

# Nexa Meets 2020 Production, Exceeds Sales Guidance and Provides 2020 Operational Results and 2021-2023 Guidance

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[Nexa Resources S.A.](#) (Nexa Resources; or Nexa; or the Company) (NYSE and TSX: NEXA) is pleased to announce operational results for the three- and twelve-month periods ended December 31, 2020 and provide its production and metal sales guidance for the three-year period 2021-2023. The Company is also providing cash cost, capital expenditures and other operating expenses guidance for 2021. The figures contained in this report are considered preliminary and are unaudited. The financial results for the fourth quarter and fiscal year 2020 will be published on Thursday, February 11, 2021 (after trading hours).

## 2020 Operational Highlights:

- Metal sales of 585kt exceeded 2020 guidance.
- 2020 mining production guidance was achieved in all metals.
- Zinc production of 92kt in 4Q20 was 11% higher than in 4Q19, positively affected by the solid performance of the Vazante and Cerro Lindo mines year-over-year.
- Metal sales volume of 162kt in 4Q20 was relatively flat year-over-year and 2% higher than in 3Q20 due to solid global demand.

## 2020 Cash Cost Highlights:

- Mining C1 cash costs of US\$0.39/lb in 2020 were 14% lower than the 2020 guidance, positively affected by higher by-product credits, resulting from better than expected LME prices, and cost reduction initiatives from the Nexa Way program.
- Smelting C1 cash costs of US\$0.80/lb in 2020 were 3% above our 2020 guidance, mainly driven by higher zinc prices (2020 estimates of US\$0.99/lb versus 2020 LME average price of US\$1.16/lb).

## 2021-2023 Guidance Highlights:

- 2021 production and sales guidance remain unchanged.
- 2022 production guidance has been marginally revised to be consistent with the updated mine plans. 2022 sales guidance remains unchanged.
- In 2021, zinc production at the mid-range of the guidance is estimated to increase 8% over 2020, as we expect to continue to operate at normal capacity utilization rates. For 2022, zinc production is estimated to increase 7% over 2021 due to the Aripuanã ramp up. For 2023, zinc production is estimated to decrease by 4% over 2022 as result of lower zinc head average grade.
- At the midpoint of 2021 guidance range, metal sales are estimated to increase 7% over 2020. For 2022-2023, metal sales are estimated to slightly increase to 615-640kt, as our smelters are estimated to continue operating at higher utilization rates and we expect to be selling what we produce.
- Mining segment C1 cash costs are estimated to decrease year-over-year to US\$0.33/lb of zinc sold in 2021. In addition to cost reduction initiatives, cash cost should be positively affected by an estimated decrease in treatment charges (TCs) and higher by-products metal prices.
- Market-related factors that benefit the mining segment; lower TCs and higher metal prices - have an opposite effect on the smelting segment and smelting C1 cash costs are estimated at US\$0.95/lb in 2021.
- Capital expenditures in 2021 are estimated to be US\$450 million, including US\$232 million investment in the Aripuanã project.
- 2021 exploration and project development expenses are estimated at US\$71 million.

CEO Message; Tito Martins

2020 was an unprecedented year. In a volatile and already uncertain scenario, COVID-19 presented

additional challenges to our operations and the entire supply chain. Our team's efforts and commitment enabled us to overcome these difficulties, and we are pleased to announce that we met our production guidance and that we exceeded our metal sales guidance.

The performance of our operations was also positively affected by the initiatives implemented under the Nexa Way program, which aims to improve our operational efficiency and reduce our costs. In our strategy we remain committed to deliver growth with capital discipline, pursuing the profitability of our business.

Protecting the health of our employees, third-party contractors and our host communities continues to be our highest priority. The business continuity measures we adopted since the beginning of the pandemic are expected to remain in place in 2021.

We remain focused on ensuring the sustainability of our business and we believe we will continue to deliver solid results.

Nexa has a unique position in Latin America, in low-risk mining jurisdictions with an attractive portfolio of growth projects. We believe we are on the right path to building mining of the future, creating value for all our stakeholders.

For full details, please visit our Investor Relations webpage at:

<http://ir.nexaresources.com>

E-mail: [ir@nexaresources.com](mailto:ir@nexaresources.com)

#### About Nexa Resources

Nexa is a large-scale, low-cost integrated zinc producer with over 60 years of experience developing and operating mining and smelting assets in Latin America. Nexa currently owns and operates five long-life underground mines - three located in the Central Andes of Peru and two located in the state of Minas Gerais in Brazil - and is developing the Aripuanã Project as its sixth underground mine in Mato Grosso, Brazil. Nexa was among the top five producers of mined zinc globally in 2020 and also one of the top five metallic zinc producers worldwide in 2020, according to Wood Mackenzie.

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#### Contact

Nexa Resources - Investor Relations  
Roberta Varella  
[ir@nexaresources.com](mailto:ir@nexaresources.com)

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