MINSUR S.A. AND SUBSIDIARIES ANNOUNCE CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2016

Lima, May 13, 2016 – MINSUR S.A. and subsidiaries (BVL: MINSURI1) (“the Company” or “Minsur”), a Peruvian mining company dedicated to the exploration, processing and commercialization of tin and other minerals, announced its consolidated results for the first quarter (“1Q16”) period ended March 31, 2016. These results are reported in accordance with International Financial Reporting Standards (IFRS) and are expressed in U.S. dollars (US$), unless otherwise indicated.

I. OPERATING RESULTS AND FINANCIAL HIGHLIGHTS:

- **Production:**
  - **Tin: 5,217 tons in 1Q16**, **11%** below that reported in 1Q15, but in line with our plan. The guidance of 26,000 – 28,000 annual refined tin production remains.
  - **Gold: 33,517 ounces in 1Q16**, 16**%** higher than 1Q15, in line with the Company’s plan to reach 95,000 to 105,000 ounces of annual gold production.
  - **Niobium and tantalum alloys: 413 tons in 1Q16**, **39%** below that of 1Q15, as result of the lower production capacity due to energy constraints at Pitinga after the event at the hydroelectric power generation. We maintain production guidance of 2,000 – 2,200 tons of alloys for 2016.
- **Cash Cost per treated ton**:
  - **San Rafael/Pisco: US$ 116 in 1Q16**, 20% lower than 1Q15. In terms of cash cost per refined ton of tin, the cash cost during 1Q16 was **US$ 8,224**, 8% lower than 1Q15.
  - **Pucamarca:** In 1Q16, the cash cost per treated ton was **US$ 3.5**, 22% lower than 1Q15. In terms of cash cost per refined ounce of gold, the cash cost was **US$ 223/oz.,** an 18% decrease compared to 1Q15.
  - **Pitinga: US$ 18.8 in 1Q16** vs. US$ 17.2 in 1Q15 (+9%), as a result of lower tonnage treated and additional costs associated with power generation through diesel generators. Without the effect of extraordinary expenses from power generation, the cost per treated ton would have been US$ **16.8/ tt**, 2% lower than1Q15.
- **Average market prices:**
  - **Tin: $15,555** per ton in 1Q16, **16%** lower than 1Q15.
  - **Gold: $ 1,182** per ounce in 1Q16, **3%** lower than 1Q15.
- **EBITDA: US$ 44.3 M** in 1Q16, 28% below than 1Q15. It includes an investment of US$ 8.6 M in expansion and exploration projects. EBITDA margin in 1Q16 reached 35%, similar to that of 1Q15.
- **Net income: US$ 18.9 M in 1Q16 vs a net loss of US$ 15.1 M in** 1Q15.
- **Adjusted net income[1]:** excluding investments in subsidiaries and associated entities, as well as the exchange rate difference in Peru and Brazil, adjusted net income would have been **US$ 14.0 M** in 1Q16 (+54% vs 1Q15).

[1] Adjusted net income = Net income excluding results from subsidiaries and associated entities, and net exchange rate differences.

Table N ° 1: Summary of operating and financial results

Highlights	Unit	1Q16	1Q15	Var (%)
Production				
Tin (Sn)	t	5,217	5,883	-11%
Gold (Au)	oz	33,517	28,778	16%
Financial Results				
Net Revenue	US$ M	127.0	170.2	-25%
EBITDA	US$ M	44.3	61.8	-28%
EBITDA Margin	%	35%	36%	-4%
Net Income	US$ M	18.9	-15.1	-225%
Adjusted Net Income[1]	US$ M	14.0	9.1	54%

II. Main Considerations:

a. Average metal prices:

- **Tin**: Average Tin (Sn) price in 1Q16 was US$ 15,555 per ton, which represents a decrease of 16% compared to 1Q15. At the close of 2015, tin price per ton reached US$ 14,600. During 1Q16, tin stocks around the world decreased, restrictions continued in Indonesia's exports, and China's production declined due to lower prices.

- **Gold:** Average Gold (Au) price reached US$ 1,182 per ounce in 1Q16, a decrease of 3% compared to the same period of last year. At the close of 2015, gold price was US$ 1,061 per ounce. During 1Q16 the dollar devaluation vs local currencies worldwide resulted in a higher demand for gold as a safe haven asset.

Table N ° 2: Average metal Prices

Average Metal Prices	Unit	1Q16	1Q15	Var (%)
Tin	US$/t	15,555	18,409	-16%
Gold	US$/oz	1,182	1,219	-3%

Source: Bloomberg

[1] Adjusted net income = Net income excluding results from subsidiaries and associated entities, and net exchange rate differences.

b. Exchange rate:

The average exchange rate in 1Q16 was S/. 3.45 per US$ 1, representing a 13% Peruvian Sol depreciation, compared to an average exchange rate of S/. 3.06 per US$ 1 during 1Q15. At the end of 2015, the average exchange rate was S/. 3.41 per US$ 1, closing at S/. 3.31 at the end of 1Q16.

The average exchange rate of the Brazilian real in 1Q16 was R$ 3.90 per US$ 1, which represents a depreciation of 36% compared to the average exchange rate during 1Q15 (R$ 2.87 per US$ 1). At the close of 2015, the average exchange rate was R$ 3.96 per US$ 1, closing at R$ 3.59 at the end of 1Q16.

Table N ° 3: Exchange rate

Average Exchange Rate	Unit	1Q16	1Q15	Var (%)
PEN/USD	S/.	3.45	3.06	13%
BRL/USD	R$	3.90	2.87	36%

Source: Banco Central de Reserva del Perú

III.OPERATING MINING RESULTS

a. San Rafael – Pisco (Perú):

Table N° 4: San Rafael - Pisco Operating Results

San Rafael - Pisco	Unit	1Q16	1Q15	Var (%)
Ore Treated	t	226,759	235,459	-4%
Head Grade	%	2.09	2.16	-3%
Tin production (Sn) - San Rafael	t	4,274	4,576	-7%
Tin production (Sn) - Pisco	t	4,321	4,776	-10%
Cash Cost per Treated Ton[2] - San Rafael	US$/t	116	146	-20%
Cash Cost per Ton of Tin[3]	US$/t Sn	8,224	8,910	-8%

In 1Q16, tin production reached 4,321 tons, which represents a decrease of 10% compared to the same period of the previous year. This was mainly explained by a decrease in ore head grade from 2.16% in 1Q15 to 2.09% 1Q16, and due to a lower volume of ore treated in the plant (-4%). Nevertheless, tin production is in line with plan to reach the annual guidance.

Cash cost per treated ton[2] of San Rafael in 1Q16 was US$ 116 vs. US$ 146 in 1Q15, resulting in a 20% reduction, mainly due to cost savings and operating efficiency initiatives implemented during 2015. This includes the implementation of 4 production hubs within the mine, which have allowed

[2] Cash Cost per treated ore = San Rafael Production costs / Treated Ore

us to reduce mine developments in meters. Cash cost per treated ton is in line with plan to reach annual guidance.

Cash cost per ton of tin[3] in 1Q16 was US$ 8,224 vs. US$ 8,910 in 1Q15, an 8% decrease compared to 1Q15, mainly due to cost reductions in the mine, partially offset by a lower production of refined tin in the quarter.

The “Ore Sorting” project continues as planned and is expected to begin operations in late May/early June this year. This project at San Rafael will allow us to pre concentrate low grade ore stockpiled at the so-called “cancha 35” to be processed at San Rafael’s plant with a higher grade than the one we obtain from the fresh rock from the mine. In this way, we expect to end 2016 with an average tin grade of between 2.3% and 2.4%.

Pucamarca (Perú):

Table N°5. Pucamarca Operating Results

Pucamarca	Unit	1Q16	1Q15	Var (%)
Ore Treated	t	2,159,538	1,778,813	21%
Head Grade	g/t	0.46	0.64	-28%
Gold production (Au)	oz	33,517	28,778	16%
Cash Cost per Treated Ton	US$/t	3.5	4.4	-22%
Cash Cost per Ounce of Gold[4]	US$/oz Au	223	274	-18%

In 1Q16, gold production reached 33,517 ounces, which represents a 16% increase compared to the same period of the previous year. This is in line with the annual production guidance. In accordance with Pucamarca’s geological and mine plan model, head grade was 0.46 g/t in 1Q16, 28% below than 1Q15. The lower grade was offset by a higher volume of ore treated due to the increase in plant capacity during the first months of 2015, from 17,500 to 21,000 tons per day.

Cash cost per treated ton at Pucamarca in 1Q16 was US$ 3.5 in 1Q16 vs. US$ 4.4 in 1Q15, a 22% decrease, mainly as a result of higher volume of treated ore and lower costs in the period.

Cash cost per ounce of gold[4] in 1Q16 was US$ 223, a decrease of 18% compared to 1Q15. This decrease is explained by lower costs due to higher productivity.

[3] Cash Cost per ton of tin = (San Rafael and Pisco production costs + selling expenses + change in tin concentrates inventory, excluding employee profit sharing, depreciation and amortization) / (Tin Production, in tons, excluding the tons recovered when treating Pitinga’s concentrate at Pisco)

[4] Cash Cost per ounce of gold = (Pucamarca production cost + selling expenses, excluding employee profit sharing, depreciation and amortization) / (Gold production in ounces)

c. Pitinga - Pirapora (Taboca - Brazil):

Table N ° 6. Pitinga – Pirapora Operating Results

Pitinga - Pirapora	Unit	1Q16	1Q15	Var (%)
Ore Treated	t	1,359,266	1,514,927	-10%
Head Grade - Sn	%	0.20	0.20	0%
Head Grade - NbTa	%	0.26	0.25	7%
Tin production (Sn) - Pitinga	t	1,494	1,585	-6%
Tin production (Sn) - Pirapora	t	896	1,108	-19%
Niobium and tantalum alloy production	t	413	679	-39%
Cash Cost per Treated Ton	US$/t	18.8	17.2	9%
By-product credits Cash Cost per Ton of Tin[5]	US$/t Sn	17,768	14,341	24%

In 1Q16, tin production at Pirapora reached 896 tons, representing a 19% decrease compared to the same period last year, as a result of a scheduled plant maintenance in February. Pitinga's production reached 1,494 tons of refined tin, a 6% decrease compared to 1Q15, including a record high in monthly production during the month of March equivalent to 595 tons. The decrease in production, was mainly due to a lower refined tin treatment capacity in Pitinga, as a result of energy restrictions during January and February.

In 1Q16 production of Niobium and Tantalum (alloys) was 413 tons, representing a reduction of 39% compared to the same period last year due to lower production capacity utilization in Pitinga, as a result of the event in the hydroelectric power plant that occurred in August 2015. Currently, the repair of the hydroelectric power plant (HPP) is progressing as planned and expected to conclude during the third quarter of 2016.

Cash cost per treated ton at Pitinga in 1Q16 reached US$ 18.8 vs. US$ 17.2 in 1Q15, representing an increase of 9%. This is explained by lower treated ore, and extraordinary expenses directly associated to the electricity generation using diesel generators. Excluding the effect of higher costs associated to diesel consumption, cash cost per treated ton would have been US$ 16.8/tt, reflecting the impact of ongoing efforts to further reduce operational costs.

By-product credit cash cost per ton of tin[5] in 1Q16 was US$ 17,768, representing an increase of 24% compared to 1Q15. The higher cost is explained by extraordinary expenses associated with diesel consumption, as well as lower production of tin and niobium tantalum alloys. Excluding the effect of extraordinary expenses due to diesel consumption, the cash cost would have been US$ 15,868.

[5] By-product credit cash cost per ton of tin = (Pitinga and Pirapora production cost + selling expenses + change in tin concentrate inventory, excluding depreciation and amortization – commercial value of niobium and tantalum alloy production) / (Tin production in tons)

In terms of our current projects at Pitinga, the reconstruction of the dike of the power generation plant continues as planned, and we expect to complete it during third quarter. Furthermore, our niobates flotation plant expansion project has an overall progress of 30% and should be completed by mid 3Q16. The flotation plant expansion will allow us to significantly increase the annual production of alloys at Pitinga by increasing the plant capacity to 4,400 tons per year.

IV. CAPEX:

Table N ° 7. CAPEX

CAPEX	Unit	1Q16	1Q15	Var (%)
San Rafael - Pisco	US$ M	6.0	1.7	257%
Pucamarca	US$ M	1.6	-0.1	-
Pitinga - Pirapora	US$ M	9.5	6.0	58%
Explorations and others	US$ M	1.2	0.2	380%
Total	**US$ M**	**18.2**	**7.8**	**133%**

In 1Q16, CAPEX was US$ 18.2 M, representing an increase of 133% compared to 1Q15. The main investments during the period were:

- San Rafael: US$ 4.3M in the construction of our Pre Concentration Plant (Ore Sorting Project), to process low-grade ore that is currently stockpiled at the so-called “Cancha 35”.

- Pucamarca: General truck maintenance program and other productivity improvement investments. During 1Q15, there was a refund corresponding to contractors’ claims.

- Pitinga: US$ 4.7 M for repairs in the dam of the hydroelectric generation plant.

V. FINANCIAL RESULTS:

Table N ° 8. Profit and loss statement

Financial Statements	Unit	1Q16	1Q15	Var (%)
Net Revenue	US$ M	127.0	170.2	-25%
Cost of Sales	US$ M	-73.9	-104.3	-29%
Gross Profit	**US$ M**	**53.2**	**65.9**	**-19%**
Gross Margin	%	42%	39%	8%
Selling Expenses	US$ M	-1.5	-2.1	-28%
Administrative Expenses	US$ M	-9.0	-11.0	-18%
Exploration & Project Expenses	US$ M	-8.6	-12.0	-28%
Other Operating Expenses, net	US$ M	-4.9	-3.0	66%
Operating Income	**US$ M**	**29.1**	**37.9**	**-23%**
Finance Income (Expenses) and Others, net	US$ M	-7.9	-9.5	-16%
Results from Subsidiaries and Associates	US$ M	-2.3	2.5	-
Exchange Difference, net	US$ M	7.2	-26.7	-
Profit before Income Tax	**US$ M**	**26.1**	**4.2**	**526%**
Income Tax Expense	US$ M	-7.2	-19.3	-63%
Net Income	**US$ M**	**18.9**	**-15.1**	**-**
Net Income Margin	%	15%	-9%	-
EBITDA	**US$ M**	**44.3**	**61.8**	**-28%**
EBITDA Margin	%	35%	36%	-4%
Adjusted Net Income	**US$ M**	**14.0**	**9.1**	**54%**

a. Net revenue:

In 1Q16, net sales reached US$ 127.0 M, representing a 25% decrease (US$ 43.2 M) compared to the same period of last year. This decrease is explained by lower sales volume of tin and alloys (-19% and -62%, respectively) as well as lower tin and gold prices (-16% and -3%, respectively), partially offset by a higher volume of gold sold (16%). Lower sales volume of tin is explained by lower production in our tin units, explained in the operating results section; moreover, lower sales volume of alloys was a result of lower production at Pitinga in 1Q16 and a liquidation of stocks in 1Q15.

Table N ° 9. Volume sales by product

Net Revenue Volume	Unit	1Q16	1Q15	Var (%)
Tin	t	5,527	6,854	-19%
San Rafael - Pisco	t	4,631	5,632	-18%
Pitinga - Pirapora	t	896	1,222	-27%
Gold	oz	26,949	23,275	16%
Niobium and Tantalum Alloy	t	360	940	-62%

Table N ° 10. Net Revenue in US$ by product.

Net Revenue in US$	Unit	1Q16	1Q15	Var (%)
Tin	US$ M	89.6	128.4	-30%
San Rafael - Pisco	US$ M	75.7	105.2	-28%
Pitinga - Pirapora	US$ M	13.9	23.3	-40%
Gold	US$ M	31.6	28.4	11%
Niobium and Tantalum Alloy	US$ M	5.8	13.4	-57%
TOTAL	**US$ M**	**127.0**	**170.2**	**-25%**

b. Gross Profit:

Despite a 29% reduction in cost of sales, gross profit in 1Q16 reached US$ 53.2 M, a reduction of 19% (-US$ 12.8 M) compared to the same period last year, primarily due to lower income from lower sales during the period. However, gross margin reached 42% in 1Q16 compared to 39% in 1Q15.

c. Administrative Expenses:

Administrative expenses in 1Q16 were US$ 9.0 M, a decrease of 18% (US$ 2.0 M), compared to the same period of the previous year. The decrease is primarily explained by the cost-saving measures undertaken during 2015 and by the depreciation of local currencies (Brazilian Real and Peruvian Sol) against the US dollar.

d. Exploration and project expenses:

In 1Q16, exploration and project expenses were US$ 8.6 M, a reduction of 28% (US$ 3.3 M) compared to 1Q15. This reduction is explained by an optimization and prioritization of expenditures in the execution of exploration projects in San Rafael´s surrounding areas and Mina Justa (Marcobre). In June of 2016, we expect the pre-feasibility studies of both Marcobre and our B2 projects to conclude and be followed by feasibility studies. According to our accounting policies, future investments on these projects will be capitalized (Capex) following the submission of a positive feasibility study and will no longer be registered as exploration expenses.

e. EBITDA:

EBITDA in 1Q16 reached US$ 44.3 M, a reduction of 28% (-US$ 17.5 M) compared to 1Q15. This decrease was explained by lower volumes of refined tin and niobium and tantalum alloy sales, as well as a decrease in tin and gold prices, partially offset by savings in administrative and exploration expenses, and projects. Despite the lower metal prices, EBITDA margin remained 35% in 1Q16.

f. Net income and adjusted net income:

Net income in 1Q16 was US$ 18.9 M, an increase of US$ 34 M compared to 1Q15 where the company reported a US$ 15.1 M loss. It is important to note that in 1Q15 due to the sharp devaluation of the Brazilian Real, Taboca reported losses equivalent to US$ 26.5 M. Excluding results from subsidiaries and associated companies and the exchange difference, adjusted net income in 1Q16 would have reached US$ 14 M, 54% higher than 1Q15.

VI. LIQUIDITY:

As of March 31, 2016, cash and cash equivalents reached US$ 551.8 M, 6% lower than at the close of 2015 (US$ 590.0 M). Regarding debt levels, financial obligations as of March 31, 2016 totaled US$ 538.9 M, a 1% reduction than at the end of 2015 (US$ 546.3 M). Net debt/EBITDA ratio reached -0.1 x as of March 31, 2016 vs -0.3 at the close of 2015.

Table N ° 12. Net debt

Financial Ratios	Unit	mar-16	dic-15	Var (%)
Total Debt	US$ M	538.9	546.3	-1%
Cash	US$ M	551.8	590.0	-6%
Net Debt	US$ M	-12.9	-43.7	-70%
Total Debt / EBITDA	x	4.1x	3.7x	12%
Net Debt / EBITDA	x	-0.1x	-0.3x	-66%

Conference call information

Minsur S.A. cordially invites you to participate to its 1Q16 earnings conference call
Date and time:
Tuesday, May 17, 2016
11:00 a.m. (New York time)
10:00 a.m. (Lima time)

To participate, please dial:
USA 1-800-311-9401
International (outside the USA dial) 1-334-323-7224
Access code: 98214

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. It has recently entered the gold market through the Pucamarca mine, which initiated operations in February 2013, the other two production units of the Company are the San Rafael mine and the Foundry and Refining Plant of Pisco.

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 is also owner of the Pirapora Foundry Plant in Sao Paulo. Through its subsidiaries, Minera Latinoamericana S.A.C., owns the 73.9% of Melón, a leading Company in the production and commercialization of cement, concrete, mortar and aggregates in the Chilean market.

Finally, MINSUR through its subsidiary Cumbres Andinas S.A., owns 70% 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. Cumbres Andinas S.A. is also the main shareholder of Compañía Minera Barbastro S.A.C., which has a polymetallic project in the Huancavelica region.