



CORPORATE PRESENTATION

Lima, November 2015



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Management Participants



*Third Quarter 2015 Results
Conference Call and Webcast*



Victor Gobitz
CEO



Juan Carlos Ortiz
COO



Claudia Torres
CFO

Agenda

1

Business Strategy

Victor Gobitz - CEO

2

Operational Results

Juan Carlos Ortiz - COO

3

Financial Results

Claudia Torres - CFO

4

Closing Remarks

Milpo's 5-pillar corporate strategy continues to be executed focused on value generation

Pillar I

EP – ATA: The 2nd stage (tailings integration) was completed

One new energy line for both plants in progress (3rd stage)

CL: Stabilized operation at 18k tpd

Pillar V

Private Initiative presented for the development of the **Michiquillay** Project

Pillar II

Focus on employees development system

Pillar III/IV

Exercise of **Magistral's** option submitting a Bankable Feasibility Study
EIA submitted for approval (30ktpd)

EIA for **Pukaqaqa** already approved. Design of a modular approach in progress (10 – 30 ktpd)

Definition continues for **Ivan & Chapi**

Engineering study for Aripuana for a 5k tpd capacity in progress

Prefeasibility for **Shalipayco** already concluded

Road construction to improve access to **Bongara**

Definition continues for **Hilarion**

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

Since the bond issuance in 2013, Milpo has been characterized by improving its operational performance and maintaining a robust financial position, generating positive cash flows..

YEAR	2012	2013	2014	2015E	
Life of Mine (years)	10	11	13		
Annual Treated ore (Mt)	7.2	8.8	9.6	10.3	Focus on brownfield projects
Fine metal Production	Zinc (000 tmf)	223	261	270	Constant increase in fine metal content in concentrates
	Copper (000 tmf)	32	37	42	
	Lead (000 tmf)	24	36	42	
	Silver (MM oz)	4.7	6.2	6.8	
Cash cost (US\$/t rom)	36.1	35.0	35.5	33.5	Costs Reduction
YEAR	2012	2013	2014	2015E	
Revenues (US\$MM)	696	720	758	641	Positive cash flow generation
EBITDA margin (%)	29%	36%	35%	28%	
Net Debt/EBITDA (x times)	0.67	0.15	-0.28	-0.48	High Liquidity and Low indebtedness

...which have also permitted important milestones in its greenfield projects.
(more maturity / stronger pipeline)

2012

MAGISTRAL


Design of a 30Ktpd operation

PUKAQAQA

Design of a 30Ktpd operation

HILARION

Design of a 5Ktpd operation with an underground processing plant

 Copper projects
 Polymetallic projects

Copper Projects

Polymetallic Projects



2015

MAGISTRAL

- Modular approach (phase 1: 10Ktpd operation) ✓
- Feasibility study presented to PROINVERSION ✓
- EIA presented to the Ministry of Energy and Mines ✓

PUKAQAQA

- Modular approach (phase 1: 10Ktpd operation) ✓
- Environmental Impact Study (EIA) approved ✓

HILARION

Design of a 5Ktpd operation with a surface processing plant ✓

ARIPUANA,
BONGARA,
SHALIPAYCO

Aripuaná: Engineering study (5ktpd) in progress

Shalipayco: Prefeasibility already concluded (3k tpd) ✓

Bongara: Road construction in progress

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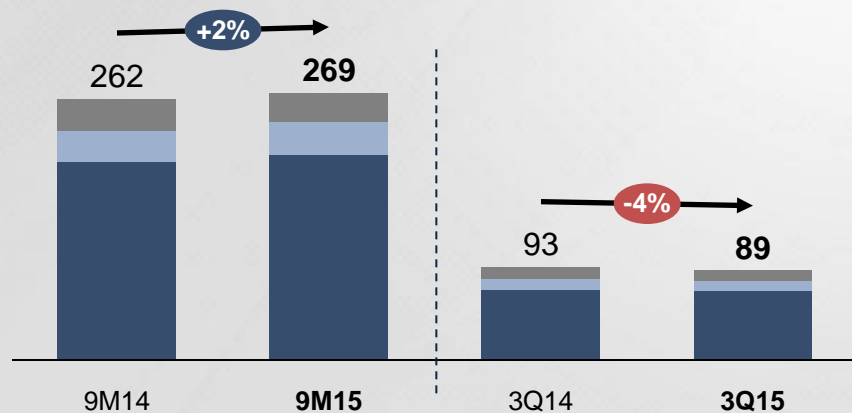
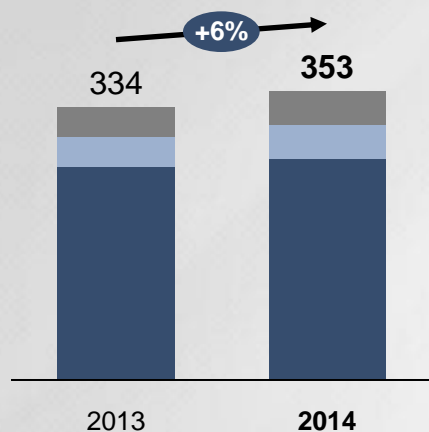
Closing Remarks

Higher zinc, lead and silver fine metal content production partially compensated negative price effect



Fine content in concentrates production (thousand of tonnes)

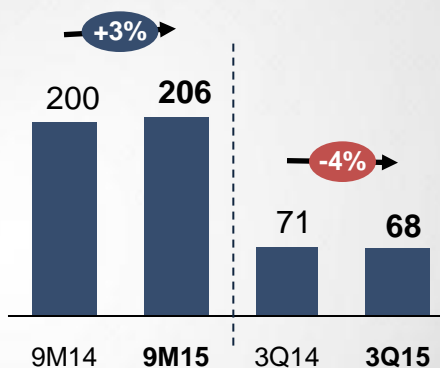
Consolidated



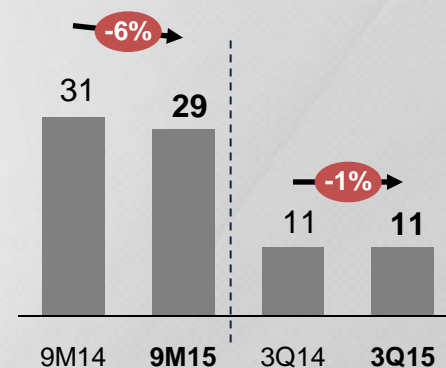
■ Copper ■ Lead ■ Zinc

By metal

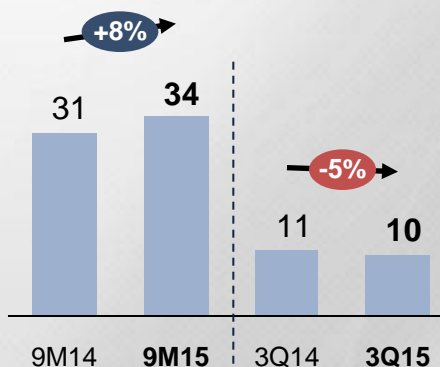
Zinc (thousand of tonnes)



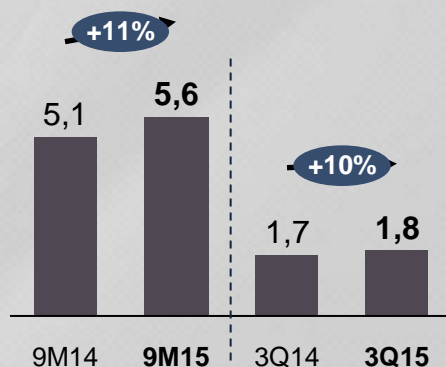
Copper (thousand of tonnes)

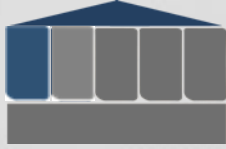


Lead (thousand of tonnes)



Silver (million of ounces)

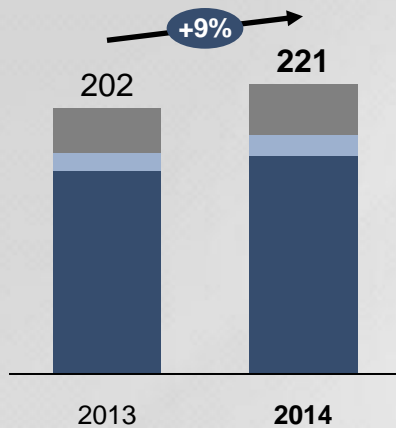




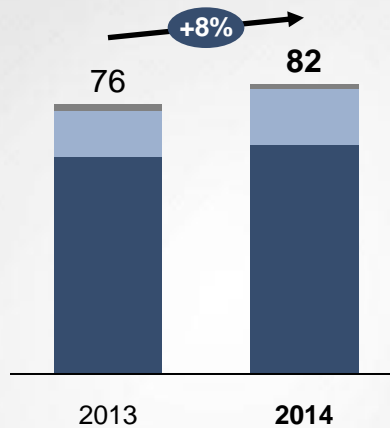
Fine content in concentrates production

(thousand of tonnes)

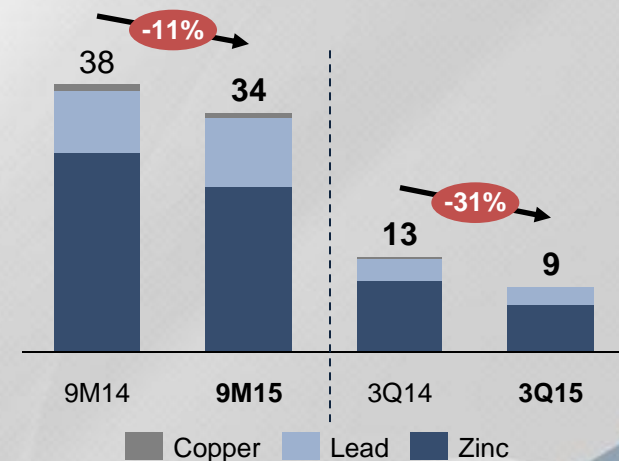
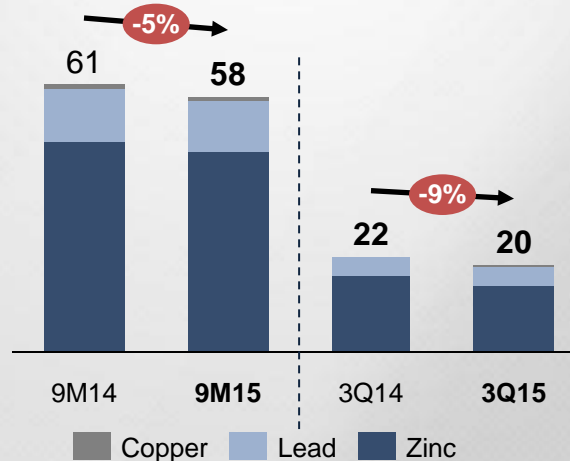
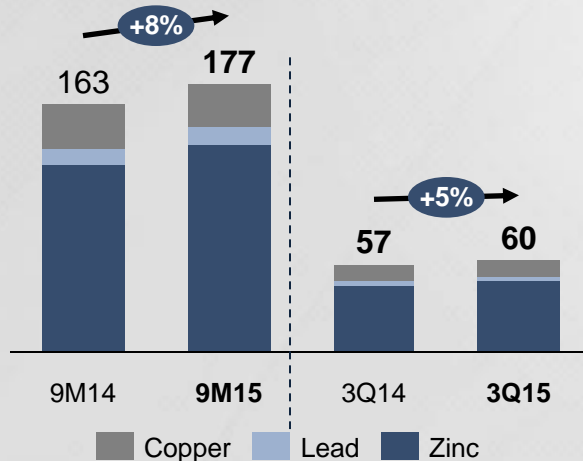
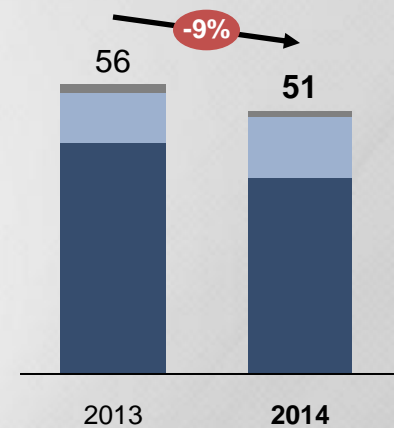
CERRO LINDO



EL PORVENIR



ATACOCHA



Copper Lead Zinc

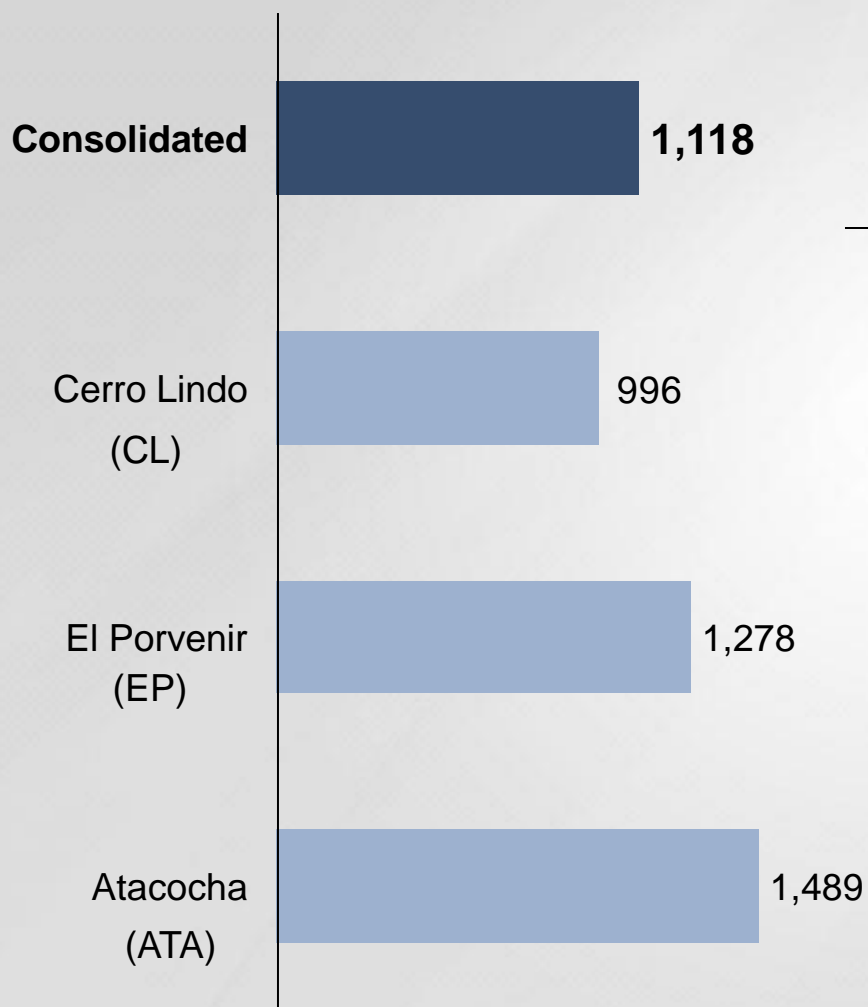
Copper Lead Zinc

Copper Lead Zinc

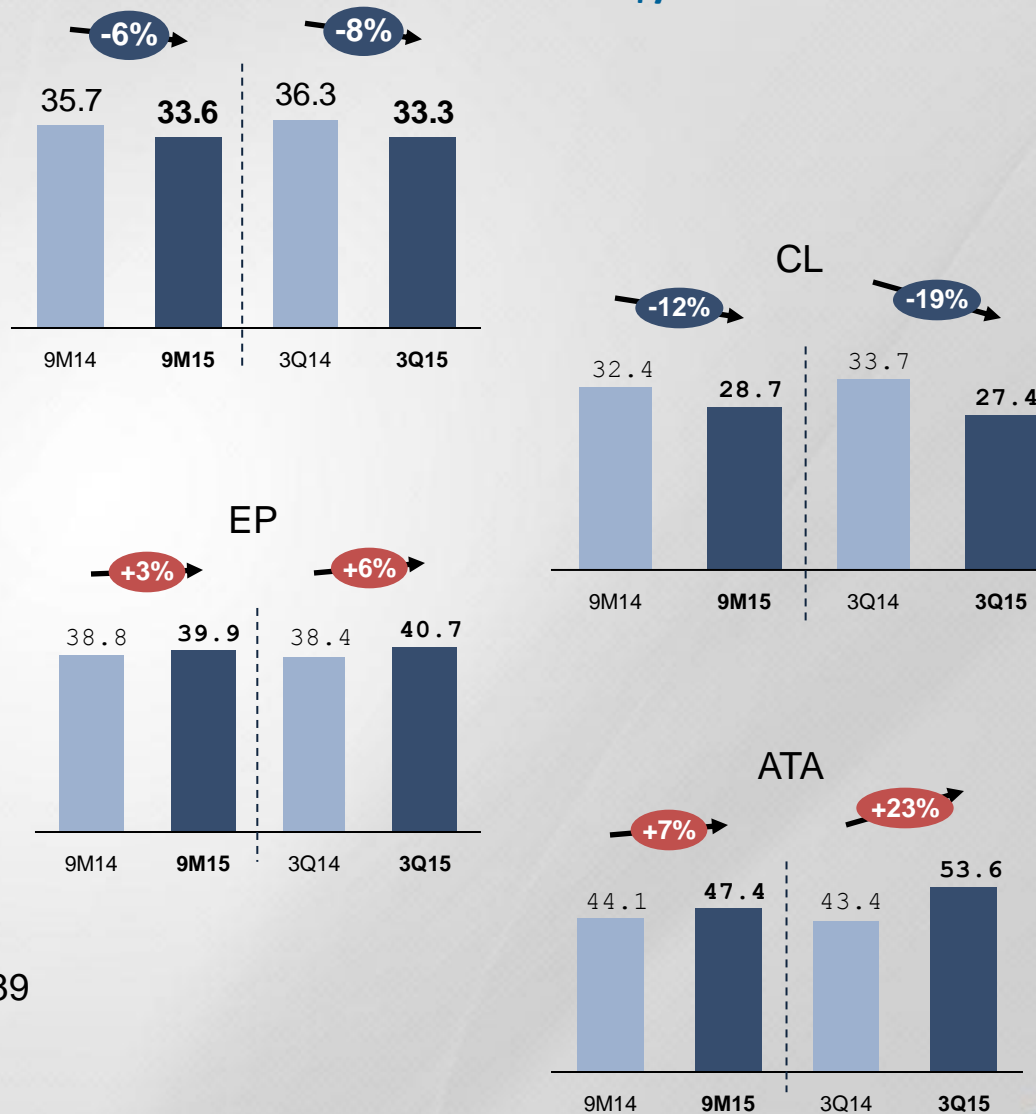
Lower consolidated cash costs continues to help mitigate negative price effect



Cash Cost US\$/t Zinc equivalent 9M15

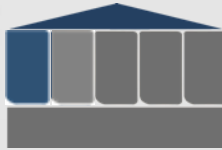


Cash Cost US\$/t rom

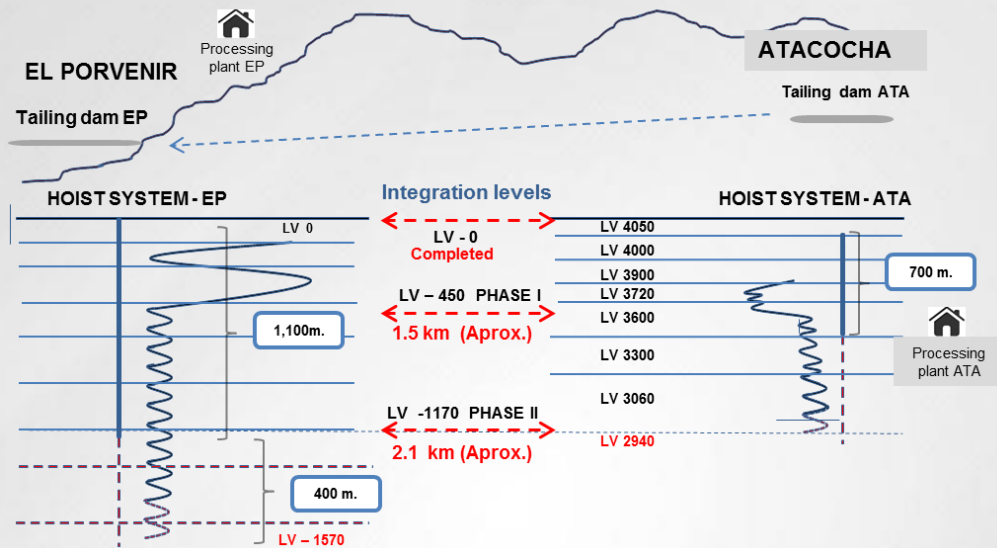


Milpo maintains its position as a low-cost mining producer

Cost and capex savings are expected as integration of the Pasco Mining Units continues



EL PORVENIR AND ATACOCHA OPERATIONAL INTEGRATION (CROSS SECTION)



1st stage

Administrative integration

- One administrative team for both plants

2nd stage

Tailing dam integration

- One tailing deposit for both processing plants (First operation of this kind in Peru)

3rd stage

Energy transmission line integration

- One new energy line for both processing plants

4th 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)

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Closing Remarks

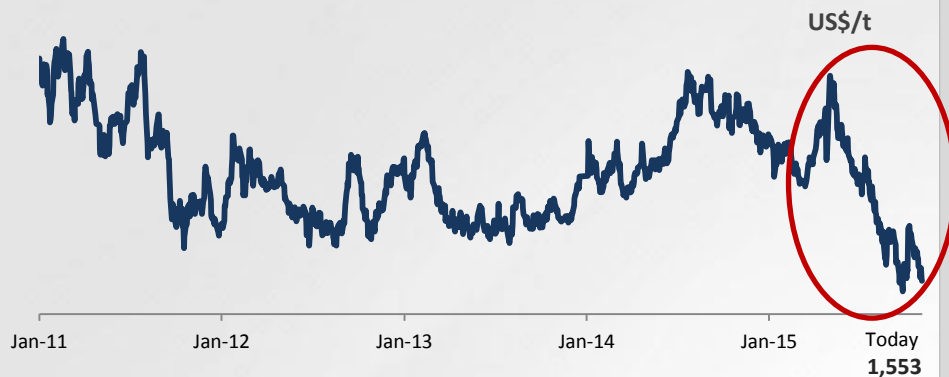
Metal prices are currently falling to levels not seen since the global financial crisis



Price Evolution

Trading

ZINC

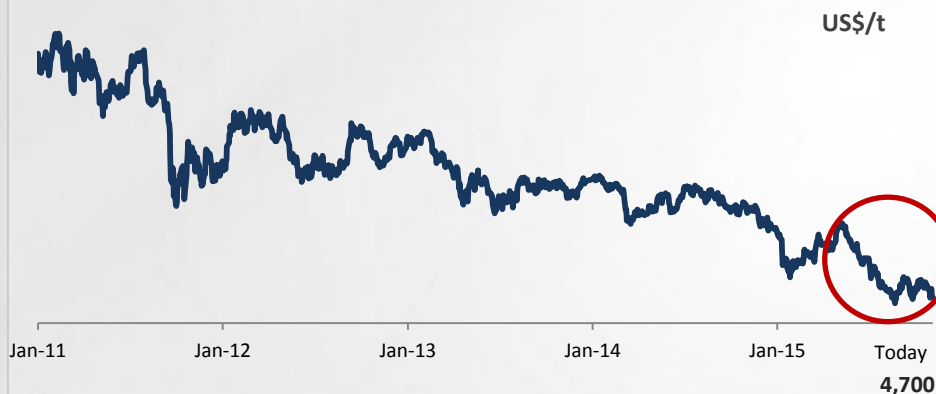


	9M14	9M15	Var %	3Q14	3Q15	Var %
Zinc	2,138	2,040	-5%	2,311	1,844	-20%

Historical Price
Data – Since 2011

Max : 2,546 - 02/2011
Min : 1,553 - 11/2015
Current : 1,553 - 11/2015

COPPER



	9M14	9M15	Var %	3Q14	3Q15	Var %
Copper	6,939	5,707	-18%	6,992	5,251	-25%

Historical Price
Data – Since 2011

Max : 10,148 - 02/2011
Min : 4,700 - 11/2015
Current : 4,700 - 11/2015

SILVER



	9M14	9M15	Var %	3Q14	3Q15	Var %
Silver	19.9	16.0	-20%	19.7	14.9	-24%

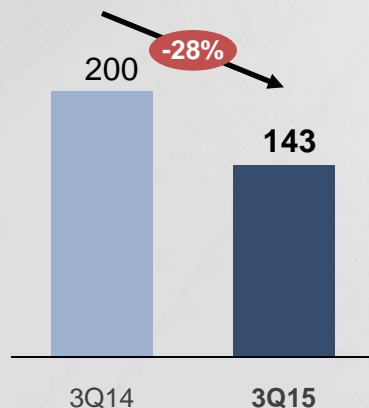
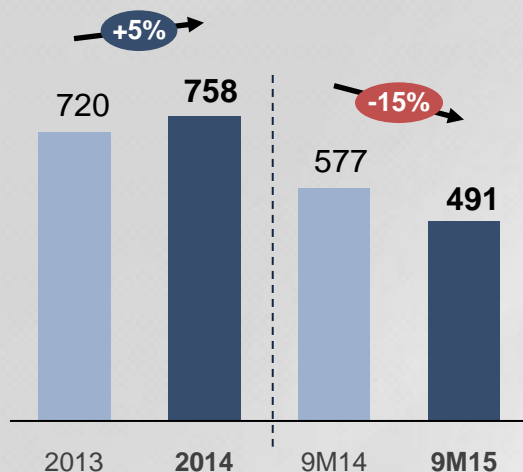
Historical Price
Data – Since 2011

Max : 48.7 - 04/2011
Min : 14.3 - 11/2015
Current : 14.3 - 11/2015

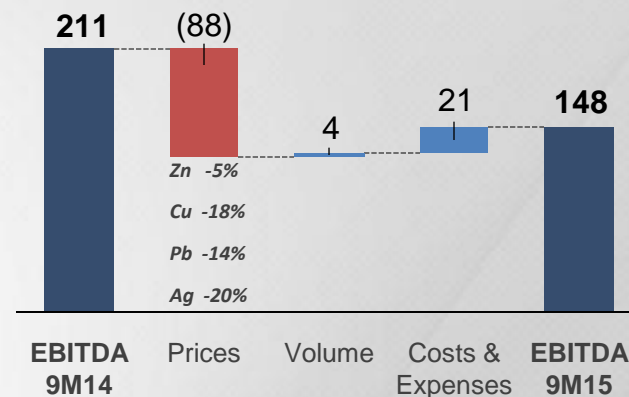
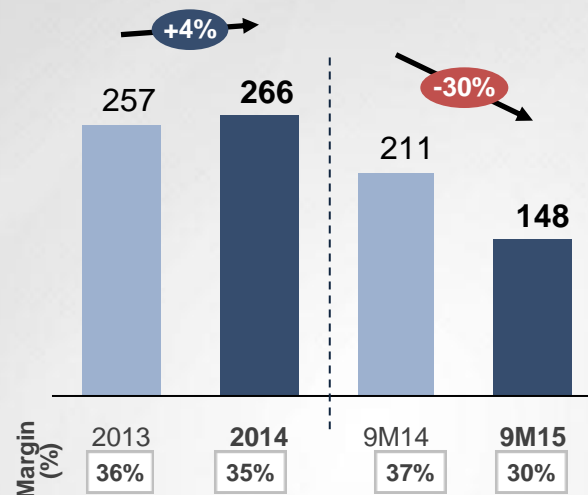
In spite of higher volumes and lower operating costs and expenses, lower metal prices have had a negative impact on Milpo's results



REVENUES (US\$ million)

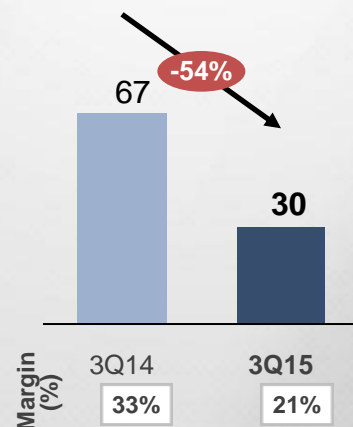


EBITDA (US\$ million)



Highlights 9M15 vs. 9M14

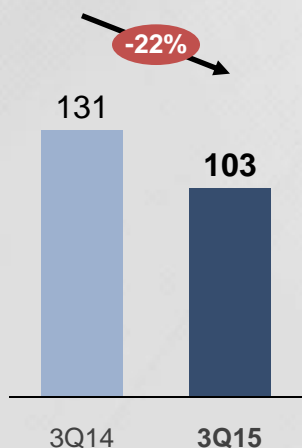
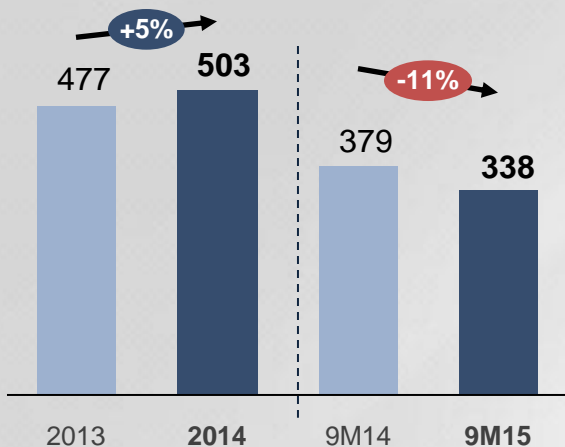
- Revenues of US\$ 491 million, 15% decrease due to lower metal prices and in spite of higher fine content in concentrates production.
- EBITDA of US\$ 148 million, 30% decrease due to lower revenues and in spite of lower costs and expenses.
- During the 3Q15, Revenues and EBITDA decrease due to even lower metal prices.



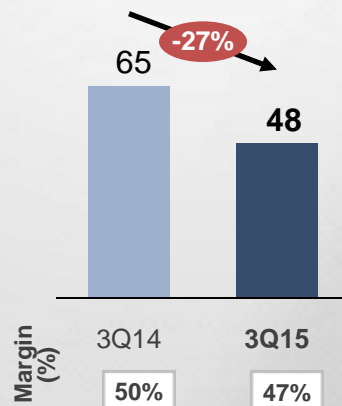
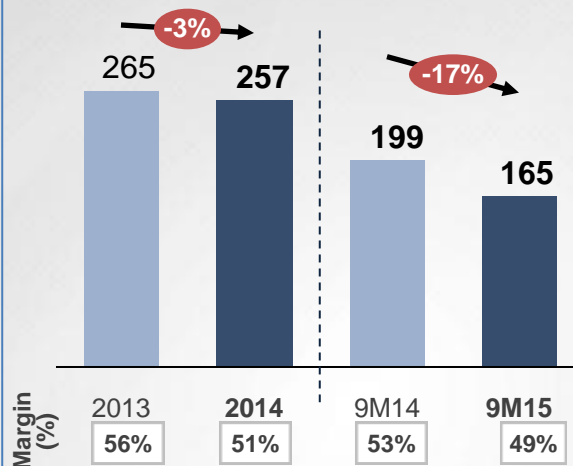
Cerro Lindo's financial performance (69% of Milpo's 9M15 revenues)



REVENUES (US\$ million)



EBITDA (US\$ million)



Highlights 9M15 vs. 9M14

- Higher fine content in concentrates production due to the stabilization of treatment capacity at 18,000 tpd and better grades:

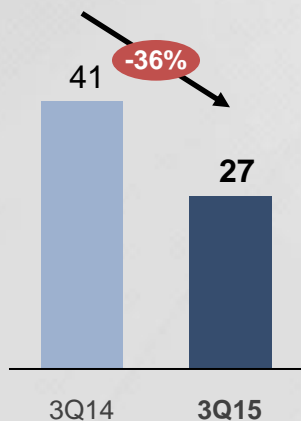
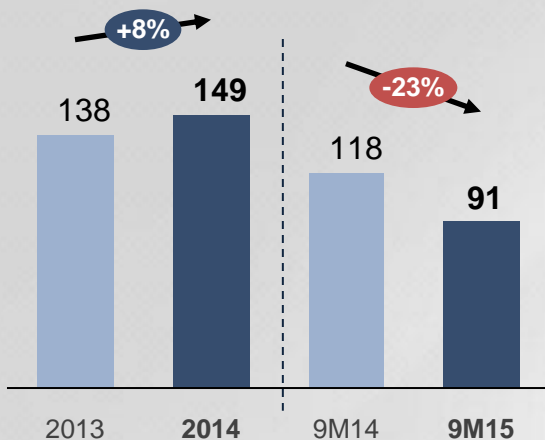
	9M15
ZINC	↑ 11%
LEAD	↑ 14%
COPPER	↓ -5%
SILVER	↑ 27%

- Revenues of US\$ 338 million, 11% decrease due to lower metals prices and in spite of higher production.
- EBITDA of US\$ 165 million, 17% decrease due to lower revenues and in spite of lower cash costs (US\$/t 28.7 vs US\$/t 32.4).

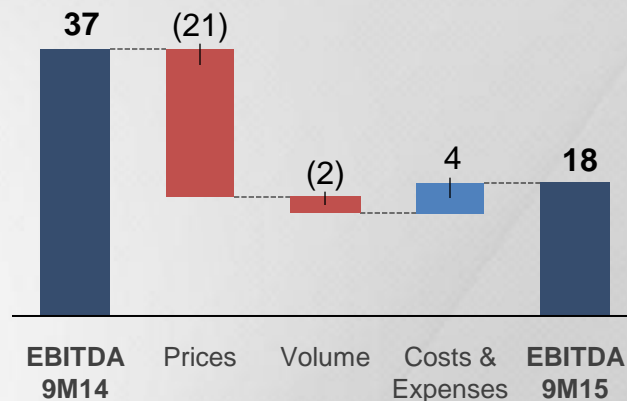
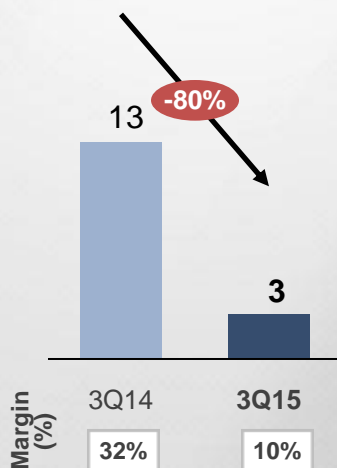
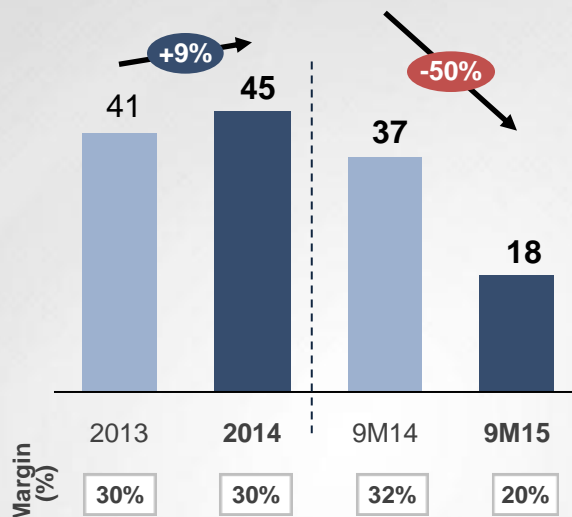
El Porvenir's financial performance (19% of Milpo's 9M15 revenues)



REVENUES (US\$ million)



EBITDA (US\$ million)



Highlights 9M15 vs. 9M14

- Lower fine content in concentrates production partially compensated by the increase in silver contents:

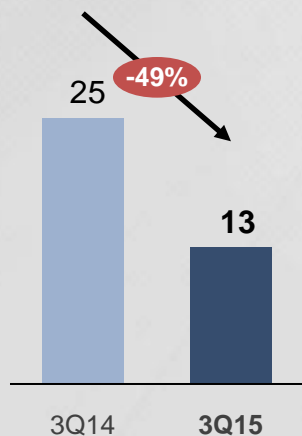
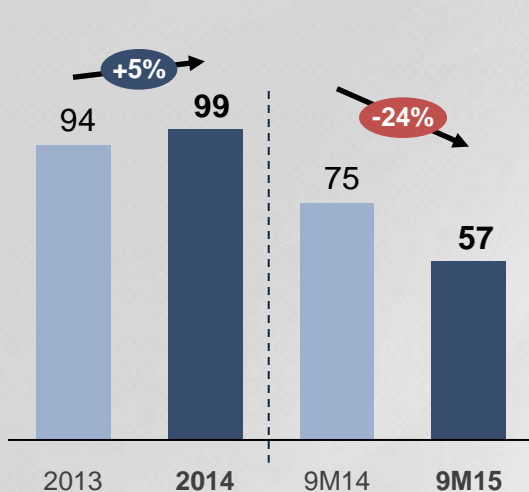
	9M15
ZINC	↓ -5%
LEAD	↓ -2%
COPPER	↓ -4%
SILVER	↑ 9%

- Revenues of US\$ 91 million, 23% decrease due to lower metal prices.
- EBITDA of US\$ 18 million, 50% decrease due to lower revenues and in spite of lower expenses.

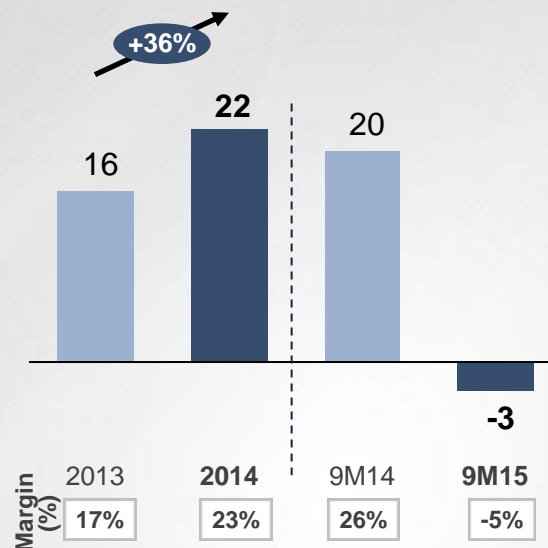
Atacocha's financial performance (12% of Milpo's 9M15 revenues)



REVENUES (US\$ million)



EBITDA (US\$ million)

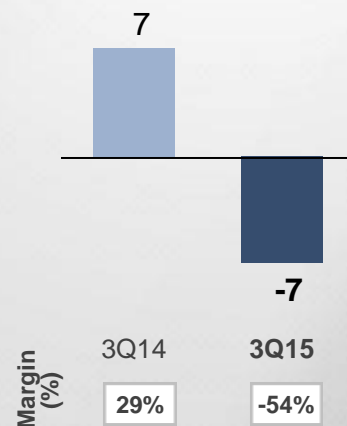


Highlights 9M15 vs. 9M14

- Lower zinc and copper fine content in concentrates production compensated by higher lead fine content:

	9M15
ZINC	↓ -17%
LEAD	↑ 16%
COPPER	↓ -49%
SILVER	↓ -10%

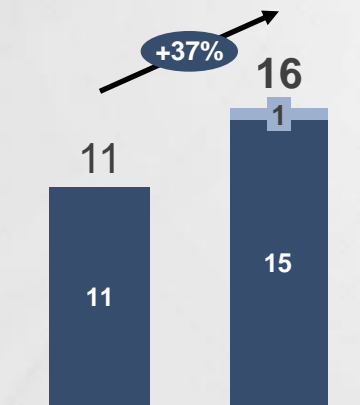
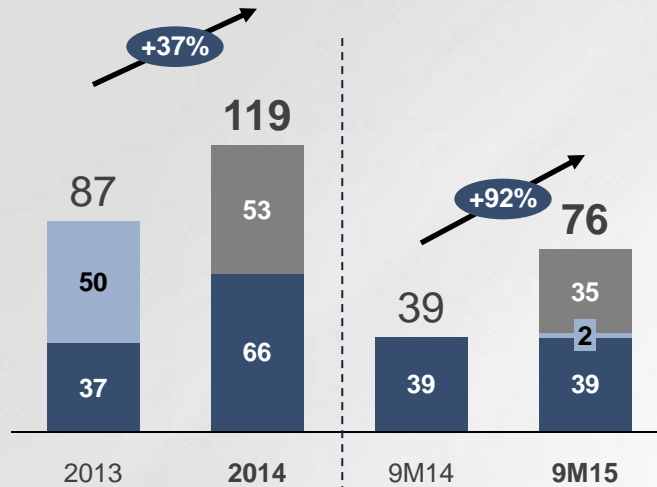
- Revenues of US\$ 57 million, 24% decrease due to lower metal prices and in spite of higher lead fine content in concentrates production.
- Negative EBITDA due to lower revenues and higher costs
- During 3Q15, operations in the underground mine was reprogrammed affecting treated ore and cash costs.



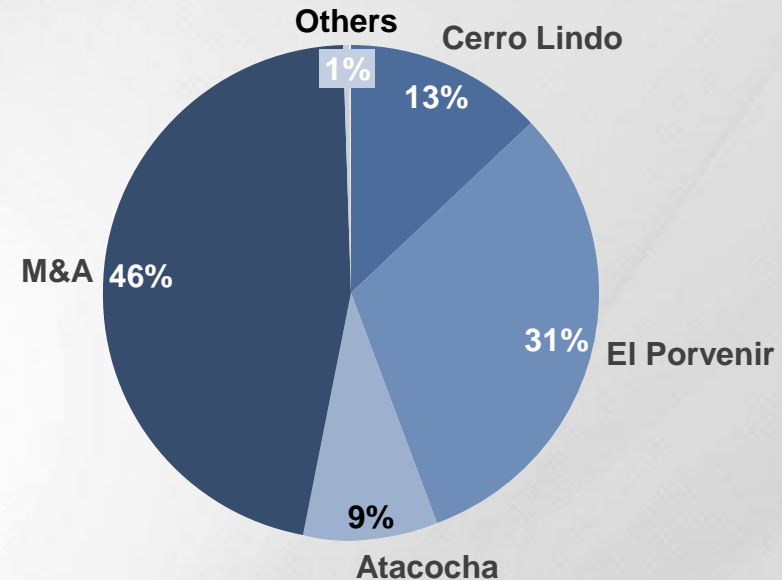
US\$ 76 million invested in 9M15 focusing on a disciplined capital allocation



Capex (US\$ million)



9M15 Capex breakdown per unit



Total US\$ 76MM

Main Investments during 9M15:

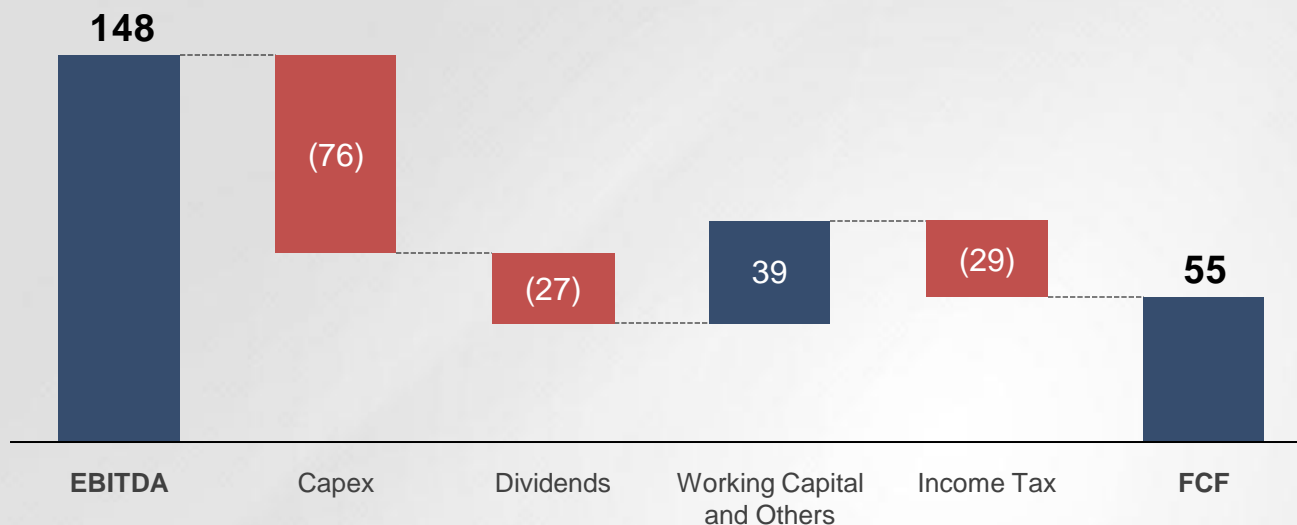
- Acquisition of a participation in the Shalipayco zinc project.
- Tailing dam elevation at El Porvenir, related to the integration with Atacocha.

■ M&A ■ Expansion ■ Sustaining and Others

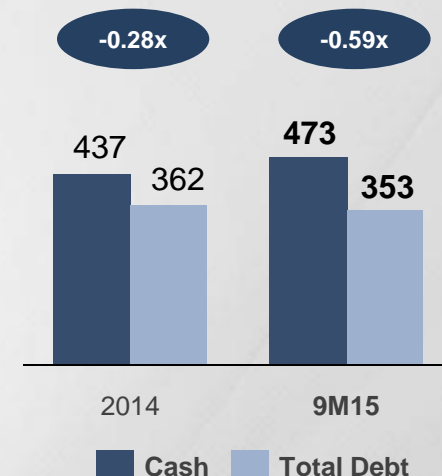
In spite of the lower EBITDA, Milpo continues to generate positive cash flows, maintaining its strong liquidity and flexible financial position



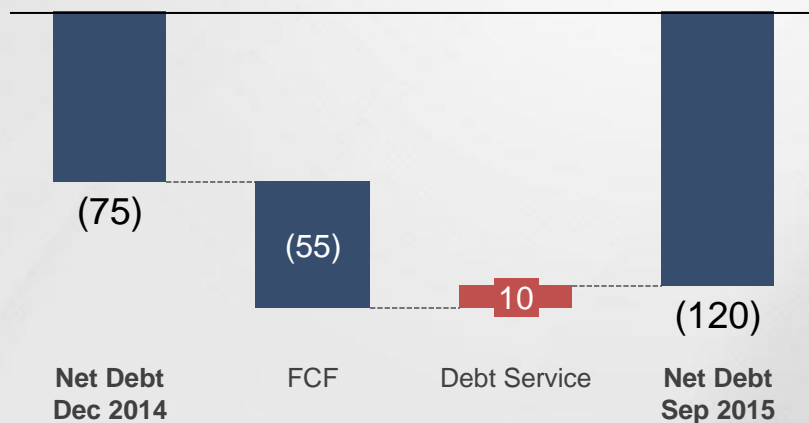
Cash Flow Generation (US\$ million)



Net Debt/EBITDA (x times)



Net Debt Evolution as of September 2015 (US\$ million)



Global Credit Ratings

Fitch Ratings

(BBB) Stable

STANDARD & POOR'S

(BB+) Negative

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Closing Remarks

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- Five pillar strategy helps focus on profitability through cost savings, productivity and disciplined capital allocation.
- Strong long-term fundamentals in spite of short term volatility, due to Milpo's position as a low-cost mining producer, extended life of mine and strong diversified greenfield projects.
- Track record as a mine developer of challenging projects with modular approach (Cerro Lindo) and innovative solutions (El Porvenir and Atacocha integration) in constant communication and support from surrounding rural communities.
- Strong liquidity position, low indebtedness, positive cash flow generation and flexibility to prioritize capex allow the company to respond to LME variations.



Q&A