MANAGEMENT DISCUSSION AND ANALYSIS: INDIVIDUAL RESULTS

MINSUR S.A.
SECOND QUARTER 2022

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I. SECOND QUARTER HIGHLIGHTS AND EXECUTIVE SUMMARY

Table N° 1: Operating & Financial Highlights

ights	Unit	2Q22	2Q21	Var (%)	6M22	6M21	Var (%)
Production							
Tin (Sn)	t	6,606	5,322	24%	12,509	11,659	7%
Gold (Au)	oz	16,374	18,346	-11%	32,935	33,103	-1%
Financial Results							
Net Revenue	US$ M	214.9	174.2	23%	467.2	370.3	26%
EBITDA	US$ M	120.3	109.2	10%	291.6	226.3	29%
EBITDA Margin	%	56%	63%	-	62%	61%	-
Net Income	US$ M	100.8	58.1	73%	307.5	135.4	127%
	US$ M	55.7	39.7	40%	139.1	117.8	18%

Second 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 2Q22, refined tin production was above the same period of the previous year (+24%) due to the higher number of days of operation in Pisco, the maintenance stoppage this year was carried out in March, whilst in 2021 was in April. Regarding gold, the production was lower (-11%) due to lower grades placed on the Leaching Pad. However, cumulatively, gold production declined 1% vs. 6M21, both results are in line with our production plan.

c. Financial Results

The financial results obtained during 2Q22 were higher than 2Q21. Sales and EBITDA were 23% and 10% higher, respectively. The higher sales during 2Q22 are explained by the higher sold volume of tin (+26%) and higher tin prices (+19%), partially offset by the lower volume of gold sold (-12%). Net income for 2Q22 was US$ 100.8 M vs. US$ 58.1 M in 2Q21 supported by the better results of our operations as well as those from our investments in the subsidiary Marcobre, which during 2Q21 had not 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 2Q22 was US$ 37,041 per ton, +19% vs. 2Q21. During the first half 2022 average tin price was US$ 40,182 per ton, +42% vs. 6M21.

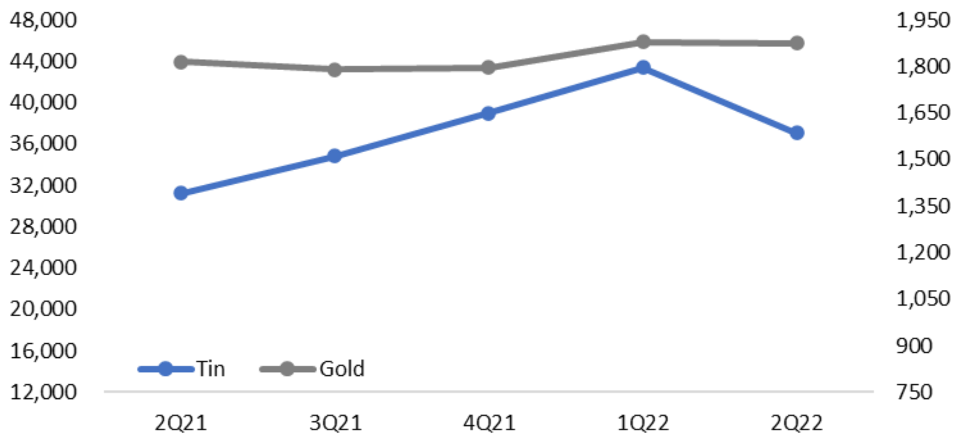
- **Gold:** Average gold price in 2Q22 was US$ 1,873 per ounce, +3% vs. 2Q21. During the first half 2022 average gold price was US$ 1,876 per ounce, +4% vs. 6M21.

Table N° 2: Average metal prices

etal Prices	Unit	2Q22	2Q21	Var (%)	6M22	6M21	Var (%)
Tin	US$/t	37,041	31,191	19%	40,182	28,306	42%
Gold	US$/oz	1,873	1,814	3%	1,876	1,806	4%

Source: Bloomberg

Figure N° 1: Average metal price quarterly evolution



Source: Bloomberg

b. Exchange Rate:

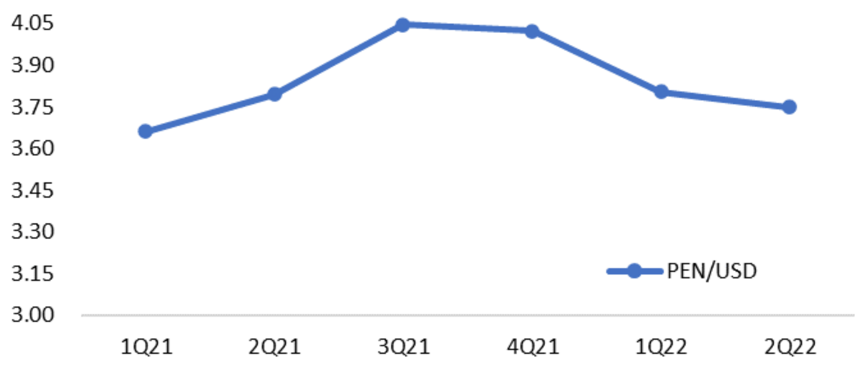
The Peruvian Sol average exchange rate for 2Q22 was S/ 3.75 per US$ 1, -1% vs. 2Q21 (S/ 3.79 per US$ 1). During the 6M22 average exchange rate was S/ 3.78 per US$ 1, +1% vs. 6M21.

Table N°3: Exchange Rate

Average Exchange Rate	Unit	2Q22	2Q21	Var (%)	6M22	6M21	Var (%)
PEN/USD	S/.	3.75	3.79	-1%	3.78	3.73	1%

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	2Q22	2Q21	Var (%)	6M22	6M21	Var (%)
Ore Treated	t	325,577	288,463	13%	599,770	586,356	2%
Head Grade	%	2.26	2.13	6%	2.22	2.07	7%
Tin production (Sn) - San Rafael	t	5,865	5,582	5%	11,341	10,778	5%
Tin production (Sn) - B2	t	1,201	1,262	-5%	2,544	2,501.75	2%
Tin production (Sn) - Pisco	t	6,606	5,322	24%	12,509	11,659	7%
Cash Cost per Treated Ton[2] - San Rafael	US$/t	142	141	1%	147	129	14%
Cash Cost per Ton of Tin[3]	US$/t Sn	10,631	11,421	-7%	10,805	9,700	11%

In 2Q22, contained tin production at San Rafael reached 5,865 tons (+5% vs. 2Q21) explained by higher volume fed to the plant and higher head grades of tin. The higher treatment at the concentration plant in 2Q22 (+13% vs. 2Q21) is explained by the lower operating capacity at the pre-concentration plant during 2Q21 due to the third wave of COVID-19 in Peru.

B2 production reached 1,201 tons (-5% vs. 2Q21) explained by a lower recovery in the plant due to ore processed from areas with different granulometry, in line with our mining plan.

Refined tin production in Pisco reached 6,606 tons (+24% vs. 2Q21) due to the higher number of days of operation because the annual maintenance stoppage this year was carried out in March, whilst in 2021 was carried out in April.

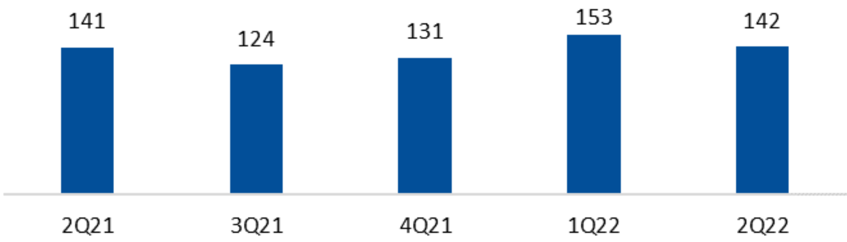
The cost per treated ton in San Rafael was US$ 142, +1% vs. 2Q21, which is explained by higher operating costs partially offset by higher volume fed to the plant (+13% vs. 2Q21). The higher costs

[2] Cash Cost per treated ton = San Rafael production costs / (Tons of Ore treated at Concentration + Tons of Ore treated at Pre-Concentration)
[3] Cash Cost per ton of tin = (San Rafael, B2 and Pisco production costs + selling expenses + change in tin concentrates inventory, excluding employee profit sharing, depreciation and amortization) / (Tin Production, in tons)

are associated with the higher cost of supplies due to inflation, improvements in personnel transportation standards as part of our COVID-19 response protocols, and costs related to mine advances executed in line with our production plan.

In the first half of the year, tin refined production was above the same period of the previous year explained by higher tin grades together with higher ore treatment due to the higher operating capacity vs. 6M21. The cost per treated ton was US$ 147, +14% vs. 6M21 mainly due to the higher costs explained in the previous paragraph.

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



The cash cost per ton of tin[3] was US$ 10,631 in 2Q22, -7% vs. 2Q21. This lower cost is explained by the higher production of refined tin in Pisco (+24% vs. 2Q21) despite the higher costs of our operating units (San Rafael and Pisco) together with higher selling expenses. Cumulatively, the cash cost per ton of tin was US$ 10,805, +11% vs. 6M21.

b. Pucamarca (Perú):

Table N°5. Pucamarca Operating Results

Pucamarca	Unit	2Q22	2Q21	Var (%)	6M22	6M21	Var (%)
Ore Treated	t	2,022,105	1,878,515	8%	3,819,335	3,831,119	0%
Head Grade	g/t	0.43	0.55	-21%	0.41	0.52	-21%
Gold production (Au)	oz	16,374	18,346	-11%	32,935	33,103	-1%
Cash Cost per Treated Ton	US$/t	6.7	6.0	11%	6.7	5.6	20%
Cash Cost per Ounce of Gold[4]	US$/oz Au	846	638	33%	799	667	20%

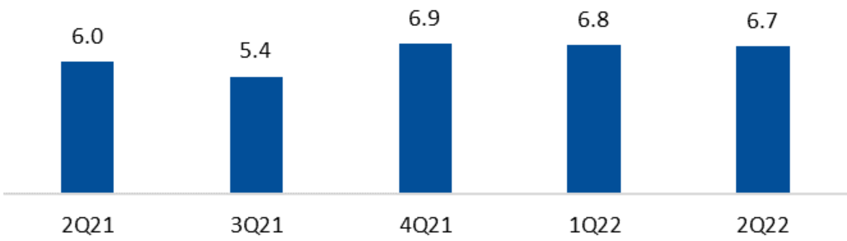
In 2Q22, gold production was 16,374 ounces, -11% vs. 2Q21 due to lower grades placed on the Leaching Pad despite higher tonnage treatment. Lower grades in the 2Q22 (-21% vs. 2Q21) are in line with the production plan, associated with our current life of mine plan.

The cash cost per treated ton was US$ 6.7 in 2Q22, +11% vs. 2Q21 mainly because of i) the higher cost of supplies due to inflation and ii) improvements in personnel transportation standards as part of our COVID-19 response protocols partially offset with a higher volume of ore treated (+8% vs. 2Q21).

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

In the first half, gold production reached 32,935 ounces in line with the same period from the previous year. The cash cost per treated ton was US$ 6.7, +20% vs. 6M21 mainly due to the higher costs explained in the previous paragraph.

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



Cash cost per ounce of gold[4] in 2Q22 was US$ 846, +33% 2Q21 explained by higher costs together with lower production (-11% vs. 2Q21). Cumulatively, the cost per ounce of gold was US$ 799, +20% vs. 6M21.

IV. CAPEX:

Table N°6. Executed CAPEX

Capex	Unit	2Q22	2Q21	Var (%)	6M22	6M21	Var (%)
San Rafael + B2	US$ M	18.9	17.8	7%	39.0	26.2	49%
Pisco	US$ M	0.4	0.5	-20%	1.4	1.0	36%
Pucamarca	US$ M	7.1	13.4	-47%	9.8	21.6	-54%
Others	US$ M	1.7	0.1	2891%	1.9	0.1	3167%
Total Capex	**US$ M**	**28.1**	**31.7**	**-11%**	**52.1**	**48.9**	**7%**

In 2Q22 capex was US$ 28.1 M, -11% vs. 2Q21. 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 while in Pucamarca the executed capex is related to the expansion of the dump, the construction of the retaining wall of the Leaching Pad Phase 4 and equipment maintenance.

V. FINANCIAL RESULTS:

Table N°7. Financial Statements

Financial Statements	Unit	2Q22	2Q21	Var (%)	6M22	6M21	Var (%)
Net Revenue	US$ M	214.9	174.2	23%	467.2	370.3	26%
Cost of Sales	US$ M	-95.7	-69.2	38%	-175.3	-157.2	11%
Gross Profit	**US$ M**	**119.2**	**105.0**	**13%**	**292.0**	**213.1**	**37%**
Selling Expenses	US$ M	-2.5	-1.1	123%	-5.4	-2.6	105%
Administrative Expenses	US$ M	-17.3	-11.1	55%	-33.2	-22.9	45%
Exploration & Project Expenses	US$ M	-5.0	-3.5	44%	-8.1	-5.6	46%
Other Operating Expenses, net	US$ M	-4.1	-3.3	26%	-5.6	0.5	-
Operating Income	**US$ M**	**90.2**	**86.0**	**5%**	**239.6**	**182.5**	**31%**
Financial Income (Expenses) and Others, net	US$ M	-5.8	-7.1	-19%	-11.6	-14.7	-21%
Results from Subsidiaries and Associates	US$ M	45.2	19.0	138%	179.1	18.1	889%
Exchange Difference, net	US$ M	-0.1	-0.5	-76%	-10.7	-0.5	1929%
Profit before Income Tax	**US$ M**	**129.6**	**97.3**	**33%**	**396.4**	**185.4**	**114%**
Income Tax Expense	US$ MM	-43.4	-32.4	34%	-107.0	-66.6	61%
Deferred Income Tax	US$ MM	14.6	-6.8	-	18.1	16.6	9%
Net Income	**US$ M**	**100.8**	**58.1**	**73%**	**307.5**	**135.4**	**127%**
Net Income Margin	%	47%	33%	-	66%	37%	-
EBITDA	**US$ M**	**120.3**	**109.2**	**10%**	**291.6**	**226.3**	**29%**
EBITDA Margin	%	56%	63%	-	62%	61%	-
Adjusted Net Income[5]	**US$ M**	**55.7**	**39.7**	**40%**	**139.1**	**117.8**	**18%**

a. Net Revenue:

In 2Q22, net sales reached US$ 214.9 M, +23% vs. 2Q21. This increase is explained by i) higher tin prices (+19%), ii) higher sold volume of tin (+26%) and, iii) lower sold volume of gold (-12%) despite higher prices (+3%).

Table N°8. Net revenue Volume by product

Net Revenue Volume	Unit	2Q22	2Q21	Var (%)	6M22	6M21	Var (%)
Tin	t	5,451	4,327	26%	10,234	10,585	-3%
Gold	oz	16,137	18,341	-12%	32,693	34,426	-5%

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

Revenue by Metal	Unit	2Q22	2Q21	Var (%)	6M22	6M21	Var (%)
Tin	US$ M	189.6	142.9	33%	412.0	312.5	32%
Gold	US$ M	25.3	31.4	-19%	55.2	57.8	-5%
TOTAL	**US$ M**	**214.9**	**174.2**	**23%**	**467.2**	**370.3**	**26%**

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

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

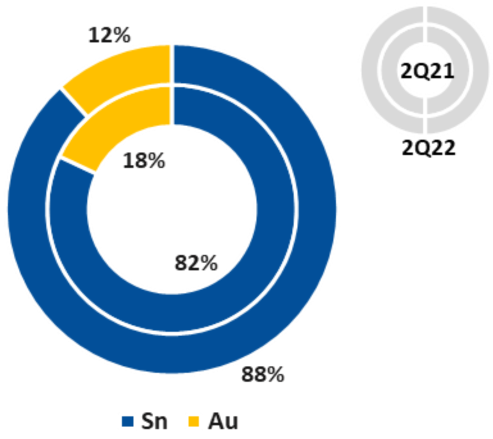


Table N°10. Cost of sales detail

Cost of Sales	Unit	2Q22	2Q21	Var (%)	6M22	6M21	Var (%)
Production Cost	US$ M	81.7	71.2	15%	156.5	132.4	18%
Depreciation	US$ M	29.7	21.9	35%	51.2	43.0	19%
Workers profit share	US$ M	6.7	4.2	61%	15.7	9.2	72%
Stocks Variation and Others	US$ M	-22.4	-28.1	-20%	-48.3	-27.4	76%
TOTAL	**US$ M**	**95.7**	**69.2**	**38%**	**175.3**	**157.2**	**11%**

b. Cost of Sales

Cost of sales for 2Q22 was US$ 95.7 M, +38% vs. 2Q21. This effect is mainly explained by: i) higher production costs, ii) higher depreciation associated with our investments in sustaining capex, iii) higher worker's profit share and iv) lower variation of inventories.

c. Gross Profit:

Gross profit during 2Q22 reached US$ 119.2 M (+13% vs. 2Q21) mainly explained by the higher net sales (+23% vs. 2Q21). Gross margin in the period was 55% vs. 60% during 2Q21.

d. Selling expenses:

Selling expenses in 2Q22 were US$ 2.5 M, +US$ 1.4 M vs. 2Q21 explained mainly by higher freights.

e. Administrative expenses:

Administrative expenses in 2Q22 were US$ 17.3 M, +55% vs. 2Q21 explained by higher expenses related to personnel, consultancies (mainly associated with the implementation of our Lingo program: Lean Management in our Operating Units), and higher outsourced services.

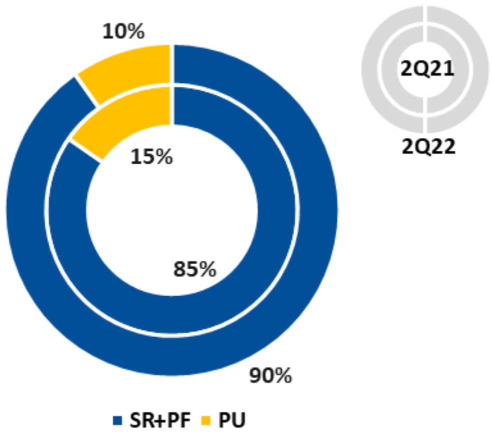
f. Exploration and Project Expenses:

In 2Q22, exploration and projects were US$ 5.0 M (+US$ 1.5 M vs. 2Q21) mainly due to the intensification of our exploration programs near San Rafael, which allows us to give continuity to our operations.

g. EBITDA:

EBITDA in 2Q22 amounted to US$ 120.3 M, +US$ 11.1 M vs. 2Q21 due to the higher gross profit explained above. EBITDA margin in the period was 56%, 7% lower than that obtained in 2Q21.

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



h. Net financial expenses

Net financial expenses in 2Q22 were US$ 5.8 M, vs. US$ 7.1 M in 2Q21. The difference is mainly explained by the lower coupon rate of the Minsur 2031 Bond (4.5%) vs. the Minsur 2024 Bond (6.25%), which was refinanced in 2021.

i. Results from Subsidiaries and Associates

In 2Q21 the results in subsidiaries and associates were US$ 45.2 M, vs. US$ 19.0 M in 2Q21. The difference is explained by the start of Marcobre's commercial operation (which in 2Q21 still had not yet started commercial operations), partially offset by a lower result in Taboca due to a non-cash effect of lower exchange rate gains compared to 2Q21.

[6] Includes SR + FR + B2

j. Income tax expense:

In 2Q22, we registered income taxes of US$ 43.4 M, + US$ 11.0 M vs. 2Q21 due to the higher operating income for the period.

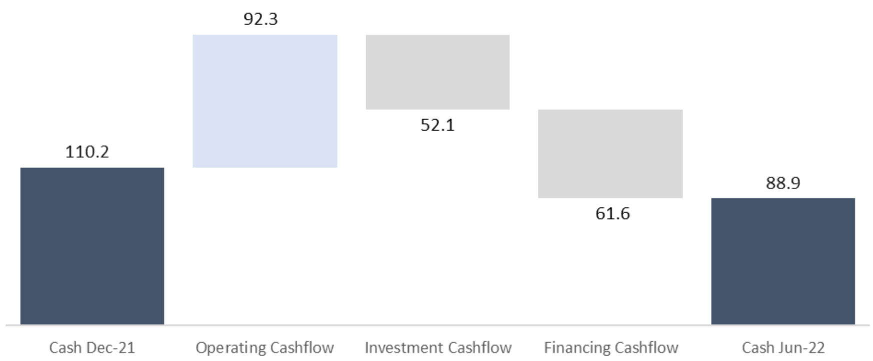
On the other hand, a benefit related to deferred income tax of US$ 14.6 M was recorded, -US$ 21.0 M vs. 2Q21 due to the difference in the estimate of the annual effective rate of profit before tax for both quarters. It is important to mention that deferred income tax is a non-cash effect.

k. Net income and Adjusted net income:

Net income in 2Q22 was US$ 100.8 M, vs. US$ 58.1 M in 2Q21, 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 2Q22 would amount to US$ 55.7 M vs. US$ 39.7 M.

VI. LIQUIDITY:

As of June 30, 2022, the company's cash balance was US$ 88.9 M vs. US$ 110.2 M as of December 31, 2021. This decrease is explained by an operating cash flow of US$ 92.3 M, an investment cash flow of -US$ 52.1 M and a financing cash flow of -US$ 61.6 M. It is important to mention that the operating cash flow of US$ 92.3 M includes the 2021 annual income tax payment for US$ 64.0 M made in 1Q22.



As of June 30, 2022, the company's financial liabilities reached US$ 532.2 M. La financial debt is explained by i) the corporate bond issued with expiration date of 2031 (net value: US$ 486.8 M) and ii) short-term debt of US$ 45.4 M. The net leverage ratio (Net Debt/EBITDA) reached 0.6x as of June 2022 vs. 0.7x by the end of December 2021.

Table N°11. Changes in Financing Cashflow

Concept	Unit	2022
Financing	**US$ M**	**-49.6**
Short term Debt	US$ M	-49.6
Dividends/Contributions		**-11.9**
Capital contributions - Cumbres del Sur	US$ M	-11.9
Total	**US$ M**	**-61.6**

Table N°12. Debt Summary

Financial Ratios	Unit	Jun-22	Dec-21	Var (%)
Total Debt	US$ M	532.2	581.3	-8%
Long Term - Minsur 2031 Bond	US$ M	486.8	486.3	0%
Short term debt	US$ M	45.4	95.0	-52%
Cash	US$ M	88.9	110.2	-19%
Cash and Equivalents	US$ M	88.9	110.2	-19%
Net Debt	US$ M	443.3	471.0	-6%
Total Debt / EBITDA	x	0.8x	0.9x	-17%
Net Debt / EBITDA	x	0.6x	0.7x	-15%

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.