Nexa Resources Perú S.A.A. and Subsidiaries

Consolidated Earnings Release

Full Year 2018 and Fourth Quarter 2018

This report analyzes the most important operating and financial results related to the development of **Nexa Resources Perú S.A.A.** and its Subsidiaries, based on financial information included in the Audited Condensed Consolidated Financial Statements and the notes thereto for the fourth quarter of 2018 ("4Q18") and twelve-month ("FY18") periods ended December 31st 2018, prepared in accordance to International Financial Reporting Standards ("IFRS") issued by the International Accounting Standard Board ("IASB"). Therefore, this report will refer to the "Company" or "Nexa Perú".

Mining Operations:

In ***Cerro Lindo***, as discussed in previous quarters, during the first half of 2018, new stopes and galleries were implemented, which would allow for the acceleration of production during 4Q18. Interior mine developments registered a +33% growth, from 2,400 meters per month, to 3,200 meters by 2Q18. In this way, during the year, an unprecedented mine development of 33,500 meters was registered in said Unit, in comparison to the 28,500 meters in 2017, while simultaneously optimizing interior mine infrastructure to guarantee Nexa's safety standards (sustaining measures through shotcrete and cable bolting). Consequently, during 4Q18, treated ore grew by +6% in relation to that of 3Q18, and, by December, Cerro Lindo's treatment plant was processing close to its maximum capacity of 21 kton per day, resulting in the highest zinc and lead production for the year.

On the other hand, during 4Q18, **the new waste disposal deposit (Pahuaypite)** in ***Cerro Lindo*** reached a completion status of 59%, moving ahead according to plan. The construction of the main access to the waste disposal is almost completed, giving place for the beginning of the next phase, the construction of the drainage system. Start of operations is expected by 1Q19. Furthermore, regarding the **replacement of the seawater pipeline** from the desalination plant, during 4Q18, a completion status of 36% was achieved, after all construction materials were received and transported to the installment site. Construction phase will start along 1Q19, and the pipeline will be ready for operations during 2Q19, according to schedule. By the end of 2018, approximately 6,000 meters of diamond drilling were executed in the Orcocobre region, located north of the Topara River and 2km from Cerro Lindo, where the same mineralization as in Cerro Lindo was found. During 2019, we intend to drill an additional 20,000 meters.

In the ***Pasco Mining Complex***, the operational integration process between the mines of ***Atacocha*** and ***El Porvenir*** continued as scheduled, looking forward to consolidate 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.

Moreover, during 4Q18, the contractor selection process for the **elevation of El Porvenir tailings dam** to level 4060 was concluded, with a total CAPEX of US$ 28.9

million. During this period, the project reached a completion status of 29%, and during 1Q19, the viability study (FEL 3) for the elevation to level 4064 will be concluded.

Simultaneously, in ***Atacocha***, after the **construction of the new waste disposal** to allow for the continuity of the San Gerardo's open pit mine was concluded, the second phase is under feasibility Study (FEL3) and is over 90% complete. Construction of the second phase is expected to be approved in 1Q19 and completed by 2Q20, due to modifications in the mining plan and license requirements.

Finally, regarding drilling and explorations activities in all ***Mining Units***, **over 169 thousand meters of diamond drilling were carried out during 2018**, focusing on the identification of new Ore Bodies at all mining units in order to guarantee the long-term sustainability of the business through the increase in mineral resources.

Greenfield Projects:

In ***Aripuanã***, after receiving a Preliminary Environmental License in April 2018, and concluding the Feasibility Study and Technical Report in October, Nexa received the Installation License during December. With these, the execution phase can start immediately, and the project is estimated to be operational by the beginning of 2021, with a total CAPEX of approximately US$ 392 million.

In ***Pukaqaqa***, during 4Q18 we completed the tailings storage facility design and also concluded a drilling campaign. We prioritized boreholes for metallurgy testwork, and samples were characterized, selected and sent to metallurgical testwork. We expect to finalize the pre-Feasibility Study during 2019.

In ***Florida Canyon***, in November, drilling activities initiated with 2 core rigs operating in the area, but ended in December upon the onset of the rainy season. The program consists of 41 bore holes totaling approximately 17,000 linear meters of diamond drilling with 4 core rigs simultaneously operating. To date, 4 bore holes totaling 2,203 meters (of a total 17,000 meters) have been completed, with the objective of identifying and expanding resources in the area.

In ***Shalipayco***, during 2018, we started the development of the pre-Feasibility Study, focusing on increasing the project's scope to maximize the internal rate of return. In this way, additional infill drilling to reclassify the project's mineral resources was executed, and a beneficiation plant at Shalipayco was included in the project plan. During 2019, a hydrological campaign will be started in order to accelerate the development of the pre-Feasibility Study.

In ***Magistral***, new drilling campaigns were completed in June 2018 and the metallurgical testwork was completed during 4Q18. Several pre-feasibility options were analyzed by Ausenco, including the development of a potential underground mine. In this way, the pre-Feasibility Study is expected to be concluded by 2Q19.

Based on the plant and the tailings dam location optimization evaluated during the PFS, the start of the project is expected by the end of 2023.

Selected Operational, Economic and Financial Data[1]

Given that Nexa Resources Perú's separated audited condensed financial statements only include information regarding the Cerro Lindo Mining Unit and that of Lima's corporate office, this Consolidated Earnings Release contains data regarding Nexa Perú and its subsidiaries based on Audited Condensed Consolidated Financial Statements. The main highlights are as follows.

Metal	Unit	3Q18	4Q18	4Q17	4Q18 vs. 4Q17 **	2018	2017	2018 vs. 2017 **
Treated Ore	ton	2,667,083	2,775,327	2,772,657	0%	10,616,053	10,638,962	0%
Zinc grade	%	2.06	2.36	2.48	-12 bp	2.17	2.30	-12 bp
Lead grade	%	0.52	0.56	0.60	-4 bp	0.53	0.54	0 bp
Copper grade	%	0.47	0.43	0.49	-6 bp	0.46	0.51	-5 bp
Silver grade	(oz/t)	1.09	1.08	1.10	-2%	1.04	1.03	1%
Gold grade	(oz/t)	0.007	0.006	0.006	-3.0%	0.006	0.007	-6.3%
Zinc Production	fmt	48,094	58,730	62,388	-6%	205,545	219,054	-6%
Lead Production	fmt	10,836	12,264	13,470	-9%	44,996	45,614	-1%
Copper Production	fmt	10,212	9,193	10,895	-16%	39,030	44,161	-12%
Silver Contents	oz	1,959,362	2,033,238	2,187,871	-7%	7,556,262	7,590,282	0%
Gold Contents	oz	7,149	7,575	7,965	-5%	29,224	32,534	-10%
Zn Eq production *	kton	**92.8**	**102.9**	**112.3**	**-8%**	**380.5**	**407.6**	**-7%**
Cash Cost ROM	US$/t	**41.0**	**39.4**	**35.8**	**10%**	**39.3**	**35.5**	**11%**
Revenues	US$ MM	172.3	206.9	284.0	-27%	827.5	911.7	-9%
EBITDA	US$ MM	34.4	61.5	141.5	-57%	282.6	405.4	-30%
Net Profit	US$ MM	11.0	26.3	83.1	-68%	142.1	224.5	-37%
EBITDA Margin	%	**20%**	**30%**	**50%**		**34%**	**44%**	
CAPEX	US$ MM	13.2	45.3	8.7	n.a.	77.8	33.7	n.a.
FCF ***	US$ MM	(45.9)	25.4	(269.0)	n.a.	167.1	(213.5)	n.a.
Net Debt / EBITDA	x times	(0.89)	(1.19)	(0.45)		(1.19)	(0.4)	

* Production in kton of Zinc Equivalent calculated by converting copper, lead, silver and gold contents to a zinc equivalent grade at 2018 average benchmark prices (Zn: US$/t 2,922; Cu: US$/t 6,523; Pb: US$/t 2,242; Ag: US$/oz 15.7; and Au: US$/oz 1,268). For this reason, differences have appeared with regard to what was previously disclosed during "4Q17" and "3Q18".

** Comparison between grades refers to a difference in basic points, while others refer to a percentual variation.

*** 4Q and FY 2017 FCF include the payment of dividend N°142 for a total of US$ 335 million.

Highlights – 2018

- **Revenues of US$ 827.5 million and EBITDA of US$ 282.6 million during 2018**, lower by -9% and -30% with regard to 2017, given the lower production of fine zinc, copper, and lead due to lower head grades for these metals in Cerro Lindo, which was partially offset by the higher fine zinc production associated to the higher head grades for zinc and higher treated ore in El Porvenir and Atacocha.

  Additionally, during 4Q18, revenues of US$ 206.9 million and EBITDA of US$ 61.5 million were obtained, -27% and -57% lower, respectively, in relation to that of 4Q17, given the lower base metal prices and the lower zinc, copper and lead fines production mentioned before. On the other hand, fine zinc and lead production increased in relation to 3Q18 by +22% and +13%, respectively, due to the higher

[1] This report utilizes the *cash cost ROM* (Run Of Mine) methodology, where the operating cost is analyzed by tonne of treated ore (total cost is divided by total treated ore to determine the cost of a tonne of treated ore).

head grades for these metals and higher treated ore in the last quarter in all Units, which in turn generated higher by-product contents.

- **EBITDA margin of 34% and 30% in 2018 and 4Q18**, respectively.
- **Consolidated Net Income of US$ 142.1 million in 2018 and US$ 26.3 million in 4Q18**.
- **380.5 thousand tons were produced during 2018, in terms of zinc equivalent**, -5% lower than those produced in 2017, mainly due to the lower production previously mentioned. However, during 4Q18, zinc equivalent production in thousands of tons increased in +11% against 3Q18 (102.9 vs. 92.8), due to the higher zinc and lead production, and therefore higher by-product contents, in all Units mentioned before.
- **More than 169 thousand meters of DDH diamond drilling executed** in our operations during 2018, focused on identification of new Ore Bodies.
- **Cash balance of US$ 682.1 million by the end of December 2018**. In terms of leverage, the Net Debt / EBITDA ratio remained negative at -1.19x by the end of December 2018 (-0.89x by the end of September 2018).

1. General Aspects

Market Overview

Zinc

The average zinc LME[2] price in 4Q18 was US$2,631/ton (US$1.19/lb), 18.7% lower than the average price in the same quarter of 2017. The price at the end of December 2018 was US$2,511/ton (US$1.14/lb), down 2.4% compared to US$2,573/ton (US$1.17/lb) at the end of 3Q18.

Source: Bloomberg Finance LP

On average, 2018's LME price was only 0.9% higher than 2017. However, the market dynamics differed, as in 2017 the price had an upward trend throughout the year, as the fundamentals were growing stronger. Meanwhile in 2018, although the fundamentals also got stronger and metal stocks decreased to all-time lows, the continuous trade war between China and US negatively impacted market confidence and sentiment, consequently impacting prices.

The global zinc market has been facing deficits since 2012, which consumed the stocks and took it to critical levels in terms of days of consumption. This scenario worsened with the environmental protection regulation in China, which shut down smelter operations that were not operating in accordance with the laws. This situation should support another year of balance deficit in 2019, according to Wood Mackenzie.

Despite the deal struck during the G20 conference in December 2018 – in which the US and China agreed to halt the new trade tariffs for 90 days – the turmoil in the market continues and an agreement between the US and China is still uncertain.

[2] The London Metal Exchange (LME) publishes a set of daily reference prices that are used by industrial and financial participants for referencing, hedging, physical settlement, contract negotiations, margining and portfolio evaluations. As they are based on some of the most liquid trading sessions of the day, we believe LME prices are good indicators of where the market stands at any point in time. Source: LME

According to Wood Mackenzie, the escalating trade war had little impact in zinc demand and the continued restructuring of the Chinese economy is more significant to the market, as the Asian country is changing from investment to consumption oriented.

On the mine side, concentrate production should have some increase in 2019, as some operations came online in 2018 and will ramp up during the course of the year, easing the tightness in the concentrate market, although not enough to balance the market, and turning the spotlight to the metal side, as stocks continue to be in critical levels, as shown in the chart below.

Source: Bloomberg Finance LP

Copper

The average copper LME price in 4Q18 was US$6,172/ton (US$2.80/lb), down 9.3% when compared to the same quarter of 2017. The price ended 4Q18 at US$5,965/ton (US$2.71/lb), down 3.5% from US$6,180/ton (US$2.80/lb) at the end of 3Q18.

Source: Bloomberg Finance LP

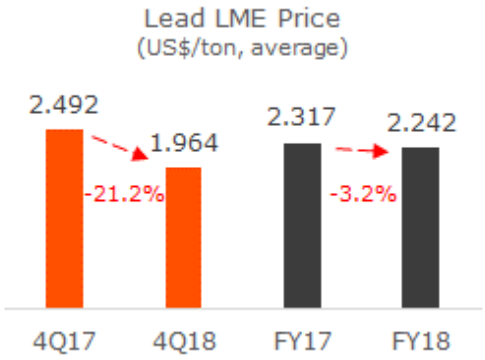
The US-China trade war had a negative impact on copper prices in 2018. In addition, the global economic outlook, the Fed's decision to lift interest rates by 0.25% in December 2018 and the US dollar appreciation also drove the copper market lower. This scenario is very different from the one observed at the end of 2017, when copper prices increased, supported by improved demand fundamentals and a re-discovered appetite for commodities amongst many investors. Even under this negative scenario at the end of the year, the average copper prices in 2018 were 5.8% higher than the average in 2017.

Demand in Southeast Asia was impacted due to falling domestic end-use, increasing direct use of scrap and flattish external demand for copper semis. Refined copper and copper semis imports fell by 3% year on year in November, the first time in 2018 that a decline in imports was recorded in China.

Although stocks on the LME decreased by approximately 70kt in 2018, copper prices finished the year 14% lower, comparing the average of 4Q18 to the average of 4Q17, given the negative macroeconomic sentiment overhanging the market fundamentals. In SFHE, copper stocks also decreased by 32kt in 2018 compared to the end of 2017.

Lead

The average lead LME price in 4Q18 was US$1,964/ton (US$0.89/lb), 21.2% lower than the average price in 4Q17. The price ended 4Q18 at US$2,009/ton (US$0.91/lb), stable compared to US$2,002/ton (US$0.91 /lb) at the end of 3Q18.



Source: Bloomberg Finance LP

As with all the other base metals, lead prices were also impacted by the ongoing US-China trade war, although it was the least affected metal in this quarter, especially by the end of 4Q18, presenting a very subtle price variation throughout the period.

The US-China meeting over the G20 summit and the agreement on a 90-day truce resulted in more confident metal demand in general, boosting base metals prices and lowering the US dollar value. However, such effects were perceived to be temporary, which led to markets uncertainty and lingering concerns from economists. Moreover, the recent events involving the arrest of Huawei's CFO increased the fear of impacts on the fragile relationship between the world's biggest economies as well as a reduction in base metals prices, but lead price resisted the setback.

According to Wood Mackenzie, the lead concentrate market remained tight, which led to low levels of treatment charges and, although the production forecast for the concentrate is to rise next year, it should not be enough to push the TC to higher levels. Therefore, the expectations on the price increase may remain modest.

Even with slightly higher demand and stocks lower than expected, lead prices remained stable, not responding to market fundamentals.

Metal Prices

Metal *	Unit	3Q18	4Q18	4Q17	4Q18 vs. 4Q17	2018	2017	2018 vs. 2017
Zinc	(US$ / t)	2,537	2,631	3,236	-18.7%	2,922	2,896	0.9%
Copper	(US$ / t)	6,105	6,172	6,808	-9.3%	6,523	6,166	5.8%
Lead	(US$ / t)	2,104	1,964	2,492	-21.2%	2,242	2,317	-3.2%
Silver	(US$ / oz)	15.0	14.5	16.7	-13.1%	15.7	17	-7.9%
Gold	(US$ / oz)	1,213	1,226	1,275	-3.9%	1,268	1,257	0.9%

* Average LME (London Metal Exchange) prices - Settlement price

MACROECONOMIC FACTORS

Exchange Rate

The average exchange rate during 2018 was S/ 3.29 per US$, showing a 0.9% depreciation over the S/ 3.26 per US$ in 2017. During 4Q18, the average rate was S/ 3.37 per US$, showing a 4.0% depreciation over the S/ 3.24 during 4Q17. (Source: BCRP).

It is worth mentioning that the Company maintains a low exposure to exchange rate fluctuations since its functional currency is the US$ Dollar. Additionally, much of its production costs and revenues are denominated in that currency, maintaining a proper fit with currencies in the balance sheet, income statement and cash flow.

Inflation

Annual Inflation increased from 1.1% in September 2018, to 2.2% by year end, standing in the midpoint of the target range. (Source: BCRP).

Oil

Brent oil price was situated at 53.8 US$/barrel by the end of 2018, under the 66.9 US$/barrel registered towards the end of 2017. (Source: Bloomberg).

2. Consolidated Financial Performance

Consolidated Income Statement

US$ Million	3Q18	4Q18	4Q17 *	4Q18 vs. 4Q17	2018	2017 *	2018 vs. 2017
Revenues	172.3	206.9	284.0	-27%	827.5	911.7	-9%
Cost of Sales	(112.4)	(116.8)	(113.4)	3%	(441.2)	(425.9)	4%
Depreciation	(16.2)	(16.5)	(16.1)	2%	(65.4)	(68.9)	-5%
Amortization	(0.3)	(0.4)	(0.9)	-55%	(1.9)	(3.4)	-44%
Gross Profit	**43.4**	**73.2**	**153.6**	**-52%**	**318.9**	**413.5**	**-23%**
Selling Expenses	(0.7)	(0.9)	(0.4)	160%	(2.4)	(2.0)	19%
Administrative Expenses	(5.5)	(9.3)	(8.3)	12%	(30.2)	(29.5)	2%
Exploration and Project Development Expenses	(17.3)	(24.2)	(20.9)	16%	(68.4)	(43.4)	58%
Mineral Exploration	*(10.7)*	(14.4)	*(19.0)*	*-24%*	(47.3)	*(39.8)*	*19%*
Project Development	*(6.5)*	(9.8)	*(1.8)*	*n.a.*	(21.1)	*(3.5)*	*n.a.*
Other Operating Results, net	(2.2)	5.7	0.4	n.a.	(3.1)	(5.6)	-44%
Operational Profit	**17.8**	**44.5**	**124.4**	**-64%**	**214.9**	**333.1**	**-35%**
Financial Results, net	(1.7)	(0.5)	(4.8)	-90%	(8.8)	(18.9)	-54%
Income Tax **	(5.0)	(17.7)	(36.5)	-51%	(64.0)	(89.7)	-29%
Net Profit	**11.0**	**26.3**	**83.1**	**-68%**	**142.1**	**224.5**	**-37%**
Owners of the Controlling entity	*11.0*	*27.4*	*82.1*	*-67%*	*142.8*	*220.9*	*-35%*
Non-controlling interest	-	*(1.1)*	*1.0*	*n.a.*	*(0.7)*	*3.6*	*n.a.*
EBITDA	**34.4**	**61.5**	**141.5**	**-57%**	**282.6**	**405.4**	**-30%**
EBITDA Margin (%)	**20%**	**30%**	**50%**		**34%**	**44%**	

* According to changes in the IFRS, publicly disclosed information from 2017 shows realocations from Administrative Expenses to Mineral Exploration, for personnel expenses related to exploration projects, and also from Selling Expenses to Cost of Sales, for freight and insurance services.

** Includes all the mining taxes.

REVENUES

During 2018, revenues reached US$ 827.5 million, -9% lower when compared to 2017, given the lower production of fine zinc, copper and lead due to the lower head grades for these metals in Cerro Lindo, but was partially offset by a higher fine zinc production associated to the higher zinc head grades and higher treated ore in El Porvenir and Atacocha.

In the 4Q18, sales revenues reached US$ 206.9 million, -27% lower than that of 4Q17, mainly due to the lower LME prices average for the period, like zinc (-19%), copper (-9%), and lead (-21%), and the lower production mentioned before.

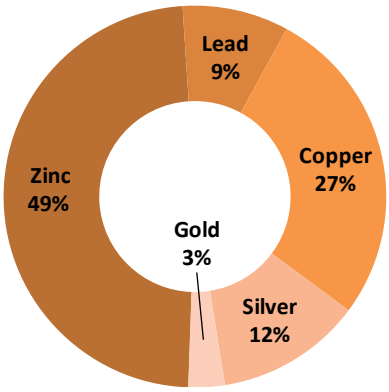
Meanwhile, during 2018, zinc represented 49% of total sales, followed by copper with 27%, silver with 12%, lead with 9%, and gold with 3%. On the other hand, as for the Mining Unit's sales breakdown, Cerro Lindo represented 66% of consolidated sales, followed by El Porvenir with 23% and Atacocha with 11%.

Regarding commercial matters, Nexa Peru's main customer for zinc concentrates is Nexa Resources Cajamarquilla S.A. (formerly Votorantim Metais – Cajamarquilla S.A.). As for the copper and lead production, the main customers are Glencore, Trafigura and Louis Dreyfus.

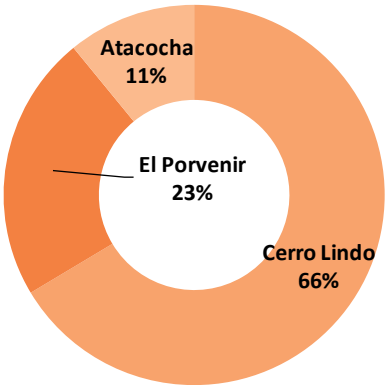
Furthermore, all sales regarding zinc concentrates to Nexa Cajamarquilla zinc refinery are set upon regular market conditions, as in the case of transactions with other related parties. These transactions are subject to evaluation through transfer price studies regularly commissioned to external professional audits.

Revenues Breakdown – 2018

REVENUES BY METAL



REVENUES BY MINING UNIT



Consolidated Sales by Metal (FMT)

Metal	Unit	3Q18	4Q18	4Q17	4Q18 vs. 4Q17	2018	2017	2018 vs. 2017
Zinc	fmt	44,576	61,296	62,412	-2%	201,584	218,636	-8%
Lead	fmt	10,824	10,231	13,215	-23%	41,396	45,078	-8%
Copper	fmt	10,023	9,047	11,069	-18%	38,722	44,165	-12%
Total Nexa Perú	**fmt**	**65,422**	**80,574**	**86,696**	**-7%**	**281,702**	**307,879**	**-9%**

OPERATING COSTS

During 2018, consolidated cash cost ROM increased to US$/t 39.3, +11% higher than 2017 (US$/t 35.5), related to higher sustaining costs in all Units, higher auxiliary services and maintenance costs in Atacocha, and higher development and maintenance costs in Cerro Lindo and El Porvenir. Additionally, during 4Q18, consolidated cash cost ROM increased by +10% to US$/t 39.4, higher than 4Q17 (US$/t 35.8), mainly because of higher sustaining works and higher mobile equipment maintenance costs in Cerro Lindo. On top of this, but on a lower scale, higher underground development labors in El Porvenir increased costs during the period. During the year, the higher treated ore in El Porvenir and Atacocha effectively helped to compensate for the lower treated ore in Cerro Lindo, resulting in a total consolidated treated ore in line with last year.

OPERATING EXPENSES

Operating expenses increased by +29% during 2018, in relation to 2017, as a result of higher investments focused on mineral exploration (US$ 47.3 MM vs. US$ 39.8 MM) and project development (US$ 21.1 MM vs. US$ 3.5 MM). Mineral exploration aims to increase reserves and resources through exploratory drilling in greenfield and brownfield projects, while project development includes pre-feasibility studies and research costs on areas where economically viable mineral resources exist. Furthermore, during 4Q18, operating expenses decreased by -2% with respect to 4Q17, as a consequence of the update in the rate and cash flow used for mine closure provisions. However, during this same period, higher investments were destined to project development (US$ 9.8 MM vs. US$ 1.8 MM), compared to 4Q17.

PROFITABILITY

Regarding results obtained, in 2018, an EBITDA of US$ 282.6 million and net income of US$ 142.1 million were obtained, -30% and -37% lower than registered during 2017, given the lower production volume. During 4Q18, EBITDA and net income were US$ 61.5 million and US$ 26.3, respectively, -57% and -68% lower than registered on the same period of last year, mainly due to lower base metal prices during this last period, and the lower production volume.

INVESTMENTS

Throughout 2018, investments totaled US$ 77.8 million, +131% higher than 2017. The main projects include: (i) mobile equipment replacements along all Mining Units (US$ 17.0 MM), (ii) development works associated with the underground operational integration between El Porvenir and Atacocha mines (US$ 7.4 MM), (iii) development of areas 2-5 of the San Gerardo waste disposal deposit in Atacocha (US$ 5.3 MM), (iv) construction of the new waste disposal deposit (Pahuaypite) in Cerro Lindo (US$ 4.0 MM), among others. Likewise, during 4Q18, investments totaled US$ 45.3 million, above those in 4Q17 (US$ 8.7 MM) and 3Q18 (US$ 13.2 MM), including: (i) mobile equipment replacements along all Mining Units (US$ 9.5 MM), (ii) development works associated with the underground operational integration between El Porvenir and Atacocha mines (US$ 5.7 MM), (iii) development of 23 km of pipelines in Cerro Lindo (US$ 3.7 MM), and (iv) elevation to the level 4064 of El Porvenir tailings dam (US$ 3.3 MM). Most of the investments belong to Sustaining projects for machinery replacements, as many mobile equipment arrived during 4Q18 due to their manufacturing time frames.

CAPEX

US$ Million *	3Q18	4Q18	4Q17	4Q18 vs. 4Q17	2018	2017	2018 vs. 2017
Expansion	-	8.7	-0.6	n.a.	8.8	-	n.a.
Sustaining and Others	13.2	36.5	9.3	n.a.	69.1	33.7	105%
Total Nexa Perú	**13.2**	**45.3**	**8.7**	**n.a.**	**77.8**	**33.7**	**131%**

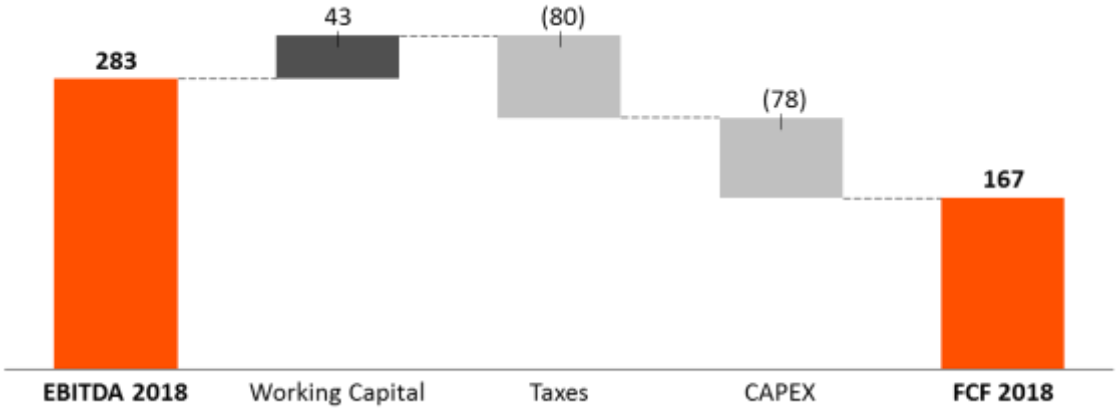
* After a feasibility study, on December 2017, the plant expansion project in El Porvenir was determined non-viable. The negative value in "4Q17" shows the reclassification of the project costs to the expenses account.

LIQUIDITY AND CONSOLIDATED INDEBTEDNESS

As of December 2018, the Company closed with a cash balance of US$ 682.1 million.

In 2018, free cash flow was positive at US$ 167 million, higher than the US$ 121 million obtained in 2017, associated to a lower working capital investment due to lower account receivables given the lower sales volume. This effect was partially offset by a strong increase in CAPEX investments.

Free Cash Flow Bridge 2018 (US$ million)



By the end of 2018, a positive net cash balance was obtained, reaching US$ 336 million, maintaining a solid financial position.

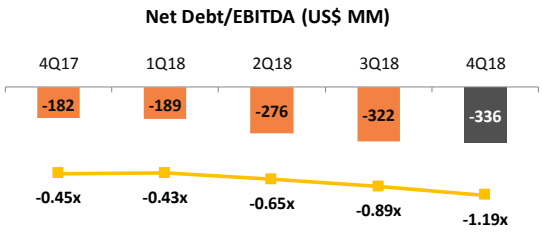
In terms of leverage, the Net Debt/EBITDA ratio remained negative at -1.19x as of December 2018 (-0.89x as of September 2018), and the average maturity term of the financial debt was set at 4.3 years, having no relevant debt maturities in the short term.

Regarding risk ratings, the Company has a credit risk rating of BBB- with stable outlook by **Fitch Ratings,** and BB+ with stable outlook granted by **Standard & Poor's**. Nexa Peru's credit rating is aligned to that of Nexa Resources S.A. (formerly Votorantim Metais Holding) and Votorantim S.A., which in turn reflect the Brazilian sovereign debt's rating.

Both agencies highlight the Company's robust financial and liquidity position, which allow the Company to develop its future plans and adequately address the volatile environment of the metal prices.

Liquidity and Indebtedness Position

US$ Million	December 2018	December 2017
Cash	682.1	527.6
Financial Debt	345.8	345.5



3. Operational Performance Analysis by Unit

CERRO LINDO MINING UNIT

Production by metal and Cash Cost

Metal	Unit	3Q18	4Q18	4Q17	4Q18 vs. 4Q17 **	2018	2017	2018 vs. 2017 **
Treated Ore	ton	1,732,634	1,834,197	1,875,567	-2%	6,914,653	7,297,624	-5%
Zinc grade	%	1.93	2.35	2.57	-22 bp	2.07	2.33	-26 bp
Lead grade	%	0.24	0.30	0.32	-3 bp	0.25	0.27	-2 bp
Copper grade	%	0.67	0.58	0.67	-8 bp	0.64	0.69	-5 bp
Silver grade	(oz/t)	0.78	0.72	0.73	-1%	0.69	0.69	0%
Gold grade	(oz/t)	0.003	0.002	0.001	65.9%	0.002	0.002	-14.3%
Zinc	fmt	29,889	39,512	44,612	-11%	130,349	155,950	-16%
Lead	fmt	3,021	4,070	4,756	-14%	12,761	14,837	-14%
Copper	fmt	10,075	9,010	10,785	-16%	38,338	43,568	-12%
Silver Contents	oz	933,895	939,779	1,023,898	-8%	3,343,545	3,545,824	-6%
Gold Contents	oz	1,223	1,343	1,167	15%	4,129	4,022	3%
Zn Eq production *	kton	**60.2**	**68.4**	**78.3**	**-13%**	**245.5**	**285.4**	**-14%**
Cash Cost ROM	US$/t	**35.5**	**34.8**	**28.9**	**20%**	**33.6**	**29.1**	**16%**
Revenues	US$ MM	110.6	144.0	203.1	-29%	548.1	629.3	-13%
EBITDA	US$ MM	41.5	67.6	126.3	-46%	271.3	362.5	-25%
EBITDA Margin	%	**38%**	**47%**	**62%**		**49%**	**58%**	

* Production in kton of Zinc Equivalent calculated by converting copper, lead, silver and gold contents to a zinc equivalent grade at 2018 average benchmark prices (Zn: US$/t 2,922; Cu: US$/t 6,523; Pb: US$/t 2,242; Ag: US$/oz 15.7; and Au: US$/oz 1,268). For this reason, differences have appeared with regard to what was previously disclosed during "4Q17" and "3Q18".

** Comparison between grades refers to a difference in basic points, while others refer to a percentual variation.

During 2018, a lower production of zinc (-16%), copper (-12%), and lead (-14%) fines was registered in comparison to that of 2017, due to the lower head grades for these metals, expected according to the mining plan, and lower treated ore (-5%). In 4Q18, similar operational results were registered, with a lower production of fine zinc (-11%), copper (-16%), and lead (-14%) associated to a lower head grade for these metals. On the other hand, during 4Q18, zinc and lead production registered a recovery with regards to 3Q18, due to the higher head grades and +6% higher treated ore (1,8 Mt vs. 1,7 Mt).

In terms of zinc equivalent, 245.5 thousand tons were produced in 2018, -14% lower than 2017, related to lower production recently mentioned. It's worth highlighting, however, the +14% increase in zinc equivalent production during 4Q18, compared to 3Q18, due to the higher head grades for zinc and lead, and the higher treated ore aforementioned.

The cash cost ROM for 2018 reached US$/t 33.6, higher by +16% than that of 2017 (US$/t 29.1), given the higher underground sustaining and development works, and higher equipment maintenance costs. At the same time, the cash cost was also affected by the lower treated ore (-5%) during the year, which in turn was caused by sustaining and development works. In 4Q18, cash cost ROM increased by +20% to US$/t 34.8 for the reasons mentioned before, and the lower treated ore during the last quarter (-2%) was affected by sustaining labors inside the mine.

Revenues and EBITDA reached US$ 548.1 million and US$ 271.3 million each during 2018, lower by -13% and -25%, accordingly, compared to 2017. Similarly, during 4Q18, revenues and EBITDA stood at US$ 144.0 million and US$ 67.6 million each, decreasing by -29% and -46%, respectively, in relation to the same period of the

previous year. Therefore, the EBITDA margin for the Cerro Lindo Unit stood at 49% during 2018.

Regarding strategic exploration activities in Cerro Lindo, during 2018, 57,329 meters of diamond drilling were executed, focusing primarily on the deepening of Ore Bodies OB3-4, OB6 and OB9, and Orcocobre in the surface. During this same period, 41,353 meters of diamond drilling were executed, focusing on the re-categorization and validation of mineral resources (infill program), developing OB9 on levels 1800 and 1820 for future blasting.

Meanwhile, new guidelines for paste backfill were implemented to decrease exposure from personnel inside stopes and galleries, in accordance to Nexa's safety standards. Finally, regarding ventilation, 2 new chimneys were raised over the Pahuaypite waste disposal, improving air flow over the largest blasting area (OB1), as well as 7 new fans to guarantee continuity in deeper areas of the mine.

PASCO MINING COMPLEX
EL PORVENIR MINING UNIT
Production by Metal and Cash Cost

Metal	Unit	3Q18	4Q18	4Q17	4Q18 vs. 4Q17 **	2018	2017	2018 vs. 2017 **
Treated Ore	ton	533,859	541,809	515,509	5%	2,149,928	1,834,511	17%
Zinc grade	%	2.89	3.11	3.04	7 bp	3.04	2.86	17 bp
Lead grade	%	0.98	0.97	1.07	-10 bp	0.98	1.04	-6 bp
Copper grade	%	0.13	0.15	0.13	2 bp	0.15	0.13	2 bp
Silver grade	(oz/t)	1.93	2.01	2.08	-3%	1.92	2.05	-6%
Gold grade	(oz/t)	0.016	0.015	0.018	-16.6%	0.027	0.016	73.4%
Zinc	fmt	13,560	14,891	13,867	7%	57,872	46,154	25%
Lead	fmt	4,053	4,080	4,298	-5%	16,641	14,818	12%
Copper	fmt	100	142	90	58%	567	493	15%
Silver Contents	oz	617,643	653,522	670,887	-3%	2,533,799	2,357,442	7%
Gold Contents	oz	2,302	2,439	2,380	2%	9,664	8,408	15%
Zn Eq production *	kton	**21.2**	**22.9**	**22.0**	**4%**	**89.7**	**74.9**	**20%**
Cash Cost ROM	US$/t	**55.6**	**55.7**	**54.7**	**2%**	**54.2**	**54.7**	**-1%**
Revenues	US$ MM	38.3	46.3	51.0	-9%	187.2	164.9	14%
EBITDA	US$ MM	3.6	14.3	16.9	-15%	57.0	47.4	20%
EBITDA Margin	%	**9%**	**31%**	**33%**		**30%**	**29%**	

* Production in kton of Zinc Equivalent calculated by converting copper, lead, silver and gold contents to a zinc equivalent grade at 2018 average benchmark prices (Zn: US$/t 2,922; Cu: US$/t 6,523; Pb: US$/t 2,242; Ag: US$/oz 15.7; and Au: US$/oz 1,268). For this reason, differences have appeared with regard to what was previously disclosed during "4Q17" and "3Q18".

** Comparison between grades refers to a difference in basic points, while others refer to a percentual variation.

In 2018, fine zinc and lead production increased, compared to 2017, by +25% and +12%, respectively, mainly due to the higher treated ore (+17%), as well as higher head grades for the zinc. Additionally, a +7% and +15% increase in silver and gold contents was registered, accordingly, associated to higher gold head grades and higher lead concentrate production. During 4Q18, fine zinc production increased by +7% compared to 4Q17 due to the higher treated ore (+5%) and higher head grades for zinc. Meanwhile, a +10% recovery was registered for the fine zinc production during 4Q18, in relation to 3Q18, given the higher head grades for this metal.

In terms of zinc equivalent, 89.7 thousand tons were produced during 2018, +20% higher than the 74.9 thousand tons produced in 2017 due to the higher treated ore and higher production levels mentioned earlier. Higher treated ore during 2018 is explained by a lower-than-usual ore treatment level during 2017, as a consequence of higher sustaining regularizations carried out during 2017. Additionally, during 4Q18, 22.9 thousand tons of zinc equivalent were produced, a +4% increase with respect to 4Q17, given the higher treated ore and head grades for zinc previously mentioned.

Cash cost ROM placed at US$/t 54.2 for 2018, -1% lower than the US$/t 54.7 registered during 2017. Higher treated ore (2,1 Mt vs. 1,8 Mt) allowed to compensate for higher sustaining and underground development costs during the year.

During 2018, sales revenues and EBITDA increased by +14% and +20%, respectively, in comparison to the same period of last year, mainly because of the higher LME year average prices, and higher production mentioned above. Regarding 4Q18, revenues and EBITDA decreased by -9% and -15%, respectively, with respect to 4Q17, mainly due to the lower prices for zinc, copper and silver during the last quarter. Therefore, the EBITDA margin for the 2018 resulted in 30%.

Regarding strategic exploration activities in El Porvenir, during 2018, 59,074 meters of diamond drilling were executed, focusing primarily on the exploration of Ore Bodies Carmen Norte and Éxito, and aiming to determine new mineralization areas along the Pasco Complex operational integration. Furthermore, Ore Body Porvenir 25's existence was determined, as well as its connection to OB Don Ernesto. During this same period, 36,522 meters of diamond drilling were executed, focusing on the validation and re-categorization of mineral resources (infill program).

ATACOCHA MINING UNIT

Production by Metal and Cash Cost

Metal	Unit	3Q18	4Q18	4Q17	4Q18 vs. 4Q17 **	2018	2017	2018 vs. 2017 **
Treated Ore	ton	400,589	399,320	381,581	5%	1,551,472	1,506,826	3%
Zinc grade	%	1.49	1.40	1.32	9 bp	1.43	1.43	1 bp
Lead grade	%	1.11	1.22	1.32	-10 bp	1.18	1.22	-4 bp
Copper grade	%	0.10	0.10	0.10	0 bp	0.10	0.09	1 bp
Silver grade	(oz/t)	1.36	1.42	1.60	-11.6%	1.42	1.43	-1.1%
Gold grade	(oz/t)	0.013	0.014	0.016	-12.7%	0.015	0.019	-22.0%
Zinc	fmt	4,645	4,327	3,908	11%	17,324	16,950	2%
Lead	fmt	3,762	4,114	4,416	-7%	15,595	15,958	-2%
Copper	fmt	37	42	20	n.a.	125	99	25%
Silver Contents	oz	407,824	439,937	493,085	-11%	1,678,918	1,687,016	0%
Gold Contents	oz	3,624	3,793	4,418	-14%	15,431	20,105	-23%
Zn Eq production *	kton	**11.4**	**11.6**	**11.9**	**-3%**	**45.3**	**47.2**	**-4%**
Cash Cost ROM	US$ / t	**45.4**	**38.4**	**44.2**	**-13%**	**44.0**	**42.8**	**3%**
Revenues	US$ MM	22.9	16.6	30.3	-45%	90.1	112.0	-20%
EBITDA	US$ MM	3.1	1.1	8.5	-87%	12.8	29.3	-56%
EBITDA Margin	%	**14%**	**6%**	**28%**		**14%**	**26%**	

* Production in kton of Zinc Equivalent calculated by converting copper, lead, silver and gold contents to a zinc equivalent grade at 2018 average benchmark prices (Zn: US$/t 2,922; Cu: US$/t 6,523; Pb: US$/t 2,242; Ag: US$/oz 15.7; and Au: US$/oz 1,268). For this reason, differences have appeared with regard to what was previously disclosed during "4Q17" and "3Q18".

** Comparison between grades refers to a difference in basic points, while others refer to a percentual variation.

During 2018, fine lead production decreased (-2%) due to lower head grades for this metal, and a smaller volume of gold contents was registered (-23%) given the lower head grades of gold and the lower production of lead concentrates. However, this was partially offset by a +2% increase in fine lead production, mainly due to the higher treated ore (+3%) in relation to 2017.

In 4Q18, fine zinc production increased by +11% in relation to 4Q17, due to the higher treated ore (+5%) and higher head grades for zinc during this last quarter. Regarding precious metals, during the same period, silver and gold contents decreased by -11% and 14%, respectively, associated to lower head grades for these metals and a lower production of lead concentrates with respect to 4Q17. Nevertheless, silver and gold contents registered a recovery of +8% and +5%, accordingly, during the 4Q18, because of the higher lead concentrates production and higher head grades for silver compared to 3Q18.

In terms of zinc equivalent, during the year, 45.3 thousand tons were produced, -4% lower than those produced in 2017, as mentioned before, due to the lower head grades for lead and gold, and the lower volume of production of lead concentrates, and therefore lower by-product contents. During 4Q18, 11.6 thousand tons were produced, -3% lower than those in 4Q17 related to lower head grades for lead, silver and gold, but +2% higher than those produced in 3Q18 for the reasons previously explained.

The cash cost ROM for 2018 reached US$/t 44.0, an increase of +3% compared to 2017 associated to higher sustaining, and auxiliary services and maintenance costs. On the other hand, the cash cost ROM for 4Q18 reduced by -13% in relation to 4Q17 (US$/t 38.4 vs US$/t 44.2), due to lower blasting costs and higher treated ore.

Regarding results obtained during 2018, sales revenues reached US$ 90.1 million and EBITDA US$ 12.8 million, decreasing by -20% and -56%, respectively, in relation to those in 2017. It should be noted that these results were impacted by the lower production of lead concentrates (2018: 28,1 kton vs. 2017: 28,6 kton) due to lower input from the San Gerardo open pit, which in turn meant lower silver and gold contents, by-products that are relevant to the financial result of Atacocha Unit, but was partially offset by higher LME year average prices. Therefore, the EBITDA margin for 2018 stood at 14%.

Regarding strategic exploration activities in Atacocha, 52,696 meters of diamond drilling were executed during 2018, aiming to explore and determine new mineralization areas like San Gerardo underground, and the Pasco Complex operational integration zone. During this same period, 39,299 meters of diamond drilling were executed, focusing on the validation and re-categorization of mineral resources (infill program).

4. Final Comments

In 2018, the Company ramped up underground mine developments mainly in Cerro Lindo, which allowed for higher levels of treated ore towards the second half of the year. As a result, by the end of 2018, the highest mine development in the Unit's history was accomplished, while simultaneously ensuring Nexa's safety standards.

The Pasco Complex operational integration process continues as scheduled, having concluded with the underground mine integration and looking forward to consolidate operations in order to achieve synergies in concentrates production.

Higher investments in mineral exploration and project developments were registered during 2018, with a higher focus than in 2017. Mineral exploration aims to increase reserves and resources through exploratory drilling in greenfield and brownfield projects, while project development includes pre-feasibility studies and research on areas where economically viable mineral resources exist.

Nexa Perú maintains an adequate cash generation, high liquidity and low indebtedness. Robust industry fundamentals were seen, driven by high mineral demand and reaching the lowest inventory levels ever recorded, which in turn are expected to provide support for metal price recovery in the market eventually.

San Borja, February 15th, 2019

About Nexa Resources Perú

Nexa Perú 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 Perú currently holds three underground 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:

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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. The Company owns and operates five long-life underground polymetallic mines, three located in the Central Andes of Peru (Cerro Lindo, El Porvenir and Atacocha) and two located in the state of Minas Gerais in Brazil (Vazante and Morro Agudo).

Two of the Company's mines, Cerro Lindo and Vazante, are among the 10 largest zinc mines in the world, and combined with the Company's other mining operations, place the Company among the top five producers of mined zinc globally in 2017, according to Wood Mackenzie. Nexa also operates three smelting assets, two in Brazil located in the state of Minas Gerais (Três Marias and Juiz de Fora) and one in Peru (Cajamarquilla). Nexa produces substantial amounts of copper, lead, silver and gold as by-products, which reduce our overall cost to produce mined zinc.

Nexa Resources (NYSE: NEXA, TSX: NEXA) (formerly VM Holding S.A.) started to trade its common shares on the New York Stock Exchange ("NYSE") and the Toronto Stock Exchange ("TSX") under the ticker symbol "NEXA" on October 27, 2017.

For further information:

Visit our website: www.nexaresources.com

Exhibit I: Nexa Resources Perú and Subsidiaries

Consolidated Income Statement

For years ended December 31, 2018 and 2017
Amounts expressed in thousands of US dollars, unless otherwise stated

	Note	2018	2017
Revenue from ordinary activities	24	827,537	911,745
Cost of sales	25	(508,588)	(498,213)
Gross profit		318,949	413,532
Operating expenses:			
Selling expenses	26	(2,357)	(1,973)
Administrative expenses	26	(30,180)	(29,457)
Mineral exploration and project development	27	(68,379)	(43,392)
Other income (expenses), net	29	(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	30	(8,768)	(18,924)
Profit before income and mining taxes		206,125	314,172
Expenses for income and mining taxes	22	(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)	31	0.112	0.174

Exhibit II: Nexa Resources Perú 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

	Note	2018	2017		Note	2018	2017
ASSETS				**LIABILITIES AND EQUITY**			
Current assets				**Current liabilities**			
Cash and cash equivalents	7	682,073	527,585	Borrowings	15	3,755	3,755
Trade receivables	8	212,689	271,257	Trade payables	16	159,939	119,645
Inventories	10	35,122	34,244	Employee benefits	17	28,865	36,815
Taxes receivables	11	12,781	3,740	Taxes payables	18	6,858	36,251
Other receivables	12	11,818	16,317	Other payables	20	17,529	8,796
Other non-financial assets		3,338	1,152	Deferred income	21	31,992	31,296
		957,821	854,295			248,938	236,558
Non-current assets				**Non-current liabilities**			
Taxes receivables	11	5,428	3,643	Borrowings	15	342,029	341,730
Other receivables	12	13,174	7,944	Provisions	19	71,406	92,537
Deferred tax assets	22	24,986	26,521	Deferred income	21	167,645	190,589
Investments		9	18,009	Other liabilities		92	-
Property, plant and equipment	13	344,876	350,336			581,172	624,856
Intangible assets	14	253,536	228,304	Total liabilities		830,110	861,414
		642,009	634,757				
				EQUITY	23		
				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**

Exhibit III: Nexa Resources Perú 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

	Note	2018	2017
OPERATING ACTIVITIES			
Profit before income taxes		206,125	314,172
Less, income and mining taxes	22	(64,043)	(89,692)
Adjustments:			
Depreciation and amortization	13 y 14	67,695	72,308
Deferred income tax	22	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	29	(865)	(1,865)
Loss from the sale of fixed and intangible assets		1,139	950
Profit from sale of investments	29	-	(4,588)
Allowance for impairment of spare parts and supplies	10	4,567	6,899
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		(5,445)	1,868
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	19	(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
INVESTING ACTIVITIES			
Sale of investments	2.2 (iv)	-	6,218
Sale of property, plant and equipment		1,162	9,016
Purchase of property, plant and equipment	13	(69,140)	(34,338)
Purchase of intangible assets	14	(8,717)	(267)
Net cash applied to investing activities		(76,695)	(19,371)
FINANCING ACTIVITIES			
Amortization or payment of loans	15	-	(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 quivalents at the beginning of the period		527,585	751,067
Exchange rate changes on cash and cash equivalents		(1,208)	(118)
Cash and cash quivalents at the end of the period	7	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	10 y 11	455	2,590