



MANAGEMENT DISCUSSION AND ANALYSIS: INDIVIDUAL RESULTS

MINSUR S.A.
THIRD QUARTER 2024

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I. THIRD QUARTER HIGHLIGHTS AND EXECUTIVE SUMMARY

Table N° 1: Operating & Financial Highlights

Highlights	Unit	3Q24	3Q23	Var (%)	9M24	9M23	Var (%)
Production							
Tin (Sn)	t	8,107	7,685	5%	21,638	17,649	23%
Gold (Au)	oz	13,368	15,959	-16%	43,070	48,512	-11%
Financial Results							
Net Revenue	US\$ MM	272.3	239.5	14%	726.7	544.1	34%
EBITDA	US\$ MM	156.3	119.3	31%	415.1	244.7	70%
EBITDA Margin	%	57%	50%	8 pp	57%	45%	12 pp
Net Income	US\$ MM	140.0	80.7	73%	315.7	268.5	18%
Adjusted Net Income ¹	US\$ MM	77.4	49.7	56%	188.9	77.3	144%

Third Quarter Executive Summary:

a. Operating Results

In 3Q24, refined tin production was above 3Q23, mainly explained by higher concentrate grades. At San Rafael and B2, contained tin production was 6,348 tons (in line with 3Q23) and 1,960 tons (+22% vs. 3Q23), respectively. On the other hand, gold production was 16% below 3Q23, due to lower ore placed in PAD (-26% vs. 3Q23) and lower gold grade (-2% vs. 3Q23), partially offset by higher recovery.

b. Financial Results

Financial results in 3Q24 were higher than in 3Q23. Sales were +14% above 3Q23, mainly due to higher tin (+18% vs. 3Q23) and gold (+28% vs. 3Q23) prices, partially reversed by lower sales volume (-6% and -1%, respectively). EBITDA was US\$156 MM, + US\$37 MM above 3Q23, mainly due to higher sales and lower cost of sales (-9% vs. 3Q23) primarily due to lower sales volume, partially offset by higher exploration and project expenses. Net profit in 3Q24 was US\$140 MM vs. US\$81 MM in 3Q23, mainly due to better-operating results and higher results in subsidiaries and associates (+US\$29 MM). Adjusted Net Profit¹ was US\$ 77.4 MM, 56% higher than 3Q23.

¹ Adjusted Net Profit excludes results from Subsidiaries and Associates, exchange rate differences, and extraordinary effects.

II. MAIN CONSIDERATIONS:

a. Average Metal Prices:

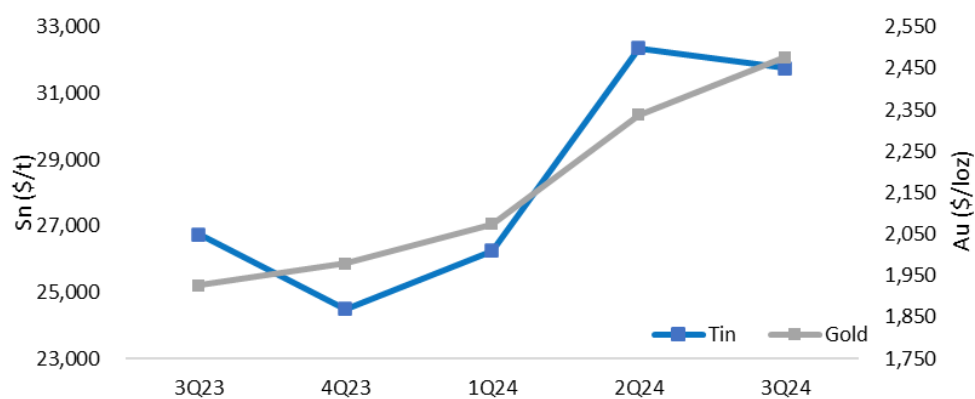
- **Tin:** The average tin price in 3Q24 was US\$ 31,745 per ton, +19% higher than in 3Q23.
- **Gold:** The average gold price in 3Q24 was US\$ 2,477 per ounce, +29% higher than in 3Q23.

Table N° 2: Average metal prices

Average Metal Prices	Unit	3Q24	3Q23	Var (%)	9M24	9M23	Var (%)
Tin	US\$/t	31,745	26,733	19%	30,122	26,417	14%
Gold	US\$/oz	2,477	1,927	29%	2,297	1,931	19%

Source: Bloomberg

Figure N° 1: Average metal price quarterly evolution



Source: Bloomberg

b. Exchange Rate:

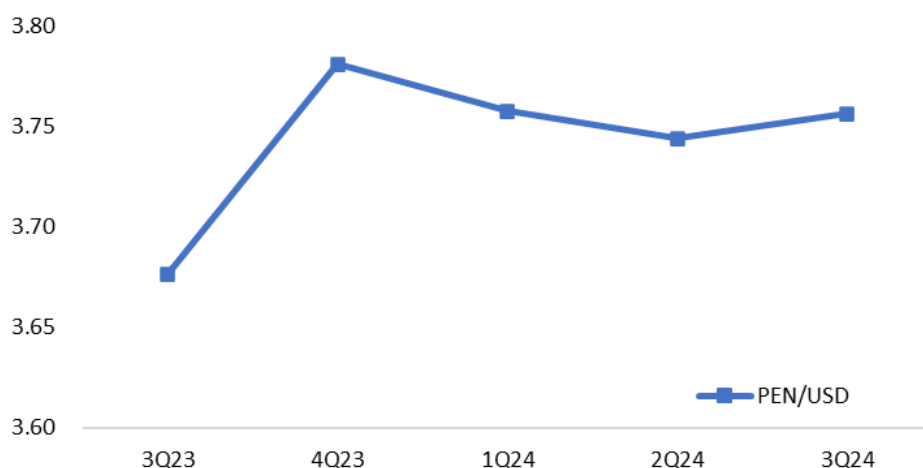
The Peruvian Sol average exchange rate in 3Q24 was S/ 3.76 per US\$ 1, +2%, compared to 3Q23 (S/ 3.68 per US\$ 1).

Table N°3: Exchange rate

Average Exchange Rate	Unit	3Q24	3Q23	Var (%)	9M24	9M23	Var (%)
PEN/USD	S/	3.76	3.68	2%	3.75	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 (Peru):

Table N°4: San Rafael – Pisco Operating Results

San Rafael – Pisco	Unit	3Q24	3Q23	Var (%)	9M24	9M23	Var (%)
Ore Treated	t	347,643	326,359	7%	1,033,154	741,387	39%
Head Grade	%	2.49	2.46	1%	2.50	2.34	7%
Tin production (Sn) - San Rafael	t	6,348	6,371	0%	18,798	13,927	35%
Tin production (Sn) - B2	t	1,960	1,602	22%	5,836	3,725	57%
Tin production (Sn) - Pisco	t	8,107	7,685	5%	21,638	17,649	23%
Cash Cost per Treated Ton ² - San Rafael	US\$/t	139	160	-13%	139	145	-4%
Cash Cost per Ton of Tin ³	US\$/t Sn	8,634	9,778	-12%	9,725	9,216	6%

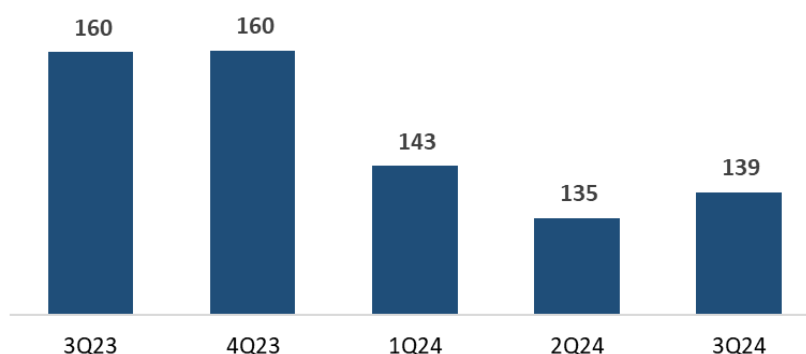
In 3Q24, San Rafael and B2 achieved contained tin production of 6,348 tons (in line with 3Q23) and 1,960 tons (+22% vs. 3Q23) respectively. The higher production at B2 is mainly explained by higher grades of ore treated (+19% vs. 3Q23) due to the mining of deeper zones of the deposit and in line with the plan. On the other hand, refined tin production at Pisco was 8,107 tons (+5% vs. 3Q23), mainly due to the higher volume of contained tin fed from B2.

At San Rafael, the cost per treated ton was US\$139 (-13% vs. 3Q23), due to the lower production cost (-8% vs. 3Q23) mainly related to lower advanced meters and higher ore treated (+7% vs. 3Q23).

² Cash Cost per treated ton = Production cost of San Rafael / Treated Ore (Ore from Mine to Concentrator Plant + Low-Grade Ore to Pre-Concentration Plant)

³ Cash Cost per ton of tin = (Production cost of San Rafael, B2, and Pisco + selling expenses + tin concentrate movement, excluding employee participation, depreciation, and amortization) / (Tin production in tons)

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



The cash cost per ton of tin was US\$8,634/t in 3Q24 (-12% vs. 3Q23), due to lower cost (-7% vs. 3Q23) and higher refined tin production (+5% vs. 3Q23).

b. Pucamarca (Perú):

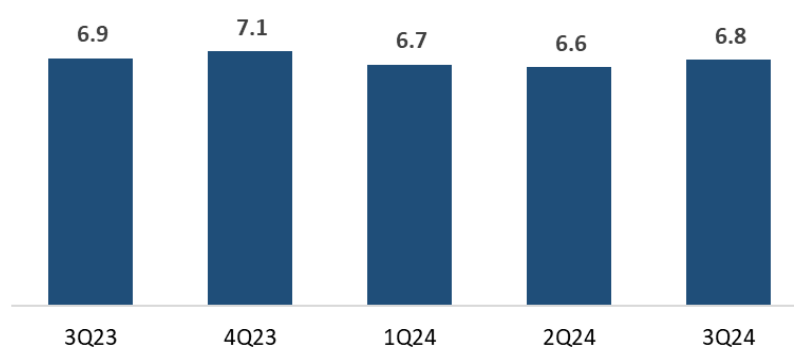
Table N°5. Pucamarca Operating Results

Pucamarca	Unit	3Q24	3Q23	Var (%)	9M24	9M23	Var (%)
Ore Treated	t	1,484,421	1,995,079	-26%	4,540,236	5,779,449	-21%
Head Grade	g/t	0.38	0.39	-2%	0.37	0.34	7%
Gold production (Au)	oz	13,368	15,959	-16%	43,070	48,512	-11%
Cash Cost per Treated Ton	US\$/t	6.8	6.9	-1%	6.7	6.3	6%
Cash Cost per Ounce of Gold ⁴	US\$/oz Au	771	870	-11%	719	765	-6%

In 3Q24, gold production was 13,368 ounces, -16% lower compared to 3Q23. This decrease is explained by less ore placed in PAD (-26% vs. 3Q23) and lower grade (-2% vs. 3Q23) in line with the mining plan, partially offset by initiatives aimed at increasing recovery.

Cash cost per treated ton was US\$6.8/t in 3Q24 (-1% vs. 3Q23), due to the lower cost in the period and the lower ore placed in PAD.

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



⁴ Cash cost per ounce of gold = (Production cost of Pucamarca + selling expenses, excluding employee participation, depreciation, and amortization) / Gold production in ounces

The cost per ounce of gold was US\$771 in 3Q24 (-11% vs. 3Q23), mainly due to lower production cost (-26% vs. 3Q23) partially offset by lower production (-16% vs. 3Q24).

IV. CAPEX:

Table N°6. Executed Capex

CAPEX	Unit	3Q24	3Q23	Var (%)	9M24	9M23	Var (%)
San Rafael + B2	US\$ MM	13.1	21.4	-39%	44.0	52.5	-16%
Pisco	US\$ MM	0.5	1.3	-59%	1.8	3.5	-48%
Pucamarca	US\$ MM	7.2	0.5	1270%	17.8	2.6	594%
Others	US\$ MM	1.5	0.0	0%	2.1	0.2	1088%
Total Capex	US\$ MM	22.3	23.3	-4%	65.8	58.7	12%

In 3Q24, CAPEX was US\$22 MM, -4% vs. 3Q23. San Rafael's CAPEX execution for 3Q2024 corresponds mainly to the construction of the B4 tailings dam, as well as San Germán's ventilation system and the Larancota waste dam expansion. As for Pucamarca, during the third quarter, we continued with the construction of PAD 5A.

V. FINANCIAL RESULTS:

Table N°7. Financial Statements

Financial Statements	Unit	3Q24	3Q23	Var (%)	9M24	9M23	Var (%)
Net Revenue	US\$ M	272.3	239.5	14%	726.7	544.1	34%
Cost of Sales	US\$ M	-111.2	-122.1	-9%	-308.2	-307.6	0%
Gross Profit	US\$ M	161.0	117.4	37%	418.5	236.5	77%
Selling Expenses	US\$ M	-1.9	-1.8	8%	-4.8	-5.1	-6%
Administrative Expenses	US\$ M	-19.6	-19.4	1%	-55.2	-48.5	14%
Exploration & Project Expenses	US\$ M	-11.8	-5.5	114%	-27.7	-11.9	133%
Other Operating Expenses, net	US\$ M	-3.9	-4.4	-11%	-7.0	-8.5	-17%
Operating Income	US\$ M	123.8	86.3	43%	323.7	162.4	99%
Finance Income (Expenses) and Others, net	US\$ M	-4.3	-5.6	-23%	-12.8	-17.0	-25%
Results from Associates	US\$ M	61.7	32.7	89%	126.8	193.1	-34%
Exchange Difference, net	US\$ M	0.9	-1.7	-	-0.1	-1.9	-97%
Profit before Income Tax	US\$ M	182.1	111.7	63%	437.7	336.6	30%
Tax Expense	US\$ MM	-42.1	-31.0	36%	-122.0	-68.1	79%
Net (Loss) Income	US\$ M	140.0	80.7	73%	315.7	268.5	18%
Net Income Margin	%	51%	34%	18 pp	43%	49%	-6 pp
EBITDA	US\$ M	156.3	119.3	31%	415.1	244.7	70%
EBITDA Margin	%	57%	50%	8 pp	57%	45%	12 pp
Adjusted Net Income⁵	US\$ M	77.4	49.7	56%	188.9	77.3	144%

a. Net Sales:

In 3Q24, net sales reached US\$272 MM, 14% higher than 3Q23, explained by higher tin (+18% vs. 3Q23) and gold (+28% vs. 3Q23) prices, partially offset by the lower sales volume of these metals (-6% and -1% respectively vs. 3Q23) due to lower gold production and a higher accumulation of refined tin inventory due to temporary logistical delays.

⁵ Adjusted Net Profit = Net Profit - Results from Subsidiaries and Associates - Exchange Rate Differences - Extraordinary Effects

Table N°8. Net Revenue Volume by Product

t Revenue Volume	Unit	3Q24	3Q23	Var (%)	9M24	9M23	Var (%)
Tin	t	7,419	7,897	-6%	20,668	17,109	21%
Gold	oz	14,713	14,844	-1%	43,866	42,493	3%

Table N°9. Net Revenue in US\$ by Product

Revenue by Metal	Unit	3Q24	3Q23	Var (%)	9M24	9M23	Var (%)
Tin	US\$ MM	241.2	212.6	13%	638.1	468.0	36%
Gold	US\$ MM	31.1	26.8	16%	88.6	76.1	16%
Total	US\$ MM	272.3	239.5	14%	726.7	544.1	34%

Figure N°5: Net Revenue Breakdown in US\$ by Metal

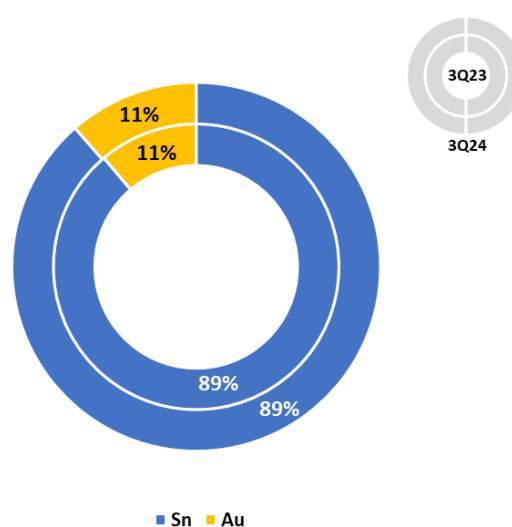


Table N°10. Cost of Sales Detail

Cost of Sales	Unit	3Q24	3Q23	Var (%)	9M24	9M23	Var (%)
Production Cost	US\$ MM	78.7	87.5	-10%	237.3	195.4	21%
Depreciation	US\$ MM	32.0	32.6	-2%	90.1	75.8	19%
Workers profit share	US\$ MM	7.7	4.8	59%	17.9	10.6	69%
Variation of stocks and others	US\$ MM	-7.2	-2.9	151%	-37.1	25.8	-244%
Total	US\$ MM	111.2	122.1	-9%	308.2	307.6	0%

b. Cost of Sales:

Cost of sales in 3Q24 was 111 MM (-9% vs. 3Q23), mainly explained by the lower production cost explained previously and a higher inventory accumulation, partially offset by higher profit-sharing provisions, given the better operational results in the quarter.

c. Gross Profit:

Gross profit in 3Q24 was US\$161 MM (+37% vs. 3Q23), mainly explained by higher sales (+14% vs. 3Q23) and the lower cost of sales explained above (-9% vs. 3Q23). Gross margin was 59% in 3Q24 vs. 49% in 3Q23.

d. Selling Expenses:

Selling expenses in 3Q24 were -US\$ 1.9 MM, 8% higher than in 3Q23, mainly explained by higher credit insurance and freight expenses.

e. Administrative Expenses:

Administrative expenses in 3Q24 were US\$ 19.6 MM (vs. US\$ 19.4 MM in 3Q23), due to higher provisions for personnel expenses.

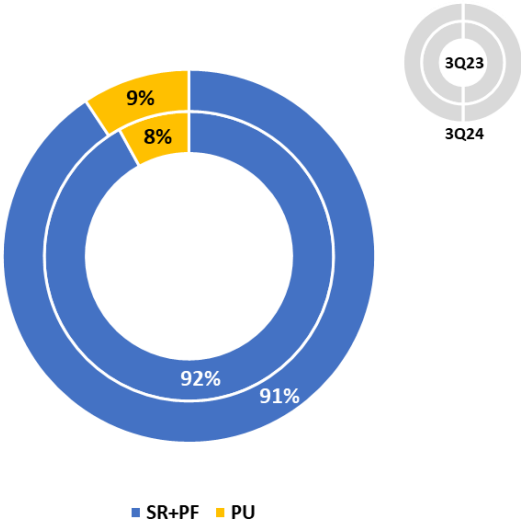
f. Exploration and Project Expenses:

In 3Q24, exploration and project expenditures amounted to US\$ 11.8 MM (vs. US\$ 5.5 MM in 3Q23), mainly explained by higher exploration in greenfield projects and brownfield exploration in San Rafael.

g. EBITDA:

EBITDA in 3Q24 was US\$156.3 MM vs. US\$119.3 MM in 3Q23, mainly due to higher gross profit generated, partially offset by higher exploration and project expenses. EBITDA margin was 57% in 3Q24 vs. 50% in 3Q23.

Figure N°6: EBITDA Share in US\$ by Operating Unit⁶



⁶ Includes SR + FR + B2

h. Net Financial Expenses:

Net financial expenses in 3Q24 were US\$ 4.3 MM vs. US\$ 5.6 MM in 3Q23, mainly explained by higher financial income associated with the higher cash balance during the period and the higher interest rate.

i. Results from Subsidiaries and Associates:

In 3Q24, results in subsidiaries and associates were US\$ 61.7 MM (+89% vs. 3Q23). The difference is mainly explained by higher results from our subsidiaries Minera Latinoamericana and Cumbres Andinas.

j. Income Tax Expense:

Taxes in 3Q24 amounted to US\$ 42.1 MM vs US\$ 31.0 MM in 3Q23, explained by the period's higher results.

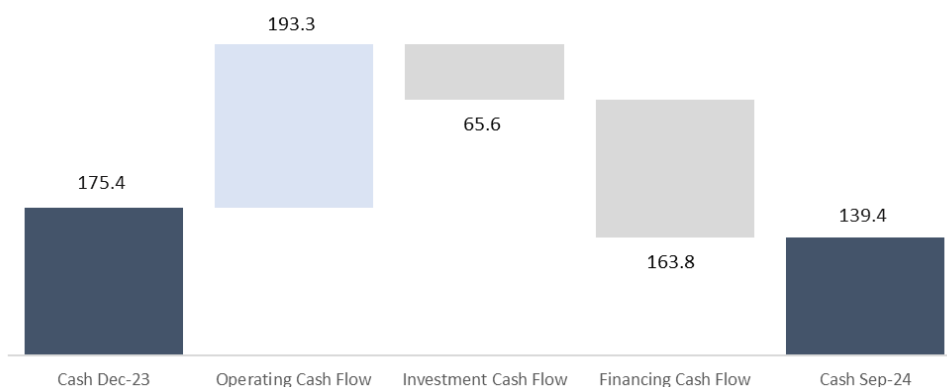
k. Net Income and Adjusted Net Income:

Net profit in 3Q24 was US\$140.0 MM vs. US\$80.7 MM in 3Q23, mainly due to higher operating results, as well as higher results in subsidiaries and associates, partially offset by higher taxes. Excluding the results of subsidiaries and associates and the exchange rate difference, adjusted net profit in 3Q24 was US\$ 77.4 MM vs. US\$ 49.7 MM in 3Q23.

VI. LIQUIDITY⁷:

As of September 2024, the company's cash equivalent balance was US\$ 139.4 MM, below the balance at the close of December 2023 (US\$ 175.4 MM). The change is explained by operating cash flows (+ US\$ 193.3 MM), investment cash flow (- US\$ 65.6 MM) and financing cash flows (- US\$ 163.8 MM). The latter, related to dividends paid (- US\$ 240.0 MM) and contributions made for -US\$ 34.1 MM to our subsidiary Taboca (- US\$ 30.0 MM) and Cumbres del Sur (- US\$ 4.1 MM), partially offset by the dividends received from our subsidiary Cumbres Andinas (+US\$ 108.0 MM) and related companies (+US\$ 1.8 MM).

⁷ Chart elaborated considering management cash flow criteria



As of September 2024, financial liabilities were US\$ 489.4 MM, corresponding to the senior bond issued, maturing in 2031. The net leverage ratio (Net Debt/ EBITDA) decreased from 0.9x by the end of 2023 to 0.7x at the end of 3Q24, mainly explained by higher EBITDA accumulated in the last twelve months, partially offset by lower cash balance.

Table N°11. Debt Summary

Financial Ratios	Unit	Set-24	Dec-23	Var (%)
Total Debt	US\$ MM	489.4	488.6	0%
Long Term - Minsur 2031 Bond	US\$ MM	489.4	488.6	0%
Cash	US\$ MM	139.4	175.4	-21%
Net Debt	US\$ MM	350.1	313.2	12%
Total Debt / EBITDA	x	1.0x	1.4x	-33%
Net Debt / EBITDA	x	0.7x	0.9x	-25%

VII. RISK MANAGEMENT

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

The internal controls associated with the risks of the mentioned 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 deadline 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.