CONSOLIDATED RESULTS SECOND QUARTER 2017

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MINSUR S.A. AND SUBSIDIARIES ANNOUNCE CONSOLIDATED RESULTS FOR SECOND QUARTER OF 2017

Lima, August 14, 2017 – 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 second quarter ("2Q17") and first six months ("6M17") period ended June 30, 2017. These results are reported in a consolidated basis and in accordance with International Financial Reporting Standards (IFRS) and are expressed in U.S. dollars (US$), unless otherwise indicated.

I. HIGHLIGHTS AND EXECUTIVE SUMMARY

Table N° 1: Summary of main operating and financial results

Highlights	Unit	2Q17	2Q16	Var (%)	6M17	6M16	Var (%)
Production							
Tin (Sn)	t	6,661	6,529	2%	9,729	10,264	-5%
Gold (Au)	oz	23,295	27,634	-16%	52,304	61,152	-14%
Ferro Niobium and Ferro Tantalum	t	659	484	36%	544	413	32%
Financial Results							
Net Revenue	US$ M	170.7	154.8	10%	326.8	281.8	16%
EBITDA	US$ M	63.6	46.7	36%	111.0	91.0	22%
EBITDA Margin	%	37%	30%	23%	34%	32%	5%
Net Income	US$ M	9.8	19.9	-51%	23.4	38.7	-40%
Adjusted Net Income[1]	US$ M	22.2	14.9	48%	35.8	28.9	24%

2Q17 Highlights

- Taboca reached a positive EBITDA of US $7.3 M.
- Improved performance of the pre-concentration Ore-sorting plant at San Rafael, increasing treated tons.
- Historical record of refined tin produced at Pirapora.
- Historical record of Sn recovery at San Rafael concentration plant.
- Historical record of Au recovery at Pucamarca.
- Over 13 thousand tons of tin content found at San Rafael in the first 6 months of the year.
- Safety: Pucamarca reached 8 million man-hours without lost-time incidents: San Rafael, Pisco, Pitinga and Pirapora registered no lost-time incidents in 2Q17.

2Q17 Executive Summary:

During the second quarter of the year, we achieved positive operating and financial results, mainly driven by tin performance, which reached higher sales (23%) with respect to 2Q16, due to higher volume sold (3%) and higher realized price (18%). While these sales were offset by lower volumes sold of gold and ferroalloys, however the reduction of production costs of our operations, as well as the positive performance in terms of productivity and financials at Taboca allowed us to improve margins.

[1] Adjusted net income = Net income excluding Loss from Subsidiaries and Associates and exchange rate difference

On the other hand, we reduced sales and administrative costs by -5% and -9%, respectively. However, net profit was impacted as a result of subsidiaries and associates performance (mainly loses from Rimac), as well as exchange rate fluctuations in Brazil. Excluding those external factors not related to management of business, adjusted net income was US $22.2 M, an increase of 48% compared to 2Q16.

a. Operating Results

During 2Q17, we registered higher tin and ferroalloy production (2% and 36%, respectively), and lower gold production (-16%). Tin production was higher mainly due to the stabilization of improvements made to the smelting plant at Taboca, partially offset by lower production at our smelting plant at Pisco. Ferroalloys production (Niobium and Tantalum) was 36% higher than during 2Q16 due to the expansion of the niobium and tantalum flotation plant, as well as the implementation of the new smelting furnace, investments made during 2016. Gold production was lower due to lesser ore grade (-12%), in line with defined production plan for this period.

b. Financial Results

At the consolidated level, the Company recorded positive financial results due to higher operating productivity in 2Q17 with respect to same period of previous year, and to the increase of the price of tin. These results were reflected in Sales, EBITDA and Adjusted Net Income (excluding external effects: results in subsidiaries and exchange rate fluctuation), in which in addition to the higher realized price of tin (18%), we can observe lower production costs and operating expenses, which is a result of continuous savings initiatives that the Company has been working on.

Sales were 10% higher compared to 2Q16, mainly due to higher tin price (18%), partially offset by lower gold volume sold (-16%). EBITDA was 36% higher due to a greater gross margin (42% in 2Q17 vs. 36% in 2Q16) and lower sales and administrative expenses (-5% and -9%, respectively). Despite the positive operational results, subsidiaries and associates negatively affected net profit by US$ 5.8 M, reaching US $9.8 M, which is US $10.1 M lower that the figure reached for the same period of the previous year. Nevertheless, excluding the results of subsidiaries and exchange rate fluctuations, Adjusted Net Income was US$ 22.2 M, 48% higher than same period of previous year.

II. MAIN CONSIDERATIONS:

a. Average metal prices:

- **Tin**: Average Tin (Sn) Price in 2Q17 was US$ 19,969 per ton, an increase of 18% compared to 2Q16.

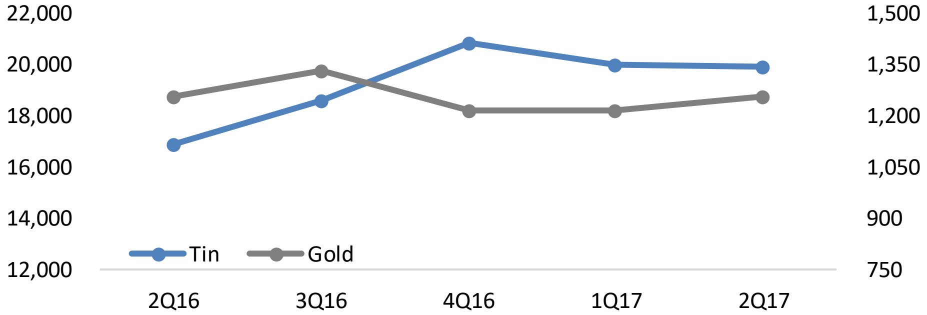
- **Gold**: Average Gold (Au) Price in 2Q17 was US$ 1,258 per ounce, in line compared to 2Q16.

Table N° 2: Average metal prices

Average Metal Prices	Unit	2Q17	2Q16	Var (%)	6M17	6M16	Var (%)
Tin	US$/t	19,969	16,933	18%	20,006	16,244	23%
Gold	US$/oz	1,258	1,258	0%	1,239	1,220	2%

Source: Bloomberg

Graph N° 1: Average metal prices trend



Source: Bloomberg

b. **Exchange rate:**

The Peruvian Sol average exchange rate during 2Q17 was S/. 3.26 per US$ 1, appreciating 2% compared to the average exchange rate during 2Q16 (S/. 3.32 per 1 US$). At the end of 2016, the average exchange rate was S/. 3.36 per US$ 1, while at the end of 2Q17 was S/. 3.25.

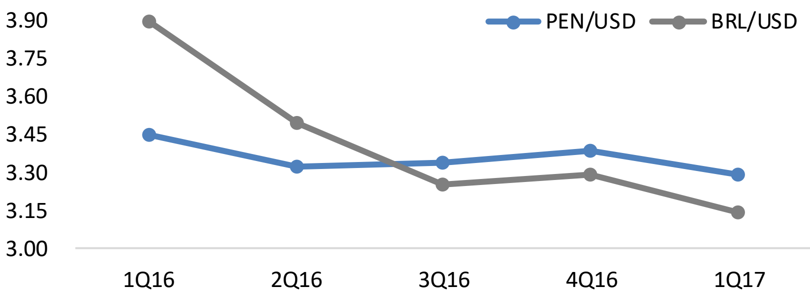
The Brazilian Real average exchange rate during 2Q17 was R$ 3.22 per 1 US$, appreciating 8% compared to the average exchange rate during 2Q16 (R$ 3.50 per 1 US$). At the end of 2016, the average exchange rate was R$ 3.26 per 1 US$, while at the end of 2Q17 was R$ 3.31.

Table N° 3: Exchange Rate

Average Exchange Rate	Unit	2Q17	2Q16	Var (%)	6M17	6M16	Var (%)
PEN/USD	S/.	3.26	3.32	-2%	3.28	3.38	-3%
BRL/USD	R$	3.22	3.50	-8%	3.18	3.70	-14%

Fuente: Banco Central de Reserva del Perú, Banco Central do Brasil

Graph N° 2: Average exchange rate trend



III. OPERATING MINING RESULTS:

a. San Rafael – Pisco (Peru):

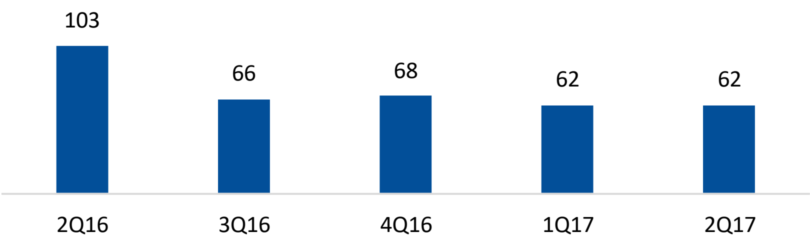
Table N° 4: San Rafael - Pisco Operating Results

San Rafael - Pisco	Unit	2Q17	2Q16	Var (%)	6M17	6M16	Var (%)
Ore Treated	t	491,126	270,471	82%	982,392	497,230	98%
Head Grade	%	1.87	2.03	-8%	1.76	2.06	-14%
Tin production (Sn) - San Rafael	t	4,794	4,573	5%	8,811	8,847	0%
Tin production (Sn) - Pisco	t	4,727	5,014	-6%	8,307	9,368	-11%
Cash Cost per Treated Ton[2] - San Rafael	US$/t	62	103	-40%	62	109	-43%
Cash Cost per Ton of Tin[3]	US$/t Sn	8,409	7,907	6%	9,249	8,063	15%

In 2Q17, refined tin production at Pisco reached 4,727 tons, a 6% decrease compared to the same period of previous year. This decrease was mainly due to higher production levels obtained at Pisco during 2Q16 due to consumption of concentrate stock as part of a plan to reduce inventory levels. It is relevant to note that the lower production at Pisco in 2Q17 was partially offset by higher production levels at the mine (+5%) due to a better performance of the Ore Sorting plant, compensating lower head grades obtained at the mine. We improve our 2017 tin production guidance to around 17,500 and 18,500 tons from Pisco Smelter and Refinery.

Cash cost per treated ton[2] at San Rafael in 2Q17 was US$ 62 vs. US$ 103 in 2Q16, a reduction of 40%. It is important to highlight that cash cost per treated ton for this period includes, unlike 2Q16, low-grade ore (341,454 tons) which is fed into the pre-concentration plant (Ore-sorting), and tons treated in concentration originated directly from the mine (149,672 tons). This is a temporary effect due to the low-grade ore stockpiled at "Cancha 35" that will be used during 2017. Excluding the impact of the volume from the Ore-Sorting, Cash cost per treated ton in 2Q17 would be US$ 103.1 vs. US$ 103.4 in 2Q16. We improve our expectation of cash cost per treated ton at San Rafael in 2017 to around US$ 60 and US$ 70.

Graph N° 3: Cash Cost per treated ton trend - San Rafael



Cash cost per ton of refined tin in 2Q17 reached US$ 8,409 vs. US$ 7,907 in 2Q16, a 6% increase mainly due to a lower production (-6%) in 2Q17 compared to 2Q16. This was partially offset by a reduction of the cost per treated ton at the mine.

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[2] Cash Cost per treated ton = San Rafael production cost / Ore treated (Ore mine to concentrated plant +low-grade ore to pre-concentration plant)

[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)

Finally, it is important to highlight that the Company is carrying out a drilling campaign to replenish resources. During 2Q17 401.5 kt of ore containing 6.9 kt of fine tin have been identified. While in 6M17, we have identified 705.3 kt of ore with 13.1 kt of fine tin contained.

b. Pucamarca (Peru):

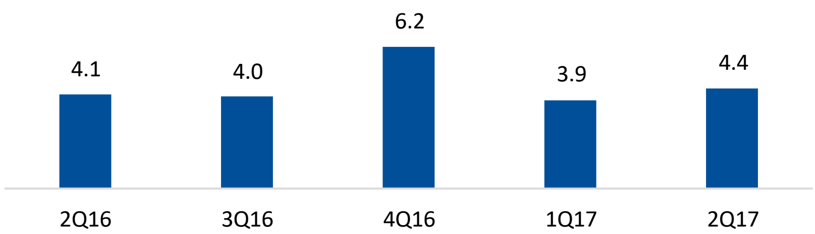
Table N° 5. Pucamarca Operating Results

Pucamarca	Unit	2Q17	2Q16	Var (%)	6M17	6M16	Var (%)
Ore Treated	t	1,948,762	2,002,630	-3%	3,824,973	4,162,168	-8%
Head Grade	g/t	0.44	0.50	-12%	0.48	0.48	-1%
Gold production (Au)	oz	23,295	27,634	-16%	52,304	61,152	-14%
Cash Cost per Treated Ton	US$/t	4.4	4.1	8%	4.2	3.8	11%
Cash Cost per Ounce of Gold[4]	US$/oz Au	370	296	25%	305	256	19%

In 2Q17, gold production reached 23,295 ounces, a 16% decrease compared to same period of previous year. This variation is explained by exploitation of lower head grade areas at the mine (-12%), as well as lower volume of ore placed in the leaching pad (-3%) in 2Q17 compared to 2Q16. It is important to note that in accordance with Pucamarca's geological model and mining plan, head grade was 0.44 g/t in 2Q17, 12% lower than 2Q16. Annual production guidance of gold is around 90,000 and 100,000 ounces.

Cash cost per treated ton at Pucamarca was US$ 4.4 in 2Q17 vs. US$ 4.1 in 2Q16, an 8% increase, mainly because of a lower volume of ore treated (-3%), and higher production cost for the quarter (+5%). Nonetheless, these results enable us to maintain the Company's annual guidance of US$ 4.5 – US$ 5.0 per treated ton in 2017.

Graph N° 4: Cash Cost per treated ton trend – Pucamarca



Cash cost per ounce of gold[4] in 2Q17 was US$ 370, an increase of 25% compared to 2Q16. This increase was explained by lower gold production (-16%), and higher cash cost per treated ton in 2Q17 compared to 2Q16 (+8%). Pucamarca remains a gold mining operation with one of the lowest costs in the world.

[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 (Brasil):

Table N°6. Pitinga – Pirapora Operating Results

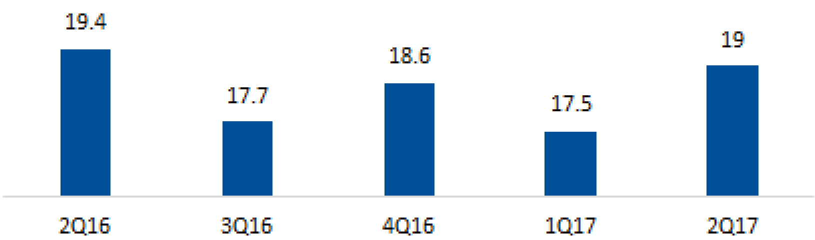
Pitinga - Pirapora	Unit	2Q17	2Q16	Var (%)	6M17	6M16	Var (%)
Ore Treated	t	1,621,740	1,484,089	9%	3,386,138	2,843,354	19%
Head Grade - Sn	%	0.20	0.21	-4%	0.19	0.20	-4%
Head Grade - NbTa	%	0.26	0.27	-4%	0.26	0.27	-4%
Tin production (Sn) - Pitinga	t	1,622	1,680	-3%	3,388	3,174	7%
Tin production (Sn) - Pirapora	t	1,934	1,514	28%	3,356	2,410	39%
Niobium and tantalum alloy production	t	659	484	36%	1,203	897	34%
Cash Cost per Treated Ton	US$/t	19.0	19.4	-2%	18.2	19.1	-5%
By-product credits Cash Cost per Ton of Tin[5]	US$/t Sn	13,391	13,396	0%	13,493	13,491	0%

In 2Q17, refined tin production at Pitinga-Pirapora reached 1,934 tons, an increase of 28% compared to 2Q16 and a record high in production, mainly due to: i) higher volume of concentrate fed to the smelting furnace (+18%), and ii) higher refined tin production from slags (+37%). We estimate to conclude 2017 with a refined tin production around 6,500 and 7,500 tons from Pirapora Smelter and Refinery.

In 2Q17 production of Ferro Niobium and Ferro Tantalum (alloys) was 659 tons, an increase of 36% compared to the same period last year, mainly explained by the startup of production of the new niobium and tantalum flotation plant. We continue our efforts to implement improvements that will allow us to achieve higher production levels of ferroalloys. Our annual production guidance remains around 3,000 and 3,500 tons in 2017.

Cash cost per treated ton at Pitinga in 2Q17 was US$ 19.0 vs. US$ 19.4 in 2Q16 (-2%), as a result of higher volume of ore fed into the concentration plant. This was partially offset by the appreciation of the Brazilian Real, increasing our cost in US dollars. We estimate to conclude 2017 with cash cost per treated ton around US$ 17 and US$ 19.

Graph N°5: Cash Cost per treated ton trend – Pitinga



By-product credit cash cost per ton of tin[5] in 2Q17 was US$ 13,391, US$ 5 lower than the figure reported in 2Q16. While ferroalloy production was higher (+36%), the higher operational cost in US dollars (+7%) and the lower tin production (-3%) offset the benefit from the higher production of ferroalloys. It is important to highlight that the higher production cost was mainly due to maintenance associated to the stoppage of the plants and the generation of off-spec ferroalloys that are being kept in stock and will be recovered.

[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)

IV. CAPEX AND EXPANSION:

Table N°7. CAPEX

CAPEX	Unit	2Q17	2Q16	Var (%)	6M17	6M16	Var (%)
San Rafael - Pisco	US$ M	6.0	8.5	-29%	9.9	14.5	-31%
Pucamarca	US$ M	2.1	1.3	65%	2.1	2.9	-25%
Pitinga - Pirapora	US$ M	9.3	14.2	-34%	30.4	23.6	29%
Marcobre, others	US$ M	11.1	0.8	1283%	19.9	2.0	905%
Total	**US$ M**	**28.6**	**24.8**	**15%**	**62.4**	**42.9**	**45%**

a. CAPEX – Current Investments

In 2Q17, CAPEX was US$ 28.6 M, an increase of 15% compared to 2Q16. The major investments during the period were:

- **San Rafael - Pisco**: Heightening of B3 tailings dam at San Rafael
- **Pucamarca:** Leaching pad expansion
- **Pitinga - Pirapora:** Expansion of the niobium and tantalum smelting plant

b. Expansion Projects

The Company manages to date two key expansion projects: B2, which contains one of the largest non-exploited tin reserves in the world according to ITRI, and Marcobre, the most advanced greenfield copper project to date in the country. Following are the most relevant key metrics of the projects to date.

Table N°8. Key Drivers expansion projects

Key Aspect	B2	Marcobre
Objective	Mine, treat and recover tin contained in the inactive tailings deposit know as B2	Mine, treat and recover copper from the deposit known as Mina Justa
Location	Inside San Rafael MU, Puno	San Juan de Marcona, Ica
Resources	Measured Resource: 7.6 Mt @ 1.05% Sn	Measured Resource: 374 Mt @ 0.71% Cu
Production	~40 Kt - 50 Kt of Sn contained in concentrates	~640 Kt of Cu in cathods ~828 Kt of Cu in concentrates
Life of Mine	9 years	16 years
Capex	~US$ 160 - US$ 180 Millon	~US$ 1,300 - US$ 1,500 Millon
Current Status	Concluding the definition phase, the definitive feasability study is expected to be presented, undergo IPR and be approved before the end of 3Q17	Concluding the definition phase, the definitive feasability study is expected to be presented, undergo IPR and be approved before the end of 4Q17

V. FINANCIAL RESULTS:

Table N°9. Financial Statements

Financial Statements	Unit	2Q17	2Q16	Var (%)	6M17	6M16	Var (%)
Net Revenue	US$ M	170.7	154.8	10%	326.8	281.8	16%
Cost of Sales	US$ M	-99.8	-99.7	0%	-202.1	-173.6	16%
Gross Profit	**US$ M**	**70.9**	**55.0**	**29%**	**124.7**	**108.2**	**15%**
Selling Expenses	US$ M	-1.5	-1.6	-5%	-2.9	-3.1	-9%
Administrative Expenses	US$ M	-10.7	-11.9	-9%	-22.2	-20.8	7%
Exploration & Project Expenses	US$ M	-10.2	-9.9	2%	-17.7	-18.6	-5%
Other Operating Expenses, net	US$ M	-1.8	-1.4	31%	-4.8	-6.3	-23%
Operating Income	**US$ M**	**46.6**	**30.3**	**54%**	**77.1**	**59.4**	**30%**
Finance Income (Expenses) and Others, net	US$ M	-9.2	-9.9	-7%	-15.8	-17.8	-12%
Results from Subsidiaries and Associates	US$ M	-5.8	-2.1	176%	-7.7	-4.4	75%
Exchange Difference, net	US$ M	-6.6	7.0	-	-4.7	14.2	-133%
Profit before Income Tax	**US$ M**	**25.1**	**25.3**	**-1%**	**48.9**	**51.3**	**-5%**
Income Tax Expense	US$ M	-15.3	-5.4	183%	-25.5	-12.6	102%
Net Income	**US$ M**	**9.8**	**19.9**	**-51%**	**23.4**	**38.7**	**-40%**
Net Income Margin	%	6%	13%	-55%	7%	14%	-48%
EBITDA	**US$ M**	**63.6**	**46.7**	**36%**	**111.0**	**91.0**	**22%**
EBITDA Margin	%	37%	30%	23%	34%	32%	5%
Adjusted Net Income	**US$ M**	**22.2**	**14.9**	**48%**	**35.8**	**28.9**	**24%**

a. Net Revenue:

In 2Q17, net revenue reached US$ 170.7 M, an increase of 10% (US$ 15.9 M) compared to the same period of the previous year. This increase is explained by higher sales of tin of US$ 24.8 M, as a result of higher realized prices (+18%), and higher sold volume (+3%); however, this was partially offset by lower sold volumes of gold (-22%) and ferroalloys (-7%), in line with Company's estimated sales plan for the period.

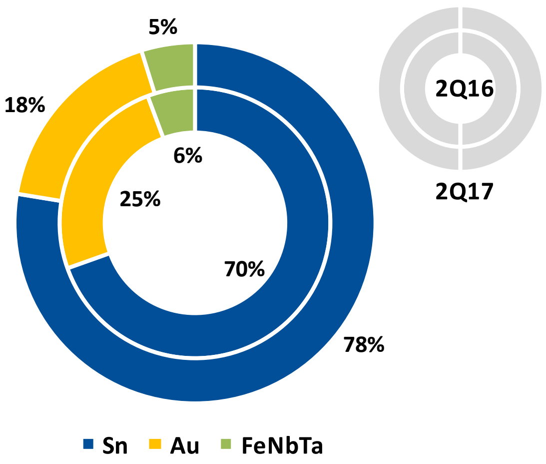
Table N°10. Net revenue Volume by product

Net Revenue Volume	Unit	2Q17	2Q16	Var (%)	6M17	6M16	Var (%)
Tin	t	6,388	6,213	3%	12,337	11,740	5%
San Rafael - Pisco	t	4,477	4,714	-5%	8,972	9,345	-4%
Pitinga - Pirapora	t	1,911	1,499	28%	3,364	2,395	40%
Gold	oz	23,570	30,218	-22%	47,877	57,167	-16%
Niobium and Tantalum Alloy	t	520	580	-10%	1,033	940	10%

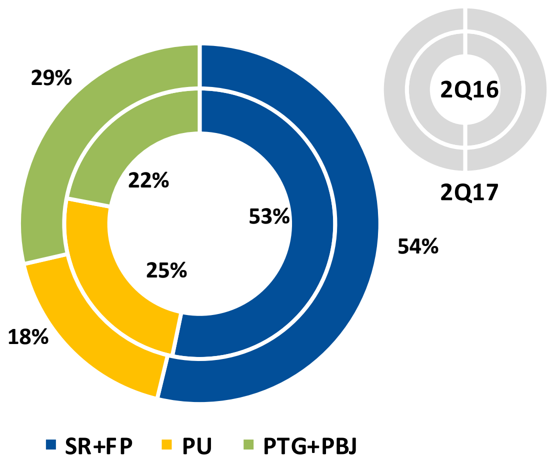
Table N°11. Net revenue in US$ by product

Net Revenue by Metal	Unit	2Q17	2Q16	Var (%)	6M17	6M16	Var (%)
Tin	US$ M	132.4	107.7	23%	250.6	197.3	27%
San Rafael - Pisco	US$ M	91.8	82.4	11%	183.0	158.1	16%
Pitinga - Pirapora	US$ M	40.6	25.2	61%	67.6	39.2	72%
Gold	US$ M	30.1	38.3	-22%	60.2	69.9	-14%
Niobium and Tantalum Alloy	US$ M	8.2	8.8	-7%	16.0	14.5	10%
TOTAL	**US$ M**	**170.7**	**154.8**	**10%**	**326.8**	**281.8**	**16%**

Graph N°6: Net Sales in US$ by Product



Graph N°7: Net Sales in US$ by Mining Unit



b. Cost of Sales:

Table N°12. Cost of Sales details

Cost of Sales	Unit	2Q17	2Q16	Var (%)	6M17	6M16	Var (%)
Production Cost	US$ M	83.9	76.1	10%	167.4	145.6	15%
Depreciation	US$ M	15.4	14.9	3%	30.5	28.5	7%
Workers profit share	US$ M	3.1	1.8	74%	5.3	4.9	8%
Stocks Variation and Others	US$ M	-2.5	7.0	-	-1.0	-5.3	-81%
TOTAL	**US$ M**	**99.8**	**99.7**	**0%**	**202.1**	**173.6**	**16%**

In 2Q17, cost of sales reached US$ 99.8 M, in line with 2Q16. However, production costs increased 10% mainly due to the appreciation of the Brazilian Real (-8%), which affected the Company's production costs at Taboca; as well as to the increase of treated volumes at San Rafael and Pucamara in order to compensate for the lower grades in the mines . Moreover, it is important to highlight that in 2Q16, US$ 7.0 M of inventory were consumed, while in 2Q17, US$ 2.5 M of inventory were accumulated.

c. Gross Profit:

Gross profit during 2Q17 was US$ 70.9 M, a 29% increase compared to the same period of the previous year. Gross margin moved from -12% in 2Q16 to +10% in 2Q17, therefore, shifting consolidated gross margin from 36% in 2Q16 to 42% in 2Q17.

d. Administrative Expenses:

Administrative expenses in 2Q17 were US$ 10.7 M, a decrease of 9% (US$ 1.1 M) compared to the same period of last year. This decrease was primarily due to lower workers' profit sharing (US$ 1.7 M) in Minsur Individual in 2Q17, due to excess accruals made during 2Q16 which were reversed in the following quarter, this positive effect was partially offset by higher administrative expenses at the Marcobre project (US$ 0.5 M). It is important to highlight that in Taboca, despite an appreciation of the Brazilian Real (-8%), administrative expenses in dollars increased by only 2%. Excluding the effects of the worker's profit sharing, administrative expenses in 2Q17 would have been US$ 9.9 M, in line with 2Q16.

e. Exploration and Project Expenses:

In 2Q17, exploration & project expenses totaled US$ 10.2 M, an increase of 2% (US$ 0.2 M) compared to the same period of last year. This increase is mainly due to higher expenses made in explorations at San Rafael's and Pucamarca's surrounding areas (+US$ 4.4 M), these investments are being made to expand our mines lives. This higher expenses were offset by lower expenses at the Marcobre project, as these are now capitalized following the transition from prefeasibility to feasibility phase (-US$ 4.6 M); thus, the expenses are capitalizing during 2Q17.

f. EBITDA:

EBITDA in 2Q17 reached US$ 63.6 M, an increase of 36% (US$ 16.9 M) compared to the same period of the previous year. This was mainly due to the positive operating and financial performance at Taboca, which increased its EBITDA by US$ 9.9 M (from –US$ 2.0 M in 2Q16 to +US$ 7.3 M in 2Q17); as well as to the capitalization of exploration expenses at Marcobre (+US$ 4.1 M), and higher EBITDA at San Rafael and Pucamarca (+US$ 3.2 M). EBITDA margin in 2Q17 reached 37%, higher than the 30% in 2Q16.

g. Income Tax:

In 2Q17, income tax expenses reached US$ 15.3 M, US$ 9.9 M higher than 2Q16; while in 6M17, income expense was US$ 25.5 M, US$ 12.9 M higher than the same period of the previous year. It is important to highlight that, despite lower Profit before Income Tax, income taxes were higher due to the following temporary effects: i) a positive adjustment in 2Q16 for US$ 5.5 M resulted from changes in tax gains/losses recognitions in invested funds abroad, and ii) the exchange rate appreciation (Nuevos Soles), which generated a conversion effect in differed income tax for US$ 4.8 M. It is important to highlight that these effects are recalculated monthly according to the exchange rate fluctuations.

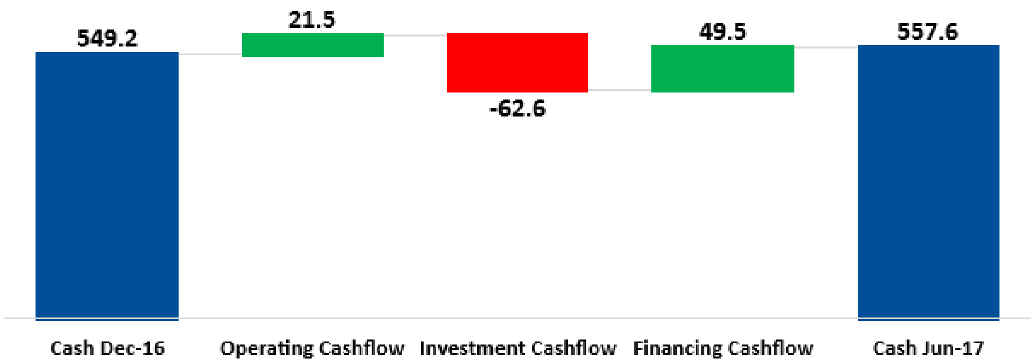
h. Net Income and Adjusted Net Income:

Net income in 2Q17 reached US$ 9.8 M, a decrease of US$ 10.1 M compared to 2Q16 (US$ 19.9 M). It is important to mention that in 2Q16 Taboca registered exchange rate gains for US$ 7.0 M, due to a strong appreciation of the Brazilian Real in 2Q16. Excluding results from subsidiaries and associates, and the exchange rate difference, adjusted net income in 2Q17 was US$ 22.2 M, an increase of 48% compared to 2Q16.

VI. LIQUIDITY:

As of June 30, 2017, cash and cash equivalents totaled US$ 557.6 M, a 2% increase compared to the close of 2016 (US$ 549.2 M). This is mainly due to investment capital disbursements for US$ 62.6 M related to sustaining and expansion capex in our units, which were partially offset by a positive operating cash flow of US$ 26.1 M and financing cash flow of US$ 44.9 M. This last cash movement corresponds to the debt signed at Taboca used to finance capital investments made during 2016 and which were paid during the first and second quarters of 2017.

Graph N°8: Cash Flow Reconciliation



In terms of debt, total financial debt as of June 30, 2017, reached US$ 596.8 M, 8% higher than the total debt recorded at the end of 2016 (US$ 551.5 M). The debt increase, as mentioned above, is due the signed debt at Taboca. Net leverage ratio reached 0.2x as of June 30, 2017, vs. 0.0x at the end of 2016.

Table N°13. Net Debt

Financial Ratios	Unit	jun-17	dic-16	Var (%)
Total Debt	US$ M	596.8	551.5	8%
Long Term - Minsur 2024 Bond	US$ M	445.0	444.7	0%
Short Term - Taboca	US$ M	151.8	106.8	42%
Cash	US$ M	557.6	549.2	2%
Cash and Equivalents	US$ M	259.2	353.3	-27%
Fixed term deposits	US$ M	130.4	30.2	332%
Mutual Funds and Deposit certificates	US$ M	168.0	165.7	1%
Net Debt	US$ M	39.2	2.3	1608%
Total Debt / EBITDA	x	2.6x	2.7x	-1%
Net Debt / EBITDA	x	0.2x	0.0x	1458%

Graph N°9: Net Debt and Net Debt/EBITDA trend

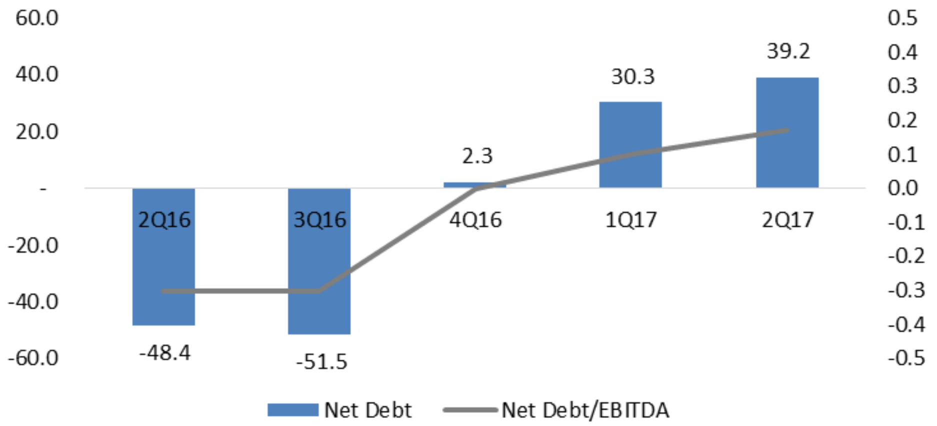


Table N°14. Current Credit Ratings

Rating Agencie	Given Rating	Outlook
Fitch Ratings	BBB-	Stable
Moody's Investors Service	Ba3	Positive
S&P Global Ratings	BBB-	Negative

VII. Guidance 2017 - Update

Operating Unit	Metric	Guidance	Updated Guidance
San Rafael/Pisco	Refined Tin Production (t)	16,500 - 17,500	17,500 - 18,500
	Cash Cost per treated ton at San Rafael (US$)	70 - 80	60 - 70
	CAPEX (US$M)	30-40	30-40
Pucamarca	Gold production (koz)	90 - 100	90 - 100
	Cash Cost per treated ton (US$)	4.5 - 5.0	4.5 - 5.0
	CAPEX (US$M)	20 - 25	20 - 25
Pitinga / Pirapora	Refined tin production (t)	6,500 - 7,500	6,500 - 7,500
	Ferroalloys production (t)	3,000 - 3,500	3,000 - 3,500
	Cash Cost per treated ton at Pitinga (US$)	17.0 - 19.0	17.0 - 19.0
	CAPEX (US$M)	45 – 50	40 - 45
Marcobre	CAPEX (US$M) until the completion of the feasibility phase (4Q17)	25 - 30	25 - 30
	CAPEX for detailed engineering and early works	n.d.	35 - 40
B2	CAPEX (US$M) until the completion of the feasibility phase (3Q17)	9 - 12	7 - 9

VIII. Recent Developments

As part of our constant search for continuous improvement, Minsur has carried out some Organization Structure changes. Mr. Gianflavio Carozzi, former CFO of the Company, was appointed General Manager of Peruvian Operations. In his replacement, Mr. Diego Molina assumed the position of CFO, effective August 8, 2017. Mr. Diego Molina is a Civil Industrial Engineer and holds an MS from the Pontificia Universidad Catolica de Chile, and an MBA from Tsinghua and INSEAD University. Mr. Molina has experience in large companies such as AMCOR, Peruplast and SQM.

Conference call information

Minsur S.A. cordially invites you to participate to its 2Q17 earnings conference call

Date and Time:
Wednesday, August 16, 2017
11:00 a.m. (New York time)
10:00 a.m. (Lima time)

To participate, please dial:
USA 1-800-329-0864
International (outside the USA dial) 1-785-424-1243
Código de acceso: MINSUR

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 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. 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.

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. Also, certain reclassifications have been made to make figures comparable for the periods. 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 declaration or payment of dividends, 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.