MANAGEMENT DISCUSSION AND ANALYSIS: INDIVIDUAL RESULTS

MINSUR S.A.
FIRST QUARTER 2022

For further information please contact:

Joaquín Larrea
CFO
Email: joaquin.larrea@minsur.com
Tel: (511) 215-8300 Ext. 8444

Javier La Torre
Corporate Finance Manager
Email: javier.latorre@minsur.com
Tel: (511) 215-8300 Ext. 8090

Investor Relations
Email: contacto_IR@minsur.com

I. FIRST QUARTER HIGHLIGHTS AND EXECUTIVE SUMMARY

Table N° 1: Operating & Financial Highlights

Highlights	Unit	1Q22	1Q21	Var (%)
Production				
Tin (Sn)	t	5,903	6,336	-7%
Gold (Au)	oz	16,561	14,757	12%
Financial Results				
Net Revenue	US$ M	252.4	196.1	29%
EBITDA	US$ M	171.3	118.1	45%
EBITDA Margin	%	68%	60%	-
Net Income	US$ M	206.7	77.3	167%
Adjusted Net Income[1]	US$ M	83.4	78.1	7%

First quarter Executive Summary:

a. Prioritization of Health and Safety – Response to COVID -19 Pandemic

All operations are strictly complying with the protocols required in the context of the COVID-19 pandemic to work safely. These protocols continue to represent additional costs for our operations; however, it is essential and a priority to maintain the health and safety of all our collaborators. On the other hand, the activities of the administrative staff continue to be carried out remotely.

b. Operating Results

During 1Q22, tin production was below the same period of the previous year (-7%) due to the fewer days of operation, this year maintenance stoppage was carried out in March, whilst in 2021 it was in April. Regarding gold, production was higher (+12%) due to production from inventories in process remaining from the previous year, and optimizations in the production process.

c. Financial Results

The financial results obtained during 1Q22 were higher than 1Q21. Sales and EBITDA were 29% and 45% higher, respectively. The higher sales during 1Q22 are explained by the higher price of tin (+71%), and the higher price of gold (+5%) along with higher sold volume of gold (+3%). Finally, net income for 1Q22 was US$ 206.7 MM vs. US$ 77.3 MM in 1Q21 supported by the strong results of our operations as well as those from our investment in the subsidiary Marcobre, which during 1Q21 had not yet started commercial operations.

[1] Adjusted net income = Net income excluding Loss from Subsidiaries and Associates, exchange rate difference and extraordinary effects

II. MAIN CONSIDERATIONS:

a. Average metal prices

- **Tin:** Average tin price in 1Q22 was US$ 43,373 per ton, +71% vs. 1Q21.

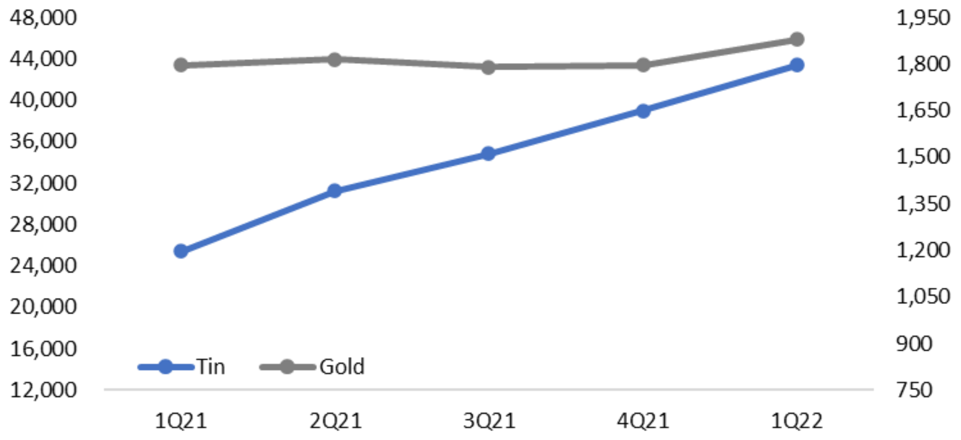
- **Gold:** Average gold price in 1Q22 was US$ 1,879 per ounce, +5% vs. 1Q21.

Table N° 2: Average metal prices

Average Metal Prices	Unit	1Q22	1Q21	Var (%)
Tin	US$/t	43,373	25,377	71%
Gold	US$/oz	1,879	1,797	5%

Source: Bloomberg

Figure N° 1: Average metal price quarterly evolution



Source: Bloomberg

b. Exchange Rate:

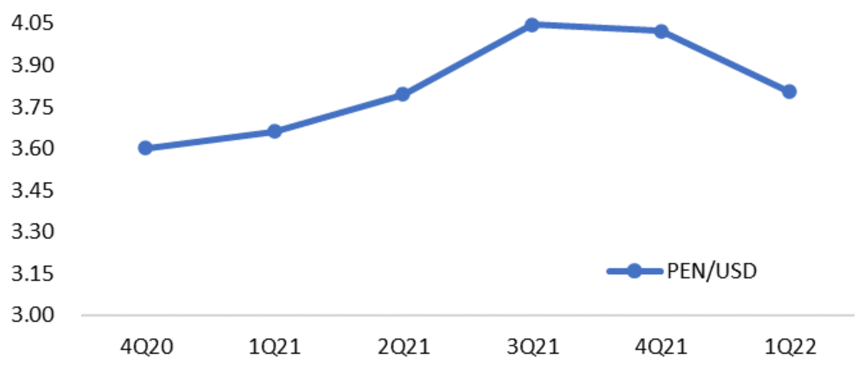
The Peruvian Sol average exchange rate for 1Q22 was S/ 3.80 per US$ 1, +4% vs. 1Q21 (S/ 3.66 per US$ 1).

Table N°3: Exchange Rate

Average Exchange Rate	Unit	1Q22	1Q21	Var (%)
PEN/USD	S/.	3.80	3.66	4%

Source: Banco Central de Reserva del Perú

Figure N° 2: Exchange rate quarterly evolution



Source: Banco Central de Reserva del Perú

III. OPERATING MINING RESULTS:

a. San Rafael – Pisco (Perú):

Table N° 4: San Rafael - Pisco Operating Results

San Rafael - Pisco	Unit	1Q22	1Q21	Var (%)
Ore Treated	t	274,193	297,893	-8%
Head Grade	%	2.18	2.00	9%
Tin production (Sn) - San Rafael	t	5,475	5,195	5%
Tin production (Sn) - B2	t	1,343	1,240	8%
Tin production (Sn) - Pisco	t	5,903	6,336	-7%
Cash Cost per Treated Ton[2] - San Rafael	US$/t	153	119	29%
Cash Cost per Ton of Tin[3]	US$/t Sn	10,999	8,254	33%

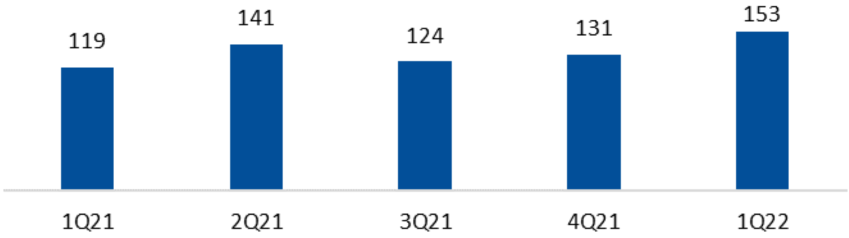
In 1Q22, contained tin production at San Rafael reached 5,475 tons (+5% vs. 1Q21) explained by higher head grades which were partially offset by a lower volume fed to the plant. In part of the first quarter, the pre-concentration plant was preventively operated at a lower capacity due to the third wave of COVID-19 in Peru.

B2 production reached 1,343 tons (+8% vs. 1Q21) mainly due to higher recovery in the plant and higher grades extracted from the deposit.

Refined tin production in Pisco reached 5,903 tons (-7% vs. 1Q21) due to the lower number of days of operation because of the annual maintenance stoppage carried out during March, whilst in 2021 was carried out in April.

The cost per treated ton in San Rafael was US$ 153, +29% vs. 1Q21, which is explained by the lower volume fed to the plant (-8% vs. 1Q21) and higher supply costs, improvements in personnel transportation standards, and higher costs related to mine advances executed.

Figure N°3: Cash Cost per treated ton evolution - San Rafael (US$/t)



The cash cost per ton of tin[2] was US$ 10,999 in 1Q22, +33% vs. 1Q21. This higher cost is explained by the temporary lower production of refined tin in Pisco (-7% vs. 1Q21) due to the annual maintenance stoppage, and by the incremental costs in all tin related operating units associated with security protocols and inflationary costs.

b. Pucamarca (Perú):

Table N°5. Pucamarca Operating Results

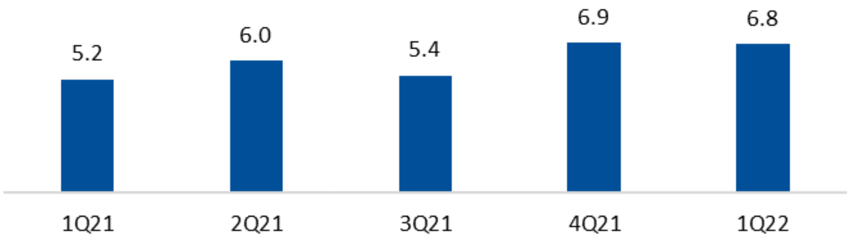
Pucamarca	Unit	1Q22	1Q21	Var (%)
Ore Treated	t	1,797,231	1,952,604	-8%
Head Grade	g/t	0.38	0.49	-23%
Gold production (Au)	oz	16,561	14,757	12%
Cash Cost per Treated Ton	US$/t	6.8	5.2	31%
Cash Cost per Ounce of Gold[4]	US$/oz Au	747	703	6%

In 1Q22, gold production was 16,561 ounces, +12% vs. 1Q21 mainly due to higher processing of remaining inventories from the previous year added to the following operational improvements: i) the increase in cyanide concentration in the leaching process during the first days of irrigation and ii) implementation of the slope irrigation project (second leaching in the process).

The cash cost per treated ton was US$ 6.8 in 1Q22, +31% vs. 1Q21 mainly because of the higher cost of supplies due to inflation, those related to improvements in personnel security (transportation and lodging) and the lower ore placed in the leaching Pad (-8% vs. 1Q21).

[4] Cash Cost per ounce of gold = (Pucamarca production cost + selling expenses, excluding employee profit sharing, depreciation and amortization) / (Gold production in ounces)

Figure N°4: Cash Cost per treated ton evolution – Pucamarca (US$/t)



Cash cost per ounce of gold[4] in 1Q22 was US$ 747, +6% vs. 1Q21, explained by higher operating costs and partially offset by higher production (+12% vs. 1Q21).

IV. CAPEX:

Table N°6. Executed CAPEX

Capex	Unit	1Q22	1Q21	Var (%)
San Rafael + B2	US$ M	16.5	8.4	95%
Pisco	US$ M	1.0	0.5	88%
Pucamarca	US$ M	3.6	8.2	-56%
Others	US$ M	0.2	0.0	0%
Total Capex	**US$ M**	**21.3**	**17.2**	**24%**

In 1Q22 capex was US$ 21.3 MM, +24% vs. 1Q21. Among the main projects are our sustaining projects in the units, the construction of the tailing dam B4 and the project related to water management in San Rafael, the construction of the retaining wall of the Leaching Pad Phase 4 and the expansion of the dump in Pucamarca.

V. FINANCIAL RESULTS:

Table N°7. Financial Statements

Financial Statements	Unit	1Q22	1Q21	Var (%)
Net Revenue	US$ M	252.4	196.1	29%
Cost of Sales	US$ M	-79.6	-88.0	-10%
Gross Profit	**US$ M**	**172.8**	**108.1**	**60%**
Selling Expenses	US$ M	-2.9	-1.5	91%
Administrative Expenses	US$ M	-16.0	-11.8	35%
Exploration & Project Expenses	US$ M	-3.1	-2.1	51%
Other Operating Expenses, net	US$ M	-1.4	3.8	-
Operating Income	**US$ M**	**149.4**	**96.6**	**55%**
Financial Income (Expenses) and Others, net	US$ M	-5.8	-7.6	-24%
Results from Subsidiaries and Associates	US$ M	133.9	-0.9	-
Exchange Difference, net	US$ M	-10.6	0.0	-
Profit before Income Tax	**US$ M**	**266.8**	**88.1**	**203%**
Income Tax Expense	US$ M	-60.1	-10.8	457%
Net Income	**US$ M**	**206.7**	**77.3**	**167%**
Net Income Margin	%	82%	39%	-
EBITDA	**US$ M**	**171.3**	**118.1**	**45%**
EBITDA Margin	%	68%	60%	-
Adjusted Net Income[5]	**US$ M**	**83.4**	**78.1**	**7%**

a. Net Revenue:

In 1Q22, net sales reached US$ 252.4 MM, +29% vs. 1Q21. This increase is explained by higher tin prices (+71%) despite the lower sold volume (-24%) along with higher gold prices (+5%) associated with higher sold volume (+3%). The lower sold volume of tin is mainly due to the lower production registered in the quarter and tin refined in transit that will be sold in April.

Table N°8. Net revenue Volume by product

Net Revenue Volume	Unit	1Q22	1Q21	Var (%)
Tin	t	4,783	6,259	-24%
Gold	oz	16,556	16,085	3%

[5] Adjusted net income = Net income excluding Loss from Subsidiaries and Associates, exchange rate difference and extraordinary effects

Table N°9. Net revenue in US$ by product

Net Revenue by Metal	Unit	1Q22	1Q21	Var (%)
Tin	US$ M	222.5	169.6	31%
Gold	US$ M	29.9	26.5	13%
TOTAL	**US$ M**	**252.4**	**196.1**	**29%**

Figure N°5: Net revenue breakdown in US$ by metal

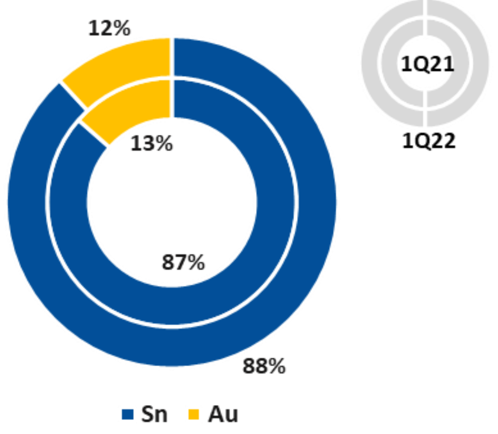


Table N°10. Cost of sales detail

Cost of Sales	Unit	1Q22	1Q21	Var (%)
Production Cost	US$ M	74.8	61.2	22%
Depreciation	US$ M	21.5	21.1	2%
Workers profit share	US$ M	9.0	5.0	81%
Stocks Variation and Others	US$ M	-25.8	0.7	-
TOTAL	**US$ M**	**79.6**	**88.0**	**-10%**

b. Cost of Sales

Cost of sales for 1Q22 was US$ 79.6 MM, -10% vs. 1Q21. This effect is mainly explained by the accumulation of inventories at the end of March (2,625 tons), which was partially offset by i) higher production costs, ii) higher workers profit share and iii) higher depreciation for investments in the B4 tailings dam and other infrastructure projects.

c. Gross Profit:

Gross profit during 1Q22 reached US$ 172.8 M (+60% vs. 1Q21) mainly explained by the higher net sales (+29% vs. 1Q21). Gross margin was 68% vs. 55% during 1Q21.

d. Selling expenses:

Selling expenses in 1Q22 were US$ 2.9 M, +US$ 1.5 M vs. 1Q21 explained mainly by higher freights.

e. Administrative expenses:

Administrative expenses in 1Q22 were US$ 16.0 M, +35% vs. 1Q21 explained by higher personal expenses, higher working profit sharing, and higher outsourced services.

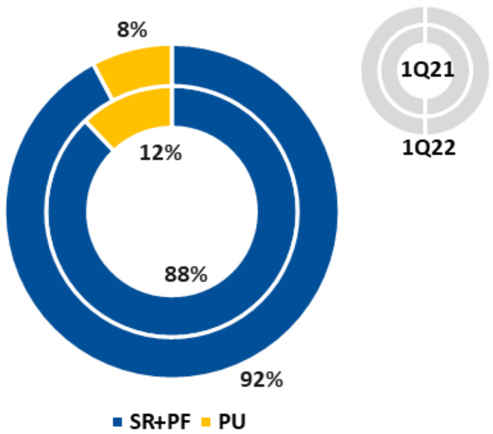
f. Exploration and Project Expenses:

In 1Q22, exploration and project expenses were US$ 3.1 MM (+US$ 1.0 MM vs. 1Q21). This increase is due to the resume of exploration activities that were postponed in order to preserve liquidity during 1Q21 due to COVID-19.

g. EBITDA:

EBITDA in 1Q22 amounted to US$ 171.3 M, +US$ 53.2 M vs. 1Q21 due to higher gross profit explained above. EBITDA margin in the period was 68%, 8% higher than that obtained in 1Q21.

Figure N°6: EBITDA share in US$ by Operating Unit[6]



h. Net financial expenses

Net financial expenses in 1Q22 were US$ 5.8 MM, vs. US$ 7.6 MM in 1Q21. The difference is mainly explained by the lower coupon rate of the Minsur 2031 Bond (4.50%) vs. the Minsur 2024 Bond (6.25%), which was refinanced during 2021.

[6] Includes SR + FR + B2

i. Results from Subsidiaries and Associates

In 1Q22 the results in subsidiaries and associates were US$ 133.9 MM, vs. US$ -0.9 MM in 1Q21. The difference is mainly explained by the start of Marcobre's commercial operation.

j. Income tax expense:

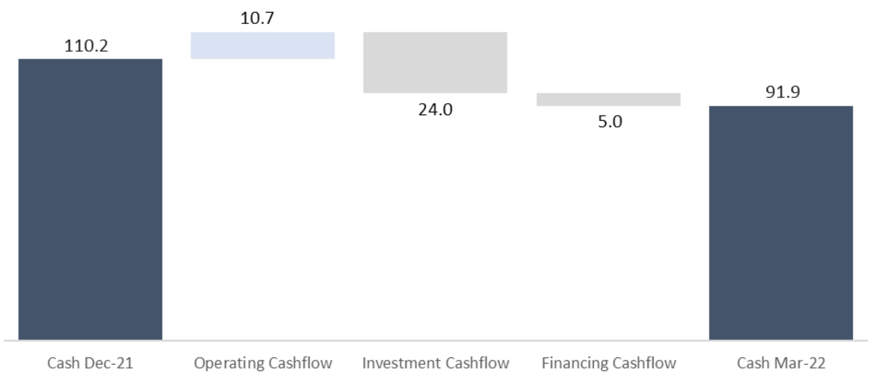
In 1Q22, we recorded income taxes of US$ 60.1 MM, + US$ 49.3 MM vs. 1Q21 (+ US$ 29.4 MM for current tax and + US$ 19.9 MM for deferred tax), mainly due to the higher operating income for the period and the differences in the projections of the effective annual accounting rates of the income tax applied to the results before tax for both quarters. It is important to mention that the deferred income tax is a non-cash effect.

k. Net income and Adjusted net income:

Net income in 1Q22 was US$ 206.7 MM, vs. US$ 77.3 MM 1Q21, due to the higher EBITDA generated and the higher results of subsidiaries and associates. If (i) results of subsidiaries and associates and (ii) exchange difference were excluded, adjusted net income in 1Q22 would amount to US$ 83.4 MM vs. US$ 78.1 MM 1Q21, where the higher operating income for the period (US$ 149.4 MM in 1Q22 vs. US$ 96.6 MM in 1Q21), would be offset by a non-cash effect of higher deferred income tax (-US$ 20MM).

VI. LIQUIDITY:

As of March 31, 2022, the company´s cash balance was US$ 91.9 MM vs. US$ 110.2 MM as of December 31, 2021. This decrease is explained by an operating cash flow of US$ +10.7 MM, an investment cash flow of -US$ 24.0 MM and a financing cash flow of -US$ 5.0 MM. It is important to mention that the operating flow of US$ 10.7 MM includes the 2021 annual income tax payment for US$ 64.0 MM. On the other hand, the financing flows for – US$ 5.0 MM are related to capital contributions to our subsidiary Cumbres del Sur.



As of March 31, 2022, the company's financial liabilities reached US$ 581.6 M. The financial debt is explained by i) the corporate bond issued with expiration date of 2031 (net value: US$ 486.6 M) and ii) short-term debt of US$ 95.0 M. The net leverage ratio (Net Debt / EBITDA) reached 0.7x as of March 2022 vs. 0.7x by the end of December 2021.

Table N°11. Debt Summary

Financial Ratios	Unit	Mar-22	Dec-21	Var (%)
Total Debt	US$ M	581.6	581.3	0%
Long Term - Minsur 2031 Bond	US$ M	486.6	486.3	0%
Short term debt	US$ M	95.0	95.0	0%
Cash	US$ M	91.9	110.2	-17%
Cash and Equivalents	US$ M	91.9	110.2	-17%
Net Debt	US$ M	489.6	471.0	4%
Total Debt / EBITDA	x	0.8x	0.9x	-8%
Net Debt / EBITDA	x	0.7x	0.7x	-4%

VII. Risk Management

The company has a financial controlling area, which permanently validates that the financial information to be disclosed to the market is in accordance with IFRS and free from material errors.

The internal controls associated with the risks of the aforementioned function are evaluated and verified by an independent external auditor, who annually issues an opinion on the reasonableness of the Financial Statements and the evaluation of the internal control system to mitigate risks related to integrity and reliability of financial information.

Likewise, periodically, the Internal Auditor reports to the Audit Committee on work progress and deadlines compliance regarding the implementation of Internal and External Audit observations in accordance with the audit plan.

Finally, the company has a Risk area, in charge of managing the identified risk matrix, as well as evaluating and monitoring mitigation plan proposals.