



Press Release

MINSUR ANNOUNCES THE SALE OF 40% STAKE IN MINA JUSTA TO ALXAR

Lima, Peru, April 24, 2018 - MINSUR S.A. (BVL: MINSURI1) ("the Company" or "Minsur"), a Peruvian mining company that is dedicated to the exploration, processing and commercialization of tin and other minerals, announced today the sale of a 40% stake in its subsidiary, Cumbres Andinas S.A.C. ("Cumbres Andinas"), pursuant to a sale and purchase agreement with Inversiones Alxar S.A. ("Alxar"), a subsidiary of Empresas Copec S.A. of Chile. Cumbres Andinas owns Marcobre S.A.C. ("Marcobre"), a company that owns the Mina Justa copper project ("Mina Justa") located in the district of Marcona, Nazca Province, Ica Region.

Under the terms of the agreement, Alxar will acquire a 40% stake in Mina Justa, with Minsur maintaining its role as the project's operator while retaining the remaining 60% interest. The transaction has been valued at US\$ 200 million, subject to the adjustments described below, and closing of the transaction is expected to occur shortly after obtaining certain customary regulatory approvals and the satisfaction of certain other customary conditions for transactions of this type. The final consideration paid for Cumbres Andinas will be subject to a working capital adjustment and an adjustment related to capital expenditures incurred for the development of the project through the closing date.

Marcobre is expected to raise debt financing in the international bank markets for Mina Justa before commencing the construction of Mina Justa. The budget for the construction of the project is approximately US\$ 1.6 billion. The construction phase is expected to begin in the second half of 2018 with the start operations and production at the end of 2020. Currently, project development activities are aimed at determining the final budget and design, as well as the execution of preliminary works, supply, contract awarding, and preliminary construction activities.

Once in operation, it is estimated that Mina Justa will produce copper concentrates and cathodes, on average, of approximately 100,000 tonnes of copper per year during the life of the mine. Based on current reserves the mine is expected to operate for up to 18 years including pre-stripping works, with a total resource base of 432 million tonnes with an average copper grade of 0.75%. In order to extend the life of the project, Marcobre continues to undertake exploration and development work on its mining concessions and the surrounding area that covers over 60,000 hectares.

Juan Luis Kruger, CEO of Minsur, stated "Mina Justa is the most important project that the Company has undertaken in its history. It represents a transformative milestone in our growth and diversification strategy in the copper industry, enabling us to develop a large-scale and world-class mining asset ". In addition, Mr. Kruger commented "the construction of Mina Justa will be an engine for growth in the Peruvian mining industry, and will have a significant impact on the economic activity of the Ica Region and Peru through the generation of employment and further development". Finally, he said "We are very pleased to have a partner of the prestige, trajectory and professionalism of Alxar and Empresas Copec S.A. for the development of this project. We



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hope that this alliance will be the beginning of a long-term partnership that will allow the opening of new horizons for both groups”.

COMPANY DESCRIPTION

MINSUR was established in 1977 following the transformation of the Peruvian branch of the mining company, MINSUR Partnership Limited de Bahamas, called MINSUR Sociedad Limitada, which operated in Peru since 1966. Mainly dedicated to exploration, exploitation and treatment of ore deposits, MINSUR is a leader in the international tin market through its San Rafael mine and Pisco foundry and refining plant. It has also recently entered the gold market through the Pucamarca mine, which initiated operations in February 2013.

MINSUR is also a majority shareholder of Minera Latinoamericana S.A.C., which is a main shareholder of Mineração Taboca S.A., a company that operates, in the State of Amazonas in Brazil, the Pitinga mine, where tin, Niobium and Tantalum are extracted. Taboca also owns the Pirapora Foundry Plant in Sao Paulo. Through its subsidiaries, Minera Latinoamericana S.A.C. owns 73.9% of Melón, a leading Company in the production and commercialization of cement, concrete, mortar and aggregates in the Chilean market.

Lastly, MINSUR through its subsidiary Cumbres Andinas S.A.C. owns 100% of the shares of Marcobre S.A.C., which manages a copper ore project called Mina Justa, located in the district of San Juan de Marcona, in Ica.

Note on Forward-Looking Statements

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management’s current view and estimates of future economic circumstances, industry conditions, Company performance and financial results. The words “anticipates”, “believes”, “estimates”, “expects”, “plans” and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. Statements regarding the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations. .

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