



Corporate Presentation

// Lima, May 2017 //

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Agenda

1

Business Strategy

Tito Martins - CEO

2

Operational and Financial Results

Claudia Torres - CFO

3

Closing Remarks

Tito Martins - CEO

During 1Q17, Milpo continued executing its 5-pillar corporate strategy

EBITDA: US\$ 78 MM
Net debt to EBITDA: -1.18x

Pillar I

Pasco Complex Integration (El Porvenir and Atacocha):

- ✓ After completing the 2nd (tailing dam) and 3rd (energy transmission line) stages, the 4th stage continues in progress with the integration of the underground mines and processing plants

Atacocha:

- ✓ Treated ore coming from both the underground mine and the open pit San Gerardo

Cerro Lindo:

- ✓ Project and authorizations to increase capacity to 20k tpd in progress

Results + Growth

Mining
Operations
and
Brownfields

I

Corporate
Office

II

Copper
Projects

III

Polymetallic
Projects

IV

M&A

V

Sustainability

A) Safety and health

B) Environment

C) Social Responsibility and Reputation

D) People

Continuous focus on improving safety and environmental standards, social responsibility practices and employee's capabilities

Pillar II

- ✓ SDV (employees development system) currently focused on employees evaluation and self assessments

Pillar III and IV

- ✓ Studies continue in relation with the projects, mainly for **Magistral**, **Aripuaná** and **Shalipayco**

Pillar V

- ✓ Opportunities to be analyzed in accordance to Milpo's defined strategy

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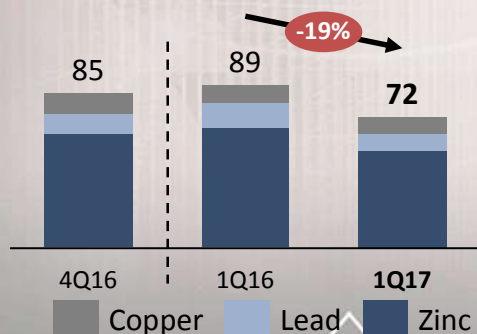
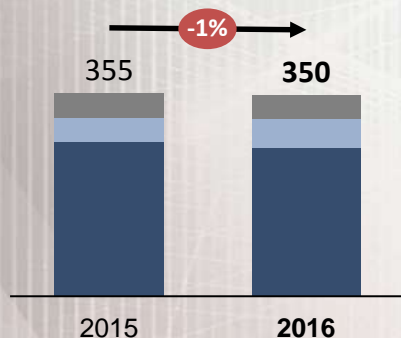
Closing Remarks

Tito Martins - CEO

During 1Q17, lower treated ore, mainly at El Porvenir, and lower grades, generated lower volumes of fine content production

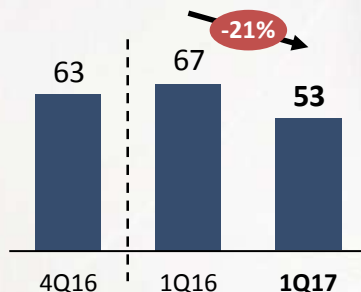
Fine content in concentrates production

Consolidated (thousand of tonnes)

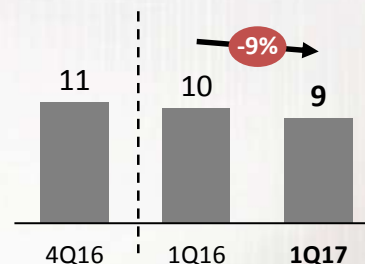


By metal

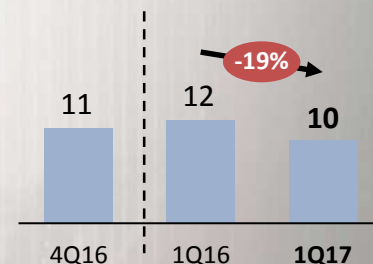
Zinc (thousand of tonnes)



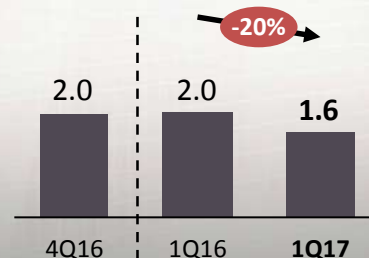
Copper (thousand of tonnes)



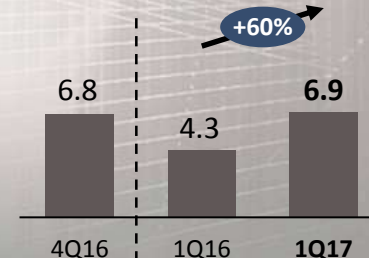
Lead (thousand of tonnes)



Silver (million of ounces)



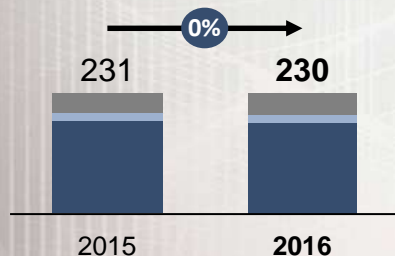
Gold (Pasco Units) (thousand of ounces)



Operational performance by mining unit

Fine content in concentrates production (thousand of tonnes)

CERRO LINDO



Silver (MM oz)

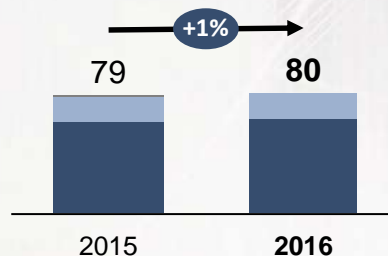
3.3

3.6

+8%

Gold (000 oz)

EL PORVENIR



2015

2016

2.6

2.7

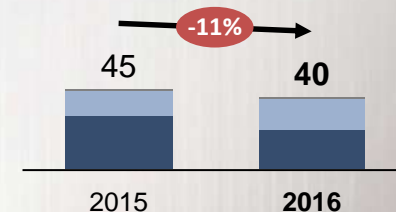
+3%

8.3

9.0

+8%

ATACOCHA



2015

2016

1.7

2.0

+19%

5.7

14.7

+158%

Silver (MM oz)

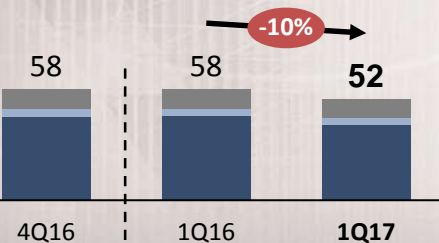
0.9

0.8

0.8

-1%

Gold (000 oz)



4Q16

1Q16

1Q17

0.9

0.8

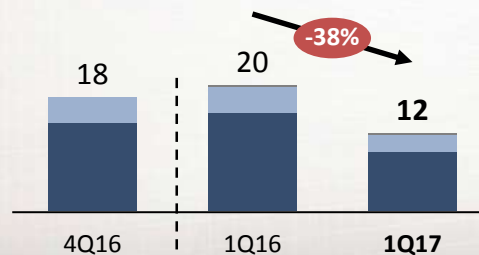
0.8

-1%

4Q16

1Q16

1Q17



4Q16

1Q16

1Q17

0.6

0.7

0.5

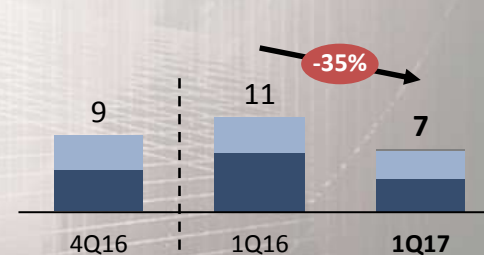
-30%

2.1

2.2

1.8

-16%



4Q16

1Q16

1Q17

0.4

0.5

0.4

-35%

4.6

2.2

5.1

+137%

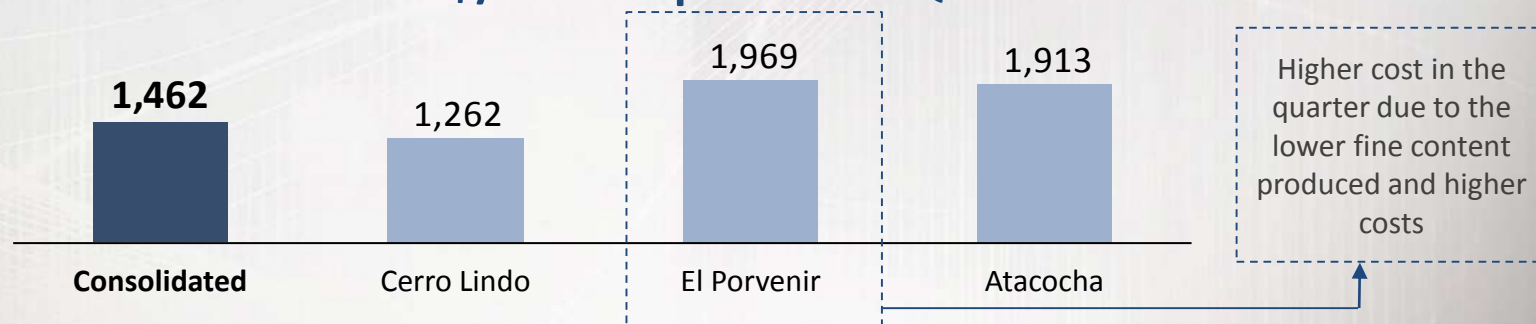
Copper Lead Zinc

Copper Lead Zinc

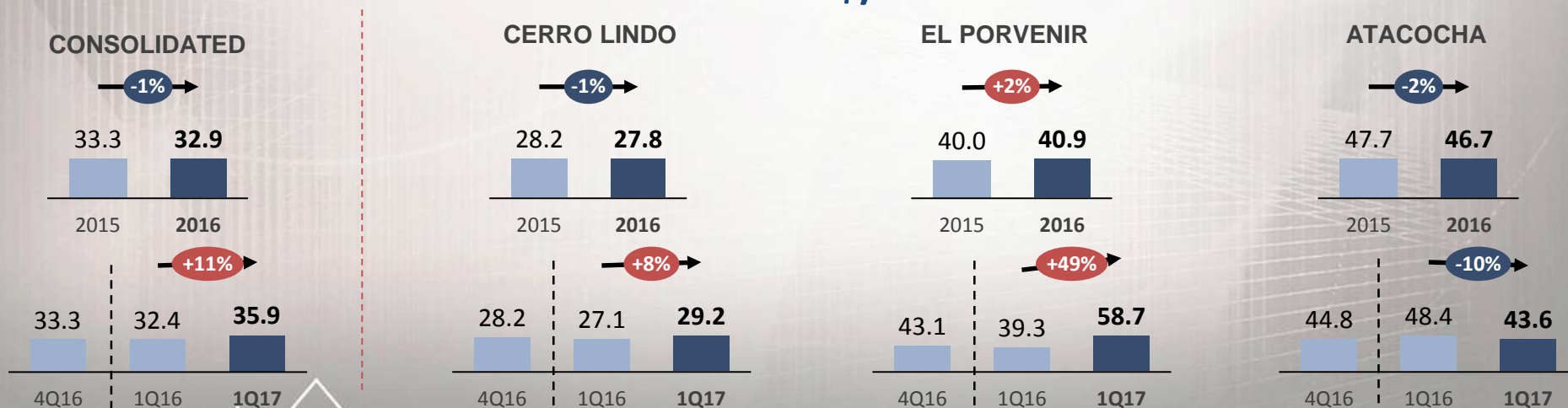
Copper Lead Zinc

Lower treated ore and increased sustainment costs (shotcrete) impacted the cash costs

Cash Cost US\$/t Zinc equivalent 1Q17



Cash Cost US\$/t rom



Higher metal prices compensated lower production

ZINC (US\$ / t)



COPPER (US\$ / t)



LEAD (US\$ / t)

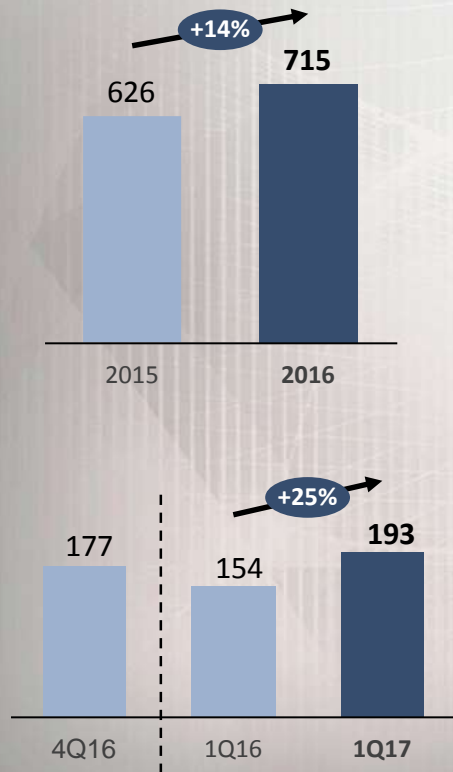


SILVER (US\$ / oz)

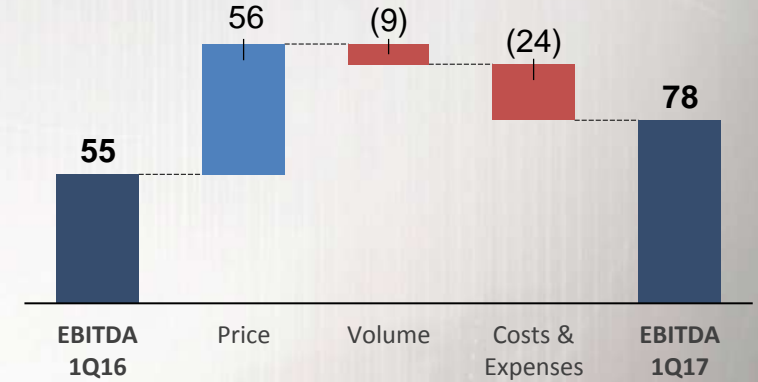
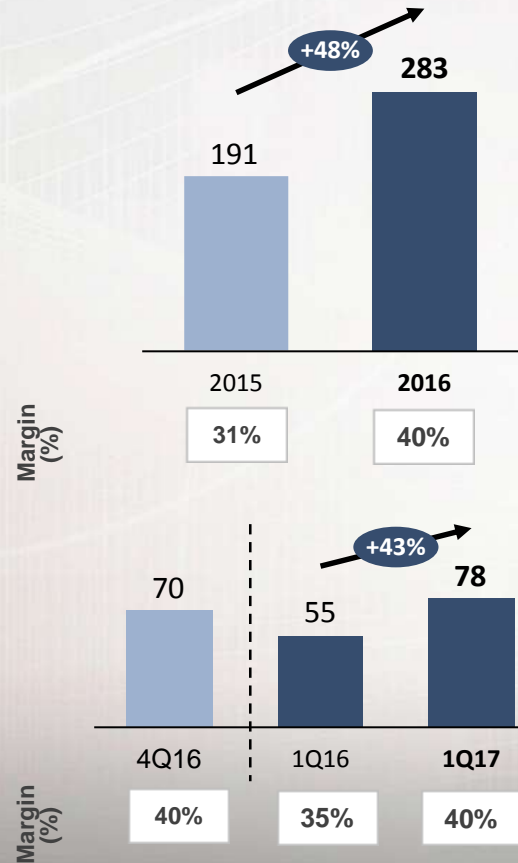


1Q17 EBITDA Margin rose to 40%, higher than that of 1Q16 due to higher revenues

REVENUES (US\$ million)



EBITDA (US\$ million)



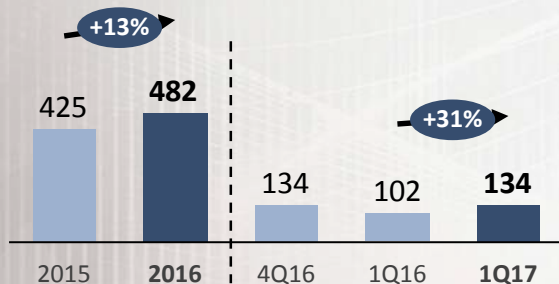
Highlights 1Q16 vs.1Q17

- Revenues of US\$ 193 million, 25% increase due to higher metal prices, mainly of zinc and copper.
- EBITDA of US\$ 78 million, 43% increase due to higher revenues.

Financial performance by mining unit

CERRO LINDO

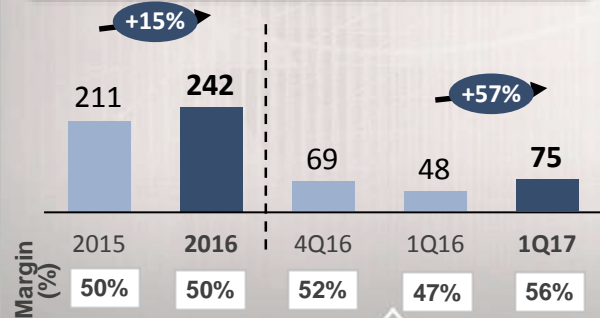
REVENUES (US\$ million)



Fine Content 1Q17:

ZINC:	↓ -11%	COPPER:	↓ -9%
LEAD:	↓ -3%	SILVER:	↓ -1%

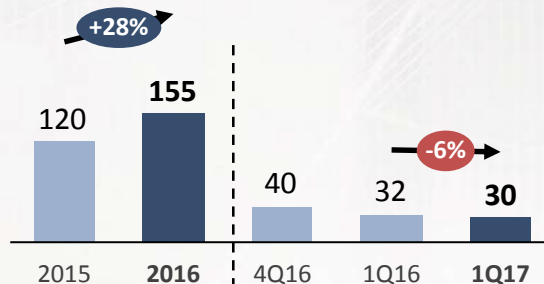
EBITDA (US\$ million)



Margin (%)	50%	50%	52%	47%	56%
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EL PORVENIR

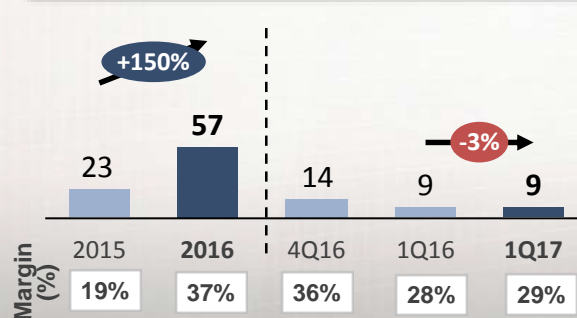
REVENUES (US\$ million)



Fine Content 1Q17:

ZINC:	↓ -40%	COPPER:	↓ -12%
LEAD:	↓ -34%	SILVER:	↓ -30%

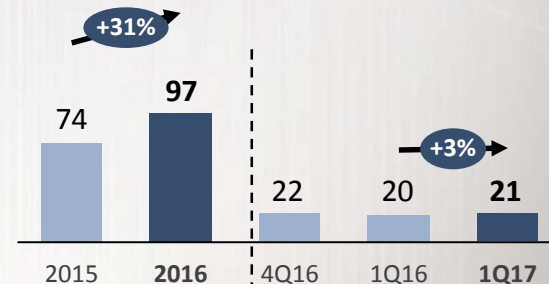
EBITDA (US\$ million)



Margin (%)	19%	37%	36%	28%	29%
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ATACOCHA

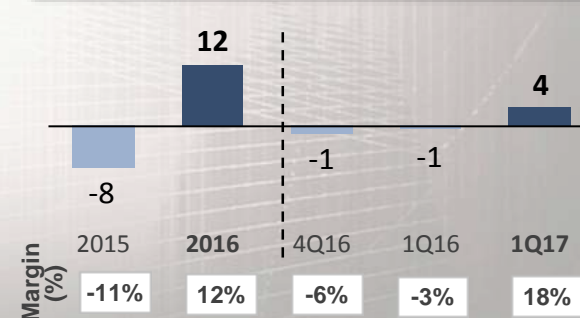
REVENUES (US\$ million)



Fine Content 1Q17:

ZINC:	↓ -44%	COPPER:	↓ -66%
LEAD:	↓ -20%	SILVER:	↓ -35%
		GOLD:	↑ +137%

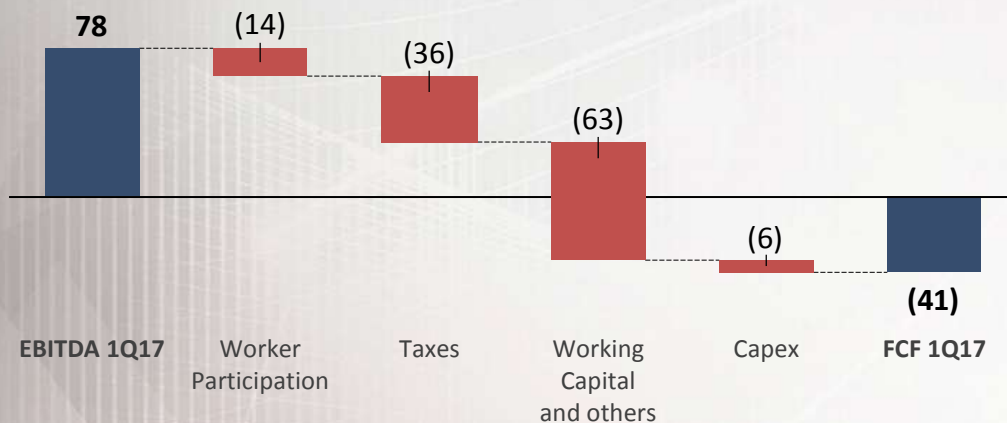
EBITDA (US\$ million)



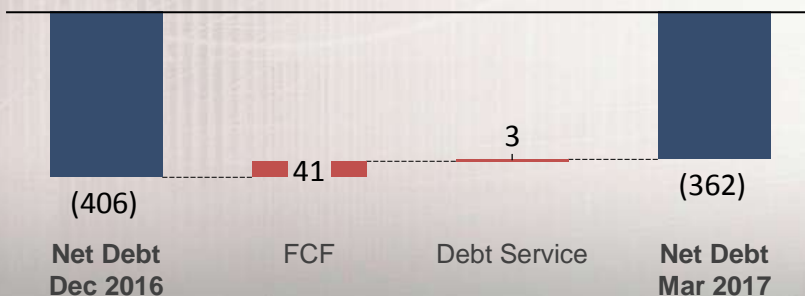
Margin (%)	-11%	12%	-6%	-3%	18%
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As of March 2017, Milpo maintains its high liquidity, low indebtedness position

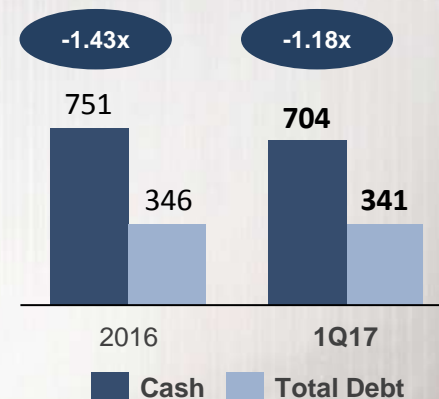
Free Cash Flow Generation (US\$ million)



Net Debt Evolution as of March 2017 (US\$ million)



Net Debt/EBITDA (x times)



Global Credit Ratings

Fitch Ratings

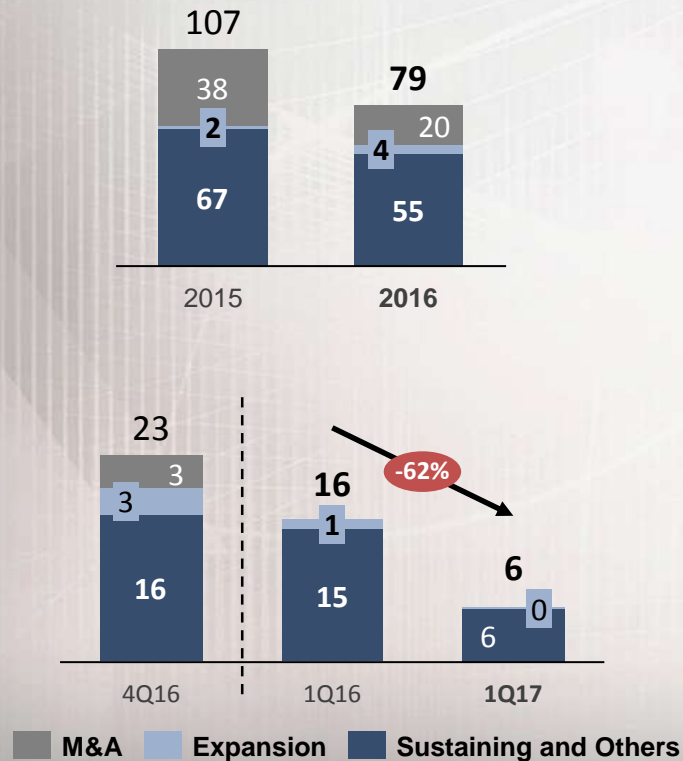
(BBB-) Negative

STANDARD & POOR'S

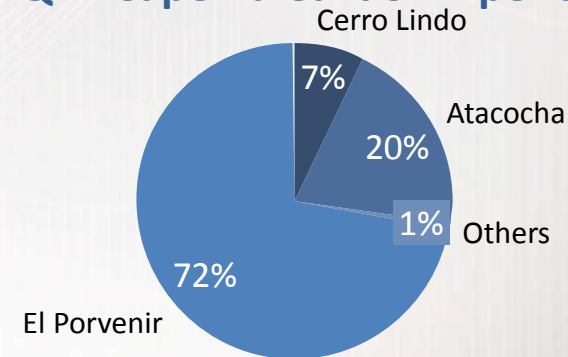
(BB+) Negative

During 1Q17, the CapEx invested was focused on the Pasco Integration

Capex (US\$ million)



1Q17 Capex breakdown per unit



Total US\$ 6 MM

Main Investments during 1Q17:

- Tailing dam elevation at El Porvenir and replacement of the tailings pipes.
- Deepening of the shaft at El Porvenir.

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Closing Remarks

Tito Martins - CEO

Closing Remarks

- Higher metal prices allowed the company to continue improving its financial results. Decisions such as increasing the production capacity of Cerro Lindo and continuing with the implementation of the Glory Hole San Gerardo at Atacocha will help stabilize production, returning to its previous levels, in the following months.
- The operational integration process of The Pasco Complex continues with the fourth and final stage and will also help to improve Milpo's operational results.
- Milpo continues with the definition of the next steps for its greenfield projects, prioritizing those with more maturity and in line with the company's growth strategy.
- Milpo's solid financial position and low indebtedness will allow the company to develop its future plans and adequately address volatile market conditions.

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Q&A

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