



CORPORATE PRESENTATION 1Q14 RESULTS

May 2014
Lima

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Agenda

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Business and Operational Performance

Mr. Víctor Gobitz - CEO

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Financial Highlights

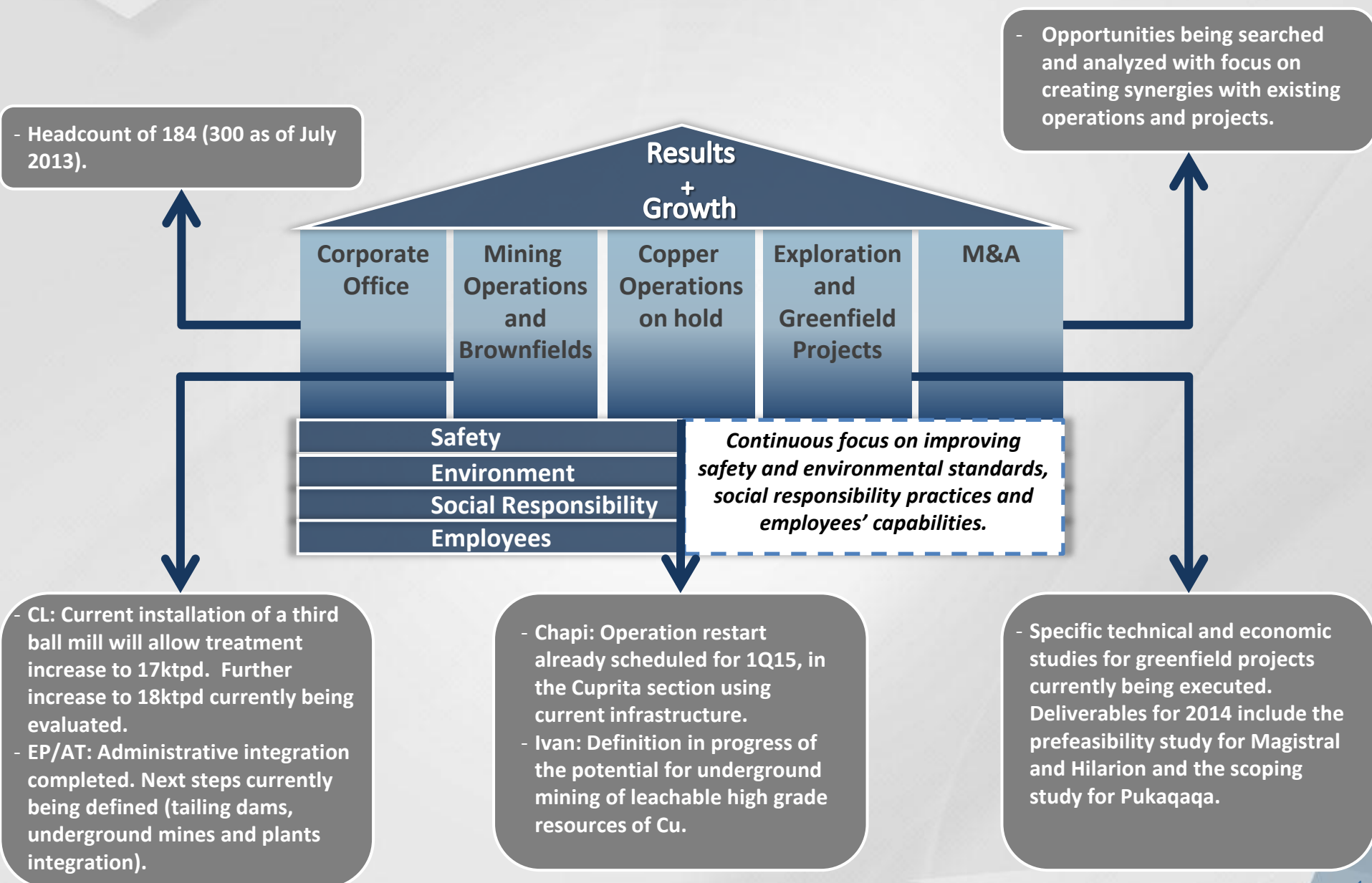
Mr. Persio Morassutti - CFO

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Closing Remarks

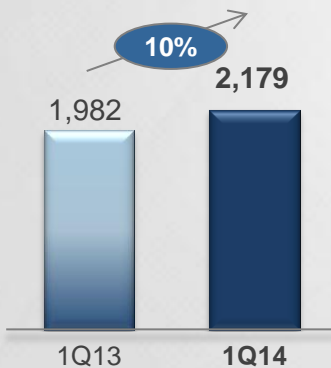
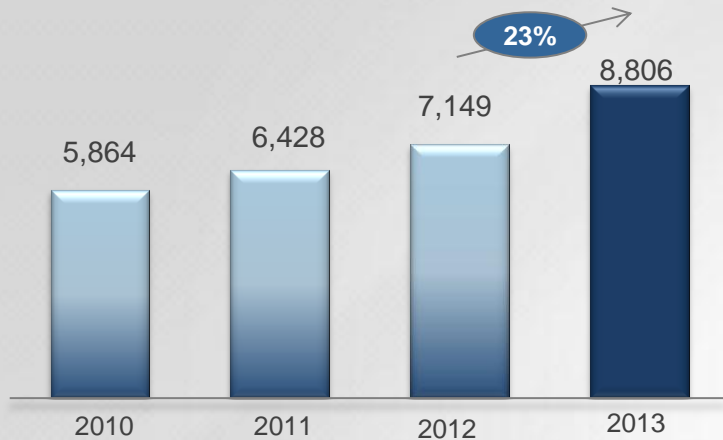
Mr. Persio Morassutti - CFO

Milpo continues to implement its 5-pillar strategy

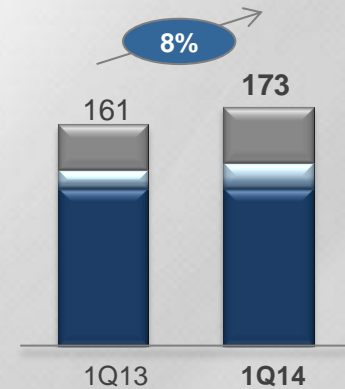
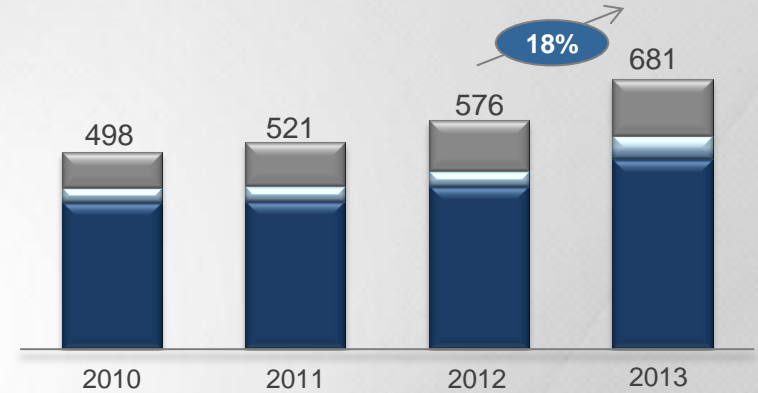


Treated ore continued to increase during the first quarter allowing higher concentrates production

Ore Treated
(thousand of tonnes)



Concentrates production
(thousand of tonnes)

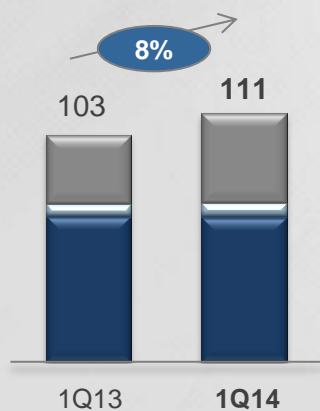
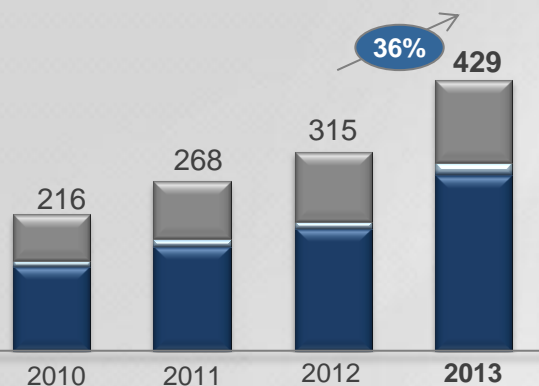


■ Zinc ■ Lead ■ Copper

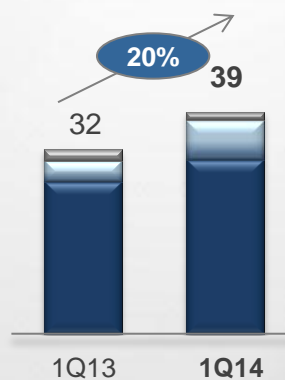
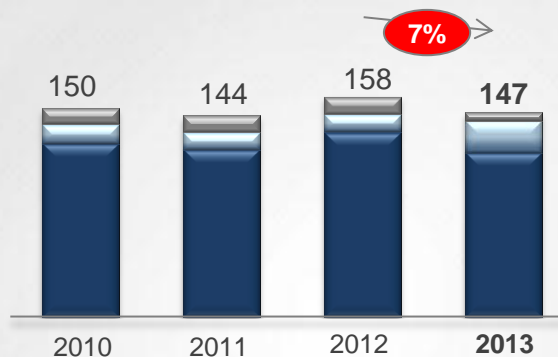
Operational performance by mining unit

Concentrates production (thousand of tonnes)

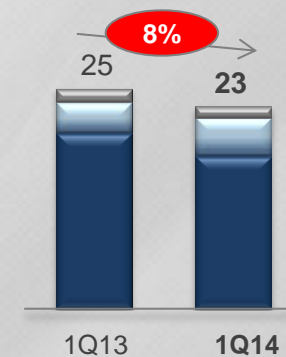
CERRO LINDO



EL PORVENIR



ATACOCHA



■ Zinc ■ Lead ■ Copper

■ Zinc ■ Lead ■ Copper

■ Zinc ■ Lead ■ Copper

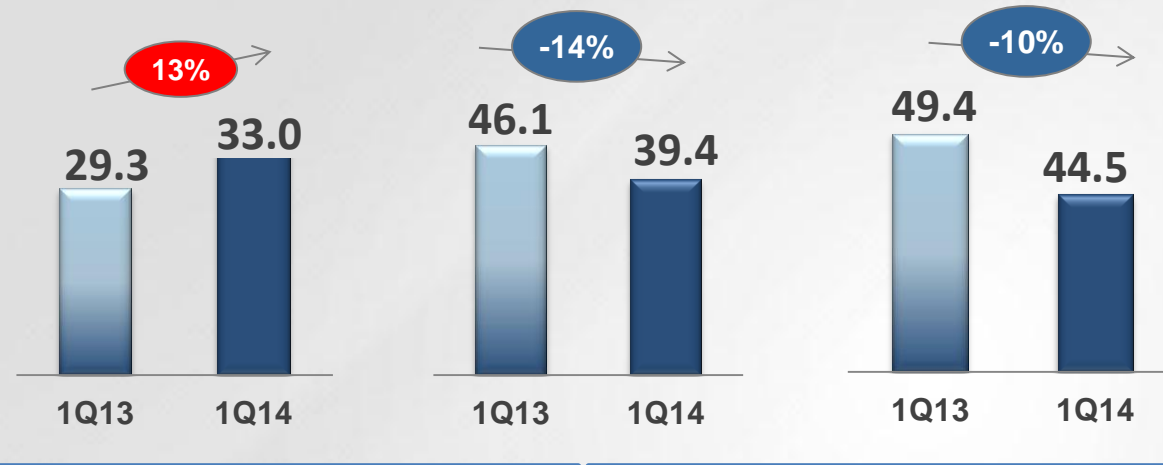
Lower consolidated cash cost due to the optimization in the mining units' production costs.

Cash Cost US\$/t rom

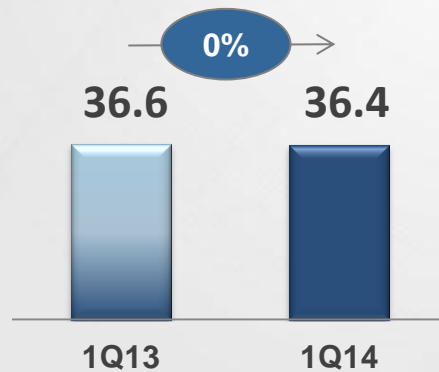
Cerro Lindo (*)

El Porvenir

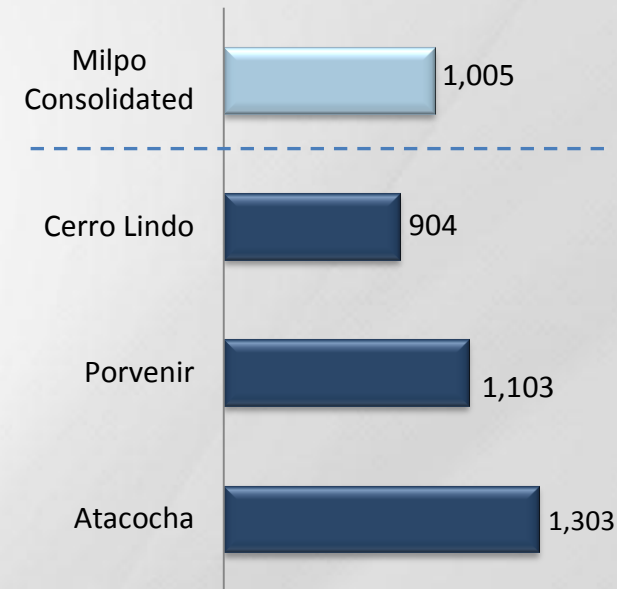
Atacocha



Consolidated



Cash Cost US\$/t Zinc equivalent 1Q14



* The increase in Cerro Lindo's cash cost is related to higher maintenance costs and to an increase in the preparation and development expenses in the mine.

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Mr. Persio Morassutti - CFO

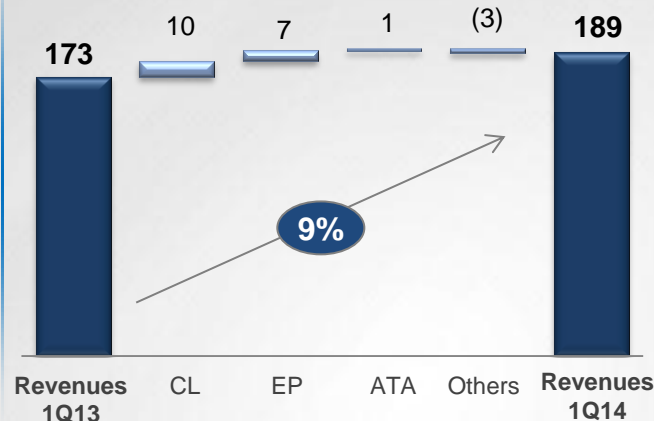
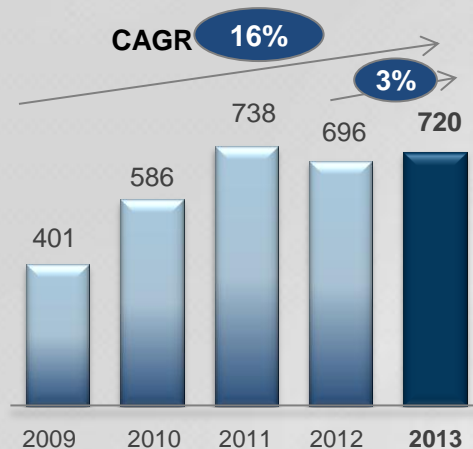
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Closing Remarks

Mr. Persio Morassutti - CFO

During 1Q14 Milpo improved its consolidated financial position in comparison to that of 1Q13

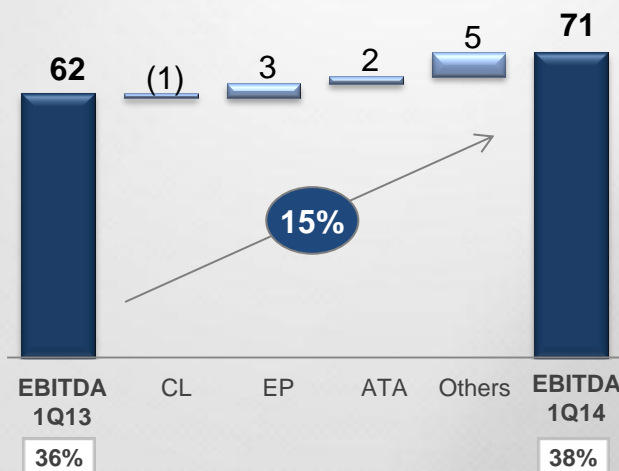
Revenues (US\$ million)



Highlights 1Q14 vs. 1Q13

- Revenues of US\$ 189 million, 9% increase due to higher concentrates production and in spite of metal prices' decrease.
- EBITDA of US\$ 71 million, 15% increase due to higher revenues and lower cash costs (US\$ 36.4/t vs US\$ 36.6/t)

EBITDA (US\$ million)



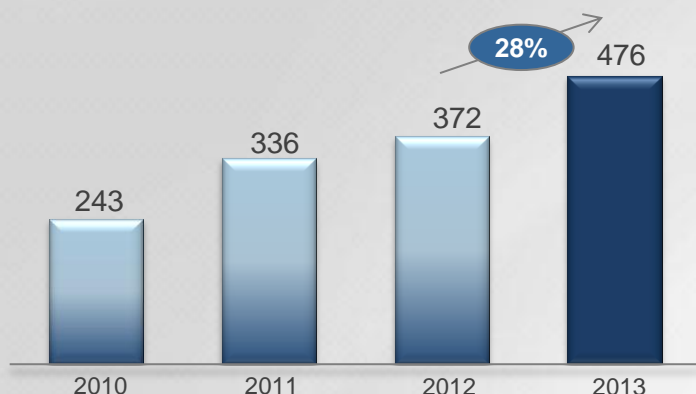
- Consolidated Net Profit of US\$ 27 million, 106% increase due to higher EBITDA.

Margin (%)

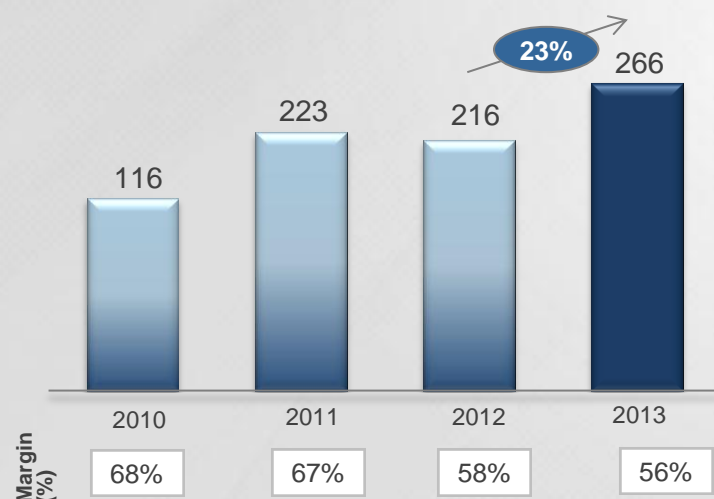
Year	Margin (%)
2009	40%
2010	49%
2011	43%
2012	29%
2013	36%

Cerro Lindo's financial performance (64% of Milpo's 1Q14 revenues)

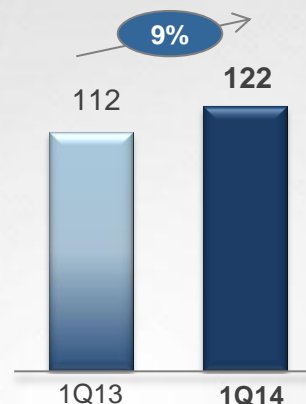
Revenues (US\$ millions)



EBITDA (US\$ millions)



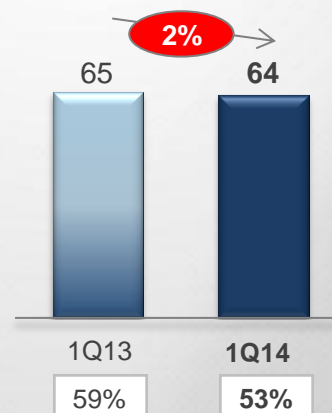
Highlights 1Q14 vs. 1Q13



- Increase in concentrates production due to higher treated ore and ore grades:

ZINC	→	0%
LEAD	↑	11%
COPPER	↑	30%
SILVER	↑	11%

- Revenues of US\$ 122 million, 9% increase due to higher production and in spite of lower metal prices.



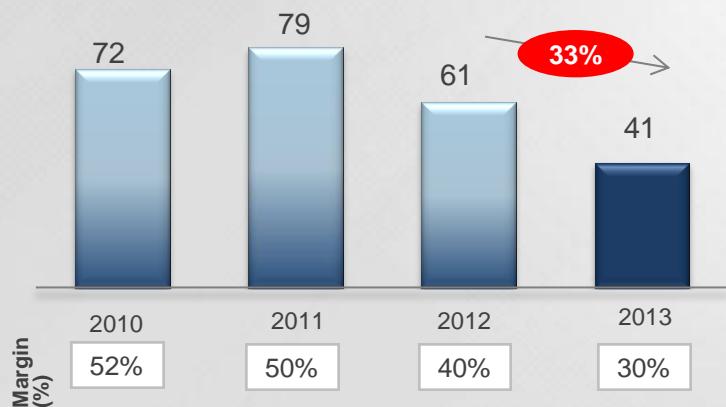
- EBITDA of US\$ 64 million, 2 % decrease due to an increase in costs related to higher maintenance and preparation and development expenses in the mine.

El Porvenir's financial performance (22% of Milpo's 1Q14 revenues)

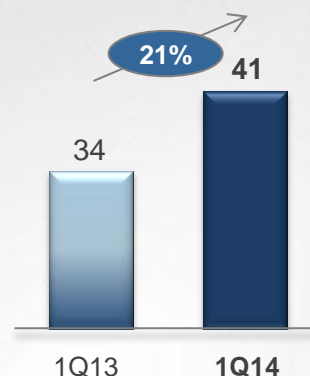
Revenues (US\$ millions)



EBITDA (US\$ millions)

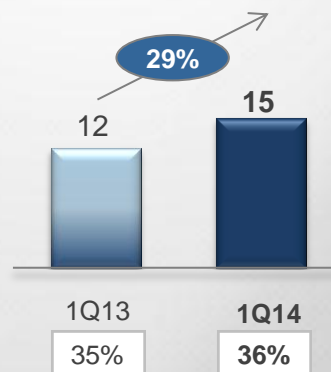


Highlights 1Q14 vs. 1Q13



- Increase in concentrates production due to higher treated ore and ore grades:

ZINC	↑	15%
LEAD	↑	82%
COPPER	↓	-29%
SILVER	↑	71%



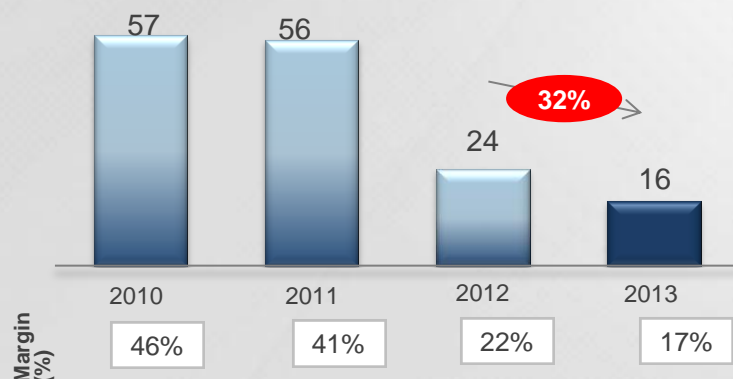
- Revenues of US\$ 41 million, 21% increase due to higher production levels and in spite of lower metal prices.
- EBITDA of US\$ 15 million 29% increase due to higher revenues and lower cash costs.

Atacocha's financial performance (13% of Milpo's 1Q14 revenues)

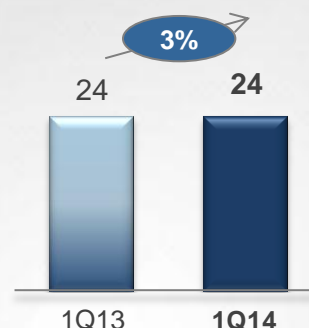
Revenues (US\$ millions)



EBITDA (US\$ millions)



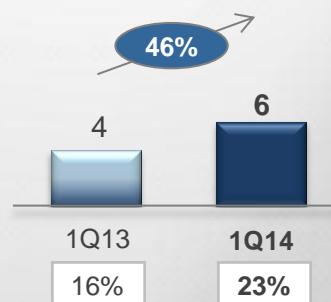
Highlights 1Q14 vs. 1Q13



- Increase in lead concentrates production which offset the decrease in zinc and copper:

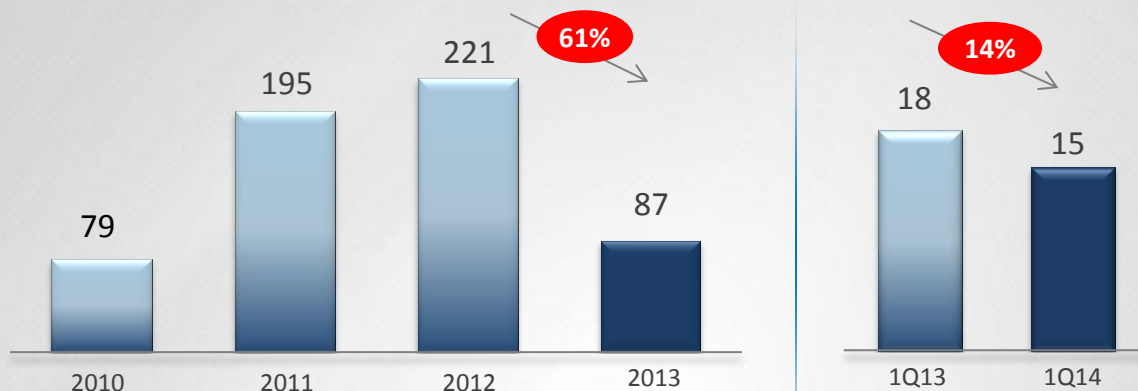
ZINC	↓	-13%
LEAD	↑	26%
COPPER	↓	-19%
SILVER	↑	22%

- Revenues of US\$ 24 million, 3% increase due to higher lead production and in spite of lower metal prices.
- EBITDA of US\$ 6 million, 46% increase due to higher revenues and lower cash costs.

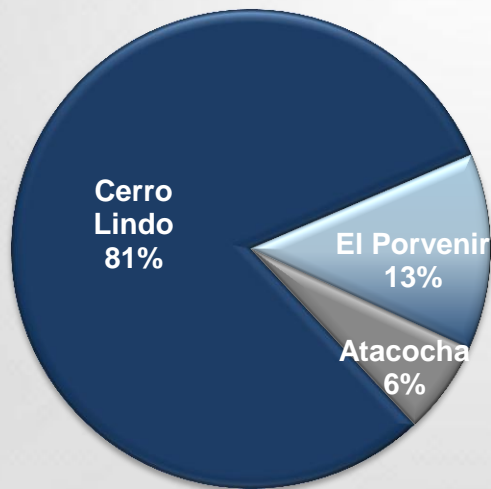


US\$ 15 million of sustaining Capex executed during 1Q14

Capex (US\$ million)



1Q14 Capex breakdown per unit



US\$ 15 MM

Main investments:

- Final works related to the 15k Project at Cerro Lindo
- Mobile equipment acquired for the three mining units (Cerro Lindo, El Porvenir, Atacocha)
- Third ball mill installation at Cerro Lindo

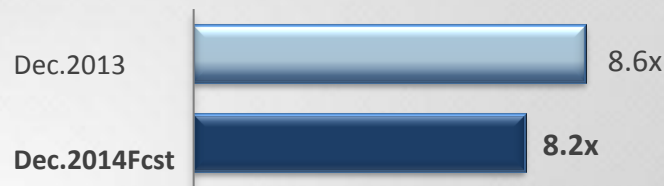
Milpo continues to have strong liquidity and low – long term indebtedness

Net Debt/ EBITDA



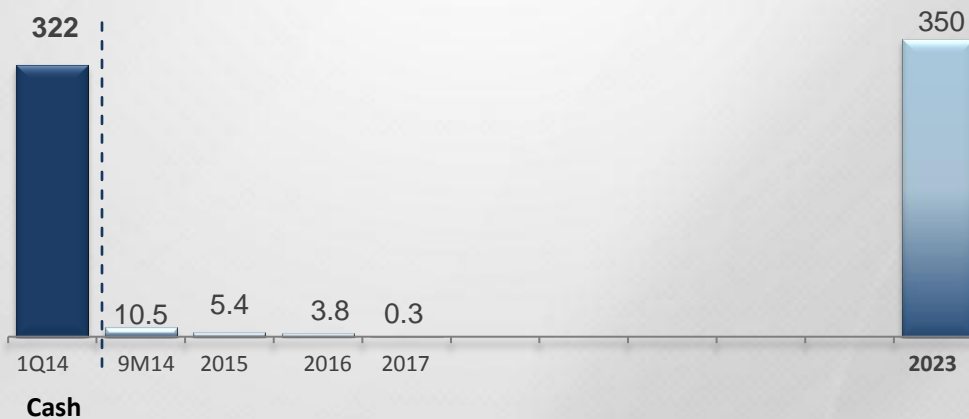
US\$MM	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14
EBITDA	207	227	237	257	266
NET DEBT	163	115	70	35	46
TOTAL DEBT	575	390	379	378	368

Average Debt maturity (years)



CREDIT RATING AGENCY	RATING	OUTLOOK	DATE
Standard & Poor's	BBB-	Stable	Mar-14
Fitch Ratings	BBB	Stable	Feb-14

Debt Amortization Profile (US\$ millions)



Cash

International Bonds represents 95% of financial debt

Outlook 2014

Price Evolution (Quarter Average)

HIGHLIGHTS

4Q12

1Q13

2Q13

3Q13

4Q13

1Q14

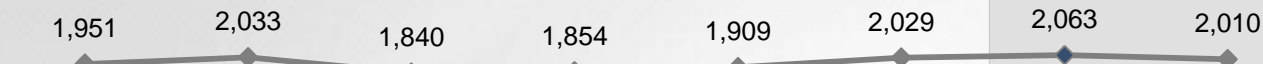
CURRENT
PRICE *

2014
FCST

ZINC

US\$/ton⁽¹⁾

1,951 2,033 1,840 1,854 1,909 2,029 2,063 2,010



Zinc: While macroeconomic indicators show a slow expanding Chinese economy, growth in some key zinc intensive end-use sectors has maintained price support in small contango.

COPPER

US\$/ton⁽¹⁾

7,825 7,928 7,146 7,059 7,153 7,038 6,930 6,849




Copper: Although China's economy is weaker than expected, copper consumption is improving, predicting an increase in 2014 demand. Demand will also remain strong due to difficulties in mine supply and heavily restricted scrap global availability.

SILVER

US\$/oz⁽¹⁾

33 30 23 21 21 20 19 20



Silver: Expectations of reduced industrial demand in China, higher US rates and disappointing outlook for gold price push silver prices down for 2014.

(1) Source: Bloomberg. Current price: LME cash prices Fcst Milpo: Average 2014

*As of May 12th, 2014.

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Closing Remarks
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Closing Remarks

- 1Q14 results continue to confirm Milpo's track record as a low-cost mining producer.
- Strategy defined around the five main pillars will continue to support enhanced productivity and business growth.
- Continuous efforts to optimize investments, costs and administrative expenses are still the management's operational focus.
- Important technical and economic definitions are currently being made in relation to the Chapi and Ivan mines and also in the Greenfield projects to reduce operational and financial risks.
- Strong liquidity position and disciplined financial management will allow the company to respond to market volatility and achieve 2014 objectives.

Q & A