



Corporate Presentation

Second Quarter Results

// Lima, August 2017 //

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.

Agenda

1

Business Strategy

Tito Martins - CEO

2

Operational and Financial Results

Claudia Torres - CFO

3

Closing Remarks

Tito Martins - CEO

Milpo continues executing its 5-pillar corporate strategy

EBITDA 1S17: US\$ 167 MM
Net debt to EBITDA: -1.20x

Pillar I

Pasco Complex Integration (El Porvenir and Atacocha):

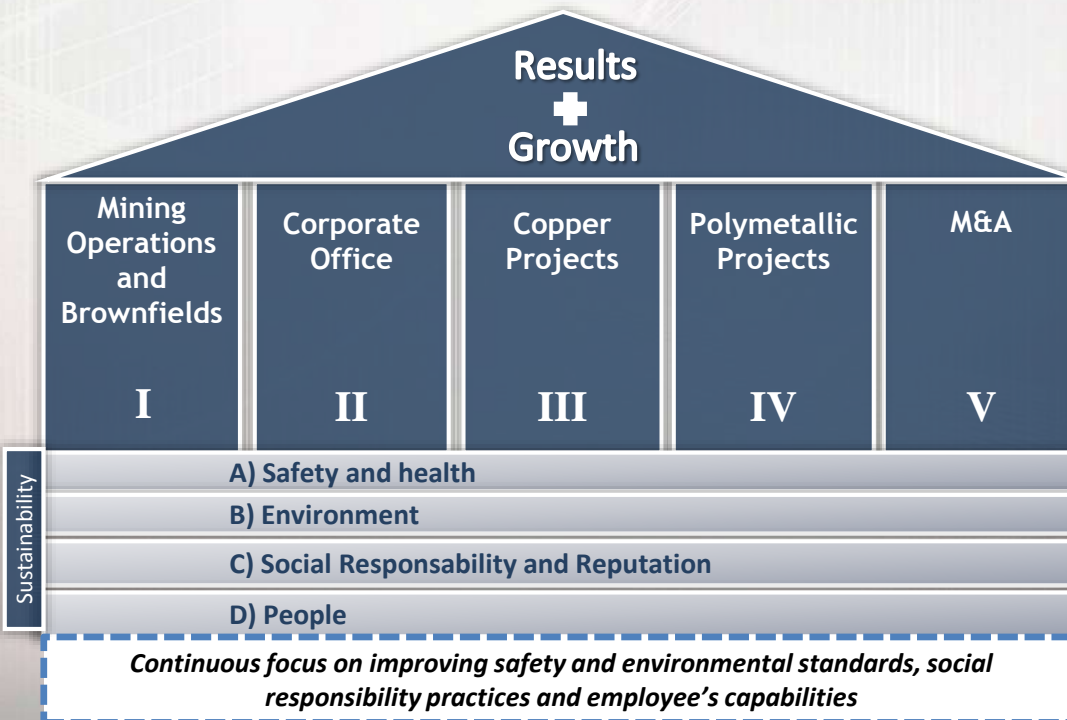
- ✓ The 4th and final stage continues in progress with the integration of the underground mines and processing plants.

Atacocha:

- ✓ Glory Hole San Gerardo continues to contribute with incremental silver and gold contents and lower mining costs; and is operating in parallel to the underground mine.

Cerro Lindo:

- ✓ Production capacity at 20k tpd recently authorized.



Pillar II

- ✓ SDV (employees development system) currently focused on the discussion of individual performance through Personnel Committees.

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 with Milpo's strategy.
- ✓ Sale of Rayrock Ltda., owner of Ivan mine, to Coro Mining Corp. for US\$ 6.2 million.

Agenda

1

Business Strategy

Tito Martins - CEO

2

Operational and Financial Results

Claudia Torres - CFO

3

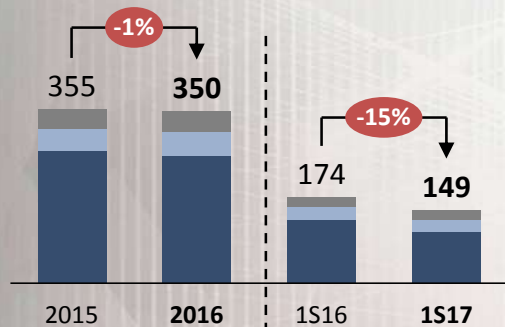
Closing Remarks

Tito Martins - CEO

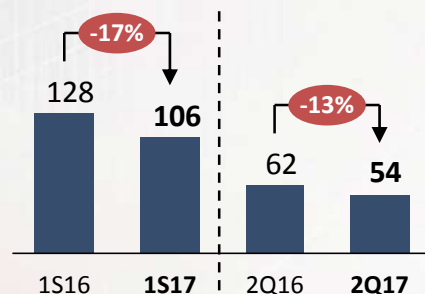
During 1S17, because of lower treated ore, mainly at El Porvenir, and lower ore grades, volumes of fine content decreased. However, during 2Q17, higher volumes were produced in comparison to those of the 1Q17.

Fine content in concentrates production

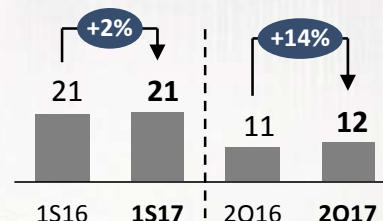
Consolidated (thousand of tonnes)



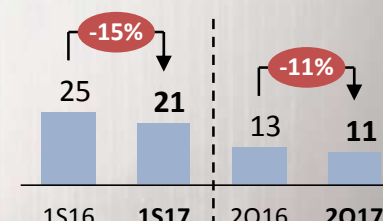
Zinc (thousand of tonnes)



Copper (thousand of tonnes)

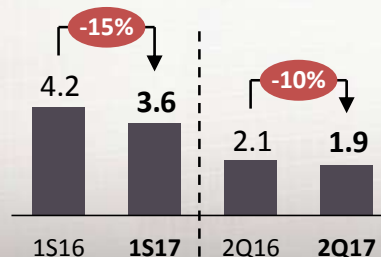


Lead (thousand of tonnes)



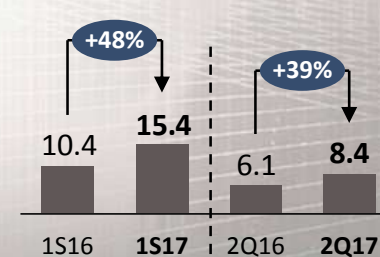
Silver

(million of ounces)



Gold (Pasco Units)

(thousand of ounces)

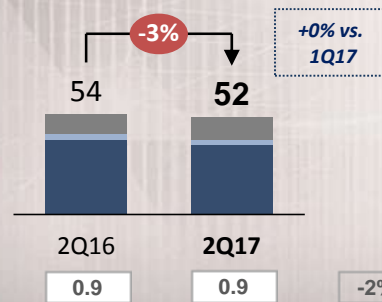
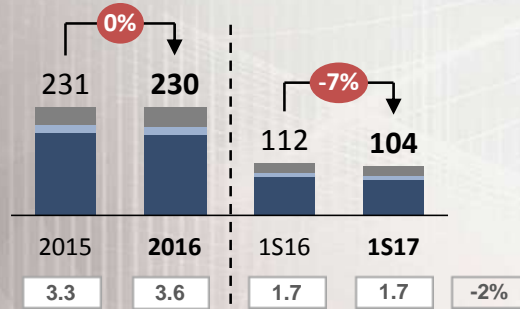


■ Copper ■ Lead ■ Zinc

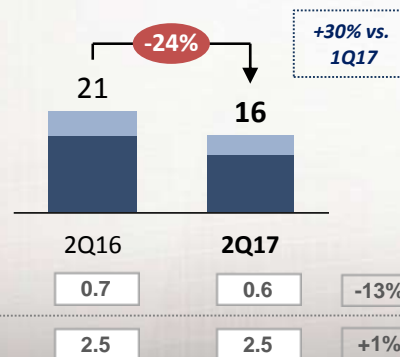
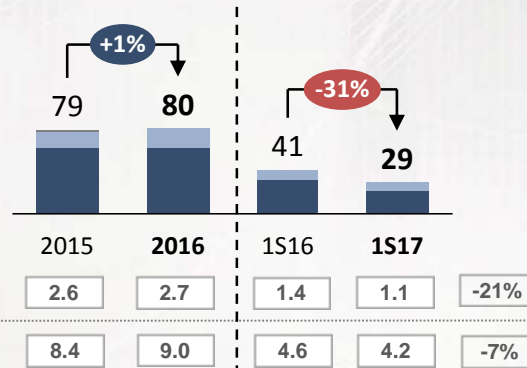
Operational performance by mining unit

Fine content in concentrates production (thousand of tonnes)

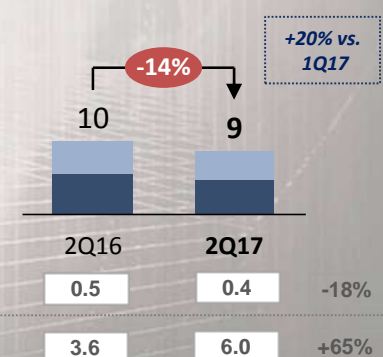
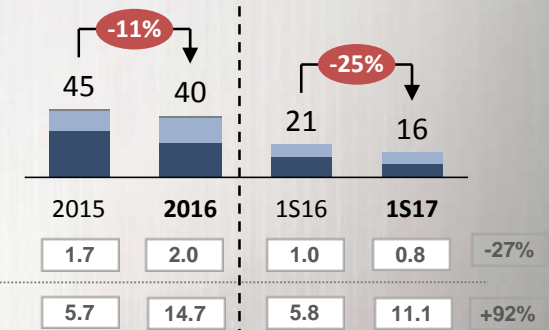
CERRO LINDO



EL PORVENIR

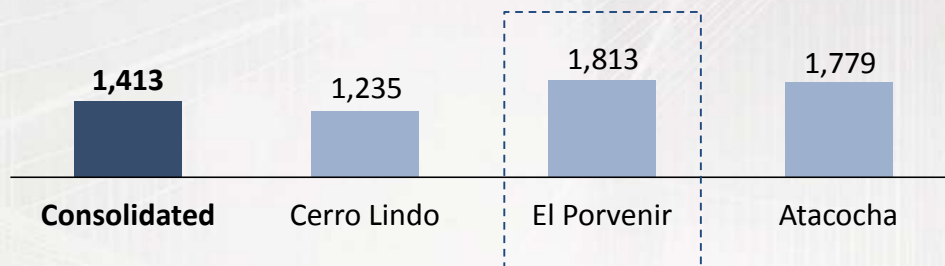


ATACOCHA



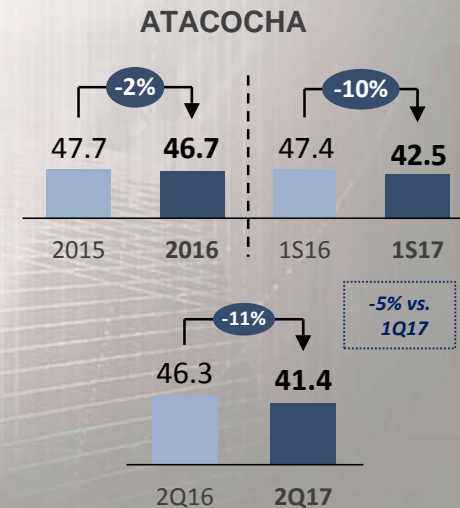
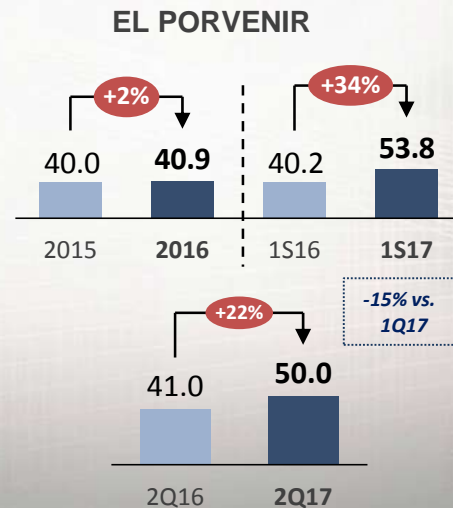
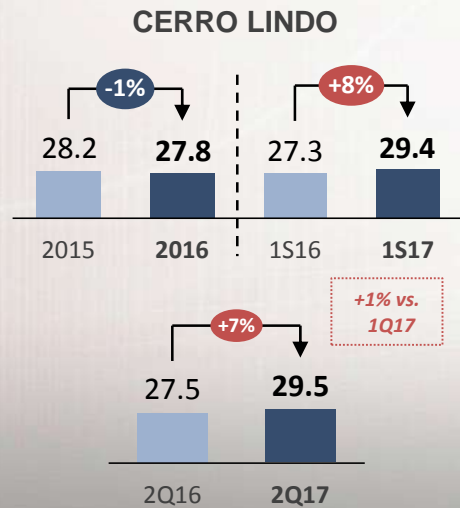
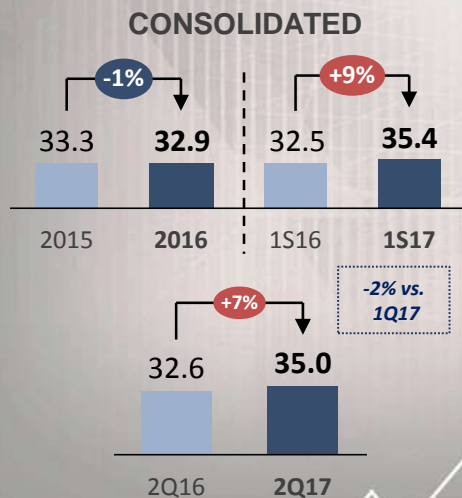
In 1S17, lower treated ore and increased sustainment costs impacted the cash costs. However, higher volumes in 2Q17 allowed cash costs to decrease in comparison to those of 1Q17.

Cash Cost US\$/t Zinc equivalent 1S17



Higher cost in the semester due to the lower fine content produced and higher costs

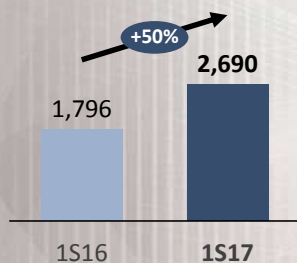
Cash Cost US\$/t rom



Higher metal prices compensated lower production in the first half of 2017

ZINC (US\$ / t)

LME average price

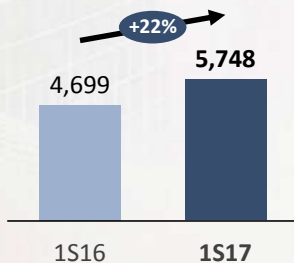


LME Price evolution

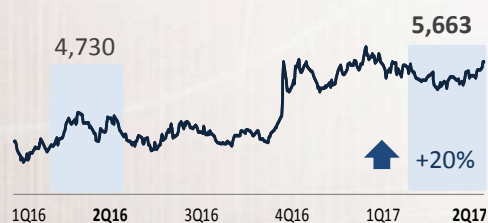


COPPER (US\$ / t)

LME average price

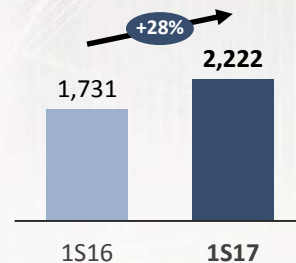


LME Price evolution

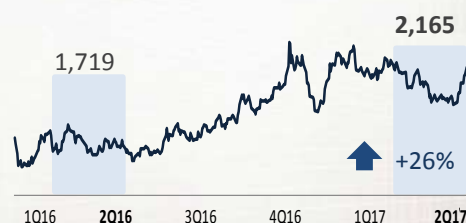


LEAD (US\$ / t)

LME average price

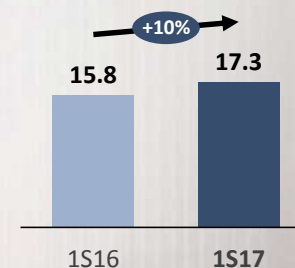


LME Price evolution

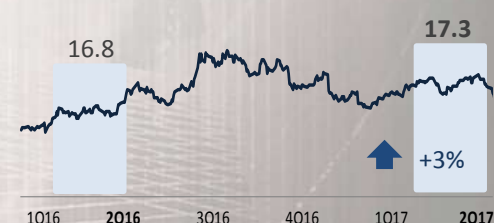


SILVER (US\$ / oz)

LME average price

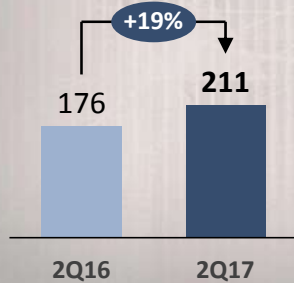
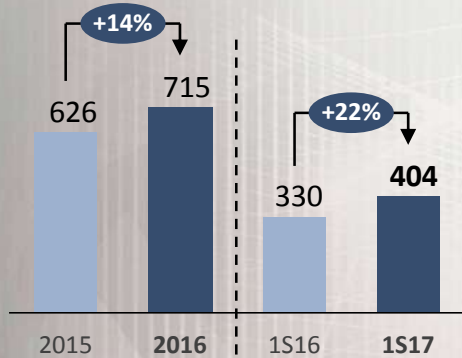


LME Price evolution

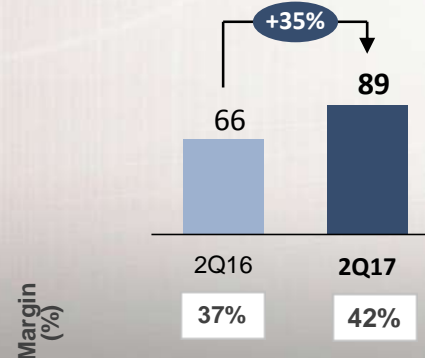
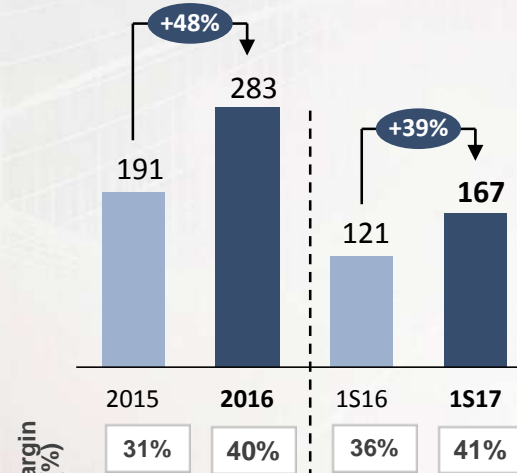


1S17 EBITDA margin rose to 41%, higher than that of 1S16 due to the increased revenues

REVENUES (US\$ million)



EBITDA (US\$ million)



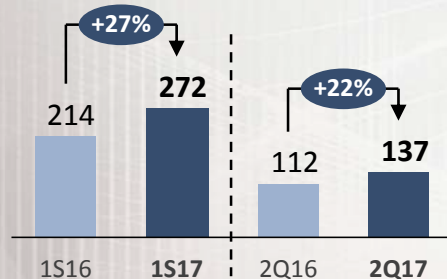
Highlights 1S16 vs.1S17

- Revenues of US\$ 404 million, 22% increase due to higher metal prices, mainly of zinc and copper.
- EBITDA of US\$ 167 million, 39% increase due to higher revenues.

Financial performance by mining unit

CERRO LINDO

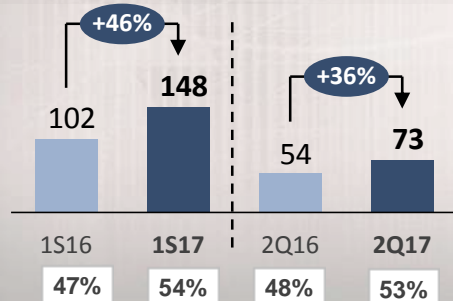
REVENUES (US\$ million)



Fine Content 1S17:

ZINC:	↓ -9%	COPPER:	↑ +3%
LEAD:	↓ -4%	SILVER:	↓ -2%

EBITDA (US\$ million)

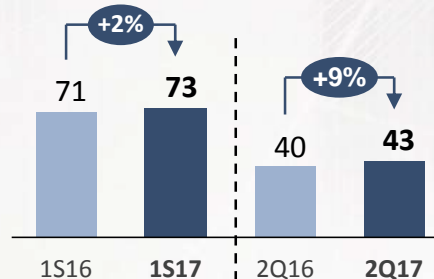


Margin (%)

1S16	47%	1S17	54%	2Q16	48%	2Q17	53%
------	-----	------	-----	------	-----	------	-----

EL PORVENIR

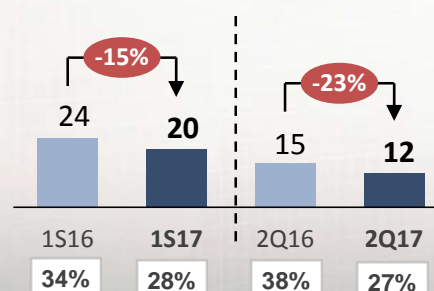
REVENUES (US\$ million)



Fine Content 1S17 :

ZINC:	↓ -33%	COPPER:	↑ +1%
LEAD:	↓ -26%	SILVER:	↓ -21%

EBITDA (US\$ million)

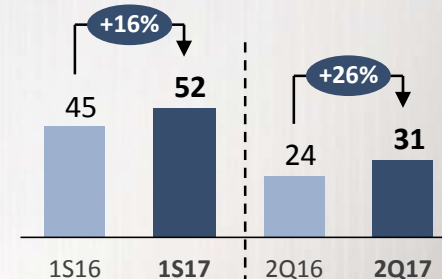


Margin (%)

1S16	34%	1S17	28%	2Q16	38%	2Q17	27%
------	-----	------	-----	------	-----	------	-----

ATACOCHA

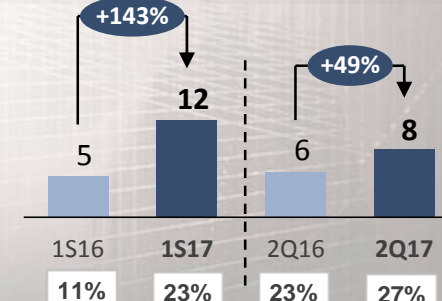
REVENUES (US\$ million)



Fine Content 1S17 :

ZINC:	↓ -32%	COPPER:	↓ -53%
LEAD:	↓ -13%	SILVER:	↓ -27%
		GOLD:	↑ +92%

EBITDA (US\$ million)



Margin (%)

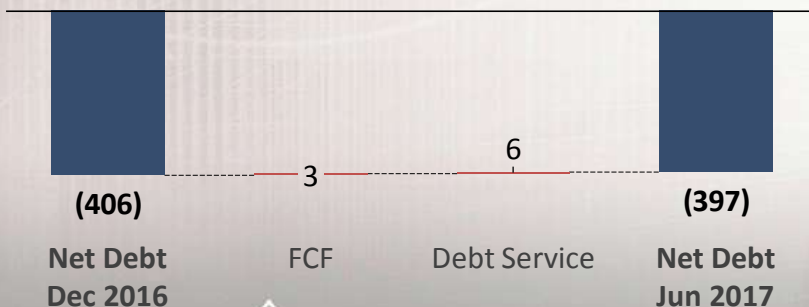
1S16	11%	1S17	23%	2Q16	23%	2Q17	27%
------	-----	------	-----	------	-----	------	-----

Milpo maintains its high liquidity and low indebtedness position

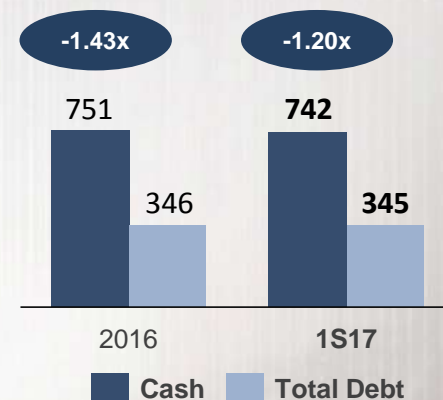
Free Cash Flow Generation (US\$ million)



Net Debt Evolution (US\$ million)



Net Debt/EBITDA (x times)

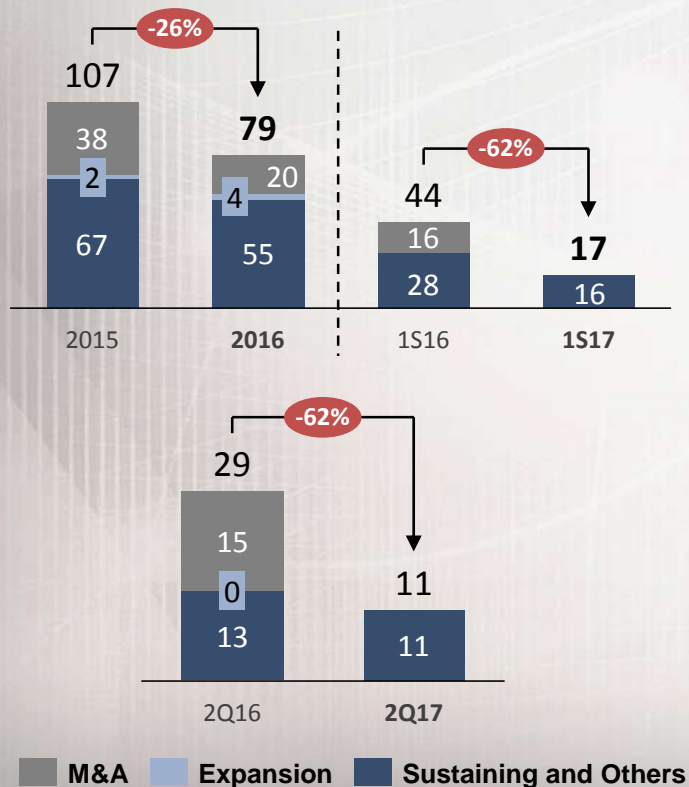


Global Credit Ratings

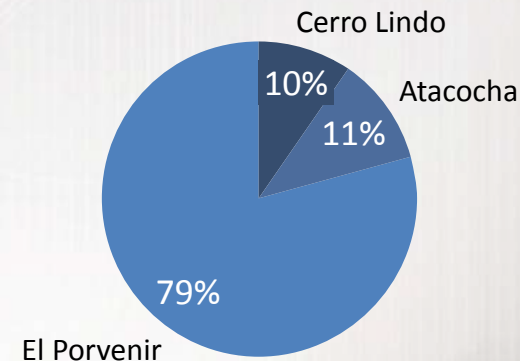


CAPEX invested during 1S17 was mainly focused on the Pasco Integration

CAPEX by Activity (US\$ million)



1S17 CAPEX breakdown per unit



Total US\$ 17 MM

Main Investments during 1S17:

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

Agenda

1

Business Strategy

Tito Martins - CEO

2

Operational and Financial Results

Claudia Torres - CFO

3

Closing Remarks

Tito Martins - CEO

Closing Remarks

- Higher metal prices along with Cerro Lindo's increased treatment capacity to 20k tpd and the implementation of the Glory Hole San Gerardo at Atacocha allow the company to improve its operational and financial results.
- The operational integration process of The Pasco Complex continues as expected with the fourth and final stage that consists in the underground integration of the mines and their infrastructure, and will help to improve the company'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 market conditions.

“

Q&A

”