

# Volcan Compañía Minera

2Q 2024 Results

August 8<sup>th</sup>, 2024



Some statements contained in this presentation or in documents referring to this presentation may contain inaccuracies. No reliance for any purpose whatsoever may be placed on the information or opinions contained in this presentation or on the completeness of this presentation. Volcan Compañía Minera S.A.A. (the Company), its shareholders and its officers make no representation or warranty as to the accuracy or completeness of the information contained in this presentation. Any person who has access to this presentation must evaluate independently all information provided in it and shall not rely on it. Nothing in this presentation is to be construed as a profit forecast.

Some statements contained in this presentation or in documents referring to this presentation may include forward-looking statements. Actual results may differ from those expressed in such statements, depending on a variety of factors. Past performance of the Company or its shares cannot be relied on as a guide to future performance. Any forward-looking information contained in this presentation was prepared on the basis of a number of assumptions that may prove to be incorrect. Actual results may vary accordingly.

This presentation does not constitute, form part of, or contain any invitation or offer to any person to carry out any investment or underwrite, subscribe or otherwise acquire or dispose of any shares in the Company or its subsidiaries; or advise persons to do so in any jurisdiction or under any applicable law. No part of this document shall form the basis of or be relied upon in any connection with or act as an inducement to enter into any contract or commitment.

No liability whatsoever is accepted by the Company, its shareholders, its officers or any related parties for any loss howsoever arising from any use of this presentation or its contents in connection therewith. To the maximum extent permitted by law, and, except in case of gross negligence or willful misconduct, the Company and its respective shareholders, officers, employees, agents, contractors or advisers are not liable to any person for any loss or damage incurred as a result of using or relying on this presentation.

1

Highlights

2

Operating Results

3

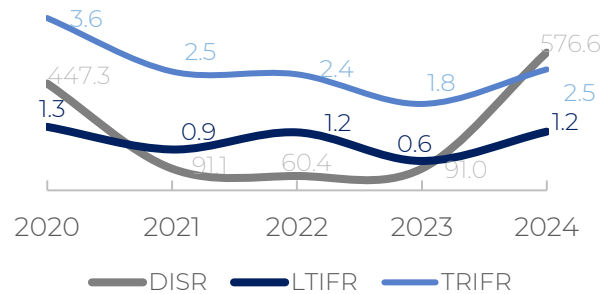
Financial Results

# 2Q 2024 Highlights

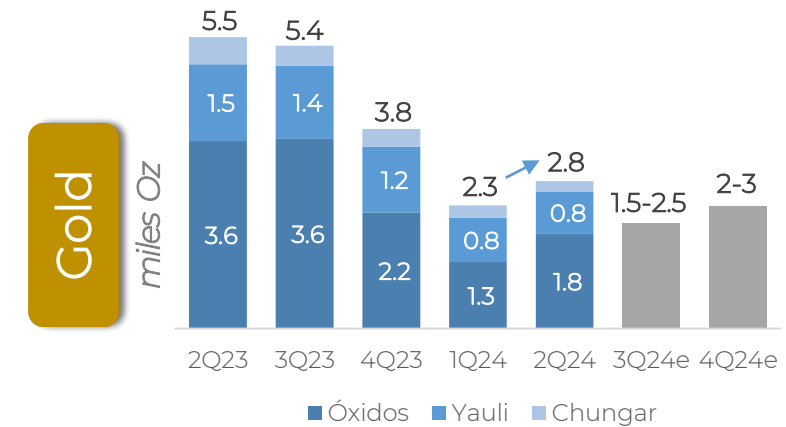
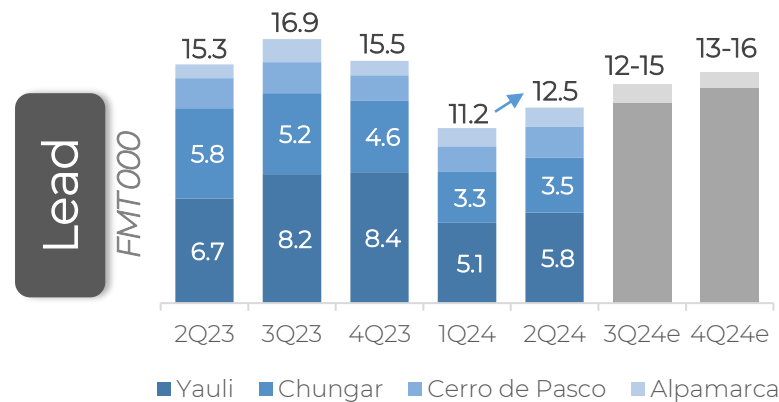
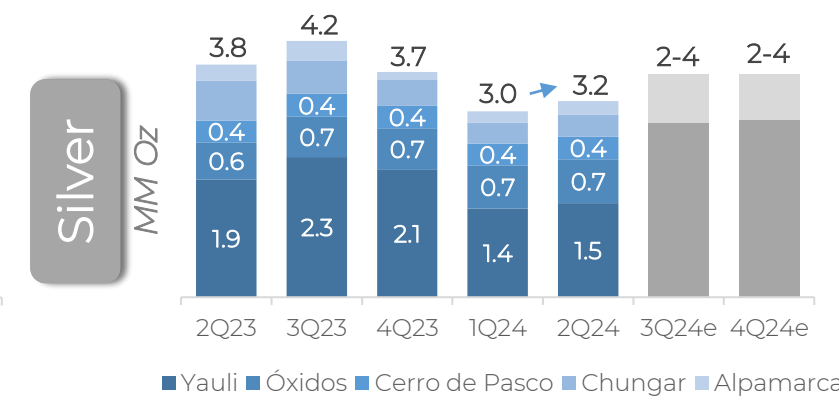
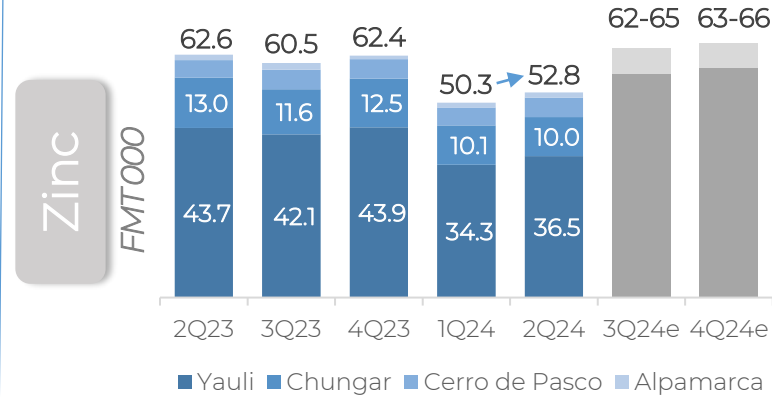
## Safety

### Reinforce safety strategy:

- Alignment and accompaniment of contractor companies involved in accidents
- Verification of the critical controls continued at:
  - ✓ San Cristobal, Carahuacra and Animon: thermal stress and rock mass failure (verification of compliance with geomechanical recommendations, implementation of barricades, review of approvals of the Expedientes labour)
  - ✓ Animon and Ticlio: mobile equipment (verification of safety devices on mobile equipment such as reversing cameras, proximity sensors, headlights and back lights, etc)
  - ✓ On site monitoring of all collaborators in compliance with their Procedures through OPT's



## Production

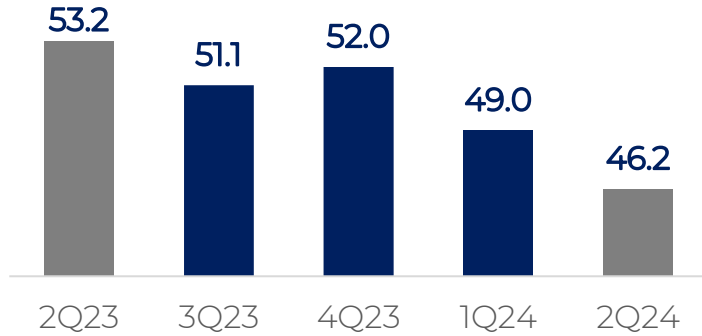


\*LTIFR: Lost Time Injury Frequency Rate, DISR: Disabling Injury Severity Rate, TRIFR: Total Recordable Injury Frequency Rate

\*OCF: Over Cut and Fill / SLS: Sub Level Stopping / PPM: Mortal Danger Protocol / OPT: Planned Work Observation / ACS: Safe Behavior Audit

# 2Q 2024 Highlights

## Unitary Cost\* \$/t

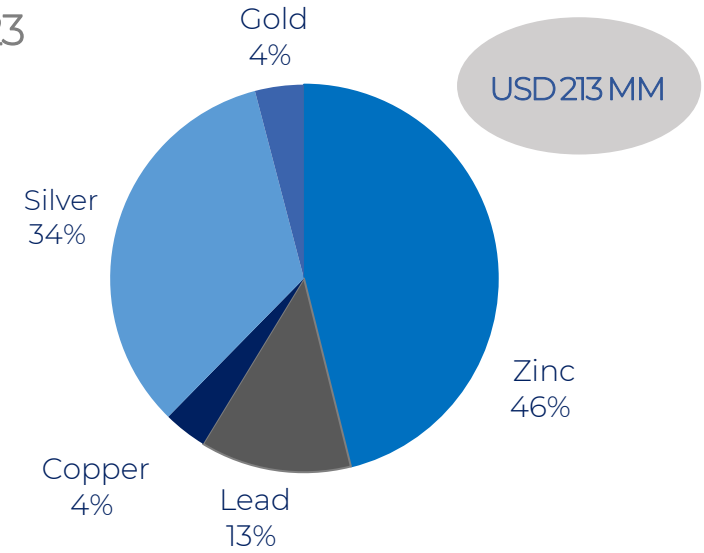


Focus on cost management  
- 13.3% from 2Q23 to 2Q24

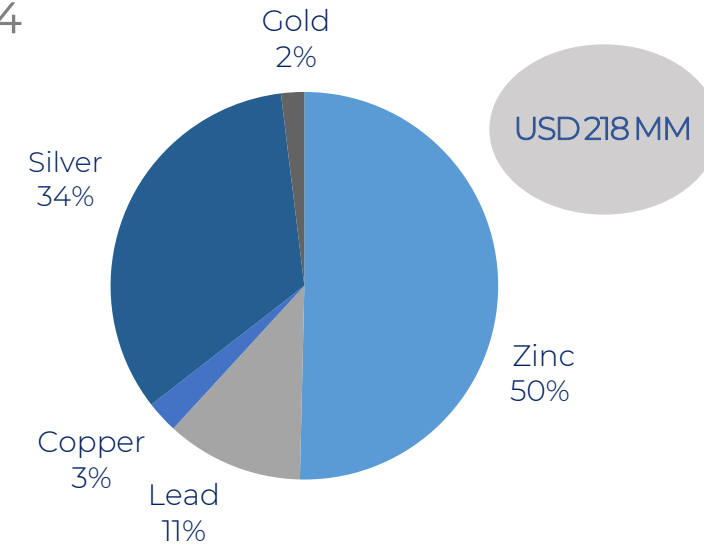
\*Unitary costs includes infill drilling

## Sales by Metal

2Q23

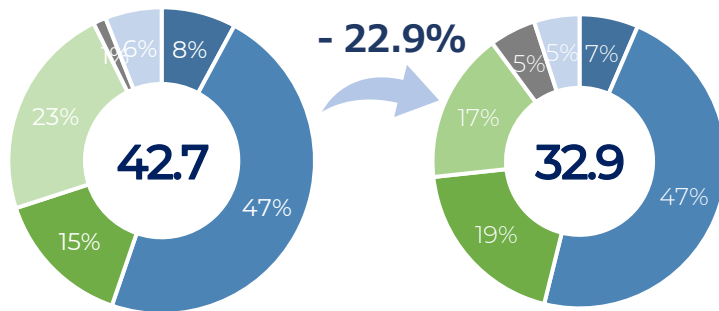


2Q24

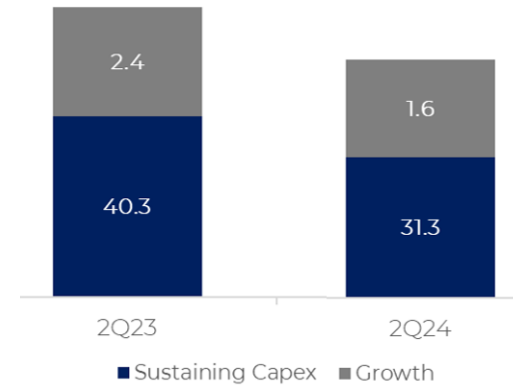


## CAPEX USDMM

- Local Exploration
- Development
- Plants and Tailings Facilities
- Mine and Infrastructure
- Support and Others
- Growth and Others



Priorization and control  
- 22.9% from 2Q23 to 2Q24



# 2Q 2024 Highlights

## Estimated impact of the paralyzation

SC-CAR/  
TICLIO

Q1

Q2

Jan-Jul

Zn 6.1k FMT  
Pb 540 FMT  
Ag 290k Oz

Zn 5.6k FMT  
Pb 690 FMT  
Ag 280k Oz

Zn 11.7k FMT  
Pb 1,230 FMT  
Ag 570k Oz

ANIMON

Zn 1.6k FMT  
Pb 630 FMT  
Ag 120k Oz

Zn 1.4k FMT  
Pb 970 FMT  
Ag 90k Oz

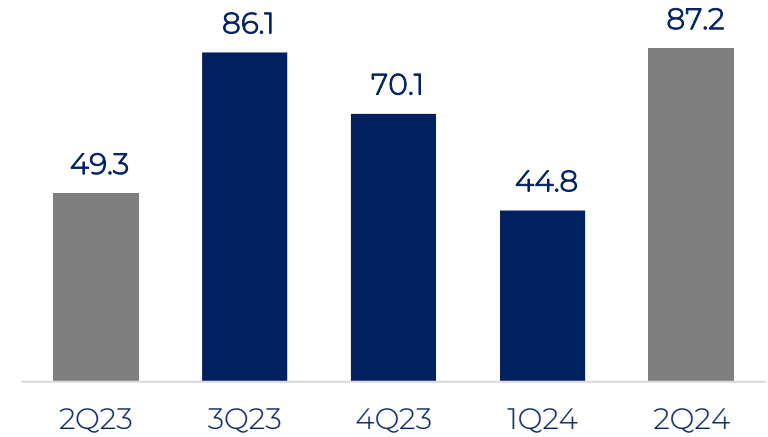
Zn 3.0k FMT  
Pb 1,600 FMT  
Ag 210k Oz

**ΔCASH FLOW**  
Q1:  
~USD -19 MM

**ΔCASH FLOW**  
Q2:  
~USD -16 MM

**ΔCASH FLOW**  
Jan-Jul:  
~USD -35 MM

## EBITDA USDMM



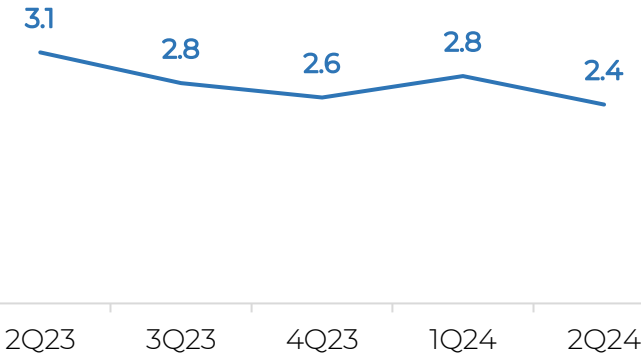
## Cash Position

Q1: USD 62.2 MM  
Q2: USD 68.0 MM

## Net Debt

Q1: USD 711.3 MM  
Q2: USD 693.9 MM

## Net Debt / EBITDA Ratio



# 2Q 2024 Highlights

- Transition Metals AG:

- ✓ Transaction to acquire 55.028% of the Class A shares and 22.06% of the Share Capital of Volcan Compañía Minera S.A.A. made by Glencore International AG in favor of Transition Metals AG subsidiary of Integra Capital

## Romina Project (USD 147 MM Capex)

2024E (USD 20 MM aprox)	2025E (USD 86 MM aprox)	2026E (USD 41 MM aprox)
<p>Focus on founding:</p> <p>A) Financing B) Self founded</p>	<ul style="list-style-type: none"> <li>• Construction of components for the development of the UG mine</li> <li>• Adaptation of existing components for ore treatment</li> </ul>	<ul style="list-style-type: none"> <li>• Facilities for the transport and accumulation of ore from Romina to Alpamarca</li> <li>• Ramp up and production</li> </ul>

### Portfolio optimization and disposals (USD 120.0 – 170.0 MM)

- ✓ Achieved:
  - ✓ Rucuy HPP – EGERBA
  - ✓ Huanchor HPP
- ✓ Pending:
  - ✓ Shareholding Cementos Polpaico
  - ✓ Real state package
  - ✓ Exploration packages

## ➤ Completed Spinoff - Inversiones Portuarias Chancay (IPCH)<sup>1</sup>



<sup>1</sup>Inversiones Portuarias Chancay: New owner of Chancay Port Investment

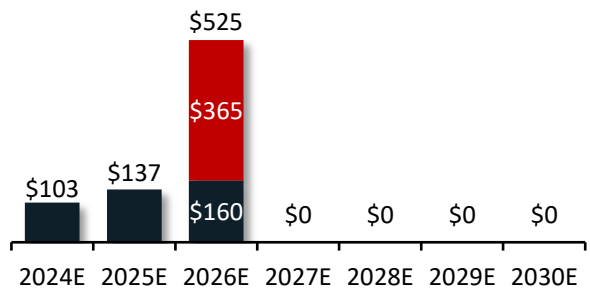
# 2Q 2024 Balance strengthening and refinancing highlights

~USD 765 MM  
Refinancing of  
syndicated loan and  
2026 notes

~USD 48 MM  
Additional Working  
Capital Facilities

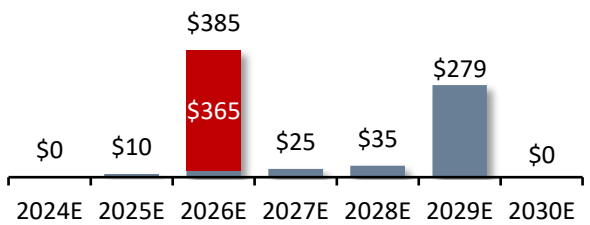


Old Debt Maturity Profile as of 1Q'24 (USD MM)



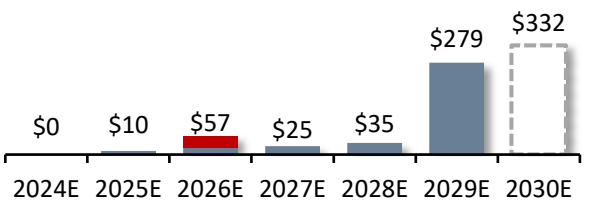
➔ Total debt: USD 765 MM

Current Debt Maturity Profile (USD MM)



➔ Total debt: USD 734 MM

Pro Forma Debt Maturity Profile (USD MM)



➔ Total debt: USD 738 MM



1

Highlights

2

Operating Results

3

Financial Results

# Consolidated Operating Results

Consolidated Production	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
<b>Mineral extraction (thousands MT)<sup>1</sup></b>	<b>2,293</b>	<b>2,269</b>	<b>2,406</b>	<b>-5.7</b>	<b>4,562</b>	<b>4,556</b>	<b>0.1</b>
Polymetallic ore	2,058	2,015	2,167	-7.0	4,073	4,078	-0.1
Oxides ore	236	254	239	6.1	489	477	2.5
<b>Mineral treatment (thousands MT)</b>	<b>2,122</b>	<b>2,199</b>	<b>2,404</b>	<b>-8.5</b>	<b>4,321</b>	<b>4,678</b>	<b>-7.6</b>
Concentrator Plants	1,887	1,945	2,165	-10.2	3,832	4,200	-8.8
Silver Oxides Plant	236	254	239	6.1	489	477	2.5
<b>Fine Content</b>							
Zinc (thousands FMT)	50.3	52.9	62.6	-15.5	103.2	119.1	-13.3
Lead (thousands FMT)	11.2	12.4	15.3	-18.6	23.6	28.5	-17.1
Copper (thousands FMT)	0.8	0.8	1.5	-44.7	1.6	2.7	-42.4
Silver (millions Oz)	3.1	3.2	3.8	-16.1	6.3	7.3	-14.3
Gold (thousands Oz)	2.9	2.9	5.5	-47.7	5.8	9.3	-37.3

<sup>1</sup> Revised mineral production figures for Alparmarca in 1Q24

## 2024 vs 2023:

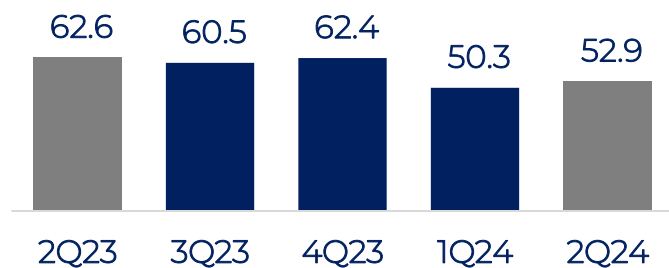
- **San Cristobal/Carahuacra and Ticlio:** Less ore extraction and treatment due to shutdown mine operations (C&M) since March 19<sup>th</sup> until April 20<sup>th</sup>
- **Animon:** Less production for safety reasons as consequence of the accident in March 24<sup>th</sup>. Restarted with an extensive support program and implementation of barricades and standards
- **Islay:** No production in 2024 due to suspension of operations on July 23

## Operations Restart Plan:

- Victoria Plant restarted treatment on April 20<sup>th</sup> with the accumulated ore stock
- Underground mining operations restarted in San Cristobal - Carahuacra (April 22<sup>nd</sup>) and Ticlio (April 21<sup>st</sup>). For a period of 5 days of Ramp Up

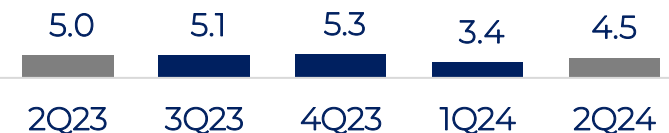
# Quarterly Evolution of Zinc Production (thousand FMT)

## Consolidated



## Ticlio

Δ MT Milled: - 20 kt  
Δ Grade: + 12%



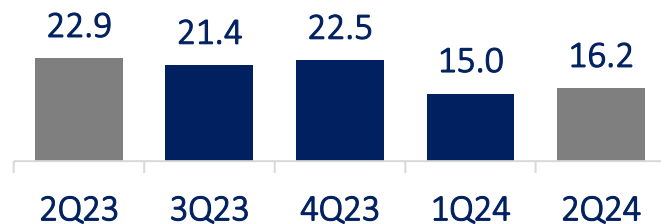
## Cerro

Δ MT Milled: - 14 kt  
Δ Grade: + 5%



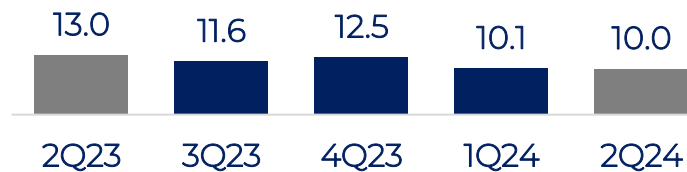
## San Cristobal/Carahuacra

Δ MT Milled: - 120 kt  
Δ Grade: - 4%



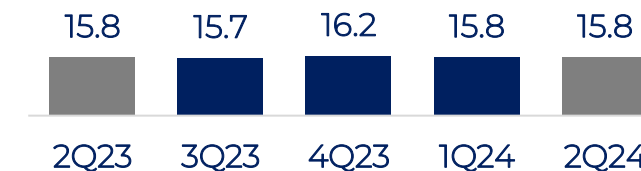
## Chungar

Δ MT Milled: -116 kt  
Δ Grade: + 16%



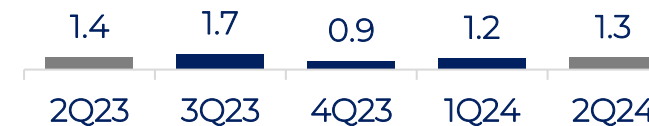
## Andaychagua

Δ MT Milled: + 5 kt  
Δ Grade: - 2%



## Alpamarca

Δ MT Milled: +17 kt  
Δ Grade: - 12%

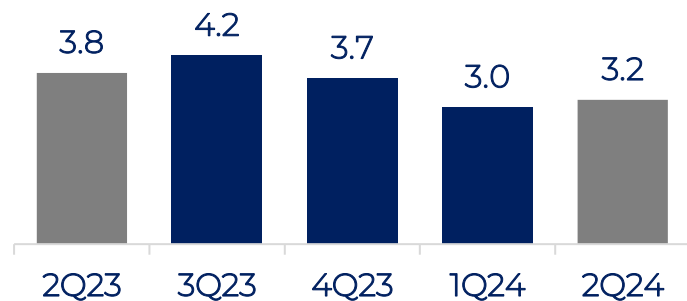


### 2024 vs 2023:

- San Cristobal – Carahuacra: lower due to the mine's shutdown due to permits for the Rumichaca tailings dam
- Andaychagua: aligned to 2Q23 production
- Ticlio: lower due to the mine's shutdown due to permits for the Rumichaca tailings dam
- Chungar: lower due to restart of operations with intensive support program and progressive production ramp up
- Alpamarca: lower due to the treatment of lower-grade stockpile ore
- Cerro: higher production due to the increase of concentrator throughput to 9650 tpd and stockpiles higher grades processed

# Quarterly Evolution of Silver Production (MM Oz)

## Consolidated



## Ticlio

Δ MT Milled: - 20 kt  
Δ Grade: + 9%



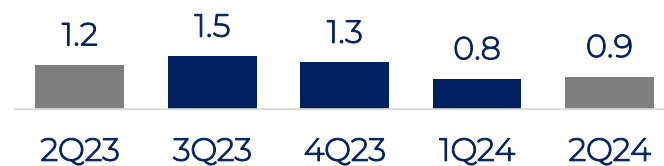
## Cerro

Δ MT Milled: - 14 kt  
Δ Grade: - 3%



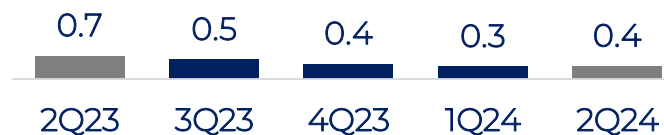
## San Cristobal/Carahuacra

Δ MT Milled: - 120 kt  
Δ Grade: + 0%



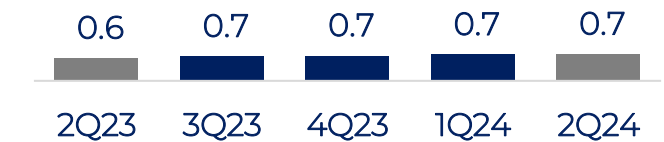
## Chungar

Δ MT Milled: -116 kt  
Δ Grade: - 17%



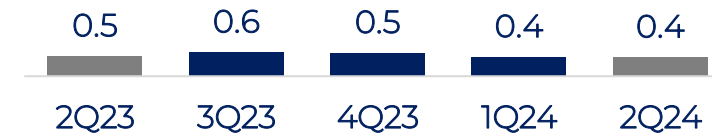
## Oxides

Δ MT Milled: + 9 kt  
Δ Grade: + 14 %



## Andaychagua

Δ MT Milled: +5 kt  
Δ Grade: - 6%



## Alpamarca

Δ MT Milled: +17 kt  
Δ Grade: - 22%

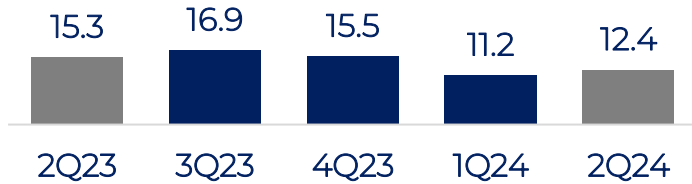


### 2024 vs 2023:

- **San Cristobal – Carahuacra:** lower to the mine's shutdown due to permits for the Rumichaca tailings dam
- **Andaychagua:** lower due to low production from high silver grade orebody
- **Ticlio:** aligned with 1Q23 due to the contribution in areas of higher grades offset by the mine stoppage
- **Chungar:** lower due to restart of operations with intensive support program and progressive production ramp up

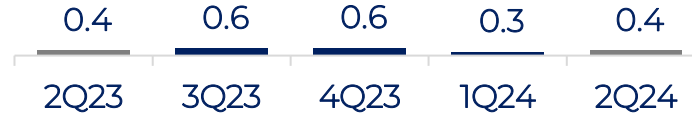
# Quarterly Evolution of Lead Production (thousand FMT)

## Consolidated



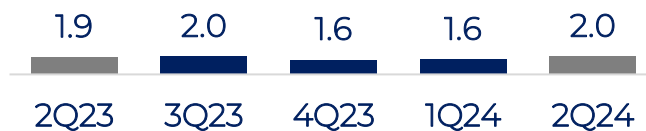
## Ticlio

Δ MT Milled: - 20 kt  
Δ Grade: + 22%



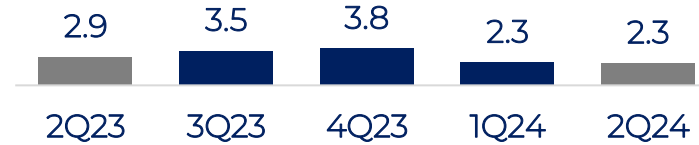
## Cerro

Δ MT Milled: - 14 kt  
Δ Grade: + 3%



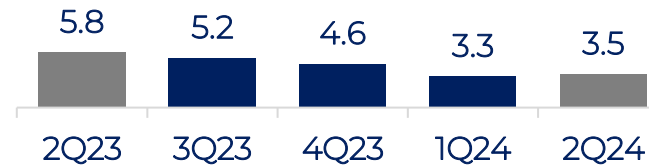
## San Cristobal/Carahuacra

Δ MT Milled: - 120 kt  
Δ Grade: + 9%



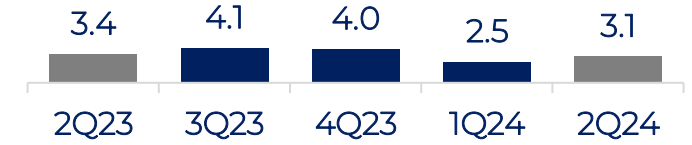
## Chungar

Δ MT Milled: - 116 kt  
Δ Grade: - 7%



## Andaychagua

Δ MT Milled: + 5 kt  
Δ Grade: - 8%



## Alpamarca

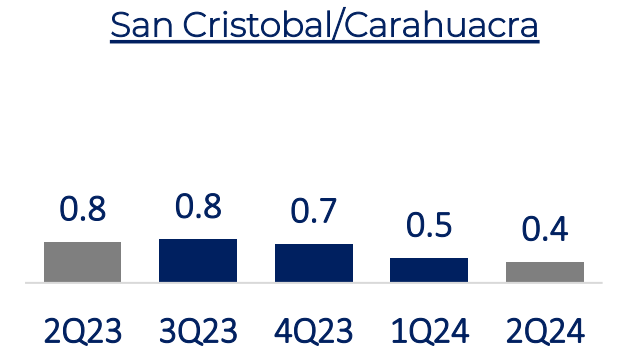
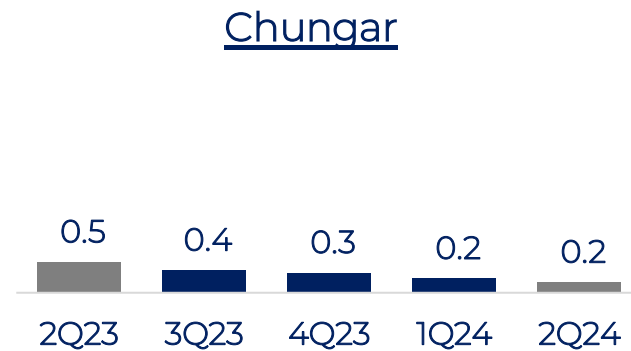
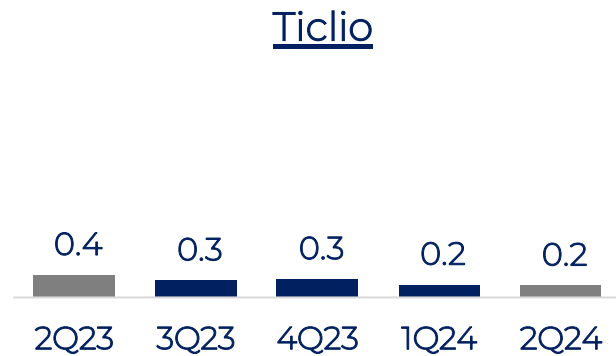
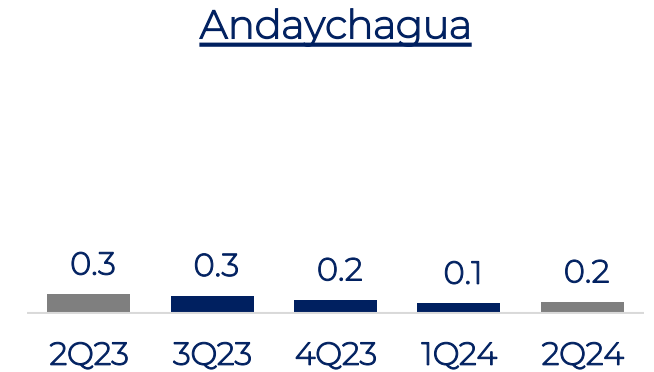
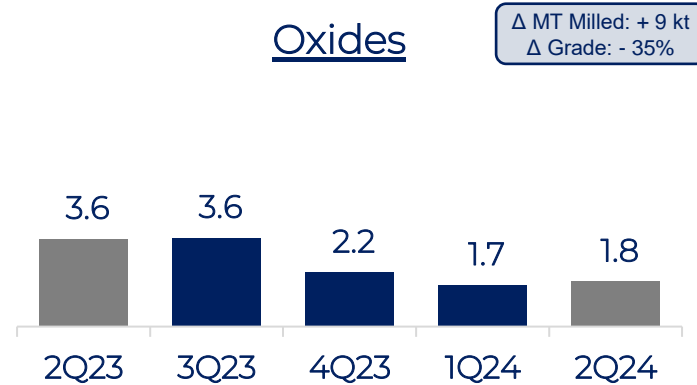
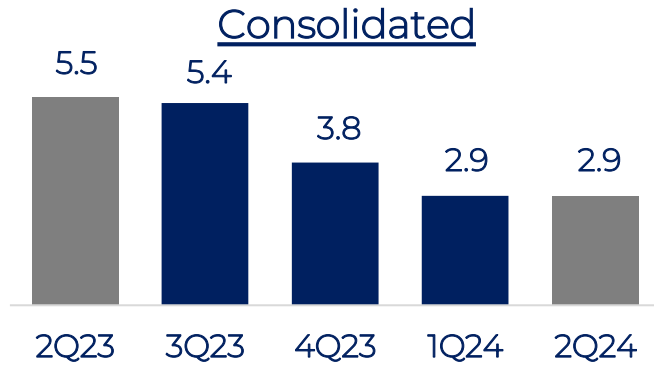
Δ MT Milled: + 17 kt  
Δ Grade: + 8%



### 2Q24 vs 2Q23:

- San Cristobal – Carahuacra: lower due to the mine's shutdown due to permits for the Rumichaca tailings dam
- Andaychagua: lower due to low production from high silver grade orebody
- Chungar: lower due to restart of operations with intensive support program and progressive production ramp up
- Alpamarca: higher lead grade in the south and north pits
- Cerro: higher production due to the increase of concentrator throughput to 9650 tpd and stockpiles higher grades processed

# Quarterly Evolution of Gold Production (thousand Oz)

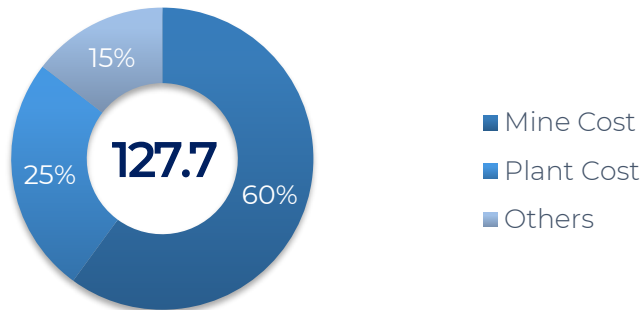


2024 vs 2023:

- Oxides: lower due to lower grades and lower production in the in-situ oxides sector

# Consolidated Production Costs and Unit Costs

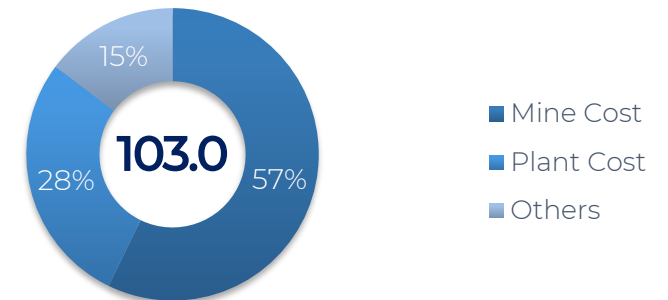
Production Cost (USD MM)  
2Q23



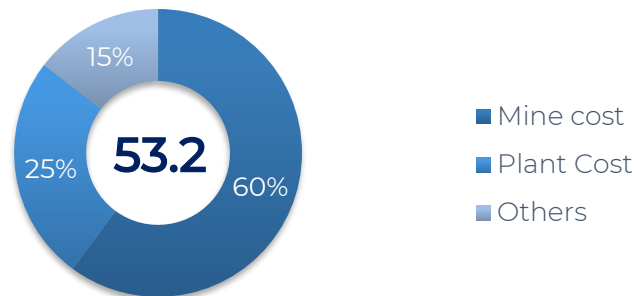
**USD-24.7 MM (-19.3%)**



Production Cost (USD MM)  
2Q24



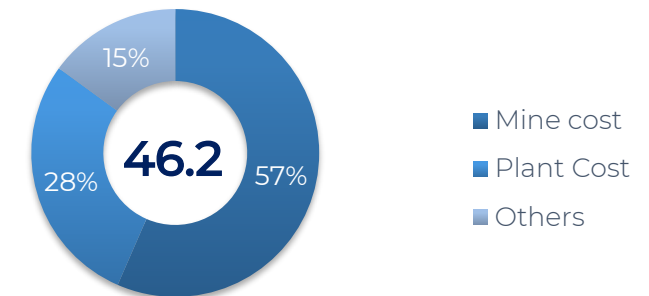
Production Unit Cost (USD/TM)  
2Q23



**-7.0 USD/TM (-13.3%)**



Production Unit Cost (USD/TM)  
2Q24



## 2Q24 vs 2Q23:

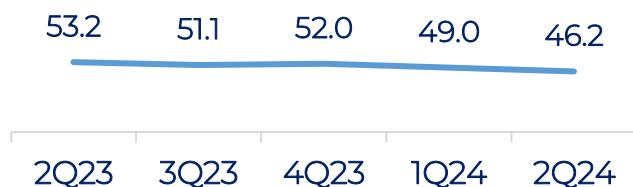
✓ Lower absolute and unit cost explained by:

- ✓ Execution of improvement initiatives at operating units: improving supply consumption efficiency across all mining cycle activities, mechanic and electric maintenance, use of plant reagents, energy efficiency, change of mining methods, among others

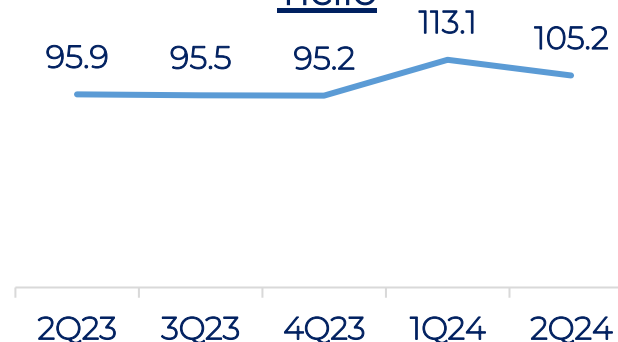
- ✓ Suspension of operations at Islay Mine since July 2023
- ✓ Temporary suspension of operations at Yauli and Animon

# Production Unit Cost per Unit

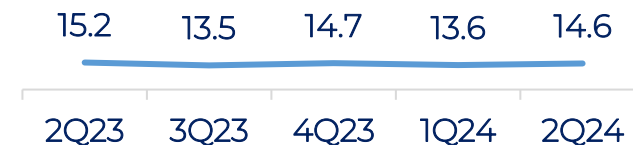
## Consolidated



## Ticlio



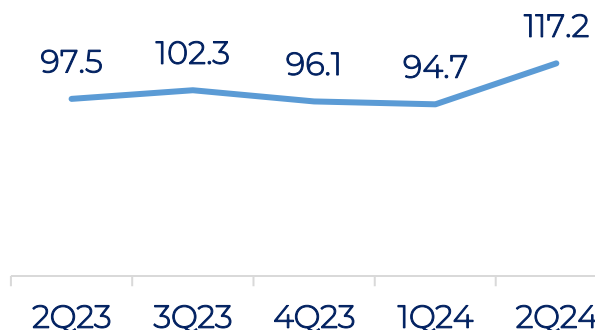
## Cerro



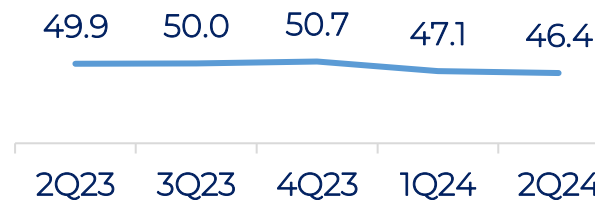
## San Cristobal/Carahuacra



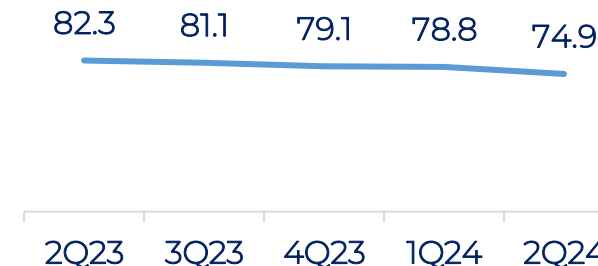
## Chungar



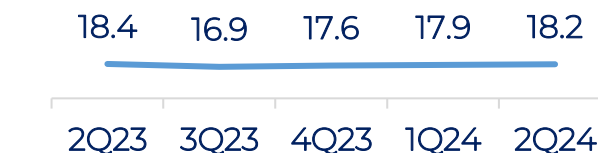
## Oxides



## Andaychagua



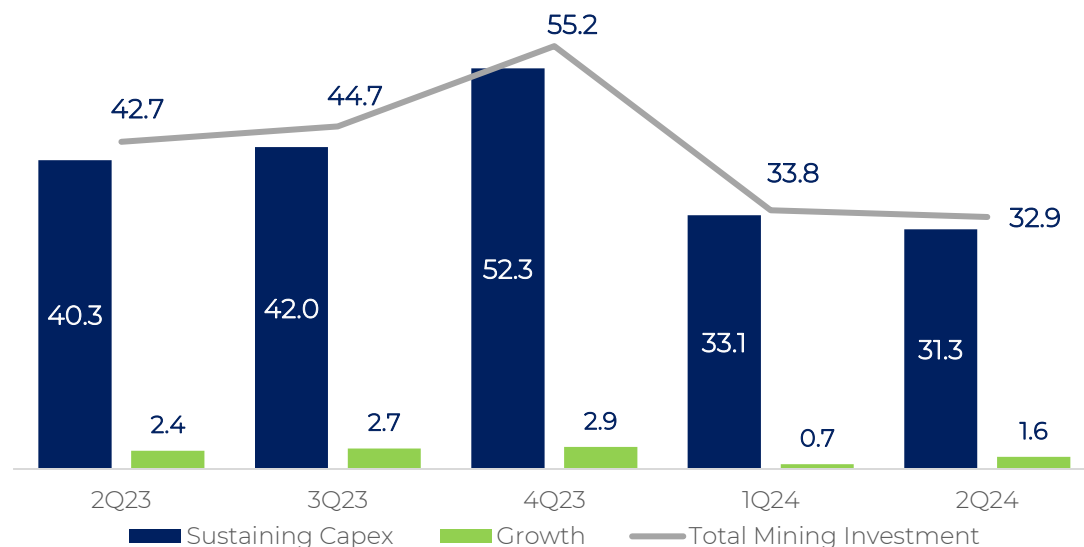
## Alpamarca



- **Chungar:** Higher unit cost because of the fixed cost not being diluted with the lower volume extracted and processed
- **SanCristóbal-Carahuacra and Andaychagua:** Decreased due to cost-saving continuous improvement initiatives in maintenance and transportation
- **Ticlio:** Higher unit cost due to lower zinc and silver production volumes.
- **Cerro:** Lower due to increased treatment and lower transportation of waste
- **Oxides:** lower due to a better metallurgical performance for in situ pyrites treatment in Oxides



# Evolution of Mining Investments



Consolidated Investment (MM USD)	Apr-Jun 2024	Apr-Jun 2023
<b>Mining</b>	<b>32.9</b>	<b>42.7</b>
<b>Mining Units</b>	<b>31.3</b>	<b>40.3</b>
Local Exploration	2.1	3.2
Development	15.4	19.2
Plants and Tailings Facilities	6.3	6.0
Mine and Infrastructure	5.4	9.2
Electrical Infrastructure in Units	0.6	2.2
Support and Others	1.7	0.5
<b>Regional Explorations</b>	<b>0.0</b>	<b>0.0</b>
<b>Growth and Others</b>	<b>1.6</b>	<b>2.4</b>
<b>Energy</b>	<b>0.0</b>	<b>0.0</b>
<b>Total</b>	<b>32.9</b>	<b>42.7</b>

## 2Q24 vs 2Q23:

### Variation in Operating Units (-23.0%):

- **Local Exploration (USD -1.1 MM):** Lower investment in Yauli and Chungar due to optimization in DDH and lower cost per meter
- **Development (USD -3.8 MM):** Lower investment in Yauli and Chungar due to optimization in ground support
- **Mine and Infrastructure (USD -3.8 MM):** Lower investment in Andaychagua mine, mainly explained by the rescheduling of the execution schedule of infrastructure projects. Also, lower execution in San Cristobal and Ticlio mine due to paralization
- **Electrical Infrastructure (USD -1.6 MM):** Lower investment in Yauli and Chungar due to paralization
- **Support and others (USD 1.2 MM):** Higher investments in camps, technology, safety, security and environment

1

Highlights

2

Operating Results

3

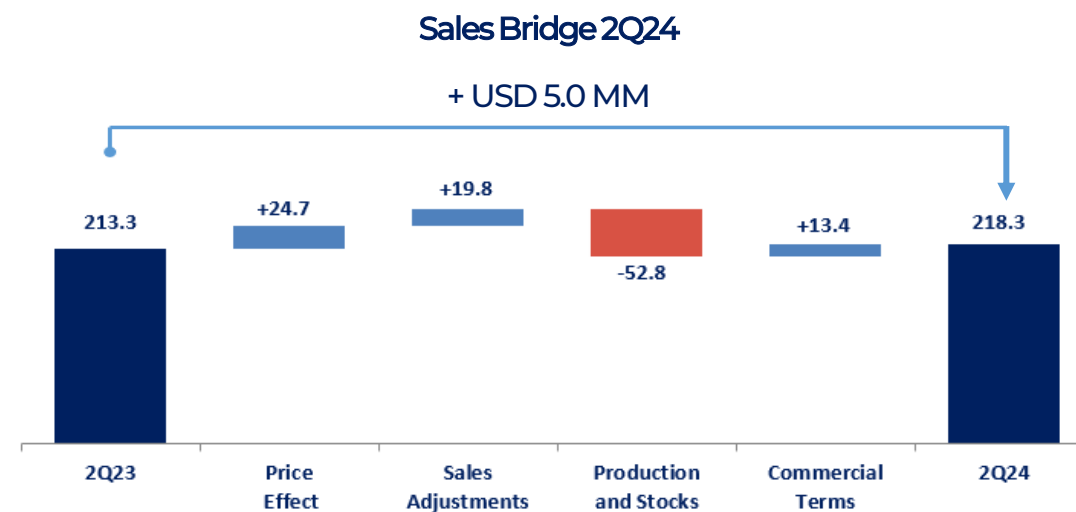
Financial Results

# Sales and prices evolution

Fines Sales	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Zinc (thousands FMT)	52.5	54.4	63.7	-14.5	107.0	120.8	-11.5
Lead (thousands FMT)	11.8	12.4	15.8	-21.6	24.1	28.7	-16.0
Copper (thousands FMT)	0.9	0.9	1.6	-43.1	1.8	2.9	-36.4
Silver (millions Oz)	3.1	3.2	4.0	-20.4	6.3	7.4	-15.6
Gold (thousands Oz)	3	2	6	-57.1	5.2	9.4	-44.7

Sales Prices	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
Zinc (USD/MT)	2,473	2,770	2,578	7.5	2,624	2,833	-7.4
Lead (USD/MT)	2,099	2,159	2,110	2.3	2,129	2,125	0.2
Copper (USD/MT)	7,794	9,162	8,491	7.9	8,487	8,669	-2.1
Silver (USD/Oz)	23	28	24	17.0	25.7	23.3	10.2
Gold (USD/Oz)	2,069	2,332	1,976	18.0	2,193	1,943	12.9

Sales (MM USD)	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
<b>Sales before adjustments</b>	<b>180.0</b>	<b>213.1</b>	<b>227.9</b>	<b>-6.5</b>	<b>393.1</b>	<b>448.6</b>	<b>-12.4</b>
<i>Sett. of prior periods adjustments</i>	-0.9	5.4	-10.3	0.0	4.6	-1.4	
<i>Adj. open positions</i>	-2.6	0.0	-4.7	-99.0	-2.7	-13.2	-79.6
<i>Hedging</i>	0.1	-0.2	0.4		-0.1	0.4	
<b>Sales</b>	<b>176.7</b>	<b>218.3</b>	<b>213.3</b>	<b>2.3</b>	<b>395.0</b>	<b>434.4</b>	<b>-9.1</b>



# P&L, EBITDA and cash generation

Income Statement (MM USD)	Jan-Mar 2024	Apr-Jun 2024	Apr-Jun 2023	var %	Jan-Jun 2024	Jan-Jun 2023	var %
<b>Sales</b>	<b>176.7</b>	<b>218.3</b>	<b>213.3</b>	<b>2.3</b>	<b>395.0</b>	<b>434.4</b>	<b>-9.1</b>
<b>Cost of Goods Sold</b>	<b>-159.4</b>	<b>-164.5</b>	<b>-188.6</b>	<b>-12.8</b>	<b>-323.9</b>	<b>-362.8</b>	<b>-10.7</b>
<b>Gross Profit</b>	<b>17.3</b>	<b>53.8</b>	<b>24.7</b>	<b>117.6</b>	<b>71.1</b>	<b>71.6</b>	<b>-0.7</b>
<i>Gross Margin</i>	<i>10%</i>	<i>25%</i>	<i>12%</i>	<i>13 pp</i>	<i>18%</i>	<i>16%</i>	<i>2 pp</i>
Administrative Expenses	-9.5	-8.3	-12.8	-35.2	-17.8	-21.5	-17.3
Exploration Expenses	-2.4	-2.3	-5.3	-55.7	-4.8	-10.3	-53.7
Sales Expenses	-7.1	-6.9	-7.1	-3.1	-14.0	-14.5	-3.9
Other income (Expenses) <sup>1</sup>	-0.3	3.6	-4.0		3.3	-7.8	
<b>Operating Profit</b>	<b>-2.0</b>	<b>39.9</b>	<b>-4.5</b>		<b>37.9</b>	<b>17.5</b>	<b>115.9</b>
<i>Operating Margin</i>	<i>-1%</i>	<i>18%</i>	<i>-2%</i>	<i>20 pp</i>	<i>10%</i>	<i>4%</i>	<i>6 pp</i>
Financial income (expense)	-18.0	-17.5	-15.4	13.3	-35.5	-30.5	16.3
Exchange difference (net)	0.0	-0.7	0.8		-0.7	0.9	
Royalties	-2.2	-3.4	-2.3	45.7	-5.6	-5.6	0.3
Income Tax	3.0	-5.7	10.5		-2.7	8.3	
<b>Net Profit before Exceptionals</b>	<b>-19.2</b>	<b>12.6</b>	<b>-10.9</b>		<b>-6.6</b>	<b>-9.4</b>	<b>-29.2</b>
<i>Net Margin</i>	<i>-11%</i>	<i>6%</i>	<i>-5%</i>	<i>11 pp</i>	<i>-2%</i>	<i>-2%</i>	<i>0 pp</i>
Exceptional adjustments <sup>2</sup>	0.0	-2.2	-1.0	128.3	-2.2	-1.7	30.2
<b>Net Profit</b>	<b>-19.2</b>	<b>10.4</b>	<b>-11.9</b>		<b>-8.8</b>	<b>-11.0</b>	<b>-20.1</b>
<i>Net Margin</i>	<i>-11%</i>	<i>5%</i>	<i>-6%</i>	<i>10 pp</i>	<i>-2%</i>	<i>-3%</i>	<i>0 pp</i>
<b>EBITDA<sup>3</sup></b>	<b>44.8</b>	<b>87.2</b>	<b>49.2</b>	<b>77.2</b>	<b>132.0</b>	<b>120.7</b>	<b>9.4</b>
<i>EBITDA Margin</i>	<i>25%</i>	<i>40%</i>	<i>23%</i>	<i>17 pp</i>	<i>33%</i>	<i>28%</i>	<i>6 pp</i>

## 2024 vs 2023 variations:

**Cost of goods sold:** Lower production cost, lower depreciation and amortization, and lower cost due to the stoppages

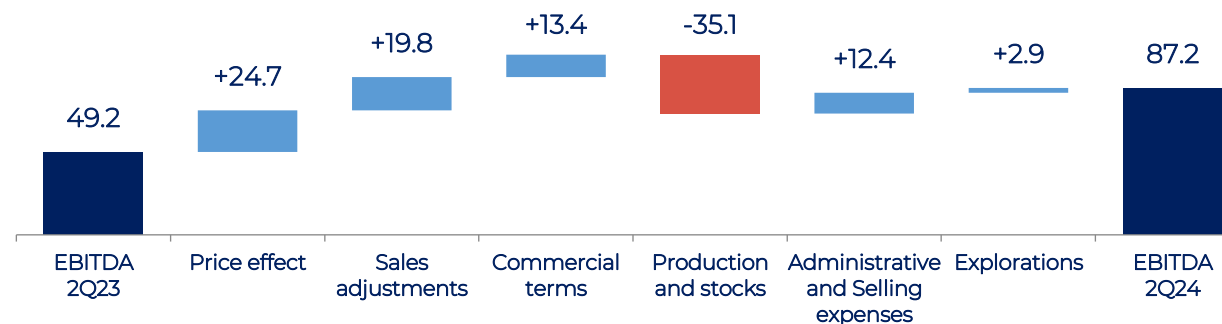
**Administrative expenses:** Decrease due to lower expenses and personnel provisions

**Exploration expenses:** Decrease in line with Company's expenses streamlining plan

**Sales expenses:** Mainly due to lower production because of the stoppages

**Other Income/Expense (net):** Mainly due to the accounting impacts of the sale of shares of the Río Baños Electrical Generation Company S.A.C. (CH Rucuy) and lower expenses in stabilization of the Mahr Tunnel tailings deposit

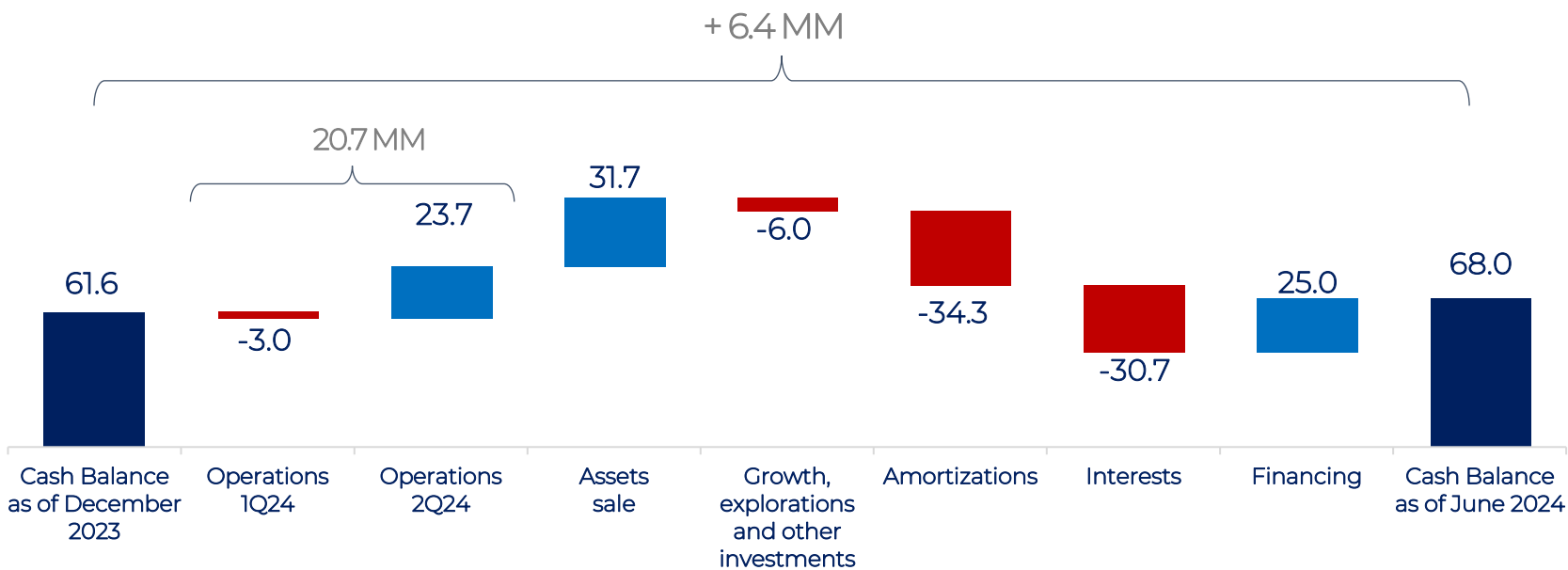
**Financial Expenses:** Higher due to higher loan interests because of increase of international rate reference



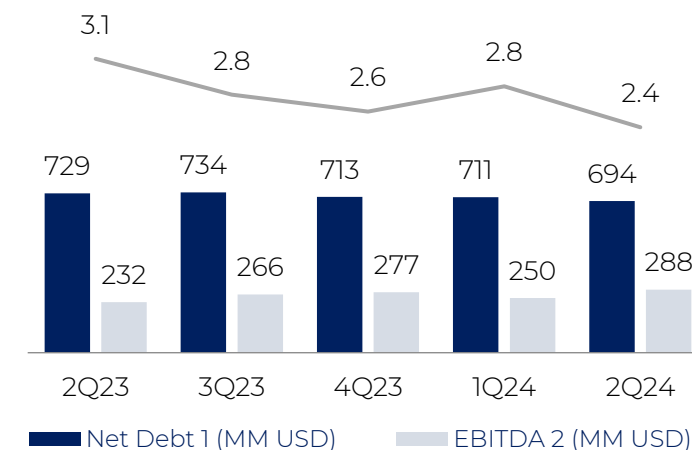
<sup>1</sup> Includes sales and cost of sales of the energy división <sup>2</sup> Long term assets deterioration in Cerro de Pasco <sup>3</sup> Does not consider exceptional adjustments

# Final Cash and Evolution of Net Debt / EBITDA Ratio

## Cash Flow Bridge



## Net Debt to EBITDA ratio



Net Debt / EBITDA Ratio	2Q23	3Q23	4Q23	1Q24	2Q24
Gross Debt (MM USD)	779	777	775	774	762
Cash Balance (MM USD)	50	44	62	62	68
Net Debt <sup>1</sup> (MM USD)	729	734	713	711	694
EBITDA <sup>2</sup> (MM USD)	232	266	277	250	288
<b>Net Debt / EBITDA Ratio</b>	<b>3.1</b>	<b>2.8</b>	<b>2.6</b>	<b>2.8</b>	<b>2.4</b>

<sup>1</sup> Debt does not include operating leases associated with IFRS 16 or current interest <sup>2</sup> Corresponds to EBITDA accumulated in the last 12 months

### 2024 vs 1Q24:

- Decreased Net Debt / EBITDA ratio due to higher EBITDA related to lower expenses following the cost-saving plan

---

Q & A

