

# Earnings Release – 4Q21 and 2021

## Nexa Resources Perú S.A.A. and Subsidiaries

### **Nexa Peru Reports Fourth Quarter and Full Year 2021 Results including Adjusted EBITDA of US\$305 Million**

**Lima, February 15, 2022** – Nexa Resources Peru S.A.A. and subsidiaries ("Nexa Peru", or "Company") announces today its results for the twelve months ended December 31, 2021. This Earnings Release should be read in conjunction with the audited consolidated financial statements of Nexa Peru and the notes for the financial year ended December 31, 2021 (the "2021 Consolidated Financial Statements"). This document contains forward-looking statements.

In 2021, our strong operational performance resulted in a record high Adjusted EBITDA and a robust cash flow generation.

As the global economy improves, we believe that demand for our products will remain strong. We are firmly declaring our commitment to create a sustainable business, by increasing our positive footprint in society and the environment, leveraging new business opportunities, and creating value for all stakeholders. Our initiatives will maximize a yearly cash flow in our operations, which will be supported by a growth strategy that extends the LOM of our assets and generates new opportunities in Nexa's projects portfolio.

Our balance sheet continues to be strong, with a solid cash position and low financial leverage. We are well-positioned to capture the opportunities and deliver sustainable results. We are committed to building a path to grow steadily in zinc and copper, by maximizing the returns of our operations and projects, building the mining of the future. Furthermore, we are enhancing our ESG practices.

#### **4Q21 Highlights | Operational and Financial**

- Consolidated net revenue reached US\$229 million in the fourth quarter compared with US\$203 million a year ago and US\$186 million in 3Q21, mainly driven by higher metal prices.
- Zinc production of 41kt in the quarter decreased by 15% compared to 4Q20 primarily, driven by lower average head grade year-over-year. Compared to 3Q21, zinc production increased by 3%.
- Adjusted EBITDA was US\$76 million in 4Q21 compared with US\$66 million in 4Q20 and US\$57 million in 3Q21.
- Mining cash cost<sup>1</sup> in 4Q21 was negative US\$0.02/lb compared with US\$0.07/lb in 4Q20, mainly driven by higher by-products credits and lower TCs. Compared to 3Q21, mining cash cost stood negative at US\$0.02/lb.
- Incremental costs related to COVID-19 in 4Q21 amounted to US\$3 million and US\$12 million in 2021, and we expect them to last at least throughout 2022.
- Net income in 4Q21 totaled US\$33 million or US\$0.03 per share.

#### **2021 Highlights**

- In 2021, net revenue was US\$829 million compared with US\$541 million in 2020 due to higher prices and volume.
- Zinc production totaled 162kt in 2021, 16% higher compared to 2020. Higher treated ore volume compensated for lower zinc average grade. Copper, lead and silver followed the upward trend and increased by 5%, 20% and 29% to 30kt, 39kt and 8,308koz, respectively.
- Adjusted EBITDA for the full year 2021 totaled US\$305 million, 213% higher compared to 2020.

<sup>1</sup> Our cash cost net of by-products credits is measured with respect to zinc sold.

- Net debt to Adjusted EBITDA ratio for the last twelve months decreased to negative 0.43x compared with negative 0.27x at the end of September and a year ago.
- Mining cash cost<sup>1</sup> in 2021 was negative US\$0.04/lb compared with US\$0.15/lb in 2020, mainly driven by higher by-products credits and lower TCs, partially offset by the increase in operating costs driven by maintenance and third-party services expenses.
- Liquidity remains strong. Our current available liquidity is US\$272 million at December 31, 2021.
- In 2021, net income was US\$136 million.

## Selected indicators

US\$ million (except indicated otherwise)	4Q21	3Q21	4Q20	4Q21 vs. 4Q20	2021	2020	2021 vs. 2020
Treated ore (kt)	2,476.2	2,423.5	2,442.8	1.4%	9,718	8,050	20.7%
<b>Mining Production   contained in concentrate</b>							
Zinc (kt)	40.8	39.8	47.8	(14.6%)	162.2	139.9	15.9%
Copper (kt)	7.0	7.8	8.5	(17.7%)	29.6	28.2	5.2%
Lead (kt)	10.8	9.6	11.1	(2.7%)	39.3	32.7	20.2%
Silver (kt)	2,179.6	2,056.7	2,012.6	8.3%	8,307.7	6,438.9	29.0%
<b>Zn Eq production (kt)</b>	<b>93.6</b>	<b>92.1</b>	<b>102.3</b>	<b>(8.5%)</b>	<b>367.4</b>	<b>314.6</b>	<b>16.8%</b>
<b>Cash Cost RoM (US\$/t)</b>	<b>43.7</b>	<b>42.2</b>	<b>42.9</b>	<b>1.8%</b>	<b>41.7</b>	<b>37.6</b>	<b>10.9%</b>
<b>Cash Cost Net of By-products (US\$/t)</b>	<b>(35.7)</b>	<b>(43.2)</b>	<b>146.6</b>	<b>-</b>	<b>(79.0)</b>	<b>331.4</b>	<b>-</b>
<b>Consolidated Net Revenue</b>	<b>229.3</b>	<b>186.3</b>	<b>202.8</b>	<b>13.1%</b>	<b>828.6</b>	<b>541.1</b>	<b>53.1%</b>
<b>Adjusted EBITDA</b>	<b>76.2</b>	<b>57.5</b>	<b>66.5</b>	<b>14.7%</b>	<b>305.2</b>	<b>97.5</b>	<b>213.0%</b>
<i>Adj. EBITDA margin (%)</i>	<i>33.2%</i>	<i>30.9%</i>	<i>32.8%</i>	<i>0.5p.p.</i>	<i>36.8%</i>	<i>18.0%</i>	<i>18.8p.p.</i>
Sustaining <sup>(1)</sup>	29.9	19.9	18.7	59.8%	86.4	55.7	55.1%
Expansion	1.6	1.3	1.6	(1.2%)	5.5	8.4	(34.1%)
Others <sup>(2)(3)</sup>	1.2	0.4	0.2	601.3%	1.9	0.2	804.1%
<b>Capital Expenditures</b>	<b>32.7</b>	<b>21.6</b>	<b>20.5</b>	<b>59.5%</b>	<b>93.8</b>	<b>64.3</b>	<b>45.9%</b>
<b>Liquidity and Indebtedness</b>							
Cash and cash equivalents	272.1	219.6	280.6	(3.0%)	272.1	280.6	(3.0%)
Net debt	(132.6)	(80.8)	(26.8)	394.9%	(132.6)	(26.8)	394.9%
Net debt / LTM Adj. EBITDA (x)	(0.43)	(0.27)	(0.27)	58.1%	(0.43)	(0.27)	58.1%

(1) Includes HSE and investments in tailings dams.

(2) Modernization, IT and others.

(3) The negative amount refers mainly to tax credits.

## Consolidated Financial Performance

### Income Statement

US\$ million	4Q21	3Q21	4Q20	4Q21 vs. 4Q20	2021	2020	2021 vs. 2020
<b>Net Revenue</b>	<b>229.3</b>	<b>186.3</b>	<b>202.8</b>	<b>13.1%</b>	<b>828.6</b>	<b>541.1</b>	<b>53.1%</b>
Cost of sales	(130.5)	(132.6)	(125.0)	4.4%	(507.8)	(431.5)	17.7%
Selling and administrative expenses	(9.1)	(7.1)	(10.9)	(16.2%)	(30.2)	(31.3)	(3.6%)
Mineral exploration and project evaluation	(16.0)	(9.3)	(12.3)	29.2%	(44.1)	(29.6)	48.6%
Impairment of non-current assets	0.0	0.0	(4.0)	(100.0%)	0.0	(98.4)	(100.0%)
Expenses on temporary suspension of underground mine	(0.6)	(2.0)	(0.1)	428.3%	(3.6)	(8.3)	(57.0%)
<b>Other income and expenses, net</b>	<b>(17.7)</b>	<b>0.4</b>	<b>(6.7)</b>	<b>164.0%</b>	<b>(17.6)</b>	<b>(19.3)</b>	<b>(8.5%)</b>
<b>Net Financial Result</b>	<b>(0.9)</b>	<b>7.4</b>	<b>(3.1)</b>	<b>(72.7%)</b>	<b>5.5</b>	<b>(33.7)</b>	<b>-</b>
Financial income	3.1	2.9	3.0	3.3%	11.6	12.0	(3.7%)
Financial expenses	(4.2)	(5.6)	(7.1)	(40.85%)	(21.2)	(43.5)	(51.2%)
Other financial items, net	0.2	10.1	1.0	(77.3%)	15.1	(2.2)	-
Depreciation and amortization	21.0	22.2	18.7	12.5%	80.5	70.4	14.4%
<b>Adjusted EBITDA</b>	<b>76.2</b>	<b>57.5</b>	<b>66.5</b>	<b>14.7%</b>	<b>305.2</b>	<b>97.5</b>	<b>213.0%</b>
<i>Adj. EBITDA Margin</i>	<i>33.2%</i>	<i>30.9%</i>	<i>32.8%</i>	<i>0.5pp</i>	<i>36.8%</i>	<i>18.0%</i>	<i>18.8pp</i>
Income Tax	(21.6)	(34.7)	(23.8)	(9.2%)	(94.5)	(27.9)	238.7%
<b>Net Income (Loss)</b>	<b>33.0</b>	<b>8.3</b>	<b>16.8</b>	<b>96.1%</b>	<b>136.4</b>	<b>(138.8)</b>	<b>-</b>
Attributable to owners of the Controlling entity	36.4	6.3	18.4	97.8%	136.7	(113.7)	-
Attributable to non-controlling interests	(3.4)	2.0	(1.6)	116.5%	(0.3)	(25.1)	(98.6%)
Avg # of shares (in '000)	1,272,108	1,272,108	1,272,108	-	1,272,108	1,272,108	-
<b>EPS attributable to Nexa shareholders (in US\$)</b>	<b>0.03</b>	<b>0.00</b>	<b>0.01</b>	<b>97.8%</b>	<b>0.11</b>	<b>(0.09)</b>	<b>-</b>

### Net Revenue

In 4Q21, net revenue was US\$229 million, 13% higher year-over-year, mainly driven by higher metal prices. The LME average prices for zinc, copper, and lead were up by 28%, 35%, and 23%, respectively, compared to the same period of 2020.

Compared to 3Q21, net revenue increased by 23% driven by higher LME average zinc (+12%) and copper (+3%) prices.

In 2021, net revenue of US\$829 million was up 53% compared to 2020 due to higher metal prices and volumes. During the period, the LME average zinc, copper and lead prices increased by 33%, 51% and 21% respectively, compared to 2020.

## COVID-19 expenses

Following the best market practices, protocols to mitigate the spread of COVID-19 were implemented during 2020 in all our operations and remain in place. We continue working on three main fronts: Health, Safety and People; Business Continuity; and Stakeholders.

In 4Q21, COVID-19 related costs totaled US\$2.7 million and are included in cost of sales and in operating expenses. In 2021, COVID-19 related costs amounted to US\$12 million.

## SG&A

In 4Q21, selling, general and administrative ("SG&A") expenses amounted to US\$9 million, down 16% compared to 4Q20 but higher than 3Q21, mainly due to higher corporate costs.

In 2021, SG&A expenses amounted to US\$30 million, down 4% from the same period of 2020.

## Adjusted EBITDA

Adjusted EBITDA was positive in US\$76 million in the 4Q21 compared to US\$66 million in the same period a year ago. The main factors that contributed to this performance were (i) the positive US\$39 million net price effect related to higher metal prices and lower treatment charges and (ii) lower administrative expenses. These factors were partially offset by (iii) lower sales volume in Cerro Lindo; (iv) higher provisions related to asset retirement and environmental obligation; and (v) an increase in communities' expenses.

In 2021, Adjusted EBITDA was US\$305 million compared with US\$98 million in the same period a year ago. The main factors that contributed to this strong improvement were the increase in metal prices and volumes; which more than compensated higher exploration and project evaluation investments; operating costs driven by increased maintenance activities and third-party services expenses, and higher workers participation provision.

## Cash cost Net of By-products<sup>2</sup>

Cash Cost Net of By-products		4Q21	3Q21	4Q20	4Q21 vs. 4Q20	2021	2020	2021 vs. 2020
<b>Consolidated</b>	<b>US\$/lb</b>	<b>(0.02)</b>	<b>(0.02)</b>	<b>0.07</b>	<b>-</b>	<b>(0.04)</b>	<b>0.15</b>	<b>-</b>
<b>Consolidated</b>	<b>US\$/t</b>	<b>(35.7)</b>	<b>(43.2)</b>	<b>146.6</b>	<b>-</b>	<b>(79.0)</b>	<b>331.4</b>	<b>-</b>
Cerro Lindo	US\$/t	(387.2)	(527.3)	(281.6)	37.5%	(525.0)	(8.7)	5929.8%
El Porvenir	US\$/t	400.7	824.8	2,038.3	(80.3%)	875.1	1,338.0	(34.6%)
Atacocha	US\$/t	999.8	(454.1)	(986.5)	-	(428.6)	17.8	-

**Cash cost net of by-products** in 4Q21 decreased to a negative US\$0.02/lb (or US\$36/t) compared to US\$0.07/lb (or US\$147/t) in 4Q20. This decrease was primarily driven by (i) higher by-product credits with a positive impact of US\$0.14/lb (or US\$309/t); and (ii) lower treatment charges with a positive impact of US\$0.1/lb (or US\$220/t); partially offset by (iii) higher operating costs US\$0.08/lb (or US\$176/t) mainly due to higher maintenance costs in CL (unexpected equipment repair); and (iv) a decrease in zinc volume with a negative effect of US\$0.24/lb (or US\$529/t).

<sup>2</sup> Our cash cost net of by-products credits is measured with respect to zinc sold.

## Operating Costs

Cash Cost RoM		4Q21	3Q21	4Q20	4Q21 vs. 4Q20	2021	2020	2021 vs. 2020
<b>Consolidated</b>	<b>US\$/t</b>	<b>43.7</b>	<b>42.2</b>	<b>42.9</b>	<b>1.8%</b>	<b>41.7</b>	<b>37.6</b>	<b>10.9%</b>
Cerro Lindo	US\$/t	39.8	38.8	35.8	11.0%	38.2	32.6	16.9%
El Porvenir	US\$/t	62.8	57.1	75.8	(17.1%)	58.3	57.1	2.1%
Atacocha	US\$/t	33.0	34.3	36.4	(9.3%)	32.4	35.8	(9.5%)

In 4Q21, a consolidated cash cost ROM of US\$44/t was registered, 2% higher compared to 4Q20 (US\$43/t), mainly impacted by higher operating costs during the quarter in Cerro Lindo due to a temporary increase in maintenance costs.

## Net financial result

The net financial result in 4Q21 was an expense of US\$0.9 million compared to an income of US\$7 million in 3Q21. This variation is basically explained by a net effect of derivative financial instruments.

Excluding the effect of the foreign exchange variation, the net financial result in 4Q21 was an expense of US\$1 million compared to an income of US\$2 million in the previous quarter due to aforementioned reasons.

US\$ thousand	4Q21	3Q21	4Q20
<b>Financial income</b>	<b>3,132</b>	<b>2,912</b>	<b>3,033</b>
<b>Financial expenses</b>	<b>(4,213)</b>	<b>(5,668)</b>	<b>(7,154)</b>
<b>Other financial items, net</b>	<b>224</b>	<b>10,109</b>	<b>986</b>
Foreign exchange gain (loss)	224	4,994	(8,452)
<b>Net Financial Result</b>	<b>(857)</b>	<b>7,353</b>	<b>(3,135)</b>
<b>Net Financial Result (excluding FX)</b>	<b>(1,081)</b>	<b>2,359</b>	<b>5,317</b>

## Net income (loss)

Nexa Peru recorded a net income of US\$33 million in the 4Q21 mainly driven by the improvement in cash generation, positively affected by higher metal prices, by-products contribution and production volumes.

In 2021, net income was US\$136 million compared to a net loss of US\$139 million in the same period a year ago, mainly due to the improvement in operating income, which was positively affected by higher metals prices and better operating performance.

## Mining Performance

### Mining production

Consolidated		4Q21	3Q21	4Q20	4Q21 vs. 4Q20	2021	2020	2021 vs. 2020
Treated Ore	kt	2,476.2	2,423.5	2,442.8	1.4%	9,718	8,050	20.7%
Grade								
Zinc	%	1.87	1.88	2.20	(33 bps)	1.90	1.97	(7 bps)
Copper	%	0.37	0.41	0.44	(7 bps)	0.39	0.44	(5 bps)
Lead	%	0.56	0.52	0.57	(1 bps)	0.52	0.52	(0 bps)
Silver	oz/t	1.13	1.09	1.11	1.6%	1.10	1.09	1.1%
Gold	oz/t	0.007	0.006	0.006	4.4%	0.006	0.005	4.9%
in Content								
Zn	kt	40.8	39.8	47.8	(14.6%)	162.2	139.9	15.9%
Cu	kt	7.0	7.8	8.5	(17.7%)	29.6	28.2	5.2%
Pb	kt	10.8	9.6	11.1	(2.7%)	39.3	32.7	20.2%
Ag	koz	2,180	2,057	2,013	8.3%	8,308	6,439	29.0%
Au	koz	8.2	6.4	5.2	56.9%	25.5	16.2	57.6%
<b>Zn Eq production <sup>(1)</sup></b>	<b>kt</b>	<b>93.6</b>	<b>92.1</b>	<b>102.3</b>	<b>(8.5%)</b>	<b>367.4</b>	<b>314.6</b>	<b>16.8%</b>
Cash Cost RoM	US\$/t	43.7	42.2	42.9	1.8%	41.7	37.6	10.9%
Cash Cost Net of By-products <sup>(2)</sup>	US\$/t	(35.7)	(43.2)	146.6	-	(79.0)	331.4	-

Note: Until 3Q21 the reference price used for conversion was 2020 average benchmark prices. All numbers were updated to reflect the 2021 average benchmark price.

(1) Consolidated mining production in kt of zinc equivalent is calculated by converting copper, lead, silver and gold contents to a zinc equivalent grade, assuming 2021 LME average benchmark prices: Zn: US\$1.36/lb; Cu: US\$4.23/lb; Pb: US\$1.00/lb; Ag: US\$25.1/oz; Au: US\$1,799/oz.

(2) Our cash cost net of by-products credits is measured with respect to zinc sold.

In 4Q21, treated ore volume was 2,476kt, slightly up (+1%) compared to the same period last year. Higher throughput in El Porvenir (+24%) and Atacocha (+14%) were partially offset by the decrease in Cerro Lindo (-7%). Compared to 3Q21, treated ore volume increased by 2%.

Zinc equivalent production totaled 94kt in 4Q21, down 8.5% compared to 4Q20. The average zinc grade decreased by 33bps to 1.87%. Copper head grade decreased by 7bps to 0.37% and lead average grade decreased by 1bps to 0.56%. Compared to 3Q21, zinc equivalent production increased by 2%.

Zinc production of 41kt in the quarter decreased by 15% from 4Q20 driven by lower average head grade. Compared to 3Q21, zinc production increased by 3%.

Copper and lead production decreased by 18% and 3% from 4Q20, respectively. Compared to 3Q21, copper production decreased by 10% and lead production increased by 13%.

In 2021, treated ore volume increased 21% year-over-year to 9,718kt. Therefore, zinc production totaled 162kt, 16% higher than 2020. Copper and lead followed the same trend and increased to 30kt and 39kt, respectively.



**Cerro Lindo**

Cerro Lindo		4Q21	3Q21	4Q20	4Q21 vs. 4Q20	2021	2020	2021 vs. 2020
Treated Ore	kt	1,567.4	1,558.2	1,682.1	(6.8%)	6,369	5,482	16.2%
Grade								
Zinc	%	1.76	1.68	2.32	(56 bps)	1.79	1.93	(14 bps)
Copper	%	0.52	0.58	0.59	(8 bps)	0.54	0.59	(6 bps)
Lead	%	0.28	0.23	0.39	(10 bps)	0.28	0.29	(1 bps)
Silver	oz/t	0.79	0.74	0.86	(8.8%)	0.79	0.78	1.6%
Gold	oz/t	0.002	0.003	0.004	(42.4%)	0.002	0.003	(5.8%)
in Content								
Zn	kt	24.7	23.2	35.5	(30.4%)	102.3	95.4	7.2%
Cu	kt	6.9	7.7	8.4	(18.1%)	29.1	27.8	4.6%
Pb	kt	3.2	2.5	5.1	(36.9%)	12.8	11.6	10.9%
Ag	koz	940	866	1,024	(8.2%)	3,814	2,939	29.8%
Au	koz	1.1	1.1	1.4	(18.3%)	4.8	4.0	20.1%
<b>Zn Eq production <sup>(1)</sup></b>	<b>kt</b>	<b>56.9</b>	<b>56.6</b>	<b>74.6</b>	<b>(23.8%)</b>	<b>236.6</b>	<b>217.1</b>	<b>9.0%</b>
Cash Cost RoM	US\$/t	39.8	38.8	35.8	11.0%	38.2	32.6	16.9%
Cash Cost Net of By-products <sup>(2)</sup>	US\$/t	(387.2)	(527.3)	(281.6)	37.5%	(525.0)	(8.7)	5929.8%
Net Revenue	US\$	144.4	130.3	154.3	(6.4%)	567.2	385.6	47.1%
<b>Adjusted EBITDA</b>	<b>US\$</b>	<b>71.1</b>	<b>61.9</b>	<b>82.5</b>	<b>(13.8%)</b>	<b>286.5</b>	<b>156.8</b>	<b>82.7%</b>
<i>Adj. EBITDA margin</i>	<i>%</i>	<i>49.2%</i>	<i>47.5%</i>	<i>53.4%</i>	<i>(4.2pp)</i>	<i>50.5%</i>	<i>40.7%</i>	<i>9.8pp</i>

In 4Q21, treated ore volume was 1,567kt, down 7% compared to 4Q20. As previously disclosed, the road access to the mine was illegally disrupted by protest activities that took place in December and production was suspended, consequently reducing ore throughput for 4 days in addition to a scheduled maintenance in the period. Compared to 3Q21, treated ore volume was slightly higher (+0.6%).

Zinc production was 25kt, down 30% compared to 4Q20 as a result of the above-mentioned factors, and lower grades. Zinc head grade averaged 1.76%, down 56bps year-over-year.

Copper production was 6.9kt, down 18% and 10% compared to 4Q20 and 3Q21, respectively. Copper average grade was 0.52% (down 8bps year-over-year and down 6bps from 3Q21).

Lead production was 3.2kt, down 37% compared to 4Q20 and up 28% compared to 3Q21. Lead average grade was 0.28% (down 10bps year-over-year and 5bps higher than 3Q21).

In 2021, zinc production of 102kt was up 7% year-over-year, primarily driven by the 16% increase in treated ore volume, which compensated for lower average zinc head grade (down 14bps to 1.79%). Copper, lead and silver production also increased to 29kt (+5%), 13kt (+11%) and 3,814koz (+30%), respectively.

In 4Q21, sustaining capital expenditures amounted to US\$15.2 million, mainly related to mine development, renovation of heavy mobile equipment and tailings dam elevation and totaled US\$36.6 million in 2021.



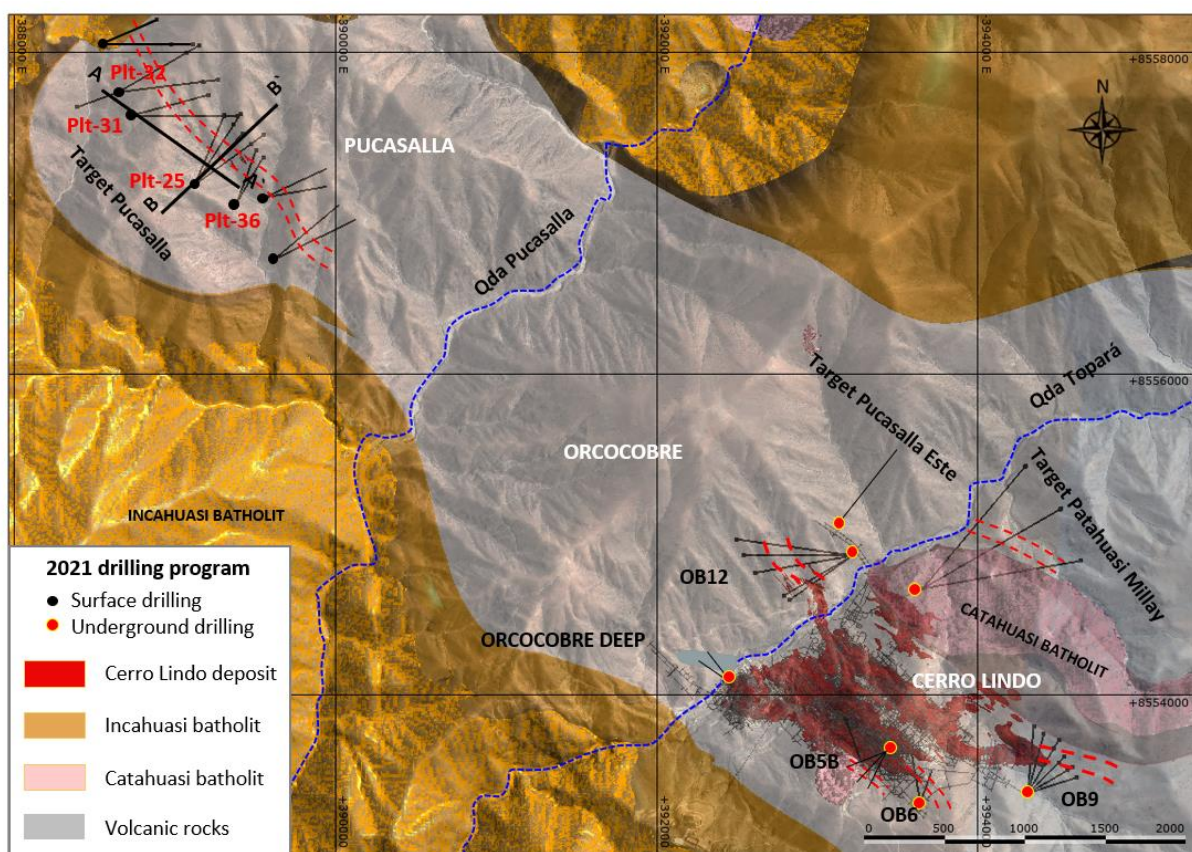
The exploration program in 4Q21 has been focused on extensions of known orebodies to the southeast of Cerro Lindo, and at the new VMS discovery at the Pucasalla target, 4.5 km to the northwest of the mine. There are currently five operating drill rigs.

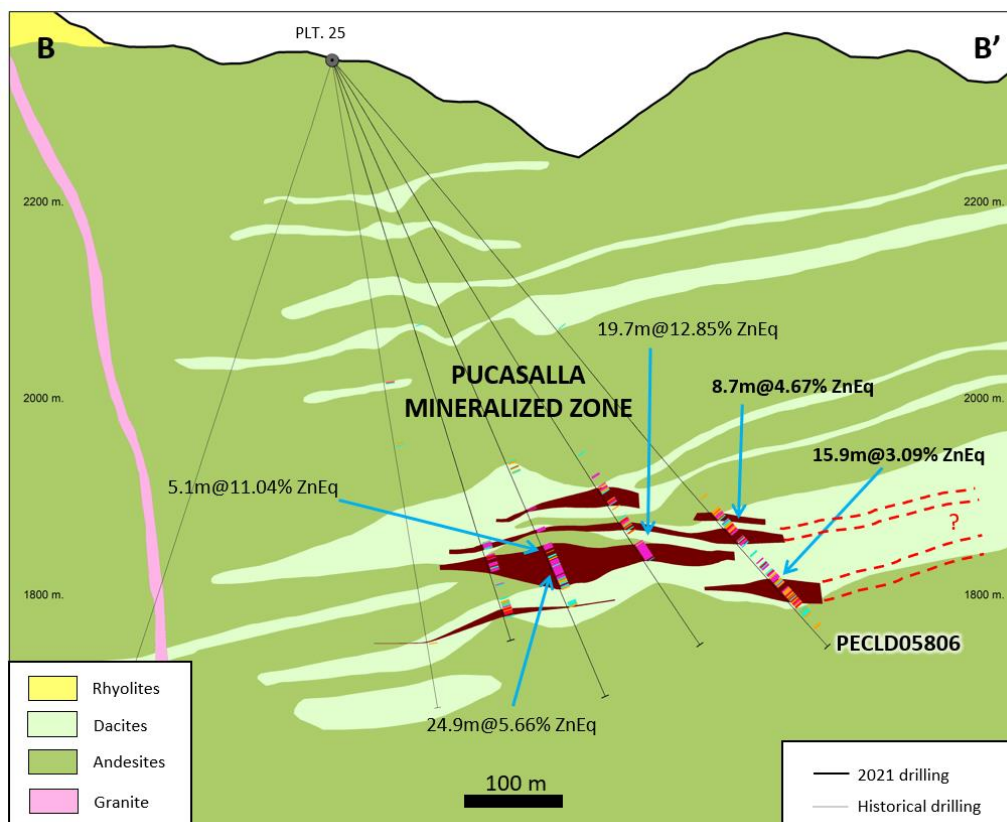
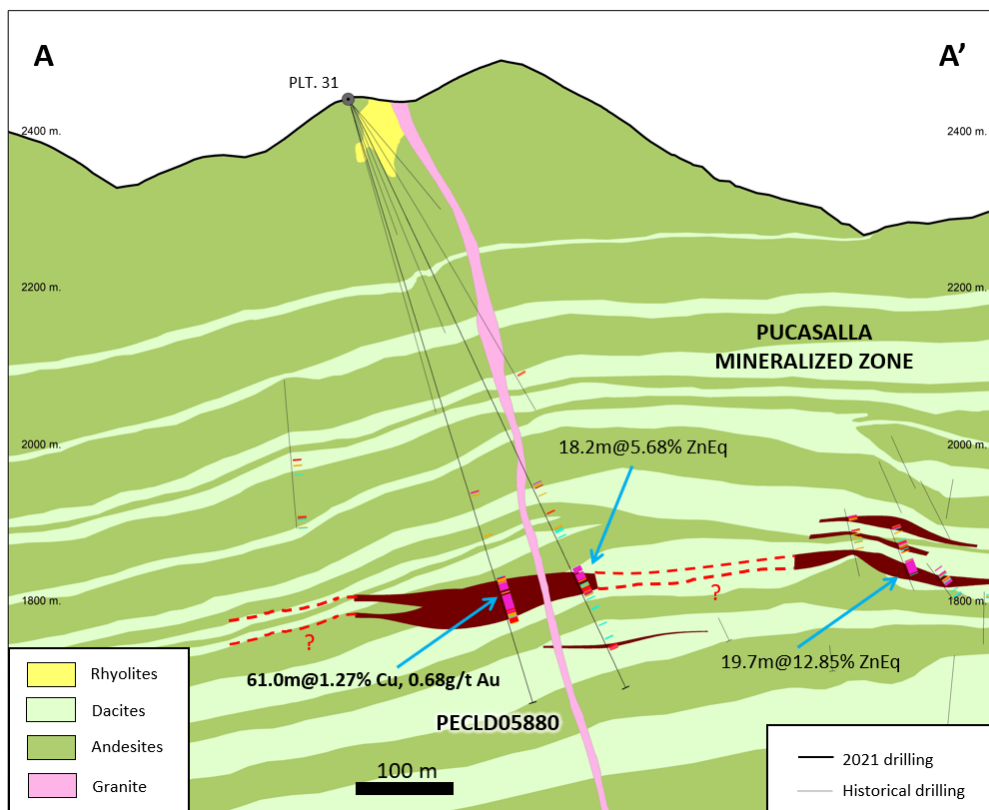
In 4Q21, a total of 8,455 meters of exploration drilling and 12,997 meters of infill drilling were executed totaling 33,199 meters and 56,804 meters, respectively, in 2021. Exploration drilling included 396 meters in orebody 5B; 5,211 meters at Pucasalla, 859 meters at Orcocobre Deep, and 1,990 meters in orebody 12 targets located northwest of the mine.

The northeast continuity of the Pucasalla mineralized zone was confirmed with hole PECLD05806 with 8.7m@3.14% Pb and 148.16g/t Ag; and 15.9m@1.52% Zn, 1.42% Pb, and 41.25g/t Ag. The northwest continuity of the body was confirmed with hole PECLD05880 with 61.0m@ 1.27% Cu, 29.81g/t Ag, and 0.68g/t Au.

Hole_id	Ore body	From	To	Length	Zn%	Pb%	Cu%	Ag g/t	Au g/t	ZnEq%
PECLD05787	Pucasalla	583.5	591.5	8.0	1.67	0.87	0.02	60.04	0.02	3.30
PECLD05806	Pucasalla	607.0	613.0	6.0	2.54	1.30	0.01	121.58	0.02	5.51
PECLD05806	Pucasalla	624.0	632.7	8.7	0.17	3.14	0.01	148.16	0.02	4.67
PECLD05806	Pucasalla	640.1	646.8	6.8	1.96	1.30	0.02	66.06	0.16	3.95
PECLD05806	Pucasalla	686.8	702.6	15.9	1.52	1.42	0.00	41.25	0.01	3.09
PECLD05880	Pucasalla	640.0	701.0	61.0	0.12	0.05	1.27	29.81	0.68	4.03

*Note: for further information on Zinc Equivalent calculation, please refer to Note 1 – Zinc Equivalent. Intervals with assays not reported here have no consistent samples > 3.0% Zinc Equivalent or assay results are pending. True widths of the mineralized intervals are unknown at this time.*





For 1Q22, we plan to continue drilling the Pucasalla target from the surface with two rigs towards the northwest and southeast extensions (3,400 meters in total). Inside the mine, the objective is to drill the northwest extension of orebody 5B and the Festejo geophysical anomaly, located 0.78 km southeast of Cerro Lindo (2,150 meters with one rig).

### **El Porvenir**

El Porvenir		4Q21	3Q21	4Q20	4Q21 vs. 4Q20	2021	2020	2021 vs. 2020
Treated Ore	kt	532.9	527.0	430.5	23.8%	2,078	1,503	38.3%
Grade								
Zinc	%	2.89	3.07	2.58	31 bps	2.83	2.65	19 bps
Copper	%	0.20	0.20	0.18	2 bps	0.19	0.17	1 bps
Lead	%	1.21	1.18	0.95	26 bps	1.08	0.93	15 bps
Silver	oz/t	2.24	2.22	1.97	13.7%	2.10	2.00	4.9%
Gold	oz/t	0.012	0.011	0.011	7.3%	0.011	0.012	(8.7%)
in Content								
Zn	kt	13.4	14.1	9.6	38.7%	51.4	34.9	47.3%
Cu	kt	0.1	0.2	0.1	12.2%	0.5	0.3	51.4%
Pb	kt	5.1	4.9	3.2	57.4%	17.7	10.9	63.0%
Ag	koz	949	921	664	43.0%	3,467	2,315	49.8%
Au	koz	2.3	2.3	1.7	38.9%	8.7	5.9	47.9%
<b>Zn Eq production <sup>(1)</sup></b>	<b>kt</b>	<b>26.8</b>	<b>27.3</b>	<b>18.9</b>	<b>41.8%</b>	<b>100.1</b>	<b>66.7</b>	<b>50.0%</b>
Cash Cost RoM	US\$/t	62.8	57.1	75.8	(17.1%)	58.3	57.1	2.1%
Cash Cost Net of By-products <sup>(2)</sup>	US\$/t	400.7	824.8	2,038.3	(80.3%)	875.1	1,338.0	(34.6%)
Net Revenue	US\$	67.7	51.9	39.7	70.4%	212.7	114.1	86.4%
<b>Adjusted EBITDA</b>	<b>US\$</b>	<b>31.7</b>	<b>20.7</b>	<b>2.6</b>	<b>1125.2%</b>	<b>83.8</b>	<b>1.7</b>	<b>4760.7%</b>
<i>Adj. EBITDA margin</i>	<i>%</i>	<i>46.8%</i>	<i>39.9%</i>	<i>6.5%</i>	<i>40.3pp</i>	<i>39.4%</i>	<i>1.5%</i>	<i>37.9pp</i>

Zinc production of 13kt was up 39% in 4Q21 compared to the same quarter last year, which was impacted by a temporary reduction in the energy distribution to our treatment plant. Compared to 3Q21, zinc production decreased by 5%.

Zinc average head grade was 2.89%, up 31bps from a year ago, driven by continuous improvement of mining flexibility in the higher-grade areas. Compared to 3Q21, zinc grade was down 18bps.

In 4Q21, lead and silver production increased by 57% and 43%, respectively, when compared to 4Q20. Copper production also increased to 0.13kt in 4Q21. Compared to 3Q21, copper production decreased by 19%, while lead and silver increased by 4% and 3%, respectively.

In 2021, treated ore volume totaled 2,078kt, up 38% from the same period of last year. As a result, zinc production was 51kt, an increase of 47%, also positively affected by higher zinc average grade (up 19bps to 2.83%). Copper and lead production increased to 0.5kt and 18kt, respectively.

The modernization and debottleneck studies for El Porvenir to evaluate the deepening of the mine and extension of its life-of-mine were postponed due to the prioritization of the capital allocation strategy and the reassessment of the integration with Atacocha.

In 4Q21, sustaining capital expenditures amounted to US\$10.2 million, related to mine development and tailings dam elevation, totaling US\$32.9 million in 2021.

The exploration drilling work was focused on extending the existing mineralized bodies along strike and at depth, and conducting exploration drilling on the Sara mineralized zone.

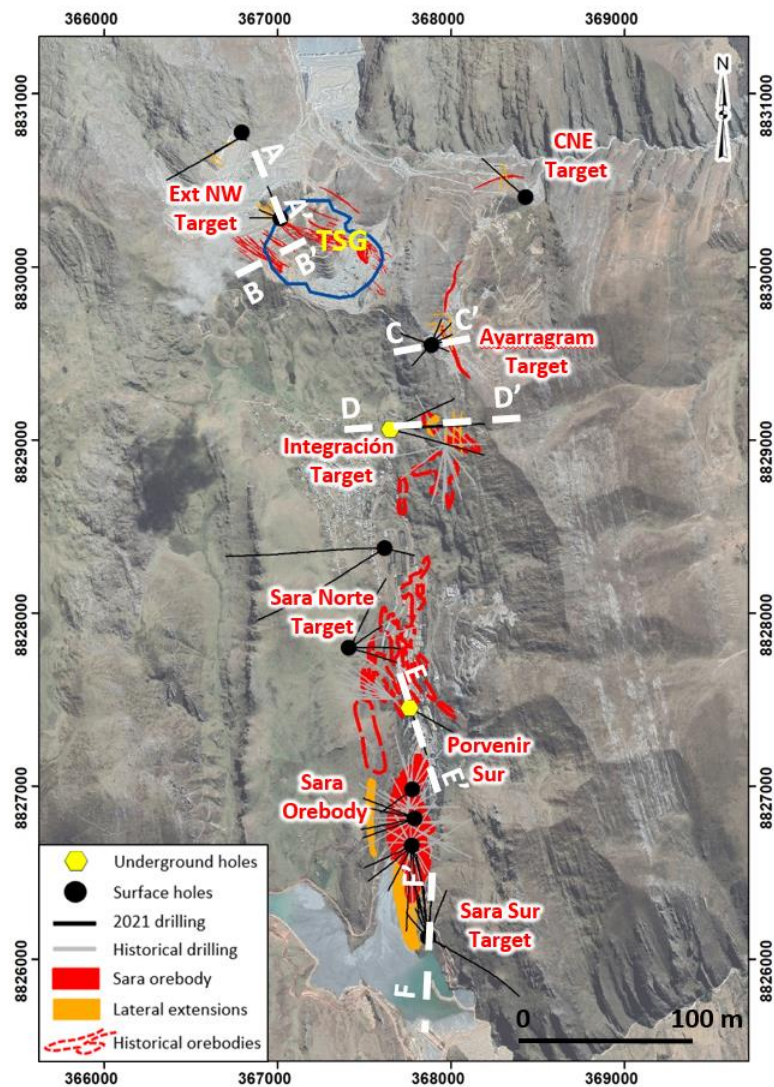
In 4Q21, a total of 4,106 meters of exploration drilling and 7,539 meters of infill drilling were executed totaling 18,625 meters and 35,627 meters, respectively, in 2021. A total of 1,898 meters were drilled at Sara Sur with one rig and 1,586 meters at Integración orebody with one rig. An additional 622 meters were drilled at the Porvenir Sur target.

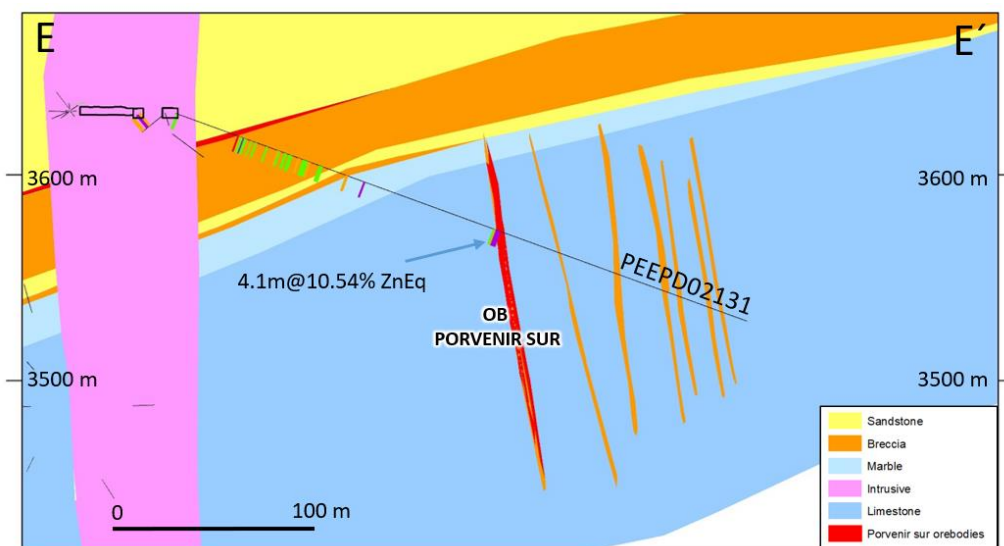
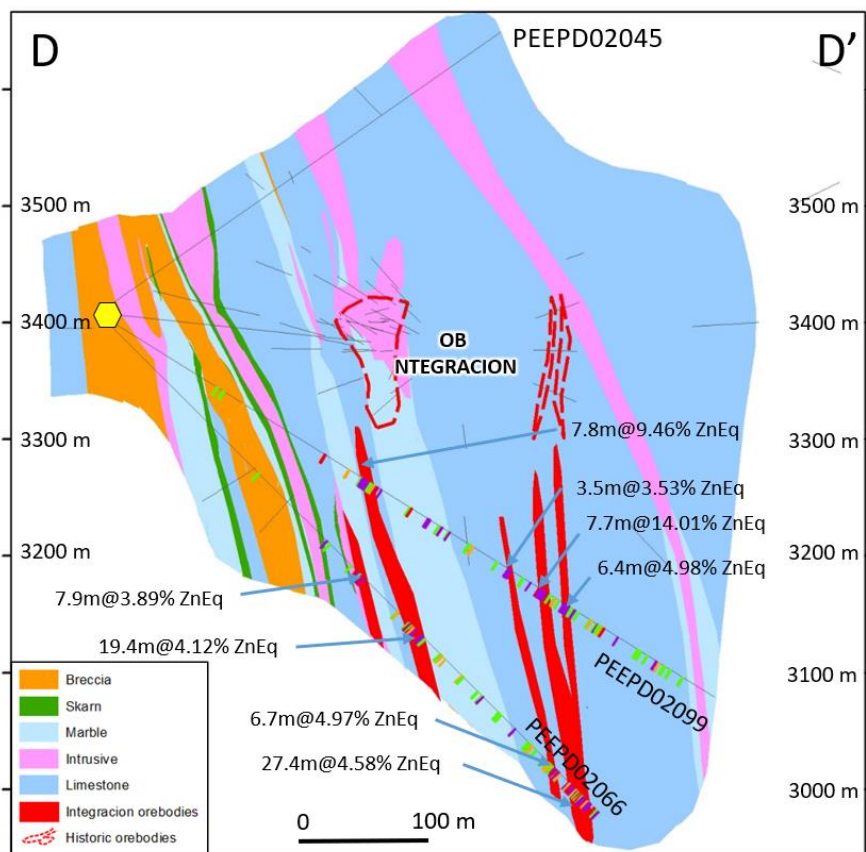
The continuity of Sara Sur towards the south is confirmed, trending southwest mainly. Main intercepts are shown in hole PEEPD02096 in two intercepts: 4.7m@1.37% Zn, 0.80% Pb, and 214.93g/t Ag; and 4.8m@2.19% Zn, 4.51% Pb, 128.40g/t Ag, and 0.67g/t Au. In the Integration orebody, positive results were obtained in holes PEEPD02066 with 27.4m@1.65% Zn, 0.75% Pb, 150.27g/t Ag, and 0.12g/t Au, and PEEPD02099 with two intercepts: 7.8m@1.35% Zn, 1.41% Pb, 440.71g/t Ag, 1.5g/t Au and 7.7m@1.08% Zn, 1.11% Pb, 746.32g/t Ag, and 0.49g/t Au, which confirms the continuity of mineralization below the 3,300 level. In December 2021, the Porvenir Sur target was drilled, where hole PEEPD02131 revealed 4.1m@4.84% Zn, 4.91% Pb, 156.32g/t Ag and 1.11g/t Au.

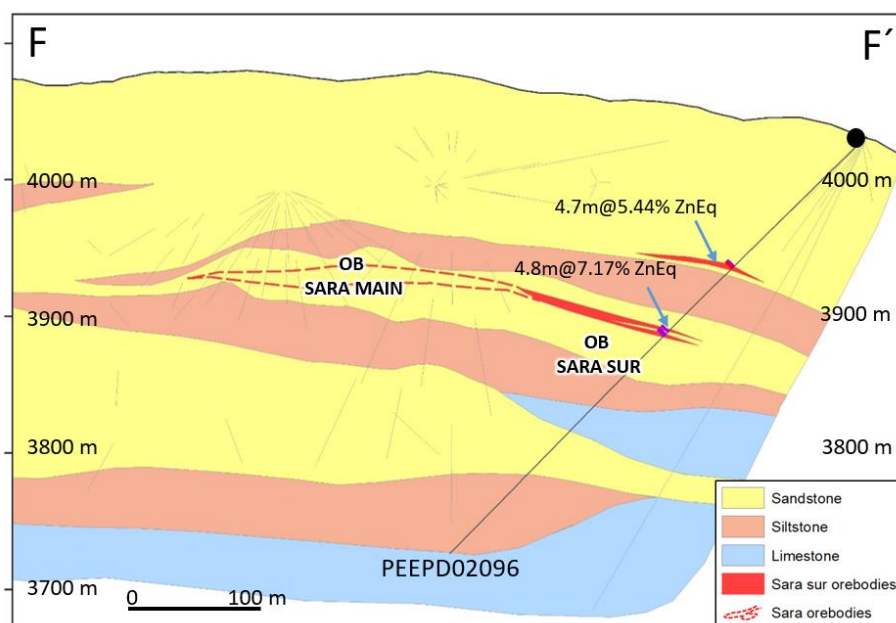
EL PORVENIR 4Q21 - MAIN INTERSECTIONS										
Hole_id	Ore body	From	To	Length	Zn%	Pb%	Cu%	Ag g/t	Au g/t	ZnEq%
PEEPD02085	Sara Sur	258.2	262.6	4.4	1.49	1.48	0.01	70.01	0.63	3.59
PEEPD02096	Sara Sur	135.7	140.3	4.7	1.37	0.80	0.11	214.93	0.03	5.44
PEEPD02096	Sara Sur	203.9	208.7	4.8	2.19	4.51	0.04	128.40	0.67	7.17
PEEPD02112	Sara Sur	357.0	362.0	5.0	4.47	3.06	0.04	133.18	2.29	8.60
PEEPD02066	Integración	552.7	559.4	6.7	3.08	1.66	0.10	48.29	0.08	4.97
PEEPD02066	Integración	568.6	596.0	27.4	1.65	0.75	0.03	150.27	0.12	4.58
PEEPD02099	Integración	266.6	274.4	7.8	1.35	1.41	0.06	440.71	1.50	9.46
PEEPD02099	Integración	413.2	416.7	3.5	1.68	0.67	0.73	67.69	0.97	3.53
PEEPD02099	Integración	444.2	451.9	7.7	1.08	1.11	0.12	746.32	0.49	14.01
PEEPD02099	Integración	469.5	475.9	6.4	1.80	0.73	0.01	166.00	0.75	4.98
PEEPD02117	Integración	410.3	418.9	8.6	4.67	4.02	0.03	85.03	0.49	8.62
PEEPD02131	Porvenir Sur	164.2	168.3	4.1	4.84	4.91	0.05	156.32	1.11	10.54

*Note: for further information on Zinc Equivalent calculation, please refer to Note 1 – Zinc Equivalent. Intervals with assays not reported here have no consistent samples > 2.5% Zinc Equivalent or assay results are pending. True widths of the mineralized intervals are unknown at this time.*









For 1Q22, we plan to continue with the exploration at Integración target from level 3,300 to investigate the continuity of mineralization (1,850 meters with one rig). Likewise, drilling is expected to continue in the Porvenir Sur target (1,750 meters with one rig) with a diamond machine.

### Atacocha

Atacocha		4Q21	3Q21	4Q20	4Q21 vs. 4Q20	2021	2020	2021 vs. 2020
Treated Ore	kt	376.0	338.3	330.3	13.8%	1,271	1,065	19.3%
Grade								
Zinc	%	0.91	0.95	1.09	(18 bps)	0.88	1.20	(32 bps)
Copper	%	0.00	0.00	0.04	(4 bps)	0.00	0.05	(5 bps)
Lead	%	0.80	0.79	1.04	(24 bps)	0.82	1.15	(33 bps)
Silver	oz/t	0.96	0.99	1.23	(22.0%)	1.01	1.39	(27.3%)
Gold	oz/t	0.017	0.013	0.012	43.5%	0.014	0.011	24.2%
in Content								
Zn	kt	2.8	2.5	2.7	3.3%	8.5	9.6	(11.4%)
Cu	kt	0.0	0.0	0.0	-	0.0	0.0	-
Pb	kt	2.6	2.2	2.8	(9.9%)	8.7	10.2	(14.7%)
Ag	koz	290	270	325	(10.7%)	1,027	1,185	(13.3%)
Au	koz	4.7	3.1	2.2	118.3%	11.9	6.3	90.9%
<b>Zn Eq production <sup>(1)</sup></b>	<b>kt</b>	<b>9.9</b>	<b>8.2</b>	<b>8.8</b>	<b>12.7%</b>	<b>30.6</b>	<b>30.8</b>	<b>(0.4%)</b>
Cash Cost RoM	US\$/t	33.0	34.3	36.4	(9.3%)	32.4	35.8	(9.5%)
Cash Cost Net of By-products <sup>(2)</sup>	US\$/t	999.8	(454.1)	(986.5)	-	(428.6)	17.8	-
Net Revenue	US\$	17.6	19.8	20.8	(15.4%)	66.9	55.5	20.5%
<b>Adjusted EBITDA</b>	<b>US\$</b>	<b>(7.8)</b>	<b>6.8</b>	<b>3.7</b>	<b>-</b>	<b>4.9</b>	<b>(11.3)</b>	<b>-</b>
Adj. EBITDA margin	%	(44.3%)	34.3%	17.8%	(62.1pp)	7.3%	(20.4%)	27.7pp



Treated ore volume was 376kt, up 14% and 11% compared to 4Q20 and 3Q21, respectively, mainly explained by the resumption of operations and production at full capacity after the temporary suspensions in production due to protest activities that took place in these periods, impacting production in approximately 5 days in the quarter.

Zinc production of 2.8kt in 4Q21 increased by 3% and 12% compared to 4Q20 and 3Q21, respectively. Zinc head grade averaged 0.91% in the quarter, down 18bps versus 4Q20 and down 4bps versus 3Q21.

Lead and silver production decreased to 2.6kt and 290koz compared with 2.8kt and 325koz, respectively, in 4Q20. Compared to 3Q21, lead and silver production increased by 17% and 7%, respectively.

After the government-mandatory temporary suspension in Peru and following our efforts to improve operational efficiency and reduce costs, in June 2020 we resumed the operations at the San Gerardo open pit mine, while the higher-cost Atacocha underground mine remains suspended.

In 2021, consequently, treated ore volume totaled 1.271kt, up 19% from the same period a year ago. However, zinc production of 9kt was down 1.1kt compared to last year. Average zinc grade was 0.88% compared to 1.20% in 2020 as the open pit average grade is lower than the underground mine.

Atacocha tailings dam elevation project: Construction was completed and Nexa obtained the operating license. This tailings dam is already in operation.

In 4Q21, sustaining capital expenditures amounted to US\$2.4 million, mainly driven by the tailings dam elevation, totaling US\$11.1 million in 2021.

The exploration drilling works focused mainly on extending existing mineralized bodies along strike at the San Gerardo pit and testing the potential extension at the surface of known orebodies at the Atacocha underground mine including the Ayarragram orebody.

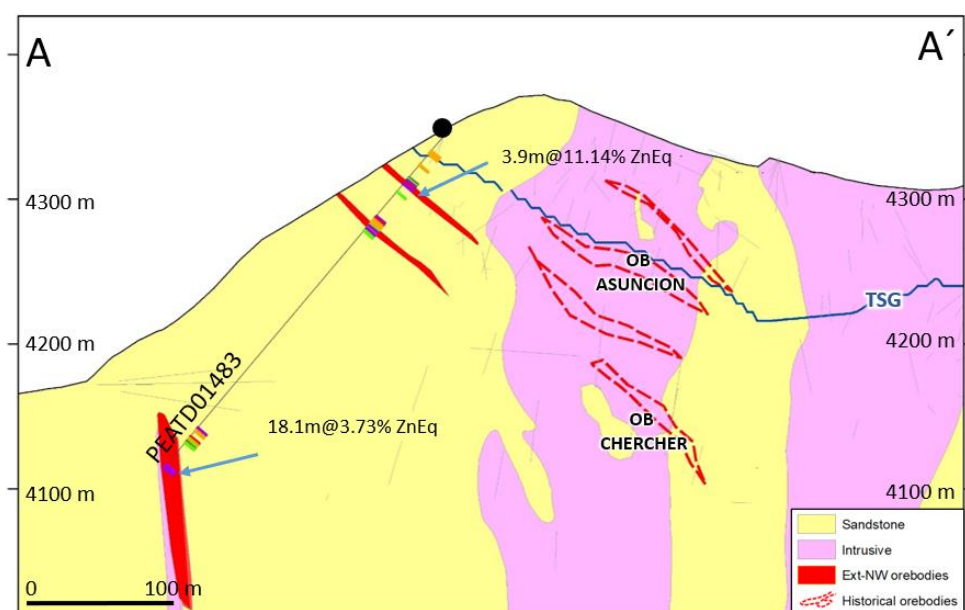
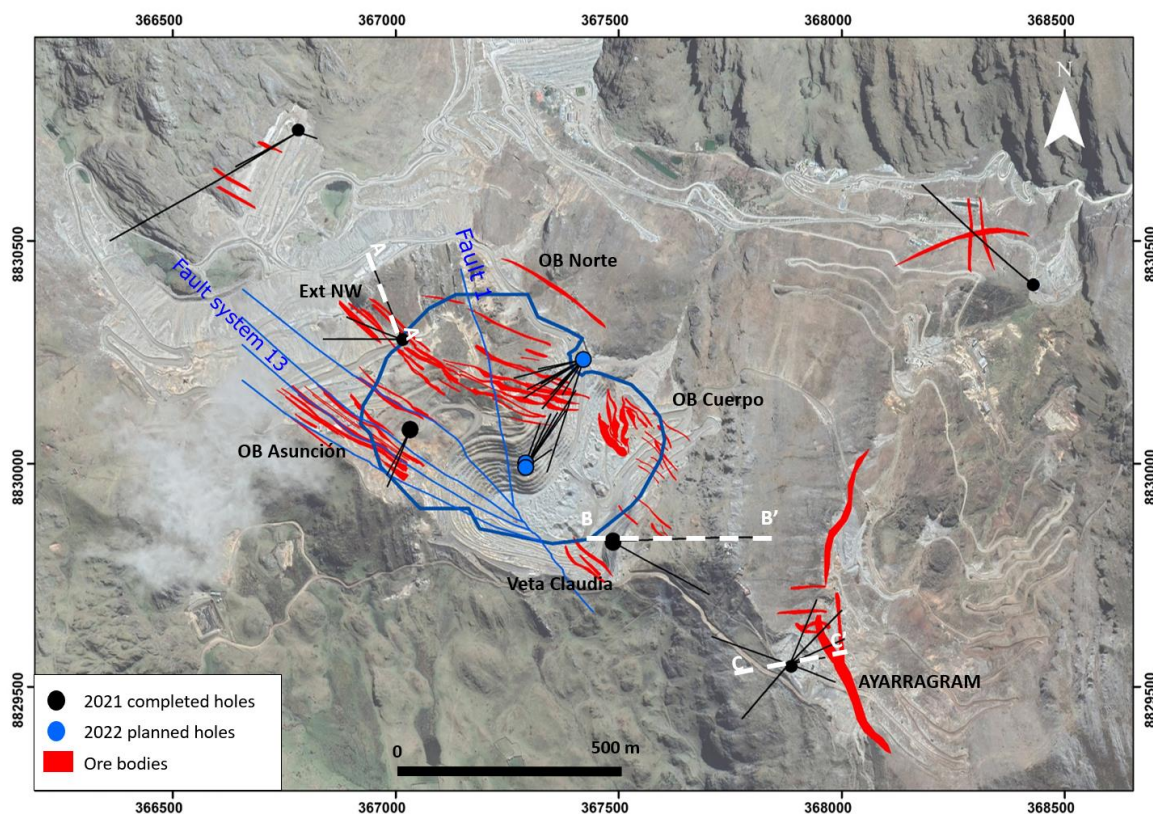
In 4Q21, 1,744 meters of exploration drilling and 753 meters of infill drilling were executed at the San Gerardo open pit extensions with two drill rigs, totaling 3,145 meters and 10,191 meters, respectively, in 2021. Exploration drilling included 571 meters in the northwest extension of San Gerardo pit and 1,173 meters at Ayarragram orebody. Infill drilling included 150 meters at Asunción and 602 meters at orebody 17.

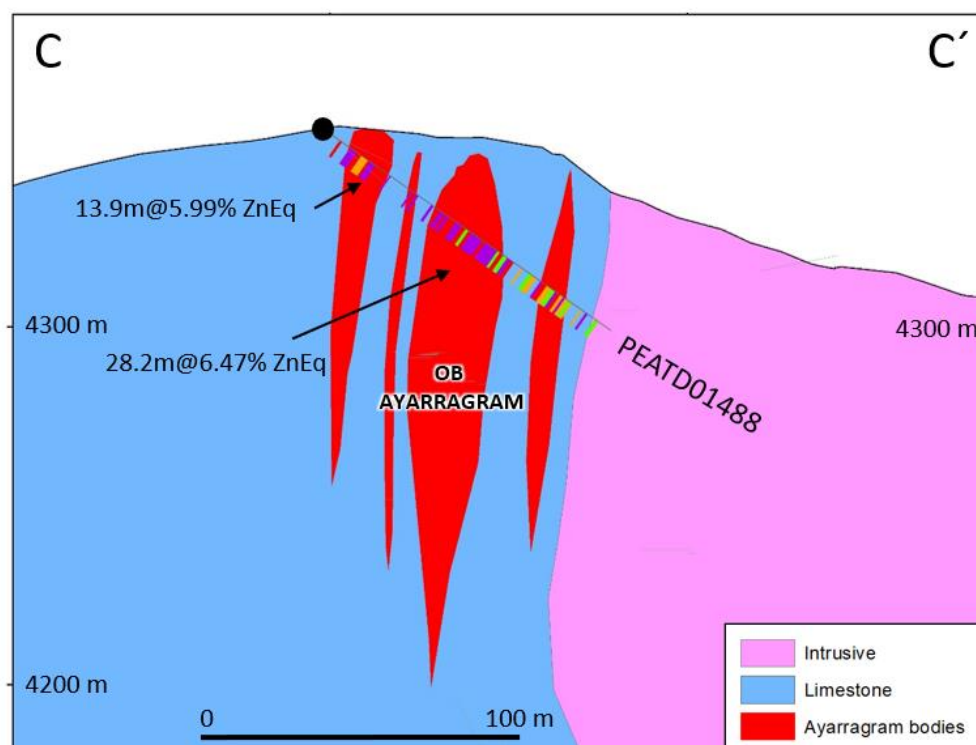
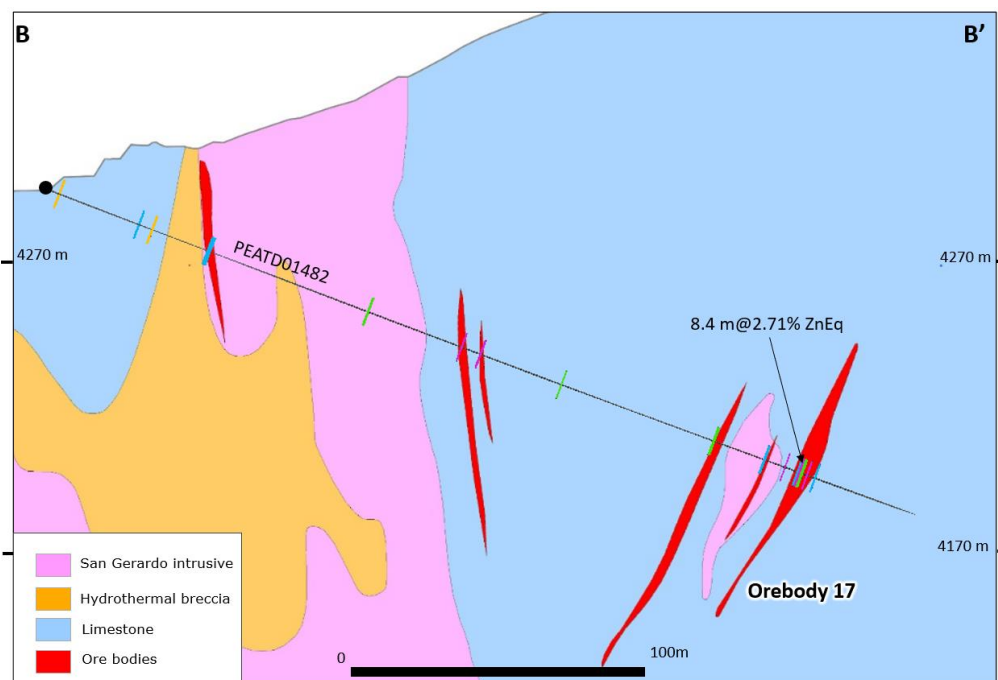
At Atacocha, the continuity of mineralization to the northwest at the San Gerardo open pit is confirmed from the surface by hole PEATD01483 with two intercepts: 3.9m@2.18% Zn, 8.40% Pb and 125.72 g/t Ag; and 18.10m@2.26% Zn, 0.45% Pb, 0.24% Cu, 21.86g/t Ag and 0.61g/t Au. At Ayarragram to the southeast of San Gerardo, hole PEATD01488 shows two intercepts: 13.9m@4.97%Zn, 0.39%Pb, 15.09 g/t Ag and 0.38 g/t Au, and 28.20m@3.73% Zn, 1.69% Pb, 31.22 g/t Ag and 0.75g/t Au.

The continuity of the orebody 17 towards the southeast of San Gerardo was confirmed with hole PEATD01482, revealing 8.4m@1.13% Zn, 0.91% Pb, 13.31 gr/t Ag and 0.60 g/t Au. The 2021 drilling campaign also allowed us to reinterpret the Chercher vein system as was previously reported by Nexa.

ATACOCHA - SAN GERARDO - 4Q21 - MAIN INTERSECTIONS										
Hole_id	Ore body	From	To	Length	Zn%	Pb%	Cu%	Ag g/t	Au g/t	ZnEq%
PEATD01483	Extension NW TSG	42.9	46.7	3.9	2.18	8.40	0.01	125.72	0.05	11.14
PEATD01483	Extension NW TSG	293.5	311.6	18.1	2.26	0.45	0.24	21.86	0.61	3.73
PEATD01487	Ayarragram	110.9	124.7	13.8	6.12	0.03	0.11	8.23	0.80	7.20
PEATD01488	Ayarragram	7.0	20.9	13.9	4.97	0.39	0.10	15.09	0.38	5.99
PEATD01488	Ayarragram	34.7	62.9	28.2	3.73	1.69	0.09	31.22	0.75	6.47
PEATD01482	OB 17 infill	261.1	269.5	8.4	1.13	0.91	0.01	13.31	0.57	2.71
PEATD01484	OB 17 infill	180.8	183.7	2.9	1.21	0.52	0.01	74.77	0.18	3.38

*Note: for further information on Zinc Equivalent calculation, please refer to Note 1 – Zinc Equivalent. Intervals with assays not reported here have no consistent samples > 3.0% Zinc Equivalent or assay results are pending. True widths of the mineralized intervals are unknown at this time.*





For 1Q22, we plan to complete 2,480 meters of drilling at Chercher with one rig and review the Chercher orebody within the San Gerardo open pit model (phase 2).

## Liquidity and Indebtedness

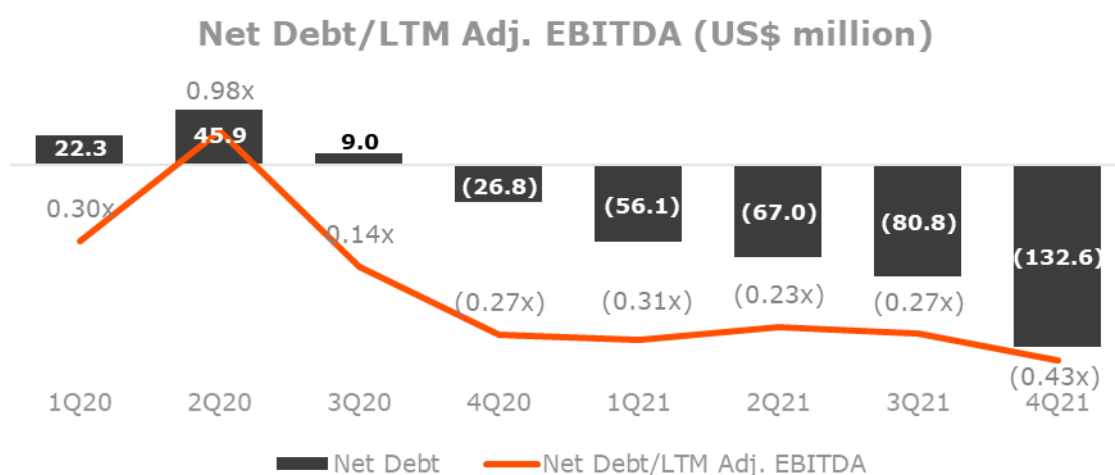
On December 31, 2021, Nexa Peru's consolidated gross debt<sup>3</sup> amounted to US\$132 million, compared to the balance at September 30, 2021.

Cash balance amounted to US\$272 million at the end of the period, 24% higher compared to September 30, 2021, mainly driven by higher customer collections as a result of higher sales.

Financial leverage, measured by the ratio of net debt to Adjusted EBITDA of the last twelve months was negative 0.43x, and the average maturity term of the financial debt was set to 1.23 years, having no relevant debt maturities in the short term.

US\$ million	4Q21	3Q21	4Q20
Financial Debt	139.5	138.7	253.4
Cash	272.1	219.6	280.6
Net Debt	(132.6)	(80.8)	(26.8)
LTM Adj. EBITDA	305.2	295.4	97.5
<b>Net Debt/LTM Adj. EBITDA (x)</b>	<b>(0.43x)</b>	<b>(0.27x)</b>	<b>(0.27x)</b>

In light of our robust cash position and balance sheet management strategy, Nexa Peru prepaid the term loan it had with a global financial institution, in the principal amount of R\$477 million (approximately US\$90.5 million), additionally paying R\$12.6 million of accrued interest (approximately US\$2.4 million) on July 09, 2021. The contracted cross-currency swap associated to this debt, was also unwound for US\$12.4 million. Then, the approximate amount paid for this transaction was US\$105.3 million.



<sup>3</sup> Loans and financings ("gross debt")

## Cash Flows

US\$ million	4Q21	2021
<b>Net cash flows provided by (used in):</b>		
Operating activities	85.7	179.8
Investing activities	(32.7)	(93.6)
Financing activities	(0.8)	(92.9)
<b>Increase (decrease) in cash and cash eq.</b>	<b>52.5</b>	<b>(8.5)</b>
Cash and cash eq. at the beginning of the period	219.6	280.6
Cash and cash eq. at the end of the period	272.1	272.1

In 4Q21, the net cash provided by operating activities was US\$86 million. Working capital changes had a positive impact of US\$9 million due to an increase in accounts payable, partially offset by an increase in accounts receivable.

We used US\$33 million of net cash flows in investing activities in 4Q21 which were totally incurred by CAPEX in the period.

Cash from financing activities in the quarter was negative at US\$0.8 million.

As a result, we had a cash increase of US\$52 million, resulting in a final cash balance of US\$272 million at the end of 4Q21.

In 2021, the net cash provided by operating activities was positive US\$180 million. As expected, we had a net decrease in cash of US\$9 million compared to our cash balance at the beginning of the period.

## Investments (CAPEX)

Nexa Peru made investments of US\$33 million in 4Q21. Of this amount, 5% was allocated to expansion projects and 95% in non-expansion projects, primarily related to sustaining CAPEX.

In 2021, CAPEX amounted to US\$94 million. Of this amount, 6% was related to expansion projects and 92% related to sustaining CAPEX.

CAPEX (US\$ million)	4Q21	3Q21	4Q20	4Q21 vs. 4Q20	2021	2020	2021 vs. 2020
<b>Expansion projects</b>	<b>1.6</b>	<b>1.3</b>	<b>1.6</b>	<b>(1.2%)</b>	<b>5.5</b>	<b>8.4</b>	<b>(34.1%)</b>
<b>Non-Expansion</b>	<b>31.1</b>	<b>20.3</b>	<b>18.9</b>	<b>64.7%</b>	<b>88.3</b>	<b>55.9</b>	<b>57.9%</b>
Sustaining <sup>(1)</sup>	29.9	19.9	18.7	59.8%	86.4	55.7	55.1%
Others <sup>(2)(3)</sup>	1.2	0.4	0.2	601.3%	1.9	0.2	804.1%
<b>TOTAL</b>	<b>32.7</b>	<b>21.6</b>	<b>20.5</b>	<b>59.5%</b>	<b>93.8</b>	<b>64.3</b>	<b>45.9%</b>

(1) Includes HSE and investments in tailings dams.

(2) Modernization, IT and others.

(3) Includes tax credits.



## Projects pipeline

Nexa Peru maintains a pipeline of potential growth projects in different stages of maturity, summarized below. As a result of our commitment to capital discipline, we are evaluating our capital allocation strategy and the jurisdictions where we are operating.

Magistral FEL 3 studies continue to progress with external analyses by different specialists (de-risking) and we are engaged to evaluate potential partnerships for the next steps of the project. The amendment of the environmental impact study ("mEIA") was submitted to the Ministry of the Environment ("SENACE") in 4Q21.

Regarding Hilarión, in 4Q21 the exploratory drilling at Hilarión Sur was completed with 4,031 meters in 32 holes confirming the southeast continuity of the Hilarión deposit towards the edge of the Hilarión stock with multiple thick intersections ranging from 22.0 to 47.6 meters. For 2022, we plan to drill 5,500 meters within three targets: El Padrino area, San Martin and at the Yanashallash fault trend, located 1,500 meters west of Hilarión.

For additional details, please refer to our 4Q21 and 2021 Exploration Report published on February 08, 2022.

	Projects	Description	Comments
MAIN PROJECTS UNDER ANALYSIS	<b>Shalipayco</b> (75% Nexa Peru*; 25% Pan American Silver Peru)	<ul style="list-style-type: none"> <li>➤ Potential underground polymetallic project containing zinc, lead and silver deposits.</li> <li>➤ Located in the Central Andes of Peru</li> <li>➤ Consists of mining concessions with evidence of MVT mineralization (a deposit type similar to Morro Agudo).</li> </ul>	<ul style="list-style-type: none"> <li>➤ In Pre-Feasibility stage.</li> <li>➤ Project under review.</li> </ul>
	<b>Magistral</b> (100% Nexa Peru*)	<ul style="list-style-type: none"> <li>➤ Potential open pit copper mine project</li> <li>➤ Located in the Ancash department, in Peru.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Peer review in progress.</li> <li>➤ Detailed engineering of the access road was concluded.</li> <li>➤ mEIA was submitted to SENACE in 4Q21.</li> </ul>
	<b>Pukaqaqa</b> (100% Nexa Peru*)	<ul style="list-style-type: none"> <li>➤ Potential open pit copper project (with gold credits) located in Huancavelica department, in Peru.</li> </ul>	<ul style="list-style-type: none"> <li>➤ In Pre-Feasibility stage.</li> <li>➤ Project remains on hold.</li> <li>➤ Metallurgical tests concluded.</li> <li>➤ Project Evaluation is expected to be updated in 2022.</li> </ul>
	<b>Florida Canyon</b> (61% Nexa Peru*; 39% Solitario Zinc)	<ul style="list-style-type: none"> <li>➤ Potential underground project containing high grade zinc and lead sulfide</li> <li>➤ Advanced mineral exploration project comprised of 16 contiguous mining concessions, covering approximately 12,600 hectares, located in Peru.</li> </ul>	<ul style="list-style-type: none"> <li>➤ In exploration stage.</li> <li>➤ Project remains on hold.</li> </ul>
	<b>Hilarión</b> (100% Nexa Peru*)	<ul style="list-style-type: none"> <li>➤ Exploration project located south of the Antamina mine in Ancash, Peru</li> <li>➤ Skarn mineral deposit made of vertical tabular ore bodies containing sulfide zinc, lead, silver and copper deposits</li> <li>➤ Potential underground mine that could either use its own processing plant or one of the several existing plants in the area.</li> </ul>	<ul style="list-style-type: none"> <li>➤ In exploration stage.</li> <li>➤ Exploration activities are ongoing.</li> <li>➤ Drilling campaign was completed with the objective of exploring and confirming the continuity of the favorable horizon towards the southern extension and edges of the Hilarión stock.</li> </ul>

\*Nexa Resources owns 83.55% interest in Nexa Peru.

## **Others**

### **Asset retirement and environmental obligations (“ARO”)**

In 2021, as part of our asset retirement and environmental obligations review, the Company increased its expected disbursements on decommissioning obligations in certain operations, in accordance with updates in their asset retirement or environmental obligations studies and update in the discount rates.

As a result, for non-operational structures and environmental obligation an expense in an amount of US\$8,541 was recognized by Nexa Peru in “Other income and expenses” in 4Q21. For operational assets “Property, plant and equipment” has been decreased in an amount of US\$9,245.

For further information, please refer to note 27 - Asset retirement and environmental obligations.



## Market Scenario

### 4Q21

LME Prices		4Q21	3Q21	4Q20	4Q21 vs. 4Q20	2021	2020	2021 vs. 2020
Zinc	US\$/t	3,364	2,991	2,628	28.0%	3,007	2,267	32.7%
Copper	US\$/t	9,699	9,372	7,166	35.3%	9,317	6,181	50.8%
Lead	US\$/t	2,331	2,340	1,901	22.6%	2,206	1,826	20.9%
Silver	US\$/oz	23.33	24.36	24.39	(4.3%)	25.14	20.55	22.3%
Gold	US\$/oz	1,795	1,790	1,874	(4.2%)	1,799	1,770	1.6%

Source: Bloomberg

### Zinc

In 4Q21, the LME zinc price averaged US\$3,364/t (or US\$1.53/lb), up 28% and 12% from 4Q20 and 3Q21, respectively. The LME zinc price reached a 14-year peak on October 18<sup>th</sup> (US\$3,815/t) when two of the world's top zinc producers announced smelter production cuts due to rising energy prices in Europe. After the October spike, prices stabilized around US\$3,300-3,400/t, pressured by macroeconomic factors, including expectations that U.S. Fed will increase interest rates in 2022 and the Omicron variant, impacting economic growth.

Issues in the supply of concentrate and metal pushed up zinc prices in 4Q21. Lack of supply is reflected in higher spot premiums worldwide. In northwest Europe, premiums increased to US\$250-280/t in December compared to US\$140-155/t range in September. In the U.S. premiums increased from US\$216/t in September to US\$386/t in December due to strong demand and higher freight costs.

In China, zinc spot TCs for domestic material decreased slightly over the quarter, reaching US\$154/t in December, down 1.6% from September. Imported TCs increased in December, closing at US\$85/t, up 6.3% from September.

Zinc metal demand in our home market (Latin America excluding Mexico) remained strong and above pre-pandemic levels but it slowed down from previous quarters as some zinc-intensive sectors have been affected by the increase in energy costs, inflation and regulations, as well as logistic issues, particularly the automotive industry, which may experience limited production. We estimate our home market demand in 2021 was 16% higher than 2020, the highest demand recorded since 2013, driven by Brazil, Peru, and Argentina (88% of Latin American zinc demand).

### Copper

In 4Q21, the LME copper price averaged US\$9,699/t (US\$4.40/lb), up 35% and 3.5% from 4Q20 and 3Q21, respectively. Commodities reached higher prices over the past month, especially those most exposed to higher energy prices. Despite downward pressure from a weaker Chinese PMI, appreciation of the U.S. dollar, and the Omicron variant, copper fundamentals continue to support higher price levels.

Copper inventories in the LME fell sharply in 4Q21 by 59% compared to 3Q21, with ending inventories at multi-year lows (89kt at the end of December compared to historical 5-year average of 217.2kt). This is mainly a reflection of the delays in deliveries caused by the current crisis in the global supply chain. In concentrate supply, blockades and strikes at Peruvian mines, continuing bottlenecks in African trade, and other Covid-related disruptions have tightened the market. Spot TCs in China decreased by 2%.

## Foreign Exchange

FX	4Q21	3Q21	4Q20	4Q21 vs. 4Q20	2021	2021	2021 vs. 2021
PEN/USD (Average)	4.023	4.050	3.602	11.7%	3.883	3.497	11.0%
<i>PEN/USD (End of period)</i>	<i>4.002</i>	<i>4.135</i>	<i>3.618</i>	<i>10.6%</i>	<i>4.002</i>	<i>3.618</i>	<i>10.6%</i>

Source: Bloomberg

The U.S. dollar continued to appreciate against other major currencies during 4Q21 on expectations that the Fed would scale back its asset purchase program, even amid new waves of COVID-19 and increases in energy cost.

The average exchange rate for the Peruvian soles in 4Q21 reached 4.023/US\$, up 12% compared to 4Q20, with economic growth above expectations.

## Inflation

Annual inflation during the last twelve months increased from 2% by the end of 2020 to 6.4% by the end of December 2021, driven by the higher price of food with high imported content and fuels; as well as the depreciation of the Peruvian soles (source: BCRP).

## Market | 2022 Outlook

Investors' perception remains positive for base metals in 2022, as global economies are expected to continue to grow, albeit at a more moderate rate compared to 2021. Expectations of rising interest rates in the U.S. could be a downside for prices. Higher interest rates are often associated with lower commodity prices as they increase the cost of financing inventories and discourage speculation among investors. The new variants of COVID-19 are expected to have a modest impact on the global economy, however, being a stressor factor for the current supply chain disruptions.

Regarding zinc fundamentals, high energy prices in China and Europe, as well as the control of carbon emissions in China should be the main points of attention for supply in 2022. Higher energy prices have started to impact metal production as some smelters are being idled, which should tighten the metal market and push for a higher TC benchmark negotiation. In the short term, the Winter Olympics in February could further affect the smelter's production due to additional operational restrictions focusing on pollution reduction. Concentrate market should be in a slight surplus, as overall mine capability is expected to increase year-over-year due to expected decrease in production disruptions and with the start of a new operation in Russia planned for late-2022. Despite issues in China and the economic recovery in other countries in the world, global zinc demand remains strong and the outlook for 2022 remains positive.

The zinc demand outlook in Latin America remains robust. Prices are expected to be at higher levels, although on average should be lower compared to 2021. Thus, in Brazil (approximately 61% of zinc demand in Latin America), the production forecast for light vehicles is about +14% in 2022, according to LCA. On the other hand, civil construction has a more modest outlook, with a slight slowdown expected as the unprecedented demand seen in 2021.

Regarding copper fundamentals, a balanced metal market is expected for 2022. Mine supply expects to exceed demand with projects planned to start throughout the year. In the scrap market, current issues in global shipping logistics and regulations on imports of low-grade copper scrap to Southeast Asian countries can lead to supply chain disruptions and constrain scrap availability. In the mid to long-terms, the outlook for copper demand remains positive, given its role in the energy transition for a green economy.

## **Risks and uncertainties**

Risk management is one of the key points in our business strategy and contributes to value creation and increasing the level of confidence in the Company held by its main stakeholders, including shareholders, employees, customers, suppliers and the local communities.

As a result, we have adopted an Enterprise Risk Management ("ERM") Policy that describes Nexa's Risk Management Model. The ERM forms an integral part of the processes in our operational units, corporate departments and projects, and provides support for decision-making by our Executive Officers and Board of Directors.

The risk assessment cycle is performed annually focusing on our strategy, operations and key projects. We seek to identify material risks, which are then assessed with consideration of the potential health, safety, environmental, social, reputational, legal and financial impacts. By embedding risk management into our work processes and critical business systems, we work to ensure we make decisions based on relevant inputs and valid data. The material risks identified during the risk management process are monitored and reported to the Executive Team, Audit Committee and Board of Directors.

Our operations are exposed to a number of inherent risks and uncertainties, and our results may be influenced by the following factors, including, among others:

- the cyclical and volatile prices of commodities;
- the changes in the expected level of supply and demand for commodities;
- the risks and uncertainties relating to economic and political conditions in the countries in which we operate, including the political instability in Peru;
- changes in global market conditions;
- supply chain bottlenecks;
- inflation;
- outbreaks of contagious diseases or health crises impacting overall economic activity regionally or globally, including COVID-19;
- severe natural disasters, such as storms and earthquakes, disrupting our operations;
- operational risks, such as operator errors, mechanical failures and other accidents;
- the availability of materials, supplies, insurance coverage, equipment, required permits or approvals and financing;
- the implementation of our growth strategy and risks associated with related capital expenditures;
- failure to obtain financial assurance to meet closure and remediation obligations;
- the possible material differences between our estimates of mineral reserves and the mineral quantities we actually recover;
- the possibility that our concessions may be terminated or not renewed by governmental authorities in the countries in which we operate;
- labor disputes or disagreements with local communities;
- loss of reputation due to unanticipated operational failures or significant occupational incidents;
- the future impact of competition and changes in domestic and international governmental and regulatory policies that apply to our operations;
- currency exchange rate and interest rate fluctuations; and
- other factors.

For a broader discussion of risks please refer to our annual report on form 20-F filed with the SEC ([www.sec.gov](http://www.sec.gov)), on SEDAR ([www.sedar.com](http://www.sedar.com)) and available on the Company's website ([www.nexaresources.com](http://www.nexaresources.com)).

## **Use of Non-IFRS Financial Measures**

Nexa's management uses non-IFRS measures such as Adjusted EBITDA, cash cost net of by-products, all-in sustaining cost net of by-products, among other measures, for internal planning and performance measurement purposes. We believe these measures provide useful information about the financial performance of our operations that facilitates period-to-period comparisons on a consistent basis. Management uses Adjusted EBITDA internally to evaluate our underlying operating performance for the reporting periods presented and to assist with the planning and forecasting of future operating results. Management believes that Adjusted EBITDA is a useful measure of our performance because it reflects our cash generation potential from our operational activities excluding impairment of non-current assets and other miscellaneous adjustments, if any. These measures should not be considered in isolation or as a substitute for profit (loss) or operating profit, as indicators of operating performance, or as alternatives to cash flow as measures of liquidity. Additionally, our calculation of Adjusted EBITDA may be different from the calculation used by other companies, including our competitors in the mining industry, so our measures may not be comparable to those of other companies.

Segment performance is measured based on Adjusted EBITDA, since financial results, comprising financial income and expenses and foreign exchange, and income taxes are managed at the corporate level and are not allocated to operating segments. Adjusted EBITDA is defined as net income (loss) for the period, adjusted by (i) share in the results of associates, (ii) depreciation and amortization, (iii) net financial results, (iv) income tax, (v) gain (loss) on sale of investments, and (vi) impairment and impairment reversals. In addition, management may adjust the effect of certain types of transactions that in management's judgment are not indicative of the Company's normal operating activities or do not necessarily occur on a regular basis.

Mining segment | Cash cost net of by-product credits: for our mining operations, cash cost after byproduct credits includes all direct costs associated with mining, concentrating, leaching, solvent extraction, on-site administration and general expenses, any off-site services essential to the operation, concentrate freight costs, marketing costs and property and severance taxes paid to state or federal agencies that are not profit-related. Treatment and refining charges on metal sales, which are typically recognized as a deduction component of sales revenues, are added to cash cost. Cash cost net of by-products credits is measured with respect to zinc sold per mine.

Smelting segment | Cash cost net of by-product credits: for our smelting operations, cash cost, after by-product credits includes all the costs of smelting, including costs associated with labor, net energy, maintenance, materials, consumables and other on-site costs, as well as raw material costs. Cash cost net of by-products credits is measured with respect to zinc sold per smelter.

We also present herein our net debt, which we define as (i) loans and financing (the most comparable IFRS measure), less (ii) cash and cash equivalents, less (iii) financial investments, plus or less (iv) the fair value of derivative financial instruments. Our management believes that net debt is an important figure because it indicates our ability to repay outstanding debts that become due simultaneously using available cash and highly liquid assets.

All forward-looking non-IFRS financial measures in this release, including cash cost guidance, are provided only on a non-IFRS basis. This is due to the inherent difficulty of forecasting the timing or amount of items that would be included in the most directly comparable forward-looking IFRS financial measures. As a result, reconciliation of the forward-looking non-IFRS financial measures to IFRS financial measures is not available without unreasonable effort and the Company is unable to assess the probable significance of the unavailable information.

See "Cautionary Statement on Forward-Looking Statements" below.

## **Technical information**

Jose Antonio Lopes, MausIMM CP (Geo): 224829, a mineral resources manager, a qualified person for purposes of National Instrument 43-101 and a Nexa employee, has approved the scientific and technical information contained in this Earnings Release. Please note that the mineral reserves included in this Earnings Release were estimated in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") 2014 Definition Standards For Mineral Resources and Mineral Reserves, whose definitions are incorporated by reference in National Instrument 43-101. Accordingly, such information may not be comparable to similar information prepared in accordance with Subpart 1300 of Regulation S-K ("S-K 1300"). For a discussion of the differences between the requirements under S-K 1300 and NI 43-101, please see our annual report on Form 20-F. Our estimates of mineral reserves may be materially different from mineral quantities we actually recover, and market

price fluctuations and changes in operating capital costs may render certain mineral reserves uneconomical to mine.

## **CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS**

This Earnings Release contains certain forward-looking information and forward-looking statements as defined in applicable securities laws (collectively referred to in this Earnings Release as “forward-looking statements”). All statements other than statements of historical fact are forward-looking statements. The words “believe,” “will,” “may,” “may have,” “would,” “estimate,” “continues,” “anticipates,” “intends,” “plans,” “expects,” “budget,” “scheduled,” “forecasts” and similar words are intended to identify estimates and forward looking statements. Forward-looking statements are not guarantees and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of NEXA to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Actual results and developments may be substantially different from the expectations described in the forward-looking statements for a number of reasons, many of which are not under our control, among them, the activities of our competition, the future global economic situation, weather conditions, market prices and conditions, exchange rates, and operational and financial risks. The unexpected occurrence of one or more of the abovementioned events may significantly change the results of our operations on which we have based our estimates and forward looking statements. Our estimates and forward looking statements may also be influenced by, among others, legal, political, environmental or other risks that could materially affect the potential development of our projects, including risks related to outbreaks of contagious diseases or health crises impacting overall economic activity regionally or globally.

These forward-looking statements related to future events or future performance and include current estimates, predictions, forecasts, beliefs and statements as to management’s expectations with respect to, but not limited to, the business and operations of the Company and mining production our growth strategy, the impact of applicable laws and regulations, future zinc and other metal prices, smelting sales, CAPEX, expenses related to exploration and project evaluation, estimation of mineral reserves and mineral resources, mine life and our financial liquidity.

Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable and appropriate by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies and may prove to be incorrect. Statements concerning future production costs or volumes are based on numerous assumptions of management regarding operating matters and on assumptions that demand for products develops as anticipated, that customers and other counterparties perform their contractual obligations, full integration of mining and smelting operations, that operating and capital plans will not be disrupted by issues such as mechanical failure, unavailability of parts and supplies, labor disturbances, interruption in transportation or utilities, adverse weather conditions, and other COVID-19 related impacts, and that there are no material unanticipated variations in metal prices, exchange rates, or the cost of energy, supplies or transportation, among other assumptions.

We assume no obligation to update forward-looking statements except as required under securities laws. Estimates and forward-looking statements refer only to the date when they were made, and we do not undertake any obligation to update or revise any estimate or forward looking statement due to new information, future events or otherwise, except as required by law. Estimates and forward-looking statements involve risks and uncertainties and do not guarantee future performance, as actual results or developments may be substantially different from the expectations described in the forward looking statements. Further information concerning risks and uncertainties associated with these forward-looking statements and our business can be found in our public disclosures filed under our profile on SEDAR ([www.sedar.com](http://www.sedar.com)) and on EDGAR ([www.sec.gov](http://www.sec.gov)).

## About Nexa Resources Perú S.A.A.

**Nexa Peru** is a Peruvian mining company of regional scale dedicated to the exploration, extraction, processing and commercialization of zinc, copper and lead concentrates with contents of silver and gold and is currently one of the main polymetallic producers in Peru. Nexa Peru develops its operations with a clear commitment to social and environmental responsibility.

The Company belongs to **Nexa Resources S.A.**, the metals and mining division of Votorantim S.A., a strong, private and diversified conglomerate that has over 100 years of history and a global presence in key sectors of the economy in more than 23 countries.

Nexa Peru currently holds three polymetallic mining units in operation: Cerro Lindo (Ica), El Porvenir (Pasco) and Atacocha (Pasco). It also features a portfolio of polymetallic and copper Greenfield projects with advanced exploration.

For further information on Nexa Peru you may contact:

Ana Patricia Uculmana Ratto ([puculmana@nexaresources.com](mailto:puculmana@nexaresources.com))

Visit our website: [riperu.nexaresources.com](http://riperu.nexaresources.com)

## About Nexa Resources S.A.

**Nexa Resources** is a large-scale, low-cost integrated zinc producer with over 60 years of experience developing and operating mining and smelting assets in Latin America. Nexa currently owns and operates five long-life underground mines - three located in the Central Andes of Peru and two located in the state of Minas Gerais in Brazil - and is developing the Aripuanã Project as its sixth underground mine in Mato Grosso, Brazil. Nexa also currently owns and operates three smelters, two located in Brazil and one in Peru, Cajamarquilla, which is the largest smelter in the Americas. Nexa was among the top five producers of mined zinc globally in 2021 and one of the top five metallic zinc producers worldwide in 2021, according to Wood Mackenzie.

**Nexa Resources** (NYSE: NEXA) started to trade its common shares on the New York Stock Exchange ("NYSE") on October 27, 2017.

For further information:

Visit our website: [ir.nexaresources.com](http://ir.nexaresources.com)

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## Income Statement

US\$ million	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
<b>Net Revenue</b>	<b>119.4</b>	<b>70.1</b>	<b>148.8</b>	<b>202.8</b>	<b>184.6</b>	<b>228.4</b>	<b>186.3</b>	<b>229.3</b>
Cost of sales	(130.3)	(81.1)	(95.1)	(125.0)	(119.2)	(125.6)	(132.6)	(130.5)
Selling and administrative expenses	(8.8)	(4.1)	(7.5)	(10.9)	(7.2)	(6.7)	(7.1)	(9.1)
Mineral exploration and project evaluation	(8.4)	(4.2)	(4.7)	(12.3)	(8.2)	(10.6)	(9.3)	(16.0)
Impairment of non-current assets	(68.3)	0.0	(26.0)	(4.0)	0.0	0.0	0.0	0.0
Expenses on temporary suspension of underground mine	0.0	0.0	(8.1)	(0.1)	(0.9)	0.0	(2.0)	(0.6)
Other income and expenses, net	(6.9)	(5.1)	(0.5)	(6.7)	(0.1)	(0.2)	0.4	(17.7)
<b>Net Financial Result</b>	<b>(26.7)</b>	<b>(1.0)</b>	<b>(2.9)</b>	<b>(3.1)</b>	<b>0.8</b>	<b>(1.8)</b>	<b>7.4</b>	<b>(0.9)</b>
Financial income	3.2	2.6	3.2	3.0	2.8	2.7	2.9	3.1
Financial expenses	(21.8)	(7.4)	(7.2)	(7.2)	(5.8)	(5.6)	(5.6)	(4.2)
Other financial items, net	(8.1)	3.8	1.1	1.0	3.8	1.0	10.1	0.2
Depreciation and amortization	18.9	16.0	16.8	18.7	18.1	19.1	22.2	21.0
<b>Adjusted EBITDA</b>	<b>(16.2)</b>	<b>(2.6)</b>	<b>49.9</b>	<b>66.5</b>	<b>67.1</b>	<b>104.4</b>	<b>57.5</b>	<b>76.2</b>
<b>Adj. EBITDA Margin</b>	<b>(13.6%)</b>	<b>(3.8%)</b>	<b>33.5%</b>	<b>32.8%</b>	<b>36.4%</b>	<b>45.7%</b>	<b>30.9%</b>	<b>33.2%</b>
<b>Income Tax</b>	<b>(5.4)</b>	<b>7.1</b>	<b>(5.7)</b>	<b>(23.8)</b>	<b>(11.3)</b>	<b>(26.8)</b>	<b>(34.7)</b>	<b>(21.6)</b>
<b>Net Income (Loss)</b>	<b>(135.6)</b>	<b>(18.3)</b>	<b>(1.8)</b>	<b>16.8</b>	<b>38.5</b>	<b>56.5</b>	<b>8.3</b>	<b>33.0</b>
Attributable to owners of the Controlling entity	(117.0)	(16.0)	0.9	18.4	39.3	54.7	6.3	36.4
Attributable to non-controlling interests	(18.6)	(2.3)	(2.7)	(1.6)	(0.8)	1.8	2.0	(3.4)
Avg # of shares (in '000)	1,272,108	1,272,108	1,272,108	1,272,108	1,272,108	1,272,108	1,272,108	1,272,108
<b>Basic and diluted earnings (loss) per share – US\$</b>	<b>(0.09)</b>	<b>(0.01)</b>	<b>0.00</b>	<b>0.01</b>	<b>0.03</b>	<b>0.04</b>	<b>0.00</b>	<b>0.03</b>

## Balance Sheet – Assets

Nexa Peru - US\$ thousand	Dec 31, 2021	Dec 31, 2020
<b>Current assets</b>		
Cash and cash equivalents	272,086	280,628
Derivative financial instruments	-	5,759
Trade accounts receivables	340,263	243,450
Inventory	46,519	28,937
Recoverable income tax	557	4,533
Other assets	21,183	27,641
	<b>680,608</b>	<b>590,948</b>
<b>Non-current assets</b>		
Derivative financial instruments	-	15,174
Deferred income tax	12,539	40,978
Recoverable income tax	559	9,263
Other assets	12,812	14,572
Property, plant and equipment	286,258	291,405
Intangible assets	243,630	235,035
Right-of-use assets	3,781	4,715
	<b>559,579</b>	<b>611,142</b>
<b>Total assets</b>	<b>1,240,187</b>	<b>1,202,090</b>

## Balance Sheet – Liabilities

Nexa Peru - US\$ thousand	Dec 31, 2021	Dec 31, 2020
<b>Current liabilities</b>		
Loans and financings	2,780	9,495
Lease liabilities	6,278	5,264
Trade payables	146,508	123,505
Confirming payables	5,942	2,585
Salaries and payroll charges	34,679	21,133
Asset retirement obligations and environmental obligations	9,911	11,948
Contractual obligations	33,156	27,132
Payable income tax	29,959	-
Other liabilities	27,809	32,648
	<b>297,022</b>	<b>233,710</b>
<b>Non-current liabilities</b>		
Loans and financings	128,865	236,622
Derivative financial instruments	-	21,350
Lease liabilities	1,582	2,040
Asset retirement obligations and environmental obligations	119,092	124,334
Deferred income tax	17	38
Provisions	13,953	8,127
Contractual obligations	114,076	138,893
Other liabilities	43	286
	<b>377,628</b>	<b>531,690</b>
<b>Total liabilities</b>	<b>674,650</b>	<b>765,400</b>
<b>Equity</b>		
Attributable to owners of the controlling entity	575,386	446,194
Attributable to non-controlling interests	(9,849)	(9,504)
<b>Total Equity</b>	<b>565,537</b>	<b>436,690</b>
<b>Total liabilities and equity</b>	<b>1,240,187</b>	<b>1,202,090</b>

## Cash Flows

Nexa Peru - US\$ thousand	4Q21	2021
<b>Cash flows from operating activities</b>		
<b>Income before income tax</b>	<b>54,577</b>	<b>230,850</b>
Adjustments to reconcile income (loss) before income tax to cash		
Less, income tax	(21,595)	(94,481)
Deferred income tax	10,369	26,299
Impairment of non-current assets	-	-
Depreciation and amortization	21,046	80,503
Interest and foreign exchange effects	5,332	18,487
Gain (loss) net from property, plant and equipment	489	693
Changes in accruals	14,073	16,377
Net loss on sale of investments	-	-
Changes in fair value of loans and financings	-	(20,823)
Changes in fair value of derivative financial instruments	-	6,850
Contractual obligations	(8,990)	(25,729)
Impairment of spare parts and supplies, net of recoveries and trade accounts receivables	32	(690)
Changes in operating assets and liabilities	18,470	(14,908)
<b>Cash provided by operating activities</b>	<b>93,803</b>	<b>223,428</b>
Interest paid on loans and financings	(12)	(15,604)
Interest paid on lease liabilities	(16)	(42)
Premium paid on bonds repurchase	-	-
Income tax paid	(8,089)	(27,940)
<b>Net cash provided by operating activities</b>	<b>85,686</b>	<b>179,842</b>
<b>Cash flows from investing activities</b>		
Additions of property, plant and equipment	(32,673)	(93,827)
Proceeds from the sale of property, plant and equipment	(19)	195
<b>Net cash used in investing activities</b>	<b>(32,692)</b>	<b>(93,632)</b>
<b>Cash flows from financing activities</b>		
New loans and financings	-	-
Principal payments	(303)	(91,212)
Payments of lease liabilities	(540)	(1,693)
<b>Net cash used in financing activities</b>	<b>(843)</b>	<b>(92,905)</b>
Foreign exchange effects on cash and cash equivalents	367	(1,847)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>52,518</b>	<b>(8,542)</b>
Cash and cash equivalents at the beginning of the period	219,568	280,628
Cash and cash equivalents at the end of the period	272,086	272,086

## Capex

US\$ million	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	2020	2021
<b>Mining</b>	<b>18.7</b>	<b>4.3</b>	<b>14.1</b>	<b>18.8</b>	<b>15.4</b>	<b>21.8</b>	<b>20.5</b>	<b>31.0</b>	<b>55.9</b>	<b>88.7</b>
Cerro Lindo	8.9	2.4	7.5	8.8	4.4	9.0	10.1	17.1	27.7	40.5
El Porvenir	5.0	1.0	3.3	3.7	9.0	8.3	7.9	11.4	12.9	36.5
Atacocha	4.8	0.9	3.3	6.3	1.9	4.6	2.5	2.6	15.3	11.6
<b>Other</b>	<b>3.9</b>	<b>2.0</b>	<b>0.9</b>	<b>1.7</b>	<b>1.2</b>	<b>1.2</b>	<b>1.1</b>	<b>1.7</b>	<b>8.4</b>	<b>5.2</b>
<b>Total</b>	<b>22.6</b>	<b>6.3</b>	<b>15.0</b>	<b>20.5</b>	<b>16.6</b>	<b>23.0</b>	<b>21.6</b>	<b>32.7</b>	<b>64.3</b>	<b>93.8</b>
<b>Expansion</b>	<b>3.9</b>	<b>1.7</b>	<b>1.2</b>	<b>1.6</b>	<b>1.3</b>	<b>1.4</b>	<b>1.3</b>	<b>1.6</b>	<b>8.4</b>	<b>5.5</b>
<b>Non-Expansion</b>	<b>18.7</b>	<b>4.5</b>	<b>13.9</b>	<b>18.9</b>	<b>15.3</b>	<b>21.6</b>	<b>20.3</b>	<b>31.1</b>	<b>55.9</b>	<b>88.3</b>

US\$ million	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	2020	2021
Modernization	(0.1)	(0.0)	0.1	0.0	0.0	0.3	0.4	0.4	(0.0)	1.0
Sustaining <sup>(1)</sup>	12.9	4.6	13.5	18.4	14.9	20.3	17.6	27.8	49.4	80.6
HSE	5.9	0.0	0.1	0.3	0.4	1.0	2.3	2.1	6.3	5.8
Other <sup>(2)(3)</sup>	0.0	(0.1)	0.2	0.2	(0.0)	0.0	0.0	0.8	0.2	0.8
<b>Non-Expansion</b>	<b>18.7</b>	<b>4.5</b>	<b>13.9</b>	<b>18.9</b>	<b>15.3</b>	<b>21.6</b>	<b>20.3</b>	<b>31.1</b>	<b>55.9</b>	<b>88.3</b>

(1) Includes HSE and investments in tailings dams.

(2) Modernization, IT and others.

(3) The negative amount refers mainly to tax credits.

### Note 1 - Zinc Equivalent (or “ZnEq”)

For Zinc Equivalent parameters in all tables, forecast long-term metal prices are: Zn: US\$3,131/t (US\$1.42/lb), Pb: US\$2,297/t (US\$1.04/lb), Cu: US\$8,382/t (US\$3.80/lb), Ag: US\$22.60/oz and Au: US\$1,672/oz for Cerro Lindo, El Porvenir, Atacocha. Average resource metallurgical recoveries are: Cerro Lindo: Zinc (88.1%), Lead (68.9%), Copper (86.6%) and Silver (68.8%), El Porvenir: Zinc (89.6%), Lead (77.7%), Copper (14.3%) and Silver (63.0%), Atacocha op: Zinc (83.1%), Lead (84.2%) Gold (53.0%) and Silver (76.0%).