MANAGEMENT DISCUSSION AND ANALYSIS: INDIVIDUAL RESULTS

MINSUR S.A.
FIRST QUARTER 2023

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I. FIRST QUARTER HIGHLIGHTS AND EXECUTIVE SUMMARY

Table N° 1: Operating & Financial Highlights

Highlights	Unit	1Q23	1Q22	Var (%)
Production				
Tin (Sn)	t	2,716	5,903	-54%
Gold (Au)	oz	18,841	16,561	14%
Financial Results				
Net Revenue	US$ M	103.0	252.4	-59%
EBITDA	US$ M	18.4	171.3	-89%
EBITDA Margin	%	18%	68%	-
Net Income	US$ M	61.8	206.7	-70%
Adjusted Net Income[1]	US$ M	-14.2	83.4	-

<u>First Quarter Executive Summary:</u>

a. Social Context in Peru

In mid-January 2023, the Peruvian government declared a State of Emergency in certain regions of the country for a period of 30 days, in order to contain the mobilizations, road blockades, and social conflicts that occurred in these regions and that caused sensitive events, in some cases in addition to the impediment of regular trade and the continuity of productive activities in the area, one of the most affected regions being the Puno Region.

In line with the regional mourning decreed because of these events, and in order to guarantee the safety and integrity of our employees and facilities, the Company decided to temporarily suspend productive operations at the San Rafael mining unit on January 12, 2023. Adittionally, cost containment plans were implemented to mitigate the impact on financial statements.

During March, in line with the reduction of social conflicts in Puno, production was progressively resumed at the San Rafael mining unit, **which as of the date of issuance of this document, is operating under normal conditions.**

b. Operating Results

During 1Q23, tin production was -54% below 1Q22 due to the lower number of days of operation, explained by the preventive stoppage because of the social/political context. Regarding gold, production was +14% higher due to optimizations and production of in-process inventories from 2022.

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

c. Financial Results

Financial results for 1Q23 were below 1Q22. Sales and EBITDA were lower in 59% and 89%, respectively. The lower sales during 1Q23 are mainly explained by the lower tin volume sold (-51%) and lower tin price (-39%), partially offset by a higher gold volume sold (+14%). Finally, Minsur obtained a net profit of US$ 61.8 MM vs. US$ 206.7 MM in 1Q22, mainly explained by the preventive shutdown and a better result from our subsidiary Cumbres Andinas.

II. MAIN CONSIDERATIONS:

a. Average metal prices

- **Tin:** Average tin price in 1Q23 was US$ 26,496 per ton, representing a decrease of 39% vs. 1Q22.

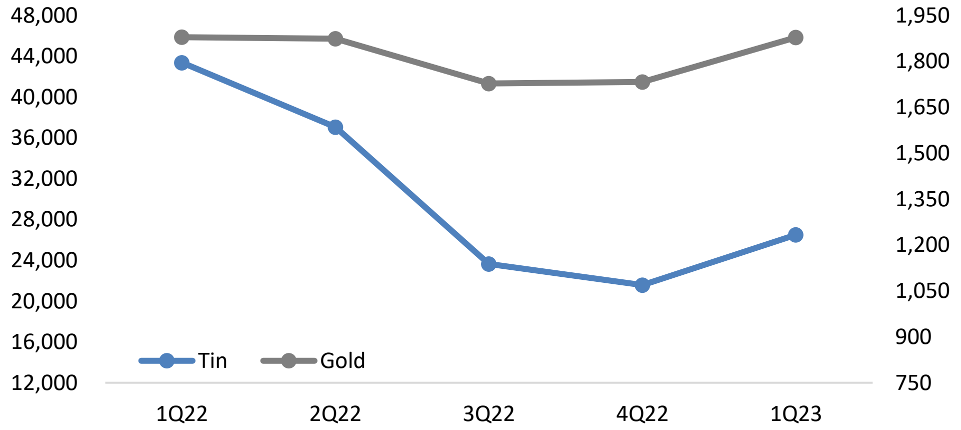
- **Gold:** Average gold price in 1Q23 was US$1,878 per ounce, similar to 1Q22.

Table N° 2: Average metal prices

Average Metal Prices	Unit	1Q23	1Q22	Var (%)
Tin	US$/t	26,496	43,373	-39%
Gold	US$/oz	1,878	1,879	0%

Source: Bloomberg

Figure N° 1: Average metal price quarterly evolution



Source: Bloomberg

b. Exchange Rate:

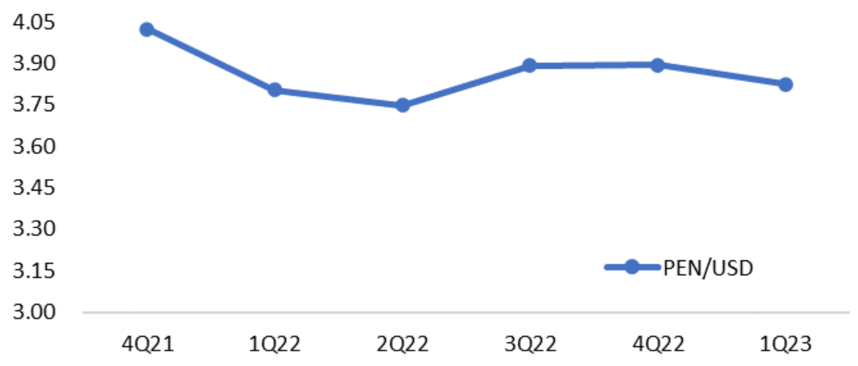
The Peruvian Sol's average exchange rate in 1Q23 was S/. 3.82 per US$ 1, 1% above the average quotation in 1Q22 (S/. 3.80 per US$ 1).

Table N°3: Exchange Rate

Average Exchange Rate	Unit	1Q23	1Q22	Var (%)
PEN/USD	S/.	3.82	3.80	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	1Q23	1Q22	Var (%)
Ore Treated	t	72,297	274,193	-74%
Head Grade	%	2.10	2.18	-4%
Tin production (Sn) - San Rafael	t	1,455	5,475	-73%
Tin production (Sn) - B2	t	682	1,343	-49%
Tin production (Sn) - Pisco	t	2,716	5,903	-54%
Cash Cost per Treated Ton[2] - San Rafael	US$/t	134	153	-13%
Cash Cost per Ton of Tin[3]	US$/t Sn	7,074	10,999	-36%

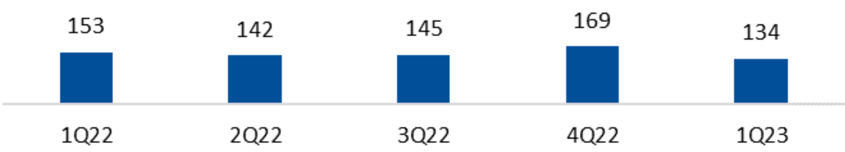
In 1Q23, contained tin production reached 1,455 tons (-73% vs. 1Q22) at San Rafael and 682 tons (-49% vs. 1Q22) in B2; both affected by the lower days of operation due to the social/political context.

Refined tin production at Pisco was 2,716 tons (-54% vs. 1Q22) explained by the supply shortage of concentrate due to lower mine production and road blockages.

[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)

Cost per ton treated at San Rafael was US$ 134, -13% vs. 1Q22, mainly because of lower production costs. Due to the preventive shutdown, indirect fixed costs not absorbed by the production were classified directly to cost of sales (IAS 2). In this way, the cost of inventories was not distorted.

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



Cash cost per ton of tin was US$ 7,074 in 1Q23, -36% lower than in 1Q22. The difference is explained by: (i) indirect fixed assets were not absorbed by production and were classified directly to cost of sales, and (ii) this quarter contains production from our tin concentrate stocks.

b. Pucamarca (Perú):

Table N°5. Pucamarca Operating Results

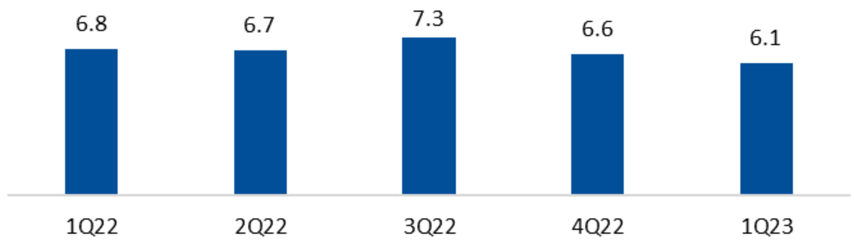
Pucamarca	Unit	1Q23	1Q22	Var (%)
Ore Treated	t	1,801,225	1,797,231	0%
Head Grade	g/t	0.30	0.38	-20%
Gold production (Au)	oz	18,841	16,561	14%
Cash Cost per Treated Ton	US$/t	6.1	6.8	-10%
Cash Cost per Ounce of Gold[4]	US$/oz Au	598	753	-21%

In 1Q23, gold production was 18,841 ounces, +14% vs. 1Q22 due to the ore treatment of in-process inventory from 2022, summed to operating such as advanced analytics and the "curado" project implementation.

Cash cost per ton treated was US$ 6.1 in 1Q23, -10% vs. 1Q22, mainly explained by plant and mine maintenance services deferrals.

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

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



Cost per ounce of gold in 1Q23 was US$ 598, -21% vs. 1Q22, mainly explained by higher production (+14% vs. 1Q22) and lower costs.

IV. CAPEX:

Table N°6. Executed CAPEX

Capex	Unit	1Q23	1Q22	Var (%)
San Rafael + B2	US$ M	7.5	16.5	-55%
Pisco	US$ M	0.3	1.0	-72%
Pucamarca	US$ M	1.0	3.6	-73%
Others	US$ M	0.2	0.2	0%
Total Capex	**US$ M**	**8.9**	**21.3**	**-58%**

In 1Q23, Capex was US$ 8.9 MM, -58% vs. 1Q22. At San Rafael, the construction of the B4 tailings dam and the water management project are in progress, whose schedules are being updated, as they were delayed due to the preventive stoppage explained above. At Pucamarca, the executed Capex is mainly related to the construction of the Leaching Pad 4, which was completed in January.

V. FINANCIAL RESULTS:

Table N°7. Financial Statements

Financial Statements	Unit	1Q23	1Q22	Var (%)
Net Revenue	US$ M	103.0	252.4	-59%
Cost of Sales	US$ M	-87.3	-79.6	10%
Gross Profit	**US$ M**	**15.7**	**172.8**	**-91%**
Selling Expenses	US$ M	-1.6	-2.9	-46%
Administrative Expenses	US$ M	-12.7	-16.0	-21%
Exploration & Project Expenses	US$ M	-1.7	-3.1	-44%
Other Operating Expenses, net	US$ M	-0.3	-1.4	-77%
Operating Income	**US$ M**	**-0.6**	**149.4**	**-100%**
Financial Income (Expenses) and Others, net	US$ M	-6.2	-5.8	7%
Results from Subsidiaries and Associates	US$ M	76.3	133.9	-43%
Exchange Difference, net	US$ M	-0.2	-10.6	98%
Profit before Income Tax	**US$ M**	**69.2**	**266.8**	**-74%**
Income Tax Expense	US$ M	-7.4	-60.1	-88%
Net Income	**US$ M**	**61.8**	**206.7**	**-70%**
Net Income Margin	%	60%	82%	-
EBITDA	**US$ M**	**18.4**	**171.3**	**-89%**
EBITDA Margin	%	18%	68%	-
Adjusted Net Income[5]	**US$ M**	**-14.2**	**83.4**	**-**

a. Net Revenue:

In 1Q23, net sales reached US$ 103.0 MM, -59% vs. 1Q22. This decrease is explained by lower tin volume (-69%) and price (-39% vs 1Q22), which were partially offset by higher gold sales volume (+14% vs. 1Q22). The lower tin sales volume is explained by the lower production during 1Q23.

Table N°8. Net revenue Volume by product

Net Revenue Volume	Unit	1Q23	1Q22	Var (%)
Tin	t	2,334	4,783	-51%
Gold	oz	18,835	16,556	14%

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

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

Net Revenue by Metal	Unit	1Q23	1Q22	Var (%)
Tin	US$ M	68.1	222.5	-69%
Gold	US$ M	34.9	29.9	17%
TOTAL	**US$ M**	**103.0**	**252.4**	**-59%**

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

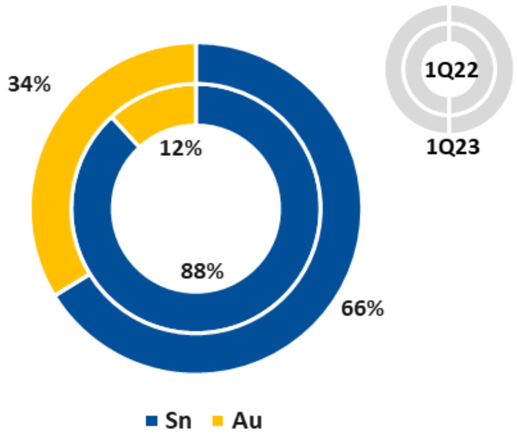


Table N°10. Cost of sales detail

Cost of Sales	Unit	1Q23	1Q22	Var (%)
Production Cost	US$ M	29.1	74.8	-61%
Depreciation	US$ M	13.3	21.5	-38%
Workers profit share	US$ M	0.5	8.4	-94%
Stocks Variation and Others	US$ M	44.4	-25.2	-
TOTAL	**US$ M**	**87.3**	**79.6**	**10%**

b. Cost of Sales

Cost of sales for 1Q23 was US$ 87.3 MM, +10% vs. 1Q22. This effect is mainly explained because the indirect fixed costs that were not absorbed by production during the stoppage of operations (US$ 30.9 MM) were registered in the category “Stocks Variations and Others”. On the other hand, there were lower production costs and depreciation due to the lower sales volume.

c. Gross Profit:

Gross profit for 1Q23 was US$ 15.7 MM (-91% vs. 1Q22), mainly explained by lower sales (-59% vs.

1Q22). Gross margin was 15% in 1Q23 vs. 68% in 1Q22.

d. Selling expenses:

Selling expense in 1Q23 was -US$1.6 MM, vs. -$2.9M in 1Q22, mainly explained by lower sales volume.

e. Administrative expenses:

Administrative expenses in 1Q23 were US$ 12.7 MM, -21% vs. 1Q22, mainly due to lower workers profit share and the deferral of third-party services.

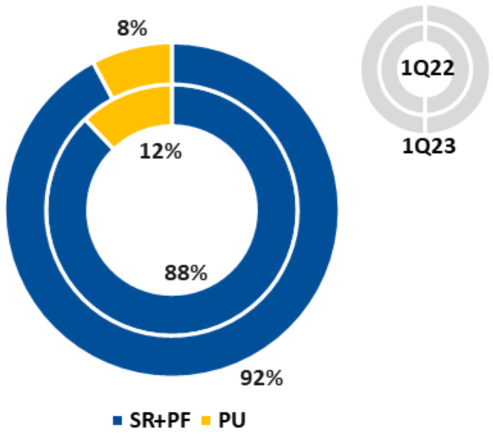
f. Exploration and Project Expenses:

In 1Q23, exploration and project expenses were US$ 1.7 MM vs. US$ 3.1 MM in 1Q22. This is explained by the deferral of exploration activities as a mitigation measure in response to lower production.

g. EBITDA:

EBITDA in 1Q23 was US$ 18.4 MM, -US$ 152.9 MM vs. 1Q22, mainly due to the lower gross profit explained above. EBITDA margin in 1Q23 was 18%, 50% lower vs. 1Q22.

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



h. Net financial expenses

Net financial expenses in 1Q23 were -US$ 6.2 MM vs.- US$ 5.8 MM in 1Q22. The difference is mainly explained by the update of the discount rate of environmental liabilities, which amounted -US$

[6] Includes SR + FR + B2

1.2MM (+59% vs. 1Q22).

i. Results from Subsidiaries and Associates

In 1Q23, results in subsidiaries and associates were US$ 76.3 MM vs. US$ 133.9 MM in 1Q22. The difference is mainly explained by a lower net income from our subsidiary Cumbres Andinas.

j. Income tax expense:

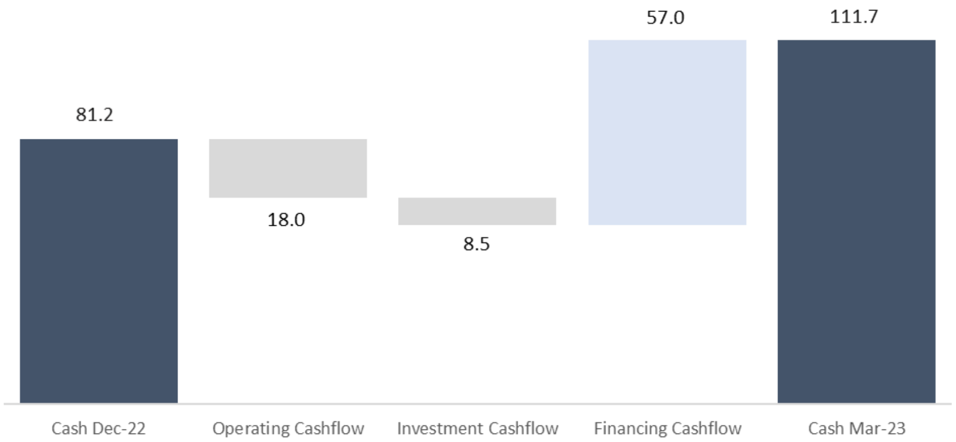
In 1Q23, the Company registered an income tax expense of US$ 7.4 MM, - US$ 52.7 MM vs. 1Q22 (- US$ 43.0 MM from current tax and + US$ 4.3 MM for deferred tax), explained by the lower operating income for the period and the difference in the forecasts of the annual effective tax rates applied to actual results. It is relevant to mention that deferred income tax is a non-cash effect.

k. Net income and Adjusted net income:

Net income in 1Q23 was US$ 61.8 MM, lower than the one recorded in 1Q22 of US$ 206.7 MM. The difference is mainly due to the lower EBITDA generated and lower results in subsidiaries and associates. Excluding: i) the results of subsidiaries and associates and ii) the foreign exchange difference, adjusted net income in 1Q23 would amount to US$ -14.2 MM vs. US$ 83.4 MM in 1Q22.

VI. LIQUIDITY:

As of March 31, 2023, the company's cash and cash equivalent balance was US$ 111.7 MM, vs. US$ 81.2 MM at the end of 2022. The decrease is explained by operating cash flows (-US$18.0 MM), investment cash flows (-US$ 8.5 MM) and financing cash flows (+US$ 57.0 MM), which correspond to Cumbres Andinas dividend payment.



As of March 31, 2023, the Company's financial obligations amounted to US$ 527.7 MM. The debt is composed of the bond maturing in 2031 and short-term debt for US$ 40.0 MM. The net leverage ratio (Net Debt / EBITDA) was 1.3x by the end of March 2023 vs. 1.0x by the end of December 2022.

Table N°11. Debt Summary

Financial Ratios	Unit	Mar-23	Dec-22	Var (%)
Total Debt	US$ M	527.7	527.4	0%
Long Term - Minsur 2031 Bond	US$ M	487.7	487.4	0%
Short term debt	US$ M	40.0	40.0	0%
Cash	US$ M	111.7	81.2	38%
Cash and Equivalents	US$ M	111.7	81.2	38%
Net Debt	US$ M	416.0	446.2	-7%
Total Debt / EBITDA	x	1.7x	1.1x	49%
Net Debt / EBITDA	x	1.3x	1.0x	39%

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.