel Antonio Caceres Oviedo

Operations Manager at San Cristobal-Carahuacra since May 2022. He served as Mine Operations Superintendent at the Andaychagua unit starting in 2014. He joined Volcan in 2012 and previously worked at Castrovirreyna Compañía Minera as Superintendent of Mine and Projects starting in 2009. He began his career at Minera Los Quenuales in 2006.

Mr. Caceres holds a Degree in Mining Engineering from Universidad Nacional de Ingeniería.

Eduardo Malpartida Espinoza

Operations Manager at Ticlio since June 2021. Previously, he worked as Occupational Health and Safety Manager since January 2018, and as Operations Manager at Alpamarca unit since September 2014. He previously served as Operations Manager at BRECA Grupo Empresarial – Administración de Empresas S.A.C., General Superintendent at Grupo ARUNTANI – Anabí, and Operations Manager at the Arcata, Selene and Pallancata mines owned by Grupo Hochschild Mining Plc.

Mr. Malpartida has a Degree in Mining Engineering from Universidad Nacional Daniel Alcides Carrión of Cerro de Pasco and holds a European Master's Degree in Operations and Logistics Management from EOI Escuela de Negocios of Madrid, Spain.

Francisco Grimaldo Zapata

Operations General Manager at Chungar since February 2021. He previously served as Alparmarca Operations Manager since January 2018 and as San Cristóbal (Yauli) Operations Manager since October 2016. Between January 2006 and January 2016, he served as General Manager at the Yauliyacu unit, and Operations and Project Manager at the Iscaycruz unit of Los Quenuales – Glencore Group. He also served as general superintendent of Cerro de Pasco in Volcan from September 1999 to January 2005 and previously worked for Centromin Perú.

Mr. Grimaldo holds a Degree in Mining Engineering from Universidad Nacional de Ingeniería and an MBA from ESAN. He was a professor at Universidad Nacional de Ingeniería, specializing in mining courses for 14 years.

Nilton Evaristo Apaza Cori

Operations Manager at Animón since July 2021. He previously worked as Operations Manager at Compañía Minera Raura. He also worked as Mine Superintendent at the San Rafael Unit for Empresa Minera Minsur and Mine Superintendent at the Iscaycruz Unit for Empresa Minera Los Quenuales.

In 2003, he joined the Yauliyacu Unit at Empresa Minera Los Quenuales as Mine Manager Assistant. He went on to become Mine Manager, Head of Projects, Mine Superintendent Assistant and Mine Superintendent, serving in that capacity until March 2016.

Mr. Apaza is A Mine Engineer with a Degree from Universidad Nacional Jorge Basadre Grohoman and a Master's Degree in Business Administration from the NEUMANN Postgraduate School. He also holds a certificate in Strategic Management in Mining from GERENS Graduate School.

Jose Francisco Zegarra Carmona

Operations Manager at Cerro and Óxidos since June 2021. He previously served as Operations Manager at the Carahuacra mining unit beginning in December 2018. Prior to that, he worked as Operations Manager at the El Povenir - Atacocha mining unit in Votorantim Metais, which later became Nexa Resources.

Mr. Zegarra is a mining engineer with a degree from the Universidad Nacional de Ingeniería and a certificate in mining management from GERENS. He is currently pursuing an MBA at ESAN.

Edgardo Zamora Pérez

Manager of the Romina project since July 2021. He previously served as Corporate Planning Manager since January 2018 and Operations Manager at the Yauli unit since

September 2012. He joined Volcan in May 2000. In 2007, he became General Superintendent of Empresa Administradora Chungar S.A.C. He served as Operations Manager from 2010 to 2012.

He has 12 years of professional experience in mine operations. He served as Planning Superintendent until March 2007.

Mr. Zamora holds a Degree in Mining Engineering from Universidad Nacional Mayor de San Marcos.

Omar Mora Munares

Maintenance Manager since July 2021. Previously, he served as General Maintenance Superintendent at the Calenturias mine and other mining operations owned by the multinational group Glencore in Colombia. He also worked as Deputy Director of Maintenance at the Ministry of Transport.

He graduated from Universidad San Luis Gonzaga in Ica with a Degree in Mechanical and Electrical Engineering. He completed a specialization in Maintenance Management at Universidad Industrial de Santander in Colombia.

Carlos Barrena Chávez

Operational Excellence Manager since 2021. He previously served as Unit Manager for important companies in the national mining industry such as Nexa Resources, Minsur, and Sierra Metals. He was leader in the construction, start-up, operation and growth stages of the Cerro Lindo Mining Unit, property of Milpo Compañía Minera, currently Nexa Resources, which extracts more than 20,000 ton/day.

He gained experience abroad working as a Mine Superintendent for five years at Iván mining unit, a site owned by the Rayrock company in the city of Antofagasta, Chile.

Mr. Barrena is a Mining Engineer by profession, holds a Degree from Universidad Nacional de Ingeniería and earned a Master's Degree in Strategic Business Management from Universidad Católica del Perú and Centrum in 2010.

Jorge Luis Quispe Cangana

Geology Manager since January 2022. He served as Geology Assistant Manager of the Northern Cluster, Superintendent and Senior Geologist. He has 22 years of experience in the mining industry developing exploration geology processes, mine geology, and assessments of gold-silver, copper-molybdenum-gold, and polymetallic zinc-lead-copper-silver mineral deposits. He is an Engineering Geologist from Universidad Nacional de Ingeniería and holds a Master's Degree in Sustainable Use of Mineral Resources from Universidad Politécnica de Madrid-UEA (Red DESIR).

César Emilio Farfán Bernales

Regional Explorations Manager since May 2022. Previously, he served as Corporate Geology Manager since December 2019, and as Manager of Regional Explorations, Corporate Head of Regional Explorations, and General Superintendent of the Vinchos mining unit in 2002.

Mr. Farfán has a Degree in Geological Engineering from Universidad Nacional Mayor de San Marcos and completed graduate studies in Geology-Metallogeny at Universidad Central in Quito, Ecuador.

Willy Antonio Montalvo Callirgos

Corporate Accounting Manager since August 2021. Previously, he served as Accounting and Taxation Manager since September 2015 and General Accountant of Volcan since November 2010. During his career, he has worked as an accountant at the department store Ripley S.A., Cia. Minera Ares S.A.C. (Hochschild Group), Química Suiza S.A., Corporación Andina de Distribución S.A. (Carsa) and PricewaterhouseCoopers.

Mr. Montalvo is a Certified Public Accountant who graduated from Universidad San Martín de Porres. He has a Master's Degree in Strategic Business Administration from the Centrum Business School. In addition, he holds international certifications in Specialization in International Financial Reporting Standards from the Association of Chartered Certified Accountants - ACCA (London) and The Institute of Chartered Accountants in England and Wales - ICAEW (London), a certificate in Specialization in Taxation from Universidad de Lima and a certificate in Financial Management and Controlling from Centrum Escuela de Negocios.

Dayan Gustavo Segura Vandervelde

Information Technology Manager since September 2017. Prior to that, he was Deputy Manager of IT for Infrastructure and Communications at Volcan.

Mr. Segura has a Degree in Systems Engineering from Universidad de Lima and a Master's Degree in Strategic Business Management, with a Specialization in Innovation, from Tecnológico de Monterrey.

Mauricio Scerpella Iturburu

Budget and Control Manager since February 2014. He served as the Controller of Mining Projects and Corporate Head of Costs and Budgets at Volcan.

Mr. Scerpella holds a Master's Degree in Administration with a Specialization in Strategy from the Tecnológico de Monterrey. He also holds a Degree in Economics from Universidad San Ignacio de Loyola.

Jorge de Olazabal Angulo

Environmental Affairs and Tailings Dams Manager since May 2022. Previously, he was Corporate Manager of Environment and Permits since November 2021, Technical Manager of Environmental Permits since June 2019, Assistant Manager of Environmental Affairs at Volcan, Corporate Manager of Environment and Permits at Inversiones República S.A. - Glencore, Environment Operations Manager at Minsur S.A. - Mining Division of Grupo Breca, and Corporate Superintendent of the Environment at Compañía Minera Ares S.A.C. – Hochschild Mining PLC.

Mr. De Olazabal holds an MBA from Centrum of Pontificia Universidad Católica del Perú, a Master's Degree in Engineering and Environmental Technology from FUNIBER, a Master's Degree in Comprehensive Safety, Health and Environmental Management from the EOI Business School (Spain), and a Degree in Industrial Engineering from Universidad Nacional de San Agustín.

Miguel Herrera Quispe

Maintenance Manager since May 2019. His previous experience includes serving as Assistant Manager of Maintenance and Productivity at Minera Colquisiri S.A., Assistant Manager of Maintenance at Volcan's Yauli unit, and Manager of Northern Mining Businesses at Cofipetrol Andina S.A..

Mr. Herrera is a Mechanical Engineer graduated from Universidad Nacional de Ingeniería. He attended the Management Development Program at the School of Management of Universidad de Piura and holds a Quick MBA from GERENS.

Eduardo Roque León Vásquez

Regional Project Manager for LATAM since August 2021. He served as General Manager of Development and Projects at Nexa Resources Peru. He previously worked in management positions at Marcobre, Antamina and Milpo. Before entering the mining sector, he worked at Cosapi SA, building mining infrastructure in Peru and Chile for more than a decade.

Mr. León is a Civil Engineer by profession. He graduated cum laude from Universidad Católica's Business School, where he earned a Master's Degree in Strategic Business Administration (MBA). He has also attended specialization courses at the Kellogg School of Management and Harvard School of Management.

Jose Wilfredo Polack Belaunde

Project Manager since December 2021. He served as Greenfield Project Manager at Nexa Resources, and as Project Manager at Impala Terminals. He has also worked at the

Project Sub-directorate of Southern Copper Corporation and at Cosapi. He is a Civil Engineer graduated from Universidad Ricardo Palma.

Jorge Luis Cotrina Luna

Securities Manager since November 1999. He held various positions in the banking sector from 1984 to 1999. He holds a Degree in Business Administration from Universidad Nacional Mayor de San Marcos and specialized in Banking and Capital Markets at Pontificia Universidad Católica del Perú.

General Information

Volcan Compañía Minera S.A.A.

Information about incorporation

Volcan Compañía Minera S.A.A. is a mining company that was incorporated by public deed on February 1, 1998, executed before Notary Public Dr. Abraham Velarde Álvarez, as a result of the merger of Volcan Compañía Minera S.A. and Empresa Minera Mahr Túnel S.A.. The company is registered in the Public Mining Registry under Entry 1, Record 41074, Registration 11363057 of the Registry of Legal Entities of Lima.

The company is engaged in the exploration, production, and processing of its own ore and ore from subsidiaries that engage in the extraction, concentration, treatment and sale of all products and concentrates.

Its activities are classified using ISIC Category 1320, mining of non-ferrous metal ores. The duration of the company is unlimited but subject to the availability of ore reserves, which may vary based on the investments made in exploration activities and their results.

Contact

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