



Lima, 05 de agosto de 2024

RB-067-2024

**Señores**

Superintendencia del Mercado de Valores SMV

Av. Santa Cruz N° 315

Miraflores

Presente.-

Estimados señores,

Les informamos en calidad de “Hecho de Importancia”, que Volcan Compañía Minera S.A.A. (la “Sociedad”) ha realizado una oferta privada de intercambio de los instrumentos emitidos por la Sociedad denominados “4.375% *Senior Notes due 2026*” (las “Notas Existentes”) dirigida a los titulares de las Notas Existentes, por nuevas notas denominadas “8.750% *Senior Secured Notes due 2030*” (las “Nuevas Notas”), de conformidad con los términos y sujeto a las condiciones establecidas en el memorando confidencial de oferta de intercambio y la declaración de solicitud de consentimiento, detallada en el documento denominado “*Exchange Offer Memorandum and Consent Solicitation Statement*” de fecha 5 de agosto de 2024.

Las Nuevas Notas estarán garantizadas por la mayoría de los activos de la Sociedad y algunas de sus subsidiarias, como se describe en el “*Exchange Offer Memorandum and Consent Solicitation Statement*”, compartiendo garantías, en forma *pari passu*, con las obligaciones del contrato de crédito de fecha 24 de julio de 2024 suscrito entre la Sociedad, algunas de sus subsidiarias, los prestamistas detallados en dicho documento y Citibank N.A., como agente administrativo.

Adjuntamos la nota de prensa que incluye mayores detalles (Anexo 1).

Atentamente,

**VOLCAN COMPAÑÍA MINERA S.A.A.**

Luis Fernando Herrera

**Gerente General**

# Volcan Announces Exchange Offer of Existing Notes for New Notes and Solicitation of Consents to Proposed Amendments to the Existing Indenture

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NEWS PROVIDED BY

**Volcan Compañía Minera S.A.A. →**

Aug 05, 2024, 12:05 ET

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LIMA, Peru, Aug. 5, 2024 /PRNewswire/ -- Volcan Compañía Minera S.A.A., a publicly held corporation (*sociedad anónima abierta*) organized under the laws of the Republic of Peru ("Volcan" or the "Company"), announced today that it has commenced an offer to Eligible Holders (as defined below) to exchange (the "Exchange Offer") any and all of its outstanding 4.375% Senior Notes due 2026 (the "Existing Notes") for newly issued 8.750% Senior Secured Notes due 2030 (the "New Notes"), pursuant to the terms and subject to the conditions set forth in the confidential exchange offer memorandum and consent solicitation statement, dated August 5, 2024 in respect of the Exchange Offer and Solicitation (as defined below) (the "Exchange Offer Memorandum"). Any capitalized terms used in this press release without definition have the respective meanings assigned to such terms in the Exchange Offer Memorandum.

The New Notes will be guaranteed on a senior basis by Volcan's subsidiaries Compañía Minera Chungar S.A.C., Empresa Administradora Cerro S.A.C., Empresa Minera Paragsha S.A.C., Compañía Industrial Limitada de Huacho S.A., Roquel Global S.A.C. and Compañía Hidroeléctrica Tingo S.A. (together, the "Guarantors"). The New Notes will be secured by most of the assets of the Company and certain of its subsidiaries, as described in the Exchange Offer Memorandum, sharing the Collateral, on a *pro rata* basis, which currently secures the obligations under that certain amended and restated credit agreement entered by and among the Company, the Guarantors, the syndicated lenders party thereto and Citibank N.A., as administrative agent, on July 24, 2024 (the "Credit Agreement").

The table below summarizes certain payment terms of the Exchange Offer:

Title of Security	CUSIP/SIN Numbers	Principal Amount Outstanding	Early	Exchange	Total
			Participation Premium <sup>(1)</sup>	Consideration <sup>(2)</sup>	Consideration <sup>(3)</sup>
4.375% Senior Notes due 2026	Rule 144A: 92863U AB2 / US92863UAB26 Reg. S: P98047 AC0 / USP98047AC08	US\$365,000,000	US\$50.00 in principal amount of New Notes	US\$960.00 in principal amount of New Notes	US\$1,010.00 in principal amount of New Notes

- (1) Early Participation Premium payable on the Settlement Date (as defined below) per each US \$1,000 aggregate principal amount of Existing Notes validly tendered (and not validly withdrawn) on or prior to the Early Participation Deadline. The Early Participation Premium will be payable in principal amount of New Notes on the Settlement Date.
- (2) Exchange Consideration per each US\$1,000 aggregate principal amount of Existing Notes validly tendered (and not validly withdrawn) after the Early Participation Deadline but on or prior to the Expiration Deadline. The Exchange Consideration will be payable in principal amount of New Notes on the Settlement Date. The Exchange Consideration does not include the Accrued Interest. Accrued Interest will be paid in cash on the Settlement Date. Holders who validly tender Existing Notes after the Early Participation Deadline but prior to the Expiration Deadline will receive only the Exchange Consideration and Accrued Interest.
- (3) Total Consideration payable per each US\$1,000 aggregate principal amount of Existing Notes validly tendered (and not validly withdrawn) on or prior to the Early Participation Deadline. The Total Consideration for the Existing Notes will be payable in principal amount of New Notes, on the Settlement Date. The Total Consideration includes the Early Participation Premium, and does not include the Accrued Interest, which will be paid in cash on the Settlement Date. Holders who tender after the Early Participation Deadline but prior to the Expiration Deadline will receive only the Exchange Consideration.

Simultaneously with the Exchange Offer, the Company is conducting a solicitation (the "Solicitation") of consents (the "Consents") from Eligible Holders to effect certain proposed amendments (the "Proposed Amendments") to that certain indenture dated as of February 11, 2021, under which the Existing Notes were issued (as amended and supplemented, the "Existing Indenture"). The Proposed Amendments with respect to the Existing Indenture would, among other things, eliminate substantially all of the restrictive covenants and events of default and related provisions contained in the Existing Indenture with respect to the Existing Notes. Eligible Holders may not tender their Existing Notes for exchange pursuant to the Exchange Offer without delivering their Consents pursuant to the Solicitation, and Eligible Holders may not deliver their Consents pursuant to the Solicitation without tendering their Existing Notes pursuant to the Exchange Offer.

The tender of Existing Notes by an Eligible Holder pursuant to the Exchange Offer will constitute the Consent of such Eligible Holder to the Proposed Amendments.

Volcan has entered into a Transaction Support Agreement (the "Transaction Support Agreement") dated as of the date of the Exchange Offer Memorandum, between the Company, certain of the Guarantors and an ad hoc group of holders of Existing Notes (the "Supporting Noteholders"). Subject to the terms and conditions set forth in the Transaction Support Agreement, the Supporting Noteholders have agreed to tender their Existing Notes in the Exchange Offer and deliver Consents to the Proposed Amendments prior to the Early Participation Deadline. The Supporting Noteholders represented pursuant to the Transaction Support Agreement that they hold 36.3% of the aggregate principal amount of the Existing Notes outstanding as of the date of the Transaction Support Agreement. Under the Transaction Support Agreement, the Company has agreed to pay the reasonable and documented fees and expenses of the legal counsel and financial advisor to the Supporting Noteholders in accordance with the terms of the respective reimbursement letters entered into by the Company with each such party ("Ad Hoc Group Expenses").

The obligation of the Company to accept Existing Notes tendered and Consents delivered pursuant to the Exchange Offer and the Solicitation, respectively, is subject to certain conditions described in the Exchange Offer Memorandum, which include the tender of Existing Notes and the receipt of Consents from Eligible Holders representing not less than 90% of the aggregate principal amount of the Existing Notes outstanding (the "Required Holders") prior to the Expiration Deadline (the "Minimum Exchange Condition"), the payment of the Ad Hoc Group Expenses prior to or on the Settlement Date (as defined below) (the "Expenses Payment Condition"), and certain other customary conditions. The Company reserves the right, subject to applicable law, to waive any and all conditions to the Exchange Offer, *provided* that the majority of the Supporting Noteholders under the Transaction Support Agreement shall approve in writing a waiver of (i) the Expenses Payment Condition and (ii) the Minimum Exchange Condition to reduce it below a certain percentage of the Required Holders which must tender their Existing Notes and deliver their Consents pursuant to the Exchange Offer and the Solicitation; and *provided* further that, pursuant to the terms of the Credit Agreement, approval of lenders representing a majority of the loan obligations thereunder will be required for the waiver of the Minimum Exchange Condition. The Exchange Offer and Solicitation may be amended, extended, terminated, or withdrawn, *provided* that the Exchange Offer is subject to the satisfaction of the Minimum Exchange Condition and the Expenses Payment Condition, unless waived pursuant to the terms therein.

### **Important Dates and Times**

Commencement: August 5, 2024.


Withdrawal Deadline: 5:00 p.m., New York City time, on August 22, unless extended

Early Participation Deadline: 5:00 p.m., New York City time, on August 22, unless extended

Expiration Deadline: 5:00 p.m., New York City time, on September 6, 2024, unless extended or terminated earlier

Settlement Date: Expected to be September 10, 2024 (the second business day following the Expiration Deadline), unless extended with respect to any Exchange Offer.

Upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum, Eligible Holders who validly tender Existing Notes and deliver related Consents at or prior to 5:00 p.m., New York City time, on August 22, 2024, unless extended by the Company (such date and time as they may be extended, the "Early Participation Deadline") and who do not validly withdraw tendered Existing Notes and do not revoke such Consents at or prior to 5:00 p.m., New York City time, on August 22, 2024, unless extended by the Company (such date and time, as they may be extended, the "Withdrawal Deadline"), and whose Existing Notes are accepted for exchange by the Company, will receive the Total Consideration, which will be payable in the forms of consideration described below.

The "Total Consideration" for any Existing Notes whose tenders are accepted for exchange by the Company will consist of New Notes to be issued by the Company in an aggregate principal amount set forth in the table above, which includes the "Early Participation Premium" for Existing Notes set forth in the table above. 

The obligation of the Company to accept Existing Notes tendered and Consents delivered pursuant to the Exchange Offer and the Solicitation, respectively, is subject to certain conditions described in the Exchange Offer Memorandum, which include the tender of Existing Notes and the receipt of Consents from Eligible Holders representing not less than 90% of the aggregate principal amount of the Existing Notes outstanding (the "Required Holders") prior to the Expiration Deadline (the "Minimum Exchange Condition"), the payment of the Ad Hoc Group Expenses prior to or on the Settlement Date (as defined below) (the "Expenses Payment Condition"), and certain other customary conditions. The Company reserves the right, subject to applicable law, to waive any and all conditions to the Exchange Offer, *provided* that the majority of the Supporting Noteholders under the Transaction Support Agreement shall approve in writing a waiver of (i) the Expenses Payment Condition and (ii) the Minimum Exchange Condition to reduce it below a certain percentage of the Required Holders which must tender their Existing Notes and deliver their Consents pursuant to the Exchange Offer and the Solicitation; and *provided* further that, pursuant to the terms of the Credit Agreement, approval of lenders representing a majority of the loan obligations thereunder will be required for the waiver of the Minimum Exchange Condition. The Exchange Offer and Solicitation may be amended, extended, terminated, or withdrawn, *provided* that the Exchange Offer is subject to the satisfaction of the Minimum Exchange Condition and the Expenses Payment Condition, unless waived pursuant to the terms therein.

### **Important Dates and Times**

Commencement:	August 5, 2024.
Withdrawal Deadline:	5:00 p.m., New York City time, on August 22, unless extended
Early Participation Deadline:	5:00 p.m., New York City time, on August 22, unless extended
Expiration Deadline:	5:00 p.m., New York City time, on September 6, 2024, unless extended or terminated earlier
Settlement Date:	Expected to be September 10, 2024 (the second business day following the Expiration Deadline), unless extended with respect to any Exchange Offer.

Upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum, Eligible Holders who validly tender Existing Notes and deliver related Consents at or prior to 5:00 p.m., New York City time, on August 22, 2024, unless extended by the Company (such date and time as they may be extended, the "Early Participation Deadline") and who do not validly withdraw tendered Existing Notes and do not revoke such Consents at or prior to 5:00 p.m., New York City time, on August 22, 2024, unless extended by the Company (such date and time, as they may be extended, the "Withdrawal Deadline"), and whose Existing Notes are accepted for exchange by the Company, will receive the Total Consideration, which will be payable in the forms of consideration described below.

The "Total Consideration" for any Existing Notes whose tenders are accepted for exchange by the Company will consist of New Notes to be issued by the Company in an aggregate principal amount set forth in the table above, which includes the "Early Participation Premium" for Existing Notes set forth in the table above.

Upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum, Eligible Holders who validly tender Existing Notes and deliver related Consents after the Early Participation Deadline but at or prior to 5:00 p.m., New York City time, on September 6, 2024, unless extended or earlier terminated by the Company (such date and time, as they may be extended, the "Expiration Deadline"), and whose Existing Notes are accepted for exchange by the Company, will receive the Total Consideration *minus* the Early Participation Premium (the "Exchange Consideration").

Upon the terms and subject to the conditions of the Exchange Offer, the settlement date will occur promptly after the Expiration Deadline (the "Settlement Date"). The Settlement Date is expected to be September 10, 2024, which is the second business day following the Expiration Deadline, unless extended by the Company (at its sole option).

In addition to the Total Consideration or Exchange Consideration, as applicable, Eligible Holders whose Existing Notes are accepted for exchange by the Company will be paid in cash the accrued and unpaid interest, if any, from the last payment date for the Existing Notes up to, but not including, the Settlement Date for such Existing Notes that are validly tendered and accepted for exchange by the Company on the Settlement Date.

At any time after the Withdrawal Deadline and before the Expiration Deadline, if the Minimum Exchange Condition has been satisfied and the Company has received valid Consents sufficient to effect the Proposed Amendments, the Company and the Trustee may execute and deliver a supplemental indenture to the Existing Indenture that will be effective at that time but only operative upon consummation of the Exchange Offer with respect to the Existing Notes.

The Company will not receive any cash proceeds from the Exchange Offer or the issuance of the New Notes to be issued in the Exchange Offer. The Existing Notes acquired by the Company pursuant to the Exchange Offer will be cancelled and will not be reissued.

The New Notes are being offered for exchange only (a) in the United States to holders of Existing Notes who are reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act")) in reliance upon the exemption from the registration requirements of the Securities Act, and (b) outside the United States to holders of Existing Notes who are persons other than "U.S. persons" (as defined in Rule 902 under the Securities Act) in reliance upon Regulation S under the Securities Act.

Only holders of Existing Notes who have properly completed and submitted the eligibility certification in electronic form (the "Eligible Holders") are authorized to receive and review the Exchange Offer Memorandum. Only Eligible Holders that also comply with the other requirements set forth in the Exchange Offer Memorandum are eligible to participate in the Exchange Offer and the Solicitation. Holders who desire to obtain and complete an eligibility certification should either visit the website for this purpose at <https://www.dfking.com/volcan> or contact D.F. King & Co., Inc., the Exchange Agent and the Information Agent (the "Exchange and Information Agent") in connection with

the Exchange Offer and the Solicitation. Requests for documentation and questions regarding the Exchange Offer and the Solicitation can be directed to D.F. King & Co., Inc. at +1 (212) 269-5550 (banks and brokers), or +1 (800) 821-8781 (toll free) or by email to [volcan@dfking.com](mailto:volcan@dfking.com).

The Company agreed with the Supporting Noteholders to publicly disclose certain information and such information is being furnished on the Company's website at [https://www.volcan.com.pe/centro-de-descargas/?cat\\_id=37](https://www.volcan.com.pe/centro-de-descargas/?cat_id=37). This website address is included as an inactive textual reference only and the information contained or accessible from such website is not incorporated by reference into this press release or the Exchange Offer Memorandum, and no such information should be considered in deciding whether to participate in the Exchange Offer and Solicitation.

**This press release does not constitute an offer to buy or the solicitation of an offer to sell the Existing Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction. This press release does not constitute an offer to sell or the solicitation of an offer to buy the New Notes, nor shall there be any sale of the New Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction. The New Notes will not be registered under the Securities Act or the securities laws of any state and may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act and applicable state securities laws. The Exchange Offer and Solicitation are being made only pursuant to the Exchange Offer Memorandum and only to such persons and in such jurisdictions as is permitted under applicable law. The Exchange Offer Memorandum has not been filed with or reviewed by the federal or any state securities commission or regulatory authority of any country, nor has any such commission or authority passed upon the accuracy or adequacy of the Exchange Offer Memorandum. Any representation to the contrary is unlawful and may be a criminal offense.**

**None of the Company, the Guarantors, any of their respective directors or officers, the Dealer Managers or the Exchange and Information Agent, or in each case, any of their respective affiliates, makes any recommendation as to whether Eligible Holders should tender or refrain from tendering all or any portion of the Existing Notes in response to the Exchange Offer, or deliver Consents in response to the Solicitation. Eligible Holders will need to make their own decision as to whether to tender Existing Notes in the Exchange Offer and participate in the Solicitation and, if so, the principal amount of Existing Notes to tender.**

#### **Cautionary Statement Regarding Forward-Looking Statements**

This release may contain certain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and are subject to risks, uncertainty and changes in circumstances, which may cause actual results, performance or achievements to differ materially from anticipated results, performance or achievements. All statements contained herein that are not clearly historical in nature are forward-looking and the words "anticipate," "estimate," "forecasts," "approximate," "expect," "project," "intend," "plan," "believe," "will," "may" and similar expressions are generally intend

to identify forward-looking statements. Volcan is under no obligation (and expressly disclaims any such obligation) to update or alter its forward-looking statements whether as a result of new information, future events or otherwise. More detailed information about these and other factors is set forth in the Exchange Offer Memorandum.

### **About Volcan**

Volcan is a polymetallic mining company incorporated under the laws of Peru and is a significant producer of zinc, lead and silver. Volcan's operations and assets are located in the central mountains of the Peruvian Andes and include the operating units, Yauli, Chungar, Alpamarca and Cerro de Pasco.

SOURCE Volcan Compañía Minera S.A.A.