



VOLCAN COMPAÑÍA MINERA S.A.A.

(incorporated in the Republic of Peru)

Offer to Purchase for Cash Up to U.S.\$120,000,000 Aggregate Principal Amount of its Outstanding 5.375% Senior Notes due 2022

The Tender Offer (as defined below) will expire at 11:59 p.m., New York City time, on March 1, 2021, or any other date and time to which Volcan Compañía Minera S.A.A. extends the Tender Offer (such date and time, as it may be extended, the “Expiration Date”), unless earlier terminated. You must validly tender your Notes (as defined below) at or prior to the Expiration Date to be eligible to receive the Tender Offer Consideration (as defined below) for such Notes plus Accrued Interest (as defined below). You must validly tender your Notes at or prior to 5:00 p.m., New York City time, on February 12, 2021 (such date and time, as it may be extended, the “Early Tender Date”) to be eligible to receive the Total Consideration (as defined below) for such Notes plus Accrued Interest. The Total Consideration, the Tender Offer Consideration and the Accrued Interest will be payable in cash. Tendered Notes may be validly withdrawn from the Tender Offer at or prior to, but not after, 5:00 p.m., New York City time, on February 12, 2021 (such date and time, as it may be extended, the “Withdrawal Deadline”). Notes validly tendered pursuant to the Tender Offer and accepted for purchase will be so accepted subject to the Maximum Tender Amount (as defined below) and may be subject to proration, all as more fully described herein. The Tender Offer is subject to the satisfaction of certain conditions, including, without limitation, the Financing Condition (as defined below) and the other conditions set forth under the heading “The Tender Offer—Conditions to the Tender Offer.”

Upon the terms and subject to the conditions described in this Offer to Purchase (as it may be amended or supplemented from time to time, the “Offer to Purchase”), Volcan Compañía Minera S.A.A., a publicly held corporation (*sociedad anónima abierta*) organized and established under the laws of the Republic of Peru (referred to herein as “Volcan,” “we,” or “us,”), hereby offers to purchase for cash up to U.S.\$120,000,000 aggregate principal amount (subject to increase by Volcan in its sole discretion under the circumstances described herein, the “Maximum Tender Amount”) of its outstanding 5.375% Senior Notes due 2022 (the “Notes”).

Subject to the Maximum Tender Amount, we intend to accept for purchase all Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date, and will only prorate such Notes if the aggregate principal amount of Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date exceeds the Maximum Tender Amount. If the Tender Offer is not fully subscribed as of the Early Tender Date, Holders (as defined below) who validly tender Notes after the Early Tender Date but at or prior to the Expiration Date may be subject to proration if the aggregate principal amount of Notes validly tendered (and not validly withdrawn) at or prior to the Expiration Date exceeds the Maximum Tender Amount. Subject to the Maximum Tender Amount and proration, all Notes validly tendered at or prior to the Early Tender Date will be accepted for purchase before any Notes validly tendered after the Early Tender Date are accepted for purchase. Furthermore, if the Tender Offer is fully subscribed as of the Early Tender Date, Holders who validly tender Notes after the Early Tender Date will not have any of their Notes accepted for purchase, provided that such Notes may be accepted for purchase if we increase the Maximum Tender Amount, which we are entitled to do in our sole discretion. There can be no assurance that we will increase the Maximum Tender Amount. See “**The Tender Offer—Maximum Tender Amount; Proration**” for more information on the proration provisions applicable to the Tender Offer.

The Tender Offer is not conditioned upon the tender of any minimum principal amount of Notes. Volcan refers to the offer to purchase the Notes as the “Tender Offer.” The Tender Offer is open to all registered holders (individually, a “Holder,” and collectively, the “Holders”) of the Notes. **The Tender Offer is subject to the satisfaction of certain conditions, as described herein.** See “The Tender Offer—Conditions to the Tender Offer.” The purpose of the Tender Offer is to purchase up to U.S.\$120,000,000 aggregate principal amount of Notes and extend the maturity profile of Volcan’s indebtedness through the Bond Offering (as defined below). This Offer to Purchase is not an offer to sell or a solicitation of an offer to buy the New Notes (as defined below). The following table sets forth certain terms of the Tender Offer:

Title of Notes	CUSIP / ISIN Numbers	Aggregate Principal Amount Outstanding	Maximum Tender Amount	Tender Offer Consideration ⁽¹⁾	Early Tender Premium ⁽¹⁾	Total Consideration ⁽¹⁾⁽²⁾
5.375% Senior Notes due 2022	CUSIP: 92863UAA4 / P98047AA4 ISIN: US92863UAA43 / USP98047AA42	U.S.\$535,264,000	U.S.\$120,000,000	U.S.\$1,007.50	U.S.\$30.00	U.S.\$1,037.50

(1) Per U.S.\$1,000 principal amount of Notes validly tendered and accepted for purchase.

(2) Includes the Early Tender Premium (as defined below).

The Offer to Purchase contains certain important information that should be read before any decision is made with respect to the Tender Offer. In particular, see “Certain Significant Considerations” beginning on page 27 for a discussion of certain factors you should consider in connection with the Tender Offer.

NONE OF VOLCAN, ITS BOARD OF DIRECTORS, THE DEALER MANAGERS, THE TENDER AND INFORMATION AGENT OR THE TRUSTEE (EACH AS DEFINED BELOW) OR ANY OF THEIR RESPECTIVE AFFILIATES IS MAKING ANY RECOMMENDATION AS TO WHETHER HOLDERS SHOULD TENDER ANY NOTES IN RESPONSE TO THE TENDER OFFER. HOLDERS MUST MAKE THEIR OWN DECISION AS TO WHETHER TO PARTICIPATE IN THE TENDER OFFER, AND, IF SO, THE PRINCIPAL AMOUNT OF NOTES TO TENDER.

The Dealer Managers for the Tender Offer are:

BTG Pactual

Citigroup

Santander

The date of this Offer to Purchase is February 1, 2021.

This Offer to Purchase is being made in connection with a concurrent offering of senior unsecured notes (the “New Notes”) by Volcan and guaranteed by Compañía Minera Chungar S.A.C., Empresa Administradora Cerro S.A.C. and Óxidos de Pasco S.A.C. (the “Bond Offering”). The Bond Offering will be exempt from the registration requirements of the U.S. Securities Act of 1933, as amended (the “Securities Act”). This Offer to Purchase is not an offer to sell or a solicitation of an offer to buy the New Notes.

Volcan’s obligation to accept for payment and to pay for any of the Notes validly tendered pursuant to the Tender Offer is subject to the satisfaction or waiver, subject to applicable law, of the conditions to the Tender Offer. See “The Tender Offer—Conditions to the Tender Offer.” The Tender Offer is not conditioned upon the tender of any minimum principal amount of Notes.

Subject to the terms and conditions of the Tender Offer, the consideration for each U.S.\$1,000 principal amount of Notes validly tendered (and not validly withdrawn) and accepted for purchase pursuant to the Tender Offer will be the tender offer consideration for the Notes set forth in the table above (the “Tender Offer Consideration”). Holders of Notes that are validly tendered (and not validly withdrawn) at or prior to the Early Tender Date and accepted for purchase pursuant to the Tender Offer will receive the Tender Offer Consideration plus the early tender premium for the Notes set forth in the table above (the “Early Tender Premium” and, together with the Tender Offer Consideration, the “Total Consideration”). Holders of Notes tendered after the Early Tender Date, but before the Expiration Date, and accepted for purchase pursuant to the Tender Offer, will receive the Tender Offer Consideration, but not the Early Tender Premium. No tenders will be valid if submitted after the Expiration Date.

In addition to the Tender Offer Consideration or the Total Consideration, as applicable, all Holders of Notes accepted for purchase pursuant to the Tender Offer will, on the Early Settlement Date or the Settlement Date (each as defined below), as applicable, also receive Accrued Interest, including any applicable additional amounts, on those Notes from the last interest payment date with respect to those Notes to, but not including, the Early Settlement Date or the Settlement Date, as applicable (“Accrued Interest”).

The Tender Offer commences on the date of this Offer to Purchase and will expire on the Expiration Date, unless extended or earlier terminated by us. No tenders will be valid if submitted after the Expiration Date. If a Nominee (as defined below) holds your Notes, such Nominee may have an earlier deadline for accepting the Tender Offer. You should promptly contact such Nominee that holds your Notes to determine its deadline. The Tender Offer is open to all registered Holders of the Notes.

Volcan expects to purchase any Notes that have been validly tendered and not validly withdrawn (i) at or prior to the Early Tender Date and that Volcan chooses to accept for purchase, subject to the Maximum Tender Amount and all conditions to the Tender Offer having been either satisfied or waived by Volcan, as permitted by applicable law, promptly following the Early Tender Date (the “Early Settlement Date”), and (ii) after the Early Tender Date and at or prior to the Expiration Date and that Volcan chooses to accept for purchase, subject to the Maximum Tender Amount and all conditions to the Tender Offer having been either satisfied or waived by Volcan, as permitted by applicable law, promptly following the Expiration Date (the “Settlement Date”). Subject to the Maximum Tender Amount and proration, all Notes validly tendered at or prior to the Early Tender Date will be accepted for purchase before any Notes validly tendered after the Early Tender Date are accepted for purchase. The Early Settlement Date is expected to occur on the second business day following the Early Tender Date and the Settlement Date is expected to occur on the second business day following the Expiration Date. Notes accepted on either the Early Settlement Date or the Settlement Date, if any, will be accepted subject to the Maximum Tender Amount and proration, each as described herein.

Notwithstanding any other provision of the Tender Offer, Volcan’s obligation to accept for purchase, and to pay for, any Notes validly tendered and not validly withdrawn pursuant to the Tender Offer, is subject to, and conditioned upon, the satisfaction of, or Volcan’s waiver of, subject to applicable law, the conditions set forth below:

- **the condition that Volcan shall have completed the Bond Offering on terms and conditions satisfactory to Volcan, and that Volcan shall have received net cash proceeds from the Bond Offering in an amount sufficient to fund (i) the aggregate Total Consideration, with respect to the Notes validly tendered at or prior to the Early Tender Date, and (ii) the aggregate Tender**

Offer Consideration, with respect to any remaining Notes (subject to the Maximum Tender Amount and proration), plus Accrued Interest, as well as any related fees and expenses relating to the Offer to Purchase and the Bond Offering (the “Financing Condition”); and

- **the other conditions described in the section of this Offer to Purchase entitled “The Tender Offer—Conditions to the Tender Offer.”**

The conditions to the Tender Offer are for the sole benefit of Volcan and may be asserted by Volcan, regardless of the circumstances giving rise to any such condition (including any action or inaction by Volcan). Volcan reserves the right, in its sole discretion, to waive any and all conditions of the Tender Offer, at or prior to the Early Tender Date or Expiration Date, as applicable. The Tender Offer is not subject to a minimum principal amount of Notes being tendered. See “The Tender Offer—Conditions to the Tender Offer.”

Withdrawal rights with respect to the Notes will terminate on the Withdrawal Deadline, unless extended pursuant to applicable law. Accordingly, following the Withdrawal Deadline, any Notes validly tendered (whether before, on or after the Withdrawal Deadline) may no longer be validly withdrawn. For the withdrawal of a tendered Note to be valid, such withdrawal must comply with the procedures set forth in “The Tender Offer—Withdrawal of Tenders.”

Subject to applicable law and the terms set forth in this Offer to Purchase, Volcan reserves the right: (i) to extend or otherwise amend the Early Tender Date, the Withdrawal Deadline or the Expiration Date, (ii) to increase the Maximum Tender Amount without extending the Withdrawal Deadline or otherwise reinstating withdrawal rights of Holders except as required by law; (iii) to waive or modify in whole or in part any and all conditions to the Tender Offer; (iv) to modify or terminate the Tender Offer; and (v) to otherwise amend the Tender Offer in any respect. In the event of the termination of the Tender Offer, the Notes tendered pursuant to the Tender Offer and not previously accepted and purchased will be promptly returned to the tendering Holders.

See “Taxation” for a discussion of certain factors that should be considered in evaluating the Tender Offer.

If you do not tender your Notes or if you tender Notes that are not accepted for purchase, they will remain outstanding. If Volcan consummates the Tender Offer, the trading market for your outstanding Notes may be significantly more limited. For a discussion of this and other risks, see “Certain Significant Considerations—The Tender Offer may adversely affect the market value and reduce the liquidity of any trading market of the Notes.”

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IMPORTANT DATES

You should take note of the following dates in connection with the Tender Offer:

<u>Date</u>	<u>Calendar Date</u>	<u>Event</u>
Early Tender Date	5:00 p.m., New York City time, February 12, 2021, unless extended or earlier terminated by Volcan.	<p>The deadline for Holders to validly tender and not validly withdraw Notes pursuant to the Tender Offer and be eligible to receive payment of the Total Consideration, which includes the Early Tender Premium.</p> <p>Holders who validly tender Notes after the Early Tender Date, but at or prior to the Expiration Date, will be eligible to receive only the Tender Offer Consideration.</p>
Withdrawal Deadline	5:00 p.m., New York City time, February 12, 2021, unless extended or earlier terminated by Volcan.	The last date and time for Holders to validly withdraw tenders of Notes. Notes tendered after the Withdrawal Deadline cannot be withdrawn unless Volcan is required to extend withdrawal rights under applicable law.
Early Settlement Date	For Notes that have been validly tendered at or prior to the Early Tender Date and not subsequently validly withdrawn and that are accepted for purchase, settlement will occur on the Early Settlement Date, which is expected to be two business days after the Early Tender Date, assuming the conditions, including the Financing Condition, to the Tender Offer have been either satisfied or waived by Volcan at or prior to the Early Tender Date. Based on an Early Tender Date of February 12, 2021, the Early Settlement Date is expected to be February 17, 2021.	The date Holders are paid the Total Consideration for Notes that are validly tendered at or prior to the Early Tender Date and accepted for purchase, plus Accrued Interest, subject to the Maximum Tender Amount and proration.
Expiration Date	11:59 p.m., New York City time, March 1, 2021, unless extended or earlier terminated by Volcan.	The last date and time for Holders to validly tender Notes in order to qualify for the payment of the Tender Offer Consideration, which excludes the Early Tender Premium.
Settlement Date	For Notes that have been validly tendered after the Early Tender Date and at or prior to the Expiration Date and not subsequently validly withdrawn and that are accepted for purchase, settlement will occur on the Settlement Date, which is expected to be two business days after the Expiration Date, assuming the conditions, including the Financing Condition, to the	The date Holders are paid the Tender Offer Consideration for Notes that are validly tendered after the Early Tender Date and at or prior to the Expiration Date and accepted for purchase, plus Accrued Interest, subject to the Maximum Tender Amount and proration.

Date	Calendar Date	Event
	Tender Offer have been either satisfied or waived by Volcan at or prior to the Expiration Date. Based on an Expiration Date of March 1, 2021, the Settlement Date is expected to be March 3, 2021.	
Announcement of final results	This date is expected to occur promptly following the Final Settlement Date. We expect that this date will be on or about March 3, 2021.	Announcement of the final principal amount of Notes accepted for purchase.

The times and dates set forth above are subject to our right to extend, re-open, amend or terminate the Tender Offer, in our sole discretion (subject to applicable law). Holders are advised to consult with any bank, securities broker or other intermediary through which they hold their Notes as to whether such intermediary would require receipt of instructions to participate in the Tender Offer prior to the deadlines set forth above.

IMPORTANT INFORMATION

The Notes are represented by one or more global certificates registered in the name of Cede & Co., the nominee of The Depository Trust Company (“DTC”) and held in book-entry form through DTC. DTC is the only registered holder of the Notes. DTC facilitates the clearance and settlement of securities transactions through electronic book-entry changes in accounts of DTC participants. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations.

A beneficial owner whose Notes are held by a broker, dealer, commercial bank, trust company or other nominee (each, a “Nominee”) and who desires to tender such Notes in the Tender Offer must contact its Nominee and instruct such Nominee, as Holder of the Notes, to tender its Notes on such beneficial owner’s behalf. Accordingly, beneficial owners wishing to participate in the Tender Offer should contact their Nominee as soon as possible in order to determine the time by which such owner must take action in order to so participate. See “The Tender Offer—Procedure for Tendering Notes.”

DTC has authorized DTC participants that hold Notes on behalf of beneficial owners of Notes through DTC to tender their Notes as if they were Holders. To properly tender Notes, Global Bondholder Services Corporation, which is serving as tender and information agent in connection with the Tender Offer (the “Tender and Information Agent”) must receive, at or prior to the Expiration Date (or, for Holders desiring to receive the Total Consideration, at or prior to the Early Tender Date):

- a timely confirmation of book-entry transfer of such Notes according to the procedure for book-entry transfer described in this Offer to Purchase; and
- a properly transmitted Agent’s Message (as defined herein) through the automated tender offer program (“ATOP”) of DTC.

There is no letter of transmittal for this Tender Offer.

Any Holder who holds Notes through Clearstream Banking, *société anonyme* (“Clearstream”) or Euroclear Bank, SA/NV, as operator of the Euroclear System (“Euroclear”), must also comply with the applicable procedures of Clearstream or Euroclear, respectively. Such Holders must transmit their acceptance in accordance with the requirements of Clearstream or Euroclear, as applicable, in sufficient time for such tenders to be timely made. Holders should note that such clearing systems may require that action be taken a day or more prior to deadlines herein.

There are no guaranteed delivery procedures provided for by Volcan in order to tender Notes in the Tender Offer. For more information regarding the procedures for tendering your Notes, see “The Tender Offer— Procedure for Tendering Notes.”

Requests for additional copies of this Offer to Purchase and requests for assistance relating to the procedures for tendering Notes may be directed to the Tender and Information Agent at the address and telephone number on the back cover page of this Offer to Purchase. Requests for assistance relating to the terms and conditions of the Tender Offer may be directed to the Dealer Managers at their respective addresses and telephone numbers on the back cover page of this Offer to Purchase. Beneficial owners may also contact their Nominee for assistance regarding the Tender Offer.

This Offer to Purchase may have been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither we nor the Dealer Managers nor any person who controls the Dealer Managers, or any director, officer, employee or agent of the Dealer Managers or any affiliate of such person, accepts any liability or responsibility whatsoever in respect of any difference between this Offer to Purchase distributed to you in electronic format and this Offer to Purchase in its original form.

You should read this Offer to Purchase carefully before making a decision to tender your Notes.

VOLCAN HAS NOT FILED THIS OFFER TO PURCHASE WITH, AND IT HAS NOT BEEN REVIEWED BY, ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY OF ANY COUNTRY. NO AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFER TO PURCHASE AND IT IS UNLAWFUL AND MAY BE A CRIMINAL OFFENSE TO MAKE ANY REPRESENTATION TO THE CONTRARY. THE TENDER OFFER HAS NOT BEEN REGISTERED, AND WILL NOT BE REGISTERED, WITH THE PERUVIAN SECURITIES MARKET SUPERINTENDENCE (*SUPERINTENDENCIA DEL MERCADO DE VALORES - SMV*) OR THE LIMA STOCK EXCHANGE (*BOLSA DE VALORES DE LIMA*). THE TENDER OFFER MAY NOT BE MADE IN PERU, EXCEPT IN CIRCUMSTANCES THAT DO NOT CONSTITUTE A PUBLIC OFFERING OR UNAUTHORIZED DISTRIBUTION UNDER PERUVIAN LAWS AND REGULATIONS. PERUVIAN SECURITIES LAWS AND REGULATIONS ON PUBLIC OFFERINGS WILL NOT BE APPLICABLE TO THE TENDER OFFER, THE DISCLOSURE OBLIGATIONS SET FORTH THEREIN WILL NOT BE APPLICABLE TO VOLCAN BEFORE OR AFTER THE TENDER OFFER. THE TENDER OFFER IS NOT BEING MADE IN PERU PURSUANT TO A PUBLIC OFFERING AND DOCUMENTS RELATING TO THE TENDER OFFER, AS WELL AS INFORMATION CONTAINED THEREIN, MAY NOT BE SUPPLIED TO THE PUBLIC IN PERU, NOR BE USED IN CONNECTION WITH ANY OFFER TO THE PUBLIC IN PERU.

THIS OFFER TO PURCHASE AND RELATED DOCUMENTS DO NOT CONSTITUTE AN OFFER TO BUY OR THE SOLICITATION OF AN OFFER TO SELL NOTES IN ANY JURISDICTION OR IN ANY CIRCUMSTANCES IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL. IN THOSE JURISDICTIONS WHERE THE SECURITIES, BLUE SKY OR OTHER LAWS REQUIRE THE TENDER OFFER TO BE MADE BY A LICENSED BROKER OR DEALER, THE TENDER OFFER WILL BE DEEMED TO BE MADE ON BEHALF OF VOLCAN BY THE DEALER MANAGERS OR ONE OR MORE REGISTERED BROKERS OR DEALERS LICENSED UNDER THE LAWS OF SUCH JURISDICTION.

Neither the delivery of this Offer to Purchase and any related documents nor any purchase of Notes by us will, under any circumstances, create any implication that the information contained in this Offer to Purchase or in any related document is current as of any time subsequent to the date of such information.

From time to time after completion of the Tender Offer, Volcan and/or its affiliates may purchase additional Notes in the open market, in privately negotiated transactions, through tender offers, exchange offers or otherwise, and Volcan may redeem Notes that are able to be redeemed, pursuant to their terms. Any future purchases, exchanges or redemptions may be on the same terms or on terms/pricing that are more or less favorable to Holders of Notes than the terms of the Tender Offer. Any future purchases, exchanges or redemptions by Volcan and/or its affiliates will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) Volcan and/or its affiliates may choose to pursue in the future.

In this Offer to Purchase, Volcan has used the convention of referring to all Notes that have been validly tendered and not validly withdrawn as having been “validly tendered.”

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Offer to Purchase and, if given or made, such information or representation may not be relied upon as having been authorized by Volcan or its affiliates, the Dealer Managers or their respective affiliates, the Tender and Information Agent or the Trustee.

ENFORCEMENT OF CIVIL LIABILITIES

This Offer to Purchase is made by Volcan, a publicly held corporation (*sociedad anónima abierta*) organized and established under the laws of Peru. Substantially all of Volcan's directors and executive officers reside in Peru or elsewhere outside the United States, and all or a significant portion of the assets of such persons may be, and substantially all of Volcan's assets are, located outside the United States. As a result, it may not be possible for Holders to effect service of process within the United States or other jurisdictions outside Peru upon such persons or to enforce against them or against Volcan judgments predicated upon the civil liability provisions of the United States federal securities laws or the laws of such other jurisdictions.

AVAILABLE INFORMATION

While any Notes remain outstanding, Volcan will make available, upon request, to any Holder and any prospective purchaser of Notes the information required pursuant to Rule 144(A)(d)(4) under the U.S. Securities Act of 1933, as amended, during any period in which Volcan is not subject to Section 13 or 15(d) of the U.S. Securities and Exchange Act of 1934, as amended (the “Exchange Act”).

Copies of the indenture are available for inspection at the offices of Citibank, N.A., as trustee (the “Trustee”), transfer agent, registrar and principal paying agent of the Notes.

Volcan is required to file certain information in Spanish with the SMV and the Lima Stock Exchange, such as quarterly and annual reports and notices of material events (*Hechos de Importancia*). All such reports and notices are available on the Lima Stock Exchange’s website at www.bvl.com.pe and on the SMV’s website at www.smv.gob.pe.

The information contained on any website mentioned in this Offer to Purchase or any website directly or indirectly linked to these websites is not part of, and is not incorporated by reference in, this Offer to Purchase.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offer to Purchase may contain forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the Exchange Act and the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements are identified by terms and phrases such as “anticipate,” “believe,” “intend,” “estimate,” “expect,” “continue,” “should,” “could,” “may,” “plan,” “project,” “predict,” “will” and similar expressions and include references to assumptions and relate to the future prospects, developments and business strategies of Volcan and its subsidiaries.

Our estimates and forward-looking statements are mainly based on our current expectations and estimates on projections of future events and trends, which affect or may affect our businesses and results of operations. In addition, our forward-looking statements relate to our expectation to effect this Offer to Purchase as described herein. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks and uncertainties and are made in light of information currently available to us. We undertake no obligation to update or revise these forward-looking statements to reflect subsequent events or circumstances. Our estimates and forward-looking statements may be influenced by the following factors, among others:

- our ability to effect (i) the Tender Offer and satisfy or waive the conditions thereto, and (ii) the Bond Offering on acceptable terms or at all;
- the risks and uncertainties relating to general Peruvian and international economic and political conditions;
- the cyclical and volatile prices of the metals we produce and other commodities and supplies, including fuel and electricity;
- the availability of materials, insurance coverage, equipment, required permits or approvals and financing;
- our level of capitalization and indebtedness;
- the occurrence of unusual weather or operating conditions;
- epidemics and pandemics, including the ongoing SARS-CoV-2 (“COVID-19”) pandemic, and other health outbreaks;
- cyber-attacks and system integrity;
- lower than expected ore grades;
- water and geological problems;
- the failure of equipment or processes to operate in accordance with specifications;
- failure to obtain financial assurance to meet closure and remediation obligations;
- labor relations;
- litigation;
- environmental risks; and
- political and economic risk associated with our operations.

SUMMARY

The following summarizes in a question-and-answer format certain material terms of the Tender Offer. You should carefully read this entire Offer to Purchase.

The following summary is provided solely for the convenience of Holders. This summary is not intended to be complete and is qualified in its entirety by reference to the full text of this Offer to Purchase and more specific details contained elsewhere herein and any amendments or supplements hereto. Holders are urged to read this Offer to Purchase in its entirety. Each of the capitalized terms used but not defined in this summary has the meaning set forth elsewhere herein.

If you have questions, please contact the Tender and Information Agent or the Dealer Managers at their respective telephone numbers on the back cover of this Offer to Purchase.

Who is offering to buy my Notes?

Volcan, the issuer of the Notes, is offering to purchase the Notes.

What securities are the subject of the Tender Offer?

Subject to the Maximum Tender Amount, Volcan is offering to purchase the outstanding Notes described in the table below:

<u>Title of Notes</u>	<u>CUSIP / ISIN Numbers</u>	<u>Aggregate Principal Amount Outstanding</u>
5.375% Senior Notes due 2022	CUSIP: 92863UAA4 and P98047AA4 ISIN: US92863UAA43 and USP98047AA42	U.S.\$535,264,000

What is the purpose of the Tender Offer?

The purpose of the Tender Offer is to purchase up to U.S.\$120,000,000 aggregate principal amount of Notes and extend the maturity profile of Volcan's indebtedness through the Bond Offering. Any Notes that are validly tendered and accepted for purchase by Volcan in the Tender Offer will be canceled. See "The Tender Offer—Purpose and Financing of the Tender Offer."

What happens to my Notes if I do not validly tender my Notes?

Any Notes not purchased pursuant to the Tender Offer will remain outstanding immediately following the completion of the Tender Offer. As a result of the consummation of the Tender Offer and depending on the amount of Notes purchased pursuant to the Tender Offer, the aggregate principal amount of Notes remaining outstanding after the Tender Offer may be significantly reduced, which may adversely affect the liquidity of and, consequently, the market prices for, Notes that remain outstanding after consummation of the Tender Offer. See "Certain Significant Considerations—The Tender Offer may adversely affect the market value and reduce the liquidity of any trading market of the Notes."

What price will I receive for my Notes if I validly tender them for purchase by Volcan?

Volcan is offering to pay you the Total Consideration for your Notes if you validly tender and do not validly withdraw your Notes at or prior to the Early Tender Date. The Total Consideration for each Note includes an amount, which is referred to as the Early Tender Premium, in the amount set forth on the cover of this Offer to Purchase and, upon the terms and subject to the conditions of the Tender Offer, is payable only to Holders who validly tender and do not validly withdraw their Notes at or prior to the Early Tender Date and whose Notes are purchased in the Tender Offer, subject to the Maximum Tender Amount. The Total Consideration for the Notes is set forth on the cover of this Offer to Purchase.

Upon the terms and subject to the conditions of the Tender Offer, if you validly tender your Notes after the Early Tender Date but at or prior to the Expiration Date and your Notes are accepted for purchase, subject to the Maximum Tender Amount, you will be paid only the Tender Offer Consideration, which is the Total Consideration minus the Early Tender Premium, and is set forth on the cover of this Offer to Purchase.

If I validly tender and do not validly withdraw my Notes, will I be paid Accrued Interest?

Yes, but only if the Tender Offer is consummated and your Notes are purchased in the Tender Offer. In addition to the Total Consideration or Tender Offer Consideration, as applicable, Volcan will pay Accrued Interest on all Notes validly tendered and accepted for purchase pursuant to the Tender Offer up to, but not including, the Early Settlement Date or the Settlement Date, as applicable. No interest will accrue on or be payable with respect to any Total Consideration or Tender Offer Consideration paid or payable.

What amount of Notes are subject to purchase in the Tender Offer? What if the amount of Notes tendered exceeds such amount?

Volcan is offering to purchase up to U.S.\$120,000,000 aggregate principal amount of Notes. We refer to this amount as the “Maximum Tender Amount.”

Subject to the Maximum Tender Amount, we intend to accept for purchase all Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date, and will only prorate such Notes if the aggregate principal amount of Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date exceeds the Maximum Tender Amount. If the Tender Offer is not fully subscribed as of the Early Tender Date, Holders who validly tender Notes after the Early Tender Date but at or prior to the Expiration Date may be subject to proration if the aggregate principal amount of Notes validly tendered (and not validly withdrawn) at or prior to the Expiration Date exceeds the Maximum Tender Amount. Subject to the Maximum Tender Amount and proration, all Notes validly tendered at or prior to the Early Tender Date will be accepted for purchase before any Notes validly tendered after the Early Tender Date are accepted for purchase. Furthermore, if the Tender Offer is fully subscribed as of the Early Tender Date, Holders who validly tender Notes after the Early Tender Date will not have any of their Notes accepted for purchase, provided that such Notes may be accepted for purchase if we increase the Maximum Tender Amount, which we are entitled to do in our sole discretion. There can be no assurance that we will increase the Maximum Tender Amount. See “The Tender Offer—Maximum Tender Amount; Proration” for more information on the proration provisions applicable to the Tender Offer.

Can the Maximum Tender Amount be increased?

Yes, Volcan reserves the right, but is under no obligation, to increase the Maximum Tender Amount at any time, subject to compliance with applicable law, which could result in Volcan purchasing a greater aggregate principal amount of Notes in the Tender Offer. There can be no assurance that Volcan will exercise its right to increase the Maximum Tender Amount. If Volcan increases the Maximum Tender Amount, it does not expect to extend the Withdrawal Deadline, subject to applicable law. If the principal amount of Notes validly tendered at or before the Early Tender Date exceeds the Maximum Tender Amount, Volcan will not accept for purchase any Notes tendered after the Early Tender Date, provided that such Notes may be accepted for purchase if we increase the Maximum Tender Amount, which we are entitled to do in our sole discretion. There can be no assurance that we will increase the Maximum Tender Amount.

Do you have the resources to pay for validly tendered and accepted Notes?

Volcan expects to pay the cash consideration for the Tender Offer with net cash proceeds from the Bond Offering. See “The Tender Offer—Conditions of the Tender Offer.” This Offer to Purchase should not be deemed to be an offer to sell or a solicitation of an offer to purchase the New Notes.

What are the significant conditions of the Tender Offer?

Volcan intends to fund the Offer to Purchase with proceeds from the Bond Offering. The Tender Offer is conditioned on, among other things, the satisfaction of the Financing Condition and the other General Conditions (as defined herein). The Tender Offer is not conditioned upon the tender of any minimum principal amount of Notes. Volcan reserves the right to waive any and all conditions of the Tender Offer prior to the Early Tender Date or the Expiration Date, as applicable. See “The Tender Offer—Conditions of the Tender Offer.”

Will there be a concurrent offering of notes?

This Offer to Purchase is being made in connection with a concurrent Bond Offering. The Bond Offering will be exempt from the registration requirements of the Securities Act. This Offer to Purchase is not an offer to sell or a solicitation of an offer to buy the New Notes.

When is the Early Tender Date?

To be eligible to receive the Total Consideration, which includes the Early Tender Premium, you must validly tender (and not have validly withdrawn) your Notes, at or prior to 5:00 p.m., New York City time, on February 12, 2021, unless extended by us in our sole discretion or as required by applicable law.

When is the Withdrawal Deadline?

Tendered Notes may be withdrawn at or prior to 5:00 p.m., New York City time, on February 12, 2021, but not thereafter, unless extended by us in our sole discretion.

What happens if my tendered Notes are not purchased by Volcan?

If any Notes tendered by you are not purchased pursuant to the Tender Offer, such Notes not purchased will be returned promptly to you without expense (or, in the case of Notes tendered by book-entry transfer, such Notes will be promptly credited to the account maintained at DTC from which Notes were delivered) after the expiration or termination of the Tender Offer.

When does the Tender Offer expire?

The Tender Offer will expire at 11:59 p.m., New York City time, on March 1, 2021, unless extended or earlier terminated by us in our sole discretion or as required by applicable law.

When will I receive payment for my validly tendered Notes?

Subject to the Maximum Tender Amount, proration and the other terms and conditions of the Tender Offer, you should expect to receive payment at the Early Settlement Date or the Settlement Date, as applicable.

The Early Settlement Date is expected to occur on the second business day following the Early Tender Date and the Settlement Date is expected to occur on the second business day following the Expiration Date, assuming the conditions to the Tender Offer have been either satisfied or waived by Volcan at or prior to the Early Tender Date or the Expiration Date, as applicable. Based on an Early Tender Date of February 12, 2021, the Early Settlement Date is expected to be February 17, 2021. Based on an Expiration Date of March 1, 2021, the Settlement Date is expected to be March 3, 2021.

May I withdraw my tendered Notes?

Tenders of Notes pursuant to the Tender Offer may be validly withdrawn at any time prior to the Withdrawal Deadline by following the procedures described herein. Holders may not withdraw validly tendered Notes after the Withdrawal Deadline. Any Notes validly tendered prior to the Withdrawal Deadline that are not validly withdrawn prior to the Withdrawal Deadline and any Notes validly tendered after the Withdrawal Deadline may not be withdrawn. To withdraw your tendered Notes, you must follow the instructions under “The Tender Offer—Withdrawal of Tenders.”

What are the tax considerations I should keep in mind if I validly tender my Notes?

Please see “The Tender Offer—Taxation” for a summary of certain tax considerations applicable to the Tender Offer.

How should I validly tender my Notes?

If you desire to tender Notes for which you are the beneficial owner that are held through a Nominee, you should contact such Nominee promptly and instruct him, her or it, as the registered Holder of such Notes, to tender such Notes on your behalf. To properly tender Notes, the Tender and Information Agent must receive, at or prior to the Expiration Date (or, for Holders desiring to receive the Total Consideration, at or prior to the Early Tender Date):

- a timely confirmation of book-entry transfer of such Notes according to the procedure for book-entry transfer described in this Offer to Purchase; and
- a properly transmitted Agent’s Message through DTC’s ATOP.

There is no letter of transmittal for this Tender Offer.

There are no guaranteed delivery procedures provided for the Tender Offer.

See “The Tender Offer—Procedure for Tendering Notes.” For further information, call the Tender and Information Agent at its telephone number set forth on the back cover of this Offer to Purchase or consult your Nominee for assistance.

Are you making any recommendation about the Tender Offer?

No. Volcan is not expressing any opinion as to whether Holders should tender Notes in response to the Tender Offer. The Trustee, the Dealer Managers and the Tender and Information Agent likewise make no recommendation. Holders should determine whether to tender Notes based upon their own assessment of the market value of the Notes, Volcan, their liquidity needs and their investment objectives.

Whom can I contact if I want more information?

Any questions or requests for assistance concerning the Tender Offer should be directed to Banco BTG Pactual S.A. – Cayman Branch, Citigroup Global Markets Inc. or Santander Investment Securities Inc. at their respective addresses and telephone numbers set forth on the back cover of this Offer to Purchase. Requests for additional copies of this Offer to Purchase should be directed to the Tender and Information Agent at the address and telephone numbers set forth on the back cover of this Offer to Purchase.

INFORMATION ABOUT VOLCAN

We are a publicly held corporation, or sociedad anónima abierta, organized under the laws of Peru. Our shares are listed on the Lima Stock Exchange, Santiago Offshore Stock Exchange and Madrid Latibex Stock Exchange. Our principal executive office is located at Av. Manuel Olguín 373, Santiago de Surco, Lima, Peru, and our telephone number is +51-1-416-7000.

We are a diversified Peruvian mining company and a major global producer of zinc, silver and lead. We began operations in the early 1940s and have consistently ranked among the largest producers of these metals globally every year from 2006 to 2019, according to Wood Mackenzie and GFMS. We were the second-leading producer of zinc and lead and the third-leading producer of silver in Peru in the first nine months of 2020, according to the Ministry of Energy and Mines. We believe that the quality of our ore deposits, the efficiency of our operations and our economies of scale make us competitive among metal producers worldwide. Glencore PLC, through Glencore International AG, is our controlling shareholder.

Our operations are divided into five main units that currently consist of eight mines in operation, six concentrator plants and one leaching plant extending across the Junin and Pasco departments in Peru, with the largest mine accounting for approximately 16% of our 2019 treated tonnage. Our mining units are all located between 170 and 295 kilometers from Lima, in the Central Andean region, a center of mining activity in Peru for centuries. As of December 31, 2019, our proven and probable reserves represented an average mine life of six years at 2019 production levels and our resources supported 13 additional years of average mine life (in each case, excluding the Cerro de Pasco unit and the Óxidos de Pasco unit). We have 354,000 hectares of concessions in a region with high geological potential, 58% of which remain unexploited and unexplored.

PURPOSE AND FINANCING OF THE TENDER OFFER

Purpose of the Tender Offer

The purpose of the Tender Offer is to purchase up to U.S.\$120,000,000 aggregate principal amount of Notes and extend the maturity profile of Volcan's indebtedness through the Bond Offering. Any Notes that are validly tendered and accepted for purchase by Volcan in the Tender Offer will be canceled. See "Certain Significant Considerations—The Tender Offer may adversely affect the market value and reduce the liquidity of any trading market of the Notes."

Financing of the Tender Offer

Payment for Notes validly tendered and accepted for purchase by Volcan will be made by our deposit of immediately available funds with, or into an account specified by, the Tender and Information Agent, which will act as agent for the tendering Holders for the purpose of receiving payments from us and transmitting such payments to Holders.

Volcan intends to finance the purchase of the Notes tendered and accepted for purchase pursuant to the Offer to Purchase, and to pay all fees and expenses therewith, with the proceeds from the Bond Offering, subject, in all cases, to Volcan's ability to effect such transactions on or prior to the Early Settlement Date or Settlement Date, as applicable.

This Offer to Purchase does not constitute an offer to sell or a solicitation of an offer to buy any securities or other financial instruments which may be issued or otherwise incurred in connection with the Bond Offering.

THE NOTES

The Notes were issued by Volcan and are governed by the indenture dated as of February 16, 2012 (the “Indenture”) by and among Volcan, as issuer, Compañía Minera Chungar S.A.C. and Empresa Administradora Cerro S.A.C., as guarantors, the Trustee, as trustee, transfer agent, registrar and principal paying agent, and Dexia Banque Internationale à Luxembourg, société anonyme, as Luxembourg Listing and Transfer Agent. Interest on the Notes currently accrues at a fixed rate per annum equal to 5.375%, payable semiannually in arrears on February 2 and August 2 of each year. The Notes have a final maturity date of February 2, 2022.

As of the date of this Offer to Purchase, there was U.S.\$535,264,000 in aggregate principal amount of the Notes issued and outstanding.

The Notes are registered with the Public Registry of Securities Market administered by the SMV as well as listed on the Official List of the Luxembourg Stock Exchange and are admitted to trading on the Euro MTF market of such exchange.

THE TENDER OFFER

General

The Notes were issued by Volcan, a publicly held corporation (*sociedad anónima abierta*) organized and established under the laws of Peru, pursuant to the Indenture described herein under the heading “The Notes.” As of the date of this Offer to Purchase, the aggregate principal amount of the Notes outstanding is U.S.\$535,264,000.

Upon the terms and subject to the conditions described in this Offer to Purchase, Volcan hereby offers to purchase the Notes for cash up to the Maximum Tender Amount of Notes and subject to proration, as described herein. Volcan reserves the right, but is under no obligation, to increase the Maximum Tender Amount at any time, subject to compliance with applicable law, which could result in Volcan purchasing a greater aggregate principal amount of Notes in the Tender Offer. There can be no assurance that Volcan will increase the Maximum Tender Amount. If Volcan increases the Maximum Tender Amount, it does not expect to extend the Withdrawal Deadline, subject to applicable law.

Volcan’s obligation to accept for payment and to pay for any of the Notes in the Tender Offer is subject to the satisfaction or waiver, subject to applicable law, of the conditions, including the Financing Condition, to the Tender Offer. See “— Conditions to the Tender Offer.” The Tender Offer is not conditioned upon the tender of any minimum principal amount of Notes.

Subject to the Maximum Tender Amount, we intend to accept for purchase all Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date, and will only prorate such Notes if the aggregate principal amount of Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date exceeds the Maximum Tender Amount. If the Tender Offer is not fully subscribed as of the Early Tender Date, Holders who validly tender Notes after the Early Tender Date but at or prior to the Expiration Date may be subject to proration if the aggregate principal amount of Notes validly tendered (and not validly withdrawn) at or prior to the Expiration Date exceeds the Maximum Tender Amount. Subject to the Maximum Tender Amount and proration, all Notes validly tendered at or prior to the Early Tender Date will be accepted for purchase before any Notes validly tendered after the Early Tender Date are accepted for purchase. Furthermore, if the Tender Offer is fully subscribed as of the Early Tender Date, Holders who validly tender Notes after the Early Tender Date will not have any of their Notes accepted for purchase, provided that such Notes may be accepted for purchase if we increase the Maximum Tender Amount, which we are entitled to do in our sole discretion. There can be no assurance that we will increase the Maximum Tender Amount. See “The Tender Offer—Maximum Tender Amount; Proration” for more information on the proration provisions applicable to the Tender Offer.

Subject to the terms and conditions of the Tender Offer, the consideration for each U.S.\$1,000 principal amount of Notes validly tendered (and not validly withdrawn) and accepted for purchase pursuant to the Tender Offer will be the Tender Offer Consideration. Holders of Notes that are validly tendered (and not validly withdrawn) at or prior to the Early Tender Date and accepted for purchase pursuant to the Tender Offer will receive the Tender Offer Consideration plus the Early Tender Premium. Holders of Notes tendered after the Early Tender Date, but before the Expiration Date, and accepted for purchase pursuant to the Tender Offer will receive the Tender Offer Consideration, but not the Early Tender Premium. No tenders will be valid if submitted after the Expiration Date.

In addition to the Tender Offer Consideration or the Total Consideration, as applicable, all Holders of Notes accepted for purchase pursuant to the Tender Offer will, on the Early Settlement Date or the Settlement Date, as applicable, also receive Accrued Interest on those Notes from the last interest payment date with respect to those Notes to, but not including, the Early Settlement Date or the Settlement Date, as applicable.

The Tender Offer commences on the date of this Offer to Purchase and will expire on the Expiration Date, unless extended or earlier terminated by Volcan. No tenders will be valid if submitted after the Expiration Date. If a Nominee holds your Notes, such Nominee may have an earlier deadline for accepting the Tender Offer. You should promptly contact such Nominee that holds your Notes to determine its deadline. The Tender Offer is open to all registered Holders of the Notes.

Volcan expects to purchase any Notes that have been validly tendered and not validly withdrawn (i) at or prior to the Early Tender Date and that Volcan chooses to accept for purchase, subject to the Maximum Tender Amount and all conditions to the Tender Offer having been either satisfied or waived by Volcan, as permitted

by applicable law, promptly following the Early Tender Date, and (ii) after the Early Tender Date and at or prior to the Expiration Date and that Volcan chooses to accept for purchase, subject to the Maximum Tender Amount and all conditions to the Tender Offer having been either satisfied or waived by Volcan, as permitted by applicable law, promptly following the Expiration Date. Subject to the Maximum Tender Amount and proration, all Notes validly tendered at or prior to the Early Tender Date will be accepted for purchase before any Notes validly tendered after the Early Tender Date are accepted for purchase. The Early Settlement Date is expected to occur on the second business day following the Early Tender Date and the Settlement Date is expected to occur on the second business day following the Expiration Date. Notes accepted on either the Early Settlement Date or the Settlement Date, if any, will be accepted subject to the Maximum Tender Amount and proration, each as described herein

Volcan reserves the right, subject to applicable law, to (a) extend the Early Tender Date, Withdrawal Deadline or Expiration Date of the Tender Offer to a later date and time as announced by Volcan; (b) increase the Maximum Tender Amount; (c) waive or modify in whole or in part any or all conditions to the Tender Offer; (d) delay the acceptance for purchase of any Notes or delay the purchase of any Notes; or (e) otherwise modify or terminate any Tender Offer. In the event that the Tender Offer is terminated or otherwise not completed, the Total Consideration or Tender Offer Consideration, as the case may be, will not be paid or become payable to Holders of such Notes, without regard to whether such Holders have validly tendered their Notes (in which case, such tendered Notes will be promptly returned to Holders). Volcan will publicly announce any extension, amendment or termination in the manner described under “—Announcements.” There can be no assurance that Volcan will exercise its right to extend, terminate or amend the Tender Offer. See “—Expiration Date; Extension; Termination and Amendment.”

Notwithstanding any other provision of the Tender Offer, Volcan’s obligation to accept for purchase, and to pay for, any Notes validly tendered pursuant to the Tender Offer, is conditioned upon satisfaction of the Financing Condition and the other General Conditions (as defined herein). The General Conditions to the Tender Offer are for the sole benefit of Volcan and may be asserted by Volcan, regardless of the circumstances giving rise to any such condition (including any action or inaction by Volcan). Volcan reserves the right, in its sole discretion, to waive any and all conditions of the Tender Offer, subject to applicable law, at or prior to the Early Tender Date or the Expiration Date, as applicable. The Tender Offer is not subject to a minimum principal amount of Notes being tendered. See “—Conditions to the Tender Offer.”

Withdrawal rights with respect to the Notes will terminate on the Withdrawal Deadline, unless extended pursuant to applicable law. Accordingly, following the Withdrawal Deadline, any Notes validly tendered (whether before, on or after the Withdrawal Deadline) may no longer be validly withdrawn. For the withdrawal of a tendered Note to be valid, such withdrawal must comply with the procedures set forth in “—Withdrawal of Tenders.” Subject to applicable law, Volcan may (i) extend or otherwise amend the Early Tender Date, the Withdrawal Deadline or the Expiration Date, or (ii) increase the Maximum Tender Amount without extending the Withdrawal Deadline or otherwise reinstating withdrawal rights of Holders except as required by law. In the event of the termination of the Tender Offer, the Notes tendered pursuant to the Tender Offer and not previously accepted and purchased will be promptly returned to the tendering Holders.

None of Volcan, its board of directors, the Dealer Managers, the Tender and Information Agent or the Trustee or any of their respective affiliates makes any recommendation that Holders tender or refrain from tendering all or any portion of the principal amount of their Notes, and no one has been authorized by any of them to make such a recommendation. Holders must make their own decision as to whether to tender their Notes, and, if so, the principal amount of Notes to tender.

Maximum Tender Amount; Proration

Subject to the Maximum Tender Amount, we intend to accept for purchase all Notes validly tendered (and not validly withdrawn) at or prior to the Expiration Date and will only prorate such Notes in accordance with the provisions relating to the Maximum Tender Amount and proration as described herein.

Maximum Tender Amount

The Maximum Tender Amount will be U.S.\$120,000,000 aggregate principal amount of Notes. Volcan reserves the right, but is under no obligation, to increase the Maximum Tender Amount at any time, subject to

compliance with applicable law, which could result in Volcan purchasing a greater aggregate principal amount of Notes in the Tender Offer. There can be no assurance that Volcan will exercise its right to increase the Maximum Tender Amount. If Volcan increases the Maximum Tender Amount, it does not expect to extend the Withdrawal Deadline, subject to applicable law. If the principal amount of Notes validly tendered at or before the Early Tender Date exceeds the Maximum Tender Amount, Volcan will not accept for purchase any Notes tendered after the Early Tender Date, provided that such Notes may be accepted for purchase if we increase the Maximum Tender Amount, which we are entitled to do in our sole discretion. There can be no assurance that we will increase the Maximum Tender Amount.

Proration

Subject to the Maximum Tender Amount, we intend to accept for purchase all Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date, and will only prorate such Notes if the aggregate principal amount of Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date exceeds the Maximum Tender Amount. If the Tender Offer is not fully subscribed as of the Early Tender Date, Holders who validly tender Notes after the Early Tender Date but at or prior to the Expiration Date may be subject to proration if the aggregate principal amount of Notes validly tendered (and not validly withdrawn) at or prior to the Expiration Date exceeds the Maximum Tender Amount. Subject to the Maximum Tender Amount and proration, all Notes validly tendered at or prior to the Early Tender Date will be accepted for purchase before any Notes validly tendered after the Early Tender Date are accepted for purchase. **Furthermore, if the Tender Offer is fully subscribed as of the Early Tender Date, Holders who validly tender Notes after the Early Tender Date will not have any of their Notes accepted for purchase, provided that such Notes may be accepted for purchase if we increase the Maximum Tender Amount, which we are entitled to do in our sole discretion. There can be no assurance that we will increase the Maximum Tender Amount.** If proration of the tendered Notes is required, Volcan will determine the final proration factor as soon as practicable after the Early Tender Date or the Expiration Date, as applicable. Volcan will announce results of such proration as described in “—Announcements” below. Holders may obtain such information from the Tender and Information Agent and the Dealer Managers and may be able to obtain such information from their brokers. Any Notes tendered pursuant to the Tender Offer that are not accepted and purchased by Volcan as a result of the operation of the proration provisions applicable to the Tender Offer shall be promptly returned to the relevant tendering Holders following the Expiration Date.

Payment for Notes

Payment for Notes purchased pursuant to the Tender Offer will be made by the deposit of the Total Consideration or Tender Offer Consideration, as applicable, for the Notes, plus Accrued Interest, in immediately available funds by Volcan on the Early Settlement Date or the Settlement Date, as applicable, with the Tender and Information Agent, which will act as agent for tendering Holders for the purpose of receiving payment from Volcan and transmitting such payment to tendering Holders. For purposes of the Tender Offer, Volcan will be deemed to have accepted for purchase validly tendered Notes that have not been validly withdrawn if, as and when, Volcan gives oral (confirmed in writing) or written notice thereof to the Tender and Information Agent.

Volcan expressly reserves the right, in its sole discretion and subject to Rule 14e-1(c) under the Exchange Act, to delay acceptance for purchase of, or payment for, Notes if any of the conditions to the Tender Offer shall not have been satisfied or waived, or in order to comply, in whole or in part, with any applicable law. See “—Conditions to the Tender Offer.” In all cases, payment by the Tender and Information Agent to Holders or beneficial owners of the Total Consideration or Tender Offer Consideration, as applicable, and Accrued Interest, for Notes purchased pursuant to the Tender Offer will be made only after timely receipt by the Tender and Information Agent of (i) timely confirmation of a book-entry transfer of such Notes into the Tender and Information Agent’s account at DTC pursuant to the procedures set forth under “—Procedure for Tendering Notes,” and (ii) a properly transmitted Agent’s Message through ATOP.

If any tendered Notes are not purchased pursuant to the Tender Offer for any reason, such Notes not purchased will be returned promptly, without expense, to the tendering Holder (or, in the case of Notes tendered by book-entry transfer, such Notes will be promptly credited to the account maintained at DTC from which Notes were delivered) after the expiration or termination of the Tender Offer.

Holders whose Notes are accepted for purchase pursuant to the Tender Offer will be entitled to receive the Total Consideration or Tender Offer Consideration for the Notes, as applicable, plus Accrued Interest. Under no circumstances will any additional interest be payable because of any delay in the transmission of funds to the Holders of purchased Notes or otherwise.

Tendering Holders of Notes purchased in the Tender Offer will not be obligated to pay brokerage commissions to Volcan, the Dealer Managers or the Tender and Information Agent. Volcan will pay or cause to be paid all transfer taxes with respect to the purchase of any Notes in the Tender Offer. If your Notes are held through a broker or other Nominee who tenders the Notes on your behalf, such broker or Nominee may charge you a commission for doing so. You should consult with your broker or Nominee to determine whether any charges will apply.

The Notes may be tendered only in principal amounts equal to minimum denominations of U.S.\$2,000 and integral multiples of U.S.\$1,000 in excess thereof. Holders who do not tender all of their Notes must ensure that they retain a principal amount of the Notes amounting to at least the minimum denomination equal to U.S.\$2,000. In the event that proration of tendered Notes is required, the principal amount of each Holder's validly tendered Notes accepted for purchase will be determined by multiplying each Holder's tender of Notes by the proration factor and rounding the product down to the nearest U.S.\$1,000. If, after applying such proration factor, any Holder would be entitled to a return of a portion of tendered Notes that is less than the minimum authorized denomination for the Notes of U.S.\$ 2,000, then, at our discretion, we will either reject all of the Notes tendered by such Holder or accept all of the Notes tendered by such Holder without proration.

Conditions to the Tender Offer

Volcan's obligation to accept for purchase, and to pay for, Notes validly tendered pursuant to the Tender Offer is subject to the Maximum Tender Amount. Additionally, notwithstanding any other provision of this Offer to Purchase, and in addition to (and not in limitation of) Volcan's right to extend and amend the Tender Offer at any time, in Volcan's sole discretion, Volcan will not be required to accept for purchase, or to pay for, Notes validly tendered pursuant to the Tender Offer and may terminate, extend or amend the Tender Offer, and may (subject to Rule 14e-1(c) under the Exchange Act, which requires that an offeror pay the consideration offered or return the securities deposited by or on behalf of the Holders thereof promptly after the termination or withdrawal of a tender offer) postpone the acceptance for purchase of, and payment for, Notes so tendered, and may terminate the Tender Offer, if, before such time as any Notes have been accepted for purchase pursuant to the Tender Offer, any of the following events and conditions (the "General Conditions") exist or shall occur and remain in effect or shall be determined by Volcan to exist or have occurred on or after the date of this Offer to Purchase and at or prior to the Expiration Date:

- (1) the Financing Condition has not been satisfied;
- (2) there shall have been instituted, threatened or be pending any action, proceeding or investigation (whether formal or informal) (or there shall have been any material adverse development with respect to any action or proceeding currently instituted, threatened or pending) before or by any court, governmental, regulatory or administrative agency or instrumentality, or by any other person, in connection with the Tender Offer that, in the reasonable judgment of Volcan, either (a) is, or is likely to be, materially adverse to the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of Volcan and its subsidiaries, or (b) would or might prohibit, prevent, restrict or delay consummation of the Tender Offer;
- (3) an order, statute, rule, regulation, executive order, stay, decree, judgment or injunction shall have been proposed, enacted, entered, issued, promulgated, enforced or deemed applicable by any court or governmental, regulatory or administrative agency or instrumentality that, in the reasonable judgment of Volcan, either (a) would or might prohibit, prevent, restrict or delay consummation of the Tender Offer or (b) is, or is likely to be, materially adverse to the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of Volcan or its subsidiaries.
- (4) there shall have occurred or be likely to occur any event affecting the business or financial affairs of Volcan or its subsidiaries that, in the reasonable judgment of Volcan, would or might prohibit, prevent, restrict or delay the consummation of the Tender Offer;

- (5) the Trustee shall have objected in any respect to or taken action that could, in the reasonable judgment of Volcan, adversely affect the consummation of the Tender Offer or shall have taken any action that challenges the validity or effectiveness of the procedures used by Volcan in the making of the Tender Offer or the acceptance of, or payment for, the Notes; or
- (6) there has occurred (a) any general suspension of, or limitation on prices for, trading in securities on the New York Stock Exchange, the Luxembourg Stock Exchange, the Lima Stock Exchange (*Bolsa de Valores de Lima*) or in the securities or financial markets in the United States or Peru, (b) any significant adverse change in the price of the Notes in the United States or other major securities or financial markets, (c) a material impairment in the trading market for debt securities, (d) a declaration of a banking moratorium or any suspension of payments with respect to banks in the United States, Peru or other major financial markets, (e) any limitation (whether or not mandatory) by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, or other event that, in the reasonable judgment of Volcan, might affect the extension of credit by banks or other lending institutions, (f) a material change in United States, Peruvian, Canadian or European currency exchange rate or a general suspension of, or material limitation on, the markets therefor, (g) a commencement of a war, armed hostilities, terrorist acts or other national or international calamity directly or indirectly involving the United States or Peru, or (h) in the case of any of the foregoing existing on the date hereof, in the reasonable judgment of Volcan, a material acceleration or worsening thereof.

The “Financing Condition” means that Volcan shall have completed the proposed Bond Offering on terms and conditions satisfactory to Volcan, and that Volcan shall have received net cash proceeds from the Bond Offering in an amount sufficient to fund (i) the aggregate Total Consideration, with respect to the Notes validly tendered at or prior to the Early Tender Date, and (ii) the aggregate Tender Offer Consideration, with respect to any remaining Notes (subject to the Maximum Tender Amount and proration), plus in each case Accrued Interest (subject to the Maximum Tender Amount and proration), as well as any related fees and expenses relating to the Offer to Purchase and the Bond Offering. There can be no assurance that the Financing Condition will be satisfied on a timely basis, if at all.

The foregoing conditions are for Volcan’s sole benefit and may be asserted by Volcan regardless of the circumstances, including any action or inaction by Volcan, giving rise to such condition or may be waived by Volcan in whole or in part at any time and from time to time in Volcan’s sole discretion. If any condition to the Tender Offer is not satisfied or waived by Volcan prior to the Early Tender Date or the Expiration Time, as applicable, Volcan reserves the right, but will not be obligated, subject to applicable law:

- to terminate the Tender Offer and return any tendered Notes;
- to waive all unsatisfied conditions and accept for purchase Notes that are validly tendered prior to the Early Tender Date or the Expiration Time, as applicable;
- to extend the Tender Offer and retain the Notes that have been tendered during the period for which the Tender Offer is extended; or
- to otherwise amend the Tender Offer.

The failure by Volcan at any time to exercise any of the foregoing rights will not be deemed a waiver of any other right and each right will be deemed an ongoing right that may be asserted at any time and from time to time. The Tender Offer is not conditioned upon the tender of any minimum principal amount of Notes. All Notes will be purchased by Volcan in accordance with the procedures described under “—Maximum Tender Amount; Proration.”

Procedure for Tendering Notes

The method of delivery of Notes, any required signature guarantees and all other required documents, including delivery through DTC and any acceptance of an Agent’s Message transmitted through ATOP, is at the election and risk of the person tendering Notes and transmitting an Agent’s Message and delivery will be deemed made only when actually received by the Tender and Information Agent. DELIVERY OF DOCUMENTS TO DTC DOES NOT CONSTITUTE DELIVERY TO THE TENDER AND INFORMATION AGENT. If delivery is by mail, it is suggested that Holders use properly

insured, registered mail with return receipt requested and that the mailing be made sufficiently in advance of the Early Tender Date or Expiration Date, as applicable, to permit delivery to the Tender and Information Agent at or prior to such time. Holders desiring to tender Notes must allow sufficient time for completion of the ATOP procedures during normal business hours of DTC. In no event shall the Holder send any documents or Notes to the Dealer Managers, the Trustee or Volcan.

There is no letter of transmittal for this Tender Offer.

Tender of Notes Held Through a Nominee

To effectively tender Notes that are held of record by a Nominee, the beneficial owner thereof must instruct such Nominee to tender the Notes on the beneficial owner's behalf. Any beneficial owner of Notes held of record by DTC or its Nominee, through authority granted by DTC, may direct the DTC participant through which such beneficial owner's Notes are held in DTC to tender Notes on such beneficial owner's behalf.

Tender of Notes Held Through DTC

To effectively tender Notes that are held through DTC, DTC participants should electronically transmit their acceptance through ATOP (and thereby tender the Notes), for which the transaction will be eligible, followed by a properly transmitted Agent's Message delivered to the Tender and Information Agent. Upon receipt of such Holder's acceptance through ATOP, DTC will edit and verify the acceptance and send an Agent's Message to the Tender and Information Agent for its acceptance. Delivery of tendered Notes must be made to the Tender and Information Agent pursuant to the book-entry delivery procedures set forth below.

Except as provided below, unless the Notes being tendered are deposited with the Tender and Information Agent at or prior to the Early Tender Date or the Expiration Date, as applicable (accompanied by a properly transmitted Agent's Message), Volcan may, at its option, treat such tender as defective for purposes of the right to receive the Total Consideration or Tender Offer Consideration, respectively. Payment for tendered Notes will be made only against deposit of the tendered Notes and delivery of all other required documents.

In order to validly tender Notes at or prior to the Early Tender Date or the Expiration Date, as applicable, with respect to Notes transferred pursuant to ATOP, a DTC participant using ATOP must also properly transmit an Agent's Message. Pursuant to authority granted by DTC, any DTC participant that has Notes credited to its DTC account at any time (and thereby held of record by DTC's nominee) may directly instruct the Tender and Information Agent to tender Notes at or prior to the Early Tender Date or the Expiration Date, as applicable, as though it were the registered Holder thereof by so transmitting an Agent's Message.

Book-Entry Delivery and Tender of Notes Through ATOP

Promptly after commencement of the Tender Offer, the Tender and Information Agent will establish one or more new accounts (or utilize existing accounts) with respect to the Notes at DTC for purposes of the Tender Offer (to the extent such arrangements have not been made previously by the Tender and Information Agent). Any financial institution that is a participant in DTC may make book-entry delivery of the Notes credited to such participant's DTC account by causing DTC to transfer such Notes into the Tender and Information Agent's account or accounts at DTC in accordance with DTC's procedures for such transfer. Although delivery of Notes may be effected through book-entry transfer into the Tender and Information Agent's account at DTC, an Agent's Message and any other required documents must, in any case, be transmitted to and received by the Tender and Information Agent at or prior to the Early Tender Date or the Expiration Date, as applicable. Delivery of documents to DTC does not constitute delivery to the Tender and Information Agent. The confirmation of a book-entry transfer into the Tender and Information Agent's account at DTC as described above is referred to herein as a "Book-Entry Confirmation."

The term "Agent's Message" means a message transmitted by DTC to, and received by, the Tender and Information Agent and forming a part of the Book-Entry Confirmation, which states that DTC has received an express acknowledgment from the tendering participant stating (i) the aggregate principal amount of Notes to be tendered by such participant, (ii) that such participant has received copies of the Offer to Purchase and agrees to be bound by the terms and conditions of the Tender Offer as described herein and (iii) that Volcan may enforce the terms and conditions of this Offer to Purchase against such tendering participant.

Tender of Notes held through Clearstream or Euroclear

Any Holder who holds Notes through Clearstream or Euroclear must also comply with the applicable procedures of Clearstream or Euroclear, as applicable, in connection with a tender of Notes. In order to submit Notes held through Clearstream or Euroclear for tender, Holders must arrange for a direct participant in Clearstream or Euroclear, as the case may be, to submit any tender, which must include Blocking Instructions (as defined herein), to Clearstream or Euroclear at or prior to the Early Tender Date or Expiration Date. Holders should note that Clearstream and Euroclear may require that action be taken a day or more prior to the Early Tender Date or Expiration Date, as applicable. "Blocking Instructions" include instructions to block any attempt to transfer a Holder's Notes on or prior to the Early Settlement Date or the Settlement Date, as applicable, to debit the Holder's account for the amount of Notes accepted into the Tender Offer on or about the Early Settlement Date or the Settlement Date, as applicable, and the authorization to disclose the identity of the participant account holder and account information. Both Clearstream and Euroclear are indirect participants in the DTC system.

THE NOTES AND THE AGENT'S MESSAGE SHOULD BE SENT ONLY TO THE TENDER AND INFORMATION AGENT, AND NOT TO VOLCAN, THE TRUSTEE, THE DEALER MANAGERS, OR TO DTC (OR ANY OTHER BOOK ENTRY TRANSFER FACILITY).

General

Only Holders are authorized to tender their Notes. The procedures by which Notes may be tendered by beneficial owners that are not Holders will depend upon the manner in which the Notes are held. Therefore, to effectively tender Notes that are held through a Nominee, the beneficial owner thereof must instruct such Nominee to tender the Notes on the beneficial owner's behalf according to the procedures described above. DTC has authorized DTC participants that hold Notes on behalf of beneficial owners of Notes through DTC to tender their Notes as if they were the Holders.

The tender of Notes by a Holder (and the acceptance of such tender by Volcan) pursuant to the procedures set forth above will constitute a binding agreement between such Holder and us in accordance with the terms and subject to the conditions set forth herein.

Notwithstanding any other provision hereof, payment of the Tender Offer Consideration or Total Consideration, as the case may be, for Notes validly tendered and accepted for payment pursuant to the Tender Offer will, in all cases, be made only after timely receipt (i.e., at or prior to the Early Tender Date if the Holder is to receive the Total Consideration, and at or prior to the Expiration Date if the Holder is to receive only the Tender Offer Consideration) by the Tender and Information Agent of a Book-Entry Confirmation (as defined above) of the transfer of such Notes into the Tender and Information Agent's account at DTC, as described above, and a properly transmitted Agent's Message through ATOP.

Volcan, in its sole discretion, will determine all questions as to the form of documents and validity, eligibility (including time of receipt), acceptance for payment and withdrawal of validly tendered Notes, and such determinations will be final and binding. Volcan reserves the absolute right to reject any and all tenders of Notes that it determines are not in proper form or where the acceptance for purchase of, or payment for, such Notes may, in the opinion of Volcan's counsel, be unlawful. Volcan also reserves the absolute right in its sole discretion to waive any of the conditions of the Tender Offer or any defect or irregularity in the tender of Notes of any particular Holder, whether or not similar conditions, defects or irregularities are waived in the case of other Holders. Volcan's interpretation of the terms and conditions of the Tender Offer will be final and binding.

Any defect or irregularity in connection with tenders of Notes must be cured within such time as Volcan determines, unless waived by Volcan. Tenders of Notes shall not be deemed to have been made until all defects or irregularities have been waived or cured. None of Volcan, the Dealer Managers, the Tender and Information Agent, the Trustee or any other person will be under any duty to give notification of any defects or irregularities in tenders or notices of withdrawal or will incur any liability for failure to give any such notification. If Volcan waives its right to reject a defective tender of Notes, the Holder will be entitled to the Total Consideration or the Tender Offer Consideration, as applicable, plus Accrued Interest.

No Guaranteed Delivery

There are no guaranteed delivery procedures available with respect to the Tender Offer under the terms of this Offer to Purchase or any related materials. Holders must tender their Notes in accordance with the procedures set forth in this section.

No Alternative, Conditional or Contingent Tenders

No alternative, conditional or contingent tenders of Notes will be accepted pursuant to the Tender Offer. All questions as to the form of all documents and acceptance of all tenders of Notes will be determined by Volcan, in its sole discretion, the determination of which shall be conclusive and binding.

Representations, Warranties and Undertakings

By tendering Notes pursuant to this Offer to Purchase (including by accepting the Tender Offer through ATOP), the Holder is deemed to represent, warrant and undertake to Volcan, the Tender and Information Agent and the Dealer Managers that:

- (1) the tendering Holder has received and reviewed the Offer to Purchase;
- (2) the Notes are, at the time of acceptance, and will continue to be, until the payment on the Early Settlement Date or the Settlement Date, as applicable, or the termination or withdrawal of the Tender Offer, or, in the case of Notes in respect of which the tender has been withdrawn, the date on which such tender is validly withdrawn, held by it;
- (3) the tendering Holder acknowledges that all authority conferred or agreed to be conferred pursuant to these representations, warranties and undertakings and every obligation of the tendering Holder shall be binding upon the successors, assigns, heirs, executors, administrators, trustee in bankruptcy and legal representatives of the tendering Holder and shall not be affected by, and shall survive, the death or incapacity of the tendering Holder;
- (4) the tendering Holder has full power and authority to tender, sell, assign and transfer the tendered Notes;
- (5) the Notes will, on the Early Settlement Date or the Settlement Date, as applicable, be transferred by such tendering Holder to Volcan in accordance with the terms of the Tender Offer, and Volcan will acquire good, marketable and unencumbered title thereto, with full title guarantee free and clear of all liens, restrictions, charges and encumbrances, not subject to any adverse claim or right, and together with all rights attached thereto; and
- (6) the tendering Holder will, upon request, execute and deliver any documents deemed by the Tender and Information Agent or Volcan to be necessary or desirable to complete the sale, assignment and transfer of the Notes tendered.

By tendering Notes as set forth herein, and subject to and effective upon acceptance for purchase of, and payment for, the Notes tendered therewith, a tendering Holder (i) irrevocably sells, assigns and transfers to, or upon the order of, Volcan all right, title and interest in and to all the Notes tendered thereby and accepted for purchase pursuant to the terms hereof, (ii) waives any and all other rights with respect to the Notes tendered thereby (including, without limitation, the tendering Holder's waiver of any existing or past defaults and their consequences in respect of the Notes and the Indenture), (iii) releases and discharges Volcan and the Trustee from any and all claims such Holder may have now, or may have in the future, arising out of, or related to, such Notes, including, without limitation, any claims that such Holder is entitled to receive additional principal or interest payments with respect to such Notes or to participate in any repurchase, redemption or defeasance of the Notes, and (iv) irrevocably constitutes and appoints the Tender and Information Agent as the true and lawful agent and attorney-in-fact of such Holder (with full knowledge that the Tender and Information Agent also acts as the agent of Volcan) with respect to any such tendered Notes, with full power of substitution and resubstitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (a) transfer ownership of such Notes on the account books maintained by DTC, together with all accompanying evidences of transfer and authenticity, to, or upon the order of, Volcan, (b) present such Notes for transfer on the relevant security register, and (c) receive all benefits or otherwise exercise all rights of beneficial ownership of such Notes (except that the Tender and Information Agent will have no rights to, or control over, funds from Volcan,

except as agent for the tendering Holders, for the purchase price, plus any Accrued Interest, of Notes tendered pursuant to the Tender Offer, as determined pursuant to the terms of this Offer to Purchase, for any tendered Notes that are purchased by Volcan).

By tendering Notes pursuant to the Tender Offer, the Holder will be deemed to have agreed that the delivery and surrender of the Notes is not effective, and the risk of loss of the Notes does not pass to the Tender and Information Agent, until receipt by the Tender and Information Agent and, in the case of Notes tendered through DTC's ATOP, of a properly transmitted Agent's Message together with all accompanying evidences of authority and any other required documents in form satisfactory to Volcan.

Compliance with "Short Tendering" Rule

It is a violation of Rule 14e-4 under the Exchange Act for a person, directly or indirectly, to tender Notes in a partial tender offer for their own account unless the person so tendering (a) has a net long position equal to or greater than the aggregate principal amount of the Notes being tendered and (b) will cause such Notes to be delivered in accordance with the terms of the Tender Offer. Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person.

A tender of Notes in the Tender Offer under any of the procedures described above will constitute a binding agreement between the tendering Holder and Volcan with respect to such Notes upon the terms and subject to the conditions of the Tender Offer, including the tendering Holder's acceptance of the terms and conditions of the Tender Offer, as well as the tendering Holder's representation and warranty that (a) such Holder has a net long position in the Notes being tendered pursuant to the Tender Offer within the meaning of Rule 14e-4 under the Exchange Act, and (b) the tender of such Notes complies with Rule 14e-4.

Withdrawal of Tenders

Withdrawal rights with respect to the Notes will terminate on the Withdrawal Deadline, unless extended pursuant to applicable law. Accordingly, following the Withdrawal Deadline, any Notes validly tendered (whether before, on or after the Withdrawal Deadline) may no longer be validly withdrawn. If the Tender Offer is terminated, or Notes are not accepted for payment pursuant to the Tender Offer, then no consideration will be paid or payable to Holders.

Subject to applicable law, Volcan may (i) extend or otherwise amend the Early Tender Date, the Withdrawal Deadline or the Expiration Date, or (ii) increase the Maximum Tender Amount without extending the Withdrawal Deadline or otherwise reinstating withdrawal rights of Holders. Pursuant to Rule 14e-1 under the Exchange Act, if Volcan changes the principal amount of Notes subject to the Tender Offer or increases or decreases any portion of the Total Consideration or Tender Offer Consideration for the Notes, then it will extend the Tender Offer, to the extent required by applicable law, and, if required by applicable law, extend the Withdrawal Deadline.

For a withdrawal of Notes to be valid, a properly transmitted "Request Message" through ATOP must be received by the Tender and Information Agent before the Withdrawal Deadline. The withdrawal notice must:

- specify the name of the person that tendered the Notes to be withdrawn and, if different, the record holder of such Notes (or, in the case of Notes tendered by book entry transfer, the name of the DTC participant for whose account such Notes were tendered and such participant's account number at DTC to be credited with the withdrawn Notes); and
- contain a description of the Notes to be withdrawn, including the CUSIP number(s) and the aggregate principal amount represented by such Notes to be withdrawn.

If the Notes to be withdrawn have been delivered or otherwise identified to the Tender and Information Agent, a signed notice of withdrawal is effective immediately upon written or facsimile notice of withdrawal, even if physical release is not yet effected by the Tender and Information Agent. Any Notes validly withdrawn will be deemed to be not validly tendered for purposes of the Tender Offer.

Holders may not rescind their withdrawal of tendered Notes and any Notes validly withdrawn will thereafter be deemed not validly tendered for purposes of the Tender Offer. Validly withdrawn Notes may, however, be tendered again by following one of the procedures described above under "—Procedure for Tendering Notes" at any time prior to the Expiration Date.

We may increase or decrease the Maximum Tender Amount, subject to applicable law, in our sole discretion. We are not required to extend the Withdrawal Deadline in connection with any such increase. Increasing the Maximum Tender Amount may increase the amount of Notes that we may accept for purchase. If Holders tender more Notes in the Tender Offer than they expect us to accept for purchase based on the Maximum Tender Amount and we subsequently increase the Maximum Tender Amount on or after the Withdrawal Deadline, such Holders will not be able to withdraw any of their previously tendered Notes. **Accordingly, Holders should not tender any Notes that they do not wish to be accepted for purchase.**

Holders may accomplish valid withdrawals of Notes only in accordance with the foregoing procedures.

All questions as to the validity (including time of receipt) of notices of withdrawal will be determined by Volcan in its sole discretion, which determination shall be final and binding. None of Volcan, the Dealer Managers, the Tender and Information Agent, the Trustee or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or will incur any liability for failure to give any such notification.

Acceptance of Notes for Purchase; Accrual of Interest

Acceptance of Notes for Purchase

Volcan will be deemed to have accepted for purchase pursuant to the Tender Offer and thereby have purchased validly tendered Notes pursuant to the Tender Offer if, as and when Volcan gives oral or written notice to the Tender and Information Agent of Volcan's acceptance of such Notes for purchase pursuant to the Tender Offer. Volcan will announce acceptance for purchase of the Notes. In all cases, payment for Notes purchased pursuant to the Tender Offer will be made by deposit of cash relating to the Tender Offer Consideration or the Total Consideration, as applicable, plus the Accrued Interest with the Tender and Information Agent, which will act as agent for tendering holders for the purpose of receiving payments from Volcan and transmitting such payments to such holders.

On the Early Settlement Date or the Settlement Date, as applicable, Volcan will settle all Notes accepted for purchase.

Volcan expressly reserves the right, in its sole discretion and subject to Rule 14e-1(c) under the Exchange Act, to delay acceptance for purchase of, or payment for, Notes in order to comply, in whole or in part, with any applicable law. See “—Conditions to the Tender Offer.” In all cases, payment by the Tender and Information Agent to Holders of consideration for Notes accepted for purchase pursuant to the Tender Offer will be made only after timely receipt by the Tender and Information Agent of:

- confirmation of a book-entry transfer of such Notes into the Tender and Information Agent's account at DTC pursuant to the procedures set forth under “—Procedure for Tendering Notes;” and
- a duly completed Agent's Message through the facilities of DTC.

If the Tender Offer is terminated or withdrawn, or the Notes subject to the Tender Offer are not accepted for purchase, no consideration will be paid or payable to Holders of those Notes. If any tendered Notes are not purchased pursuant to the Tender Offer for any reason, Notes tendered by book-entry transfer will be credited to the account maintained at DTC from which those Notes were delivered promptly following the Expiration Date or termination of the Tender Offer.

Volcan reserves the right to transfer or assign, in whole at any time or in part from time to time, to one or more of its affiliates, the right to purchase Notes validly tendered (and not validly withdrawn) pursuant to the Tender Offer but any such transfer or assignment will not relieve Volcan of its obligations under the Tender Offer or prejudice the rights of tendering Holders to receive consideration pursuant to the Tender Offer.

Holders will not be obligated to pay brokerage fees or commissions or, except as otherwise provided herein, transfer taxes with respect to Volcan's purchase of the Notes pursuant to the Tender Offer. If you hold Notes through a broker or bank, you should consult that institution as to whether it charges any service fees. Volcan will pay certain fees and expenses of the Dealer Managers, the Tender and Information Agent in connection with the Tender Offer. See “Dealer Managers and Tender and Information Agent.”

Accrual of Interest

Holders who tender Notes that are accepted for purchase pursuant to the Tender Offer will receive Accrued Interest.

Under no circumstances will any additional interest be payable because of any delay in the transmission of funds to the Holders of purchased Notes or otherwise.

Expiration Date; Extension; Termination and Amendment

The Tender Offer will expire on the Expiration Date, as defined on the cover page of this Offer to Purchase, unless extended or earlier terminated by Volcan.

Volcan reserves the right, at any time or from time to time, to extend the Early Tender Date and the Expiration Date. In addition, subject to applicable law, Volcan expressly reserves the right, in its sole discretion, to terminate or withdraw the Tender Offer at any time and from time to time. If any Tender Offer is terminated at any time with respect to any Notes, the Notes tendered and not previously accepted and purchased will be promptly returned to the tendering Holders. There can be no assurance that Volcan will exercise its right to extend, terminate or amend the Tender Offer. Irrespective of any amendment to the Tender Offer, all Notes previously tendered pursuant to the Tender Offer and not accepted for purchase will remain subject to the Tender Offer and may be accepted thereafter for purchase by Volcan, except when such acceptance is prohibited by law.

Volcan will publicly announce any extension, amendment or termination in the manner described under “—Announcements.” There can be no assurance that Volcan will exercise its right to extend, terminate or amend the Tender Offer.

If Volcan makes a material change in the terms of the Tender Offer or the information concerning the Tender Offer, Volcan will disseminate additional materials and extend the Tender Offer to the extent required by law. In the event of a termination of the Tender Offer, none of the Total Consideration, the Early Tender Premium or the Tender Offer Consideration will be paid or become payable on such Notes.

Please note that the terms of any extension of, or amendment of the terms of, the Tender Offer may vary from the terms of the original Tender Offer depending on such factors as prevailing interest rates and the principal amount of Notes previously tendered or otherwise purchased.

Additional Terms of the Tender Offer

- All communications, payments, notices, certificates, or other documents to be delivered to or by a Holder will be delivered by or sent to or by it at the Holder’s own risk.
- By submitting a valid electronic acceptance instruction, a Holder will be deemed to have given the representations, warranties and undertakings of the Holder set forth above in “—Procedure for Tendering Notes—Representations, Warranties and Undertakings.”
- All acceptances of tendered Notes by Volcan shall be deemed to be made on the terms set out in this Offer to Purchase (and shall be deemed to be given in writing even if submitted electronically).
- Volcan may in its sole discretion elect to treat as valid a tender instruction in respect of which the relevant Holder does not fully comply with all the requirements of these terms.
- Unless waived by Volcan, any irregularities in connection with tenders of such Notes must be cured within such time as Volcan shall determine. None of Volcan, the Dealer Managers, the Tender and Information Agent or any other person (including the Trustee) shall be under any duty to give notification of any defects or irregularities in such tenders of Notes, nor will any of such entities incur any liability for failure to give such notifications. Tenderees of Notes may be deemed not to have been made until such irregularities have been cured or waived.
- None of Volcan, the Dealer Managers, the Tender and Information Agent or the Trustee shall accept any responsibility for failure of delivery of a notice, communication or electronic acceptance instruction.
- Any rights or claims which a Holder may have against Volcan in respect of any tendered Notes or the Tender Offer shall be extinguished or otherwise released upon the payment to such Holder of the

consideration for the tendered Notes and any accrued interest, as determined pursuant to the terms of the Tender Offer.

- Without limiting the manner in which Volcan may choose to make any public announcement, Volcan shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a press release and by giving notice to the Tender and Information Agent and the Dealer Managers.
- There are no appraisal or similar statutory rights available to the Holders in connection with the Tender Offer.
- The contract constituted by Volcan's acceptance for purchase in accordance with the terms of this Offer to Purchase of all Notes validly tendered (or defectively tendered, if such defect has been waived by Volcan) shall be governed by, and construed in accordance with, the law of the State of New York.

Announcements

If Volcan is required to make an announcement relating to an extension of the Withdrawal Deadline, the Early Tender Date or the Expiration Date for the Tender Offer, an amendment or termination of the Tender Offer, acceptance of the Notes for purchase, or otherwise, Volcan will do so as promptly as practicable and, in the case of an extension of the Expiration Date, no later than 9:00 a.m., New York City time, on the business day after the previously scheduled Expiration Date, as applicable. Unless otherwise specified in this Offer to Purchase, Volcan may choose to issue an announcement of this type in any reasonable manner, but it will have no obligation to do so other than by issuing a press release.

CERTAIN SIGNIFICANT CONSIDERATIONS

Position of Volcan and Other Parties Concerning the Tender Offer

None of Volcan, its board of directors, the Dealer Managers, the Tender and Information Agent or the Trustee or any of their respective affiliates makes any recommendation that Holders tender or refrain from tendering all or any portion of the principal amount of their Notes, and no one has been authorized by any of them to make such a recommendation. Holders must make their own decision as to whether to tender their Notes, and, if so, the principal amount of Notes to tender.

The Tender Offer may adversely affect the market value and reduce the liquidity of any trading market of the Notes.

To the extent that Notes are tendered and accepted for purchase in the Tender Offer in accordance with the terms of the Tender Offer, the trading market in the Notes that remain outstanding thereafter (including any Notes that are not accepted for purchase pursuant to the operation of the proration of tenders of Notes) will become more limited than the current trading market in such Notes. A debt security with a smaller outstanding aggregate principal amount available for trading (a smaller “float”) may command a lower price than would a comparable debt security with a greater float. Therefore, the market price for Notes not tendered and accepted for purchase (including as a result of the operation of the proration of tenders of Notes) may be affected adversely to the extent the amount of Notes tendered and accepted for purchase pursuant to the Tender Offer reduces the liquidity of such Notes. The reduced liquidity may make the trading price more volatile. There can be no assurance that any trading market will exist for the Notes following the consummation of the Tender Offer. The extent of the market for the Notes following consummation of the Tender Offer will depend upon the number of Holders of such Notes that remain at such time, the interest on the part of securities firms in maintaining a market in such Notes and other factors. To the extent a market continues to exist for the Notes following consummation of the Tender Offer, such Notes may trade at a discount compared to present trading prices depending on prevailing interest rates, the market for debt instruments with similar credit features, Volcan’s operating and financial performance and other factors.

Withdrawal Rights and the Maximum Tender Amount

Notes tendered prior to the Withdrawal Deadline may only be validly withdrawn prior to the Withdrawal Deadline. After the Withdrawal Deadline, Notes tendered prior to the Expiration Date may not be withdrawn unless Volcan elects to extend the Withdrawal Deadline in its sole discretion or as otherwise Volcan is required to extend withdrawal rights under applicable law. Subject to applicable law, Volcan may (i) extend or otherwise amend the Early Tender Date, the Withdrawal Deadline or the Expiration Date, or (ii) increase the Maximum Tender Amount without extending the Withdrawal Deadline or otherwise reinstating withdrawal rights of Holders, except as required by law. Increasing the Maximum Tender Amount will increase the principal amount of Notes that may be accepted for purchase by Volcan.

The amount of Notes accepted for purchase will depend on several factors including, without limitation, the aggregate principal amount of Notes validly tendered and not validly withdrawn and the Maximum Tender Amount. We reserve the right to increase the Maximum Tender Amount, in our sole discretion, without extending or otherwise reinstating withdrawal rights, unless required by law.

If Holders tender more Notes in the Tender Offer than they expect to be accepted for purchase by Volcan based on the Maximum Tender Amount, and Volcan subsequently increases such Maximum Tender Amount on or after the Withdrawal Deadline, such Holders will not be able to withdraw any of their previously tendered Notes. Accordingly, Holders should not tender any Notes that they do not wish to be accepted for purchase.

Volcan may not be able to definitively determine whether the Tender Offer is oversubscribed or what the effects of proration may be with respect to the Notes until after the Early Tender Date or the Expiration Date, as applicable, has passed. Therefore, you will not be able to withdraw tenders of your Notes at the time Volcan establishes the amount of Notes to be purchased pursuant to the Tender Offer.

Early Tender Premium and Priority of Acceptance for Notes Tendered on or Prior to the Early Tender Date

You must validly tender your Notes on or prior to the Early Tender Date in order to be eligible to receive the Total Consideration, which includes the Early Tender Premium. If you validly tender your Notes after the Early Tender Date but on or prior to the Expiration Date, you will only be eligible to receive the Tender Offer Consideration, which does not include the Early Tender Premium.

Subject to the Maximum Tender Amount, all Notes validly tendered at or prior to the Early Tender Date will be accepted for purchase before any Notes validly tendered after the Early Tender Date are accepted for purchase. Furthermore, if the Tender Offer is fully subscribed as of the Early Tender Date, Holders who validly tender Notes after the Early Tender Date will not have any of their Notes accepted for purchase, provided that such Notes may be accepted for purchase if we increase the Maximum Tender Amount, which we are entitled to do in our sole discretion. There can be no assurance that we will increase the Maximum Tender Amount.

Effect of the Tender Offer on Holders of Notes Tendered and Accepted in the Tender Offer

If your Notes are validly tendered and accepted for purchase, you will be giving up all of your rights as a Holder of those Notes, including, without limitation, your right to future interest or cash distributions and principal payments with respect to such Notes.

Treatment of Notes Not Purchased Pursuant to the Tender Offer

Notes not tendered, or tendered but not accepted for purchase, in the Tender Offer will remain outstanding. The terms and conditions governing the Notes, including the covenants and other protective provisions contained in the Indenture governing the Notes, will remain unchanged.

Blocking of Notes

When considering whether to tender any Notes in the Tender Offer, Holders should take into account that restrictions on the transfer of the Notes by Holders will apply from the time of such tender. A Holder will, upon tendering Notes in the Tender Offer, agree that the Notes will be blocked in the relevant DTC account from the date the tender of Notes is made until the earlier of (i) the date on which the tender of the Notes is validly withdrawn (including automatic revocation on the termination of the Tender Offer) in accordance with the terms of the Tender Offer and (ii) the time of settlement on the Early Settlement Date or the Settlement Date, as applicable.

Conditions to the Consummation of the Tender Offer

Our obligation to purchase Notes pursuant to the Tender Offer is subject to the satisfaction or waiver, subject to applicable law, of certain conditions, including the Financing Condition. These conditions are described in more detail in this Offer to Purchase under “The Tender Offer— Conditions to the Tender Offer.” We cannot assure you that such conditions will be satisfied or waived, or that the Tender Offer or the Bond Offering will be consummated, or that any failure to consummate the Tender Offer will not have a negative effect on the market price and liquidity of the Notes.

Certain Tax Considerations

See “Taxation” for a discussion of certain tax matters that should be considered in evaluating the Tender Offer.

Other Purchases of Notes

Following consummation or termination of the Tender Offer, Volcan and/or its affiliates reserve the right to acquire the Notes from time to time otherwise than pursuant to the Tender Offer through open market purchases, privately negotiated transactions, one or more additional tender offers, exchange offers or otherwise, on terms that may or may not be equal to the Total Consideration or Tender Offer Consideration. Volcan also reserves the right to exercise any of its rights (including redemption rights) under the Indenture. Any future purchases may be on the same terms or on terms that are more or less favorable to Holders of Notes than the terms of the Tender Offer. Any future purchases by Volcan and/or its affiliates will depend on various factors

existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) Volcan and/or its affiliates may choose to pursue in the future.

Reinvestment Risk

The settlement of the Bond Offering (expected to be on or prior to the Early Settlement Date) is a condition of the Offer to Purchase that may be waived by Volcan in its sole judgment. Therefore, if you tender Notes in the Tender Offer and submit an indication of interest to the initial purchasers of the Bond Offering expecting to receive New Notes, in the event that the Bond Offering is not consummated for any reason after the Withdrawal Deadline, your Notes may be purchased by Volcan on the Early Settlement Date or Settlement Date, as applicable, and you may not receive New Notes. In this case, you may not be able to reinvest the cash you receive for your Notes purchased in the Tender Offer at the rate of return you anticipated.

TAXATION

The following discussion is a summary of certain income tax considerations in Peru and the United States of this Offer to Purchase that may be relevant to Holders. This summary is for general information purposes only and is based on the laws of Peru and the United States as of the date hereof, which are subject to change and which changes may have retroactive effect. In view of the number of different jurisdictions where tax laws may apply to a Holder, each Holder is urged to consult its tax advisor regarding the possible tax considerations of this Offer to Purchase under the laws of the jurisdictions that apply to it or to its receipt of the Tender Offer Consideration or Total Consideration and Accrued Interest in respect of its Notes. Each Holder is liable for its own taxes and has no recourse to Volcan, its board of directors, the Trustees, the Tender and Information Agent, the Dealer Managers or any of their respective affiliates with respect to taxes arising in connection with this Offer to Purchase.

THIS SUMMARY IS NOT INTENDED AS TAX ADVICE TO ANY PARTICULAR HOLDER, WHICH CAN BE RENDERED ONLY IN LIGHT OF THAT HOLDER'S PARTICULAR TAX SITUATION. ACCORDINGLY, EACH HOLDER IS URGED TO CONSULT SUCH HOLDER'S TAX ADVISER WITH RESPECT TO THE SPECIFIC TAX CONSEQUENCES OF THE TENDER OFFER TO SUCH HOLDER, INCLUDING THE APPLICATION AND AVAILABILITY OF ANY TAX TREATY TO SUCH HOLDER. ALL HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

1. Certain Peruvian Tax Consequences

The following is a general summary of the principal Peruvian income tax consequences that would arise due to the acceptance of the Offer by holders of the Notes who are deemed non-Peruvian holders. For these purposes, "non-Peruvian holder" means (i) an individual who is not domiciled in Peru; or (ii) a legal entity that is not incorporated under the laws of Peru, unless the Notes are held by a branch, agent, representative or permanent establishment in Peru of such legal entity not incorporated under the laws of Peru. For Peruvian tax purposes an individual is deemed domiciled in Peru if he or she (i) is a Peruvian citizen who has regular residence in Peru or (ii) is not a Peruvian citizen but has remained present in Peru for more than 183 days within any 12-month period. In the latter case, the change of residence will be effective as of January 1 of the following calendar year.

This summary is based on the Peruvian Income Tax Law (*Ley del Impuesto a la Renta*), the Peruvian Tax Code (*Código Tributario*) and their corresponding regulations in effect as of the date of the Offer, all of which are subject to change or to be interpreted in a new or different manner than that set forth herein, which could affect the continued validity of this general summary.

This summary does not constitute tax advice, does not address all of the Peruvian tax consequences that may be applicable to specific holders of the Notes and does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to accept the Offer. Furthermore, this summary does not address any tax consequences arising under the law of any province or municipality of Peru, or under the laws of any other taxing jurisdiction other than certain laws of Peru.

The tax implications described herein may vary depending on the applicability of a treaty for the avoidance of double taxation entered into by Peru and which is in effect. Peru has currently in force treaties to avoid double taxation with the Andean Community (Bolivia, Colombia and Ecuador), Brazil, Canada, Chile, Switzerland, South Korea, Mexico and Portugal. Non-Peruvian holders that are domiciled in any of these countries should consult an independent tax advisor regarding the application of these treaties.

Holders of the Notes should consult with their own tax advisors as to the particular consequences of the receipt of interest and the sale, disposition, redemption or repayment of the Notes under the laws of Peru, as well as the laws of any other jurisdiction or under any applicable double taxation treaty to which Peru is a party.

Interest

Non-Peruvian Holders are subject to income tax in Peru only on Peruvian source income. For these purposes, interest payments derived from the Notes are considered Peruvian source income.

Interest payments derived from the Notes received by non-Peruvian holders that are entities will be subject to Peruvian withholding income tax at a rate of 4.99%. Similarly, interest payments derived from the Notes received by non-Peruvian holders who are individuals are subject to withholding income tax at a rate of 4.99%, provided that interest does not derive from a transaction: (a) from or through a low or no-tax jurisdiction or a non-cooperative jurisdiction; and/or (b) that is not subject to a preferential tax regime. If the latter requirement is not fulfilled, the applicable withholding rate will be 30%. In addition, in order to qualify for the preferential withholding income tax rate of 4.99%, the non-Peruvian holders and the Company shall not be deemed related parties.

Total Consideration of the Notes

The difference between the Total Consideration and the Principal Amount outstanding of each Note to be repurchased will be considered interest for Peruvian income tax purposes and, therefore, the tax treatment described in “Certain Peruvian Tax Considerations—Interest” will be applicable.

Financial Transaction Tax (“ITF”)

ITF is levied on, among other transactions, any transfer, turnover, deposit, credit or debit from accounts opened by individuals or corporations in the Peruvian financial system. Currently, the tax rate is 0.005%.

Value-Added Tax

Interest paid on the notes will be exempted from Peruvian value-added tax (*Impuesto General a las Ventas*, or “VAT”).

Moreover, the sale, exchange or disposition of the Notes is not subject to VAT.

2. Certain U.S. Federal Income Tax Considerations

The following discussion is a summary of certain U.S. federal income tax considerations generally applicable to the tender of Notes pursuant to the Tender Offer. This discussion applies only to U.S. Holders (as defined below) who hold Notes as capital assets for U.S. federal income tax purposes (generally, property held for investment). This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the “Code”), U.S. Treasury regulations promulgated thereunder, published positions of the U.S. Internal Revenue Service (the “IRS”), court decisions and other applicable authorities, all as of the date hereof and all of which are subject to change or differing interpretations (possibly with retroactive effect).

This discussion does not describe all of the U.S. federal income tax considerations that may be applicable to U.S. Holders in light of their particular circumstances or U.S. Holders subject to special treatment under U.S. federal income tax law, such as:

- banks, insurance companies and other financial institutions;
- entities treated as partnerships for U.S. federal income tax purposes, S corporations or other passthrough entities;
- tax-exempt entities;
- real estate investment trusts;
- regulated investment companies;
- dealers or traders in securities;
- certain former citizens or residents of the United States;
- persons that elect to mark their securities to market;
- persons holding Notes as part of a “straddle,” conversion or other integrated transaction;
- persons purchasing New Notes in the concurrent offering of New Notes; and
- persons that have a functional currency other than the U.S. dollar.

In addition, this discussion does not address any U.S. state or local or non-U.S. tax considerations or any U.S. federal estate, gift, alternative minimum tax or Medicare contribution tax considerations. U.S. Holders should consult their tax advisors concerning the U.S. federal income tax considerations to them in light of their particular situation as well as any considerations arising under the laws of any other taxing jurisdiction.

For purposes of this discussion, a “U.S. Holder” is a beneficial owner of the Notes that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust that (i) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons or (ii) has a valid election in effect under applicable regulations to be treated as a U.S. person.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds Notes, the U.S. federal income tax treatment of a partner generally will depend on the status of the partner and the activities of the partnership. Partners in a partnership holding Notes should consult their tax advisors regarding the tax considerations applicable to them of the tender of Notes pursuant to the Tender Offer.

Tender of the Notes Pursuant to the Tender Offer

Sale of the Notes. The receipt of cash for Notes by a U.S. Holder pursuant to the Tender Offer generally will be a taxable transaction for U.S. federal income tax purposes. A U.S. Holder generally will recognize capital gain or loss equal to the difference between the amount realized by such holder in respect of its tendered Notes (other than the gross amount realized in respect of accrued but unpaid interest that was not previously included in income, which amount will be included in such U.S. Holder’s gross income as ordinary income) and such holder’s adjusted tax basis in the tendered Notes. A U.S. Holder’s adjusted tax basis in the Notes generally will equal the cost of the Notes, increased by the amount of market discount (if any) included in such holder’s income prior to the taxable disposition of the Notes and decreased (but not below zero) by any premium previously amortized and by any payments received on the Notes other than payments of qualified stated interest. Subject to the discussion below under “—Market Discount” and “—Early Tender Premium,” such capital gain or loss generally will be long-term capital gain or loss if, at the time of the taxable disposition, such holder’s holding period in the Notes exceeds one year. Long-term capital gain recognized by non-corporate U.S. Holders generally will be subject to taxation at a reduced rate. The deductibility of capital losses is subject to limitations. Any gain or loss recognized generally will be treated as U.S.-source gain or loss for foreign tax credit purposes.

Market Discount. A U.S. Holder that acquired the Notes for less than their stated principal amount will generally be subject to the market discount rules. Under such rules, assuming that a U.S. Holder has made no election to amortize the market discount into income on a current basis with respect to any market discount instrument, any gain recognized on the receipt of cash for Notes (subject to a de minimis rule) generally will be characterized as ordinary income to the extent of the accrued market discount on such Notes as of the date of the taxable disposition. Market discount accrues on a ratable basis, unless the U.S. Holder has elected to accrue market discount using a constant yield method.

Early Tender Premium. The U.S. federal income tax treatment of the Early Tender Premium is not entirely clear as there are no authorities that directly address the treatment of such a payment. Although the matter is not free from doubt, we intend to treat the Early Tender Premium as additional consideration received by a U.S. Holder as part of the transaction, which should be taken into account in determining the amount of gain or loss on the sale of the Note, as discussed above. No assurance can be given, however, that such position, if challenged by the IRS, would be sustained. In the event that the Early Tender Premium is not treated as additional consideration received by a U.S. Holder as part of the transaction, such Early Tender Premium likely would be treated as a separate payment in the nature of a fee paid for such U.S. Holder’s early tender of the Notes, and such U.S. Holder would likely recognize ordinary income in the amount of the Early Tender Premium. U.S. Holders should consult their tax advisors as to the proper treatment of the Early Tender Premium for U.S. federal income tax purposes.

Backup Withholding and Information Reporting

Payments on the Notes and of the proceeds of sale or redemption of the Notes may be subject to information reporting to the IRS and to backup withholding unless (i) the holder is a corporation or other exempt recipient, or (ii) in the case of backup withholding, the holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding. U.S. Holders should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a holder will be refunded (or credited against such holder's U.S. federal income tax liability, if any), provided the required information is timely furnished to the IRS.

THE PRECEDING DISCUSSION OF U.S. FEDERAL INCOME TAX CONSIDERATIONS IS INTENDED FOR GENERAL INFORMATION ONLY AND DOES NOT CONSTITUTE TAX ADVICE. U.S. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSIDERATIONS TO THEM OF THE TENDER OF NOTES PURSUANT TO THE TENDER OFFER IN THEIR PARTICULAR CIRCUMSTANCES.

DEALER MANAGERS AND THE TENDER AND INFORMATION AGENT

In connection with the Tender Offer, Volcan has retained Banco BTG Pactual S.A. – Cayman Branch, Citigroup Global Markets Inc. and Santander Investment Securities Inc. to act as the Dealer Managers and Global Bondholder Services Corporation to act as the Tender and Information Agent, each of which will receive customary fees for their services. Volcan has also agreed to reimburse the Dealer Managers and the Tender and Information Agent for certain of their out-of-pocket expenses and to indemnify them against certain liabilities, including in certain cases under federal securities laws. In connection with the Tender Offer, Volcan will also pay brokerage houses and other custodians, nominees and fiduciaries customary and reasonable out-of-pocket mailing and handling expenses incurred by them in forwarding copies of this Offer to Purchase and related documents to the beneficial owners of the Notes and in handling or forwarding tenders of Notes by their customers. Volcan will not pay any fees or commissions to any broker, dealer or other person in connection with the solicitation of tenders of Notes pursuant to the Tender Offer other than to the Dealer Managers and the Tender and Information Agent as referred to above.

Any Holder that has questions concerning the terms of this Offer to Purchase may contact the Dealer Managers or the Tender and Information Agent at their addresses and telephone numbers set forth on the back cover of this Offer to Purchase. Questions and requests for assistance or additional copies of this Offer to Purchase may be directed to the Tender and Information Agent at its address and telephone number set forth on the back cover of this Offer to Purchase. Holders of Notes may also contact their broker, dealer, custodian bank, depository, trust company or other nominee for assistance concerning this Offer to Purchase.

All correspondence in connection with this Offer to Purchase should be sent or delivered to the Tender and Information Agent at its address or to the facsimile number set forth on the back cover of this Offer to Purchase. Any Holder or beneficial owner that has questions concerning tender procedures should contact the Tender and Information Agent at its address and telephone number set forth on the back cover of this Offer to Purchase.

The Dealer Managers may contact Holders of Notes regarding this Offer to Purchase and may request brokers, dealers, custodian banks, depositories, trust companies and other nominees to forward this Offer to Purchase and related materials to beneficial owners of Notes.

The Dealer Managers and their affiliates have from time to time provided certain commercial banking, financial advisory and investment banking services to Volcan and its affiliates for which they have received customary fees. In the ordinary course of business, the Dealer Managers or their affiliates may at any time hold long or short positions, and may trade for their own account or the accounts of customers, in the debt or equity securities of Volcan or its affiliates, including any of the Notes and, to the extent that the Dealer Managers and their affiliates own Notes during the Tender Offer, they may tender such Notes pursuant to the terms of this Offer to Purchase. The Dealer Managers and their affiliates may from time to time in the future engage in future transactions with Volcan and its affiliates and provide services to Volcan and its affiliates in the ordinary course of their respective businesses.

None of the Dealer Managers, the Tender and Information Agent or the Trustee assumes any responsibility for the accuracy or completeness of the information concerning Volcan contained in this Offer to Purchase or for any failure by Volcan to disclose events that may have occurred and may affect the significance or accuracy of such information.

NONE OF VOLCAN, ITS BOARD OF DIRECTORS, THE DEALER MANAGERS, THE TENDER AND INFORMATION AGENT OR THE TRUSTEE OR ANY OF THEIR RESPECTIVE AFFILIATES IS MAKING ANY RECOMMENDATION AS TO WHETHER HOLDERS SHOULD TENDER ANY NOTES IN RESPONSE TO THE TENDER OFFER. HOLDERS MUST MAKE THEIR OWN DECISION AS TO WHETHER TO TENDER ANY OF THEIR NOTES AND, IF SO, THE PRINCIPAL AMOUNT OF NOTES TO TENDER.

MISCELLANEOUS

Volcan is not aware of any jurisdiction where the making of the Tender Offer is not in compliance with the laws of such jurisdiction. If Volcan becomes aware of any jurisdiction where the making of the Tender Offer would not be in compliance with such laws, Volcan will make a good faith effort to comply with any such laws or may seek to have such laws declared inapplicable to the Tender Offer. If, after such good faith effort, Volcan cannot comply with any such applicable laws, the Tender Offer will not be made to the Holders of Notes residing in each such jurisdiction. In any jurisdiction in which the securities laws or blue sky laws require the Tender Offer to be made by a licensed broker or dealer, the Tender Offer will be deemed to be made on behalf of Volcan by the Dealer Managers, or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

No person has been authorized to give any information or make any representation on behalf of Volcan that is not contained in the Offer to Purchase, and, if given or made, such information or representation should not be relied upon.

Recipients of this Offer to Purchase should not construe the contents hereof as legal, business or tax advice. Each recipient should consult its own attorney, business advisor and tax advisor as to legal, business, tax and related matters concerning the Tender Offer.

The Tender and Information Agent for the Tender Offer is:

GLOBAL BONDHOLDER SERVICES CORPORATION

*By Regular, Registered or Certified Mail;
Hand or Overnight Delivery:*

65 Broadway, Suite 404
New York, NY 10006
Attention: Corporate Actions

*By Facsimile Transmission
(For Eligible Institutions Only):*

+1 (212) 430-3775
Confirmation: +1 (212) 430-3774
Attention: Corporate Actions

Banks and Brokers: +1 (212) 430-3774
Toll free: +1 (866) 470-3700
International call: +1 (212) 430-3774
Email: contact@gbsc-usa.com

Any questions or requests for assistance or for additional copies of the Offer to Purchase may be directed to the Tender and Information Agent at one of its telephone numbers above. A Holder (or a beneficial owner that is not a Holder) may also contact any of the Dealer Managers at their telephone numbers set forth below or its broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer to Purchase.

The Dealer Managers for the Tender Offer are:

**Banco BTG Pactual S.A. – Cayman
Branch**

Debt Capital Markets
601 Lexington Avenue, 57th floor,
New York, New York 10022
United States
Collect: +1 (212) 293-4600
Email: OL-DCM@btgpactual.com

Citigroup Global Markets Inc.

Liability Management Group
388 Greenwich Street, 7th Floor
New York, New York 10013
United States
US Toll Free: +1 (800) 558-3745
Collect: +1 (212) 723-6106

**Santander
Investment
Securities Inc.**

Liability Management Team
45 East 53rd Street, 5th Floor
New York, New York 10022
United States
U.S. Toll-Free: +1 (855) 404-3636
Collect: +1 (212) 940-1442