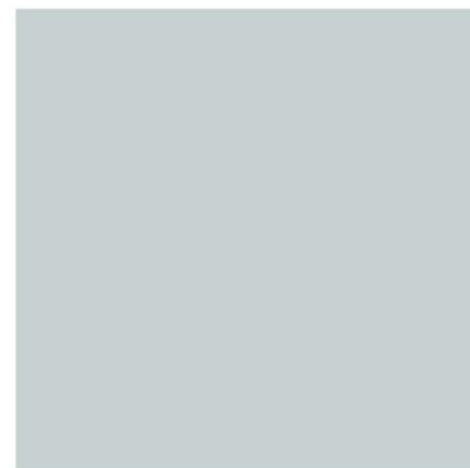
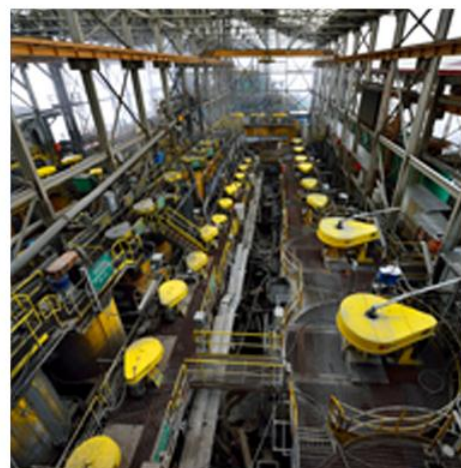
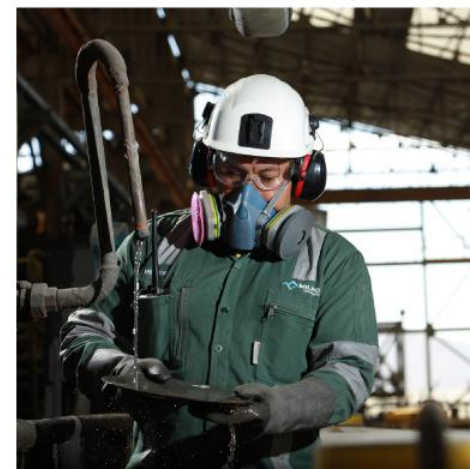


Company part of  **Votorantim**  
Metais



# CORPORATE PRESENTATION

Lima, August 2016



# Disclaimer

The information contained in this presentation concerning projections may be deemed to include statements which constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve a certain degree of risk and uncertainty with respect to business, financial, trend, strategy and other projections, and are based on assumptions, data or methods which although considered reasonable by Milpo at the time may turn out to be incorrect or imprecise, or may not be possible to realize, or may differ materially from actual results, due to a variety of factors. Milpo can not guarantee that expectations disclosed in this presentation will prove to be correct and does not undertake, and specifically disclaims any obligation to update any forward-looking statements, which speak only for the date they are made.

The market and competitive position data used throughout this presentation were obtained from internal surveys, market research, publicly available information and industry publications. Although Milpo has no reason to believe that any of this information or these reports are inaccurate in any material respect, Milpo has not independently verified the competitive position, market share, market size, or other data provided by third parties or by industry or other publications and therefore do not make any representation as to the accuracy of such information.

This presentation and its contents are proprietary information and may not be reproduced or otherwise disseminated in whole or in part without Milpo's prior written consent.

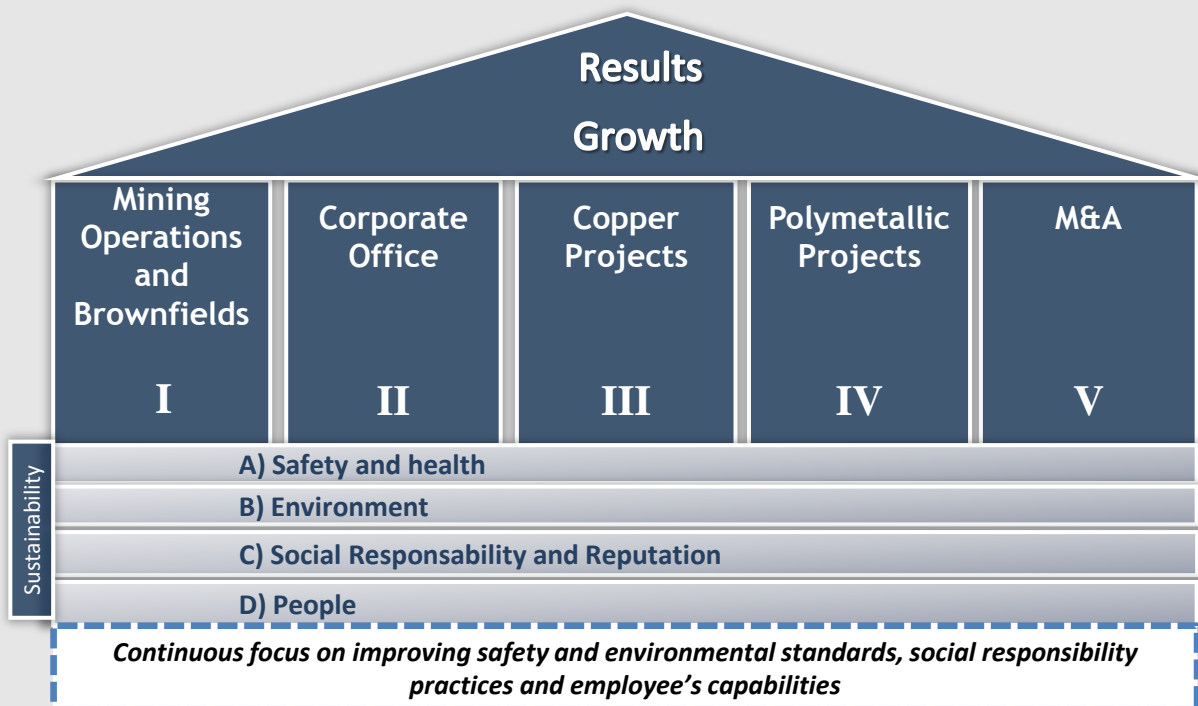
# Business Strategy

Victor Gobitz – CEO





# Milpo 5-pillar corporate strategy continues to be executed focused on optimizing its current operations and developing key aspects for its greenfield projects



## Pillar I

### Pasco Complex (El Porvenir and Atacocha):

- ✓ The 3<sup>rd</sup> stage (new energy transmission line 138Kv for both processing plants) has been completed and its operation is expected to begin in the following days.
- ✓ The 4<sup>th</sup> stage will be El Porvenir's underground mine deepening.

### Atacocha:

- ✓ Implementation of the small open pit San Gerardo continues.
- ✓ Atacocha's processing plant maintenance scheduled for August 2016.

### Cerro Lindo:

- ✓ Project to increase capacity to 20k tpd in progress.
- ✓ Negotiations with Chavin rural community to increase project's footprint and execute additional brownfield exploration.

## Pillar II

Focus on employees development system

## Pillar III/IV

### Magistral

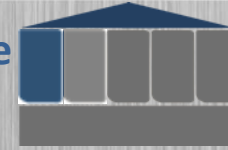
- ✓ Final phase of the EIA's approval (30k tpd)
- ✓ Feasibility study approved (10k tpd) with positive economics using long term prices scenario.

## Pillar V

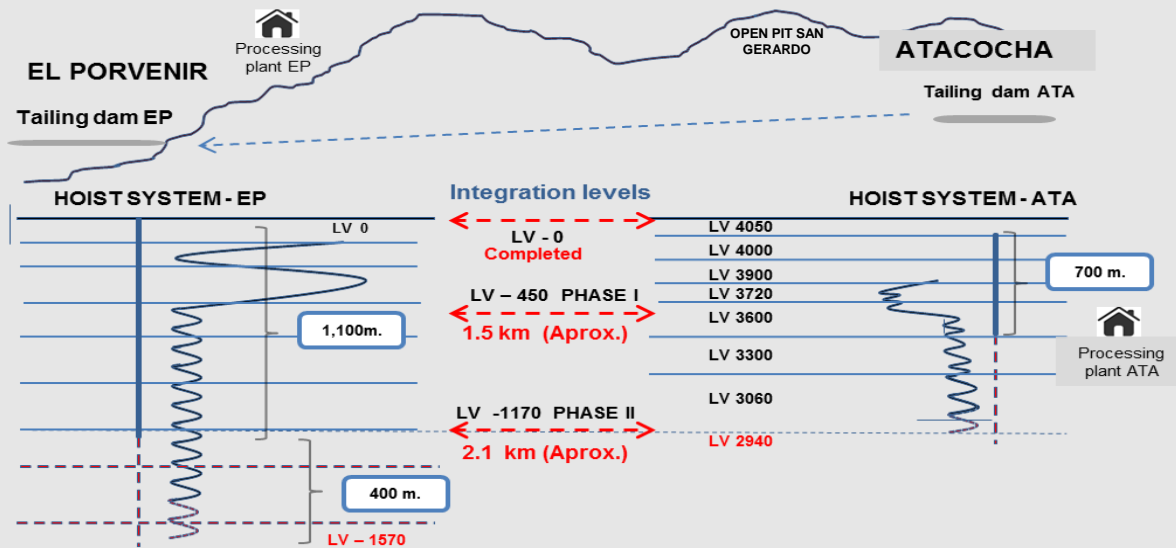
### Michiquillay

- ✓ Definition of next steps in progress.

# In terms of its operating units, the operational integration between the Pasco Units continues as planned



## EL PORVENIR AND ATACOCCHA OPERATIONAL INTEGRATION (CROSS SECTION)



### 1<sup>st</sup> stage

Administrative  
integration

- One administrative team for both plants.

### 2<sup>nd</sup> stage

Tailing dam  
integration

- One tailings deposit for both processing plants (An innovative technical development in Perú).

### 3<sup>rd</sup> stage

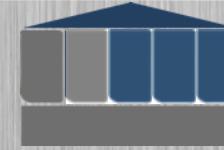
Energy transmission  
line integration

- One new energy line for both processing plants.

### 4<sup>th</sup> stage

Mine's integration

- One hoist system for both mines.
- Possibility to access reserves and resources in Atacocha's deepest zones, through El Porvenir's infrastructure.
- Possibility to add ore resources in the integration area (between both mines).



# In terms of its Greenfield projects, Milpo continues focused on developing key engineering and environmental aspects



## MAGISTRAL

- Prefeasibility study for a 30k tpd capacity

## 2014/2015

- Feasibility study for a 10k tpd capacity submitted to PROINVERSION
- EIA for a 30k tpd capacity submitted to the Ministry of Energy and Mines

## 1S16

- Feasibility study approved by PROINVERSION for a 10k tpd capacity
- Final phase of the EIA's approval for a 30k tpd capacity by the Ministry of Energy and Mines
- Capex optimization in progress

## PUKAQAQA

- Prefeasibility study for a 30k tpd capacity
- Footprint in 4 communities

- Scoping study for a 10k tpd capacity
- EIA approved for a 30k tpd capacity

- Scoping study for a 10k tpd capacity
- EIA approved for a 30k tpd capacity

## CHAPI

- Operations suspended
- Care and maintenance

- Care and maintenance

- Project's redefinition as a copper underground mine with presence of gold mineralization
- EIA for a 3k tpd capacity submitted for approval by the Ministry of Energy and Mines

## HILARION

- Scoping study for a 10k tpd capacity, considering an underground processing plant

- Design of a 5Ktpd capacity operation, with a surface processing plant

- Design of a 5Ktpd capacity operation, with a surface processing plant

## M&A activities

### SHALIPAYCO (75%) Acquisition 2015

- Prefeasibility for a 3k tpd capacity
- Study of different alternatives to initiate production sooner (tolling)

- Prefeasibility for a 3k tpd capacity
- Study of different alternatives to initiate production sooner (tolling)
- Participation consolidated at 75%

### ARIPUANA (7.7%) Acquisition 2014

- Engineering study for a 5ktpd capacity in progress
- EIA submitted for approval

- Engineering study for a 5ktpd capacity in progress
- EIA submitted for approval

### BONGARA (70%) Acquisition 2014

- Road Construction in progress

- Road Construction in progress

### MICHICUILLAY

- Self-sustained Initiative presented to PROINVERSION by mid 2015

- Definition of next steps in progress

Greenfield  
Copper  
Projects

Greenfield  
Polymetallic  
Projects

# Operational and Financial Results 2Q16 vs. 2Q15

Claudia Torres – CFO

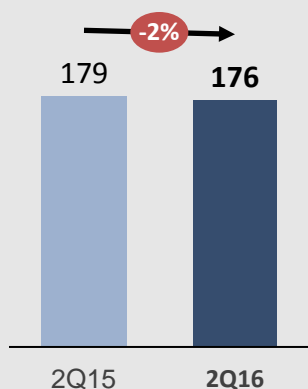
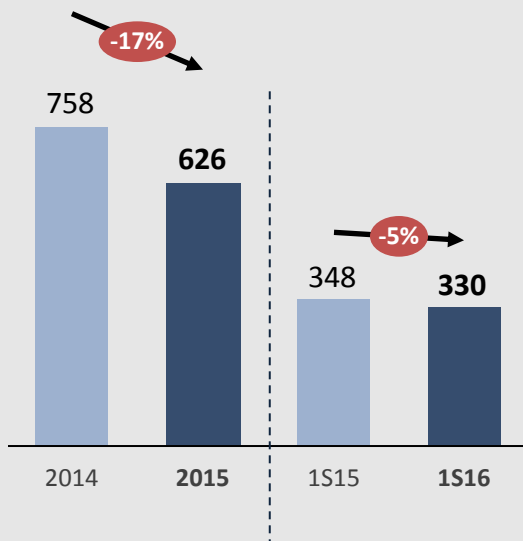




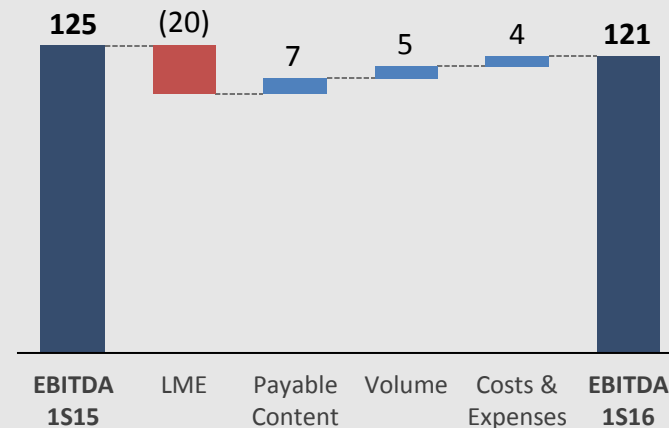
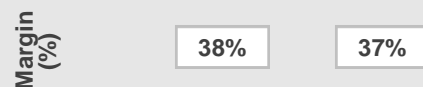
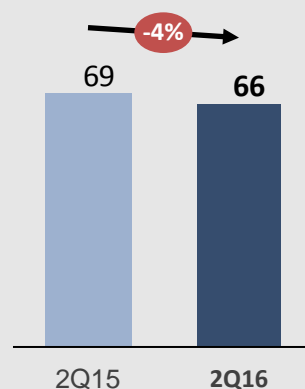
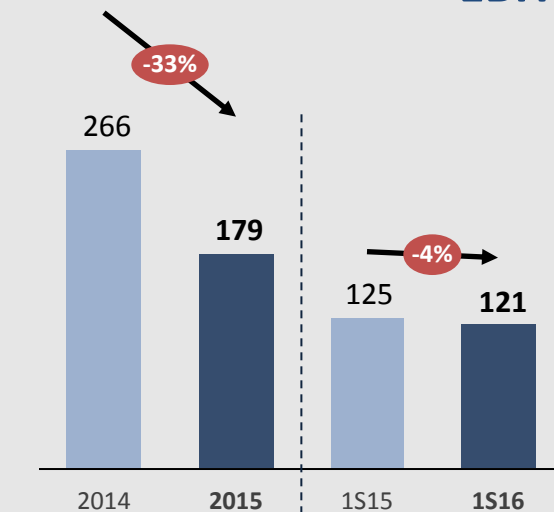
# 1S16 EBITDA Margin rose to 36%, similar to that of 1S15 in spite of lower revenues



## REVENUES (US\$ million)



## EBITDA (US\$ million)



## Highlights 1S15 vs. 1S16

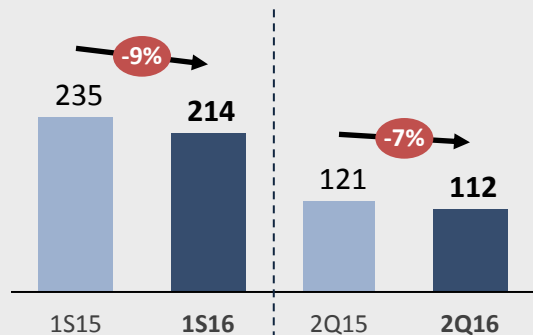
- Revenues of US\$ 330 million, 5% decrease due to lower metal prices.
- EBITDA of US\$ 121 million, 4% decrease due to lower revenues almost offsetted by the higher copper, lead and silver production and the lower costs and expenses.





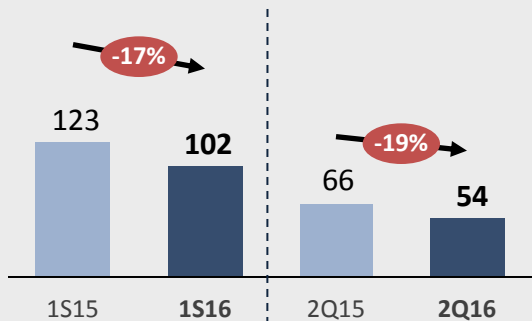
## CERRO LINDO

### REVENUES (US\$ million)



ZINC: -8% ↓ COPPER: +16% ↑  
LEAD: -12% ↓ SILVER: +1% ↑

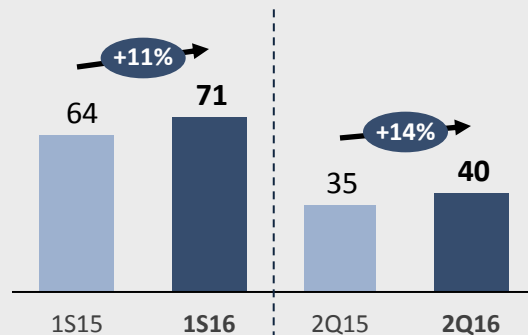
### EBITDA (US\$ million)



Margin (%) 52% 47% 55% 48%

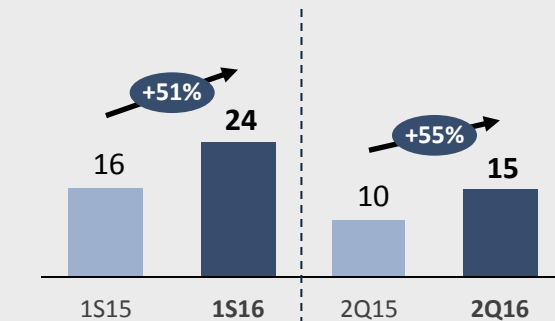
## EL PORVENIR

### REVENUES (US\$ million)



ZINC: +5% ↑ COPPER: -50% ↓  
LEAD: +20% ↑ SILVER: +18% ↑

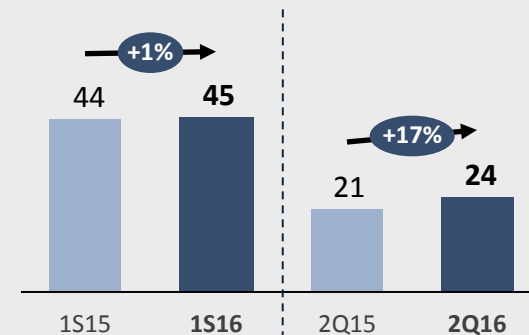
### EBITDA (US\$ million)



Margin (%) 25% 34% 28% 38%

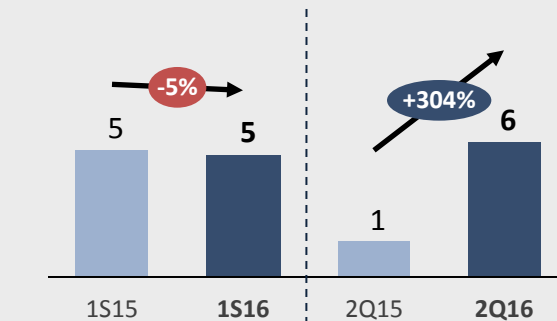
## ATACOCHA

### REVENUES (US\$ million)



ZINC: -26% ↓ COPPER: -69% ↓  
LEAD: +14% ↑ SILVER: +19% ↑  
GOLD: +64% ↑

### EBITDA (US\$ million)

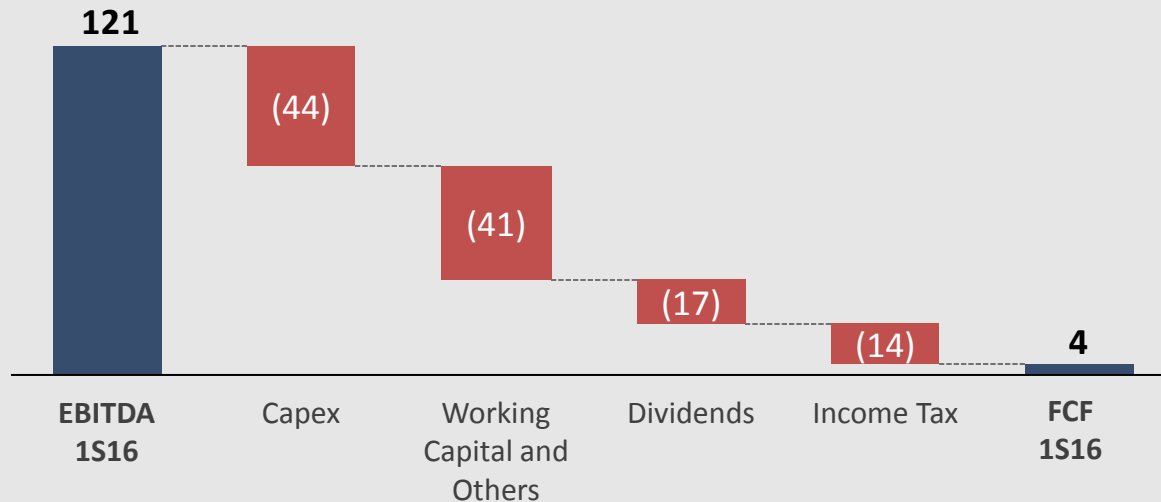


Margin (%) 12% 11% 7% 23%

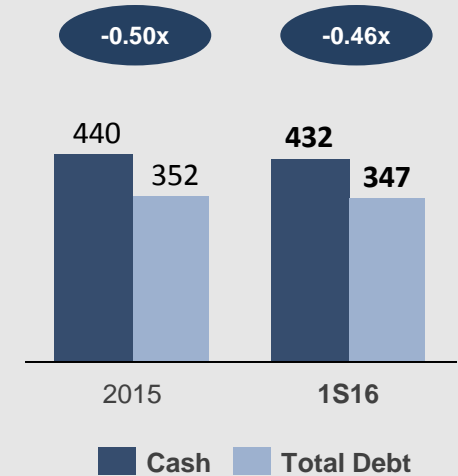
EBITDA generation allowed a positive free cash flow in 1S16, maintaining a high liquidity and low indebtedness position



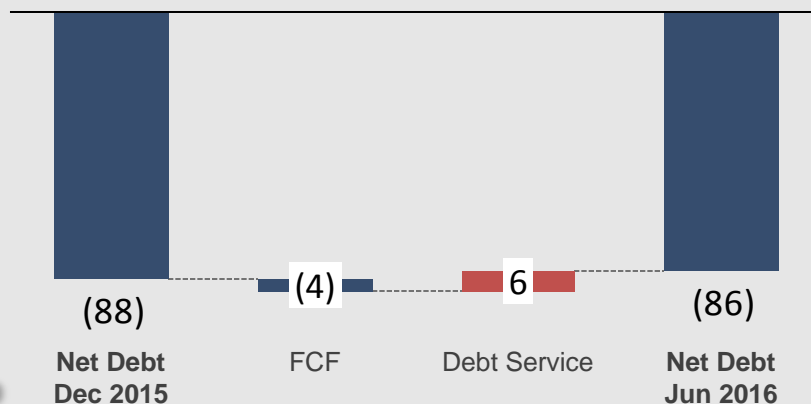
### 1S16 Free Cash Flow Generation (US\$ million)



### Net Debt/EBITDA (x times)



### Net Debt Evolution as of June 2016 (US\$ million)



### Global Credit Ratings

**Fitch Ratings**

(BBB-) Negative

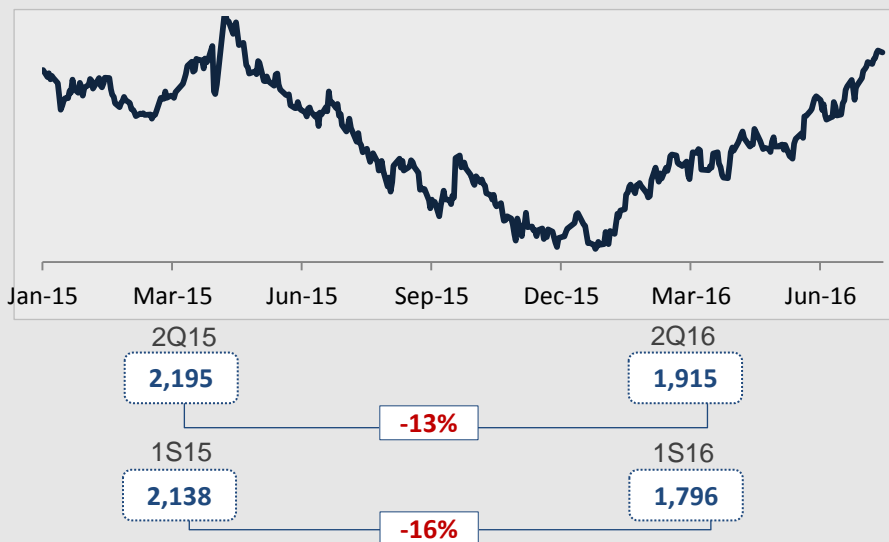
**STANDARD & POOR'S**

(BB) Stable

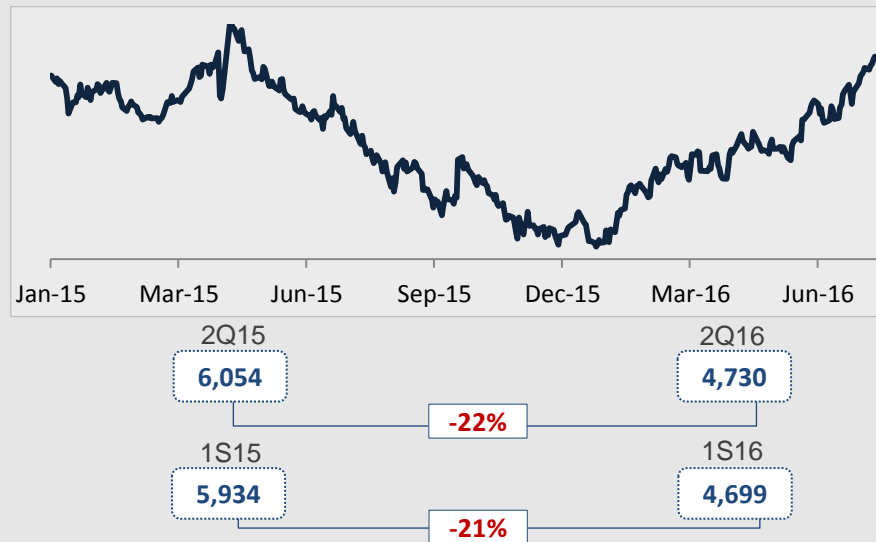
The positive financial results registered in 1S16 and 2Q16 were obtained in spite of the lower metal prices YoY ...



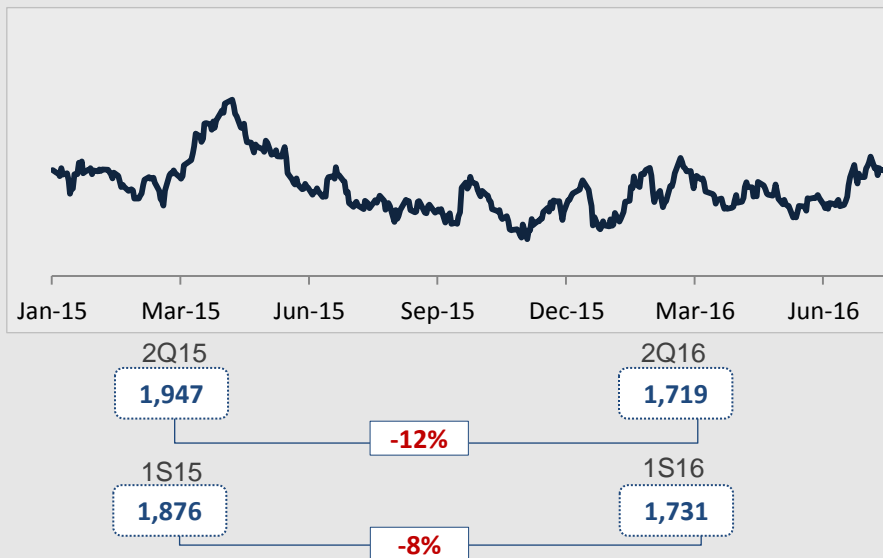
### ZINC (US\$ / t)



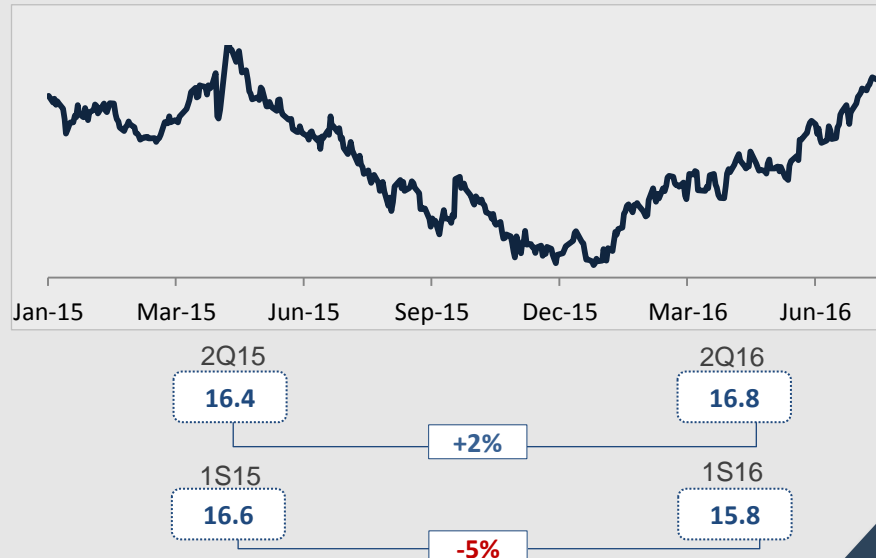
### COPPER (US\$ / t)



### LEAD (US\$ / t)



### SILVER (US\$ / oz)

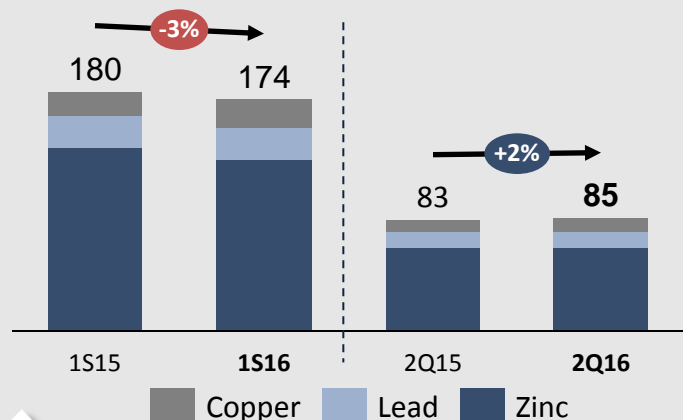
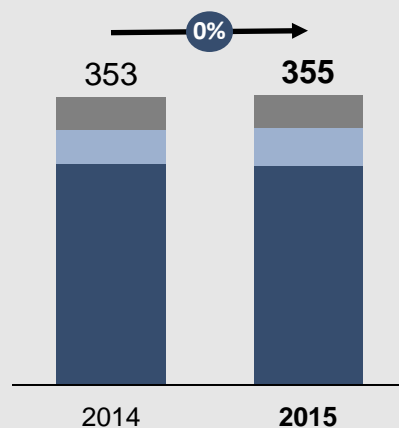


... and were supported by the higher copper, lead and silver content produced ...



## Fine content in concentrates production (thousand of tonnes)

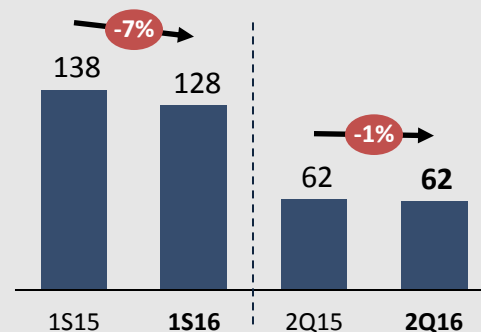
### Consolidated



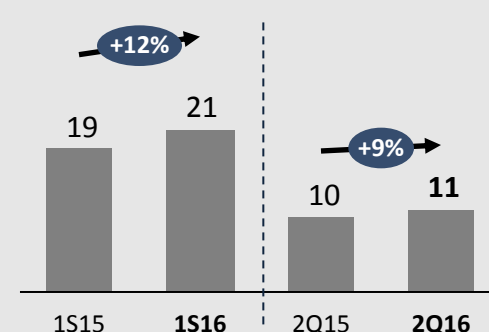
■ Copper ■ Lead ■ Zinc

### By metal

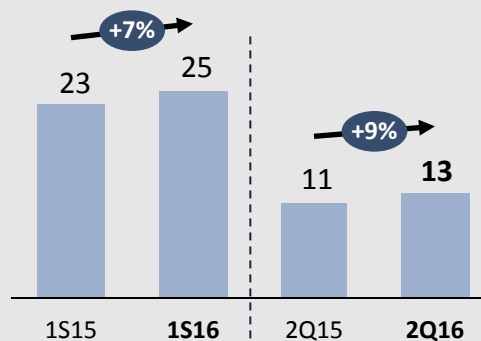
#### Zinc (thousand of tonnes)



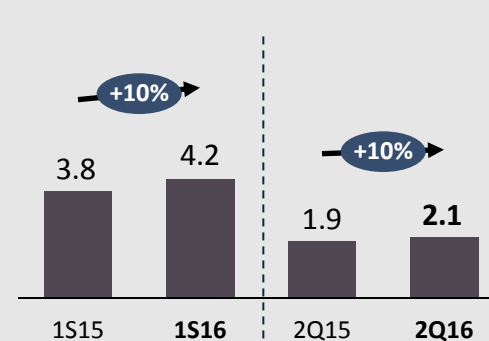
#### Copper (thousand of tonnes)



#### Lead (thousand of tonnes)



#### Silver (million of ounces)

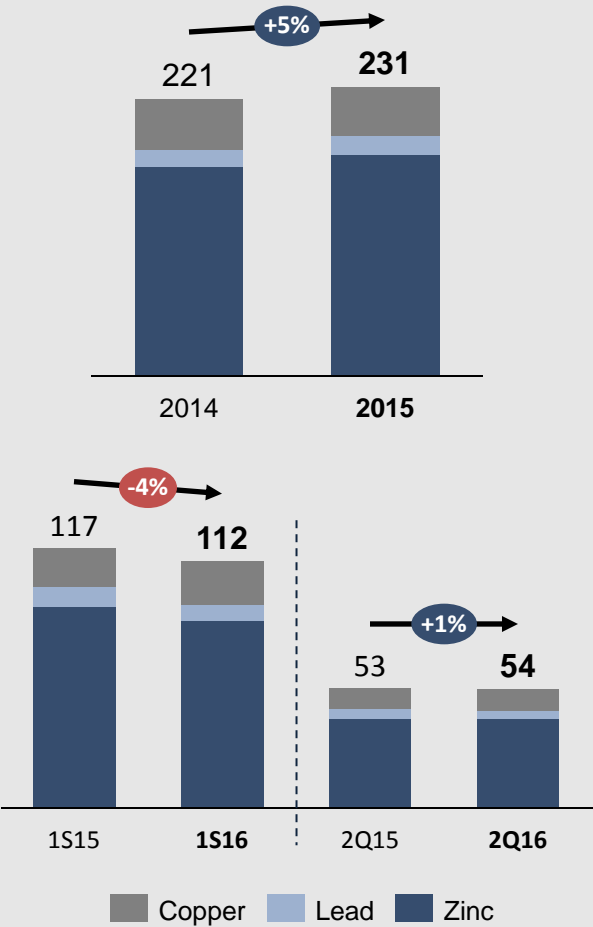




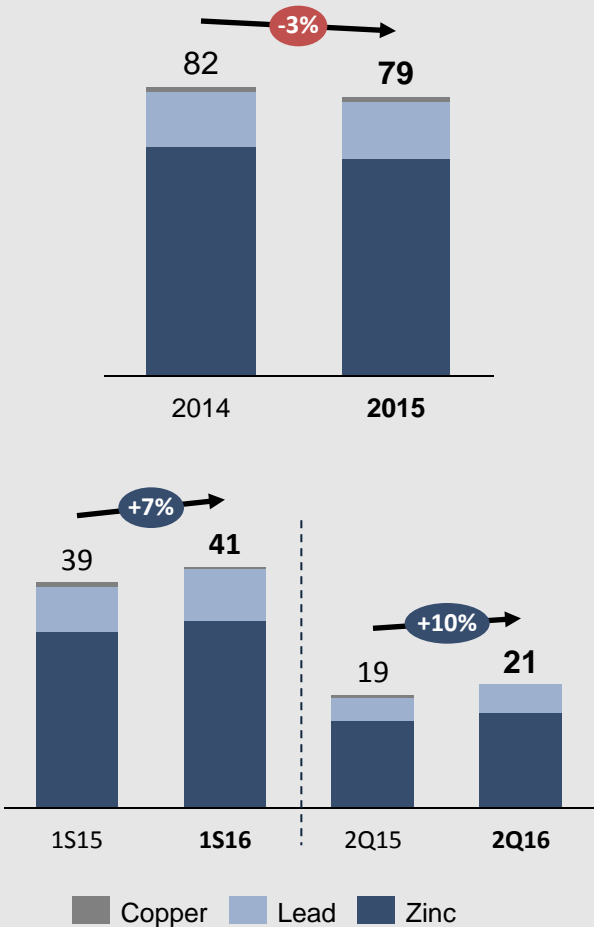


Fine content in concentrates production  
(thousand of tonnes)

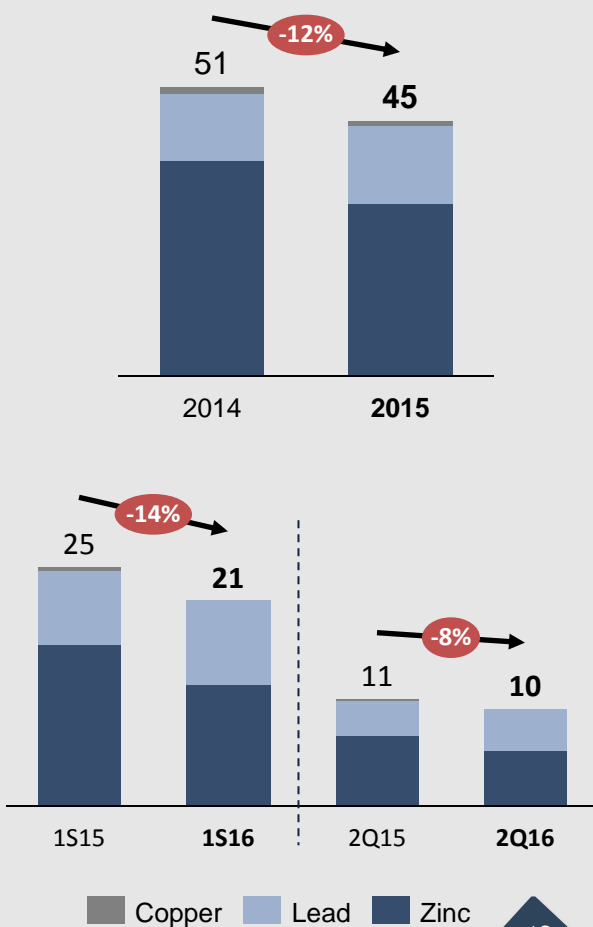
CERRO LINDO



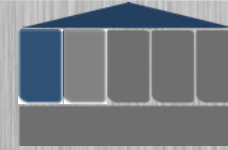
EL PORVENIR



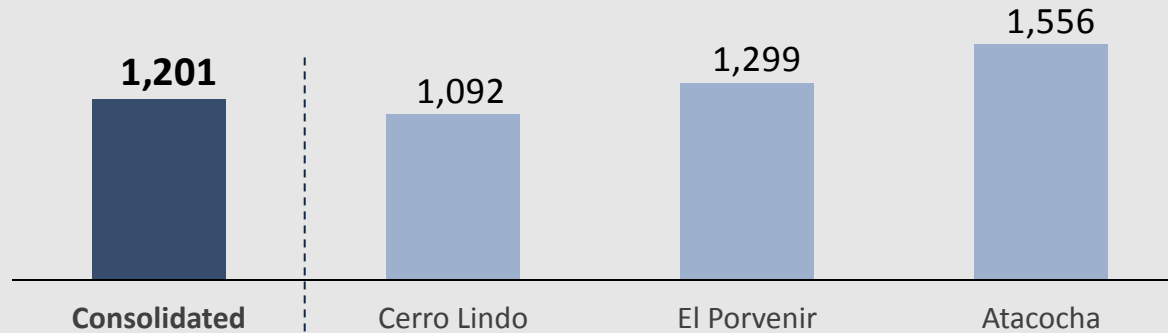
ATACOCHA



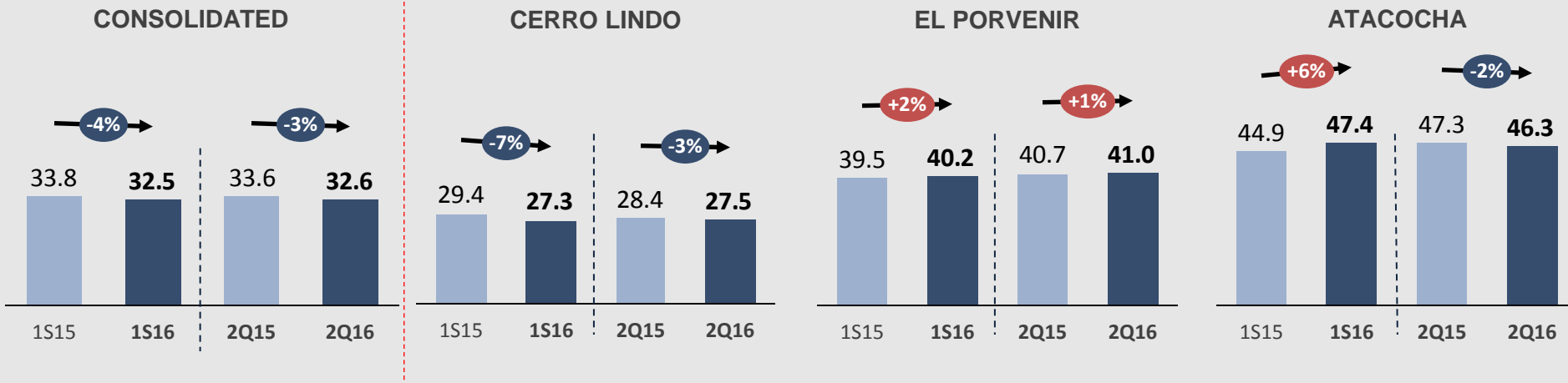
... as well as by the lower consolidated cash costs



## Cash Cost US\$/t Zinc equivalent 1S16



## Cash Cost US\$/t rom

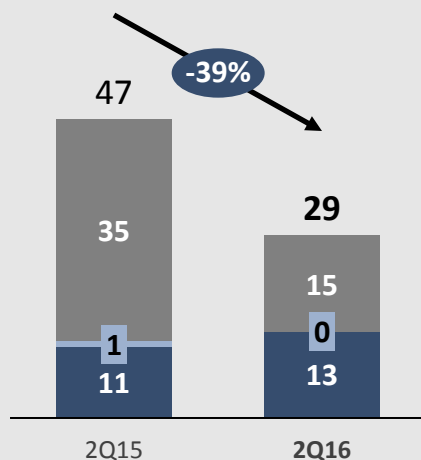
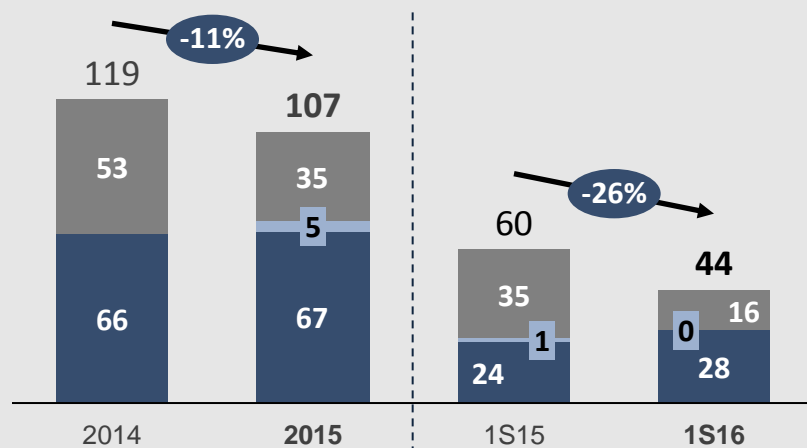


Milpo maintains its position as a low-cost mining producer

A conservative CAPEX invested in 1S16 also contributed to the cash flow generated in the period

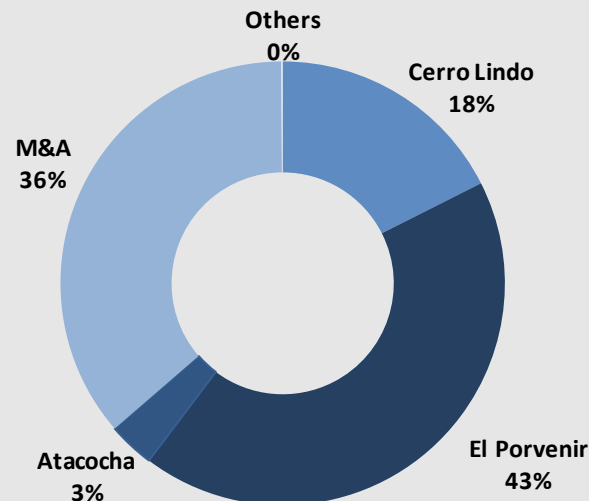


### Capex (US\$ million)



■ M&A ■ Expansion ■ Sustaining and Others

### 1S16 Capex breakdown per unit



Total US\$ 44MM

#### Main Investments during 1S16:

- Tailing dam elevation at El Porvenir, related to the operational integration with Atacocha.
- Electric substation and transmission line related to the operational integration between the Pasco mining units.
- New fresh water line 10" for Cerro Lindo's desalination plant.

# Closing Remarks

Victor Gobitz – CEO





## Closing Remarks

- Positive free cash flow generation in 1S16 in spite of lower metal prices due to:
  - ✓ Milpo's corporate strategy applied to optimize its operating units productivity.
  - ✓ Investments focused on prioritizing only the developing of key aspects for the Greenfield projects.
  
- The aforementioned cash flow generation allowed the company to maintain a negative leverage ratio with a high liquidity position which also will allow the development of organic and non-organic drivers to grow.

# About Milpo

Compañía Minera Milpo S.A.A. (Milpo) is a Peruvian mining company dedicated to the exploration, extraction, processing and marketing of zinc, copper and lead concentrates, with silver and gold content; it is currently one of the main polymetallic producers in Peru. Milpo develops its operations with a clear social responsibility and environmental commitment.

Since 2010, Milpo is part of Votorantim Metais Holding (VMH), the metal and mining company of Votorantim Group, a strong global industrial conglomerate and diversified that has over 90 years of history and presence in key sectors of the economy, in more than 20 countries.

Currently, Milpo maintains three polymetallic underground mining units in operation, Cerro Lindo (Ica), El Porvenir (Pasco) and Atacocha (Pasco). It has also a portfolio of copper and polymetallic Greenfield projects with advanced exploration.

For further information:

Visit our website at: [www.milpo.com](http://www.milpo.com) or [ri.milpo.com](http://ri.milpo.com) or contact: [investorrelations@milpo.com](mailto:investorrelations@milpo.com)

