

Annual Report 2023



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CHAPTER 1



**STATEMENT OF
RESPONSIBILITY**

Statement of Responsibility

“This document contains accurate and sufficient information on the business activities conducted by Volcan Compañía Minera S.A.A. in 2023. Notwithstanding the issuer’s liability, the undersigned are liable for the content herein, in accordance with applicable legal provisions.”

Lima, March 26th, 2024

Victoria Soyer
Chairman of the Board of Directors

Luis Fernando Herrera
General Manager

CHAPTER 2



**LETTER TO
SHAREHOLDERS**

Letter to Shareholders

Dear Shareholders,

I am very pleased to address you with the purpose of sharing a summary of the year 2023, a year that was not free of both local and international challenges, which Volcan, like many other companies in the sector, had to face. The year 2023 was particularly significant for the company as it celebrated 80 years since its founding; eight decades in which the company has positioned itself as one of the most emblematic in the mining sector, recognized both locally and internationally for its operational excellence and for being one of the world's leading producers of zinc, lead, and silver. We must also acknowledge that throughout these eight decades, despite numerous challenges, it has been the valuable entrepreneurial spirit, commitment, and steadfastness of its employees, in harmony with the communities and the environment, that has enabled Volcan to celebrate these years of history.

And precisely considering this long journey, I would like to take a moment in this letter to share some reflections on the lessons learned this year:

Company management is measured by costs: The sophistication of financial markets has distorted the correlation between metal prices and the laws of supply and demand. The exponential growth of the global money supply and the pursuit of short-term returns now mean that metals like zinc, which traditionally set their prices in specialized markets, are now subject to investment fund indexing, resulting in corresponding speculation and volatility. In this context, the primary indicator of a mine's management should be cost optimization. This is evidenced by stable production and the proper involvement of its workers to ensure that daily tasks are executed with minimal deviation from the plan.

A company without its own culture is a dying company: A company that does not instill a sense of connection among its workers through a collective identity is exposed to distractions with agendas that are foreign to the company's vision, ultimately undermining the achievement of objectives. A sense of belonging is a human need that transcends the social environment and affects the worker in all aspects. It is essential that every employee understands that their work is reflected in every step and, in turn, in every achievement generated by the company. A company without a shared culture is, in a literal sense, a broken company.

Planning a successful strategy not only takes time, but time is the most important factor in execution: Failures are often not due to poor strategies or lack of planning, but rather a mismatch with the appropriate timing for execution.

And now, returning to more concrete topics, with respect to the global economy, during the year 2023, it experienced a series of challenges, significantly impacted by restrictive monetary policies in most countries, increased interest rates aimed at counteracting inflationary pressures, and a decline in the growth of major economies, notably the lower-than-expected growth of China.

According to estimates by the World Bank, the global economy registered a 2.6% expansion in 2023, showing a slowdown for the second consecutive year. It is projected that the global economy will grow by 2.4% in 2024, at an even slower pace than in 2023.

On the geopolitical front, the polarization of opinions, protectionism, and the weakening of organizations traditionally responsible for maintaining world order have been exacerbated by the confrontation between Israel and the terrorist group Hamas based in the Palestinian bloc in the Gaza Strip. This conflict has reignited old tensions in the Middle East but, more importantly, has highlighted the relevance and increasing influence of social networks in propagating individual opinions, which in turn has increased media pressure on current rulers regarding these events. On the other hand, it is unfortunate that, at the time of reading these lines, we must mention that a solution has not yet been found to the Russian invasion of Ukraine, which began on February 24, 2022, more than two years ago.

Regarding our country, the Gross Domestic Product (GDP) contracted mainly due to social conflicts and unfavorable weather conditions during the first half of the year, which affected productive capacity, income, and private sector confidence. Social protests directly impacted primary activities such as mining, and to a lesser extent, non-primary activities such as trade, construction, and transportation.

In the primary sector, there was a 2.5% growth, driven by metallic mining with an 8.4% increase due to higher production of copper and molybdenum, including the start of operations at the Quellaveco mine, as well as increased production at Bambas, which operated without interruptions from the second half of the year. However, this growth was offset by the agricultural and fishing sectors, which experienced estimated declines of 3% and 17.6% respectively. In particular, the fishing sector recorded the most unfavorable result due to the absence of the first anchovy fishing season and anomalies in the temperature of the Peruvian sea.

In the non-primary sectors, there were negative results of 1.3%, mainly in manufacturing and construction, due to decreased production oriented to the external market and fewer private and self-construction projects.

Regarding metal prices, except for silver, there was a global decline explained by concerns about possible recessions in the United States and Europe, as well as a slowdown in demand from the heavy industry in China. During 2023, the price of zinc reached 3,289 USD/MT in January, dropping to a low of 2,368 USD/MT in June, and closing the year at 2,501 USD/MT, with an annual average of 2,649 USD/MT, representing a 23.9% decrease compared to the previous year.

The average annual price of lead decreased by 0.7% compared to the previous year, the price of copper decreased by 3.8%, from 8,815 USD/MT in 2022 to 8,483 USD/MT in 2023, while the price of silver increased by 7.5%.

Nationally, various mines were affected by the operational challenges of operating in an environment of unfavorable prices and inflationary pressures. Thus, Volcan temporarily suspended the Islay mining unit in July 2023, which represented 1.49% of total production at the end of the first half. Similarly, other companies in the sector suspended operations during the same period.

Given this complex international panorama for metal prices, all our mining units made significant efforts in operational improvements and process optimizations. This resulted in significant increases in the production of several key metals. Zinc production increased by 7.7%, from 224.7 thousand FMT in 2022 to 242.0 thousand FMT in 2023. Lead production increased by 10.8%, from 54.9 thousand FMT in 2022 to 60.8 thousand FMT in 2023. Copper production increased by 23.6%, from 4.3 thousand FMT in 2022 to 5.3 thousand FMT in 2023. Finally, silver production increased by 6.2%, from 14.3 million ounces in 2022 to 15.2 million ounces in 2023. These results reflect the ongoing efforts of the mining units to maximize efficiency and productivity in a context of economic and operational challenges.

It should be noted that despite the unfavorable price situation and the impact on the company's economic results, we have maintained strict health and safety protocols for workers, achieving three and a half years without fatal accidents by the end of 2023.

In the same vein, the Company maintained a strict cost control and reduction policy by implementing various initiatives such as the Volcan Avanza project, resulting in savings of USD 27.18 million during 2023. Other achievements include increases in Cu and Pb recoveries in Pb concentrates in Andaychagua, increased

Zn, Pb, and Ag recovery at the Alpamarca plant, reactivation of the Copper circuit in Chungar, optimization of support in all mining units, increased treatment, and partial replacement of copper sulfate at the Victoria plant.

Regarding the financial results, the Company's net sales were USD 883.1 million, representing a 7.2% decrease compared to the previous year. The gross margin decreased from 20% in 2022 to 18% in 2023. EBITDA reached USD 276.9 million, compared to USD 298.6 million in 2022, and the net result before exceptional items was negative at USD 0.5 million, with negative exceptional adjustments of USD 9.5 million, resulting in a final net loss of USD 10 million in 2023.

It is important to highlight that the Company is exploring alternatives concerning its senior notes maturing in 2026 for an amount of USD 365 million and the syndicated term loan of USD 400 million. For this purpose, BofA Securities, Inc, Moelis & Company LLC, and Shearman & Sterling LLP have been hired as advisors to assist in the process and engage in constructive discussions with its lenders and bondholders. Additionally, management continued to actively engage in the mandate to divest non-mining assets, initiated in the first quarter of 2023. Management estimates that these divestitures will be completed during 2024 and the first quarter of 2025.

Regarding growth prospects, it is important to note that Volcan owns 355 thousand hectares of mining concessions for exploration activities and mining projects. The estimation of the company's total reserves is carried out according to industry best practices, following international standards established in the JORC code and adhering to the guidelines set by Glencore's technical area.

Within the concession area, on September 22, 2023, the subscription of two mining option and assignment contracts over copper potential concessions between the Company and Minera Anaconda Perú S.A. was approved, specifically for the Puy Puy project and the Pool Prospect.

Subsequently, on December 22, 2023, the Company announced that it had signed a concentrate sales contract and a commercial financing loan contract for a total value of USD 25.0 million with Glencore Lima Trading S.A.C.

The development of the Chancay port represents a great opportunity for Peru's economic growth. This will create a new network of connectivity composed of maritime and land economic corridors between China and the rest of the world. Its location, 80 km north of Lima, and its exceptional geographical features will allow it to become, in the medium term, the port and logistics operations center of the South Pacific region.

On August 24, 2023, at the General Shareholders' Meeting, the spin-off project was approved, comprising the separation of an equity block formed by 40% of the shares of Cosco Shipping Chancay Peru S.A. Additionally, the establishment of the company Inversiones Portuarias Chancay S.A.A. was approved, which will receive the equity block subject to the spin-off. As of the presentation date of this report, the registration and listing procedures on the Stock Exchange are in progress. It is estimated that this transaction will be successfully completed during the second quarter of this year.

Additionally, Volcan, through its subsidiary, Roquel Global S.A.C., plans to develop the Chancay Logistics and Industrial Complex on an area of 840 hectares that is 100% owned by the Company. This area is adjacent to the entrance complex of the Chancay Port and will benefit from the new trade routes that the Chancay Port will develop as the maritime hub of the South Pacific.

On February 15, 2023, Glencore International AG announced that it had begun exploring the possibility of disposing of 23.3% of its stake in the Company's capital stock. However, to date, there have been no further announcements from this shareholder regarding this matter.

I conclude this letter by expressing, on behalf of the Board of Directors, our profound gratitude to all members of the various production units for their tireless dedication, effort, and commitment to the company's objectives. Thanks to the hard work of each of our workers, we have successfully overcome challenges and obstacles, allowing this Company to be recognized both locally and internationally. Similarly, we extend our thanks to the shareholders for their continued trust, support, and interest in Volcan's activities. Without their support, the growth of this great company would not be possible.

CHAPTER 3



**MACROECONOMIC
ENVIRONMENT**

Macroeconomic Environment

International Overview

In 2023, the global economy expanded by 2.6%, marking its third consecutive year of deceleration. This slowdown reflects the lagged effects of strict monetary policy measures aimed at tackling historically high inflation levels, credit restrictions, and reductions in international trade and investment. Global recession expectations, particularly in the United States and Europe, lower-than-expected growth in China due to its real estate market crisis, and geopolitical tensions in the Middle East and between Ukraine and Russia also played a role. In this complex scenario, international cooperation is expected to be critical in addressing issues such as high debt levels, climate change, trade fragmentation, and food insecurity.

While global energy costs decreased, the zinc market faced inflationary pressures that led to significant cost increases and a drop in the international price of this metal. The first six months of the year saw a particularly notable decline in zinc prices.

The GDP of developed economies grew by 1.5%, mainly driven by the United States and Japan, which recorded growth rates of 2.5% and 1.8%, respectively, despite recession fears throughout the year due to the aggressive interest rate hikes in the United States.

In the Eurozone, GDP growth reached 0.4%, indicating a still-weak economy affected by the consequences of the recent energy crisis.

Emerging economies, on the other hand, experienced a growth rate of 4.0%, primarily due to the growth of India (6.3%) and China (5.2%). China's growth was supported by policies favoring its economy to counteract the effects of its real estate sector crisis. Russia, despite facing sanctions on its economy, managed to grow by 2.6%.

Throughout the year, the financial markets of major economies were affected by the rising cost of credit due to global inflationary pressures, impacting global demand and investment.

Peruvian Economy

The Peruvian GDP experienced a decline of -0.4%, while growth across Latin America was 2.2%. The contraction in GDP was primarily justified by social conflicts and adverse weather conditions that affected productive capacity, income, and private sector confidence. Particularly, social mobilizations directly impacted non-primary activities such as trade, construction, and transportation, as well as primary activities like mining.

Regarding primary sectors, estimated growth was 2.5%, driven by metallic mining with an 8.4% increase due to higher copper and molybdenum production with the commencement of operations at the Quellaveco mine, increased production at Constancia and Cerro Verde, and fewer shutdown days in mining activity compared to 2022. Additionally, there was increased gold production from Yanacocha and Minera Boro Misquichilca.

However, this was counteracted by the agricultural, fishing, hydrocarbons, and manufacturing sectors, which recorded estimated annual results of -3.0%, -17.6%, 0.9%, and -1.7%, respectively. Regarding the fishing sector, which showed the most negative result, the contraction was a consequence of the absence of the first anchovy fishing season and moderate warm anomalies in the temperature of the Peruvian sea.

The non-primary sectors posted negative results of -1.3%, mainly justified by the slowdown in the manufacturing and construction sectors. There was a decrease in products aimed at the external market and fewer private and self-construction projects, respectively.

Table 1: National Production of Main Metals

Metal	2021	2022	2023	Var% (2023 vs 2022)
Zinc (thousands FMT)	1,533	1,368	1,467	7.2
Lead (thousands FMT)	264	254	272	7.1
Copper (thousands FMT)	2,326	2,439	2,746	12.6
Silver (thousands oz)	118.0	99.0	98.0	-1.0
Gold (thousands oz)	3,439	3,063	3,189	4.1

Source: Ministry of Energy and Mines

In 2023, exports amounted to US\$ 49 billion, while imports totaled US\$ 36 billion, resulting in a trade surplus of US\$ 13 billion for the period. The year-on-year expansion was driven by a sharper decline in imports (US\$ 5.429 billion) compared to the decrease in exports (US\$ 680 million).

Inflation closed at 3.1% in 2023, compared to an inflation rate of 8.5% in 2022. The decrease is primarily attributed to corrections in some food prices and local transportation costs.

Metal prices

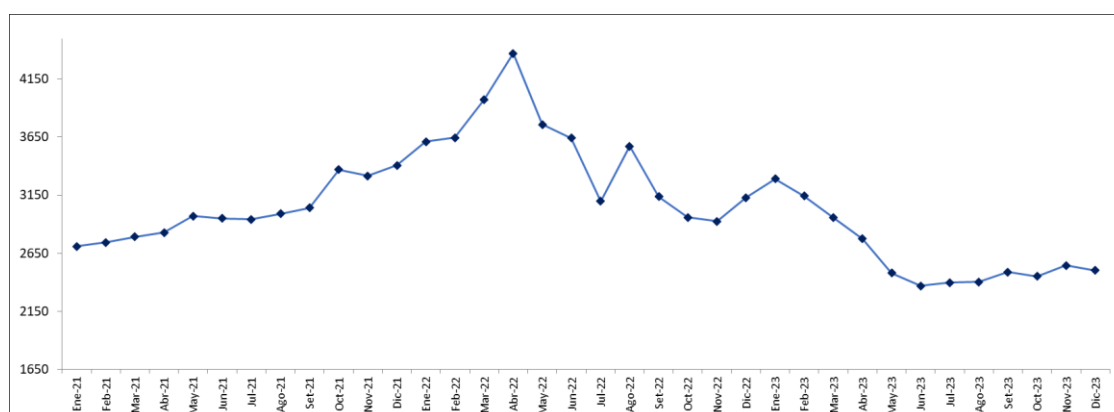
In 2023, metal prices, except for silver, experienced a decline due to global concerns about a potential recession in the United States and Europe, as well as a slowdown in growth in China. Despite ongoing interest rate hikes by major central banks worldwide, especially in the United States, there was no decrease in the price of silver compared to 2022.

Table 2: Evolution of Average Metal Prices

Metal prices	2017	2018	2019	2020	2021	2022	2023
Zinc (USD/MT)	2,894	2,925	2,549	2,265	3,005	3,485	2,649
Lead (USD/MT)	2,318	2,244	1,998	1,824	2,205	2,153	2,137
Copper (USD/MT)	6,163	6,525	6,005	6,167	9,315	8,815	8,483
Silver (USD/oz)	17.1	15.7	16.2	20.5	25.2	21.8	23.4

In June 2023, the zinc price reached its lowest levels (2,368 USD/MT) primarily due to the strong interest rate hike policies in the United States and the Eurozone, along with the slowdown in the construction market in China. Consequently, the decline in this metal has had a significant impact on the global mining industry. Various large-scale mining companies have been compelled to make decisions, such as suspending or even closing multiple mining operations in different regions of the world. This course of action has been largely motivated by the conjunction of two adverse factors: the high operating costs to which these companies have been subjected and the persistently low metal prices in the international market, resulting in the unprofitability of such operations.

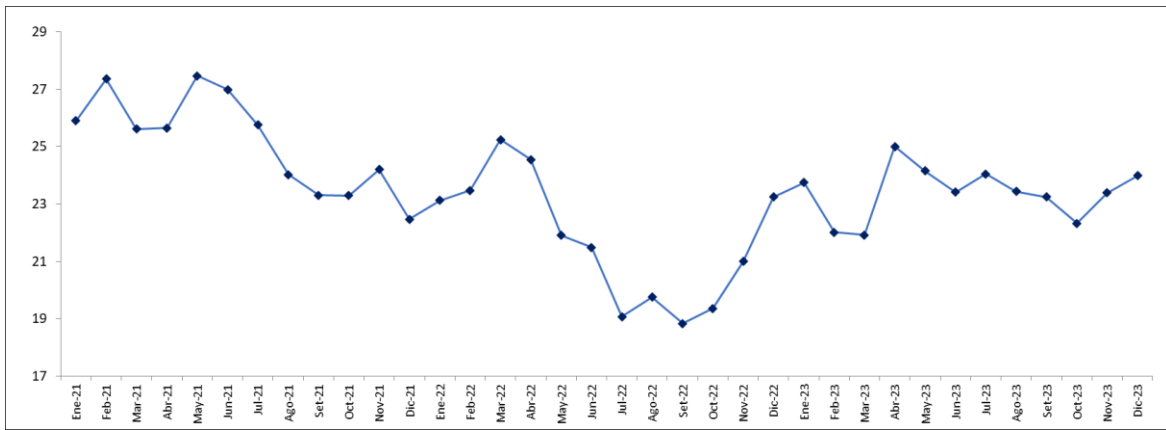
Graph 1: Zinc Price (USD/MT)



Similarly, the price of lead decreased by 0.7% compared to 2022, reaching 2,036 USD/MT in December 2023. Likewise, the price of copper decreased by 3.8% from 2022 to 2023, reaching lows of 7,939 USD/MT in October of the same year. Both experienced a decline compared to 2022, due to expectations of an economic recession in the US and Europe.

Despite increases in interest rates by the Fed and the strengthening of the dollar in the United States, the price of silver in 2023 increased compared to the average price in 2022, rising by 7.5% from 21.8 USD/Oz to 23.4 USD/Oz.

Graph 2: Silver Price (USD/oz)



CHAPTER 4



OUR COMPANY

Our Company

History

The Company began its mining operations in 1943 in the heights of the Ticlio pass. The continuous effort and dedication of its executives and collaborators have allowed it to become one of the main producers of zinc, silver, and lead in Peru and the world. Initially, Volcan's operations were confined to the Carahuacra and Ticlio mines, a set of thirty concessions whose extracted ore was sold to the Mahr Tunnel concentrator, at that time owned by the US-based company Cerro de Pasco Copper Corporation, which was subsequently expropriated by the military government in the early 70s.

In the 90s, in the context of economic reforms implemented by the government at the time, aimed at promoting private investment in public enterprises, Volcan expanded its operations and acquired mining areas and their corresponding assets. The vision of the Board of Directors and the leadership of Dr. Roberto Letts were fundamental to the Company's growth.

In 1997, through an international public auction, Volcan Compañía Minera S.A. acquired from Centromin Peru the Empresa Minera Mahr Tunel S.A., owner of the Mahr Tunel, San Cristóbal, and Andaychagua mining operations, and the Mahr Tunel and Andaychagua plants. The transaction amounted to US\$128 million plus a commitment of US\$60 million in investment. A year later, a merger process was carried out between both companies, Empresa Minera Mahr Tunel S.A. and Volcan Compañía Minera S.A., creating Volcan Compañía Minera S.A.A.

Subsequently, in 1999, Volcan acquired from Centromin Peru the Empresa Minera Paragsha S.A.C. for US\$62 million plus a commitment of US\$70 million in investment and assuming a debt of US\$20 million, which Centromin had with the financial system. This operation 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 the Empresa Administradora Chungar S.A.C. and the Empresa Explotadora de Vinchos Ltda. S.A.C., owners of the Animon and Vinchos mines, respectively, for a price of US\$20 million in cash plus 16 million class B shares of Volcan. This acquisition included the Françoise and San José II hydroelectric plants, which together generate 2.2 MW. In 2004, operations began at the Vinchos silver mine. Additionally, the Baños I, II, III, and IV hydroelectric plants, and the Chicrín hydroelectric plant, were acquired, which together generate 7.5 MW.

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

In 2009, Empresa Administradora Chungar S.A.C. completed the construction of the Baños IV hydroelectric plant, allowing Volcan to reach a total installed capacity of 13 MW at that time.

Later, in 2010, Volcan acquired Compañía Minera San Sebastián, whose mining concessions are also located near Cerro de Pasco.

In January 2011, the simple reorganization of the Cerro de Pasco mining unit was approved. As a result, this division was renamed Empresa Administradora Cerro S.A.C. and became a subsidiary of Volcan Compañía Minera S.A.A. The objective of the reorganization was to ensure that each mining unit is managed independently.

In January 2012, as part of an international bond issuance under Rule 144A and Regulation S of the United States Securities Act of 1933, Volcan issued corporate bonds for US\$600 million with a term of ten years and a fixed rate of 5.4%. This issuance was intended to finance the growth projects of the Oxides plant in Cerro de Pasco and the new Alpamarca operating unit.

Later, in February 2012, Volcan acquired Empresa Hidroeléctrica Huanchor S.A.C. with a capacity of 19.6 MW, owned by Sociedad Minera Corona S.A. for USD 47 million. Also, in mid-2012, Empresa Administradora Chungar S.A.C. completed the construction and operation of the Baños V hydroelectric plant, with a generation of 9.2 MW and a total investment of US\$24 million.

During 2013, the Islay mine was consolidated in the Chungar operating unit through the acquisition of two adjacent mining concessions for US\$17 million: Islay and Islay 4. In this unit, at the beginning of that year, the expansion of the Animon concentrator plant from 4,200 tpd to 5,200 tpd (tons per day) was completed. Also, in 2013, the expansions of the Victoria and Andaychagua plants in the Yauli unit were completed, up to 10,500 tpd.

During 2014, the capacity expansion of the processing plants in the Yauli unit continued, reaching 10,800 tpd. Also, the Jacob Timmers shaft in the Chungar unit began operation, with a nominal capacity of 4,000 tpd.

In July 2014, Volcan acquired the Tingo hydroelectric plant of 1.25 MW and 82 km of transmission lines of 22.9 and 50 kV for US\$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 commissioned the new Alpamarca unit and the Oxides plant in Cerro de Pasco. The latter reached full capacity in June 2015 with a total investment of US\$280 million.

During 2015, the following corporate reorganizations took place: the merger through which Chungar absorbed the entire assets of El Pilar, Huascarán, Santa Clara, Shalca, and Troy, which came into effect on September 1st, 2015; in the company Empresa Administradora Cerro S.A.C., the spin-off of a patrimonial block composed of assets and liabilities related to the Oxides plant, which came into effect on October 1, 2015; and the merger by absorption between Compañía Minera Alparmarca S.A.C. as the absorbing company and Empresa Administradora Chungar S.A.C., as the absorbed company, which came into effect on January 1st, 2016. Finally, the latter was renamed Compañía Minera Chungar S.A.C.

It is important to note that, in August 2016, the Rucuy hydroelectric plant of 20 MW (120 GWh/year) began commercial operation. The total investment in this project amounted to US\$50 million. With this latest addition, the Company has a total of 13 hydroelectric plants in operation with a total generation capacity of 63 MW.

In that same year 2016, Volcan acquired the Romina polymetallic project from Milpo, a deposit where over 13,000 meters of diamond drilling were executed between 2008 and 2012. This project would provide operational continuity to the Alparmarca unit. In November 2017, Glencore International AG made a public tender offer (OPA) for Class A common shares, through which it acquired a total of 603,077,387 shares. Glencore International AG and its affiliates, at the launch date of said OPA, already owned 295,754,888 shares, accumulating a total of 898,832,275 Class A shares, representing 55.0% of Class A shares and 23.3% of the social capital, considering both Class A and Class B shares held by the company.

At the end of 2018, through the tax credit program, the New Municipal Market of Abastos de Chancay project was completed, with over 650 stalls and an investment of over S/ 22,000 million. This is a very important project for the city of Chancay, benefiting 85,000 people.

In 2019, the Company signed partnership agreements with the Chinese company Cosco Shipping Ports Limited (CSPL) to develop the Chancay Multipurpose Port project, located 80 km north of Lima, through which this company became a shareholder of Terminales Portuarios Chancay (TPCh) with 60% of the representative shares of the social capital. Volcan retains the other 40% of the social capital of TPCh.

In December 2020, construction of the Subterranean Viaduct Tunnel began with an initial investment of US\$9 million, which has all the necessary protocols, permits, and licenses. Likewise, the construction of the camp with a capacity for 1,500 people and collateral works were completed with an investment of US\$7.5 million. Also, on December 22nd, 2020, the project received approval for the modification of the environmental impact study (MEIA), a permit corresponding

to the operational area of the port, with the aim of expanding the port capacities of four moorings, two multipurpose, and two containers.

Since 2021, Cosco Shipping Ports Chancay Perú S.A. has continued to advance with the construction of the first stage of the Chancay Multipurpose Port Terminal, which will have the capacity for four docks. All components of the project are in the construction phase under the responsibility of China Railway N° 10 Engineering Group Co. Ltd. Peruvian Branch (CREC 10) and the consortium China Harbor Engineering Company SAC/China Communications Construction Company Fourth Harbor Engineering Co. Ltd. (CHEC). The project has been rigorously complying with all socio-environmental obligations approved in the detailed environmental impact study and its amendment.

By the end of 2023, progress in the operational area and the entry complex has been 58.6%, while in the tunnel and access roads it has been 62.1%. Regarding the 220 Kv transmission line and the Substation, they have been completed 100% and are currently undergoing testing to be incorporated into the Interconnected System (SEIN). The overall progress of the project at the end of 2023 is 61.5%.

This is how Volcan has completed 80 years since its foundation, becoming a diversified mining company and a world leader in zinc, lead, and silver. It has over 355,000 hectares of mining concessions, six operating mines, five concentrator plants, a leaching plant, totaling a capacity of 28,150 tpd, hydroelectric plants, transmission lines, and a 40% stake in the important Chancay port project, among other investments.

Corporate Structure 2023

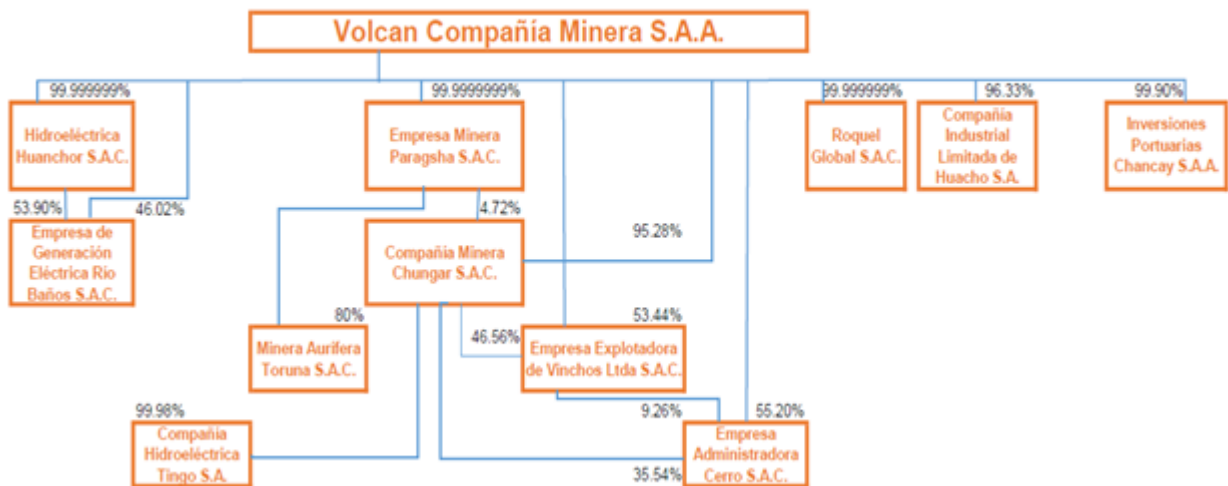
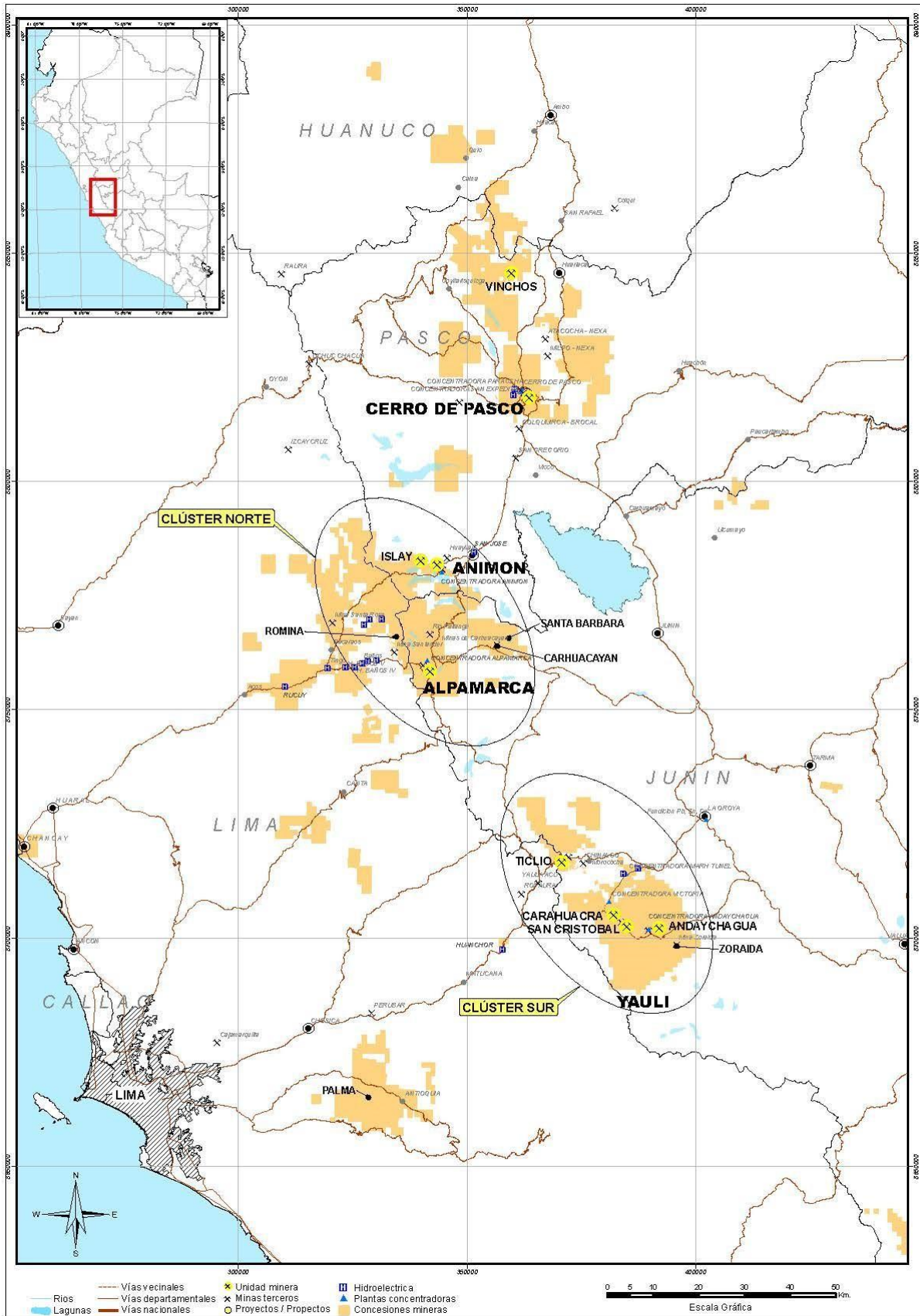


Table 3: Business Group and Corporate Purpose

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
Empresa Explotadora de Vinchos S.A.C.	20100539439	Extraction of non-ferrous metal minerals
Empresa Minera Paragsha S.A.C.	20347644502	Extraction of non-ferrous metal minerals
Minera Aurífera Toruna S.A.C.	20510318227	Extraction of other mines and quarries
Compañía Industrial Limitada de Huacho S.A.	20102200170	Real Estate
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
Inversiones Portuarias Chancay S.A.A.*	20611678500	Other financial services activities except insurance and pensions

(*) As of September 15th, 2023, the establishment of Inversiones Portuarias Chancay S.A.A. came into effect.

Location of Main Mining Properties



CHAPTER 5



BOARD OF DIRECTORS AND MANAGEMENT

Board of Directors and Management

Board of Directors

Table 4: Board of Directors

Name and surname	Position
Victoria Soyer Toche	President
Diego Garrido Lecca González	Vice Chairman
Franz Bollmann Duarte	Director
Fernando Café Barcellos	Director
José Ignacio de Romaña Letts	Director
Carlos Francisco Fernández Navarro	Director
Luis Fernando Herrera	Director
José Enrique Juan Picasso Salinas	Director

Franz Bollmann Duarte was appointed on January 30th, 2024.

Carlos Francisco Fernández resigned on January 12th, 2024.

Professional background of the Company's Directors:

Victoria Soyer Toche

Director since November 2017 and has been serving as Chairman of the Board since September 2023.

Ms. Soyer holds a degree in Business Administration from Universidad del Pacífico and an MBA from the Thunderbird School of Management.

Prior to joining the Glencore group in 2010, she worked for seven years at Tyco International in the United States in various roles, with her last position being Finance Director from 2008 until her departure from the company in 2010.

She also serves as a director at Perubar S.A., Transportadora Callao S.A., and Cosco Shipping Ports Chancay Perú S.A.

Diego Garrido-Lecca González

Director since November 2022 and has been serving as Vice Chairman of the Board since September 2023.

Mr. Garrido-Lecca is an industrial engineer from Texas A&M University. Throughout his professional career, he has served as General Manager of Perubar S.A., Logistics Manager for Latin America at Glencore Zinc, Chairman of the Board of Transportadora Callao S.A., and Acting General Manager of Volcan Compañía Minera S.A.A.

Franz Bollmann Duarte

Director since January 2024. Mr. Bollmann is the Director of Business Development at Glencore in Spain since September 2023. He joined Glencore in 2014, working in the finance department at the Bolivia and Peru offices where he served as Regional Business Manager for Zinc in Latam. Before joining the Glencore Group, he worked at Raymond James Investment Bank in the United States. Mr. Bollmann studied finance at the University of Arkansas.

Fernando Café Barcellos

Director since October 2023. He has served as CEO, Executive Vice President, and Board Member of Empresa Minera Los Quenuales S.A. and Perubar S.A. from 2008 until April 2023. Additionally, he worked at the Glencore Group since 2000, serving as Operations Manager at the Iscaycruz and Yauliyacu Mining Units. Mr. Café holds a degree in Mining Engineering from the Federal University of Ouro Preto, MG/Brazil.

José Ignacio de Romaña Letts

Director since 1993 and Vice Chairman of the Board since September 2014 until September 2023. He is a member of the executive committee.

Additionally, he serves as a director of Cosco Shipping Ports Chancay Perú S.A. He worked in the Commercial Sub-Management of Compañía de Minas Buenaventura from 1992 to 1999; he was in charge of the Commercial Management of Volcan between 2000 and 2010. Similarly, he served as a director of Castrovirreyna Compañía Minera S.A. and Corporación Minera Castrovirreyna from 2002 until 2012.

Mr. De Romaña holds a degree in Business Administration from the Universidad del Pacífico.

Carlos Francisco Fernández Navarro

Director since July 2020 to May 2023 as the first period and since October 2023 as the second period. He currently serves as Business Development Manager - Zinc Division at Glencore International AG in Baar, Switzerland. Previously, he served as Executive Vice President from January 2018 and General Manager from June 2021 to May 2023. Additionally, he worked at Lehman Brothers and Barclays in New York; in 2009, he joined Glencore. Within the Glencore group, he has worked in Sinchi Wayra - Bolivia and Los Quenuales - Peru. In 2013, he was appointed Asset Manager for South America for the Zinc Department and has served as Investor Relations Manager for the Glencore group between 2015 and 2017.

Mr. Fernández holds a bachelor's degree in mathematics from Yale University in the United States of America.

Luis Fernando Herrera

Director since October 2023 and General Manager since November 2023. He has previously held various leadership positions at Glencore, such as Business Development Manager at Sinchi Wayra in Bolivia, Asset Manager for Latin America in the zinc division, and recently, zinc and copper trader from the headquarters in Switzerland.

Mr. Herrera is a business administrator, specialized in finance from Universidad de San Andrés in Argentina, and holds an MBA from The Tuck School of Business at Dartmouth in the United States.

José Picasso Salinas

Director since March 1996. He previously served as Chairman of the Board until September 2023 and as a member of the Executive Committee until November 2023.

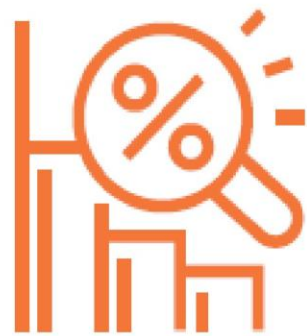
Mr. Picasso is the chairman of the board of Reactivos Nacionales S.A., vice chairman of the board at Compañía Minera Poderosa S.A. and Cosco Shipping Ports Chancay Perú S.A. He is also a director at Bodegas Vista Alegre S.A. and Cemento Polpaico S.A. (Chile). Additionally, he is a member of the Chilean-Peruvian Business Council (CEChP).

Management

Table 5. Management

Name and surname	Position
Luis Fernando Herrera	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 Miente 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 Cori	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

CHAPTER 6

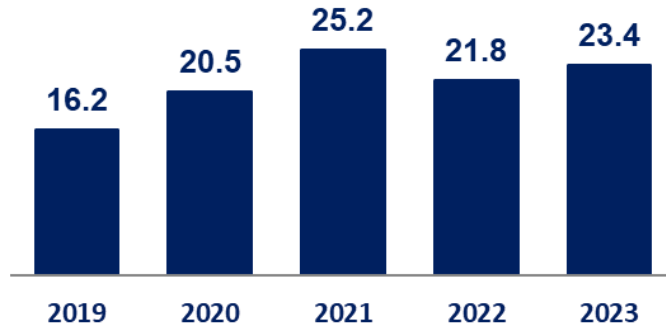


KEY INDICATORS

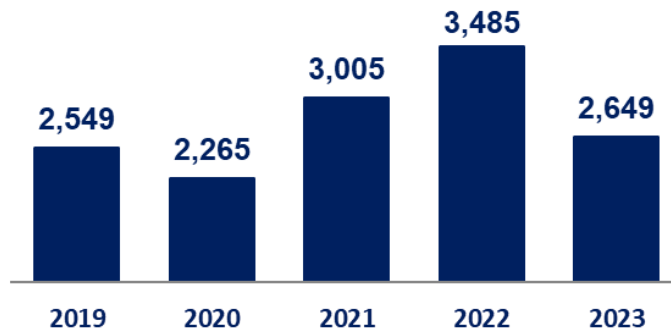
Key Indicators

Market Indicators

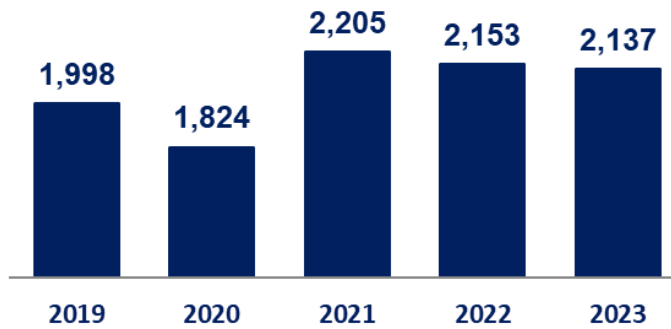
Graph 3: Evolution of the average spot price of silver (USD/oz)



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

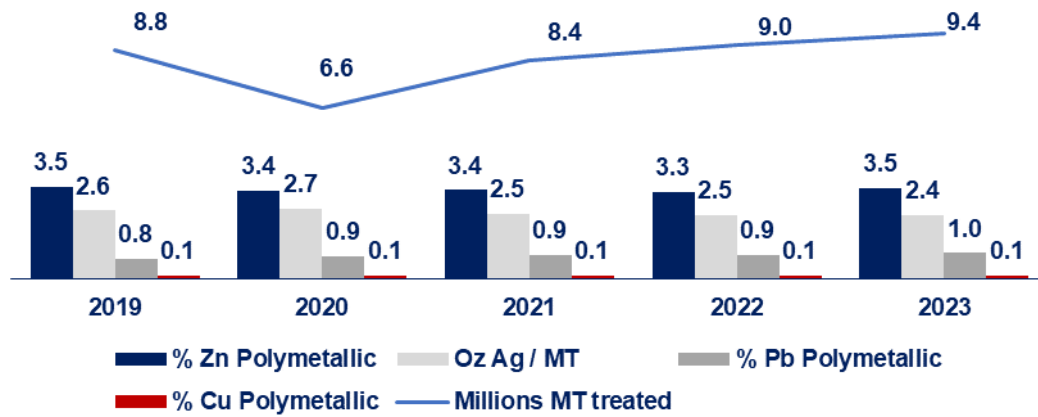


Graph 5: Evolution of the average spot price of lead (USD/MT)

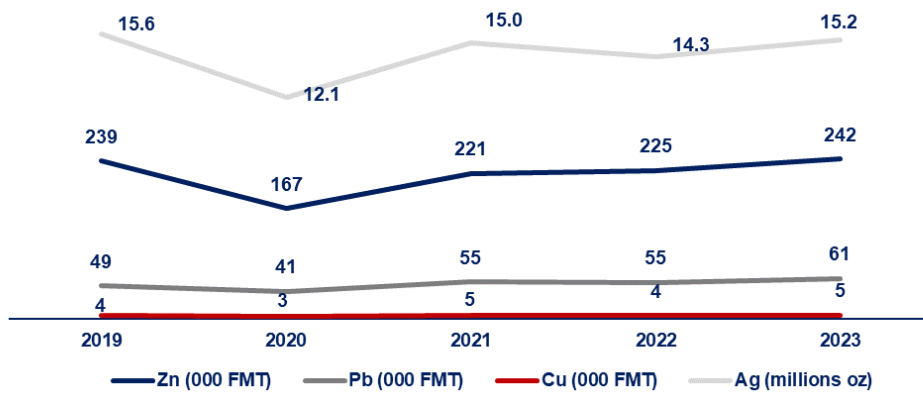


Production Indicators

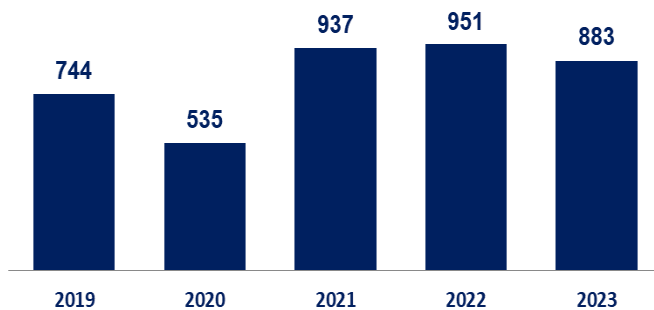
Graph 6: Evolution of production and average grades



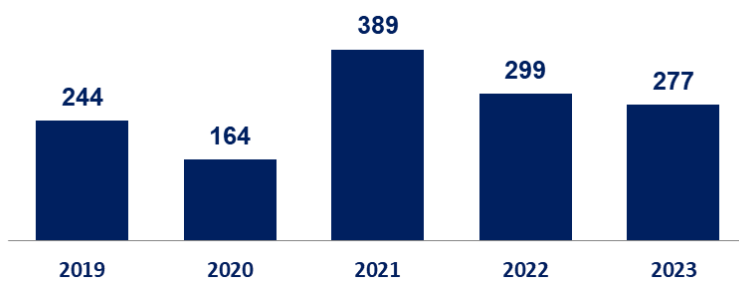
Graph 7: Evolution of fines production



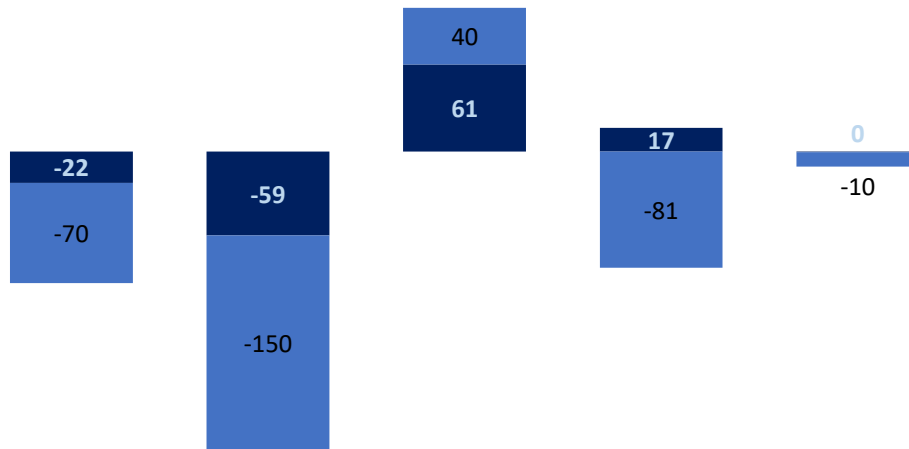
Graph 8: Evolution of sales (million USD)



Graph 9: Evolution of EBITDA (million USD)



Graph 10: Evolution of net income (million USD)



- Net profit after exceptionals
- Net profit before exceptionals

CHAPTER 7



**ORE RESERVES
AND RESOURCES**

Ore Reserves and Resources

The estimation of Volcan's mineral resources and reserves as of December 31st, 2023, was conducted following the best industry practices and international standards established in the JORC CODE. Additionally, it is supported by the technical expertise of Glencore's technical team.

The mineral resources listed in this report also include those that originate reserves. Specialized software in the fields of geology and mine planning was used for the process of estimating mineral resources and reserves.

The drilling programs during 2023 were strategically subdivided as follows: (i) exploration drilling, to incorporate new inferred economic resources and evaluate areas with high geological-economic potential, and (ii) infill drilling, aimed at reclassifying inferred resources to indicated and indicated to measured, with the goal of increasing geological certainty of the mining plan blocks and replenishing and increasing reserves. This involves dynamically relocating drilling programs to strategic areas where the highest volume of resources that can be converted into reserves can be obtained. The development of exploration drilling and infill drilling programs allowed for proper production planning and ensured its long-term sustainability.

The estimation of resources and reserves as of December 31st, 2023, was carried out using the annual projections of long-term metal prices for each operating unit.

Mineral Reserves

Mineral reserves are the economically mineable portion of a measured and indicated mineral resource whose extraction is viable based on evaluation with various modifying factors. Reserves include material dilution, contingencies for losses that may occur during mining, and associated costs for exploitation. Reserves are categorized as proven or probable according to their degree of certainty.

Table 6: Evolution of Total Mineral 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
2023	29,718	3.9	0.9	0.1	2.3	1,162	275	64

The current estimation was conducted applying the guidelines established by the best industry practices, aligning Volcan's procedures and methodologies with the standards used by Glencore at the corporate level. Procedures have been adapted across all Volcan units.

The Company's reserves as of December 31st, 2023, decreased by 5.7% compared to the previous year. Zinc fines remain the same as the previous year, while Pb decreased by 4k tons and Ag by 11 Moz.

In the Yauli units, reserves remained similar to those of 2022. Regarding grades, there were no significant changes, with Zn varying by -1%, Pb by -4%, and Ag by 2.0% compared to 2022.

In the Chungar units, there was an 11% increase in reserves compared to 2022, with a variation of +2% in Zn, +11% in Pb, and -6% in Ag regarding the grades of 2022. These results do not include the Islay mine in 2023, as no reserves were reported due to operations suspension.

The Alpamarca unit experienced a decrease in its reserves of -53% compared to 2022; regarding its grades, there was a variation of -27% in Zn, -19% in Pb, and -42% in Ag.

For the Cerro de Pasco unit, there was a decrease in reserves of -16% compared to 2022, with a variation of +10% in Zn, -10% in Cu, and -12% in Ag regarding its grades.

In the Oxides Open Pit, 0.4 million tons of reserves were obtained with grades of 5.3 oz/t of Ag and 0.5 g/t of Au.

Table 7: Proved and Probable Mineral Reserves by Mining Unit

Mineral Reserves Proven and Probable	MM of MT	Grade				Fines			
		Zn	Pb	Cu	Ag	Zn	Pb	Cu	Ag
		%	%	%	Oz/MT	Thousands of MT	Thousands of MT	Thousands of MT	Millions of oz
Yauli	16.1	4.87	0.79	0.14	2.69	79	13	2	43
Proven	5.6	5.58	0.81	0.14	2.61	32	5	1	15
Probable	10.5	4.48	0.79	0.15	2.73	47	8	2	29
Chungar	4.6	4.69	1.92	0.16	2.10	21	9	1	10
Proven	0.8	5.16	2.22	0.22	1.99	4	2	0	2
Probable	3.7	4.58	1.85	0.15	2.12	17	7	1	8
Alpamarca	0.3	0.71	0.65	0.03	0.84	0	0	0	0
Proven	0.3	0.73	0.68	0.03	0.84	0	0	0	0
Probable	0.0	0.58	0.37	0.03	0.87	0	0	0	0
Cerro de Pasco	8.3	1.94	0.70	0.07	1.49	16	6	1	12
Proven	8.3	1.94	0.70	0.07	1.49	16	6	1	12
Oxidos	0.4	0.00	0.00	0.00	5.30	0	0	0	2
Proven	0.0	0.00	0.00	0.00	6.53	0	0	0	0
Probable	0.4	0.00	0.00	0.00	5.29	0	0	0	2
Proven	6.8	5.32	0.98	0.14	2.46	36	7	1	17
Probable	22.9	3.49	0.91	0.12	2.23	80	21	3	50
Total	29.7	3.91	0.93	0.12	2.29	116	28	4	67

Mineral Resources

The mineral resources presented in the estimation as of December 31st, 2023, include the resources that originate the reserves. This way of reporting resources differs from the one used by Volcan in previous estimates, prior to 2018, where the resources that originated the reserves were excluded. It is important to note that both ways of reporting resources are in line with the standards of the JORC code.

For reporting mineral resources in Volcan, a cutoff grade is used, covering underground operations (UG) and projects. For open-pit operations (OP), reporting is done using a resource pit (same modifying factors as reserves), ensuring the removal of uneconomic mineralized material.

Table 8: The Evolution of Total Mineral Resources - Volcan and subsidiaries

Evolution of mineral resources (*)	Thousands of MT	Grade				Fines		
		Zn %	Pb %	Cu %	Ag oz/MT	Zn Thousands of MT	Pb Thousands of MT	Ag Millions of oz
2015	114,007	5.6	1.2	0.2	3.8	6,421	1,401	434
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
2023	93,482	5.3	1.2	0.2	3.1	4,965	1,144	288

(*) 2023 mineral resources report. This does not include Cerro de Pasco or exploration projects.

Overall, mineral resources, excluding Cerro de Pasco and exploration projects, have decreased by 2.2 million, mainly reflected in the San Cristóbal, Carahuacra, Cerro, and Alpamarca mines. The main factors contributing to this decrease are the refinement of vein widths in geological models and the updating of resource pits for open-pit mines.

Table 9: Measured, Indicated and Inferred Resources

Measured, Indicated, and Inferred Resources*	Millions of MT	Grades				Fines			
		Zn %	Pb %	Cu %	Ag oz/MT	Zn %	Pb %	Cu %	Ag oz/MT
Measured	40.0	3.3	0.8	0.3	1.5	1,323	337	125	61
Indicated	106.8	2.9	0.9	0.2	1.7	3,112	929	257	186
Inferred	324.0	2.6	0.6	0.3	1.2	8,433	2,013	1,008	402
Total Resources	470.8	2.7	0.7	0.3	1.4	12867	3280	1389	648

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

Table 10: 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		48.9	5.9	1.3	0.2	3.2
Yauli	San Cristóbal	17.4	6.1	1.0	0.2	3.8
	Carahuacra	4.9	5.5	0.8	0.1	2.6
	Andaychagua	8.7	5.9	1.1	0.1	3.1
	Ticlio	4.8	4.7	0.9	0.3	1.6
Chungar	Animón	10.3	7.3	2.4	0.2	2.8
	Islay	2.8	1.8	0.9	0.1	4.6
Open pits		1.8	0.4	0.4	0.1	4.9
Cerro	Óxidos <i>in situ</i>	1.3	0.1	0.2	0.1	6.1
Alpamarca	Alpamarca	0.5	1.1	0.9	0.1	1.4
Stockpiles		14.1	1.5	0.6	0.1	2.3
Cerro	SP Óxidos	3.8	0.4	0.5	0.2	4.8
	SP Sulfuros	10.3	1.9	0.7	0.1	1.4
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		146.8	3.0	0.9	0.3	1.6

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

Inferred resources are an important indicator regarding the ability to grow and ensure the future sustainability of operations. A significant portion of the mentioned resources will be converted into reserves in the short and medium term through the execution of infill drilling programs.

Table 11: Inferred Resources by Mining Method

Inferred mineral resources by mining method		Millions of MT	Grade			
			Zn %	Pb %	Cu %	Ag oz/MT
Underground mines		43.4	4.8	1.2	0.2	3.0
Yauli	San Cristóbal	13.5	4.9	0.9	0.2	3.0
	Carahuacra	3.8	5.1	0.9	0.1	3.2
	Andaychagua	5.0	5.0	1.0	0.2	4.0
	Ticlio	5.1	4.8	1.2	0.3	2.2
Chungar	Animón	12.8	5.3	1.8	0.2	2.6
	Islay	3.2	1.5	0.7	0.0	4.3
Open pits		61.4	4.9	1.8	0.2	3.4
Cerro	Raúl Rojas	45.0	6.5	2.4	0.2	3.4
	Óxidos In Situ	0.3	0.1	0.2	0.1	6.2
	Piritas (Oxidos)	15.4	0.3	0.3	0.4	3.4
Alpamarca	Alpamarca	0.7	1.1	0.5	0.1	1.5
Stockpiles		11.4	2.0	0.7	0.1	1.5
Cerro	SP Óxidos	0.7	0.8	0.9	0.2	5.9
	SP Sulfuros	10.7	2.0	0.6	0.1	1.3
Projects		207.8	1.5	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	32.2	6.4	0.0	0.7	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		324.0	2.6	0.6	0.3	1.2

The inferred resources in the polymetallic mines (underground, open pits, and stockpiles) represent 36% of Volcan's total. Meanwhile, the inferred resources from projects represent 64% of the total inventory of 324 million tons, with a significant increase in tonnage of inferred resources in Esperanza (Chungar).

Table 12: Distribution of Inferred Resources

Inferred mineral resources		Millions of MT	%	Total %
Polymetallic Mines	Yauli	27.4	8%	36%
	Chungar	16.0	5%	
	Cerro	72.1	22%	
	Alpamarca	0.7	0%	
Projects	Palma	10.8	3%	64%
	Romina	8.1	2%	
	Carhuacayan	6.6	2%	
	Zoraida	2.0	1%	
	Esperanza	32.2	10%	
	Santa Bárbara	140.2	43%	
	Rondoní	7.8	2%	
Total inferred resources		324.0	100%	100%

CHAPTER 8



MINING OPERATIONS

Mining Operations

Volcan's mining operations are located in the central highlands of Peru. This traditionally mining area is particularly beneficial for the sector due to its geological potential, proximity to Lima, and easy access to major transportation routes.

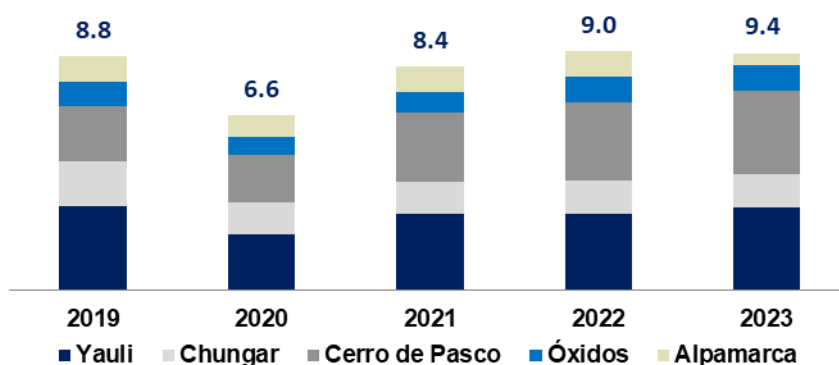
Volcan has four operating units: Yauli, Chungar, Cerro de Pasco, and Alpamarca; four underground mines in operation, two open pits, five active concentrator plants operating with a treatment capacity of 25,650 tpd, and a 2,500 tpd leaching plant (Oxides).

Table 13: Units and mines by type

Mining Unit	Mines			Plants		Explorations and Mining Concessions	
	Name	Type	State	Name	Type	Number	Ha(000)
Yauli	Andaychagua	Underground	Active	Andaychagua	Concentrator	26	46
	San Cristóbal Carahuacra	Underground	Active	Victoria	Concentrator		
	Ticlio	Underground	Active	Mahr Túnel	Concentrator		
Chungar	Animón	Underground	Active	Animón	Concentrator	11	14
	Islay	Underground	Suspended				
Alpamarca	Alpamarca	Open pit	Active	Alpamarca	Concentrator	1	37
Cerro de Pasco	Mina Subterránea	Underground	Suspended	Paragsha-Ocroyoc	Concentrator	29	18
	Raúl Rojas	Open pit	Active	San Expedito	Concentrator		
	Vinchos	Underground	Suspended	Óxidos de Pasco	Leaching		
Greenfield Exploration						515	236
Total concessions						582	351

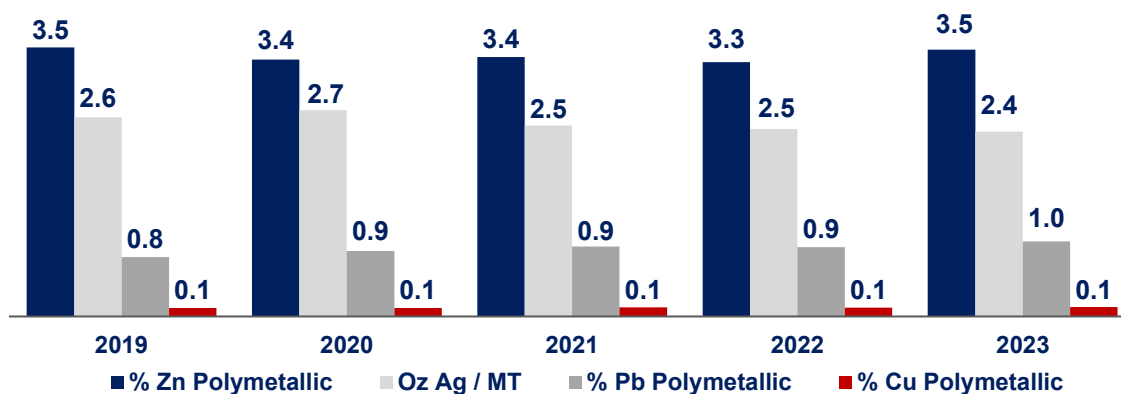
The processed tons increased from 9.0 million in 2022 to 9.4 million in 2023, thanks to operational improvements and process optimization mainly in the Andaychagua, San Cristobal, Carahuacra, Ticlio, and Cerro de Pasco mines.

Graph 11: Evolution of Treated Tonnage (millions of tons)



During 2023, the average ore grades for the Volcan consolidated were as follows: 3.5% Zn, 0.9% Pb, 0.1% Cu, and 2.4 oz Ag per ton. There was an increase in grades compared to 2022, with 4.8% in Zn, 8.3% in Pb, 5.6% in Cu, and a slight reduction of 1.2% in Ag grade.

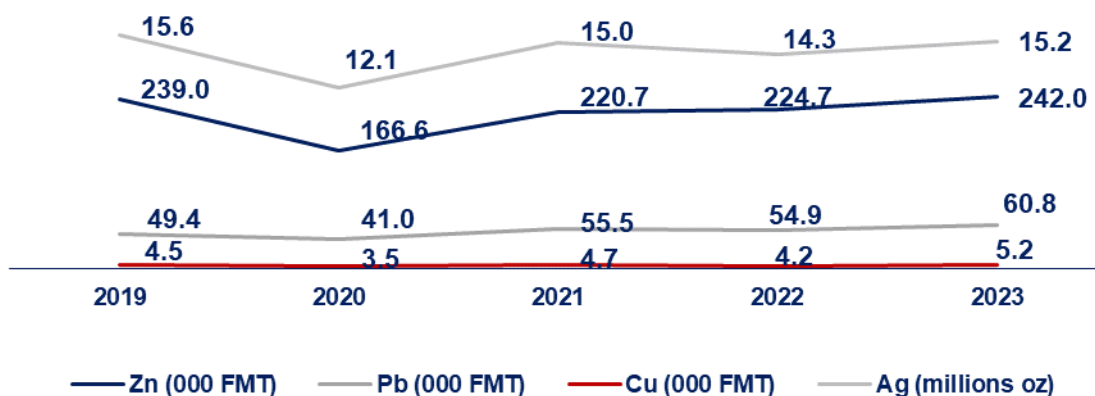
**Graph 12: Evolution of Average Grades
Volcan's consolidated**



In terms of fine metal production, in 2023, 242.0 thousand metric tons of zinc, 60.8 thousand metric tons of lead, 5.2 thousand metric tons of copper, and 15.2 million ounces of silver were produced. There was an increase compared to 2022 of 7.7% in zinc, 10.8% in lead, 23.7% in copper, and 6.2% in silver.

Graph 13: Evolution of fines production

Volcan's consolidated

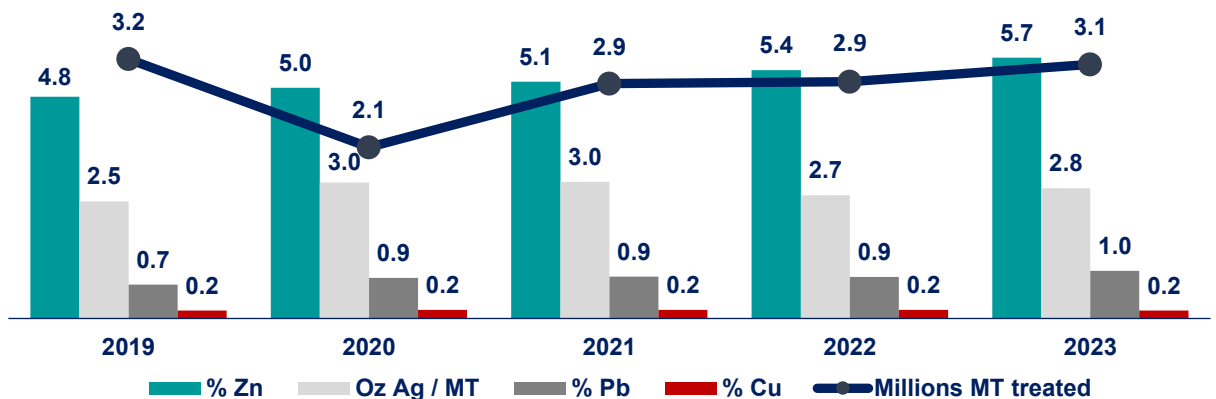


Yauli Unit

The Yauli operating unit is located in the Junín region, 40 kilometers from the city of La Oroya and 170 kilometers from Lima, making it accessible by road and railway. Currently, three underground mines are in operation: San Cristóbal Carahuacra, Andaychagua, and Ticlio. The extracted ore from these mines is processed in two concentrator plants, Victoria and Andaychagua, with an installed capacity of 8,650 tpd. The Mahr Tunel plant, with a capacity of 2,750 tpd, is currently in care and maintenance.

The ore treatment in the two concentrator plants reached 3.1 million tons, representing 33% of the consolidated Volcan treated ore. The head grades were 5.7% Zn, 1.0% Pb, 0.2% Cu, and 2.8 oz Ag/MT, slightly higher, except for copper, compared to 2022, when it was 5.4% Zn, 0.9% Pb, 0.2% Cu, and 2.7 oz Ag/MT.

Graph 14: Evolution of treated tonnage and average grades Yauli



The production of zinc fines reached 166.9 thousand fine metric tons, lead production reached 28.4 thousand fine metric tons, copper production reached 2.8 thousand fine metric tons, and silver production reached 7.8 million ounces, representing an increase of 12.9%, 27.5%, 3.5%, and 17.6%, respectively, compared to 2022.

Graph 15: Evolution of Yauli fines production

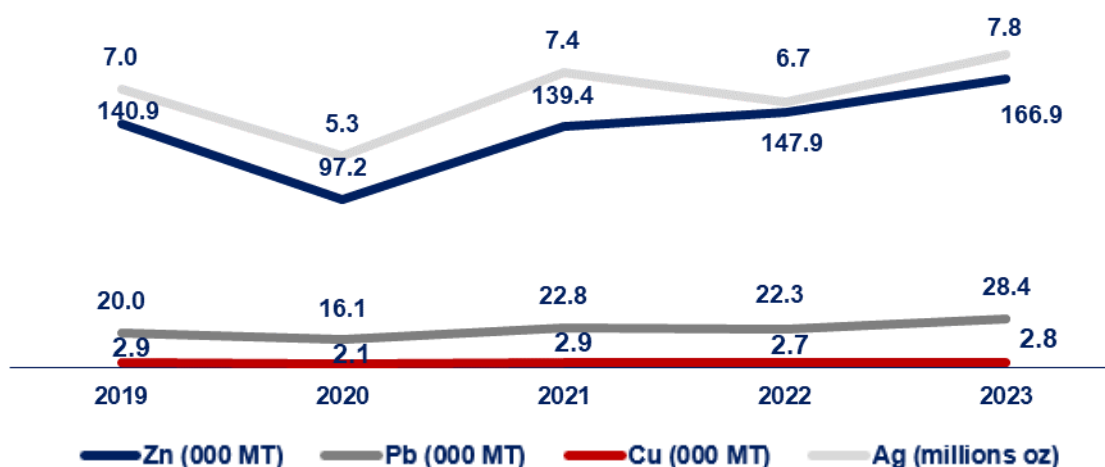


Table 14: Yauli production by mine

	Tons treated (000 MT)		Zn grade (%)		Pb grade (%)		Cu grade (%)		Ag grade (oz/MT)	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
San Cristóbal	1,315	1,778	5.4	5.0	0.7	0.8	0.2	0.2	3.0	3.2
Andaychagua	776	947	6.1	7.0	1.2	1.6	0.1	0.1	2.1	2.3
Ticlio	367	381	4.9	5.4	0.8	0.7	0.4	0.4	2.4	2.6
Carahuacra	436	0	4.5	0.0	0.9	0.0	0.1	0.0	2.9	0.0
Tajo Carahuacra Norte	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Yauli	2,894	3,106	5.4	5.7	0.9	1.0	0.2	0.2	2.7	2.8

Note: Starting from 2023, San Cristobal and Carahuacra became a single unit

Mines

In 2023, all operational activities were carried out safely and under stable conditions across all our mining units. Significant improvements were made, such as optimizing concentrator plants, updating inventory, and advancing the maintenance of old workings ('liabilities'), executing strategic mine infrastructure, and strengthening operational discipline to ensure compliance with standards and best practices, guaranteeing the achievement of our production objectives safely and at lower costs.

We continued with improvements in operational processes and the strengthening of management tools such as the Opening Workings File and Block Plan, reducing risks from the design stage, managing linear progress in workings, and adhering to mining plans. The efficiency of primary development progress and alignment with the plan increased from 50% to 70% compared to 2022. Similarly, regarding

dilution in production areas, controls were established from the design stage, such as standardizing drilling meshes considering rock quality and designing explosives loading for each mining work, leading to a reduction from 12% to 10% in OCF (over cut and fill) and from 28% to 24% in SLS (sub-level stoping).

Furthermore, in 2023, the implementation of important infrastructures in different mining units continued. In San Cristóbal-Carahuacra, mine infrastructure was enhanced to improve productivity in operations. The energy capacity in Ticlio was also increased by installing a higher-capacity cable triplet from the San Nicolas power station on the surface to the mine interior, to meet the energy demand for mine deepening. In Andaychagua, the grinding circuit in the concentrator plant was optimized by replacing obsolete equipment with more efficient ones, aiming to utilize an additional 5% of the regulated nominal capacity, leading to cost reductions due to equipment efficiency improvements.

San Cristóbal Mine - Carahuacra

There was a slight increase in ore treatment, reaching 1.8 million tons processed compared to 1.8 million ton in 2022. In terms of fine production, there was an increase of 9% in Pb, 3% in Cu, and 12% in Ag compared to 2022; however, there was a slight decrease of 2% in zinc fines.

During this period, investments were made in key infrastructure projects to strengthen safety and conditions in our mining operations. These included the construction of the GCOM and Videoconferencing Room at Level 1220, the installation of the powder magazine at Level 1020, and the implementation of advanced shelters. These initiatives reflect our commitment to the safety and well-being of our team, ensuring a safe and productive working environment.

In line with our vision of sustainability and growth, the Geology department directed its exploration efforts towards consolidating new sectors with high economic value near operational infrastructure. This involved the thorough validation of ore quality on structures with mining plans and the assessment of opportunities in sectors with high geological-economic potential, including lateral extensions and deepening of veins, mantles, and bodies. Additionally, the discovery of new structures with high-grade zinc and silver mineralization styles is being consolidated, located in the operational lateral extension known as the "Pucará Corridor," historically mined by open pit (Gavilán, Toldorrumi) and massive underground mining (Huaripampa Body).

As of December 2023, mineral reserves reached 11.1 million tons, with grades of 4.7% Zn, 0.8% Pb, 0.1% Cu, and 91.0 g/t Ag. This projection provides the opportunity to extend the Life of Asset (LoA) compared to the previous year.

Andaychagua Mine

The head grades of Mina Andaychagua increased by 14.0% for Zn, 27.7% for Pb, and 10.4% for Ag compared to 2022, due to the higher contribution of controlling structures with high grades of zinc and lead like the Salvadora and Salvadora Norte bodies. The increase in silver grade is attributed to the greater contribution of veins such as Ramal Andaychagua and Dolores in the upper zone of the mine.

Additionally, compared to 2022, ore production increased by 22%, and the production of Zn, Pb, and Ag fines increased by 39%, 58%, and 36%, respectively. Factors contributing to this positive variation included increased contribution from body zones (Salvadora and Salvadora Norte), improved mineralization horizons of Ag in structures such as Veta Ramal Andaychagua and Veta Dolores, as well as the absence of operational shutdowns due to union issues or other related events.

The exploration program led to the incorporation of new economically viable mineral resources in Veta Valentina and the extensions of bodies such as Salvadora Norte, Prosperidad Techo, Andaychagua, and Adriana, yielding satisfactory results with high grades of zinc, lead, copper, and silver. Similarly, the discovery of the Katherine vein is being consolidated, with preliminary results also showing high grades of zinc, lead, copper, and silver.

Ticlio Mine

Compared to 2022, there was an increase in the head grade of Zn by 11.8% and Ag by 9.9% due to a higher contribution from the Ramal Techo vein and Cuerpo Reemplazamiento in the western zone of the mine, and a decrease in Pb grades by 6.6% and Cu by 2.1% due to reduced production from sub-level stoping stopes resulting from delays in mining cycles.

The tonnage of ore treated increased by 3.7% compared to 2022; likewise, the production results of fines in zinc, copper, and silver increased by 18%, 7%, and 17%, respectively; however, there was a slight decrease in lead. The highest production volume came from the Ramal Techo vein in the western sector.

In 2023, in addition to the goal of reclassifying and increasing certainty in indicated and inferred resources, the exploration strategy focused on new areas near the operation, such as Cuerpo Reemplazamiento, yielding significant results in zinc, lead, copper, and silver. Similarly, an exploration campaign was initiated to discover mineralization with high economic value in the Giuliana-Reina and Katti vein systems, located at the footwall and hanging wall, respectively, of the most important vein at the Ticlio unit, known as Ramal Techo.

Energy investments were directed towards replacing obsolete panels with standardized panels according to the requirements of the Deadly Hazards Electrical Safety Protocol (Ground Check Boards, Nema 58 and 150 HP, Soft Starter for secondary fans). Improvement of the main San Nicolas substation with 2 power transformers of 8/10 MVA and 3 MVA with a voltage level of 50 kV/2.4 kV to ensure voltage level reliability for mine deepening, pumping system, ventilation system, and trackless equipment operation.

Carahuacra Norte Pit

The Carahuacra Norte Pit has been on hold since 2018; conceptual studies are being conducted for the tailings deposit.

Table 15: Tonnage treated in Yauli by concentrator plant

	Tons treated (000 MT)		Zn concentrated (000 MT)		Pb concentrated (000 MT)		Cu concentrated (000 MT)	
	2022	2023	2022	2023	2022	2023	2022	2023
Victoria	1,857	1,901	182	183	23	23	10	10
Andaychagua	1,037	1,205	105	139	19	28	0	0
Total Yauli	2,894	3,106	287	323	41	51	10	10

The two concentrator plants achieved an average recovery of 94.8% for Zn, 88.2% for Pb, 52.3% for Cu, and 88.7% for Ag, representing an increase compared to 2022 when recoveries were 94.7% for Zn, 85.2% for Pb, 50.9% for Cu, and 86.0% for Ag.

Concentrator Plants

Victoria Plant

The Victoria concentrator plant has a processing capacity of 5,200 tpd. During 2023, various metallurgical evaluations were conducted using environmentally friendly organic reagents. As a result of these tests, partial replacement of Zinc Sulfate with the RA-116 reagent, a zinc sulfide depressant, was achieved. This led to significant cost savings due to a 50% reduction in Zinc Sulfate consumption while maintaining the expected results in terms of quality and recovery.

In 2023, the following recovery rates were achieved: Zn 95.2%, Pb 84.3%, and Ag 89.1%, representing increases in Zn of 0.2%, Ag of 3.6%, and Pb of 3.7% compared to 2022.

Andaychagua Plant

The processing capacity of the plants at Andaychagua is 3,450 tpd (PAND1 2,950 tpd and PAND2 500 tpd).

The following recovery rates were achieved in 2023: Zn 94.5%, Pb 92.0%, and Ag 88.6%, which showed positive variations compared to 2022 of 0.1% in Zn, 1.4% in Pb, and 1.8% in Ag due to better head grades than planned.

In the last quarter of 2023, the installation of the RCS 100 cell was carried out in the zinc flotation circuit as a replacement for obsolete equipment, aiming to achieve a 95% recovery of Zn.

An optimization was also conducted in the grinding circuit, changing the grinding standard to increase the P80. This parameter is in line with the liberation grade needed for the mineral. Therefore, secondary mills No. 2 and No. 3 were stopped after an industrial evaluation, without affecting the metallurgical performance of the process. These changes resulted in a reduction in operating costs due to lower energy consumption and steel usage.

Mahr Tunel Plant

The Mahr Tunnel plant has a processing capacity of 2,750 tpd. Since 2020, it has been in care and maintenance.

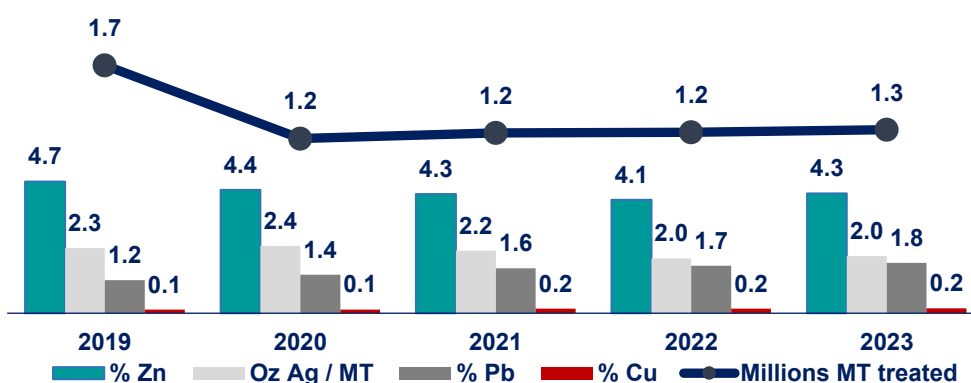
Chungar Unit

The Chungar operating unit is located in the Pasco region, 219 kilometers east of Lima. It consists of two underground mines: Animon and Islay, and the Animon concentrator plant. Mine Islay ceased operations on July 20th.

The ore processing reached 1.26 million tons, representing 15% of Volcan's consolidated ore processed. During 2023, the processing was slightly higher than that of 2022 (1.2%).

The processed ore was treated at the Animon plant with grades of 4.3% Zn, 1.8% Pb, 0.2% Cu, and 2.0 oz Ag/MT. Compared to 2022, there was an increase of 5.6% in Zn, 6.5% in Pb, 6.6% in Cu, and 3.8% in Ag.

Graph 16: Evolution of Treated Tonnage and Average Grades Chungar



Zinc fine production was 49.9 thousand tons, lead fine production was 21.0 thousand tons, copper fine production was 1.2 thousand tons, and silver fine production was 2.2 million ounces, which represented an increase of 7.0% in Zn, 8.1% in Pb, and 7.7% in Ag, as well as a decrease of 5.2% in Cu compared to 2022.

Graph 17: Evolution of Fine Production Chungar

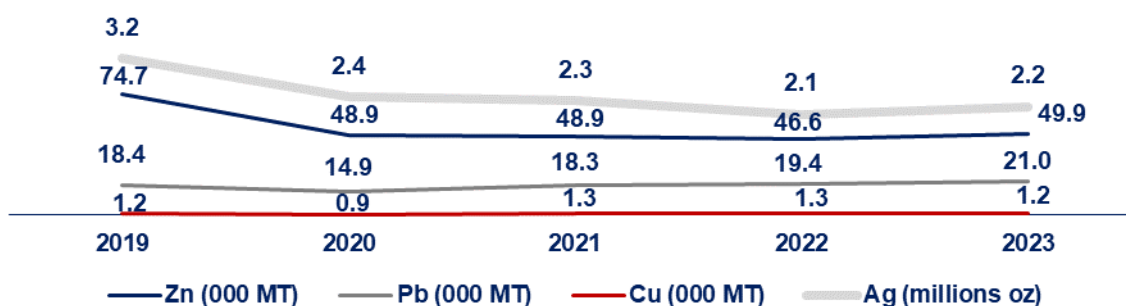


Table 16: Production of Chungar by mine

	Tons treated (000)		Zn grade (%)		Pb grade (%)		Cu grade (%)		Ag grade (Oz/MT)	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Animón	1,081	1,149	4.4	4.5	1.8	1.9	0.2	0.2	1.6	1.8
Islay	165	112	2.2	2.2	1.0	1.2	0.1	0.1	4.3	4.2
Total Chungar	1,246	1,261	4.1	4.3	1.7	1.8	0.2	0.2	2.0	2.0

Mines

The Chungar unit operates two underground mines. In 2023, Animon reached a production capacity of 3,200 tpd, and Islay reached a production capacity of 520 tpd; this mine was shut down on July 20th. The tons of ore produced by these two mines are processed at the Animon plant.

Animon Mine

The treated ore tonnage was 6.3% higher compared to 2022. Additionally, the production results of zinc, lead, and silver fines increased by 9.8%, 10.1%, and 24.9%, respectively, while fine copper production decreased by 4.0% compared to 2022. In 2023, the Animon mine continued to increase ore production using the Sub Level Stoping (SLS) method, reaching a 27% contribution to production, improving ore quality with lower exploitation costs. In the concentrator plant, starting in September 2023, the Pb-Cu separation circuit was reactivated, allowing for the production of copper concentrates.

During 2023, 13 transformers were switched from mineral to vegetable oil as part of the catastrophic risk management plan. Three fire watch systems were installed in electrical substations for monitoring and alarm in case of fire. One new electrical substation was constructed, and two substations were upgraded for greater reliability. Additionally, three new pumping substations were completed. A total of 564 meters of ventilation shafts with a diameter of 2.4 meters were executed using the raise borer method, and the mechanized shotcrete support of Rb 136, measuring 341 meters, was carried out. Mobile Mining Refuges were standardized, achieving 100% coverage for all personnel entering the mine.

The 2023 mine exploration program allowed the delineation of new mineral resources in sectors with high economic value, located in the lateral extensions and deepening of main veins, such as Andalucía, Andalucía V4, Ofelia, María Rosa Oeste, and Ramal Piso 3 Este. Additionally, the discovery of the Janeth Piso – Split Janeth – Split Janeth Oeste vein system was consolidated, with high grades of zinc, lead, copper, and silver. The discovery of new veins such as Raquel and Split NW 2 Carmen, as well as polymetallic bodies like Keren and Deby, is also being configured, with preliminary results showing economic grades of zinc, lead, and silver.

Brownfield exploration on the Esperanza body incorporated 32 million tons of inferred resources and increased potential mineral with economic grades of zinc and copper.

Islay Mine

Mineral production was 31.8% lower compared to 2022, due to the shutdown on July 20, 2023. The production results of zinc, lead, copper, and silver fines decreased by 31.5%, 16.3%, 23.8%, and 33.6%, respectively.

No exploration with diamond drilling (DDH) was carried out in Islay. Operations in Islay were halted due to high operating expenses (Opex) and high capital expenditure (Capex) demands to continue deepening the mine and due to the depletion of reserves.

Table 17: Concentrate Production

Animon Treatment Plant (000 MT)	2022	2023
Treated tonnage	1,246	1,261
Zn concentrated	82	88
Bulk concentrates	36	26
Cu concentrates	0	1

Animon Plant

During 2023, the Animon concentrator plant achieved zinc recoveries of 91.9%, lead of 91.9%, and silver of 86.5%, resulting in a positive variation compared to 2022 of 0.1% for Zn, 0.3% for Pb, and 2.0% for Ag. Among the most important projects was the restart of the lead/copper separation circuit, initially achieving a copper recovery of 43% with a grade of 19.9%. Following circuit optimization in the last months of the year, a copper recovery of 50% and a grade of 25.2% were achieved.

Until July, Animon/Islay blending was performed, and starting from August, the treatment was 100% Animon ore. In the tailings filtering plant, emphasis was placed on the performance of filtering cloths, achieving a performance of 90 days compared to the previous maximum of 60 days.

Alpamarca Unit

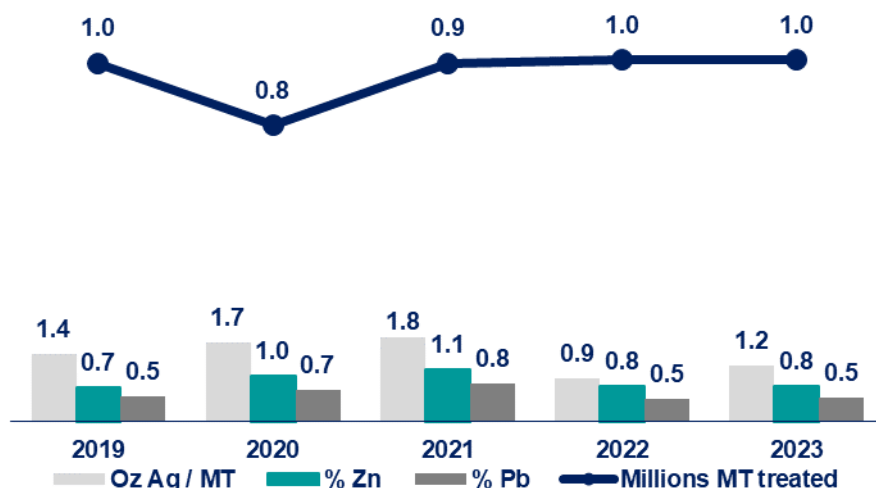
The Alpamarca operating unit is located in the district of Santa Bárbara de Carhuacayán, province of Yauli, Junín region, 182 kilometers east of Lima.

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

The ore processed in the plant came from the Alpamarca open pit, stockpiles, and old DR-01 tailings. The treatment reached 958 thousand tons with average grades

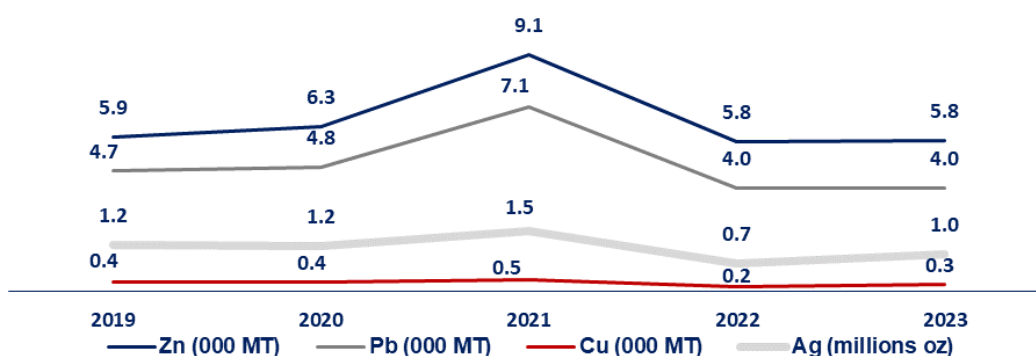
of 0.8% Zn, 0.5% Pb, and 1.2 oz Ag/MT compared to 2022 when 958 thousand tons were processed with grades of 0.8% Zn, 0.5% Pb, and 0.9 oz Ag/MT.

Graph 18: Treated Tons and Average Grades



Regarding fine production, there was a 0.7% increase in zinc fines and a 0.5% decrease in lead fines compared to 2022. Meanwhile, silver production saw a 34.6% increase compared to 2022.

Graph 19: Alparmarca Fine Production



Río Pallanga Mine

The progress and production of the underground mine have remained temporarily suspended since December 2015.

Alpamarca Pit

According to the reserve update as of December 2023, the exploitation of the Alpamarca open pit is projected to continue until July 2024. The concentrator plant will process ore from both the open pit and stockpiles.

In 2023, the production from the open pit amounted to 440 thousand tons of ore. Additionally, 313 thousand tons of ore from stockpiles and 260 thousand tons from old tailings were fed into the concentrator plant. Furthermore, 1.22 million tons of waste were extracted from preparation areas, resulting in a stripping ratio of 2.8.

Economic evaluations are being conducted to incorporate new exploitation sectors that could extend the operation of the Alpamarca unit.

- Restart of mining in the South Pit with the alternative of extracting areas with exposed ore and clear geological continuity.
- Expansion of mining in the Central Pit's West wall (Mining Bench) presents an economic opportunity following mining activities in 2023.
- Expansion of mining in the North Pit, integrating with the Central Pit.

Alpamarca Plant

Table 18: Concentrate Production

Alpamarca Treatment Plant (000 MT)	2022	2023
Treated tonnage	958	958
Zn concentrates	11	11
Bulk concentrates	7	7

The Alpamarca concentrator plant processed 958 thousand tons of polymetallic ore from the Alpamarca open pit, stockpiles, and old tailings. The Alpamarca plant achieved good metallurgical performance, with recoveries of 82.3% for Pb, 79.6% for Zn, and 83.6% for Ag. These recoveries were higher for Zn and Ag compared to 2022, where recoveries were 79% and 81.2%, respectively; however, they were lower for Pb, which had a recovery of 84.3%.

Cerro de Pasco Unit - Sulfides

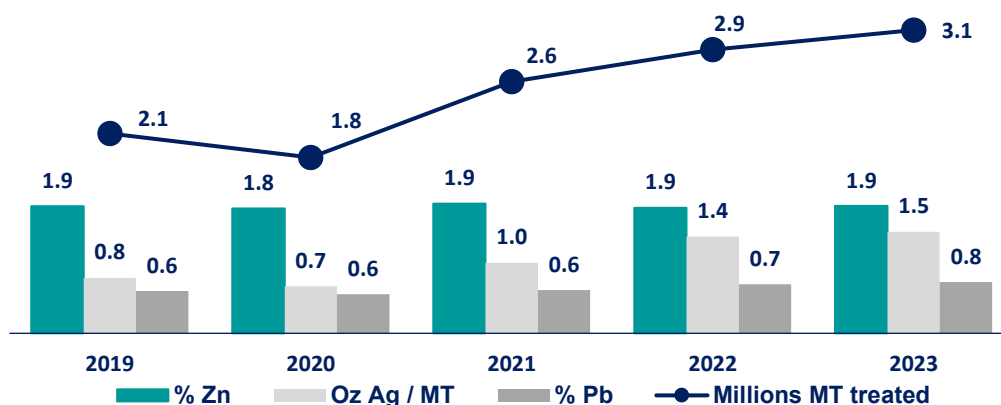
The Cerro de Pasco operating unit is located in the Pasco region, approximately 295 kilometers from Lima, with access via the Central Highway.

The treatment of stockpile ore at the Paragsha-San Exedito plant was 3.1 million tons, with grades of 1.9% Zn, 0.8% Pb, and 1.5 oz Ag/MT. This represents a higher

tonnage compared to 2022, when 2.9 million tons were processed with grades of 1.9% Zn, 0.7% Pb, and 1.4 oz Ag/MT. This increase was due to a progressive rise in the plant's treatment level, reaching 9,000 tpd by the end of 2023.

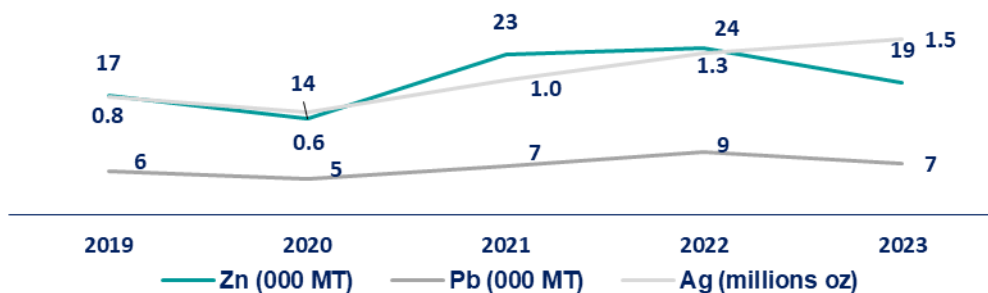
In exploration, a diamond drilling program was developed, and geomechanical drill holes were repurposed. Together, these efforts allowed for the reconfiguration of the geology of the East Wall of the Raúl Rojas Pit, in the sector known as CNB. This led to the delineation of economic mineralization and the identification of a new mineralized body (Emilia) with high grades of zinc, lead, and silver.

Graph 20: Evolution of Treated Tonnage and Average Grades - Cerro de Pasco



The production of fines amounted to 19 thousand tons of zinc, 7 thousand tons of lead, and 1.46 million ounces of silver compared to the 2022 results, where 24 thousand tons of zinc, 9 thousand tons of lead, and 1.29 million ounces of silver were obtained.

**Graph 21: Evolution of Fine Production
Cerro de Pasco**



Mines

Paragsha Underground Mine

The Paragsha mine remained temporarily suspended. However, the infrastructure for the pumping system remains operational and in good condition. From 2021 to May 2023, 9,039 linear meters of main mining works associated with the underground water pumping system (acidic and neutral) were rehabilitated.

Raúl Rojas Pit Mineral Stockpiles

Marginal ore stockpiles from previous years' exploitation and oxide ore from the Raúl Rojas pit (Santa Rosa area) In Situ Oxides and Pyrite stockpiles have been treated.

Vinchos Mine

The Company is in process of closing this mine.

Planta San Expedito/Paragsha

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

The treatment tonnage increased from 2,941 to 3,146 thousand tons with the commissioning of a new mill (Rod Mill No. 4), achieving sustainability from July onwards.

Table 19: Concentrate Production

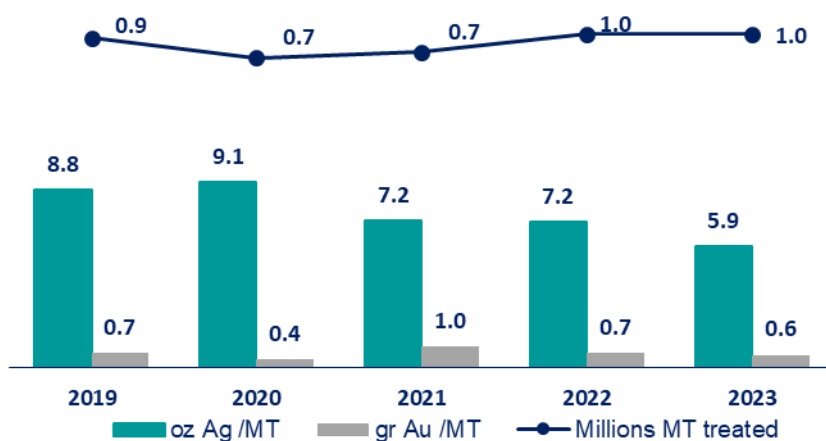
San Expedito Treatment Plant (000 MT)	2022	2023
Treated tonnage	2,941	3,146
Zn concentrated	51	41
Pb concentrated	21	18

Cerro de Pasco – Oxides

In 2023, oxide treatment reached 958 thousand tons with grades of 5.9 oz Ag/MTMT and 0.6 g Au/MT.

In exploration, a diamond drilling campaign was conducted, and geological and geochemical information from geomechanical drill holes was reused. This allowed for the updating of the geological model and the increase of economic mineral resources in the Cleopatra sector, southeast of the Santa Rosa Pit.

Graph 22: Evolution of Treated Tons and Average Grades - Oxides

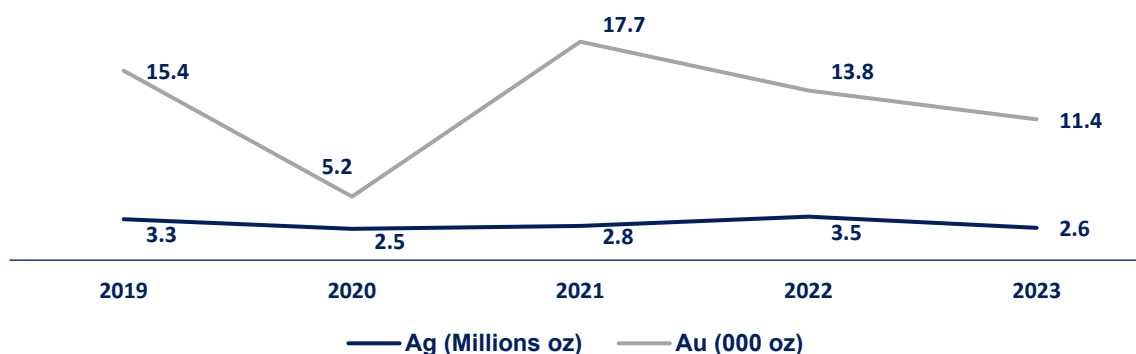


The mineral production from the Santa Rosa Pit was 269,888 tons, a 37% decrease compared to 2022.

Silver fine production reached 2.6 million ounces, representing a 26.1% decrease compared to 2022 when 3.5 million ounces were obtained.

The head grade of silver in 2023 was 5.9 oz/MT, lower than the 2022 grade of 7.2 oz/MT, due to the lower grade of SP Pyrite ore and the lower grade of the mined zones in the Santa Rosa Pit (In Situ Oxides - OIS) and the contribution from the Hanancocha front.

Graph 23: Evolution of Fine Production - Oxides



Oxides Plant

Mineral processing reached 2,625 tpd with a blending feed to the oxide plant from Open Pit In Situ (27.6%), Stock Pile Hanancocha (34.6%), and Pyrite (37.9%) during the period January-December.

The oxide plant achieved a silver recovery of 45.9% and a gold recovery of 63.1%, compared to 2022 when silver recoveries were 51.5% and gold recoveries were 66.0%. The lower silver recovery is due to the reduced contribution from the pit (Santa Rosa and Py-Oxides contact zones). Additionally, the Pyrite stockpile mineral has required higher consumption of sodium cyanide due to the presence of zinc, copper, sulfates, and traces of carbonaceous minerals, necessitating higher consumption of dissolved oxygen, which influences cyanidation.

Table 20: Doré Production

Óxidos Treatment Plant	2022	2023
Treated tonnage (000 MT)	958	958
Dore bars (000 Kg)	129	97

CHAPTER 9



EXPLORATION AND GROWTH

Exploration and Growth

Explorations

In 2023, advanced exploration in Romina was prioritized, particularly in the Santa Noroeste area, where satisfactory results were obtained. However, due to the global economic situation and the decline in metal prices, primarily zinc, Volcan put the following advanced exploration projects on standby: Carhuacayán, Zoraida, and Palma. Nevertheless, Volcan emphasized Brownfield exploration, focusing on the Esperanza body in Animon, with truly encouraging results. This confirmed the presence of zinc and copper mineralization, leading to an increase in mineral resources in these projects, as well as the discovery of new nearby areas with significant mineralization.

Table 21: Progress in Regional Exploration

Progress	2019	2020	2021	2022	2023
Regional exploration (mts)					
Carhuacayán	10,359	0	0	0	0
Puagjanca*	3,994	0	0	5,272	0
Andrea*	10,170	0	0	0	0
Santa NO*	0	0	0	5,104	0
Palma	19,041	0	0	0	0
Zoraida	10,730	0	4,909	0	0
Shuco	0	0	0	0	0
Esperanza***	2,815	837	4,847	32,782	18,874
Yauli**	7,019	615	11,593	6,034	2,542
DDH	64,128	1,452	21,349	49,192	21,416

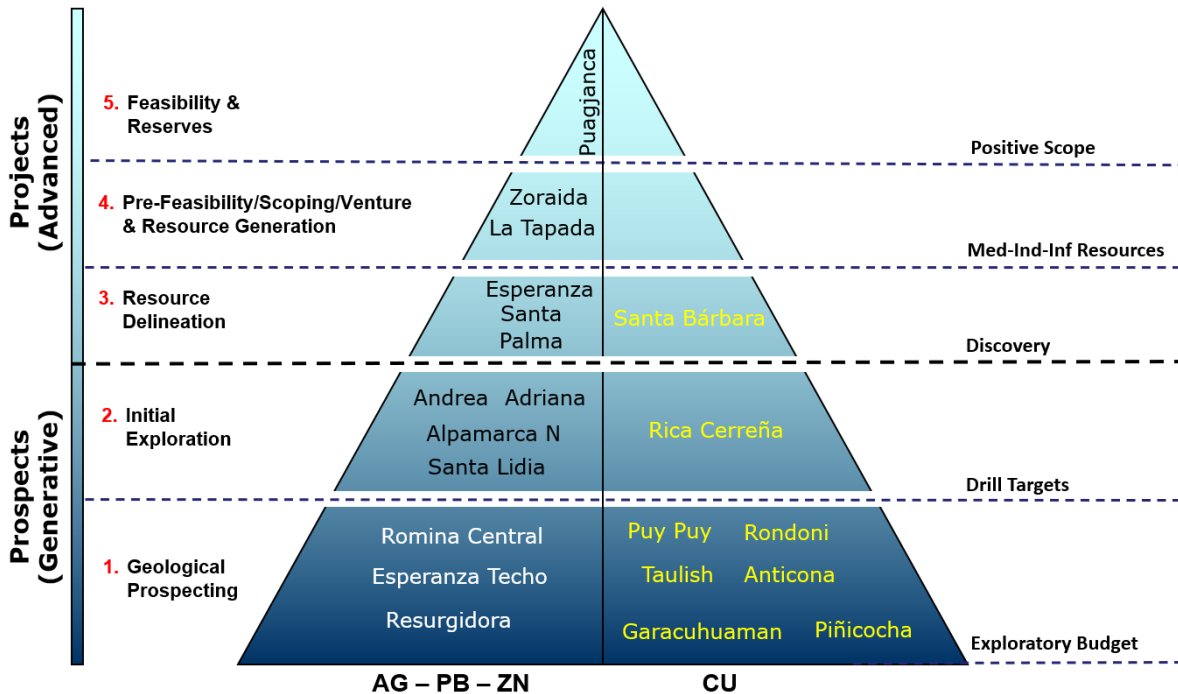
*Puagjanca, Andrea and Santa do NOT belong to Romina project.

**The meters executed in Esperanza and Yauli were not considered as Brownfield before 2022, so they were not reported in this table in previous years.

***Includes the meters executed in Esperanza and Techo Esperanza

Finally, to generate value from the company's copper assets through business collaboration agreements (JVs), Volcan signed two option and mining assignment contracts with Antofagasta Minerals for 7 prospects: Puy Puy, Rondoni, Taulish, Anticona, Piñicocha, Garacuhuaman, and Esperanza de Iray. Additionally, approval was given to sign a new option and mining assignment contract with Antofagasta Minerals for the Santa Bárbara project.

Progress in Exploration Project (Puagjanca is part of Romina)



Mining Projects

Romina Project

The Romina project is located in the province of Huaral, approximately 9 km northwest of the Alpamarca mining unit. Romina entails the exploitation of the deposit through both an open pit and an underground mine with a production capacity of 2,500 tpd, employing high-productivity methods. Additionally, it includes two waste dumps, a 120 lps water treatment plant, a 1.6 km transportation tunnel, improvements to a road for the transportation of mineral and supplies, a maintenance workshop, an electric transmission line, among other facilities.

Regarding tailings disposal, there are two options: depositing the tailings in the Alpamarca tailings dam, which would require expansion, or depositing them in the three existing pits at Alpamarca. The 2022 feasibility study identified the option of depositing the tailings in the pits as an opportunity to improve the environmental footprint, reduce the closure costs of the Alpamarca unit, and enhance the

profitability of the Romina project. Prospecting and hydrogeological and geochemical modeling work were conducted in the existing pits, followed by laboratory tests, which concluded in favor of this option.

To reduce the initial investment and financing demand, it was decided to postpone the open pit and initially focus on the underground mine. However, this presents the challenge of finding a mining sequence that moderates the high head grades of the underground mine, which was addressed in the Addendum to the 2023 feasibility study.

Funds amounting to USD 9.5 million were approved for the execution stage in 2023, allocated to fixed expenses such as surveillance, environmental monitoring, permit follow-up, completion of detailed engineering, and certain construction works. During 2023, the construction of the Cacray camp, the transmission line to Romina, and the surface powder magazine were completed.

Regarding permits, the current Exploration EIA allows certain essential works for the start-up of Romina. For the modifications at the Alpamarca concentrator, the fifth ITS of Alpamarca was initiated, pending approval for April 2024. The progress of the Romina EIA has been slower due to delays at SENACE, and follow-up is ongoing, with the possibility of further delays. However, this EIA is necessary only to continue with the construction of the inclined ramp and the definitive waste dump.

Carhuacayán Project

Located 20 kilometers east of the Alpamarca mine, it is a poly-metallic mountainous project of zinc, lead, and silver, with mineralization observed in veins, breccia bodies, replacement bodies, and mantos.

In the La Tapada sector, replacement bodies were found within a previously mined embedded limestone block. Exploration activities were conducted from 2017 to 2019, primarily in the La Tapada sector, where resources were increased to 10.1 million metric tons, and significant mineralization was evidenced in La Tapada Norte and La Tapada Oeste.

Between 2020 and 2022, the conceptual economic feasibility study was concluded with positive results. Likewise, the MEIA-sd (Environmental Impact Assessment – Semi-Detailed Modality) was submitted to the General Directorate of Environmental Affairs of the Ministry of Energy and Mines. Similarly, progress was made with the geomechanical model of the deposit, and geophysical studies were conducted to find new exploration targets around the La Tapada body.

During 2023, the project has remained on standby.

Palma Project

Located 60 kilometers southeast of the city of Lima, it is a project of massive volcanogenic sulfides (VMS), distributed in mineralized mantles of zinc, lead, and silver. Previous drilling allowed the estimation of inferred resources and recognized that the mineral occurs in the form of mantles, with optimal thicknesses and good rock quality.

Mineralization remained open both in depth and laterally. By the end of 2019, a significant increase in indicated and inferred resources to 22.7 million metric tons was achieved. In 2021, an aerial geophysical exploration campaign was conducted at the district level using the Mobile MT (Mobile Magnetotelluric) method, which allows modeling the subsurface in three dimensions of conductive rocks, due to their high sulfide content, a common characteristic of volcanogenic deposits, such as Palma.

The project has been on standby since 2022.

Brownfield Exploration

San Cristóbal-Carahuacra (Yauli)

In 2023, the exploration of Techo Pucará, which began in 2022, continued, with 2,542 meters executed in the Escondida - San Martín sector. The results are very encouraging, as the J Body with significant mineralization of Zn, Ag, and Pb was defined at a depth of 350 meters. This discovery opens a highly prospective window in the Pucará Carbonate Corridor (8 kilometers in length) for the search for replacement bodies and/or mantles near the operation and surface. Currently, the exploration of the J Body is being conducted by the Mine Geology team.

Animon-body Esperanza

In 2023, exploration activities continued in Esperanza and its surroundings, totaling 18,874 meters drilled, both from surface and underground, yielding very satisfactory results.

In Esperanza, inferred resources of Zn + Cu were estimated at 32 million tons with grades of 6.4% Zn, 0.7% Cu, and 0.6 oz/t Ag, with a potential mineralization of over 18 million tons with grades of 7.1% Zn, 0.3% Cu, and 0.5 oz/t Ag. Mineralization remains open to the east and west of the deposit.

Additionally, confirmation and consolidation of Cu, Zn, and Ag mineralization in the Resurgidora Body, discovered in 2022 and located immediately below Esperanza, allowed for a preliminary estimation of potential mineralization of 44 million tons with grades of 1.8% Zn, 0.9% Cu, and 1.1 oz/t Ag.

Confirmation of polymetallic mineralization at the Techo Esperanza level was also achieved, with a potential mineralization estimated at 3 million tons with grades of 6.1% Zn, 0.7% Pb, 0.3% Cu, and 3.8 oz/t Ag. These replacement bodies, hosted in skarn zones, are located quite close to current mining operations, with mineralization open to the south and southwest.

Andaychagua-project Zoraida (Yauli)

Located 7 kilometers south of the Andaychagua mine, the Zoraida project is primarily a silver deposit with lead and zinc content. Due to its geological characteristics, it could potentially become the third polymetallic system in the Yauli dome, following the San Cristóbal and Andaychagua mines.

In 2021, a diamond drilling campaign of 4,910 meters was conducted, allowing for the exploration of the southwest extension of the mineralized mantles and the discovery of a new mantle with similar characteristics to those already known. These results enabled us to estimate mineral resources in the order of 5.5 million metric tons.

The project has been on standby since 2022.

Current Operations

Yauli

The drilling campaign conducted in 2023 aimed to cover the blocks of the mine plan to increase the geological certainty of mineral resources to indicated and measured categories through infill drilling programs. Exploration drilling was also carried out to incorporate new economic inferred resources and assess areas with high geological-economic potential, ensuring the extension of the asset's life in the medium and long term.

In Andaychagua, efforts continued to increase the geological certainty of mining sectors by reclassifying indicated resources to measured and inferred to indicated. Additionally, new mineral resources with high grades of zinc, lead, and silver were incorporated in the extensions of the Salvadora Norte, Prosperidad Techo, Andaychagua, and Adriana bodies, as well as in the Barbara vein. Furthermore, economic mineralization with high silver content was confirmed in the Valentina vein, and the discovery of the Katherine vein with high grades of zinc, copper, and silver was consolidated. Together, these new zones with economic mineralization

ensure great operational performance in the coming years and the extension of the asset's life.

In San Cristóbal, drilling programs resulted in the incorporation of economic mineral resources in the lateral extensions and deepening of the Ramal Piso 722, 658, Split 658, Sheyla, and K veins, as the main contributors of zinc and silver mineralization. Additionally, the discovery of new polymetallic bodies and mantles, developed at the intersection of vein systems with the same structural pattern as the main veins (NE-SW orientation, Vein 658), and limestone rocks of the "Pucará Corridor," located immediately to the west and higher levels (above Level 810) of the current operating area, is being consolidated. Preliminary results show high grades of zinc and silver, generating a better operational outlook in the medium and long term.

In Carahuacra, mineral resources with high grades of zinc, lead, silver, and copper are consolidated in the mantles of the Principal and Paula systems, as well as in the eastern extension and deepening of the Lourdes vein. Additionally, the continuity of economic mineralization in the Jovencita mantle over Level 720, with high grades of zinc and silver, is confirmed.

In Ticlio, geological certainty is increased in the deepening of the Ramal Techo vein, and new economic resources are delineated over Cuerpo Reemplazamiento. Geochemical results record high grades of zinc, lead, and silver, ensuring the operational continuity of the Ticlio mine in the coming years. Additionally, exploration is being conducted in new areas with high geological potential near the operation, such as the Giuliana-Reina-Katti vein systems and large-tonnage polymetallic bodies, with great expectations of consolidating their discovery in 2024.

In Yauli, during 2023, 107,032 meters of diamond drilling were executed, distributed as follows:

Table 22: Yauli Drillings

Mine	Meters drilled during 2023				
	Brownfield (m)	Potential (m)	Resources (m)	Infill Drilling (m)	TOTAL (m)
San Cristóbal	2,542	10,207	8,130	40,083	60,962
Andaychagua	0	5,575	7,347	23,622	36,543
Ticlio	0	1,514	1,066	6,497	9,527

At the Andaychagua mine, extensions of the Salvadora, Prosperidad Techo, Andaychagua, and Adriana bodies were consolidated, with high grades of zinc, lead, and silver; hosted in the corridor of metavolcanic rocks. Similarly, a new mineralized zone was defined in the lateral extension of the Barbara Roof Branch vein, as well as the discovery of the Katherine vein; both with high grades of zinc, copper, and silver.

At the San Cristóbal mine, quality resources were validated in the deepening of several veins. Economic mineralization was also defined with high grades of zinc and silver on secondary veins.

At the Carahuacra mine, resources with high grades of zinc, lead, and silver were increased in the extensions of the Principal-Paula mantle system, as well as in the Jovencita mantle at the upper levels of Nv 720, spatially located at the contact between the volcanic rocks of the Mitu Group and the limestone rocks of the Pucará Group.

At the Ticlio mine, the deepening of the Roof Branch vein and the increase in new resources in the Replacement body were consolidated, with high grades of zinc, lead, copper, and silver.

Chungar

The drilling campaign conducted during 2023 ensured compliance with the 2023 production plan, increased geological certainty of the 2024 mining plan, and reclassified resources to indicated and measured categories through the development of infill drilling programs. Additionally, exploration drilling programs were developed mainly at the Animon mine, aimed at incorporating new inferred economic resources and evaluating areas with high geological and economic potential.

At Animon, a drilling campaign was carried out to provide greater certainty to the geological models and delineate new resources in areas with high economic value. New inferred and indicated resources were also incorporated into the systems of several veins with economic results for zinc, lead, silver, and copper. Furthermore, drilling campaigns are being conducted to consolidate the discovery of polymetallic bodies, with preliminary results showing economic grades of zinc and silver.

On the other hand, brownfield exploration continued, with a total of 18,874 meters drilled, both on the surface and underground, yielding satisfactory results. In Esperanza, 32 million tons of inferred resources were estimated with economic grades of zinc and copper. Mineralization in Esperanza remains open to the east and west.

Similarly, with brownfield exploration, mineralization of Cu, Zn, and Ag was confirmed on the Resurgidora body, located immediately below Esperanza, estimating 44 million tons of potential ore with significant copper and silver grades, with geological characteristics similar to other high-potential mines. Additionally, Resurgidora body presents significant values of molybdenum, tin, and tungsten, probably related to a porphyry-type mineralization environment.

Similarly, brownfield exploration has intercepted polymetallic mineralization with economic grades of zinc, lead, copper, and silver on the target defined as Techo Esperanza, defining 3 million tons of potential ore.

In Chungar, during 2023, 68,602 meters of diamond drilling were executed, distributed as follows:

Table 23: Chungar Drillings

Mine	Meters drilled during 2023				TOTAL (m)
	Brownfield (m)	Potential (m)	Resources (m)	Infill Drilling (m)	
Animon	18,874	4,154	7,176	38,399	68,602

The results of the 2023 drilling program confirmed the lateral and depth continuity of economically viable mineral resources in the main mineralized structures. Additionally, a sustained drilling campaign is underway aimed at discovering high-grade polymetallic bodies that can be operationally connected to Techo Esperanza and the Esperanza body. There are no activities at the Islay mine due to operational suspension.

Alpamarca

The drilling campaign carried out during 2023 was primarily aimed at validating and reclassifying resources in the South Pit, as outlined in the 2024 mining plan. During 2023, a total of 172 meters of diamond drilling were executed in the South Pit, distributed as follows:

Table 24: Drilling at Alpamarca

Mine	Meters drilled during 2023			TOTAL (m)
	Potential (m)	Resources (m)	Infill Drilling (m)	
Alpamarca	0	0	172	172

Following the implementation of the infill drilling program, the geological and resource models of the South Pit were updated, enabling operational viability in 2024.

Cerro de Pasco

The drilling campaign carried out during the year 2023 was primarily aimed at covering the blocks of the mining plan to increase its certainty, prioritizing the infill drilling program and, to a lesser extent, the development of the exploration drilling program, to incorporate inferred economic resources and potential mineralization; both in Cerro Sulfuros and Cerro Oxides.

In Cerro Sulfuros, high-potential zones with economic grades of zinc, lead, and silver were defined on the southern wall of the Raúl Rojas Pit, where the continuity of the CNB-Emilia body was confirmed, fulfilling the objective of having a mining alternative to ensure operational sustainability in the following years. Additionally, with the geological information obtained from geotechnical drillings (917 meters), the geological model in the CNB-Emilia sector (Pushback) was updated.

In Cerro Oxides, mineral resources with economic grades of silver and gold were recategorized in In Situ Oxides. This will ensure the operational continuity of Cerro Oxides.

In the Cerro unit, during 2023, 1,085 meters of diamond drilling were executed, distributed as follows:

Table 25: Drilling at Cerro de Pasco

Mine	Meters drilled during 2023				TOTAL (m)
	Brownfield (m)	Potential (m)	Resources (m)	Infill Drilling (m)	
Cerro Sulfides	0	311	0	0	311
Cerro Oxides	0	0	0	774	774

The results confirmed economic mineralization in the Cerro unit. On one hand, there's economic polymetallic mineralization in the CNB-Emilia sector for the Paragsha metallurgical plant, and on the other hand, there's economic gold and silver mineralization in In Situ Oxides (Cleopatra) to extend the asset's lifespan and ensure operational continuity of the Oxides metallurgical plant.

Greenfield Exploration

During 2023, the review of these anomalous areas has begun to generate new exploration targets, a task that will continue in the coming years.

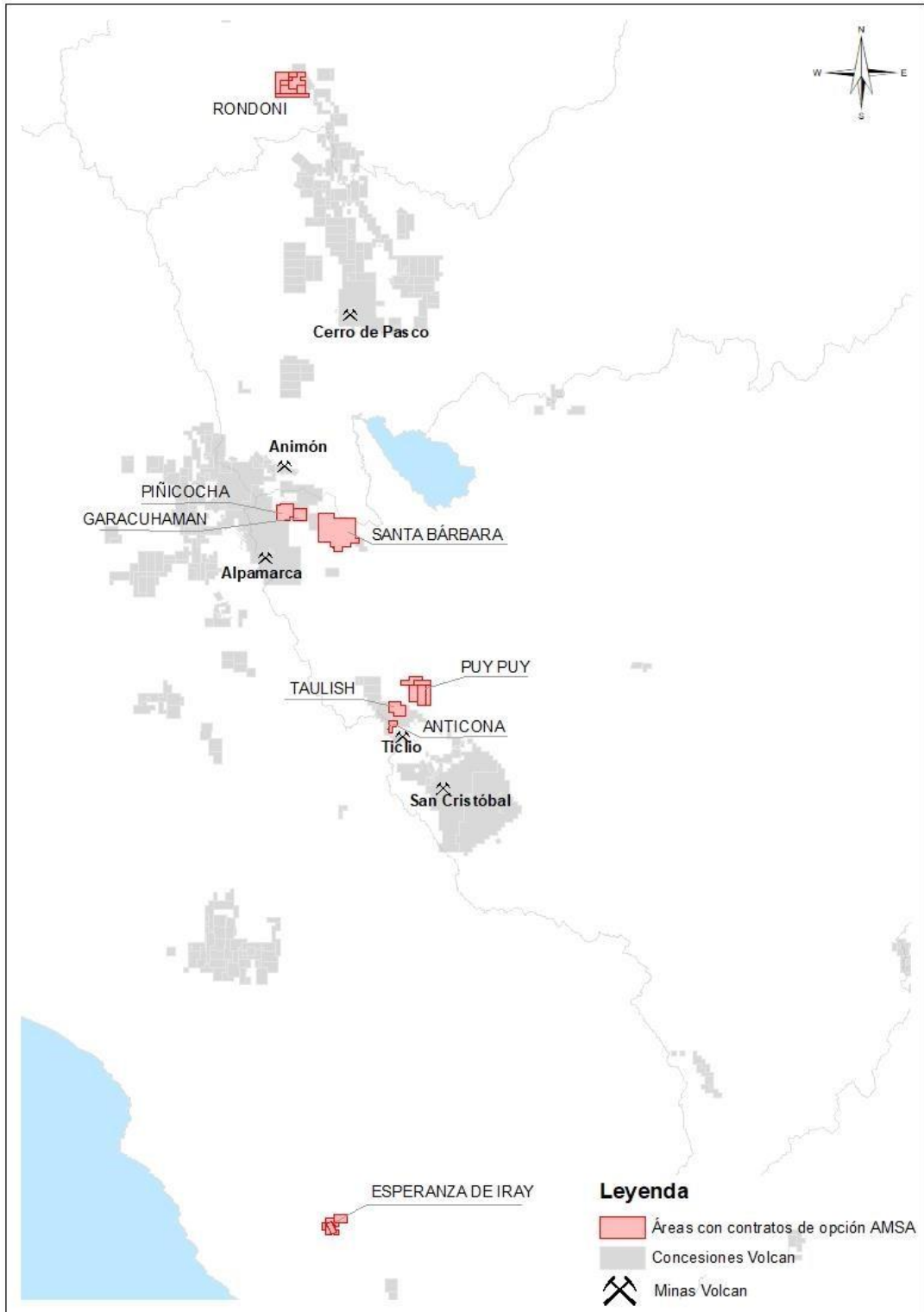
Joint Ventures

To generate value from the company's copper assets, it was decided in April 2022 to offer these assets to the market to share exploration risks through business collaboration agreements (JVs) with third parties, taking advantage of the development of PDAC 2022.

On September 30th, 2022, non-binding offers were received from different companies. After several negotiations, on June 23rd, 2023, a Memorandum of Understanding was signed with Antofagasta Minerals to carry out two option and mining assignment contracts for 7 prospects of Volcan: Puy Puy, Rondoní, Taulish, Anticona, Piñicocha, Garacuhuaman, and Esperanza de Iray. The Definitive Agreement for the two contracts involving these 7 prospects was signed on September 22nd, 2023.

On December 20th, 2023, Volcan's Board of Directors accepted Antofagasta Minerals' proposal, and the progress toward the signing of the Definitive Agreement is currently underway.

Projects with Mining Option and Assignment Agreement with AMSA



CHAPTER 10



**COMMERCIAL
MANAGEMENT**

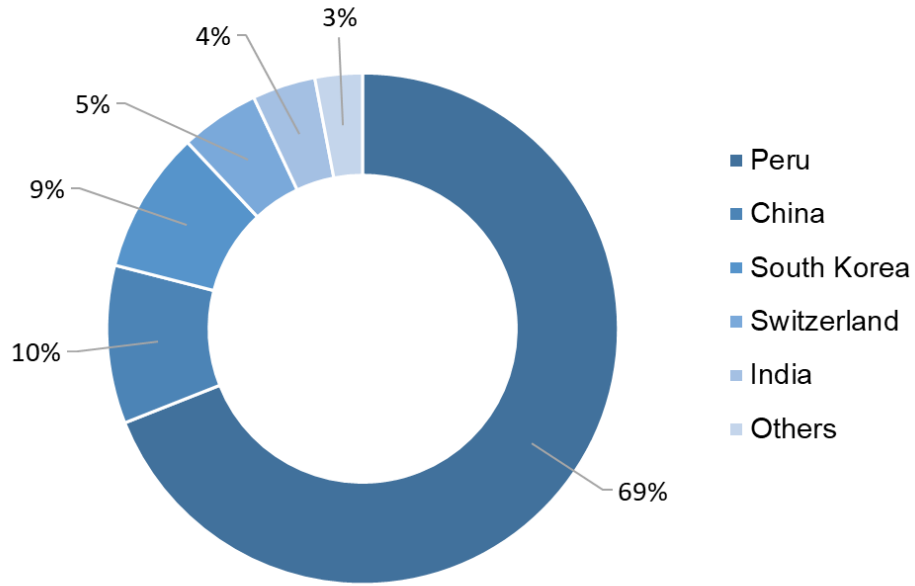
Commercial Management

At the beginning of 2023, the commercial conditions for zinc concentrates became unfavorable for mining producers due to the macroeconomic situation of widespread inflation and lower projected growth in the construction sector in China. However, starting from the third quarter of 2023, a significant improvement was observed in the commercial terms for mining producers. This change is attributed to the closure of various mines due to high operating costs and prolonged decrease in the price of zinc. Thus, the average spot treatment charge for zinc concentrates on a CIF basis for 2023 was \$181 per metric ton, compared to \$221 per metric ton in 2022, as published by Wood Mackenzie. Specifically, there was a reduction of \$195 per metric ton when comparing the spot treatment charge in January 2023 with the spot treatment charge in December of the same year, according to the same source.

Regarding lead concentrates, the terms in 2023 were favorable for mining producers because the balance between supply and demand was quite tight. This can be reflected in the average spot treatment charge, which decreased from \$103 per metric ton in 2022 to \$81 per metric ton in 2023.

Volcan remained committed to its policy of market diversification and constant pursuit of optimizing concentrate value, aiming to improve commercial conditions. In this context, efforts have been made to determine the optimal grade of concentrates, focusing on achieving higher recovery of payable elements and minimizing impurities present in the concentrates resulting from its processes. Additionally, constant efforts have been made to reduce selling expenses. In this regard, new logistical strategies have been developed and implemented to not only optimize the supply chain but also focus on operational efficiency and minimize costs associated with the distribution and marketing of products.

Graph 24: Sales by Destination (Percentage of Value in USD)



The sales volume of fine materials increased for all metals except for gold, which decreased by 14.9%, mainly due to lower production in the year.

Table 26: Sales Volume of fines

Fines Sales	2022	2023	Var. %
Zinc (thousands FMT)	223.7	244.2	9
Lead (thousands FMT)	56.9	60.8	7
Copper (thousands FMT)	5.1	5.6	10
Silver (millions Oz)	14.4	15.3	7
Gold (thousands Oz)	22.7	19.3	-15

The average selling price of zinc decreased from 3,449 USD/MT in 2022 to 2,642 USD/MT in 2023 (-23.4%), that of lead slightly increased from 2,116 USD/MT to 2,132 USD/MT (+0.8%), and that of silver increased from 21.8 USD/oz to 23.2 USD/oz (+6.7%).

Table 27: Detail of sales prices by metal

Sales prices	2022	2023	Var. %
Zinc (USD/MT)	3,449	2,642	-23
Lead (USD/MT)	2,116	2,132	1
Copper (USD/MT)	8,434	8,428	0
Silver (USD/Oz)	21.8	23.2	7
Gold (USD/Oz)	1,822	1,943	7

CHAPTER 11



RESULTS AND INVESTMENTS

Results and Investments

Sales

Table 28: Detail of net sales

Sales (MM USD)	2022	2023	Var. %
Zinc	551.9	427.2	-22.6
Lead	98.9	113.9	15.2
Copper	26.7	29.1	9.0
Silver	257.7	290.1	12.6
Gold	34.7	30.1	-13.2
Sales before adjust.	969.1	890.5	-8.1
Adjustments ¹	-17.8	-7.4	-58.5
Net sales	951.3	883.1	-7.2

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

In 2023, total sales before adjustments decreased by 8.1%, from USD 969.1 million in 2022 to USD 890.5 million, mainly due to the significant reduction in the price of zinc. Sales adjustments totaled USD -7.4 million as a result of the following concepts: final settlements USD -9.5 million, adjustments for provisions on open commercial positions USD -1.8 million, and hedging results USD 3.9 million. Consequently, in 2023, sales after adjustments were USD 883.1 million, representing a decrease of 7.2% compared to USD 951.3 million in 2022.

Costs

Starting from the year 2022, the costs of infill drilling are considered as production costs. Infill drilling refers to the drilling activities conducted to increase the certainty of reserves and reduce the risk associated with mine plans. In 2023, this cost amounted to USD 12.3 million. It's worth noting that previously, infill drilling was part of the local exploration investments in the operating units.

The absolute production cost, excluding infill drilling, decreased by 1.2%, from USD 485.6 million in 2022 to USD 479.8 million in 2023. Additionally, the unit cost decreased by 6.2%, from USD 54.0 per ton of material (MT) to USD 50.7 per MT. This reduction is mainly attributed to the implementation of improvement initiatives in the operating units, as well as the suspension of the Islay mine.

The Company continues to make significant efforts to control and reduce production costs and expenses at all levels. New cost reduction initiatives are being

evaluated and implemented both in Lima and across all operations, while always prioritizing the safety of workers as the Company's main value.

Table 29: Absolute Costs (MM USD)

Mining unit	2022	2023	var %
Yauli	248.4	252.6	1.7
Chungar	123.7	116.7	-5.7
Cerro	40.4	45.3	12.3
Óxidos	52.5	48.2	-8.1
Alpamarca	20.7	17.1	-17.2
Sub total production cost	485.6	479.8	-1.2
Infill drilling cost	12.5	12.3	-2.0
Total production cost	498.2	492.2	-1.2

Table 30: Unit Costs (USD/MT)

Mining unit	2022	2023	var %
Yauli	85.5	81.4	-4.8
Chungar	100.2	93.1	-7.1
Cerro	13.7	14.3	4.2
Óxidos	54.8	50.3	-8.2
Alpamarca	21.6	17.9	-17.4
Sub total unit cost	54.0	50.7	-6.2
Infill drilling cost	1.5	1.3	-13.3
Total unit cost	55.5	51.9	-6.2

In 2023, the cost of sales amounted to USD 725.5 million, 4.9% lower than the USD 762.7 million recorded in 2022. This reduction is mainly explained by a decrease in absolute production costs, lower depreciation and amortization, as well as reductions in other expenses related to personnel exits and operational shutdowns.

Table 31: Detail of sale costs by business

Cost of Sales (millones USD)	2022	2023	Var %
Own cost of sales	757.8	723.2	-4.6
Own Production Cost	498.2	492.2	-1.2
Production Cost D&A	218.9	199.5	-8.8
Extraordinary costs	34.4	24.0	-30.1
Inventory own variation	6.4	7.4	16.9
Worker participation	4.9	2.4	-52.3
Total	762.7	725.5	-4.9

Table 32: Income Statement

Income Statement (MM USD)	2022	2023	var %
Sales before adjust.	969.1	890.5	-8.1
<i>Sett. of prior periods adjust.</i>	<i>-10.1</i>	<i>-9.5</i>	<i>-5.8</i>
<i>Adj. open positions</i>	<i>-7.8</i>	<i>-1.8</i>	<i>-76.7</i>
<i>Hedging</i>	<i>0.0</i>	<i>3.9</i>	
Sales after adjust.	951.3	883.1	-7.2
Cost of Goods Sold	-762.7	-725.5	-4.9
Gross Profit	188.5	157.6	-16.4
Gross Margin	20%	18%	-2 pp
Administrative Expenses	-38.7	-38.9	0.5
Exploration Expenses	-30.6	-16.3	-46.9
Sales Expenses	-24.9	-30.6	23.0
Other Income (Expenses) ¹	-20.5	-2.1	-89.9
Operating Profit	73.8	69.8	-5.5
Operating Margin	8%	8%	0 pp
Financial Income (Expense)	-43.0	-65.4	52.0
Exchange Difference (net)	0.0	1.0	
Royalties	-13.5	-10.6	-21.6
Income Tax	-0.6	4.8	
Net Profit before Exceptionals	16.6	-0.5	
Net Margin	2%	0%	-2 pp
Exceptional adjustments ²	-98.0	-9.5	-90.3
Net Profit after Exceptionals	-81.4	-10.0	-87.7
EBITDA³	298.6	276.9	-7.3
EBITDA Margin	31%	31%	0 pp

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 Cía. Minera

Profitability

The gross margin in 2023 was 18%, lower than that recorded in 2022 by 20%. This decrease in the gross margin was mainly due to the decrease in the price of zinc. Consequently, gross profit decreased by 16.4%, from USD 188.5 MM in 2022 to USD 157.6 MM in 2023.

Administrative expenses increased from USD 38.7 MM in 2022 to USD 38.9 MM in 2023, explained by the expenses related to the personnel exits as part of the optimization initiatives during the year 2023. Similarly, regional exploration expenses decreased from USD 30.6 MM in 2022 to USD 16.3 MM in 2023, following the adjusted plan for greenfield and brownfield explorations in a scenario of lower liquidity.

On the other hand, sales expenses increased from USD 24.9 MM in 2022 to USD 30.6 MM in 2023, mainly due to the types of concentrate sales contracts. In the case of other net income and expenses, these went from USD -20.5 MM in 2022

to USD -2.1 MM in 2023, mainly explained by lower shutdown costs and better results in the energy business.

Net financial expenses increased from USD 43.0 MM in 2022 to USD 65.4 MM in 2023, mainly due to the increase in interest on the syndicated loan due to the rise in reference (variable) rates. As a result, EBITDA decreased from USD 298.6 MM in 2022 to USD 276.9 MM in 2023. Exceptional expenses for the period totaled USD 9.5 MM, mainly related to the write-off of obsolete inventories and other accounting provisions.

As a result, the net profit before exceptional items decreased from USD 16.6 MM in 2022 to USD -0.5 MM in 2023.

Liquidity and solvency

In 2023, the cash generation from mining and energy operations, after operational and growth investments, amounted to USD 72.4 MM. The financing cash flow was negative at USD 84.3 MM, which includes interest expenses of USD 60.1 MM. Consequently, the total cash flow for the year was USD -12.0 MM, and the cash balance as of December 31, 2023, was USD 61.6 MM.

Considering EBITDA, cash balance, and debt, the leverage ratio (net financial debt/EBITDA) closed at 2.6 times, higher than the 2.4 times in 2022.

Investments

Total mining investments decreased by 26.0%, from USD 242.5 MM in 2022 to USD 179.5 MM in 2023, primarily due to the prioritization aimed at preserving the Company's liquidity in the face of the significant decrease in zinc prices. Operational investments decreased by 25.0%, from USD 224.1 MM in 2022 to USD 168.0 MM in 2023.

Table 33: Breakdown of investments

Consolidated Investments (MM USD)	2022	2023	Var %
Mining Business	241.3	178.9	25.9
Mining Units	224.1	168.0	-25.0
Local exploration	11.0	13.1	18.4
Development	82.7	76.3	-7.3
Plants and TSFs	62.3	32.0	-48.6
Mine and Infrastructure	40.7	34.5	-15.3
Energy in Mining Units	12.8	8.7	-32.2
Support and others	14.5	3.5	-75.9
Growth and others	17.3	10.9	-52.1
Energy Business	1.1	0.5	-26.0
Total	242.5	179.5	-26.0

CHAPTER 12



ENERGY

Energy

Volcan has hydroelectric power plants and electricity transmission infrastructure, which contributes to the supply of its operations with renewable energy sources. This strategy not only provides for its own operations but also serves third-party operations. It helps improve operational costs, ensures energy supply to mining operations, and contributes to reducing greenhouse gas emissions.

The total installed capacity of the hydroelectric power plants amounts to 63 MW, distributed as follows:

- 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 111 MW.

Energy Generation

During 2023, energy production amounted to 425 GWh, reflecting a 1.5% increase compared to the 419 GWh of the previous year. This increase was mainly due to a higher availability of water resources at the Rucuy Hydroelectric Power Plant.

On the other hand, Compañía Hidroeléctrica Tingo S.A., owner of the 1.25 MW Tingo Hydroelectric Power Plant and 82 km of transmission lines at 50 and 22.9 kV, produced 7 GWh, similar to the production in 2022, all of which were injected entirely into the Chungar operations. It is worth noting that there are plans to expand the Tingo plant from 1.25 MW to 15 MW, and the process for obtaining the definitive generation concession is underway.

Meanwhile, Hidroeléctrica Huanchor S.A.C. produced 142 GWh in 2023, representing a 5% reduction compared to 2022, due to lower water resource availability during 2023. Huanchor, a member of the Economic Operation Committee of the National Interconnected System (COES), maintained electricity supply contracts with seven clients during 2023.

Finally, Empresa de Generación Eléctrica Río Baños S.A.C., owner of the Rucuy Hydroelectric Power Plant in 2022, produced 134 GWh, representing a 12% increase due to higher water resource availability. This company is also a member of the Economic Operation Committee of the National Interconnected System (COES) and has a contract with the Peruvian government for renewable energy (RER), which guarantees income for the generation of 110 GWh annually.

Energy Consumption

In 2023, Volcan's consolidated energy consumption amounted to 844 GWh, representing a 3% increase compared to 2022, with a peak demand of 111 MW. This increase is attributed to the expansion of pumping and ventilation systems in our underground mines.

Self-consumption electricity generation accounted for 17% of the total energy consumption, while purchased energy was obtained from Engie Energía Perú S.A.A. through the National Interconnected Electric System (SEIN), under a supply contract that commenced on January 1, 2018, and concluded on December 31st, 2023.

Finally, it is important to mention that in 2023, the high-voltage electrical system recorded an annual availability of 99.8% in Yauli, which translates to 13.7 hours of outage, and 99.9% in Chungar - Alpamarca, which means 0.9 hours of outage, excluding preventive maintenance. This indicator reflects the degree of continuity and availability in the electrical supply to the mining operations.

Table 34: Electricity Balance (GWh)

Electric Balance (GWh)	2022	2023	Var %
Energy Production	418.6	424.8	1.5
Chungar HPP	143.1	141.6	-1.1
CH Tingo	6.7	6.7	0.5
CH Huanchor	149.3	142.5	-4.6
CH Rucuy	119.5	134.0	12.1
Energy Consumption	819.5	843.2	2.9
Energy Purchase	669.7	694.9	3.8

CHAPTER 13



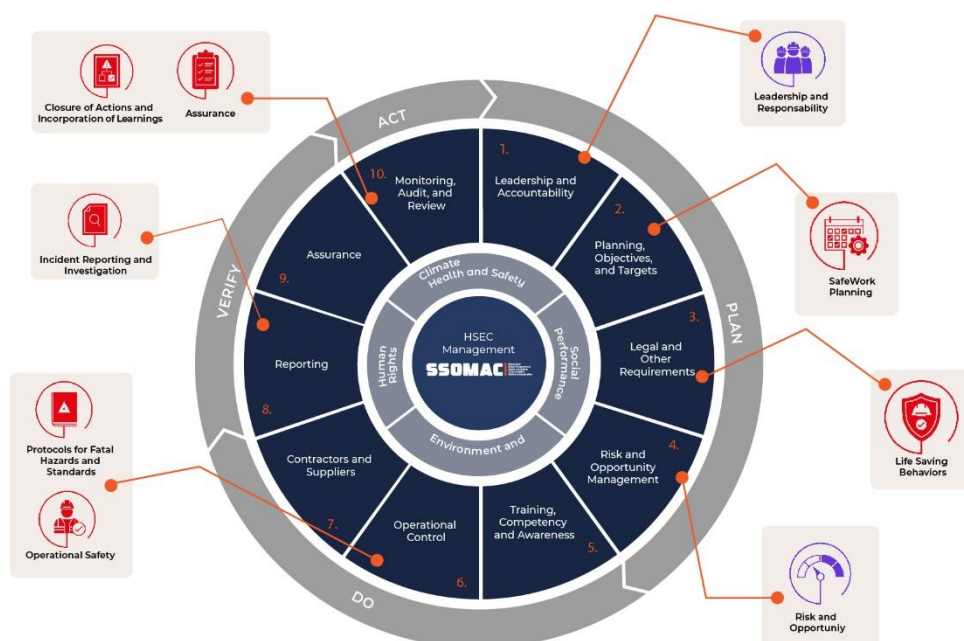
SAFETY, HUMAN RESOURCES MANAGEMENT, SOCIAL RESPONSIBILITY AND ENVIRONMENT

Safety, Human Resources Management, Social Responsibility, and Environment

During 2023, the Company began the process of strengthening and integrating safety, health, social responsibility, and environmental management to harmonize, integrate, and interconnect our processes, activities, and tools so that they work together as an integrated management system. Efforts were directed towards incorporating the concept of responsible operator into the DNA of all organization employees, which translates into the following aspects:

- Preserving the health and safety of our employees.
- Providing solid and consistent environmental and social performance.
- Being respected and trustworthy for our communities.
- Conducting business ethically and with integrity.

The new SSOMAC management model is the central document that establishes 10 elements with mandatory requirements that apply throughout the entire life cycle of our company. The TRABAJO SEGURO 2.0 fatal accident containment program has been integrated to strengthen the requirements and performance expectations that are part of the implementation of the new SSOMAC management model, which represents the company's new corporate management identity.



Through the Leadership and Responsibility element, the development of competencies is promoted so that each leader in the operations multiplies the

principles of the integrated SSOMAC management system and generates commitment to safety as the top value at all levels of the organization. As part of the implementation plan of the SSOMAC management model, systemic actions have been developed aimed at developing the organization's safety culture, such as:

- The SSOMAC policy was updated and disseminated to provide guidelines for direction and commitment related to the organization's performance in safety, occupational health, environment, and communities, formally

expressed by the Senior Management of the organization.

HSEC POLICY

Health, Safety, Environmental and Communities Policy

At Volcan Compañía Minera S.A.A. and its subsidiaries, we are convinced that occupational diseases, as well as accidents and incidents with possible damage to assets, people or the environment, are foreseeable. Under this principle, Senior Management leads the management strategy in terms of Safety, Occupational Health, Environment and Communities in order to guarantee a sustainable operation over time.

Committing ourselves to comply with the following principles:

- 1** Manage HSEC risks, establishing preventive and emergency response controls that guarantee the safety and health of people, the integrity of assets, environmental protection and coexistence in harmony with the communities.
- 2** Manage and provide the entire organization with the necessary resources to achieve the established objectives in terms of safety, health, pollution prevention and respect for the communities, within the framework of national legislation and internal policies of the organization.
- 3** Promote environmental responsibility through the efficient use of resources, taking actions to mitigate and adapt to climate change and protect biodiversity and ecosystems.
- 4** Educate, qualify, raise awareness and sensitize all our collaborators in the understanding of the SSOMAC policy, the SSOMAC Management System and compliance with the standards, as well as the objectives and goals established by the company in relation to the management of Safety, Occupational Health, Environment and Communities in all its processes.
- 5** To permanently seek continuous improvement of its production processes and performance in Safety, Occupational Health, Environment and Communities by making decisions based on prevention, analysis of causes and monitoring of indicators of the SSOMAC Management System.
- 6** Comply with legal requirements, commitments and other applicable requirements in relation to the company's activities, for the prevention in Safety, Occupational Health, Environment and Communities.
- 7** Promote the participation and consultation of all our collaborators including contractor personnel in all elements of the SSOMAC Management System.
- 8** Know, respect and communicate the company's human rights policy within our value chain, taking into account labour, communities and business partners.

Lima, January 2, 2024

Aldo De la Cruz
Vicepresidente de Operaciones

Renzo Miente
Gerente Corporativo de Gestión Humana

Seguridad
Salud Ocupacional
Medio Ambiente
Comunidades

- Optimization and strengthening of the Visible Leadership Matrix in the field aligned with the expectations of element 1 "Leadership and Responsibility," aimed at ensuring the best operational practices and verifying through a formal program directed at leaders to check behaviors, acts, and conditions in the field through the execution of the following tools:

- GCOM Quality Verification
- Safe Behavior Audit
- Planned Work Observation (PWO)
- PWO Quality
- Quality of Hazard Identification, Risk Assessment and Control (IPERC)
- Quality of Permit to Work for High-Risk Tasks (PETAR)
- Inspection
- Verification of Critical Controls of Safety Protocols and Standards
- Verification of corrective actions.
- 100% Compliance with the Workshop on Visible Leadership Matrix Management Tools for General Operations Managers, Sub-Managers, Corporate Chiefs, and Resident Contractors.



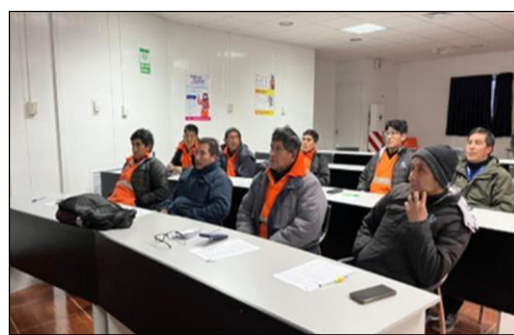
- Development and implementation of communication programs to reinforce life-saving behaviors and critical controls of Fatal Hazards Protocols.
- Update of the Fatigue and Drowsiness Standard and incorporation of the Fatigue and Drowsiness App aimed at preventing risks related to fatigue and drowsiness for all drivers of light and heavy vehicles.
- Promotion of the incident reporting culture as a preventive tool to ensure that all actual and potential incidents are reported and evaluated to identify relevant corrective actions and learnings for the organization, prioritizing High-Potential Risk Incidents (HPRI).

- Through Safety Leadership and visible commitment from the organization's management line, the internal inspection program aligned with DS-024 was implemented, aimed at identifying findings and opportunities for improvement in ventilation, geomechanics, infrastructure, and plant areas.

Type	Unit	Compliant	Substantially Compliant	Partially Compliant	Not Compliant	Not Applicable
Ventilation	SC CAR	23	8	18	4	-
	Andaychagua	11	-	7	3	-
Geomechanics	SC CAR	14	4	12	-	2
	Animón	31	-	-	1	-
	Andaychagua	14	6	10	2	-
	Ticlio	29	-	-	2	1
Plants	SC CAR	13	11	4	3	2
	Animón	30	-	-	2	-
	Cerro de Pasco	26	5	12	1	-

The Internal Assurance Program identified findings with partial compliance and non-compliance, for which corrective actions were developed to improve operational standards that promote safe working environments.

- Through leadership in safety and visible commitment from the organization's management, compliance was achieved with the Glencore - HSEC zinc Assurance Program, which aimed to verify critical controls of critical processes and generated cross-cutting actions to prevent accidents. The Assurance Program led to the development of 1012 actions aimed at maintaining a Preventive Culture to keep workplaces free from fatal and disabling incidents.
- The certification program for electricians was implemented, focusing on modules such as Elimination and Restoration of Energy, Arc Flash Management, and High Voltage Electrical Testing. This program aimed to strengthen the technical competencies of 280 electrical technicians supporting maintenance activities in the mining units.



- As part of the annual training program compliance, training was conducted on: PPM 01 "Energy Isolation and Lockout", PPM 03 "Confined Spaces", PPM 04 "Mobile Equipment", PPM 05 "Rock Mass Failure", PPM 08 "Lifting and Hoisting

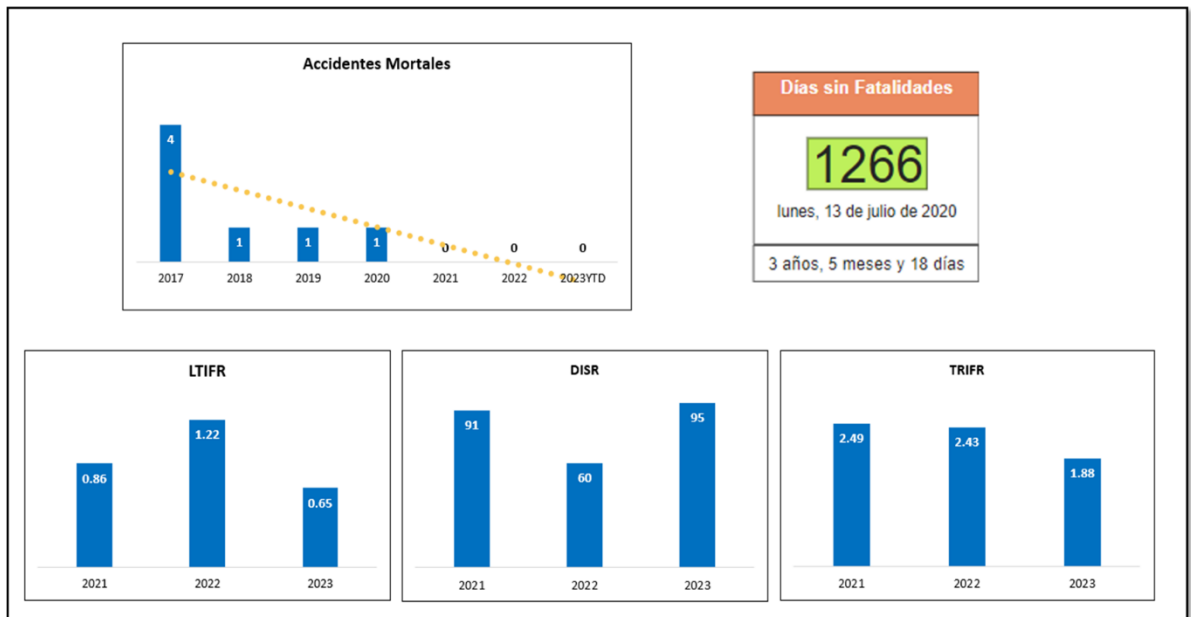
of Loads and Crane Operations". This training involved workers from the company's operational units.

- The Contractor Management Standard was optimized and simplified to provide a structured process with guidelines and controls to guide the stages of selection, hiring, and management of contractors and subcontractors, as well as safety requirements aligned with the integrated SSOMAC management model.
- During 2023, the Mining Safety Institute awarded the organization prizes in recognition of best safety practices in the mining sector through the National Mining Safety Contest:
 - Winner in the Underground Mining Category: Animon
 - Honor Plaque for meeting all the requirements of the contest in the Underground Mining category: Andaychagua and San Cristobal – Carahuacra
 - Honor Plaque for meeting all the requirements of the contest in the Open Pit category: Alpamarca



- At the end of 2023, 3 years, 5 months, and 28 days passed without any fatal accidents. Likewise, reactive indicators show a reduction: 27% in the TRIFR.

"Total Recordable Frequency Injury Rate" (TRIFR) and 49% in the LTIFR "Lost Time Injury Frequency Rate" compared to the results of 2022.



For the year 2024, safety efforts will be focused on the following key actions:

- Zero fatal accidents and reduction of disabling and minor accidents (reduction in TRIFR, LTIFR, DISR).
- Relaunch of the SSOMAC leadership program to strengthen the skills of our leaders to ensure their active participation and commitment as owners of the processes that lead us to develop a Safety Culture.
- Development of a Systematic Training Program for: Bow Tie (ICMM)/ICAM/Visible Leadership Matrix.
- Development and implementation of Transversal PPM/RCC Standards (Red Book) and critical Operating Standards (Green Book).
- Review and update of Bow Ties and performance specifications of critical controls of PPMs.
- Quarterly verification of compliance with DS-024 (Osinermin Oversight: Geomechanics, Geotechnics, Ventilation, Infrastructure, and Plants) and registration for management in SSOMAC.
- Verification program for the effectiveness of corrective actions from level 2 audits (Technical Management, Security Management).

Human Resource Management

Training

As part of the 2023 Annual Training Plan, we carried out a total of 188 training activities, generating a total of 329,908 man-hours of training, equivalent to 33.3 hours per capita. The investment made in this period amounted to \$472,343.00,

reflecting our commitment to the continuous growth and development of our employees.

The training activities executed were mostly conducted in person (65%), followed by 16% virtual, 15% asynchronous virtual, and 4% mixed (in-person and virtual).

In the realm of safety, we highlight the training focused on the most prevalent Deadly Hazard Protocols, as well as Management Tools aligned with the Visible Leadership Matrix, thus strengthening our safety culture.

Performance and Talent Management

In 2023, the competency evaluation phase, which is part of the performance management cycle, concluded, allowing us to measure the level of organizational competencies development of each staff member in the Company. The result of this evaluation, along with the objective assessment, contributes to the final rating of each employee for the evaluated period.

The strengthening of Volcan's meritocracy culture is based on recognizing those employees who have made a significant contribution to their performance by rewarding them with professional development opportunities within the Company. In this way, employees who, aligned with organizational values and competencies, achieve the goals set at the beginning of the period through their commitment and dedication are acknowledged.

High-performing employees are part of differentiated training plans, career paths, compensation, and retention programs.

During 2023, procedures for recruitment and selection, onboarding, internal promotions, and staff movements were communicated to ensure quality in these processes. Efforts were mainly focused on reducing recruitment times for critical positions within the Company, ensuring the promotion of internal talent, and optimizing the onboarding process for new hires.

During the year 2023, the Employer Brand Plan was developed and executed, implementing its main pillars, which included:

- Trainee Program 2022: Out of the 30 young talents who joined through the program, 17 trainees were hired for permanent positions in the mining operations.
- Professional Internship Program – Boost Your Talent 2024: The program received over 10,000 applications for 34 vacancies in critical business areas within the mining operations.

- Active Recruitment – Channels and Media: Efforts were made to strengthen the Company's presence on professional and social networks to attract new professionals.
- External Communication Campaigns: By the end of 2023, the LinkedIn community exceeded 292,918 followers (with 56,792 new followers gained in 2023), achieving the fifth highest follower growth among mining companies in Peru. Posts focused on the Boost Your Talent Program, social responsibility actions, strengthening strategic alliances, internal activities, alerts about false job postings, institutional greetings, participation in external events, and corporate awards and recognitions.

Volcan also analyzed its context concerning diversity, generating statistics on the supply and demand in the mining sector and identifying potential opportunities. Consequently, in 2023, Human Resources implemented the Diversity, Inclusion, and Equity strategy, achieving the following significant actions:

- The implementation of a survey on Diversity Perception, along with the presentation of the results obtained, aimed at understanding the perception and valuation of staff regarding Diversity, Equity, and Inclusion as part of Volcan's culture, identifying strengths, gaps, and main barriers.
- The development of mixed Focus Groups in each mining unit to understand the reality and gather opinions from a sample of 66 people. A report was prepared with the diagnosis, recommendations, and conclusions of the study.
- The organization of five talks directed by WIM (Women in Mining) for personnel in the Officials and Staff categories: Talk on Prevention of Workplace Sexual Harassment, Talk on Unconscious Bias, Talk on Leadership with an Inclusive Focus, Talk on the Importance of Cascade Communication for Leaders, and Talk on Prevention of Violence against Women.
- The development of a Campaign for the Prevention of Workplace Sexual Harassment.
- The implementation of a new two-piece uniform model for female staff.

In 2024, the implementation phase of reasonable adjustments recommended in the study will take place, along with activities promoting diversity, equity, and inclusion at all levels of the organization to ensure all employees feel involved and contribute to fostering this cultural change. Additionally, we will continue to strengthen our employer brand by maximizing our visibility and attracting talent from diverse sources.

Compensations and Benefits

For the company's critical positions, the primary emphasis was on identifying them to ensure control over reducing the voluntary turnover rate. Additionally, audits were conducted in the mining units to reinforce corporate compensation procedures, identifying opportunities for improvement.

On the other hand, as part of the benefits offered, virtual financial and educational fairs were held; and this year, in-person fairs were resumed, which were well-received by the staff. Furthermore, new partnerships were established with companies in the education, health, travel, and entertainment sectors to offer corporate discounts as part of actions aimed at improving the work environment.

Work Environment

One of Volcan's main objectives is to promote and maintain a suitable work environment for each of its employees. To achieve this, the Company works continuously on developing action plans aimed at improving working conditions, growth and development opportunities, and the interaction among colleagues and leaders at each operational unit. This approach positively impacts the well-being, commitment, and satisfaction of its employees.

To measure and manage the work environment, Volcan conducted the Organizational Climate Survey (ECO) 2023. The survey was complemented by the formation of climate committees in each operational unit. The purpose of the ECO is to deeply analyze the results obtained in each surveyed dimension, allowing the generation of action plans in each operational unit and work area within Volcan.

Additionally, to highlight the individual contributions of each team member, Volcan developed various recognition programs aimed at fostering identification and commitment between the Company and its employees. These programs, such as safety recognition, values recognition, and years of service recognition, served to strengthen the organizational culture.

Finally, Volcan continuously strives to improve the living and dining conditions for its workers. Efforts are made at operational units to enhance the quality of life and work environment for employees, respecting established protocols and standards.

Personnel Administration

In 2023, improvements were developed and implemented in personnel administration processes and their automation, among which the following achievements stand out:

- At the beginning of the year, production commenced with the new S/4 HANA System (SAP), through which the personnel payroll processes of the Volcan Group are managed.
- Improvements were implemented in personnel control management through the TESEO system, which optimizes the identification and access control of personnel in the Company, ensuring their integrity in the mining operations of the Volcan Group, complying with current regulations of the Ministry of Labor (MINTRA), Ministry of Energy and Mines, and Company policies.
- New policies, procedures, and reports were implemented with the aim of standardizing and controlling the internal management of the area, as well as generating new personnel management tools for the Company's leaders. In this way, the Company minimizes risks and ensures strict compliance with current labor and tax regulations.

These initiatives strengthen the order and efficiency in the execution of Personnel Administration processes, operational discipline for compliance with guidelines, and the concern for providing management tools to the Company's leaders to ensure effective people management.

Internal Communications

During 2023, the internal communication department has worked on a plan to strengthen Volcan's culture based on campaigns and programs aimed at ensuring that all Company employees are aware of and internalize each element:

- History: 80th Anniversary Celebration
- Purpose
- Values
- Policies and Procedures

Similarly, these campaigns, programs, and events have been developed under the PACI 2023 (Annual Internal Communication Plan), which consolidates each communication support from the Company's Areas, Management, and Operational Units. Within the 218 campaigns developed, the focus has been mainly on the launch of SSOMAC (Safety, Occupational Health, Environment, and Communities), our safety programs, environmental matters, social responsibility, health, and main human resources management programs, among other Management areas.

- Safety: Safe Work
- Environmental Affairs: CleanWork
- Health: Suma Salud

- Social Responsibility: Volcan Responsible DNA
- Human Resources Management: Well-being, Performance, Climate, Talent, Recognition, and Diversity, Equity, and Inclusion.

Likewise, within the internal communication plan, the main events and holidays of the Company have been developed, such as the celebration of our 80th anniversary, Miner's Day, World Safety Day, World Environment Day, National Holidays, Father's Day, Mother's Day, Volcan Connected, PERUMIN 36, among other events, which had the participation of all employees from different Operational Units and the Company's Corporate sector.

Health and Social Well-being

In 2023, Volcan worked in coordination with different departments to prevent occupational diseases, completed the renewal of EMOs, and ensured monitoring of all physical, chemical, biological, ergonomic, and psychosocial agents in mining operations. Additionally, ergonomic studies were conducted to identify musculoskeletal disorder risks in workers with the highest number of medical leave days due to these diagnoses.

Furthermore, the program to prevent heat stress, aimed at preventing undesired events such as heatstroke in workers, continued.

There has been significant progress in preventing psychosocial risks, primarily through the self-care program designed to detect deviations in behavior among workers exposed to complacency (excessive confidence), with active participation from the psychology team within operations.

Volcan Personnel

As of December 31st, 2023, Volcan had a total of 3,360 direct employees, both in Lima and in operational units. Among them, 2,588 were permanent workers, and 772 were contracted for a determined period. Additionally, at the end of the year, there were 6,556 employees from specialized companies, resulting in a total workforce of 9,916 collaborators.

Table 35: Our Workforce

Workface	Workers			Employees			Officials			Total		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Volcan Cía Minera S.A.A.	418	413	418	1,551	1,578	1,480	28	29	30	1,997	2,020	1,928
Cía. Minera Chungar S.A.C.	448	479	397	690	701	634	2	3	1	1,140	1,183	1,032
Emp. Admin. Cerro S.A.C.	163	165	185	110	102	191	1	1	1	274	268	377
Oxidos de Pasco S.A.C.	38	38		83	105			1		121	144	
Emp. Explotadora Vinchos						1						1
Hidroeléctrica Huanchor S.A.C.				21	22	22				21	22	22
Total	1,067	1,095	1,000	2,455	2,508	2,328	31	34	32	3,553	3,637	3,360

Social Responsibility

In 2023, Volcan invested USD 5.6 million in the development of the 36 communities within its direct influence area. This investment stemmed from agreements and commitments made, sustainable development plans, and community relations plans outlined in the Environmental Impact Assessments (EIAs). The investment focused on five pillars of intervention: education, health, economic development, promotion of local employment, and infrastructure. Additionally, in a bid to boost local economies, Volcan maintained commercial relationships with communal enterprises, contracting them for various services such as civil works, mining operations, transportation, among others.

To maintain optimal relations with the communities, Volcan promotes the development of a community complaints and grievances procedure. The management is focused on transparency and bidirectional communication with stakeholders through physical, virtual, and anonymous channels. Moreover, there is a strong commitment to address any complaints or grievances from stakeholders. Therefore, a response period is established to allow internal coordination for a comprehensive and efficient resolution.

In 2023, concerns primarily revolved around operational issues (52%) and environmental matters (26%), as well as social commitments (3%), labor and/or commercial issues (12%), and others (6%).

Corporate Volunteering

As part of Volcan's culture, in 2023, a corporate volunteering initiative was carried out. This consisted of a Women's Empowerment Festival organized in partnership with the NGO América Solidaria at the Fe y Alegría #25 Educational Institution in San Juan de Lurigancho. The festival included testimonies from two female miners from WIM (Women in Mining) and two women from Volcan to fourth and fifth-grade students, as well as teaching them the Caporales Machitas dance. This activity provided a space to interact with the students of the institution and empower them in career guidance towards fields related to mining through example.

Informational Magazine

Among the external communication channels, there are publications that serve as a source of information and aim to reinforce the basic values of the population, provide health and safety tips, develop educational topics, highlight the importance of environmental care, inform about the fulfillment of commitments, revalue culture, and strengthen information regarding human rights. Likewise, the

goal is to disseminate the various mechanisms for listening and receiving inquiries that we have with the community to make them more accessible and well-known.

Table 36: Publications

Unit	Number of issues in 2023
Yauli	3
Chungar	3
HPPs	2
Cerro	3
Alpamarca	1
Romina	1

Education

Primary and Secondary Education

In 2023, the alliance with the NGO Enseña Perú, an organization that promotes a movement of professionals to transform education, remained active. This alliance, present in the units of Yauli, Chungar, and Cerro de Pasco, involved 10 professionals from Enseña Perú, who managed to impact over 700 elementary and high school students directly. This resulted in improved indicators in mathematics, language comprehension, English, science, technology, and environment, as well as the reinforcement of soft skills, according to the Ministry of Education (MINEDU).

Unlike previous years, after listening to the demands of educational institutions and evaluating local issues and improvement opportunities in education, 2023 began with a pilot program for teacher training in Cerro de Pasco. Together with the NGO Enseña Peru, we designed and facilitated two virtual training courses for teachers and school principals in the area of influence of the Simón Bolívar district, the Rancas Community, and the Huayllay Community in the Pasco Province. These courses were endorsed by the UGEL PASCO, and the eighty (80) teachers who successfully complete the tests will receive a certificate for more than 120 hours of training.

The 4 modules of the project are fully aligned with the National Curriculum and the needs identified from the teachers. The modules focused on improving the teachers' formative assessment and socio-emotional skills, as well as promoting competency-based education and enhancing their leadership as agents of change in their community through their students.

Table 37: Communities in the Enseña Peru Program

Region	Unit	Community
Pasco	Cerro	Rancas
	Chungar	Huayllay
Junín	Yauli	Huayhuay
		Morococha
		Suitucancha
		Yauli

Likewise, in order to promote quality education, the school campaign was carried out in the directly influenced communities in the months of March and April, where 8,048 school kits were distributed at the initial, primary, and secondary levels. The kits consisted of backpacks, notebooks, pencil cases, and writing materials, totaling 78,302 supplies delivered.

Additionally, at the Alpamarca Unit - Romina Project, in coordination with local authorities of the directly influenced rural communities, workshops for useful holidays have been developed at the beginning of each year. These workshops are facilitated by specialized teachers in language, mathematics, and soft skills for different levels (initial, primary, and secondary), with the participation of 75 attendees, including children and adolescents.

Hydroelectric Power Plants

As part of the company's Social Responsibility policy, the educational axis developed the "Vacation Learning Program" in the communities of Santa Cruz de Andamarca and San Miguel de Vichaycocha. Thanks to the program, a total of 36 students from primary and secondary levels were able to enhance their knowledge in courses such as Mathematics, Communication, English, Verbal Reasoning, and Mathematical Reasoning, as well as improve their soft skills.

Superior Education

Alpamarca Unit –Romina Project

An extensive program of technical-professional training is being developed, targeting community members and their children within the influence area of the Alpamarca Mining Unit - Romina Project. The program aims primarily to strengthen their technical and academic skills, enabling them to integrate into the job market afterward. During the 2023 period, funding was provided for (08) student scholarships at the SENATI Higher Technological Institute, (01) at SENCICO, and (01) at CETEMIN.

Yauli Units

As part of the agreements under the agreement with the Yauli Community, 5 comprehensive scholarships were granted at SENATI, benefiting the children of community members, who took advantage of pursuing technical careers.

Similarly, in the San Francisco de Asís de Pucará Rural Community, one comprehensive scholarship was granted at TECSUP and one comprehensive scholarship at SENATI.

Chungar Unit

In 2023, 10 young individuals from the Huayllay Community were awarded scholarships at SENATI, while in the Huaychao Community, 2 scholarships were granted at SENATI, 2 at TECSUP, 2 at CETEMIN, and 2 at UNDAC. This adds up to a total of 18 scholarships awarded during the year.

Cerro Unit

In 2023, full scholarships were provided to 32 students at the National University Daniel Alcides Carrión (UNDAC), 15 students at the National Training Service in Industrial Work (SENATI), and 1 student at the Superior Education Institution TECSUP. All of them belonging to the Rural Communities of San Antonio de Rancas, Yurajhuanca, and Quiulacocho.

Hydroelectric Power Plants

In 2023, in the San José de Baños Community, 3 students were granted full scholarships at SENATI in the technical fields of Industrial Administration, Industrial Mechatronics, and Graphic Design. Additionally, thanks to the coordinated efforts between the company and SENATI, 100% of the scholarship recipients participated in webinars and virtual workshops aimed at developing their personal and social skills, thereby enhancing their employability.

Trainings

Yauli Unit

- In compliance with the commitments made in the agreements with the communities of Yauli, Pomacocha, and Pachachaca, and in fulfillment of commitments made at the dialogue table for economic reactivation with the District Municipality of Yauli, training in Drone Operation was provided to residents of the Yauli District.
- In coordination with the District Municipality of Yauli, the following 2 workshops were conducted to enhance the professional development of young people in the community: Tools for drafting a curriculum vitae and

training on Midot evaluations, with the aim of enabling residents to have better opportunities in selection and hiring processes.

- Training was conducted at the Training and Learning Center (ARAPA) for members of the Huayhuay Community, who received training in: Jumbo Frontonero Operator and Low-Profile Loader (Scoop) Operator, with the participation of 14 community members.
- Training was provided to mothers in the Huayhuay Community on: Family conflicts, parenting styles, healthy use of technology, how to talk to children about sexuality, and prevention of alcohol and drug use among adolescents, with the participation of 45 mothers from the community.
- Training sessions on organizational climate were conducted at educational institutions in the San Mateo de Huanchor Rural Community and on social skills at the educational institution of the San Francisco de Asís de Pucará Rural Community.
- As part of the Early Warning System (SAT), brigades from the districts of Yauli, Santa Rosa de Sacco, and La Oroya were trained by the Rapid LA team to be the best leaders in prevention and action during a natural disaster.
- As part of the training required for the SAT brigades, 70 brigades in the communities of Huayhuay, Huari, and the annex of Colpa were trained to achieve an assertive response to the scheduled drills.
- Technical assistance was provided to the members of the Conservation Committee of the Yauli rural community for the production and sale of trees, based on theoretical-practical activities related to the production of quinal.
- A workshop on livestock training was conducted in the Pomacocha community, where community members received tools to strengthen their technical knowledge and breeding of trout. Topics covered included trout breeding and production, water quality analysis, cleaning, selection for trout harvest, spawning, incubation, cleaning of dead eggs, feeding, and health.
- A workshop on genetic improvement in cattle was conducted for the Pachachaca community, with the aim of enhancing the capacities of cattle breeders in the community.

Cerro Unit

- Educational sessions on "Appropriate Water Use," "Importance of Recycling," and "Proper Waste Disposal" were conducted for students from early childhood, primary, and secondary educational institutions in the Rural Communities of San Antonio de Rancas, Quiulacocha, Yurajhuanca, Sacred Family, the Urban Community of Champamarca, the Human Settlement of Buenos Aires, and the populated center of Paragsha.

Additionally, training on environmental care and conservation was provided to tour operators from the Mining Interpretation Museum of the Regional Directorate of Energy, Mines, and Hydrocarbons (DREMH) Pasco in the communities of Yurajhuanca, Uliachín Settlement, and Santa Rosa Sector 2. During these sessions, informational materials regarding the importance of recycling and recommendations to avoid the use of plastic were distributed to 287 attendees.

In collaboration with Bureau Veritas Peru and Volcan's Environmental Affairs department, two training workshops on Participatory Environmental Monitoring were conducted for residents of the communities of Quiulacocha, Yurajhuanca, the Urban Community of Champamarca, Uliachín Settlements, José Carlos Mariátegui, and Buenos Aires, the Populated Center of Paragsha, and the Regional Directorate of Energy, Mines, and Hydrocarbons in Pasco. This activity was part of the Participatory Socio-Environmental Monitoring Program aimed at monitoring water, air, noise, and vibration levels.

- Training sessions on community relations, ethics, and conduct were provided to 196 employees of specialized and communal companies in the direct influence area, as per the Information and Communication Program of the Community Relations Plan.
- The "Maestro 360°" Program was developed, which was a training experience aimed at 50 teachers from the Simón Bolívar district and 8 specialists from UGEL and DRE Pasco, consisting of 120 teaching hours. The training covered topics such as Competency-Based Education (Course 1) and Formative Evaluation (Course 2).

Chungar Unit

- The heavy machinery operator training was conducted, providing 17 scholarships to students from the Huayllay community and 20 scholarships to students from the Huaychao community.
- The basic English course was offered in the Huayllay Community, with the participation of 21 students.
- Throughout the year, the Awaski Warmi weavers' training was conducted, with the participation of 20 students.
- The parent school training was held in the Huaychao Community for all 03 levels (preschool, primary, and secondary), receiving a warm reception from the parents.

Alpamarca Unit – Romina Project

- With the support of the Environmental Affairs and Mine Closure departments, training sessions were conducted on environmental conservation, solid waste management, and care of wetlands. These sessions were aimed at the residents of the communities of San Jose de Baños and Carhuacayán, as well as the primary school students of the I.E N° 20377 "San Jose de Baños".
- Training was conducted on Invierte.pe for the administrative staff (20) of the Municipality of Santa Bárbara de Carhuacayán. The purpose was to enhance their technical knowledge and contribute to the institutional strengthening of the district.
- Workshops on "Curriculum Vitae Preparation and Midot Assessments" were conducted for the communities within the direct influence area of the Alpamarca Unit: San José de Baños and Santa Bárbara de Carhuacayán. The aim was to facilitate residents' access to employment opportunities.
- Training sessions on local labor hiring were provided to the administrators of contracting companies, along with a talk on the code of ethics and conduct for workers of specialized companies. The objective was to comply with the Community Relations Plan and to maintain order and respect for the customs and traditions of the communities.
- Workshops on resource identification, healthy eating, leadership, and emotional well-being were conducted in the Campesinas Communities of Santa Catalina and San Juan de Chauca, in coordination with the National University of Trujillo and the social responsibility team.
- In coordination with the environmental department of the Romina project and the educational center of the Santa Cruz de Andamarca district, training was provided for proper waste segregation for subsequent recycling. The participation of students and teachers from the primary and secondary education sectors of the community was involved.
- Throughout the year, training sessions on the code of ethics and conduct, as well as local customs and traditions, have been provided to all contractor companies involved in the Romina project. The aim is to promote good practices and harmonious coexistence with the Santa Catalina Rural Community as part of our commitment to our direct and indirect community stakeholders.

Hydroelectric Power Plants

- Face-to-face training sessions were conducted for the members of the rural community of Viscas. The main topics covered included safe work practices, basic principles of electricity, operation of equipment using generators, and emergency procedures. Additionally, training was provided in soft skills and code of conduct. These training sessions were aimed at educating the community members and enhancing their employability for potential hiring at the Hydroelectric Power Plants.
- In coordination with the Professional School of Social Work at the National University of Trujillo, workshops were conducted in the communities of Santa Catalina, Vichaycocha, and Chauca. The topics addressed included leadership, community organization and identity, resource identification, soft skills, and healthy habits. Approximately 100 beneficiaries, including children, youth, and adults, participated in these workshops.
- In a strategic partnership with the Women's Emergency Center (CEM - Huaral), workshops on preventing violence against women and family members were conducted for the educational community and the general population of the San Miguel de Vichaycocha rural community.

Health

Health campaigns

The strategic alliance with the NGO Prisma was maintained to sustain the improvement of health standards and continue impacting the quality of life in communities.

The project has been identifying prevalent diseases in more than nine specialties, including respiratory, musculoskeletal, and gastrointestinal conditions, through progress indicators and monitoring. Additionally, prevention efforts are undertaken through advocacy meetings, sensitization with authorities, and experiential educational sessions on community-identified priority topics such as personal hygiene, healthy eating, and anemia prevention. In 2023, the campaigns lasted a total of 31 days, with 7,321 medical consultations provided in our locations. On average, medical attention had a satisfactory acceptance rate of 93%.

Given that the state plays a crucial role in ensuring the sustainability of the project, Volcan seeks to engage in the implementation and execution of these initiatives. Therefore, when patients requiring immediate care are identified, arrangements are made for them to receive appropriate treatment at public health facilities.

Table 38: Medical campaigns by community

Department	Unit	Location	Campaing
Mine	Yauli (Carahuacra-San Cristóbal, Ticlio)	Pachachaca	1
		Pomacocha	1
		Pucará	1
		San Mateo	1
		Yauli	1
	Cerro	Quiulacocha	2
		Yurajhuanca	1
		Paragsha	1
	Chungar	Huaychao	2
		Huayllay	1
		Santa Catalina	2
		Carhuacayan	2
Total mining			16
Energy	CH Baños	Ravira	1
		Viscas	1
	Total energy		
Total			18

Alpamarca Unit –Romina Project

A dental campaign was conducted where 47 treatments were provided to children, women, and elderly individuals. The campaign also included fluoride treatments, fillings, and extractions. Medications necessary for the patients' needs were also provided.

Anemia prevention campaign

As a parallel intervention and through the same alliance, since 2018, the NGO Prisma, in coordination with the Regional Health Directorate (DIRESA) Pasco, has been addressing the incidence of anemia syndrome in children under 5 years old and pregnant mothers in the communities of Cerro (Paragsha and Quiulacocha) and Chungar (Huaychao). As part of the plan, nutritional status identification of children, their consumption of iron-rich foods or supplementation, processing of necessary micronutrients, and, if identified, the situation of anemia is established. In 2022, the prevalence of anemia was reduced by 8 percentage points through screening activities, delivery of iron-rich supplements, training on good practices, cooking workshops, among others. Beneficiaries in this second year of intervention were 460 children under 5 years old and 40 pregnant mothers.

After the five years of intervention assigned to the project, a total reduction of 38 percentage points was achieved. The program began in 2019 with a diagnosis of 74% prevalence of anemia in project beneficiaries and concluded in 2023 at 36%. Additionally, over 15,000 accompaniment visits were made by community assistants, over 10,000 packs of iron-rich foods were distributed to families, and over a thousand awareness sessions were conducted.

Economic Development

Agricultural and livestock development

As part of the economic development axis, Volcan and the NGO Prisma designed a joint action strategy to preserve and nurture traditional businesses, and to develop their industry through innovative ideas. The agricultural and livestock campaigns conducted aimed to enhance the productive chain through technical assistance and monitoring of progress in the influence areas. In 2023, 315 community members from neighboring localities were benefited with the care and dosing of 141,167 head of animals.

Table 39: Campaigns by Location

Department	Unit	Location	Campaing
Mine	Cerro	Quiulacocho	1
		Yurajhuanca	1
		Yanacocho	1
	Chungar	Huayllay	1
		Huaychao	2
	Alpamarca	San José de Baños	1
		Catalina	1
		Lote 18	1
	Yauli	Huayhuay	1
		Pomacocho	2
		Suitucancho	1
		Yauli	2
	Total mining		
Energy	CH Baños	Santa Cruz de Andamarca	1
		San Miguel de Vichaycocho	1
		San Juan de Chauca	1
		Ravina	1
		Pacaraos	1
		Huascoy	1
Total energy			6
Total			21

Local Employment Promotion

Volcan contributed to increasing income and reducing unemployment in the communities of influence. Additionally, it promoted the enhancement of local personnel's skills to contribute to their human and professional development.

Volcan continues its policy of hiring local companies. In 2023, the total annual revenue of communal enterprises amounted to approximately USD 64.3 million.

Capacity Building:

Alpamarca Unit – Romina Project

The promotion of local labor hiring was achieved through job announcements from specialized companies: GEHA, EMICONSATH. S.A, and EMPRESA ITRAN C&M, M&P INGENIEROS, PANASERVICE, SOLORZANO, MTC, FAMESA, APT, and ALQUIMODUL. Through the community's department, these companies provided employment opportunities to community members and their relatives from Carhuacayan and San Jose de Baños, employing 50 individuals directly and 30 indirectly.

Likewise, in the institutional strengthening axis, at the request of the communities of Viscas, Ravira, and Chauca, the company provided financial support to manage the registration of new board of directors in Public Registries. This support was aimed at promoting the institutional strengthening of our communities of influence. Thanks to this recognition, the Boards of Directors are empowered to administer, manage, and represent their communities.

Unidad Cerro

In coordination with the residents of the communities of San Antonio de Rancas, Quiulacocha, and Yurajhuanca, the Urban Community of Champamarca, Human Settlements of Uliachín, Buenos Aires, José Carlos Mariátegui, and the Rural Center of Paragsha, occupational workshops on Welding were conducted at the Permanent Information Office located in the Rural Center of Paragsha, with the participation of 10 residents. These actions were carried out in line with the implementation of technical vocational training activities of the Program to Support Local Development Initiatives outlined in our IGAS.

Training workshops on "Livestock Techniques for Sanitary Management in Sheep and South American Camelids" and "Technified Guinea Pig Farming" were conducted for the rural communities of Tingo Palca, Yurajhuanca, Rancas, Quiulacocha, C.P. Paragsha, and interested members of the public, reaching 73 beneficiaries. This activity was part of the Program to Support Local Development Initiatives outlined in our IGAS.

25 job positions were provided to community members and their relatives from the Rural Community of San Antonio de Rancas, and a pre-professional internship program was developed for 16 children of community members from the communities of San Antonio de Rancas, Yurajhuanca, and Quiulacocha.

Yauli Unit

In Yauli, a dialogue table has been established in response to the population's needs arising from the COVID-19 pandemic, aimed at revitalizing economic activity. As a result, various businesses in the area have been reactivated, totaling 45 establishments including lodgings, dining venues, and laundries. Currently, efforts are underway to standardize these services to ensure quality and efficiency in the products offered.

Hydroelectric Power Plants

With the aim of contributing to the economic development of the families in our communities of influence, job vacancies from the company's contracting companies were disseminated. As a result, 21 community members were hired at the hydroelectric power plants, where they work as drivers, valve operators, and operators. This has contributed to increasing the hiring of local labor and reducing the existing unemployment rate.

Infrastructure

Chungar Unit

During 2023, in the community of Huayllay, five hamlets carried out their productive projects:

- Andacancha: Continued the development of the project "construction of synthetic grass sports field."
- Huarimarcan: Continued the development of the project "construction of sheds for animals", also initiated its 2nd project of the year called "construction of synthetic grass sports field."
- Condorcayan: Continued the development of the project "conditioning and improvement of its industrial laundry."
- León Pata: Continued the development of the productive project "improvement and maintenance of its cattle bathing area."
- San Carlos: Updated the technical dossier of its productive project "construction of a fuel station."

Alpamarca Unit –Romina Project

In the district of Santa Bárbara de Carhuacayán, support was provided for the improvement of roads in the Huancamachay area through the loan of a grader in compliance with an institutional cooperation agreement signed with the

municipality. Grading work was carried out, ditches were opened, and drivable tracks were created in areas with limited access. Additionally, support was provided for road improvement in the annex of Chuquiquirpay.

The construction of a sheep stable with noble material was financed, located in the Cacray area of the Santa Catalina Rural Community, benefiting the community's livestock, which will help reduce the mortality rate and respiratory diseases in sheep due to low temperatures.

To ensure the safety of animals in remote estates belonging to rural communities, the construction and installation of 3 vehicular gates were financed to control and regulate the entry of private vehicles and pedestrians onto the lands of the Santa Catalina and San Miguel de Vichaycocha Rural Communities. This will safeguard communal assets.

Cerro Unit

In the Rural Community of San Antonio de Rancas, the delivery of eucalyptus round poles, barbed wire rolls, livestock mesh, tanks, and water storage tanks with a capacity of 1 m³ was carried out to improve livestock breeding conditions. This benefited 200 landowners located around the Ocroyoc tailings dam and community members engaged in agricultural and livestock activities, in accordance with support programs for livestock activities and commitments as per agreements.

As part of the infrastructure support activities under the Education Support Program, the installation of solar panel-powered lights was conducted in educational institutions in Yurajhuanca and Quiulacocha. Additionally, a prefabricated room was installed at the Simon Bolivar Initial Education Institution in the rural community of San Antonio de Rancas, and two prefabricated rooms were installed in the rural community of Yurajhuanca for the operation of Early Childhood Education Services (S.E.T).

Finally, the distribution of 3000 Quinual seedlings was carried out to communities in the Social Influence Area, the National Forestry and Wildlife Service - SERFOR, the Agricultural Rural Productive Development Program - AGRO RURAL, and the Honorable Provincial Municipality of Pasco for afforestation activities during the first week of November in celebration of Forestry Week.

Yauli Unit

In the Rural Community of Pomacocha, maintenance work was carried out on the Victoria-Pomacocha Road with the aim of improving vehicle traffic. Similarly,

maintenance was performed on the road leading to the cooperative of the Rural Community of Yauli, covering approximately 2,580 kilometers, including the improvement of drainage ditches. Finally, maintenance was conducted on the Mahr Tunnel-Chumpe Road, spanning approximately 16 kilometers.

In the Andaychagua Unit, two periodic maintenance operations were performed on the JU-102 road section covering Huari-Huayhuay-Andaychagua, totaling approximately 34 kilometers. This ensures that the road remains at an optimal level of service.

Hydroelectric Power Plants

As part of the support for productive infrastructure, the Company financed silvopastoral reforestation work along with its respective technified irrigation system in the Cancay and Shupuy areas of the Rural Community of Viscas, with a total sum of S/ 120,776. This support aimed to improve the community's economy by reviving one of its main productive activities, namely agro-livestock farming. Additionally, community organization was strengthened as the execution was carried out by the community members themselves under the supervision of an agricultural technician. The beneficiaries amounted to approximately 150 residents.

Furthermore, as part of the company's social responsibility policies and aiming to contribute to the reduction of cattle theft in the Andacancha hamlet, the delivery of 20 bags of cement was carried out. This material was requested by the hamlet's authorities for the construction and installation of a gate at the hamlet's entrance.

Similarly, financial support was provided to the Santa Catalina rural community for the purchase of materials and subsequent construction of a gate in the area adjacent to the Vichaycocha community. This support was aimed at reducing cattle theft and ensuring better control over access to the community.

Public Works Tax Credits Program

In its objective to contribute to closing the infrastructure gap in the country, since 2010, Volcan and its subsidiary Chungar have financed works for S/ 126.6 million. Sixteen infrastructure and public service projects of significant social impact have been executed in the sectors of education, water and sanitation, environment, transportation, commerce, culture, and sports. These projects have benefited approximately 530,000 people.

In the same vein, Volcan continues to actively participate in and promote the Public Works Tax Credits mechanism through new projects and engagement with local, regional, and national authorities. The executed projects mainly benefit

nearby populations and also align with an internal strategy to invest in important sectors that allow for greater social impact.

It is worth noting that Volcan ranks third among mining companies in the Public Works Tax Credits ranking in terms of committed investment. Additionally, it is a founding member of ALOXI (Alliance for Public Works Tax Credits), which brings together companies responsible for over 80% of investment under this mechanism.

**Table 40: Ranking of Companies by Investment Amount
(in million PEN in the 2009-2023 period)**

N°	Company name	Total 2009-2023
1	Compañía Minera Antamina S.A.	1,715.4
2	Banco de Crédito del Perú S.A.A. – BCP	1,132.6
3	Southern Peru Copper Corporation	1,120.5
4	Optical Technologies S.A.C.	437.2
5	Telefónica del Perú S.A.A.	233.5
6	Banco Internacional del Perú S.A.A. – Interbank	229.7
7	Sheridan Enterprises S.A.C.	209.4
8	Volcan Compañía Minera S.A.A.*	126.6
9	Ferreyros S.A.	124.8
10	Unión de Cervecerías Peruanas Backus y Johnston S.A.A.-Backus	123.3

(*) Volcan Compañía Minera S.A.A. and Compañía Minera Chungar S.A.C (Volcan S/.112.9 MM – Chungar S/.13.7 MM)

Source: Dirección de Inversiones Descentralizadas – ProInversión con fecha 14/11/23

Volcan seeks to continue fostering the development of communities through investments in new "Public Works for Tax Credits" projects. Accordingly, in 2023, the construction of the project "Improvement and Expansion of the Sports Services of the Municipal Sports Complex on 1st of May Avenue" in the district of Chancay, province of Lima, department of Lima, was continued in collaboration with the Regional Government of Lima, with an investment of S/ 13,700,000. Additionally, the project "Improvement of Comprehensive Management of Municipal Solid Waste in the District of Huayllay," province and department of Pasco, was undertaken in collaboration with the District Municipality of Huayllay, with an investment of S/ 4,878,047.

Environmental Management



Our **Environmental Management Framework**, "**CleanWork**," establishes the Sustainability Strategy through the development of management plans and the standardization of tools for environmental risk management. It continuously evaluates the sustainable environmental performance of the operation.

CleanWork defines the performance and environmental sustainability expectations through the management of nine essential management elements.

The management of these elements is described in the Environmental Performance Expectations Manual, which specifies that the Environmental Hazard Protocols and Environmental Responsibility Behaviors are the central elements that complement and reinforce **CleanWork**.

Purpose:

Contributing to the creation of a new environmental culture among our leaders, which is reflected in operational results, thereby achieving sustainable management that integrates the environmental aspect into the business model.

Main Environmental Results of 2023

Energy

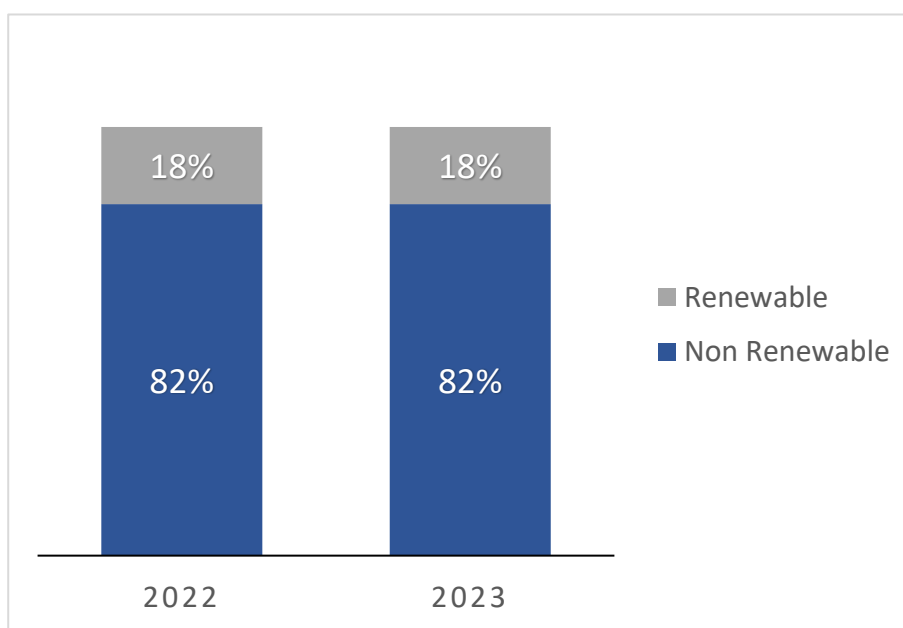
The energy consumption within the organization is categorized into renewable and non-renewable sources.

Renewable energy consumption is sourced from our own hydroelectric power plants, Chungar and Tingo, which represented 18% of Volcan's total energy consumption in 2022. The remaining 82% of energy is supplied (purchased) from the National Interconnected Electrical System (SEIN), which is considered non-renewable energy.

Table 41: Energy Consumption during 2023

Units	Energy consumption (GWh)		
	Non - renewable	Renewable	Total
Alpamarca	25.3	0	25.3
Andaychagua	118.0	0	118.0
Chungar	87.9	148.3	236.2
Cerro- Óxidos	176.5	0	176.5
San Cristóbal -Carahuacra	197.3	0	197.3
Ticlio	90.2	0	90.2
Vinchos	0.4	0	0.4
Total 2023 (GWh)	695.7	148.3	844.0

Graph 25: Energy Consumption



In 2023, there was no significant variation in the percentages of renewable and non-renewable energy compared to the previous year. To generate operational efficiencies, the Corporate Energy Efficiency Program was established with the aim of keeping the energy cost between 10% and 12% of the mineral production cost. The program aims to reduce energy consumption during peak hours by scheduling equipment shutdowns in the mine and plant, activating generators, and using capacitor banks to efficiently compensate reactive energy.

As a result of this program, the unit energy consumption was reduced to 89 kWh/t in 2023. Continuous monitoring of energy consumption is ongoing, with more meters being integrated into each mining and plant process to identify further energy efficiency opportunities.

Table 42: Unit Energy Consumption 2023

Units	EI (kWh/ton)	
	2022	2023
Alpamarca	29	26
Andaychagua	140	125
Chungar	198	187
Cerro	45	44
Oxidos	41	41
San Cristóbal -Carahuacra	108	111
Ticlio	206	137
Total	91	89

Water Management

Water is an essential resource in our activities, primarily used for energy generation, mining production, and to a lesser extent, for domestic use in the camps. The main sources of supply are surface waters (rivers, springs) and groundwater intercepted during mining operations, which have been previously identified and evaluated in the corresponding environmental certifications.

At Volcan, as part of the Environmental Standard, actions are being established in the short, medium, and long term, not only complying with national regulations but also adopting best practices included in the International Council on Mining and Metals (ICMM) guidelines for responsible water management and reporting.

The assessment of water risks continues, with actions developed in the Water Management Plan, which were focused on the main findings identified in the 2022 audit. Measures are being implemented to optimize the efficient use of water resources, including:



Development of predictive water balance models that consider the recirculation of water in mining processes.



Detection of leaks or bad practices in order to identify opportunities for improvement.



Identification of process improvements and reduction of water consumption.



Training of personnel on the rational use and consumption of water resources.

Main Results:

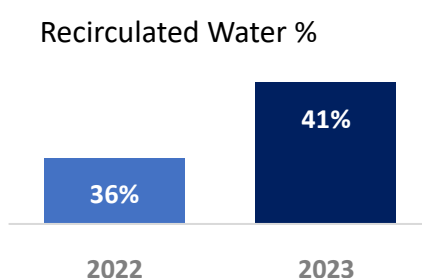
In 2023, there was a 5% increase in the recirculation of process water, reaching 41%. As a result, Volcan ceased to use 9.6 million cubic meters of fresh water in its operations.

The mining operations that recirculate water are Cerro de Pasco, Alpamarca, and San Cristobal - Carahuacra.

Table 43: Water Consumption Volumes (m³)

Units	Recirculated water	Used water
Alpamarca	2,288,344	2,366,656
Andaychagua	0	3,434,764
Chungar	0	4,651,570
Cerro	5,316,317	7,129,606
San Cristóbal -Carahuacra	2,024,927	5,538,831
Ticlio	0	116,521
Total	9,629,637	23,237,948

Graph 26: Water Consumption



Effluent Treatment

As part of its water risk prevention strategies, Volcan maintains 20 mine effluent treatment plants (PTARI) in its operations. These plants receive effluents from the processing, drainage from Stockpiles, waste rock drainage (contact waters), mine acid drainage, and water from its tailings pond. These waters undergo treatment to comply with national regulations for discharging mine metallurgical effluents (D.S. 010-2010-EM) and are discharged at authorized effluent discharge points. These points are equipped with monitoring stations for sampling, and water quality analysis is conducted by certified laboratories accredited by INACAL (National Institute of Quality). The analysis results are then submitted to the authorities for evaluation.



The management of treatment plants is continuously optimized as part of the continuous improvement process.

Climate Change and Emissions

In 2023, Principle No. 3, "Promote environmental responsibility through efficient resource use, taking mitigation and adaptation actions to climate change, and protecting biodiversity and ecosystems," has been included in Volcan's Safety, Health, Environment, and Communities Policy (SSOMAC). With this, Volcan reaffirms its commitment to responsibility by contributing to the global effort to achieve the goals of the Paris Agreement. This commitment involves taking actions to reduce Volcan's operational carbon footprint and establishing a strategy for Energy and Climate Change Management.



CleanWork continues to develop the Energy and Climate Change Management Standard, which includes initiatives to contribute to Sustainable Development Goal No. 13

The Climate Change Management strategies primarily developed the following activities:

- Annual Measurement of Carbon Footprint
- Update of emissions inventory and databases.
- Climate Change Risk Assessment (Physical and Transition).
- Identification of emissions reduction initiatives.
- Registration of carbon emissions on the Carbon Footprint Peru platform.

Main Results:

Despite the increase in treated mineral production, Volcan achieved a 6% reduction in CO₂eq (t) generation per ton of treated mineral (Intensity) in 2023.

This reduction was a result of activities aimed at optimizing the use of electrical energy in operations.

Volcan's corporate carbon footprint is prepared following the methodology of the Greenhouse Gas Protocol Corporate Standard (GHG Protocol) and the guidelines and principles of ISO 14064. The results for 2023 are as follows:

Table 44: Volcan GHG Emissions 2023

Units	GHG (tCO ₂ e)		
	Scope 1	Scope 2	Total
Alpamarca	4,082	6,195	10,278
Andaychagua	9,415	18,076	27,491
Chungar	16,020	7,231	23,251
Cerro	1,007	43,382	44,382
San Cristóbal -Carahuacra	22,485	56,105	78,589
Ticlio	6,725	17,963	24,688
Hydroelectric power plants	194	1,969	2,163
Total	59,927	150,921	210,842

The intensity ratio of GHG emissions per ton of treated mineral at Volcan is indicated in the following table:

Table 45: Volcan GHG Emissions Intensity

Units	Intensity of GHG Emissions (t CO ₂ eq/t)
Alpamarca	0.08
Andaychagua	0.03
Chungar	0.02
Cerro	0.01
San Cristóbal -Carahuacra	0.01
Ticlio	0.03

Annual Average Intensity Indicator (2018 – 2023)

0.00345 (t)CO₂eq/ (t) Treated mineral

Air Quality

Volcan's operations do not generate pollution through the dispersion of heavy metal contaminants into the environment. As part of the strategies to prevent this risk, operational controls are maintained across all its mining operations. These controls include:

- Enclosed warehouses for the storage and dispatch of zinc, lead, and silver concentrates.
- Cleaning of concentrate transport vehicles before leaving the operation's facilities (trucks and wagons).
- Transport of concentrate in encapsulated (sealed) trucks.
- Wetting of roads in the operation.
- Spraying of stockpiles before hauling.
- Installation of barriers to control dust dispersion.
- Dust mitigation in the beneficiation plant processes.

Volcan has 89 air quality monitoring stations to verify compliance with the air quality standard (Supreme Decree 003-2017-MINAM) across the entire direct influence area of its operations. The results are reported to the Environmental Oversight Authority (OEFA) on a monthly and quarterly basis.



Table 46: Air Quality Monitoring Points 2023

Unit	Monitoring Points	Monitoring Frequency
Alpamarca	11	Quarterly
Chungar	11	Monthly and Quarterly
Cerro - Óxidos	29	Monthly and Quarterly
San Cristóbal - Carahuacra	17	Monthly
Andaychagua	5	Monthly
Ticlo	6	Monthly
HPPs	4	Quarterly
Vinchos	8	Quarterly
San Sebastián	2	Quarterly
Total	93	

For the mining operations in Cerro de Pasco, there are 29 air quality monitoring stations distributed across the operations and the city. Additionally, the environmental oversight authority, OEFA, maintains a continuous air quality monitoring station in the city. The results can be viewed on the website <https://pifa.oefa.gob.pe/VigilanciaAmbiental/> (Station Paragsha CA-SB-01).

Waste Management

The management of solid waste at Volcan involves grouping them into:

- Mineral Waste
- Non-Mineral Waste

Table 47: Volcan Waste Generation 2023

Units	Mineral Waste (t)	Non Mineral Waste (t)	Total
Alpamarca	2,228,219	211	2,228,430
Andaychagua	1,201,805	621	1,202,426
Chungar	1,493,313	2,168	1,495,481
Cerro	6,999,264	1,975	7,001,239
San Cristóbal -Carahuacra	2,036,277	5,762	2,042,039
Ticlo	231,903	300	232,203
HPPs	0	68	68
Total	14,190,780	11,106	14,201,886

Main Results:

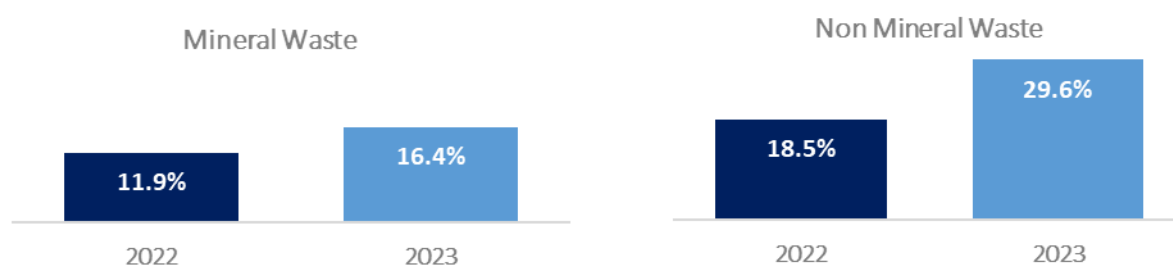
Applying good practices of Circular Economy, in 2023 Volcan managed to reuse 16% of mineral waste (tailings, overburden), using this material as input for filling and supporting underground workings.

Regarding non-mineral waste, a reuse/recycling (valorization) rate of 30% of the waste generated in the operation was achieved.

Table 48: Volcan Reused/Recycled Waste 2023

Units	Mineral Waste (t)	Non Mineral Waste (t)	Total
Alpamarca	0	68	68
Andaychagua	0	450	450
Chungar	564,183	67	564,250
Cerro	0	817	817
San Cristóbal -Carahuacra	1,580,271	1,795	1,582,065
Ticlio	180,285	93	180,378
HPPs	0	0	0
Total	2,324,739	3,290	2,328,028

Graph 27: Reused/Recycled Waste



The non-mineral waste is subdivided into:

- Hazardous waste
- Non-Hazardous waste

The **hazardous non-mineral waste** is transported and disposed of in secure landfills outside the Units, managed by accredited waste service companies authorized by competent authorities.

The **non-hazardous non-mineral waste** is either commercialized and/or disposed of in sanitary landfills implemented within the Unit or in authorized landfills.

Sustainability Projects in Waste Management:

Volcan, committed to generating shared value and aligned with the strategies of "CleanWork," has developed sustainable projects that yield social, environmental, and economic benefits. Some of the key achievements of these projects include:

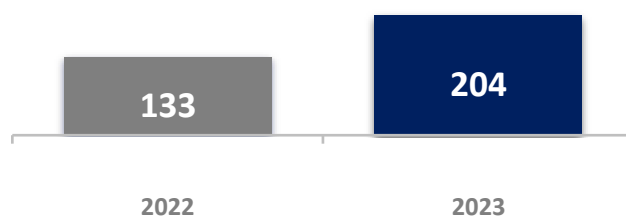
- **Mining Environmental Liabilities Recovery:**
These projects aim to reduce and mitigate the environmental risk posed by mining liabilities, obtaining economic benefits through their reprocessing, and generating employment in the surrounding area.
- **Cerro de Pasco Unit Stockpile Reprocessing:**
By 2023, 5.1 million tons of stockpiles have been processed at the Oxide Beneficiation Plant.
- **Alpamarca Unit Tailings Reprocessing:**
By 2023, 562,500 tons of old Aguascocha tailings have been processed at the Alpamarca Concentrator Plant.

Recycling of Disused Material:

In 2023, Volcan launched its Disused Material Recycling project through mass collection campaigns in the "RECICLATÓN," as part of the agreement with our strategic partners from the NGO ANIQUEM.

This project aims to reduce waste generation in the operation, resulting in savings for Volcan. Additionally, it provides social and economic benefits to the ANIQUEM NGO, allowing them to provide comprehensive therapies to children with burn injuries.

Graph 28: Donation of Disused Materials (tons)



Biodiversity

The development of the Biodiversity Management Plan continued in accordance with the commitments established in our environmental certifications, national regulations, and the requirements of the Glencore Group.

It is also confirmed that in 2023, none of Volcan's operations are located within a protected natural area designated in the National System of Protected Natural Areas by the State (SINANPE).

As part of the environmental monitoring plan, periodic monitoring of flora, fauna, and hydrobiology is maintained.

Mine Closure Planning (MCP) Management

As part of the "CleanWork" strategies to control and prevent risks associated with components in the closure process, activities are maintained to comply with the closure planning standard (aligned with the principles of the ICMM) and the regulations of Law No. 28090 and its subsequent amendments, including DS No. 033-2005.

Volcan has approved Mine Closure Plans (MCP) at all its operations, developed at a feasibility level to ensure the physical, geochemical, and hydrological stability of disturbed areas.

Closure activities carried out and their results are reported to the Ministry of Energy and Mines for subsequent oversight by OEFA.

The areas rehabilitated by Volcan in the last 2 years were:

Table 49: Rehabilitated Areas in Volcan

Units	Rehabilitated Lands (Ha) 2023
Alpamarca	0.03
Andaychagua	2.26
Chungar	0.003
Cerro/Óxidos	0.4
San Cristóbal -Carahuacra	0
Ticlio	0.1
Explorations	0.45
Total	3.24

In Cerro de Pasco, the main completed activities as of 2023 are:

- Laguna Yanamate: Suspension of acid mine drainage discharge and remediation of 4,000 m² of surface area.
- Delta Upamayo: Revegetation of 140,000 m² of surface area (financed jointly with other mining companies).
- Wishllamachay Liability: Remediation and geochemical stabilization of 90,000 m² of surface area.
- Stockpiles: Remediation of 15,000 m² of surface area and elimination of 5.1 million tons.

Tailings Storage Facility Management

This management is developed under the guidelines of the Tailings Storage Facility Standard, which adopts the principles of the Global Industry Standard on Tailings Management (GISMT). The main activities carried out include:

- Implementation of emergency response plans, working with our communities, and completion of the Early Warning System (EWS) infrastructure.
- Drills with communities and authorities on dam breach scenarios, putting emergency response plans into practice.
- Ongoing engineering work to adapt our tailings facilities to our standards with the advice of global experts and reporting to the Company's senior management.
- Management of key risk indicators (KRIs) to monitor performance against business risk.
- Satellite monitoring (InSAR) of all our TSFs to improve our geotechnical stability risk management.

In Table No. 50, the operational tailings deposits are shown by Mining Unit.

Table 50: Tailings Deposits by Mining Unit

Company	Unit	Tailings Deposit	Disposition Type
Volcan Compañía Minera S.A.A.	Carahuacra	Rumichaca	Thickened
	Andaychagua	Andaychagua Alto	Cyclone pulp
Compañía Minera Chungar S.A.C.	Alpamarca	Alpamarca	Thickened
	Animon	Animon	Filtered

Empresa Administradora Cerro S.A.C.	Cerro de Pasco	Ocroyoc	Slurry
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Disclosure of Tailings Storage Facility Consequences (GISMT)

According to the disclosure guidelines and requirements of GISMT and ICMM, Glencore and Volcan have published information on consequence classifications in informational sheets accessible through the following links:

- [Informative Sheet](#) : TSF Mahr Tunel
- [Informative Sheet](#) : TSF Ocroyoc
- [Informative Sheet](#): TSF Rumichaca

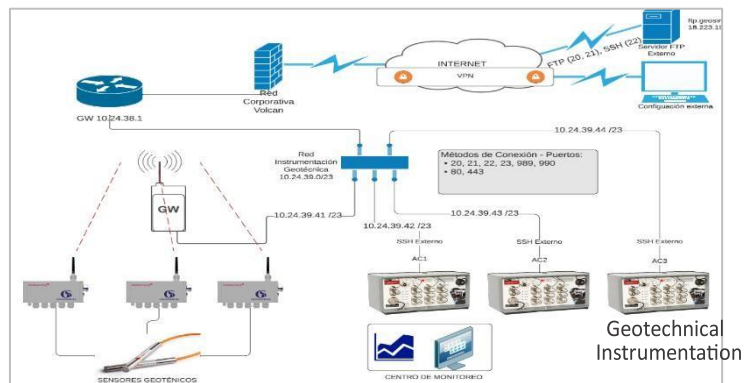
Early Warning System

The Early Warning System (SAT) in Volcan's influence areas aims to inform, promote participation, train, and prepare neighboring populations on how to act in advance in the event of a potential failure of our tailings storage facilities, thereby avoiding or reducing the loss of human lives.

As part of the Emergency Preparedness and Response Plan (EPRP), the Early Warning System (SAT) has been implemented in alignment with principles 13 and 14 of the GISMT.

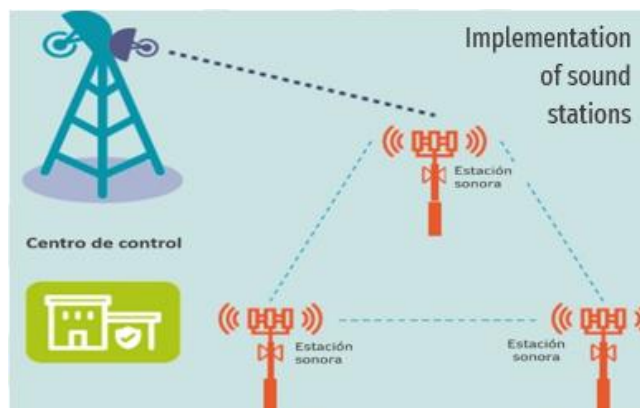
Monitoring System

- Control Center
- Geotechnical Monitoring Software
- Data Collection Scheme
- InSAR Satellite Monitoring
- Radar Monitoring



Communication System (Sound Stations)

- The importance of the system was explained in meetings with the authorities.
- Areas where the stations would be located were inspected together with the authorities.
- Permissions for the construction stage were requested.
- Installation was carried out by a specialized company.



Signage, evacuation routes, and safe zones

- The location of sound stations, safe zones, temporary shelters, and signage was confirmed in coordination with the authorities.
- Construction permits were requested from the authorities.
- The construction (civil work) was carried out by local companies.



- A communication plan was developed with a specialized company.
- Designs helped present the project in simple language with easy-to-identify cartoons. Two characters, a young person, and his pet (Prudencio and Segurolas), were created to raise awareness among residents about the risk and how to act to prevent loss of life.
- Flyers, brochures, banners, panels, as well as social media dissemination, were produced.
- Radio spots and micro-programs featuring the adventures of Prudencio and Segurolas were prepared and broadcast on local radio stations.
- All materials were reviewed by the authorities, and final design approval was given together.
- The graphic material was placed in communities, with permission obtained from municipal authorities and communities for the use of public spaces.

Simulated
drills with
communities

3

In 2023, 3 Multi-Hazard Drills were conducted with the participation of communities in the area of influence in the months of May, August and November.

Environmental Commitments and Legal Requirements Compliance

As part of the "CleanWork" strategies concerning the assurance of compliance with environmental regulations and commitments outlined in approved environmental management instruments by the authority, Volcan has

implemented an environmental management tool called the "RELOC" Matrix (Legal Requirements and Other Commitments). This tool enables continuous evaluation of environmental legal compliance and identifies deviations for immediate correction.

CHAPTER 14



AUDITED FINANCIAL STATEMENTS

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 31ST, 2023 AND 2022

Contents

Consolidated Statement of Financial Position

Consolidated Statement of Comprehensive Income

Consolidated Statement of Changes in Equity

Consolidated Statement of Cash Flows

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 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, 2023 AND 2022
(In thousands of U.S. dollars (US\$000))**

	Notes	2023 US\$000	2022 US\$000		Notes	2023 US\$000	2022 US\$000
ASSETS				LIABILITIES AND EQUITY			
CURRENT ASSETS:				CURRENT LIABILITIES:			
Cash and cash equivalents	6	61,642	73,600	Bank overdrafts		1,046	198
Trade accounts receivable (net)	9	20,316	28,586	Financial obligations	16	136,326	34,697
Other accounts receivable (net)	10	77,038	65,389	Trade accounts payable	17	242,213	259,859
Inventories (net)	12	48,305	57,093	Other accounts payable	18	60,495	66,249
Other financial assets	11	655	-	Deferred income		21	-
Total current assets		<u>207,956</u>	<u>224,668</u>	Total current liabilities		<u>440,101</u>	<u>361,003</u>
NON-CURRENT ASSETS:				NON-CURRENT LIABILITIES:			
Other accounts receivable (net)	10	35,970	34,262	Financial obligations	16	667,543	776,771
Investment in associate	7	148,118	147,801	Other accounts payable	18	-	3,200
Financial investments	8	37,158	38,704	Provisions	19	323,474	323,284
Inventories (net)	12	5,619	6,218	Deferred income tax	28 (a)	78,857	136,277
Property, plant and equipment (net)	13	771,778	812,912	Deferred income		602	-
Right-of-use assets (net)	14	17,926	11,385	Total non-current liabilities		<u>1,070,476</u>	<u>1,239,532</u>
Mining concessions, exploration and development costs and other assets (net)	15	650,650	699,938	Total liabilities		<u>1,510,577</u>	<u>1,600,535</u>
Total non-current assets		<u>1,667,219</u>	<u>1,751,220</u>	EQUITY:			
TOTAL				Issued capital stock	20 (a)	906,680	1,134,300
		<u>1,875,175</u>	<u>1,975,888</u>	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)	10,416	10,695
				Accumulated other comprehensive income	20 (e)	(10,208)	(9,436)
				Accumulated losses		(308,122)	(526,038)
				Total equity		<u>364,598</u>	<u>375,353</u>
				TOTAL		<u>1,875,175</u>	<u>1,975,888</u>

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, 2023 AND 2022
(In thousands of U.S. dollars (US\$000))**

	<u>Notes</u>	<u>2023</u> US\$000	<u>2022</u> US\$000
Net sales	21	883,086	951,266
Cost of sales	22	<u>(725,507)</u>	<u>(762,743)</u>
Gross profit		157,579	188,523
Administrative expenses	23	(55,157)	(69,346)
Selling expenses	24	(30,563)	(24,852)
Other income	25	63,429	60,068
Other expenses	25	(78,507)	(87,465)
Impairment loss of long-term assets	26	<u>(36,200)</u>	<u>(126,069)</u>
Operating profit (loss)		20,581	(59,141)
Financial income	27	5,793	14,751
Financial expenses	27	<u>(70,526)</u>	<u>(57,124)</u>
Loss before income tax		(44,152)	(101,514)
Income tax	28	<u>34,169</u>	<u>20,132</u>
Net loss for the year		<u>(9,983)</u>	<u>(81,382)</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 per share	29	<u>(0.003)</u>	<u>(0.021)</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, 2023 AND 2022
(In thousands of U.S. dollars (US\$000))

	<u>2023</u> US\$000	<u>2022</u> US\$000
Net loss for the year	(9,983)	(81,382)
OTHER COMPREHENSIVE INCOME:		
Items that will not be reclassified to profit or loss:		
Unrealized (loss) profit of investments in equity instruments	(1,269)	96
Deferred income tax	<u>374</u>	<u>(28)</u>
	(895)	68
Items that can be subsequently reclassified to profit or loss:		
Unrealized profit of derivative financial instruments	173	-
Deferred income tax	<u>(51)</u>	<u>-</u>
Total other comprehensive income that can be subsequently reclassified to profit or loss	<u>122</u>	<u>-</u>
Total comprehensive income, net of income tax	<u>(10,755)</u>	<u>(81,314)</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, 2023 AND 2022
(In thousands of U.S. dollars (US\$000))**

	Issued capital stock US\$000 Note 20 (a)	Higher value in acquisition of treasury shares US\$000 Note 20 (b)	Treasury shares US\$000 Note 20 (c)	Legal reserve US\$000 Note 20 (d)	Accumulated other comprehensiv e income US\$000 Note 20 (e)	Accumulated losses US\$000	Total equity US\$000
Balance as of January 1, 2022	<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>
Comprehensive income							
Net loss for the year	-	-	-	-	-	(9,983)	(9,983)
Other comprehensive income for the year	-	-	-	-	(772)	-	(772)
Total comprehensive income for the year	-	-	-	-	(772)	(9,983)	(10,755)
Capital decrease	(227,620)	-	-	(986)	-	228,606	-
Legal reserve	-	-	-	707	-	(707)	-
Balance as of December 31, 2023	<u>906,680</u>	<u>(173,234)</u>	<u>(60,934)</u>	<u>10,416</u>	<u>(10,208)</u>	<u>(308,122)</u>	<u>364,598</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, 2023 AND 2022 (In thousands of U.S. dollars (US\$000))

	<u>2023</u>	<u>2022</u>
	US\$000	US\$000
OPERATING ACTIVITIES:		
Collections from:		
Sales	1,039,336	1,097,004
Return of credit balance subject to profit and taxes	27,723	33,041
Payments to/for:		
Suppliers and third parties	(669,275)	(651,506)
Employees	(119,659)	(106,815)
Income tax	(18,322)	(19,857)
Royalties	(11,411)	(15,993)
Net cash and cash equivalents provided by operating activities	<u>248,392</u>	<u>335,874</u>
INVESTING ACTIVITIES:		
Payments for:		
Purchase of property, plant and equipment	(85,548)	(168,831)
Increase of exploration and development costs, and other assets	(94,382)	(120,696)
Net cash and cash equivalents used in investing activities	<u>(179,930)</u>	<u>(289,527)</u>
FINANCING ACTIVITIES:		
Collection from:		
Obtainment of financial obligations	-	396,955
Payments for:		
Financial obligations	(25,389)	(548,423)
Overdrafts and other financial liabilities	(848)	(971)
Premium for bond repurchase	-	(3,300)
Interests	(54,183)	(48,195)
Net cash and cash equivalents used in financing activities	<u>(80,420)</u>	<u>(203,934)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(11,958)</u>	<u>(157,587)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>73,600</u>	<u>231,187</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>61,642</u>	<u>73,600</u>

Transactions that do not result in cash flows are described in Note 35.

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

VOLCAN COMPAÑÍA MINERA S.A.A.

**STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022
(In thousands of U.S. dollars (US\$000))**

	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>
	US\$000	US\$000		US\$000	US\$000
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	30,006	39,450	Bank overdrafts	717	129
Trade accounts receivable (net)	5,989	5,999	Financial obligations	130,291	24,925
Accounts receivable from related entities	454,717	353,056	Trade accounts payable	148,213	138,466
Other accounts receivable (net)	25,953	17,770	Accounts payable to related entities	187,300	110,432
Inventories (net)	19,808	24,070	Other accounts payable	28,213	35,573
Other financial assets	487	-			
Total current assets	<u>536,960</u>	<u>440,345</u>	Total current liabilities	<u>494,734</u>	<u>309,525</u>
NON-CURRENT ASSETS:					
Other accounts receivable (net)	13,897	12,464	Other accounts payable	-	3,200
Investments in subsidiaries and associates	1,051,484	1,072,887	Financial obligations	665,408	771,160
Property, plant and equipment (net)	283,035	317,455	Provisions	140,434	150,992
Right-of-use assets (net)	14,329	8,179	Deferred income tax	11,827	42,256
Mining concessions, exploration and development costs and other assets (net)	301,263	386,947			
Total non-current assets	<u>1,664,008</u>	<u>1,797,932</u>	Total non-current liabilities	<u>817,669</u>	<u>967,608</u>
			Total liabilities	<u>1,312,403</u>	<u>1,277,133</u>
EQUITY:					
			Issued capital stock	906,680	1,134,300
			Legal reserve	-	986
			Accumulated other comprehensive income	122	-
			Accumulated losses	(18,237)	(174,142)
			Total equity	<u>888,565</u>	<u>961,144</u>
TOTAL	<u>2,200,968</u>	<u>2,238,277</u>	TOTAL	<u>2,200,968</u>	<u>2,238,277</u>

VOLCAN COMPAÑÍA MINERA S.A.A.

**STATEMENTS OF PROFIT OR LOSS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of U.S. dollars (US\$000))**

	<u>2023</u> US\$000	<u>2022</u> US\$000
Net sales	530,017	554,513
Cost of sales	<u>(388,442)</u>	<u>(390,669)</u>
Gross profit	141,575	163,844
Administrative expenses	(39,136)	(44,429)
Selling expenses	(20,126)	(13,456)
Other income	29,674	32,121
Other expenses	(35,987)	(40,901)
Impairment loss of subsidiaries	(8,304)	(4,149)
Impairment loss of long-term assets	<u>(124,800)</u>	<u>(164,000)</u>
Operating loss	(57,104)	(70,970)
Financial income	42,892	36,367
Financial expenses	<u>(73,915)</u>	<u>(55,009)</u>
Loss before income tax	(88,127)	(89,612)
Income tax	<u>15,426</u>	<u>17,066</u>
Net loss for the year	<u>(72,701)</u>	<u>(72,546)</u>
Weighted average of the number of outstanding shares (in thousands)	<u>3,857,594</u>	<u>3,857,594</u>
Basic and diluted loss per share	<u>(0.019)</u>	<u>(0.019)</u>

VOLCAN COMPAÑÍA MINERA S.A.A.

**STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of U.S. dollars (US\$000))**

	<u>2023</u> US\$000	<u>2022</u> US\$000
Net loss for the year	(72,701)	(72,546)
OTHER COMPREHENSIVE INCOME:		
Items that can be subsequently reclassified to profit or loss:		
Unrealized profit of derivative financial instruments	173	-
Deferred income tax	(51)	-
Total other comprehensive income that can be subsequently reclassified to profit or loss	<u>122</u>	<u>-</u>
Total comprehensive income, net of income tax	<u>(72,579)</u>	<u>(72,546)</u>

VOLCAN COMPAÑÍA MINERA S.A.A.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of U.S. dollars (US\$000))**

	<u>Issued capital stock</u> US\$000	<u>Legal reserve</u> US\$000	<u>Accumulated other comprehensive income</u> US\$000	<u>Accumulated losses</u> US\$000	<u>Total equity</u> US\$000
Balance as of January 1, 2022	<u>1,134,300</u>	<u>986</u>	<u>-</u>	<u>(101,591)</u>	<u>1,033,695</u>
Comprehensive income					
Net loss for the year	-	-	-	(72,546)	(72,546)
Other changes	-	-	-	(5)	(5)
Balance as of December 31, 2022	<u>1,134,300</u>	<u>986</u>	<u>-</u>	<u>(174,142)</u>	<u>961,144</u>
Comprehensive income					
Net loss for the year	-	-	-	(72,701)	(72,701)
Other comprehensive income for the year	-	-	122	-	122
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>122</u>	<u>(72,701)</u>	<u>(72,579)</u>
Capital decrease	(227,620)	(986)	-	228,606	-
Balance as of December 31, 2023	<u>906,680</u>	<u>-</u>	<u>122</u>	<u>(18,237)</u>	<u>888,565</u>

VOLCAN COMPAÑÍA MINERA S.A.A.**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of U.S. dollars (US\$000))**

	<u>2023</u>	<u>2022</u>
	US\$000	US\$000
OPERATING ACTIVITIES:		
Collections from:		
Sales	590,118	640,264
Return of credit balance subject to profit and taxes	1,057	4,361
Payments to/for:		
Suppliers and third parties	(237,278)	(371,340)
Employees	(74,649)	(65,023)
Income tax	(14,884)	(3,671)
Royalties	(7,191)	(10,665)
Net cash and cash equivalents provided by operating activities	<u>257,173</u>	<u>193,926</u>
INVESTING ACTIVITIES:		
Payments for:		
Loans granted to related entities	(62,557)	(53,674)
Disbursements for acquisition of real estate, machinery and equipment	(74,666)	(70,763)
Increase of exploration and development costs, and other intangibles	(105,449)	(67,672)
Net cash and cash equivalents used in investing activities	<u>(242,672)</u>	<u>(192,109)</u>
FINANCING ACTIVITIES:		
Collection from:		
Loans obtained from related parties	45,786	100,214
Obtainment of financial obligations	-	396,955
Payments for:		
Financial obligations	(15,025)	(531,048)
Overdrafts and other financial liabilities	(589)	(410)
Premium for bond repurchase	-	(3,300)
Interests	(54,117)	(47,952)
Net cash and cash equivalents used in financing activities	<u>(23,945)</u>	<u>(85,541)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,444)	(83,724)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>39,450</u>	<u>123,174</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>30,006</u>	<u>39,450</u>

CHAPTER 16



LEGAL AFFAIRS

Legal Affairs

The Management of the Company and its Subsidiaries, based on the opinion of both external and internal legal advisors, have conducted a review of all tax, labor, civil, and administrative processes, among others. As a result, they have determined and made a provision for probable contingencies amounting to US\$32,346 and US\$25,422 as of December 31st, 2023, and 2022, respectively, which is presented under the Provision section of the consolidated statement of financial position. The Management of the Company and its Subsidiaries, along with their legal advisors, believe that this provision adequately covers probable contingencies.

Regarding possible contingencies, both external and internal legal advisors of the Company and its Subsidiaries have determined an amount of US\$84,479 (US\$54,859 as of December 31st, 2022) related to various ongoing processes maintained by the Company.

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

Volcan Compañía Minera S.A.A.

The Management of the Company, based on the opinion of both external and internal legal advisors, has conducted a review of all tax, labor, civil, and administrative processes, among others. As a result, they have determined and made a provision for probable contingencies amounting to US\$16,221 as of December 31st, 2023 (US\$14,402 as of December 31st, 2022). The Management of the Company and its legal advisors believe that this provision adequately covers probable contingencies.

Regarding possible contingencies, both external and internal legal advisors of the Company have determined an amount of US\$37,181 as of December 31st, 2023 (US\$35,585 as of December 31st, 2022) related to various ongoing processes maintained by the Company.

Civil and Labor Cases

As of December 31st, 2023, the Company faces civil and labor lawsuits classified as probable for an amount of US\$7,672 (US\$6,759 as of December 31st, 2022). Contingencies classified as possible amount to US\$14,654 (US\$14,195 as of December 31st, 2022), related to compensation for occupational diseases, reimbursement of social benefits, profit sharing, replacement of workers, and others.

Tax Proceedings

As of December 31st, 2023, the Company has pending resolution of various administrative processes with the National Superintendency of Tax Administration

(SUNAT) and the Tax Court regarding various tax determination resolutions, penalty resolutions, and interests, mainly related to differences in criteria for determining taxable bases for the calculation of third-category income tax and municipal taxes for the years 2007, 2009, 2013, 2015, and 2017.

As of December 31st, 2023, and 2022, there are tax processes classified as possible, including expenses challenged by the National Superintendency of Tax Administration (SUNAT) for not meeting the criteria set by the tax administration for amortizing development expenses, among other related concepts. These possible contingencies amount to US\$8,503 (US\$8,763 as of December 31st, 2022).

Administrative sanctions and administrative litigation actions

The Company has pending resolution of various environmental, occupational health and safety, and labor safety processes before the following regulatory bodies: National Water Authority - Local Water Authorities, Ministry of Labor and Employment Promotion (National Superintendence of Labor Inspection), Ministry of Energy and Mines, Ministry of Production, Supervisory Agency for Investment in Energy and Mining (OSINERGMIN), and Environmental Assessment and Enforcement Agency (OEFA) for alleged breaches of various environmental standards and regulations on Occupational Health and Safety with a level of probable contingencies amounting to US\$8,549 as of December 31st, 2023 (US\$7,643 as of December 31st, 2022) and possible contingencies amounting to US\$14,024 as of December 31st, 2023 (US\$12,627 as of December 31st, 2022).

The Company's management and its legal advisors, based on the factual and legal grounds, are of the opinion that the final resolution of all these processes will not result in significant additional liabilities for the Company.

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

The Management, based on the opinion of both external and internal legal advisors, has reviewed all tax, labor, civil, and administrative processes, among others, and has determined and made a provision as of December 31st, 2023, for probable contingencies amounting to US\$9,077 (US\$5,568 as of December 31st, 2022). The Management and its legal advisors are of the opinion that this provision adequately covers the probable contingencies.

Regarding possible contingencies, external legal advisors determined an amount as of December 31st, 2023, of US\$38,944 (US\$15,181 as of December 31st, 2022) related to various processes maintained by the Subsidiary.

Civil And Labor Cases

As of December 31st, 2023, the Subsidiary faces civil and labor lawsuits classified as probable amounting to US\$1,550 (US\$645 as of December 31st, 2022). Contingencies classified as possible as of December 31st, 2023, amount to US\$15,726 (US\$657 as of December 31st, 2022), for payment of compensation for damages due to occupational disease, reimbursement of social benefits, and others under appeal.

Tax Proceedings

As of December 31st, 2023, the Subsidiary has pending resolution of various administrative processes with the National Superintendence of Tax Administration (SUNAT) and the Tax Court for various tax determination resolutions, fine resolutions, and interest.

Tax determination resolutions, fine resolutions, and interest primarily correspond to differences in criteria in determining taxable bases for the calculation of third category income tax for the years 2004 and 2017, according to the National Superintendence of Tax Administration (SUNAT), for failure to pay taxes. As of the date, these processes are under appeal in the administrative process, on appeal before the Tax Court, as well as in the judicial process before the Judicial Power.

Finally, there are contingencies arising from conceptual discrepancies with the tax authority, which have been classified as possible for US\$17,459 as of December 31st, 2023 (US\$13,819 as of December 31st, 2022).

Administrative sanctions and administrative litigation actions The subsidiary has pending the resolution of various environmental, occupational health and safety, and labor safety processes before regulatory agencies: the National Water Authority - Local Water Authorities, the Ministry of Labor and Promotion of Employment (National Labor Inspection Superintendence), the Ministry of Energy and Mines, the Ministry of Production, OSINERGMIN, and OEFA, for alleged violations of various environmental regulations and occupational health and safety standards, with a probable contingency level amounting to US\$7,527 as of December 31st, 2023 (US\$4,923 as of December 31st, 2022).

Contingencies classified as possible as of December 31st, 2023, amount to US\$5,759 (US\$705 as of December 31st, 2022).

Empresa Administradora Cerro S.A.C.

The Management, based on the opinion of external and internal legal advisors, has conducted a review of all tax, labor, civil, and administrative processes, among others, and has determined and made a provision for probable contingencies as of December 31st, 2023, amounting to US\$6,208 (US\$4,375 as of December 31st, 2022). Management

and its legal advisors are of the opinion that this provision sufficiently covers probable contingencies.

Regarding possible contingencies, external legal advisors determined an amount of US\$7,056 as of December 31st, 2023 (US\$1,651 as of December 31st, 2022), corresponding to various processes maintained by the Subsidiary.

Civil And Labor Cases

As of December 31st, 2023, the subsidiary faces labor lawsuits classified as probable contingencies for an amount of US\$2,328 (US\$2,295 as of December 31st, 2022). The civil and labor contingencies classified as possible amount to US\$1,241 (US\$1,617 as of December 31st, 2022) as of December 31st, 2023, for compensation payments for damages due to occupational illness, reimbursement of social benefits, reimbursement of profits, production bonus payments, and others under appeal and/or judgment.

Tax Proceedings

As of December 31st, 2023, and 2022, the Subsidiary has pending resolutions for various administrative tax processes with the National Superintendence of Tax Administration (SUNAT), Tax Court, and local governments, regarding several tax determination resolutions, fine resolutions, and interests.

The tax determination resolutions, fine resolutions, and interests, according to the National Superintendence of Tax Administration (SUNAT), are due to alleged tax payment omissions, as well as differences in criteria in determining the taxable base for the third-category income tax. As of the reporting date, these processes are under appeal in the administrative stage.

Additionally, the Subsidiary has ongoing administrative tax procedures classified as probable contingencies, presented under the Provision section of the consolidated statement of financial position, amounting to US\$688 as of December 31st, 2023 (US\$669 as of December 31st, 2022).

Contingencies classified as possible amount to US\$85 (US\$19 as of December 31st, 2022).

Administrative sanctions and administrative litigation actions The subsidiary has pending resolution of various environmental, occupational health and safety, and labor safety processes before regulatory agencies: National Water Authority - Local Water Authorities, Ministry of Labor and Employment Promotion (National Labor Inspection Superintendence), Ministry of Energy and Mines, Ministry of Production, OSINERGMIN, and OEFA, for alleged violations of various environmental regulations and occupational health and safety regulations, with a level of probable contingency as of December 31st,

2023, of US\$3,192 (US\$1,411 as of December 31st, 2022) and contingencies classified as possible as of December 31st, 2023, of US\$5,730 (US\$15 as of December 31st, 2022).

Empresa Explotadora de Vinchos Ltda S.A.C.

The Management, based on the opinion of external and internal legal advisors, has reviewed all tax, labor, civil, and administrative processes, among others, and has determined and made a provision for probable contingencies as of December 31st, 2023, amounting to US\$717 (US\$536 as of December 31st, 2022), and contingencies classified as possible as of December 31st, 2023, amounting to US\$1,298 (US\$2,294 as of December 31st, 2022). Management and its legal advisors are of the opinion that this provision sufficiently covers probable contingencies.

Labor Proceedings

As of December 31st, 2023, the Subsidiary faces labor lawsuits classified as probable for an amount of US\$20 (US\$8 as of December 31st, 2022).

Tax Proceedings

As of December 31st, 2023, the Subsidiary has tax processes that include expenses questioned by the National Superintendence of Tax Administration (SUNAT) classified as possible for US\$1,298 (US\$2,294 as of December 31st, 2022).

Administrative Sanctions and Administrative Litigation Actions The Subsidiary has various environmental processes pending resolution with regulatory bodies: the National Water Authority – Local Water Authorities, the Ministry of Energy and Mines, the Ministry of Production, OSINERGMIN, and OEFA, for alleged violations of various environmental regulations and the Occupational Health and Safety Regulations with a probable contingency amounting to US\$696 as of December 31st, 2023 (US\$528 as of December 31st, 2022).

Hidroeléctrica Huanchor S.A.C.

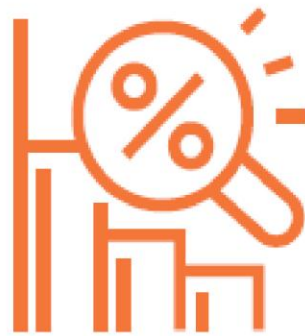
The Subsidiary has various environmental processes pending resolution with regulatory bodies: the National Water Authority – Local Water Authorities, the Ministry of Energy and Mines, the Ministry of Production, OSINERGMIN, and OEFA, for alleged violations of various environmental regulations and the Occupational Health and Safety Regulations, with a probable contingency level of US\$696 as of December 31st, 2023 (US\$528 as of December 31st, 2022).

Generación Eléctrica Río Baños S.A.C.

Administrative Sanctions and Administrative Litigation Actions

As of December 31st, 2023, the Subsidiary has pending environmental proceedings before OEFA for alleged violations of various regulations with a probable contingency level of US\$117 (US\$17 as of December 31st, 2022).

CHAPTER 16



STOCK INFORMATION

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.

Table 51: 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

As of December 31st, 2023, the subscribed, paid-in, and registered capital amounts to S/. 3,546,617,792, represented by 1,633,414,553 common class A shares and 2,443,157,622 common class B shares, each with a nominal value of S/. 0.66. Subsidiary Empresa Minera Paragsha S.A.C. holds 182,994,435 common class A shares and 12,234,901 common class B shares. Subsidiary Compañía Minera Chungar S.A.C. holds 23,442,345 common class A shares. Subsidiary Compañía Industrial Limitada de Huacho S.A. holds 306,283 common class A shares.

Stock Composition

On December 31st, 2023, the shareholding structure is as follows:

Table 52: Class A Common shares

Percentage Held	Number of shareholders	% share
Less than 1%	535	1.4
Between 1% and 4%	4	9.1
Between 4% and 10%	3	26.1
More than 10%	3	63.5
Total	545	100.00

Table 53: Class B Common shares

Percentage Held	Number of shareholders	% of participation
Less than 1%	7,994	29.0
Between 1% and 4%	6	11.5

Between 4% and 10%	9	59.5
More than 10%	0	0.00
Total	8,009	100.00

The 68.0% of the social capital corresponds to national shareholders, representing 2,773,196,053 shares, and 31.9% to foreigners, representing 1,303,376,122 shares.

Shareholders with a stake greater than 4.0% are as follows:

Table 54: 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 its subsidiaries, holds a 55.03% stake.

Table 55: Class B Common shares

Shareholder	(%)	Person/Entity	Nationality	Corporate group
Profuturo AFP-PR Fondo 3	9.0	Legal entity	Peruvian	Does not apply
RI - Fondo 2	8.2	Legal entity	Peruvian	Does not apply
Profuturo AFP-PR Fondo 2	8.2	Legal entity	Peruvian	Does not apply
IN - Fondo 3	6.8	Legal entity	Peruvian	Does not apply
IN - Fondo 2	6.5	Legal entity	Peruvian	Does not apply

HA - Fondo 3	6.1	Legal entity	Peruvian	Does not apply
RI - Fondo 3	5.7	Legal entity	Peruvian	Does not apply
HA - Fondo 2	4.6	Legal entity	Peruvian	Does not apply
López de Romaña Dalmau Hernando Diego Francisco	4.4	Individual	Peruvian	Does not apply

Table 56: Share Per Structure 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 of directors and senior management of the company, including relatives (1)	1	10.3%
2. Employees of the company, not included in item 1		0.0%
3. Individuals, not included in items 1 and 2	502	10.4%
4. Pension funds managed by Pension Fund Administrators under the supervision of the Superintendence of Banking, Insurance, and AFP	5	0.0%
5. Pension fund managed by the Office of Pension Normalization (ONP)		0.0%
6. Entities of the Peruvian State, except as provided in item 5		0.0%
7. Banks, financial institutions, municipal savings banks, edpymes, rural savings and credit cooperatives under the supervision of the Superintendence of Banking, Insurance, and AFP		0.0%
8. Insurance companies under the supervision of the Superintendence of Banking, Insurance, and AFP	1	0.0%
9. Brokerage firms, under the supervision of the SMV	4	0.0%
10. Investment funds, mutual funds, and fiduciary estates under the scope of the Securities Market Law and Investment Funds Law, and bank trusts under the scope of the General Law of the Financial System	4	0.0%
11. Autonomous estates and foreign bank trusts, to the extent they can be identified		0.0%
12. Foreign depositories listed as holders of the stock within the framework of ADR or ADS programs		0.0%
13. Foreign depositories listed as holders of shares not included in item 12		0.0%
14. Foreign custodians listed as holders of shares		0.0%
15. Entities not included in the previous items (2)	28	79.3%
16. Shares belonging to the S&P/BVL Peru Select Index or representative securities of these shares, in the company's portfolio		0.0%

TOTAL: 545 100.00%

Ownership by holders of the stock or representative security of participation that composes the S&P/BVL Peru Select Index, according to their residence (at the end of the fiscal year)	Number of shareholders	% share (3)
Residents	510	33.4%
Non-residents	35	66.6%
TOTAL:	545	100.00%

	Stock:	VOLCABC1
Ownership by type of shareholders of the stock or representative security of participation that composes the S&P Peru Selective Index (at the end of the fiscal year)	Number of shareholders	% of share (3)
1. Members of the board of directors and senior management of the company, including relatives (1)	2	0.31%
2. Employees of the company, not included in item 1	13	0.02%
3. Natural persons, not included in items 1 and 2	7,860	29.15%
4. Pension funds managed by Pension Fund Administrators under the supervision of the Superintendence of Banking, Insurance, and AFP	12	60.21%
5. Pension fund managed by the Office of Pension Normalization (ONP)		0.00%
6. Entities of the Peruvian State, except as provided in item 5	2	0.00%
7. Banks, financial institutions, municipal savings banks, edpymes, rural savings and credit cooperatives under the supervision of the Superintendence of Banking, Insurance, and AFP		0.00%
8. Insurance companies under the supervision of the Superintendence of Banking, Insurance, and AFP		0.08%
9. Intermediation agents, under the supervision of the SMV	5	0.08%
10. Investment funds, mutual funds, and fiduciary estates under the scope of the Securities Market Law and Investment Funds Law, and bank trusts under the scope of the General Law of the Financial System	8	0.81%
11. Autonomous estates and foreign bank trusts, to the extent they can be identified		0.00%
12. Foreign depositories listed as holders of the stock within the framework of ADR or ADS programs		0.00%
13. Foreign depositories listed as holders of shares not included in item 12	4	0.91%
14. Foreign custodians listed as holders of shares		0.00%
15. Entities not included in the previous items (2)	103	8.48%
16. Shares belonging to the S&P/BVL Peru Select Index or representative securities of these shares, in the company's portfolio		0.00%
TOTAL:	8,009	100.00%

Ownership by holders of the stock or representative value of participation that composes the S&P/BVL Peru Select Index, according to their residence (at the end of the fiscal year)	Number of holders	% of participation
Residents	7,821	91.20%
Non-residents	188	8.80%
TOTAL:	8,009	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) Two decimals

Dividends

No cash dividends were distributed in 2022.

Stock price on the Lima Stock Exchange

During 2023, the stock market quotation of common class A shares and common class B shares, expressed in *Peruvian Nuevos Soles*, had the following evolution:

Table 57: Class A Common Shares

Month	Opening S/.	Closing S/.	Maximum S/.	Minimum S/.	Average Price S/.
January	-.-	-.-	-.-	-.-	-.-
February	0.620	1.300	1.300	0.620	0.660
March	1.000	1.120	1.120	1.000	1.040
April	1.300	1.320	1.500	1.300	1.390
May	1.420	1.500	1.500	1.420	1.460
June	-.-	-.-	-.-	-.-	1.280
July	1.000	1.220	1.260	1.000	1.000
August	1.140	1.070	1.200	1.060	1.080
September	1.100	0.990	1.100	0.990	1.030
October	0.850	0.850	0.850	0.850	0.850
November	0.800	0.660	0.800	0.660	0.700
December	0.600	0.530	0.600	0.530	0.540

Table 58: Class B Common Shares

Month	Opening \$/.	Closing \$/.	Maximum \$/.	Minimum \$/.	Average Price \$/.
January	0.510	0.500	0.550	0.500	0.530
February	0.510	0.480	0.540	0.470	0.510
March	0.480	0.461	0.480	0.450	0.465
April	0.470	0.431	0.540	0.431	0.447
May	0.445	0.375	0.455	0.361	0.415
June	0.375	0.381	0.396	0.370	0.382
July	0.381	0.425	0.455	0.380	0.408
August	0.425	0.414	0.425	0.385	0.403
September	0.412	0.381	0.415	0.378	0.395
October	0.380	0.320	0.380	0.320	0.347
November	0.330	0.305	0.339	0.305	0.322
December	0.317	0.312	0.339	0.290	0.310

Table 59: Latibex Listings for the Year 2023

Month	Opening \$/.	Closing \$/.	Maximum \$/.	Minimum \$/.	Average Price \$/.
January	4.280	0.49	0.51	0.51	0.51
February	4.350	0.52	0.50	0.52	0.35
March	4.259	0.49	0.51	0.53	0.38
April	4.214	0.51	0.51	0.51	0.50
May	4.280	0.51	0.45	0.45	0.45
June	3.984	0.38	0.32	0.40	0.26
July	4.013	0.32	0.28	0.48	0.28
August	4.233	0.30	0.41	0.48	0.36
September	4.195	0.41	0.40	0.46	0.34
October	4.372	0.43	0.32	0.44	0.32
November	4.261	0.33	0.32	0.43	0.32
December	4.378	0.33	0.33	0.33	0.33

Corporate Bonds

Under an international bond issuance governed by Rule 144A and Regulation S of the United States Securities Act of 1933, on February 11th, 2021, a placement of corporate

bonds amounting to USD 475 million was carried out, with a term of 5 years and a fixed annual interest rate of 4.4%.

In June 2022, a partial buyback of the 2026 Bonds was conducted for a nominal amount of USD 110 million using the Company's available cash. Additionally, the Consent Solicitation from the holders of the 2026 Bonds was approved to allow the spin-off or any distribution of Volcan's or any of its subsidiaries' interests in Cosco Shipping Ports Chancay Peru S.A. and/or Roquel Global S.A.C.

CHAPTER 17



**CORPORATE
INFORMATION**

Corporate Information

Professional Background of Senior Management:

Luis Fernando Herrera

Director since October 2023 and General Manager since November 2023. Previously, he has held various leadership positions at Glencore, such as Business Development Manager at Sinchi Wayra in Bolivia, Asset Manager for Latin America in the zinc division, and most recently, Zinc and Copper Trader at the headquarters in Switzerland.

Mr. Herrera is a business administrator with a specialization in finance from the University of San Andrés in Argentina and holds an MBA from The Tuck School of Business at Dartmouth in the United States.

Aldo de la Cruz Peceros

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

From 1999 to 2003, he worked as Mine Chief at Mina Yauliyacu, Peru. From 2003 to 2009, he held various positions at Glencore, including General Manager at Kamoto Underground Mine Congo DRC, General Manager at Mufulira Mine Zambia, and Project Manager at Nkana Mine, Mopani Copper Mines Plc Zambia.

Mr. de la Cruz is a Mining Engineer from the National University of Engineering and holds a master's in mining management from GERENS. He also has a diploma in Mining Management from the University of the Pacific.

Jorge Leoncio Murillo Núñez

Vice President of Administration and Finance since January 2018. Previously, he served as Chief Financial Officer from December 2013 and as Financial Planning and Management Control Manager from January 2011 to December 2013.

During his career, he worked as a Finance Consultant at KPMG Consulting, Financial Controller for Peru and Colombia at Bearing Point, Deputy Corporate Financial Planning Manager at Grupo Gloria, and Budget Manager at Hochschild Mining Plc.

Mr. Murillo is an industrial engineer from the Pontifical Catholic University of Peru, with a diploma in Finance from the same university and an MBA from ESAN University.

Alejandro Manuel Baca Menendez

Commercial Manager since August 2022. He joined Volcan in April 2014, where he served as Contracts Administrator from July 2015 to December 2017. Subsequently, he was appointed Commercial Planning Manager from January 2018 to February 2020, and finally, he held the position of Deputy Commercial Planning Manager until July 2022.

Mr. Baca holds a bachelor's degree in administration from Universidad del Pacífico and has an international diploma in Mining Management from the Graduate School of Universidad ESAN.

Juan Alberto Begazo Vizcarra

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

Mr. Begazo is a certified public accountant, a member of the committee of experts in mining accounting, and a lecturer in the mining management diploma program at the University of Lima.

Anahi Com Argüelles

Corporate Legal Manager of Volcan Compañía Minera S.A.A. since September 2023. He joined as Corporate Legal Submanager in August 2019.

Previously, she worked as a partner in the corporate area of Miranda & Amado Abogados, International Visiting Attorney in the Mergers and Acquisitions and International Arbitration areas of Skadden, Arps, Slate, Meagher & Flom LLP, and senior associate in the Mergers and Acquisitions and Financing areas of Rebaza, Alcázar & De Las Casas Abogados Financieros.

She is a lawyer from the University of Lima with a Master of Laws (LLM/K) from Northwestern University - School of Law, and a diploma in Business Administration from Northwestern University - Kellogg School of Management.

César Emilio Farfán Bernal

Corporate Manager of Regional Exploration since May 2022. Previously, he served as Corporate Manager of Geology, Manager of Regional Explorations, Corporate Head of Regional Explorations, and General Superintendent of the Vinchos Mining Unit in 2002.

Mr. Farfán is a geological engineer from the National University of San Marcos, with postgraduate studies in Geology-Metallogeny at the Central University of Quito, Ecuador.

Renzo Muenta Barzotti

Corporate Manager of Human Resources since May 2019. He joined the Company in April 2011 as Corporate Deputy Manager of Human Development, later assuming the position of Corporate Manager of Human Development until April 2019.

Previously, he worked as Human Resources Manager for Unilever Peru, Training Manager for Unilever Andean Region, and Human Resources Manager for the Food business at Unilever Colombia. He also served as Regional Human Resources Manager for Latin America in Glencore Zinc division.

Mr. Muenta holds a bachelor's degree in industrial engineering from the University of Lima and has a master's degree in strategic management of the Human Factor from the Peruvian University of Sciences - UPC.

Eduardo Roque León Vásquez

Regional Project Manager since August 2021. Previously, he served as General Manager of Development and Projects at Nexa Resources Peru. Before that, he held managerial positions at mining companies such as Marcobre, Antamina, and Milpo. Prior to the mining sector, he worked for over a decade at Cosapi SA, constructing mining infrastructure in Peru and Chile.

Mr. León is a Civil Engineer by profession, graduated with honors from the Business School of the Catholic University, where he obtained a master's degree in strategic business administration (MBA), and pursued specialization studies at Kellogg School of Management and Harvard School of Management.

Roberto Juan Servat Pereira de Sousa

Corporate Manager of Social Responsibility and Labor Relations since December 2010. He joined Volcan in January 2007 as a legal advisor to the Board of Directors' presidency. Previously, he served as Vice Minister of Labor, Vice Minister of Social Promotion, advisor to the Ministerial Office, Director General of Legal Advice, and member of the Advisory Commission of the Ministry of Labor and Employment Promotion. He was also a Member of the Concursal Chamber for Defense of Competition and Intellectual Property of INDECOPI and a member of the Board of the Superintendence of Health Service Providers.

Currently, he is a member of the Labor Affairs Commission of the Lima Chamber of Commerce and the Board of Directors of the Peruvian Society of Labor Law and Social Security. He is also a Professor at the University of Lima.

Mr. Servat is a lawyer from the University of Lima and holds a master's degree in public administration from the Ortega y Gasset Institute, affiliated with the Complutense University of Madrid.

Willy Antonio Montalvo Callirgos

Corporate Accounting Manager since August 2021. Previously, he has served as Accounting and Tax Manager and General Accountant at Volcan. During his professional career, he has worked as an Accountant at Ripley S.A. Department Stores, 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 from Universidad San Martín de Porres, holds a master's degree in strategic business administration from CENTRUM Graduate Business School. Additionally, he holds international certifications in International Financial Reporting Standards Specialization from the Association of Chartered Certified ACCA (London) and The Institute of Chartered Accountants in England and Wales - ICAEW (London), a diploma in Taxation Specialization from the Universidad de Lima, and a diploma in Financial Management and Controlling from CENTRUM Graduate Business School.

Francisco Grimaldo Zapata

General Operations Manager of Chungar since February 2021, previously served as Operations Manager of Alpamarca and Operations Manager of San Cristóbal (Yauli). Between January 2006 and January 2016, he held positions as General Manager of the Yauliyacu unit, Operations Manager, and Projects Manager at the Iscaycruz Unit of Los Quenuales - Glencore Group. He also served as General Superintendent of Cerro de Pasco at Volcan from September 1999 to January 2005 and previously at Centromin Peru. Likewise, he taught at the National University of Engineering in mining specialization courses for 14 years.

Mr. Grimaldo is an engineer from the National University of Engineering and holds an MBA from ESAN University.

Mario Alfredo Pacheco Lozano

Mr. Pacheco has been the General Manager of Operations at San Cristóbal-Carahuacra since September 2023. Previously, he served as the Central Manager of Technical Services. Throughout his career, he has held positions as General Manager, Operations Manager, and Project Manager at Glencore Peru, Los Quenuales, and Yauliyacu Mining Unit. Mr. Pacheco holds a degree in Mining Engineering from the National University of San Marcos (UNMSM), a master's degree in leadership from EADA Business School, and an MBA from the Pontifical Catholic University of Peru (PUCP).

Nilton Evaristo Apaza Cori

Mr. Apaza has been the Operations Manager of Ticlio since October 2023. Previously, he served as the Operations Manager at Chungar. Additionally, he has held positions as

Operations Manager at Compañía Minera Raura, Mine Superintendent at Minera Minsur San Rafael Unit, and Mine Superintendent at Minera Los Quenuales Iscaycruz Unit. Mr. Apaza is a Certified Mining Engineer from the National University Jorge Basadre Grohoman. He also holds a master's degree in business administration from the NEUMANN Graduate School and a Diploma in Strategic Management in Mining from the GERENS Graduate School.

Jhon Randy Alberto Baldera León

Mr. Baldera is the Operations Manager of San Cristóbal-Carahuacra. Previously, he served as Mine Superintendent, Mine Chief, and Shift Chief at the Chungar Operating Unit. Mr. Baldera is a Mining Engineer from the Daniel Alcides Carrión University and holds a master's degree in mining management from the GERENS Graduate School.

Angel Rubén Paz Bustios

Mr. Paz is the Operations Manager of Andaychagua since September 2023. Previously, he served as Operations Manager of the Alpamarca Operating Unit and as Deputy Manager of the Cerro and Oxides Operating Unit. He has also held the position of Corporate Deputy General Manager at Ouro Group and Operations Manager at Sierra Sun Group U.M. Antapite. Mr. Paz is a Mining Engineer from the National University of Engineering and holds a master's degree in strategic business administration (MBA) from the Business Center of the Pontifical Catholic University of Peru (CENTRUM).

Edgardo Zamora Pérez

Mr. Zamora is the Manager of the Romina-Alpamarca Operating Unit. Previously, he served as Project Manager for Romina since July 2021. Prior to this role, he held positions as Corporate Planning Manager and Operations Manager for the Yauli unit. He joined Volcan in May 2000, assuming the role of General Superintendence of Empresa Administradora Chungar S.A.C. in 2007, and later the Operations Management until 2012. Mr. Zamora is a mining engineer graduated from the National University of San Marcos.

Jose Francisco Zegarra Carmona

Mr. Zegarra is the Operations Manager of the Cerro and Oxides Unit since June 2021. Previously, he served as Operations Manager of the Carahuacra Mining Unit. Additionally, he held the position of Operations Manager at the El Povenir - Atacocha Mining Unit in Votoratim Metais. Mr. Zegarra is a mining engineer graduated from the National University of Engineering, holds an MBA from ESAN University, and has a diploma in mining management from Gerens.

Carlos Barrena Chávez

Mr. Barrena is the Operational Excellence Manager since 2021. Previously, he has held positions as Unit Manager in leading national mining companies such as Nexa Resources, Minsur, and Sierra Metals. He was a leader in the construction, commissioning, operation, and growth stages of the Cerro Lindo Mining Unit of Milpo Compañía Minera. Additionally, he served as Mine Superintendent at the Ivan Mining Unit of Rayrock company in Antofagasta, Chile, for a period of 5 years. Mr. Barrena is a Mining Engineer, certified and graduated from the National University of Engineering, and holds a master's degree in strategic management from the Catholic University of Peru and CENTRUM.

Ronald Martín Castillo Ángeles

Mr. Castillo has been the Logistics Manager since November 2019. He previously served as Contracts Manager, Submanager, and Head from February 2011, the date he returned to the Company. Prior to this, he worked as Corporate Contracts Manager at Compañía Minera Milpo and as Logistics-Contracts Manager at Compañía Minera Atacocha. In 1997, he began his career in the organization at the Chungar Unit as a mine administrator, a company later acquired by Volcan. He later moved to the Cerro de Pasco unit and subsequently dealt with corporate contract issues until May 2008. Mr. Castillo is a certified public accountant from the National University Daniel Alcides Carrión, with a master's in business administration from the University of the Pacific and Esade Business School.

José Del Castillo Merino

Mr. Del Castillo has been the Environmental Affairs and Tailings Management Manager since September 2023. Previously, he worked as Deputy Manager of Tailings Management and Project Deputy Manager. He has also held leadership positions at Trafigura Mine Group, Compañía T-Matrix, among others. Mr. Del Castillo is a civil engineer from the National University Federico Villareal.

Monica Nicole Danon-Schaffer

Ms. Schaffer has been the Corporate Manager of Safety and Behavioral Leadership since January 2022. Previously, she worked as Senior Manager of HSEC Management Assurance at Glencore Zinc Division, H&S Integration Leader at Newmont (Goldcorp) Cerro Negro in Argentina, Environmental and Sustainability Manager at Tetra Tech, Senior Engineer, Program Manager, Senior Technical Advisor, and Account Manager at AECOM/URS-Dames & Moore.

Ms. Schaffer holds a degree in Chemical Engineering from the *Universidad Iberoamericana* in Mexico and has a master's degree in environmental engineering and

a Ph.D. in Chemical and Biological Engineering from The University of British Columbia in Canada.

Omar Mora Munares

Maintenance Manager since May 2022. Previously, he served as Mechanical Maintenance Manager. He also held the position of General Superintendent of Maintenance at the Calenturias mine and in various mining operations of the multinational Glencore in Colombia. Additionally, he worked as Deputy Director of Maintenance at the Ministry of Transport.

Mr. Mora is a Mechanical and Electrical Engineer from the Universidad San Luis Gonzaga de Ica and has a specialization in Maintenance Management from the Universidad Industrial de Santander, Colombia.

Jose Wilfredo Polack Belaunde

Project Manager since December 2021. Previously, he served as Greenfields Project Manager at Nexa Resources and Project Manager at Impala Terminals. He also worked in the Project Sub-Directorate of Southern Copper Corporation and at Cosapi.

Mr. Polack is a Civil Engineer from Universidad Ricardo Palma

Jorge Luis Quispe Cangana

Geology Manager since January 2022. Previously, he served as Geology Deputy Manager of the Northern Cluster, Superintendent, and Senior Geologist. He has 22 years of experience in the mining industry, focusing on exploration geology, mine geology, and the evaluation of gold-silver, copper-molybdenum-gold, and polymetallic zinc-lead-copper-silver mineral deposits.

Mr. Quispe is a Geological Engineer from the Universidad Nacional de Ingeniería and holds a master's degree in Sustainable Mineral Resource Utilization from the Universidad Politecnica de Madrid-UEA (Red DESIR).

Astolfo Segundo Romero Sánchez

Security and Operational Discipline Manager since November 2023. He joined the organization in January 2013 as Corporate Security Advisor and has held various leadership positions such as Deputy Manager of Mining Process Management, Deputy Manager of Culture and Development, Deputy Manager of Human Management, and Deputy Manager of Security and Health.

Mr. Romero is a Systems Engineer from the Universidad Politecnica Santiago Mariño in Venezuela and has completed a master's degree in risk Control Engineering at the

Universidad de los Andes in Venezuela, as well as a master's degree in mining management at the Universidad de Viña del Mar in Chile.

Mauricio Scerpella Iturburu

Cost and Management Control Manager since February 2014. Previously, he served as Controller of Mining Projects and Corporate Head of Costs and Budgets at Volcan.

Mr. Scerpella is an economist from the Universidad San Ignacio de Loyola. He holds a master's degree in administration with a specialization in Strategy from the Tecnológico de Monterrey.

Dayan Gustavo Segura Vandervelde

Information Technology Manager since September 2017. Previously, he served as Deputy Manager of IT Infrastructure and Communications at Volcan.

Mr. Segura is a Systems Engineer from the University of Lima and holds a master's degree in strategic business administration with a specialization in Innovation from the Tecnológico de Monterrey.

Victor Hernan Tipe Quispe

Corporate Planning Manager since July 2021. Previously, he served as Deputy Corporate Planning Manager from June 2018. He also worked as Operations Manager at Compañía Minera Kolpa, Engineering Manager at Goldcorp's Marlin Mine in Guatemala, Assistant Technical Manager at Mopani Copper Mines' Mufulira Mine in Zambia, Planning Manager at Compañía Minera San Ignacio de Morococha, and Planning Manager at Consorcio Minero Horizonte.

Mr. Tipe is a Mining Engineer from the National University of Engineering in Lima, Peru, and holds a master's in business administration (MBA) from Pontifical Catholic University of Peru - CENTRUM PUCP.

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 Tunel 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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