

The background of the cover is a composite image. On the left, an aerial view shows a dense urban area with many high-rise buildings, situated on a hillside overlooking a valley with a highway and a river. On the right, a close-up of a person wearing a white long-sleeved shirt and a white hard hat is shown. The hard hat has a stylized orange 'n' logo on it. The overall color palette is a mix of greys, oranges, and whites.

nexa

Annual Report

2018

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Responsibility Statement

This Document encompasses trustworthy and sufficient information regarding the business development of Nexa Resources Peru S.A.A. throughout the year 2018. Notwithstanding the issuer's responsibility, the undersigned hold themselves responsible for this Document contents as per applicable lawful devices.

San Borja, February 26, 2019.

Ricardo Porto
CEO - General Manager

Leonardo Coelho
COO - Corporate Operations Manager

Claudia Torres
CFO - Corporate Finance Manager

Fernando Marinho
Corporate Commercial Manager

Jonas Mota
Corporate Explorations and Geology Manager

Ricardo Pires
Corporate DHO Manager

Eduardo León
Corporate Project Manager

Magaly Bardales
Corporate Legal and Institutional Relations Manager

Jose Osorio
Corporate Labor and Communities Relations Manager

Marcelo Ferreira de Assis
Corporate Supply Chain Manager

Letter to Shareholders

(GRI 102 - 14)

Dear shareholders:

The year 2018 for the Company was marked by the ongoing implementation of a strict Safety Plan, clearly aiming at eliminating fatal accidents, drastically reducing the number and the severity of accidents in our operations, and developing a safety culture in all company levels, comprising both own and outsourced personnel, with an unwavering commitment of achieving zero accidents.

The major asset for the Company are people, and their safety is unnegotiable. For such asset, great efforts have been made towards training our leaders and teaching preventive procedures. Moreover, we have also started out implementing the Digital Mining Project and the Operations Automation Plan, which will certainly contribute to pursuing our continuous safety culture improvement objective.

As for our operations in Cerro Lindo, development works have been made for new pits and galleries to speed up our production by the end of this year. Mine developments have shown sustainable growth, to the extent that in 2018 we have achieved the largest development in this mining unit history: 33,500 meters. This has further optimized the inner mine infrastructure so as to ensure safety standards, by means of better sustaining measures through shotcrete and cable bolting.

Likewise, the construction of the new waste disposal deposit Pahuaypite continued, as well as the desalinated water pipeline replacement, from the desalination plant to Cerro Lindo Mining Unit, which will allow for higher water supply capacity and a more efficient system.

At Pasco Mining Complex, the operational integration process between Atacocha and El Porvenir mining units continued as scheduled, aiming at consolidating operations in order to achieve synergies in concentrates production. Having completed the underground mines integration, current ongoing activities include development works inside the Atacocha mine, as well as the adequate preparation of the Picasso shaft.

As for explorations, we have continued investing in all mining operations aiming at incrementing reserves and finding new resources that allow us to extend the life of mine in our brownfield operations. Thus, over 169 thousand meters of diamond drillhole (DDH) drilling were carried out throughout 2018.

Regarding greenfield projects, new drilling programs were completed in Pukaqaqa, which paved the way for a pre-feasibility study. In Magistral, as part of the pre-feasibility study under progress, various alternatives have

been assessed, including the potential underground mine development. In Shalipayco, focus was set on analyzing several alternatives to maximize the project profitability, taking into account the potential mineral beneficiation in Shalipayco itself. And in Cañon Florida, drilling efforts were started out, which will comprise a total of 41 exploration holes for a total 17,000-meter diamond drilling.

Despite the fact that base metals market fundamentals have remained robust, the confidence in them had been impacted by the end of the year by the overshadowing commercial battle between the United States and China, which reflected on London Metal Exchange (LME) prices. As for our performance, in spite of some operational challenges we came in for in Cerro Lindo, especially during the first quarter, we were able to partially offset the lower production of this Mining Unit with larger production rates in the Pasco Mining Complex and Cerro Lindo itself by the end of the year. Thus, the Company has been able to close out 2018 maintaining a robust revenue generation, high liquidity and low indebtedness, which have allowed it to appropriately hold ground to face oncoming operations and projects.

The Company has kept its focus on maintaining financial discipline and solid capital structure, with low

indebtedness to enable it to bestow sustainability on its operations, along with the application of best practices concerning environmental management, emissions, water usage and safety standards, and ongoing development of local communities within our areas of influence.

Nexa Peru's Board of Directors thanks its shareholders and stakeholders for the trust placed in the Company and extends its most sincere acknowledgement to its personnel for their work, effort and commitment. Additionally, the Company acknowledges all those who have devotedly contributed to the development of our operations.

According to what has been exposed here, we submit to your consideration the Annual Report 2018 and the Separate and Consolidated Financial Statements of Nexa Resources Peru S.A.A. corresponding to the financial period ended December 31, 2018, which have been duly audited by PriceWaterhouseCoopers.

The Board

February 2019



About the Annual Report

The Annual Report 2018 has been prepared as per the provisions set up by the Superintendence of the Securities Market (SMV) in the Regulation for Preparation and Submittance of Annual Reports, approved by the Conasev Resolution No. 141-98- EF/94.10 and its amending standards; as well as the Manual for Preparation of Annual Reports and Ordinary Standards for Determination of Informative Document Contents, approved by Conasev General Management Resolution No. 211-98- EF/94.11 and its amending standards.

Moreover, this Report has been prepared as per the “Essential” option of Global Reporting Initiative (GRI) standards, principles for preparation of informative documents on economic, environmental and social impacts of an organization, conveying a thorough and balanced portrait of its material topics and impacts associated to them. The way GRI standards have been applied is detailed in Appendix E: “About GRI application”. This Report is published on a yearly basis. [\(GRI 102-54\)](#).

The latest version was approved for 2017 by the Annual Shareholders’ Board meeting held on March 29, 2018. [\(GRI 102-51, GRI 102-52\)](#).

Materiality

In accordance with GRI, materiality stands for the identification of those aspects reflecting significant economic, environmental and social impacts of the organization that influence stakeholders’ assessments and decisions.

For the process developed this year, an investigation of secondary sources has been put together, as well as the alignment of Nexa Resources Peru S.A.A material topics, drawn from the materiality process 2016, along with priority topics of our corporation in 2018 and mining industry situation elements at a domestic level.

Materiality Update Process



Material Topics 2018

[\(GRI 102-44\)](#) [\(GRI 102-47\)](#)

- 1** Fulfillment of high health and safety standards by workforce and service providers
- 2** Development and management of service providers
- 3** Talent attraction and development
- 4** Fostering local community development and socioenvironmental conflict management
- 5** Environmental management and compliance associated to energy, waste and emissions
- 6** Efficient water usage
- 7** Technology and innovation as tools for operational efficiency and environmental impact cutdown
- 8** Good corporate governance



Major Results for 2018



US\$ 827.5 million

Sales revenue

1st. Underground Integration Stage completed

Currently, efforts are focused on unification of Pasco Mining Complex operations



90% Water Reuse

At Cerro Lindo Mining Unit



US\$ 282.6 million

EBITDA

US\$ 77.8 millions

Invested CAPEX

Best Labor Practices Award 2018

Awarded for four consecutive years



Our Company

We focus on creating value for society

About Nexa Resources

Nexa Resources Perú S.A.A. (Nexa Peru) was established on April 6, 1949 and has been characterized since then by a stable growth and the integrity of its processes in the domestic polymetallic mining industry.

[\(GRI 102-1\)](#)

Since August 5, 2010, we have become part of Votorantim Metais Holding (VMH), now Nexa Resources S.A. (Nexa Resources), a global mining and metals company among the five largest zinc producers in the world.

Our major characteristic is drawing on our experience and background to develop innovative mining operations, with higher productivity and responsibility. We explore the very essence that makes the world spin around: zinc, copper, lead, silver, gold, and refine the fundamental items to deliver quality on every step of the process. [\(GRI 102-2\)](#)

Throughout 2018, we have been successful in consolidating a concrete identity with specific objectives and work fronts. The business model we deploy evidences that for the company each one of its forming parts is equally important and valuable. Our value creation process strongly depends on financial, human, intellectual and natural capital, bestowing created value on society at large.

Operations Map

Nexa

1 Peru

Operations

Mining

- Cerro Lindo
- Complejo Minero Pasco (El Porvenir and Atacocha)

Smelting

- Cajamarquilla

Projects

- Shalipayco
- Magistral
- Hilarión
- Pukaqaqa
- Florida Canyon

2 Brazil

Operations

Mining

- Vazante
- Morro Agudo

Smelting

- Tres Marias
- Juiz de Fora

Projects

- Aripuana
- Caçapava do Sul

Nexa Resources' Operations and Commercial Offices

Peru		Brazil	
10,6 million tons of treated ore (ROM)*		2,4 million tons of treated ore (ROM)*	
Mining			
Cerro Lindo 245 thousand tons of zinc equivalent	Pasco Mining Complex (El Porvenir and Atacocha) 135 thousand tons of zinc equivalent	Vazante 144 thousand tons of zinc equivalent	Morro Agudo 31 thousand toneladas de zinc equivalente
206 thousand tons of zinc content		167 thousand tons of zinc content	
45 thousand tons of lead content		7 thousand tons of lead content	
39 thousand tons of copper content			
Projects in Development			
Magistral, Pukaqaqa, Hilarión, Florida Canyon, Shalipayco		Aripuanã, Caçapava do Sul	
Smelters			
Cajamarquilla 333 thousand t/year of fine zinc	Tres Marias 167 thousand t/year of fine zinc	Juiz de Fora 79 thousand t/year of fine zinc	

* ROM (Run of Mine). mineral ore extracted from mine destined for processing or commercialization.



Mininig

- Cerro Lindo (Peru) – Mine and processing
- El Porvenir (Peru) – Mine and processing
- Atacocha (Peru) – Mine and processing
- Vazante (Brazil) – Mine and processing
- Morro Agudo (Brazil) – Mine and processing



Smelters

- Cajamarquilla (Peru) – Smelter
- Tres Marias (Brazil) – Smelter
- Juiz de Fora (Brazil) – Smelter



Offices

- Belo Horizonte (Brazil) – Administrative
- São Paulo (Brazil) – Administrative Headquarters
- Lima (Peru) – Commercial and Administrative
- Houston (United States) – Commercial
- Salzburgo (Austria) – Commercial
- Luxemburgo – Commercial and Administrative
- Toronto (Canada) – Administrative Desk



Mineral Exploration

- Peru
- Brazil
- Namibia

Our major milestones



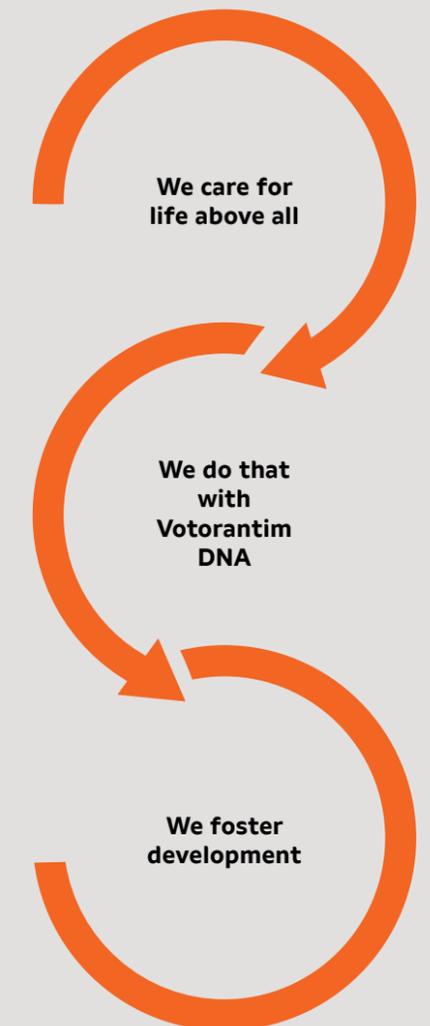
Our Principles

At Nexa, we count on 5 sustainability principles that guide our efforts and align to our basic corporate principles, thus ensuring continuous improvements based on solid policies:

Sustainability Principles

1. Be acknowledged by society as a socially and environmentally responsible company.
2. Hold sustainability as a strategy to create value, guiding governance, management, education, decision-making and investments.
3. Consistently develop economic, social and environmental results, seeking for efficient and reliable operations, as per world-class standards.
4. Be acknowledged as a company that attracts, develops and retains talents for value generation and construction of a fair and inclusive society.
5. Be committed with our employees', clients' and shareholders' welfare, health and safety.
6. Foster the development of the communities we operate in.
7. Encourage cooperation and engagement of all employees and stakeholders to set up alliances and joint work, so as to generate mutual value.

Corporate Principles



Mission and Vision

Mission: Be globally acknowledged as a reliable and smart mining company, whose growth is based on zinc and copper production, bringing about attractive return in a consistent fashion.

Vision: Convey the essence of our mining operations to people's lives.

Our Values

(GRI 102-16)



Our Beliefs

Talent Culture • Meritocracy • Excellence • Pragmatism • Open Dialog • Alliance • Ownership

(GRI 102-16)



Corporate policy

1. Prevent, mitigate, minimize and control environmental impacts, occupational health and safety risks, by qualifying, encouraging and taking into consideration workforce's opinion, so as to foster a culture of respect to the environment, and workers' health and safety, as well as that of visitors and stakeholders.

2. See that all workers are paid fair remuneration according to the work they perform, and given worthy working conditions, with appropriate workplace aiming at their occupational and personal development.

3. Develop activities for the communities where the Company holds operations, respecting their culture and traditions.

4. Foster continuous improvement of the Management System efficacy, by complying with environmental, quality, occupational health and safety regulations from legal and other requirements adopted by the organization.

5. Deliver a product that may comply with the quality standards required by its clients in a timely way, by optimizing production costs, innovating and being internationally competitive.

Code of Conduct

In line with our Corporate Policy and organizational principles, values and beliefs, our Code of Conduct (GRI 102-16) establishes the policies regarding our commitment with integral corporate ethics and conduct.

This Code is a joint declaration of rights, duties and responsibilities with all stakeholders, reflecting corporate culture, social environmental efforts, and the set of conduct standards, both for own and outsourced employees, and for production chain companies.

It is worth highlighting that the approval of the Code and its updates is under the direct responsibility of the Board, being informed through several channels, i.e. email, banners, announcements at company headquarters, and above all, through qualification efforts throughout the organization.



Ethical Line

Should there be any breach or violation of the Code of Conduct and other company policies that cause or might cause ethical conflicts both to Nexa and to all employees and outsourced personnel, we count on a transparent and impartial channel that ensures confidentiality of information and preserves the identity of people involved, enabling any deviation associated to the Code to be duly reported.

The Conduct Committee is an executive committee whose members include Nexa CEO and the personnel responsible for Compliance, Legal and Human Resources departments, amongst others, as required. Should the situation reported involve any member of the high management body, the Conduct Committee will take the case up to the Audit Committee and the whole Board, so as to ensure the process is independent all the time.

In 2018, we attended to 41 cases, including consultation and reports, which have been dealt with as per the process mentioned hereinbefore.

How does Ethics Point work?

Reporting can be made, or questions can be asked online through the Ethics Point, available in English, Spanish and Portuguese.

• Telephone:
Peru: 0-800-50-000 (in Spanish) / 0-800-50-288

• Website: <https://secure.ethicspoint.com/domain/media/es/gui/50993/index.html>

Our Stakeholders

The identification of our stakeholders directly depends on the interaction between them and the various departments of the organization, thus determining in a specific way the frequency, relevance and dependence of this relationship with said groups. [\(GRI 102-42, GRI 102-43\)](#)



Our Stakeholders [\(GRI 102-40\)](#)

Stakeholders	Stakeholder Subgroups
Shareholders Shareholders with voting rights and shareholders without voting rights	<ul style="list-style-type: none"> Nexa Resources Cajamarquilla S.A. Other shareholders
Employees Workers (employees, professionals, workers, young qualification agreements, and personnel hired by service providers).	<ul style="list-style-type: none"> Own employees Union leaders Outsourced contractors Practitioners
Clients Companies purchasing mineral concentrates.	<ul style="list-style-type: none"> Long-term clients
Long-term clients Goods and services suppliers/providers, seaborne and land transportation companies, and contractors.	<ul style="list-style-type: none"> Goods and services Seaborne transportation Land transportation Brokerage personnel
Community Communities within the area of influence of mining operations and greenfield projects.	<ul style="list-style-type: none"> Pasco: communities close to El Porvenir Mining Unit and Atacocha Mining Unit Ica: communities close to Cerro Lindo Mining Unit Junín, Áncash, Huancavelica and Amazonas; communities close to Nexa Peru greenfield projects
Environment Surrounding area where mining operations are performed, including interactions with the physical environment and living beings (here included institutions and organizations associated to environmental performance).	<ul style="list-style-type: none"> National authorities Regional and local authorities Communities Environmental and organizational committees, NGOs, amongst others
Government and society Regulators and inspection agencies fulfilling their duties, i.e. legal regulation, tax and duty collection, and civil society.	<ul style="list-style-type: none"> Regulators and inspection agencies Provincial and district municipalities Regional government Civil associations Press

Guilds and Associations

We seek to strengthen our relationship with institutions [\(GRI 102-12\)](#) and associations linked to the mining industry at a domestic level [\(GRI 102-13\)](#), as well as with several civil society organizations:

- Canada Peru Chamber of Commerce (CCCP)
- National Confederation of Private Corporate Institutions (CONFIEP), through the Businessmen for Education Association

- Dialogue, Mining and Sustainable Development Group (GDMDS)
- Peruvian Mining Engineers Institute (IIMP)
- International Zinc Association (IZA)
- Peru 2021
- Responsible Peru Program (National Program for Fostering Corporate Social Responsibility)
- National Mining, Oil and Energy Society (SNMPE)



Mining Operations and Brownfields

Best processes to ensure excellence

Location of Our Main Operations and Projects



- Mining Units**
 - 1 Atacocha
 - 2 El Porvenir
 - 3 Cerro Lindo
- Polymetallic Projects**
 - 1 Shalipayco
 - 2 Hilarión
 - 3 Florida Canyon
 - 4 Aripuaná
- Copper Projects**
 - 1 Magistral
 - 2 Pukaqaqa

Nexa Peru currently holds 3 Mining Units: Cerro Lindo Mining Unit, El Porvenir Mining Unit and Atacocha Mining Unit, with the latter two forming the Pasco Mining Complex. Cerro Lindo Mining Unit is among the 12 largest underground zinc mines in the world. This Document reports the performance of Cerro Lindo, El Porvenir and Atacocha Mining Units.

Cerro Lindo Mining Unit

Key information

Location	Chavín District Chincha Province Ica Department
Altitude	1,820 masl
Output	Zinc, copper and lead concentrates with silver and gold content
Production Process	Underground mine with mineral flotation at concentration plant
Beneficiation Capacity	21,000 tpd ⁽¹⁾
Major features	Peruvian polymetallic underground operation with high-scale beneficiation capacity. Pioneering mine site in the application of seawater in its operations and dry tailings disposal.

⁽¹⁾ Cerro Lindo Mining Unit has authorized beneficiation capacity of 20,000 tpd, but Peruvian laws allow for a maximum additional beneficiation capacity of 5% of authorized capacity.

Throughout 2018, we kept generating continuous improvement plans at Cerro Lindo Mining Unit aiming at increasing zinc, copper and lead recovery through concentration. Additionally, we have implemented several modifications to our operational processes aiming at optimizing our performance, i.e. integration of concentration plant distributed control system (DCS), which centralizes remote control system management to cut down on operational labor required, and online monitoring of the various process stages.

Desalination Plant

From its outset, the desalination plant has been quite relevant to preserve water resources at Cerro Lindo Mining Unit. Currently, water used for operations comes from the sea and goes through a desalination process, being then forwarded to major production processes. Desalination plant

capacity is 36 L/s, with new water being obtained through an inverted osmosis system, and then pumped out to the Mining Unit. This means to say that no freshwater from the Topará River watershed is used, whose flow rate is quite low.

In 2018, plant filters were changed to improve the seawater quality at pre-treatment. Moreover, pipeline replacement project was also started out, from desalination plant to Cerro Lindo Mining Unit, so as to provide for higher supply capacity and higher system reliability.

Fines production

As zinc equivalent, 245,500 tons were produced during the year, a 14% decrease, especially due to lower zinc, copper and lead grades, as well as less mineral beneficiation at the plant due to safety and development works within the mine. It is worth noting that efforts in 2018 were focused on

developing pits and galleries, which ended up bringing about the largest yearly development in the history of Cerro Lindo (33.5km), as well as the optimization of inner mine structure, so as to ensure safety standards.

During such period, cash cost ROM has gone up to US\$/t 33.64, (16% higher than 2017), especially due to better preparation and developments within the mine, which have brought about the largest development in the history of Cerro Lindo, 33,500 m, against 28,500 m in 2017.

In addition to that, sustaining efforts have been increased so as to ensure operational safety standards. Also, we kept working on cost cutdown initiatives aiming at process automation, identification of potential synergies with contractors, and higher mine productivity.

Cerro Lindo Mining Unit: Major Indicators

Major indicators	Variable	Unit	Indicator 2018	Var 2018 vs. 2017 (%)
Zn Equivalent production		thousand t	245.5	-14%
Fines production	Zinc	fmt	130,349	-16%
	Copper	fmt	38,338	-12%
	Lead	fmt	12,761	-14%
Silver content		ounces	3,343,545	-6%
Cash cost ROM		US\$/t	33.6	+16%

⁽¹⁾ This Report applies cash cost ROM (Run of Mine) methodology, in which operational cost is assessed by ton of processed mineral (total cost is divided by total processed mineral to determine the cost of 1 ton of processed mineral).

Mine Exploration, Reserves and Resources

In 2018, 57,329 m of diamond drilling were performed, still focused on deepening ore bodies OB3-4, OB6 and OB9 within the mine, and Orcocobre on

the surface. For the same period, 41,353 m of diamond drilling were performed for better certainty and to reclassify mineral resources (infill program), with development of OB9 on levels 1800 and 1820 for later mining activities.

Reserve and Resource Inventory

Below we summarize the reserves and resources inventory for Cerro Lindo Mining Unit, dated December 31, 2018:

Exploitation

In 2018, mine production was focused on ore bodies OB1, OB6A and OB5B, with contribution of 22%, 20%, and 13%, respectively.

As for backfill, the waste rock type is under consolidation for tertiary pits through lab and pilot tests with cemented rockfill. Meanwhile, in terms of ventilation, a coverage of 116% has been obtained, thus ensuring continuous mining operations in deepening zones.

Investments and Projects

In 2018, US\$12.4 million were invested in engineering development projects at Cerro Lindo Mining Unit. Amongst the major projects developed during the year is the new waste disposal deposit Pahuaypita with a completion status of 59%, giving place for the beginning of the next phase, the construction of the drainage system. Additionally, the replacement of the seawater pipeline from the desalination plant to the mine has achieved a

Cerro Lindo Mining Unit: Reserve and Resource Inventory

Reserves	Million tons (Mt)	Date: Dec 31, 2018			
		Zn (%)	Pb (%)	Cu (%)	Ag (g/t)
Cut Off (NSR): SLOS @31.56 US\$/t and C&F @40.28US\$/t					
Proven Reserves	34.48	1.85	0.21	0.65	21.2
Probable Reserves	14.61	1.53	0.17	0.71	20.8
Total reserves	49.09	1.75	0.20	0.67	21.1

Resources	Million tons (Mt)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)
Measure resources	1.69	2.14	0.29	0.75	28.1
Indicated resources	2.06	1.48	0.20	0.61	23.7
Subtotal Resources	3.75	1.78	0.24	0.67	25.7
Inferred resources	9.33	1.65	0.23	0.60	23.4

Source: Independent Technical Report NI 43-101 prepared by Nexa Resources on December 31, 2018, according to Nexa Resources S.A. Annual Report (20F) in 2019, as per CIM 2014 Definition Standards.

36% development, after all construction materials were received and transported to the installation site.

Pasco Mining Complex

Throughout the year, the operational integration process in Pasco Units proceed as scheduled. Underground mine sites have been integrated, and the path forward is the integration of operations towards synergies in concentrate production. It is worth noting that preparation and development efforts associated to the underground integration between El Porvenir and Atacocha represented an investment of as much as US\$5.7 million.

El Porvenir Mining Unit

Regarding operational management, sub level stoping implementation has been started out, as well as investigations for mine supporting plan optimization so as to cut down on costs.

In 2018, the accident reduction plan implemented in 2017 continued. Our operations have given special priority to cutting down on accidents at the workplace, as well as to mine activity stabilization, plant activities stabilization, and contract integration for cost reduction.

Fines production

As for Zinc Equivalent, 89.7 thousand tons were produced in 2018, which stands for an increase of 20% when compared to the 74.9 thousand tons produced in 2017, due to higher mineral beneficiation, and higher zinc and lead production associated to higher mineral beneficiation and higher zinc grades.

Increased lead concentrate production generates, by its turn, higher silver and gold content. Higher mineral beneficiation is explained by lower than normal mineral beneficiation in 2017, due to regularization of sustaining works performed during the previous year.

Cash cost ROM was US\$/t 54.2, which is 1% lower than what was obtained in 2017 (US\$/t 54.7).

The higher mineral beneficiation (2.1 Mt vs. 1.8 Mt) has offset higher preparation and development, and sustaining costs throughout the year.

Mine Exploration, Reserves and Resources

In 2018, in terms of strategic exploration activities in El Porvenir, 59,074 m of diamond drilling were performed for exploration and extension of Carmen Norte and Éxito orebodies, as well as to define new mineralization areas in the integration zone between El Porvenir and Atacocha.

Moreover, the existence and continuity of Porvenir 25 orebody has been defined, as well as its connection with Don Ernesto orebody. During the same period, 36,522 m of diamond drilling were performed to increase the certainty and reclassify mineral resources (infill program).

Reserve and Resource Inventory

Below we summarize the reserves and resources inventory for El Porvenir Mining Unit, dated December 31, 2018:

UM El Porvenir: Key information

Location	San Francisco de Asís de Yarusyacán District Pasco Province Pasco Department
Altitude	4,100 masl
Production	Zinc, copper and lead concentrates with gold and silver content
Production process	Underground mine with mineral flotation at concentration plant
Beneficiation capacity	6,500 tpd
Major features	Deepest underground polymetallic mine in Peru, with one of the deepest shafts and ore hoisting systems in South America.

Exploitation

In 2018, exploitation activities in El Porvenir mainly focused on the intermediate zone, considering the integration zone between El Porvenir and Atacocha. Thus, approximately 15,000 m development within the mine has been performed to ensure the production plan of the Unit.

Since Shaft Winze deepening project is still under the assessment phase, the preparation of new mineralized areas has been prioritized, so as to ensure the production plan established early in the year and to commence the corresponding plan for 2019.

Investments and Projects

In 2018, US\$8.2 million were invested in engineering development projects in the El Porvenir unit. Amongst the major projects are the preparation and development efforts associated to the underground integration between El Porvenir and Atacocha, as well as tailings dam raises to levels 4060 and 4064, achieving a 29% progress to the latter.

El Porvenir Mining Unit: Major Indicators

Major Indicators	Variable	Unit	Indicator 2018	Var 2018 vs. 2017 (%)
Zn Equivalent Production		thousand t	89.7	20%
Fines production	Zinc	fmt	57,872	25%
	Copper	fmt	567	15%
	Lead	fmt	16,641	12%
Silver content		ounces	2,533,799	7%
Cash cost ROM		US\$/t	54.2	-1%

El Porvenir Mining Unit: Reserve and Resource Inventory

Date: Dec 31, 2018 Cut Off (NSR): SLS @48.38 US\$/t and C&F @56.15 US\$/t					
Reserve	Million tons (Mt)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)
Proven reserves	9.28	3.54	0.97	0.20	58.6
Probable reserves	8.20	3.92	0.89	0.22	49.9
Total reserves	17.49	3.72	0.93	0.21	54.5

Resources	Million tons (Mt)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)
Measured resources	2.46	2.77	1.02	0.16	68.1
Indicated resources	2.52	2.87	0.99	0.18	55.8
Subtotal resources	4.98	2.82	1.00	0.17	61.9
Inferred resources	7.56	3.90	0.89	0.23	57.8

Source: Independent Technical Report NI 43-101 prepared by Roscoe Postle Associates on December 31, 2018, according to Nexa Resources S.A. Annual Report (20F) in 2019, with application of CIM 2014 Definition Standards.

Atacocha Mining Unit

Key information

Location	San Francisco de Asís de Yarusyacán District Pasco Province Pasco Department
Altitude	4,000 masl
Production	Zinc, copper and lead concentrates with gold and silver content
Production process	Underground mine with mineral flotation at concentration plant
Treatment capacity	4,500 tpd
Major features	Under operational integration process with El Porvenir Mining Unit

In 2018, the number of accidents has been significantly cut down on due to the development of a new safety plan. We were able to change from the cut and fill method to the sub level stoping one and, aiming at reducing cost, we completed an optimization study of the underground mine supporting plan.

On the other hand, concentration plant production has been stabilized to 4,500 tpd, through the optimization of the primary infrastructure in conveyor belts, crushers and concentration plant.

Additionally, in 2018, the Atacocha Environmental Impact Assessment has been changed and now considers the exploitation of San Gerardo Open Pit, with operational permits being procured for.

Fines production

In 2018, in terms of Zinc Equivalent, 45.3 thousand tons were produced, a 4% decrease against 2017 production, due to lower lead and gold head grades, and to the lower lead concentrate production, which results in lower byproduct contents.

Cash cost ROM 2018 reached US\$/t 44.0, a 3% increase against 2017, associated to higher costs of supporting and auxiliary services in the Unit.

Mine Exploration, Reserves and Resources

As for exploration activities in Atacocha, 52,696 m of diamond drilling were performed in 2018, so as to extend orebodies and define new areas such as underground San Gerardo and the integration zone between Atacocha and El Porvenir. During the same period, 39,299 m of

Atacocha Mining Unit: Major Indicators

Major Indicators	Variable	Unit	Indicator 2018	Var 2018 vs. 2017 (%)
Zn Equivalent production		Thousand t	45.3	-4%
Fines production	Zinc	fmt	17,324	2%
	Copper	fmt	125	25%
	Lead	fmt	15,595	-2%
Silver content		ounces	1,678,918	0%
Gold content		ounces	15,431	-23%
Cash cost ROM		US\$/t	44.0	3%

Atacocha Mining Unit: Reserve and Resource Inventory – Underground Mine

Date: Dec 31, 2018 Cut Off (NSR): SLS @61.99 US\$/t and CAF @71.13 US\$/t					
Reserves	Million tons (Mt)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)
Proven reserves	1.63	3.49	2.14	0.20	94.8
Probable reserves	2.16	4.52	1.38	0.30	69.4
Total reserves	3.79	4.08	1.71	0.26	80.3

Resources	Million tons (Mt)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)
Measured resources	0.69	3.25	1.28	0.26	64.1
Indicated resources	1.53	3.61	1.07	0.30	63.8
Subtotal resources	2.22	3.50	1.14	0.29	63.9
Inferred resources	4.95	3.46	1.52	0.35	102.7

Source: Independent Technical Report NI 43-101 prepared by Roscoe Postle Associates on December 31, 2018, according to Nexa Resources S.A. Annual Report (20F) in 2019, with application of CIM 2014 Definition Standards.

Atacocha Mining Unit: Resource and Reserve Inventory – Open Pit

Date: Dec 31, 2018 Cut Off (NSR): 17.97 US\$/t						
Reserves	Million tons (Mt)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (g/t)
Proven reserves	3.10	0.96	0.99	0.03	33.0	0.22
Probable reserves	2.93	0.92	1.06	0.03	32.7	0.21
Total reserves	6.03	0.94	1.02	0.03	32.8	0.22

Resources	Million tons (Mt)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (g/t)
Measured resources	1.47	1.47	0.88	0.05	30.1	0.22
Indicated resources	2.27	1.13	0.87	0.05	29.3	0.23
Subtotal resources	3.74	1.26	0.88	0.05	29.6	0.23
Inferred resources	0.80	1.08	0.93	0.03	31.4	0.50

Source: Independent Technical Report NI 43-101 prepared by Roscoe Postle Associates on December 31, 2018, according to Nexa Resources S.A. Annual Report (20F) in 2019, with application of CIM 2014 Definition Standards.

diamond drilling were performed, focused on incrementing the certainty and reclassifying mineral resources (infill program).

Reserve and Resource Inventory

Below we summarize the reserves and resources inventory for Atacocha Mining Unit, dated December 31, 2018, both for the Underground Mine and Open Pit San Gerardo.

Exploitation

Exploitation operations focused on completing the tunnel for underground integration between Atacocha and El Porvenir mines, so as to carry out developments within the mine to

find mineralization in the "Intermediate Zone" for mining activities later on.

Investments and Projects

In 2018, US\$5.3 million were invested in engineering development projects in Atacocha Unit, amongst those the underground integration efforts with El Porvenir Unit, and the development of a new waste disposal deposit to provide continuity for the San Gerardo Open Pit.





Greenfield Projects and Exploration

Explorations for sustainable growth

Polymetallic Projects

We have focused on implementing new drilling systems to allow for the continuity of projects and obtain environmental permit approval for requiring projects.

In order to generate value for our various stakeholders, we have based our operations on the development of greenfield polymetallic and copper projects.

In 2018, we have focused on confirming the financial feasibility of projects, amending Environmental Impact Assessments for exploration activities, starting out prefeasibility studies, and updating hydrogeologic, geotechnical and seismic risk studies. We have also performed drilling activities for metallurgical purposes and laboratory tests with the samples obtained from such activities.

Currently, we hold a portfolio of 889 mining grants in Peru, whose extension is 393,688 ha. Additionally, 178 mining requests are under procurement.

In Aripuanã, after receiving the preliminary environmental permit in April 2018, and completing the feasibility study and the technical report of resources in October, Nexa was granted the construction permit in December 2018. With this, project construction is to be commenced. During this period, the exploration program focused on four strategic objectives: (i) assessing Babaçu orebody extension and classifying part of it as inferred; (ii) developing the geological model after a structural revision; (iii) performing in-depth investigations of the extensions and reassessing the model; and (iv) performing in-depth investigation of the Ambrex/Link orebody. As for diamond drilling, 12,292 m were performed in 2018.

Aripuanã Project:

Key information

Location	State of Mato Grosso Brazil
Major features	Located on a VMS mineralization lineament (similar to Cerro Lindo). Comprising 25 grants with 82,808 ha. Nexa Peru holds a 7.7% share in Aripuanã Project

Aripuanã Project – Resource and Reserve Inventory

Date: July 31, 2018 Cutoff (NSR): 40 US\$/t						
Reserves	Million tons (Mt)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (g/t)
Proven reserves	11.80	3.80	1.40	0.30	35.3	0.30
Probable reserves	14.38	3.70	1.30	0.20	33.5	0.30
Total reserves	26.18	3.75	1.35	0.25	34.3	0.30

Resources	Million tons (Mt)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Ag (g/t)
Measured resources	1.80	2.48	0.84	0.51	24.3	0.52
Indicated resources	3.90	2.14	0.67	0.30	17.5	0.48
Subtotal resources	5.70	2.25	0.72	0.37	19.7	0.49
Inferred resources	23.10	3.79	1.46	0.48	37.0	0.93

Source: Independent Technical Report NI 43-101 prepared by Roscoe Postle Associates, dated July 31, 2018, according to Nexa Resources S.A. Annual Report (20F) in 2019, with application of CIM 2014 Definition Standards.

Hilarión & El Padrino Project:

Key information

Location	Aquia and Huallanca districts Bolognesi Province Ancash Department
Major features	Evidences of Zn-Pb-Ag orebodies. Comprising 53 grants in an extension of 12,175 ha. Including Hilarión deposit; El Padrino, Chaupijanca and San Martín prospects; and Puntahuay and Solitajanca anomalies

In 2018, the exploration program has confirmed orebody continuity within the North zone of Hilarión. During such period, 6,724 m of diamond drilling were performed. Also, we performed a drilling program with application of DeviDrill (directional core drilling). We have managed to confirm the continuity of the orebodies known as Hilarión up to the North zone, besides increasing the potential with 6,700 m of diamond drilling out of the 10,000 m scheduled.

Hilarión & El Padrino Project – Resource inventory

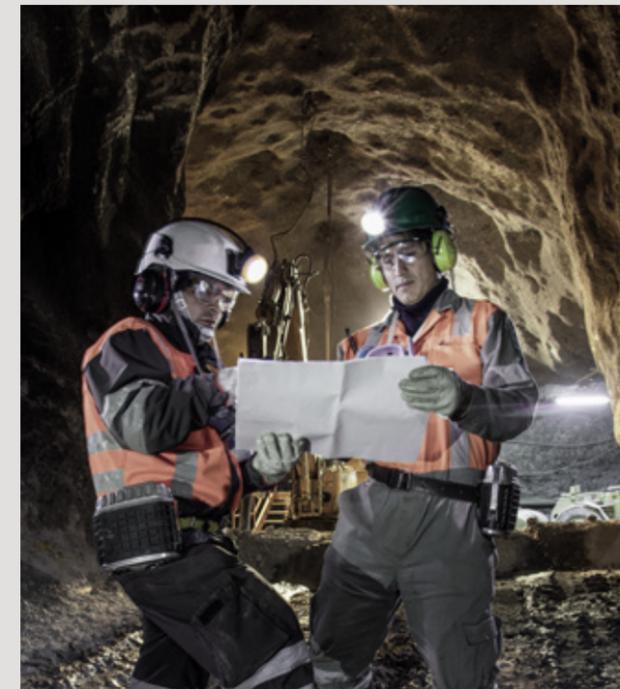
Date: July 31, 2017 Cutoff (NSR) Hilarión: 31US\$/t El Padrino: 50US\$/t				
Category	Million Tons (Mt)	Zn (%)	Pb (%)	Ag (g/t)
Measured resources	27.40	3.71	0.79	35.6
Indicated resources	42.00	3.85	0.65	28.5
Subtotal Resources	69.40	3.79	0.71	31.3
Inferred resources	37.50	3.73	0.65	29.8

Source: Independent Technical Report NI 43-101 prepared by Roscoe Postle Associates, dated July 31, 2017, as per what was published in Nexa Resources S.A (20F) Annual Report in 2018, with application of CIM 2014 Definition Standards.

Florida Canyon Project:

Key information

Location	Florida and Yambrasbamba districts Bongará Province Amazonas Department
Major features	Evidences of VMT polymetallic mineralization. Comprising 16 mining properties within a 12,600-ha area



Located in Amazonas, Florida Canyon Project is expected to have an average annual production of 61.3 thousand tons of zinc, 6.2 thousand tons of lead, and 173.8 thousand ounces of silver. The project is an association between Nexa Peru (61%) and Solitario Zinc Corp. (39%), with Nexa Peru taking over the administration. Furthermore, four drillholes have been completed totaling 2,203 m (out of a total of 17,000 linear meters along 41 strategic drillholes to find mineralization).

On the other hand, we have been granted the environmental permit for the fourth revision of the semi-detailed Environmental Impact Study (EIASd) and the agreement with Shipasbamba rural community for a 3-year period.

Florida Canyon Project – Resource inventory

Date: July 13, 2017 Cutoff: 2.8% RecZnEq (recovered zinc equivalent)				
Category	Million Tons (Mt)	Zn (%)	Pb (%)	Ag (g/t)
Measured resources	1.29	13.13	1.66	19.4
Indicated resources	1.97	11.59	1.45	17.9
Subtotal Resources	3.26	12.20	1.53	18.5
Inferred resources	8.84	10.15	1.05	13.2

Source: Independent Technical Report NI 43-101 prepared by Nexa Resources, dated July 13, 2017, according to Nexa Resources S.A. (20 F) in 2018, with application of CIM 2014 Definition Standards.

Shalipayco Project:

Key information

Location	CarhuaMay District Junín Province Junín Department
Major features	Within the limestone rocks of Pucará Group, with evidence of VMT deposit. Comprising 43 mining grants encompassing 20,999 ha.

In 2018, we completed the conceptual study assessing the Shalipayco processing plant, as well as the El Porvenir Mining Unit processing plant. Furthermore, we progressed with the revision of the current exploration Environmental Impact Study. Also, we have developed a scoping study (FEL 1), and received the approval by the Board for the development of a prefeasibility study (FEL 2).

Lastly, we have decided to perform additional drillholes within the mine to increase the certainty of mineral resources.

Shalipayco Project – Resource inventory

Date: December 31, 2018 Cutoff (NSR): 45 US\$/t				
Category	Million Tons (Mt)	Zn (%)	Pb (%)	Ag (g/t)
Measured resources	3.78	4.18	0.46	28.9
Indicated resources	5.69	4.61	0.50	32.6
Subtotal Resources	9.47	4.44	0.48	31.1
Inferred resources	32.38	4.13	0.47	31.1

Source: Independent Technical Report NI 43-101 prepared by Nexa Resources, dated December 31, 2018, according to Nexa Resources S.A. (20 F) in 2019, with application of CIM 2014 Definition Standards.

Copper Projects

Our major objective was the commencement of prefeasibility studies and the continuity of the ones already started.

Pukaqaqa Project:

In 2018, the prefeasibility study was commenced and completed with a drilling program. Different prefeasibility studies are under progress to identify the best engineering alternative for such project.

Magistral Project:

Our work plan has been based on the project scoping study (FEL 1). Also, prefeasibility studies were assessed by Ausenco, including the potential development of an underground mine, which was approved both by the Board and by the government in 2018.

Pukaqaqa Project – Resource inventory

Date: July 31, 2017 Cutoff: 0.2% Cu		
Category	Million Tons (Mt)	Cu (%)
Measured resources	107.30	0.43
Indicated resources	201.70	0.39
Subtotal Resources	309.00	0.41
Inferred resources	40.10	0.34

Source: Independent Technical Report NI 43-101 prepared by Roscoe Postle Associates, dated July 31, 2017, according to Nexa Resources S.A. (20 F) in 2018, with application of CIM 2014 Definition Standards.

Magistral Project – Resource inventory

Date: June 30, 2017 Cutoff: 0.2% Cu			
Category	Million Tons (Mt)	Cu (%)	Ag (g/t)
Measured resources	84.24	0.56	3.0
Indicated resources	121.08	0.50	3.0
Subtotal Resources	205.32	0.52	3.0
Inferred resources	50.57	0.43	2.6

Source: Independent Technical Report NI 43-101 prepared by Roscoe Postle Associates, dated June 30, 2017, according to Nexa Resources S.A. (20 F) in 2018, with application of CIM 2014 Definition Standards.

Mineral Exploration

Our mineral exploration activities in 2018 mainly focused on the Guadalupe prospect. During the year, Camino, Sanqui and Esperanza anomalies were assessed, and a total of 1635 linear meters were drilled to identify potential mineralization zones.



Sustainable Development of our Operations

Sustainability as a
development pillar

Our management is focused on application of our Corporate Policy, compliance with legal, social and environmental standards in force, and daily practice of high standards. This allows us to keep trust relationships with our stakeholders and promote socioenvironmental sustainability. For the seventh consecutive year, the Company has been awarded the “Socially Responsible Company” badge, in acknowledgment of our organizational policies and practices. The award has been given us by Peru 2021 organization and by the Mexican Philanthropy Center (Cemefi). The evaluation in 2018 was based on three key pillars: Organizational Culture, Development of Surrounding Communities, and Risk and Impact Management. The award aims at reinforcing the relevance of corporate social responsibility in the culture of organizations.

Environment

Environmental Management System

Our operational excellence approach focuses on environmental care and protection, as well as management of impacts brought about by our operations. We count on an Environmental Management System (SGA) focused on guiding all our activities and developing good practices. Furthermore, we incorporate a management approach towards risks and environmental impact lifecycle [\(GRI 102-11\)](#).

All our units are ISO 14001 certified and, due to this fact, comply with globally acknowledged compliance standards that support us to achieve our objectives. On an annual basis, all our units undergo an assessment of their compliance with environmental laws and commitments, conducted by an external company. In turn, every other year, the Environmental Management System of the units undergoes an internal audit and an annual self-evaluation is performed to identify potential opportunities for improvement.

Critical Environmental Risks

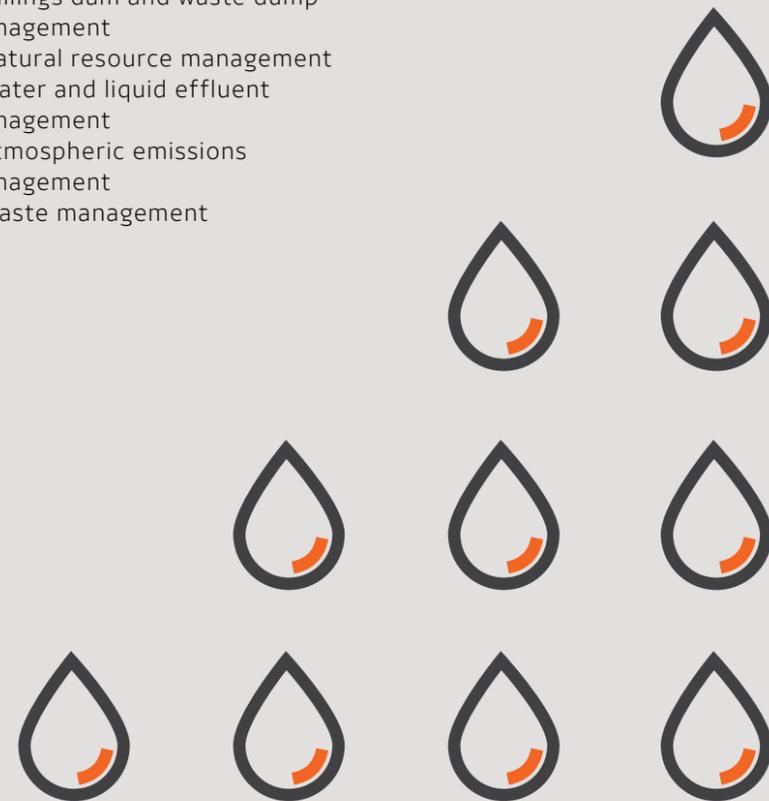
With the aid of the SGA, critical environmental risks (RCA) of the operations have been identified and consolidated through the implementation of profile matrixes for each RCA. We then put together action plans for each risk identified. In 2018, we progressed with fulfilling the established action plans.

The RCA we worked on include:

- Health, Safety and Environment Management in CAPEX
- Hazardous product transportation and response to emergencies
- Closure plan management / Contaminated areas management
- Ecosystem services management
- Tailings dam and waste dump management
- Natural resource management
- Water and liquid effluent management
- Atmospheric emissions management
- Waste management

Environmental Permits

During this period, we continued managing the environmental permits required for the development of our operations. Some of the most relevant permits obtained include the environmental permit for expansion of the concentration plant to 22.5 thousand tons in Cerro Lindo, the construction permit for Pahuaypita waste disposal deposit in Cerro Lindo, and the environmental permit for expansion of the concentration plant to 5.0 thousand tons in Atacocha.



Environmental investments and expenditure in 2018

Mining unit	Environmental investments (US\$)	Environmental expenditure (US\$)	Total (US\$)
	2018	2018	2018
Cerro Lindo Mining Unit	984,704	2,182,647	3,167,351
El Porvenir Mining Unit	500,000	1,630,000	2,130,000
Atacocha Mining Unit	2,461,320	1,398,996	3,860,316
Total	3,946,024	5,211,643	9,157,667



Water

One of our material topics and fundamental elements, both for our operations and for our planet sustainability, is water resources. That is why we seek to cut down on consumption by maximizing industrial water reuse and increasing the efficiency of our production processes.

In Cerro Lindo, for instance, all the water used comes from the sea, or from recirculation, which achieves levels of up to 90% of the water used. Despite the fact of being 2,200 m high, the unit makes use of seawater from its

desalination plant, which extracts salt through an inverted osmosis process and then pumps the water out for 60 km as far as the operations. Such pioneering initiative in Peru provides an important solution for the dry region of Cerro Lindo.

In 2018, water intake was as much as 17,144,995 m³, 8% less than the amount in 2017 (GRI 303-1). It is worth noting that after that date, we have established a corporate goal focused on reusing 75% of industrial water until 2025. Some of the initiatives taken towards this purpose

include the implementation of flowmeters at the water intake in Cerro Lindo, and the implementation of intake, output and internal process measurement systems at the Pasco Complex.

Effluents

Throughout 2018, we focused on preventing our operations from generating effluents. It is worth noting that in 2018, there were two effluents for which the receiving water body was Huallaga River for both cases. Corrective actions were taken to mitigate the impact generated by such situation.

Energy

In 2018, total energy consumption amounted to as much as 2,368,349 GJ (GRI 302-1). During such period, we focused on keeping operational controls and quantifying the information reported in the Environmental Performance Indicator (IDA) within corporate goals and objectives.

Emissions

In 2018, mobile source fuel consumption (diesel fuel) in our operations was 45,755 tons,

mostly due to larger development efforts within the mine in Cerro Lindo, which demanded higher energy and fuel consumption.

One of our major strategies to face climate change is to cut down on greenhouse gas emissions. For that purpose, in 2018 an approximately 200 m² greenhouse was built at El Porvenir Mining Unit, so that the plants within may absorb CO₂ and return it to the environment as innocuous gases (i.e. oxygen, nitrogen).

On the other hand, a monthly admission monitoring and measuring initiative has been implemented at Atacocha Mining Unit and surrounding communities, to ensure compliance with the scheduled goals. It is worth noting that our operations do not produce ozone depleting substances, nor NO_x or other significant emissions. (GRI 305-7)

Water Intake (GRI 303-1)

Water source type	Unit	Cerro Lindo Mining Unit	El Porvenir Mining Unit	Atacocha Mining Unit
		2018	2018	2018
Surface water ¹	m ³	3,245,261	4,939,963	455,650
Produced water	m ³	0	1,557,488	36,000
Underground water	m ³	448,543	425,590	5,355,615
Storm water and water directly stored by the organization	m ³	0	582,295	98,590
Total water intake	m³	3,693,804	7,505,336	5,945,855

⁽¹⁾ Including rivers, lakes and oceans.

Reused Water (GRI 303-3)

Category	Unit	Cerro Lindo Mining Unit	El Porvenir Mining Unit	Atacocha Mining Unit
		2018	2018	2018
Reused water	m ³	13,708,403	5,017,222	6,324,263
	%	90%	59%	51%

Effluents

Mining unit	Unit	Volume	Receiving water body	Treatment
		2018		
Cerro Lindo	Mega liters	2,125	Pacific Ocean	No treatment applied
El Porvenir	Mega liters	6,577	Huallaga River	Primary treatment
Atacocha	Mega liters	4,349	Huallaga River	Primary treatment

Energy Consumption in 2018 (GRI 302-1)

Description	Unit	Cerro Lindo Mining Unit	El Porvenir Mining Unit	Atacocha Mining Unit
		2018	2018	2018
Renewables				
Purchased electric energy	GJ	1,004,150	488,873	261,340
Non-renewables				
Diesel fuel and biodiesel	GJ	371,614	109,786	132,586
Total energy use	GJ	1,375,764	598,659	393,926

Emission Sources in 2018 (GRI 305-1)

Sources	Unit	Cerro Lindo Mining Unit	El Porvenir Mining Unit	Atacocha Mining Unit
		2018	2018	2018
Fuel consumption (mobile sources - diesel fuel)	t	27,253	8,779	9,723
SO _x emissions (significant atmospheric)	t	81	12	7
CO ₂ emissions (from electric energy acquisition)	t	62,759	30,555	16,334

Biodiversity

In 2018, we focused on cutting down on the quantity of areas disturbed or impacted by our operations. Thus, at Cerro Lindo, a 76% decrease was accomplished in total disturbed land when compared to 2017, while El Porvenir and Atacocha have kept in line with the previous year.

Waste

Waste management has been in line with approved environmental management instruments and the Environmental Management System - SGA [\(GRI 102-11\)](#).

In 2018, there were 5,466 tons of waste, both hazardous and nonhazardous, in line with what was

produced in 2017. It is worth highlighting that increased NEXA workforce has generated a larger quantity of organic waste. Nevertheless, Cerro Lindo and Atacocha mining units have carried out awareness raising campaigns on reuse and recycling, so as to foster appropriate solid waste segregation. For details on waste generated by operations in 2018, refer to Table 1 in Appendix A.

On the other hand, in what concerns mining waste treatment and disposal, the new Pahuaypita waste dump construction is under progress at Cerro Lindo Mining Unit, for better blasting waste disposal management. In 2018, no significant leakage has been observed in any operation [\(GRI 306-3\)](#).

Disturbed and Rehabilitated Land

Sources	Unidad	Cerro Lindo Mining Unit	El Porvenir Mining Unit	Atacocha Mining Unit
		2018	2018	2018
Total disturbed land not rehabilitated yet	ha	123	158	540
Total disturbed land during this Memorial period	ha	14	0	0
Total rehabilitated land during this Memorial period, considering final agreed use	ha	0	0	6

Waste Generated [\(GRI 306-2\)](#)

Mining unit	Unit	Hazardous waste	Nonhazardous waste
		2018	2018
Cerro Lindo	t	533	2,366
El Porvenir	t	222	1,855
Atacocha	t	81	410
Total	t	836	4,631

Local Development

We have been working on strengthening trust relationship with local stakeholders, by prioritizing our focus on social management and development of surrounding communities [\(GRI 102-11\)](#). For such purpose, we have fostered initiatives to strengthen local capacity, by implementing projects to enhance the quality of life of the population, thus ensuring mutual benefit value is generated as a differential factor.

With the implementation of such focus, none of the operations has recorded significant negative impacts in 2018 [\(GRI 413-2\)](#).

Participative Mechanisms

In 2018, we established various initiatives to ensure the engagement of communities in day-to-day activities, considering that such commitments are considered in the financial plan of each mining unit.

Social investment commitments are coordinated with the Directive Boards of communities. In 2018, at Cerro Lindo Mining Unit, focus was set on land ownership of Chavín rural community, establishment of a social contingency fund, and appropriate social investment in educational aspects, health services, occupational qualification, and environmental management of the watershed. At El Porvenir Mining Unit, management focus was set on

fund transference to San Juan de Milpo, job generation and public services payment (especially electric lighting), as well as construction of houses and community gathering places, community road maintenance, and educational support to youngsters. And at Atacocha Mining Unit, management commitments correspond to elderly support initiatives, improvement of major access roads and water management, as well as job generation and production development.

Additionally, as part of our relationship and compliance with Citizen Participation Mechanisms set up by the Ministry of Energy and Mines (MEM), we have performed quarterly water and air quality participative monitoring.

Participative Monitoring

Mining unit	Description
Cerro Lindo Mining Unit	Water quality: Yanapampa, Maluchaca, Cajamarquilla
	Air quality: Yanapampa and Chipipata
	Quarterly participative monitoring has been carried out, as well as four sessions of dissemination of results, and sample collection fieldwork for analysis, in which Chavín, Topara and the Company have taken part.
El Porvenir Mining Unit	Bimonthly participative seawater monitoring has been carried out, as well as six sessions of dissemination of results, and sample collection fieldwork, in which the fisherman's association company the Company and authorities have taken part.
	Participative monitoring was carried out in February, May, August and November.
	For water quality, monitoring stations were: 5amm and 6 mm. the values obtained for physical and inorganic parameters have satisfactorily complied with Environmental Quality Standards defined by D.S. N°004-2017-MINAM.
Atacocha Mining Unit	For air quality, monitoring stations were: DQ (Pozas La Quinoa) and PS (Portón Socorro). Both have reported concentrations of gases (SO2, NO2, H2S, CO, O3), PM-10, Lead and Arsenic in PM-10 and PM-2.5 filters lower than their respective Environmental Quality Standards defined in national standards.
	Participative monitoring was carried out in February, May, August and November.
	For water quality, monitoring stations were: EHA-01, EHA-02 and EHA-03. Values obtained for physical and inorganic parameters have satisfactorily complied with Environmental Quality Standards established by D.S. N°004-2017-MINAM.
Atacocha Mining Unit	For air quality, monitoring stations were: E-02 PAMA and Plaza Yanapampa. Both have reported concentrations of gases (SO2, NO2, H2S, CO, O3), PM-10, Lead and Arsenic in PM-10 and PM-2.5 filters lower than their respective Environmental Quality Standards defined in national standards.

Environmental Education

At Cerro Lindo Mining Unit and at Pasco Mining Complex, we hold an Environmental Education Program (PEA). In 2018, qualification programs and workshops were held on environmental awareness raising for children from San Juan de Milpo and Manuel Escorza-La Quinoa schools. Moreover, the campaign "Sin contaminación por plásticos, mi responsabilidad" (No plastic contamination, my responsibility) was held with exchange of plastic bottles for school material.

Claim and Complaint Response

At Nexa Peru, we have established a Claim and Complaint Response Procedure, whose objective is to consolidate an easy-flow communication channel with local stakeholders.

In 2018, 200 cases were recorded, out of which 5 were congratulations, 126 requests, 8 complaints, 47 claims, 10 information requests, and 4 suggestions. By the end of the year, 30 cases were still recorded, with response still under progress. Out of the 200 cases attended to, 10% were related to environmental issues, 2% to project status, 12% to job applications, 7% to fulfillment of commitments, and the remaining 69% to various other issues.

Social Investment

In 2018, we invested over 17.9 million Peruvian Soles in social programs for the communities within our area of influence, for value generation, with funds solely coming from the company. Out of such amount, 10.7 million Peruvian

Soles were for fulfillment of commitments (framework agreements, specific agreements, amongst others), while 7.1 million Peruvian Soles were considered as strategic investments [\(GRI 201-1\)](#).

Notwithstanding, the company's social investment includes other funding sources, e.g. resource leverage, tax-deductible works, conflict negotiation and management, which, along with other funds from the company, amount to a total of 33.2 million Peruvian Soles.

For social investment planning, we have talked to our local stakeholders, in order to identify their needs and expectations within the framework of our six program fronts for social investment distribution.

Program Fronts for Social Investment in 2018 [\(GRI 201-1, GRI 203-1\)](#)

Program Front	Description	Investment
Basic infrastructure for local development	Subsidiarily to the State, we have invested in the execution of public infrastructure works, an exercise of citizenship through public service provision.	S/ 12,031,309
Conflicts and Agreement Transfer Framework	We have put together favorable social conditions for company growth, as strategic allies to fostering local development and practicing high corporate social responsibility standards.	S/ 7,751,517
Negotiations	Negotiations with various stakeholders.	S/ 5,685,050
Economic development	We have funded and executed projects to strengthen economic activities within our area of influence based on a diversification, innovation and sustainability rationale. We have placed our bets on the economic empowerment of women.	S/ 4,402,976
Human development	We have contributed to the improvement of living conditions of the population within our area of influence, including educational, nourishment, and preventive health care initiatives.	S/ 2,429,312
Water management and adaption to climate change	We have prioritized and funded water intake, forestry and reforestation projects to allow for water efficiency and adaption to climate change.	S/ 872,224

For major social projects and investment programs carried out in 2018, refer to Appendix B.



Tax-Deductible Works

[\(GRI 201-1, GRI 203-1, GRI 203-2, GRI 413-1\)](#)

Tax-deductible works (Act No. 29230) stand for a contribution mechanism towards local development of our areas of influence. Through such mechanism, the execution of priority public projects may be sped up throughout the country.

In 2018, the amount invested in tax-deductible works was 7,729,885 Peruvian Soles, with the completion of the 4.78 km road stretch between Lulicocha and Huancamachay (Yarusyacán), for a total amount of 2,175,995 Peruvian Soles. In turn, significant progress has been made in terms of infrastructure, still under progress:

- **Improvement and expansion of the Integral Educational Service of I.E No. 22273 and I.E.No. 320 (Cerro Lindo Mining Unit):** Total amount of 1,667,531 Peruvian Soles, with 25% progress of works (school construction).

- **Improvement and expansion of vehicle and people trafficability on San Francisco Avenue, Sunampe (Cerro Lindo Mining Unit):** 29% progress.

- **Improvement of potable water and sewage service in the downtown area of San Luis village, El Carmen, Chincha (Cerro Lindo Mining Unit):** 28% progress.

- **Installation of water and sewage system in the downtown area of El Carmen village, Chincha (Cerro Lindo Mining Unit):** 26% progress.

- **Recovery of water regulation ecosystem services in the micro-watersheds of San Juan River, Chincha/Pisco – Ica (Cerro Lindo Mining Unit):** 31% progress.

- **Track and sidewalk construction for the downtown area of Condorillo Alto village – Chincha (Cerro Lindo Mining Unit):** 33% progress.

- **Improvement of track, sidewalks and grandstand of AAHH Los Próceres – Yanacancha (El Porvenir Mining Unit):** 61% progress.

Community Companies

We aim at encouraging the incorporation of the community in the value chain of our operations through a community company model. Our goal is to provide technical accompaniment to improve operational capabilities of economic activities of the population, aiming at diversification. We base such initiatives on a shared value and sustainability approach, adopting high standards to increase competitiveness in the marketplace.

The services offered by such companies comprise from equipment rental to development of civil works, earthworks and execution of environmental initiatives. To date, we have fostered the creation of a company at El Porvenir Mining Unit and 12 at Atacocha Mining Unit, which are monitored on a quarterly basis to measure management indicators and obtain work progress ratios.



Our People Management

Safety and talent management

Occupational Health & Safety

At Nexa, people have always been the most important asset. Over the last year, a particular focus was set on safety, especially at the mining units, due to the corporate integration with Brazil and the need to raise our safety levels to Nexa standard. Thus, we have been committed to our zero-accident goal.

Within the Peru and Brazil integration framework, 2018 has been a year with significant changes regarding Occupational Health and Safety. Throughout 2018, we developed and improved the Safety Plan in Peru, which is only 20% short of its total implementation. Such plan comprises eight pillars, 30 projects, 244 initiatives, having directly engaged 86 people.

Within such context, we have adapted existing risk standards, created an integration plan between Brazil and Peru, and contributed to the creation of a Third-party Management Program.

Strategic Pillars of the Safety Plan

N	Pillar
1	Qualification and awareness raising of the leadership
2	Strengthening of the occupational health and safety equipment structure
3	Implementation of the third-party management program
4	Improvement of welfare conditions of working regime at the units
5	Process standardization and enhancement of emergency plans at the mining units in Peru
6	Training and awareness raising of the teams
7	Synergy with Digital Mining actions, focused on safety
8	Industrial automation plan (PDAl) design



Major safety indicators

Following the fatalities we had in 2017, a Safety Plan has been implemented with the following objectives: eliminating fatal accidents; drastically cutting down on the number and severity of accidents; and enhancing the safety culture of operational units in the medium term. For this purpose, in 2018, we reinforced the infrastructure of all mining units, by applying measures such as shotcrete, cable bolting, amongst others.

As a consequence of these actions, a higher safety standard could be observed in 2018. We recorded 34 accidents involving Nexa own employees, but none of them with fatal consequences.

Furthermore, we hold as inadmissible the fatal accidents with outsourced personnel in our operations during the previous year. In order to address such situation, in 2018, we carried out a comprehensive revision, and our Board approved of a plan to prevent accidents and cut down on injury frequency and severity.

Some of these initiatives included in the plan comprise the development of leadership, training on preventive procedures for employees and outsourced personnel, as well as the implementation of the Digital Mining project and the Automation Plan for operations.

Evolution of Major Safety Indicators (GRI 403-2)

Year	TACSA ¹	TACA ²
2018	2.35	1.20

¹ Accidentability rate with or without lost workday (lost time).

² Accidentability rate with lost workday = frequency rate.

Based on 1,000,000 man-hours worked.

Health & Safety Committees

(GRI 403-4)

In compliance with the national legislation in force, 100% of workers are represented in Occupational Health and Safety Committees, which initially developed Nexa Peru Strategic Safety Plan.

Each Mining unit has a committee to ensure compliance with the Strategic Safety Plan. It is

presided by the General Manager of the unit, whose responsibility includes providing strategic guidance and promoting compliance at a management level, assigning fatality prevention responsibilities, discussing indicators with leaders in the meetings, and providing the resources required to solve the issues identified by the program.

Occupational Health

During the year, we focused on the identification and control of occupational risk agents aiming at preventing illnesses and disabling injuries brought about by occupational accidents or incidents. It is worth mentioning that we have paid special attention to backfill plant operators, who are highly exposed to free silica dust, which renders such position one of the riskiest ones.

Major Occupational Health Initiatives in 2018

Axis	Initiatives
Occupational hygiene	<ul style="list-style-type: none"> • Classification of similar exposure groups as per occupational risk agent. • Development of occupational chemical, physical and ergonomic agent monitoring, through risk classification on the Homogeneous Exposure Group matrix.
Ergonomics	<ul style="list-style-type: none"> • Performance of musculoskeletal evaluations. • Qualification on ergonomics. • Identification of job positions with ergonomic risk.
Vibration	<ul style="list-style-type: none"> • Performance of vibration monitoring at high risk workplaces. • Heavy machinery maintenance for vibration control.
Heat stress	<ul style="list-style-type: none"> • Provision of hydration points within the mine. • Performance of heat stress monitoring
Noise	<ul style="list-style-type: none"> • Performance of periodical heavy machinery maintenance. • Hearing PPE use mandatory. • Performance of noise monitoring (sonometry and dosimetry)

Major Initiatives for Positions with Higher Health Risks in 2018 (GRI 403-3)

Illnesses	Iniciativas
Hearing loss	<ul style="list-style-type: none"> • Qualification on hearing loss. • Application of annual audiometric controls of Threshold Shift Standard in the Medical Surveillance Program.
Pneumoconiosis	<ul style="list-style-type: none"> • Dissemination of how important it is to use respirators. • Annual medical evaluation, with follow-up of certain cases.
Lower back pain	<ul style="list-style-type: none"> • Mapping of higher risk workers according to their workplace. • Performance of vibration monitoring, with identification of the most critical cases.

Corporate Human Development

As part of our sustainable approach, we have become aware of how valuable human capital is for the achievement of the various goals established. That is why we have committed ourselves to leveraging our workforce, suppliers and contractors talents by means of ongoing qualification programs.

In 2018, we continued our restructuring and alignment processes with the corporate office in Brazil, which has resulted in a large number of changes in terms of Organizational Human Development. Within such period, Nexa Peru counted on 1,894 collaborators (GRI 102-7, GRI 102-8), both temporary (114) and permanent (1,780). Annual

turnover percentage was 10.23%, which stands for a 16% increase if compared to 2017. (GRI 401-1).

For further information on personnel turnover indicators and age groups, refer to Tables 6 to 10 of Appendix C.

People Development System (SDP)

In 2018, we jointly prioritized the strengthening of major SDP processes for leaders and professionals, by consolidating global committees.

During this year, a new version of our process came out, with our committee focusing on identifying the actions that will help our workforce in their development, and thereby, being able to assume new responsibilities within their areas.

Qualification

In 2018, the qualification program focused on the development of the Individual Development Plan (PDI), with each activity being discussed with the corresponding manager. Also, technical courses were maintained for gap filling, especially regarding software update, as well as new systems required for the integration with the head office. The methodology used for our development processes was the 70, 20, 10.

In 2018, priority was placed on Portuguese (to enhance the interaction with the Corporate Office) and English study, due to our interactions with foreign companies, lectures and international certifications.

Additionally, we continued with the “Cultivating Leaders” Program, with new topics of interest for our Managers focused on the development of their managing skills, as well as strategies and tools to support them in their

people management process. Program results have been reflecting in performance evaluations carried out to map out each leader’s progress.

Aligned to this, our latest climate survey has evidenced an increase of two points in the leadership dimension at Nexa level. Additionally, in our SDV management committees, we have assessed the people management competences of our leaders.

Total Number of Nexa Peru Employees (GRI 102-7, GRI 102-8)

Category	2017			2018		
	Temporary	Permanent	Total	Temporary	Permanent	Total
Corporate Office Employees	0	27	27	9	25	34
El Porvenir Mining Unit employees	0	11	11	2	15	17
Cerro Lindo Mining Unit employees	0	15	15	1	12	13
Corporate Office Employees	2	162	164	29	183	212
El Porvenir Mining Unit employees	142	18	160	28	196	224
Cerro Lindo Mining Unit employees	27	124	151	21	141	162
Atacocha Mining Unit employees	9	89	98	16	117	133
Chapi employees	0	12	12	0	1	1
El Porvenir Mining Unit operational workers	0	303	303	0	307	307
Cerro Lindo Mining Unit operational workers	13	451	464	7	455	462
Atacocha Mining Unit operational workers	0	322	322	1	328	329
Total workforce	193	1,534	1,727	114	1780	1894

Major Initiatives of People Development System in, per Component

Components	Reach
Development strategy	Development of three types of qualifications: (i) cross, for the whole workforce; (ii) specific, associated to an individual PDI, and (iii) technical, according to the operational requirement.
Retention strategy	For collaborators identified as blue box and/or box 5, with whom specific actions are developed, e.g. academic/qualification benefits.
Succession Plan Management	Identification of successors for all management positions at a global level, which allow us to see the different opportunities the so-called blue boxes have in all operations.

“Cultivando Nuestros Líderes” (Cultivating Our Leaders) Program in 2018

Level	Reach	Achievements
Leaders	Inspiring Leadership	A leader may inspire his/her team, but first he/she must know what his/her purpose is and what is expected from him/her as a manager.
	Conflict Management	Most appropriate solution strategies both for interpersonal conflicts and for conflict between groups or areas.
	Feedback	Close to the feedback stage of SDV, leaders were reminded of the tools on how to prepare it and how to do it effectively. Information on how to develop the PDI was also included.
	Industrial relations and legislation	As part of a leader’s role, they are responsible for leading labor management. Management tools were provided, with basic knowledge on Peruvian legislation and what Nexa standpoint is regarding such topic.
	Interculturality	As part of our integration process, a workshop was held on Peruvian and Brazilian culture, with a bit of history, culture of both countries, for better understanding of how relationships are established in each country, thus enhancing communication and understanding.
	Influence	Throughout the year, we have discussed with the managers their various roles as leaders, as well as their participation in safety topics from their work position. This last topic focused on providing them with tools to positively influence their team towards committing to the attainment of objectives and working in a joint effort.

Initiatives with young professionals

During the year, we maintained our commitment to the development of young professionals, hence global changes implemented in our programs including:

- **Trainee Program:** at our office in Lima, 24 trainees have joined various managing departments for our one-year program consisting of qualification, discussions and meetings, which have provided them with the opportunity to talk to managers about various development topics we approach at Nexa.

The trainees developed a project in their respective areas with the assistance of their manager, and a monitor has been assigned them to train them on investigation methodologies or similar processes based on his/her experience at Nexa. Project results were very satisfactory, with managers having been presented with them in December.

- **Intern Program:** This program is quite similar to the one we held in Lima, but in the mining units it is called "becario" (intern). Thus, Trainee and Intern programs hold the same meetings and schedule of activities.

- **Leverage Program (Potenciar):** led from Brazil, this program allows for the development of skills in youngsters with potential for managing positions. Internal and external applicants undergo a comprehensive selection process both in Peru and in Brazil. The program consists of

multidisciplinary groups assigned with a 14-month long project, approaching arising challenges and hurdles. Moreover, every three months, they undergo qualification in Brazil and show their progress to Nexa managers. Upon program completion, they present their project along with an implementation plan.

Other qualification initiatives

Other qualification initiatives in 2018 include the following:

- **Executive coaching program:** applied to managers requiring the development of certain competences identified in their PDI. This process was carried out by an external consulting company.

- **Corporate mentoring program:** based on an annual regime in which the same corporate directors or managers mentor other managers.

- **Special qualification in Portuguese:** commencement of two courses for the integration process, from basic level.

- **Internship between Peru and Brazil:** short logistics and finance internship programs aiming at getting interns acquainted with procedures and interacting with the personnel in Brazil.

Performance assessment

The attainment of our strategic objectives is directly connected to the performance of our workforce. For this reason, in line with Nexa policies, we have established the use of a specific format for definition of annual goals for each collaborator.

Three objective types have been determined: (i) goal 100, which indicates the minimum expected; (ii) goal 300, which stands for the challenge proposed for the current year; and (iii) goal 500, which surpasses the proposal, requiring greater effort and commitment on the part of the collaborator.

All collaborators are subject to a performance evaluation, except for operational workers and interns, which means that approximately 38% of collaborators working for Nexa Peru undergo such evaluation. Depending on the results obtained, bonuses may be given for efforts made. [\(GRI 404-3\)](#).

Nexa Development System Assessment

In addition to the performance evaluation [\(GRI 404-3\)](#), there is an internal evaluation of the Development System, a people management tool that identifies talents through the following basis:

- **Potential:** measuring five competences indicating quick learning readiness: mental, people, changes, results and self-knowledge.

- **Performance:** assesses productivity in the position, considering the results associated to goals, beliefs and safety.

Total Personnel Training Hours per Category and Gender – Total Training [\(GRI 404-1, GRI 404-2\)](#)

Category	Gender	Total Hours*
		2018
Manager	Women	111
	Men	619
Coordinator/Consultant	Women	29
	Men	103
Supervisor/Assistant/ Analyst/Technician	Women	170
	Men	168
Intern	Women	66
	Men	15

* Data shows only training hours carried out at the Corporate Offices in Lima



Organizational Climate

In line with our pursuit for improved workforce performance and productivity, we have measured the acceptance that human management and satisfaction in the organization topics have had. We have applied Quality of Life Program actions, which consist of encouraging people to change habits associated to the following pillars: physical, psychological, self-sufficiency, environment, interpersonal relations, and beliefs.

On that occasion, favorable results amounted to 77%, with each Manager being informed about and disseminating them to their respective teams, with development of required action plans. Plans continue being developed on a quarterly basis, with activities or actions being included according to the fulfillment and requirement of each area.

At Nexa Peru, we are aware of the relevance to keep good relations through constant dialogue, always seeking for improvement opportunities in managing our workforce. We have developed various direct dialogue forums with engagement of all unions and our workforce in all mining units.

In 2018, collective labor negotiations were completed for the 2017–2018 period, including three Collective Negotiation processes at CMA, two at El Porvenir Mining Unit, and two at Cerro Lindo Mining Unit. Currently, we have three processes in progress at CMA and two processes at El Porvenir Mining Unit. [\(GRI 102-41\)](#).

Some measures have been declared inadmissible by Labor Authorities and have not affected our production, with closure being achieved through agreements signed off between the parties before the respective authorities. It is worth highlighting that no stoppages or strikes have happened in association with the Collective Negotiations. [\(GRI 102-41\)](#).

Normative Compliance

At Nexa Peru, we develop personnel selection processes in an absolutely transparent fashion, and we do not endorse any type of forced, child labor or discrimination practices, both internally and throughout the value chain [\(GRI 406-1\)](#). Additionally, we hold some position slots for community personnel, as per existing agreements.

So as to eradicate any practice not supported by our organizational culture, we count on reporting mechanisms that allow for any violation of corporate ethics, values and beliefs to be anonymously reported.

In 2018, we had no reports associated to violations of our personnel selection processes or topics related to discrimination based on gender, disability, age, sexual orientation or religion, amongst others. [\(GRI 406-1\)](#).

Gender Diversity

It is fundamental to mention that we have implemented some initiatives whose objectives are associated to the promotion of women's role within the organization: [\(GRI 405-1\)](#).

- Association with WIN (Women in Mining Group), to make use of a database of mine-experienced women.
- Closed-door selection processes to increase the participation of women.
- Easy-parking facilities for pregnant or breast-feeding women.

Number of Unionized Employees at Mining Units in 2018

Mining Unit	Unionized Employees	Non-unionized Employees	Total
Cerro Lindo	392	226	618
El Porvenir	352	150	502
Atacocha	317	84	401
Total	1,061	460	1,521
Distribution (%)	72%	28%	100%

- Promotion of the usage of our breast-feeding facilities.
- Promotion and sponsorship of women in organizational sports events.
- Higher promotion of the participation of women in public events: seminars, lectures.
- Strict ethical management of topics related to gender issues.

In 2018, the percentage of women in total workforce reached 8%, an increase when compared to 7% recorded in 2017, with our corporate goal for 2025 being 20%.

Contractor Management

Our Third-party Management Program stands for a strategic investment in the attainment of our organizational objectives and goals, for they

represent approximately 78% of the total workforce in the mining units (Cerro Lindo: 81% El Porvenir: 79%, Atacocha: 71%). For this reason, our goal is to increase productivity by generating higher commitment and satisfaction with the company. [\(GRI 102-9\)](#).

Total Own and Outsourced Workforce in 2018

Mining unit	Total workforce per mining unit (own)	Total workforce per mining unit (outsourced)
Cerro Lindo	613	2,696
El Porvenir	502	1,851
Atacocha	398	937
Total	1,513	5,484

In 2018, the five contractor management pillars focused on the following initiatives:

Initiative for Contractor Management

Contractor management pillars	Initiatives in 2018
1. Labor management and compliance	<ul style="list-style-type: none"> • Consolidation of the monthly monitoring process of fulfillment of labor obligations by suppliers, as per criteria defined by SUNAFIL (access to healthcare and pension services), in the three mining units. • Commencement of subcontractor control within company programs (access control). • Migration of Guarantee Letter Escrow Fund, process restructuring.
2. Information management and processes – third-party Management Program	<ul style="list-style-type: none"> • Access management completion in Cerro Lindo. • Implementation of Contract Management Cell in Cerro Lindo, Atacocha and El Porvenir. • Flash Implementation of Indicators Peru (management by indicators)
3. Service quality and company assessment	<ul style="list-style-type: none"> • Restructuring of contractor assessment, allowing for the continuity of their improvement plans
4. Welfare	<ul style="list-style-type: none"> • Implementation of the process control of welfare conditions defined in contract provisions • Reorganization of contractors in Paco camps and messes • Restructuring of camp modules and restrooms
5. Compensation management	<ul style="list-style-type: none"> • Restructuring of bidding process guidelines for selection and incorporation of contractor personnel.

Additionally, Third-party Management implementation has been included in the Safety Plan Peru, aiming at eliminating fatal accidents, cutting down on the quantity and severity of accidents, and enhancing the safety culture at Nexa Peru operational units in the medium term.

Best Labor Practices Award 2018

For the fourth consecutive year, Nexa Peru has been awarded the “Best Labor Practices 2018” award, organized by Peruvian Ministry of Labor and Employment Promotion in the “Organized Work with Clients and Suppliers” category, “Organized Work with Suppliers” subcategory, for its Contractor Management System, and in the “Promotion of Equal Opportunities between Men and Women” category, in which we have obtained the second place for our “Diversity Committee” case.

Development and Successful Initiatives

When compared to the previous year, 2018 was a year to consolidate all the progress we had in 2017. Highlights of our most successful actions include:

- 100% of contractors classified as Essential in the three mining units
- Labor compliance of over 70%, a reference for the mining industry and benefiting over 5,400 workers. This way, we have ensured access to healthcare and pension services, cutting down on the risk posed by any type of labor noncompliance.
- Completion of access control at Cerro Lindo Mining Unit, allowing for control of all outsourced personnel getting in the unit (including subcontractors)
- Third-party Management Program for occupational health and safety at Cerro Lindo Mining Unit.
- Implementation of overall contractor assessment for full evaluation of: (a) Performance, (b) Health and Safety, (c) Environment, (d) Legislation, (e) Sustainability and Compliance.
- Identification of 77 Guarantee Fund pending actions. Such number has been cut down to 13, with reorganization of this process flow and procedures, involving departments such as Legal, Controllershship, Shared Solutions Center (CSC), and Supply Chain.

Service Provider Management

Unlike contractors, who provide services to the company, suppliers are those who provide products. For both groups, we have a criticality classification, in which a critical supplier is the one that provides a service or material that, if lacking to the operations, may bring about revenue loss for Nexa Peru, due to not having accredited replacement.

For this reason, it is highly relevant for our operations to manage them appropriately and incorporate to their own management efforts the highest standards, aiming at developing long-term alliances and cutting down on risks.

Service Provider Accreditation

In 2018, Supplier Qualification process focused on the assessment of the documentation to be submitted, which is different for domestic and foreign suppliers. This process has been implemented for identification of our potential suppliers, by identifying risk levels and major improvement opportunities. For such assessment, different requirements are needed, which change according to the supplier origin. [\(GRI 414-1\)](#)

Service Provider Assessment

In 2018, three supplier assessment cycles were performed. Within the whole process, suppliers are assessed in the following dimensions: Performance, Health and Safety, Environment, Sustainability and Compliance, and Legislation.

[\(GRI 408-1, GRI 409-1\)](#)

All suppliers with low score in any of these dimensions must put together, along with Nexa Peru, action plans to enhance performance and mitigate risks.

Major Contracts with Service Providers

Nexa Peru seeks to work with financially solid companies, holding enough technical knowledge to bring along benefits and quality to our process. In addition to that, safety is an un-negotiable requirement for companies to be part of our value chain. Thus, we only award contracts to those companies complying with the highest safety standards possible.

The elements being taken into consideration include technical evaluation, through experience, quality and time



requirements; financial evaluation; and, lastly, the best economic proposal following the previous assessments. [\(GRI 414-1\)](#)

Purchases made during the year have reached US\$ 574

million, out of which US\$ 567 million were from domestic suppliers [\(GRI 204-1\)](#) and US\$ 7 million from foreign suppliers. Goods and services providing companies having been awarded major contracts during the year include

Engie, Union de Concreteras, Incimmet, Enel, AESA, Explomin, Union Andina de Cementos, Dinet, Sandvik, amongst others.

Purchases Made in 2018 (US\$ million)

Category	Amount
Type	
Contract	365
Purchases	165
Logistics	45
Total	574
Origin	567
Domestic	567
Foreign	7
Total	574

Total Service Providers for Nexa Peru in 2018, per Type [\(GRI 204-1\)](#)

Type	Amount
Suppliers with contract	328
Suppliers with purchase order	1266
Total	1594

Total Service Providers for Nexa Peru in 2018, per Origin

Origin	Number
Ica	35
Pasco	34
Domestic	1353
Foreign	172
Total	1594



Our Financial Management

Trust generating
results

Results 2018

- Sales revenue: US\$ 827.5 million (-9%)
- EBITDA: US\$ 282.6 million (-30%)
- EBITDA margin: 34%
- Consolidated cash cost (ROM): US\$/t 39.3 (+11%)
- Net Debt/EBITDA: -1.19x

Economic and Industry Context

In 2018, an uncertainty and suspicion environment took over the marketplace, caused by the commercial battle and tariff barrier imposition between the United States and China. Consequently, price quotations for base metals have faced a nosedive movement, despite solid market foundations of high demand and low stock levels.

In 2018, the average zinc price was slightly higher than in 2017, but market moves were different. In 2017, an upward trend was evidenced throughout the year, as foundations got stronger, while in 2018, despite those solid market foundations, said commercial battle strongly impacted market trust and prices.

As for the mining industry, concentrate production should increase in 2019, since some operations started up in 2018 and will see a speeding increase in 2019. However, zinc market worldwide has been showing deficits since 2012, and the expectation is that it will go on like this during 2019.



As for copper, average price has increased in comparison to 2017, due to the solid market foundations seen during the first half of the year, since potential supply cutdown brought about by union negotiations in the largest copper mine of the world, in Chile, along with a weaker US dollar, have caused the highest fine metal price increase over the last four years. Another determining factor has been the high demand for such metal following the reduction of stock. Nevertheless, by the third quarter of the year, prices strongly fell down, affected by aforementioned commercial battles, along with US dollar valuation. Despite all this, price rise was so steep during 2017, that even after the pessimistic scenario in 2018, the average price over the last year was higher than in 2017.

Simultaneously, average lead price in 2018 was cut down on when compared to the average price of the previous year, affected by the impacts of commercial battles. Lead concentrate market supply can only cover its demand, but current market tension and suspicion have rendered the price stable, without reacting as expected to market foundations.

Regarding precious metals, a cutdown in the average price of 2018 could be observed, especially for silver, when compared to the previous year. Silver is a speculative metal that has not benefited from the market suspicion following commercial battles and uncertainty, while gold has faced a fall especially due to US dollar valuation.



The following table summarizes the evolution of metal prices in 2018 against 2017:

Evolution of metal prices

Metal	Unidad	2018	2017	2018 vs. 2017
Zinc	(US\$ / t)	2,922	2,896	0.9%
Copper	(US\$ / t)	6,523	6,166	5.8%
Lead	(US\$ / t)	2,242	2,317	-3.2%
Silver	(US\$ / oz)	15.7	17.0	-7.9%
Gold	(US\$ / oz)	1,268	1,257	0.9%

Financial Analysis

In 2018, we achieved good operational and financial performance, with an EBITDA of as much as US\$ 282.6 million and a net income of US\$ 142.1 million. Such results resulted in a cash balance of US\$ 682.1 million in December 2018, thus maintaining a solid financial position to appropriately face the volatile metal price environment.

In this context, we keep prioritizing the integration of Pasco units to achieve synergies in concentrate production, and at Cerro Lindo Mining Unit, the mine developments for production stabilization at the maximum installed capacity, which will allow us to achieve higher production at a lower cost.

Fines Production

In 2018, mineral beneficiation achieved 10.6 million tons, in line with the numbers of 2017, since the decrease in mineral beneficiation at Cerro Lindo

was effectively offset by an increase in mineral beneficiation at El Porvenir and Atacocha. As for Cerro Lindo, such fall was due to stronger supporting and mine development efforts, aiming at speeding up the production for the second half of the year, with historical treatment levels since late 2018.

In terms of equivalent zinc, production was 380.5 thousand tons, 7% lower than in 2017, due to lower zinc, copper and lead production because of lower grades at Cerro Lindo. This was partially made up for by the increased zinc fines production, due to an increase in zinc grades and mineral beneficiation at El Porvenir and Atacocha.

In terms of fines content, there was a consolidated production decrease for zinc, copper and lead by -6%, -12% and -1%, respectively, due to lower grades of such metals.

Metal Production, per Mining Unit and Metal Type

Cerro Lindo Mining Unit

Metal	Unit	2018	2017	2018 vs. 2017
Zinc	tmf	130,349	155,950	-16.4%
Lead	tmf	12,761	14,837	-14.0%
Copper	tmf	38,338	43,568	-12.0%
Silver content	oz	3,343,545	3,545,824	-5.7%
Gold content	oz	4,129	4,022	2.7%
Equivalent zinc	thousand t	245	285	-14.0%

El Porvenir Mining Unit

Metal	Unit	2018	2017	2018 vs. 2017
Zinc	tmf	57,872	46,154	25.4%
Lead	tmf	16,641	14,818	12.3%
Copper	tmf	567	493	15.0%
Silver content	oz	2,533,799	2,357,442	7.5%
Gold content	oz	9,664	8,408	14.9%
Equivalent zinc	thousand t	90	75	19.7%

Atacocha Mining Unit

Metal	Unit	2018	2017	2018 vs. 2017
Zinc	tmf	17,324	16,950	2.2%
Lead	tmf	15,595	15,958	-2.3%
Copper	tmf	125	99	25.4%
Silver content	oz	1,678,918	1,687,016	-0.5%
Gold content	oz	15,431	20,105	-23.2%
Equivalent zinc	thousand t	45	47	-4.1%

Consolidated Nexa Peru

Metal	Unit	2018	2017	2018 vs. 2017
Zinc	tmf	205,545	219,054	-6.2%
Lead	tmf	44,996	45,614	-1.4%
Copper	tmf	39,030	44,161	-11.6%
Silver content	oz	7,556,262	7,590,282	-0.4%
Gold content	oz	29,224	32,534	-10.2%
Equivalent zinc	thousand t	381	408	-6.6%

Operational Costs

In 2018, consolidate cash cost ROM increased by +11% (US\$/t 39.3 vs. US\$/t 35.5) against the cumulative amount in 2017 (GRI 201-1), associated to higher supporting costs in all units, higher auxiliary services costs in Atacocha, and higher maintenance costs at Cerro Lindo and El Porvenir.

Unit Cost of Production (US\$ / t ROM)

Mining Unit	Unit	2018	2017	2018 vs. 2017
Cerro Lindo	US\$ / t	33.6	29.1	15.6%
El Porvenir	US\$ / t	54.2	54.7	-0.8%
Atacocha	US\$ / t	44.0	42.8	2.7%
Total Nexa Peru	US\$ / t	39.3	35.5	10.9%

Sales

In 2018, sales revenue amounted to US\$ 827.5 million, 9% lower than in 2017, due to lower zinc, copper and lead fines production because of lower grades at Cerro Lindo. However, this was partially offset by a higher zinc fines production, given higher grades of this metal and mineral beneficiation at El Porvenir and Atacocha, and also due to better average price quotations during the cumulative period.

On the other hand, in 2018, zinc contributed with 49% of sales, followed by copper with 27%, silver with 12%, lead with 9%, and gold with 3%. As for sales distribution per mining unit, Cerro Lindo represented 66% of consolidated sales, followed by El Porvenir with 23% and Atacocha with 11%.

It is worth noting that, in terms of zinc concentrates, our major client is Nexa Resources

Cajamarquilla S.A.; while for copper and lead production, major clients include Glencore, Trafigura and Louis Dreyfus.

Furthermore, zinc concentrate sales to Cajamarquilla zinc smelter depend on market conditions, just like other transactions with associated parties. Such transactions are subject to evaluation through transfer price studies, typically developed by external consultants.

Sales per Metal Type (countrywide) (Volume in Fine Metric Tons)

Metal	Unit	2018	2017	2018 vs. 2017
Zinc	tmf	201,584	218,636	-8%
Lead	tmf	41,396	45,078	-8%
Copper	tmf	38,722	44,165	-12%
Total Nexa Peru	tmf	281,702	307,879	-9%

Sales per Mining Unit (countrywide) (Volume in Fine Metric Tons)

Metal	Unit	2018	2017(*)	2018 vs. 2017
Cerro Lindo	tmf	178,012	214,372	-17%
El Porvenir	tmf	73,472	60,396	22%
Atacocha	tmf	30,218	33,111	-9%
Total Nexa Peru	tmf	281,702	307,879	-9%

(*) Values are different from the ones reported in Nexa Resources Annual Report 2017 due to a reclassification in our mining units.

Profitability

As per results in 2018, an EBITDA of as much as US\$282.6 million was obtained, with net revenue of US\$142.1 million, 30% and 37% below what was obtained in 2017, due to lower production volume. However, this was partially made up for by better price averages during the cumulative period.

Sales costs were higher than in 2017 due to higher supporting costs in all units, higher auxiliary services costs in Atacocha, and higher maintenance costs at Cerro Lindo y El Porvenir.

As for operational expenditure, it was significantly higher than in 2017, as a consequence of the strong investment in greenfield and brownfield mineral exploration, as well as in project development, especially Magistral and Pukaqaqa.

Income Statement (GRI 201-1)

Million US\$	2018	2017 *	2018 vs. 2017
Sales	828	912	-9%
Sales cost	(441.2)	(425.9)	4%
Devaluation	(65.4)	(68.9)	-5%
Intangible Amortization	(1.9)	(3.4)	-44%
Gross Income	318.9	413.5	-23%
Sales expenditure	(2.4)	(2.0)	19%
Administrative expenditure	(30.2)	(29.5)	2%
Exploration and project development expenditure	(68.4)	(43.4)	58%
<i>Mineral exploration</i>	<i>(47.3)</i>	<i>(39.8)</i>	<i>19%</i>
<i>Project development</i>	<i>(21.1)</i>	<i>(3.5)</i>	<i>n.a.</i>
Other income and (expenditure), net	(3.1)	(5.6)	-44%
Operational Income	214.9	333.1	-35%
Financial results, net	(8.8)	(18.9)	-54%
Income tax **	(64.0)	(89.7)	-29%
Net Income	142.1	224.5	-37%
<i>Controller ownership</i>	<i>142.8</i>	<i>220.9</i>	<i>-35%</i>
<i>Controller participations</i>	<i>(0.7)</i>	<i>3.6</i>	<i>n.a.</i>
EBITDA	282.6	405.4	-30%
EBITDA margin (%)	34%	44%	

* Based on changes to NIIF, information published in 2017 indicates and reclassifications from administrative expenditure to mineral exploration, due to personnel expenditure associated to exploration projects, and also from sales expenditure to sales cost, due to freight and insurance services.

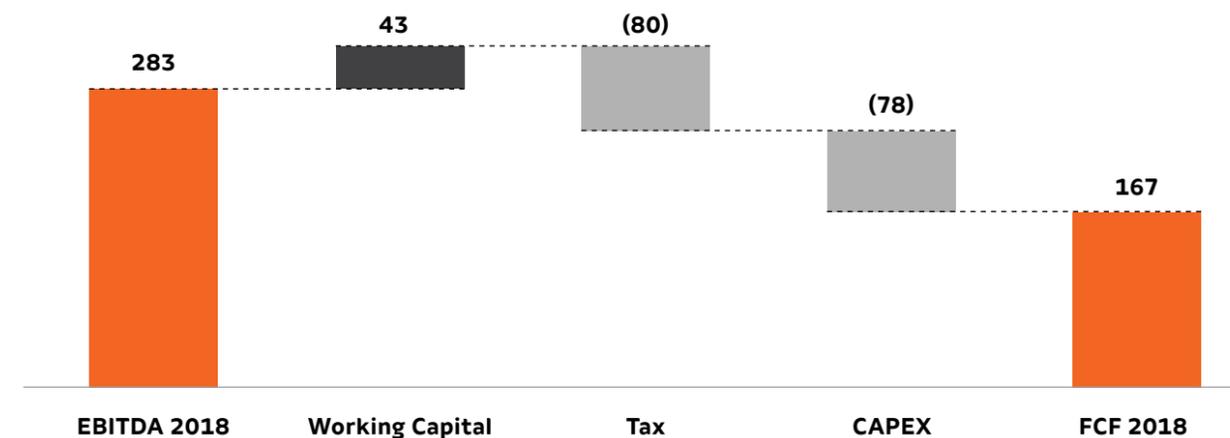
** Special Mining Levy and Special Mining Tax included.

Cash Flow

In 2018, free cash flow was positive at US\$167 million, higher than the US\$121 million obtained in 2017, associated to lower investment in working capital

due to lower accounts receivable volume, given the sales volume reduction. Such effect was partially offset by a strong increase in CAPEX investment.

2018 Free Cash Flow Bridge



CAPEX

In 2018, investments amounting to US\$77.8 million were made, 131% above what was made in 2017, especially in mobile equipment replacement projects in all units, preparation and development efforts associated to the underground integration between El Porvenir and Atacocha, development of areas 2-5 of San Gerardo blasting area in Atacocha, and the new Pahuaypita waste disposal at Cerro Lindo.

US\$ million	2018	2017	2018 vs. 2017
Expansion	8.8	-	n.a.
Supporting and others	69.1	33.7	105%
Total Nexa Peru	77.8	33.7	131%

Consolidated Liquidity and Indebtedness

In December 2018, the company closed the year with a cash balance of US\$682.1 million.

Net Cash level was positive and amounted to US\$336 million, maintaining a solid financial position.

In terms of leverage, the Net Debt/EBITDA ratio was still negative at -1.19x in December 2018 (-0.89x at the end of September 2018), and the average term of the financial debt was 4.3 years, without relevant expirations in the short term.

As for risk rating, the Company maintains the BBB-rating with stable perspective granted by Fitch Ratings, and BB+ with stable perspective by Standard & Poor's. Nexa Peru rating is in line with Nexa Resources S.A. (former Votorantim Metais Holding) and Votorantim S.A. rating, which, by

their turn, reflect the risk rating of the sovereign debt of Brazil.

Both rating agencies highlight the robust financial and liquidity position of the Company, which allow it to develop its future plans and properly face the volatile metal price environment.

Cash Balance and Financial Debt

	December 2018 (million)	December 2017 (million)
Cash balance	682.1	527.6
Financial debt balance	345.8	345.5

Investment & Project Policy

Nexa Peru has had the opportunity to establish a strategy focused on increasing mining capacity and maximizing the productivity of our operational units. In order to attain such objective, as it was in 2017, the company has decided to use the cash flow generated by our operations, and to obtain funding to go on with what has been defined in our various plans.

Dividend distribution will take place once a year, after audited financial statements are issued, corresponding to said annual period. Nonetheless, the Board is entitled to agreeing upon the distribution of interim dividends, whenever deemed appropriate, as per the General Corporations Law.

Strengths & Resources

Some of the strengths and resources of the Company include:

- Successful application of growth and low-cost strategy.
- Investment in construction and startup of Cerro Lindo in a modular fashion.
- Expansion of the production capacity of Cerro Lindo and El Porvenir mining units.
- Operational integration of El Porvenir and Atacocha units, which consolidates Pasco operations.
- Ongoing pursuit of growth opportunities in the market.
- Ongoing efforts towards optimization of investments, operational costs and administrative expenditure.
- Corporate practices allowing for appropriate occupational health, safety, environment and community relations management.
- Support from Nexa Resources S.A. as major shareholder with over 80%

participation in ordinary shares, with focus on the Company's growth rate forecast for the upcoming years.

- Access to funding both in financial markets and capital markets, at local and international levels.
- Robust profitability and liquidity levels.
- Investment grade granted by international rating agency Fitch Ratings (BBB-).
- Strengthening and diversification of project pipeline.
- CAPEX execution flexibility subject to market conditions.
- Corporate social strategy pointing out to successful sustainable development with corporate social responsibility commitment.
- Processes in line with Sarbanes-Oxley (SOx) since 2012.
- ISO 9001, ISO 14001 and OHSAS 18001 certification for all mining units.
- High degree of professionalism and commitment of its human team.
- Application of best practices of Good Corporate Governance.
- Consistent support from the Board and its Shareholders

Finally, from the Management standpoint, there are no transactions or uncertain events that have not been included in the Financial Statements of the Company, or that can cause the financial statements presented not to be necessarily indicative of future economic results or future financial position.

Auditors

Internal auditors in 2018 were from Deloitte & Touche S.R.L. and external auditors, for the same period, from Dongo – Soria

Gaveglío y Asociados Sociedad Civil (a company member of PriceWaterhouseCoopers).

Major Assets

Our major assets mainly consist of the infrastructure of our operational units, including buildings and other constructions, machinery and equipment for mining activities such as exploration, exploitation, mineral treatment and concentration, as well as electric energy generation. Additionally, we have highly relevant intangible assets consisting of resources and reserves of our mining units, as well as several mining grants and rights.

It is worth mentioning that there are no warranties on our assets. We hold an insurance program designed to cover for specific risks associated to operations, as well as regular risks faced by mining companies. The insurance program is provided through the international reinsurance market and local insurance market, including third-party risks, vehicle risks, all risks associated to properties on a replacement basis, haulage risks, interruption of operations and mining team, amongst other coverages.

Clients and Market

In 2018, we maintained our position as one of the major mining producers at a domestic level (zinc – third-place, silver – fifth place, lead – second place).

Nexa Peru Position in Domestic Market - Zinc

2017		2018	
Company	(000 TM)	Company	(000 TM)
Antamina	379	Antamina	426
Volcan	256	Volcan	239
Nexa Peru	219	Nexa Peru	206
Raura	52	El Brocal	46
El Brocal	51	Raura	46

(1) Information from MEM. Major product.

Nexa Peru Position in Domestic Market - Lead

2017		2018	
Company	(000 TM)	Company	(000 TM)
Volcan	51	Volcan	46
Nexa Peru	45	Nexa Peru	45
El Brocal	20	El Brocal	19
Raura	20	Raura	18
Corona	13	Corona	12

(1) Information from MEM. Major product.

Nexa Peru Position in Domestic Market - Silver

2017		2018	
Company	(000 kg)	Company	(000 kg)
Buenaventura	724	Buenaventura	664
Antamina	646	Antamina	544
Volcan	499	Ares	521
Ares	494	Volcan	420
Nexa Peru	273	Nexa Peru	243

(1) Information from MEM. Major product.

International Quotation

In 2018, all metals we work with had an upturn in prices.

Zinc

Zinc Settlement quotes have recorded a minimum price of US\$ 2,287/t in September, and a maximum price of US\$ 3,618 in February. The annual average quote was US\$ 2,922/t, an increase in comparison with US\$ 2,896/t in 2017.

Lead

With environmental restrictions and difficult approval of new lead projects, the market is still tight, and the trend is to continue like this over the next two years. The minimum price recorded in the year was US\$ 1,867/t in October, and the maximum price was US\$ 2,683/t in February. The annual average quote was US\$ 2,247/t, slightly lower than US\$ 2,317/t in 2017.

Silver

Precious metals are more prone to macro-economic and political risks (commercial battle). In 2018, they suffered an approximately 15% drop. The minimum price recorded in the year was US\$ 13.97/t in November, and the maximum price was US\$ 17.52/t in January. The annual average price was US\$ 15.71/t, slightly lower than US\$ 17.1/t in 2017.

Copper

Copper started out the year with strong numbers, but with the increasing commercial tensions between the United States and China, it followed suit and had an approximate 12% drop along the year. The minimum price recorded in the year was US\$ 5,823/t in September, and the maximum price was US\$ 7,263/t in June. The annual average price was US\$ 6,523/t, slightly higher than US\$ 6,166/t in 2017.

Client Satisfaction

Based on the Integrated Management System, Nexa Peru has as its ongoing pursuit the satisfaction of its clients. On a yearly basis, a client satisfaction survey is held, whose objective is to get to know their feedback regarding product quality and the service provided.

In 2018, the result was 77% of favorability to production and commercial practices of Nexa Peru. In addition to that, periodical meetings were held with clients to address several commercial topics.

Product Safety

In order to accredit the safety of our products, high standards are applied, which allows us to maintain our leading position in the mining industry.

As part of our standards, we carry out risk assessment and prioritization. That is why we keep strict compliance with the Routing Plan for trucks. In the Road Safety Committee, we deploy and work on major improvement points with haulage companies, put together Incident/Accident Learning Committees, and comply with OEA requirements throughout the chain, including export warehouses.

Moreover, to ensure product welfare, we carefully monitor them. Some products for certain stretches include custody, with application of corresponding insurance coverage.

Material Safety Data Sheets (MSDS) are still in force to protect the physical integrity of the ones responsible for delivering concentrate to the purchaser. It is worth highlighting that all products we offer bear their corresponding technical specifications. Clients are also provided with said specifications when invited to the negotiation process. Quarterly product analyses are also performed to provide information, should changes be identified in concentrate characteristics.

Quotes and Stocks per Metal – 2006 to 2018

Year	Zinc		Lead		Copper	
	Quote US\$/t	Stocks	Quote US\$/t	Stocks	Quote US\$/t	Stocks
2006	3,273	88,450	1,287	41,125	6,731	182,800
2007	3,250	89,100	2,595	45,500	7,126	198,350
2008	1,875	253,500	2,091	45,150	6,956	339,775
2009	1,659	484,475	1,726	145,225	5,164	485,925
2010	2,161	701,425	2,148	208,275	7,535	377,550
2011	2,194	821,700	2,401	353,075	8,820	370,900
2012	1,984	1,220,755	2,038	320,325	7,950	320,050
2013	1,909	933,475	2,141	214,450	7,322	366,425
2014	2,162	688,300	2,096	221,950	6,860	181,800
2015	1,933	464,400	1,786	191,650	5,502	236,225
2016	2,091	427,850	1,871	194,950	4,863	322,225
2017	2,896	182,050	2,317	142,250	6,166	201,725
2018	2,922	19,325	2,244	107,450	6,527	132,175





Corporate Management

Corporate aspects
and general
business data

Corporate aspects

Company name and address [\(GRI 102-3\)](#)

Nexa Resources Peru S.A.A. [\(GRI 102-1\)](#) is an open stock corporation established under the laws of the Republic of Peru. Its corporate domicile is at Av. San Borja Norte 523, San Borja district, province and department of Lima. [\(GRI 102-2\)](#) Its telephone number is 710-5500 and fax number 710-5544. The company website is at www.nexaresources.com [\(GRI 102-45\)](#)

Nexa Peru operational centers are located in (i) Chavín district, Chincha province, Ica department, where Cerro Lindo Mining Unit is located; (ii) San Francisco de Asís de Yarusyacán district, Pasco province and department, where El Porvenir Mining Unit is located, owned by its subsidiary Nexa Resources El Porvenir S.A.C.; and, (iii) San Francisco de Asís de Yarusyacán district, Pasco province and department, where Atacocha Mining Unit is located, owned by its subsidiary Nexa Resources Atacocha S.A.A. [\(GRI 102-4\)](#)

Company Bylaws

The company was founded in Lima on April 6, 1949, with an undetermined duration term, by public deed before the Public Notary of Lima, Dr. Lizardo Prieto y Risco. The foundation is written on sheet No. 2077 of the Corporate Ledger of the Public Mining Register, co-related to the Electronic Record No. 02446588 of the Legal Entity Register of Lima and Callao.



Upon agreement of the General Shareholders' Board, dated September 5, 2006, made public deed on October 19, 2006, issued before Public Notary Gino Benvenuto Murguia, the Company Bylaws have been fully changed.

Upon agreement of the Mandatory Annual Shareholders Board, dated April 14, 2009, made public deed on September 28, 2009, provision 4.15 of the Company Bylaws was changed.

Upon agreement of General Board of May 26, 2014, made public deed on June 4, 2014, issued before Notary Luis Dannon Brender, provision 4.03 of the Company Bylaws was changed.

Finally, upon agreement of the General Shareholders Board, dated December 18, 2017, made public deed on March 27, 2018, issued before Public Notary of Lima, Alfredo Paino Scarpati, provisions 1.01 and 4.02 of the Company Bylaws were approved to be changed, referring to company name and Board formation, respectively.

Company Purpose

The Company Bylaws point out that its social objective is to carry out all activities associated to the mining industry, especially exploration and exploitation of mine deposits, as well as treatment, commercialization, smelting, refining and all other associated activities.

The Company may also carry out activities such as generation, transmission and/or commercialization of electric energy, as per associated legal standards in force.

Moreover, it is also an object of the Company the investment in values of companies in other areas, e.g. industrial, mining, commercial, and technical or touristic services, both domestic and multinational.

The Corporation may perform, without any reserve or limitation, all acts and contracts allowed by laws or regulations. The CIU the company social object belongs to is 1320.

Share Capital

The Company share capital amounts to S/1,309,748,288.00 (one billion, three hundred and nine million, seven hundred and forty-eight thousand, two hundred and eighty-eight Peruvian Soles), represented by 1,309,748,288 ordinary shares with nominal value of S/. 1.00 (one Peruvian sol) each, fully subscribed and paid for.

The share capital is inscribed at entry B00020 of Heading No. 02446588 of the Legal Entity Register, corresponding to the latest capital increase agreed upon by the Gen. Boards Meeting of March 27, 2014, made public deed on April 9, 2014, issued before Notary Mario Gino Benvenuto Murguia.

Share classes created and issued

The Company share capital comprises 1,309,748,288 ordinary shares with nominal value of S/1.00 (one Peruvian sol) each, fully subscribed and paid for.

Investment share account is represented by 21,415,462 investment shares with nominal value of S/1.00 (one Peruvian sol) each.

Company shares have been subscribed at Public Securities Register (RPMV) of the Securities Superintendence at Lima Stock Exchange (RVBVL). In 2017, the Company started a voluntary process to exclude ordinary and investment shares from RPMV and RVBVL, which implied a Public Purchase Offer (OPC) for both shares as a preliminary step.

Nevertheless, due to a material error in valuation of Company shares, made by the external entities selected by SMV to perform such evaluation, and due to the correction of such error not being possible, the Board decided to overrule such voluntary process.

Economic Group

By agreement of the General Shareholder Board meeting held on September 5, 2006, and made public deed on October 19, 2006, issued before Public Notary Luis Dannon Brender, the merge with Compañía Minera La Nacional S.A. was agreed upon. Such act is inscribed at entry B0007 of Heading No. 02446588 of the Legal Entity Register of Lima.



By agreement of the General Shareholder Board meeting held on October 10, 2006, made public deed on November 24, 2006, issued before Notary Mario Gino Benvenuto Murguía, the merge with the company Cuyuma S.A. was agreed upon. Such act is inscribed at entry B0009 of Heading No. 02446588 of the Legal Entity Register of Lima, having come into force on December 1, 2006.

By agreement of the General Shareholder Board held on March 23, 2007, made public deed on June 5, 2007, issued before Notary Mario Gino Benvenuto Murguía, merge with the company Milpo Finance & Investments S.A. was agreed upon. Such act is inscribed at entry B0011 of Heading No. 02446588 of the Legal Entity Register of Lima. This merge came into force on March 1, 2007.

By agreement of the General Shareholder Board held on March 25, 2008, made public deed on July 31, 2008, issued before Notary Mario Gino Benvenuto Murguía, merge with company Gestión Minera S.A. was agreed upon. Such act is inscribed at entry B0013 of Heading No. 02446588 of the Legal Entity Register of Lima, having come into force on April 1, 2008.

Dated November 10, 2008, the Company acquired 100% of Votorantim Andina Perú S.A.C. (currently Nexa Resources El Porvenir S.A.C.) shares, which has become from that date the direct shareholder of 91% of Class A shares of Nexa Resources Atacocha S.A.A. (hereinafter Atacocha), with the latter becoming part of Nexa Peru, including its subsidiaries.

From August 5, 2010, the Company belongs to the Votorantim economic group, which from that date, through Nexa Resources S.A., specifically through Nexa Resources Cajamarquilla S.A. and Nexa Resources S.A. itself, holds 83.55% of Milpo ordinary shares in circulation.

As previously mentioned, in 2017, Votorantim Metais Holding changed its name to Nexa Resources S.A., with its capital opening at New York (United States) and Toronto (Canada) Stock Exchanges.

It is worth mentioning that on April 12, 2016, Nexa Resources Cajamarquilla S.A. purchased on the trading floor of Lima Stock Exchange a total of 264,157,507 ordinary shares issued by the Corporation (20.17% of total

ordinary shares). By purchasing such shares, Nexa Resources Cajamarquilla S.A. has increased its stock option from 60.07% to 80.24% (83.55% of ordinary shares in circulation by the end of December 2017).

By agreement of the Annual Mandatory Board meeting held on March 27, 2014, made public deed on June 25, 2014, issued before Notary Renzo Alberti Sierra, the simple merge between the Company and El Muki S.A. mining corporation was agreed upon, with the latter being absorbed by the former. The merge came into force on May 1, 2014.

The General Shareholders Board meeting of the Company, held on May 26, 2014, approved of the simple reorganization process through which the

Company transferred the patrimonial block represented by assets and liabilities of El Porvenir Mining Unit to the subsidiary Nexa Resources El Porvenir S.A.C., a 100% subsidiary of the Company. Such process came into force on July 1, 2014 and aimed at keeping the administrative and operational management of each mining unit of the group as independent legal entities.

On August 13, 2015, the Company formalized the acquisition of 61% of the share capital of Minera Bongará S.A., in the framework of a contract signed with Nexa Resources Cajamarquilla S.A. in 2014, through which the latter has transferred to the Company the right to obtain up to 70% of the shares representing the capital of Minera Bongará S.A. On October 14, 2015, a capital

increase process was carried out at Minera Rayrock Ltda., which resulted in the incorporation of the Company as controlling shareholder of the said company, with 84.08% of the share capital.

On May 6, 2016, the Company formalized the acquisition of 75% of the share capital of Compañía Minera Shalipayco S.A.C., in the framework of a share purchase agreement signed with Nexa Resources Cajamarquilla S.A.

In 2016, the Company established the company Nexa Resources UK Ltd (formerly Milpo UK), based in the United Kingdom, the same one that had celebrated an Advance Purchase Agreement of Silver with Triple Flag Mining Finance Bermuda Ltda.

In June 2017, the Company transferred its equity interest in the company Minera Rayrock Ltda., owner of Iván Mining Unit, located in Antofagasta, Chile, to the company Minera Cielo Azul Ltda., a subsidiary of Coro Mining Corp.

Thus, Nexa Peru currently comprises the following active companies, mainly:

• **Nexa Resources El Porvenir S.A.C.:** whose social object is to dedicate itself to mining activities, and owns 66.62% of the total share capital of Compañía Minera Atacocha S.A.A., following the simple reorganization approved of by the General Shareholder Board meeting held on May 26, 2014,

and purchases carried out at Lima Stock Exchange between 2015 in 2016. On November 16, 2017, the General Shareholder Board of Milpo Andina Perú S.A.C. approved of the change of its company name to Nexa Resources El Porvenir S.A.C. [\(GRI 102-10\)](#)

On October 15, 2018, said company name change was registered at entry B00008 of Electronic Heading No. 12131860 of the Legal Entity Register of Lima.

• **Nexa Resources Atacocha S.A.A.:** whose social object is to dedicate itself to mining activities and owns Atacocha Mining Unit. On December 18, 2017, the General Shareholder Board of Compañía Minera Atacocha S.A.A. approved of the change of its company name to Nexa Resources Atacocha S.A.A. On September 18, 2018, said company name change was registered at entry B00023 of Electronic Heading No. 11362585 of the Legal Entity Register of Lima. [\(GRI 102-10\)](#)

• **Minera Pampa de Copper S.A.C.:** whose social object is to dedicate itself to mining activities, and owns Chapi Mining Unit, amongst other property. Currently, its operations have been suspended, with only exploration activities being performed. The General Shareholder Board meeting dated August 20, 2014 agreed to adapt the corporate modality of Minera Pampa de Copper to the special form of Closed Stock Company (S.A.C.).

• **Compañía Magistral S.A.C.:** whose social object is to dedicate itself to mining activities, and owns part of the mining grants of the Magistral Project, due to the merge by absorption carried out with Compañía de Minas Magistral S.A.C., which came into force on August 17, 2015, as registered at entry B0006 of Heading No. 11556303 of the Legal Entity Register of Lima. Furthermore, the General Board meeting dated September 29, 2016, made public deed on October 4, 2016, issued before Notary Renzo Santiago Alberti Sierra, agreed to change the company name to Compañía Magistral S.A.C. (formerly Inca Pacific S.A.C.)

• **Milpo UK Limited:** company dedicated to the commercialization of metals, established in the United Kingdom on August 2, 2016. On November 16, 2017, Milpo UK Board approved of the change of its company name to Nexa Resources UK Limited, process completed with the registration on the Public Records of the United Kingdom, dated December 19, 2018.

Shareholders Board

On March 28, 2018, the Annual Mandatory Shareholders Board meeting was held, in which the following agreements were adopted:

- The Annual Report, Financial Statements and recommendations from External Auditors for 2017 were approved.
- Full transfer of utilities generated in 2017 (US\$101.8

million) to Retained Earnings account was approved.

- Registration of external auditors appointment for 2018 on the company Directory was approved.
- Changes to provisions 2.03 and 2.04 of the Company Bylaws were approved. Such provisions correspond to Share Certificate titles and extension of entries at

Share Registration, respectively. With such changes, the joint signature of two managers is now required.

- Definition in the Directory of the powers required to implement the agreements adopted by the board was approved

Share structure

By December 2018, the shareholders owning over 5% of the share capital were:

Name	Ordinary shares	%	Nationality
Nexa Resources Cajamarquilla S.A.	1,048,621,896	80.06	Peruvian
IN – Fondo 2	68,747,955	5.25	Peruvian

At the end of the year, the ownership of ordinary and investment shares was distributed as shown on the following table:

Shareholders	Ordinary shares (%)	Investment shares (%)
Foreign	1.18	3.61
Domestic	98.71	95.04
Workers	0.11	1.36
Total	100	100

Distribution of Shares with Voting Rights (Ordinary Shares)

Ownership	Ordinary shares	%
Less than 1%	1,330	5.85
Between 1% and 5%	4	8.84
Between 5% and 10%	1	5.25
Over 10%	1	80.06
Total	1,336	100

Distribution of Shares without Voting Rights (Investment Shares)

Ownership	Investment shares	%
Less than 1%	955	42.75
Between 1% and 5%	12	24.30
Between 5% and 10%	-	-
Over 10%	1	32.95
Total	968	100

For share structure by investor type, refer to Tables 11 and 12 of Appendix D.

Securities portfolio

At the end of 2018, the Company had 51,993,535 ordinary shares and 7,061,913 investment shares in the Treasury.

Share price

Monthly quotes (opening, closure, maximum, minimum and average) of ordinary and investment shares (in Peruvian Soles per share) for 2018 are shown on the following tables:

Ordinary Share Prices – 2018 * (in Peruvian Soles)

Value	Month	Opening	Closure	Maximum	Minimum	Average
Ordinary	January	4.70	5.55	5.55	4.70	5.08
Ordinary	February	5.55	5.22	5.55	5.00	5.30
Ordinary	March	5.24	5.20	5.35	5.00	5.13
Ordinary	April	5.20	5.20	5.38	4.99	5.20
Ordinary	May	5.20	5.15	5.30	5.05	5.18
Ordinary	June	5.15	4.36	5.15	4.35	4.83
Ordinary	July	4.34	4.91	4.91	3.98	4.14
Ordinary	August	4.80	4.30	4.80	4.30	4.52
Ordinary	September	4.30	3.89	4.30	3.81	3.96
Ordinary	October	3.90	3.61	4.00	3.55	3.80
Ordinary	November	3.61	3.92	4.02	3.61	3.80
Ordinary	December	3.93	4.20	4.20	3.93	4.07

Investment Share Prices – 2018 * (in Peruvian Soles)

Value	Month	Opening	Closure	Maximum	Minimum	Average
Investment	January	3.40	3.60	3.60	3.35	3.50
Investment	February	3.60	3.30	3.60	3.30	3.43
Investment	March	3.20	3.10	3.30	3.10	3.24
Investment	April	3.10	3.10	3.12	3.10	3.11
Investment	May	3.00	3.05	3.05	3.00	3.02
Investment	June	3.00	2.90	3.00	2.90	2.97
Investment	July	2.89	2.89	2.89	2.89	2.89
Investment	August	2.55	2.30	2.55	2.23	2.31
Investment	September	2.30	2.19	2.30	1.90	2.07
Investment	October	2.19	2.10	2.30	2.10	2.19
Investment	November	2.10	2.10	2.11	2.10	2.10
Investment	December	2.10	2.13	2.13	2.10	2.13

* As a result of the agreement to change the company name to Nexa Resources Perú S.A.A. (JGA December 18, 2017), on September 24, 2018, company ordinary and investment share mnemonics were changed to NexaPEC1 (formerly MILPOC1) and NexaPEI1 (formerly MILPOI1), respectively.

Dividends paid

In 2018, the company did not have dividends paid. To date, the last dividend paid was No. 142, totaling US\$ 335,000,711.24, on October 6, 2017.

Special relations between issuer and the State

On June 24, 2002, the Company signed with the Peruvian Estate a Contract of Warranties and Protection Measures to Investment regarding its Cerro Lindo project. Through the Board of Director Resolution No. 1332-2007-MEM/DGM, the sworn accreditation statement for compliance of the execution of the technical-economic feasibility study of Cerro Lindo project presented was approved. Such resolution confirms that the Company complies with the stability of the taxation regime in force on July 17, 2001 for a 15-year term, the same registered since 2007.

Through the Law No. 29790, dated September 28, 2011, the payment of a contribution named Special Mining Levy was established for mining companies with taxation stability contracts. Said levy came in force in 2012.

Under such law, dated October 14, 2011, the Company voluntarily established with the Peruvian State, represented by MEM, the Agreement for Application of the Special Mining Levy, regarding the Cerro Lindo Project.

Dated April 15, 2011, the company was awarded the contract from the International Public Competition – Private Investment Promotion Process for Magistral Mining Project.

For such purpose, on June 3, 2011, Milpo y Activos Mineros S.A.C., with the assistance of Proinversión, signed the Contract of Transfer Option for Mining Grants comprising Magistral Project, which came into force on December 21, 2011. On October 19, 2015, the Company informed the exercise of stock options corresponding to the Magistral Mining Project.

Finally, on December 17, 2016, MILPO y Activos Mineros S.A.C., with assistance of Proinversión, signed the Contract of Mining Grant Transfer associated to the Magistral Project.

Current Board

The highest governance body of Nexa Peru is the Board of Directors, currently in force for March 2017 to March 2019.

Our Board of Directories includes nine members: a president, a vice president, and seven additional directors, two of them being independent. All the members of the Board of Directors are men, five Peruvian and four Brazilian. The background of all members of the Board of Directors is highly outstanding, specifically their experience in the mining industry, both at domestic and international levels.

Nexa Peru Board, 2017-2019 (GRI 102-18)

Position	Name
President	Ivo Ucovich
Vice President	Agustín de Aliaga
Director	Tito Martins
Director	Mario Bertoncini
Director	Jones Belther
Director	Felipe Guardiano
Director	Valdecir Aparecido Botassini
Director (independent)	Javier Otero
Director (independent)	Gianfranco Castagnola

The current Board of Directors was appointed in the Annual Mandatory Shareholders Board meeting dated March 31, 2017.

Affinity or consanguinity relationships

Directors have no affinity or consanguinity relationships between them, or with the General Manager or Nexa Peru managers.

Independent directors

Independent directors are those who are neither connected to the administration, nor with the major shareholders of the company. They are Javier Otero and Gianfranco Castagnola.

Remuneration of Board members and management body regarding gross revenue

The remuneration percentage of Nexa Peru management team and members of the Board of Directors, in relation to the company gross revenue, according to its separated financial statements, was 1.47% in 2018.

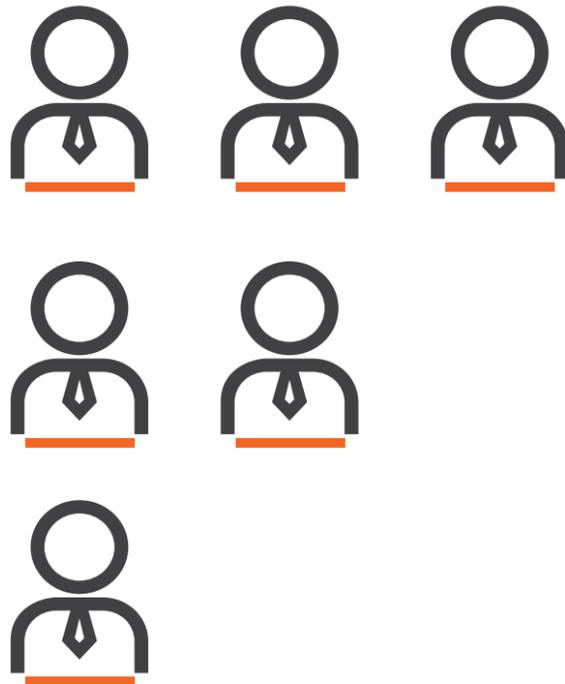
Board Committees

Audit Committee (GRI 102-22)

Focuses on (i) audit processes, both internal and external, (ii) financial information provided to shareholders and third parties, and (iii) internal controls established for high risk areas.

Provides assistance to the Board of Directors in the supervision of: (i) financial statement integrity; (ii) external auditor qualifications and independence; (iii) performance of internal audit and external audit activities; (iv) policies, accounting processes and internal control system of financial information of the Company, as well as any associated changes; (v) compliance with applicable standards and legal regulations.

It is important to highlight that in the Board of Directors session dated November 16, 2017, Corporate Governance, Social Responsibility, Human Resources and Compensation committees were approved to be overruled. Directors Javier Otero, Jones Belther and Valdecir Botassini were appointed as responsible for the activities performed by said committees and for providing information regarding such topics to the Board of Directors.



Professional background of Board members

Ivo Ucovich

President of Nexa Peru Board of Directors since 2002. President of Board of Directors of Atacocha. Also Director of Nexa Resources, Mining, Oil and Energy Association, and Cómex Perú. Metallurgical engineer graduated from Lafayette College.

Agustín de Aliaga

Vice President of Nexa Peru Board of Directors since 2005 and Director since 1979. Vice President of Boards of Directors of Atacocha. Also Director of El Brocal Mining Association, Director of Urbanizadora Pro S.A., President of Inversiones y Servicios Financieros S.A., Director of Calzado Atlas and Cómex Perú. He has been director and founder of AFP Horizonte, director of Pacococha Mining Union S.A, Vice President of Inversiones La Rioja and other companies. He has also been a member of the University Council of Universidad del Pacífico. Graduated in Business Administration from Universidad del Pacífico, MBA from Southern Methodist University de Dallas.

Tito Martins

Member of Nexa Peru Board of Directors since 2012. Member of Atacocha and Global CEO of Nexa Resources. Over 30 years of experience in the mining and metals industry in various countries. Previously, acted as President of the Board of Directors of Brazilian Aluminum Association (ABAL). Also acted as Executive Director of Vale S.A. Bays Metals, one of the major Brazilian mining companies. Moreover, he has been a member of Norsk Hydro Council, a Norwegian aluminum producer. He was CEO of a diversified Brazilian mining company, listed at São Paulo Stock

Exchange. In the beginning of his professional career, he worked for Valle S.A., holding several positions in financial and corporate departments. Graduated in economics from the Federal University of Minas Gerais (UFMG), with MBA from the Federal University of Rio de Janeiro (UFRJ). He has taken part in the supplementary educational program of Kellogg School of Management, Northwestern University (United States) and INSEAD, France.

Mario Bertoncini

Member of Nexa Peru Board of directors since 2013. Member of Atacocha Board of Directors. Deputy member of Fibria Board of Directors until 2013. Currently, Senior Financial Vice President and Finance Director of Nexa Resources since 2014. He has already been General Corporate Treasury Manager of VSA and held high positions at Banco Itaú BBA S.A. and Unibanco S.A. Graduated in Business Administration from Getulio Vargas Foundation - FGV (São Paulo, Brazil), with MBA on Finance from The Wharton School of the University of Pennsylvania (Philadelphia, United States).

Jones Belther

Member of Nexa Peru Board of Directors since 2013. Member of Atacocha Board of Directors. Currently, holds the Senior Vice President Mineral Exploitation and Mining Technology at Nexa Resources. He already held the same position at Votorantim Metais S.A. until 2014. Previously, he was Vale Peru manager. Over 25 years' experience in mining exploration in Brazil and other countries. He has worked for companies such as Rio Tinto Brazil, Golden Star Resources in Surinam, Vale Brazil and Peru, amongst others. Graduated in Geology from Universidade Estadual

Paulista (UNESP), Rio Claro, Brazil, from which he also holds an MSc in Mining Expiration.

Felipe Guardiano

Member of Nexa Peru Board of Directors since 2014. Member of Atacocha Board of Directors. Currently, he has been Vice President Sustainability and Strategic Planning at Nexa Resources since 2014. Previously, he was Performance Management Director at Votorantim Metais S.A. he worked as Performance Management Manager and as Palette Plant Manager. He has been a consultant for McKinsey & Company, and also for Mineral Resources Development Inc. (MRDI). Graduated in Mining Engineering from Ouro Preto Mining School in Brazil. Holds an MSc in Mining Engineering from Montana College of Mineral Sciences and Technology (currently Montana University, United States), as well as certificates from the executive educational program of Massachusetts Institute of Technology, Boston, United States, and IMD, Switzerland.

Valdecir Botassini

Member of Nexa Peru Board of Directors since 2016. Member of Atacocha Board of Directors. He has been Senior Vice President Engineering and IT with Nexa Resources since 2014. Previously, he was Project Development and Execution Director with Votorantim Metais S.A. until 2014. He has held leaving positions as General Manager Mining Operations and Metals, General Manager Nickel Business, General Manager Zink Businesses, and General Manager Polymetallic Operations. Graduated in Mechanic Engineering from McKenzie Presbyterian University (Brazil), with specialization in Process Engineering from the Polytechnic School of the University of São Paulo (EPUSP). He

has also taken part of the Skills, Tools and Competencies (STC) program from Kellogg School of Management (United States)/ Fundação Dom Cabral (Brazil).

Javier Otero

Member of Nexa Peru Board of Directors since 2010. Member of Atacocha Board of Directors. Independent Director at Ferreycorp since March 2017. Partner of Málaga-Webb Consultants. Previously, he has held positions as Corporate Manager and Commercial Division Manager with Banco de Crédito del Perú. He has also acted as General Manager with AFP Unión y de Financiera de Crédito del Perú, as well as Board of Directors member of Visanet, Prima AFP, and President of the Board of Directors of Expressnet. Graduated in Economics and Administration from the University of Malaga, Spain.

Gianfranco Castagnola

Member of Nexa Peru Board of Directors since 2015. Member of Atacocha Board of Directors. Executive President of APOYO Consultoría and President of the Board of Directors of AC Capitales SAFI. He has already acted as Director of Banco Central de Reserva del Perú, President of the Italian Chamber of Commerce, and President of the Patronage of the Universidad del Pacífico. He has already acted as Director of Scotiabank, SAGA Falabella, Lima Airport Partners, Inmobiliaria Koricancha, Austral Group and Redesur. Graduated in Economics from the Universidad del Pacífico, with MBA from the University of Harvard, United States.

Administration

Management Body (GRI 405-1)

Name	Position	Start
Ricardo Porto	CEO – General Manager	2017
Claudia Torres	CFO – Corporate Finance Manager	2001
Leonardo Coelho	COO – Corporate Operations Manager	2017
Enrique Garay (1)	Corporate Explorations and Geology Manager	2016
Jonas Mota (2)	Corporate Explorations and Geology Manager	2017
Jean Pierre Padrón (3)	Corporate DHO Manager	2013
Ricardo Pires (4)	Corporate DHO Manager	2018
Diego Miranda (5)	Corporate M&A Manager	2016
Fernando Marinho	Corporate Commercial Manager	2016
Eduardo León	Corporate Project Manager	2017
Marcelo De Assis	Corporate Supply Chain Manager	2017
Jose Osorio	Corporate Labor and Communities Relations Manager	2018
Magaly Bardales	Corporate Legal and Institutional Relations Manager	2008
Zetti Gavelán (6)	General Manager at Cerro Lindo Mining Unit	2016
Antonio Padrón (7)	General Manager at Cerro Lindo Mining Unit	2018
Jorge Bonilla	General Manager at Atacocha Mining Unit	2017

(1) Until April 2018.

(2) From May 2018.

(3) Until January 2019.

(4) From February 2019.

(5) Until August 2018.

(6) Until May 2018.

(7) From June 2018.

Affinity or consanguinity relationships

Managers have no affinity or consanguinity relationships amongst themselves.



Professional background of Managers

General Management

Ricardo Porto

CEO of Nexa Peru and Vice President Supply Chain & IT of Nexa Resources since 2014. Held the same position at Votorantim Metais S.A. between 2013 and 2014. For 15 years, acted as supply chain executive and Purchase Director for Vale S.A. and Executive Director for Bravante Group, oil and gas company. Started his career as Commercial Manager for Esso do Brasil, affiliated of Exxon Mobil. Graduated in Chemical Engineering from the Federal University of Rio de Janeiro (UFRJ), with specialization in Economic Engineering and Marketing, and Executive MBA from Fundação Dom Cabral. Has also obtained executive education program certificates from Massachusetts Institute of Technology and Kellogg Graduate School of Management, United States, as well as IMD, Switzerland.

Corporate Management

Claudia Torres

Corporate Finance Manager since November 2014. Previously, acted as Finance Manager since October 2005. Over 17 years of experience at MILPO, having started working there in 2001 as financial analyst, and then as Corporate Finance Head until 2005. Has already worked as a professor at the Post-graduation School of Universidad del Pacífico. Graduated in Business Administration from Universidad del Pacífico, having been awarded the Robert Maes Award. Holds an MBA from INSEAD, France. Additionally, has graduated in Strategic Management for the New Mining Industry from Gerens, where she obtained the first place in order of merit, as well as in the

Executive Program for CFOs from the University of Chicago Graduate School of Business.

Leonardo Coelho Nunes

Corporate Operations Managers since May 2017. Previously, has acted as General Manager of Cuiabá and Lamego Complex for AngloGold Ashanti, where he worked for 15 years. Graduated in Mining Engineering from the Federal University of Minas Gerais (UFMG), with specializations from Kellogg Graduate School of Management, Fundação Dom Cabral, and University of Cape Town.

Jonas Mota

Corporate Explorations and Geology Manager since May 2018. Twelve years experience in the fields of economic geology and mineral exploration project evaluation. Graduated in Geology from the University of São Paulo, with MSC in Economic Geology from the University of Brasília, and a PhD in Economic Geology also from the University of Brasília. Additionally, has held managing positions at Nexa Brasil, and then Nexa Peru.

Ricardo Pires

Corporate Manager of Organizational Human Development and Social Responsibility since February 2019. Experienced in cultural transition and organizational process changes. Graduated in Business Administration from the University EAESP – FGV, with MBA in Company Diagnosis and Reorganization & RRHH from CEAG – FGV. Previously, held managing positions at TIVIT and Mars.

Fernando Marinho

Corporate Commercial Managers since November 2016. Thirty-five years' experience in mining and metals companies. Worked as

General Commercial Manager Concentrate and Coproduct for Votorantim Metais between 2012 and 2016. Previously, worked as Concentrate Manager for Votorantim Metais Nickel from 2007 to 2012. Between 2006 in 2007, worked as Production Manager in a joint venture with Ball Corporation. Worked as Smelting Operations Manager and Copper Concentrate and Product Sales Manager for a company belonging to the Parapanema Group from 1982 to 2006. Graduated in Metallurgical Engineering from the Federal University Fluminense, with an MBA in Corporate Finance from Fundação Getúlio Vargas, and post-graduation in Business Administration from the Federal University of Bahia.

Eduardo León

Corporate Project Development and Execution Manager since April 2017. Has worked as Engineering Manager for Marcobre S.A., Special Project Manager for Compañía Minera Antamina, and Project Development and Execution Manager for MILPO from 2006 to 2012, amongst other positions. Additionally, has worked as General Manager for Calcios del Pacífico Sur S.A., Company Energética de Chaprín S.A., and Quitaracsa Company de Generación Eléctrica S.A. Previously, worked on the development and startup of the Cerro Lindo Project, and of the electrodeposition plant of the Copper Pampa Mining Unit for MILPO. Experienced in mining plants and tailings dams, having executed projects on mine sites in Peru and Chile, with focus on mining plant management, design, construction and startup. Graduated in Civil Engineering from Pontificia Universidad Católica del Perú, with over 25 years of experience, and an MBA from the PUCP Business Center,

with a cum laude degree. Additionally, has supplementary education from Kellogg School of Management (United States).

Marcelo de Assis

Cooperate Supply Chain Manager since 2017, with 18 years of experience in operations, logistics and purchase. Graduated in Industrial Engineering from the Federal University of Rio de Janeiro, with an MBA in Logistics from PUC Rio de Janeiro. Previously, has held managing positions at Vale.

Jose Osorio

Cooperate Industrial, Union and Community Relations Manager since September 2018. Graduated in Legal and Social Sciences from PUC, with facilitation in Labor Laws from UNISINOS, Rio Grande do Sul, Brazil. For 20 years, worked as Industrial and Union Relations Manager for Gerdau Group, acting as main spokesperson with the union movement worldwide.

Magaly Bardales

Corporate Legal and Institutional Relations Manager since 2018. Worked as Legal Manager from 2009 to 2014, and as Legal and Institutional Relations Manager since 2018. Has worked as President of Directivo de Activos Mineros S.A.C. and alternate spokesperson of the Mining Council of the Ministry of Energy and Mines. Previously, worked as legal assessor for the Private Investment Promotion Agency – PROINVERSIÓN. Has worked as Administrative Laws professor for the University of Lima. Currently, acts as president of the Legal Committee of the National Mining, Oil and Energy Society. Over 15 years’ experience in the mining industry. Graduated in Laws from the University of Lima, with PhD in Laws from the University Carlos III,

Madrid, Spain. Additionally, holds a graduation in Strategic Company Management from the Universidad del Pacífico, as well as in Management Program for Lawyers from Yale School Management.

Mining Unit Managers

Antonio Padrón

Cooperate Operations Development Manager since December 2017. Has worked for Nexa Resources since 2013 as General Operations Manager at Vazante Unit in Brazil. Over 20 years’ experience in mining and metals. Has held managing positions at Rio Tinto, Magnesita



Refractories and BR Metals Fundiciones. Graduated in Mechanic Engineering from Fundación Souza Marquesy, with an MBA in Company Management from Getúlio Vargas Foundation, Brazil.

Jorge Bonilla

General Manager at Pasco Mining Complex. Has worked for MILPO since 2014, having held positions such as Operations Manager, Unit Manager, and later General Manager. During his professional development, he has worked for renowned mining companies such as Compañía Minera Volcan, Hoschschild Mining PLC, Fortuna Silver Mines (San José Mining Unit, Mexico), amongst others. Has graduated in Mining Engineering from Pontificia Universidad Católica del Perú. Over 16 years’ experience in the mining industry focused on underground mining.

Legal and administrative processes

There are legal and administrative processes qualified as probably corresponding to Nexa Peru and its subsidiaries, referred to under the section Provisions (Note 19) of the annual audited consolidated financial statements for 2018.

Anticorruption practices

Nexa Peru has developed several actions to ensure the execution and compliance with the Code of Conduct and anticorruption practices. In this sense, over 2018, we tried to encourage the dissemination of the Línea Ética channel, as an impartial reporting component regarding the topics approached by such Code. In 2018, we attended to 41 cases, comprising consultation and reporting, which were taken up to the Conduct Committee of the Company.





APPENDIX A: Environmental Indicators

Refer to section **Sustainable Development of Our Operations**

Waste:

Table 1. Waste Generated per Beneficiation Method (GRI 306-2)

Sources	Unit	Cerro Lindo Mining Unit	El Porvenir Mining Unit	Atacocha Mining Unit
		2018	2018	2018
Nonhazardous waste				
Composting	t	388	512	3
Reuse	t	-	-	-
Recycling	t	646	761	265
Recovery	t	-	-	-
Sanitary fill	t	342	582	142
On-site storage	t	989	-	-
Hazardous waste				
Internal reuse/recycling	t	-	-	-
External reuse/recycling	t	203	-	-
Recovery	t	-	-	-
Industrial fill	t	164	161	32
On-site storage	t	166	-	-
Co-processing/refining	t	-	61	49

Table 2. Blasting and Tailings Volume Generated in Operations

Description	Unit	Cerro Lindo Mining Unit	El Porvenir Mining Unit	Atacocha Mining Unit
		2018	2018	2018
Blasting	t/year	1,140,000	0	0
Tailings	t/year	1,488,013	2,000,308	8,103,137

APPENDIX B: Social Management Indicators

Refer to section **Sustainable Development of Operations, Environment and Local Development**

Table 3. Major Social Investment Projects and Programs in Cerro Lindo Mining Unit (GRI 413-1)

Axis	Description 2018	Investment 2018
Community infrastructure axis	<ul style="list-style-type: none"> - Leverage of offsetting funds: 2 initiatives identified and approved - Construction of touristic infrastructure and site for fisherman's associations: S/ 70,000 transferred for construction of Association site - Support to community infrastructure in Chavín and Topará: 13 small improvement/maintenance works for financed public infrastructure in the communities 	S/ 844,000
Access road improvement axis	<ul style="list-style-type: none"> - Improvement and expansion of vehicle and pedestrian trafficability on San Francisco Avenue, Sunampe (OXI) - Construction of tracks and sidewalks for the downtown area of Condorillo Alto village – Chinchá (OXI) 	S/ 3,887,732
Educational and health infrastructure improvement axis	<ul style="list-style-type: none"> - Improvement, expansion of full-time educational service of I.E No. 22273 and I.E. No. 320 -OXI Chavín: 25% progress of works execution 	S/ 1,667,531
Educational quality improvement axis	<ul style="list-style-type: none"> - Improvement of educational quality in agreement with UGEL (including supplement and school material campaign): 80 students and five teachers with strengthened capabilities for better educational performance. 460 students with school material kit for good commencement of the school year. 	S/ 114,899
Healthcare improvement axis	<ul style="list-style-type: none"> - Health and prevention campaigns for protection against the cold: 400 people served in eight health prevention campaigns 	S/ 28,000
Child nourishment axis	<ul style="list-style-type: none"> - Strengthening of good health and nourishment practices: 60 children received food supplements; 30 householders qualified in good health and nourishment practices; 32 medical practitioners qualified in nourishment; 12 house visits for nourishment monitoring 	S/ 100,000
Occupational Education axis	<ul style="list-style-type: none"> - Occupational education (specialization/certification TECSUP, SENCICO, CETEMIN, TEXTILES): 40 youngsters qualified in SENCICO; double education course commencement with AESA offset 	S/ 250,000
Opportunities for higher education axis	<ul style="list-style-type: none"> - Cerro Lindo Scholarship Program: 30 interns 	S/ 84,000
Agricultural production chain strengthening axis	<ul style="list-style-type: none"> - Promotion of production chains (organic crops, fruit chains): 10 producers with strengthened capabilities increasing profitability by 15% upon crop sales 	S/ 78,000
Local government and local leadership capability strengthening axis	<ul style="list-style-type: none"> - Management capability strengthening in Chavín and Topará 	S/ 80,000
Efficient water storage and use axis	<ul style="list-style-type: none"> - Support to the environmental management of the watershed (qualification, environmental management initiatives): 200 people qualified in 1 information and awareness campaign; 2 environmental management initiatives carried out - Water intake in Chavín – irrigation systems: 1 tank with 3000 m³ storage capacity - rehabilitation of channels affected by rainfall: 20 ha of land with rehabilitated irrigation through five irrigation systems, benefiting 50 producers 	S/ 437,426
Forestry and reforestation axis	<ul style="list-style-type: none"> - Water intake in Chavín: forestry: management of 100 ha of woods in two campaigns campañas 	S/ 42,102

Table 4. Major Social Investment Projects and Programs in Atacocha Mining Unit (GRI 203-1, GRI 413-1)

Project/Program	Description 2018	Investment 2018
Water and sanitation axis	<ul style="list-style-type: none"> - Support to water management (Machcán): JASS formalized, qualified and in operation - Construction of septic tank (Malauchaca): improved sanitation system - Water management plan for human consumption (Machcán and Pumacayán): 70 houses with access to safe water due to improved water systems 	S/ 171,120
Community infrastructure axis	<ul style="list-style-type: none"> - Social investment Yarusyacán 2018 - Construction of community museum in Yarusyacán: 50% progress. - Construction of chapel in San Ramón de Yanapampa: commencement of construction - Ground grading Malauchaca: designed 	S/ 300,000
Road access improvement axis	<ul style="list-style-type: none"> - Improvement of roads and pedestrian walkway (Machcán, San Ramón de Yanapampa): 10 km of improved roads - Road improvement through temporary employment (Machcan, Joraoniyoc, San Ramón de Yanapampa, Huancamachay, Pitic): 7 km of roads maintained 	S/ 93,444
Educational quality improvement axis	<ul style="list-style-type: none"> - School material campaign (Yarusyacán, Tlclacayán, Cajamarquilla, Malauchaca): 2000 students receive material kits for good commencement of the school year 	S/ 20,259
Healthcare improvement axis	<ul style="list-style-type: none"> - Health campaigns (Machcán, Joraoniyoc, Tlclacayán): 300 people served in 3 preventive health campaigns 	S/ 63,185
Occupational education axis	<ul style="list-style-type: none"> - Technical occupational education (Yarusyacán, Tlclacayán): 20 youngsters studying at SENCICO 	S/ 24,200
Sierra Productiva axis	<ul style="list-style-type: none"> - Sierra Productiva in Pasco - Phase II: 48 families incorporate at least 5 sustainable production technologies and improve the gross income from their production by 5%; 7.5 ha with mechanized irrigation 	S/ 339,008
Cattle raising/small animals production chain strengthening axis	<ul style="list-style-type: none"> - Improvement of sheep raising (Joraoniyoc - Machcan): 2% increase in cattle raising profitability; 15% increase in the productivity of sheep wool and meat; 262 qualified producers receive consumables to improve their activities; 3 cattle dosing and health campaigns; 210 improved breed producers introduced. - Provision of materials for construction of animal troughs (Huancamachay): 1 trough installed benefiting 25 producers - Improvement of milky product quality of the cheese production plant in San Juan de Yanacachi- Pasco: 2% increase in profitability of milky products sales; installed infrastructure (cheese maturing chamber). - Vicuña llama conservation and management at the CC of Tlclacayán: conservationist committee formed and qualified (20 members) 	S/ 543,070
Efficient water storage and use axis	<ul style="list-style-type: none"> - Water resource management plan (Yarusyacán): 20 ha with mechanized irrigation, benefiting 60 families; 27 troughs constructed 	S/ 62,669

Table 5. Major Social Investment Projects and Programs in El Porvenir Mining Unit:

(GRI 201-1, GRI 203-1, GRI 203-2, GRI 413-1)

Axis	Description 2018	Investment 2018
Water and sanitation axis	- Maintenance of PTAR SJM: 365 houses with access to safe water for human consumption - Strengthening of JASS of AID El Porvenir: JASS formalized and in operation, personnel qualified Construction of water intake, distribution line Marcahuine - Lloclla (Yanacancha - Pasco): 1750 houses with access to safe water	S/ 367,971
Electrification, Internet and telecom axis	- Paid Internet service in SJM: 7 institutions (schools, community centers) with Internet service for the community - Electric light provision to communities by the Company: 280 houses with access to electric energy Improvement to the electric system of Centro Poblado La Quinoa: improved system	S/ 171,249
Healthy housing axis	Construction of houses according to the evaluation of their risk status, as per INDECI - Pasco: 19 houses built	S/ 1,286,376
Community infrastructure axis	Construction of the community center of San Juan de Milpo	S/ 127,890
Road access improvement axis	- Maintenance of the road of SJM community (stretch: from San Carlos to Pucayacu): 12 km road maintenance/improvement (stretch: Pasco - Portón San Carlos). Construction of Lulicocha - Huancamachay Oxl road (Yarusyacán): 4.78 km of road as tax-deductible works	S/ 2,005,024
Educational quality improvement axis	- Subsidy for hiring music and computer teachers in SJM: 2 teachers hired to attend to 120 students School material campaign: 1505 students with material kits for good commencement of the school year	S/ 97,700
Occupational education axis	- Occupational education to community members at SJM occupational system (so that new community members may start in mining activities): 1 course started, taught by SENATI to 20 youngsters Occupational qualification program for Cajamarquilla youngsters (CETEMIN): 5 youngsters qualified by course taught by CETEMIN	S/ 292,180
Higher education opportunity axis	- Creation of a rotational support fund for higher education (university and technical): 30 youngsters with partial scholarship for higher education Pre-university preparatory program, annual investment of S/ 20,000.00 for five years: 25 youngsters with subsidy for preuniversity preparation	S/ 65,000
Sierra Productiva axis	Santa Rosa y San Miguel Sierra Productiva Pilot: 40 producers incorporate 5 sustainable technologies and improve the gross value of their production; 1 pasture area and 5 residential irrigation systems installed.	S/ 339,008
Local enterprising strengthening axis	- Competitive fund for business ideas SJM: 4 new businesses leveraged with their respective plans; 20 entrepreneurs qualified. Business initiative for disabled people SJM: 4 improved businesses; 32 entrepreneurs qualified; 16 business plans developed; S/ 22,500 delivered as seed funding	S/ 62,500
Efficient water storage and use axis	Efficient water storage and use axis: 1 dossier prepared	S/ 30,000

APPENDIX C: Corporate Human Development Indicators

Refer to section **Our Human Management**.

Table 6. Total Personnel Training Hours per Category and Gender – Total Training

(GRI 404-1, GRI 404-2, 405-1)

Category	Gender	Total hours*
Manager	Women	111
	Men	619
Coordinator/Consultant	Women	29
	Men	103
Supervisor/Assistant/Analyst/Technician	Women	170
	Men	168
Intern	Women	66
	Men	15

* Data shows only training hours carried out at the Corporate Offices in Lima

Table 7. Number of Employees per Age, Gender and Employment Period in 2018

Employees and Collaborators	Total	Less than 30	From 30 to 50	Over 50	Employment Period	Men	Women
Managers / Executives	65	0	46	19	6.41	53	12
Professionals/ Employees	583	97	424	62	10.73	457	126
Technicians / Analysts / Supervisors	127	19	70	38	48.58	113	14
Trainees	20	17	3	0	2.62	15	5
Operational Workers	1099	24	768	307	41.30	1097	2
Total collaborators	1894	157	1311	426	109.64	1735	159

Table 8. Number of Leaving Employees and New Hires

Type	2017	2018
	N°	N°
Collaborators leaving their jobs	167	174
New hires	204	243

Table 9. Number of New Hires during the Period covered by this Memorial (per age)

Type	2017	2018
	N°	N°
Less than 30	67	68
From 30 to 50	123	159
Over 50	14	16

Table 10. Number of New Hires during the Period covered by this Memorial (per gender)

Type	2017	2018
	N°	N°
Women	53	49
Men	151	194

APPENDIX D: Share Structure per Investor Type

Refer to section **Corporate Management. Corporate aspects**

Table 11. Share Structure per Investor Type (ordinary shares)

Share: MILPOC1		
Ownership per shareholder type of the share or representative share value, as per S&P Perú Selective Index (at financial year-end)	Number of holders	% Share
1. Board members and high management, including relatives ⁽¹⁾ .		0.00%
2. Company workforce, not included in item 1.	18	0.11%
3. Natural persons, not included in items 1 and 2.	1247	3.37%
4. Pension funds managed by Pension Fund Administrators of the Superintendencia of Banks, Insurance and Pension Fund Administrators	10	11.20%
5. Pension fund managed by the Social Security Office (ONP).		0.00%
6. Entities of the Peruvian State, except for the one described in item 5.		0.00%
7. Banks, financial establishments, municipal credit banks, Small and Micro Enterprise Development Companies (EDPYMEs), rural credit banks and credit unions supervised by the Superintendencia of Banks, Insurance and Pension Fund Administrators.	4	0.26%
8. Insurance companies supervised by the Superintendencia of Banks, Insurance and pension Fund Administrators.		0.00%
9. Intermediation agents supervised by SMV.	3	0.00%
10. Investment funds, mutual funds and trust assets covered by the Securities Law and Investment Funds Law, and bank trusts covered by the General Financial System Law.	18	0.16%
11. Identifiable stand-alone trust funds and bank trusts.		
12. Foreign depositaries appearing as owners of the share in the program framework of American Depository Receipts/Shares (ADR/ADS).		0.00%
13. Foreign depositaries appearing as owners of shares not included in item 12.		0.00%
14. Foreign custodians appearing as owners of shares.		0.00%
15. Entities not included in the previous items ⁽²⁾ .	36	84.90%
16. Shares belonging to S&P/BVL Peru Select Index or representative value of such shares, in the company portfolio.		0.00%
Total	1,368	100.00%

Ownership by share owners or representative share value comprising the S&P/BVL Peru Select Index, according to permanence (at financial year-end)

⁽¹⁾ "Relatives" as per the Regulation of Indirect Ownership, Relationship and Economic Groups.

⁽²⁾ "Entities" as per the Regulation of Indirect Ownership, Relationship and Economic Groups.

⁽³⁾ Two decimals.

Table 12. Share Structure per Investor Type (investment shares)

Share: MILPOI1		
Ownership per shareholder type of the share or representative share value, as per S&P Perú Selective Index (at financial year-end)	Number of holders	% Share
1. Board members and high management, including relatives ⁽¹⁾ .		0.00%
2. Company workforce, not included in item 1.	14	1.36%
3. Natural persons, not included in items 1 and 2.	937	61.65%
4. Pension funds managed by Pension Fund Administrators of the Superintendence of Banks, Insurance and Pension Fund Administrators.		0.00%
5. Pension fund managed by the Social Security Office (ONP).		0.00%
6. Entities of the Peruvian State, except for the one described in item 5.		0.00%
7. Banks, financial establishments, municipal credit banks, Small and Micro Enterprise Development Companies (EDPYMEs), rural credit banks and credit unions supervised by the Superintendence of Banks, Insurance and Pension Fund Administrators.		0.00%
8. Insurance companies supervised by the Superintendence of Banks, Insurance and pension Fund Administrators.		0.00%
9. Intermediation agents supervised by SMV.		0.00%
10. Investment funds, mutual funds and trust assets covered by the Securities Law and Investment Funds Law, and bank trusts covered by the General Financial System Law.		0.00%
11. Identifiable stand-alone trust funds and bank trusts.		0.00%
12. Foreign depositaries appearing as owners of the share in the program framework of American Depository Receipts/Shares (ADR/ADS).		0.00%
13. Foreign depositaries appearing as owners of shares not included in item 12.		0.00%
14. Foreign custodians appearing as owners of shares.		0.00%
15. Entities not included in the previous items ⁽²⁾ .	17	37.00%
16. Shares belonging to S&P/BVL Peru Select Index or representative value of such shares, in the company portfolio.		0.00%
Total	968	100.00%

Ownership by share owners or representative share value comprising the S&P/BVL Peru Select Index, according to permanence (at financial year-end)

⁽¹⁾ "Relatives" as per the Regulation of Indirect Ownership, Relationship and Economic Groups.

⁽²⁾ "Entities" as per the Regulation of Indirect Ownership, Relationship and Economic Groups.

⁽³⁾ Two decimals.

About GRI Application

This Annual Report 2018 reports our performance regarding economic, operational, occupational, environmental, social and talent management aspects. The information presented herein solely corresponds to the period from January 1 to December 31, 2018 ^(GRI 102-50)

To develop this issue, GRI Standards have been used. Such standards have been designed so that organizations may present information on their impacts over economy, environment and society, with a common language to the companies and their stakeholders. The Global Reporting Initiative methodology has been used by Nexa Peru sense 2014. This document is, therefore, the fifth Integrated Sustainability Report (the previous one was for 2017, named Annual Report 2017).

Steps for Annual Report 2018 development



1. Identification of relevant topics

Upon crossing information on material topics of Nexa Resources 2017, material topics of Nexa Peru 2017 and current topics of the domestic mining industry, a list of topics was put together as an update of materiality in 2018. ^(GRI 102-49)

2. Definition of materiality

A feedback meeting was held with the Sustainability department for validation of material topics to be reported. The topics were approved taking into account the current company strategy and momentous topics for the domestic mining industry. As a result of such meeting, the following material topics have been obtained:

- Compliance with high health and safety standards by collaborators and suppliers.
- Supplier development and management.
- Talent attraction and development.
- Contribution to the development of local communities and socioenvironmental conflict management.
- Environmental management and compliance in energy, waste and emissions
- Efficient water use
- Technology and innovation as a tool towards operational efficiency and environmental impact reduction
- Good Corporate Governance.

3. Linking materiality to standards and GRI content

From the 11 material topics defined, we identified GRI Standards and contents associated to each one applicable to Nexa Peru.

4. Compilation of pertinent standards, GRI content and information, as well as SMV requirements

Quantitative and qualitative information questionnaires were developed based on associated GRI Standards and contents to be submitted to corresponding departments. Furthermore, we have included a pertinent information request for Annual Report 2017 and SMV requirements.

5. Development of Annual Report 2018

Information was processed taking into account previously validated content structure, responding to the eight material topics identified and SMV requirements. Once totally developed, the document has undergone a quality control effort by associated departments, with required adjustments being done and feedback from High Management being taken into account.

Material Aspects for Annual Report 2018 aligned with GRI Contents.

(GRI 102-44) (GRI 102-46) (GRI102-47)

Material Topics	Related Stakeholders	Coverage
Compliance with High Health & Safety Standards for Collaborators and Suppliers	Collaborators and suppliers	Internal
		Internal
		Internal
Supplier Development and Management	Suppliers	External
Talent Attraction and Development	Collaborators	Internal
		Internal
Contribution to Local Community Development and Socioenvironmental Conflict Management	Community Government and Society Environment	External
Environmental Management and Compliance in Energy, Waste and Emissions	Environment	Internal
Efficient Water Use	Environment	Internal
Technology and Innovation as Operational Efficiency Tool and Environmental Impact Reduction	Environment	Internal
Good Corporate Governance	Shareholders	Internal

GRI Table of Contents

The following table shows reported content as per the “Essential” option of GRI Standards of Global Reporting Initiative. (GRI 102-55)

For the Disclosure Materiality service, GRI services checked that the GRI Index is clearly presented and the references to standards 102-40 to 102-49 align with the corresponding sections of the report.



GRI Standard	Content	Notes	Page
GRI 101: 2016 Fundamentals	-	-	-
GRI 102: General Content	102-1 Organization name		11, 79
	102-2 Activities, brands, products and services		11
	102-3 Head office location		79
	102-4 Operations location		79
	102-5 Ownership and legal form		79
	102-6 Markets served	This information is confidential. Therefore, it cannot be disclosed to the public at large.	
	102-7 Organization size		52 and 53
	102-8 Information on employees and other personnel		52 and 53
	102-9 Supply chain		60
	102-10 Significant changes to the organization and its supply chain		83 and 84
	102-11 Cautionary principle or focus		38 and 43
	102-12 External initiatives		18
	102-13 Affiliation two associations		18
	102-14 Identification of high executives responsible for decision-making		5
	102-16 Values, Principles, standards and codes of conduct		15, 16
	102-18 Governance Structure		88
	102-21 Consultation with stakeholders on economic, environmental and social topics	Information was gathered with our stakeholders for the corresponding period of 2017. Such information was taken into account to update Material Topics and develop Annual Report 2018.	
	102-22 Formation of highest governance body and its committees		89
102-40 List of stakeholders		17	
102-41 Collective negotiation agreements		58 and 59	
102-42 Identification and selection of stakeholders		17	
102-43 Focus for stakeholder participation		17	
102-44 Key topics and concerns mentioned		9 and 111	
102-45 Entities included in consolidated financial statements		79	
102-46 Definition of report content and coverage of the topic		111	
102-47 List of material topics		9 and 111	
102-48 Restatement of the information	No restatement of information		
102-49 Changes to report development		109	
102-50 Report period		109	
102-51 Date of latest report		8	
102-52 Report development cycle		8	
102-53 Single point of accountability for questions on the report	Henry Aragón, responsible for Relations with Investors henry.aragon@Nexaresources.com		
102-54 Statement of report development as per GRI standards		8	
102-55 Table of contents of GRI content		112 to 116	

Material Aspects

1. High standard compliance on occupational Health and Safety			
GRI 103: Management Focus (2016)	103-1 Material aspect explanation and coverage		49 y 50
	103-2 Management Focus and its components		49 y 50
	103-3 Management Focus Evaluation		49 y 50
GRI 403: Occupational Health and safety	403-2: Accident types and accident frequency rates, occupational illnesses, lost workdays, absenteeism and number of deaths per occupational accident or professional illness		50
	403-3: Workers with high incidence or high risk of illnesses associated to their activities		51 and 52
	403-4: Health and safety topics dealt with in formal agreements with unions		50
2. Supplier Management and Development			
GRI 103: Management Focus (2016)	103-1 Material aspect explanation and coverage		63
	103-2 Management Focus and its components		63
	103-3 Management Focus Evaluation		63
GRI 204: Acquisition Practices	204-1 Expenditure with local suppliers		63 and 64
GRI 414: Social evaluation of suppliers	414-1: New suppliers approved in social criteria selection		63
3. Talent Attraction & Retention			
GRI 103: Management Focus (2016)	103-1 Material aspect explanation and coverage		53
	103-2 Management Focus and its components		53
	103-3 Management Focus Evaluation		57 y 58
GRI 404: Education and training	404-1: Average hours of education a year per employee		57 and 104
	404-3: Percentage of employees receiving periodical professional performance and development evaluations		57 and 58
GRI 405: Diversity and equality of opportunities	405-1: Diversity in governance bodies and employees		59, 92, 93 and 104
4. Local communities' development and socioenvironmental conflicts management			
GRI 103: Management Focus (2016)	103-1 Material aspect explanation and coverage		44
	103-2 Management Focus and its components		44
	103-3 Management Focus Evaluation		44
GRI 413: Local communities	413-1 Operations with engagement of the local community, evaluations of impact and development programs		47, 98, 100, 101, 102 and 103
5. Management and environmental compliance on energy, waste and emissions			
GRI 103: Management Focus (2016)	103-1 Material aspect explanation and coverage		38
	103-2 Management Focus and its components		38
	103-3 Management Focus Evaluation		38
GRI 302: Energy	302-1 Energy consumption within the organization		41
GRI 305: Emissions	305-1: Direct greenhouse gas emissions (range 1)		42
	305-5: Reducción de las emisiones de GEI		42
	305-7: Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant emissions to the atmosphere		42
GRI 306: Effluents and waste	306-2: Waste per type and elimination method		43 and 97
6. Efficiency in water consumption			
GRI 103: Management Focus (2016)	103-1 Material aspect explanation and coverage		39
	103-2 Management Focus and its components		40
	103-3 Management Focus Evaluation		40
GRI 303: Water	303-1: Water intake per source		40
	303-3: Recycled and reused water		40

Material Aspects

7. Technology and innovation as tools for operational efficiency and reduction of environmental impacts			
GRI 103: Management Focus (2016)	103-1 Material aspect explanation and coverage		38
	103-2 Management Focus and its components		38
	103-3 Management Focus Evaluation		38
GRI 302: Energy	302-1 Energy consumption within the organization		41
GRI 303: Water	303-1: Extracción de agua por fuente		40
	303-3: Recycled and reused water		40
GRI 305: Emissions	305-1: Direct greenhouse gas emissions (range 1)		42
	305-5 Reduction of GEl emissions		42
	305-7: Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant emissions to the atmosphere		42
GRI 306: Effluents and waste	306-2: Waste per type and elimination method		43 and 97
8. Corporate Governance			
GRI 103: Management Focus (2016)	103-1 Material aspect explanation and coverage		79 - 96
	103-2 Management Focus and its components		79 - 96
	103-3 Management Focus Evaluation		79 - 96

Otros temas a Reportar			
	GRI standard	Notes	Page
Economic Performance			
GRI 201: Economic Performance	201-1 Economic value generated to stakeholders		46, 47, 69, 71 and 102
Indirect economic impacts			
GRI 203: Indirect Economic Impacts	203-1 Investment in infrastructure and supported services		47, 100 and 101
Child labor			
GRI 408: Child labor	408-1 Operations and suppliers with significant risk of child labor		63
Trabajo Forzoso u Obligatorio			
GRI 409: Forced or mandatory labor	409-1 Operations and suppliers with significant risk of forced or mandatory labor		63



(Free translation from the original in Spanish)

Independent Auditor's Report

To the Shareholders and Board of Directors
Nexa Resources Perú S.A.A.

February 15, 2019

We have audited the accompanying consolidated financial statements of **Nexa Resources Perú S.A.A. and subsidiaries**, which comprise the consolidated statements of financial position at December 31, 2018 and 2017, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information included in notes 1 to 33.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing approved for their application in Peru by the Board of Deans of Institutes of Peruvian Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

February 15, 2019
Nexa Resources Perú S.A.A. and Subsidiaries

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above, present fairly, in all material respects, the financial position of **Nexa Resources Perú S.A.A. and subsidiaries** at December 31, 2018 and 2017, their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Countersigned by

_____(partner)
Pablo Saravia Magne
Peruvian Certified Public Accountant
Registration No.01-24367

Nexa Resources Perú S.A.A. and Subsidiaries

Consolidated Statement of Financial Position

For years ended December 31, 2018 and 2017

Amounts expressed in thousands of US dollars, unless otherwise stated

	2018	2017		2018	2017
ASSETS			LIABILITIES AND EQUITY		
Current assets			Current liabilities		
Cash and cash equivalents	682,073	527,585	Borrowings	3,755	3,755
Trade receivables	212,689	271,257	Trade payables	159,939	119,645
Inventories	35,122	34,244	Employee benefits	28,865	36,815
Taxes receivables	12,781	3,740	Taxes payables	6,858	36,251
Other receivables	11,818	16,317	Other payables	17,529	8,796
Other non-financial assets	3,338	1,152	Deferred income	31,992	31,296
	957,821	854,295		248,938	236,558
Non-current assets			Non-current liabilities		
Taxes receivables	5,428	3,643	Borrowings	342,029	341,730
Other receivables	13,174	7,944	Provisions	71,406	92,537
Deferred tax assets	24,986	26,521	Deferred income	167,645	190,589
Investments	9	18,009	Other liabilities	92	-
Property, plant and equipment	344,876	350,336		581,172	624,856
Intangible assets	253,536	228,304	Total liabilities	830,110	861,414
	642,009	634,757			
			EQUITY		
			Share capital	423,830	423,830
			Treasury shares	(15,165)	(15,165)
			Investment shares	4,551	4,551
			Legal reserve	84,766	84,766
			Other capital reserves	(23,974)	(23,974)
			Retained earnings	273,211	130,422
			Total equity attributable to the Parent Company	747,219	604,430
			Non-controlling interest	22,501	23,208
				769,720	627,638
TOTAL ASSETS	1,599,830	1,489,052	TOTAL LIABILITIES AND EQUITY	1,599,830	1,489,052

Nexa Resources Perú S.A.A. and Subsidiaries

Statement Of Consolidated Income

For years ended December 31, 2018 and 2017

Amounts expressed in thousands of US dollars, unless otherwise stated

	2018	2017
Revenue from ordinary activities	827,537	911,745
Cost of sales	(508,588)	(498,213)
Gross profit	318,949	413,532
Operating expenses:		
Selling expenses	(2,357)	(1,973)
Administrative expenses	(30,180)	(29,457)
Mineral exploration and project development	(68,379)	(43,392)
Other income (expenses), net	(3,140)	(5,614)
Operating profit	214,893	333,096
Financial income	21,274	11,620
Financial expenses	(28,738)	(29,179)
Exchange difference, net	(1,304)	(1,365)
Finance, net	(8,768)	(18,924)
Profit before income and mining taxes	206,125	314,172
Expenses for income and mining taxes	(64,043)	(89,692)
Profit for the period	142,082	224,480
Profit attributable to:		
Owners of the Controlling entity	142,789	220,904
Non-controlling interest	(707)	3,576
	142,082	224,480
Average shares outstanding - in thousand	1,272,108	1,272,108
Basic and diluted earnings per share (in U.S. dollars)	0,112	0,174

	2018	2017
Profit for the period	142,082	224,480
Other comprehensive income (including solely items that may be subsequently reclassified to profit):		
- Changes in fair value of hedging instruments	-	10,673
- Deferred income tax of the hedging instruments	-	(2,135)
Total comprehensive income for the period	142,082	233,018
Attributable to:		
Owners of the Controlling entity	142,789	229,442
Non-controlling interest	(707)	3,576
	142,082	233,018

Nexa Resources Perú S.A.A. and Subsidiaries

Statement of Changes in Equity

For years ended December 31, 2018 and 2017

Amounts expressed in thousands of US dollars, unless otherwise stated

Equity attributable to shares of the Company										
	Share capital	Treasury shares	Investment shares	Legal reserve	Other capital reserve	Other equity reserve	Retained earnings	Total	Non-controlling interest	Total
Balances at January 1, 2017	423,830	(15,166)	4,551	89,393	(23,975)	(8,538)	239,894	709,989	19,632	729,621
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	220,904	220,904	3,576	224,480
Other comprehensive income	-	-	-	-	-	8,538	-	8,538	-	8,538
Total comprehensive income for the period	-	-	-	-	-	8,538	220,904	229,442	3,576	233,018
Total transactions with shareholders										
Transfer from legal reserve	-	-	-	(4,627)	-	-	4,627	-	-	-
Transactions with own shares in portfolio	-	1	-	-	1	-	(2)	-	-	-
Dividend distribution	-	-	-	-	-	-	(335,001)	(335,001)	-	(335,001)
Total transactions with shareholders	-	1	-	(4,627)	1	-	(330,376)	(335,001)	-	(335,001)
Balances at December 31, 2017	423,830	(15,165)	4,551	84,766	(23,974)	-	130,422	604,430	23,208	627,638
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	142,789	142,789	(707)	142,082
Total comprehensive income for the period	-	-	-	-	-	-	142,789	142,789	(707)	142,082
Balances at December 31, 2018	423,830	(15,165)	4,551	84,766	(23,974)	-	273,211	747,219	22,501	769,720

Nexa Resources Perú S.A.A. and Subsidiaries

Consolidated Statement Of Cash Flows

For years ended December 31, 2018 and 2017

Amounts expressed in thousands of US dollars, unless otherwise stated

	2018	2017
OPERATING ACTIVITIES		
Profit before income taxes	206,125	314,172
Less, income and mining taxes	(64,043)	(89,692)
Adjustments:		
Depreciation and amortization	67,695	72,308
Deferred income tax	1,535	(1,339)
Interest, updating and exchange gains and losses	23,457	16,117
Net gain from the sale of fixed and intangible assets	(865)	(1,865)
Loss from the sale of fixed and intangible assets	1,139	950
Profit from sale of investments	-	(4,588)
Allowance for impairment of spare parts and supplies	(4,426)	676
Provisions	(20,652)	2,700
Deferred income	(22,248)	(28,115)
(Increase) Decrease in assets:		
Trade receivables	58,568	(151,993)
Other receivables and taxes receivables	(11,557)	(6,311)
Inventories	3,548	8,091
Derivative financial instruments	-	(3,393)
Other non-financial assets	(2,187)	3,917
(Increase) Decrease in liabilities:		
Trade payables	40,294	(4,411)
Other payables	46,001	92,439
Payment of provisions for the period	(818)	(3,472)
	321,566	216,191
Interest paid	(15,864)	(15,867)
Payment of income tax	(73,311)	(69,020)
Net cash provided from operating activities	232,391	131,304

	2018	2017
INVESTING ACTIVITIES		
Sale of investments	-	6,218
Sale of property, plant and equipment	1,162	9,016
Purchase of property, plant and equipment	(69,140)	(34,338)
Purchase of intangible assets	(8,717)	(267)
Net cash applied to investing activities	(76,695)	(19,371)
FINANCING ACTIVITIES		
Amortization or payment of loans	-	(296)
Dividends paid	-	(335,001)
Net cash applied to financing activities	-	(335,297)
Net changes on cash and cash equivalents	155,696	(223,364)
Cash and cash equivalents at the beginning of the period	527,585	751,067
Exchange rate changes on cash and cash equivalents	(1,208)	(118)
Cash and cash equivalents at the end of the period	682,073	527,585
Transactions that do not represent cash flows:		
Decrease (increase) in property, plant and equipment due to mine closure	6,955	(43)
Transfer between property, plant and equipment and intangible assets	455	2,590
Transfer between investment and intangible assets	18,000	-

Credits

General Coordination

Investor Relations Management: Henry Aragón, Bruno García.

Team

Alessandra Matino, Antonio Padrón, Aricely Lamontanha, Bernardo Prado, Bruno Baptistella, Bruno García, Catherine Luis, Cicero Aparecido, Daniela Rocha, Dayana Silva, Eder Salazar, Eduardo Leon, Erica Huanca, Felicia Castro, Fernando Almenara, Fiorella Iza, Flavia Moraes, Frank Olivares, Giuliana Vásquez, Henry Aragón, Hellen Ito, Ivana Silva Santisteban, Javier Condor, Javier Condori, Jacqueline Torres, Jesús del Aguila, Jimmy Cangalaya, Jorge Bonilla, Jose Osorio, Joyce Texeira, Julio Robles, Lucas Araujo, Magaly Bardales, Marco Huilca, Nicole Medrano, Omar Briceño, Oscar Choquehuanca, Patricia Uculmana, Pedro Mugnai, Priscila Artioli, Ricardo Rojas, Rodrigo Clímaco, Thiago Nantes, Tiago Francioli.

Communications Team

Bruno Vinícius Carrilho de Souza, Jheniffer Ocampo.

We appreciate the support and cooperation from the managers and other colleagues at Nexa Resources Peru and Nexa Resources, in the compilation, review and analysis of the information included in this document.

GRI Consultancy

Responde

Photos

Banco de imágenes Nexa Perú, Pisco Del Gaiso

Graphic Design

fmcom

Further information on this Annual Report:

Investor Relations

nexa