



# MANAGEMENT DISCUSSION AND ANALYSIS: INDIVIDUAL RESULTS

MINSUR S.A.  
FOURTH QUARTER 2024

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## I. FOURTH QUARTER HIGHLIGHTS AND EXECUTIVE SUMMARY

Table N° 1: Operating & Financial Highlights

Highlights	Unit	4Q24	4Q23	Var (%)	2024	2023	Var (%)
<b>Production</b>							
Tin (Sn)	t	9,288	7,725	20%	30,926	25,374	22%
Gold (Au)	oz	13,260	14,128	-6%	56,331	62,640	-10%
<b>Financial Results</b>							
Net Revenue	US\$ MM	311.6	237.7	31%	1,038.3	781.8	33%
EBITDA	US\$ MM	159.1	97.5	63%	574.3	342.2	68%
EBITDA Margin	%	51%	41%	10 pp	55%	44%	12 pp
Net Income	US\$ MM	147.8	126.8	17%	463.5	395.3	17%
Adjusted Net Income <sup>1</sup>	US\$ MM	67.3	45.7	47%	256.3	123.1	108%

### Fourth Quarter Executive Summary:

#### a. Operating Results

In 4Q24, refined tin production at the Pisco refinery was above 4Q23 (+20%), mainly explained by the higher concentrate fed (+8%) and the higher tin grade (+9%); it is essential to mention that during 4Q24, the refinery consumed around 3.6kt of concentrate stock received in the previous months. At San Rafael and B2, contained tin production was 5,644 tons (-19% vs. 4Q23) and 2,032 tons (+27% vs. 4Q23), respectively. The lower production at San Rafael was related to the lower grade of ore fed to the plant. On the other hand, gold production was 13,260 ounces (-6% vs. 4Q23), due to lower ore placed on the PAD (-25% vs. 4Q23), partially offset by higher grade (+6% vs. 4Q23), both variations in line with Pucamarca's mining plan.

#### b. Financial Results

In 4Q24, sales were US\$312 MM (+31% vs. 4Q23), mainly due to higher tin (+24% vs. 4Q23) and gold (+37% vs. 4Q23) prices, as well the higher tin sales volume (+14% vs. 4Q23), partially reversed by lower gold sales volume (-14% vs. 4Q23). EBITDA was US\$159 MM (+63% vs. 4Q23), mainly due to higher sales, partially reversed by the consumption of in-process inventories; it is worth noting that the EBITDA margin went from 41% in 4Q23 to 51% in 4Q24. Net income in 4Q24 was US\$148 MM (+17% vs. 4Q23), mainly due to improved operating results. Adjusted net income, which excludes results in subsidiaries and associates, was US\$67 MM, +47% compared to the same period of the previous year.

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

## II. MAIN CONSIDERATIONS:

### a. Average Metal Prices:

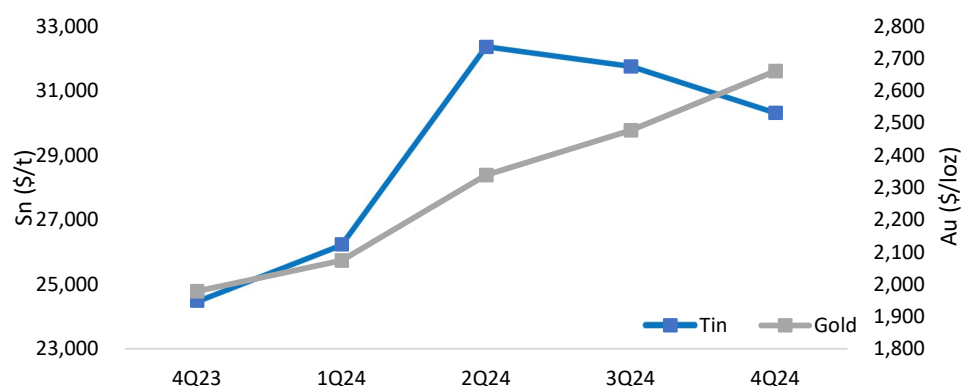
- **Tin:** The average tin price in 4Q24 was US\$ 30,313 per ton, +24% higher than in 4Q23.
- **Gold:** The average gold price in 4Q24 was US\$ 2,661 per ounce, +34% higher than in 4Q23.

Table N° 2: Average metal prices

Average Metal Prices	Unit	4Q24	4Q23	Var (%)	2024	2023	Var (%)
Tin	US\$/t	30,313	24,493	24%	30,170	25,936	16%
Gold	US\$/oz	2,661	1,978	34%	2,389	1,943	23%

Source: Bloomberg

Figure N° 1: Average metal price quarterly evolution



Source: Bloomberg

### b. Exchange Rate:

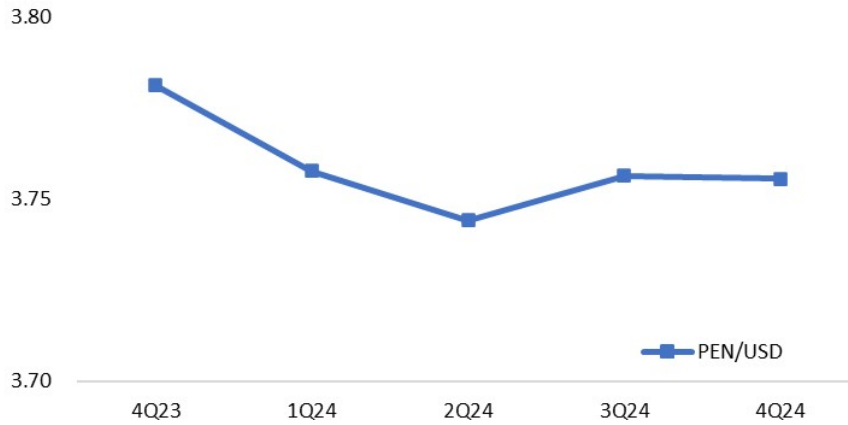
The Peruvian Sol average exchange rate in 4Q24 was S/ 3.76 per US\$ 1, -1%, compared to 4Q23 (S/ 3.78 per US\$ 1).

Table N°3: Exchange rate

Average Exchange Rate	Unit	4Q24	4Q23	Var (%)	2024	2023	Var (%)
PEN/USD	S/	3.76	3.78	-1%	3.75	3.74	0%

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	4Q24	4Q23	Var (%)	2024	2023	Var (%)
Ore Treated	t	325,982	328,214	-1%	1,359,136	1,069,602	27%
Head Grade	%	2.23	2.64	-15%	2.43	2.43	0%
Tin production (Sn) - San Rafael	t	5,644	6,973	-19%	24,442	20,900	17%
Tin production (Sn) - B2	t	2,032	1,603	27%	7,868	5,328	48%
Tin production (Sn) - Pisco	t	9,288	7,725	20%	30,926	25,374	22%
Cash Cost per Treated Ton <sup>2</sup> - San Rafael	US\$/t	157	160	-2%	143	149	-4%
Cash Cost per Ton of Tin <sup>3</sup>	US\$/t Sn	8,098	9,867	-18%	9,236	9,414	-2%

In 4Q24, San Rafael and B2 achieved contained tin production of 5,644 tons (-19% vs. 4Q23) and 2,032 tons (+27% vs. 4Q23), respectively. The lower production at San Rafael was due to the lower grade of ore fed to the plant, while the higher production at B2 was due to the higher grade of ore fed (+24% vs. 4Q23), due to the deposit's mining sequencing, both variations in line with the current plan. On the other hand, refined tin production at Pisco was 9,288 tons (+20% vs. 4Q23), mainly due to higher treated concentrate grade (+9%) and higher treated tonnage (+8%), explained by higher concentrate inventory processing and higher B2 production.

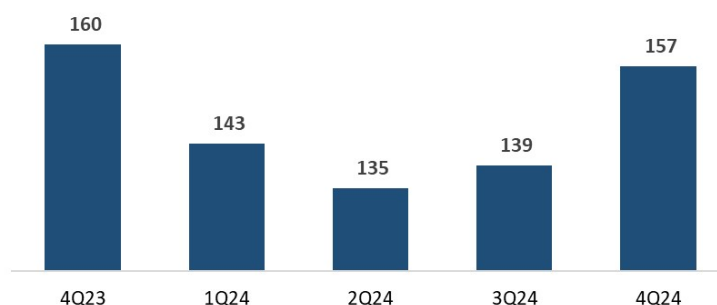
In San Rafael, the cost per tonne treated was US\$157 (-2% vs. 4Q23), due to lower production costs (-3% vs. 4Q23), mainly related to lower mine costs, partially offset by lower tonnage treated (-1%).

<sup>2</sup> 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)

<sup>3</sup> 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)

In 2024, refined tin production was 30,926 tons (+22% vs. 2023), mainly due to higher production days compared to 2023 because of the stoppage due to the social protests that occurred in 1Q23 and the higher grade of ore treated, where production was lower. Cash cost per tonne treated for the year was US\$143 (-4% vs. 2023) due to higher tonnes treated in 2024 and the implementation of productivity initiatives at the mine and plant.

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



The cash cost per ton of tin was US\$8,098/t in 4Q24 (-18% vs. 4Q23), due to higher refined tin production (+20% vs. 4Q24) and lower cost (-1% vs. 4Q23).

**b. Pucamarca (Perú):**

**Table N°5. Pucamarca Operating Results**

Pucamarca	Unit	4Q24	4Q23	Var (%)	2024	2023	Var (%)
Ore Treated	t	1,453,524	1,935,348	-25%	5,993,759	7,714,797	-22%
Head Grade	g/t	0.38	0.36	6%	0.37	0.35	7%
Gold production (Au)	oz	13,260	14,128	-6%	56,331	62,640	-10%
Cash Cost per Treated Ton	US\$/t	7.5	7.1	7%	6.9	6.5	6%
Cash Cost per Ounce of Gold <sup>4</sup>	US\$/oz Au	840	981	-14%	748	814	-8%

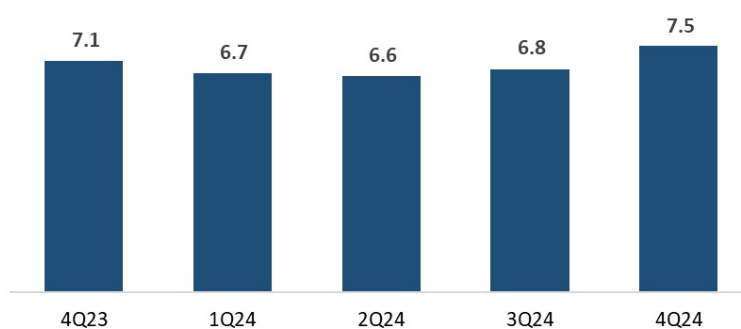
In 4Q24, gold production was 13,260 ounces (-6% vs. 4Q23), due to lower ore placed in PAD (-25% vs. 4Q23), partially offset by higher grade (+6% vs. 4Q23), in line with the mining plan.

Cash cost per tonne treated was US\$7.5/t in 4Q24 (+7% vs. 4Q23), mainly due to lower ore placed in PAD (-25%), partially reversed by lower production cost (-20%), related to lower waste extraction.

In 2024, gold production was 56,331 ounces (-10% vs. 2023). Cash cost per tonne treated was US\$6.9 (+6% vs. 2023) due to lower ore placed in the PAD, partially offset by lower production costs for the year, related to the lower stripping ratio (0.22 in 2024 vs. 0.53 in 2023), which reduced costs in the blasting (lower explosives consumption) and loading (lower fuel expenses) processes.

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

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



The cost per ounce of gold was US\$840 in 4Q24 (-14% vs. 4Q23), mainly due to lower production cost (-20% vs. 4Q23), partially offset by lower production (-6% vs. 4Q23).

#### IV. CAPEX:

Table N°6. Executed Capex

CAPEX	Unit	4Q24	4Q23	Var (%)	2024	2023	Var (%)
San Rafael + B2	US\$ MM	29.5	40.4	-27%	73.5	92.8	-21%
Pisco	US\$ MM	2.1	0.9	122%	3.9	4.5	-13%
Pucamarca	US\$ MM	4.0	3.9	3%	21.8	6.4	239%
Others	US\$ MM	1.5	0.3	0%	3.7	0.4	-
<b>Total Capex</b>	<b>US\$ MM</b>	<b>37.0</b>	<b>45.5</b>	<b>-19%</b>	<b>102.8</b>	<b>104.2</b>	<b>-1%</b>

In 4Q24, capex was US\$37 MM (-19% vs. 4Q23). San Rafael's capex execution in 4Q24 corresponds mainly to the B4 tailings dam regrowth and the San Germán ventilation system. As for Pucamarca, the construction of PAD 5B continued during 4Q24.

## V. FINANCIAL RESULTS:

Table N°7. Financial Statements

Financial Statements	Unit	4Q24	4Q23	Var (%)	2024	6M23	Var (%)
Net Revenue	US\$ M	311.6	237.7	31%	1,038.3	781.8	33%
Cost of Sales	US\$ M	-144.5	-127.2	14%	-452.7	-434.8	4%
<b>Gross Profit</b>	<b>US\$ M</b>	<b>167.1</b>	<b>110.5</b>	<b>51%</b>	<b>585.6</b>	<b>347.0</b>	<b>69%</b>
Selling Expenses	US\$ M	-2.4	-1.6	56%	-7.2	-6.7	8%
Administrative Expenses	US\$ M	-21.5	-21.3	1%	-69.9	-67.1	4%
Exploration & Project Expenses	US\$ M	-10.2	-14.1	-28%	-44.8	-28.8	56%
Other Operating Expenses, net	US\$ M	-5.8	-9.0	-35%	-12.9	-17.5	-26%
<b>Operating Income</b>	<b>US\$ M</b>	<b>127.2</b>	<b>64.6</b>	<b>97%</b>	<b>450.9</b>	<b>226.9</b>	<b>99%</b>
Finance Income (Expenses) and Others, net	US\$ M	-5.2	-4.2	25%	-18.0	-21.2	-15%
Results from Associates	US\$ M	81.0	79.4	2%	207.8	272.5	-24%
Exchange Difference, net	US\$ M	-0.5	1.7	-	-0.6	-0.2	141%
<b>Profit before Income Tax</b>	<b>US\$ M</b>	<b>202.5</b>	<b>141.4</b>	<b>43%</b>	<b>640.2</b>	<b>478.0</b>	<b>34%</b>
Tax Expense	US\$ MM	-54.6	-14.7	273%	-176.6	-82.7	114%
<b>Net (Loss) Income</b>	<b>US\$ M</b>	<b>147.8</b>	<b>126.8</b>	<b>17%</b>	<b>463.5</b>	<b>395.3</b>	<b>17%</b>
Net Income Margin	%	47%	53%	-6 pp	45%	51%	-6 pp
<b>EBITDA</b>	<b>US\$ M</b>	<b>159.1</b>	<b>97.5</b>	<b>63%</b>	<b>574.3</b>	<b>342.2</b>	<b>68%</b>
EBITDA Margin	%	51%	41%	10 pp	55%	44%	12 pp
<b>Adjusted Net Income<sup>5</sup></b>	<b>US\$ M</b>	<b>67.3</b>	<b>45.7</b>	<b>47%</b>	<b>256.3</b>	<b>123.1</b>	<b>108%</b>

### a. Net Sales:

In 4Q24, net sales were US\$312 MM (+31% vs. 4Q23), explained by higher tin (+24% vs. 4Q23) and gold (+37% vs. 4Q23) prices and higher tin sales volume (+14% vs. 4Q23), partially offset by lower gold sales volume (-14% vs. 4Q23).

Table N°8. Net Revenue Volume by Product

Net Revenue Volume	Unidad	4Q24	4Q23	Var (%)	2024	2023	Var (%)
Tin	t	9,448	8,319	14%	30,115	25,428	18%
Gold	oz	13,093	15,300	-14%	56,959	57,793	-1%

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

Net Revenue by Metal	Unidad	4Q24	4Q23	Var (%)	2024	2023	Var (%)
Tin	US\$ MM	284.0	210.5	35%	922.1	678.5	36%
Gold	US\$ MM	27.7	27.2	1%	116.2	103.4	12%
<b>Total</b>	<b>US\$ MM</b>	<b>311.6</b>	<b>237.7</b>	<b>31%</b>	<b>1,038.3</b>	<b>781.8</b>	<b>33%</b>

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

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

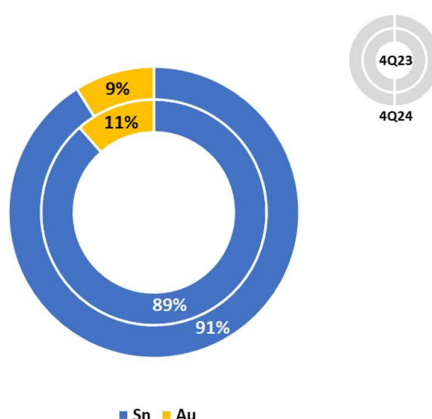


Table N°10. Cost of Sales Detail

Cost of Sales	Unidad	4Q24	4Q23	Var (%)	2024	2023	Var (%)
Production Cost	US\$ MM	80.7	84.3	-4%	306.8	273.6	12%
Depreciation	US\$ MM	31.5	32.5	-3%	121.6	108.3	12%
Workers profit share	US\$ MM	7.3	5.2	40%	25.2	15.9	59%
Variation of stocks and others	US\$ MM	25.0	5.2	384%	-0.9	37.0	-
<b>Total</b>	<b>US\$ MM</b>	<b>144.5</b>	<b>127.2</b>	<b>14%</b>	<b>452.7</b>	<b>434.8</b>	<b>4%</b>

**b. Cost of Sales:**

The cost of sales in 4Q24 was US\$145 MM (+14% vs. 4Q23), mainly explained by higher volume sold and higher workers' profit share (in line with the result), partially offset by lower production costs.

In 2024, the cost of sales was US\$453 MM (+4% vs. 2023), mainly due to higher production costs (+US\$33 MM vs. 2023), higher depreciation (+US\$13 MM vs. 2023) due to the activation of works in progress (B4 and Water Treatment System), as well the higher workers profit share (+US\$9 MM vs. 2023), partially reversed by higher inventory accumulation (-US\$17 MM vs. 2023) and lower fixed costs compared to 1Q23, which included costs associated with the 1Q23 stoppage, due to social-political issues (-US\$21 MM).

**c. Gross Profit:**

Gross profit for 4Q24 was US\$167 MM (+51% vs. 4Q23), explained by higher sales (+31% vs. 4Q23), partially offset by higher cost of sales (+14% vs. 4Q23). Likewise, the gross margin was 54% in 4Q24 vs. 46% in 4Q23, mainly due to higher prices.

**d. Selling Expenses:**

Selling expenses in 4Q24 were US\$2.4 MM (+56% vs. 4Q23), mainly explained by higher tin sales volume (+14%) and higher expenses related to credit insurance due to higher tin sales (+35%).



**e. Administrative Expenses:**

Administrative expenses in 4Q24 were US\$22 MM (+1% vs. 4Q23), due to higher workers' profit share, partially offset by lower consulting services expenses.

**f. Exploration and Project Expenses:**

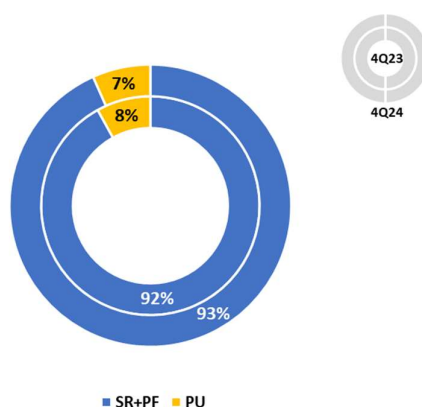
In 4Q24, exploration and project expenditures were US\$10 MM (-28% vs. 4Q23), mainly explained by lower exploration at San Rafael.

In 2024, exploration expenses increased 56%, from US\$29 MM in 2023 to US\$45 MM in 2024, due to the postponement of exploration plans in 1Q23 due to the operations stoppage.

**g. EBITDA:**

In 4Q24, EBITDA was US\$159 MM (vs. US\$98 MM in 4Q23) due to the higher volume sold in tin and gold and the higher tin price. EBITDA margin was 51% in 4Q24 vs. 41% in 4Q23.

**Figure N°6: EBITDA Share in US\$ by Operating Unit<sup>6</sup>**



**h. Net Financial Expenses:**

Net financial expenses were US\$5.2 MM in 4Q24 (+25% vs. 4Q23), mainly explained by lower financial income associated with the lower cash balance and interest rate.

**i. Results from Subsidiaries and Associates:**

In 4Q24, results in subsidiaries and associates were US\$81 MM (+2% vs. 4Q23), mainly due to the higher results of the subsidiary Marcobre through Cumbres Andinas, partially offset by the lower results of the subsidiary Taboca through Minlat.

<sup>6</sup> Includes SR + FR + B2

**j. Income Tax Expense:**

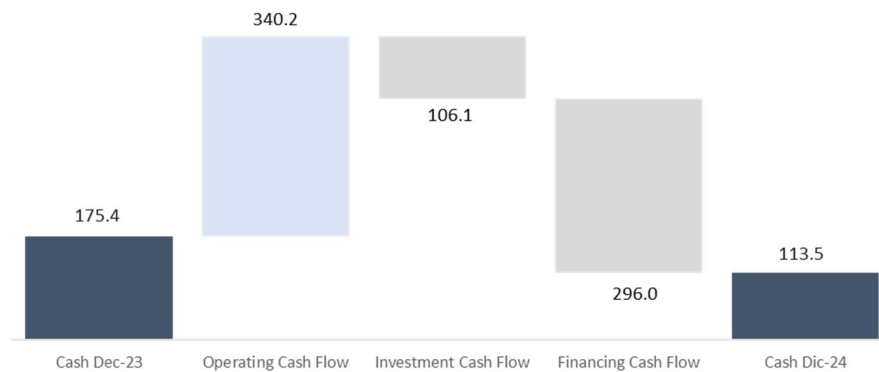
In 4Q24, taxes amounted to US\$55 MM vs. US\$15 MM in 4Q23, which is associated with the higher result for the period.

**k. Net Income and Adjusted Net Income:**

Net income in 4Q24 was US\$148 MM vs. US\$127 MM in 4Q23, mainly due to improved operating results, partially reversed by higher taxes. Excluding the results of subsidiaries and associates and the foreign exchange difference, adjusted net income in 4Q24 was US\$ 67 MM vs. US\$ 46 MM in 4Q23.

**VI. LIQUIDITY<sup>7</sup>:**

As of December 2024, the company's cash equivalent balance was US\$ 113.5 MM, below the balance at the close of December 2023 (US\$ 175.4 MM), due to the operating cash flow (+ US\$ 340.2 MM), investment cash flow (- US\$ 106.1 MM) and financing cash flow (- US\$ 296.0 MM), related to dividends paid (- US\$ 477.0 MM) and contributions of -US\$ 40.5 MM to our subsidiaries Taboca (- US\$ 30.0 MM), Cumbres del Sur (- US\$ 5.5 MM) and Cumbres Andinas (-US\$ 5.0 MM), partially offset by dividends received from Marcobre for +US\$ 219.6 MM through our subsidiary Cumbres Andinas, as well other dividends received (+US\$ 1.9M).



As of December 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 2024, mainly explained by higher EBITDA accumulated in the last twelve months, partially offset by the higher net debt due to the reduction of cash balances.

<sup>7</sup> Chart elaborated considering management cash flow criteria

**Table N°11. Debt Summary**

Financial Ratios	Unit	Dec-24	Dec-23	Var (%)
Total Debt	US\$ MM	489.8	488.6	0%
Long Term - Minsur 2031 Bond	US\$ MM	489.8	488.6	0%
Cash	US\$ MM	113.5	175.4	-35%
Net Debt	US\$ MM	376.3	313.2	20%
Total Debt / EBITDA	x	0.9x	1.4x	-40%
Net Debt / EBITDA	x	0.7x	0.9x	-28%

## 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 and evaluating and monitoring mitigation plan proposals.