

Grupo México

SOUTHERN COPPER CORPORATION

Company Presentation

February 2022



SouthernCopper

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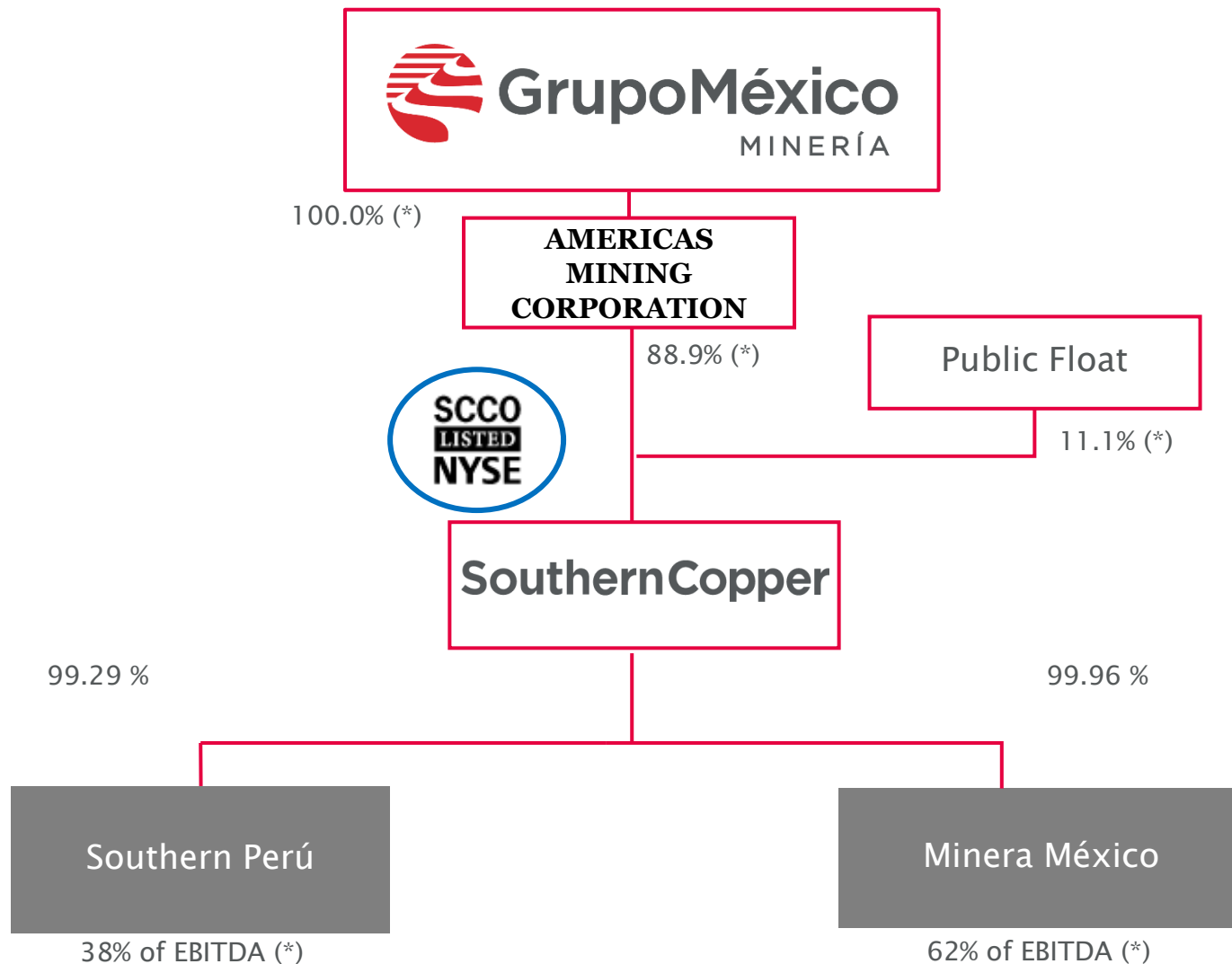
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INTRODUCTION

Safe Harbor Statement

This presentation contains certain statements that are neither reported financial results nor other historical information. These estimates are forward-looking statements within the meaning of the safe-harbor provisions of the securities laws. These forward-looking estimates are subject to risk and uncertainties that could cause actual results to differ materially from the expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond Southern Copper's (SCC) ability to control or estimate precisely, such as future market conditions, commodity prices, the behavior of other market participants and the actions of governmental regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. SCC does not undertake any obligation to publicly release any revision to these forward-looking estimates to reflect events or circumstances after the date of this presentation.

Corporate Structure



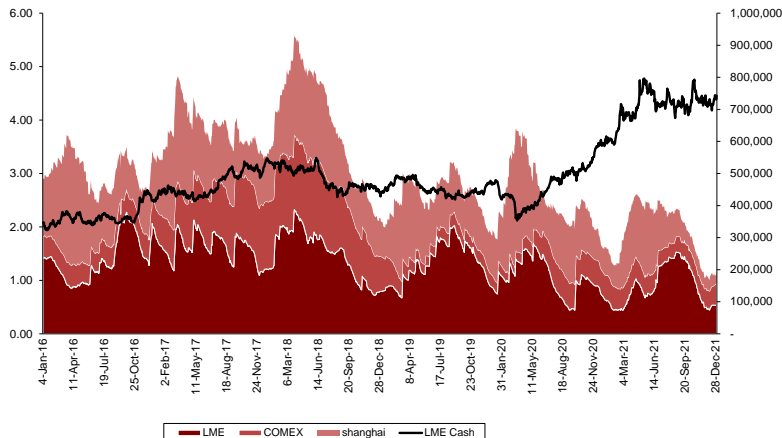
(*) As of December 31, 2021

Copper – The Best Fundamental Story in Commodities

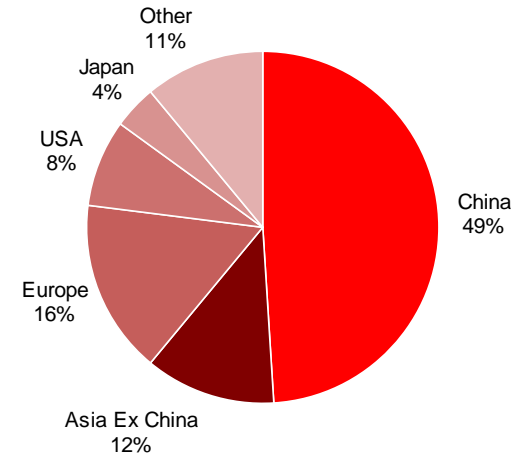
Copper Market Solid Fundamentals

- We expect a market balance for this year. Refined copper demand will increase 3% concentrated in the US and Europe. Economic slowdown in China, with growth estimated at 5.1% due to real estate troubles and impact of Omicron variant.
- Uncertainty regarding future production growth in Chile and Peru, which together represent about 40% of the global supply (Peru = 12%; Chile = 28%).
- Combined inventories of LME, Comex, Shanghai and Bonded warehouses at very low level. Decreased from 569K tons in September to 369K tons at the end of December (35% reduction). This represents about one week of consumption instead of 3–4 weeks of consumption.

LME Copper Cash Price vs. Inventories

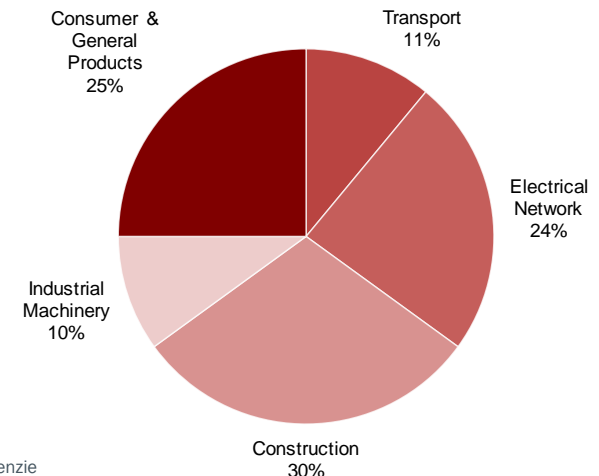


Copper Consumption by Region



Wood Mackenzie

Copper Consumption by End-use



Wood Mackenzie

Southern Copper Strengths

- ⇒ Highest copper reserves of the industry
- ⇒ Excellent organic growth projects
- ⇒ Low cost, fully integrated operations
- ⇒ Experienced management team
- ⇒ Strong financial performance / investment grade since 2005
- ⇒ Outstanding dividend history
- ⇒ Good long-term copper & by-product fundamentals

ESG at the Core of our Strategy (at GMex level)

- ⇒ **Additional resources for ESG tasks**, including the appointment of a **Corporate Sustainability Director** to oversee fulfillment of corporate ESG action plans and targets.
- ⇒ **Internal and external Gap analysis**, with specialized agencies.
- ⇒ **Action Plan** to close the gaps.
- ⇒ **Intensive dialogue and communication** with stakeholders and Ratings Agencies (upgraded from CCC to B).
- ⇒ **Improved Sustainability Report**, aligned with **GRI Reporting**.
- ⇒ **Included in the DJSI sustainability index**.

ESG at the Core of our Strategy

- ⇒ Corporate Sustainability Assessment of S&P Global:
 - 2021 rating increased by 22% with respect to 2020 – Continuous upward trend.
 - Included in Dow Jones Sustainability Index for third consecutive year 2020
 - 79% above the average registered by Mining and Metal Industry.
 - Improved ratings for business ethics, labor relations, community development, environmental and social reporting, human rights, water management and climate change.

- ⇒ SCC is applying to **Copper Mark**: La Caridad open pit mine and metallurgical complexes are the first units of our Company to apply with responsible production practices that contribute to the UN Sustainable Development Goals.

- ⇒ More than one million doses of COVID-19 vaccines applied in five regions of Peru, where SCC has operations/projects, covering approximately 48% of their population.

- ⇒ Around \$600,000 invested in a molecular laboratory for PRC tests in the community of Cananea, Sonora. Offering testing to members of the community and beneficiaries of the Federal Public Health System.

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OVERVIEW OF OPERATIONS

Company Overview

| | |
|--|--------------|
| Copper Reserves ¹ : | 67.7 mmt |
| 2021 Cash Cost | \$ 0.67/lb. |
| <u>2022 Estimates (@ \$4.25 x Lb of Cu):</u> | |
| Copper Production: | 922 kt |
| Sales: | \$10.4 B |
| EBITDA: | \$ 6.0 B |
| | 57% of Sales |

- #1 copper company by reserves ²
- #5 copper producer ³
- #10 copper smelter ³
- #7 refinery ³

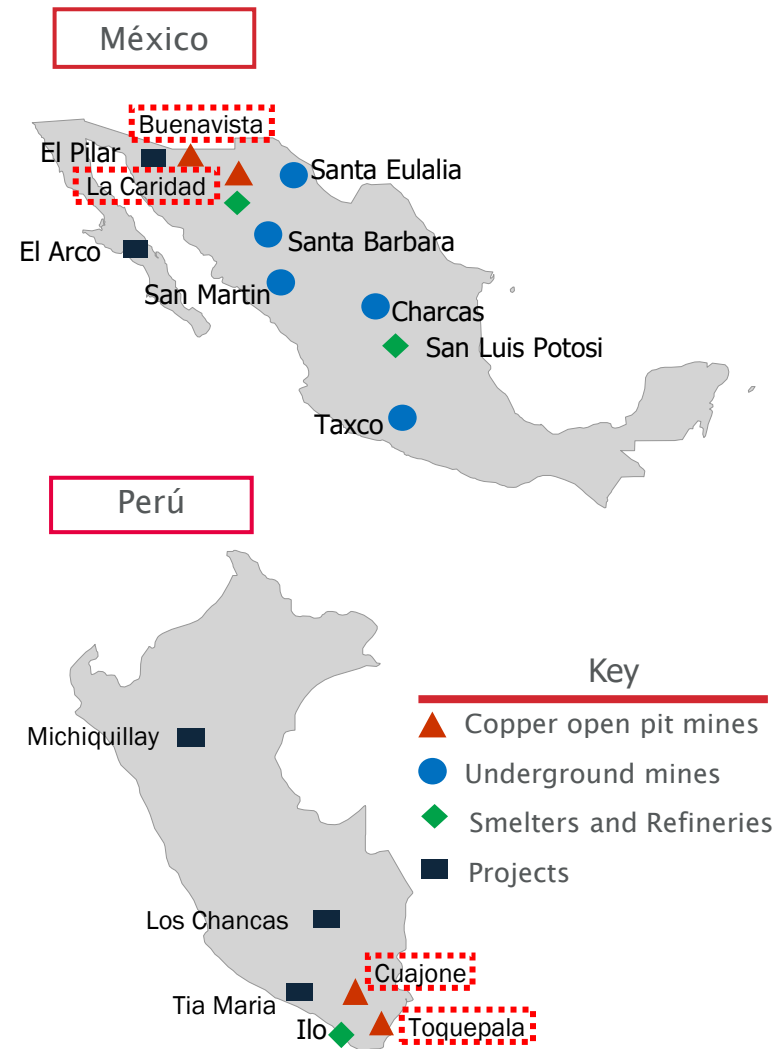
Source: Company Filings

Notes:

1 Copper contained in reserves based on US\$3.00 per pound of copper as of December 31, 2020

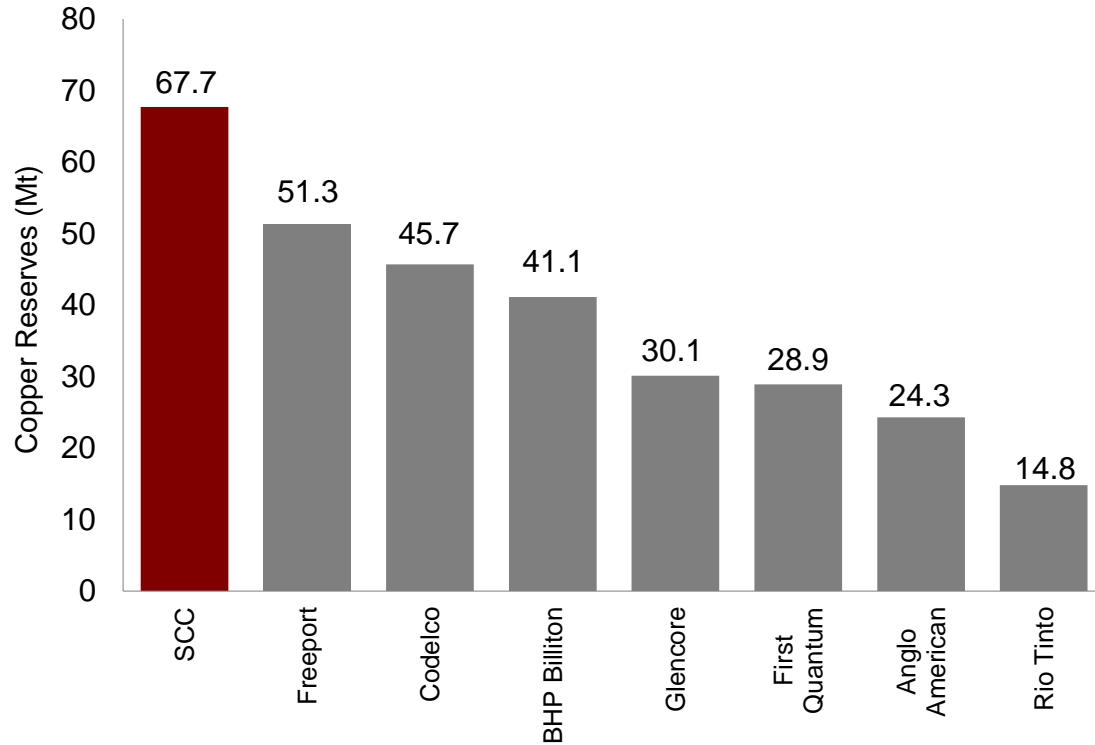
2 Based on available companies reports

3 Wood Mackenzie Limited



World's Largest Copper Reserves

Copper Reserves as Reported

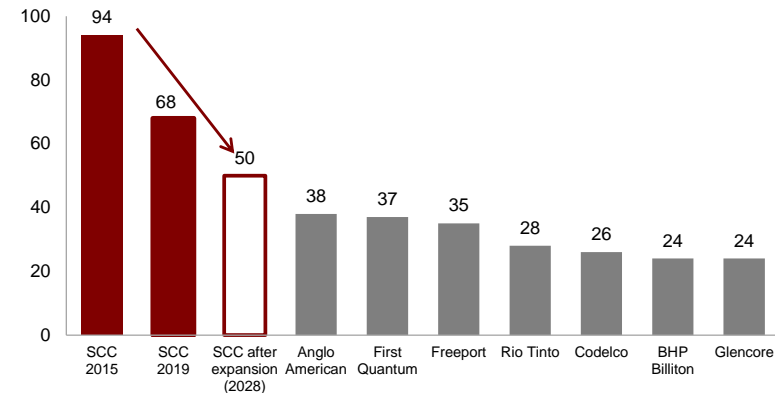


| Source | 10K | 10K | Annual Rep. | 20F | Reserve Rep. | Annual Rep. | Annual Rep. | Annual Rep. |
|----------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|
| Period | Dec.31, 2020 | Dec.31, 2020 | Dec.31, 2020 | Jun. 30, 2020 | Dec. 31, 2020 | Dec. 31, 2020 | Dec. 31, 2020 | Dec. 31, 2020 |
| Cu Price | \$3.00 | \$2.50 | N/A | N/A | N/A | \$3.00 | N/A | N/A |

SCC Highlights

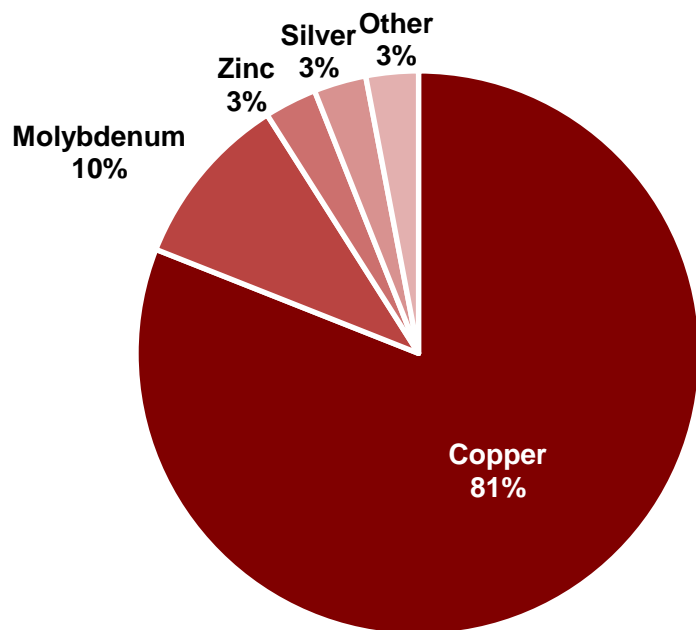
- #1 mine life among copper producers
- #5 world's largest producer of mined copper
- Highly diversified geographical presence
- Four large-scale open-pit mines
- A strong pipeline of world class copper greenfield projects and several other opportunities

Mine Life (years of production)

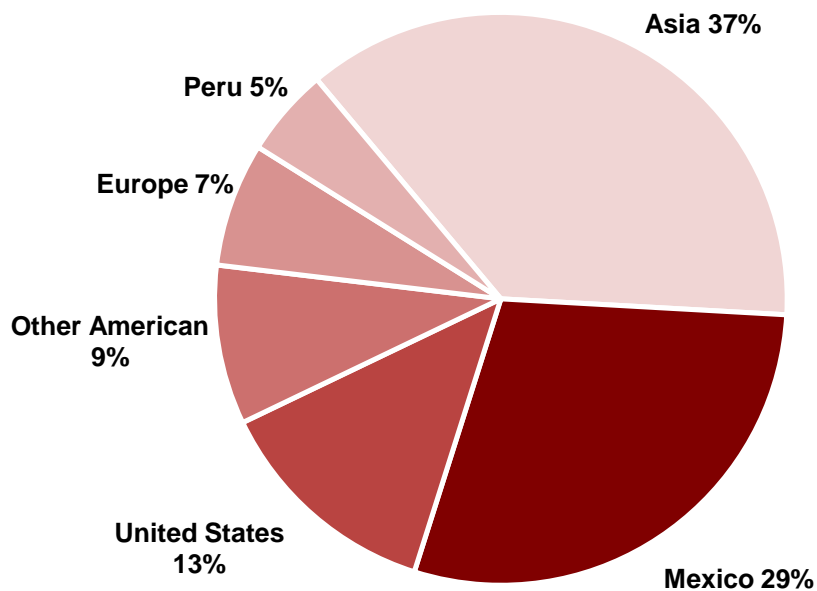


Geographic Footprint & Product Diversification

2021 Revenue by Product

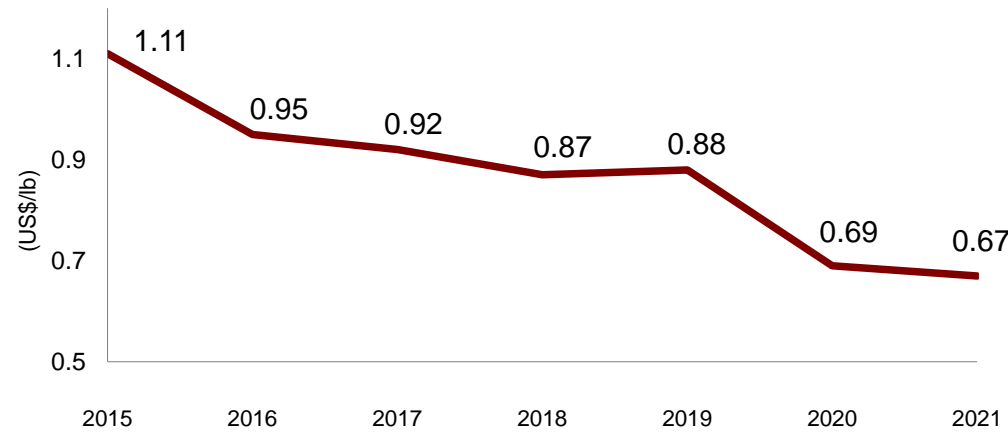


2021 Revenue by Market



Low Cost Operations

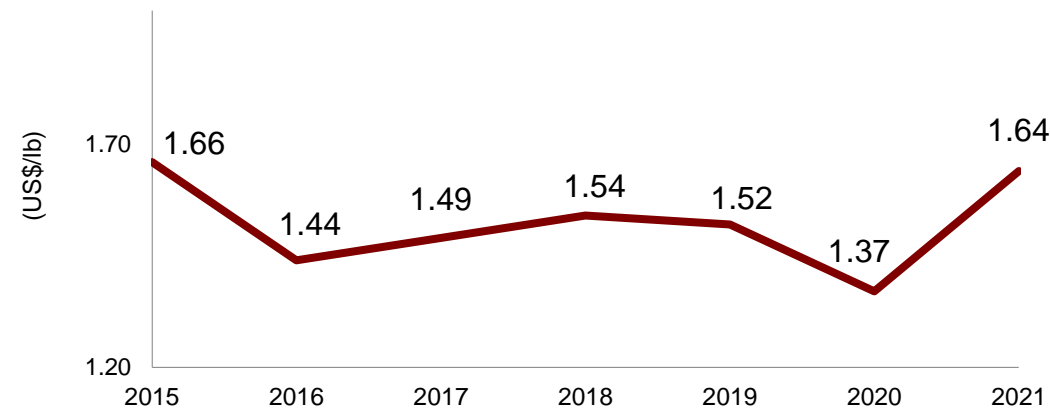
Cash Cost per Pound of Copper Produced Net of By-Products



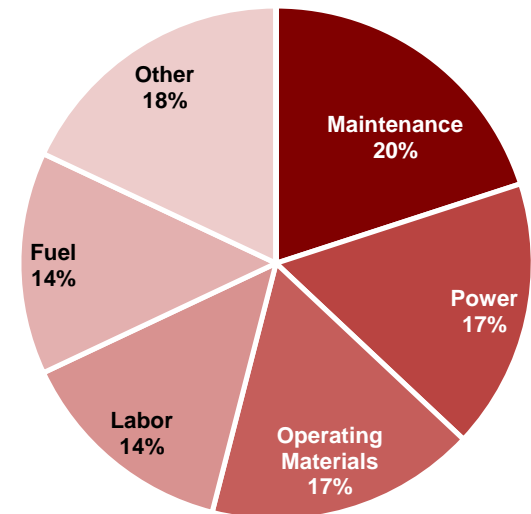
Low Cost Drivers

- Fully integrated low cost operations
- World class assets
- Significant SX-EW production
- Strong by-product credits
- Management focus on cost efficiency and growth

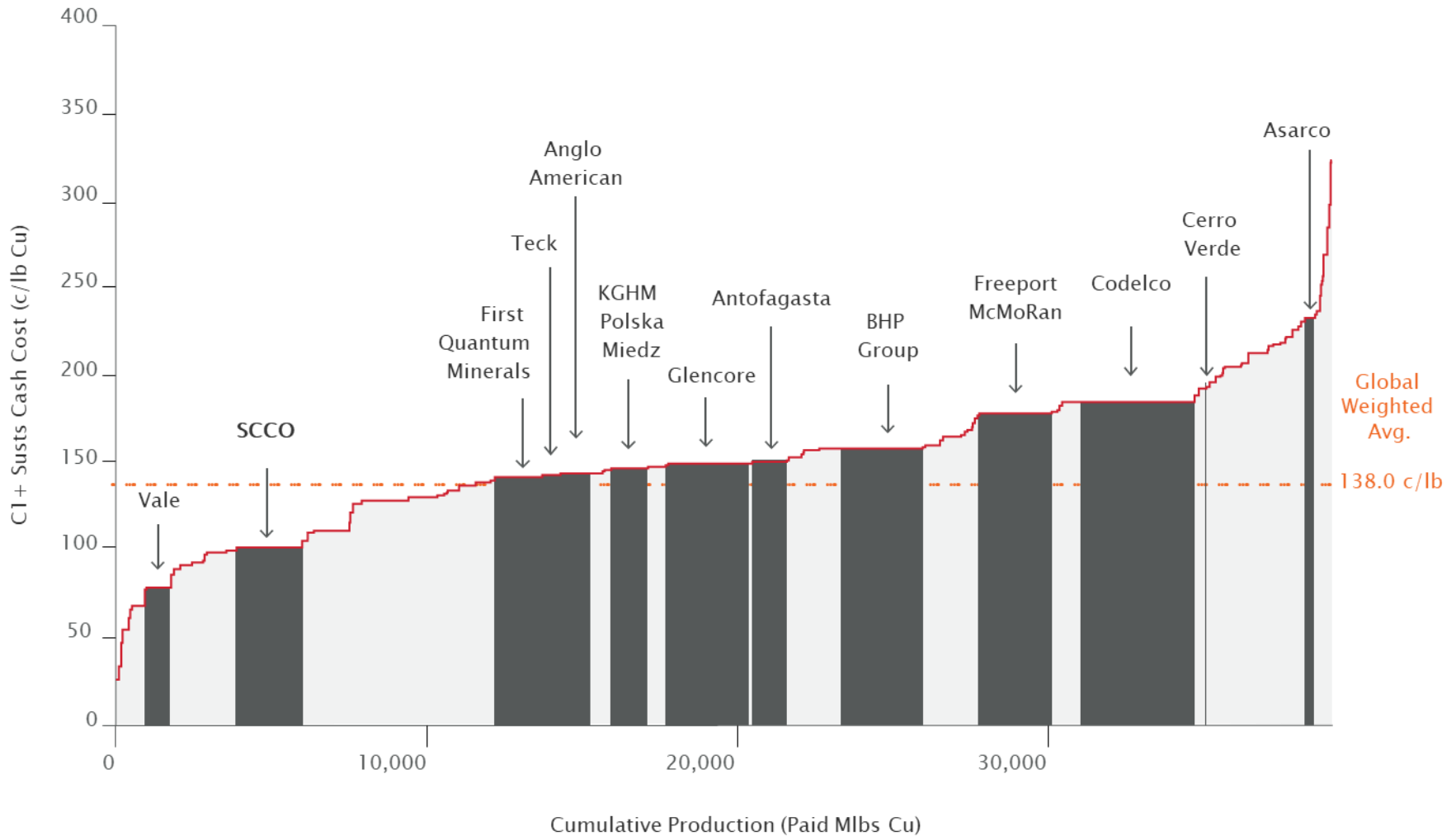
Operating Cash Cost per Pound of Copper Produced



Cost Structure (1)



Copper Production Cash Cost by Company



Source Wood Mackenzie Copper Mine Cost Model, WM 2020

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FINANCIAL OVERVIEW

SCC Financial Summary

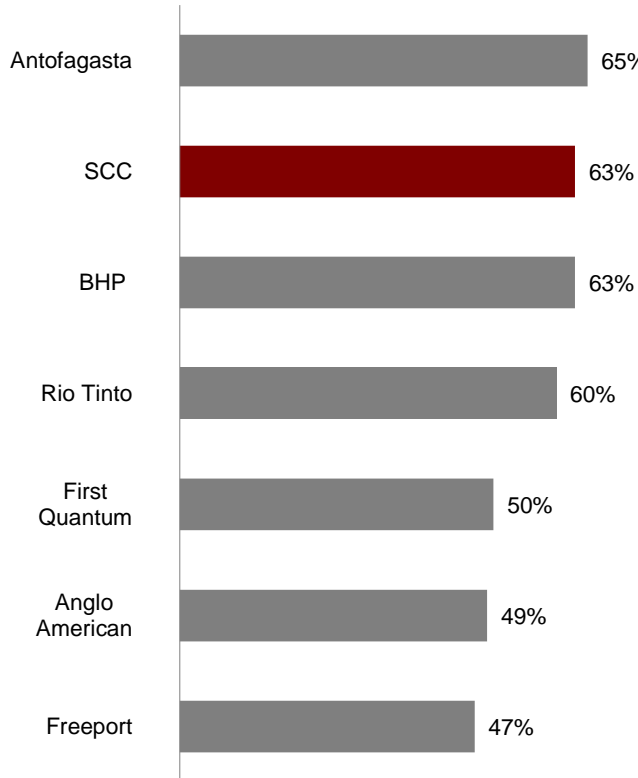
| (US\$ MM) | 2019 | 2020 | 2021 | 2022E |
|--|--------------|--------------|--------------|--------------|
| Copper Price (LME) US\$ per pound | 2.72 | 2.80 | 4.24 | 4.25 |
| Income Statement: | | | | |
| Net Revenues | \$7,286 | \$7,985 | \$10,934 | \$10,386 |
| EBITDA | 3,527 | 3,869 | 6,853 | 5,956 |
| EBITDA Margin | 48% | 48% | 63% | 57% |
| U.S. Income Tax Reform Adjustment | | | | |
| Net Income | 1,486 | 1,570 | 3,397 | 2,959 |
| Dividends paid per share | 1.60 | 1.50 | 3.20 | 1.00 |
| Balance Sheet Statement: | | | | |
| Cash, Equivalents & Short Term | | | | |
| Investments | \$2,006 | \$2,594 | \$3,489 | \$4,860 |
| Total Assets | 16,407 | 16,664 | 18,298 | 20,908 |
| Total Debt | 6,941 | 6,544 | 6,548 | 6,248 |
| Total Liabilities | 9,549 | 9,388 | 10,090 | 9,517 |
| Total Shareholders' Equity | 6,810 | 7,276 | 8,149 | 11,328 |
| Cash Flow Statement: | | | | |
| Capital Expenditures | \$708 | \$592 | \$892 | \$1,542 |
| Free Cash Flow ¹ | 1,204 | 2,191 | 3,400 | 1,694 |
| Dividends paid to common shareholders | 1,237 | 1,160 | 2,474 | 773 |
| Total Debt / EBITDA | 2.0x | 1.7x | 1.0x | 1.0x |
| Net Debt / EBITDA | 1.4x | 1.0x | 0.4x | 0.2x |

¹ Free Cash Flow defined as net cash from operating activities less capital expenditures.

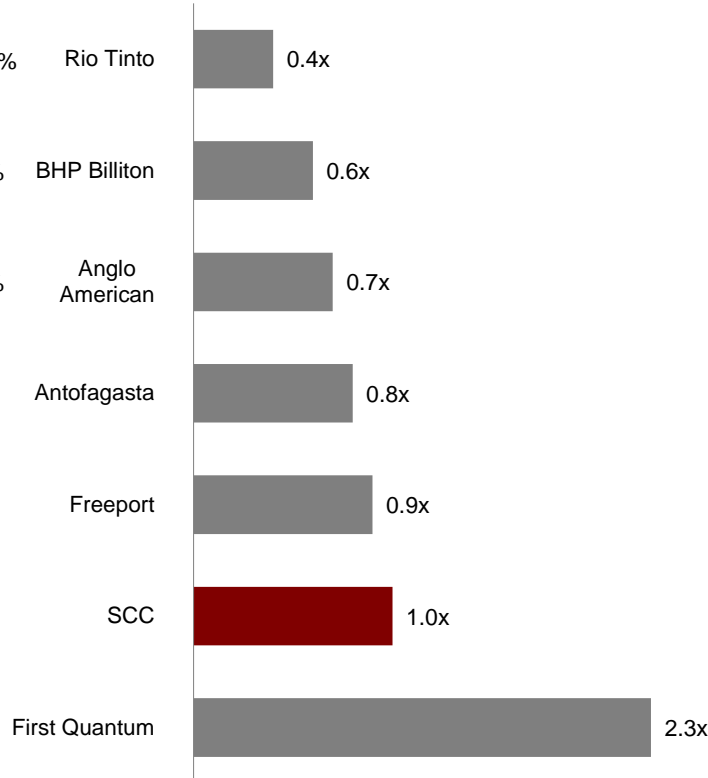
Solid Financial Performance

Top Tier Margins and Conservative Leverage for Increased Financial Flexibility

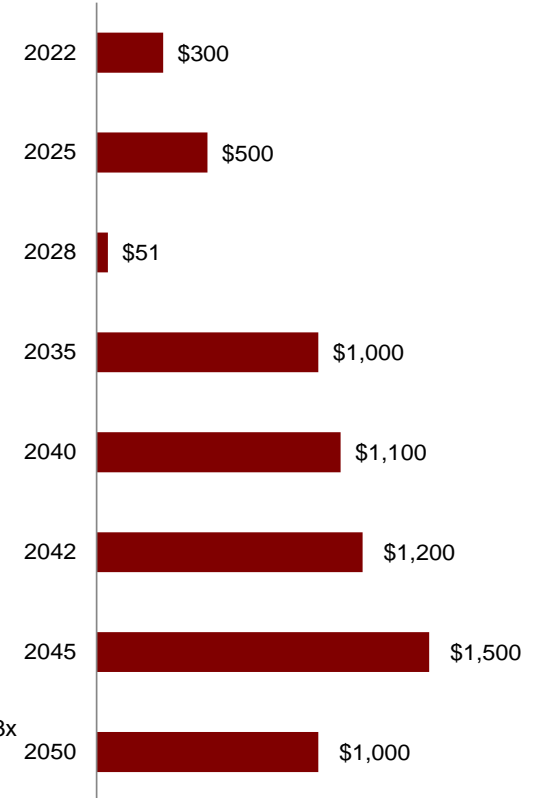
2021 EBITDA Margin (%)



2021 Total Debt / EBITDA (x)



Amortization Schedule



Source: Bloomberg Consensus

Source: Company Reports and Bloomberg Consensus

Investment Program to Significantly Increase Production

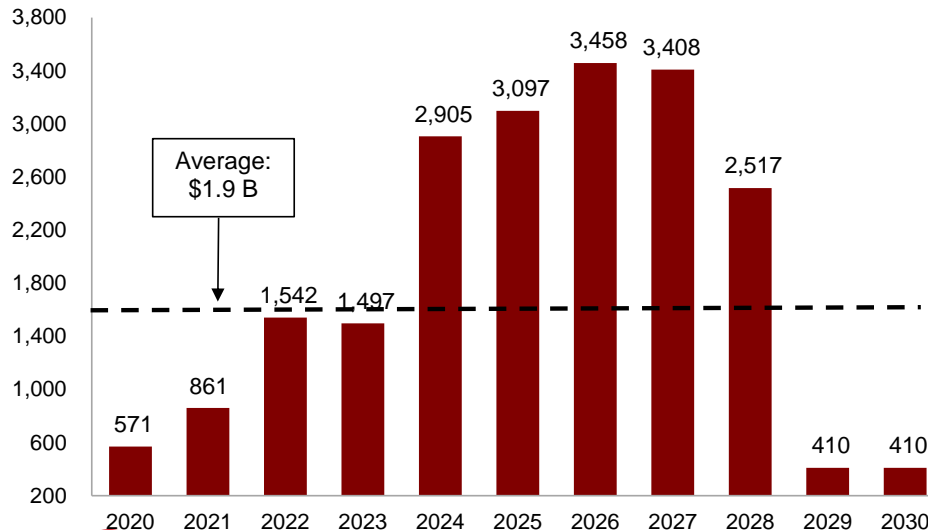
Board approved

Other projects

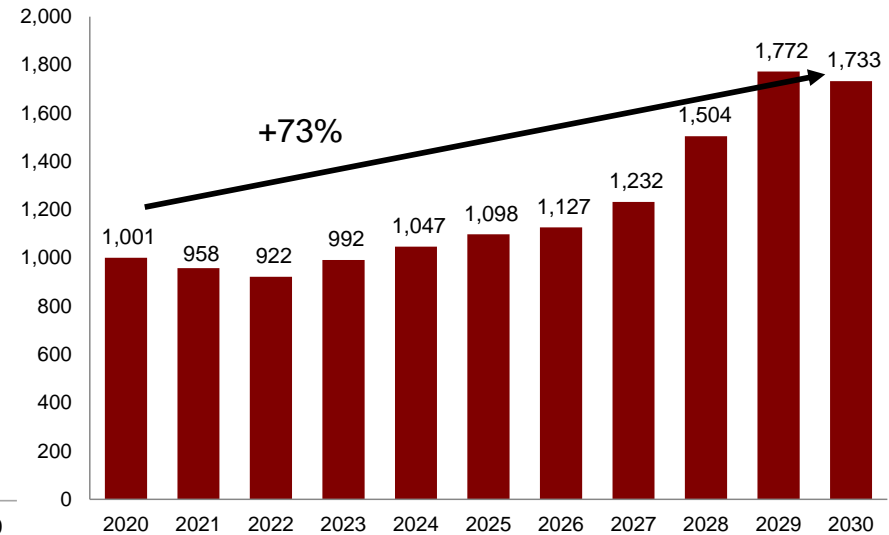
| 2017-2020 | 2022-2025 |
|--|--|
| <p>Buenavista:</p> <ul style="list-style-type: none"> \$3.1B program to increase capacity from 180K Tons Cu to 500K Tons Cu, 4.6K Tons Mo | <p>Pilares 4Q22 - \$159M 35K Tons Cu</p> |
| <p>Toquepala Concentrator Expansion 4Q18 - \$1.2B - 100K Tons Cu, 3.1K Tons Mo</p> | <p>Buenavista Zinc Conc. 3Q23 - \$413M 20K Tons Cu, 100K Tons Zn</p> |
| | <p>El Pilar 3Q23 - \$310M - 35K Tons Cu</p> |
| | <p>Tia Maria SX/EW 2025 - \$1.4B - 120K Tons Cu</p> |

| MEXICO | PERU |
|---|---|
| <p>El Arco Conc. & SX/EW 2028 - \$2.9B 190K Tons Cu, 105K Oz Au</p> | <p>Los Chancas Conc. & SX/EW 2027 - \$2.6B - 130K Tons Cu, 7.5K Tons Mo</p> |
| <p>Empalme Smelter 2026 - \$1.1B</p> | <p>Ilo Smelter & Refinery Expansion 2026 - \$1.3B</p> |
| | <p>Michiquillay 2029 - \$2.5B - 225K Tons Cu</p> |

2020-2030 Capex Program Overview (MM)



2020-2030 Copper Production Forecast ('000 MT Cu)



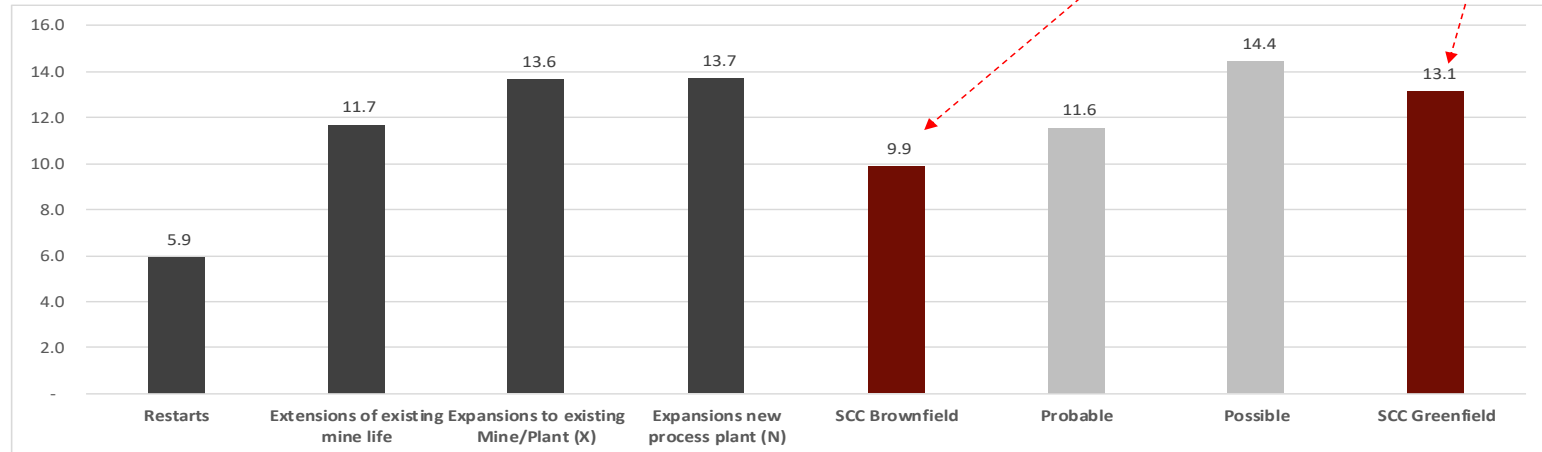
Best-in-class Mining Projects Reaching Completion Providing Competitive Cash Costs and Increased Production Levels

Project Capital Intensity at SCC Projects

| Type | Initial Capex (US\$ MM) | % of Total Capex | Incremental Production Cu Eq. (kt/y) | Capital Intensity (US\$/tpy Cu Eq.) | |
|---|-------------------------|------------------|--------------------------------------|-------------------------------------|---------------|
| Brownfield Projects | | | | | |
| Toquepala concentrator expansion | Expansion (N) | 1,253.2 | 8.5% | 100.0 | 12,532 |
| Buenavista SXEW III | Expansion (N) | 1,363.5 | 9.3% | 120.0 | 11,363 |
| Buenavista concentrator expansion | Expansion (N) | 1,785.4 | 12.2% | 188.0 | 9,497 |
| Buenavista Zinc | Probable | 413.0 | 2.8% | 61.7 | 6,697 |
| Pilares | Extension | 159.0 | 1.1% | 35.0 | 4,543 |
| Total / Weighted average intensity | | 4,974.1 | 33.9% | 504.7 | 9,856 |
| Greenfield Projects | | | | | |
| Tia Maria SXEW | Probable | 1,400.0 | 9.5% | 120.0 | 11,667 |
| Los Chancas | Probable | 2,600.0 | 17.7% | 150.0 | 17,333 |
| Michiquillay | Possible | 2,500.0 | 17.0% | 225.0 | 11,111 |
| El Pilar | Probable | 310.0 | 2.1% | 35.0 | 8,857 |
| El Arco | Possible | 2,900.0 | 19.7% | 209.8 | 13,820 |
| Total / Weighted average intensity | | 9,710.0 | 66.1% | 739.8 | 13,124 |

Industry-Wide Capital Intensity Comparison vs. SCC Projects

Weighted average project capital intensity of existing projects
US\$ 000 per tonne of Cu equivalent annual incremental production

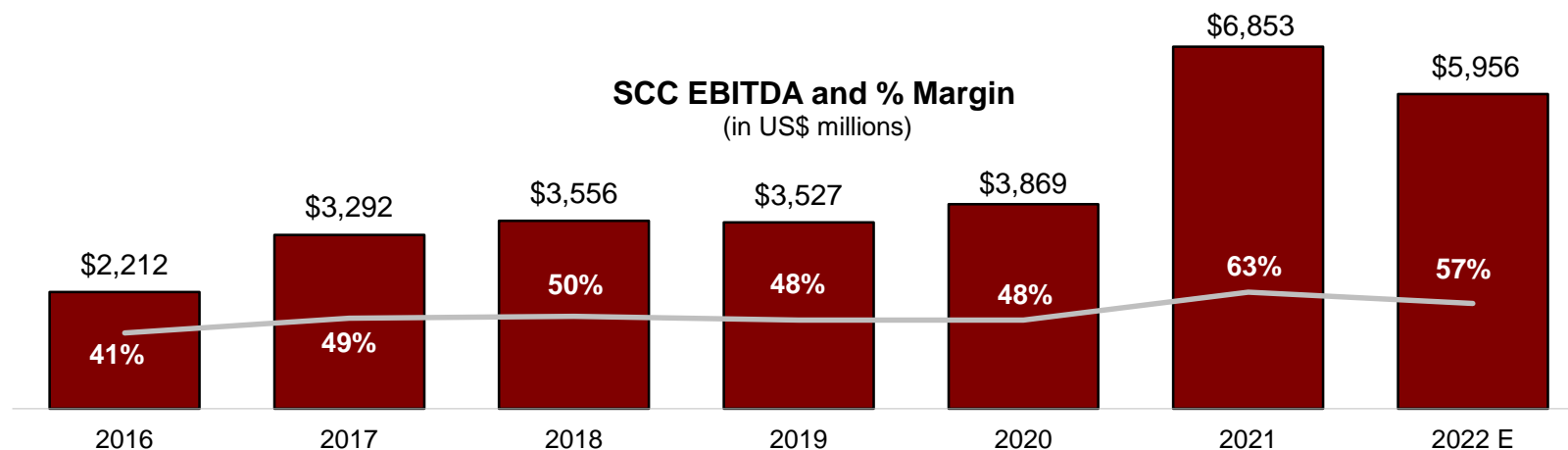


Source: Wood Mackenzie (Global copper mine supply summary, 3Q 2020); SCC filings and presentations

SCC's Major Strengths

SCC is the Premier Copper Play

- World class assets in investment grade countries.
- #1 in reserves of any company with various organic growth prospects.
 - Copper production heading towards 1.8M Tons by 2029.
- Capacity to deliver projects through flexible capital structure and significant cash generation capability. Investments focused on cost competitiveness.
- Fully integrated low cost operations. Cash cost of \$0.67 per pound in 2021.
- Outstanding dividend history.
- Experienced management with proven track record.



| Cu price | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 E |
|----------|--------|--------|--------|--------|--------|--------|--------|
| | \$2.21 | \$2.80 | \$2.96 | \$2.72 | \$2.80 | \$4.24 | \$4.25 |